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BOARD OF PUBLIC WORKS
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PRESENT

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Governor

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Treasurer

HONORABLE PETER FRANCHOT

Comptroller

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PROCEEDINGS

GOVERNOR HOGAN: Good morning, everyone, and welcome to our last meeting of 2020 of the Board of Public works.

As we close a very difficult year, there is hope on the horizon with the vaccines which we started distributing on Monday. And I want to begin by thanking my colleagues for the bipartisan cooperation throughout the year, especially during the pandemic. And I'd like to thank the staffs of the Treasurer, Comptroller, and the Board of Public Works, along with my staff and our cabinet secretaries and their staffs, for all of their hard work throughout the many challenges of 2020. And I'd like to thank Lieutenant Governor Rutherford, who has continued to step in while I have been focused on the state of emergency.

But today I'm very pleased to be advancing an agreement to move forward with the completion of the Purple Line project, which is the largest P3 transit project in North America and will connect New Carrollton in Prince George's County to Bethesda in Montgomery County with a 16-mile east-west light rail line that includes 21 stations. Once complete, the Purple Line will integrate seamlessly with Metro, MARC Train, and Amtrak to provide more transit options across the region.

Just the construction alone has meant the creation of more than 6,300 Maryland jobs and we've already seen it result in more than \$2 billion in

office, residential, and commercial projects in and around the Purple Line corridor. The projections are that the Purple Line will take at least 17,000 cars off the road every day, which will help to relieve traffic congestion and which will help make our environment cleaner and healthier.

This project is at the heart of our State's balanced, all-inclusive approach to infrastructure. And the Purple Line was a long time coming and we have certainly had to overcome some significant hurdles. Opponents delayed it for two years, costing the taxpayers money and threatening to kill this critical project. But we kept pushing and working hard to keep it moving forward. And I want to especially thank Transportation Secretary Greg Slater, as well as our partners at Meridiam and Star America. We have spent the past several months engaging in some very tough negotiations which have resulted in successfully saving Maryland taxpayers more than \$550 million. And we will now be able to move forward with a new design-build contractor more aligned with our vision and the best interests of Maryland taxpayers.

So I want to thank all of the dedicated workers who have been out on the job continuing to keep construction going while we worked around the clock working out the details of this negotiated agreement.

Finally this morning, we're recognizing Dave Thomas, who will be retiring from the Maryland Port Administration at the end of the month after 21

years of dedicated service. In 1999, Dave joined the Port of Baltimore as General Manager of Terminal Operations. And from 2001 through 2016, he served as Director of Operations, and since 2016 Dave has served as Deputy Executive Director. He has been directly involved with many significant projects at the Port, including negotiations and development of the Wallenius Wilhelmsen Load Center at the Dundalk Marine Terminal, development and operation of the Cruise Terminal, and negotiations and execution of Seagirt Marine Terminal's public-private partnership with Ports American Chesapeake. And Dave also served as Acting Executive Director earlier this year, leading the Port through challenging times during the initial stages of the pandemic. So I want to congratulate Dave on an outstanding maritime career. And I want to, I'm sorry we're not doing this in person, but I'm going to virtually present you with this Governor's Citation with our very sincere appreciation. And we hope to be able to get this to you in person sometime soon. So congratulations. And with that, I'm going to turn it over to my colleagues for opening remarks. We'll start with Mr. Comptroller.

COMPTROLLER FRANCHOT: Madam Treasurer, go ahead. I'll defer to you.

TREASURER KOPP: Well --

GOVERNOR HOGAN: I was going to go to the Treasurer, but I jumped ahead to you because I know you have a special announcement.

COMPTROLLER FRANCHOT: Oh, great. Thank you. No, thank you, Governor. I didn't realize that. I'll start by saying --

TREASURER KOPP: Very --

GOVERNOR HOGAN: -- it's a special morning for you.

COMPTROLLER FRANCHOT: Yeah, no, thank you. This is special and worth the change in order. And Governor, could I just start by saying that's a very nice necktie you have on.

GOVERNOR HOGAN: Oh, thank you. I don't usually wear yellow, but you know, I got tired of the same stuff.

COMPTROLLER FRANCHOT: Well, great minds think alike. I'm not sure why I chose to wear a necktie today, but I guess I was channeling you and that's terrific. You look terrific and the Treasurer, obviously, you know, I'm very pleased to be here with both of you.

I presided over a meeting of the Board of Revenue Estimates along with Secretary Brinkley and Treasurer Kopp last week. And as a board, we unanimously approved slight increases to our revenue projections for fiscal year 2021 and fiscal year 2022. And that's undoubtedly viewed by people as a positive development in the midst of the economic crisis that we're in. Our nonpartisan experts who come from the legislative side and also the executive branch and the

Comptroller and Treasurer's Office, they recommended this as a positive adjustment to the State's revenue forecast. Small, but albeit positive.

However, I made a rather strong request that we as a State must not lose sight of the fact that our fellow Marylanders, and this is what was new data, basically, that was presented last Friday. A segment of our population called the low wage earners are being battered beyond belief by this crisis. These are vulnerable communities. These are low wage earners, as I said. They make between \$20,000 and \$30,000. Many of them were employed in the hospitality sector and other small businesses. They and some of their employers, frankly, are continuing to assume most of the burden of not only the COVID virus. Because of their low wages, they live in congested facilities. And they don't have the money to take care of themselves. But the rest of us, who are making \$50,000 and above, Governor and Madam Treasurer, you were there, you heard the testimony from our experts. People making \$50,000 and above in Maryland are doing just fine, albeit scared of the virus and stir crazy. But we're getting paid. We live in homes that are safe and protected. And I'm not saying it's fear free, but it's an environment that's okay.

I'm talking about the other Maryland. And we're talking hundreds of thousands of people, when you include their families. And they don't have any money to pay rent. They don't have any money to buy food. They don't have any

money for medicine. Their relief payments stopped months ago from a lot of the federal stimulus. The Governor, to his credit, has tried to step in in piecemeal fashion. But they are suffering. And ironically, just as the vaccine is being touted as a cure all, which it will be eventually, we're entering into the worst three months of death and illness from the pandemic.

So we've got the lives and livelihoods of literally hundreds of thousands of Marylanders, they are our friends and neighbors, that's at stake. And it's excruciatingly, just unbelievably mind boggling that the vaccine is just right around the corner. We're about to cross the finish line. But we have to do things to contain the virus, but we also I think simultaneously need to do something dramatic to safeguard the financial security and health of our working families and small businesses.

That's why I believe we need a one-time only, temporary, not a permanent tax increase or money grab for more mandated spending, just a one-time only stimulus plan to protect our citizens and our economy. And I would urge that that be adopted by obviously the executive branch, but also the legislative branch, as soon as possible. I can't underline enough that even with everything that has happened, there is an emergency out there on the fiscal issues. And our people are suffering. So we need to do something.

Now if I could just switch to a happier subject, which is a wonderful employee of mine. And if you could get Ms. Bea back on the screen. This is an unbelievably valuable member of our State citizenry. There she is. There is Beatrice Smith, who on December 21st is going to be 100 years old. And God bless you, Ms. Bea. You have been an incredibly valuable employee of the Comptroller's Office. You also come back and help us all the time. I've known Ms. Bea since I was sworn in as Comptroller in 2007. She is one of the finest people I know in the entire State. Governor, if it's appropriate I think Ms. Bea is joining us virtually. I would love for her to allow me to present a Proclamation virtually to her.

To Beatrice P. Smith, in recognition, Beatrice, of your, of a very special day, the celebration of your 100th birthday, with great admiration of your career with the Comptroller's Office and a wonderful contribution to Clay Street, the old Fourth Ward community, the City of Annapolis, and Asbury United Methodist Church, your legacy as a champion of civil rights, thrives in your four children, eight grandchildren, nine great-grandchildren, and two great-great-grandchildren. I just love you, Ms. Bea. Our very best wishes for a day full of happy memories, presented this -- what is the day today? The 19th?

VOICE: The 16th.

COMPTROLLER FRANCHOT: This is the 16th day of December, but we have 19th. So forgive us, Ms. Bea. Do you want to say a quick word?

VOICE: Say a quick word, Mother.

MS. SMITH: I just want to say I love you, Comptroller, and Governor. I love all of you and God bless you, each and every one of you. And have a Merry Christmas and a Happy New Year.

GOVERNOR HOGAN: Ms. Bea, I can't believe you're 100. You look 30 or 40 years younger than that to me.

MS. SMITH: I feeling fine, Governor.

GOVERNOR HOGAN: You're sharper than any of us. But I just want to join the Comptroller in wishing you a Happy Birthday. We're so excited to be with you and we thank you for all of your many contributions all these years. And not to be outdone by the Comptroller, I also have --

COMPTROLLER FRANCHOT: Oh --

MS. SMITH: Oh, thank you.

GOVERNOR HOGAN: -- Governor's Citation here --

COMPTROLLER FRANCHOT: -- how official is this.

GOVERNOR HOGAN: -- signed by me, and the Lieutenant Governor, and the Secretary of State, in honor of your 100th Birthday. And I just want to pass on all the best wishes and congratulations of the people of Maryland. And here's to 100 more years.

COMPTROLLER FRANCHOT: Yeah.

TREASURER KOPP: Ms. Bea, I don't have citations. But you are in my heart and my admiration. And I thank you for all you've done, and congratulate you from one older lady to another, on your very Happy Birthday.

MS. SMITH: Thank you. Thank you.

GOVERNOR HOGAN: Happy Birthday, Bea.

MS. SMITH: Thank you very much.

COMPTROLLER FRANCHOT: Thank you, Ms. Bea. Thank you very much for everything.

MS. SMITH: Thank you.

GOVERNOR HOGAN: Thank you. We'll turn it over to the Treasurer for any opening comments, in addition to the birthday wishes.

TREASURER KOPP: Yes. Birthday wishes are important. Governor, there are a couple of things. First of all, I just want to say that I endorse everything that the Comptroller said. We are very close. We think we can see the light at the end of the tunnel. But this recovery, which at the top level of the State, in terms of our revenue projections, may look in fact like a V recovery, it is not for everybody yet. And for this short time, I think we really have to step in. The Comptroller has said often, and you have said so often, the first federal stimulus worked. It worked very well. It helped people stay employed. It helped the unemployed have really the ability to have essentially a living wage. But it is

wearing off. And until you and the other governors and the National Associations of Comptrollers and Treasurers and Legislatures can get the Congress to act, I think the State may have to step in. And I just endorse all that he said.

We have two things to celebrate, one of which is rather sad but the other of which is very exciting and I'd just like to bring to you. The sad one, I'm sure you all join me, is the passing of our friend and our Senator Paul Sarbanes. Paul was just a terrific human being, as well as a great Senator and a great American. He cast so many very decisive, important, and tough votes that I don't think we can go through them all. But actually, starting with the Nixon episode, along with Congressman Hogan, very tough, very tough votes, and of course Sarbanes-Oxley. But we know him as a Marylander. One of the nicest, smartest, toughest, and most determined people I have ever met. And I used to say, Governor, and I meant it sincerely, that I slept better at night knowing Paul Sarbanes was in the United States Senate. So I think while he lived a great and fruitful and full life, and his successor in Congress I'm sure is going to continue to do him proud, Paul and Christine Sarbanes I think were two of the greatest people that we have ever met. And we think of them not only sadly, but with fondness.

The other news, I have just been reading, and I don't think I have ever said this before, but I really urge everybody to read an article in the *Baltimore Sun*. And it's about the donation from MacKenzie Scott to institutions, including

the HBCUs Morgan, Bowie, and others, and other community organizations like United Way. Ms. Scott donated tens of millions of dollars, almost \$100 million for the State as a whole. A true philanthropist. My recollection is that when she was divorced from, or when she divorced Mr. Bezos, she ended up with a significant amount of money, which she said she would distribute as soon as she could. And sure enough, she has very methodically gone through lists of institutions which make a real difference in the community and is contributing very significant amounts of money. And they will be used and levered up so that the whole community thrives. So Morgan, Bowie, United Way, and others. And that's just in Maryland alone. So that's, at the Christmas, Hanukkah, Kwanzaa time of year, that is a great example, I believe, of the true spirit of giving. And I just want to thank her.

GOVERNOR HOGAN: Thank you very much, both of you. Let's go ahead and get started with the Secretary's Agenda.

SECRETARY GONTRUM: Good morning, and Happy Holidays, Governor, Madam Treasurer, Mr. Comptroller. There are 16 items on the Secretary's Agenda. Item 16 is a supplemental item. There are seven reports of emergency procurement. Items 11, 14, A6, and A7 have been revised. I am happy to assist with answering any questions.

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

TREASURER KOPP: Governor, I would just like to point out, I don't have any issue with it at all, but Item 9, which is a list of projects from the African American Heritage Preservation Program. They are all very good and fascinating projects. First of all, I want to go on record acknowledging that Senator Delores Kelley is strongly supportive of 9E, the historical Cherry Hill AUM project for this excellent institution. And she actually has two other projects in the whole calendar. And I know this only because it's such an interesting example of what we see before the Board of Public Works. One is this great African American historical project. Another is Open Space recreation and playground in Northwest Baltimore. And the third is National Centers for Institutions and Alternatives expansion looking forward to the 21st Century. So this is just an example of what this Board of Public Works sees across the State, one senatorial district, helping the historic preservation, the African American preservation, the Open Space playgrounds, and a Center for innovation in the future. So that was just I thought very interesting.

But among the projects in Item 9, I would just draw your attention and the Comptroller's, because I think he will be very interested in it, 9A, the Laurel Cemetery, is a fascinating project. Comptroller, the Laurel Cemetery was a 19th Century African American cemetery that was on the level of the great cemeteries nationwide in an era when they were building them as almost parkland, a beautiful

piece of property where people could go meditate, and honor the people who were buried there. And the people who were buried there were among the crème de la crème of the African American society of that era in Baltimore, including at least 200 Civil War veterans.

Over the years, the cemetery was first honored and preserved, then slightly forgotten, and then the generations changed and it was forgotten. And in 1958 or thereabouts was bought and paved over for parking for a development. And only subsequently it was rediscovered what it actually was. When it had been sold, about 300 of the graves were moved to a cemetery in Carroll County, but the others were not. And the project now is very methodically going through, identifying if possible the people who are still there, a couple thousand originally. And restoring it and more importantly maybe than even restoring it for the present generations, recognizing it and recognizing the history. And that is 9A. And there are, these projects go from 9A through 9L? M? All of them, all of them equally, all of them very important, very important historically to Maryland. And very important to our educational efforts to educate all of our citizens about our history. And we often have these projects, but this set of projects was just quite candidly fascinating. And I really thank John, or whoever brought them to us.

SECRETARY GONTRUM: Dr. Charlotte Lake from the Department of Planning is the individual responsible for presenting these recommendations to the Board today.

TREASURER KOPP: And now Dr. Lake will say everything I got wrong. But I'm sure she will agree that they are great projects.

GOVERNOR HOGAN: But thank you very much for raising and talking about those projects. I appreciate you recognizing the work of the Department of Planning and everybody involved. Thank you.

COMPTROLLER FRANCHOT: I was going to mention it also. And thank you, thank you, Madam Treasurer. And I'm never quite sure whether it's the Governor putting this money in or the Legislature putting the money in, but thank you to both entities, and Senator Kelley of course. It obviously is a very important part of the State's history and we need to make sure it's done absolutely well. And it sounds like it is. So hats off to everybody.

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

COMPTROLLER FRANCHOT: I have a question on Item A5.

SECRETARY GONTRUM: Item A5 is a report of emergency procurement. We have Mr. Webster Ye, Mr. Atif Chaudhry, and Ms. Wendy Scott-Napier available to answer questions.

COMPTROLLER FRANCHOT: Great. Well, I don't have any questions about the particular item. I would like to ask about the first round of COVID-19 vaccines being distributed throughout the State. I've received a lot of calls and texts and emails over the past several days expressing concern that despite Allegany and Garrett Counties having two of the highest COVID-19 positivity rates in the State, with Allegany County reporting a seven-day positivity rate of 15 percent, Garrett County reporting 16.7 percent, these counties will not receive any doses of the vaccine in the first round of distribution. I hope my callers are wrong, and in fact they are. But they state that there was some type of miscalculation or calculation error with the numbers of frontline staff being reported to the State, which ultimately led to these two Western Maryland counties not receiving the first shipment of vaccines. Additionally, apparently with Moderna's version requiring an extra week between the two necessary doses of the vaccine, is the difference between Western Maryland getting the first hospital staff fully vaccinated as early as January 4th, instead it's going to be January 18th. And specifically, my good friend Senator Edwards of Western Maryland said it seems counter-intuitive that two counties in the western part of the State with the highest infection rates are being left out. So I'm not sure whether they are right or not, but maybe someone can comment on whether in fact if any vaccines are being sent to Allegany and Garrett, and how we can address this concern about being left out.

MR. YE: Good morning, Governor, Mr. Comptroller, Madam Treasurer. Webster Ye, Assistant Secretary with the Maryland Department of Health. As my colleague Dr. Chan presented yesterday at the press conference, every region and every hospital in Maryland will receive vaccines from Maryland's initial federal allocation of 155,000 doses. This initial allocation includes both UPMC Western Maryland and Garrett Regional Hospitals. The 155,000 doses does not include the second shots, which is being held back by the manufacturers for the administration of the second shot. And Mr. Comptroller, you should also know that every nursing home staff and resident, which is about 60,000 individuals, will receive their first shot in the coming weeks through the Federal Long Term Care Facility Partnership with CVS and Walgreen's. And we understand that CVS and Walgreen's are doing the scheduling right now.

Maryland was asked to put in our Moderna, which is the second type of vaccine, orders by 8:00 p.m. on Friday evening, last Friday, I should say, December 11th. And that was for pre-positioning of their doses. Those orders are part of the initial federal allocation of 155,000 doses and we asked for 500 to be placed at UPMC Western Maryland and 100 for Garrett Regional. And we are working with our federal colleagues to get additional allocations out as soon as possible.

COMPTROLLER FRANCHOT: So I missed that, Mr. Webster. I missed that. What is the 500 and the 100? What is that? Is that for --

MR. YE: (Indiscernible). Those are the Moderna orders for pre-positioning, Mr. Comptroller.

COMPTROLLER FRANCHOT: Okay. So are these hospitals getting not only first responder and nursing home shots, but are they getting some even (indiscernible) but some shots that are available for other entities, I guess, other people? Just, I assume you have enough that you are doing something a little bit more than just skilled nursing and other -- in other words, are they, are, hopefully what you are telling me is that they are being treated just like every other community as far as having the availability of the initial thing of vaccines and the feeling that they have that they are left out is just, you know, we just need some more information. Is that the case?

MR. YE: Yes, sir. As was announced yesterday, we are focused on Stage 1A and so we are trying to get our initial allocations out to the people who need them the most. So our frontline healthcare workers, the first responders, and nursing home residents and staff.

COMPTROLLER FRANCHOT: Ok, but they are going to get access to the vaccines the same way every other jurisdiction is, and they are specifically getting them for their skilled nursing and their first responders. And

are you telling me that that's all anybody else is getting also? Based, obviously there's more population in the other jurisdictions.

MR. YE: Yes, sir.

COMPTROLLER FRANCHOT: And Garrett County is, you know, well aware of that. But they have got to get something equal to some recognition I hope of the pots of vaccines that everybody is getting. So what you are saying to me is that the first round is just for first responders and just for skilled nursing? Or are there some other people that are going to get -- other than the Governor, who I hope gets one immediately on T.V., because the Governor deserves one. And or should get one. But is everyone else going to be treated --

GOVERNOR HOGAN: Let me just weigh in quickly on this. I think Webster Ye clearly laid it out. But yes, every single hospital, every single nursing home, and all of them are being treated exactly the same way. But not everybody is going to get everything they need, because they simply don't have the availability yet. So our first 50,000 -- we have 350,000 frontline healthcare workers.

COMPTROLLER FRANCHOT: Okay.

GOVERNOR HOGAN: We have 850,000 people in the first phase. There's 350,000 in 1A and then another half a million in 1B. And we don't know at this point when we will get the rest because they only tell us tomorrow what we get next week, and then next Friday what we might get the week ahead. So the

Hospital Association, working with all the hospitals, they themselves are deciding who in their hospital is a top priority. And they will decide how many, who gets the next batch and the next batch and the next batch, which will be coming in weekly for many months to come.

COMPTROLLER FRANCHOT: Are they going to in Western Maryland get them now along with everyone else? Or do they have to wait until more vaccines arrive? I --

GOVERNOR HOGAN: No, they are getting them now.

COMPTROLLER FRANCHOT: -- what you are saying, Governor. They just had the impression up there that they have been zeroed out --

GOVERNOR HOGAN: By next week, every single hospital in the State will have their initial round. They will all be pro rata and all equal and all fair. And then they will get the next batch after that.

COMPTROLLER FRANCHOT: Excellent. I'm pleased to hear that. And thank you for getting the National Guard, or the Maryland National Guard involved. I think that's entirely appropriate.

GOVERNOR HOGAN: Thank you.

TREASURER KOPP: Governor, could I ask a question? Those numbers, are those doses or sets of doses that they have to have two within a week?

GOVERNOR HOGAN: So they won't be within a week. One of them has to be within three weeks, I think. And the federal government, and as Mr. Ye said, the federal government and the providers are holding back that second dose. So we're getting 155,000. They have another 150,000 of the second dose, but we'll be getting new ones. So they are not, it's not half of the 150,000. We actually, you know, they are holding back the ones that they are supposed to get within three weeks. It's very, very, you know, complex. It's probably the most intricate thing that's ever been undertaken in America.

TREASURER KOPP: It's really --

COMPTROLLER FRANCHOT: Okay. Well that's very helpful to me. And I didn't mean to be glib about you getting vaccinated, Governor. But you should, because some people apparently have a concern. And --

GOVERNOR HOGAN: I think all of us should when our turn arrives, should do it publicly. I think it would help convince people of the safety and the importance of it. But I'm not going to jump in line ahead of the frontline healthcare workers. We're going to wait until we get them taken care of.

COMPTROLLER FRANCHOT: Okay. Well that's --

GOVERNOR HOGAN: Especially when they get down to us, I'm looking forward to doing it publicly and making sure we tell everybody that they should do it also.

COMPTROLLER FRANCHOT: Excellent.

GOVERNOR HOGAN: Any other questions --

COMPTROLLER FRANCHOT: I have another item, Item A3.

SECRETARY GONTRUM: Item A3 is another report of emergency procurement. We also have Mr. Webster Ye and Mr. Mark Riesett available from the Department of General Services, the Department of Health and the Department of General Services respectively, to answer questions.

COMPTROLLER FRANCHOT: This is a question about the federal government stepping up and paying what it should pay. It's my understanding that Clark Construction, to whom we're awarding \$6 million for a contract to do an emergency procurement of an improvement to the Maryland Correctional Institute facility, that's what we're voting on today for Maryland taxpayers' money. But I understand that the project was funded by the federal government through FEMA on or about April 24, 2020, and then FEMA withdrew, I don't know whether they withdrew it by tweet or not, but FEMA withdrew funding from the project, and the Army Corps of Engineers terminated the agreement with Clark. So it certainly seems like a worthwhile project. I'm happy to support the Governor in voting for the \$6 million. But how does the federal government sign an agreement to do something and why is the State of Maryland left footing the bill?

MR. YE: Mr. Comptroller, since your initial question was asked we did a little bit more homework and we were able to I think get some more clarification on this issue. There are two activities as part of this item. The first is the planning process or the scope out, and that was 100 percent federally funded. FEMA and the U.S. Army Corps of Engineers did what they said they were going to do and they helped us with the planning and the various architectural stuff for the Hagerstown facility along with a number of other facilities.

The second phase was the physical building, the build out phase. And that, regardless of what we went with, was a 75 percent federal match, so 75 percent federal, 25 percent State. And the initial build out, the Army Corps proposed something that was quite large. It was like a 192-bed facility. And what happened was, as part of the surge, they went with the luxury, the Cadillac version. And it would have taken ten to 14 weeks, or quite some time. And at the time in April, we were trying to get something built and ready for people who might have needed help right then and there. So we scaled it back in partnership with our FEMA colleague. We went with a 50-bed facility and it was built in three to four weeks. And it's still up there now.

COMPTROLLER FRANCHOT: Yeah, Mr. Ye, that makes perfect sense and I'm fine on that, Governor. Thank you for explaining that. I have two quick items still on this Agenda and I don't want to dominate or monopolize the

time. If the Treasurer has something, feel free to jump in. But I have one on A6, since we're talking about Corrections.

SECRETARY GONTRUM: Item 6 is a report of an emergency procurement from the Department of Public Safety and Correctional Services. We do have Secretary Green available to address the item.

COMPTROLLER FRANCHOT: Thank you, Secretary Green. I have just a query about this procurement. Obviously, we were under the gun back in the day trying to get PPE, personal protection equipment. But we have signed up, we signed up for a \$25 million plus contract with a company that apparently didn't exist until the very moment we signed a contract with them. It's something called AB Medical. And I'm wondering if the State of Maryland has done any other business with them in the past? We couldn't find any procurements. We understand it comes out of a State, not a State, it comes out a private investment company up in somewhere (indiscernible). But I'm just curious, where is this company located? Who is the President and CEO? I believe they recently registered with the State Department of Assessments and Taxation as a business on April 21st, which appears to be after at least two of the purchase orders were awarded. So I'm not suggesting there's anything untoward there. It's just we're trying to give a little bit of review to some of these emergency procurements and this one really jumped out as odd.

MR. GREEN: Thank you, Mr. Comptroller, for that question. As noted, we began to procure those emergency PPE supplies immediately following the Governor's declaration of emergency with two different companies. One we began on March 16th, and then began working with AB Medical, I believe, on about the first procurement was April 20th. They were appropriately registered on the 21st. As we understand, they followed all of the guidelines of the State to be registered. We ordered, we had four companies that were able to provide PPE that we needed to require payment up front. We did not go that route. We were able to order those supplies, those PPEs that were needed, and have since received all of those supplies, able to place them in a centralized warehouse for distribution around our system and had an audited process when we received them. So all of them were received at competitive rates for the time and the company fulfilled their obligation to us.

COMPTROLLER FRANCHOT: Well, that's very encouraging to hear that and I'm pleased that the, you know, the purchase orders were satisfied and delivered. It just seems a little bit odd to me that the President and CEO of a company that wasn't in existence when we agreed to buy this large amount of equipment from them, that the President and CEO works for an investment group up in Baltimore City and doesn't have anything to do with medical equipment. I'm just wondering does everything look in order as far as not just the proper delivery,

but who is profiting from this? And how much a profit is it getting? How did they actually, obviously they, the person who works for the investment firm, isn't producing or delivering the product. Who is delivering it?

MR. GREEN: It is our understanding they had a supply chain that was able to deliver the goods and items that we requested in good order, and we got exactly what we ordered.

COMPTROLLER FRANCHOT: Okay. But would you please keep an eye on it? Because this company came out of nowhere like a mushroom showing up one day after a rainstorm and, pop, there they were. And we gave them a \$25.6 million contract. I'm pleased that it worked out. Please keep an eye on it, if you could.

MR. GREEN: We will do so, Mr. Comptroller. Thank you very much.

TREASURER KOPP: Governor --

GOVERNOR HOGAN: Any other questions?

TREASURER KOPP: Yes. I have a question, I guess it's similar, a similar question, on Item 7.

SECRETARY GONTRUM: Item A7 is also a report of an emergency procurement for the Department of Public Safety and Correctional Services.

TREASURER KOPP: Yes. Not A7, Item 7.

SECRETARY GONTRUM: Oh, my apologies, Madam Treasurer.

I sincerely apologize. Item 7 is a budget amendment from the Department of Budget and Management. We have Secretary Brinkley available to address that.

TREASURER KOPP: Yes. My only question is it's a transfer of funds for approved purposes, obviously. My question was, for example in this particular case, what process the Department of Health or the Department of Education goes through to make sure the funds are used appropriately by the organization they are transferring it to? Or does DBM do that? I just don't, I'd like to have a better understanding of the process.

MR. BRINKLEY: Madam Treasurer, I'm trying to pull it up now so I can see which one -- is this the education amendment change that we had?

TREASURER KOPP: These happen to be funds moving from Health to Veterans Affairs and from Education to DHCD. And I'm not suggesting there is anything wrong with anything.

MR. BRINKLEY: Right. Right. John, are you on, are you attached? You should be on the call to help us out with this. I'm trying to pull the document up.

SECRETARY GONTRUM: I do not believe Mr. Martin is participating this morning.

TREASURER KOPP: Okay well --

MR. BRINKLEY: Madam Treasurer let me get that back to you, then.

TREASURER KOPP: Thank you very much. And Governor, as we withdrew, I would just like to point out to people, this seems to be my thing today, Item 8, DHCD, the Energy-Efficiency Home Construction Loan Program, Marble Hill Affordable Home Ownership Project that DHCD is contracted for. I would only like to say that with Brand LLC, which is itself a very interesting, very interesting company, this looks like the sort of project that we need very much and we need more of. And it will be very interesting to see how it develops and impacts the community for one of the first times doing a rehab of not high end, but lower cost housing, to make it essentially close to energy neutral. And if we can do that, net zero emissions, it opens the door to a much better future. I congratulate you, congratulate Ken Holt, and the company.

GOVERNOR HOGAN: Yes. Thank you. Any other questions?

COMPTROLLER FRANCHOT: Yes. One last item and I don't have as many for other Agendas, Governor. But this one, Item A1, speaking of oversight and following up on things. I don't have a problem with the item. But since DGS and Department of Health are on the call, I wanted to ask about a contract that we approved in July of 2019 which was basically a new information

technology project to provide payments to mental health providers around the State, wonderful nonprofit groups. And I asked at the time that the contract was before us whether or not the company, Optum, which is a subsidiary of United Healthcare, would be able to do the job satisfactorily with the financial proposal (indiscernible) which came in, as you may recall, at a much lower amount than the incumbent. And so we said, gee, can you really do this? Well, it turns out they can't because they have created chaos for the public behavioral health system where all these nonprofits now are getting paid, if you can believe it, by the State of Maryland estimated payments because they can't figure out how to make this system work.

And I'm obviously fairly tolerant as far as technical glitches, because every agency has them, including mine. It's just part of the environment, I guess, that these things happen. But this was one that we specifically asked about and were very concerned about the low bid. And now all of a sudden, we're not having hiccups, we're having serious cases of strep throat and other things. I mean, literally all over the State there are payment processing issues with this specific person. And I'm just wondering whether the department has an opinion as to whether, or what we should do to fix the mess that currently exists as far as payment to groups that we need to be on the up and up with.

SECRETARY GONTRUM: The representative --

COMPTROLLER FRANCHOT: Is someone there that could comment?

SECRETARY GONTRUM: The representative for the Department of Health presenting this particular Agenda item Emergency Report A1 is Mr. Webster Ye.

COMPTROLLER FRANCHOT: Mr. Ye, thank you. If you could comment on it. I think we've brought this up with you before.

MR. YE: Yes, sir, Mr. Comptroller. With respect, the issue with Optum is a contract management issue and not necessarily a procurement issue, just to be very clear there. We, the State made estimated payments from about January through August, and then starting on August 13th through to now and continuing onward, we are doing actual payments based on claims submitted. And we have made over \$500 million in payments. And I would submit to you, Mr. Comptroller, that you and Madam Treasurer are actually in the unique position to verify this assertion, where we paid out, for example, \$31.5 million in payments just this most recent week, from November 30th to December 6th. And we had an eight-week average of about \$31.4 million. And those payments, which left the State bank account and went into the roughly 2,200 behavioral health providers' bank accounts, those are items that you can verify.

We would be very delighted, as we offered back in early November, to have an in-depth briefing with you, sir. We presented to the General Assembly about two weeks ago and we believe that, yes, there are items to be resolved by the vendor. We are working with them and the providers. But we also believe that we are making significant payments in line with historical averages to these providers. And we --

COMPTROLLER FRANCHOT: Okay but --

MR. YE: -- (indiscernible) --

COMPTROLLER FRANCHOT: -- but Mr. Ye, why do I hear descriptions of this from these not for profits, that it's not just kind of minor glitches around the edges but it's like a nightmare for them. And that it's very, very -- I don't know. I just urge you to take a look at this and get on top of it because it's just unacceptable to have these groups thinking that they are not, thinking they are getting reimbursed and then not getting reimbursed. I'm not, you know, I'm happy to do audits, I'm happy to follow up on it. But it's your agency, or your vendor, and apparently they are causing a lot of consternation.

MR. YE: Yes, sir. We'll be happy to follow up. And again, we'd be happy to do further briefings. If I can assure you that both Secretary Neall and now Secretary Schrader are pretty much being kept updated. They were both kept updated daily on this issue. They both took it with the utmost concern. And we

have weekly if not even twice a week briefings and forums and webinars with the providers to talk through these issues. So we take it very seriously --

COMPTROLLER FRANCHOT: -- everyday on something that was concerning the Comptroller's Office, or even once a week if I were being updated, it would be a huge problem that causes that kind of intense updating and following. So I assume that you guys realize it's a big problem. Thank you for addressing it. And hopefully it will be cured. And my question is, I hope that we didn't underbid this thing or get underbid by a vendor that can't deliver.

MR. YE: No sir, we did a lot of homework on that, Mr. Comptroller. We were paying \$7 million more per month than, or excuse me, \$7 million more than the previous vendor. And then the previous vendor way overbid by \$70 million over the selected vendor. And what we found out over the transition was that the previous vendor essentially did not keep good documentation of the processes. So the new vendor had to do a lot of rebuilding to make things work. We believe that (indiscernible) --

COMPTROLLER FRANCHOT: Well that's concerning also. But it sounds like you are trying to get on top of it and thank you for doing that. And please keep us in the loop.

MR. YE: Yes, sir.

GOVERNOR HOGAN: Thank you. Is there a motion?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second?

TREASURER KOPP: Second.

GOVERNOR HOGAN: Three-nothing. Now we move on to DNR Real Property Agenda.

MS. HADDAWAY-RICCIO: Hi, good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, Jeannie Haddaway-Riccio, Secretary of the Maryland Department of Natural Resources. We have 14 items on our Real Property Agenda today, including the Northwest Regional Park project that Madam Treasurer referenced earlier. And we will be happy to answer any questions you may have.

GOVERNOR HOGAN: Questions of the Secretary for the DNR Agenda? Is there a motion?

COMPTROLLER FRANCHOT: Yeah, move approval. And thank you, Madam Secretary. And Merry Christmas, by the way.

GOVERNOR HOGAN: She's got a very nice Christmas color going there today.

MS. HADDAWAY-RICCIO: Yes. I'm in the holiday spirit. Merry Christmas and Happy Holidays to you all as well.

COMPTROLLER FRANCHOT: Absolutely.

GOVERNOR HOGAN: Is there a second, Madam Treasurer? Yes, thank you, Madam Secretary. The vote is three-nothing. We're going to move on to the University System. Oh, they don't have any Agenda items. So we're going to move on to Department of Transportation. They have items.

MR. SLATER: We do.

GOVERNOR HOGAN: Good morning.

MR. SLATER: Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, my name is Greg Slater, Secretary of the Maryland Department of Transportation. Maryland Department of Transportation is presenting 14 items for your consideration today. Item 1-GM is being withdrawn, leaving 13 for your consideration.

I'd like to highlight one item, 14-GM-MOD, the Purple Line as highlighted by the Governor. You may recall in 2016, MDOT MTA pursued a public-private partnership agreement for the Purple Line using a design-build, finance, operate, and maintain delivery model. PLTP, or Purple Line Transit Partners, was the concessionaire selected under that agreement.

The Purple Line has faced several obstacles over the years and many of which have led us to where we are today. On August 3, 2016, the United States District Court for the District of Columbia vacated FTA's record of decision certifying the project's adherence to certain environmental regulations and laws.

The record of decision is a prerequisite for all construction activities. Fortunately, on July 19th, the United States Court of Appeals for the District of Columbia stayed the decision of the District Court thereby reinstating the ROD and allowing construction to continue.

After the decision vacating the ROD, PLTC initiated a series of contractor claims seeking additional time and money for the project. But the proposed settlement before you resolves the risk and expense associated with the litigation, includes the counter-claim and claims for the ROD and right-of-way and CSX and permitting, cumulatively totaled about \$702 million. And when adding another series of change orders and claims, the total was nearly \$800 million in claims associated.

The proposed settlement includes a payment of an aggregate sum to PLTC of \$250 million, as well as an agreement on the process for selection of a new design-build contractor. MDOT MTA certainly recommends payment of the settlement amount to dispose of all the litigation, the parties' claims, and disputes in accordance of the terms of the settlement, agreement on all its releases, and ensures the Purple Line will be completed with a P3 agreement intact and a new design-build contractor, thus substantially reducing further delays on the project's completion.

Because of the high profile nature of this project and the large sum of money and in the interests of transparency, I'd like to break it down a little bit for you as part of the settlement agreement. The settlement agreement is for a payment of \$250 million for the release of all claims and costs incurred prior to September 28, 2020 and resolves all releases of all outstanding litigation. The date is important because that is the date that MTA assumed management of all the PLTC contracts. So of the \$250 million, \$100 million will be paid immediately, no later than December 30th, upon BPW approval. The remaining \$150 million is either paid on the date when the new financing documents are executed, or when the selection of the new design-build contractor comes on board, or the 12-month anniversary of the effective date of this agreement.

The agreement also entails the selection of a new design-build contractor. If the settlement agreement is approved, PLTP will immediately initiate a solicitation for a new design-build contractor in conjunction with us. The agreement also lays out timing and selection and the evaluation.

On the labor front, PLTC had a project labor agreement in place for its self-performed work. We also found that some of the subcontractors have PLAs in place for their work as well. The PLA utilized was a typical PLA and would be similarly utilized by a replacement design-build contractor as it is based upon a standard form that can be readily incorporated into the replacement contract.

Additionally, once we get the new design-build contractor on board, the subcontractors will be reassigned back to PLTP with the new design-builder. The bottom line is that the majority of the firms and employees that are out there working on the Purple Line today will very likely continue on this project under the new design-build contractor. And that goes for the labor and the people as well. This agreement has provided really beneficial results for the project work and we would look for the new contractor to put a similar structure in place. And of course, everything is subject to all our federal wage rates.

In the interim construction period, we will continue to manage the project, focusing on de-risking the project, completing design, getting all the permits in place, and all the utility work moving. During this time, PLTP and MDOT will share in the cost. The cost sharing is 50-50 initially, later becoming 80-20 with PLTP paying that larger 80 percent share as the selection of the new contractor continues. Expected costs during this period are about \$100 million and PLTP's share is limited to \$50 million during that time.

Once the new design-build contractor has been selected, all subcontracts will be transferred to MTA, back to the design-build contractor, or otherwise worked through that process.

I want to touch a little bit on the project costs. The revised project costs right now are not fully known until we get that new design-build contractor

in place. But PLTP will finance the additional project costs through a combination of debt and equity. The existing TIFIA loan will be refinanced or restructured to provide additional funds to take advantage of those lower interest rates in today's market. The savings from all of those lower interest rates under this settlement will benefit the State 100 percent. The State will repay all those additional costs in the remaining construction through the availability payments of the 30-year life of the O&M agreement.

Although not a scenario we anticipate, because we have a great partnership right now, we have contemplated what would happen if we were not able to find a new design-build contractor in time. If the replacement design-build contractor is not selected before the period expires, then the replacement contractor, or we didn't extend based on mutual agreement, the P3 agreement would then terminate and the PLTP would be due the amount similar to what would be done in the original P3 agreement, would be due 13 months from BPW approval in January of 2022, allowing the State the ability under that scenario to secure alternative financing to ensure that the project gets completed. Again, not a likely scenario but it was important that we anticipate that as part of this to ensure the success of the Purple Line.

Importantly, as part of this negotiation we wanted to be sure that our partners had some skin in the game as well. So in addition to increasing its equity

contribution in the project, PLTP will reduce their internal rate of return on investment, essentially what they get back from the project, by 20 percent. And I want to note that through the challenges that we were facing in this project, the court filings, the letter writing, I spoke nearly daily to our partners as we engaged to find a way to find a great path forward for this project. We believe that with a new design builder in place, and our partnership with Meridiam and Star America remaining intact, we have the tools needed for successful completion of this project.

I just want to take a moment and say I appreciate the patience of all of the Board members, the elected officials in Montgomery and Prince George's County who have called me regularly to express the importance of this project, the citizens of the region, the businesses in the region who are enduring the impacts during construction, I appreciate their patience.

While there is still a lot of work to do, this settlement agreement marks an important step forward for this project. I believe this settlement before you now protects the State's interests and citizens and enables us to deliver a completed project in the shortest time frame possible. And I respectfully request your approval so that this critical project can move forward and our citizens can enjoy it. I am joined here today by Kevin Quinn, our MTA Administrator; Jaclyn Hartman, our Chief Financial Officer; our Chief Counsel Cheryl Brown-Whitfield,

who I should point out has done amazing work through this effort; and I'm happy to take any questions you may have on this or any other of our Agenda items.

GOVERNOR HOGAN: Any questions?

COMPTROLLER FRANCHOT: I'm happy to defer, Madam Treasurer. But if not, I'd like to thank Governor Hogan, you specifically. And I've said this before. This project was probably, I don't want to put words in your mouth, not one of your top priorities when you campaigned and won election in 2014. But to your credit, you sat down and with an open mind listened to all of the people that have been champions of this particular project. And you know, it is only moving forward I think because you were able to look and agree somewhat rationally with other people that you may have disagreed with before. I don't mean to overstate that. I'm just saying that it's unusual in these political times to see that kind of ability to change your mind and help us out in that area. Because we really, really wanted this project.

I want to thank Secretary Slater for frankly negotiating a package that, you know, I wish we didn't have to be here approving it, but since we are it has been expertly done in my opinion. And Secretary Slater is, you know, these are highly complex negotiations. And frankly, I have a lot of confidence in him.

So I do have a couple of questions. You mentioned the design-bid-build contract, the solicitation, the new solicitation. Is that going to come back before us for approval?

MR. SLATER: Absolutely. We'll be back to the Board several months from now once the selection process is complete. It's important to note that we're not, absolutely, we're not sitting kind of idle while we're waiting for this as well. We have taken over day to day management of 200 agreements and purchase orders, another 150 contracts, and we currently have 14 contractors mobilized across the alignment. So we have performed over the last several weeks about \$2 million in risk reducing utility relocation. But when we come back, the package will include a new design-build contractor to complete the remaining work, an update on the financial package, and a schedule to get the project complete.

COMPTROLLER FRANCHOT: Okay. And you mentioned earlier PLAs for organized labor. I assume MBEs and DBEs that have been negotiated will be somehow carried along with the new structure?

MR. SLATER: Yes.

COMPTROLLER FRANCHOT: And I did want to ask, because obviously this has implications for the other P3 that is before the Board or will be, which is the highway, the Capital Beltway P3 Project. And so I just want to find

out whether that project, whether you are able to keep that moving forward, given the complexities of this particular P3?

MR. SLATER: Sure. That's a little bit of a different flavor of P3. So the P3 process for phase one of that program, which is American Legion Bridge and that important work from the Capital Beltway Accord, is structured differently from the P3 process for the Purple Line. So that one is being solicited under a progressive P3 model, also known as a pre-development agreement. And so the progressive P3 model is a two-step project delivery method, where the P3 developer will be selected as a strategic partner with the State and then partner with us in the development and delivery. So as part of that first step of the progressive model, the P3 developer will partner not only with MDOT but with other stakeholders, including Maryland National Capital, WSSC, Montgomery County, Frederick County, Rockville, Gaithersburg, all of the adjacent communities, the property owners, and really the general public, to address the concerns and reduce all those risks before we come back to the Board.

So once everything is laid out, then it really further reduces and the expectations are much clearly defined so that when we come back to the Board, then we have this finalized second step, which is pricing, schedule, 50-year agreement. So, you know, that one is designed as a collaborative partnership model that reduces the risk to MDOT and the developer, providing improved value on the

back end. So the collaborative up front effort provides more efficient pricing, better schedule certainty, and then really once we get the Board of Public Works approval then you are able to have much more certainty and avoid these issues. So, you know, under that, that's a model that has been successfully used to deliver projects like that in Virginia under the regional approach for 95, 495, and 395, and then it's been used extensively in Texas for a project called North Tarrant Express.

COMPTROLLER FRANCHOT: So those (indiscernible) -- hello? Yes, sorry. So the problems associated with the Purple Line, we've learned our lesson and for the Beltway widening project, we're going to try to reassure the public that we're not going to run into this particular unfortunate situation. I couldn't hear the Secretary. Could everybody else?

GOVERNOR HOGAN: No.

TREASURER KOPP: No.

MR. SLATER: So --

COMPTROLLER FRANCHOT: Yes?

MR. SLATER: So did you miss that whole last answer? I'm sorry.

COMPTROLLER FRANCHOT: Well I just wanted to make sure that you are giving us assurances that the Purple Line lessons that we regret having to take care of, and I'm sure you spent a lot of time, Secretary Slater, negotiating,

we're not going to hopefully have those kinds of problems and delays in the Beltway widening project?

MR. SLATER: Correct, sir. In that project we're using a progressive P3 model, which is a pre-development agreement. So --

GOVERNOR HOGAN: Yeah, we heard that part. We did hear your last answer Mr. Secretary.

MR. SLATER: Okay --

COMPTROLLER FRANCHOT: Yes. And then I just had one other answer, or question, because I, you know, appreciate the fact that Baltimore City has a need for a lot of investment in its public transit system. And I guess with the announcement today that Mayor Buttigieg is going to be the new Secretary of Transportation, I hope former Secretary Porcari finds himself in a high position and could help the State of Maryland get additional transit help for Baltimore City that Mr. Quinn and you could figure out how to make substantial improvements to some of those age-old problems, I take it, as far as transit in Baltimore City.

MR. SLATER: Sure. We have a lot of great efforts rolling in our region right now. You know, and so I'll, you know, start a little bit on the Port of Baltimore side, you know, the Governor recognized Dave Thomas doing an amazing job coming in to lead the Port during COVID. But our truck transactions right now at the Port of Baltimore are up 14 percent compared to last year. And so,

you know, we have the Howard Street Tunnel coming on board and that continuing to move forward.

Regionally, we have another great project around the Baltimore Beltway with new technology, where it's an investment over 20 miles around the Beltway and we think it's going to save tremendous travel time savings. But then heading into the City, our focus is on transit. And so when we look at transit within Baltimore City, we are looking at state of good repair, we're looking at setting the stage for the next generation there. But also a commitment to making MTA a more sustainable agency focused on getting our fleet to that 50 percent zero emissions by 2030. So we have a couple of pilot projects and a lot of activity going on in Baltimore right now. But the pilot projects, we have a \$2.6 million project from FTA for low and no emission grants. Pilot funding is going to bring in three 60-foot battery electric buses and charging infrastructure. Those are going to be in service by 2022. Through the Volkswagen settlement, we have four 40-foot battery electric buses and charging infrastructure that will also be in place by 2022.

On the state of good repair side, the key component we're focusing on is our vehicles. So we have \$160 million for a midlife rehab of our Light Rail vehicles, \$400 million for replacement of our Metro cars and the whole signal system. We have \$218 million for new buses, including a new contract of \$53

million for a MARC overhaul. And then our new CTP candidates, about \$207 million for rehabbing the tunnel and tracks and stations around.

So we also are kind of thinking about the future as well. So we just recently completed a Central Maryland Regional Transit Plan, which is a two-year effort in collaboration with an 11-member commission that had extensive public involvement. And we moved forward this year on our CTP with two corridor feasibility studies, which include high level transit service from Ellicott City to Bayview and then Towson to Downtown, and also upgrading our transit hubs for better ADA accessibility, and creating this kind of new regional dialogue on transit. And then we're also embarking on a 50-year statewide transit plan. So you know, we're looking forward to working with Baltimore City and the new administration there and all the stakeholders to make that system the best it can be.

COMPTROLLER FRANCHOT: Well, I praised the Governor for being open-minded on the Purple Line. I praise you, Secretary Slater, for rescuing this whole thing we're voting on today. Thank you for that. But also for being open-minded about Baltimore City, because the connectivity of that transit system up there obviously can be vastly improved. And it sounds like you are beginning to get on top of it. And please, keep all of us, I guess, in the loop to the extent you can. And thank you for, I don't want to overemphasize this, but being able to interact with local officials and reach yes, rather than people looking at each other

not willing to compromise anything. Secretary, I think you have done a great job for the State of Maryland. Thank you.

TREASURER KOPP: Governor, could I once again say how much I agree with what the Comptroller has said. I don't think you can overemphasize the need to work with the local governments. I would appreciate, you are doing a lot of things, and you mentioned a large list of things, I'm thinking now in the Baltimore area, and most particularly in mass transit, could we see the plan you have, the vision, and how it's going to unroll over time to get to the point where we have a mass transit system, A, that works, B, that is in good repair, because it isn't now, and C, gets us to the sustainable future. Not just a list of things, but actually how we can anticipate and the citizens of the City and State can anticipate it rolling out?

MR. SLATER: Absolutely. I would be happy to sit down and share that with you. That is a big part of our 50-year transit plan. You know, the other piece that especially is, in the case in Baltimore, is the interconnectivity of the system, between the Metro and the Light Rail and the bus networks and the hubs and development there. Just, you know, so, you know, we have a great system. It just needs interconnected and more efficient.

TREASURER KOPP: Yes. Well, it's not a new story. But on the other hand, you are not new to the State. And you are a planner. So I'm sure that, I would love to see that.

I have another question. And I couldn't agree more with the Comptroller about how great it is that you are there, Governor, a great appointment, and that we are going to see the Purple Line, a little late, but still working to unite the suburbs and to, it's going to just have a tremendous and positive impact on the communities and on the economy. But what happens if we don't attract the new design-build partner? What are the costs? If we have to end the partnership, there are going to be significant costs. I don't really have a good feeling of exactly what the potential costs are. I know that the \$100 million, while it is a lot of money, is a good investment and won't impact the bond financing, correct?

MR. SLATER: Correct.

TREASURER KOPP: But the future is contingent on that next step after that.

MR. SLATER: It is. I can tell you --

TREASURER KOPP: -- go into it with your eyes open.

MR. SLATER: Absolutely. I can tell you that, you know, we have already started kind of looking at that process. We laid it out. I have a meeting next week to lay out the whole kind of plan as well as the interim construction and

the long term pieces to make sure that things move efficiently. We have received a tremendous amount of interest from potential bidders on this project. And so we believe the market is in great shape right now to get, one, a great partner for the State to finish the construction, but two, a great market to get us some value with a competitive bid environment to be able to get there. So we feel really confident and comfortable about that, Madam Treasurer.

TREASURER KOPP: I'm glad you feel confident. When will we be seeing the indicators that show that we should feel confident?

MR. SLATER: So over the next several weeks, and I'm happy to keep you up to date as things start to progress. You know, we've laid out a couple of timeframes in the settlement agreement. And I will tell you that they are, you know, that they've got some conservative kind of numbers in them. You know, we think that, you know, we've laid out six months for the design-bid process and then an additional three months to go through the financing aspects of that. We don't think it's going to take quite that long and we're working pretty aggressively. And at the same time having conversations about how to package this in a way where we can bring in things like accelerated construction techniques to advance the construction at a much faster pace to see if we can get it out there closer to when we had originally planned.

TREASURER KOPP: And you are laying out plans for things like redoing the TIFIA loan and -- okay. So you will keep us informed --

MR. SLATER: Absolutely.

TREASURER KOPP: -- before it comes before the Board of Public Works for the next vote, I hope?

MR. SLATER: Absolutely. What I will do is I will commit to coming back at each of the steps and just give you an update on where things are. And so I won't put a 500-page packet in front of you two days before the Board meeting.

TREASURER KOPP: Thank you.

GOVERNOR HOGAN: We appreciate that. Any other questions?

COMPTROLLER FRANCHOT: Yes. I had a quick question on 21-IT. Is that, are we on DGS? Are we on MDOT now?

TREASURER KOPP: MDOT.

GOVERNOR HOGAN: Yes.

COMPTROLLER FRANCHOT: I'm sorry. No, I would move approval of MDOT's Agenda, if it's appropriate.

GOVERNOR HOGAN: Is there a second?

TREASURER KOPP: Second.

GOVERNOR HOGAN: I like the Purple jacket there for the Purple Line today, Madam Treasurer. I don't know if that was -- but let me just say, first of all, thank you to my colleagues for moving forward on this item. I'm obviously going to be voting yes as well. And I want to echo the comments from both of you. I appreciate the incredible work of not only Secretary Slater, but his entire team. I know that, I can tell you we've been taking a lot of heat. And right at the beginning of this pandemic, back in April, was when these negotiations really got into high gear. And people, some people just wanted us to pay the \$800 million to keep things going. I think we're going to end up with a much better situation, deliver the product, and save the taxpayers \$500 million. And it's because of the hard work of Secretary Slater, working with all the stakeholders, and with our partners, and I want to thank them. And I want to thank everybody on the team. I mean, a lot of people worked day and night to get this done. So it's a great day for the State and I just want to thank everybody involved. So thank you, Mr. Secretary. Please pass on our congratulations to everybody.

MR. SLATER: I sure will. Thank you.

GOVERNOR HOGAN: Thank you.

TREASURER KOPP: Jane Garvey has another victory, we hope.

GOVERNOR HOGAN: And thank you. The last group we have here is the Department of General Services.

MR. CHURCHILL: Seasons Greetings, Governor, Madam Treasurer, and Mr. Comptroller. For the record, I'm Ellington Churchill, Secretary for the Maryland Department of General Services. Today we are presenting 44 items for your consideration, including six supplemental items and one hand-carried item. We are withdrawing two sub-items within Item 27, that being 27-3.2 and 27-3.3.

A contract of potential interest to the Board, and especially to the Treasurer, is Item 9. This item is the installation of energy submetering throughout the Annapolis campus, which supports our efforts to better manage our utilities and creates opportunities for greater energy efficiency in our government campus.

And then finally, on behalf of the department and the Office of State Procurement, I want to thank the Board and the Board staff for the support that we have received this year. It has been a very challenging year. I'm sure all would acknowledge that. 2020 has highlighted many things for which we are truly grateful, as well as some lessons and opportunities to improve our department and office in the New Year, which we plan to apply. So with that, I have representatives available to answer any questions you may have.

GOVERNOR HOGAN: Questions for DGS?

TREASURER KOPP: Governor, could I just say on the item that Secretary Churchill mentioned, the submetering, submetering is an absolutely

essential first step to saving energy and to sustainability. If we don't know exactly which buildings are using a certain amount of energy, there is no way we can improve their, or it's very difficult to improve their performance. So I really commend you on that. It's exactly, forgive me, what a private concern would be doing, looking at the bottom line. And it's what the State is doing as well. And I appreciate it very much. And I appreciate it has been a difficult year. And we're almost at the end of it, and I'm sure that you, Mr. Secretary, like many of us are going to stay up until midnight on December 31st just to make sure that this year does pass and goes away.

But I do have a concern, and it's not only DGS, but in general we're seeing a significant increase in supplemental items and revisions of items, and revisions not just because of typos and things but actual, or dates, but actual revisions in numbers. One reason it's of concern, and Ms. Kille raised this with me and I agree completely, one reason it is of concern is we publish an Agenda for the public. This is a great institution, the Board of Public Works. It provides transparency and sunshine where in other states what we are doing is usually done behind closed doors in a, forgive me, Governor, executive office, and we don't see it. The people don't see it. But the more changes there are, the more difficult it is for the public to follow what actually is going to be voted on when the Board finally meets. So if there is anything we can do to help, I don't know whether it is

understaffing or whether it's new technology to allow you to make sure the numbers are right, it seems to me that it's increasing. And this is not good.

MR. CHURCHILL: Well, I thank you for your comments, Madam Treasurer. And I would just acknowledge a couple of things.

One, this is the first year that, at least for our department, Office of State Procurement, included Departments of Information Technology and Budget and Management items. And so it's been a year in a learning curve. And so we plan to apply those lessons with our client agencies so that we can do a better job of submitting our Agendas for consideration to the Board staff. And again, I do thank the Board staff because it has been challenging. So I expect that will improve in the New Year. As a matter of fact, I have just had conversations with Secretary Gontrum and our boards, our teams are going to be getting together and kind of debriefing about 2020 and doing a working session for what we can do to improve in 2021.

And then finally, of course, December, last meeting of the year, it's always a mad dash. You know, we're finding which contracts are really in the calendar year versus in the fiscal year. And so we are applying that learning curve. But we will do better in 2021.

TREASURER KOPP: Well, anything we can do. I know this has been a transition and I know it's complicated. And I hate to reject items for reasons

like that, because they are important items. You wouldn't bring them to us otherwise. But I do hope that we can help you make sure that it improves.

MR. CHURCHILL: Thank you.

GOVERNOR HOGAN: Thank you. Any other questions on DGS?

COMPTROLLER FRANCHOT: I had a last question on Item 21-IT.

MR. CHURCHILL: I believe that you may have a question for Secretary Robinson.

COMPTROLLER FRANCHOT: Yes. That would be I think appropriate. Well, also Secretary Churchill, for you also, because it's a kind of generic question. There were three bids for this contract. The winning bid was second ranked in technical rating, and won with an offer of \$1.2 million. I'm approximating here. The second finisher had the number one technical rating, but was 139 percent higher, which is \$2.8 million. And since it's for a contract for a safety and inspection database to manage information about the safety of elevators and amusement rides, I'm wondering are we confident that the vendor we select can actually do the job, given that it's not just cheaper but a lot cheaper than the second place. But I, and I congratulate you, Madam Secretary, too, that the two companies I'm talking about are both in Maryland, which is terrific. So I'm glad

we're shopping local. But can you assure us that the company is going to be able to do the job?

MS. ROBINSON: Sure. Good morning, Governor, and thank you for that question, Mr. Comptroller. Good morning, Madam Treasurer. I do have my Deputy Secretary Dave McGlone on the line as well to answer specific questions about that contract. We do feel, we're happy they are Maryland companies and we do have that confidence. But he has been integrally involved in that procurement so I would turn it to him to answer those specific questions. Dave?

MR. MCGLONE: Thank you, Tiffany. Good morning, Governor, Madam Secretary, and Mr. Comptroller. We did look at that and saw that this company, Systems Automation, has been performing contracts in Maryland already, one with the Department of Health, and also doing similar work across the country in Indiana and Massachusetts. We reached out to them and found out that they had been performing satisfactorily in all of those locations. So this is something that while we were surprised it was that much lower, we feel comfortable that this vendor is going to be able to perform because we have seen that they have got a track record for several years. They have been working in the Department of Health for multiple years already. So we felt comfortable with that selection.

COMPTROLLER FRANCHOT: Excellent. Thank you very much. Madam Secretary, since you are with us I would like to take an opportunity to just

get an update on the situation with providing unemployment benefits. Obviously, you are aware of all the frustration that is out there. And hopefully it is getting better. But I still get, or my agency gets, dozens of phone calls and emails daily. And when Marylanders continue to plea for help in filing unemployment claims, checking their status, speaking with a representative, not getting a recording or an email address. So I'm just wondering, with the second surge of the coronavirus coming along, with the closure of businesses that that is going to require, with the more unemployment claims that inevitably are going to follow, where exactly is the \$34 million that we provided you guys at Department of Labor in support of unemployment insurance? I think \$22.3 million we approved for a virtual call center, which is so crucial. I feel for you, because it's not easy to do this. And you've gotten this tsunami of calls. But I hope that the call center is up and working. I hope the laptops are working that we helped you with, and the modifications to the unemployment system are working together. And I just can't emphasize again somehow figuring out how to get somebody to answer the telephone as opposed to a recording. But why don't you update us? Because I know you are making improvements.

MS. ROBINSON: We are. Thank you, Mr. Comptroller. In terms of that staffing, we are so grateful for the support from the administration. And we last week brought on the last tranche of 100 additional call center agents with our

vendor named Accenture. If we need to continue to come back to you to increase that, we certainly will. I can tell you from our end and from working with stakeholders and legislators, the complaints we have received about claimants not getting their calls answered has significantly reduced. It's not perfect. And as I mentioned, we just last week brought on the last tranche of employees. So they are in training. They are getting their feet wet. That being said, we are doing all kinds of matrices and actually working with your staff, Mr. Hildebrand, as well to look at making sure we are being as efficient as possible. We are cross-training those employees to do more than just answer the phones. So as they answer calls, they are now being trained to do minor types of adjudication work. So we want them to help claimants resolve issues while they are on the phone and review fraud documents and push those claims forward.

We also have a new vendor named Alorica, who is coming on board to do adjudication. The train the trainer team got all of their approvals and fingerprinting and access to our system in the last few weeks and the first team of actual agents that are going to be working in our backlog of difficult complex claims that need fact finding interviews and investigations are starting this week. We are going to be bringing on that group of staffing on at no less than 25 people per week essentially for as long as it takes to get the job done.

I can tell you that I did not plan to launch the biggest modernization in unemployment insurance technology in the middle of a pandemic, but that's exactly what we were forced to do. So in addition to the staffing, our new system has prepared us for the future and for this influx of new claims. We have been watching the industry sectors very closely, including restaurant employers. Employers are our customers, too, as you know. So we are working with both sides and we do feel prepared. I can tell you that the new claims coming in are being processed very quickly. Especially when wages match with an employer's response, there are approvals and payments going out within a week. But the complex claims that have disputes from employers or multiple employers in the base period are the ones that require that complex level of expertise for fact finding investigations and adjudication. So that's what we are working to make sure we can address.

COMPTROLLER FRANCHOT: And what impact will what I think is a very commendable action, removing the 2020 unemployment history from the rate computation, will that be beneficial to small businesses that I think Governor Hogan just announced?

MS. ROBINSON: Yes, absolutely. I'm so grateful for the Governor's executive order and we know employers across the State are as well. While it is inevitable, you know, that our tax table is going to move under Maryland

law, something that the Governor was able to step in and do by executive order is hold employers harmless for their experience rating layoffs during the pandemic. So while within a table an employer without this action has a much higher rate within that table for layoffs due to, you know, potentially no fault of their own during the pandemic, they will now get to carry forward their previous year's experience rating and be charged at that lower rate and not be charged for any of the pandemic layoffs.

COMPTROLLER FRANCHOT: Excellent. And this is not within your purview, but I'm thinking about some form of forbearance for small businesses as far as some of the business taxes at the State level that they have to pay monthly. We had a lot of luck last time with the forbearance on the income side that we worked with the IRS on, most, we didn't lose any revenue, we simply postponed it for 90 days. So I am taking a look at that, just to further assist your efforts, I guess, on the small business survival, I call it. We want you to come, we want you to have your doors open when the vaccines finally get us back to somewhat normal. So thank you for --

MS. ROBINSON: Thank you for that. I would only add, Mr. Comptroller, that we also are offering payment plans for all of those small businesses that need our assistance as the rates are being, you know, sent to them for 2021.

COMPTROLLER FRANCHOT: Excellent. Thank you, Governor.

GOVERNOR HOGAN: Thank you. Thank you, Madam Secretary.

Mr. Secretary.

MS. ROBINSON: Thank you.

GOVERNOR HOGAN: Any questions on the DGS Agenda? Any further questions? Or is there a motion?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Three-nothing. And that really concludes the year, concludes the meeting. I just want to wish everybody a Merry Christmas and Happy Hanukkah. And here's to a healthy and happy 2021. Thank you.

TREASURER KOPP: Thank you.

COMPTROLLER FRANCHOT: Absolutely. Happy Holidays.

(Whereupon, at 11:46 a.m., the meeting was concluded.)