

**Article - State Finance and Procurement**

15-219.

(a) Within 30 days after submitting a notice of a contract claim under a procurement contract for construction, a contractor shall submit to the unit a written explanation that states:

- (1) the amount of the contract claim;
- (2) the facts on which the contract claim is based; and
- (3) all relevant data and correspondence that may substantiate the contract claim.

(b) (1) Subject to paragraph (2) of this subsection, the head of the unit engaged in procurement of the construction shall review the contract claim.

(2) If the unit is part of a principal department or other equivalent unit, the Secretary of the principal department or the equivalent official shall review the contract claim, unless review has been delegated by regulation to the head of the unit.

(c) The person who reviews a contract claim under subsection (b) of this section shall:

- (1) investigate the contract claim; and
- (2) give the contractor written notice of a resolution of the contract claim within 180 days after receiving the contract claim or a longer period to which the parties agree.

(d) (1) A decision not to pay a contract claim is a final action for the purpose of appeal to the Appeals Board.

(2) The failure to reach a decision within the time required under subsection (c) of this section [is] MAY BE deemed, AT THE OPTION OF THE CONTRACTOR, to be a decision not to pay the contract claim.

(e) At the time of final payment, the unit shall:

- (1) release the retainage due to the contractor; and
- (2) pay any interest that:
  - (i) has accrued on the retainage from the time of payment of the semifinal estimate; and
  - (ii) is due and payable to the contractor.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1992.

Approved May 12, 1992.