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February 27th, 2024

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

RE: HB 962 – <u>LETTER OF INQUIRY</u> – State Procurement – Small and Minority Business Reserve Program (Parren J. Mitchell MBE Prime Contracting Act)

Dear Chair Peña-Melnyk and Members of the Committee:

The Maryland Asphalt Association (MAA) is comprised of 19 producer members representing more than 48 production facilities, 25 contractor members, 25 consulting engineer firms, and 41 other associate members. MAA works proactively with regulatory agencies to represent the interests of the asphalt industry both in the writing and interpretation of state and federal regulations that may affect our members. We also advocate for adequate state and federal funding for Maryland's multimodal transportation system.

House Bill 962 requires state procurement units to structure its procurement procedures to add a minimum of 10% of the unit's total dollar value of their contracts to be made directly to certified minority business enterprises.

MAA understands the importance of ensuring minority business enterprises are given ample opportunities to participate in procurement contracts. However, we are curious as to why this percentage cannot just be wrapped up into the already existing 15% for small businesses in the law. We would also recommend maybe turning this bill into a study to review the capabilities of meeting this percentage minimum.

We appreciate you taking the time to look into HB 962.

Sincerely,

Tim E. Smith. P.E.

President

Maryland Asphalt Association

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