MARYLAND DEPARTMENT OF TRANSPORTATION

Wes Moore
Governor

Aruna Miller
Lieutenant Governor

Kathryn Thomson
Secretary

April 2, 2026

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

Re: Letter of Concern – House Bill 587 – Procurement – Department of Transportation and Maryland Transportation Authority Contracts – Board of Public Works Contract Authority

Dear Chair Guzzone and Committee Members:

The Maryland Department of Transportation (MDOT) takes no position on House Bill 587 but offers the following concerns, as the bill will result in increased risk and cost to the State while having a significant impact on procurement officers and State employees already charged with managing billions of dollars in procurement expenditures annually.

Currently, MDOT's and the Maryland Transportation Authority's (MDTA) capital expenditures for State roads, bridges, or highways are exempt from certain provisions of the State Finance and Procurement Article, including Board of Public Works (BPW) approval of contract awards. HB 587 would require BPW approval of these contracts if valued at or in excess of $5,000,000. The bill further requires BPW to adopt regulations for the review of contract modifications above $1,000,000. Additionally, HB 587 mandates a period for notice and comment before the BPW may act on a land acquisition valued at or in excess of $5,000,000 for property acquired in connection with State roads, bridges and highways, or by the Maryland Aviation Administration, the Maryland Port Administration, or the Maryland Transit Administration.

The direct costs of implementing HB 587 include at least an additional four positions to handle the administrative tasks necessary to prepare BPW Agenda Items and perform quality assurance and quality control of required back-up documentation for these contract awards and change orders. In addition to workload increases for procurement staff, there is a cost associated with project inactivity while construction change orders are processed for active contracts. Transportation construction projects rely significantly on seasonal windows for operation, and additional time spent during the award phase will add to the overall fiscal impact of the change order and affect MDOT's ability to meet its public commitments.[1] Minor safety and resurfacing improvement contracts that address issues such as potholes(for example, the current resurfacing projects on MD 100 and I-895) would be delayed as a result of the requirements in HB 587. This impact is especially acutely felt because concrete cannot be poured in the winter months. The effect of HB 587 on MDOT operations will increase in scale should the State be able to award more projects for roads, bridges, and highways in future years.

[1] To further clarify the time MDOT spends preparing an item for a BPW agenda, where BPW review is required, BPW Agenda items are due to The MDOT Secretary's Office from modal administrations 5 weeks ahead of BPW meetings, with items published 12 days ahead of meetings. The timeline includes a modal internal deadline of 5 to 7 weeks for preparation and reviews, and accounts for the BPW's Two-Meeting Guideline in BPW Advisory 2006-1, located at https://bpw.maryland.gov/Pages/adv-2006-1.aspx, which requires that items should be submitted with at least two possible meeting dates before contract start date. Meetings are held every 2 to 3 weeks.

MDOT understands and appreciates the need for transparency of capital spending on transportation projects. The current processes strike a balance between efficiency and strong public awareness and input. For example, all of MDTA's contracts for State roads, bridges, and highways are approved by the MDTA Board, after review by the Capital Committee. Capital Committee and Board Meetings are subject to the Open Meetings Act. Materials are published in advance of the hearing on the MDTA website, and archived materials are available for review of prior actions for the past several years.

While there are no public meetings specific to the discussion of State Highway Administration's road, bridge, and highway project contracts, SHA, like all MDOT modes, includes its projects in the annual Consolidated Transportation Program (CTP) - Maryland's six-year capital budget for transportation projects. Counties have the ability to submit local Priority Letters to outline county interests and propose how MDOT should prioritize projects for inclusion in the CTP. Maryland's CTP is statutorily mandated and subject to multiple opportunities for notice and comment. For example, current law requires meetings in each county to discuss the draft CTP for the coming fiscal year with local representatives. Public participation is allowed in these meetings, subject to local government processes. This information is used to review and inform the final CTP issued by MDOT, in January, for consideration by the General Assembly.

The CTP process represents a cyclical, annual analysis of transportation capital needs, including the road, bridge, and highway projects addressed in HB 587. The CTP provides a lifecycle overview of project development, progress, and capital spending, and the program can be compared year-to-year for changes between iterations. When coupled with systems like SHA's detailed, public-facing Project Portal webpage, the public receives significant visibility into the covered projects. The Project Portal lists all major projects and other projects with community impact, shows the status of the project, can be searched easily by geographical region, and allows for public input into projects. Finally, to ensure public engagement with those communities affected by these projects, both SHA and MDTA regularly participate in public outreach efforts, including public meetings and through regular social media engagements.

More than 80 percent of the funding for SHA's State roads, bridges, or highways contracts comes from the Federal Highway Administration (FHWA); therefore, FHWA is engaged in the funding authorization and approves SHA's process, which includes the review of the Plans, Specifications and Engineering checklist. Further, many projects undergo the National Environmental Policy Act process; this review considers environmental, social, and economic effects and features opportunities for public notice and feedback.

The Maryland Department of Transportation respectfully requests that the Committee consider this information during its deliberations of House Bill 587.

Respectfully submitted,

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Maryland Department of Transportation
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