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The following provides the details and the status of the procurement bills that were before the Maryland General Assembly this session.

**HB 283/ SB 109 – Procurement – Prohibitions on Participation**

Bill Link -- <http://mgaleg.maryland.gov/2017RS/bills/hb/hb0283T.pdf>

HB 283/ SB 109 provides that an individual (and the individual's employer) who assists an agency in the drafting of an IFB or RFP, or who assists with selection of award, is prohibited from bidding on a procurement, or assisting another to bid on a procurement for the later of: (1) 2 years from date of issuance of the IFB or RFP; or (2) the date of award of a procurement contract in response to the IFB or RFP. The bill also makes other clarifications to SF&P 13-212.1.

Status: Passed

**HB 426/ SB 311 – Promoting Efficiencies in State Procurement**

Bill Link - <http://mgaleg.maryland.gov/2017RS/bills/hb/hb0426T.pdf>

HB 426/ SB 311 was introduced at the request of Governor Hogan's Office. It: (1) alters the process for the procurement of architectural and engineering (A&E) contracts valued at more than \$200,000; (2) repeals the statutory preference for the use of competitive sealed bids in State procurement; (3) expands authority for master contracting; (4) raises the small procurement threshold; (5) allows community colleges to advertise bid solicitations on eMaryland Marketplace (eMM) instead of in a newspaper published in the county; and (6) makes conforming changes and repeals obsolete provisions. The fiscal note from legislative staff provides a more thorough summary --

[http://mgaleg.maryland.gov/2017RS/fnotes/bil\\_0001/sb0311.pdf](http://mgaleg.maryland.gov/2017RS/fnotes/bil_0001/sb0311.pdf)

Status: Passed

**HB 433/ SB 309 – State Finance and Procurement – Small and Minority Business Participation**

Bill Link - <http://mgaleg.maryland.gov/2017RS/bills/hb/hb0433T.pdf>

HB 433/ SB 309 was introduced at the request of Governor Hogan's office. This bill expands the Small Business Reserve Program (SBR) to apply to all State agencies, raises the program's goal from 10% to 15% of the value of agency procurements, and alters the method of measuring whether agencies reach the goal. The bill also clarifies the conditions under which a minority business enterprise (MBE) may be removed from a contract and alters the calculation of MBE participation in State procurement for selected MBEs. The fiscal note from legislative staff has a more thorough explanation --

[http://mgaleg.maryland.gov/2017RS/fnotes/bil\\_0003/hb0433.pdf](http://mgaleg.maryland.gov/2017RS/fnotes/bil_0003/hb0433.pdf)

SB 309 was amended late last night to include an MBE requirement for offshore wind. This was made an Emergency Bill and for further details -

[http://mgaleg.maryland.gov/2017RS/amds/bil\\_0009/sb0309\\_80342101.pdf](http://mgaleg.maryland.gov/2017RS/amds/bil_0009/sb0309_80342101.pdf)

Status: Passed

#### **HB1021 – Reorganization of State Procurement**

Bill Link – <http://mgaleg.maryland.gov/2017RS/bills/hb/hb1021T.pdf>

HB 1021 establishes, with delayed implementation, the position of Chief Procurement Officer (CPO) within the Department of General Services (DGS). The CPO is to be appointed by the Governor, subject to Senate confirmation. Except for procurement activity by a primary procurement unit other than DGS, the CPO is the head of all procurement activity for the Executive Branch and also controls procurement for DGS. The bill repeals the status of the Department of Budget and Management (DBM) and Department of Information Technology (DoIT) as control and primary procurement units and likewise repeals the status of the Department of Public Safety and Correctional Services (DPSCS) as a primary procurement unit; instead, it transfers each of their oversight responsibilities to DGS. However, DGS, through the CPO, is granted authority to delegate procurement authority to agencies with specific expertise. The bill renames and reorganizes the Procurement Advisory Council, with the CPO serving as both chair and principal staff to the council. DGS and DoIT jointly manage eMaryland Marketplace (eMM), and the bill establishes a new Electronic Transaction Fund to receive revenues from fees imposed on users of eMM. DGS must use the fund to cover the actual and documented costs of administering contracts through electronic means. The bill includes related activities and reporting requirements for the CPO, the Board of Public Works (BPW), the Office of the Attorney General (OAG), DBM, and several other agencies.

The bill takes effect October 1, 2017, but the establishment of the CPO position (and all of its attendant responsibilities) takes effect October 1, 2019.

Status: Passed

**HB 390/ SB 310** – Improving the State Procurement Oversight Structure

Bill Link – <http://mgaleg.maryland.gov/2017RS/bills/hb/hb0390T.pdf>

HB 390/ SB 310 was introduced at the request of Governor Hogan’s office. This bill requires a reviewing authority on a contract claim to approve, disapprove, or modify the decision of a procurement officer within 180 days, or a longer mutually agreed upon period, after receipt of the claim; otherwise, a contract claim is deemed denied to allow an appeal to the Maryland State Board of Contract Appeals (MSBCA). It also requires the Maryland Department of Transportation (MDOT), in consultation with the Maryland-Delaware-District of Columbia Press Association, to study (1) the use and cost of placing public announcements of solicitations of interest for transportation architectural and engineering (A&E) services in the Daily Record and other print publications and (2) whether the Code of Maryland Regulations should be amended. MDOT must report its findings to specified committees of the General Assembly by December 1, 2017. The bill raises the threshold used to determine whether a State contractor must disclose specified information to the Secretary of State. Finally, it repeals an obsolete provision authorizing agencies to prequalify vendors. The fiscal note from legislative staff has a more thorough explanation --

[http://mgaleg.maryland.gov/2017RS/fnotes/bil\\_0000/hb0390.pdf](http://mgaleg.maryland.gov/2017RS/fnotes/bil_0000/hb0390.pdf)

Status: Passed

**HB 467 - Providing Our Workers Education and Readiness (POWER) - Apprenticeship Act**

Bill Link – <http://mgaleg.maryland.gov/2017RS/bills/hb/hb0467T.pdf>

HB 467 requires each contractor or subcontractor awarded a contract for at least \$500,000 for a capital construction project that receives at least \$1.0 million in the State’s capital budget to, under specified circumstances, (1) be affiliated with a registered apprenticeship program and use apprentices in each covered craft that is used; (2) make payments to the State Apprenticeship Training Fund (SATF); or (3) make specified payments directly to a registered apprenticeship program.

Contractors and subcontractors are not subject to the bill’s requirements if: (1) there are no registered apprenticeship programs for the craft or trade employed by the contractor or subcontractor; or (2) the project is required to pay prevailing wages under State law. Payments to SATF are determined by the Secretary of DLLR, but they may not exceed 25 cents per hour for each of the contractor’s or subcontractor’s employees working on the project. If a contractor or subcontractor makes payments directly to an apprenticeship program that are less than those

required by the bill, the contractor must pay the difference to the fund. All payments to the fund must be made on a monthly basis. Proceeds from the fund may be used to pay any costs associated with implementing the bill.

A contractor or subcontractor that fails to meet the bill's requirements is subject to fines and penalties.

The bill takes effect **June 1, 2017; and is to be applied prospectively to any covered contracts executed on or after that date.**

Status: Passed