

Department of Legislative Services  
Maryland General Assembly  
2026 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 1072 (Delegate R. Long)  
Government, Labor, and Elections

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State Procurement - Preferences - Francis Scott Key Bridge Reconstruction

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This bill requires a State procurement unit to award a percentage price preference of 10% to vendors from the 6<sup>th</sup> legislative district for the procurement of supplies or services related to the reconstruction of the Francis Scott Key Bridge. The price preference must be applied to procurements using either the competitive sealed bidding or competitive sealed proposal procurement methods. **The bill takes effect July 1, 2026.**

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Fiscal Summary

**State Effect:** The bill likely has no effect on State finances, as a design-build contract has already been awarded for the Francis Scott Key Bridge reconstruction project, as discussed below. To the extent additional procurements for supplies or services are awarded by State agencies for the reconstruction of the bridge, costs for those contracts may increase by as much as 10%.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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Analysis

**Current Law:**

*Small Business Preference Program*

The heads of procurement units or their designees must screen all procurements potentially eligible for a small business preference and determine which procurements will be awarded

with a small business preference and the percentage preference to be applied. The determination must be based on availability of qualified, certified small businesses and other appropriate factors. A published solicitation for a procurement designated for a small business preference must include a statement the procurement has been so designated and indicate the price preference percentage to be applied to the bids of eligible bidders. The price preference may not exceed a base percentage preference of 5% of the total contract value for small businesses, plus an additional 2% or 3% for veteran-owned small business enterprises (VSBEs) and disabled VSBEs, respectively. When soliciting bids for a procurement designated for a small business preference, the procuring unit must send a solicitation or notice of the solicitation to all certified small businesses for the subject of the contract contained on the Certified Small Business List maintained by the Office of Small, Minority, and Women Business Affairs.

### *Disadvantaged Business Enterprise Reevaluation*

The federal disadvantaged business enterprise (DBE) program is designed to assist small business formation and growth by removing barriers to the participation of DBEs in U.S. Department of Transportation (USDOT)-assisted contracts, promoting the use of DBEs in all types of federally assisted contracts and procurement activities, and assisting the development of firms that can compete successfully in the marketplace outside the program. USDOT regulations place primary responsibility for the certification of DBE and Airport Concessions DBEs (ACDBEs) on states, and each state has a Unified Certification Program to provide assistance for applicant firms seeking certification. In Maryland, this certification is done by the Office of Minority Business Enterprise (OMBE). Prior to October 1, 2025, OMBE was located in the Maryland Department of Transportation (MDOT), which was designated in regulations as the DBE certification agency. However, Chapter 605 of 2025 created the Department of Social and Economic Mobility (DoSEM) and transferred OMBE from MDOT to DoSEM.

In October 2025, USDOT issued an interim final rule (IFR) requiring immediate changes to the DBE and ACDBE program regulations. The rule prohibits reliance on race- or gender-based presumptions of social and economic disadvantage for certification. Accordingly, all firms seeking or maintaining DBE or ACDBE certification must undergo recertification without relying on race- or gender-based presumptions. This involves submitting a personal narrative demonstrating their social and economic disadvantage. The IFR specifies that recertification of all eligible DBEs must be completed before the State can establish DBE subcontracting goals on federally funded transportation projects.

**Additional Comments:** In August 2024, a progressive design build contract for the reconstruction of the Francis Scott Key Bridge was awarded to Kiewit Corporation. As the general contractor, Kiewit (not the State or a unit of the State) is responsible for hiring any subcontractors to provide supplies and services needed for the reconstruction project.

Furthermore, it is not clear how a percentage price preference program can be applied to procurements that use competitive sealed proposals (as required by the bill). Unlike competitive sealed bidding, which is based on the lowest price, competitive sealed proposal procurements can involve additional consideration of other factors beyond price, such as evaluation of technical abilities.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Baltimore City; Baltimore County; Department of General Services; Maryland Department of Transportation; Department of Legislative Services

**Fiscal Note History:** First Reader - March 8, 2026  
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