



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

April 2, 2026

**RE: HB 587 – UNFAVORABLE – Procurement – Department of Transportation and Maryland Transportation Authority Contracts – Board of Public Works Contract Authority**

Dear Chair Guzzone and Members of the 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 250 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 587 would grant the Board of Public Works (BPW) authority to review and approve procurement contracts within the Department of Transportation and the Maryland Transportation Authority. Currently, these agencies maintain direct control over their contracts. This bill would limit their independent decision-making, leading to inefficiencies and complications in managing transportation infrastructure projects. Although the House increased the project threshold from \$500,000 to \$5,000,000, the revised threshold would still capture the vast majority of transportation projects.

This bill would impose additional layers of review that risk slowing project execution. At the State Highway Administration alone, roughly 96 out of 97 projects a year would fall under this bill’s expanded review requirements. According to MDOT’s own estimates, this added process would delay projects by an estimated 8-11 weeks and result in more than \$300,000 in additional annual administrative costs by FY 2031.

MTBMA is also concerned that shifting procurement authority to the BPW could introduce greater uncertainty into the contracting process. If procurement decisions become more susceptible to changing political priorities, contractors may face increased risk when bidding and planning long-term investments in workforce and equipment. Smaller firms, in particular, could be disproportionately impacted by delays and unpredictability in project timelines. The cumulative effect would likely be fewer projects delivered and a less reliable construction program.



Finally, the bill raises significant concerns regarding federal repayment liability. If the BPW were to deny approval for a federally funded project after substantial state and federal investments have already been made in planning, design, environmental review, and authorization, the State could be required to repay those federal funds. Under federal law and Federal Highway Administration regulations, repayment is required when obligated projects are abandoned. This potential liability—potentially amounting to tens of millions of dollars on major projects—is not addressed in the fiscal note.

**For these reasons, we ask for your UNFAVORABLE vote on House Bill 587.**

Thank you,

Michael Sakata  
President and CEO  
Maryland Transportation Builders and Materials Association