

HOUSE BILL 1214

P2
HB 991/20 – HGO

11r2367

By: **Delegate Wilson**

Introduced and read first time: February 8, 2021

Assigned to: Health and Government Operations

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 9, 2021

CHAPTER _____

1 AN ACT concerning

2 **Procurement – Transparency and Application to County Contracts**

3 FOR the purpose of requiring the Secretary of General Services to review and evaluate
4 certain contracts in accordance with certain requirements; requiring the Secretary
5 to report annually to certain committees of the General Assembly; requiring the
6 Secretary to adopt certain regulations; altering the definition of “unit” for the
7 purposes of applying certain provisions of law governing procurement to certain
8 county procurement contracts using State funds or for the benefit of the State;
9 requiring certain invitations for bids and requests for proposals to include certain
10 instructions; altering the period of time within which a unit is required to publish a
11 certain notice of award in a competitive sealed bid or sole source procurement in
12 eMaryland Marketplace; requiring a unit to publish a certain notice of award in a
13 competitive sealed proposal within a certain period of time; requiring a unit to
14 deliver certain notices to certain unsuccessful bidders and unsuccessful offerors in a
15 certain manner within a certain period of time; authorizing an unsuccessful bidder
16 or unsuccessful offeror to request a certain debrief within a certain period of time
17 after receiving a certain notice; requiring a unit to provide a certain debrief within a
18 certain period of time after receiving a certain request; requiring certain minutes
19 and certain documents to be published in eMaryland Marketplace at certain times;
20 requiring a certain protest to be filed within a certain period of time; requiring the
21 Special Secretary for the Office of Small, Minority, and Women Business Affairs to
22 assign certain staff as required under certain provisions of this Act; requiring a
23 member of the Office staff to be assigned to certain procurement units; requiring
24 each member of the Office staff assigned to a unit under a certain provision of this

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Act to observe certain procurement processes and ensure that certain goals are met
2 in a certain manner; and generally relating to procurement.

3 BY repealing and reenacting, without amendments,
4 Article – State Finance and Procurement
5 Section 11–101(a)
6 Annotated Code of Maryland
7 (2015 Replacement Volume and 2020 Supplement)

8 BY repealing and reenacting, with amendments,
9 Article – State Finance and Procurement
10 Section 4–204(f), 11–101(y), 13–103, 13–104, 13–107(c), 13–210, and 15–217
11 Annotated Code of Maryland
12 (2015 Replacement Volume and 2020 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article – State Government
15 Section 9–304
16 Annotated Code of Maryland
17 (2014 Replacement Volume and 2020 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
19 That the Laws of Maryland read as follows:

20 **Article – State Finance and Procurement**

21 4–204.

22 (f) (1) On or before December 1 of each year, the Secretary shall send a report
23 to the Governor on the activities of the Department during the previous fiscal year.

24 (2) (I) THE SECRETARY SHALL REVIEW AND EVALUATE ALL
25 CONTRACTS THAT WERE EXECUTED IN THE PRIOR YEAR USING STATE FUNDS OR
26 CONTRACTS FOR THE BENEFIT OF THE STATE, A UNIT OF THE STATE, OR STATE
27 OFFICIALS OR EMPLOYEES.

28 (II) FOR EACH REVIEWED CONTRACT UNDER SUBPARAGRAPH
29 (I) OF THIS PARAGRAPH, THE EVALUATION SHALL EXAMINE:

30 1. CHANGES IN FINAL COST COMPARED TO THE BID OR
31 OFFER PRICE;

32 2. HOW CLOSELY THE COMPLETED CONTRACT MET THE
33 CRITERIA LISTED IN THE REQUEST FOR PROPOSALS OR INVITATION FOR BIDS; AND

1 **3. WHETHER PROPER PROCUREMENT PROCEDURES**
2 **WERE FOLLOWED TO SOLICIT AND AWARD THE CONTRACT.**

3 **(III) ON OR BEFORE JULY 1 EACH YEAR, THE SECRETARY SHALL**
4 **REPORT ON THE CONTRACT REVIEW REQUIRED UNDER SUBPARAGRAPH (I) OF THIS**
5 **PARAGRAPH TO THE SENATE BUDGET AND TAXATION COMMITTEE, THE SENATE**
6 **FINANCE COMMITTEE, THE HOUSE APPROPRIATIONS COMMITTEE, AND THE**
7 **HOUSE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE, IN ACCORDANCE**
8 **WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE.**

9 **(IV) THE SECRETARY SHALL ADOPT REGULATIONS TO ENSURE**
10 **THAT LOCAL UNITS AND THIRD PARTIES PROVIDE THE INFORMATION NECESSARY**
11 **FOR THE SECRETARY'S REVIEW OF CONTRACTS TO BE THOROUGH AND COMPLETE.**

12 11-101.

13 (a) In this Division II the following words have the meanings indicated unless:

14 (1) the context clearly requires a different meaning; or

15 (2) a different definition is provided for a particular title or provision.

16 (y) (1) "Unit" means:

17 **(I) an officer or other entity that is in the Executive Branch of the**
18 **State government and is authorized by law to enter into a procurement contract; OR**

19 **(II) AN OFFICER OR OTHER ENTITY OF A COUNTY GOVERNMENT**
20 **IF THE OFFICER OR ENTITY IS ENTERING INTO A PROCUREMENT CONTRACT:**

21 **1. USING STATE FUNDS; OR**

22 **2. FOR THE BENEFIT OF THE STATE, A UNIT OF THE**
23 **STATE, OR STATE OFFICIALS OR EMPLOYEES.**

24 (2) "Unit" does not include:

25 (i) a bistate, multistate, bicounty, or multicounty governmental
26 agency; or

27 (ii) a special tax district, sanitary district, drainage district, soil
28 conservation district, water supply district, or other political subdivision of the State.

29 13-103.

1 (a) (1) Whenever procurement is based on competitive sealed bids, a
2 procurement officer shall seek bids by issuing an invitation for bids.

3 (2) Subject to subsection (b) of this section, an invitation for bids shall
4 include:

5 (i) the specifications of the procurement contract, including the
6 expected degree of minority business enterprise participation, as provided in § 14–303(b) of
7 this article;

8 (ii) whether the procurement contract will be awarded based on the
9 lowest bid price, the lowest evaluated bid price or, if the procurement is subject to §
10 11–202(3) of this article, the bid most favorable to the State;

11 (iii) if the procurement contract will be based on evaluated bid price,
12 the objective measurable criteria by which the lowest evaluated bid price will be
13 determined; [and]

14 (iv) if the Secretary of General Services, the Secretary of
15 Transportation, or the Chancellor of the University System of Maryland has so designated,
16 the small business preference;

17 (v) **INSTRUCTIONS ON HOW TO SUBMIT A PROTEST UNDER §**
18 **15–217 OF THIS ARTICLE;**

19 (vi) **INSTRUCTIONS ON HOW TO ACCESS MATERIALS THAT ARE**
20 **OPEN TO PUBLIC INSPECTION UNDER § 13–210(B) OF THIS TITLE; AND**

21 (vii) **INSTRUCTIONS ON HOW TO REQUEST AN UNSUCCESSFUL**
22 **BIDDER DEBRIEF UNDER SUBSECTION (G) OF THIS SECTION.**

23 (b) (1) Whenever a procurement officer determines that an initial preparation
24 of specifications for price bids is impracticable, the invitation for bids may:

25 (i) include a request for unpriced technical offers or samples; and

26 (ii) direct bidders to submit price bids:

27 1. with the unpriced technical offers or samples; or

28 2. after the unit evaluates the technical offers or samples and
29 finds that they are acceptable under the criteria set forth in the invitation for bids.

30 (2) A unit shall consider the prices submitted by bidders whose technical
31 offers or samples have been found acceptable.

1 (3) Price bids may not be opened until after the unit has completed
2 evaluation of the technical offers or samples.

3 (4) (i) A price bid may not be opened at any time if the bid is submitted
4 by a bidder whose technical offer or sample has been evaluated as unacceptable to the unit.

5 (ii) A procurement officer shall return an unopened price bid
6 submitted by a bidder whose technical offer or sample has been evaluated as unacceptable.

7 (c) (1) A unit shall give public notice of an invitation for bids before bid
8 opening in accordance with this subsection.

9 (2) A unit shall give reasonable notice that shall be at least 10 days before
10 bid opening.

11 (3) The unit shall publish notice in eMaryland Marketplace at least 20 days
12 before bid opening if:

13 (i) the procurement officer reasonably expects bid prices to exceed
14 \$50,000 or a lower amount set by the Board by regulation in accordance with Title 10,
15 Subtitle 1 of the State Government Article; and

16 (ii) at least part of the procurement contract is to be performed in
17 this State or the District of Columbia.

18 (4) In addition to any notice required under this subsection, a unit may
19 publish notice of an invitation for bids:

20 (i) on a bid board or eMaryland Marketplace; or

21 (ii) in a newspaper, periodical, or trade journal.

22 (d) (1) A procurement officer shall:

23 (i) open bids in public at the time and place designated in the
24 invitation for bids; and

25 (ii) announce, record, and post:

26 1. the name of each bidder; and

27 2. the amount of each bid.

28 (2) Except as provided in paragraph (3) of this subsection, a bid is
29 irrevocable, after bid opening, for the period specified in the invitation for bids.

1 (3) A procurement officer may allow a bidder to correct or withdraw a bid
2 if correction or withdrawal is:

3 (i) allowed under regulations adopted under this Division II; and

4 (ii) approved in writing by the Office of the Attorney General.

5 (e) (1) After obtaining any approval required by law, the procurement officer
6 shall award the procurement contract to the responsible bidder who submits the responsive
7 bid that:

8 (i) is the lowest bid price;

9 (ii) if the invitation for bids so provides, is the lowest evaluated bid
10 price; or

11 (iii) for procurement subject to § 11–202(3) of this article, is the bid
12 most favorable to the State.

13 (2) If, after competitive sealed bids have been opened, a procurement
14 officer determines that only 1 responsible bidder has submitted a responsive bid, the unit
15 may negotiate the procurement contract with that 1 bidder under the procedure for sole
16 source procurement.

17 (3) (i) After competitive sealed bids have been opened, a procurement
18 officer may award a procurement contract on the basis of revised bids if:

19 1. all bids are rejected under § 13–206(b) of this title;

20 2. all bid prices exceed the funds available for the
21 procurement; or

22 3. with the approval of the head of the unit or a designee, the
23 procurement officer determines that all bids are unreasonable as to at least 1 requirement
24 and the delay that would result from issuing a new invitation for bids with revised
25 specifications or quantities would be fiscally disadvantageous or otherwise not in the best
26 interests of the State.

27 (ii) If there is more than 1 bidder, discussions about revised
28 specifications or quantities shall be conducted with all responsible bidders who submitted
29 responsive bids. The bidders shall be treated fairly and equally with respect to any
30 discussions.

31 (iii) As promptly as possible, the procurement officer shall:

32 1. issue an invitation for revised bids, which shall state
33 whether the award will be made without competitive negotiations; and

1 2. require a prompt response to that invitation.

2 (iv) An invitation for revised bids is not subject to the notice
3 requirements in subsection (c) of this section.

4 (v) After revised bids have been submitted, negotiations with
5 bidders may not be conducted unless the procurement officer determines that there is a
6 compelling reason to negotiate.

7 (vi) After revised bids have been opened and any approval required
8 by law has been obtained, the procurement officer shall award the procurement contract to
9 the responsible bidder who submits a responsive bid that:

10 1. is the lowest bid price;

11 2. if the invitation for revised bids so provides, is the lowest
12 evaluated bid price; or

13 3. for procurement subject to § 11–202(3) of this article, is the
14 bid most favorable to the State.

15 (4) A responsive bid or proposal shall include the criteria specified in
16 subsection (a) of this section.

17 (f) Not more than [30] 15 days after the execution and approval of a procurement
18 contract in excess of \$50,000 awarded under this section, or a lower amount set by the
19 Board by regulation in accordance with Title 10, Subtitle 1 of the State Government Article,
20 a unit shall:

21 **(1) publish notice of the award in eMaryland Marketplace; AND**

22 **(2) DELIVER BY E-MAIL AND FIRST-CLASS MAIL TO EACH**
23 **UNSUCCESSFUL BIDDER A NOTICE STATING THAT THE BIDDER WAS UNSUCCESSFUL.**

24 **(G) (1) AN UNSUCCESSFUL BIDDER MAY REQUEST A DEBRIEF WITHIN 3**
25 **DAYS AFTER RECEIVING NOTICE OF A CONTRACT AWARD UNDER SUBSECTION (F)(2)**
26 **OF THIS SECTION.**

27 **(2) WITHIN 5 BUSINESS DAYS AFTER RECEIVING A WRITTEN REQUEST**
28 **UNDER PARAGRAPH (1) OF THIS SUBSECTION, A UNIT SHALL PROVIDE A DEBRIEF TO**
29 **THE UNSUCCESSFUL BIDDER THAT INCLUDES:**

30 **(I) AN EXPLANATION OF WHY THE SUCCESSFUL BIDDER WAS**
31 **CHOSEN;**

1 1. the requirements of the State, as set forth in the request
2 for proposals; and

3 2. the proposal submitted by the offeror.

4 (2) If discussions are conducted, the unit:

5 (i) shall conduct the discussions in accordance with regulations
6 adopted under this Division II;

7 (ii) shall provide an opportunity to participate to each responsible
8 offeror who submits a proposal that, in the judgment of the procurement officer, is
9 reasonably susceptible of being selected for award;

10 (iii) shall treat all of those responsible offerors fairly and equally;

11 (iv) may allow all of those responsible offerors to revise their initial
12 proposals by submitting best and final offers, if discussions indicate that it would be in the
13 best interests of the State to do so;

14 (v) may conduct more than 1 series of discussions and requests for
15 best and final offers; and

16 (vi) may not disclose to an offeror any information derived from a
17 proposal of or discussions with a competing offeror.

18 (e) (1) Except as provided in paragraph (2) of this subsection:

19 (i) a proposal is irrevocable for the period specified in the request
20 for proposals; and

21 (ii) a best and final offer is irrevocable for the period specified in the
22 request for best and final offers.

23 (2) A procurement officer may allow an offeror to correct or withdraw a
24 proposal or best and final offer if correction or withdrawal is:

25 (i) allowed under regulations adopted under this Division II; and

26 (ii) approved in writing by the Office of the Attorney General.

27 (f) After obtaining any approval required by law, the procurement officer shall
28 award the procurement contract to the responsible offeror who submits the proposal or best
29 and final offer determined to be the most advantageous to the State considering the
30 evaluation factors set forth in the request for proposals.

1 (g) [A unit shall publish notice of] **NOT MORE THAN 15 DAYS AFTER THE**
2 **EXECUTION AND APPROVAL OF** a contract in excess of \$50,000 awarded under this
3 section, or a lower amount set by the Board by regulation in accordance with Title 10,
4 Subtitle 1 of the State Government Article, **A UNIT SHALL:**

5 (1) **PUBLISH NOTICE OF THE AWARD** in eMaryland Marketplace; **AND**

6 (2) **DELIVER BY E-MAIL AND FIRST-CLASS MAIL TO EACH**
7 **UNSUCCESSFUL OFFEROR A NOTICE STATING THAT THE OFFEROR WAS**
8 **UNSUCCESSFUL.**

9 (H) (1) **AN UNSUCCESSFUL OFFEROR MAY REQUEST A DEBRIEF WITHIN 3**
10 **DAYS AFTER RECEIVING NOTICE OF A CONTRACT AWARD UNDER SUBSECTION (G)(2)**
11 **OF THIS SECTION.**

12 (2) **WITHIN 5 BUSINESS DAYS AFTER RECEIVING A WRITTEN REQUEST**
13 **UNDER PARAGRAPH (1) OF THIS SUBSECTION, A UNIT SHALL PROVIDE A DEBRIEF TO**
14 **THE UNSUCCESSFUL OFFEROR THAT INCLUDES:**

15 (I) **AN EXPLANATION OF WHY THE SUCCESSFUL OFFEROR WAS**
16 **CHOSEN;**

17 (II) **THE REASONS THE UNSUCCESSFUL OFFEROR WAS NOT THE**
18 **SUCCESSFUL OFFEROR;**

19 (III) **THE RANKING, IF ANY, OF THE UNSUCCESSFUL OFFEROR AS**
20 **COMPARED TO OTHER OFFERORS; AND**

21 (IV) **SUPPORTING DOCUMENTATION FOR THE UNIT'S DECISION**
22 **PROCESS.**

23 13-107.

24 (c) Not more than [30] **15** days after the execution and approval of a procurement
25 contract awarded under this section, a unit shall publish in eMaryland Marketplace notice
26 of the award.

27 13-210.

28 (a) (1) If a procurement officer decides to conduct a pre-bid conference to
29 explain the requirements of a procurement that is expected to exceed \$100,000, as soon as
30 practicable after the conference concludes, the procurement officer shall have written
31 minutes of the conference prepared.

32 (2) The minutes of a pre-bid conference are public records and shall be:

1 (I) PUBLISHED IN EMARYLAND MARKETPLACE; AND

2 (II) open to public inspection during ordinary business hours.

3 (b) (1) Subject to Title 4 of the General Provisions Article:

4 (i) a summary of the final evaluation of a proposal shall be
5 PUBLISHED IN EMARYLAND MARKETPLACE AND open to public inspection;

6 (ii) after an award, all proposals shall be PUBLISHED IN
7 EMARYLAND MARKETPLACE AND open to public inspection; and

8 (iii) [at and after bid opening,] the contents of a bid and any
9 document submitted with the bid shall be:

10 1. open to public inspection AT AND AFTER BID OPENING;
11 AND

12 2. PUBLISHED IN EMARYLAND MARKETPLACE AFTER
13 BID OPENING.

14 (2) Except as otherwise provided in this section, Title 4 of the General
15 Provisions Article shall govern any request for the disclosure of information related to a
16 procurement.

17 (c) A procurement officer may deny public access to the advisory or deliberative
18 records of an evaluator of a proposal if the records would not be available by law to a private
19 party in litigation with the unit.

20 (d) (1) Before bid opening:

21 (i) bids shall remain sealed; and

22 (ii) the State may not disclose the name of a bidder.

23 (2) Before the closing date for proposals, a procurement officer may not
24 disclose the name of a person who has submitted a proposal.

25 (3) Before awarding a procurement contract based on competitive sealed
26 proposals, the State may not disclose the contents of a proposal to any person other than a
27 person responsible for evaluating or reviewing the proposal.

28 (e) Subsections (b)(1), (c), and (d) of this section do not affect the authority of the
29 Board of Contract Appeals or a court of competent jurisdiction to:

1 (1) decide that information is discoverable in an administrative or judicial
2 proceeding; and

3 (2) compel disclosure.

4 15–217.

5 (a) (1) A prospective bidder or offeror, a bidder, or an offeror may submit a
6 protest to the procurement officer.

7 (2) A unit or a person who has been awarded a procurement contract may
8 submit a contract claim to the procurement officer.

9 (b) **(1) A PROTEST SHALL BE SUBMITTED WITHIN 10 DAYS AFTER THE**
10 **LATER OF:**

11 **(I) THE DATE ON WHICH NOTICE OF THE CONTRACT AWARD IS**
12 **PUBLISHED UNDER § 13–103(F)(1) OR § 13–104(G)(1) OF THIS ARTICLE; ~~OR~~**

13 **(II) THE DATE ON WHICH THE BIDDER OR OFFEROR FIRST**
14 **RECEIVES NOTICE OF THE CONTRACT AWARD THAT IS DELIVERED UNDER §**
15 **13–103(F)(2) OR § 13–104(G)(2) OF THIS ARTICLE; OR**

16 **(III) THE DATE ON WHICH THE BIDDER OR OFFEROR FIRST**
17 **RECEIVES NOTICE THAT THEIR BID WAS UNSUCCESSFUL UNDER § 13–103(B) OF THIS**
18 **ARTICLE.**

19 **(2)** Except as provided in § 15–219 of this subtitle, a [protest or] contract
20 claim shall be submitted within the time required under regulations adopted by the
21 primary procurement unit responsible for the procurement.

22 Article – State Government

23 9–304.

24 **(A)** Subject to the limitations of any law that governs the activities of other units
25 of the Executive Branch of the State government, the Special Secretary shall:

26 (1) advise the Governor on:

27 (i) the activities of the State government that are intended to
28 promote the employment of minority persons in the State; and

29 (ii) each other matter that affects the rights and interests of minority
30 persons and the communities in which they live; [and]

1 (2) as authorized by the Governor:

2 (i) provide help to minority persons and the communities in which
3 they live;

4 (ii) represent the Governor in any matter that relates to minority
5 persons or generally to the promotion of equality among the people of the State; and

6 (iii) perform any other responsibility that the Governor assigns; AND

7 (3) ASSIGN OFFICE STAFF AS REQUIRED UNDER SUBSECTION (B) OF
8 THIS SECTION.

9 (B) (1) A MEMBER OF OFFICE STAFF SHALL BE ASSIGNED TO EACH UNIT
10 THAT IS AUTHORIZED BY LAW TO ENTER INTO A PROCUREMENT CONTRACT THAT IS
11 SUBJECT TO THE REQUIREMENTS OF TITLE 14, SUBTITLE 3 OF THE STATE FINANCE
12 AND PROCUREMENT ARTICLE (“MINORITY BUSINESS PARTICIPATION”).

13 (2) EACH STAFF MEMBER ASSIGNED TO A UNIT UNDER PARAGRAPH
14 (1) OF THIS SUBSECTION SHALL:

15 (I) OBSERVE THE PROCUREMENT PROCESSES OF THE UNIT,
16 INCLUDING THE DEVELOPMENT OF A REQUEST FOR PROPOSAL OR REQUEST FOR
17 QUALIFICATIONS AND THE EVALUATION OF BIDS AND OFFERS; AND

18 (II) ENSURE THAT THE MINORITY BUSINESS ENTERPRISE
19 PARTICIPATION GOALS ESTABLISHED UNDER § 14-302 OF THE STATE FINANCE AND
20 PROCUREMENT ARTICLE ARE MET TO THE BEST OF THE UNIT’S CAPABILITY.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
22 October 1, 2021.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.