
March 31, 2021

The Honorable Paul G. Pinsky
Chair, Education, Health and Environmental Affairs
2 West Miller Senate Office Building
Annapolis MD 21401

Re: Letter of Opposition – House Bill 1244 – State Procurement – Concrete – Preference

Dear Chair Pinsky and Committee Members:

The Maryland Department of Transportation (MDOT) respectfully opposes House Bill 1244 due to a potential increase in material costs and impact on certain procurement processes.

House Bill 1244 requires each unit of State government, including the MDOT State Highway Administration (SHA), and the Maryland Transportation Authority (MDTA), to give price preferences to vendors that use “Type 1L” cement.

Both the SHA and the MDTA have worked with its industry partners in the field to develop new products that have user benefit and cost savings. Currently, SHA and MDTA are working with industry partners to rollout the use of “Type 1L”, also known as blended cement. The MDOT SHA’s Office of Materials Technology is working towards approval of this type of cement, and some “Type 1L” cements have already been approved for use. Industry partnerships typically facilitate emerging technology, and performance testing allows the best products currently on the market to rise to the top for use in SHA and MDTA contracts without the need for legislation.

Price preferences on SHA and MDTA projects would increase the overall cost of each project and break Maryland’s long-standing procurement process of selecting the best value. This process would lead to complications in the procurement process and inequities for businesses that do not have this approved material.

The SHA and MDTA’s procurement processes does not include separate items to account for the specific cost of a product such as asphalt or cement and, as such, implementing this specific material price preference into SHA and MDTA procurements will require major changes to processes and procedures that will have an indeterminable impact at this time.

House Bill 1244 also hinders the SHA and MDTA’s abilities to use the best-available technology by giving preference to this type of cement in statute, requiring future changes to State law if other blends become preferable. Concrete blends have evolved significantly throughout the years and will continue to evolve in years to come. The SHA and MDTA are committed to prioritizing the use of cement blends that have the best strength and durability, price point for taxpayers, and are least impactful to the environment.

Finally, while there are other price preferences for environmental reasons in the State Finance and Procurement Article (14-405 and 14-407, for example), these provisions provide that the preference does not apply to the extent that it would conflict with Federal law or cause a loss of federal funds. A similar provision is omitted in House Bill 1244 and, given the importance of federal funds to the MDOT SHA program, could pose a risk to a critical source of funding in the future.

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For the reasons above, The Maryland Department of Transportation respectfully requests the Committee grant House Bill 1244 an unfavorable report.

Respectfully Submitted,

Mitch Baldwin
State Legislative Manager
Maryland State Highway Administration
410-545-0342

Melissa Einhorn
State Legislative Officer
Maryland Department of Transportation
410-865-1102

Bradley Ryon
Manager, Government Relations
Maryland Transportation Authority
410-537-1060