

ANTONIO HAYES
Legislative District 40
Baltimore City

Finance Committee



Annapolis Office
James Senate Office Building
11 Bladen Street, Room 222
Annapolis, Maryland 21401
410-841-3656 · 301-858-3656
800-492-7122 Ext. 3656
Antonio.Hayes@senate.state.md.us

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

February 18, 2020

**Testimony of Senator Antonio Hayes in Support of HB 313:
Public-Private Partnership Agreements - Minority Business Enterprise Programs**

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

House Bill 313 proposes to restore the applicability of Maryland's Minority Business Enterprise (MBE) program to public-private partnerships (P3s).

Current law defines P3s as a "method for delivering public infrastructure assets using a long-term, performance-based agreement between specified State "reporting" agencies and a private entity." P3s enable greater private sector participation, expertise, and mitigate risk for state agencies engaged in large infrastructure projects.

Restoring the application of the MBE program to P3s would be beneficial for two reasons. First, it would expand contracting opportunities for certified Minority Business Enterprises. Second, it would better attract MBE vendors to procurement opportunities by requiring State agencies to provide appropriate data and technical support, which can be implemented using existing resources. Furthermore, House Bill 313 is not expected to affect State revenues.

Chapter 5 of the 2013 Maryland Code required P3s to follow the State's MBE requirements until 2016, which was consistent with the expiration date of the MBE program. After the completion of the 2017 Business Disparities in the Maryland Market Area study, Chapter 340 of the 2017 Maryland Code reauthorized the MBE program for five more years. However, it did not restore the application of the program to P3s. House Bill 313 would restore that application, enabling positive economic benefits for both MBEs and State agencies.

Thus, I urge a favorable report on House Bill 313.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Antonio Hayes'.

Senator Antonio L. Hayes
Chair, Baltimore City Senate Delegation
40th Legislative District - MD