

March 31, 2022

Delegate Kumar P. Barve, Chair Environment and Transportation Committee 251 House Office Building Annapolis, Maryland 21401

**RE:** SB 59 – <u>UNFAVORABLE</u> – Maryland Transportation Authority – Public-Private Partnerships and Options for the Payment of Tolls and Civil Penalties

Dear Chair Barve and Members of the Environment and Transportation Committee:

The Maryland Transportation Builders and Materials Association ("MTBMA") has been and continues to serve as the voice for Maryland's construction transportation industry since 1932. Our association is comprised of 200 members. MTBMA encourages, develops, and protects the prestige of the transportation construction and materials industry in Maryland by establishing and maintaining respected relationships with federal, state, and local public officials.

MTMBA has concerns with an amendment that was added to Senate Bill 59 pertaining to public-private partnerships (P3s). The amendment states:

"for a public-private partnership related to tolling services or the construction, maintenance, or operation of a toll facility, the Maryland Transportation Authority shall issue an invitation for competitive sealed bids."

Competitive sealed bids by definition must go to the lowest bidder. By including this amendment, it would severely restrict future P3 projects by preventing an agency from considering anything other than the lowest price on a bid. P3 projects are structured differently than standard procurement contracts. The scope of work, schedule, and financing plan cannot be precisely determined at the outset of a project; therefore in selecting a private partner, agencies use a "best value" approach.

For these reasons, we ask that this amendment be removed from the legislation. Otherwise, we have no issues with Senate Bill 59. We appreciate you taking the time to address this important issue.

Thank you,

Michael Sakata

President and CEO

Maryland Transportation Builders and Materials Association