

But this process allowed us to talk through changes in the draft RFP with this feedback loop with the individual teams and then kind of going back as you adjust and getting feedback along the way, even ones that are kind of minor in nature. You know, so we were individually hearing thoughts and ideas on innovative design concepts, minimizing impacts, improving operations and safety, better ways to manage the risks overall, efficient ways to kind of get this out there. So it allowed the teams to start preparing their proposals from the short list that was announced. And so the final RFP was issued on December 18th but that was an end result of a six-month process that started with the shortlist process. The timeline in July was really the start.

So it's important to note that the RFP is on the street today, Madam Treasurer, kind of related back to the original proposal with the Board, is for the selection of a private sector partner to work collaboratively with all of the stakeholders in the pre-development process. So they will work through just this current phase, which is American Legion Bridge and 270. That includes working with everyone, across our local governments, our stakeholders, our elected officials, our utility companies, interest groups, business community, property owners. And then only after this significant collaborative effort, a build alternative is selected. And we thought that we would be back to the Board for that final

approval of construction. So, you know, MDOT would seek that first section after that.

So, you know, with this procurement we'll be back to the Board to say this is the partner we've selected to help us work collaboratively with the community, then we would come back later on for that final approval. And so this is a little bit different than a project like the Purple Line, for instance, where you post an RFP and then have the proposers develop submissions without that collaboration that we feel is critical when looking for that long term partner. So in a project like the Purple Line, you essentially put something out for the private sector to respond to, then they develop a proposal and submit, and then as things arise in the final development phases after the selection, if things change you end up with claims and change orders and extra costs and things like that. So this process is designed for us to bring a private sector partner on, have them with us as we're working with the community and finding the right partner, and then once all of that is worked out through, you know, things like in ped connections or working in integration with the transit system, then you understand all those known costs and then you come back to the Board with the final cost and you minimize the risk to the State and you ensure the ability to have a good partner through that configured partnership. I hope that helps.

COMPTROLLER FRANCHOT: Well, you know, I think your intent is laudable. The problem of course is that the impression that was received just because of the dates, etcetera, got mixed up. I'm comfortable with what you just said. I think you might think about putting it on an 8 ½ by 11 piece of paper -

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MR. SLATER: Sure.

COMPTROLLER FRANCHOT: -- and letting people understand that there are going to be many bites of the apple at this. I'm particularly interested in having another piece of paper that says, these are the lessons learned from the P3 on the Purple Line that we hope will not be a problem should this project move forward. Lessons learned, headaches avoided. And you know, I think what you are saying, since I'm a general supporter of this concept that this P3 is talking about, I can be comfortable with it. But there are a lot of people in Montgomery County that are very opposed. And I think something in writing from you might be helpful along the lines of what you just said, although I defer to the Treasurer. She lives in Bethesda where there is a lot of angst over the Purple Line right now. So --

MR. SLATER: Absolutely, sir. And I will continue to try really hard to engage the community. No matter how they feel about this project, it's important that we are out there and we listen to them and get feedback from them

and continue to work with them to try and craft the best solution for each section, because each section is very different.

TREASURER KOPP: Let me say to the Comptroller, that the Treasurer lives in ground zero for all of these projects. And I do think, Mr. Secretary, that a greater sense of transparency and understanding, I mean, you started negotiating with a particular set of companies seven months ago. The folks didn't know that, or didn't understand that. You have now developed, before we get the environmental impact statement, developed the RFP and put it on the street. There is a sense of momentum for a project that a lot of people who live in the area still don't understand and believe will bring problems of its own. Just the idea, Mr. Secretary, of a new bridge or a rebuilt bridge, which I believe is how it was described in the newspaper, just the picture itself is difficult to comprehend. So I think a great deal more public discussion is required.

I must say, when we get to the point where the Board of Public Works gets to the point of approving the contract in the end, there will be so much invested in it by that point, and so far down the track, it is difficult to believe it will not go forward. So I think it is very important that it be clear that you have examined all of the environmental impact, the cost impact, this question that we heard of from Park and Planning and WSSC, the impact on the pipelines, and just

a lot of questions out there. And it seemed to have been everything taking place offstage for the last half year.

MR. SLATER: I will continue to try and work on that personally as well, and try and draw, you know, I think, you know, it's, the remote environment has been somewhat challenging at times. And so I'm going to sit down with the team and kind of create some new and different ways that we can try and engage with the community. I have been trying to have some individual conversations as well with some of our local leaders, just to make sure that their feedback isn't lost and that we're hearing that along the way, and kind of making sure that I understand their perspective, and really kind of sitting down with them and able to ask questions and make sure that I'm understanding their perspective very clearly about where I think there is common ground, those types of things. But I will continue to do that. And the message has been received on that, not only by this Board but by the community as well.

TREASURER KOPP: Thank you.

MR. SLATER: Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: Okay.

COMPTROLLER FRANCHOT: Thank you also.

LIEUTENANT GOVERNOR RUTHERFORD: Any additional questions on Transportation?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Thank you, Mr. Secretary. Department of General Services.

MR. CHURCHILL: Happy New Year, and good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, I'm Ellington Churchill, Secretary for the Maryland Department of General Services. Today we are presenting 29 items for your consideration. Item 3-CGL has been revised with the correct project total amount for the National Aquarium. And in acknowledgment of the executive order concerning small businesses that was announced earlier, I'd like to highlight, take a moment to highlight that DGS is noting five recommended awardees for small businesses on our Agenda, and an additional three which are MBE businesses for the Board's approval today. We have representatives available to answer any questions you may have at this time.

LIEUTENANT GOVERNOR RUTHERFORD: I did notice the utilization of small and minority businesses, so I did see that. I just, I'm going to point out just a couple of the CGLs. 1-CGL, Bainbridge Development Corp., a very good project that was a long time coming. The old Naval Training Center up in Cecil County and trying to bring some development to that area and utilization of that property that is there. And it even required some communications with the

former Secretary of the Navy to get them to do the environmental cleanup. As you can imagine, you know, military facilities that were there before the Clean Water Act and environmental protection, that there's all kinds of stuff that they put in the ground. And so they are working. Fortunately, the federal government through the Department of the Navy is doing a lot of the remediation work up there. So I just wanted to point that out.

Also the Franklin Square in 2-CGL. I have been out there to see the new surgery center tower that they are putting in place. It's, you know, a wonderful hospital and of course needed in this time that we have a health emergency taking place. And so I just wanted to point that out.

I could go on, but I will, you know, defer to the Treasurer and the Comptroller if they have any questions about items on the Agenda.

COMPTROLLER FRANCHOT: I just wanted to reinforce, Mr. Secretary, your comment about the National Aquarium, the \$5 million grant to them. I mean, they desperately needed that for the infrastructure improvement. I applaud that by the Governor and you.

And then the \$1.5 million grant that's in Item 5 to the Round House Theatre in Bethesda, thank you. You know, that also. I mean, both of these places, I've been to many, many times in my role as Comptroller, I guess. And I know

how treasured they are by citizens and visitors to the State. They have obviously been hammered by COVID because of the difficulty of getting people to come.

LIEUTENANT GOVERNOR RUTHERFORD: Yes.

COMPTROLLER FRANCHOT: And I just wanted to thank those institutions for their partnership with the State. I want to thank the State, and obviously local officials like former Congresswoman Morella and current Treasurer Kopp, who are huge advocates of these wonderful not-for-profits. This is like water on a desert for them, to get this money. So thank you.

MR. CHURCHILL: Absolutely. And I also believe if you wanted to hear from any of them, we do have someone from the Aquarium, Ryan Fredriksson of Government Affairs, if you wanted to hear any more about the Aquarium.

COMPTROLLER FRANCHOT: I don't need that, Lieutenant Governor. I appreciate Ryan. I've been up there a number of times. I've looked at all of the windows that need to be replaced, and it's a much needed project. And it's a fabulous magnet for people to come, all over the country to come to the National Aquarium. So.

MR. CHURCHILL: Excellent.

TREASURER KOPP: I would also like to thank the folks from the Aquarium for taking the time to brief us on the project. It's a great project for a

So when we bid this back in 2015, we had two respondents. We didn't anticipate -- there is a very small group of contractors who are eligible to perform this work. And so we didn't anticipate a large response pool back.

TREASURER KOPP: Amalie, why is there such a small group? What is so --

MS. BRANDENBURG: It is governed by extensive federal and State regulations. It is really a niche market. You are providing the authorization provider payment for our childcare subsidy program. Does that help? Christy, did you want to jump in with anything additional?

MS. SHOCKLEY: Good morning, Madam Treasurer, Lieutenant Governor, Comptroller. For the record, I'm Christy Shockley, Assistant State Superintendent at the Maryland State Department of Education. Happy New Year to you all.

So in 2016, the federal government, the Office of Children and Families, had reauthorized the Childcare Development Grant such that the changes to the provision of services would protect the health and safety of children in childcare and parents in making informed decisions for childcare support services throughout the nation. And also we wanted to ensure that there is a high quality of care for low income children. So what we see now is an increased amount of scrutiny by the federal government to ensure that the health and safety of children

while in childcare services is maintained. Also, we see that there is an increased focus on monitoring and reporting for those services as well.

So there is a limited number of, we believe, companies that can provide this service. The recommended awardee, Deloitte, is one of the world's largest providers of professional services and has expertise in providing these services for Pennsylvania and Colorado.

COMPTROLLER FRANCHOT: Can I ask a question, Madam Treasurer? Why didn't Deloitte, I understand the incumbent that did not end up bidding, I guess, for some reason -- I'd love to hear from them if they have an explanation for that. But apparently they asked 122 questions of the agency about this RFP. And did Deloitte have any questions that they asked? Let me ask that of whoever handled the procurement? Were there any questions submitted by the winning bidder?

MS. SHOCKLEY: There were no questions submitted by the winning bidder, Comptroller.

LIEUTENANT GOVERNOR RUTHERFORD: I think we have someone from Conduent that had signed up to speak, and maybe the question is why they didn't bid.

MR. CHURCHILL: Yes, Governor. I believe a Ms. Kim Newsom Bridges with Conduent may be on the line.

MS. BRIDGES: Yes. Good afternoon, Mr. Comptroller, Mr. Governor, and Madam Treasurer. We would like to share some information about why we chose not to bid. We have been a partner for MSDE in providing these services for the last five-plus years. We believe we have done a great job for the citizens of Maryland. We have actually helped MSDE recently pass a legislative audit and a federal audit. And we were very excited to and prepared to provide a response to this RFP. When it was released in September, we immediately had several concerns with respect to what was included in the RFP. And if time will permit, I will share a few of those concerns with you.

First of all, there was a requirement that the vendor provide approval for informal providers. So just to share with you, an informal provider is somebody who may be a neighbor or a relative who wants to provide care for the children in their home and the family needs the childcare scholarship. So approving, being the required entity to approve an informal provider puts whomever is doing that work at risk. The State, however, has sovereign immunity should something happen and a child get hurt in someone's home or something like that. That's one of the questions, or actually a couple of the questions that we asked of our 122, were related to this issue. We asked for the opportunity to gather all the information required for the approval process and to submit that to the department so they would

make the final approval because they are covered under sovereign immunity, and that request was not granted through the question and answer process.

We also asked about a requirement that we would have to do in-home investigations for the same process. We were told that because of the pandemic we could do virtual in-home investigations, which creates another concern in that are you going to trust the in-home provider to be showing us everything they needed to be showing us in their home so that we would have the capability to make this approval. And eventually we would expect that we would have to go back into the home, which also then has a risk associated with it with going to in-home and again, we wouldn't have the sovereign immunity.

There were several other additions to --

COMPTROLLER FRANCHOT: Could I interrupt? Let me interrupt for a minute.

MS. BRIDGES: Sure.

COMPTROLLER FRANCHOT: How exactly is that different from the last five years when you have had the contract? Did you do --

MS. BRIDGES: This was a -- we did not do this work. This was an add on. There was a person that was contracted by the State individually to perform these services and we believe the State wanted to go a different route. And again, we were more than willing to gather information. We did not want to do the in-

home inspections and we did not want to have the final responsibility as the approver of such.

COMPTROLLER FRANCHOT: Got it. So the State basically did the work that you were, you have been talking about, or at least assumed responsibility and was protected by sovereign immunity from liability. I can see that. Okay. And what did the State say? Did they get back to you?

MS. BRIDGES: Basically, their response to our questions during the procurement process was that we would be required to be the approver and to follow the guidelines outlined by MSDE in the process.

COMPTROLLER FRANCHOT: Okay. You don't need to go through all of your questions. What is it that, why didn't you bid at the end of the process with even some of the caveats we're talking about?

MS. BRIDGES: We did not bid at the end of the process, and let me tell you that it was a very difficult decision for us. Because coming into the procurement, we had identified many new services that we wanted to bring to the citizens of Maryland who were in need of childcare scholarships, as well as the provider agencies. And so we were very much prepared to provide a better service than we are even providing now. The issue was, was that many components and many additions in the scope of work that were related to our 122 questions increased our potential for liability, and primarily in the quality arena increased the

number of staff that we would have to have to provide these services by more than twofold. Which of course would increase the cost to the State of Maryland. And we knew under the time period that we're in right now, that that was probably not something that we could or should be proposing. We asked for relief in our 122 questions. And it makes us wonder whether or not there was an understanding of what was really being required in this proposal since there were no questions asked by the other, the chosen provider, as well as, you know, no real increase in cost from what we've got right now. We asked the questions. This was a task order RFP. Our understanding of a task order RFP is that we don't have the opportunity to negotiate after award. And that we also do not have the opportunity to provide a non-compliant bid. We provided the department and the leadership in the department a seven-page document outlining many of our concerns as to why we chose to not bid.

We believe that we have been a very effective partner with MSDE over the years. Most recently during the pandemic we changed all of our operations to be able to get payments out to childcare providers who were providing childcare for essential workers. And you know, we have done what the provider has asked us to do over the years.

There were several open-ended components that we asked in the question and answer process to try to get those closed. Those were not closed. The

SOA requirements that we are currently under were made even more stringent and a higher financial penalty risk for us or a requirement to add more and more staff to ensure that we didn't fall under these issues. So all of those things put together led us to make the very difficult decision to not bid and to share the information as to why we chose not to bid.

COMPTROLLER FRANCHOT: Okay. That is very helpful to me. Governor, I'm not going to extend this a long time. I don't like single bid contracts. You can't tell me what the market price is for this contract and you can't really assure the State I think at this point that this is a contract that actually can be performed given the fact that, you know, there was no competition, A, and B, there are these questions about sovereign immunity and liability, etcetera. I don't have anything against Deloitte. They are a famous international company. But I do have concerns about the process here and I hope -- well, I could defer this if you wanted to but I am frankly going to vote against it. Because I just don't think -- well, let me ask the famous question the Treasurer asks from time to time. What bad things would happen if we rebid this contract and, you know, assured the taxpayers that there were at least two bids so we know that there was some competition?

MS. BRANDENBURG: This is Amalie again. And I just want to reiterate that Deloitte was not given or did not have an advantage over any other offer. In fact, the current solicitation was basically the prior solicitation with a few

changes to address federal requirements, quality assurance, and to clearly define the expectations. We did not negotiate with Deloitte with the final contract and Deloitte absolutely will be fulfilling all of the tasks in the original scope of work without modification. That --

COMPTROLLER FRANCHOT: How can you possibly say that given the fact that sovereign immunity is being removed because of your requested changes and they didn't ask any questions about it --

MS. BRANDENBURG: (Indiscernible).

COMPTROLLER FRANCHOT: -- maybe they are not even aware of it.

MS. BRANDENBURG: They are a leader in the industry and they have successfully implemented and been supportive in this role in both Pennsylvania and Colorado. But I do want to bring Steven Hicks on. He can share with you some of the concerns and why this is so critical that we move forward with this.

COMPTROLLER FRANCHOT: Okay. Well, he had better have a good case because this is a botched procurement. Thank you. This is not the way we should be doing business in the State. I'm sorry to get upset. But you know, if you've got a pool of 388 master contractors and you get one bid, and you have other people outside of the master contractor list where you could solicit two bids. And

then you come to us, I guess you are going to come and say that this is critical. Well, no. Thank you very much. It's something that at some point, you know, you've got to put your foot down around something. And this is not right. And but go ahead. I'm sure the explanation is going to be that it's of critical importance, it needs to be approved at warp speed.

MR. HICKS: Good afternoon, Comptroller Franchot and Lieutenant Governor Rutherford and Treasurer Kopp and Secretary Churchill. Thank you so much for this opportunity. I am Steven Hicks. I'm the Assistant State Superintendent for the Division of Early Childhood.

Previously in 2015, when this contract was put out it was for master contractors because of the highly specialized tasks that need to be done. Not only is it technical, it requires a lot of staff to provide this service of processing invoices, and also answering questions from parents and providers. There is a huge help desk component to this service.

As Amalie has shared, this is a very highly specialized kind of opportunity for any contractor. The 388 master contractors which you mentioned were given the solicitation because we wanted to cast a wide net. It's not necessarily a skill they may have to fulfill this --

TREASURER KOPP: Could I interrupt for a moment, just to ask you --

MR. HICKS: Sure.

TREASURER KOPP: -- in the master contract, the 300, the master contract, what is that master contract? Is it for all accountants? Or what is it?

MR. HICKS: Christy, is that something you can define for them?

MS. SHOCKLEY: Sure. Absolutely. Again, for the record, Christy Shockley. So what we, the 388 were all of the contractors under Functional Area 9 in the statewide master contract list.

TREASURER KOPP: What is Functional Area 9 in English?

MS. SHOCKLEY: Consulting and technical services.

TREASURER KOPP: So it's all, I'm sorry, all technical -- no, that can't be.

LIEUTENANT GOVERNOR RUTHERFORD: Consulting and --

MS. SHOCKLEY: Consulting services.

LIEUTENANT GOVERNOR RUTHERFORD: Consulting and technical services.

TREASURER KOPP: All consultants and -- oh, okay.

MS. SHOCKLEY: And technical services. Correct. So the, I guess the scenario that I would present is when it was presented to me very eloquently in understanding this. Right? So if we asked for a contract to paint, there would be many people that could paint a home. But if we asked for a contract to paint a

teacup, how many contractors could successfully paint a teacup? And that's the difference. It's not just painting. It's a specialized component of childcare subsidy and management. (Indiscernible).

TREASURER KOPP: (Indiscernible).

COMPTROLLER FRANCHOT: Okay --

MS. SHOCKLEY: -- I'm sorry.

TREASURER KOPP: But could I, I'm sorry, Comptroller. I asked a question about ten minutes ago and I'm still trying to absorb it. What is so specialized? What is it about this contract?

MR. HICKS: This is Steven Hicks again. There are a number of federal requirements that must be met. And it's not just the technical capabilities of processing all of the invoices through your data system and connecting with our early childhood data system. But it's also providing customer service for providers and parents. We have 40,000 children being served through Maryland through the scholarship program or vouchers in the childcare subsidy program. Many of those parents and the 3,500 providers have questions in any given invoice period.

I also wanted to let you know that the bid that we did receive from Deloitte that was presented today is a little bit over what the winning bid for Conduent in 2015. So I do think that it's a good bid for Maryland and for the use of these public dollars.

COMPTROLLER FRANCHOT: I have a follow up question to that, Madam Treasurer, if you -- I don't mean to interrupt. But --

TREASURER KOPP: No, go ahead.

COMPTROLLER FRANCHOT: Okay. So this is a specialized issue. That's why we have one bid, is I think what you are saying. But you are telling me the awardee that we're supposed to give a \$31.5 million green light to didn't have any questions? Because this is a different proposal than what the incumbent situation was. You added on requirements. And nobody had a question about it from Deloitte?

MR. HICKS: I can't speak -- this is Steven Hicks again. I can't speak for Deloitte as to why they didn't have any questions. I could hypothesize that they do this work in many other states, so they fully understand the requirements of the federal law, including the reauthorization that occurred a couple of years ago. And they do understand what the job is and how to complete those requirements and ensure that we don't have any audit findings.

COMPTROLLER FRANCHOT: Okay. So we have, I have a list of eight companies that do this for other states and have experience in this, and they were all in on the, you know, informal conferences. Why didn't we get any bids from them? IC Software, Bithgroup, GCOM Software, Conduent is I guess the incumbent, Control Tech, Computer Consultants International, Business Integra,

Insurgior (phonetic), all of whom are highly specialized vendors in this space. Why were there, why wasn't there one additional bid?

MS. SHOCKLEY: We received two no bid response forms from those companies outside of Conduent. The one vendor cited that they didn't have the resources to deploy in order to fulfill the obligations of the contract. And the other didn't give a response as to why they weren't going to provide a bid.

I would note for the Board that the incumbent could have proposed a, submitted a bid and cited exceptions, but chose not to do so.

COMPTROLLER FRANCHOT: Yeah, I'm just, what -- let me go back to my original question. What bad things would happen if we voted this down? And please, don't try to embellish it. Just give me the straight scoop here. Because I'm going to probably vote no and I'd like to get a second vote if anybody is in approval. But you know, I don't want to do it if all of a sudden a catastrophe is presented to us. So tell us what bad, should there be a second vote and this contract turned down, what bad things would happen and how could they be avoided so that we --

MS. SHOCKLEY: I'll just start with one issue that is readily apparent from a business perspective and a financial perspective. Should the Board vote no to this contract award, we are essentially giving a contract award to Conduent. Because we would have -- the incumbent. Because we would have to

extend their current contract to allow time for a new procurement effort. So essentially, by voting no we agree to, if Conduent would be on board, and it sounds like they would be, how passionate they are about participating and continuing business with MSDE, we would be essentially giving them a \$6 million contract for a year. So that's at the onset. But --

COMPTROLLER FRANCHOT: (Indiscernible) We do that all the time.

MS. SHOCKLEY: Correct. We do. But then we face the protest from Deloitte as well. (Indiscernible) --

COMPTROLLER FRANCHOT: (Indiscernible).

MS. SHOCKLEY: -- rabbit hole.

COMPTROLLER FRANCHOT: But I don't know. I don't want to drag this on, Lieutenant Governor and Madam Treasurer. I value your time. But I'm pretty concerned about this and I would hope at least we could maybe defer it until the next Board meeting so that people can think about it a little bit.

MR. HICKS: I would also add, this is Steven Hicks again, that the transition time is very narrow right now between the contracts, awarding this and the other. And so it's imperative that this transition happens soon so that there is not a disruption in service. We also know that if that was extended and Conduent wanted to extend for the length of time that it would take to do a new competition

with no guarantee that there might be other applicants, we don't necessarily have the assurance that our, the additional requirements that we put in the contract, in the, sorry, the RFP would be met. And those are in place in order to meet federal requirements and also have a positive outcome in our audit that we are about to start with the Legislature.

LIEUTENANT GOVERNOR RUTHERFORD: Okay.

TREASURER KOPP: But could I ask one question, just following up? Because I, well first of all, the answer to the Comptroller's question about a two-week deferral? I didn't hear that specifically. Does that or does that not do significant harm?

MS. SHOCKLEY: The two-week deferral would not do significant harm, no, ma'am.

TREASURER KOPP: All right. And as I understand it, though, I mean, Conduent didn't bid.

LIEUTENANT GOVERNOR RUTHERFORD: Right.

TREASURER KOPP: They could have bid, and they didn't bid. And they didn't bid because of the State's liability provisions, I believe, which are issues in many contracts and companies do not bid because of that. But Deloitte did. Do you have any question that Deloitte understood the liability provisions the State requires?

MS. SHOCKLEY: We can say with some measure of certainty, given the history and experience with Deloitte, that they were fully aware of the components of the RFP and fully intend to comply, and don't have any issues with the legal liability.

LIEUTENANT GOVERNOR RUTHERFORD: I mean, they are a big company. And as our contract law says that they are responsible to understand what's in the bid. So.

TREASURER KOPP: Right.

COMPTROLLER FRANCHOT: Yeah, no, I can see that. I would like to ask a question. Did you have any problems with the incumbent's performance over the last five years?

MR. HICKEY: This is Steven Hicks again. Could I ask that our branch chief Renee Williams have her mic (microphone) opened so that she could comment on that? She's the project manager working with Conduent over the last five years.

COMPTROLLER FRANCHOT: Thank you.

MS. WILLIAMS: Good morning, Lieutenant Governor, Madam Treasurer, Mr. Comptroller. No, we have not had any issues with Conduent's services over the past four years of services. I would like to go back and answer a couple of questions that Mr. Comptroller asked.

I think the answer to your question in reference to why did Deloitte not ask any questions or why did several other vendors not potentially ask questions may be because when we answered the 122 questions that were presented by Conduent, those questions were made public. So if any vendor had the same question, they would not have to ask the same question because those answers were made public.

In reference to the question do we believe that Deloitte understood the proposal, we had I think seven people that reviewed the proposals that were submitted and all seven individuals agreed that this agency had the reputation of working with lead agencies similar to Maryland in order to provide those services. So we clearly understood by their responses in the proposal that they understood in reference to what they were bidding on.

In reference to the sovereignty, the only thing we were asking the current vendor to do is to take on responsibilities that vendors should take on when they are paid a contract at the magnitude and amount of this contract. It's work that is done and they would not have been placed under any type of liability by completing virtual inspections. Right now, Maryland has one contract employee, one, that completes these virtual inspections. Our current contractor has 80 employees on their staff.

The questions that were asked by Conduent were basically questions to get more clarity in reference to what we were asking for in the proposal, but I also believe that the questions that we were asked, I believe that the solicitation was formatted in a way for Maryland to meet all federal and State regulations and also to make the contractor or the offeror responsible for completing all case management and provider payment services.

If this contract is not awarded today, the very essence of what Mr. Comptroller was talking about at the beginning of our, of this session, would be in jeopardy. Mr. Comptroller stated that Maryland should look out for small businesses. What this contract does is it pays small businesses. The very essential workers that have kept Maryland afloat during the COVID-19 crisis are the childcare providers. So what this contract does is it pays providers millions of dollars each month, every two weeks.

The contract ends on April 30th. There is supposed to be a four-month transition. The reason we have very limited offerors putting in solicitations is because it is a very specialized program and not only requires an IT solution, a manual process, customer service, but it also has, the vendor has to have the ability to put all those federal and State pieces together. A four-month transition, for a person who has worked in this field for 22 years, in my opinion, is too small. A vendor coming in and taking on this magnitude of work needs to have at least a six-

month transition period. So if this is not awarded today, based upon the principles in which we have put forth to follow the procurement process in the manner in which it was entitled to give everyone a fair opportunity to apply for the process, I think that not only are we doing a disservice to small business owners which are basically female, we're doing a disservice to 13,000 parents, 20,000 children. There will be disruptions --

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Thank you. Thank you very much. I think, you know, I don't see any reason to defer this for two weeks. I don't think anyone's mind is going to change. But we can vote for this item separately.

TREASURER KOPP: I was just reminded --

COMPTROLLER FRANCHOT: Let me come back. Because I would like to speak to Deloitte, for example, and find out what from them they are concerning. So I would like to move that we defer this for three weeks, until the next meeting. And I think that's perfectly appropriate given the testimony that we have heard today.

MS. WILLIAMS: Thank you, Mr. Comptroller, Madam Treasurer.

COMPTROLLER FRANCHOT: I'm suggesting that it not be approved and defer it for three weeks so that I can talk to Deloitte and find out what

their explanation is for the situation. But I'm also, you know, obviously dependent upon my colleagues.

TREASURER KOPP: Governor, I would support your motion to separate out this item. Having listened to all the testimony, and recognizing that Conduent did not compete, chose not to compete, and understanding that the very large proportion, overwhelming of the consultants did not fall in the category in fact that was appropriate for this contract, I am prepared to support this.

I recognize the Comptroller's concern about Deloitte and its responsibilities. But I think Deloitte can manage it.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. So we have a second. We're going to vote on 21, or 22 1.2 separately. Are there any other questions on the General Services Agenda?

COMPTROLLER FRANCHOT: Hang on one second. Thank you. Just for a minute. Yeah. Item 24, please.

MR. CHURCHILL: Item 24 concerning HVAC, a maintenance service contract. Mark Riesett, Acting Director of Procurement for the Office of State Procurement.

COMPTROLLER FRANCHOT: Right. The question is why are there so many multiple extensions? This is the fourth extension in less than six months. What's going on?

MR. RIESETT: So good afternoon, again, Governor, Madam Treasurer, and Mr. Comptroller. This procurement is currently on the street and we just need time to finalize and award it. So this contract extension will take us to completion on the new solicitation.

MR. CHURCHILL: Mr. Comptroller?

COMPTROLLER FRANCHOT: Yes.

MR. CHURCHILL: I believe that, again, we were trying to, we're trying to align issuance of contracts to be a greater package. And so the extension allows us to have more time to go ahead and move the procurement through.

COMPTROLLER FRANCHOT: So this is the last one? Hopefully?

MR. RIESETT: Yes, sir.

COMPTROLLER FRANCHOT: Okay. I'm happy to move forward.

LIEUTENANT GOVERNOR RUTHERFORD: All right. Let's, I'm going to vote on the 22-IT 1.2 first. Do we have a motion to approve 22-IT 1.2? Madam Treasurer?

TREASURER KOPP: I would so move. I have listened to the debate and shared the concern of the Comptroller going in. But I don't think postponing it so there are only three months instead of what the expert thinks should be six months, three months transition is not long enough.

LIEUTENANT GOVERNOR RUTHERFORD: All right. Okay. I second that. And I understand the Comptroller's concern. I, too, am concerned about single bids. But I think in this particular case, Conduent decided not to bid. The State had been basically picking up that responsibility of paying the private providers and it has just been one person doing that, so it made sense to put it into the contract. And Conduent decided they didn't want to participate. And to come back now and argue about it, that's not, there is nothing to say that a rebid contract is not going to have that provision in there. And they will make a corporate decision, which it sounds like it was done. This is the former Xerox unit so they are not, you know, small time players. But someone at headquarters said, no, we don't want to do this. So that was the decision that was made.

So I know we're not all in favor. We have two supporting, and Mr. Comptroller, I'll let you go on the record.

COMPTROLLER FRANCHOT: Yeah, no, I'm going to vote no because I have a, you know, longstanding concern about single bid contracts. I think it's impossible to state, you know, that this is a good deal for the taxpayers because there are two bids. And you know, we could run the government with single bid contracts. All we have to do is go back and negotiate with the incumbent and make sure the incumbent is doing its job, and we wouldn't need to go through the procurement process, would we? We could just have extensions on into the

future. And that's the problem with single bid contracts. They are very convenient to our wonderful bureaucracies. And we would see tons of them, but for this Board saying no, we don't like them. Because you can't guarantee that the taxpayers are actually getting the best market deal.

On the issue that the incumbent was doing a bad job, no, the incumbent, according to the testimony was not doing a bad job. They were doing a perfectly decent job. They just --

LIEUTENANT GOVERNOR RUTHERFORD: No one raised that as an issue. I don't think anyone raised that as an issue. That wasn't an issue.

COMPTROLLER FRANCHOT: Yeah, I raised it as an issue because I'm asking for a three-week extension. And you are being, I am being confronted with this, well, if we don't vote on this now all of a sudden something will happen down the road which is detrimental. No. We could easily actually extend it for a whole year and do a proper bid where we would get two bids, Lieutenant Governor. For example, ISSI Software, Bithgroup, GCOM Software, Control Tech, Computer Consultants International, Business Integra, Surgitor -- there are tons of companies that are in this space, a highly specialized type of space.

LIEUTENANT GOVERNOR RUTHERFORD: Yeah but --

COMPTROLLER FRANCHOT: Here they are. There is no reason

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LIEUTENANT GOVERNOR RUTHERFORD: -- those companies decided not to bid. There is no guarantee --

COMPTROLLER FRANCHOT: Come on. It's absurd.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Well just put your, you've voiced your concern --

COMPTROLLER FRANCHOT: I mean, it just --

LIEUTENANT GOVERNOR RUTHERFORD: -- any other questions. You have voiced no on that item, two to one, that item is going to pass. If there is any other --

COMPTROLLER FRANCHOT: Thank you. I think I will vote my own vote, if I can. And I vote no. And I find the posturing here to be just absurd and you know, it's just --

LIEUTENANT GOVERNOR RUTHERFORD: (Indiscernible).

COMPTROLLER FRANCHOT: -- that's okay, if you guys are in support of single bids --

LIEUTENANT GOVERNOR RUTHERFORD: -- obviously brought this before us. So I'm not going to go into that. But are there any other concerns about the DGS Agenda?

TREASURER KOPP: Could I just clarify my position? Which is that --

COMPTROLLER FRANCHOT: Thank you, Madam Treasurer.

TREASURER KOPP: -- yeah, I don't like single bids either. But -

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LIEUTENANT GOVERNOR RUTHERFORD: Yeah, you said that.

TREASURER KOPP: -- the incumbent chose not to bid. So to keep the contract with them seems to me in fact very bad practice. It was an open contract. The master contract was competitively bid. And I do believe that most of the companies in that master contract, the IT companies, particularly the software companies, do not have the combination of skills that was, that is being required under the State and federal regulations. That is, both the IT capacity to get the checks out and also the capacity to oversee, inspect, and work with these childcare --

COMPTROLLER FRANCHOT: Okay, Madam Treasurer. I completely see your point of view --

TREASURER KOPP: -- maybe it shouldn't have been combined. But it is combined and that's -- I'm just explaining --

COMPTROLLER FRANCHOT: Okay. Let me just --

TREASURER KOPP: -- why I'm voting --

COMPTROLLER FRANCHOT: -- and I appreciate that. I respect both of you very much. But I'm not suggesting that the incumbent get the contract. I'm just suggesting that there is no problem with the current incumbent, so extending this for six months and coming back with a bid where there are two competitive bids is entirely doable if the procurement folks that are in charge of this actually made it a top priority. And I'm not suggesting that all 388 members of the master contract are eligible. I just read you eight companies that do this as their main course of business. So couldn't we delay this for six months since there is no question that the incumbent, there is some kind of six-month or transition period anyway, and come back and approve for a \$31.5 million contract something that has two bids.

LIEUTENANT GOVERNOR RUTHERFORD: Well, I think we already voted on that. And so my question again, are there any other questions on the DGS Agenda? Do we have a motion to approve the remaining items on the DGS Agenda?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Well, thank you. We're done for the day. I hope 2021 is a far better year than 2020 was. To everyone's health and happiness, we'll continue. Thank you very much.

TREASURER KOPP: Let's just hope the next week is as calm and rational as this meeting has been.

COMPTROLLER FRANCHOT: Could I just conclude by wishing everyone a Happy New Year also. But right in my thoughts are my neighbor, Congressman Jamie Raskin.

TREASURER KOPP: Yes.

LIEUTENANT GOVERNOR RUTHERFORD: Oh, yes.

COMPTROLLER FRANCHOT: I walk by his house every day on a walk that I take. And my heart goes out to his family and everyone in the community. Because it's just a tragedy that they are experiencing.

LIEUTENANT GOVERNOR RUTHERFORD: Right. Right. No, I agree with you. I sent him a note and I know he won't -- I sent it through the mail. I did the traditional approach, so he probably won't get it for a little while. But I also, you know, sent my sympathies, but also commended he and his wife for being willing to share their son's, you know, challenge with depression. By doing so, they can be helping countless others to seek help, to talk to people, and countless others who, reminding us to talk to our friends and stay in contact. That when we ask a person, how are you doing? And they say, okay. We need to sometimes, no, really, how are you doing? Not just, how are you doing? Okay. And you keep

walking. So I thank him for that and, you know, sympathies go out to the family.

It is a tragedy.

TREASURER KOPP: Absolutely.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Well, thank
you.

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