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BOARD OF PUBLIC WORKS  
GOVERNOR'S RECEPTION ROOM  
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ANNAPOLIS, MARYLAND

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P R E S E N T

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HONORABLE PETER FRANCHOT, Comptroller;

HONORABLE NANCY KOPP, Treasurer;

SHEILA C. MCDONALD, Secretary, Board of  
Public Works;

ALVIN C. COLLINS, Deputy Secretary,  
Department of General Services;

T. ELOISE FOSTER, Secretary, Department  
of Budget and Management;

BEVERLEY SWAIM-STALEY, Secretary  
Department of Transportation;

LISA WARD, Land Acquisition and Planning,  
Department of Natural Resources;

ZENITA WICKHAM-HURLEY, Special Secretary,  
Governor's Office of Minority Affairs;

MARY JO CHILDS, Procurement Advisor, Board  
of Public Works; and,

MARION BOSCHERT, Recording Secretary, Board  
of Public Works.

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P R O C E E D I N G S

GOVERNOR O'MALLEY: Welcome to the Board of Public Works. Today is April 4, the anniversary of the death of Dr. Martin Luther King.

On our website, not related except in a larger spiritual fashion, we have posted the coupons that allow families throughout Maryland to be able to plant trees throughout our State. It is a \$25 off coupon, a wonderful thing to do with your kids. There is so little in this world that lasts very long. But if you plant a tree, if you plant it in a riparian buffer, or in English a stream buffer, at your local park or someplace, it would be a great thing to do. Mother Nature took down a lot of trees in the hurricane. I know Jack Russell is here from Calvert County, right? Jack, good to see you, Commissioner. Commissioner Russell had the distinction of the best quote of that hurricane when he said, "It seems like every poplar tree in the county liked to jump up on an electric line."

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(Laughter)

GOVERNOR O'MALLEY: Or was it oak tree,  
Jack?

MR. RUSSELL: Oaks.

GOVERNOR O'MALLEY: Oaks?

MR. RUSSELL: Both the same.

GOVERNOR O'MALLEY: Every oak tree in the  
county liked to jump up on an electric line. So we  
lost a lot of trees in that hurricane. Do your part,  
go online. \$25 off, Marylanders Plant Trees. I want  
to thank Attorney General Gansler and the good people  
at the Attorney General's Office whose recovering  
environmental action I think allowed us to fund these  
coupons and do some good, long lasting remediation.  
Mr. Comptroller, Madam Treasurer, any thoughts?

COMPTROLLER FRANCHOT: Thank you, Governor.  
I just wanted to thank everyone who voted yesterday  
and all the volunteers that were involved in the  
primaries. It obviously wasn't that crowded an  
election. But it, you know, people sit all day at

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those polls and do their volunteer efforts. And I think we all appreciate the work that they do.

I, as we look at today's Agenda I just wanted to note that we are now in April, which is the National Financial Literacy Month. This past weekend I helped kick the month off at several events, including one with Howard County Councilman Calvin Ball, a true champion and leader when it comes to promoting financial literacy education for people of all ages.

The other was a very successful event at the University of Baltimore. For several years I've been advocating a statewide financial literacy graduation requirement in Maryland high schools. And I regret, obviously, that the legislation didn't pass this year. But I'm heartened by the growing movement to bring real financial literacy education to our kids.

When we started this campaign three Maryland counties had their own graduation requirement. Well now there are six counties, and there are a number of

others that are closely looking at this. These local jurisdictions are acting on their own, spurred by thousands of parents, students, teachers, and business leaders who have joined in the effort.

President Obama has made this a top national priority. I'm proud that my office is partnering with his Council on Financial Capability to hold a town hall discussion here in Maryland. According to the President's National Financial Literacy Initiative report Maryland high school aged students rank 37th in the country, the bottom third, on financial literacy test scores. And this obviously is unacceptable for a State that has the number one system in the country. I have great hopes that we can improve that standing pretty quickly if we focus on this important issue.

And then just quickly, Governor and Madam Treasurer, speaking of things that will help improve the quality of life for our kids, I salute Baltimore City Council President Jack Young and the organizers of the President's Cup Baseball Tournament. This is a

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new major civic event that brings people throughout Baltimore City together using baseball while reinforcing the pride that people have in their schools and alma maters. As a baseball fan I was thrilled to attend one of the games this weekend, and see firsthand how successful this event is. Fortunately Christo Ray was behind 14-0 by the time I showed up. And, but it was a game that brought together schools that normally don't interact, and the sportsmanship and the camaraderie was evident in the whole program.

And this goes hand in hand with President Young's initiative to improve ballfields for Baltimore City kids, give them safe, inviting places to reach their athletic potential. I'm confident this event will become an annual tradition with a strong showing. Frankly, I've asked Council President Young if he wouldn't come down to the Washington area. Because his idea of private schools playing public schools is just a winner. Baseball, obviously, is the sport that

he chose but there are lots of other sports that kids from different schools could interact in very productively.

The championship game for Jack Young's tournament will be April 21st at Camden Yards. And all of you are invited to be my guest. There are plenty of seats. But, and it's lots of fun and I'll keep you all informed. Thank you, Governor.

GOVERNOR O'MALLEY: Thank you, Mr. Comptroller. Madam Treasurer?

TREASURER KOPP: Good morning, everyone. It's a pleasure to be here.

GOVERNOR O'MALLEY: Okay. Secretary's Agenda?

SECRETARY MCDONALD: Do you want to do that or do you want to do --

GOVERNOR O'MALLEY: I'm sorry? Oh, I'm sorry. Yes --

SECRETARY MCDONALD: The Program Open Space Agenda, should we do that one first this morning?

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GOVERNOR O'MALLEY: Chairman Russell? We're going to call, Jack, we're going to call your case, Commissioner.

SECRETARY MCDONALD: So Lisa, why don't you introduce your Agenda item?

MS. WARD: Sure. Good morning. Lisa Ward, for the Department of Natural Resources. Today we have 12 items for your consideration. And we have Mr. Jack Russell, President of the St. Mary's County Commissioners.

GOVERNOR O'MALLEY: Mr. President, what would you like to tell us about these items? And what items are the ones pertaining to Calvert County?

MR. RUSSELL: These are St. Mary's County items. I think we have three or four.

GOVERNOR O'MALLEY: Oh, I'm sorry.

MR. RUSSELL: Hey, that's fine.

GOVERNOR O'MALLEY: Jack, I said Calvert County.

MR. RUSSELL: You've got plenty on your mind.

But hey, it's with great pleasure and honor that we come with Donna Sasscer today to stand before you because we have several mega projects for St. Mary's County.

GOVERNOR O'MALLEY: St. Mary's County.

MR. RUSSELL: That with the Navy base, putting some funds into some of these Rural Legacy projects it's a great thing for St. Mary's to do with encroachment around the Navy base. And this is a great sharing of a partnership to make St. Mary's County a better place for the Navy, whereby we get most of our revenue. So we certainly thank you for having us here today to speak on this behalf.

GOVERNOR O'MALLEY: And a lot of this is for, is to increase the buffer around Pax River?

MS. WARD: Yes. Yes, thank you for your question, Governor. It's actually four items, Items 4

through Item 6. It's 275 acres through the Rural Legacy Program --

GOVERNOR O'MALLEY: Wow.

MS. WARD: -- and it protects 13,000 linear feet of riparian buffer.

GOVERNOR O'MALLEY: And the map is in here, huh?

MS. WARD: Yep, four maps.

GOVERNOR O'MALLEY: That's a lot of land.

MS. WARD: Not enough.

MR. RUSSELL: And it still, Governor, is very fitting because several years ago you also graciously undertook to buy a parcel at St. Inigo's, and then another one at new Town Neck. The Navy is set now with a lot of air hazards, you may say. We need to keep the base in St. Mary's County but they have a lot of problems with noise compatibility and the like. So this will do a lot to secure this friendship with the Navy.

GOVERNOR O'MALLEY: Mr. President, can you make sure that the Admiral knows that we did these items today?

MR. RUSSELL: Vice Admiral Architzel will know by noon that --

GOVERNOR O'MALLEY: Good. I had a meeting -  
-

MR. RUSSELL: -- this was undertaken, sir.

GOVERNOR O'MALLEY: I had a meeting with him and your State delegation about a month ago, and we were talking about how important Pax River is to the State and to St. Mary's County and all of Southern Maryland, important to Calvert and Charles as well. But the land issues and what we've been able to do to buffer them did not happen by accident. It happened because of your leadership and that of the county. And I just want him to know, you know, they change admirals every couple of years.

MR. RUSSELL: Yes.

GOVERNOR O'MALLEY: And you go through the first two years of any new base commander trying to convince them that you actually do know where they are and you care about them and you love them. So if you could let him know --

MR. RUSSELL: I will.

GOVERNOR O'MALLEY: -- that we did this?

MR. RUSSELL: I will, sir. Thank you.

GOVERNOR O'MALLEY: Mr. Comptroller?

COMPTROLLER FRANCHOT: No.

GOVERNOR O'MALLEY: No?

COMPTROLLER FRANCHOT: I'm happy.

GOVERNOR O'MALLEY: Okay. Any other items on the DNR Agenda?

TREASURER KOPP: Thank you.

MR. RUSSELL: Thank you.

TREASURER KOPP: Very good Agenda.

GOVERNOR O'MALLEY: The Treasurer moves approval, seconded by the Comptroller. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: The ayes have it.

Congratulations, Mr. President.

MR. RUSSELL: Thank you.

GOVERNOR O'MALLEY: Thank you for the good job you do for the people of St. Mary's.

SECRETARY MCDONALD: Turning to --

GOVERNOR O'MALLEY: We have a dedication later today, too? Don't we? The Fred Wineland Building?

SECRETARY MCDONALD: I think the Wineland Building.

MR. COLLINS: Yes, sir.

SECRETARY MCDONALD: Right after this.

GOVERNOR O'MALLEY: Where was Fred from?

TREASURER KOPP: Prince George's.

GOVERNOR O'MALLEY: Prince George's? Okay.

All righty?

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SECRETARY MCDONALD: Okay. On the Secretary's Agenda this morning we have nine items. We have five reports of emergency procurements and we're prepared to answer your questions.

GOVERNOR O'MALLEY: Any questions? The Comptroller moves approval, seconded by the Treasurer. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: The ayes have it. And that includes the appendix as well, no doubt, as it always does.

TREASURER KOPP: Mm-hmm.

GOVERNOR O'MALLEY: Okay. The Department of Budget and Management?

MS. FOSTER: Governor, Madam Treasurer, Mr. Comptroller, good morning. There are five items on the Department's Agenda for today and I'll be happy to answer any questions you may have.

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TREASURER KOPP: Governor, I have a question about Items 1 and 3.

GOVERNOR O'MALLEY: Items 1 and 3?

TREASURER KOPP: Items 1 and 3? Public television?

MS. FOSTER: Yes. Items 1 and 3 are, Item 1 is a request for a retroactive approval of a sole source contract that would provide call center services for pledge drives on behalf of MPT. Item 3 is also a retroactive approval to increase funding for the previous four-month extension for the same call center. Mr. Unger is here, and he'll be prepared to address your concerns.

TREASURER KOPP: That would be great. Mr. Unger, good morning.

MR. UNGER: Good morning.

TREASURER KOPP: Could you, this reads to me like a very sorry tale. Could you explain exactly what happened here?

MR. UNGER: I believe that I can. And we're not happy about these items, obviously. We had a fairly unusual circumstance. I'm sorry, this is Carole Boucher, our procurement officer.

TREASURER KOPP: Good morning.

MR. UNGER: Carole has not been with us very long. She has a long history in procurement. What happened was an unusual circumstance where we had two positions vacant at the same time. One was our procurement officer, and we only have one procurement person at MPT, and the other was our development director whose contract this really is. So what happened was the contract pretty much came to its end, no one was there to say we need to do something about this. We no longer have an internal auditor. We have corrected the problem in the meantime. We have hired, obviously, a new procurement officer. We have a new director of development. And I would certainly hope that this will not be happening anymore.

TREASURER KOPP: I guess what troubles me, Mr. Unger, is going, well first of all this is a contract which was initially a retroactive contract. Then it was extended. It was extended actually beyond the legal extension. Now retroactively we are being asked to approve the improper extension, plus another one. And let me just say that I think MPT is a terrific organization.

MR. UNGER: Thank you.

TREASURER KOPP: I think you all do great work, and I know across government we have been reducing positions. And there are vacancies everywhere, which means everybody has got to get together and work and cover the work to be done. And surely to have contracts on time and paid on time has got to be one of the things that most people can understand. And with some cross training, even with vacancies, should be covered.

You may not know, Mr. Unger, but before I was State Treasurer I chaired a budget committee in

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the Legislature for a number of years. And MPT was one of the organizations which came before us. And I have to tell you that over many years and many audits there are remarkably persistent problems that keep coming up concerning the inability to do procurement properly. I mean, that's being very blunt about it. It predates you. It certainly predates your procurement officer.

But I don't understand after the years of problems and years of promises why there are still these problems. Can you explain and what you are doing to finally cure it, if indeed that's possible?

MR. UNGER: Well we really hope that Carole being as experienced as she is will help us. We have had training for virtually everyone in our shop that does procurement. And I would like to think that this was a pretty unusual issue --

TREASURER KOPP: I mean this is a question of a contract expiring, and continuing to pay --

MS. BOUCHER: May I interject something? I would like to say that we have a solicitation on the street already for this particular call center. Proposals are due this month. And my goal before I leave, which I hope isn't too soon, like a few years, because I like where I am, I'd like to have a procurement manual in place so that we do not have the kinds of issues that you are referring to, Madam Treasurer.

TREASURER KOPP: Well I would just urge you, you can actually even read it online, to go back over the years of the legislative audits of the organization, predating anyone, anyone there. And see what I'm talking about. I wish you would. And I would love to hear from you afterwards about what you have found and how they are being addressed now.

MS. BOUCHER: My pleasure.

GOVERNOR O'MALLEY: Mr. Comptroller?

COMPTROLLER FRANCHOT: Yeah, I just want to, obviously I echo the Treasurer's concerns. And it was

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a, something we saw in appropriations a lot. But I want to emphasize how much we value in Maryland, Maryland Public Television. It is a complete gem of a facility and great programming. And I know you get a lot of private sector support. Anything we can do to, you know, help you in a general way I would like to.

I think the Treasurer actually brings up a great point that's not specific necessarily to MPT. But actually I would, sometimes I wonder how is it you become a procurement officer? And I believe that it's kind of on the job training. People get put into these roles who have some background. But I would love to see the State at some point explore with the community college system or somebody developing some kind of certificate for training so that people who become procurement officers can have the benefit of some kind of at least fundamental training. And so that it's not all catch as catch can.

I'm not saying don't do the manual definitely, because this probably won't go anywhere

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necessarily. But I'd really like to see ultimately the day when every procurement officer has to have some certificate of, you know, what the basics are.

TREASURER KOPP: Could I ask our Secretary of, the Board Secretary?

COMPTROLLER FRANCHOT: Thank you.

SECRETARY MCDONALD: Oh, and the procurement advisor as well has input onto this. I think that we have, there are a lot of procurement training things that we have offered. The Department of Budget and Management has put together courses and worked with the community college in the past. The procurement advisor urges, Mary Jo and Eloise, but Mary Jo Childs has urged the procurement officers to get certification because there is a National Institute of Government Purchasing that gives certification. And we urge employees, and I think the Department of Transportation has taken a role in getting their people and asking them to take those courses and get those certifications. And I think that what, I mean

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just to be a little bit blunt, that we're just finding that it's not necessarily the training but we have to make sure the right people are there and able to make the right decisions. These are usually upper level management decisions that need to be made. I don't know if the procurement advisor has anything she wants to add to it?

But of course we approve training. We urge training. But there are opportunities out there.

COMPTROLLER FRANCHOT: It's such a great idea it's already been adopted.

SECRETARY MCDONALD: Well it's not that. It's that we need to, once you are trained we need to continue, anyway, Ms. Childs?

MS. CHILDS: Well I think in addition to just knowing COMAR, and I think many of our procurement officers do know COMAR cover to cover, I think we need to find good managers, good work load managers. Because I think much of what comes to the Board of Public Works is expired contracts. And that

isn't necessarily a knowledge of COMAR, that's an inability to manage workload. So I think we need to find someone who has, and they are tough to find. Folks that can manage workload as well as know the procurement laws.

SECRETARY MCDONALD: And then as you all would know, I mean, procurement is the last thing. You want to fund, and I understand, substance of programs. And that's what, I mean, the Treasurer and the Comptroller and the Governor have said in budget cutbacks. So I'm not disagreeing with that at all. We need to fund the substantive programs. And so what gets left aside a lot of times is those kind of overhead things. The procurement, or the personnel. The overhead things. And so I think we do lose the great managers that we have, we do have great managers and that are trained, but then we lose them because we are not able to honor that, respect that occupation as we can the actual substance.

I think we all agree on this. We are all between a rock and a hard place on this. And I appreciate the comments from the Board and we can take them, and we certainly advocate those training opportunities again, and provide the ones that we do have that can be afforded right now, just NIGP training. And again, maybe the Department of Budget can look back to what they've done before with the community college because they had done that under Mr. Leberknight's leadership, done training with the community college. But we also have to have managers who can --

TREASURER KOPP: And that's also one of the virtues of having a manual, I do agree with you, on, for a particular organization so that it's not simply based on an individual.

MR. UNGER: We have experienced exactly what you are talking about. As a matter of fact the procurement position was unfilled at the time because we lost that person to the federal government, and I

think that may be our third procurement officer we've lost to the federal government. And it is a problem. And when you only have one procurement officer it becomes a very difficult issue for us.

COMPTROLLER FRANCHOT: So my understanding is that we, all the procurement officers already have certificates from this national --

MS. CHILDS: Oh no, sir. I didn't mean to imply that. No. But I think most of our agencies appreciate the merits of obtaining national certification and I know many of them have made great strides in getting their buyers and their procurement officers certified.

SECRETARY MCDONALD: And one of the things we proposed is if somebody gets a certification perhaps that could be considered in their job classification. But with all the personnel pressures we haven't been able to do that in job classifications, to have the certification either be required or be a step to the next level. So.

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COMPTROLLER FRANCHOT: Hey, I'm a politician. My job certification, if I have one, is I have to coordinate my smile with my handshake.

(Laughter)

COMPTROLLER FRANCHOT: But hopefully people that are actually in, down in the trenches are getting the kind of training that will protect us.

TREASURER KOPP: But this thing isn't even a question of the niceties of the procurement law. It's knowing when a contract is going to expire and starting work on the next one.

MS. BOUCHER: We agree, totally.

TREASURER KOPP: Thank you.

MR. UNGER: Thank you.

GOVERNOR O'MALLEY: Okay. Anything else on Department of Budget and Management? The Comptroller moves approval, the Treasurer seconds. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

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(No response.)

GOVERNOR O'MALLEY: The ayes have it. We move on to University System of Maryland.

MR. STIRLING: Good morning, Governor, Madam Treasurer, Mr. Comptroller. I'm Jim Stirling for the University System. We have four items on today's Agenda. I'd be happy to address any questions.

GOVERNOR O'MALLEY: Does anyone have any questions for Mr. Stirling?

TREASURER KOPP: Could I just ask --

GOVERNOR O'MALLEY: Sure, Madam Treasurer?

TREASURER KOPP: Not this, but if you could get back to me, Jim, I'm just wondering how we're doing with the fiscal sciences building?

MR. STIRLING: I'll get you an update on it.

GOVERNOR O'MALLEY: It's looking great, I can tell you.

MR. STIRLING: It's out of the ground and growing by leaps and bounds everyday.

GOVERNOR O'MALLEY: I was over there last week.

TREASURER KOPP: Really?

GOVERNOR O'MALLEY: Yeah. The superstructure of it is pretty much up, right?

MR. STIRLING: Right.

TREASURER KOPP: Super.

MR. STIRLING: You can't miss the tower going up. But I'll get you a complete status update.

TREASURER KOPP: Oh, yeah.

SECRETARY MCDONALD: Is there a camera on that one?

MR. STIRLING: Say that again?

SECRETARY MCDONALD: Is there a camera on that one?

MR. STIRLING: No.

SECRETARY MCDONALD: They have some project in the University construction that you can actually watch because there's a camera on them and you can, so anyway.

MR. STIRLING: In fact at the last meeting you all authorized the demolition of the building up at Frostburg. And I contacted Sheila and said, you know, we put it into effect. You can watch live --

TREASURER KOPP: That's always cool, watch it blow up. Yeah.

SECRETARY MCDONALD: Well no, it wasn't blown up. I thought it was, it was taken down so it went over two days.

TREASURER KOPP: Oh, wow.

SECRETARY MCDONALD: But it was very nice to watch it over a few days. You could just see it. So, anyway. If you should probably let us have any links to that we can let the Board know in case they want --

MR. STIRLING: But I will get a --

GOVERNOR O'MALLEY: What are we looking at here, K. Large?

MR. STIRLING: -- get a status report for you.



GOVERNOR O'MALLEY: Hm? This is Coppin, not Maryland, right?

TREASURER KOPP: Yeah.

SECRETARY MCDONALD: But we have the Science and Technology Center for Coppin State, is --

GOVERNOR O'MALLEY: Great. Is anyone here from Coppin?

MR. STIRLING: We have a couple of folks here.

GOVERNOR O'MALLEY: Do you want to talk to us about the Science and Technology Center? It's a good looking building.

MR. STIRLING: Sabrina Bass.

MS. BASS: Good morning.

GOVERNOR O'MALLEY: Good morning.

MS. BASS: Science and Technology Center --

SECRETARY MCDONALD: Sabrina, do you want to introduce yourself for the record, please?

MS. BASS: I'm sorry. Sabrina Bass, Executive Director of Capital Planning and Budget.

Steve Brown is also here. He's our real estate manager. We are in the process of getting ready to start construction, actually.

GOVERNOR O'MALLEY: Great.

MS. BASS: We are still doing acquisition, but we are on schedule. We have included a site plan in there, a color coded site plan that shows our progress for the acquisition. The building, we are at 95 percent complete construction documents, which came in yesterday and they are under review. And we also are going to make the building will be LEED Gold and we are very proud about being able to get all of the LEED points that we are going to need to have the building go Gold instead of Silver. And that's basically it.

GOVERNOR O'MALLEY: It's a beautiful yellow map.

MS. BASS: Yes.

GOVERNOR O'MALLEY: I remember when it wasn't all yellow.

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MS. BASS: Yes.

(Laughter)

GOVERNOR O'MALLEY: That's a lot of --

MS. BASS: And we're working with, you know, Baltimore City for the street and alley closing, the right of entry, Maryland Historic Trust, and all of the prerequisites and requirements and criterium for property acquisition and construction of a new State facility.

GOVERNOR O'MALLEY: And in this picture are we looking down North Avenue?

MS. BASS: Yes. North Avenue will be redone as part of the project.

GOVERNOR O'MALLEY: That's going to be a great --

MS. BASS: Right.

GOVERNOR O'MALLEY: -- gateway, corridor, whatever, transition, destination.

MS. BASS: We're excited.

GOVERNOR O'MALLEY: That's really --

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MS. BASS: Plus having the physical, you know, facilities for our students that are, you know, for the STEM programs and you know for the 21st Century technology, high tech building.

GOVERNOR O'MALLEY: I'm so glad it's a science building.

MS. BASS: We are, too.

GOVERNOR O'MALLEY: Science and technology. I think we've kind of done the performing arts thing for a while.

MS. BASS: Well I'm coming with that, too.

(Laughter)

MS. BASS: That's next.

GOVERNOR O'MALLEY: Beautiful gym, I bet it configures well for concerts.

MS. BASS: Yes, it does. Yes, sir.

TREASURER KOPP: Governor, could I inject a personal note? Or perhaps the Secretary would like to, just so you all know that not only does Ms. Bass do all this wonderful work on behalf of the students

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and the educational community, but she also represents all the State employees on the Board of Supplemental Retirement Systems. State employees including I trust most of the people in this room who are intelligent enough to know to put money aside for their future. I just want to thank you.

MS. BASS: Thank you very much.

GOVERNOR O'MALLEY: Okay. Anything else on University System of Maryland? The Comptroller moves approval, seconded by the Treasurer. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: And the ayes have it.

MR. STIRLING: Thank you.

GOVERNOR O'MALLEY: I think we have a, I wonder if we might --

SECRETARY MCDONALD: It might actually be --

GOVERNOR O'MALLEY: Is it resolved? Okay.

Mr. Schlanger, Department of Information Technology.

TREASURER KOPP: What a fine man.

MR. SCHLANGER: Good morning, Governor, Madam Treasurer, Mr. Comptroller. Well for the record, Elliot Schlanger, Department of IT. This morning we have two items on the Agenda. I will call your attention to Item 2-IT supplemental. On behalf of DLLR we're asking for Board approval for contract in the face of protest to CR Software for COTS software that will help DLLR with their unemployment insurance benefit payment control in areas of prevention of fraud, data analysis, and overpayment recovery. We are prepared this morning to briefly just give you some history of this project, tell you why it's important, and provide the rationale of why in fact the Board should approve this contract in face of the protest. So if we could do that I would invite my colleagues from DLLR?

MS. SQUIRE: Good morning, Governor, Madam Treasurer, Mr. Comptroller. My name is Julie Squire, Assistant Secretary for the Division of Unemployment Insurance at the Department of Labor, Licensing, and Regulation. Thank you very much for your consideration of this item. The department is asking for approval of a \$3.9 million contract to CR Software for integration of a custom off the shelf product to help the State with unemployment insurance overpayment and payment functions.

This is a new contract which would be awarded under a federal grant totaling \$4.9 million. The software will be installed in the first year with four subsequent years of maintenance. The software is needed and the department is asking for an award and moving forward with this project even though there is a protest, actually three protests, from the other offeror, On Point Technology.

CR Software, the contractor we would like to award it to, was rated first on technical merits and

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on price. The software will help with two primary areas. Most importantly, the software will help Maryland to identify fraud and prevent overpayments early. Currently the department has a highly manual process for overpayments. This software would consolidate data into a single database and help us to score claims on the probability of an overpayment. This will assist us to prioritize our work.

The second area that this software will help with is allowing us to use our data. Right now we have to have a Cobalt programmer program if we want to receive information from our mainframe system.

So the desired result is reduced overpayments through increased detection and increased efficiency. And what would this mean for Maryland? What it would mean is helping Maryland employers. We need to do everything we can and this software is available to reduce overpayments. If we can prevent 25 percent of overpayments through this software, which I am confident we can do, this would result in a

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savings annually to Maryland employers of \$10 million. That is \$10 million in taxes that Maryland employers would not need to pay.

GOVERNOR O'MALLEY: I think we're all, I think most of us are pretty well versed in why it's needed and why we're, and we're all in favor of our State having this capacity. I understand that there may have been some protest issues. I understand that those issues might have been resolved. I mean, I think that's our main question, is the protest resolved? Can we go forward with this? Or do people need to be heard on the protest? Or what's the deal here?

MS. SQUIRE: I understand that the protester is here and perhaps he could speak on that issue.

GOVERNOR O'MALLEY: Mm-hmm. Because we never like going forward with things even when there's a protest unless we hear from you first.

MR. LIVINGSTON: Good morning.

GOVERNOR O'MALLEY: Good morning.

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MR. LIVINGSTON: This just in, we don't want to protest.

GOVERNOR O'MALLEY: Okay.

MR. LIVINGSTON: We are not going to --

SECRETARY MCDONALD: Could you introduce yourself for the record?

MR. LIVINGSTON: Yeah, hi, this is Scott Livingston. I'm the attorney that represents On Point Technology, a disappointed proposer for this procurement. We are going to continue our bid protest at the Board of Contract Appeals but we do not object if the Board wishes to award the contract in the face of the bid protest now.

GOVERNOR O'MALLEY: Okay. Any questions?

COMPTROLLER FRANCHOT: No. I just want to compliment the Secretary and I see Mr. Jensen back there. They provided our office with some excellent information. Job well done.

GOVERNOR O'MALLEY: Make sure, Elliot and everybody, I mean, make sure you do this well, and

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implement it right. You know? I mean, not a lot of other places have done this. We always like being the best at doing something second because others have worked out the R and D, but I also understand that this is a, you know, this is, for states anyway, some new applications that most states didn't have before. Hence you know the reason for the federal government wanting to incentivize this and pay for the capital costs up front. Because it allows us long term savings, both State and federal and employer, over the long term.

And I can't wait, Mr. Secretary, till September when I hope that the job creation numbers will justify a moving down of that UI schedule for business owners, large, medium, and small. But just, Elliot, Mr. Schlanger, please, keep an eye on this one like a hawk. Make sure it's done. And make sure it's done right. Make sure there is no slipping in the implementation?

MR. SCHLANGER: Understand the mission and we'll get it done, sir.

GOVERNOR O'MALLEY: Okay. The Treasurer moves approval, seconded by the Comptroller. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: The ayes have it.

MR. SCHLANGER: Thank you.

GOVERNOR O'MALLEY: We move on now to the Department of Transportation.

MS. SWAIM-STALEY: Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, Beverley Swaim-Staley representing MDOT. We have 14 items this morning. Item 4 has been revised and we'll be happy to answer your questions.

GOVERNOR O'MALLEY: Department of Information Technology.

COMPTROLLER FRANCHOT: Department of Transportation.

GOVERNOR O'MALLEY: I'm sorry, Department of Transportation. The noises coming from the exit are the Department of Information Technology. I wonder if the web camera picks up the exodus? Okay, any questions on Department of Transportation?

TREASURER KOPP: So this deal on E-ZPass responders. Will they be called, who gets the benefit of the reduced --

MS. SWAIM-STALEY: All the E-ZPass, anyone purchasing a new E-ZPass. It's a great, it's a great --

TREASURER KOPP: So E-ZPass responders will now be how much?

MS. SWAIM-STALEY: They will be going down by I think \$10 from \$25.

TREASURER KOPP: Repeat that? I want my husband who is watching to hear that.

GOVERNOR O'MALLEY: What page is this, by the way?

MS. SWAIM-STALEY: I believe this is item, the last item, Item 14.

TREASURER KOPP: Item 14.

GOVERNOR O'MALLEY: Item 14? This is to provide electronic toll collection technology and associated subsystem components and services for the MdTA and other E-ZPass group members.

MS. SWAIM-STALEY: And the prices going up corrected \$21 to \$9.

TREASURER KOPP: To \$9 from \$21?

MS. SWAIM-STALEY: Nine dollars. And it's as a result of a multistate agreement, multiauthority agreement, although we understand not everyone is actually reducing the price of the transponder. But we actually announced this last fall because we knew this was coming. And we are, we only charge what it costs us, essentially. And since it's going to cost us a lot less we'll be able to charge a lot less.

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GOVERNOR O'MALLEY: And are you doing some sort of press release on this or something?

TREASURER KOPP: Yeah.

MS. SWAIM-STALEY: Well this was part of the package that we passed last fall.

GOVERNOR O'MALLEY: I'm sure it was, but I wasn't aware of it.

TREASURER KOPP: Yeah.

GOVERNOR O'MALLEY: And the Treasurer doesn't remember it.

MS. SWAIM-STALEY: Yeah, we can certainly do additional --

TREASURER KOPP: I think it's significant.

GOVERNOR O'MALLEY: And we tend to follow State events pretty closely.

MS. SWAIM-STALEY: We will do it again. Well it probably got lost in the other news last fall, so we'll do it again.

GOVERNOR O'MALLEY: Yeah. Everybody notices when it goes up.

TREASURER KOPP: Right.

GOVERNOR O'MALLEY: But, so this is a  
monthly reduction?

MS. SWAIM-STALEY: This is when you purchase  
--

TREASURER KOPP: When you buy it.

MS. SWAIM-STALEY: When you first purchase  
your transponder.

GOVERNOR O'MALLEY: I see. And so not the  
monthly thing, but once you have a responder --

MS. SWAIM-STALEY: Yeah. Then there is the  
month depending upon your usage you still have the  
monthly.

GOVERNOR O'MALLEY: Got you. But the up  
front purchase of the transponder will now go down  
from \$21 to \$9 thanks to a multistate procurement.

MS. SWAIM-STALEY: A multistate agreement.  
A compact, really.

GOVERNOR O'MALLEY: Then --



MS. SWAIM-STALEY: Because all of us are part of the E-ZPass compact. And you also eliminated last fall the monthly fee, except for those people who don't use the transponder very often. So that was something you had already addressed as well.

GOVERNOR O'MALLEY: Great.

TREASURER KOPP: Thank you.

GOVERNOR O'MALLEY: Get Rick or Takirra or somebody to help you let that one out. Department of General Services -- did we move on that one?

MS. SWAIM-STALEY: You did not pass it.

GOVERNOR O'MALLEY: We haven't passed that one? You really want us, you want us to pass all of these things?

(Laughter)

GOVERNOR O'MALLEY: All right. The Treasurer moves approval of Department of Transportation Agenda items, seconded by the Comptroller. All in favor signal by saying, "Aye."

THE BOARD: Aye.

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GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: The ayes have it. We're now on the Department of General Services.

MR. COLLINS: Sir, Al Collins, for the record. Good morning, Governor, Madam Treasurer, Mr. Comptroller. The Department of General Services has 21 items on our Agenda. We are withdrawing Items 1 and 4. I'll be glad to answer any questions you have on the items.

GOVERNOR O'MALLEY: Any questions? The Treasurer moves approval, seconded by the Comptroller. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: The ayes have it. And that concludes our Board of Public Works.

SECRETARY MCDONALD: Mr. Collins, do you want to tell them what time the Wineland Building dedication is?

MR. COLLINS: Oh yes, sir. Governor, we're having the dedication of the Wineland Building, the old former Jeffrey Building at noon. As soon as you can get there. We can move it up, in fact, if folks are there already. But if you stop by --

GOVERNOR O'MALLEY: For all of you who are here from departments or agencies you are welcome to the come to the Wineland dedication. And if you return to your employers and they ask you why it took so long say that the, just say that the Board of Public Works, Mr. Franchot had something to say --

(Laughter)

GOVERNOR O'MALLEY: If they give you any push back we'll pull an old tape, and I hope to see you all at noon.

(Laughter)

GOVERNOR O'MALLEY: Thank you very much.

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(Whereupon, at 10:50 a.m., the meeting  
was concluded.)

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