
STATE OF MARYLAND
BOARD OF PUBLIC WORKS
GOVERNOR'S RECEPTION ROOM, SECOND FLOOR, STATE HOUSE
ANNAPOLIS, MARYLAND

April 3, 2019
10:11 a.m.

PRESENT

HONORABLE LARRY HOGAN

Governor

HONORABLE NANCY KOPP

Treasurer

HONORABLE PETER FRANCHOT

Comptroller

SHEILA C. MCDONALD

Secretary, Board of Public Works

ELLINGTON CHURCHILL

Secretary, Department of General Services

DAVID BRINKLEY

Secretary, Department of Budget and Management

PETE RAHN

Secretary, Department of Transportation

JEANNIE HADDAWAY-RICCIO

Secretary, Department of Natural Resources

MICHAEL LEAHY

Secretary, Department of Information Technology

JIMMY RHEE

Special Secretary

Office of Small, Minority and Women Business Affairs

MISSY HODGES

Recording Secretary, Board of Public Works

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

CONTENTS

Subject	Agenda	Witness	Page
Recognition of Les Townsend for 50 Years of Service to the State of Maryland		Governor Hogan	6
Architectural and Engineering Design Services for Northwood Elementary School Project	SEC 9, p. 11	Sheila McDonald Gary McGuigan	15
Construction Management for Northwood Elementary School Project	SEC 10, p. 13	Sheila McDonald Gary McGuigan	15
Program Open Space Local Share Projects in Allegany County	DNR 1A, p. 25	Jeannie Haddaway- Riccio	19
DBM Agenda	DBM	David Brinkley	22
Bid Package 3 for New Residence Hall at Frostburg State University	USM 2-C-BP, p. 50	Joe Evans Bill Olen	23
DoIT Agenda	DoIT	Mike Leahy	25
Deep Cleaning of Storm Drain Inlets in Montgomery and Prince George's Counties	DOT 5-M, p. 68	Pete Rahn Greg Slater	26

Deep Cleaning of Storm Drain Inlets in Baltimore and Harford Counties	DOT 6-M, p. 70	Pete Rahn Greg Slater	26
Grant to Board of Directors of the Olney Theatre Center for the Arts, Inc.	DGS 16-CGL, p. 92	Ellington Churchill	30

PROCEEDINGS

GOVERNOR HOGAN: Good morning, everyone.

ALL: Good morning.

GOVERNOR HOGAN: Welcome to the Board of Public Works.

We've got a full house. First of all this morning, I want to welcome, joining us we have Dr. Mileah Kromer and her Political Science class from Goucher College. Let's welcome them.

(Applause.)

GOVERNOR HOGAN: I think they are down here getting a look at how State government works and we're happy to have you with us this morning. We all know Dr. Kromer and her students' great work from the famous Goucher Poll, which I know everybody is always excited to take a look at. I don't pay much attention to polls myself --

(Laughter.)

GOVERNOR HOGAN: -- I heard my approval rating wasn't bad on the last one.

(Laughter.)

GOVERNOR HOGAN: But Dr. Kromer, if your students are down here doing follow-up work on that last poll, if you're looking to do some more in-

depth interviews on those four percent of Marylanders who strongly disapprove of the job I'm doing, you can find them right downstairs in the House and Senate.

(Laughter.)

GOVERNOR HOGAN: But we are happy to welcome you. Thank you for joining us. And we also want to recognize a very, very special State employee. I'm very excited about this, a State employee who is marking 50 years of employment with the State, which is quite an impressive milestone. We don't get to honor somebody like that very often. But we have with us this morning Les Townsend. Les began working for the State in October of 1968 and he currently works at the SHA District 4 Office overseeing highway lighting and Les ensures that lighting outages are restored and that our lighting systems for the State highways and roads are properly maintained. I would just like you all to please join me in a very warm round of applause for Les Townsend. Thank you for all your --

(Applause.)

GOVERNOR HOGAN: Come on up here, Les. We'd like to welcome Les up here.

(Applause.)

GOVERNOR HOGAN: I've got this Governor's Citation I want to present to you, Les. Come on over here and get it. Les, thank you very much.

(Applause.)

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

GOVERNOR HOGAN: He's got Mike Miller beat, 50 years.

(Laughter.)

GOVERNOR HOGAN: Thank you. Well on behalf of all the citizens of the State, Les, thank you so much for all your many years of dedication to the State of Maryland. With that, I'm going to turn it over to the Treasurer for any opening comments.

TREASURER KOPP: Thank you. Governor, there's a lot to mention and I'm not going to mention most of it.

GOVERNOR HOGAN: Oh, good.

(Laughter.)

TREASURER KOPP: Yes. But I do want to say that I happened to catch the ball game over the weekend, the Orioles. And I think --

GOVERNOR HOGAN: That's worth mentioning.

TREASURER KOPP: -- yes, after opening day we were really so pleased to see Saturday. It was a great game and I'm sure one of those I hope not dwindling number who really enjoy baseball. It was a lot to watch and the beginning of a great season.

I would like to also mention, you know, Governor, I'm happy to take issue with you when we disagree and also happy to thank you when we agree. And I think your appearance last week at the National Environmental Leadership Summit was terrific.

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

GOVERNOR HOGAN: Thank you.

TREASURER KOPP: A very, very great presentation of the progress we're making in Maryland and it made us proud. Everything from the Maryland Climate Change Commission, to the Sea Coast Council, to the new academy that I know that the Secretary of DNR is heading. It was really a great thing and coming also right after your very eloquent words at the memorial service for Harry Hughes, who was in my mind the first Chesapeake Bay, in my experience, the first Chesapeake Bay Governor.

I thought it was really interesting because Martin O'Malley, who is not up on the wall yet, I think took great steps forward when he started quantifying, using StateStat, quantifying the progress we were making. His predecessor, Governor Ehrlich, I think in a very courageous move actually, instituted a tax. We called it a fee, but the courts called it a tax, to help the health of the Bay. And it was effective. Parris Glendening, whose picture is right there in front of the Bay, was a great proponent for smart growth, although I think he actually was building on the work that Harry Hughes had done. And of course, Governor Schaefer right up there was a very big spokesman for everything.

(Laughter.)

TREASURER KOPP: But putting together Harry's dedication and the other Governors' dedication to the Bay, Governor Ehrlich's courage in passing that tax/flush fee, and Governor O'Malley's insistence that things be

measured and quantified, I think brought us to this point where we have made progress on the Bay. There's a long ways to go. But we are now not only measuring progress made in terms of the health of the Bay but finally this year for the first time put our measurements within the context of climate change. And that is I think really a great step forward, that the numbers are now going to come together and correlate the changes that we make dealing with climate change, increasing the bio sinks, for instance, and the green and blue components of saving the environment. And I have played this string a long time but I honestly do think that the next four years are going to be years in which we really either make progress dealing with climate change and the improvement of the Bay and the health of the State or we don't. And I think your declarations last week were very, very encouraging.

GOVERNOR HOGAN: Well thank you very much. Mr. Comptroller?

COMPTROLLER FRANCHOT: Thank you, Governor, Madam Treasurer, and yesterday I happened to be in Easton in Talbot County presenting the William Donald Schaefer Helping People Award to a community organization called Purple Talbot. What is that? It's a completely community funded, community founded group of citizens led by Lucy Hughes, who is the head of the Rotary, and Joe Gamble, who is the Sheriff over in Talbot County. What did they decide to do? Without a cent of government money, just a little bit of a grant

from the Mid-Shore Community Council, they established a group of volunteers in Talbot County that are going door to door, every door is going to be knocked on, and the request is going to be from one of their neighbors that the parents talk to their kids about the dangers of substance abuse, alcohol, drugs, opium. What has that resulted in over the last year? A dramatic reduction in young people's deaths in Talbot County from the scourges of substance abuse.

So I gave the William Donald Schaefer Helping People Award to these folks, partly just in awe and admiration of the fact that they actually have a citizen-based program that the data shows is resulting in greater reduction in this assault that we have. And I indicated to them that I was going to wear one of their purple wrist bands and that I would personally give one to Governor Hogan. They are very grateful to you, sir, for your leadership.

GOVERNOR HOGAN: Thank you.

COMPTROLLER FRANCHOT: And to the Treasurer.

TREASURER KOPP: Thank you.

COMPTROLLER FRANCHOT: And you know, as the State's tax collector I'm glad to report not one dime of public money goes into this initiative. And it is heartwarming.

It has now been picked up by all the other counties on the Shore. As of yet they don't have anybody on the Western Shore. But I indicated I would be an ambassador for them. And Governor, I know that your interest in this issue

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

is enormous. And what's frustrating about it is that the more money we spend, it seems to become more entrenched and difficult. So this is a program that actually works and I wanted to salute them.

I did have a prepared statement, though, about the situation in Baltimore. So the recent revelations of self-dealing and backroom politics that occur in both public and private institutions, it's given me an opportunity to think and reflect on the critical importance and public value that this Board of Public Works provides to our State government, and quite frankly to our democratic society and to our individual citizens.

This Board right here, the Board of Public Works, stands in stark contrast to the way the University of Maryland Medical System's board of directors have operated for decades, whose members, including the Senate President and the Speaker, who of course it should be noted served as the board chair of UMMS in 2008, have either turned a blind eye or sat silent as no bid contracts worth millions of dollars were awarded to their fellow trustees. The indifference to the glaringly unethical practices that these board members displayed is the antithesis, the indifference, the indifference is the antithesis to how the Board of Public Works operates.

We're all aware that there's quite literally no other government body like the Board of Public Works, comprised of two independently elected members and one legislatively appointed member that are tasked with ensuring

that the taxpayers' dollars are being spent wisely. Openness, transparency, and accessibility have served as the three pillars upon which this Board have operated for more than a century. And while we as individual members may have philosophical disagreements from time to time, we debate those differences in a public forum. Our proceedings are livestreamed, transcribed for posterity. Any individual, from a high paid lobbyist -- I'm looking right at Bruce Bereano -- to a concerned Maryland taxpayer can come and testify and share their thoughts on the wide ranging issues that appear before this Board for our consideration.

Over the years this Board has taken some hits from the, what I call the Annapolis machine, because quite frankly it's the one body, the Board of Public Works is the one body whose actions and outcomes the Annapolis machine don't get to control. They can't whip the votes or engage in the seemingly persuasive forms of negotiation that have been the norm in the member lounges and cigar bars in this town.

But there's a reason why this unique government entity and structure has stood the test of time. And that's because honest, open, and accountable deliberations are essential ingredients to maintaining the public trust and it's a model for how government can and should properly function.

As Justice Brandeis so famously opined, "Publicity is justly commended as a remedy for social and industrial diseases. Sunlight is said to be the best of disinfectants, electric light the most efficient policeman." I for one,

Governor, am proud of the work that we've done and remain grateful for the role that the Board of Public Works plays in the State. It's my hope that moving forward deliberative bodies in the public and private sectors, and the individuals they are comprised of, will appreciate the importance of increased transparency, openness, and integrity in their respective institutions.

Governor, your call for the State Prosecutor to be involved in the situation in Baltimore is spot on. Unfortunately, we're going to I think have to rely upon the State Prosecutor to get the facts as to what is going on up there. And my fear is that we have only barely broken the skin of the apple.

Governor, thank you from the bottom of my heart, again, for your courage and attention that's being paid to this. Because, you know, stay tuned obviously on this. Everyday something new appears. And it's serious. And it is a problem that affects both Baltimore and in different forms, I believe, Annapolis. Thank you.

TREASURER KOPP: Governor --

COMPTROLLER FRANCHOT: Sorry for that serious comment but --

TREASURER KOPP: Could I just add to what, or point out that there is legislation going through the Legislature right now which I hope will come to your desk, if it hasn't already, very soon to change the operations of that board. It's an appalling situation. And for those of us who were involved in

really the creating of University of Maryland Medical System, UMMS, we look forward to seeing the reforms.

COMPTROLLER FRANCHOT: If I could just comment --

TREASURER KOPP: Thank you.

COMPTROLLER FRANCHOT: -- I repeat myself. The State Prosecutor, thank God, is involved. This independent consultant that's been hired by the system from California, I mean, forgive me, forgive me. Take a look at that consulting company's client list and tell me that that is an independent look at anything. And so, yes, I appreciate the legislation being passed. But the mock outrage of people that have been intimately involved with this board for decades is very troubling. And I think the Governor is, as I said, spot on with asking the prosecutor to get the facts. Because one sleazy deal after another appears on a daily basis and this is the only way we're going to get to the bottom of it, unfortunately. Thank you, Governor.

GOVERNOR HOGAN: Thank you. With that, we're going to move on to the Secretary's Agenda.

SECRETARY MCDONALD: Good morning, Governor, Madam Treasurer, Mr. Comptroller. We have a dozen items on the Secretary's Agenda this morning and four reports of emergency procurements. We are prepared for your questions.

GOVERNOR HOGAN: Questions on the Secretary's Agenda?

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

COMPTROLLER FRANCHOT: Item 9 and 10, please.

SECRETARY MCDONALD: That's the Stadium Authority. Is Mr. Eric Johnson here, or Gary McGuigan? It looks like Mr. McGuigan and Mr. Johnson are here.

COMPTROLLER FRANCHOT: Excellent.

SECRETARY MCDONALD: This is the Baltimore City Public Schools and it is their Northwood Elementary School project, both the A&E contract, which is Item 9, and the construction contract, which is Item 10.

MR. MCGUIGAN: Good morning. Gary McGuigan with the Stadium Authority. I'm happy to answer any questions.

COMPTROLLER FRANCHOT: Yes, thank you very much for being here. I want to take the opportunity to bring up what I believe is just a formatting issue in the background documents that we're getting. I have no problem whatsoever, as you know, with the Stadium Authority and thank you for the professionalism you provide. But I noticed in the Board documents for these two items, 9 and 10, that the Stadium Authority only includes the overall score and financial ranking for the bids received but we don't see the technical ranking for each bid. And I'm assuming the overall score is determined by both technical and financial rankings?

MR. MCGUIGAN: That is correct, sir.

COMPTROLLER FRANCHOT: So if we look back at all the Board Agenda documents for the 21st Century Schools program dating back to 2017, I believe, it appears the Stadium Authority has never included technical rankings on any of these documents. Typically each agency outlines both the technical and financial rankings of each bid to provide the Board, and quite frankly the taxpayers, with insight behind the rationale for granting the winning bid. So my first question is is there any reason why the Stadium Authority does not include technical rankings for these bids? Is it simply formatting? Or is there a specific reason?

MR. MCGUIGAN: No, there's no specific reason. We'll be happy to do that. It's just the way we've done business in the past.

COMPTROLLER FRANCHOT: Okay. Just the way you've done business in the past?

MR. MCGUIGAN: Just the way we've presented the materials.

COMPTROLLER FRANCHOT: Okay.

MR. MCGUIGAN: Yes.

COMPTROLLER FRANCHOT: If I could, is it the general practice of the Stadium Authority to ask all bidders on projects to submit best and final offers or just the firm with the best technical proposal?

MR. MCGUIGAN: It depends on the situation. It differs each time. It depends if we have clarity on the scope of the work and clarity on the

number. Sometimes we get a best and final from the highest ranked firm. Sometimes we clarify with a couple.

COMPTROLLER FRANCHOT: Okay. If I could respectfully request that you take a look at that formatting, I take it, is an issue and change it so that the technical ranking and the financial bids are separate, and that the best and final offer is identified as to whether it's from the winning bidder or whether it's from all of the contending bidders. Because that's the normal way we look at these from other agencies. And to the extent it is achievable easily, I would appreciate you looking at that.

MR. MCGUIGAN: We'll be happy to do that, sir.

COMPTROLLER FRANCHOT: And could, since you're up here, could you just bring us up to date on the construction timeline for the 21st Century Schools program?

MR. MCGUIGAN: Sure. We have nine schools open. We have six schools in construction, seven in design, three in planning, and three in feasibility study. We expect to be substantially complete by 2021 with three schools opening in 2022.

COMPTROLLER FRANCHOT: Excellent. And I've met, I've visited several of the schools. I'm always impressed by the design and detail that you all have put into it. And I remain confident that the Stadium Authority has

the ability to complete the projects as you indicated in a cost effective and timely fashion.

MR. MCGUIGAN: Thank you and we plan to do that.

COMPTROLLER FRANCHOT: Thank you, Governor.

GOVERNOR HOGAN: Thank you. Any other questions on the Secretary's Agenda? Is there a motion?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

SECRETARY MCDONALD: Thank you.

GOVERNOR HOGAN: Three-nothing. We'll move on to DNR Real Property.

MS. HADDAWAY-RICCIO: Good morning, Governor, Madam Treasurer, and Mr. Comptroller. Before we go to the Agenda, I'd like to just take a moment of personal privilege to wish everyone --

GOVERNOR HOGAN: Thank you for our little --

MS. HADDAWAY-RICCIO: -- a Happy Maryland Arbor Day on behalf of the Department of Natural Resources. Arbor Day is a great opportunity to celebrate the many benefits of trees, but also to highlight the Maryland forestry industry, which is a \$4.7 billion industry in our State. And you'll notice that each of you are receiving a native redbud today. Those are provided by the Department of Natural Resources and compliments of the Maryland Tree Farm

Committee and they were grown at the John S. Ayton State Tree Nursery in Preston, Maryland.

Also for you today is a set of notecards that features the poster award winners for our 2019 Arbor Day contest. We would be remiss if we didn't thank the First Lady again for being a judge for us in that contest. And again, we just appreciate the opportunity to recognize the importance of trees. Thank you for mentioning carbon sinks this morning. That was a great segue.

And with that, we have 12 items on our Real Property Agenda today for which we are seeking approval.

GOVERNOR HOGAN: Questions on DNR?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: I --

COMPTROLLER FRANCHOT: Oh, sorry.

TREASURER KOPP: I would second but I would only point out that we got a call from Senator Edwards' office yesterday strongly endorsing obviously the Allegany County project, Item 1A-2, which he knows well and appreciates very much.

I have a question in general that the projects -- I support the project. When development or local POS projects come up, most particularly for synthetic turf, do you all have any judgment or any role in saying whether you

support that use or not? Or do you check off and it's really the locals who make that decision?

MS. HADDAWAY-RICCIO: So my understanding is that it is an authorized use under Local Program Open Space.

TREASURER KOPP: Yes.

MS. HADDAWAY-RICCIO: And generally we do defer to the locals on that decision. Many of our local jurisdictions are now choosing to go to a more organic form of synthetic turf.

TREASURER KOPP: I've gotten some calls, that's why, yes.

MS. HADDAWAY-RICCIO: Which is I think important. But, you know, depending on the type of activity that they may have planned for their local jurisdiction, one may be more appropriate than the other.

TREASURER KOPP: So it's not inappropriate of me to refer them, the calls, to local folk?

MS. HADDAWAY-RICCIO: Certainly.

TREASURER KOPP: Thank you. That question did come up about whether it's better to have it organic and what's in the synthetic turf --

MS. HADDAWAY-RICCIO: Mm-hmm.

TREASURER KOPP: -- concern. Thank you. Thank you, Governor.

GOVERNOR HOGAN: Any other questions? Is there a motion?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Three-nothing on DNR. We'll move to DBM.

SECRETARY MCDONALD: Mr. Evans, University. Also -- is Mr. Evans, yeah, come on. Let me -- I just, actually I did, the reason why I was distracted was I wanted people to know that there are samples, tree seedlings outside the door here that the Department of Natural Resources has provided in addition for people here. So you are allowed to pick them up and take them home and plant them at your house. So --

COMPTROLLER FRANCHOT: Is the Governor's too big to deliver to him personally?

SECRETARY MCDONALD: Well, they are in pots.

COMPTROLLER FRANCHOT: Oh, they're out here. Oh --

SECRETARY MCDONALD: I think she's got little plastic bags out there.

MS. HADDAWAY-RICCIO: They are in front of you.

COMPTROLLER FRANCHOT: Oh, really.

SECRETARY MCDONALD: But I did want everybody to know that they are for your taking out there when you leave. And excuse me, Secretary Brinkley.

MR. BRINKLEY: There we go. Okay. Good morning, Governor, Mr. Comptroller, Madam Treasurer. For the record, I'm David Brinkley, the Secretary of the Department of Budget and Management. We've brought five items for your consideration. Item 1 is revised.

GOVERNOR HOGAN: Questions on DBM? Motion?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Three-nothing. University System?

SECRETARY MCDONALD: Now Mr. Evans is here. Thank you.

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: Questions for the University System?

COMPTROLLER FRANCHOT: If I could, Governor, just mention the fact that later on this week Dr. Charles Wight is going to be officially installed as the ninth President of Salisbury University. Why is that a big deal for me? My chief of staff is a graduate of Salisbury University and from time to time I ask him if it's possible that any new hires in the agency come from a university other than Salisbury University, much as I appreciate the excellence of that school. And I just wanted to make sure that everybody understood what an important role, economic engine, these universities and academic centers are. But

particularly on the Lower Shore. I'm going to miss Dr. Janet Dudley-Eshbach, but she is obviously going to be there teaching. And Dr. Wight has hit the ground running and he has proven to a thoughtful and responsive leader for Salisbury. I have no doubt he will utilize the skills and experience in academia that he has, including five years as President of Weber State University in Utah, to ensure that Salisbury will continue to break down barriers to opportunity by providing equitable access to quality higher education. I look forward to working closely with Dr. Wight. But I also just want to indicate how intertwined his tenure is with the City of Salisbury and with the county and the Lower Shore's economy. And hats off and kudos to your new President.

MR. EVANS: Thank you.

GOVERNOR HOGAN: Any other questions?

TREASURER KOPP: Yes, I did have a question. 2-C, Joe. That's the Frostburg new residence hall and it's only part of the project, obviously. But the MBE goals and participation seem not in synch.

MR. EVANS: I have Bill Olen, the Director of Construction at College Park, to answer questions.

TREASURER KOPP: Is this just a question of timing? Are they going to meet the goal?

MR. OLEN: They are going to strive to meet the rest of the goal, Madam Treasurer.

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

TREASURER KOPP: I'm sure they will. Do you think they are going to meet it?

MR. OLEN: I'd have to look at the individual.

TREASURER KOPP: Okay.

MR. OLEN: The intent is to make the 20 percent goal, yes.

TREASURER KOPP: I don't doubt it's their intent. Can you get back to us on whether --

MR. OLEN: I will.

TREASURER KOPP: Because it's not the beginning. It's bid package 3. They are --

MR. OLEN: Yes, it is.

TREASURER KOPP: -- on their way. They should be able to get a handle on it.

MR. OLEN: So the part of the opportunity is with the subcontractors who are in bid package 3 --

TREASURER KOPP: Right.

MR. OLEN: -- and the second tier subs --

TREASURER KOPP: Right.

MR. OLEN: -- who will bring materials to the site. So yes.

TREASURER KOPP: All right. You'll get back to us?

MR. OLEN: I will.

TREASURER KOPP: Thank you.

GOVERNOR HOGAN: Is there a motion on the University System?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Yes, three-nothing. Department of IT?

MR. LEAHY: Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, I'm Mike Leahy, Secretary of the Department of Information Technology. Today we have one item on your Agenda and I do have an agency representative here to answer any questions.

GOVERNOR HOGAN: It's a robust Agenda, one item today?

MR. LEAHY: Robust.

GOVERNOR HOGAN: Any questions on the one item?

COMPTROLLER FRANCHOT: No.

GOVERNOR HOGAN: Motion?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Three-nothing. We're going to move on to the Department of Transportation.

MR. RAHN: Good morning, Governor, Comptroller, Madam Treasurer. For the record, I'm Pete Rahn, Secretary of the Maryland Department of Transportation. I would just like to add yesterday I was in Richmond, Virginia

coordinating with VDOT on a number of issues, including the TRP program, and had the opportunity to --

GOVERNOR HOGAN: Did you get stuck in all the traffic down there?

MR. RAHN: I did.

SECRETARY MCDONALD: I was going to say --

MR. RAHN: I did. And it's quite a trip down and back but also the request had been for us to step in and visit with Governor Northam and he wanted to make sure that I passed along his good wishes to you. And he was very complimentary of you and your leadership within the National Governors Association. So I wanted to make sure you were aware of that message.

GOVERNOR HOGAN: Thank you.

MR. RAHN: And so MDOT is presenting seven items for your consideration today and we are prepared to answer any questions.

GOVERNOR HOGAN: Questions on Transportation?

COMPTROLLER FRANCHOT: None for me.

TREASURER KOPP: I have a question on, it's the same question on --

MR. RAHN: Which number? I'm sorry.

TREASURER KOPP: Five and four, I think. Is it? Yeah. They seem to be, the history of Items -- is that five and four? Or five and six? Of

having as I see it a problem with the first bid, the first process, and then going through. Can you tell us, I mean basically I read what happened. But if there was something wrong in the process and if there were lessons learned so this won't happen?

MR. RAHN: And this is where we have to exclude the lowest bidder because of non-conformance and primarily --

TREASURER KOPP: Yeah.

MR. RAHN: -- bonding is the big issue here. But so I can have Mr. Slater, our Administrator for SHA, answer specific questions. But the issues we run into are the inability of the proposers to --

TREASURER KOPP: To make a bond?

MR. RAHN: -- to get bonding.

TREASURER KOPP: So is there something --

MR. RAHN: Because we don't, we're not involved in the process of them bonding and it's based on their financial position and the ability of an insurance company to be satisfied that there are resources there that could ultimately cover their bond. It's really a position, it's a factor of their financial position and then being able to bond a project of a certain size and that's --

GOVERNOR HOGAN: So I guess her question is, isn't there a way to know that they are not able to be bonded for a project of that size before

you, before they are bidding for the project that they can't be bonded for? I mean, shouldn't, are they not qualified to bid in the first place?

TREASURER KOPP: It just jumped out when there were two of them. Or is this a qualification that you think is not needed or appropriate?

GOVERNOR HOGAN: No, we shouldn't be selecting people that can't be, get bonded for the project.

MR. RAHN: Well I'll let Greg answer specifically. But bonding I believe is very important because --

GOVERNOR HOGAN: Well of course it is.

MR. RAHN: -- it doesn't happen frequently, but when they can't perform --

TREASURER KOPP: When you need it, you need it. Yeah.

MR. RAHN: -- and we have to go against the bond to get the work complete. I've been in a number of situations where we've had to do that. And so to me the fact that we require a performance bond is an important part of doing business with the State.

GOVERNOR HOGAN: But we're not arguing if you have to have a performance bond.

TREASURER KOPP: Right.

GOVERNOR HOGAN: We're saying why are we selecting bidders that can't qualify for a bond? That's the question I have.

MR. SLATER: Absolutely. Thank you. For the record, good morning, Mr. Governor, Madam Treasurer, Mr. Comptroller. My name is Greg Slater, Administrator for MDOT State Highway Administration.

The Secretary is absolutely correct. Usually there are bonding issues, and we're looking at a number of different ways, where this really falls into play a lot is when you're dealing with smaller businesses. Sometimes smaller businesses are right on the fringe of that bonding so it requires them to close out a certain amount of work before they can get bonding for the next one. So while they are in pursuit of work at the same time it requires them to get that bonding at the time of the certification of the bid. So we're working with them. I frequently work with small businesses when trying to accelerate payment on certain things so that we can get them paid a little faster so that they can clear up some of their bond room. So in the small businesses in particular it becomes an issue of how much they have on the street at the same time.

COMPTROLLER FRANCHOT: And I'm thinking of the people that mow the median strip.

MR. SLATER: Mm-hmm. Absolutely.

COMPTROLLER FRANCHOT: You know, or cut trees and brush.

MR. SLATER: Absolutely. It comes down to, and it's very different in some of the metropolitan areas as in the rural areas. So for instance,

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

in a mowing contract in a rural area it may be a small operation, a couple of trucks and some mowers, where in the larger roadways in the metropolitan areas you have protection vehicles, attenuator trucks, those types of things, heavy equipment. So it comes down to these small businesses balancing the work that they pursue, the active work that they have, and the bonding capacity that they have in the industry.

GOVERNOR HOGAN: Makes sense. Thank you.

TREASURER KOPP: Thank you.

GOVERNOR HOGAN: Any other questions on Transportation?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Second? Three-nothing. Move on to DGS.

MR. CHURCHILL: Good morning, Governor, Madam Treasurer, and Mr. Comptroller. For the record, I'm Ellington Churchill, Secretary for the Department of General Services. The department has 22 items on our Agenda today, including one supplemental. And we have agency representation available to answer any questions.

GOVERNOR HOGAN: Questions on DGS?

COMPTROLLER FRANCHOT: If I could just applaud the \$2 million grant, I guess I should be talking to the Governor or whoever created the

grant to Olney Theatre. This is an iconic theater in Montgomery County. And Annie and I from time to time are able to enjoy their productions, and just an outstanding cultural gem. And Governor, thank you for supporting it.

GOVERNOR HOGAN: That was always something the former County Executive was very strong on and we went out and visited the theater and I thought it was well worth the investment.

TREASURER KOPP: District 14, I believe.

COMPTROLLER FRANCHOT: Yep. We see Ike and Catherine frequently out there.

GOVERNOR HOGAN: Yeah.

COMPTROLLER FRANCHOT: So all good and some people say art is the reason that life is worth living. I don't go that far, but I do enjoy making my wife happy.

(Laughter.)

GOVERNOR HOGAN: You and me both --

(Laughter.)

GOVERNOR HOGAN: Any other questions on DGS?

TREASURER KOPP: I would just point out that not only is it in District 14, Mr. Berman's district, but it is also the State summer theater, the State summer theater.

GOVERNOR HOGAN: I did not know that.

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

TREASURER KOPP: Yes. Yes. So we all lay claim to it, a great institution.

GOVERNOR HOGAN: Is there a motion on DGS?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Three-nothing. Thank you.

SECRETARY MCDONALD: Thank you, Governor.

GOVERNOR HOGAN: That concludes the Board of Public Works.

(Whereupon, at 10:47 a.m., the meeting was concluded.)