

Department of Legislative Services  
Maryland General Assembly  
2026 Session

FISCAL AND POLICY NOTE  
Enrolled - Revised

House Bill 587

(Delegate Phillips, *et al.*)

Government, Labor, and Elections

Budget and Taxation

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Procurement - Department of Transportation and Maryland Transportation  
Authority Contracts - Board of Public Works Contract Authority - Study and  
Report

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This bill establishes a Workgroup on Transportation Contract Approval Authority, jointly staffed by the Maryland Department of Transportation (MDOT) and the Board of Public Works (BPW). The workgroup is responsible for studying the approval authority structure for capital expenditures by MDOT and the Maryland Transportation Authority (MDTA) in connection with State roads, bridges, or highways, including a review of the justification for the current statutory exemption from BPW oversight. The workgroup must report its findings and recommendations to the Governor and the General Assembly by December 1, 2026. **The bill takes effect June 1, 2026, and terminates on June 30, 2027.**

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Fiscal Summary

**State Effect:** None. Staffing needs for the workgroup can be carried out using existing resources. Any expense reimbursements for workgroup members are assumed to be minimal and absorbable with existing resources. Revenues are not affected.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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Analysis

**Bill Summary:** A member of the workgroup may not receive compensation but is entitled to reimbursement for eligible expenses.

The workgroup is responsible for studying and/or evaluating:

- the effect of altering the approval authority structure for MDOT and MDTA contracts related to State roads, bridges, and highways, including whether to require approval by the BPW for the award of new contracts and change orders;
- the purpose, impact, and public value of BPW approval processes for capital expenditures by MDOT and MDTA in connection with State roads, bridges, or highways;
- alternative options for review and approval by BPW for the award of new contracts and change orders for State road, bridge, or highway projects that include (1) advance notice and opportunity to review and comment on upcoming contracts conducted by MDOT or MDTA, and the appropriate stage of the contract for these activities; (2) public reporting of contract and change order awards made by MDOT or MDTA; or (3) appropriate thresholds for new contracts and contract change orders or modifications related to specified capital expenditures by MDOT and MDTA;
- the impact on contract award and completion timelines;
- the effect of expanding the current delegated authority for MDOT and MDTA to contracts and change orders for maintenance and capital construction to support service on Maryland Transit Administration fixed guideways systems and associated transit facilities and vehicles; and
- the impact of the existing approval authority structure and any alternative structures on the ability to secure federal transportation funding.

**Current Law:** BPW may control procurements by units, and may set policy, adopt regulations, and establish internal operational procedures regarding procurement. BPW must ensure that primary procurement units' regulations establish procedures that align with general State procurement law and remain substantially consistent, except when specific procurement circumstances or unit needs require otherwise. BPW may delegate any of its authority that it determines appropriate to do so and may require prior board approval for specified procurement actions.

Procurement law and regulations generally require BPW approval for construction and service contracts valued at more than \$200,000, and for any contract funded with general obligation bond proceeds. However, capital expenditures by MDOT and MDTA, including purchases of land, in connection with State roads, bridges, or highways are not subject to oversight or approval by BPW; procurements by the Department of General Services for the purpose of modernizing cybersecurity infrastructure for the State valued below \$1,000,000 are similarly exempt (but not affected by the bill).

## Additional Information

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Department of General Services; Board of Public Works; Maryland Department of Transportation; Department of Legislative Services

**Fiscal Note History:** First Reader - February 19, 2026  
jg/mcr Third Reader - April 2, 2026  
Revised - Amendment(s) - April 2, 2026  
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