

Article - State Finance and Procurement

3-609.

- (a) There is a Construction Contingency Fund.
- (b) The Fund is a continuing, nonlapsing, revolving fund that consists of:
- (1) money appropriated to the Fund:

[(1)](I) in the annual budget; OR

[(2)](II) in an annual General Construction Loan Act or in a Maryland Consolidated Capital Bond Loan Act; or

[(3)](2) [as] unspent proceeds of an enabling act allocated to the Fund by the Governor under § 8-129 of this article; OR

(3) THE AMOUNT OF AN APPROPRIATION IN AN ANNUAL GENERAL CONSTRUCTION LOAN ACT OR IN A MARYLAND CONSOLIDATED CAPITAL BOND LOAN ACT THAT IS IN EXCESS OF THE AMOUNT NEEDED FOR A PROJECT INCLUDED IN THE ACT AND THAT IS ALLOCATED TO THE FUND BY THE GOVERNOR.

(c) An appropriation or allocation to the Fund may not be made if it would cause the total balance in the Fund to exceed [\$2,000,000] .75% OF THE CAPITAL DEBT AFFORDABILITY LIMIT, DETERMINED UNDER TITLE 8 OF THIS ARTICLE, FOR THAT YEAR.

(d) With the advice and assistance of the Departments of Budget and Fiscal Planning and General Services, the Fund shall be administered by the Board of Public Works.

(e) With the approval of the Governor, the Secretaries of Budget and Fiscal Planning and General Services may request the Board of Public Works to authorize an expenditure from the Fund to supplement any capital appropriation OR TO CONDUCT VALUE ENGINEERING ON A PROJECT [that]:

(1) THAT is for a capital project to be owned by the State or a unit of the State government;

(2) THAT was contained in a capital appropriation of an annual budget, in an annual general construction loan, or in an annual Maryland Consolidated Capital Bond Loan; and

(3) (I) THAT is insufficient in amount to permit the initial award of a contract for the project to the bidder or offeror selected in accordance with applicable State law, or to cover change orders during construction of the project which do not increase the scope of the project [.] ; OR

(II) IF, IN THE BELIEF OF THE DEPARTMENT OF GENERAL SERVICES OR AT THE REQUEST OF THE BUDGET COMMITTEES, THE PROJECT COST COULD BE REDUCED OR QUALITY IMPROVED THROUGH THE USE OF VALUE ENGINEERING.

SECTION 2. AND BE IT FURTHER ENACTED, That the Secretary of General Services shall prepare a report concerning the applications of value engineering to State construction projects under this Act, the projects on which value engineering was applied, the