

The Voice of Merit Construction

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6901 Muirkirk Meadows Drive Suite F Beltsville, MD 20705 (T) (301) 595-9711 (F) (301) 595-9718 TO: ENVIRONMENT AND TRANSPORATION COMMITTEE

FROM: ASSOCIATED BUILDERS AND CONTRACTORS

RE: H.B. 1201 – PUBLIC-PRIVATE PARTNERSHIPS

POSITION: FAVORABLE WITH AMENDMENTS

On behalf of the Associated Builders and Contractors for Maryland, we appreciate this opportunity to opine on H.B. 1201

The bill as written seeks to establish the Public-Private Partnership Oversight Review Board to review public-private partnership pre-solicitation reports and make certain recommendations regarding the designation of public infrastructure asset as a P3. However, the Board of Public Works is currently responsible for reviewing such projects, thus creating a level redundancy that could delay necessary public works projects across our state.

Public-private partnership projects encompass a different relationship than typical publicly-financed projects. Contractors work for a concessionaire or equity contributor/financier. Team roles and responsibilities need to be specified in the contract or MOU. Specific responsibilities, such as who is going to pay for development costs, need to be established as early as possible. It is critical that contractors are at the table to shape the deal and make sure the risks are appropriately allocated and that their sureties and insurers are fully informed of the terms of the agreements. Construction is a business of high risk and P3 opportunities should be evaluated based on the experience of individual firms involved.

With that said, as the largest organization in Maryland to represent commercial builders, we ask that the committee consider a friendly amendment that would allow ABC Maryland to have a seat on the P3 Oversight Review Board.

On behalf of the over 1,500 ABC members in Maryland, we look forward to the opportunity to work together to build a well-trained and sustainable workforce for an evolving and sustainable economy.

Marcus Jackson, Director, Government Affairs