

HB0500_GOSBA_FAV (Senate Version).pdf

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GOVERNOR'S OFFICE OF
SMALL, MINORITY & WOMEN
BUSINESS AFFAIRS

Governor Wes Moore

Lt. Governor Aruna Miller

DATE: March 26, 2025
BILL NUMBER: HB 500
COMMITTEE: Senate Budget and Taxation
BILL TITLE: Procurement Reform Act of 2025
GOSBA POSITION: **FAVORABLE**

Dear Chair Guzzone and Members of the Committee:

The Governor's Office of Small, Minority & Women Business Affairs (GOSBA) would like to thank the Committee for the opportunity to provide written support for House Bill 500 (HB 500). HB 500 represents a comprehensive, interdepartmental effort to modernize, streamline and transform the State's procurement system into a more equitable and competitive marketplace.

GOSBA commends the Governor's leadership and commitment to addressing the inequalities faced by small, minority, women, and veteran-owned business owners. These business owners encounter significant barriers, and HB 500 is a crucial step towards reducing those inequities.

GOSBA oversees each of the socioeconomic procurement programs across 70+ state agencies, playing a key role in programs such as the Minority Business Enterprise (MBE), Small Business Reserve (SBR), and the Veteran-Owned Small Business Enterprise (VSBE). Increasing opportunities for Maryland business owners within these programs has been instrumental in promoting economic stability, particularly in the MBE, SBR, and VSBE communities.

GOSBA believes the Procurement Act of 2025 would allow Maryland to become more efficient, equitable, and competitive in this decade.

GOSBA is pleased to offer this Letter of Support for HB 500 and happy to engage in further discussions regarding the bill.

Davon K. Gardner
Director, Policy & Legislative Affairs
Governor's Office of Small, Minority & Women Business Affairs
DavonK.Gardner@Maryland.gov
667-644-1358

HB 500 - Procurement Reform Act of 2025 - FAV.pdf

Uploaded by: Donna Edwards

Position: FAV



MARYLAND STATE & D.C. AFL-CIO

AFFILIATED WITH NATIONAL AFL-CIO

7 School Street • Annapolis, Maryland 21401-2096

Balto. (410) 269-1940 • Fax (410) 280-2956

President

Donna S. Edwards

Secretary-Treasurer

Gerald W. Jackson

HB 500 - Procurement Reform Act of 2025 Senate Budget and Taxation Committee March 26, 2025

SUPPORT

**Donna S. Edwards
President
Maryland State and DC AFL-CIO**

Chairman and members of the Committee, thank you for the opportunity to submit testimony in support of HB 500. My name is Donna S. Edwards, and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of Maryland's 300,000 union members, I offer the following comments.

HB 500 updates our state's procurement process to increase transparency and streamline efficiency, ensuring responsible use of public dollars. Among the several key measures in this legislation is its emphasis on good labor practices.

This legislation creates a "good labor practices evaluation factor" that can be used to evaluate competitive proposals. To obtain this evaluation factor and be included on the Commissioner's list of good labor practices businesses to be given a preference when bidding for a contract, the business must agree to directly employ workers as W-2 employees, pay all workers by check or electronic means, comply with the law, and adhere to reporting and notification requirements. This encourages businesses seeking to be awarded a public contract to uphold the highest employment standard.

Additionally, this legislation combats our state's severe workforce shortage by requiring contractors of a covered procurement to use registered apprentices. This helps train the next generation of skilled workers while creating a sustainable job pipeline into crucial industries. In expanding access to apprenticeship opportunities, especially in public works contracts, we are enhancing family-supporting job growth and bolstering our state and local economies.

For these reasons, we urge a favorable vote on HB 500.

HB 500 PRA Written Testimony Long Version 3-26 SEN

Uploaded by: John Woolums

Position: FAV

House Bill 500 - Procurement Reform Act of 2025

Position: Support

Committee: Procurement Subcommittee, Budget and Taxation Committee

Date: March 26, 2025

From: Atif Chaudhry, Secretary, DGS

The Department of General Services (“DGS”), on behalf of the Moore-Miller Administration, strongly supports House Bill 500, the Procurement Reform Act (PRA) of 2025. The PRA is a comprehensive effort to make procurement more transparent, inclusive, and efficient. This legislation will benefit businesses, taxpayers, and the State workforce. This legislation introduces key improvements to streamline processes, promote workforce diversity, and improve procurement preferences. These reforms will foster a more inclusive business environment, allowing a wider range of businesses to compete fairly for State contracts. DGS requests a favorable report on the PRA as a comprehensive and bold step toward improving access for all Maryland businesses to procurement contracts. Importantly, the bill includes amendments developed through intensive discussions and reflecting the input of the State Comptroller, State Treasurer, and other agencies and stakeholders.

Streamlining and Efficiency

The PRA would eliminate the \$50,000 floor and extend the Small Business Reserve (SBR) designation to all procurements valued at, or below, \$1 million. This broadens the scope of eligible contracts for small businesses and creates a more inclusive procurement environment. Under current law, procurements valued between \$50,000 and \$500,000 are designated for the SBR. This existing framework unnecessarily limits small business opportunities on procurements below the \$50,000 threshold. Removing the \$50,000 floor and raising the ceiling increases procurement opportunities for Maryland's small businesses, including Minority Business Enterprises (MBE) and Veteran-Owned Small Business Enterprises (VSBE), as all certified MBEs and VSBEs are eligible to register and qualify for the State’s SBR program.

The PRA would further allow Procurement Officers to modify contracts in the best interest of the State, provided the modifications (a) do not materially alter the scope of work, and (b) do not exceed the small procurement threshold. Procurement Officers can already award contracts under a small procurement threshold (currently \$100,000) without Board of Public Works (BPW) approval, but must submit subsequent modifications – including modifications valued below the small procurement threshold – for BPW review and approval, creating avoidable delays and complicating contract management. The PRA would allow Procurement Officers to modify contracts within the small procurement threshold; and the bill would allow modifications up to \$200,000 approved by the Chief Procurement Officer (CPO). Under the PRA, the BPW retains oversight through the reporting on the Procurement Agency Activity Report (PAAR) and has the ability to remand and request a modification to change or amend a modification they don’t agree with. DGS firmly believes that these legislative changes will enhance the cost-effectiveness of State contracting processes, alleviate BPW workload by reserving its attention for more complex matters, and grant procurement units the flexibility to adapt contracts as necessary, in the best interests of the State.

The PRA allows the CPO or their designee, instead of the Department of Budget and Management (DBM), to determine the types of procurements eligible for the noncompetitive negotiations source selection method and corrects an oversight in earlier procurement reform legislation that removed DBM as a primary procurement unit and moved all services under DGS as the primary procurement unit. This change will streamline and centralize procurement policies and processes within OSP under the direction of the CPO. Moving this authority from DBM to DGS and the CPO will both (1) further centralize procurement decisions under one primary procurement control agency, thus ensuring prompt action can be taken when needed to determine the classes of procurement eligible for noncompetitive negotiation and reducing the steps involved with approval processes, which will streamline these processes and make them more effective, and (2) assist in developing procurement methods for acquiring emerging technologies and meeting highly specialized requirements, ensuring efficiency and effectiveness in public procurement.

Methods of Source Selection and Workforce Diversity

The PRA would allow the CPO to establish source selection methods with the approval of the BPW, creating parity between the CPO's responsibility and attendant decision-making authority around source selection methods. This will create improved accountability and role clarity, enhanced flexibility and responsiveness, and administrative efficiency. Under current law, the CPO lacks the authority to establish source selection methods and to approve intergovernmental cooperative purchasing agreements (ICPAs). As a result, all ICPA requests must be approved by the Secretary of the Department of General Services.

The PRA would enhance the efficiency of the master contracting process, allowing Procurement Officers to focus on a more manageable number of task orders. This legislation seeks to optimize the master contracting process by revising solicitation requirements. Despite master contracting being designed to facilitate a streamlined procurement process, current law mandates solicitations valued between \$100,000 and \$500,000 be sent to all master contractors. This requirement forces Procurement Officers to review numerous task orders (sometimes hundreds), leading to inefficiencies and unnecessary delays, particularly for relatively small procurements. The changes included in the PRA will enhance the efficiency of the master contracting process, allowing Procurement Officers to focus their efforts on a more manageable number of task orders by soliciting Master Contractors on a rotating basis. The legislation makes master contracting a more attractive way of streamlining the procurement cycle time, serving as an efficient tool for agencies, while also promoting the use of small businesses as an agency could reserve a contract only for SBRs.

The PRA mandates oral presentations for competitive sealed procurements and master contracts when the award is anticipated to exceed \$2,000,000 for architectural and engineering services, \$10,000,000 for construction and construction-related services, and \$5,000,000 for other procurements, including information technology (IT) and professional services. Procurement Officers will have the discretion to waive oral presentations if they can provide a written justification indicating the immateriality of the evaluation. Under current law, Procurement Officers may, but are not required to, use oral presentations when evaluating bids. Whereas asynchronous reviews of written proposals favor larger organizations that can afford proposal writers, oral presentations afford small and minority businesses – particularly those new to State contracting – opportunities to clarify their intent during question-and-answer sessions. Under the PRA, oral presentations will provide clearer communication between vendors and State evaluation committees. Clear multi-faceted communication provides deeper insights into proposals and allows committee members to ask pertinent questions.

The PRA would require Workforce Diversity Plans for contracts over \$500,000 and Supplier Diversity Plans for those over \$250,000. This change will update Maryland's procurement practices to mirror best practices in other states, including Massachusetts, where the Supplier Diversity Program (SDP) mandates that prime suppliers awarded large contracts formulate a supplier diversity plan that outlines specific commitments. Under current law, the State has limited visibility into vendors' diversity initiatives, and there are no formal requirements for Workforce Diversity Plans. The Workforce Diversity Plan and Supplier Diversity Plan will provide OSP and other State agencies with valuable insights into vendors' workforce diversity efforts. It will also inform future policy decisions and support the Moore-Miller objective to develop a more diverse and equitable workforce.

The PRA would codify authority granted under regulations by enabling the CPO, or their designee, to cancel solicitations or reject all bids and proposals. Current statute mandates BPW approval for a unit to cancel a solicitation or reject all bids or proposals. This requirement creates a conflict between statutory obligations and existing regulations, as the BPW has delegated this authority to the head of the control agency under COMAR 21.06.02.01. By streamlining solicitation cancellation and bid rejection protocols, this legislation creates responsibility-authority parity and enhances the State's ability to efficiently respond to changing requirements and funding dynamics.

Procurement Preferences

The PRA will allow the procurement officer to amend MBE and VSBE participation schedules when done in consultation with the MBE or VSBE liaison, and will also better align MBE and VSBE laws. Existing law unnecessarily restricts amending MBE and VSBE participation schedules, which unintentionally harms minority and veteran-owned small businesses that have proposed to work in good faith with prime contractors on procurements with MBE or VSBE participation goals. Procurement officers are required to reject bids or proposals when MBE and VSBE forms are not completed accurately, forcing the State to consider higher-priced bids or not evaluating technical proposals. In some cases, this results in a single bid or proposal to be considered or a failed procurement with no other options.

The PRA will enhance competitiveness for procurements with MBE and VSBE participation goals by ensuring that prime contractors are able to amend their participation schedule after submission of a bid or proposal, while still committing to meet the overall goal or goals when deemed appropriate by the procurement officer.

In addition, the PRA would allow Procurement Officers to modify MBE and VSBE participation goals at any point before contract execution. Existing law was largely created in response to a business landscape that was uninviting to minority businesses, and today agencies are prohibited from setting goals on certain contracts despite opportunities to do so and vendors willing to participate. The PRA addresses these limitations by clarifying that agencies may consider modifying MBE and VSBE participation goals at any point before contract execution. Furthermore, goals can be adjusted after contract execution, if it is deemed in the best interest of the State, with approval from the head of the agency and through a negotiated amendment to the contract and participation schedule with agreement from the prime contractor. Maryland has an opportunity to adopt procurement best practices and join 87% of public procurement offices across the nation that permit negotiation of non-mandatory terms and conditions after tentative award. Under the PRA, agencies will be encouraged to engage with prime contractors to include these vendors as subcontractors in more contracts, fostering their growth and competitiveness, while also

enhancing reporting accuracy for MBE and VSBE participation in contracts, ensuring that contributions of these enterprises are adequately recognized and tracked.

The PRA also establishes a new Veteran-Owned Small Business Reserve, which will restrict procurement opportunities to businesses that qualify as VSBEs, empowering the Department of Veterans and Military Families and the Maryland Military Department to designate procurements as eligible for this reserve. Creating a dedicated procurement mechanism will significantly enhance the opportunities for VSBEs to secure State contracts. Agencies closest to the veteran community will be better positioned to promote the use of VSBEs and will directly contribute to an increase in contracts awarded to these enterprises and support the growth of veteran-owned businesses. While the Administration has successfully increased statewide goals for the utilization of VSBEs there is currently no specific procurement mechanism that allows agencies to solicit work exclusively from VSBEs, similar to the existing SBR program.

The PRA proposes to reduce reporting burdens for MBEs. Under current law, MBEs must submit monthly reports detailing all payments received, which can create unnecessary burdens, particularly when an MBE does not anticipate performing any work during certain periods of the contract. This legislation provides the Governor's Office of Small, Minority & Women Business Affairs (GOSBA) the authority to establish specific reporting parameters to reduce the reporting burden on MBEs while allowing the State to effectively monitor payments. Easing reporting requirements for MBEs will better support businesses, while facilitating a more efficient process without compromising oversight. This legislative change does not alter existing obligations for prime contractors to pay MBE subcontractors for work performed or the mechanisms available to MBEs for disputing delayed or missed payments.

In addition, the PRA would centralize socioeconomic programs in GOSBA. Centralizing these programs within GOSBA will foster a closer relationship between small businesses, MBEs, VSBEs, and the State, as well as contribute to the development and implementation of policies that support small, socially, and economically disadvantaged businesses.

Prompt Payments

The PRA will require payments under SBR contracts within 15 days of invoice approval. Current law requires the State to pay businesses within 30 days after a payment becomes due. However, this delay can disproportionately impact small and minority-owned businesses, which often operate with limited cash flow. The PRA will improve the payment timeline by requiring the State to make payments within 15 days after the payment becomes due and the unit has received a proper invoice under an SBR contract. Facilitating faster payments will help small businesses reduce their reliance on credit and potentially lower operational costs, while the new and improved process will encourage more small businesses – particularly MBEs and VSBEs – to engage in State contracting.

Clarification of Terms, Delegation, and Procurement Law

The PRA would extend the delegation authority of the Department of General Services Secretary to the Chief Performance Officer. Recognizing that current law already mandates the CPO's responsibility for "all procurement activity for the Executive Branch of State government," this change will enable a more cohesive and efficient procurement framework, helping to streamline operations through clarified delegation and facilitating faster decision-making.

In addition, the PRA would clarify the definition of “statewide contract.” Under current law, the term "statewide contract" is not currently defined in law, leading to confusion with other contract types, such as master contracts. This ambiguity can result in delays in procurement processes and inconsistency among procurement offices and stakeholders. This legislation will ensure a uniform understanding across all procurement offices. Additionally, it will clarify definitions related to IT services and supplies, categorize certain IT products as supplies, and allow procurement under DGS’ full delegation for supplies and commodities. These provisions will enhance operational efficiency, reduce procurement delays, and foster a consistent framework for all stakeholders by establishing a clear definition of statewide contracts and streamlining the classification of IT products.

Workforce Development and Good Labor Initiatives

The PRA would establish a requirement for internships and apprenticeships on certain state contracts. This proposal seeks to leverage state contracting to expand the utilization of two workforce training strategies - internships and registered apprenticeships - leading to new career pathway opportunities for countless Marylanders. Specifically, the PRA would create a requirement that covered procurements utilize either an internship or registered apprenticeship program. The CPO, in consultation with the Secretary of Labor, will create guidelines to determine the scope of what procurements will be covered by these provisions.

Under this legislation, the Secretary of Labor will create guidelines to assist units in ensuring contractor compliance with this legislation, including determining liabilities when a contractor fails to use apprentices or interns as provided in the bid or proposal. This approach will make Maryland self-sufficient in providing meaningful internships and minimize workforce shortages. Studies have shown that students who obtain internships in Maryland for their field of study, stay in Maryland for their careers and help grow Maryland’s economy. Similarly, apprentices who learn a trade in Maryland or gain other in-demand portable job skills via a registered apprenticeship program, pursue jobs in Maryland that can support their families and will contribute to the State’s workforce and economy.

In addition, the PRA will establish a Good Labor Practices Evaluation Factor to provide a scoring preference for contractors who pledge, via affidavit, to adopt specified good labor practices. The bill provides a “carrot” in the form of a Good Labor Evaluation Factor for Competitive Sealed Proposals (CSP) procurements up to 10% if a point system is used or otherwise ranked in relative order of importance if a point system is not used. An offeror must submit an affidavit with its proposal attesting to 10 good labor practices standards as defined in the bill for any State contract that it works on and maintain those good labor practices to receive the evaluation factor.

For these reasons, DGS requests a favorable report on House Bill 500, the Procurement Reform Act (PRA) as a comprehensive and bold step toward improving access for all Maryland businesses to State procurement contracts.

Contact: John R. Woolums, Esq., Director of Government and Legislative Affairs
(410) 260-2908 (O), (667) 434-0008 (M), john.woolums@maryland.gov

HB0500 - TSO - LOS - Procurement Reform Act of 202

Uploaded by: Patricia Westervelt

Position: FAV

March 26, 2025

The Honorable Guy Guzzone
Chair, Budget and Taxation Committee
3 West Miller Senate Office Building
Annapolis, MD 21401

Re: Letter of Support – House Bill 500 – Procurement Reform Act of 2025

Dear Guzzone and Committee Members:

The Maryland Department of Transportation (MDOT) offers the following letter of support of House Bill 500, which will allow MDOT to process procurements for transportation-related services and supplies faster and more efficiently and, generally, streamline the procurement process and support the small business community.

HB 500 will grant MDOT and the Maryland Transportation Authority (MDTA) the authority to procure transportation-related services and supplies¹ without the approval of another primary procurement unit. The Transportation Article² currently grants MDOT the authority to procure services, supplies, construction, and maintenance for any transportation-related purposes. However, the State Finance and Procurement Article³ only grants MDOT and MDTA the ability to procure the following for transportation-related purposes: construction; construction-related services; architectural or engineering services; and rolling stock and other property peculiar to the operation of a transit system. This change brings the broader MDOT in line with two of its modal administrations.⁴ However, this grant is not all-encompassing – all banking, financial services and insurance would remain under the authority of the State Treasurer.

The reduction in cycle time will expedite transportation improvements. Prime contractors, including certified small businesses, and subcontractors, including minority business enterprises (MBEs), disadvantaged business enterprises, and veteran-owned small business enterprises (VSBEs), will benefit from having contracts awarded several months sooner.

¹ HB 500 further redefines “services” and “supplies” to include certain information technology items, further enhancing the efficiencies created by this legislation. “Services” is amended to explicitly include information technology services and cybersecurity, and “supplies” includes information technology hardware and related intangible property, including software.

² For reference, Transportation Article §2-103(h) states: “Consistent with the State budget, Division II of the State Finance and Procurement Article, and other applicable provisions of law, the Secretary may contract with any person to provide services, supplies, construction, and maintenance for the Department or for any transportation related purposes.”

³ State Finance and Procurement Article §12-107(b)(3)

⁴ The Maryland Aviation Administration has authority to procure supplies, services and IT for aeronautics-related activities, and the Maryland Port Commission has authority to procure supplies, services and IT for port-related activities.

The Honorable Guy Guzzone
Page Two

HB 500 also adds flexibility for procurement officers and the vendor community. Allowing procurement officers to cure deficiencies in MBE and VSBE participation schedules will decrease the number of bids and proposals with fatal flaws, and increase opportunities for prime contractors, MBEs and VSBEs. Granting primary procurement units the authority to authorize contract modifications with no material changes up to \$200,000 will relieve administrative burdens, keep projects moving, and reduce retroactive contract modifications.

The Maryland Department of Transportation respectfully requests the Committee consider this information when deliberating House Bill 500 and issue the bill a favorable report.

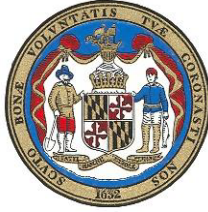
Respectfully submitted,

Matthew Mickler
Director of Government Affairs
Maryland Department of Transportation
410-865-1090

HB 500 - STO Testimony for B&T - Final.pdf

Uploaded by: Dereck Davis

Position: FWA



MARYLAND STATE TREASURER

Dereck E. Davis

Testimony of the Maryland State Treasurer's Office

House Bill 500: Procurement Reform Act of 2025

Position: Favorable with Amendments

Senate Budget and Taxation Committee

March 26, 2025

The State Treasurer, as one of three members of the Board of Public Works (BPW or Board), is in the unique position of understanding both the importance of the Board's oversight as well as the need to increase efficiencies in the State's procurement processes for the benefit of all involved. House Bill 500 seeks to fulfill this need by streamlining processes, consolidating programs, and clarifying existing procurement laws.

As introduced, the bill contained four provisions that shifted, altered, or diminished BPW's authority to review and approve (1) expedited procurements, (2) contract modifications, (3) new source selection methods, and (4) cancelled solicitations or rejections of all bids. The State Treasurer's Office (STO) raised concerns about these provisions with the Administration and participated in meetings held in the Health and Government Operations Committee to support preserving the Board's authority.

While the House adopted amendments to preserve the Board's authority for expedited procurements and new source selection methods, additional amendments are needed to ensure that the Board and General Assembly, by extension, retain full oversight over contract modifications and cancelled solicitations. Accordingly, for the reasons stated below, STO requests a favorable with amendments report on House Bill 500.

Contract Modifications

Two provisions in House Bill 500 limit the Board's approval of contract modifications. Under §15-112.1(c) of the State Finance and Procurement Article in the bill, a procurement officer is authorized to approve contract modifications up to the statutory small procurement thresholds, which are generally \$100,000 for non-construction contracts and \$200,000 for construction contracts, respectively. Current law (BPW regulations) requires modifications above \$50,000 for non-construction contracts to receive approval from the Board, so aligning the thresholds for modifications and small procurements in this manner removes some modifications from the Board's purview. The change proposed under §15-112.1(d), in turn, raises the overall threshold for contract modifications from \$50,000 to \$200,000.

The General Assembly may wish to retain the existing thresholds because the modification approval process preserves visibility into agencies' minority business enterprise (MBE) compliance. Aside from modification requests, the Board requires MBE goals to be reported in an agenda item when an agency requests approval for a contract award or submits a procurement agency activity report (PAAR) for Board review. The only additional real-time reporting on MBE goal compliance is through requests for approval to modify a contract or exercise a contract's option. Too often the only time the Board, or any other interested party, is made aware of contractors' failures to meet MBE goals is through requests for approval of modifications.

Amending House Bill 500 to strike the changes to §15-112.1 ensures that BPW and the General Assembly will retain authority over contract modifications at the existing thresholds.

Cancellations of Procurements/Solicitations

BPW Authority: Under § 13-206 of the State Finance and Procurement Article as reflected in the bill, the Chief Procurement Officer, rather than the Board, would approve an agency's request to cancel an invitation for bids or reject all bids. Currently, the Board has adopted regulations to delegate authority over these actions to State agency heads, but agencies must include these actions in PAARs. The change contemplated in House Bill 500 would have the effect of repealing the Board's authority to compel agencies to submit this information on PAARs. Without notice on PAARs, BPW would have limited visibility into this type of procurement action, which would be problematic for contracts that garner significant public interest. Given this concern, STO proposes to amend the bill to preserve current law or otherwise ensure that the Board can review these agency activities.

STO Operational Concern: Beyond the concern about BPW's authority, the language in House Bill 500 could be read to require STO to submit cancelled solicitations or rejections of all bids to the Department of General Services for approval. As a primary procurement

unit under § 12-107(b)(1) of the State Finance and Procurement Article, STO does not currently require sign-off or approval from the Office of State Procurement for any actions on STO contracts. If the Committee wishes to keep the changes to § 13-206 of the State Finance and Procurement Article, STO alternatively requests that the language be amended to clarify that primary procurement units do not need to submit these actions to the Department of General Services for approval.

Next Steps

Treasurer Davis and staff would appreciate the opportunity to continue discussing broader procurement reforms with the Committee and respectfully request favorable with amendments consideration for House Bill 500. Please contact Laura Atas, Deputy Treasurer for Public Policy (latas@treasurer.state.md.us), with any questions.

HB 500_MTBMA_FWA.pdf

Uploaded by: Michael Sakata

Position: FWA



March 11th, 2025

Senator Guy Guzzone, Chair
Budget and Taxation Committee
3 West, Miller Senate Office Building
Annapolis, MD 21401

RE: HB 500 – FAVORABLE W/ AMENDMENTS – Procurement Reform Act of 2025

Dear Chair Guzzone and Members of the Senate Budget and Taxation 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 500 seeks to make various changes and updates to the procurement system in Maryland. MTBMA appreciates the opportunity to address our concerns with two sections of the bill.

1. Apprenticeship Programs

The bill requires all companies bidding on public contracts to have registered apprenticeship programs, which will disproportionately impact small, minority-owned, and women-owned businesses. These businesses often have small administrative outfits and do not have the resources to create such a program as they are very costly and time consuming. Should the Committee decide to keep this language, we suggest one of two options. One, exempt the construction industry from this requirement or two, insert language that says “where applicable after a needs analysis.”

2. Good Labor Practices Evaluation Factor

This section of the bill is anti-competitive and would prohibit an overwhelming majority of companies from procuring with the State. Many of our member companies have a combination of both W2 and 1099 workers, which is common within the construction industry. The bill also requires a contractor to be liable for any violations of a subcontractor. As such, we request this entire section be amended out of the bill.

We appreciate you taking the time to hear our concerns and respectfully ask for your consideration in amending House Bill 500.

Thank you,


Michael Sakata
President and CEO
Maryland Transportation Builders and Materials Association