

HB 587 - STO Testimony for Senate B&T - Final.pdf

Uploaded by: Dereck Davis

Position: FAV



Dereck E. Davis
State Treasurer

Jonathan D. Martin
Chief Deputy Treasurer

Testimony of the Maryland State Treasurer's Office

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

Position: Favorable | April 2, 2026

Senate Budget & Taxation Committee

As one of three members of the Board of Public Works (“Board” or “BPW”), the State Treasurer understands the importance of oversight and transparency in the procurement process. House Bill 587 improves transparency and strengthens both the General Assembly’s and the Board’s oversight by bringing specified contracts for capital expenditures worth \$5.0 million or more before the Board. For the reasons discussed below, the State Treasurer’s Office (STO) respectfully requests a favorable report on House Bill 587.

Increased Legislative Oversight

Current law provides a blanket exemption from Board review for capital expenditures by the Department of Transportation (MDOT) and the Maryland Transportation Authority (MDTA) for State roads, bridges, and highways. As a result, the public and the legislature have limited visibility into the process and specifications for these important transportation projects. According to MDOT, in calendar years 2023 and 2024, the average contract value for road, bridge, and highway projects for MDTA and the State Highway Administration was \$8.05 million while the median contract value was \$3.60 million. Among that same pool of projects, only 16 contracts – just 8% – were awarded to minority business enterprises (MBEs).

Higher value transportation contracts that are of greater public interest should come before the Board. House Bill 587 provides a mechanism for the State Treasurer, as the General Assembly’s representative on the Board, to evaluate the merit of these procurements and discuss them at regular, public meetings.

LOUIS L. GOLDSTEIN TREASURY BUILDING, 80 CALVERT ST., ROOM 109, ANNAPOLIS, MD 21401

410-260-7533 DIRECT □ 800-322-4296 TOLL FREE □ 800-735-2258 TTY
410-260-7160 TREASURER □ 410-260-7080 CHIEF DEPUTY TREASURER

<https://treasurer.state.md.us>

Transparency for Key Bridge Contracts

The contracts associated with the Francis Scott Key Bridge serve as an example of the type of procurement that would benefit from BPW oversight. Just last week, the State commemorated the two-year anniversary of the bridge’s collapse. According to MDTA, construction costs for the new bridge are estimated to be between \$4.3 and \$5.2 billion, which is more than double early estimates.¹ In addition, the projected reopening in 2030 extends two years beyond the initial timeline. Passage of House Bill 587 will ensure that capital expenditures covered under the bill will come before the Board for review and approval.

Efficient Processing by BPW

Quick Timeline for BPW Review

MDOT has previously expressed concern that requiring BPW approval will delay procurement contracts. In fact, agencies can and often do submit their agenda items 12 calendar days before a meeting date. Agencies can also submit items by noon the Monday before a meeting (two days prior) at their discretion. In the two days leading up to the meeting, if supported by two members of the Board, agencies can have items “hand-carried” and included in the agenda at the very last minute. Any additional time beyond this timeline reflects requirements of an agency, rather than the Board.

Proposed Regulations to Balance Agency Workload

To better balance the interests of transparency and efficiency, at BPW’s meeting on February 18, the Board approved proposed regulations that raise the overall thresholds for which contracts and contract modifications require up-front Board approval. When these regulations go into effect, MDOT and other agencies will need to bring far fewer contracts as individual agenda items. From the State Treasurer’s perspective, MDOT can revisit its own internal timelines if there is a concern that BPW review would delay upcoming projects.

Given the increased legislative oversight and transparency that House Bill 587 will bring, STO requests that the Committee give the bill a favorable report. Please contact Laura Atas, Deputy Treasurer for Public Policy (latas@treasurer.state.md.us), with any questions.

¹ “Moore to mark two years since Key Bridge fell, as construction effort continues,” Maryland Matters, March 26, 2026, available at: [Moore to mark two years since Key Bridge fell, as construction effort continues - Maryland Matters](#).

HB587 - Cf - LOS.pdf

Uploaded by: Matthew Dudzic

Position: FAV



Letter of Support

House Bill 587 – Procurement – Department of Transportation and Maryland Transportation Authority Contracts – Board of Public Works Contract Authority
Budget & Taxation Committee
April 2, 2026

As a member of the Board of Public Works, I am proud to meet with my colleagues every other week to examine and consider state contracts, oversee the issuance of bonds, and protect the financial interests of Maryland. This transparent and public process, which is unique to our state, ensures that our major expenditures are necessary and appropriate, fiscally responsible, fair, and lawful.

What this bill does: House Bill 587 seeks to increase transparency in state procurement by requiring the Maryland Aviation Authority, Maryland Port Administration, and Maryland Transportation Authority to bring capital expenditures valued at or above \$500,000 before the Board of Public Works for review.

Why this bill is important: Since 1825, the Board of Public Works has been responsible for protecting the interests of Maryland by approving, authorizing, and superintending the execution of major state projects. Currently, this is reflected in one of our most important duties: reviewing and approving most state contracts valued at \$200,000 or above.

Several exemptions from Board approval exist, but the most significant exemption is the exclusion of capital expenditures for roads, bridges, and highways. According to Alan M. Wilner's 1984 book on the history of the BPW, the General Assembly codified this exemption in 1939, several decades before the creation of the Department of Transportation.

Every year, the state spends hundreds of millions of dollars on state road and bridge infrastructure without any public review of these contracts. HB587 remedies this oversight and allows review of major transportation contracts in the same manner as information technology or construction contracts. The amendments present a fair compromise that maintains oversight and review of the largest contracts while still maintaining the exemption for smaller contracts and modifications.

I urge a favorable report on HB587. At a time of declining public trust in government and increasing concerns about state spending, this bill folds millions of critical state dollars into the existing Board of Public Works review process.

Thank you. If you have any questions, please reach out to Matthew Dudzic, Director of State Affairs, at MDudzic@marylandtaxes.gov.



HB 587_MTBMA_UNF_Senate.pdf

Uploaded by: Chris Lawson

Position: UNF



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

hb587.pdf

Uploaded by: Nicole Mcdonald

Position: UNF

HB 587 – UNFAVORABLE

Topic: Procurement – Board of Public Works Contract Authority

The McDonald Mandate: People Before Pavement

To the House Government, Labor, and Elections Committee:

My name is **Ms. McDonald**. I am a candidate for Delegate in District 45. I am here to testify as **UNFAVORABLE** on HB 587. This bill is a perfect example of the bureaucratic "Jive" I am running to stop in Baltimore City.

1. Stop Creating New Layers for Old Problems

HB 587 asks for more staff and more money just to "oversee" transportation contracts. We don't need a new bill to tell the highest-ranking officials in the state to do the job they were elected to do. We already have the **Board of Public Works**—the Governor, the Comptroller, and the Treasurer. They sit in a room every two weeks to approve spending. Why are we spending more taxpayer money to give them "new" authority they should already be using? Stop the rubber-stamping and start the real oversight with the people we already have in those seats.

2. Pavement Over People: Where is the Respect?

The fiscal note for HB 587 says the state needs **\$270,000** for new staff and oversight just to look at "roads and bridges." My question to this committee is simple: **Why don't the less fortunate and the disabled get that same level of respect?** You are willing to find the money and the "oversight" for a street project, but as we see in **SB 742 (The Protecting People with Disabilities Act)**, you are allowing the most vulnerable Marylanders to be procedurally disenrolled and stripped of their lifelines. You are stripping services from children and seniors while you find \$270,000 to watch a paving contract. It is a disgrace to prioritize asphalt over human lives. If you have the money to watch the "pavement," you have the money to protect the "people."

3. Stop the Fire Sale: Keep State Assets in the State

This bill focuses on buying and building, but it ignores the fact that the state is currently liquidating our future. In District 45, properties like **2100 Guilford Avenue** are being offered for "redevelopment" and sold to private interests. **My mandate is: Stop selling and start serving.** Instead of oversight for new road contracts, the Board of Public Works should be mandated to **STOP** the sale of state assets and convert them into permanent **State Resources**—grocery hubs and vocational training centers managed by the state, not sold for a one-time profit while the community faces an imminent threat of homelessness.

4. No More "Administrative Nonsense" (HB 607 & SB 886)

We see leadership at the **Department of General Services (DGS)** coming directly from the very agencies where services are being stripped. Yet, **HB 607** proposes hiking the salaries of these same state officials to **\$185,000**. This is the nonsense that District 45 is tired of. We don't need to spend more money on "new oversight layers" or higher salaries while our community is struggling. **Implement the laws we already have.** Those in charge need to answer for why they let services get stripped while they ask for a raise.

Conclusion

I urge an **UNFAVORABLE** report on HB 587. We should not be "refining" the rules for road contractors while our neighbors are losing their care, their dignity, and their land. Stop the jive and start driving for the people of District 45.

Respectfully Submitted,

Ms. McDonald

Candidate for Delegate, District 45

By Authority of: Nichole McDonald for District 45, Lonetta Mason, Treasurer

ACECMD - 2026 Testimony - OPP -HB587 – Procurement

Uploaded by: Rory Murray

Position: UNF



Bill: HB587 – Procurement – Department of Transportation and Maryland Transportation Authority
Contracts – Board of Public Works Contract Authority

Position: Unfavorable

On behalf of the American Council of Engineering Companies of Maryland (ACEC/MD), we respectfully urge an unfavorable report on House Bill 587. ACEC/MD represents Maryland’s private-sector engineering firms that design and deliver the transportation, water, environmental, and public works infrastructure on which local governments and the State rely every day. Our members are deeply invested in stable, predictable transportation funding because it drives capital planning, project readiness, delivery performance, and economic growth across Maryland.

Although the House amendments raise the threshold for certain Department of Transportation and Maryland Transportation Authority capital expenditures from \$500,000 to \$5,000,000, the bill still adds new complexity to a process that is already highly complex. Maryland transportation projects already move through extensive planning and approval processes, including federal and state regulatory review, public engagement, Board authority, agency regulations, and internal operating procedures. Under HB587, projects would not only continue to face the existing procurement framework, but would also encounter a separate oversight process that can slow implementation, complicate administration, and create uncertainty.

This concern is especially significant for transportation and infrastructure work, where timing is critical. Contract modifications often arise from real-world project conditions such as design refinements, utility conflicts, field changes, right-of-way issues, and permitting adjustments. When those issues occur, agencies need flexibility to keep work moving, control costs, and maintain schedules. Adding another procedural checkpoint does not solve these problems; it adds delay. For engineers, the goal is straightforward: move projects forward. Policies that add redundant bureaucracy to already heavily reviewed infrastructure work do not improve outcomes for owners, contractors, or the public; they simply increase process for the sake of process.

For these reasons, the American Council of Engineering Companies of Maryland respectfully requests an unfavorable report on House Bill 587.

HB 587_MAA_UNF (1).pdf

Uploaded by: Tim Smith

Position: UNF



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

March 31, 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 Asphalt Association (MAA) represents approximately 110+ members, including 20 material producers, contractors, engineering firms, and associate members, supporting a 7,000-person workforce. MAA actively collaborates with regulatory agencies to advocate for the asphalt industry, ensuring fair regulations at both the state and federal levels. Additionally, we support adequate funding for Maryland's multimodal transportation system.

House Bill 587 would give the Board of Public Works (BPW) authority and approval on procurement contracts within the Department of Transportation and the Maryland Transportation Authority over \$500,000. Currently, these agencies have more direct control over their contracts. This bill would limit their independent decision-making, possibly leading to inefficiencies and complications in managing transportation infrastructure projects.

Passage of this legislation would introduce additional layers of approval, leading to delays in project execution. If more projects require BPW approval, the timeline for securing funding and starting construction may be prolonged, affecting project schedules and profitability for contractors. If procurement processes become more politicized or subject to changing priorities of the BPW, contractors may face uncertainty in bidding and executing contracts, affecting their ability to plan for long-term investments in labor and equipment. Lastly, if the approval process becomes more cumbersome, smaller construction firms that rely on steady contract flow may face financial strain due to unpredictable project timelines.

For these reasons, we ask that you vote UNFAVORABLE on House Bill 587.

Sincerely,

Tim E. Smith, P.E.
President
Maryland Asphalt Association

HB0587 - TSO - LOC - Procurement - Department of T

Uploaded by: Patricia Westervelt

Position: INFO

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.

The Honorable Guy Guzzone
Page Two

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,

Matthew Mickler
Director of Government Affairs
Maryland Department of Transportation
410-865-1090