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*STATE OF MARYLAND*  
**BOARD OF PUBLIC WORKS**  
*ANNAPOLIS, MARYLAND*

**February 10, 2021**  
**10:07 a.m.**

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# PRESENT

**HONORABLE BOYD RUTHERFORD**

Lieutenant Governor

**HONORABLE NANCY KOPP**

Treasurer

**HONORABLE PETER FRANCHOT**

Comptroller

**JOHN GONTRUM**

Secretary, Board of Public Works

**NELSON REICHART**

Deputy Secretary, Department of General Services

**DAVID BRINKLEY**

Secretary, Department of Budget and Management

**GREG SLATER**

Secretary, Department of Transportation

**JEANNIE HADDAWAY-RICCIO**

Secretary, Department of Natural Resources

**MIKE LEAHY**

Secretary, Department of Information Technology

**JIMMY RHEE**

Special Secretary

Office of Small, Minority and Women Business Affairs

**LISA GRIGSBY**

Recording Secretary, Board of Public Works

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# PROCEEDINGS

LIEUTENANT GOVERNOR RUTHERFORD: Well, good morning, everyone. Thanks for being here this morning. The Comptroller had a long ride, I understand, but I'm glad that he made it here safe and sound like everyone else.

So the last time we were together, unfortunately it was a day, to quote FDR, was "a day that will live in infamy." It was January 6th, which was the date of the Capitol insurrection was unfolding, mostly I guess as we were ending the Board of Public Works meeting. You know, it of course was, you know, extremely troubling is really a light word. It seemed like we were taking part in some dystopian novel of some sort. But we're moving forward.

We have, we still have challenging days ahead of us, particularly as it relates to this pandemic that we're still confronting. And you know, I think the fact that here in Maryland, we're starting off strong. We still have those challenges, as I mentioned, getting people vaccinated. We've opened up additional sites. The Governor announced last week that we have started opening regional mass vaccine sites, starting with Six Flags in Prince George's County and the Baltimore Convention Center with the plan to move to M&T Stadium in Baltimore very soon, as well as plans for Western Maryland, Southern Maryland, and the Eastern Shore.

And I just want to point out that these sites will be receiving their allocations. It won't be taking away from the allocations that are going to providers.

And really just to clarify something, there are a lot of people that, I know you all don't, are aware, but a lot of people think that the State is sitting on this warehouse of vaccines and is just doling them out. The vaccines are directly shipped from the manufacturer or their distributor to hospitals, to county health, county and Baltimore City health departments, to CVS and Walgreen's as part of their federal contract to go to the nursing homes, and now recently to Giant, Safeway, and Walmart, and Rite-Aid very soon, to help in further distribution outlets for getting vaccines to the priority groups. So everything that has been allocated to the State has been distributed to those outlets for them to start, not start, but to continue to provide vaccines to individuals. And to date, over 700,000 Marylanders have received vaccines, either the first or the second dose of the vaccines. Last check, and I didn't check this morning, we were over eight percent of our population, close to nine percent of our population has been vaccinated. We're on average doing about 25,000 vaccinations a day.

Now the challenge, of course, is the amount of allocation that we actually get. We are getting about 11,000 vaccines a day. And as I just mentioned, we're doing about 25,000 a day. We will be receiving more vaccines. The Biden administration, Biden-Harris administration has promised additional vaccines, so

we expect to be receiving more vaccines and will be able to meet some of the demand.

But the big challenge is, currently 2 million Marylanders fit the priority category for getting vaccines. And as I just said, we've done 700,000. And so there's going to be a gap. And we asked, you know, people to be patient as we roll this out. As the Governor mentioned, I think he mentioned it yesterday, what we have been trying to do is to build the infrastructure in place so that as we do get more vaccines, there will be more outlets for people to get the vaccines.

We're also, you know, we're very conscious and working with communities, particularly minority communities that may be concerned about the vaccine and a little resistant to the idea. And so we asked General Birkhead from the National Guard to head our Racial Equity Task Force. We've also been working with some of the pharmacy partners to partner with the faith communities, particularly in Baltimore City, Prince George's and Montgomery County, to potentially serve as community vaccination sites. We're hoping to open up a couple of those next week, where you would have trusted voices there in the community, voices that people trust to encourage community members to get the vaccine. And we're very hopeful that there will be new vaccines coming down the pike. I know the Johnson & Johnson product is in for consideration now with the FDA and

hopefully in the coming weeks it will be distributed. That will be a game-changer and very helpful to all of us.

So, you know, moving, you know, the vaccines out is going to continue to be a challenge and that is why we have engaged the National Guard. They are really in the business of logistics, and so making sure that we get people vaccinated. I had the opportunity to go to Six Flags over the weekend and I took some of those trusted voices with me so that they could get that information out to the community, that it is safe, it is effective, and it is really our only way to get beyond this pandemic.

And so I want to end just on a positive note. And that is, not that what I was just saying was negative, that in terms of the infection in the State, our seven-day average positivity rate is down to 5.32 percent. Hospitalizations related to COVID are now below 1,300. We're trending down in terms of new infections, trending down in terms of hospitalizations. So it, you know, we're moving in the right direction and I think a lot of it is due to the fact that Marylanders, probably more so than a number of other places, are really adhering to the physical distancing, the wearing the mask, washing your darn hands -- I know the Governor would use different language, but I don't. Not in public at least. So you know, I think that, you know, we really should congratulate all of our fellow Marylanders for what they are doing to try to address this pandemic. And we're again working



very hard to get vaccines out the door, getting shots in the arms of Marylanders as quickly as possible. But we do ask for people to be patient and also continue to exercise those hygiene requirements to keep the pandemic at bay.

Lastly, with regard to the vaccines, one thing that has not been said I don't think enough is that when you get the vaccine, you don't start getting any protections for another ten days to two weeks. And so I've heard anecdotally, you've heard from people to say, oh, I got the vaccine, I'm in good shape. Well, it's basically still in your arm. So it takes some time for your body to develop those antibodies that then start to provide you the protections. So, you know, let's continue to work at reducing the pandemic and stay safe. And with that, I'll turn it over to the Treasurer.

TREASURER KOPP: Thank you, Governor. It's good to be here. I appreciate all you've said. I know that we are dependent on the companies and on the federal government and that the supplies are coming slowly and in insufficient numbers. I mean, there is no question about that. I don't think people are hiding big amounts of vaccine away from other people. I think everyone is operating with the best of intentions. But I do have to say, I think the confusion leads to frustration and anger, and the assumption that somehow things are not going right intentionally. And I certainly join you in saying I think that everyone has the best of intentions. We're rolling the shots out. But to have the Secretary of

Health say people should sign up for multiple entries and know that in fact that's probably true because of the confusion, because there's not one place to sign up, and there's not one clear pipeline of distribution, I think is doing significant harm. And I would just urge you -- I know the Legislature is involved in this. I'm standing back. This is not the State Treasurer's function. But as someone who quite candidly is closely related to older people who are very concerned, they are concerned not so much about, they are well enough off to be able to stay home, work from home, that's okay. But to have the feeling that there is an incoherence, that there is not clarity about when you are going to get a shot. And Governor, I know this wasn't your policy, but to tell people, when you haven't done the teachers, you haven't done the people in the front line, you haven't done the people over 75, then all of a sudden everybody over 65 should be getting it too, and have them feel that somehow when they are not getting it it's because people don't want them to, that's the situation I think that we are in in many parts of this State. And just some clarity from the top I think would be extremely helpful. That's one thing.

The other thing I was going to mention, I had forgotten the last time we were here, was January 6th, how interesting and ironic that in that Capitol today we are coming to terms nationally with the constitutional implications of that insurrection caused, I believe, by a former President of the United States. And I know that we will be leaving this meeting and flipping on the televisions and the

computers to see how our Congress and our Senate deal with this issue. And with that, Comptroller?

COMPTROLLER FRANCHOT: Well, on that happy, note, yes. And I want to join the Treasurer also and the Lieutenant Governor in mentioning January 6th. Because obviously I'm very proud right now as a Marylander to see Congressman Raskin, one of our own representatives, deliver --

TREASURER KOPP: And former State Senator.

COMPTROLLER FRANCHOT: What?

TREASURER KOPP: And former State Senator. Former --

COMPTROLLER FRANCHOT: And former State Senator, and neighbor of mine in Takoma Park, Maryland. And he obviously is on the front page of the *New York Times* and all the major newspapers for standing up and speaking truth to power.

I also want to recognize Governor Hogan and Lieutenant Governor Rutherford because they have consistently said the election was not stolen, the election was fair, the election was democratic. Sure, it was close, but guess what? Somebody won. His name is Joe Biden. And unfortunately the big lie that the election was "stolen" has created this violence at the Capitol and all sorts of constitutional and, you know, just democratic civility problems all over the country. And I'm very proud of Jamie Raskin, but I'm also proud frankly as a Democrat I

can stand up and say whatever I want about Donald Trump. It's harder for Republicans. And frankly, I applaud the example of the Governor and the Lieutenant Governor and urge them to continue that. Because until we are able to say, guess what, this was a big lie --

LIEUTENANT GOVERNOR RUTHERFORD: Mm-hmm.

COMPTROLLER FRANCHOT: -- like it was somehow, I mean, I just can't believe the conspiracy theories out there. So --

LIEUTENANT GOVERNOR RUTHERFORD: Can I interrupt you for just a second on that?

COMPTROLLER FRANCHOT: Boyd, go ahead.

LIEUTENANT GOVERNOR RUTHERFORD: You know, social media is, you know, a plus and a minus. But every now and then, and probably you don't do this and my staff tells me not to do it, I do respond to people on social media.

COMPTROLLER FRANCHOT: No, that's a bad idea.

LIEUTENANT GOVERNOR RUTHERFORD: I know. I know. And even my family tells me it's a bad idea. But one gentleman was, you know, sent something to me and the Governor about it was stolen and this, that, all these conspiracy theories. And I sent back in a very pleasant way of saying that, you know, there's no evidence of, you know, overwhelming, you know, widespread

voter fraud. The courts that have, you know, looked at the claims, both legal and fantasy claims, have thrown them out and many of those judges were judges appointed by the then President Trump or previous Republican judges who also found that these were invalid claims. I said, now, could there have been some fraud in some little areas? Probably small, but mostly probably just honest mistakes that were made. But nothing to overturn an election or the results in any individual state. And so then the person responded with, okay, roger that. Let's move on. So sometimes you have a reasonable crazy person out there who, you know, they spout off things and then when you respond to them, you know, in a calm way, they come back and say, okay, maybe you're right. Okay. I'll turn that channel off and stop looking at these conspiracy theories. So thanks, and sorry for, and letting me interrupt you. Continue.

COMPTROLLER FRANCHOT: Yeah, no, I'm delighted --

TREASURER KOPP: You're good at that, Governor, the calm response. I appreciate it. And I just want to align myself with Peter about our Jamie Raskin and the fact that we're very proud to live --

LIEUTENANT GOVERNOR RUTHERFORD: Yes.

TREASURER KOPP: -- in Maryland and very fortunate to live in Maryland.

COMPTROLLER FRANCHOT: I have a very brief statement about the fact that I've been banging the table for some time to try to get \$2,000 cash payments to 463,000 low wage earning Maryland families that have one or more dependent children. I did not include in my proposal adults who don't have kids, because I think the main focus for these folks that are unemployed, have no money to buy food, have no money to buy medicine, have no money to pay their rent, and I'm talking 463,000 low wage earning families that earn less than \$50,000 a year. And I've urged that we go big and have a \$2,000 payment and I'm going to continue to do that because these folks now are standing out in the cold trying to get boxes of free food. Close to my house, frankly, in Takoma Park yesterday there were hundreds. And I just thought, you know, it would be so much more dignified and less humiliating for these wonderful families if we could just give them some cash and tell them to go into the grocery store and buy their own food. And obviously, that has not happened recently with the federal Congress that we're constantly saying, maybe they will do it.

I know there is a Relief Act that I think now is up to about \$1.5 billion that's making it through the Legislature here in Annapolis. But in my humble opinion, I think the amounts that we are giving after all of the hue and cry are just incredibly inadequate and low. And I've spoken to these struggling Marylanders who have been unemployed. They are standing in long lines at these

food distribution sites. It's not a good situation for the richest state in the richest country in the history of the world. And these folks are good people who work. They just through no fault of their own, they have zeroed out whatever they have. They're not like the -- this is one-third of our State. The other two-thirds are people like, Boyd, you and me and the Treasurer and others, who can work remotely, and we have money in the bank, and we get paid. And yes, it's mind-boggling stir crazy that we all are, but we're okay, two-thirds of us. And the State is okay as long as we get another stimulus plan. These one-third of our, you know, 463,000 families, they are not okay. And a \$300 payment or a \$150 payment doesn't really make a dent in the thousands of dollars of debt that they have accrued and accumulated over the last ten or 11 months. And this refrain that I hear over and over again in Maryland is, well, Congress will get it done. Frankly, I think it's a false hope right now and there's a lot of dysfunction still in Washington. And you know, there's kind of a glacial pace of maybe in February, maybe in March, to the congressional legislative process.

So I continue to believe that we in Maryland have an opportunity and a responsibility to do the right thing by these wonderful constituents of ours, who have faithfully paid their fair share in taxes and they desperately need our help. We have an opportunity to deliver real meaningful relief instead of, and I don't want to get too adversarial here, but you know, basically these are meager payments

that are going to kind of trickle down to these folks. I hope that what we can do is more support, going big on a one-time only basis. I think that's more fiscally responsible, economically responsible, morally responsible. And I think the livelihoods of millions of Marylanders and small businesses, because we advocate \$250 million going directly to small businesses.

Once again, I don't emphasize that what the Legislature and the Governor are doing is completely without meaning. I'm just saying it's not up to the scale of the suffering that's going on out there right now. And I particularly am concerned about low wage earning families with one or more dependent children. I think that's what we need to focus on. Because you know it's not the adult's fault that they are in this situation, and we darn well know it's not the kids' fault. And so thank you for letting me say that and I'm going to continue to beat the drum in my role as Comptroller to say I think this is something we need to continue to add support to. Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: Thank you. Okay.

The Secretary's Agenda, John Gontrum?

SECRETARY GONTRUM: Hi, good morning, Governor, Madam Treasurer, Mr. Comptroller. There are 14 items on the Secretary's Agenda this morning and two reports of emergency procurement. I'm withdrawing Item 14 at the request of the department. I'm happy to assist with answering any questions.

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LIEUTENANT GOVERNOR RUTHERFORD: Okay. Madam Treasurer, I think you wanted to speak about the first item?

TREASURER KOPP: Well or --

LIEUTENANT GOVERNOR RUTHERFORD: Or maybe not. I don't --

TREASURER KOPP: Well, I will point out that the first item is approval of a bond sale which will take place in about two weeks at the next meeting, around \$475 million. It will be very interesting to see, Governor, how the bids come in, because I think we are once again in an historically low interest rate environment. And I hope that this means that we will be able to build our schools and State facilities at a very efficient cost, which will be good.

LIEUTENANT GOVERNOR RUTHERFORD: Yes.

TREASURER KOPP: But yes, this asks the approval of the Board of Public Works to go forward with this bond sale in two weeks in two series, some tax-exempt, some taxable. As you know, a small amount of our debt has to be taxable because it doesn't meet all the IRS requirements for tax exemption. And just a wonkish thing, one of the interesting things will be to see what the difference in interest rates --

LIEUTENANT GOVERNOR RUTHERFORD: Yes.

TREASURER KOPP: -- in fact is between tax and tax-exempt, since we believe a lot of people want to invest in Maryland bonds. And the gap there between those two may in fact be lower than usual. It will be interesting to see.

LIEUTENANT GOVERNOR RUTHERFORD: Okay.

TREASURER KOPP: But that's what Item 1 is.

LIEUTENANT GOVERNOR RUTHERFORD: I will say in full disclosure, my mother invests in tax free Maryland bonds herself.

TREASURER KOPP: Very good, conservative investment. You know you will be paid in full and on time.

LIEUTENANT GOVERNOR RUTHERFORD: Right.

COMPTROLLER FRANCHOT: Well, we also know we're going to get a AAA bond rating because the Treasurer and the team does a very good job. Maybe there will be, the interest rate will be zero. That's where we're headed.

TREASURER KOPP: Well we hope --

COMPTROLLER FRANCHOT: Or close to it. Because we're such a great state. But --

TREASURER KOPP: Well --

LIEUTENANT GOVERNOR RUTHERFORD: The only challenge with that is those bond holders and investors --

TREASURER KOPP: -- and zero is not --

COMPTROLLER FRANCHOT: Yeah.

TREASURER KOPP: But let me just say for a second, the Comptroller mentions the ratings. We will be getting the ratings we hope in a week. We did meet Monday with all of the rating agencies and I have to say the Comptroller was very strongly represented by Andy Schaufele, the Chief of the Bureau of Revenue Estimates, who did a terrific job just laying out what Maryland's financial situation is. And I thank him for that. And the representatives from the Governor's Department of Budget and Management, and from the Legislature as well. And our fine folks in the State Treasurer's Office.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Very good.

COMPTROLLER FRANCHOT: I have a question about Item A1 if, unless you want to continue to add to your item, Madam Treasurer, A1 and A2.

TREASURER KOPP: It wasn't my idea in the first place.

LIEUTENANT GOVERNOR RUTHERFORD: I'm sorry I put you out there. That's the Department of Transportation?

SECRETARY GONTRUM: A1 and A2 are -- yes, exactly, Governor. They are emergency reports from the Department of Transportation. We have Secretary Slater, Administrator Kevin Quinn, Mr. William Parham, and Mr. Matthew Pollock available to address the emergency reports.

COMPTROLLER FRANCHOT: Okay. So thank you very much for letting me just make an inquiry here. Item A1 is a \$2.5 million award for construction site maintenance services. This is in relation to the PLTC for the development of the Purple Line Transit in the Washington area. Item A2 really caught my attention because it's a \$59 million award for insurance broker services. Both of these items were single bids. It's more or less \$61 million in emergency contracts that were procured right around the same time this Board approved a separate \$250 million Purple Line settlement. And I didn't, I don't recall any mention that we were going to see something like this. And I'm wondering if this, particularly the \$59 million in the insurance broker services awarded by a single bid, I wonder if that was an unanticipated cost, Mr. Secretary? Or what, how did that not get included the last time we looked at this project?

MR. SLATER: Sure --

TREASURER KOPP: Comptroller, Mr. Secretary, could I intervene just for a moment to ask you if in the process of answering this question, you could just very briefly bring us up to date where we are with the Purple Line?

MR. SLATER: Absolutely. Let me kind of start with the questions. For the record, my name is Greg Slater, Secretary of the Maryland Department of Transportation.

The unanticipated nature of those construction costs were in the middle of our negotiations and we started to take over the contracts themselves, we needed to have insurance coverage. That was a cost that we were paying to PLTC at that point, so it's not an added cost. It's just us paying it versus them paying it and then us kind of paying them.

What we did, because we were, we certainly didn't have any real understanding as to whether we were going to reach settlement or not at that point, we went ahead and procured the insurance for the duration of the construction. So we will hold that and not have to pay that to a new contractor that comes in.

COMPTROLLER FRANCHOT: Excellent.

MR. SLATER: And then, Madam Treasurer, related to your question, so we have received a lot of interest. We are working through with several teams right now that are going through what I'll call their due diligence process, where they are coming in and they are looking at the construction that's out there today, they are asking some questions. And then we anticipate getting this contract out with the RFP out relatively shortly as we work through the RFQ process.

COMPTROLLER FRANCHOT: I would move approval, Lieutenant Governor, unless you have other items.

LIEUTENANT GOVERNOR RUTHERFORD: Yeah, I just have one question. It has to do with Item 3, the PAAR reports. And I think you have Mr. Gleason on the line?

SECRETARY GONTRUM: Correct, Governor. Mr. Gleason, are you able to address the Department of General Services PAAR report?

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Maybe we lost him, maybe he went to the -- oh, there he is. Oh.

MR. GLEASON: Well, there's a lot of buttons here and I pushed the wrong one and that sent me into a rabbit hole. My apologies. So the PAAR reports --

LIEUTENANT GOVERNOR RUTHERFORD: Well, introduce yourself first.

MR. GLEASON: Yes, good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, Bob Gleason, Chief Procurement Officer, Executive Manager with the Department of General Services for the Office of State Procurement.

So to the question on the PAAR reports, our staff has talked with the Board's staff and we are in the process, we have a plan of being caught up. We had, as you know, sort of a confluence of three major challenges over this past year. Certainly, first and foremost was COVID and the pandemic and all hands

responding to that. In addition, we were still transforming, reorganizing, mashing together three different agencies into a common operating model under the Department of General Services, which was a significant change. No additional PINs or budget came with that, so it was essentially a repurposing of existing positions, essentially a cannibalization of existing resources to be able to handle new duties and responsibilities. For example, the Maryland Procurement Academy, which we have now certified over 40 procurement officers in the State in addition to training several hundred people on the use of eMMA,, E-Maryland Marketplace Advantage, which was the second challenge that we had, or actually the third challenge after the pandemic and the reorganization. So we have the --

LIEUTENANT GOVERNOR RUTHERFORD: Let me just, you know, cut more to the chase.

MR. GLEASON: Yes, sir.

LIEUTENANT GOVERNOR RUTHERFORD: You know, the main thing that I was just going to ask is whether you've put in place any procedures to make sure we don't have this situation going forward, where PAAR reports are, you know, missing from two years ago, close to three.

MR. GLEASON: Yes, sir.

LIEUTENANT GOVERNOR RUTHERFORD: So --

MR. GLEASON: We have a plan. We're in a hole and we're digging our way out of it now. We're going to be able to produce several reports each month. We hope to get caught up here in the next six to eight months with the staff that we have. In addition to that, we've got the eMMA platform that we will be able to produce the PAAR reports. There's actually going to be a, February 25th we will have the system provide a report. It will be on demand. It will actually be able to be accessed by the Board staff as well as the Office of State Procurement staff. So we're trying to leverage the technology to collect, aggregate, and report the data in a way that will meet the Board's needs. But we won't have that until February 25th. We had one of our staff take a peek at it I think yesterday. And they said that they were very excited at what it looked like and what it's going to be able to do.

So previously it has been a very manually driven process so we hope to be able to automate that through the system. That's our goal and that's what we're driving towards. I hope that addresses your question.

LIEUTENANT GOVERNOR RUTHERFORD: Bob, so for the PAARs that will be due on a monthly basis, are you able to produce those through eMMA now? Or are you still working on that?

MR. GLEASON: I don't believe we will be able to do all of that through eMMA. We can only go back so far with the data --



LIEUTENANT GOVERNOR RUTHERFORD: No, I'm saying that, you know, on a monthly basis. I mean, there are two things and I'm separating them. You have the backlog going back to '18 that needs to be submitted. That's going to have to probably be a manual process and I know it's going to take time.

MR. GLEASON: Correct.

LIEUTENANT GOVERNOR RUTHERFORD: But as we move forward from today, for the current, are you able to do current PAAR reports through eMMA the way it is configured now?

MR. GLEASON: Governor, I don't have the answer to that question. I believe the answer is yes. We have Mike Haifley on the line, who might know a little bit better as to whether or not we'll actually be able to do it in the way that you suggest. But I don't have that answer. I can get back to you, of course.

LIEUTENANT GOVERNOR RUTHERFORD: No, I think you can get back to the Board on that. And all of us. I know I'm particularly interested, because I think you could, just not knowing the system, I would think that since part of it is manual and you're going to have to do the manual back period going back, that's going to take you six months to get that up to date. But from this point on, if it's automated, if eMMA is able to do that, you should be able to give us the current ones. So that --

MR. GLEASON: Yes --

LIEUTENANT GOVERNOR RUTHERFORD: -- you're not constantly, you know, building your backlog as you move along. That we get --

MR. GLEASON: Correct.

LIEUTENANT GOVERNOR RUTHERFORD: -- six months from now, you've taken care of '18, but now 2021, there's a backlog. So we need to be current while we're catching up with the backlog.

MR. GLEASON: You're exactly right, Governor.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Yeah. Well, get back to us on that, unless the Treasurer or the Comptroller have any questions on that.

TREASURER KOPP: No, but I have a request for John, actually, at this point. Mr. Gleason, you may want to hear. Could you furnish us with a list, or whatever format you want to use, of what comes to us on the PAARs and what analogous types of contracts throughout the State do not come to us? Are not covered by the PAARs?

SECRETARY GONTRUM: I'm certainly happy to, Madam Treasurer. If you have a couple of seconds, we can have the State's Procurement Advisor Gabe Gnall provide a really brief overview of exactly that information.

TREASURER KOPP: It's up to my colleagues.

LIEUTENANT GOVERNOR RUTHERFORD: I'm always willing to listen to procurement information.

COMPTROLLER FRANCHOT: Did I hear the word brief?

(Laughter.)

TREASURER KOPP: You heard them.

SECRETARY GONTRUM: Mr. Gnall, are you available?

MR. GNALL: I am. Thank you. Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, Gabe Gnall, Procurement Advisor to the Board. I'll be brief.

The PAAR reports include all procurement contracts in excess of \$50,000, which is the small procurement threshold, but underneath the Board of Public Works delegations. For example, we see the Board of Public Works sees competitive procurements over \$200,000. So anything less than \$200,000 and over \$50,000 will be reported to the PAAR for competitive procurements. Likewise, we see renewal options and modifications that do not come to the Board but are again over \$50,000. So those are the types of items that are included on the PAARs. We also see cancellations of procurements. Those are reported on the PAARs as well.

TREASURER KOPP: So everything between \$50,000 and \$100,000 --

LIEUTENANT GOVERNOR RUTHERFORD: \$200,000.

MR. GNALL: \$200,000.

TREASURER KOPP: -- \$200,000, I mean, I'm sorry, should appear on the PAARs report? All --

MR. GNALL: Correct. \$200,000 for competitive procurements, but \$50,000 to \$100,000 for sole sources because sole sources over \$100,000 come before the Board.

TREASURER KOPP: So there aren't any procurements either sole source or competitive that don't appear before the Board of Public Works for approval or on a PAARs report, is that what you are saying? Because that was not my understanding.

LIEUTENANT GOVERNOR RUTHERFORD: The previous PAARs still had task orders and Gabe you can correct me. When we changed that requirement, the task orders over \$200,000 have to come to the Board.

MR. GNALL: Correct, Governor. That was an exception. So we requested from the Department of Information Technology task orders over \$200,000 before we created a regulation requiring those task orders to come before the Board for approval. So that went into effect in early 2019, that regulation.

TREASURER KOPP: Right.

MR. GNALL: So prior to that, task orders over \$200,000 are also reported to the Board.

LIEUTENANT GOVERNOR RUTHERFORD: So -- yes.

TREASURER KOPP: But everything between \$50,000 and \$200,000 --

MR. GNALL: Will be on the PAAR. Anything that does not come before the Board as an Agenda item over \$50,000 will be reported on the PAAR.

TREASURER KOPP: Okay.

MR. GLEASON: And Gabe, these are activity reports, correct?

MR. GNALL: Yes. The PAAR stands for Procurement Agency Activity Reports. And it's a requirement in regulation, and again the requirement is to provide these for the previous calendar month or not previously reported.

MR. GLEASON: And these are unlike the Agenda items that are for approval, correct?

MR. GNALL: Well, they do come before the Board as an item. Again, the current Agenda has an item on the Agenda, the Secretary's Agenda, with two PAARs on it for approval.

SECRETARY GONTRUM: They don't require Board approval prior to execution, though. That is correct.

MR. GNALL: Right.

SECRETARY GONTRUM: That is correct. They are after the fact reports.

LIEUTENANT GOVERNOR RUTHERFORD: Alright. Thank you. And I saw the Comptroller stand up, which is the signal --

(Laughter.)

TREASURER KOPP: Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Yeah, we could go on talking about the PAAR reports if --

TREASURER KOPP: Well we just, I just wanted to make sure because questions have been raised that everything is potentially in the light of day. That there aren't things between, there's nothing between \$50,000 and \$200,000 that the public doesn't have easy access to.

MR. GLEASON: And there is nothing that the public couldn't ask of us at any time anyway that we wouldn't be able to provide to them for any transaction, any procurement, any contract.

TREASURER KOPP: Yes. But here it's normal, you can go to it, you can -- great, thank you.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Any other questions on the Secretary's Agenda?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

LIEUTENANT GOVERNOR RUTHRFORD: We're all in favor. Thank you, Secretary Gontrum. Department of Natural Resources?

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 ten items on our Real Property Agenda today for which we are seeking approval and we are happy to answer any questions that you may have.

LIEUTENANT GOVERNOR RUTHERFORD: Well, it's good to see Program Open Space utilization in Edmonston, the little town in Prince George's County. Also, I see the purchase of property that's going to be near the Elk Neck State Park, which we have both been to but you have probably been there more often than I have. So I don't have any questions. I just wanted to point out a few that continue to do the good work.

You could maybe talk about the fact that the visitations in the State Parks last year broke all records.

MS. HADDAWAY-RICCIO: Yes, sir. Thank you very much, Governor. As we have talked about before, visitation was exceeding records and expectations. And when all was said and done, and we finished the year 2020, we ended up with 21.5 million visitors to our 75 Maryland State Parks. That is a large increase of over the last record, which was about 14.9 million visitors. And you

know, again, just a shout out to all of our staff who work so hard and thank you, Governor, for all the attention and focus that you have brought to the wonderful assets that we have in our State lands portfolio.

LIEUTENANT GOVERNOR RUTHERFORD: Yes. Okay. I would like to take credit for that increase, but I think a little thing called coronavirus is probably the main attraction there.

MS. HADDAWAY-RICCIO: Yes. The weather and the pandemic definitely helped propel the visitation increase, for sure.

LIEUTENANT GOVERNOR RUTHERFORD: Yes. Well, we've been out there in rain and snow and sleet, to the parks, particularly on the First Day Hike. So thank you.

MS. HADDAWAY-RICCIO: Yes.

LIEUTENANT GOVERNOR RUTHERFORD: Any other questions on Department of Natural Resources?

COMPTROLLER FRANCHOT: I would move approval, if the Treasurer --

TREASURER KOPP: Second.

LIEUTENANT GOVERNOR RUTHERFORD: Okay.

TREASURER KOPP: Great projects.



LIEUTENANT GOVERNOR RUTHERFORD: Well, I think we're all in agreement. Thank you, Madam Secretary.

MS. HADDAWAY-RICCIO: Thank you very much.

LIEUTENANT GOVERNOR RUTHERFORD: University System of Maryland.

MR. HICKEY: Good morning, Governor, Madam Treasurer, Mr. Comptroller. Tom Hickey representing University System of Maryland. We have two items today for your consideration and we're happy to answer any questions you may have.

LIEUTENANT GOVERNOR RUTHERFORD: I don't.

COMPTROLLER FRANCHOT: I just have a comment, Lieutenant Governor. I was on the phone the other day with the Eastern Shore higher education institutions, just touching base with them to see how they are faring during this pandemic. And Salisbury University was on the call and they spoke about how they have been doing something very innovative, I thought, which is pairing their professors, who often in the liberal arts are not particularly technology savvy, with other professors, who are the IT type professors. And they get them, they help each other get signed up for these vaccinations, that as you know are, as the Treasurer commented, they are in hot competition. So it has proven to be a very successful program at Salisbury. And they are now looking to partner with the local health

department to expand the idea and connect students with senior citizens who are not particularly as fluent on technology as the younger folks to ensure that some or most of the vulnerable population is registered to be vaccinated. And so I'm very appreciative of Salisbury University. And I'm also aware that the digital divide has been made glaringly obvious during the pandemic, not just here but everywhere around the State in urban areas and rural areas. But I want to congratulate Salisbury on thinking outside the box and I'd like to obviously encourage the Department of Health and local jurisdictions to explore replicating this model of young people assisting older people who may be experiencing challenges with the web-based appointment scheduling system. And maybe they can come help me with my remote on my TV, too.

LIEUTENANT GOVERNOR RUTHERFORD: Well --

COMPTROLLER FRANCHOT: -- I thought it was worth drawing attention to.

LIEUTENANT GOVERNOR RUTHERFORD: No, and thank you for doing that. One of the things that we're working on, particularly in Baltimore City, is one of the local churches has a chapter of Girls Who Code. And so we are working with them to get the girls, the chapter of Girls Who Code to work with some of the seniors in the community in getting them online and to get signed up for vaccines. Because that is one of the gaps in our system, which I've talked about

for a while here on the second floor, is that not everyone is digitally competent, you know, nor do they have necessarily the time to go in and, you know, go back every hour or every day looking for a place that's convenient where they can get the vaccine. So we're working with that local church that has that chapter to work with their young ladies who can help some of the people in the community get online. So, you know, a similar concept of what Salisbury is doing and trying to do. And so we're pushing our Health Department to also, you know, think a little bit out of the box.

Because, you know, and just, I'm going to make a general statement and it's not to diminish any of the health departments, counties as well as our State. But this is, you know, unprecedented. And the health departments are not quite used to logistics, and that's why we have the National Guard involved. You know, their, you know, the flu shots have gone out to, you know, primary, regular, seasonal flu, you know, go to primary care doctors. It comes out, it's a routine, it goes every year. And there is a sign up process to do that. This is very different and very new. And so it does require that some of us who are not in the healthcare business but just thinking practically and aware of organizations in the community, and like what Salisbury is doing, thinking practically to be able to present these ideas to our health officials to say, okay, this is an avenue to reach those people that, you know, you may not be thinking of with an online registration system. And

also when you have hesitancy in some communities as well, to have younger people trying to protect their parents and grandparents. So I know we're off topic. But thank you.

TREASURER KOPP: Governor, since you did say that, could I say, Girls Who Code is a wonderful organization.

LIEUTENANT GOVERNOR RUTHERFORD: Absolutely.

TREASURER KOPP: And if there is some way that you and the Governor and the Mayor and others could let the State know and the country know what this organization, those girls are doing, I think that in and of itself would be a very good public move.

LIEUTENANT GOVERNOR RUTHERFORD: Well, we are reaching out to the national Girls Who Code. Once we started talking to the local chapter and the pastor who has that chapter with his church, is that we said, you know, when I started talking to the people here on the second floor, they started reaching out to the national chapter. Because they were involved in the program a couple of years ago that got more computer training in the schools.

TREASURER KOPP: Right.

LIEUTENANT GOVERNOR RUTHERFORD: Girls Who Code were part of that effort. And so they are reaching out to the national chapter to, you

know, tell them what we're trying to do here and to possibly engage the other chapters to work in their local communities.

TREASURER KOPP: I bet you will get more and more young women interested in the whole area if they know that this is one great practical way they can put their skills to use to help the community.

LIEUTENANT GOVERNOR RUTHERFORD: Yes, practical. Very good.

COMPTROLLER FRANCHOT: Tom, have we said enough nice things about your calendar? Have we said enough things about your institutions?

MR. HICKEY: Thank you.

COMPTROLLER FRANCHOT: I would move approval, unless there are things that --

LIEUTENANT GOVERNOR RUTHERFORD: No.

TREASURER KOPP: Second.

LIEUTENANT GOVERNOR RUTHERFORD: Thank you. Thank you. And --

MR. HICKEY: Thank you very much.

LIEUTENANT GOVERNOR RUTHERFORD: -- my youngest child, youngest daughter is a graduate of Salisbury University, once known as Salisbury State University.

COMPTROLLER FRANCHOT: Excellent.

TREASURER KOPP: It once was Salisbury State Teachers College, actually.

LIEUTENANT GOVERNOR RUTHERFORD: Oh yes? Good.

TREASURER KOPP: And then Salisbury State College, and then Salisbury State University.

LIEUTENANT GOVERNOR RUTHERFORD: Yes. Very good school.

TREASURER KOPP: Interesting little tidbit --

LIEUTENANT GOVERNOR RUTHERFORD: Yes. Wow. Okay. Department of Transportation is next on our Agenda.

COMPTROLLER FRANCHOT: Could I just start with an item, I see Secretary Slater is here but I notice some people are signed up and I think I have an alternative to us perhaps spending a tremendous amount of time on Agenda Item 1, if I could just make a brief statement, Lieutenant Governor and Treasurer Kopp. And I'm not opposed to people getting up and speaking.

But this item is particularly of interest to me because it's a request from the Maryland Aviation Administration to retroactively approve nine months of initial rent relief and continued rent relief for Fraport, the BWI Airport

concession developer, as well as approve an additional one-year extension on their lease due to the pandemic. I want to just make a couple of comments here.

I am a huge fan of this unbelievable jewel of a State asset, which is the BWI Airport. Most of the airports around the country are owned by municipalities. Ours is owned by the State of Maryland and it is an absolute prize asset, I believe, for the State. I'd like to thank Director Smith for the tremendous job that he does as the Executive Director of the MAA in leading the Airport during these unprecedented times. We have always had record-breaking performances at BWI Marshall. They continue. They are solidifying the Airport as a regional and national leader, as well as a critical component of the State's economy, which is something that we all take immense pride in. Sometimes we forget it's a State asset.

Now, we don't need to go back and rehash the history of this contract, because it's many times over the last decade I have made the point that I believe it's in the taxpayers' best interest to test drive the marketplace by initiating a competitive bidding process for this particular contract, which is highly, highly attractive to people around the country. It's a big contract. And of course, I think the fact that our Board has always had a strong commitment to saving taxpayer money and delivering quality public services through a fair, transparent, and competitive bidding process. So we have made that over and over again over the last ten years, and obviously I am very aware of the challenging time that the

Airport and subsequent businesses at the Airport are facing right now. So I know it's in the best interests of the State to do the right thing by the Airport and obviously by the small businesses that are in there.

That said, I want to make sure that the proprietary interest that we have in this State-owned asset are protected at the Airport, which under normal circumstances is a huge revenue generator for the State. And I'd also like to get a better understanding of the CARES Act funding that MAA has received and how those funds are being spent. I believe it's in the neighborhood of \$87 million from the federal government.

So I'm just concerned that in this particular proposal we're making some significant changes. I want to make sure that we do those right and that we make sure that the Airport is protected to the extent possible and that we all have a full grasp of the changes and impacts. For example, we know that in this proposal 15 months of MAG suspension will have a fiscal impact of \$16.4 million for the State, while the impact after July 1, 2021 remains unknown.

So if it's appropriate, Lieutenant Governor, I'd feel most comfortable making a motion to defer this item until our next meeting on the 24th and would appreciate an opportunity to be briefed during the interim by Director Smith and his team on the use of the stimulus as well as updates on some of the current and future investments being made at this gem of an institution. And I



emphasize that I just want to make sure we're doing this right. And I would appreciate my colleagues allowing me to get better briefed on this. And I don't mean to short circuit the folks that want to stand up and testify, but maybe they should defer for a couple of weeks also if something actually appears as something we need to look at. I don't know whether that makes sense or whether I would have a second in that, but I would appreciate it.

TREASURER KOPP: I would second that. I appreciate the Comptroller's desire to get more information before taking action. I think it's a very important item and, as he pointed out, it's a very important asset of the State. I would be interested in the information also. I also have to say that while I am committed to helping the concessionaires, who like other small businesses are going through very, very difficult times, it would be good to get an understanding of the full State and federal package that's impacting the Airport and the concessionaires. And finally, I want to know how the people who actually work there, the employees there, are being also assisted, and not just laid off, as we propose to invest more and to make these changes.

LIEUTENANT GOVERNOR RUTHERFORD: I'm a little confused because I know the staff were all briefed back in December, the end of December about this. I'm not exactly sure what additional information, you know, would come out. I mean, this is, this is retroactive, also. So they have already

provided, you know, relief to the subtenants because the Airport, you know, has experienced a 90 percent or more reduction in traffic there, which means you don't have the personnel going in and out of the restaurants and facilities. And many of the restaurants there of course are small, locally owned businesses. I know some of the individuals who have signed up to testify are from those, you know, Maryland owned businesses, many family owned businesses, that you know, in the case of I think it's Obrycki's that was signed up, that they moved their downtown Baltimore location to the Airport. And you know, they are suffering. This is, you know, this is a COVID issue. So I'm just, I'm unsure why we're delaying and continuing to allow this retroactive contract to just hang out there while these, you know, MAA and Fraport is trying to do the best for their subtenants to keep them functioning. Many of them, and I think you might want to hear from, you know, some who unfortunately have had to lay off people. We're hopeful that the, you know, traffic will pick up. One of the, you know, the double edged sword that we have with BWI is that it doesn't have as much business travel as it does, you know, consumer travel or personal, you know, personal vacation travel. And so that's probably likely to pick up before the business travel picks up. And so it would, you know, position them a little better than some of the other airports. But still, I just, I don't understand the delay and how that's going to --

COMPTROLLER FRANCHOT: Well let me just respond quickly, because I think you would appreciate the need for some more information, Lieutenant Governor, also. This, for example, in this proposal, we're memorializing a \$16.4 million loss for the State of Maryland for the nine months in initial relief from April 2021 to June 30, 2021. But there is additional loss of revenue for continued reductions in the original minimum annual guarantee in the contract after June 20, 2021. The second cost to the State, which is our responsibility, is not projected in the Agenda. MDOT has received \$87 million in Coronavirus Aid Relief and Economic Security Act (CARES Act) funding through the Federal Aviation Administration. I mean, it's a lot of money. And all I'm suggesting is that the, that we get some additional briefing. And I don't want anybody to read into this necessarily anything other than I think it's an important State asset and we deserve to get a better briefing than we've had right now because there's lots of money involved here. And it's obviously a very substantial asset for the State that we want to protect as much as possible. So respectfully I'd just like --

LIEUTENANT GOVERNOR RUTHERFORD: Secretary Slater --

COMPTROLLER FRANCHOT: -- my motion and get a vote on it.

LIEUTENANT GOVERNOR RUTHERFORD: -- I mean, Secretary Slater, if you know, with regard to the CARES Act, it sounds like there's

maybe \$87 million that can cover the \$16 million, or even, you know, going further. So it's not, it is our money, because it's federal dollars. It comes out of our other pocket versus our State pocket. But it's not affecting the State's general fund or the Transportation Trust Fund.

COMPTROLLER FRANCHOT: I would push my motion, please. I believe it's been seconded.

TREASURER KOPP: I must say, Governor, I think that we are going to be supportive, we support BWI, we support the concessionaires, we support the employees. There is no question about that. But since this is retroactive and it's been hanging for quite a while, I would think that two weeks for the Comptroller to look at the numbers, despite the fact that our staffs might have been briefed a couple of months ago. I don't know that they were briefed on all aspects of it. That's why I'm supporting --

LIEUTENANT GOVERNOR RUTHERFORD: Okay. All right. Well, so we have people here who are ready to speak. We'll just --

TREASURER KOPP: Whatever.

LIEUTENANT GOVERNOR RUTHERFORD: -- ask that you, you know, come back and speak in two weeks. I don't think I'm going to be chairing in two weeks. I don't know. But I don't, you know, I'll talk to the Governor about it and we'll just, we'll defer this for two weeks or whenever the

next meeting is. And I hope that you get the answers that you need because I just really don't see a need to keep this hanging out there and for the businesses to be unsure. Because you know, if this doesn't go through, if for some reason there's a decision not to put it through, that money has to be called back. You know?

COMPTROLLER FRANCHOT: I think everyone has said we support the item.

TREASURER KOPP: Yes.

COMPTROLLER FRANCHOT: I mean, I don't think that's the issue. I think we're --

LIEUTENANT GOVERNOR RUTHERFORD: All right. I'm not going to belabor it.

TREASURER KOPP: And happily, happily, these folks, I hate dragging people, you know, from all over the State back to Annapolis. But in fact, we're all sitting in our homes or offices flicking the switch. So --

LIEUTENANT GOVERNOR RUTHERFORD: Right. But many of these folks are businesspeople --

TREASURER KOPP: Yes.

LIEUTENANT GOVERNOR RUTHERFORD: -- and so they could be, you know, still trying to figure out how they are going to survive --

TREASURER KOPP: Right.

LIEUTENANT GOVERNOR RUTHERFORD: -- you know, during this pandemic and, you know, trying to address the issues that they deal with. But okay. That's fine. We're going to, we'll defer this item until the very next Board meeting.

SECRETARY GONTRUM: Governor, is that a unanimous vote to defer?

LIEUTENANT GOVERNOR RUTHERFORD: No. I oppose defer, but we'll go forward with it.

SECRETARY GONTRUM: Great. Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: All right. Any other Transportation questions?

MR. SLATER: Sir, let me -- I'm not sure if I've presented the Agenda to this point yet.

LIEUTENANT GOVERNOR RUTHERFORD: Oh yeah, you probably didn't. Go ahead. I'm sorry about that.

MR. SLATER: So good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, my name is Greg Slater, Secretary of the Maryland Department of Transportation. The Maryland Department of Transportation is presenting 13 items for your consideration today. Based on the Board's recent

action, we will be deferring Item DOT 1-GM-MOD for two weeks. And we're here to answer any questions you may have.

COMPTROLLER FRANCHOT: Move approval, if appropriate.

TREASURER KOPP: Second.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. We're approving all but Item 1. You know, it's two to one on Item 1-MOD and then the rest is three-oh. Okay. Thank you. General Services? Maryland Department of General Services. The Maryland Department of General Services. I believe Nelson Reichart -- there's Nelson.

MR. REICHART: Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, I'm Nelson Reichart, the Deputy Secretary of the Department of General Services. And today we are presenting 24 items for your consideration. We are withdrawing Items 8-AE-MOD, 16-C-OPT, and 9-OPT. Representatives are here online and available to answer any questions about our Agenda.

LIEUTENANT GOVERNOR RUTHERFORD: I have a question on the item you are withdrawing, 8-AE. And it's really more of a comment. I would be interested in what the work that's actually being done there. But Fort Frederick, another one of our, you know, famous or wonderful State Parks. And it's a wall repair, and I don't know if anyone has had the opportunity to go out to

Fort Frederick and see the Fort but also enjoy the parkland that's all around it. It dates back to revolutionary times and the War of 1812 and it's, you know, quite an interesting place to go to see the Fort, but also to enjoy the park facilities. There's camping, hiking available there as well. But next time it comes up, I'll ask more about the work that's being done.

MR. REICHART: We will let you know about the work.

TREASURER KOPP: Well, Governor you remind me more and more of Teddy Roosevelt and Gifford Pinchot, great, great spokesmen.

LIEUTENANT GOVERNOR RUTHERFORD: Gifford Pinchot?  
Wow. Yeah.

TREASURER KOPP: Yeah. I mean, that's, you make us want to run out and see our State Parks. That's great.

LIEUTENANT GOVERNOR RUTHERFORD: Well, I think, you know, I think part of that comes from -- well, being a Boy Scout as a kid. But part of it comes from as an adult being at the Department of Agriculture and the Forest Service being a part of the Department of Agriculture, which a lot of people don't realize. But, you know, and seeing the National Forests and the Grasslands and all that's being done there. It just gives you a greater appreciation for the outdoor space.



I have a question on 22-LT. And it's a lease agreement. I just, you know, I see a 1,600 square foot lease arrangement for the Prescription Drug Affordability Board. We didn't have 1,600 square feet in Crownsville or one of our other, you know, State facilities?

MR. REICHART: Governor, with respect to that answer, we are in the process of actually doing major work at 45 Calvert Street and we are going to be moving a lot of people temporarily into Crownsville to fill up what space we do have there until we get this other work done before we move everybody back into 45 Calvert Street. We've got several major projects in that building and we're just vacating the entire building.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Yeah, because I mean, and just for the Board's reference and Nelson knows this quite well, we're doing a full evaluation of the State's space requirements because, you know, with COVID it has shown us that technology does allow us to have people do their work very well from distant locations. And they may not need to have a full time office but maybe a commuter office or hotel office, that they come into the physical office once or twice a week, but they don't necessarily have to have, you know, and some of our buildings date back to the early 1960s where everyone had an office. And if the office is vacant for three to four days a week, there's not a need to have this permanent space. And there are some people who would prefer

to continue to work remotely, and then others who are hybrid. So we're going through an evaluation process of our space requirements, both State owned as well as leased space, to see where we can possibly save money. And General Services has worked with the different agencies, where we're kind of reducing our footprint. That, you know, in many cases we've been in this space for many years and we don't have the work force that's filling it and it is based on, you know, 1960s square foot requirements for office space and not the modern office space. So we're looking at that, as well as the fact that many of the landlords are, you know, and particularly in the central business district in Baltimore, are having challenges themselves. And that there may be opportunities where we can improve our lease operations as well, while reducing space and getting better rates as far as our leases are concerned. So that --

TREASURER KOPP: Governor --

LIEUTENANT GOVERNOR RUTHERFORD: -- process. So I always look at, you know, 1,600 square feet and just think where we could fit that.

TREASURER KOPP: Could I ask either you or Nelson, while you are doing this study, are you working in issues of sustainability and actually the quality of the buildings that we're in? Because I know a number of them are not in great shape.

LIEUTENANT GOVERNOR RUTHERFORD: Well that is part of -- yes, that is absolutely, I mean, it's, you know, Nelson is the expert. But I have been heading this initiative, that one of the challenges that we have is that a lot of our State space is way outdated, is in very bad condition. There are a couple of buildings, in particular I'll talk about -- well, we know State Center has major challenges. But also Saratoga Street where Department of Human Services, and there has been a long going dispute back when I, and it started before I was General Services Secretary which was, I don't know, 16-plus years ago now, between the City of Baltimore and the State in terms of who owns that building. And I had said, and Nelson will remember, for 16 years or going back 16 years I said, give them the keys and let's get out of that building. Because it's a terrible building. It was cobbled together from two department stores and it needs work now. So we're looking to get those folks out of that building. And there are probably other environmental issues associated with it. State Center is another challenge. And so they are evaluating all of that and how we can work to keep people that are working in Baltimore, keep them in Baltimore, keep them on transit, and particularly rail transit if they are used to using rail transit, and keep them in the City, but improve the quality of the space as well as, you know, a more sustainable space.

TREASURER KOPP: That sounds great. It sounds like a fascinating study.

LIEUTENANT GOVERNOR RUTHERFORD: We can share some of that, what we're doing internally. But it's still, you know, a lot of moving parts. And timing in terms of leases. And like Nelson said, we have some challenges at 45 Calvert down here in Annapolis. So now, you know, some of the things where we had excess space, we have to use it as flex space. So.

TREASURER KOPP: Well, we have some challenges in the State Treasury Building itself, as the Comptroller and you all know well. Bats, leaks --

LIEUTENANT GOVERNOR RUTHERFORD: Oh yeah, bats. We just have mice. So, but you know, the old mice traps work very well. And I personally think they are more humane than the sticky things, but that's another story.

TREASURER KOPP: Yes. It would be interesting, Nelson, I'm sure you probably have, to talk to our insurance people also, who have their information regarding State buildings and costs.

MR. REICHART: We do touch base with them occasionally on issues that they have a lot of information that's available to us and useful to us --

TREASURER KOPP: Well, we want to be helpful.

LIEUTENANT GOVERNOR RUTHERFORD: Any other questions on General Services?

COMPTROLLER FRANCHOT: Yes. I have on Item 14, please. Lieutenant Governor, this is a request from the Department of Human Services to exercise the first of two one-year renewal options on the contract with Veritas to provide child support services for Baltimore City. The cost of this one-year renewal option before us today is \$7,918,874 and if approved, since it's an option year, would increase the contract total to \$31,151,354.

I, my colleagues may recall when this contract was approved two to one back in 2017, there was a lengthy conversation about why the department recommended Veritas as the awardee despite submitting a financial proposal that was \$13.7 million greater than the one submitted by the incumbent vendor, which was also the lowest bid. And I voted against it because I thought we were launching off into the great unknown. But at that point, the department assured us that by spending the extra \$13.7 million, that that would not only result in improved performance, but would also result in the collection of an additional \$22 million over the five-year term of the contract. Mr. Secretary, now that we're roughly three years into the performance of the contract, obviously I'm interested in what Veritas has collected.

My understanding is that during the seven-year term of their contract, Maximus, the incumbent that we denied the low bid contract to, Maximus collected on average \$82,801,936 annually over a seven-year period. So far, these

three years, Veritas has averaged \$75,961,802 in annual collections during their three-year term of the contract, which represents a decrease of 8.26 percent. So my question, Mr. Reichart, Mr. Deputy Secretary, is the department still confident that this vendor is going to achieve the \$22 million in additional collections which we were told back in 2017? Or is it safe to say that we, obviously if not, spent \$13.7 million extra where we didn't really need to?

MR. REICHAUT: Deputy Secretary Greg James is on the line to address your question, Mr. Comptroller.

COMPTROLLER FRANCHOT: In case people don't get my gist, I was the one vote voting in opposition. So --

TREASURER KOPP: (Indiscernible).

COMPTROLLER FRANCHOT: -- what exactly has occurred, I guess, if someone --

LIEUTENANT GOVERNOR RUTHERFORD: Never would have guessed that.

MR. JAMES: Good morning. For the record, this is Greg James, Deputy Secretary for Operations at the Maryland Department of Human Services. And Comptroller, I'll be happy to address your question. If I can just take one moment, though, and thank the Lieutenant Governor for mentioning and recognizing the challenges we have at Saratoga Street. As someone who regularly

experiences rainfall inside my office on the 10th floor, I appreciate it. But you know, more importantly the conditions for our workers and our team. And we know that our Department of General Services partners have been doing everything they can to address those challenges. It's just very difficult in a building that's more than 100 years old and was never intended for these purposes. So thank you, Lieutenant Governor.

LIEUTENANT GOVERNOR RUTHERFORD: We're going to get you out of there as quickly as possible. So.

MR. JAMES: We know and we appreciate it. And thank you for the support, sir. With regard --

COMPTROLLER FRANCHOT: -- could have used the \$13.7 million to help with the building or move to a better building. That's -- I don't mean to interrupt you. Go ahead and give your --

MR. JAMES: Well, look, Mr. Comptroller, I will say there are frequently times where in this situation, as with many others, we put the needs of our citizens before the needs of our own employees in terms of getting contracts that deliver the best quality services. If you will recall, when we evaluated the proposals from both Veritas and Maximus, Veritas had the winning technical score and was ranked best overall value combining the technical and the financial components. What we have seen is when we compare the last two and a half years

performance of Maximus versus the first two and a half years of operation of Veritas, Veritas' collections are up \$10 million over what Maximus was collecting in that roughly same time period.

It's also important to note that when we made the comment regarding the \$22 million improved performance, that was before COVID hit. COVID has had a tremendous impact on child support programs statewide, not just Veritas but for all of our offices, and across the country, in particular because of the closure of courts which makes it very difficult to establish payment orders and address the normal processes by which we pursue child support. We also have a higher level of unemployment, which again impacts collections of child support. Certainly if you are unemployed and don't have a job, you are not able to make child support payments.

So what we have seen, though, is Veritas through the life of this contract, including during the COVID challenges, has made innovations and has adapted their business processes to try and improve collections. They have moved to having virtual conferences where the parties can come in and work together to try and work out a settlement agreement without having to go to court and get a court order payment order. We've seen them put in place digital signatures so that folks don't have to come into the office and ways, multiple ways for folks to submit their paperwork. So we were confident in our choice of Veritas. We remain



confident that Veritas is the right choice and that their performance reflects that.

And that --

COMPTROLLER FRANCHOT: Okay. I understand that pandemic. But what about pre-pandemic, comparing Veritas to Maximus?

MR. JAMES: So --

COMPTROLLER FRANCHOT: Are they outperforming the old incumbent?

MR. JAMES: So as I said, if you look at a two and a half period including the pandemic, they are still --

COMPTROLLER FRANCHOT: Well let's not, let's not include the pandemic.

MR. JAMES: Well, sir, I'm not sure if that's -- even if you include the pandemic, though, they are up \$10 million over the prior two and half year period with Maximus. So I would say, yes, for this, at this point it looks like they are outperforming the prior incumbent. I would also note that when they came on board with this contract, there were some prior business practices that were in place that we changed and that any of, whoever the vendor was they would have to deal with this. But we brought in a significant backlog of cases that otherwise weren't reflected. Veritas has worked through those cases now and is current. That did have an impact in their first year performance, but as I said, if you look at the two

and a half year period compared to the Maximus' two and a half years at the end of the contract, Veritas is up \$10 million.

COMPTROLLER FRANCHOT: Okay. So I take it your testimony is that in answer to my question it was worth the State paying an extra \$13.7 million, is that what you are saying?

MR. JAMES: Yes, sir. I believe that Veritas was the proper choice for this contract and that the performance reflects that.

COMPTROLLER FRANCHOT: Okay. So Lieutenant Governor, we're not going to get \$13.7 million for Saratoga Place. That's not going to -- that money could have been spent elsewhere in my humble opinion. What about the MBE goal of 29 percent? Where are they right now?

MR. JAMES: With your permission, I'd like to ask Kevin Guistwite, our Executive Director for Child Support Administration, to speak to the MBE.

MR. GUISTWITE: Yes, good morning. Good morning, Lieutenant Governor, Madam Treasurer, Mr. Comptroller. I'm Kevin Guistwite, Executive Director for the Child Support Administration. Currently, the MBE goal is at 23 percent and what the vendor has reported to us is that during the last year with the pandemic, two of their subcontractors were not able to perform at the level that they anticipated due to higher turnover and practices in trying to keep the staffing through those subcontractors. They are working right now with a four-step plan to

try to increase that with the subcontractors to reallocate the positions within the office, expedite hiring processes, improve recruiting, and also to make sure they have staff on hand hired already in the event that turnover will occur. And they anticipate that that number will come up in the next year and then if we would proceed with the second renewal year at the end of the contract we should be closer to 29 percent.

COMPTROLLER FRANCHOT: Okay. Lieutenant Governor, I'll turn it back to you.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Any other questions on General Services Agenda?

COMPTROLLER FRANCHOT: Move approval.

LIEUTENANT GOVERNOR RUTHERFORD: All right. Okay. Thank you, Deputy Secretary Reichart, and thank everyone with the Board. And we'll continue working. The last comment, Madam Treasurer, I looked at some of the charts that we get every day on vaccines, and I'll show you this colorful chart that we get. But we now have reached a point, and this is some of the demographic chart that we get in terms of age groups. And at one point, a large percentage of the people who were getting vaccines very early on, not surprisingly, were in the 50 age group, 49 to 50, healthcare workers for the most part and probably some of our first responders. Now the largest group is in the 70 to 79 age group of 17.9

almost 18 percent. And then the 80 and above is at 13.6. And we have some unknown ages where people I guess said, I'm not telling you my age, group. So it is picking up --

TREASURER KOPP: Good.

LIEUTENANT GOVERNOR RUTHERFORD: -- risk categories as well. So I just --

COMPTROLLER FRANCHOT: Could I just mention that, Madam Treasurer, I associate myself with your remarks. And Lieutenant Governor, you know, my good friend Governor Hogan, when I bring the subject up, kind of gets in my face a little bit and says, no, we're doing a great job. And I have to just step back and say, look, there are millions of Marylanders right now who are confused and frustrated and angry over the whole vaccine rollout. It may not be your fault. I'm just saying that they disagree with Governor Hogan that everything is A-Okay. And --

LIEUTENANT GOVERNOR RUTHERFORD: Well, I mean, you're right, it's -- yeah. It's not, it's not as rosy as anyone would like it to be. That's why we ask for patience and everyone is working hard. And like I mentioned before, there are gaps in the system, particularly when, you know, the signup is electronic for the most part. And so I've been pushing, you know, alternatives to that. And that's why we talked about the Girls Who Code, getting the faith

community involved, getting some of the nonprofits involved to reach out to individuals, and particularly those individuals that may not have a son or daughter or grandchild who can help them get online. And so, yeah, we're trying to perfect it, you know, as we move along. We're building the battleship as it's in the water. So you know, we're trying to keep it from sinking. But you know, it's still a challenge. So you know, thank you. I mean, I appreciate the criticism and we, you know, we just try to get out the information that, you know, everyone is working hard and we ask people to be patient, too. So. Thank you.

COMPTROLLER FRANCHOT: Thank you. Have a great day, everybody.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Take care. Thank you.

MR. REICHART: Thank you.

(Whereupon, at 11:31 a.m., the meeting was concluded.)