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March 11, 2026

The Honorable Melissa Wells  
Chair, Government, Labor, and Elections Committee  
145 Lowe House Office Building  
Annapolis, MD 21401

***RE: Letter of Opposition – House Bill 1072 – State Procurement – Francis Scott Key – Reconstruction***

Dear Chair Wells and Committee Members:

The Maryland Department of Transportation (MDOT) and the Maryland Transportation Authority (MDTA) respectfully oppose House Bill 1072 and offer the following information for the Committee’s consideration.

HB 1072 requires the MDTA to establish a certain procurement preference in the purchase of supplies or services for State contracts related to the construction of the Francis Scott Key (FSK) Bridge. The bill requires MDTA to award a contract to a vendor that resides in Maryland’s 6<sup>th</sup> Legislative District if the local vendor submits the lowest responsive bid to a procurement using competitive sealed bids or the most advantageous proposal to a procurement using competitive sealed proposals. If the local vendor does not submit the lowest responsive bid or most advantageous proposal, respectively, HB 1072 requires MDTA to award the contract to the local vendor if the difference between the lowest responsive bid or the most advantageous proposal from a nonlocal vendor and the local vendor does not exceed 10%.

HB 1072 raises a number of practical concerns for State procurements and the broader Maryland contracting community. Applying a price preference to a competitive sealed proposal as suggested under the bill would not have the desired effect, as proposals are ranked in order of best qualified before pricing is considered. Adjusting the way proposals are evaluated potentially opens the door to litigation. Also, the bill’s definition of “local vendor” limits competition by not only restricting out-of-state vendors, but in-state vendors from participating as well. Maryland Law does not generally allow State procurement officers to favor resident vendors over non-resident vendors when awarding procurement contracts. Further, the act of applying a preference to local vendors could trigger reciprocal preference provisions in other states, which would negatively harm Maryland vendors seeking work outside the State. Maryland vendors located outside the 6<sup>th</sup> District who submit bids on State procurements would not receive a reciprocal benefit and would simply be discouraged from participating in these procurements.

Adding a preference would lead MDTA to pay a premium for supplies or services related to the FSK Reconstruction project. MDTA and its procurement officers are tasked with sourcing the best supplies and services at the best prices for the State of Maryland. Removing the

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procurement officer's duty to manage and ensure fiscal responsibility runs counter to the foundations of procurement law and procurement best practices.

Finally, Maryland has multiple programs to support small and disadvantaged businesses. A regionally-based preference program does not inherently support certified small businesses, certified Minority-owned businesses, or certified Veteran-owned businesses.

It is important to note that for the multiple FSK Reconstruction contracts, the vendors were required to establish local offices. These contractors also have employed local workforces. The contractor in place for the reconstruction is in the process of soliciting subcontractor and supplier pricing for incorporation into the work, which includes local firms. At this time, MDTA does not anticipate directly procuring any additional supplies or services for the FSK Reconstruction project. All contracts necessary for the reconstruction have been awarded.

The Maryland Department of Transportation and the Maryland Transportation Authority respectfully request that the Committee consider this information and issue House Bill 1072 an unfavorable report.

Respectfully submitted,

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