



February 20, 2024

Delegate Joseline Peña-Melnyk, Chair
House Health and Government Operations Committee
241 House Office Building
Annapolis, MD 21401

RE: HB 835 – UNFAVORABLE – Calvert County – Procurement – Local Preference

Dear Chair Peña-Melnyk and Members of the 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. We proactively work with regulatory agencies and governing bodies to represent the interests of the transportation industry and advocate for adequate state and federal funding for Maryland’s multimodal transportation system.

House Bill 835 authorizes the County Commissioners of Calvert County to establish a local percentage preference for procurement contracts within the County. MTBMA respectfully opposes HB 835. While we understand the intention behind promoting local businesses and stimulating the regional economy, we believe that such a policy may have unintended consequences that could adversely affect the industry and the broader community. Implementing a strict local business preference policy could limit competition, leading to inflated prices for construction projects. By restricting the pool of potential contractors to only local businesses, there may be a reduced incentive for firms to remain competitive in terms of pricing and service quality. This, in turn, could result in higher costs for public projects, ultimately impacting taxpayers and the overall budget for infrastructure development.

Furthermore, a focus on local procurement may inadvertently compromise the quality and expertise available for construction projects. The construction industry benefits from a diverse range of suppliers and contractors who bring unique skills, experiences, and technologies to the table. Implementing a preference policy based solely on locality might exclude highly qualified and experienced firms, hindering the industry's ability to innovate and deliver projects efficiently.

We appreciate you taking the time to consider our request for a **UNFAVORABLE** report on House Bill 835.

Thank you,

A handwritten signature in blue ink, appearing to read "Michael Sakata", written over a white background.

Michael Sakata
President and CEO
Maryland Transportation Builders and Materials Association