

January 23, 2024

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

RE: HB 292 – <u>FAVORABLE</u> – State Procurement – Maryland State Board of Contract Appeals – Attorney's Fees

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 200-member association 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 292 would mandate that the Maryland State Board of Contract Appeals award a protestor reasonable costs for filing and pursing a protest, including reasonable attorney's fees, when the Board sustains the appeal due to a violation of law. House Bill 292 eliminates the uncertainty of recovery of these significant protest costs which deters small businesses and Minority Business Enterprises from seeking to exercise their right to procurement fairness, equity, and transparency.

MTBMA supports this legislation because Maryland law should operate similarly to the federal Competition in Contracting Act by awarding reasonable attorney's fees to a prevailing party. If a bidder is successful in winning an appeal, it seems reasonable and practical that the other party reimburse those attorney's fees, which can form the bulk of a protestor's costs. The cost of doing business in Maryland is very high, and any legislation that assists with easing the administrative burdens is favorable to our Association.

We appreciate you taking the time to consider our request for a FAVORABLE report on House Bill 292.

Thank you,

Michael Sakata President and CEO Maryland Transportation Builders and Materials Association