



CITY OF BALTIMORE  
MAYOR BRANDON M. SCOTT

<b>TO</b>	The Honorable President and Members of the Baltimore City Council
<b>FROM</b>	Veronica P. McBeth, Director, Department of Transportation
<b>CC</b>	Mayor's Office of Government Relations
<b>DATE</b>	April 13, 2026
<b>SUBJECT</b>	26-0172 • Charter Amendment - Charter Committee Recommendations

## **BILL SYNOPSIS**

Council Bill 26-0172 outlines changes to Charter provisions related to various functions of the Department. Proposed changes include the repeal of low bid procurement requirements, updates to franchise agreements, and the overhaul of the minor privilege system.

### **Conditions on Appropriation – *Unfavorable***

As written, the legislation would authorize the City Council to impose conditions on the release of appropriated funds. In doing so, it would allow for requirements to be imposed on DOT and peer agencies which may be counterproductive in achieving agency objectives. Under current law, the City Council engages in annual budget negotiations with the Administration to accomplish specific legislative goals. The Department works to support these by streamlining the approach to budget requests. In addition, the Department has been an active partner to Council in legislative oversight, supporting the Council's performance improvement efforts.

### **Low Bid Procurement – *Favorable***

Under current law, the BOE must award contracts to the lowest bidder as part of the competitive bidding process. This is also referred to as "low bid" procurement. This cost-saving measure can prevent agencies from pursuing well-qualified vendors, resulting in unforeseen change orders, delays, and low-quality work. Contractors chosen through the low bid approach may cut corners to appear more competitive; for example, a resurfacing contractor may understate the cost to pave a mile of asphalt, resulting in a change order (an amendment to the approved contract) reflecting higher than projected costs. Alternatively, they may prioritize more lucrative contracts with tighter deadlines, deferring work on City roads and extending the duration of roadwork.

By repealing the low bid requirement, this legislation would allow the City to assess and award contracts which balance cost and quality—an approach known as “best value” procurement. The shift away from low bid procurement will result in higher-quality work and should reduce cost overruns and quality control issues, allowing agencies to deliver satisfactory work on time and within budget. In the long term, the repeal of low bid requirements may allow the City to build capacity within local contractors to take on bigger projects, reducing Baltimore’s reliance on out-of-town businesses without a vested interest in the quality of City infrastructure.

### **Franchise Agreements – *Favorable***

A franchise is an agreement between the City and utilities for the use of public right of way in the provision of services by said utilities. (The water and sewer systems are exempt from franchise requirements as they are owned by the Department of Public Works.) As part of our duties as stewards of public right of way, the Department oversees franchises on behalf of the City. Current law prohibits the City from giving up ownership of assets such as streets or the Conduit system, which the legislation builds upon by dictating that the City cannot divest itself of its regulatory duties when granting a franchise.

The legislation would repeal the prohibition on franchises related to Conduit. In essence, this would abolish the City’s de jure monopoly on conduit infrastructure within City limits. In the past, private utilities have entered into agreements with the City allowing for the construction of manholes and conduit which are transferred to City ownership upon completion. The City is currently party to several franchise agreements which allow for the placement and operation of cable boxes and antenna equipment on above-ground City infrastructure such as streetlights. The City has maintained an agreement with Baltimore Gas and Electric since the 1800s for underground electric cable infrastructure. In addition, the City maintains an agreement without a set end date with Verizon for underground cable and conduit infrastructure.

### **Minor Privilege – *Favorable***

The Department prohibits the use of public right of way by private properties in most cases. The main exception from this rule is minor privilege—a system through which property owners are granted limited rights, or “minor privileges”, to take up space primarily on City sidewalks. For example, the Department may grant a minor privilege for uses such as sidewalk dining in front of a restaurant or signage which protrudes into the right of way. In this way, a portion of City property is reserved for the abutting property owner in exchange for a fee set by the Board of Estimates. Minor privileges are also granted by the Board upon approval by the Department.

Most notably, the legislation would allow for minor privileges to be granted by the Department through a process to be established by ordinance. This would reduce the caseload of the Board of Estimates and streamline the process for applicants, potentially resulting in faster processing times. The legislation also replaces references to minor privilege items (such as stairs) to broader categories covering temporary and permanent items, which can and cannot be easily removed, respectively. Outdoor dining would fall under a temporary minor privilege, while concrete stairs or a cellar door would be considered permanent.

## SUMMARY OF POSITION

Council Bill 26-0172 would allow the City Council to tie certain funds to predetermined conditions which must be met prior to funding release. As the Department relies on a consistent stream of funding for its operations and capital investments, it would cause funds to be diverted or withheld on the basis of external prerequisites not being met would hurt agency performance and jeopardize access to Highway User Revenue. The Department **opposes** this provision.

The legislation would modernize key provisions of the Charter and improve service delivery by allowing agencies to prioritize long-term quality and value over upfront cost savings as part of the competitive bidding process. From the Department's perspective, this is a must-have change which will pave the way for timelier, higher-quality construction work on City roads, sidewalks, and bridges. The Department **supports** this provision.

In addition, changes proposed for franchise laws are largely positive, with the potential for a streamlined minor privilege process that is faster and more convenient for property owners. However, allowing for grants of franchise for conduit infrastructure is a subject which must be approached carefully. The City has worked extensively with private utilities to expand the Conduit system in a balancing act between the private and public interest, allowing for projects to happen quickly while maximizing the utility of new conduit branches through eventual integration into the City-owned Conduit system.

Allowing the grant of franchises for conduit infrastructure will open the door for new branches of conduit to be constructed, potentially facilitating the expansion of underground electrical and highspeed internet cable installations. In doing so, it is important that the City maximizes access to this new conduit infrastructure to the furthest extent possible to ensure that it can be used for the benefit of all users. Overall, the Department sees value in this change and is excited to work to ensure the City's network of conduit infrastructure grows to support all users in a safe and equitable manner. The Department **supports** the provisions pertaining to franchises and minor privileges.

For these reasons, the Department requests a favorable report on Council Bill 26-0172 provisions pertaining to procurement, franchise, and minor privilege and respectfully opposes the provision pertaining to conditions on the release of appropriated funds.