
STATE OF MARYLAND
BOARD OF PUBLIC WORKS
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PRESENT

HONORABLE LARRY HOGAN

Governor

HONORABLE NANCY KOPP

Treasurer

HONORABLE PETER FRANCHOT

Comptroller

SHEILA C. MCDONALD

Secretary, Board of Public Works

GAIL BASSETTE

Secretary, Department of General Services

DAVID BRINKLEY

Secretary, Department of Budget and Management

JIM PORTS

Deputy Secretary, Department of Transportation

EMILY WILSON

Director, Land Acquisition and Planning, Department of Natural Resources

ALBERT BULLOCK

Chief of Staff, Department of Information Technology

HERBERT JORDAN

Deputy Secretary, Governor's Office of Minority Affairs

MISSY HODGES

Recording Secretary, Board of Public Works

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PROCEEDINGS

GOVERNOR HOGAN: Good morning, everyone.

AUDIENCE: Good morning.

GOVERNOR HOGAN: I'd like to get the show on the road and get started. I'm going to turn it over to my colleagues for any opening remarks they may have. Mr. Comptroller?

COMPTROLLER FRANCHOT: Thank you, Governor. And good morning. Madam Treasurer, Governor, I'd like to start if I could just by offering my congratulations to the winners of yesterday's primary elections. This was a particularly exciting primary season here in Maryland with competitive races at the presidential, congressional, and local elective offices. And to those who didn't emerge victorious, you, each of you deserve our thanks for engaging in our political process and for your desire to serve our communities.

I'd like to particularly acknowledge the volunteers all over the State who knocked on doors, made phone calls, worked at polling places on behalf of candidates. I met so many of them over the last few weeks and as someone who has been in public service nearly 30 years I can say unequivocally the volunteers are the lifeblood of a political campaign.

And if I could, Governor, I'd also like to take a moment to recognize the hardworking men and women of my office who worked tirelessly

throughout this year's tax season. I am enormously proud and grateful for their continued efforts. To date my office has processed more than 2.6 million tax returns, disbursed more than 1.8 million refunds worth nearly \$2 billion in an average of 2.2 business days upon receipt of Maryland taxpayer's request and us putting their money in their bank account.

And we continue to fight to protect Marylanders from financial predators, fraudsters, and identity thieves. To date we have identified and blocked more than 8,000 fraudulent returns in the last couple of months worth more than \$13 million. The unfortunate reality is that these figures will continue to rise throughout the year. And my team will continue to aggressively combat tax fraud and identity theft and provide the level of service that Maryland taxpayers expect and deserve.

And Governor, thank you for letting me publicly thank the almost 1,200 people who work in my agency. It's a, you can imagine of the 200,000 phone calls we fielded in the last three months, each of which was answered I understand within two to three minutes by a live, friendly, professional voice, it wasn't always that on the other end of the line. And --

(Laughter.)

COMPTROLLER FRANCHOT: -- so I applaud the professionalism of everyone that works in my agency. Thank you, Governor.

GOVERNOR HOGAN: Thank you, Mr. Comptroller. I'd like to give a big round of applause to the 1,200 people that make him look good.

(Laughter.)

(Applause.)

GOVERNOR HOGAN: Madam Treasurer?

TREASURER KOPP: I can't help but pointing out after that, Governor, that there are about 50 other people in the building, what's known as the State Treasury Building, who are working immensely hard all of the time and are very proud and happy to be able to pay their taxes in full and on time. And I would echo the Comptroller's remarks. It was a remarkable evening at the end of a remarkable, the end of a campaign. There's a long, God help us, there's a long campaign ahead.

(Laughter.)

TREASURER KOPP: But it was good seeing people out and the weather stayed, at least in our area, a lot better than we feared it would be.

I just want to say one thing about today's Agenda. As you pointed out earlier, Governor, we will later have on the Agenda a motion to keep the State property tax where it is in order to be able to sustain the debt that we incur for mostly building schools and college buildings, but also prisons, etcetera. And it would not have happened as happily without the participation of both the Comptroller and Secretary Brinkley. And so when we get to that item, on behalf

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of the Commission, just to know that this is the Commission. And I appreciate very much the strong support and unity. This is a day for unity. So I thank you.

GOVERNOR HOGAN: Thank you very much. Let's get started with the Secretary's Agenda.

SECRETARY MCDONALD: Good morning, Governor --

GOVERNOR HOGAN: Good morning.

SECRETARY MCDONALD: -- Madam Treasurer, Mr. Comptroller. I would like to point out first that unfortunately the meeting is not being livestreamed on the internet. But you are not hearing that on the internet, only people in the room are. We will, we have our trusty court reporters taking the record the old-fashioned way and the audio will be posted this afternoon.

GOVERNOR HOGAN: So we're like the Legislature now?

SECRETARY MCDONALD: Exactly.

TREASURER KOPP: Oh my goodness.

SECRETARY MCDONALD: We have tweeted it on our Twitter account. If anybody else wants to Twitter out there, you see reporters running in. But anyway, we are not on the internet right now but we will definitely have a record of the proceedings.

TREASURER KOPP: What are people going to do with all of their time?

(Laughter.)

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SECRETARY MCDONALD: I know. We actually get some pretty big--

TREASURER KOPP: Millions.

SECRETARY MCDONALD: -- audiences out there. In any event, we have 18 items on the Secretary's Agenda this morning. There are three reports of emergency procurements. Indeed, Item 18 is the recommendation from the Commission on State Debt. We are prepared for your questions on the rest of the items as well.

GOVERNOR HOGAN: Well on Item 18 --

SECRETARY MCDONALD: Yes?

GOVERNOR HOGAN: -- I'm pleased to see the recommendation from the Commission to hold the line on State debt, to hold the line on property tax rates. I want to congratulate everybody involved in helping to make that happen. You know, proceeds from the property tax are used to pay down the State debt with general funds covering any shortfall. And in the recent past the State had raided cash from vital programs, like the Transportation Trust Fund, the Chesapeake Bay Trust Fund, Program Open Space, to pay for other things. And then of course we had to backfill these accounts with increased debt.

Due to those unfortunate actions annual appropriations from the general fund to cover the shortfall will soon surpass what we invest in school construction. But my administration has ended those practices and we have

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stopped the fund raids and limited the annual borrowing that has racked up massive debt on the taxpayers' credit card. And I want to thank the Legislature for agreeing with me that we need to keep our annual borrowing under \$1 billion and working together to put Maryland's financial house back in order. Limiting our annual borrowing is bringing State debt back under control and it reassures taxpayers of our shared commitment to fiscal responsibility.

Finally I want to thank the members of the Commission, especially Treasurer Kopp, Comptroller Franchot, Secretary Brinkley, Secretary Rahn, and Director Powell for all their hard work. Any other comments on holding the line on the --

COMPTROLLER FRANCHOT: Yeah, no, I would love to echo your comments about Treasurer Kopp but also give kudos to you, Governor Hogan. We talked earlier about the elections. I can pretty much promise people that in the State of Maryland the 2016 election is going to be very similar to the 2014 election. And the first, the second, the third priority on every Maryland voter's mind is the economy. And success is going to go to those candidates from both sides who understand that and focus on these families out there that are struggling to put some money aside for their kids' college education. Or getting up older, trying to put a little bit aside for their own retirement.

So this item that we're voting on right now is a very loud statement that we're going to be holding taxes down. We're going to be stopping wasteful

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spending. We're going to be holding down the soaring public debt. And I think from the job figures last month, Governor, partnering with the private sector to create jobs and wage growth. That is just about all of my advice to every candidate on the ballot, regardless of where they come from. It's just, that's the focus of our voters right now. And I think this item is appreciated by them. And I thank the Treasurer, and she chairs the Commission, and I think this is exactly what the public wants.

GOVERNOR HOGAN: Well thank you, Mr. Comptroller. It's our primary focus. Thank you for the advice.

(Laughter.)

COMPTROLLER FRANCHOT: We've been working on trying to turn our economy around and last year was the best year for Maryland business in eight years. We created 63,200 jobs in the private sector and in case you hadn't heard the news, last month we went, well even before last month we went from last place in the Mid-Atlantic region to first place in job creation. And then last month, the month of March, we created 19,300 jobs. We were number one in the entire nation, not only in the rate of growth but our little State created more jobs than any State in the entire country. So we're on track to get this done.

COMPTROLLER FRANCHOT: Yeah.

(Applause.)

COMPTROLLER FRANCHOT: I have to be careful about saying things like that. Because I hear reverberations from downstairs whenever that goes but I think --

GOVERNOR HOGAN: They're against jobs?

COMPTROLLER FRANCHOT: Well they're --

TREASURER KOPP: What a team you are. It's really impressive.

(Laughter.)

COMPTROLLER FRANCHOT: Yeah, that's the problem.

(Laughter.)

COMPTROLLER FRANCHOT: Thank you very much. And sorry to open my big mouth. But thank you, Governor and Madam Treasurer, sincerely. You have always handled that particular committee with great leadership. I'm glad to be part of it.

GOVERNOR HOGAN: Very good. Any other comments? Is there a motion on the Secretary's Agenda?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Let's do it. Three-nothing.

SECRETARY MCDONALD: Thank you.

GOVERNOR HOGAN: Very good. Let's move on to the DNR Real Property Agenda. Good morning, Emily.

MS. WILSON: Good morning, Governor, Mr. Comptroller, Madam Treasurer. Emily Wilson with the Maryland Department of Natural Resources. We have seven items on our Agenda today. I'll be happy to try to answer any questions.

GOVERNOR HOGAN: Any questions on the DNR Agenda?

COMPTROLLER FRANCHOT: I just would like to make a comment about Emily Wilson. I run through the --

(Laughter.)

COMPTROLLER FRANCHOT: -- yeah, you think I'm just a big fan of hers and I go through this Agenda to say nice things. I go through this Agenda because it's doing exactly what the State of Maryland and many of our communities desperately need. I'm not particularly a big fan of the first item, the golf course. But if that's how that county wants to use it, that's okay with me.

What I like are the very small amounts of money to improve basketball courts and ball fields out in Garrett County; also in Kitzmiller and Loch Lynn Park; and another small amount of money, just \$4,500, to help put up some long overdue permanent fencing at the Home Run Baker Little League Park in Trappe, Maryland. That's a wonderful Little League program with a

distinguished history. And for such a small amount of money we're helping those volunteers improve the quality of the ballpark experience.

And I'm talking about larger but still relatively modest amounts of money to upgrade tennis and basketball courts down in Salisbury. We tend to associate value with how much money we are spending, but I can tell you these are very important additions to families with young children.

So obviously the Program Open Space funds as they are currently being allocated, Ms. Wilson, are deeply meaningful to a lot of children and families and I personally appreciate the emphasis upon providing children with places where they can play their favorite sports and remain physically fit and enjoy themselves. And I didn't mean to spotlight you. I apologize. But I love this Agenda. And please, keep it up. It's much, much appreciated.

MS. WILSON: Thank you very much. We have such a very dedicated staff that are very passionate about these programs that help communities, local communities across the State. You mentioned the Home Run Baker Park. The other nice portion of that item is that the Home Run Baker Park Little League actually helped contribute to that fencing and raised \$11,000 towards that cost. So these programs are leveraging monies all across the State.

I want to thank the Board for their support of all of these programs and I also want to thank for the support of Program Open Space and transfer tax funded programs generally speaking. The swift signature of House Bill 462 after

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the Legislature, or while the Legislature was still in session actually, just underscores the strong commitment to and support of these transfer tax funded programs, like Program Open Space and Rural Legacy. And we're deeply appreciative. So thank you.

GOVERNOR HOGAN: We're very happy to finally fully fund Program Open Space and to not let it be raided anymore like it has in the past --

MS. WILSON: Indeed.

GOVERNOR HOGAN: -- one of the priorities I spoke about in the State of the State, and I was happy to see the Legislature go along with it. Any other comments on --

TREASURER KOPP: Unity is a great thing, isn't it?

GOVERNOR HOGAN: We're all singing *Kumbaya* --

TREASURER KOPP: Yeah, yeah, I love campaign seasons.

(Laughter.)

GOVERNOR HOGAN: I love it. This is the way government should work. We should go to Washington and teach them how to do it.

TREASURER KOPP: No.

(Laughter.)

GOVERNOR HOGAN: Is there a motion on the DNR Agenda?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

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GOVERNOR HOGAN: Three-nothing, DNR Agenda. Let's move on to DBM.

MS. WILSON: Thank you.

MR. BRINKLEY: Good morning, Governor, Mr. Comptroller, Madam Treasurer. For the record, David Brinkley, Secretary of the Department of Budget and Management. We've submitted six items but we are withdrawing Item 4-S-MOD, leaving only five items for your approval. And I have representatives here to address any concerns or questions that you might have.

GOVERNOR HOGAN: Questions on DBM?

COMPTROLLER FRANCHOT: Item 1-S, if I could? If you could help me understand, Mr. Secretary, what exactly is the current status --

MR. BRINKLEY: Bruce Michael, the Director of the Resource Assessment Service, is supposed to be here, with the Department of Natural Resources.

MR. MICHAEL: Thank you. My name is Bruce Michael, from, and I am Director of Resource Assessment Services for the --

GOVERNOR HOGAN: Good morning.

MR. MICHAEL: -- Department of Natural Resources. Good morning. And I'm happy to be here to talk about the Board's questions on this particular project.

COMPTROLLER FRANCHOT: So this is a four-year, two-month contract worth \$5 million to Environmental Resources Management to provide consultant services to DNR's Power Plant Assessment Division. It was a single bid contract that I thought the department said was most likely the result of highly restrictive procurement language in the RFP. It banned contract awardees from producing work product for any Maryland electric distribution company or power plant developer that might be, might be introduced into litigation or regulatory proceedings. Didn't we pretty much exempt the entire universe there?

MR. MICHAEL: No. And that language was actually not in the RFP. We just had a standard conflict of interest affidavit and disclosure statement, so that language was not in the RFP.

COMPTROLLER FRANCHOT: So then why was there a single bid only?

MR. MICHAEL: We went out. We canvassed. We sent out 227 individual letters for potential vendors; 155 of those were in Maryland. We had a pre-bid conference and we had 11 potential vendors participate in that. And the ones that came, they basically declined on various reasons. They didn't have enough resources. They didn't have the commitment at this time of the staff or the expertise to do this. And they didn't feel that they could compete for this project.

COMPTROLLER FRANCHOT: But that doesn't make a lot of sense given the number of companies that you sent it to and the number that showed up, and all of a sudden this group Environmental Resources Management, I'm sure they're not the incumbent --

MR. MICHAEL: They are the incumbent. So again, we did everything that we could to solicit, to get the information out for this. This type of work is very specific, very technical in nature. We tried to canvass as many companies that had, we felt that had the expertise and capabilities to do this. Again, this is a project that this particular work provides the expertise that we need to assess energy generation within the State of Maryland. The other companies, it doesn't preclude them from this type of work, from doing other projects in other states. So.

COMPTROLLER FRANCHOT: Well I am big into the unity issue now, and we're all like together, and nobody disagrees. But this I find a little questionable. And if there was some way we could put it off for a couple of weeks just to see if there isn't an alternative way to, for you folks faced with this situation. Maybe there's some kind of a team of consultants you can put together that would not be so narrow as this procurement so, I mean, the only thing you left out was we're getting a really good deal because it's less than what we paid them last time. How do we know that it is if there's no competition? So I'm not going to push the issue. But if we could have a couple of weeks to look at it and

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think about whether there is something that would be helpful to you and the other agencies to avoid these awkward situations.

MR. MICHAEL: Again, we came back and we tried to address, we did individual mailings out to as many, all the companies that basically have this expertise. We have individual projects that we come up, we don't know what our future projects are going to be. So we have to retain somebody with the expertise to look at multiple issues related to whether it's hydropower, whether it's Calvert Cliffs Nuclear, LNG, natural gas. So the companies have to have that expertise. And we depend on them to provide that expertise to us. And that's why we can't do it in house.

COMPTROLLER FRANCHOT: Okay. Well maybe we could put it off for a couple of weeks. Because I know on the DoIT Agenda we've got something coming up where there are multiple vendors that they have available and there's some transparency and competition. It's not just, you know, I don't think this is the case, but people could say that some of these single bid contracts to the incumbents are just more of the same. So and what bad things would happen if it were put off for two weeks?

MR. MICHAEL: Well we are in the process of looking at, again, these long term projects, such as the relicensing of Conowingo Dam. We need that continuity. But we, the project is supposed to go first on May 1st for this

particular incumbent. We would lose some of that continuity if we had to extend it a longer period of time.

COMPTROLLER FRANCHOT: I understand that. That's just another reason for me to request two weeks because, I mean really, it's, and I'm not --

GOVERNOR HOGAN: Two things we don't like at the Board of Public Works are single bid contracts and coming in at the very last moment a day or two before the contract expires and you've managed to do both of them at the same time.

(Laughter.)

MR. MICHAEL: Well again, and we understand. And we tried to get multiple bids. Again, going out with individual letters and extending. We had a 76-day time period on our bid process. We tried to extend it an extra two weeks to get additional people out there.

COMPTROLLER FRANCHOT: I would move that we defer this for two weeks and see you at the next Board meeting, which I think is the 17th? The 11th? The 11th, thank you.

GOVERNOR HOGAN: Is there a second? I'll second.

COMPTROLLER FRANCHOT: Thank you.

MR. MICHAEL: All right. Thank you.

GOVERNOR HOGAN: All those in favor?

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COMPTROLLER FRANCHOT: Aye.

GOVERNOR HOGAN: Aye.

TREASURER KOPP: No.

GOVERNOR HOGAN: Two-one. All right. Any other questions on the DBM Agenda?

TREASURER KOPP: However, Governor, while I did not agree, I mean, I understand the concern. I really think these contracts coming at the last minute, backing the Board up against the wall, is really pretty outrageous.

GOVERNOR HOGAN: Yeah. Yeah. I think the next time we see that we'll just reject the contract automatically.

TREASURER KOPP: Thank you.

GOVERNOR HOGAN: So any other questions on the DBM Agenda? Is there a motion?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Second? Three-nothing on the Agenda. Move on to the University System Agenda. Good morning.

MR. EVANS: Good morning. Joe Evans, representing the University System of Maryland. We have seven items on the Agenda. We're here to answer any questions.

GOVERNOR HOGAN: Questions on the University System?

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COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second? Three-nothing. Thank you.

MR. EVANS: Thank you.

TREASURER KOPP: All right.

GOVERNOR HOGAN: Let's move on to Information Technology.

MR. BULLOCK: Good morning, Governor.

GOVERNOR HOGAN: Good morning.

MR. BULLOCK: Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, I am Albert Bullock, Chief of Staff for the Department of Information Technology. Today we have seven items on the Agenda and I have agency representatives to answer any questions you have.

GOVERNOR HOGAN: I'd like to talk about Item 2. According to our materials, this data management and analysis contract for the Maryland Healthcare Commission contains 20 percent padding, which equates to an extra \$1.7 million, of a cushion over the offered price. Back in June the Department of Juvenile Services was here before this Board seeking cushioning funds and the Lieutenant Governor and the Comptroller rightly questioned the propriety of padding contracts like this. And this is for number crunching, not crucial social services like DJS was trying to seek. So I'm having a hard time understanding why we need 20 percent padding of this contract.

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MR. SRIDHARA: Sure. Thank you, Mr. Governor, and the Board. My name is Srinivas Sridhara. I'm the Chief of Cost Quality Analysis at Maryland Healthcare Commission.

We do understand the concern and I would say that this database is a resource that goes beyond the Maryland Healthcare Commission and sort of policy studies and the like. Importantly we support the Health Services Cost Review Commission, the Insurance Administration, Medicaid, and the Exchange, and specifically programs that are oriented towards containing costs in healthcare and helping Maryland residents in keeping more dollars in their pockets. So I think this has a more, a broader need and use than simply maintaining a database for esoteric analyses or the like. So I would say that it has a broader scope and purpose.

Aside from that in terms of the need for --

GOVERNOR HOGAN: Well if --

MR. SRIDHARA: Yes?

GOVERNOR HOGAN: -- if additional, you know, work was needed --

MR. SRIDHARA: Yes?

GOVERNOR HOGAN: -- for some other cause under the contract, you know, wouldn't you be free just to come back before us and look for more contract authority and to increase the --

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MR. SRIDHARA: Absolutely. That is a fair point. So the way that this usually happens is that the other agencies in the State often require sort of timely analysis to help them do their work. We are fortunate that we have brought in major grants to the State. For example, this database has in the past been supported by federal grants. We got one that was \$2.9 million, followed by another \$1 million, and also from foundation grants. And those don't often permit a longer period of, you know, sort of a contract process. We've been fortunate. DoIT has helped us greatly in the past to move through the agendas and get the contracts in. But they still take time. I mean, it's not, you know, everyone is doing their job but it takes some time and we often don't have the time to react.

So we certainly understand the concern about having sort of unallocated funds sitting there. But we think we've been good brokers of such funds in the past. In the past we have put it as a line item into the RFP so that it was reviewed and allocated it that way. But we have in this case been advised that the State would be at less risk by putting it under the not to exceed value. So that's the motivation. And we'd certainly appreciate having, if this amount seems too high, and that's the concern, we'd certainly be willing to reduce it and if that's an acceptable alternative we'd greatly appreciate it. And I think it would help not only us do our work but several other agencies in the State do their work.

COMPTROLLER FRANCHOT: If I could ask, Governor, what would the amount be without the 20 percent?

MR. SRIDHARA: I mean --

GOVERNOR HOGAN: \$8,975,088.

MR. SRIDHARA: That's exactly it.

(Laughter.)

MR. SRIDHARA: Yeah. That's the proposed and evaluated amount. That's exactly right.

COMPTROLLER FRANCHOT: I would be happy to move that amount, if there were a second.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Three-nothing.

MR. SRIDHARA: Okay. Thank you.

GOVERNOR HOGAN: Thank you. Mr. Comptroller, so we're pulling out Item 2. We have a separate vote that was done on that.

TREASURER KOPP: With the understanding that if it's needed --

GOVERNOR HOGAN: Yep. Yep. Of course. And any other questions on the rest of the DoIT Agenda?

COMPTROLLER FRANCHOT: I do have a question. It's Items 3, 4, and 5 together. We're being asked to approve these three items as submitted, which would add approximately \$80 million in State spending to a set of existing

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contracts. The big one would add \$71 million to the Commercial Off the Shelf master contract for software installation, training, maintenance services. Oh and coincidentally or not, I noticed my old favorite company has reappeared, ESRI. I guess I should feel a wave of relief that they are finally being added to this contract because apparently nobody else on Earth can do what this one company does. And Maryland State government as we know it would cease to exist without the benefit of ESRI's services. All of which makes me wonder why the company even bothered to throw nearly \$150,000 at the former Governor to give speeches after he left office, well a couple of days after he left office. Why in God's name are we putting ESRI on this contract?

MR. BULLOCK: Well --

COMPTROLLER FRANCHOT: So another item, not to pick on ESRI, would add \$8 million to an existing contract with SHI International Corporate to provide Microsoft software products. And there's a third, much smaller request to add \$136,000 to an existing contract with a Minnesota-based company GovDelivery to generate email, text, and social media notifications. Eighty million dollars, that's a lot of money. Either a couple of things are happening, either we're adding more work to the existing contracts and we need to pay for it. If that's the case I'd like to talk about it and make sure we're not going outside the scope of work and circumventing the previous procurements. Or we just didn't do a great job of anticipating how much it would cost to provide

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certain IT services in the State of Maryland. But I do have a problem with ESRI. I'm not quite sure what I, who I appeal to on that.

MR. BULLOCK: Well sir, ESRI is a company that's in legal standing and they submitted an adequate proposal. And there is no mechanism for us to preclude them from joining a State master contract.

COMPTROLLER FRANCHOT: Well I would -- and what about the other issue of why are we adding \$80 million to an existing procurement --

MR. BULLOCK: The --

COMPTROLLER FRANCHOT: -- without --

MR. BULLOCK: The way this particular master contract is built is we do periodic expansion windows and we request what we believe to be the appropriate amount of funding for the next expansion window period, which if I remember correctly on this contract is three years. So that would be the NTE level for the next three years for agencies throughout the government to purchase software provided by those companies for three years.

COMPTROLLER FRANCHOT: Well going back to the first item, which cost \$71 million, that, we're adding 53 vendors, adding 36 new vendors to the existing 53 vendors. And I guess the rationale, is that your testimony? That we just have to because they are sending their name in? So we have to add anybody to the service list?

MR. BULLOCK: It's an open State contract. We publicly put it onto eMaryland Marketplace. And any company that meets the minimum requirements and is in legal standing with the state is eligible to participate.

COMPTROLLER FRANCHOT: Well what happened to the competitive procurement we approved earlier that this is amending, I take it?

MR. BULLOCK: No, sir. This is, our intent is to still issue a competitive procurement for GIS software services. We received the proposals in last week for that item and the evaluation is underway.

COMPTROLLER FRANCHOT: Well --

TREASURER KOPP: Could I just ask --

COMPTROLLER FRANCHOT: Please.

TREASURER KOPP: -- this is, I thought when last we saw this there was an understanding that you would open the window, essentially, every three years --

MR. BULLOCK: Yes, ma'am.

TREASURER KOPP: -- so that people who qualified could be put on a list and then you could choose them from that list for any particular contract. Is this something different --

MR. BULLOCK: No, ma'am.

TREASURER KOPP: -- than what you said would happen?

MR. BULLOCK: No, ma'am.

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TREASURER KOPP: Okay. So it's just a question of whether you like a particular company or not. I don't think it's the function of this Board to decide that somebody who qualifies and is placed by the department on the list, proposed to be placed by the department on the list, should be disqualified because the former Governor made some speeches for them. I mean, this is a company that many agencies of State government have used in this administration, in the prior administration, and don't have to use. I think it's good they're being put on a list so you are not going to have to have these independent contracts with them but they can be chosen, any one of these companies can be chosen in an appropriate and competitive way. I don't get --

MR. BULLOCK: Yes, ma'am. There is no requirement that any of these companies get any amount of business by being on the master contract. It's just made available.

TREASURER KOPP: Yeah. Okay.

COMPTROLLER FRANCHOT: Well, I disagree with the Treasurer.

TREASURER KOPP: Right.

COMPTROLLER FRANCHOT: But what is the status of ESRI's current situation? I thought we were going to replace our relationship with them with a competitive procurement. What's the status of that?

MR. BULLOCK: Yes, sir. We have received in proposals for that GIS contract.

COMPTROLLER FRANCHOT: Excuse me?

MR. BULLOCK: We have received proposals in response to the competitive proposal for GIS software.

GOVERNOR HOGAN: So it's in the works?

MR. BULLOCK: Yes, sir.

GOVERNOR HOGAN: You said that ESRI is currently in legal good standing. Are we aware of any potential investigation into wrongdoing on the part of the \$150,000 payment to the previous Governor?

MR. BULLOCK: I'm not aware of any.

GOVERNOR HOGAN: Is there a potential that they may not be in good legal standing at some point?

MR. BULLOCK: I imagine there's always the potential. But there is nothing that we know of that's pending against them.

GOVERNOR HOGAN: Okay.

COMPTROLLER FRANCHOT: Yeah, no, I just in summary, leaving ESRI aside for a minute, what is your statement as to what we are getting for voting an additional \$81 million on top of the previous allocation for this category? What exactly are we getting for that \$81 million?

MR. BULLOCK: That is the amount that agencies would be able to spend over the next three years to purchase software products from the listed companies as well as the companies that are on the current contract.

COMPTROLLER FRANCHOT: Well I'm going to vote no but it's no, my colleagues can go ahead and vote yes. I just think it's, you know, as I said, I just fundamentally disagree with the Treasurer. I don't think that's appropriate at all, with ESRI included. And if that's --

GOVERNOR HOGAN: Do you want to pull this one out for a separate vote?

COMPTROLLER FRANCHOT: Yeah, I would pull ESRI, I would pull ESRI off that list. So --

GOVERNOR HOGAN: Well you want to pull this item for a separate vote?

COMPTROLLER FRANCHOT: I'm happy, if you pull ESRI off I'll hold my nose and vote for it. Because it's, you know, apparently it's got some --

GOVERNOR HOGAN: I don't think --

TREASURER KOPP: I don't think they can do that.

MR. BULLOCK: If you can provide a legal justification for it.

COMPTROLLER FRANCHOT: Well --

GOVERNOR HOGAN: I'd like to make a motion that we pull this item for a separate vote so that the Comptroller can --

COMPTROLLER FRANCHOT: Thank you.

GOVERNOR HOGAN: -- express his displeasure with it. So on this particular item, how do you vote, Mr. Comptroller?

COMPTROLLER FRANCHOT: No.

GOVERNOR HOGAN: I'm going to vote yes.

TREASURER KOPP: I vote yes.

GOVERNOR HOGAN: I think that's the first time I've ever voted against you.

TREASURER KOPP: Oh well.

(Laughter.)

TREASURER KOPP: Welcome to the club.

GOVERNOR HOGAN: I'm over here --

(Laughter.)

COMPTROLLER FRANCHOT: That's a really good vote, Governor --

(Laughter.)

COMPTROLLER FRANCHOT: -- thanks for that. That's very, very helpful to me, yes.

GOVERNOR HOGAN: That will help you with the flack you are catching for us being too close and friendly. There you go.

COMPTROLLER FRANCHOT: Oh yeah. This is good.

GOVERNOR HOGAN: The rift between the Comptroller and the Governor is widening.

(Laughter.)

GOVERNOR HOGAN: Very good. Now a motion on, is there a motion on the rest of the DoIT Agenda?

COMPTROLLER FRANCHOT: Is that --

GOVERNOR HOGAN: Is there any other items?

COMPTROLLER FRANCHOT: No. Move approval.

GOVERNOR HOGAN: Motion? Second?

TREASURER KOPP: Second.

GOVERNOR HOGAN: Three-nothing on the rest of the Agenda. Next we'll move on to our last item of business -- no, we've got two more items. We've got Department of Transportation. Mr. Ports?

MR. PORTS: Good morning, Governor, Madam Treasurer, Mr. Comptroller. I'd like to say that my name is Emily Wilson. But for the record --

(Laughter.)

MR. PORTS: -- it's Deputy Secretary Ports for the Maryland Department of Transportation. The Transportation Department has 16 items to present today. I'm more than happy to answer any questions for you.

GOVERNOR HOGAN: Questions on Transportation? Is there a motion?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

MR. PORTS: It worked.

(Laughter.)

GOVERNOR HOGAN: Second. Three-nothing on Transportation. We're going to move on to Secretary Bassette and the DGS Agenda.

MS. BASSETTE: Good morning, Governor --

GOVERNOR HOGAN: Good morning.

MS. BASSETTE: -- Madam Treasurer, Mr. Comptroller. For the record, I'm Gail Bassette, Secretary of General Services. The department has 37 items on our Agenda and we are withdrawing Item 10. We'll be glad to answer any questions you may have.

GOVERNOR HOGAN: Any questions?

TREASURER KOPP: No.

COMPTROLLER FRANCHOT: None for me.

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GOVERNOR HOGAN: Thirty-seven items.

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: No questions.

MS. BASSETTE: Wow.

GOVERNOR HOGAN: Three-nothing.

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: And that concludes our meeting. Thank
you all.

(Whereupon, at 10:45 a.m., the meeting was concluded.)