
STATE OF MARYLAND
BOARD OF PUBLIC WORKS

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PRESENT

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Treasurer

HONORABLE PETER FRANCHOT
Comptroller

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PROCEEDINGS

GOVERNOR HOGAN: Good morning, everyone.

ALL: Good morning.

GOVERNOR HOGAN: Welcome to the Board of Public Works.

We've got a lot of work to do today so I'm going to get right to it and I'll just turn it over to my colleagues for any brief opening remarks. Madam Treasurer?

TREASURER KOPP: Yeah. Governor, I wouldn't want this meeting to pass without recognizing the tragic and quite shocking passing of our colleague Kevin Kamenetz, who was a really driving and dedicated force in Maryland. I know you both have spoken. I was out of town and couldn't be at the service. But I want to add my voice.

I've worked with Kevin since he was on the County Council, actually in school construction, but in a number of different things. And rarely have I found somebody who was so continuously driving and dedicated and quite brilliant, I think. And he will be a great loss to the entire State. So I join in --

GOVERNOR HOGAN: Thank you for saying that.

TREASURER KOPP: -- and miss him.

GOVERNOR HOGAN: Thank you for mentioning that. And you know, we were at the funeral. And it was -- our hearts are with Kevin's family,

his two sons and his wife, Jill. I also want to send my prayers out to Anthony Brown, who suffered a stroke --

TREASURER KOPP: Yes.

GOVERNOR HOGAN: -- leaving that funeral, which is just unbelievable. But I think he's doing pretty well. So thank you for -- Mr. Comptroller?

COMPTROLLER FRANCHOT: Yes. I completely agree with the Treasurer and the Governor. And my sympathies go to Jill, Kamenetz's wife, and his two children. I have to admit at the funeral that I thought Mrs. Kamenetz gave a brilliant statement. I'm not sure how she was able to do it. But I hope, not that I want to pass away anytime soon, but I hope my wife says the same things that she said. Because her favorite, the best comment I thought was, if Kevin were here, he would be walking around with the *Baltimore Sun*, saying look at all the positive press I'm getting.

(Laughter.)

COMPTROLLER FRANCHOT: But it was a huge loss, obviously, and a shock. And I just want to give my very strong personal regards to Jill Kamenetz and to Carson and Dylan. They both spoke also and I'm sure that they have a tremendous amount of support and will get through this. And anything that obviously we in political circles can do for them, we would like to. And you know, there's no sugar coating this. I didn't agree with the County Executive on

many, many issues. And that's okay. He was, as the Treasurer said, he was a hard-charging, strong-willed individual. And but I salute him for his advocacy and his legacy of public service.

On a happier note I'm going to the Caps game tomorrow.

(Laughter.)

TREASURER KOPP: Maybe happier.

COMPTROLLER FRANCHOT: Oh, yeah. This born to sorrow team is now headed to the Stanley Cup. But they've got to get a few wins under their belt. And my daughter, who is a big fan, is coming down from New York City and my Mother's Day gift to her was to, well, take out a new loan on my house and buy a couple of tickets.

(Laughter.)

COMPTROLLER FRANCHOT: Governor, thank you for the, you know, everything that you are representing these days. And I agree about Congressman Brown. I'm going to try to call him today and just ask him how he's doing.

GOVERNOR HOGAN: Yeah. Well, thank you. We're going to start with the Secretary's Agenda.

SECRETARY MCDONALD: Good morning, Governor, Madam Treasurer, Mr. Comptroller. Just a moment on Kevin, when I moved to Baltimore when I was 17 years old one of the first two people I met was Kevin. He was 18.

And so I used to see him come in here as Baltimore County Executive and all I could ever remember was the skinny kid with the mustache at 18. And Bruce Spector was the other one, Allen and Rikki Spector's son. Those were the two first I met when I moved to Baltimore. So anyway, I wanted to remember Yolanda Winkler and other people who knew Kevin as a friend and are very sad. Because their friend died.

So we have 11 items on the Secretary's Agenda this morning. We have two reports of emergency procurement. Item 11 is a hand-carried item.

GOVERNOR HOGAN: I'd just like to bring up Item 2. This is a request from the Judiciary to eliminate certain fees and then to adopt new fees. And you know, we've been focused on trying to put money back into the pockets of hardworking Maryland families, small businesses, and retirees, which is exactly what we said we would do. We have reduced or eliminated more than 250 fees and combined with tax and toll reductions we've put \$1.2 billion back into the pockets of Marylanders. So I'm opposed to creating new fees or increasing fees, regardless of which branch of government tries to impose them. So I'm going to pull out Item 2 for separate votes, on both the fee eliminations and then another one on the proposed new fees. And I would make a motion to approve the proposed elimination of fees. Is there a second on that?

COMPTROLLER FRANCHOT: Second.

TREASURER KOPP: Second.

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GOVERNOR HOGAN: The vote is three-nothing. And then I would make a motion against the proposed new fees. Is there a second for that?

COMPTROLLER FRANCHOT: Second.

GOVERNOR HOGAN: All those in favor?

COMPTROLLER FRANCHOT: Aye.

GOVERNOR HOGAN: So --

TREASURER KOPP: No.

GOVERNOR HOGAN: -- the motion carries two to nothing. Are there any other questions on the --

TREASURER KOPP: No, I think it was two to one.

GOVERNOR HOGAN: Oh I'm sorry --

(Laughter.)

GOVERNOR HOGAN: I'm so sorry. Two to nothing, I didn't mean to --

(Laughter.)

GOVERNOR HOGAN: There was a very strong no vote.

(Laughter.)

GOVERNOR HOGAN: The Treasurer, that I failed to recognize it's a two to one vote. I'm just so used to saying three to nothing because we get along so well and agree on almost everything. Any other questions on the Secretary's Agenda?

TREASURER KOPP: Governor, I would just like to point out there are three things, actually, that Mr. Berman has pointed out that struck me also. The Secretary's Item 10, the wetlands license, and also going on to the DNR items but I'll mention them now and include one and two, just to show how we can combine both good conservation projects and environmental protection projects. And I just want to thank and commend all of you who are doing that. It's a win-win. And thank you.

GOVERNOR HOGAN: Thanks. So is there a motion on --

COMPTROLLER FRANCHOT: I have a question, actually, on Item 8, 9. I think Mr. Berman -- is that Paul Berman?

TREASURER KOPP: Mm-hmm.

COMPTROLLER FRANCHOT: Yeah. Paul Berman is a retired Covington & Burling lawyer. That's a law firm that I could as a young lawyer never even get in the door to because they are so elite and a big legacy in Washington for that firm. But Mr. Berman is, lives in Montgomery County and he's very interested in procurement reform being put, as the Treasurer said, being put in synch with environmental protection, particularly climate control. So I want to thank Paul personally. Maybe he could stand up -- is he here? He's not here. Oh, good.

(Applause.)

COMPTROLLER FRANCHOT: And then I had on Items 8 and 9 I just wanted to pull those out, and is Bob Gorrell here?

SECRETARY MCDONALD: Yes, he is. Mr. Gorrell is coming up now.

MR. GORRELL: Good morning.

GOVERNOR HOGAN: Good morning.

COMPTROLLER FRANCHOT: Can you just help us understand what we are doing here?

MR. GORRELL: Yes. We --

COMPTROLLER FRANCHOT: Where did these funds come from? How long have they been in local jurisdictions? And what are we doing here?

MR. GORRELL: This is Item 9. Yes, these are funds that have not been allocated at this point. These are projects that are eligible and this would allocate those remaining funds.

COMPTROLLER FRANCHOT: Okay. So my understanding is that these funds, many of them have been around since 2011. These are funds from the alcohol tax that went to the schools. So frankly it's kind of ironic that we're looking at these small amount of funds on what should be the Board of Public Works meeting where we are asked to approve the final public school construction capital improvement plan for fiscal year 2019 in the full light of the

day, providing an opportunity for county executives, members of the Legislature, and most importantly members of the public to observe this State funding process being conducted in a transparent way. But in the typical Annapolis fashion in vogue these days downstairs, a last minute amendment inserted into the capital budget by the conference committee states that IAC decisions made somewhere out of the public's sight are final and shall not be subject for approval by the Board of Public Works. It takes away a huge amount of accountability and transparency and openness for \$392 million in taxpayer dollars.

And with Baltimore City and Baltimore County's well-publicized challenges with providing and maintaining climate controlled classrooms, it seems to me that we should be increasing in the State of Maryland, not decreasing, the oversight over the way school construction funds are spent. Much to my dismay just two days after we were here at our last meeting discussing the stifling heat in Baltimore City classrooms, I was pained to read in the newspaper that a child passed out in Baltimore City at Windsor Hills Elementary School in West Baltimore amid a third day of 90-degree heat. The student left school, which should be a place of learning and well-being and good health, in an ambulance.

I was shocked to learn that Windsor Hills is a school that actually does have a climate control system in place. The State has made multiple investments to update HVAC systems over the past ten years, including a cooling

tower replacement and a chiller replacement. So Mr. Gorrell, if you could just perhaps comment on the failure of cool air reaching at least that particular classroom?

MR. GORRELL: Yes, that was a portion of the school. And it appears, doing the forensics on what had occurred, is the cooling coils that take the heat from the classroom and put it into the air, the ambient air had, were dirty. And they couldn't do the transfer. So the compressors that were well maintained were not able to dump the heat from the classroom. It overloaded and shut down.

COMPTROLLER FRANCHOT: Okay. I see that -- that's not good.

MR. GORRELL: No.

COMPTROLLER FRANCHOT: I see that vertical packaged classroom air conditioning units are included, I support that and I think we had a little show and tell with some of the equipment units that are similar to that, are included in the 2019 capital improvement program which the IAC will be asked to approve on May 31st. Would these units both cool and heat all the classrooms, as well as provide increased HVAC controls?

MR. GORRELL: Yes. They will. And it limits the risk. That was four classrooms that were lost at Windsor Hills. That limits the risk, actually. So only one classroom could shut down. Possibly you could move the students to classrooms that did have heat or heating and cooling.

COMPTROLLER FRANCHOT: Okay. So I understand there are nine schools that have been funded for that vertical package air conditioning units, and there are another nine that are in the 2019 capital improvement program?

MR. GORRELL: That's right. And they are making, they've made really good progress, actually. Their project management, to be able to line projects up and keep them moving, I'm pleased.

COMPTROLLER FRANCHOT: Okay. I bring these issues up because I happen to believe that there are hundreds of classrooms in Baltimore City and in Baltimore County that for whatever reason over the years could actually be cooled and warmed appropriately using these vertical package classroom air conditioning units. And they need to be put in sooner rather than later. And Governor, I happen to think that these are the types of questions that deserve to be asked in an open, transparent forum. And once again, as long as I serve as a member of this Board these types of questions will continue to be asked. I'm going to ask Mr. Gorrell to give us an up to date list of every single classroom in Baltimore County and Baltimore City that as of this date lacks air conditioning and, looking back to the winter, heating during the cold months. How many classrooms are there? Not schools. Not gee, they are planning to be here. Gee, we're going to get around to it by 2020 or something. How many

right now? Because the hot weather, obviously, was with us briefly and it's going to return.

MR. GORRELL: Yes, Mr. Comptroller. We'll do that.

COMPTROLLER FRANCHOT: So if you could get that to me, and share it with my colleagues --

MR. GORRELL: Yes.

COMPTROLLER FRANCHOT: -- and also suggest that perhaps down the road we get the school systems. Hats off to Baltimore City if they are in fact moving forward on these units. But I want to be kept informed about are they actually, are the promises being kept? Is the equipment actually being installed?

MR. GORRELL: We can put that together and continually advise you.

COMPTROLLER FRANCHOT: Thank you very much.

GOVERNOR HOGAN: Just on his first opening question about the money being there since 2011. Is that correct?

MR. GORRELL: I have not done the research to see why they sat, whether they were reverted funds, projects didn't come forward and so they came back and had to be reallocated. But I can determine that and send you a report on that as well.

GOVERNOR HOGAN: Great.

COMPTROLLER FRANCHOT: Yes. They were allocated in 2011. And we handed them to the local jurisdictions. And they could have air conditioned every classroom in Baltimore City and Baltimore County with that money. They chose to spend it on lighting in, at a stage and paving something somewhere. It was, it turned into just a anything but taking care of the kids.

TREASURER KOPP: That -- I knew we were going to go through this every meeting. And I recognize it and I get it. To say that they don't care about the kids in the Baltimore City Schools I think is a step too far. The question of efficient use, as you will recall, Mr. Gorrell, and I'm sort of surprised you didn't mention it, there has been a change now in the way funds are allowed by the IAC to be used, is that not right?

MR. GORRELL: Yes, that is.

TREASURER KOPP: And there was a clear misunderstanding before about whether funds could be used --

MR. GORRELL: Yes, Madam Treasurer. The IAC had limited the funds to projects over a threshold. We recognized that that hobbled some good solutions, where we can link projects together and do multiple projects of similar types. And that has occurred and we are moving forward. And --

GOVERNOR HOGAN: And that was a, that was definitely a positive step which we pushed hard to make sure happened and we're glad we're making progress.

MR. GORRELL: Yes.

GOVERNOR HOGAN: I don't want to point fingers about why things aren't happening or who did what. But I do share the Comptroller's concern that we still have tens of thousands of students that are, you know, don't have heat or air conditioning in their classrooms. And after hundreds of millions of dollars of investment in State tax dollars, and having record funding, the most funding in school construction in a decade, and record funding four years in a row, we've put \$25 million into schools since I've been Governor, why we can't get classrooms air conditioned, it is pretty frustrating.

MR. GORRELL: Mr. Governor, I agree with that. And there are sufficiency standards the IAC has been working on that are, will allow us to measure every school in the State and understand --

GOVERNOR HOGAN: \$25 billion, sorry.

MR. GORRELL: -- what is the root cause behind all of these things.

GOVERNOR HOGAN: \$25 billion, yeah.

COMPTROLLER FRANCHOT: Yeah well --

GOVERNOR HOGAN: The Treasurer corrected me. It was \$25 billion and not \$25 million.

COMPTROLLER FRANCHOT: Yeah. And if you're talking to some local officials, tell them to contact the family of that young boy that was hauled off in an ambulance --

MR. GORRELL: Yes, sir.

COMPTROLLER FRANCHOT: -- because of the 90-plus heat in his classroom. Maybe find that gentleman, that teacher that was legitimately famous because of his YouTube where he was teaching a class with his parka on, asking why. And yeah, we all I guess rhetorically care about the kids. What about some results?

GOVERNOR HOGAN: Unfortunately some of the decisions that have been made by the Legislature, and they overrode several of our vetoes, made us the second least accountable school system in America. And that's frustrating to us. But I appreciate your efforts at the IAC and we're going to continue to push to get some more accountability with our local school systems.

MR. GORRELL: Thank you, Governor.

TREASURER KOPP: And just for the record, that is not a statement in which we all concur. Again.

GOVERNOR HOGAN: Yeah. I wasn't the one that came up with it. It was the federal government.

TREASURER KOPP: Whomever.

GOVERNOR HOGAN: Thank you.

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TREASURER KOPP: We have quite accountable systems.

GOVERNOR HOGAN: It was the Obama administration that decided that.

TREASURER KOPP: Whomever.

GOVERNOR HOGAN: Thank you.

MR. GORRELL: Thank you.

GOVERNOR HOGAN: Any other questions on the Secretary's Agenda?

COMPTROLLER FRANCHOT: Yes. A2.

SECRETARY MCDONALD: All right. That is an emergency report from the Department of Transportation, Secretary Rahn --

GOVERNOR HOGAN: Yeah, I'm going to bring that up and we're going to get a report.

SECRETARY MCDONALD: -- this is the Maryland Department of Transportation Maryland Transit Administration, asking about eight miles of rail that they fixed.

MR. RAHN: Yes.

COMPTROLLER FRANCHOT: Yes. So --

MR. RAHN: Mr. Comptroller?

COMPTROLLER FRANCHOT: -- Mr. Secretary, shutting down the, this report apparently from MTA concerns an emergency procurement that

the agency needed to make necessary repairs to the Baltimore Metro Subway Link System back in I believe it was February, or earlier this year. Shutting down Baltimore Metro with less than 24 hours' notice obviously caused tremendous disruption and inconvenience to 34,000 commuters, including 6,000 students who rely daily on the system. According to MTA the conditions that existed in the Baltimore Metro Subway posed a serious threat to the public's health, safety, and welfare. And now that the necessary repairs have been completed, I was wondering if you could just identify what the issues were and assure us that the defects are adequately repaired? And I see you have a, a very important colleague here as to what the status is.

MR. RAHN: Yes. Mr. Comptroller, we have put a great deal of effort into understanding what caused this circumstance and how to make sure that doesn't happen again. But to make sure that you are getting the information that is absolutely the most up to date, we have Mr. Quinn with us today who is the Administrator of the MDOT MTA.

COMPTROLLER FRANCHOT: What was the problem and how was it corrected?

MR. QUINN: Sure. So --

GOVERNOR HOGAN: First of all, good morning, Mr. Quinn.

MR. QUINN: Good morning. Good morning. Get right to it. So you know, our Metro system, just some quick background, is 36 years old this

year. And so we're regularly doing a lot of routine repair. A lot of legacy cities around the country are in this situation.

So a few years ago we put money in the budget to do some rail replacement work on the Metro Subway system that was planned for this summer. In anticipation of that summer rail replacement we sent in January an inspector out to check out the rail and see how it was doing. And what the inspector came back with was that that rail had worn sooner than we expected. And so that information was presented to me on Thursday, February 8th and we made a quick decision out of an abundance of caution to close the system down. And we did that for that Friday, Saturday, Sunday while we could conduct additional inspections. We did that. We verified the inspector's results and proceeded to have a multi-week shut down while we did those rail replacement and repairs.

You know, it was an inconvenience to a lot of riders. You are exactly right. I felt it, believe me. And you know, that night, that Thursday night I, you know, personally called all the major media outlets and did telephone interviews, you know, on the air telephone interviews. We hit social media as hard as we could. We did as much as we could to get the word out. And that Monday, that first Monday over, just 24 hours, within 24 hours we had put in place a bus bridge. We had an express and a local bus bridge to really help people get to work and give them options.

COMPTROLLER FRANCHOT: Thank you very much.

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MR. QUINN: Sure.

GOVERNOR HOGAN: I mean, this is a continuing problem in cities around the country with these legacy systems with we haven't done the preventive maintenance and they hadn't been fixed for 30 years. The Washington Metro is exactly the same problem that we're faced with.

MR. QUINN: That's right.

GOVERNOR HOGAN: But I, it was terribly inconvenient and it was, a lot of people were, you know, it really caused a problem. But I want to thank you for your quick response. And look, it could have been a tragic situation where we didn't check the rails and/or we didn't shut it down and we could have had, you know, people injured or killed with the train going off the track. So it was a bad situation but it could have been much worse. And I want to thank you for your leadership.

MR. QUINN: Thank you.

GOVERNOR HOGAN: Thank you.

TREASURER KOPP: Actually, he said it better than --

MR. QUINN: Yeah.

TREASURER KOPP: Have we learned, are we taking advantage of lessons learned from --

MR. QUINN: Yeah.

TREASURER KOPP: -- Metro or New York or all these other --

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MR. QUINN: It's a great question. So very soon after the shutdown, we contacted the American Public Transportation Association, APTA, and we requested an APTA peer review. That's ongoing right now. And once we get that report we'll look to move forward on those recommendations. But they bring in folks from all across the country that are in, you know, the rail, you know, industry to come and give us recommendations. It's a fantastic process. But Mr. Governor, you know, your comments are well taken. Safety for the Maryland Department of Transportation is always going to be paramount for us. And I think we made some quick decisive choices that were the right ones.

GOVERNOR HOGAN: Yeah. Thank you.

MR. QUINN: Okay. Thank you.

GOVERNOR HOGAN: Any other questions on the Secretary's Agenda?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Is there a second?

TREASURER KOPP: Second.

GOVERNOR HOGAN: Three-nothing on the Secretary's Agenda. We're going to move on to Real Property Agenda, DNR.

MS. THROWE: Good morning to the esteemed Board. I appreciate the opportunity to be in front of you. Secretary Belton is at a conference this morning but he sends his regards. For the record, my name is

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Joanne Throwe. I'm Deputy Secretary for the Department of Natural Resources. Today we have five items on the Agenda and I'm happy to answer any questions you have.

GOVERNOR HOGAN: Any questions on DNR?

TREASURER KOPP: Only to reiterate what I said earlier.

MS. THROWE: And I want to thank you for those comments.

TREASURER KOPP: It's great.

MS. THROWE: It's appreciated.

GOVERNOR HOGAN: Do we have a motion on DNR?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second? Three-nothing. Up next the Department of Budget and Management, Secretary Brinkley.

MR. BRINKLEY: Good morning. I'm David Brinkley, the Secretary of the Department of Budget and Management. Governor, Mr. Comptroller, Madam Treasurer, we've brought 14 items for your consideration, 14-GM is supplemental. And I have representatives here to address any concerns you might have.

GOVERNOR HOGAN: I want to just make a comment about Items 3 and 4. These are contracts for leasing minivans and passenger vans to transport Maryland Conservation Job Corps participants to our State Parks. Last year this came in as a single bid item and we were kind of frustrated with that.

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But I want to applaud the DNR and the DBM teams both for working to generate competitive bids this time on these contracts, which I think is good for the taxpayers. So thank you for that.

I also see MDE Secretary Ben Grumbles is here for another item. But I would like to have him come up and maybe give us an update on the runoff issue at the Four Seasons project on Kent Island, if we could?

MR. GRUMBLES: Thank you, Governor, Comptroller, Treasurer. I'd just like to say, Secretary Belton is not only at a conference, he is at the GreenPort Congress this morning. And Governor, that is the first of its kind, where Maryland is hosting an international green ports conference. So ports around the world are convening in Baltimore to learn what the Maryland Port Administration is doing and what the State of Maryland is doing to protect our ports and move forward in an environmentally responsible way.

GOVERNOR HOGAN: Well, thank you for pointing that out. And I did a video welcoming them all and congratulating them on their work, because I had to be here to do this meeting instead.

MR. GRUMBLES: Yes, sir. Thank you.

MR. RAHN: Who is sponsoring that?

MR. GRUMBLES: Maryland Department of Transportation --

(Laughter.)

MR. GRUMBLES: -- with undying support and affection from the Maryland Department of the Environment.

An update on the Four Seasons project. As you know, there was an unfortunate and unacceptable event that occurred several months ago contributing to water pollution of our treasured Chesapeake Bay. The Maryland Department of the Environment visited the site immediately. We have also done so with local authorities. And I'm pleased to say that as of last night we've reached an agreement, an important enforcement agreement, where K. Hovnanian will be paying \$30,000 as a cash payment, a penalty, if you will; and also making a strong commitment, an ironclad commitment to provide additional treatment for sediment laden runoff from the site as they continue to follow the permitting rules and requirements and move from a sediment basin to a runoff pond, a stormwater runoff pond, using vegetation and other measures.

So this is a positive side to an unfortunate event, the silver lining to a dark cloud, where we have an additional commitment from K. Hovnanian. We have a penalty. And we're sending a strong signal to the construction industry that Maryland will hold those accountable and will expect not only to meet minimum standards but investments to deal with extreme weather, which requires extremely good planning and contingency plans. So that is the update on the settlement. We have an enforcement settlement with K. Hovnanian which is significant and involves real dollars and real investment to prevent pollution.

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GOVERNOR HOGAN: Well Secretary Grumbles, I appreciate your efforts in staying on top of this. Obviously we've had some extreme weather the past few days and flooding in a number of places. So we want to continue to be vigilant. And even if people are trying to do the right thing, we've got to stay on top of them and make sure that we are not letting runoff like this get into the Bay.

MR. GRUMBLES: Absolutely. Thank you.

GOVERNOR HOGAN: Thank you.

COMPTROLLER FRANCHOT: Yeah, I just want to thank Secretary Grumbles also because you treated this matter seriously, as it should be. It was unacceptable. And I reminded you of their, Hovnanian's lawyer standing right where you are years ago when I asked whether there will be any runoff problems and he said, none whatsoever, scout's honor. That was his statement. And I remind him of that every time I see him around Annapolis because this type of pollution is unacceptable. Frankly, I don't think the sprawl development should ever have been permitted out there but that's not you. You had the responsibility to work out an agreement and I appreciate the result that you have come up with. And it's, I just want to say that the, to the Governor and to his Environment Secretary, it's a good result.

GOVERNOR HOGAN: Thank you.

COMPTROLLER FRANCHOT: And I assume you are going to keep monitoring it?

MR. GRUMBLES: Absolutely.

GOVERNOR HOGAN: That's a good assumption.

MR. GRUMBLES: Absolutely.

GOVERNOR HOGAN: Thank you.

MR. GRUMBLES: Yes. Thanks.

TREASURER KOPP: Governor, can we take advantage of Ben being there?

GOVERNOR HOGAN: I wouldn't take advantage of him. But, you know, we can ask him a few questions.

TREASURER KOPP: A couple, yes, of issues. 5-S, the renewable portfolio standards item? Can you just tell us a little bit about what the company will be doing and what the time frame is and what we can do to support --

MR. GRUMBLES: I will take advantage of Joanne Throwe, who for DNR oversees the effort --

TREASURER KOPP: Terrific.

MR. GRUMBLES: -- of the PPRP.

MS. THROWE: Yes. Thank you. Great question and actually we brought a couple of our colleagues here. We've got Bruce Michael, who is the

Director of the Resource Assessment Service. And he has particular details on that. And Susan Gray is with us as well with the PPRP program.

GOVERNOR HOGAN: Good morning.

MR. MICHAEL: Good morning. Good morning. I'd like to introduce Susan Gray and she is our Deputy Director to the Power Plant Resource Program, and actually the project manager for this particular project. And so again, the specific question on the project itself --

TREASURER KOPP: I would just like to know what to anticipate with this group doing this. I have no problem with it at all. I'm quite supportive of it. I just want you to tell us a little bit about it, including the time frame and as I said before what the Board of Public Works can do to help boost Maryland's increased use of renewable --

MR. MICHAEL: Very good. Go ahead.

MS. GRAY: I'm a little bit vertical challenged here. Sorry about that. Let me tell you, I'm Susan Gray, and let me tell you a little bit about what the RPS study is all about.

We were directed by the General Assembly in their 2017 session to conduct basically soup to nuts kind of look at the Maryland RPS. The RPS has been around for a long time now and has been changed, gosh, more than ten times I believe along the way. And particularly the bill, H.B. 1414, directed the Power Plant Research Program to look at the environmental consequences of what's

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going on with renewables as well as the socioeconomics, that included environmental justice, to look at ratepayer impacts, to also look at what renewables may or may not have a future with regard to the RPS. Clean energy, which includes nuclear power, was added to the study, as well as many other factors as well.

COMPTROLLER FRANCHOT: Okay. Could I ask a question?

GOVERNOR HOGAN: Sure.

COMPTROLLER FRANCHOT: Yeah, I'm probably going to vote against this much as I am in favor of renewable energy. Why? It's a single bid contract.

MS. GRAY: Well actually we had two bidders. But one bidder was deemed not susceptible for contract award.

COMPTROLLER FRANCHOT: Okay. What contract terms did the second bidder refuse to accept?

MS. GRAY: Well basically this particular bidder had exceptions to almost every term and condition within the standard contract that we --

COMPTROLLER FRANCHOT: Yeah, so that's not a, that's not a responsive bid. So we have one bid. And I obviously support the subject matter of what you're talking about, and I'm not interested in not doing what the Legislature wants. But the fact of the matter is it's a single bid. The Governor and the Treasurer and I have dramatically reduced single bid contracts. In 2013

there were 82 of them. Last year there were 38. There are five single bid contracts on this Agenda and you are the first one that's come up. And I just don't get it. Why for \$785,000 you couldn't get two valid bids to assure the taxpayers that we're getting a good deal?

MS. GRAY: Well in the past the Power Plant Research Program has faced this challenge many times. And what we've found over the years is that there is a very, very limited pool of contractors who can do utility economics, or who specialize in utility economics, and particularly those associated with the power generation sector. So in addition most of that limited pool is utilized by others, such as the Public Service Commission and the utilities themselves.

COMPTROLLER FRANCHOT: I understand this group is a good group. I don't have any problem with them. They also have a single bid contract from DNR, I believe. All I'm saying is we have today five single bids on the Agenda today. We've only had six single bid contracts since January, total, all of our meetings. And I applaud the Governor and the Treasurer because I think the only way to really deal with this situation is to begin turning down the single bid contracts that are not essential and from which no harm would really evidence itself as far as the public. Because otherwise they just begin to creep back up.

I could not thank the Governor and the Treasurer more for being supportive of this. They don't need to be supportive even with me today. But I do believe that the only solution to this issue of single bid contracts is to say no

where possible. And this is an instance -- I guess here's my final question. What bad things would happen if we asked you to go out and get a competitive bid?

MS. GRAY: Well it would take many months to go back and do another competitive bid. The Legislature tasked us to be able to provide them with an interim report on December 1, 2018. We would not be able to submit that interim report. The final report is due to the Legislature and the Governor on December 1, 2019 and I do not believe that we would be able to meet either one of those milestones.

COMPTROLLER FRANCHOT: I happen to have a lot of confidence you guys could accomplish that. But that's, I'm not obviously part of your agency. But --

GOVERNOR HOGAN: And you think the reason for the lack of bids is simply that it's such a specific task that there's only one company that can possibly do it?

MS. GRAY: There's probably a handful of companies. But in particular they also work for, you know, BGE, Pepco, the other utilities, as well as the Public Service Commission. And typically from the private industry sector, they are often able to charge much higher rates than we could. So yes sir, I believe that this is the reason for the single bid.

GOVERNOR HOGAN: Mm-hmm. Because that, you know, all of us share the concern about single bids. But we understand that occasionally

there's a circumstance that prohibits that from happening. This is, we've got a time frame to deal with and if there's not the expertise out there and you think it would just delay things for months, and we'd still have another one single bid come in, that doesn't make a whole lot of sense to me. So I mean, I totally agree with the Comptroller --

COMPTROLLER FRANCHOT: No. I welcome the opportunity to disagree with the Governor on some issues from time to time. But I just happen to believe this is something that we need to hold the iron on. I know it's inconvenient. It doesn't sound like I'm going to have, prevail on the vote. But I'm planting my flag saying this is what we need to do more of.

GOVERNOR HOGAN: So I think, Comptroller, you want to make a motion to pull this out from the --

COMPTROLLER FRANCHOT: Please, if I could get to a separate vote on this? And then I'm happy to approve the rest of the Agenda.

GOVERNOR HOGAN: I'll second your motion to pull it out for a second vote.

COMPTROLLER FRANCHOT: Pull this out. Right. And then I'll move to reject it. Or ask them to go back and find a legitimate second competitive bid and --

GOVERNOR HOGAN: I think that motion may die for lack of a second.

COMPTROLLER FRANCHOT: My feelings are not hurt.

(Laughter.)

GOVERNOR HOGAN: Good.

COMPTROLLER FRANCHOT: I'm happy to make a point.

MR. MICHAEL: And we will continue to look at anything that we can do to help us get multiple bids on these projects. But it is very difficult and we're making every effort that we possibly can. We just --

COMPTROLLER FRANCHOT: Well we have four other single bid contracts coming after you so we'll take a look at those.

GOVERNOR HOGAN: Yeah.

(Laughter.)

TREASURER KOPP: And just, I'm still waiting to hear, but it can come afterwards, what the time frame is and what --

MS. GRAY: The time frame for the study is that we owe the Governor and the General Assembly an interim report --

TREASURER KOPP: No, I understand that.

MS. GRAY: Right.

TREASURER KOPP: But how, what will roll out before the interim report and then before -- will we see anything or are there any milestones between now and the end of the calendar year?

MS. GRAY: Not in the, not in the legislative mandate for us to do the study.

TREASURER KOPP: I'm not asking that.

MS. GRAY: Then I guess I'm not clear.

TREASURER KOPP: You're our department. You're not the Legislature.

MS. GRAY: So let me make sure I do understand your question. You're asking --

TREASURER KOPP: What do you anticipate happening between now and the end of the year and when?

MR. MICHAEL: That's an excellent question. We actually have a work group that is made up of utilities.

TREASURER KOPP: Yes.

MR. MICHAEL: The other agencies, NEA, the PSC are all on this work group. We are planning to have our first meeting, face to face meeting, next month in June and we will follow with that. We're going to have a website with the information up, available.

TREASURER KOPP: Yeah.

MR. MICHAEL: And all of that will be available for the public --

TREASURER KOPP: So we will be able to see as this goes on --

MR. MICHAEL: Absolutely.

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TREASURER KOPP: -- how we're progressing?

MS. GRAY: Oh, absolutely. In fact the web page is already up on the website.

GOVERNOR HOGAN: Great.

MR. MICHAEL: Correct.

TREASURER KOPP: Thank you.

GOVERNOR HOGAN: Thank you. Are there any other --

SECRETARY MCDONALD: So is there a motion to approve 5-S separately? Because I believe the Comptroller --

GOVERNOR HOGAN: That motion --

SECRETARY MCDONALD: No, but do you want to approve it? Or are you just going to approve it along with the whole Agenda? Ordinarily if the Comptroller is going to register dissent we would take a separate vote to approve this.

GOVERNOR HOGAN: Well I'd like to make a motion that we approve.

SECRETARY MCDONALD: To approve this item.

TREASURER KOPP: Second.

GOVERNOR HOGAN: And so that --

SECRETARY MCDONALD: It's two to one.

GOVERNOR HOGAN: -- passes two to one.

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SECRETARY MCDONALD: Okay. All right. So 5-S is taken care of. We have the rest of the DBM Agenda.

GOVERNOR HOGAN: Yeah. So is there a motion on the remainder of the DBM Agenda?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: One more question.

GOVERNOR HOGAN: Sorry.

TREASURER KOPP: This is the one I honestly thought I think I was asking the Secretary. RGGI.

SECRETARY MCDONALD: That was Item 7, right.

TREASURER KOPP: That was it.

GOVERNOR HOGAN: Well we got the right guy to come back then.

TREASURER KOPP: Just all the progress Maryland is making with RGGI.

MR. GRUMBLES: Well first of all, Governor, Treasurer, Comptroller, RGGI is the Regional Greenhouse Gas Initiative. And with the Governor's leadership we're trying to also make it become MAGGI, the Mid-Atlantic Greenhouse Gas Initiative, by adding in Virginia and New Jersey back into the program. But it is currently is about to celebrate its tenth anniversary. It's the nine-state program to reduce greenhouse gas emissions from the power

sector and for Maryland this has translated into about, over \$600 million in revenue that goes into the Strategic Energy Investment Fund, and \$2.9 billion for the region, the states that are part of RGGI. And just as importantly, in fact from my perspective more importantly, we have seen emissions of greenhouse gases from the power plant sector slashed in half. And that's due to RGGI, and weather, and other important decisions towards renewable energy and energy efficiency.

So I'm just appearing before you to say that RGGI is working very well. It's a powerful example of a way for the states that are part of RGGI, now nine states, perhaps 11 over the next year, to reduce emissions from the power sector, transition to cleaner energy sources, and provide a revenue for not only energy efficiency and energy conservation but for renewable energy and for consumer or direct ratepayer assistance, up to a point.

TREASURER KOPP: Well let me say I'm proud that our State is the leader of RGGI and it's a really great thing. And I look forward to New Jersey being fully active and Virginia joining in. And then we can reach across to California.

MR. GRUMBLES: We're going through the very complicated and tedious rules of what is a proper cap for a state and the different program elements and I appreciate the question. Because we too are very proud. And it fits right

into the State's greenhouse gas reduction plan and transition to a cleaner economy.

GOVERNOR HOGAN: Thank you very much for your leadership on this issue, Mr. Secretary.

MR. GRUMBLES: Yes, sir.

GOVERNOR HOGAN: We're really proud of the, not only RGGI, but everything we're doing with respect to clean air. We have clean air standards stronger than 48 other states and twice as strong as the Paris Accord. And we're, we are national leaders on this issue. And I want to thank you for making it happen.

MR. GRUMBLES: Thank you.

TREASURER KOPP: Thank you.

GOVERNOR HOGAN: Now is there a motion to approve the remainder of the Agenda?

COMPTROLLER FRANCHOT: Move to approve.

GOVERNOR HOGAN: Second? Three-nothing.

SECRETARY MCDONALD: Thank you.

GOVERNOR HOGAN: Now we're going to move on I believe to the University System Agenda.

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

GOVERNOR HOGAN: Any questions on the University System?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: There's a motion. Second. Mr. Evans --

MR. EVANS: Thank you.

GOVERNOR HOGAN: -- have a nice day.

(Laughter.)

GOVERNOR HOGAN: Three-nothing.

SECRETARY MCDONALD: They can play field hockey at Towson University, yes.

GOVERNOR HOGAN: Move on to Information Technology.

MR. LEAHY: Good morning, Governor, Madam Treasurer, Mr. Comptroller. I'm Mike Leahy, Secretary of the Department of Information Technology. Today we have four items on our Agenda and I do have agency representatives available to answer any questions you may have.

GOVERNOR HOGAN: Questions on Information Technology?

TREASURER KOPP: I did have a question, I think. Let me just look. Just, I hate to keep raising this. But on Item 4, the MDOT contract with IBM, one-year contract. We keep running into these essentially legacy contracts.

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We know we're going to continue. They are one year. I have a feeling that we are jerked around by, we the State, by this corporation. Is there anything we can do to come together and be a bigger counterweight to a huge corporation and get some better terms? The Comptroller got, as I recall, a two-year contract. How do we --

MR. RAHN: That's right. And frankly, we're not in much of a position to know what the opportunity is to combine different departments. But I can tell you that we want to get off of the mainframe. And so we have two of our systems that are currently on the mainframe that within the next two years should come off. But then it leaves FEMIS will be in essence the last program on the mainframe. And that's an awfully big, you know, bite --

TREASURER KOPP: Yeah.

MR. RAHN: -- to get us into a different system from where we are on FEMIS.

TREASURER KOPP: We just, it's a great corporation, IBM. But it was a great corporation 20 years ago when we got into these situations where we're essentially held hostage. I --

MR. RAHN: We are.

TREASURER KOPP: Yeah.

MR. RAHN: I mean, this is, we have no choice. We have to go to IBM for their proprietary systems.

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TREASURER KOPP: Well if there's anything we can do, enterprise, the whole State of Maryland, enterprise wide, to --

MR. LEAHY: Well in fact, Madam Treasurer, we are working hand in hand with all 31 of the executive agencies and in fact have numerous discussions with the Comptroller's Office, and indeed with yours. There are many opportunities that I think we will be able to avail ourselves of with regard to utilizing off premise computing and cloud computing in the next two years. And one of the goals that you'll see in our next master plan is indeed the incorporation of moving people off mainframes and AS 400 computers that are legacy systems into modern systems and into the cloud.

TREASURER KOPP: Well I think that's great. I'm not sure everything is going into the cloud.

MR. LEAHY: No. Everything will not.

TREASURER KOPP: And meanwhile we have all of these agencies, and yours is probably the biggest, I don't know, that -- I don't know. I was just complaining. Sorry.

MR. RAHN: Yes.

GOVERNOR HOGAN: You have every right to.

MR. RAHN: I think we share your frustration.

GOVERNOR HOGAN: Just get it off your chest.

TREASURER KOPP: Yeah. Thank you. Thank you. Thank you.

I'm going to support your item but --

GOVERNOR HOGAN: Any other questions?

COMPTROLLER FRANCHOT: Yes. Item 3, please.

MR. LEAHY: Good morning, Mr. Comptroller. I have the Finance Director Sherry Alban --

COMPTROLLER FRANCHOT: Great.

MR. LEAHY: -- available.

COMPTROLLER FRANCHOT: Thank you, Secretary Leahy. I believe, Governor and Madam Treasurer, we're being asked to approve a \$19.7 million, eight-year, single bid contract to Overland Contracting in Garner, North Carolina to replace our State's legacy emergency medical systems communications network. Obviously it's an important contract. It means a lot to our first responders so that they can have some real-time communication with the emergency room and dispatch services for Medevac. But it's one of five single bid contracts in today's Agenda. I guess the first question is why was the only acceptable proposal submitted by a company from North Carolina?

MS. ALBAN: Well, yes sir, good morning, Madam Treasurer, and Mr. Governor, Mr. Comptroller. My name is Sherry Alban. I'm the Finance Director and I am the procurement officer on this contract.

Initially MIEMSS was able to publish an RFP in August of 2016. Even though we have limited market to which we could appeal for this complex project, we issued the RFP. We had a lot of folks show up at our pre-bid conference. We went through eMaryland Marketplace. We received one award. I mean, I'm sorry, one offer. So we consulted with our partners at DoIT, at the BPW, and were advised, and we wanted to do this as well, to cancel that RFP. We went out again. We cast a wider net. I appealed to over 359 vendors on eMaryland Marketplace. I appealed to 11 directors solicited directly, I mean, 11 vendors, potential vendors, directly. And we were able to secure two offers. One of the offers was deemed technically not susceptible to award. And that's because they did not meet mandatory requirements. We extensively did a deep dive into the technical offer that Overland Contracting made to us. They do have a location here in Maryland, in Columbia. And we feel that they truly brought their A team and we feel very confident and with the, and hopeful that you will approve the award of this contract to Overland.

COMPTROLLER FRANCHOT: Okay. Have you, did the person you want us to award the contract, the company, have they ever done a project of this scale?

MS. ALBAN: Yes sir, they have.

COMPTROLLER FRANCHOT: Where?

MS. ALBAN: They did more, I guess, more -- similar to our project they did Pennsylvania State Police communications network. They did San Diego Power. And they also did Nevada Power, which is a system, again, of microwaves and emergency communications for these large areas, jurisdictions. But Pennsylvania was the public safety one.

COMPTROLLER FRANCHOT: But I understand they only did some component parts in Pennsylvania --

MS. ALBAN: Well sir --

COMPTROLLER FRANCHOT: -- of this contract?

MS. ALBAN: This is, we've hired them as a system integrator.

COMPTROLLER FRANCHOT: That's my concern, that they haven't done this before in a way that is anywhere near what we're asking them to do. And I just find it troubling. A, it's a single bid contract; and B, it reminds me of a famous old chestnut that was here before our Board years ago, before this Governor was ever Governor, called Crystal Enterprises. We had the same situation. We hired them. They completely messed up because they had never really done the kind of job that we were asking them to do. And we had to go back and repair a whole bunch of problems that were created because of them.

So I don't think we can afford to get it wrong in this area, which is first responders.

MS. ALBAN: No.

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COMPTROLLER FRANCHOT: So I'd like to defer this contract for two weeks and ask some more questions about whether this vendor you are proposing to us is capable of doing the job.

MS. ALBAN: Can I just add that there are some critical time frames that we are facing? Rich Berg is our Director of Communications Engineering Services. And we are facing, I'm going to let Rich speak to this, but Verizon is taking away the copper lines.

MR. BERG: So our current system is analog based --

GOVERNOR HOGAN: Can you step to the mike, please?

MS. ALBAN: I'm sorry.

MR. BERG: Our current system is analog based, developed in the early nineties using technology that mainly came from the eighties. It relies a lot on Verizon leased circuit, special RT&B circuits. We received a notice in December of this, of last year that Verizon had been given permission by the Public Service Commission to start eliminating copper. That will begin December of 2018. So time is of the essence to get the system up to where it needs to be.

So that's one of the deadlines --

COMPTROLLER FRANCHOT: Been there, done that.

(Laughter.)

MR. BERG: That was planned.

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COMPTROLLER FRANCHOT: As my wife says, what is that?

(Laughter.)

COMPTROLLER FRANCHOT: I don't know. It just popped up on the screen.

MR. BERG: That was planned. So we had that deadline that was not foreseen at the time that we originally released the RFP. But one of the things that I can point out, the equipment we currently use is 20 years old. We had an outage of one of the key core components on this past Thursday, eight hours. Fortunately we had pieces of a backup phone system that we could rely on. There are other core components of the current EMS system, there are no backups. And like I said, the existing equipment that we rely on each and every day is 20 years old. Technology goes in the eighties and nineties. And it is imperative for us to move beyond these analog technologies, get to the IP base, get to where we're more robust in our system.

COMPTROLLER FRANCHOT: So the urgency here -- obviously we want the system to work but it does work somewhat in a creaking way right now. Right now. Yeah.

MR. BERG: That is correct.

COMPTROLLER FRANCHOT: I have no problem with replacing it. I just want to have competitive bids, number one. And number two, I'd like to place a call to Verizon and ask them based on the importance of this, whatever it

is that they are pulling out that is made of copper from the system, that they defer on it. And I'm happy to send a letter to the Public Service Commission saying you need to get six extra months in here so we can get, A, a competitive bid; and B, some confidence that this company, which you are asking us to award almost a \$20 million contract, can do the job. Because I don't get that sense from the background material, that they have done anything like this around the country.

MS. ALBAN: Excuse me, sir. I do have representation --

GOVERNOR HOGAN: Can you please get back to the microphone?

MS. ALBAN: I'm sorry.

GOVERNOR HOGAN: This is all being recorded.

MS. ALBAN: I'm sorry. I do have representatives from Overland Contracting here if you would like them to speak in this forum to their capabilities.

COMPTROLLER FRANCHOT: Why don't we do it offline, if my colleagues were willing to defer it for two weeks?

GOVERNOR HOGAN: Well either --

COMPTROLLER FRANCHOT: I'm happy to meet --

TREASURER KOPP: It's not two weeks.

GOVERNOR HOGAN: Part of the problem is we don't have a Board of Public Works in two weeks. Our next meeting is June 20th, which is

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five weeks from now. And maybe you can address, you said it would be a concern, the delay for two weeks. But it would really be five. And what is the critical time here that, what's going to happen?

MR. BERG: December of 2018, Verizon will start disconnecting -- oh, sorry. December of 2018, Verizon will start disconnecting our special circuits in the Montgomery County area, Towson area, and Glen Burnie areas. That will directly impact our ability to provide the lifesaving communications to the field providers. We are looking at methods to fill in the gap. But we don't have those identified yet. And this is something --

COMPTROLLER FRANCHOT: Have you asked them, have you asked them not to do it?

MR. BERG: So we have not directly asked Verizon to discontinue their plans. I do know Verizon is set to do it. They have the permission from the Public Service Commission to do it. We certainly can ask them. I'm not sure that that will impact them. I mean, they have a lot of manpower and dollars waiting to make that transition. And I can't really speak to--

GOVERNOR HOGAN: The problem is that the Public Service Commission is a completely autonomous and independent agency who also doesn't meet for probably at least a month and already voted to give them the right to do it. So it's questionable whether we can reverse that.

TREASURER KOPP: Can I just, from my perspective, we were very concerned the first time. And you went out and redid everything and rebid it, and we're still where we are. I don't know any reason to think it would be different if we went out again. That aspect I think you've done fairly well.

The other, yeah, I would like to have a little reassurance, because this is such an important, critical project. What made you think that this bidder was going to be able to do it up to your specifications?

MR. BERG: From a technology perspective, we not only looked at the proposal, we looked at demonstrations of their capabilities. In a small microcosm, but we saw those capabilities. And I'm confident that technology wise they will be able to replace our current system with an IP-based system that meets or exceeds, and that was our goal, meet or exceed, our current system.

GOVERNOR HOGAN: Maybe we should take a moment to have the potential contractor come up and talk a little bit about their qualifications. I mean, this is obviously a very important public safety and public health communications upgrade. And I don't want to have the system collapse over this. I share the Comptroller's concern that we only had the single bid. But I know you tried really hard to get an additional bid. And --

MS. ALBAN: Thank you. We did. And we also did a thorough interview of their customers. But I'd like to present Preethi Pillaipakkam and Gene Robinson with Overland Contracting.

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GOVERNOR HOGAN: Thank you. Welcome.

MS. ALBAN: Sure.

MS. PILLAIPAKKAM: Good morning.

GOVERNOR HOGAN: Good morning.

MS. PILLAIPAKKAM: So specifically with respect to capabilities, we are with Black & Veatch, which is the parent company of Overland Contracting. Black & Veatch is probably a more well-known brand in terms of engineering. We not only serve public safety, we also serve water and power and we have a full portfolio of projects just within the State of Maryland.

So in terms of this particular project for the public safety project, we are serving the role of system integrator. The main thing I was deeply involved in putting this team together and I come from a legacy of working in the public safety space for 15 years and Gene here is the project manager. He's been working in the space for over 20 years. We both have worked for the major brands within the public safety space.

I put a lot of emphasis on picking the right companies in terms of technology, as well as the right partners, the MBE partner. We made sure that we had 20 percent of the project be SBE partner for the services, as well as the solutions come from companies like Nokia, Cisco, all of them are top tier brands. So in terms of the technical capabilities and making sure that this project will exceed what we have currently in place, I'm very confident.

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GOVERNOR HOGAN: Thank you. Anything?

MR. ROBINSON: Hi, I'm Gene Robinson. And from a project management perspective as far as rolling out the projects and that, Black & Veatch is, of the last nine years, eight years in a row, we've been rated the number one telecommunication services provider by *Engineering News-Record*. We've got a litany of, you know, experienced AT&T roll outs across the country. We're one of their largest vendors. We do the wire line and wireless side of the business.

On the utilities side, we have large statewide contracts, microwave and land mobile radio contracts with like Nevada shared radio system, which is actually three agencies. We've got, there's NDOT, Nevada Energy, and Washoe County. So we, this is what we do.

Specifically for me, a project you guys might be familiar with is the Virginia STARS project. So I was the project manager on that for the design and deployment of that system. So we, you know, working with, you know, a large, you know, M brand company, been through this step, doing large, statewide roll outs, national roll outs from a cellular perspective and that. So from a radio and microwave perspective, we as a company have all of that and that's what we do all day long every day.

COMPTROLLER FRANCHOT: Okay. If I could just, so the contract is with Overland Contracting? Or with the --

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MR. ROBINSON: Yeah. So Overland Contracting, Black & Veatch owns Overland Contracting. It's one of our contracting companies.

COMPTROLLER FRANCHOT: So who is doing the work? Overland Contracting?

MS. PILLAIPAKKAM: So the work will come from a combination of the Engineering Services will be Black & Veatch employees and the field implementation manager. The reason we use Overland Contracting anytime planting a tower is involved, which will be in these cases for installing the microwave dishes, the antennae that go on it, we have to use a construction entity purely from an insurance and liability standpoint. So the contracting paperwork has to go through Overland Contracting. But in terms of the actual staffing of the project, it will be a combination of Black & Veatch and Overland Contracting, along with the companies I named, Nokia, Cisco, all these subcontracting entities.

COMPTROLLER FRANCHOT: Okay. And you've done these kinds of contracts in other states?

MS. PILLAIPAKKAM: Yes.

MR. ROBINSON: Oh yes.

COMPTROLLER FRANCHOT: What are a couple of those states?

MR. ROBINSON: Pardon me?

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COMPTROLLER FRANCHOT: What are a couple -- the STARS project, I'm not familiar with the acronym. What does that stand for?

MS. PILLAIPAKKAM: STARS is the Virginia system, but that's Gene's experience.

MR. ROBINSON: Yeah. That's the statewide --

MS. PILLAIPAKKAM: That is not a Black & Veatch project. But in terms of specifically Black & Veatch projects we have Oregon, ODOT.

COMPTROLLER FRANCHOT: Oregon?

MS. PILLAIPAKKAM: State of Oregon, yes.

COMPTROLLER FRANCHOT: Mm-hmm.

MS. PILLAIPAKKAM: And --

COMPTROLLER FRANCHOT: What is that? Public safety? Or

--

MS. PILLAIPAKKAM: Yes. Public safety is on that system, yes.

COMPTROLLER FRANCHOT: Okay. Great. What else?

MS. PILLAIPAKKAM: We have Houston-Galveston.

COMPTROLLER FRANCHOT: Mm-hmm.

MS. PILLAIPAKKAM: So it's a consortium of multiple counties and cities that came together in that area. Right now we are overseeing the entire city and county of Dallas that's going on. They are getting ready to start that

project. We have pretty much any region you can take, we have either a statewide or a consortium of counties and cities that have come together.

COMPTROLLER FRANCHOT: In public safety?

MR. ROBINSON: Yes.

MS. PILLAIPAKKAM: Yes, sir.

COMPTROLLER FRANCHOT: Okay. And were those contracts, did you compete competitively for them?

MS. PILLAIPAKKAM: To win them, yes.

COMPTROLLER FRANCHOT: Yes. And there were, there was competition?

MS. PILLAIPAKKAM: Of course, yes.

COMPTROLLER FRANCHOT: Yeah. Could you please come forward, the procurement person again, and just help me understand why there can be competition in Dallas, Texas, and Oregon, and every other state where this big company does business, but we don't have any competition here?

MS. ALBAN: Well sir, the only thing I can think to appeal to that is the fact that Maryland has a very, Maryland is a unique EMS system. Other states don't have the system that Maryland does.

COMPTROLLER FRANCHOT: Well if -- obviously I don't have the support, necessarily, I don't have an extra vote here. But if I did --

GOVERNOR HOGAN: How do you know?

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COMPTROLLER FRANCHOT: Well I would love to put this off.

GOVERNOR HOGAN: He's reading minds.

COMPTROLLER FRANCHOT: And because this is, this is just classic defense of single bid process. And I just don't buy it. I'd almost rather have new procurement people involved in this if the current procurement people come before us and say we tried our damndest to get somebody in addition to the vendor we're asking you to award a \$20 million contract to for a crucial activity, we tried and we could not get a second bid. That is unacceptable. I could get a second bid. And I'm not a procurement officer. I mean, just talk to them. They have a long list of people they compete with around the country. Yet here we are.

MS. ALBAN: I appreciate your concern, sir. But I feel that MIEMSS did everything we could to encourage competition.

COMPTROLLER FRANCHOT: Okay.

GOVERNOR HOGAN: Well thank you. And I share, I totally share the concern over single bid contracts. But I'm also well aware that this is a critical public safety and public health concern and this emergency communications network is critical. I'm also convinced that the proposed vendor is, has the capabilities. And I'm going to vote for the bid of the contract. So I don't know --

COMPTROLLER FRANCHOT: Okay. No, I'd just like to be registered as opposed to it.

GOVERNOR HOGAN: So we'll pull this out --

COMPTROLLER FRANCHOT: And based on the single bid, Governor, based on this. I don't mean to pick on you or your agency. But I'm going to pick on anybody that I can get my hands on until this situation with single bids is reduced even more than it is.

MS. ALBAN: Sure. I'm aware.

GOVERNOR HOGAN: Thank you for raising the concerns. But so there's a motion --

SECRETARY MCDONALD: To approve this item separately.

GOVERNOR HOGAN: Yes. So we're going to pull this item out and I move we approve.

SECRETARY MCDONALD: Right, to approve 3-IT separately. Is there a second?

TREASURER KOPP: Second.

GOVERNOR HOGAN: Yeah, second. The motion carries two to one.

SECRETARY MCDONALD: Two to one, okay. And then you've got the balance of the IT Agenda.

GOVERNOR HOGAN: Thank you very much.

MS. ALBAN: Thank you. Thank you, ladies and gentlemen.

GOVERNOR HOGAN: Thank you. Are there any other questions on Information Technology?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Motion? Second? Three-nothing on the remainder of the --

SECRETARY MCDONALD: Thank you.

GOVERNOR HOGAN: We're going to move on to the Department of Transportation.

MR. RAHN: Good morning, Governor, and Madam Treasurer, Mr. Comptroller. For the record, my name is Pete Rahn. I'm Secretary of the Maryland Department of Transportation. Before I tell you how many items we have, I do want to mention that Mr. Quinn was up along with quite a few members of the department overnight because of the flash floods that took place in Western Maryland in which on the Brunswick Line we had three trains that were stopped. One of them stopped in four foot of water and had to wait until the water could get low enough that they could actually walk through it and make sure that a culvert was not out. And so they accomplished that. The two trains behind them, which were the last trains to West Virginia, were stalled and essentially parked. And so we utilized local transit options available, as well as our commuter bus, to get our passengers, which there were a couple hundred of them, back out to the west side.

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Certainly the first group that was stuck in four foot of water understood why they weren't moving. I doubt that the other two trains knew why they were just sitting. But we did get them home but a three- to four-hour delay in getting them there. But we stuck to it. Mr. Quinn and his crew stuck to it, got everybody safely back home, just late.

GOVERNOR HOGAN: Well again, Mr. Quinn, a lot of frustrated people but thanks for staying up all night and making sure they got to where they needed to get to. We don't really control the weather, or we haven't been, you know, we can't fix all the problems from 30 years ago. But we're working on it.

MR. RAHN: This was significant, significant --

GOVERNOR HOGAN: We had significant flooding all around the State and that was probably the worst situation we had to deal with. So thank you.

TREASURER KOPP: Governor, could I just put, I know Secretary Grumbles has left, but as you know he chairs your Maryland Climate Change Commission. And Secretary Belton is a major part of that, the Department of Transportation, Department of Health, Department of Agriculture. I don't know if this was due to climate change. But I do know that our weather is getting more volatile and because of the change in heat in the atmosphere you're seeing more of these storms come together. And they are playing off an old infrastructure and creating what we now call nuisance floods, a term that didn't even exist a decade

ago, where like in Frederick, just like in Howard County, they are not, our system wasn't created for something like this. The water doesn't go down the drains the way, as swiftly as it used to and it results in flooding and problems. Every country, I mean, every country, yes, and every state faces this. But I think the work that is being done in that department, in your department and in your department and the Secretary's department coming together in terms of adaptation of our infrastructure is really very, very important. People do not yet connect the need to do adaptation work with this sort of event. But I think that's exactly what it is. And I commend you and hope we can work together to do sort of an educational job, too, to make people aware of this issue.

MR. RAHN: We do everything we can.

TREASURER KOPP: Yeah.

GOVERNOR HOGAN: It's a serious issue and one that we've been really focused on.

TREASURER KOPP: Yes.

GOVERNOR HOGAN: There's no greater example than Ellicott City, where we had, you know, significant damage from the flood. But they've rebuilt to better standards and hopefully we'll be able to handle these things a little better the next time they come around.

MR. RAHN: So Governor, thank you for letting me take off on a tangent. But I just needed to mention that the department has 25 items today and

at this time the department is withdrawing 7-AE. And we will bring that back at a later time.

GOVERNOR HOGAN: We have a couple of folks signed up to speak on Item 2. We also have the Executive Director of the Maryland Aviation Commission, Mr. Smith, is here. So I'm going to let him present the item that's before us and then we'll go to the speakers that want to comment or raise questions on it.

MR. SMITH: Good morning, Governor.

GOVERNOR HOGAN: Good morning.

MR. SMITH: Comptroller, Treasurer, good to see you again. So about a year ago we came to the Board and asked for approval to extend our taxi contract for a year to address an issue with the financing of the contract. And that was a symptom of what is a very complex environment that our taxi program exists in. The emergence of TNCs, transportation network companies, Uber and Lyft, is making it very difficult for other ground transportation service providers like our taxi program to continue to perform at a high level. As matter of fact, over the last couple of years taxi trips are down over 80,000 trips per year. Okay? So that's a significant --

COMPTROLLER FRANCHOT: From the Airport?

MR. SMITH: At the Airport, yes. So that's a significant drop off. So the existing contract expires soon and so we wanted to launch the procurement

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process to do a new contract. And as we were going through that whole process, that which was an information for bid approach, we thought that we would hear from our taxi drivers. And so in November we hosted two meetings with the taxi drivers, and I think almost every taxi driver participated in one of those meetings. Some participated in both. But we had standing room only. It was a very productive set of meetings, got enormous feedback, very orderly. If I had to do it all over again I would do the meetings again because they were very beneficial.

We got some feedback from the drivers that compelled us to rethink the procurement. So instead of doing an information for bid we decided to do an RFP, which would allow us the flexibility to address some of the concerns that they raised. And the concerns they raised were across the board. Some of them were labor related, which we simply cannot involve ourselves in labor disputes or personnel issues. But others were more operational and those we thought we could address. We also thought that we could do an RFP that would compel the proposers to speak to us about their approach to management. And so all of that is in this new RFP.

Because of the time we spent redoing the procurement document, we now need a six-month extension to the contract because the existing contract expires before we can award a new contract. There is some concern on the part of the taxi drivers that they would have to live in the conditions that they say they are living in, or operating in, for another six months. Because of that concern, I

met with them again, at least one group that comports itself to be the leader of the taxi coalition. Another productive meeting, but an outcome of that meeting was the proposal of a bill of rights. Which in essence suggests that the Airport involves itself in labor matters related to the management and the drivers. We're a landlord. We can't involve ourselves in labor matters. Those are, there are other agencies that are responsible for adjudicating those kinds of disputes. And so I think you're probably going to hear some of that today from those representatives.

But we think we've prepared a procurement that will go a long way in addressing many of the concerns that they've raised over the years and will continue to maintain a taxi program which I think is one of the best in the country. We certainly have many of the best drivers in the State, if not the country. And we just want to create a contract that allows them to thrive and provide the kind of service that our customers expect while allowing management to have a contract that makes a little bit of money for them. And so that's what we're proposing. And I make myself available for whatever questions you might ask.

TREASURER KOPP: I have a question of Ricky, but I don't, whether it's now or after --

GOVERNOR HOGAN: You can ask him now and then we can move on to the --

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TREASURER KOPP: Well I think that your new proposal does incorporate a lot of the changes that we know were desired and appreciate that very much. The argument regarding the bill of rights, or whatever you call it, your argument that you can't get involved with that because that's between the management and the taxicab drivers, assuming you have this management model.

MR. SMITH: Yes.

TREASURER KOPP: But doesn't that depend on the RFP and the contract? I mean, can't you put provisions in your RFP that inserts things like that? I understand you can't do it now. But you're going to have a new regime. I don't understand.

MR. SMITH: So Madam Treasurer, very good question. The RFP that is on the street now for consideration does include measures that will require any proposer to propose to us what management approaches they will take to address many of the issues that the drivers have brought to us. Again, we can include it in the RFP and when they propose it if we pick that firm any proposal that they include in their offer to us becomes a part of the contract.

TREASURER KOPP: Right.

MR. SMITH: That gives us some contract authority to address management issues. However, it still does not give us the authority to address personnel issues or labor disputes. Those are matters that are, again, have to be adjudicated by another body.

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TREASURER KOPP: Well I don't know what the taxicab driver's bill of rights is --

MR. SMITH: Yes.

TREASURER KOPP: -- so I'm at a complete disadvantage here. But --

GOVERNOR HOGAN: I think what Mr. Smith is saying, that, you know, in the RFP and in the awarding of a bid, we can address some of those issues.

TREASURER KOPP: Well that's --

GOVERNOR HOGAN: But we can't, we can't just ignore the owners or the management of the group and tell them what they --

MR. SMITH: Exactly.

GOVERNOR HOGAN: -- you know, how they run their --

MR. SMITH: Exactly.

TREASURER KOPP: Well I understand there are certain internal management things you wouldn't want to get involved in because that's micromanagement.

MR. SMITH: Mm-hmm.

TREASURER KOPP: But on the other hand, setting out standards --

MR. SMITH: Mm-hmm.

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TREASURER KOPP: -- you clearly would want to get, in a new, in a new regime.

MR. SMITH: Treasurer, Treasurer, for example --

TREASURER KOPP: But I don't know what --

MR. SMITH: -- for example, one of the complaints was that the staff persons for the taxi stand is unprofessional. So we're requiring them to propose to us what qualifications they will set out for that staff person. Those are the kinds of requirements that we typically include in RFPs for services.

TREASURER KOPP: Standards.

MR. SMITH: And we're now adding those to the standards. Exactly. Yes.

MR. RAHN: May I --

GOVERNOR HOGAN: Secretary Rahn?

MR. RAHN: Thank you. Thank you, Governor. Madam Treasurer, another way to view this is more than just, in my opinion, as a landlord. But we are contracting for services the same as we do with SHA or any of our other business units. And so our relationship is between the contractor and us and the contract. Their relationship with their subcontractors is between them and their subs. We --

TREASURER KOPP: I get that. But the contract between, the new contract between you and the manager, can have whatever provisions you and the manager can agree to. Can't it?

MR. RAHN: An example would be within our contracts we don't, we don't demand that union labor be used, as an example.

TREASURER KOPP: That's your policy.

MR. RAHN: The contractor --

MR. SMITH: That's law.

MR. RAHN: Right. So the contractor, though, has made a decision about whether their workforce is union or non or whatever. And so, and it just gets so messy, frankly, when you try to get beyond that.

TREASURER KOPP: Well, life is messy. You know, life is difficult. But and I understand once you have a contract, you don't violate the contract. And I understand you don't want to get into micromanagement. What I don't understand, and maybe we'll hear, is what those standards, what is needed beyond, if anything, the standards that you could put in place in the contract to meet valid objections. I think your response was not a, was a good one.

MR. SMITH: Okay. And Madam Treasurer, when we, when we contract a company to manage the taxi program, we're expecting them to bring certain competencies, including management competencies, that would not

require MDOT MAA to be involved in managing its subcontractors or its workforce.

TREASURER KOPP: Yes.

MR. SMITH: In this RFP process, we're asking them to communicate to us what those competencies are, what those qualifications are, what those standards are. And that will be a part of our evaluation process. If they can't demonstrate to us that they can effectively manage the taxi subcontractors, then they won't get, they won't get the right scores. And so they won't be awarded the contract.

TREASURER KOPP: And again, I don't know what the specifics are.

GOVERNOR HOGAN: Well maybe --

TREASURER KOPP: But what you say in general makes a lot of sense.

GOVERNOR HOGAN: Maybe we could ask you to stand by in case we have other questions that you can address and we'll move on to let the speakers --

MR. SMITH: Yes, sir.

GOVERNOR HOGAN: -- who signed up.

MR. SMITH: Okay.

GOVERNOR HOGAN: Thank you. So now we will have Aurora Vazquez and Luis Tirigall.

MR. TIRIGALL: Good morning. My name is Luis Tirigall. I have been a taxicab driver for the last 21 years at BWI Airport. I'm also a member of the leadership of the Taxicab Coalition. We're a cab driver group and our goal is to improve the working conditions of the BWI taxi drivers.

On behalf of the coalition, I'd like to thank you for the opportunity to speak here today and voice our concerns. Our main concern is actually the extension of six months of this contract. Why? Because of the way that the management company has been treating the taxi drivers, especially since we began to try to improve our working conditions, after the extension granted on June 7th in a meeting like this.

Specifically when that was granted, since that moment we have been subject to extreme punishments, even for minor violations that we can prove. We have a pile that, you know, there's not going to be all the time in the world to show. But we'd be glad to submit it. Sometimes these violations didn't even happen. The MAA has made it clear to us that they cannot, they will not, intervene or interfere in the company policies towards the drivers.

We think this is unfair. Our jobs are at risk, threats of termination all the time, even though the company hasn't terminated. But the risk is there. It's like having a gun to your head. There's no need to kill you for you to be

afraid all the time. We've actually set up a meeting with the company, first with the company owner to incorporate the cab driver bill of rights, which by the way is very simple. It's a three-page document that I would be glad to give you copies of. No success with the meeting. We engaged the services of a mediator. No response either for the last 45 days. The company refused to meet.

If there is an extension, because we understand that the MAA is in the process of selecting a company, obviously an extension must be granted because there has to be a company managing these services. What we are here to ask you is to consider our bill of rights, which is nothing less and nothing more than an assurance of the fair treatment of the BWI drivers. It's very simple. Due process. What is that? From the moment that a complaint comes against a driver, no matter where it comes from, whether a patron, the dispatcher, or another driver, that driver has the opportunity to defend himself, that the company produce the evidence that, what the driver is accused of, the violation that is supposed to have occurred. And that he would be given time to respond before action is taken, disciplinary action, which by the way it causes economic mayhem because there are suspensions all the time, depriving the drivers of their revenue. And sometimes these are accusations and punishments of violations that later on are proven wrong, that the driver was not at fault. Faced with this, the company or the manager, says well, too bad, c'est la vie, they took a couple of days off and I hope your rest is fine. Is that it?

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Let me give you an example. On March 21st, we had a very severe snowstorm in this State. Between six and eight inches of snow, if I remember correctly. A snow state of, snow emergency procedures, pardon me, were implemented by the State Police in Anne Arundel County. There is a provision in the Anne Arundel County, from the Anne Arundel County Taxicab Division, and it's been happening for decades. I've been here 20 years. My coworker has been here 39. Every time that the Anne Arundel is under these snow emergency procedures, the taxicab drivers are allowed a surcharge of 25 percent.

Those days of course, I don't have to tell you how difficult things are on the road. We have probably, sometimes we have been the only ones, at BWI the only ones means of transportation. For the first time this year the company did not allow it. We were, we asked the company, we were working, 11:00 a.m., 12:00 a.m., 1:00 a.m. And the owner say no. We just later found out that the State Police declared a state of emergency, snow state of emergency for Anne Arundel County, until 10:00 a.m., and we have the tweets.

In many other instances policies like do not, the company doesn't allow to blow the horn at the terminal. What is that? The horn is an element of safety. It's like asking someone you cannot turn your signal at the terminal. It can save a life. It can warn of a danger. Still, the company say no horn at the terminal. We understand that abuses can be committed, you know, but policy has

to be written clearly. Drivers have received warnings about this, unnecessarily in our view. The list goes on and on and on and on.

Again, we'd be glad to show you proof of this. And also the discrimination factor. Why? Because it just happens that many, many, many, and most, actually, of this set of examples or punishment are against coalition supporters or coalition leadership members. The statistics are astounding to be a coincidence. It's at 87 percent. How do we know? Because we have been collecting data.

And that's why we are here, to ask you members of the Board to intercede for us and see if we could include the bill of rights. But not only in this six-month extension, because that solves the problem until December 31st. What if the next company is, has the same policies or worse? We don't know that. As it is, in the RFP it's a grant because that's what the RFP is, request for proposals. So we do not know at this point.

I guess that at the end of the day that is it. I hope I have been clear.

GOVERNOR HOGAN: Well thank you very much. I thank you --

MR. TIRIGALL: I thank you again for --

GOVERNOR HOGAN: -- I thank you for coming and representing many of the other drivers and I think you make some excellent points. Now Mr. Smith said that many of these concerns could be addressed with the awarding of a new contract to make sure that whoever the new company is has

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to abide by many of the things that, I mean, some of these things are obviously, saying you have to violate the law doesn't make any sense at all.

MR. TIRIGALL: Sure. Sure. Sure.

GOVERNOR HOGAN: Those are things that we should be able to address. But you're asking for us to, for the extension for, we have to do the extension.

MR. TIRIGALL: Yes.

GOVERNOR HOGAN: Because it takes a while. We can address them in six months --

MR. TIRIGALL: Yes.

GOVERNOR HOGAN: -- or when the contract is awarded. But you're asking that for the extension of the six months that we somehow, and I'm not sure whether even legally, and we'll ask Mr. Smith to address, can we, if it's an extension of an existing contract that doesn't have those things in it, how we can even do it. But we're going to try to get the answers to that.

MR. TIRIGALL: And another thing is the suggestion of, that if for any reason, procurement, legal, out of my scope of knowledge, cannot be done in the MAA contract it can be done in the company, owner/operator contract. That would be satisfactory, you know.

GOVERNOR HOGAN: And you, just to be clear, I think you are an independent contractor --

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MR. TIRIGALL: Yes. Yes.

GOVERNOR HOGAN: -- of the company?

MR. TIRIGALL: Yeah, we are.

GOVERNOR HOGAN: Not employees of the company?

MR. TIRIGALL: Not at all.

GOVERNOR HOGAN: So which changes how they interact.

MR. TIRIGALL: No, no, no. We are not employees.

GOVERNOR HOGAN: Right.

MR. TIRIGALL: By the way, members of the Board, we have submitted in September a 22-page proposal about a change in our business model, including some win-win solutions given our plummeting revenues due to the advent of the TNCs, Uber and Lyft. This is a worldwide phenomenon. It's nothing new for anyone.

And I'm just going to mention one, because this is too long, but your deputy Mr. Newgent --

GOVERNOR HOGAN: Actually, we would love to have a copy of the proposed taxicab bill of rights and --

MR. TIRIGALL: Absolutely.

GOVERNOR HOGAN: -- so we can all take a look.

MR. TIRIGALL: Your deputies have them. The one that I'm going to mention probably which is the win-win solution is to allow the taxi drivers to get return trips.

GOVERNOR HOGAN: To get what? I'm sorry?

MR. TIRIGALL: Return trips.

GOVERNOR HOGAN: Yeah.

MR. TIRIGALL: The end of what's called the (indiscernible) provision. We drop some, pick up somebody off at the Airport, drop them off, whatever, and come back empty. A waste of time, gasoline, and revenue for the State, the company, and us. Why not? It has been done in Dulles Airport successfully. There may be jurisdictional problems, I understand, out of my scope. But we ask you to explore this, or to at least suggest MAA to explore this. I know that a lot of work went into the RFP. But this could change the game in a positive way for everyone.

GOVERNOR HOGAN: Mm-hmm.

MR. TIRIGALL: Revenue is the word, I believe. And the taxi industry is under siege. This can resolve the problem for all of us.

COMPTROLLER FRANCHOT: Mr. Tirigall?

MR. TIRIGALL: Yes, sir?

COMPTROLLER FRANCHOT: Is it true that you went to Harvard Law School?

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(Laughter.)

MR. TIRIGALL: That was my twin brother.

(Laughter.)

GOVERNOR HOGAN: I was just going to say, very articulate.

COMPTROLLER FRANCHOT: Yeah, it's like -- I thank the Treasurer for bringing the subject up. And obviously the Governor is interested. And I think we'll all take a look at it. I just don't think we can do anything right now.

GOVERNOR HOGAN: Well let's, but I really appreciate your advocacy and you have been very articulate. But we still want to hear from your colleague there, Aurora.

MR. TIRIGALL: Yes.

GOVERNOR HOGAN: And then I want to have Mr. Smith, I have a couple of questions that you just raised that I want to get his answers to.

MR. TIRIGALL: Thank you again.

GOVERNOR HOGAN: Thank you very much.

MS. VAZQUEZ: Good morning. My name is Aurora Vazquez. I am with the Excluded Worker Project and I serve as the strategist to the coalition, which basically means that the cab drivers came to me with a concern and I sat down and helped them brainstorm a way to find a solution basically.

And so I just wanted to touch on three things that were said, two by Mr. Tirigall and one by Mr. Smith. With respect to the feeling of urgency cab drivers have around incorporating a bill of rights that stems directly from the realities of their working environment. So it's not like they are asking for something extra because they have nothing better to do. They are really trying to find a solution so that they can continue to work under reasonable conditions. And we're talking about cab drivers who have been at the Airport for many years. Not two years, not a year, but people who have made a lifetime profession out of serving the Airport. And they have invested a great deal of money in buying their cars. So these folks in the room at this point are actually owners of their vehicles. They are not renting a car. So there is some capital investment there also. Again, so who wouldn't want to work in a reasonable environment where you feel like you are both welcomed and like you can do your job without there being barriers?

So that said, we touched on some of the, what is feeling like increased and pretty aggressive allegations of violations. And the dilemma cab drivers are in is that some of those are, cab drivers are being suspended because allegedly something happens and the company doesn't always issue a written record of why the suspension happened. So it makes it even tougher for cab drivers to try to resolve the situation when there is no record of it happening. So that's one point.

The other point is that some of these letters are labeled as warning letters, but the language in them is much more serious than that. There is language in those letters that says things like, the next step is termination. So you issue a warning letter for somebody who honks in the terminal and then that honking is described as a disturbance, and then the letter says the disturbance is cause for termination. So the idea that the company is being reasonable in an approach by issuing warning letters becomes less reasonable when you read the language and you see that it has this other language that says next stop for you is termination. Again, termination of people who have invested a great deal of money and a lifetime in serving the Airport.

The third thing I wanted to just give a note on is Mr. Smith's great explanation of the new approach, from IFB to an RFP. We appreciate that he heard cab drivers and is trying to do something different. And at one point he mentioned that the folks who submit a bid, the firms who submit a bid, will have to identify their competencies. That's fabulous. The dilemma for us, the coalition, is that we won't actually, there isn't a mechanism for us to know what competencies they are identifying and whether those competencies will be different than the competencies the current management company identified. Because my guess is the current management company was selected because they put some competencies on the table as well. But the RFP itself indicates that the qualifications to apply is prior taxicab ownership and management. So that

significantly narrows the pool of who is going to apply for this. And historically both in this area, in Maryland, Virginia, and D.C., but around the country, the approach to managing cab drivers by cab companies is very top down and not at all unlike what is happening at the Airport right now in terms of this relationship. So now you've narrowed your scope to people who have a history of interacting with cab drivers much like the current company does. So I suspect we will be in the same situation coming around even when they identify competencies that technically qualify for them. Because there aren't very many cab companies who are thinking creatively and in a modern way in terms of how to manage a body of workers who are also independent contractors. And so these conflicts arise because that nature of you are an independent contractor is often used against cab drivers as a mechanism to keep them quiet or have them not complain or ask for better working conditions.

So I think it's helpful if we all keep that in mind. And if we can find a way to incorporate the bill of rights or concepts from it into the next contract, which we've looked at and is very much the language from the old way of doing things. There's nothing much new in the model contract. And if we could find a way to incorporate things into the six-month extension, if the management company would be so inclined to actually come to the table in earnest and talk about that bill of rights and a document for the six-month period, I think as a whole, as a totality, we'd all be in a much better place and cab drivers

would be much better able to provide quality service to BWI patrons without these sudden interruptions of sudden suspensions where you lost income for a day or two and there's no way to rectify that.

GOVERNOR HOGAN: Okay. Thank you very much.

MS. VAZQUEZ: Yeah.

GOVERNOR HOGAN: Thank you. Mr. Smith?

TREASURER KOPP: Could I ask a specific question --

GOVERNOR HOGAN: Yeah, oh I'm sorry.

TREASURER KOPP: -- about the bill of rights?

MS. VAZQUEZ: Yes.

TREASURER KOPP: Which I see we do have. What's the derivation of that?

MS. VAZQUEZ: I'm sorry?

TREASURER KOPP: The derivation of the, or the history.

MS. VAZQUEZ: So the concept of the bill of rights has come from a variety of cab driver led industry reform efforts. I've been working with cab drivers since the early 2000s doing taxicab industry reform. And what we've done is we've structured bills of rights, so in New York City, for example, cab driver bill of rights is in place there. When we haven't been able to do it as a separate document like this, we've incorporated due process concepts into the actual regulations or any other policy that governs. It just so happens that here we

did it separately as distinguished from, say, writing due process principles into a regulation or trying to commit somebody to change a law to incorporate it that way.

GOVERNOR HOGAN: Okay.

TREASURER KOPP: Thank you.

GOVERNOR HOGAN: Thank you.

MS. VAZQUEZ: Yes.

GOVERNOR HOGAN: Mr. Smith, could you come back up for -- well, first of all, while he's coming up, I thought both of you, thank you and the rest of the drivers for being here today and expressing these concerns. And Mr. Smith, I want to thank you. It seems as if you've done a lot of outreach to meet with all of the concerned drivers over and over again and have listened to some of their concerns. I mean, they make some very good points. I mean, I understand we cannot without changing the laws and regulations we can't order one independent company to change their internal rules with another company. But we can set standards for, in the bids and the RFPs, for the kinds of things that we can require under that contract, right, and some of them, some of these things could be addressed, in fact many of them, I believe. Because some of these things are dealing with things that we could, we could provide standards for and require the bidder, right, to incorporate some of these concepts? And I know we can probably do that in the new RFP.

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MR. SMITH: Sir, you are absolutely correct. And that's what we're trying to accomplish.

GOVERNOR HOGAN: That's what you're trying to get done.

MR. SMITH: Yes.

GOVERNOR HOGAN: My question is, on the extension, because we already have a contract that doesn't have those things.

MR. SMITH: Yes.

GOVERNOR HOGAN: And it seems as, you tell me, but I don't know whether to extend it for six, I don't know how we don't extend it for six months. But can we change the terms of a contract to do an extension? I just don't know the answer to that.

MR. SMITH: Governor, very good question, and that was a very good point that was made. We would, we would have to look at the items in the bill of rights and determine what kind of change we would have to make --

GOVERNOR HOGAN: Which ones we could potentially --

MR. SMITH: Right. Some of those changes may be beyond the authority that we have. For example, I mean, the National Labor Relations Board has jurisdiction over some of the changes that they would want us to make. That would probably cause another, a need for another extension if we're going to make a change to this contract.

GOVERNOR HOGAN: I'm not even sure how the National Labor Relations Board gets involved in subcontractors because they are not employees and it's not technically labor.

MR. SMITH: So they have a combination of subcontracted drivers and employees.

GOVERNOR HOGAN: Oh, they have some employees as well?

MR. SMITH: Yes, they do.

GOVERNOR HOGAN: Mm-hmm.

COMPTROLLER FRANCHOT: Can we hear from the company?

MR. SMITH: Pardon me?

COMPTROLLER FRANCHOT: Is the company here?

MR. SMITH: Yes, they are.

COMPTROLLER FRANCHOT: Great. Could we just hear, you know, it's not a, I don't want it to go on for hours here. But if somebody could just respond to what the Governor and the Treasurer said maybe we can make some progress and move forward.

MR. SMITH: I do want to address one point, one point of clarification. There was a request that we allow the drivers to handle both outbound and inbound passengers. When the closed system at the Airport was approved by the Public Service Commission, it was approved as an exclusive arrangement at the Airport. So off Airport taxi drivers cannot come to the Airport

and pick up a passenger unless it's prearranged. Because of that exclusivity, our taxi drivers are prohibited from picking up drivers and bringing them to the Airport, again, unless it is prearranged. And the thinking there is that it would be unfair to off Airport taxi drivers if our taxi drivers are given an exclusive arrangement and then they are still allowed to compete with them off Airport. And so that was the reason why we pushed back on that question.

GOVERNOR HOGAN: And that's an existing Public Service Commission decision?

MR. SMITH: Yes, it is, sir. Yes, sir.

GOVERNOR HOGAN: But they made different decisions at Dulles according to some of the drivers?

MR. SMITH: Dulles is subject to a different ruling body, yes.

GOVERNOR HOGAN: Mm-hmm. Okay. Yeah, maybe we'll have the company owner if you'd like to come up and maybe just --

MR. ESFARJANI: Good morning, Board. Good morning, everybody. I'm not going to take too much time. I just respond to a few issues. Bill of rights, the one they are talking about -- I'm sorry. This is Saeid Esfarjani, owner of BWI Taxi Management.

Bill of rights, we're already doing 95 percent of the bill of rights that the coalition is talking about. The view is different. Our explanation is different. They want something else. The company policy is based on MAA

requirements, AA County, and the company itself. We are committed to provide a service to the public and that's all we are there. Drivers are contractors and they are selecting this company to work with. We are not putting them under any pressure. It's their choice.

About complaints. If the complaint comes from the public, we take it 100 percent serious. We call it external complaint. We have to answer MAA if we do not respond to the public. If public is not satisfied, the letter is even going to come to your office and we're going to be at default with the contract. We have to take care of the complaint.

Internal complaint, between drivers, or staff, it's secondary part of our job. Twenty-five percent snow emergency that the gentleman mentioned, yes, is required by AA County during snow emergency. We just, but it depends on the companies. We decided we're not going to implement that snow emergency due to the competition, Uber, Lyft, and others. Any customer we lose at any time, they will no longer come back to our service. I did not want during four hours or ten hours snow emergency to lose those numbers of customers for the company. That was the reason. We have explained to them. It goes nowhere.

The only problem company has with coalition, the coalition do not recognize the answer no as a no. They don't understand meaning of no. If company cannot do it, we cannot do it. We are not enemy of these drivers. They are supporting company. They are supporting public. They give excellent service

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to public. I am glad we have this group of people. I am glad they are talking about these issues. They are no place to be blamed for them. We do not take revenge. This is absolutely lie, and that's not true. There is no revenge. But yes, if you are in terminal, and mother and kids are walking, and you use your horn as a method of communication with the other driver, we're going to send him home. That's the only option we have. I cannot beat up the drivers. The only thing I can do to the driver is send him home for 24 hours. That's all I can. MAA requires drivers to come into the terminal by having headlights on for safety issue. We put note, we give them three weeks warning, warning. Still there are drivers who do not want to do, or they forget. So we tell them we're going to send you home 24 hours. That's the only option we have. They do not like it.

Discrimination. We have all kinds of drivers. Some of these people who are against me today used to be my best friends. We do not discriminate. I have drivers who have been against company for years and years and years. And still they are working. When they have nothing to say, they bring discrimination. They wanted company to recognize their coalition.

This coalition is not more than 40 people. We have 240 drivers. I have to be able to talk to both groups. I cannot take all of your ideas and apply it to another 200 people. I have to be fair. I am fair. And our policy is fair. And I am disappointed from this group who are coming today and they want to make the company look bad. And they are trying to make MAA look bad indirectly.

Because they have something in their mind. They have some interest in mind that I do not know yet. Thank you for your time.

GOVERNOR HOGAN: Thank you.

MR. ESFARJANI: I have one driver who is begging to come here who is not coalition member. Please allow him a few minutes to talk.

GOVERNOR HOGAN: Sure. Thank you.

MR. OSKOUEI: Good morning.

GOVERNOR HOGAN: Good morning.

MR. OSKOUEI: My name is Ray Oskouei and I've been about 18 years on BWI Taxi as a driver. I am, I have some issue with my health, cancer and heart attack. I was away for a year or so. I've been back for a few months and I have found out a group of between 18 to 28 people, not more than that, that try to represent 240 drivers. I have a problem with that. That's why I came in front of you.

And today you are all talking about the bill of rights and other issues. This company has been providing service to their customers to, to BWI Airport, to MAA, and the drivers. The drivers have been working there 20, 30 years. They are feeding their families. They have kids, a house, and the school. If to this company is not fair, how did they survive all these years? Suddenly when it comes the time for new contract, a group comes in and wants to discredit

this. Whatever has been talked here, it does exist in the book, in the law book they have in the office. And nobody gets mistreated.

We do not believe these people. We do not prove these people, the group of 18 to 28. I think we need to have more drivers been involved on this issue.

GOVERNOR HOGAN: Thank you. Thank you very much.

TREASURER KOPP: Could I, have you read this bill or rights?

MR. OSKOU EI: No, ma'am. I have not seen it. And I have asked for it. I have not seen it.

TREASURER KOPP: Okay.

GOVERNOR HOGAN: Thank you. Look, I think -- Mr. Smith, maybe you can come up and if you want to say anything else or you want to close out. My, I want to thank everybody for being here. I want to thank you --

MR. SMITH: Thank you.

GOVERNOR HOGAN: -- for getting everybody's input and having the multiple meetings. I want to thank the representatives of the group of concerned folks for being here. I want to thank the company. It sounds to me like there are some, I mean, these are a group of independent contractors, some of whom are not happy. That's a business issue for you to try to work out. I would encourage everybody to continue to have dialogue. I think we have to do this renewal of the six-month contract. If you can take some of the considerations,

some of these things into consideration as we do a new contract and the company can, the companies that are trying to participate can take them into consideration to help address some of these concerns, great. I don't believe we can dictate to private companies exactly what they do with their subcontractors without changing laws and regulations. But I think we can try to encourage, you know, more cooperation. And I don't know if you have anything you'd like to say --

MR. SMITH: No, I agree 100 percent. I mean, we think the drivers are extremely important. We want them to be in an environment where they can be productive and they can provide good service to our customers. And we think this RFP process will go a long way in helping to address some of those concerns.

GOVERNOR HOGAN: Any other --

TREASURER KOPP: I would just add we do have copies of this bill of rights. I'm sure you do, too.

MR. SMITH: Yes.

TREASURER KOPP: It, I can understand why some parts are problematic. But an awful lot of it looks perfectly normal business. And I just urge you to look at it so that we will know what parts actually --

GOVERNOR HOGAN: And it sounds like the owner of the company has no problem with much of that as well.

MR. SMITH: Yes. I would suggest that other than those that may be labor issues --

TREASURER KOPP: Yeah. No, I get that.

MR. SMITH: -- there is nothing in the bill of rights that we don't think will be addressed during the RFP process.

TREASURER KOPP: Thank you.

GOVERNOR HOGAN: Thank you. Thank you very much. Any other questions on the Department of Transportation Agenda? Is there a motion?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Second? Three-nothing. Thank you. Last but not least, we're going to move on to the Department of General Services.

MR. CHURCHILL: Good afternoon, Governor, Madam Treasurer, and Mr. Comptroller. For the record, I'm Ellington Churchill, Secretary for the Department of General Services. The department has 33 items on our Agenda, including one supplemental. The department is withdrawing Item 22 and Item 27. And we'll be glad to answer your questions at this time.

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

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: That concludes our Board of Public Works for today. Thank you.

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SECRETARY MCDONALD: See you in five weeks.

(Whereupon, at 12:05 p.m., the meeting was concluded.)