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

**June 16, 2021**  
**10:06 a.m.**

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# PRESENT

**HONORABLE LARRY HOGAN**

Governor

**HONORABLE NANCY KOPP**

Treasurer

**HONORABLE PETER FRANCHOT**

Comptroller

**JOHN GONTRUM**

Secretary, Board of Public Works

**ELLINGTON CHURCHILL**

Secretary, Department of General Services

**GREG SLATER**

Secretary, Department of Transportation

**JEANNIE HADDAWAY-RICCIO**

Secretary, Department of Natural Resources

**LISA GRIGSBY**

Recording Secretary, Board of Public Works

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# PROCEEDINGS

[GOVERNOR HOGAN: Good morning, everybody.

TREASURER KOPP: Good morning.

GOVERNOR HOGAN: Welcome to the Board of Public Works.

It's wonderful to be back in person with my colleagues and with all of you without masks on so we can see all the smiling faces. It's a great step in the right direction and] a good feeling to be back in person. Although we did get a lot of work done remotely --

TREASURER KOPP: It was good.

GOVERNOR HOGAN: -- it wasn't quite the same, you know, seeing my colleagues on the big screen. Although you guys were like movie stars.

(Laughter.)

GOVERNOR HOGAN: But yesterday, we announced the end of the COVID-19 state of emergency in Maryland. Today is another sign of that kind of recovery and that we're getting things back to normal. So thanks for joining us this morning.

The State of Maryland has now administered 6.5 million vaccines, 10.5 million COVID tests. But we have 72 percent of our entire adult population has been vaccinated, everybody over 18. That's second best in America. We've

also vaccinated 90 percent of all of our Marylanders over 65, which is also among the best in the country. And, you know, we've had as a result of all of that, and because of all the hard work of so many people, not only on the health side but all the citizens of Maryland as well, we have made tremendous progress. And our, all of our health metrics are some of the best in the country, the lowest they have been since March of 2020, since the pandemic began. And so we really are seeing that light at the end of the tunnel and I just want to thank everybody who has helped us get to this point. From day one, we have all been in this together and it has taken an incredible effort. And I just want to thank the folks who helped make it happen and thank the people of Maryland. So with that, I'm going to turn it over for any opening remarks to my colleagues. So why don't we start with you, Madam Treasurer?

TREASURER KOPP: Governor, just to say it's good to be here on a beautiful day --

GOVERNOR HOGAN: It is a beautiful day.

TREASURER KOPP: -- and be able to see people. We are still trying to understand and comprehend the loss of so many, many people. But to know that we can learn from the last year, and all the events of the last year, and go

forward, as someone else said, stronger together, I think it's a great new day. I look forward to working with you and the Comptroller as we do go forward.

GOVERNOR HOGAN: Thank you. Comptroller, do you --

COMPTROLLER FRANCHOT: Yes, thank you, Governor and Madam Treasurer. I identify with both of your comments. I think they have been terrific. And frankly, it took me months to learn to remember to take my mask with me when I left the house. And now it is taking me some time to remember that I don't have to wear a mask, thanks to the vaccination program. And I couldn't agree with you more that it's a new day for Maryland.

TREASURER KOPP: Although, we still have to get all those folks who are not yet vaccinated.

GOVERNOR HOGAN: I'm glad you mentioned that --

TREASURER KOPP: -- serious --

GOVERNOR HOGAN: -- because it isn't over. We're still working hard to get the rest of the folks vaccinated.

COMPTROLLER FRANCHOT: Yeah, well, I'm going to get a little sign that says I am vaccinated, just to make sure everybody is comfortable.

GOVERNOR HOGAN: I feel much better now, sitting next to you.

(Laughter.)

COMPTROLLER FRANCHOT: So anyway, I have a little what my grandkids would call a boo-boo on my head so I've been ordered to report that everything is just fine, the whole thing was removed, and that it is not a lobotomy where they actually --

(Laughter.)

COMPTROLLER FRANCHOT: -- and I'm all fine. So apologies for wearing a small bandage.

But I did want to express I think some general concern over the police involved incident that took place in Ocean City over the weekend. The video footage was obviously disturbing. I hope that there is a full and thorough investigation. Governor, I think you have echoed that, or said it yourself and I'm echoing you. But these incidents we need a full, complete investigation to determine what exactly happened and what disciplinary actions are appropriate.

I'll just stop there and say first we need the investigation. I mean, really. I obviously when I see a 30-second or a ten-second video clip, I react very negatively. But sometimes they aren't the whole story. So we just need to get it out there. And I would encourage everybody to be in favor of zero tolerance for any kind of misconduct by anybody. I mean, it's just somewhat in the atmosphere,



I guess. And it concerns me that we can't seem to have a rational report back as to what exactly happened and take action there from whatever you (indiscernible).

Anyway, on a separate topic, a much better topic, I don't think everybody realizes that over the last 12 months, we have given forbearance on over \$3 billion in taxes to Maryland small businesses and individuals. What is forbearance? That was last year it was delaying the payment of April 15th taxes until July 15th. Then in December, we did something new for small businesses, sales tax, etcetera. And then, this year, this tax season, we moved the date from April 15th to July 15th. This is in effect an interest free loan from the State of Maryland to small businesses and individuals that are in need of it. And it totals, according to my staff, over \$3 billion that we have granted forbearance for.

The reason I like it so much is that it's targeted to people who actually need it, because most people will just go ahead and pay their taxes if they have the money. But we then have no, apparently very little problem collecting the tax after the forbearance because people are doing the right thing. But I think particularly the forbearance that we are talking about now is helpful because it allows small businesses to put, obviously, a lot of money, keep it in their pocket. And then we get further into the summer season, where they can open up, etcetera. So it's a much needed financial lifeline. I don't think it's particularly publicized

but I think it is appreciated by struggling Maryland businesses and individuals. And it's something that has covered a wide range of taxes and a lot of folks who were somewhat cynical told me don't do this because they are going to take advantage of it. And they are going to abuse it and they are not going to pay taxes. Well, they do. So hats off to Maryland taxpayers. And I mentioned the amount that I think is significant.

Okay. So if I could also just comment on something that you and I agree to disagree on, I think, Governor, which is the \$300 unemployment situation. If I were to say at the end of today that I'm going to stop the forbearance and the taxes that I've said to small businesses are due not on July 15th but the end of this week, the business community would be furious with me. They would say, no, we planned and budgeted for that. You can't do that. You're really jeopardizing things. You are pulling the rug out from underneath us. So I'm not, obviously, going to do anything with those extension deadlines and but in a way we're also pulling the rug out from underneath the hundreds of thousands of Marylanders who are expecting the \$300 payment. And it's federal money. People have, just like businesses, budgeted for it, planned for it, strategized they were going to get it. It was going to end the first week in September. And so I hope that perhaps we could think of doing something differently before this actually takes effect. I think it's

July before it actually takes effect. And so I would hope that we could come up with a carrot rather than a stick to get people back to work. This is not, this economy is complicated. It's not like a light switch. You can't just flick it open and say, hey, we're stopping this so you're going to go back to work. It's more complicated than that. So why not take a little bit of time and try to deal with the labor shortage, that I'm sympathetic to businesses. Maybe we could explore some other alternatives. I understand out in Colorado their governor is utilizing a sliver of the billions of dollars in federal dollars that the state has received, he is offering \$1,600 bonuses to unemployed citizens to get back to work. As my mother said, honey works better than vinegar. A carrot works better than a stick. So according to an article in *ABC News* published on June 8th, nearly 8,000 people have applied for the program to help Colorado jump start. I'm not suggesting that's something that Maryland should do, but maybe we could take a look, Governor, at this, your decision, and come up with some other, more -- something that incentivizes people rather than penalizes them or punishes them or somehow, you know, in other words, people want to do the right thing. And if we could do something that was positive rather than negative, I think it would be much better for the State. I don't mean to ramble on there, and maybe they did take a piece of my brain when they went in

under this little bandage here. I apologize. But I hope that we can, I hope that we can work together to come up with something else.

TREASURER KOPP: By the way, Comptroller and Governor --

COMPTROLLER FRANCHOT: Yes?

TREASURER KOPP: -- you'll be pleased to hear the federal government did keep their word and Maryland received a little more than \$3.7 billion at the beginning of this week --

COMPTROLLER FRANCHOT: Is that one check?

TREASURER KOPP: -- (indiscernible) billion dollars.

COMPTROLLER FRANCHOT: Could I get a copy of that?

GOVERNOR HOGAN: -- pretty good week.

COMPTROLLER FRANCHOT: Yeah, I'd like to see, I'd like to see how they fit all the zeroes in. That's good news. Thank you.

TREASURER KOPP: Yes.

COMPTROLLER FRANCHOT: And that's unusual. And I think, Governor, obviously it's due to your fiscal management that we're eligible for that.

GOVERNOR HOGAN: Thank you. Let's get started with the Secretary's Agenda.

SECRETARY GONTRUM: Good morning, Governor, Madam Treasurer, Mr. Comptroller. John Gontrum, Executive Secretary of the Board of Public Works. It's wonderful to be with you this morning. There are 17 items on the Secretary's Agenda and four reports of emergency procurements. Item 16 is being withdrawn at the request of St. Mary's College of Maryland. I'm happy to assist with answering any questions.

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

TREASURER KOPP: I do have, it's not a question but I think there is an important item, Item 6, the State's (indiscernible) for this year. We, I (indiscernible) to the Secretary of Budget and Management who we see before us on the screen that I thought this was something that people should hear about, the question that we raised a year ago is what progress are we making in electric vehicles for the State. And I think there is a good story attached to Item 6. Am I right, Mr. Secretary?

MR. BRINKLEY: There is, Madam Treasurer. And I know Joe Consoli should be on here also so he can reach out and talk about it. The item that you have, while he is logging on, is dealing with just itemizing the trucks that we now can do, because on the cars you signed an agreement last year identifying those

vehicles for a two-year window. Joe, have you made it on yet so that you can touch base on what she's referencing?

SECRETARY GONTRUM: Mr. Joe Consoli?

MR. BRINKLEY: So, since we don't have him linking through, what I can tell you, Madam Treasurer and what you are referencing is we have entered into an agreement to purchase 40 electric plug-in vehicles using some of the (indiscernible) funds, which are an eligible use of those monies and they will be going out to various agencies. But again, our challenge and our bottleneck now are just the plug-in stations but that has been expanded. The Governor did a ground breaking, I want to say about six or eight weeks ago, where there were some BGE facilities up in Baltimore County at the Port there. And I know here at the Post Office where we are staying temporarily, we have two plug-in stations here. There will be some more plug-in stations down at 45 Calvert Street. And right now it's just a bottleneck but we have 40 electric plug-in vehicles that are coming to the State as we make that transition.

TREASURER KOPP: Thank you. And it is my impression from what we've been told that the various related agencies, DGS, MDE, MEA, and MDOT, are all working together to survey the State's fleet situation, spot those autos, and I guess light vehicles, that are coming up and getting ready for

replacement, and assuring that we will in fact be moving quickly, as the Governor said some time ago, to electrify the fleet at the same time that we're putting up the charging stations through VW money and VW settlement money and other ways. And as one that has just been nagging for a long time, I do want to take the opportunity to congratulate people. We are moving forward and never quickly enough, but my understanding is about 25 percent of all the vehicles ordered are going to be EV and that's a big change. And so I just wanted everyone to be thrilled to know that.

MR. BRINKLEY: I'll just point out that it's not nagging. All it is showing leadership and moving us in a direction to grow (indiscernible). So don't think that you are nagging.

TREASURER KOPP: Well but --

GOVERNOR HOGAN: Nagging is what the Budget Secretary does at our cabinet meetings. You are simply advocating.

(Laughter.)

TREASURER KOPP: But this is good. And I do congratulate you all, MDE and Joe, for the leadership that you all are (indiscernible) and exercising.

COMPTROLLER FRANCHOT: I actually thought the Treasurer had been nagging General Motors and Volvo when they announced all of their cars are going to be electric by 2030.

TREASURER KOPP: Yes.

COMPTROLLER FRANCHOT: No --

MR. BRINKLEY: That's good.

COMPTROLLER FRANCHOT: -- so whatever you are doing, Madam Treasurer, is working, in the public sector and in the private sector.

TREASURER KOPP: This is good. And I think we now have to get the leaders of all of the agencies of State government, all the departments of State government to focus on it. And as you said, Mr. Secretary two years ago, I think, the default position is that we go with EV. If we can't do EV, plug-in hybrid. And let's get moving.

GOVERNOR HOGAN: Great.

MR. BRINKLEY: Thank you.

GOVERNOR HOGAN: Thank you.

TREASURER KOPP: Thank you. Thank you.

GOVERNOR HOGAN: Are there any other questions on the Secretary's Agenda?



COMPTROLLER FRANCHOT: I had a question on Items A1 through A4. These are four emergency contracts, Governor, from the Department of Human Services to retroactively award contracts to provide in-state residential child care services to eight Maryland youth. And I'm not sure if Deputy Secretary James is available, but --

GOVERNOR HOGAN: He should be.

COMPTROLLER FRANCHOT: -- I'd love to have him comment on how, you know, how we are going to get a handle on these retroactive contracts coming to the Board, especially ones involving treatment services for Maryland young people. I'm particularly alarmed by the two contracts that ended months ago and we're now being asked to approve them. So --

GOVERNOR HOGAN: Is Greg James on with us?

MR. JAMES: Good morning, Governor, Comptroller, Madam Treasurer. Greg James, Deputy Secretary for the Department of Human Services. And I am happy to be with you today to answer any questions you have about these contracts.

I want to start off by first expressing my apologies for the lateness of these reports. As I have explained in the past, one of the challenges we face is that negotiating these contracts can frequently take several weeks. That was

compounded by some of the challenges we had during COVID with some of our staffing turnovers and disruptions of our normal business processes. We have been working through those. We have three additional items that will be coming before the Board as retroactive items. At the July 7th meeting, right now I believe we have an additional three items that we are tracking as possible retroactive, and we have five additional emergency placements that we will be bringing and reporting to the Board shortly.

I also want to say, part of our problem, Mr. Comptroller, is for us we start the clock ticking the day we place the youth. But as I said, sometimes it's several weeks before those negotiations are completed. So it's my intention to work with the Board in trying to develop a process so that we can provide an initial report of these placements immediately after we make that placement, a good faith reporting that will indicate everything that we know at that time, which is most of what we are required to report. And then we will follow up with that with a full reporting of the final details once the contracts are executed. Because I do agree, it does not, it is not consistent with the State law for us to be reporting these so late after the fact.

COMPTROLLER FRANCHOT: Thank you. And April 7th we agreed at the Board for five retroactive contracts for residential childcare services,

and I think the number, the amount was \$242 million. Obviously, that's over many years. But I'm glad that you are testifying today that we are going to have a little more administrative oversight and to get through this backlog, because I'm concerned that the treatment of the kids is not being adequately evaluated by your teams. Please tell me that that's not the case, that in fact you are, you know where these young people are and you know what kind of treatment they are getting, and that it's all on the up and up.

MR. JAMES: Absolutely, sir. I can absolutely assure you, despite the challenges we may have had within our contracting team, that our direct care team, the case workers that work with these children throughout the pandemic have continued their regular contacts and visits, whether those are video visits or in-person visits where necessary, so that every child is seen monthly in compliance with State regulations and State requirements. And we absolutely, our highest priority is always making sure that these kids are getting the services that they need, which means we push to get the placement to happen and then follow up and work on the contract details afterwards. So it is because we prioritize making sure that these kids are getting the appropriate placements that sometimes we have emergency procurements rather than focusing on the administrative part of that. So certainly I am here today saying that we need to improve our administrative

processes. But I can assure you that we know where our kids are, we are keeping a very close eye on them, and assuring that they get the services that they need.

COMPTROLLER FRANCHOT: Thank you, Mr. Secretary, and thank you, Governor.

GOVERNOR HOGAN: Thank you. Any other questions?

TREASURER KOPP: Yes one, and not a question, but a point to make to the Secretary of the Board. Which is we continue to get a large number of last minute changes to these items. And I understand that sometimes that's unavoidable. But one of the virtues of the Board of Public Works is that it provides transparency to the public and it's not transparent if it comes in at the last minute when the agenda has been posted publicly for some time. I would just urge you to do what you can, John, to work with the agencies to understand that. Not wanting to force people to take longer than they should to come in with a project, but understand why we have this system and why it is important to the public. This is a unique Board in the nation and it provides a level of transparency that is unique and we shouldn't --

COMPTROLLER FRANCHOT: Yeah, just to follow up on that, some of these contracts we're looking at, the Deputy Secretary is very sincere and

I appreciate that, but some of them have the kids going to facilities and they are not there anymore.

TREASURER KOPP: Yeah.

COMPTROLLER FRANCHOT: They have been either sent to another facility, or they are hospitalized, or there is something going on. So it would be helpful if, Madam Treasurer, if not just what you said about changes, but also accurate inventory of what we are doing here on the Board when we vote on these.

TREASURER KOPP: And please understand, my comment was not directed specifically to Deputy Secretary James or anyone. It's the rule of the Board and its public agenda. But yes, I agree with you.

COMPTROLLER FRANCHOT: So I'd like to also recognize Ann Klase is back, my unbelievable, indispensable Board of Public Works staff person. She now has two children, Hudson and Sutton, I think. Yes? And welcome back.

MS. KLASE: Thank you.

COMPTROLLER FRANCHOT: It's a pleasure. She's the one who has got me all ginned up on all of this stuff. She's my --

GOVERNOR HOGAN: She's really got three children.

COMPTROLLER FRANCHOT: Yeah --

(Laughter.)

COMPTROLLER FRANCHOT: That's why I don't debate the Governor. You know, he's --

GOVERNOR HOGAN: Is there a motion or --

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Second? Very good. Three to nothing. Next we're going to move on to DNR Real Property Agenda.

MS. HADDAWAY-RICCIO: Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, Jeannie Haddaway-Riccio, Secretary of the Maryland Department of Natural Resources. We have 15 items on our Real Property Agenda today and I'm happy to answer any questions you may have.

GOVERNOR HOGAN: Good morning, Madam Secretary. Any questions for DNR?

TREASURER KOPP: I have one that I probably shouldn't ask, because I don't know the answer. 10A, the Harriet Tubman Rural Legacy Area - Malkus 4 Business Trust, could you just tell me a little? It looks like a very significant item to provide additional climate change resiliency on the Shore, and I

also recognize the name Malkus, though you don't see it with Harriet Tubman very often. So I was curious.

MS. HADDAWAY-RICCIO: Yes, that is true. Malkus is a very popular and distinct name in Dorchester County and we're very excited about this particular Rural Legacy project. It's a little over 184 acres in the Tubman Rural Legacy Area, which is near of course the visitor center and Blackwater. One of the really great things about that region is the viewshed is very much the same as it was in Tubman's time. And so these projects help us to retain that well into the future for many generations.

There are some portions of the property to the south and to the east that could experience issues from climate change. So there are some mitigation measures incorporated into the plan for this project.

TREASURER KOPP: Great. And I see you have the partnership of the Navy, also.

MS. HADDAWAY-RICCIO: Yes. Yes. This is actually part of the Navy REPI Program. It is in the NAVY's REPI territory so they have been a really important partner for us, particularly in this region and also along the Nanticoke River in preserving these lands.

TREASURER KOPP: A good public-public partnership. I served many years ago with Fred Malkus and I'm sure he would be pleased to be connected to Harriet Tubman, or should be. Thank you.

GOVERNOR HOGAN: Thank you, Madam Secretary. Any other questions on --

COMPTROLLER FRANCHOT: No. I share the irony of those two individuals. That's fabulous. That shows progress, I think. Evolution. And yeah, no. The Senator and Louis Goldstein and others used to invite me to go down and have muskrat with them --

TREASURER KOPP: Right.

COMPTROLLER FRANCHOT: -- and I somehow never really consummated that. So it's a great part of our State. Thank you.

GOVERNOR HOGAN: Thank you. Is there a motion on DNR?

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Second. Three-nothing on DNR. Now we're going to move on to the University System.

MR. HICKEY: Good morning, Governor, Madam Treasurer, Mr. Comptroller. Tom Hickey representing the University System of Maryland. We



have four items for your consideration this morning and I'm happy to answer any questions you may have.

GOVERNOR HOGAN: Anybody have questions of the University System?

TREASURER KOPP: I have a brief question. First, I'd like to point out 2-C, Towson. We have talked about this Towson Health Professions item before, and just to see that it's going forward, it's going forward with a focus on resiliency. And I just congratulate the University and the President of Towson for all the hard work she has done, not only in this project but across the campus to preserve and assure the resiliency of that campus.

I did have a brief question on Item 3, the UMES food service management. We were told that UMES was working out or clarifying their contract with Thompson Hospitality subsequent to the discussion we had here a while ago. And I just wondered if there was any progress.

MR. HICKEY: We do have Gregory Davis, he is the Associate Vice President for Administration and Finance for University of Maryland Eastern Shore available. Mr. Davis?

TREASURER KOPP: Yes. My question, Mr. Davis, if you are there, is simply if we have made progress yet with this contract.

MR. DAVIS: Actually, we met with the vendor a couple of weeks ago and we talked about, you know, going forward. But we didn't actually decide to amend the contract. We had a sort of informal agreement when the pandemic hit and there was a letter that was written that basically outlined the arrangement. But as far as actually making formal amendments to the contract, we have not done that.

TREASURER KOPP: But you are comfortable that the relationship is going forward and that the University is not going to have to pick up a great cost because of the impact of the pandemic on this contract?

MR. DAVIS: Yes, I am comfortable with that right now, yes.

TREASURER KOPP: Great. Thank you.

GOVERNOR HOGAN: Thank you. Any other questions, University System? Is there a motion?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Is there a second?

TREASURER KOPP: Second.

GOVERNOR HOGAN: Three-nothing on the University System. We'll move on to the Department of Transportation.

MR. HICKEY: Thank you.

MR. SLATER: Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, my name is Greg Slater, Secretary of the Maryland Department of Transportation. The department has 18 items for your consideration today. Item 7 will be withdrawn, leaving 17 items for your consideration. Myself and representatives are here to answer any questions you may have.

Just one quick point, Madam Treasurer, on your question about with Budget and Management on the EV. Just on top of that, we're now purchasing dual mode locomotives to run in electric and diesel, depending on which line we're on. We're still focused on the 50 percent of our transit fleet as well. We just opened the Kirk Bus Facility, the new bus facility, yesterday that will be the first maintenance facility to handle EV buses. We're also working with WMATA on their fleet conversion. We opened up new EV charging stations at BWI Marshall and we're now working with Federal Highway to build out a network of charging stations as part of our park and ride and rest areas. So we're thinking about the infrastructure, the work force, the fleet, everything all at one time.

TREASURER KOPP: Super.

GOVERNOR HOGAN: You've been listening to the nagging.

TREASURER KOPP: Good work, Mr. Secretary.

GOVERNOR HOGAN: Yes. Thank you.

COMPTROLLER FRANCHOT: I have a question about Items 4, 5, or 4 and 6. They are slightly related to the Secretary's comments, but this would be for Ricky Smith, if he is available.

MR. SLATER: Absolutely, that is our First Transit contract.

COMPTROLLER FRANCHOT: Yes.

MR. SLATER: Executive Director Smith is on the line. Ricky, are you there? Ricky? He sent me a text he was on.

MR. SMITH: Good morning. Good morning, Mr. Comptroller. This is Ricky Smith, Executive Director of the Maryland Aviation Administration. I'm here to take whatever questions you have related to our items.

COMPTROLLER FRANCHOT: Excellent. So Item 8, Ricky, or Executive Director Smith, Administrator Smith, it's \$107.9 million contract. It was competitively bid, but the incumbent First Transit offered the third highest cost proposal of the five bids. If you could just comment on the Airport's selection process, and how this contract provides the best value for Maryland's taxpayers, please?

MR. SMITH: Well, Mr. Comptroller, thank you very much for the question. So the Maryland Aviation Administration, particularly BWI Marshall Airport, offers a number of critical services to our passengers, parking, parking

facilities and the shuttle service that supports those parking facilities, is one of those critical services. And so we have to have a reliable system in place to ensure that passengers can get to and from the parking facilities in a reliable manner. And so to maintain that service, we solicit the services of companies that have that expertise. First Transit, for example, has enormous expertise in shuttle service operations as well as fleet maintenance. And so we embarked on a solicitation process to attract the best service providers that we could. We went into this procurement process with an understanding that what is most important is that we have the qualifications, even if it might cost us more to pay for that service. What is most important for our customers is that you have the reliable service that they have enjoyed at BWI for so many years. And so we went through such a process and as you alluded to, First Transit, although First Transit is not the lowest bidder on the project, they were ranked number one by far in terms of experience and track record. Some of the other companies, although they had some transportation related experience, in many cases that experience was related to limousine operations or black car operations, which as I'm sure you would agree is far from the kind of experience that we need to operate a 24-hour, 365-day a year shuttle service to parking facilities, which includes both 40-foot articulated buses as well as smaller coach buses. But this is a critical service. And so we think the

procurement process resulted in us retaining in this case First Transit, a company that has the experience, the demonstrated experience, to provide the reliable service that we want to provide to our customers.

COMPTROLLER FRANCHOT: Okay. Thank you for that. And the 40 vehicles, I take it, are owned by the State but maintained by First Transit?

MR. SMITH: You are correct, sir. The vehicles are owned by the State. You know, many years ago, well over 20 years ago, we went back and forth on this arrangement, whether the service provider should own the buses or the State should own the buses. We had many issues many years ago with the operator owning the buses. We just could not guarantee the level of maintenance and the level of availability of the buses to meet the schedules. And so, over the last 20 years, this arrangement has worked very well for us. And to protect our interests, we put processes in place to make sure that the buses are properly maintained. We have a consultant, Fleetpro, that advises us on what of those areas that we should be maintaining or monitoring closely. And so we have those and a set of standards that the shuttle bus operator has to comply with. We also have access to their maintenance records, both directly for them, the buses are equipped with systems that report to us electronically on the maintenance activity. And then Fleetpro, our consultant, also does independent maintenance checks, not just on the condition of

the buses but the processes that the operators are going through to maintain the buses. And so we think we have a foolproof system in place. It has worked well for us over the last 20 years. And so that's the system that we're planning to move forward with.

COMPTROLLER FRANCHOT: Okay. And not to steal the Treasurer's thunder, but how many of the 40 vehicles are electric?

MR. SMITH: So none of the 40 buses are electric. We are putting in place the infrastructure to support the electric buses. They are, however, clean diesel fuel buses. Through the Volkswagen settlement, we are putting the infrastructure in place to begin to bring on electric buses. And so we are looking forward to that. We're excited about that. And that will begin the process of transitioning our fleet to an electric fleet.

COMPTROLLER FRANCHOT: Thank you, Governor.

GOVERNOR HOGAN: Great. Thank you. Any other questions on Transportation?

COMPTROLLER FRANCHOT: Actually Item 9, if I could.

MR. SLATER: The modification associated with the Purple Line, so essentially what this contract is is an increase in contract authority for work that the State is doing to keep the construction moving during the transition period. It's

work that PLTC would have done and would have paid for if they had still been on the project, but we chose to take on 150 contracts ourselves and direct manage it so that we could keep that construction moving. So this increased contract authority is for that and as part of our work. And it's completely separate than the original settlement --

COMPTROLLER FRANCHOT: Well, good. And Secretary Slater, you know that I have a lot of faith in you because this project was something you inherited. I think, Governor, it's to your credit that you've got Secretary Slater moving this project forward. It's not easy. There was I think a \$250 million settlement, now we're adding in this \$183.5 million. It's a very important project, critically important. It's 40 or 50 percent completed. I think it will really fill in a piece of the puzzle as far as world class transit in the Washington area. And I hope that we're not going to see millions more added, but it's well worth the price that the State has to pay, I think, to get ahead of the transit infrastructure.

But I did have a question about the company that left this problem with us. And if you could in a professional way present us with something about their current situation with the Securities and Exchange Commission and the Department of Justice, because this problem of this P3 was not something that just developed from the project. It was the company, I believe, that has been suggested



that they deliberately underbid a lot of public contracts. And I'd just like the record to have whatever you can come up with that would be helpful to explain how we got into this mess and thank you again for getting us out of it, but it's not easy.

MR. SLATER: I'm happy to provide some follow -up, sir. I know, you know, just one important point is, every activity that we do under this new contract authority is an activity that won't be included in the new design-build cost. So it's us keeping that moving.

You know, since their departure, you know, I have not really focused on them. So I'm happy to kind of follow up and kind of see where that is, just focusing on kind of us moving forward and the solid partner that we have on the --

COMPTROLLER FRANCHOT: I --

MR. SLATER: -- management side.

COMPTROLLER FRANCHOT: -- couldn't agree with you more. But it doesn't hurt to have an explanation for the public when they say why are we all of a sudden spending billions of dollars on this project that the P3 was supposedly going to save us. So I don't mean to --

GOVERNOR HOGAN: -- but let me just remind you that our tough negotiations with this previous contractor saved the State \$650 million, and we

knew we were going to be taking on some costs to save that money. So it was great for us to be able to terminate that relationship.

COMPTROLLER FRANCHOT: Yeah. My understanding is that this was the last of a long line of states and other public entities that were in effect defrauded by this company. Now, the company is out of Texas so I don't really care about it. But I would like to at least see on the record, some of the allegations are just, and we ended up being the last one, I think, holding a public contract with them. So it's only helpful in a rear view mirror. Once again, I applaud the administration for righting the ship and getting it done.

MR. SLATER: I know there were similar challenges on a project in Denver and a project in New York. So I'm happy to follow up.

COMPTROLLER FRANCHOT: Thank you.

GOVERNOR HOGAN: All right. I'll second the praise for Secretary Slater. That was a really terrific job getting us out of that thing and saving \$600 million-plus. And now they are doing a great job of moving it forward without them. So thank you.

TREASURER KOPP: Could I just add one other thing. On this item, in the Agenda there is an extraordinarily long description, several pages. And

I appreciate that very much for the record, just laying out what happened and why this is a good project. I appreciate it.

MR. SLATER: Absolutely, thank you, Madam Treasurer. One of the things that I've been working with our team on is to just get a little more detail in those descriptions, because there is a story in there for each one --

TREASURER KOPP: Yes, exactly.

MR. SLATER: -- tell that narrative.

GOVERNOR HOGAN: Yes, I agree. I think the more descriptive, the probably less concern or questions any of us have.

TREASURER KOPP: Yes. Thank you.

GOVERNOR HOGAN: Thank you. Is there a motion on Transportation?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second?

TREASURER KOPP: Second.

GOVERNOR HOGAN: Three-nothing on Transportation. Now we're going to move on to the Department of General Services.

MR. CHURCHILL: 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 39 items on our Agenda, including two supplementals for your consideration. We would note that there are three revisions that were submitted yesterday: Item 7-CGL, which was revised for a second time to correct the funding for which MDH is seeking approval; and 21, Sub-Item 1.2, which was revised to clarify the nature of the activity in the former modification; and Item 30, the revision was to correct the monthly rent for the warehouse portion and to clarify the description of the lease. The department is withdrawing Items 28 and 29. I would note that on our Agenda are awards to eight minority businesses and eight small business enterprises. We have two speakers who have asked to address the Board for public comment. And I would make note that in the gallery we do have Commander Jason O'Neil of the Guy C. Parlett Post 7 for the American Legion in Anne Arundel County, whose Item 1 is on our Agenda.

GOVERNOR HOGAN: Thank you very much for being here and thank you for your service. I think we will start with Item 35-S where we have the people signed up to speak, I guess. First we'll hear from Edward Dow from Netorian, LLC.

MR. DOW: Am I, are you hearing me?

GOVERNOR HOGAN: Yes.

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MR. DOW: Yes, okay. Thank you. I wanted to bring to your attention my concern with the contingent labor managed provider services proposed contract ID 00U1600480. I would like to request that the Board postpone approval of this contract until it can be further investigated.

My two principal points are that this was competed through a contract for the State of Utah, a cloud services contract. And this cloud services contract has specific categories of work that this contract covers. However, the categories of work which are covered by the contract used to compete this managed provider services contract do not match the provider services which were proposed to be acquired. It's like going to a contract for auto parts and using that to buy computer services. The vehicle they have used doesn't support the services that they have requested. And this is contrary to the specific instructions in the Maryland Procurement Manual.

Secondly, I have been informed by our customers that they intend to shift contracts which are currently being performed by (indiscernible) and other small businesses over to this managed services contract vehicle. Now, 50 percent of the staff positions which we used to execute our contracts for the State of Maryland are subcontracted to minority business enterprises. And to suddenly shift these positions, these current positions, over to this new managed services contract

would pull these contracts away quite suddenly and we would not necessarily be given any opportunity to compete for this business. Now, I am grateful that I've had the opportunity to speak with the Deputy Procurement Director for DGS this morning and Richie emphasized that we would have the opportunity to compete. But the fact is that if it's awarded to a prime contractor, that prime contractor would then compete, would then select the subcontractors they use to deliver services and it is not, it is no longer under all the same rules as the Maryland Procurement Process.

I ask respectfully that the Board pause on the approval of this contract and simply take the time to examine this question, these two questions, really: whether it was properly solicited, and what the potential impact would be to small businesses and minority business enterprises. And that is the end of my statement. I appreciate the opportunity to provide it. And if there is any question you might have for me, I would be pleased to answer them.

GOVERNOR HOGAN: Thank you very much. Maybe we will hear from the second speaker and then we'll have them try to address the concerns and answer the questions. We have Carolina Seldes, CEO of ITnova. Do we have somebody from ITnova?

MS. SELDES: Hello, can you hear me?

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GOVERNOR HOGAN: Yes.

MS. SELDES: Good morning, honorable representatives. Thank you so much for the opportunity. I am talking about the same contract. I am a minority business enterprise performing in one contract that is going to switch to this new contract. As a result, I might lose the people that are working on that contract. But my main point is that I was never aware of this new procurement and the advertising of this procurement. So I would like respectfully to just to have a landscape for us to compete to get informed on these potential new procurement decisions that can affect small businesses like us. So this is it.

GOVERNOR HOGAN: All right. Thank you. Mr. Secretary, do you or someone want to respond to the concerns or questions?

MR. CHURCHILL: Yes. Let me address a couple of things, and then we also have Mike Haifley, Deputy CPO and Bob Gleason, CPO, on the line.

GOVERNOR HOGAN: Great.

MR. CHURCHILL: First, this was secured as a platform as a service. So any service can be provided through the cloud on this RFP and we can get more into that. That was the start of addressing Mr. Dow's comments. Also, the contract --

TREASURER KOPP: I'm sorry, I don't understand.

MR. CHURCHILL: It means that any service that the State requires is incorporated into the five categories of the contract. So we can go into that, you know, just momentarily. Also, in terms of MBE participation, there is 30 percent MBE participation within the contract. This is a multi-step process so there will have to be a program outlined and then at that point there would be notifications to the vendor community.

I would ask Mike Haifley, Deputy CPO, to address further the categories of work, which is really the question --

GOVERNOR HOGAN: Yes.

MR. CHURCHILL: -- that was brought up by Mr. Dow.

MR. HAIFLEY: Good morning, Governor, Madam Treasurer, Mr. Comptroller. Mike Haifley, Deputy Chief Procurement Officer, Department of General Services. The contractor is providing a web-based, mobile accessible, SAAS platform, which is appropriate under the Utah contracts, the cloud solution contract. In addition to that, they are managing the platform and the network associated with that. So we believe that it is in scope with and meets the requirements of the contract.

The system itself is merely a tool that we use to interface the agencies and the vendors to provide the resources. So the contractor does manage



the tool. But we will work with them to establish standards, to vet the providers, and to ensure, you know, a fair and equal opportunity for all staffing companies to provide resources.

In terms of minority business, veteran business, small business, Maryland firms, we have already had conversations with the potential contractor. We want to open up those channels and make the vendors who provide staffing resources more robust. They are kind of narrowly tailored now under these individual agency contracts. We have sent them the MBE directory. We have offered the small business providers and they will also be doing outreach. So we are trying to make it more open and competitive, not restrictive.

COMPTROLLER FRANCHOT: If I can just suggest that we take a couple of weeks and look at this, because it is a \$175 million proposal. I don't think we competitively bid it. I think we are using the NASPO process to select this group. I don't think we have worked with them before. I did vote over the years for some smaller versions of this and I'd like to check with those agencies to make sure that they didn't run into problems. For example, if the vendor selected by Guidesoft doesn't perform, do we complain to the company that's not doing a good job? Or do we appeal to Guidesoft? Or how do we exactly deal with that? So I would like a couple of weeks just to see what the experience has been to date with

the smaller versions of this. This is a much bigger version. And so I would, if my colleagues would indulge me, would love to defer this again until the next meeting.

MR. CHURCHILL: Concerning experience, Mr. Comptroller, I just want to make sure I understand the thought. Is that experience within the Maryland --

COMPTROLLER FRANCHOT: Yes.

MR. CHURCHILL: -- departments with --

COMPTROLLER FRANCHOT: Versions of this.

MR. CHURCHILL: -- versions of this? Okay.

COMPTROLLER FRANCHOT: Similar, not the same. Just --

MR. CHURCHILL: Absolutely. Because this company is actually operating out of how many states with other --

MR. HAIFLEY: They are currently in 14 different states.

MR. CHURCHILL: So they are experienced --

COMPTROLLER FRANCHOT: Yeah, I'm less concerned with that and more concerned with what the agencies' experiences have been with the smaller versions, not of this program, but of the same concept, if that makes sense.

GOVERNOR HOGAN: Did you have someone else from the department you said that you wanted to have them speak also --

MR. CHURCHILL: Well if --

GOVERNOR HOGAN: -- Comptroller's comments?

MR. CHURCHILL: -- yes, the CPO, Bob Gleason is on the line and he can address some other issues.

GOVERNOR HOGAN: Great.

MR. GLEASON: Good morning, Governor, Madam Treasurer, Comptroller. Thank you. For the record, Bob Gleason, CPO. And Mike explained this, and thank you for your question, Mr. Comptroller. Those are valid concerns. I would just say that this is a proven process. As Mike said, they are in 14 states. I did this myself previously before I came here. We selected a different vendor with a different tool which basically improved measurably over a decade how to manage the staff augmentation contingent work force labor. And to the Secretary's point, we were able to meet all of our goals for small, women, minority, veteran businesses through the tool, together with a State representative to assist the agencies where they have issues with, frankly, we're all humans and every human comes with things that we have to address as a workforce. And the managed service provider helps facilitate that for us. So we are the, the Office of State Procurement is the point of escalation for this. We have someone assigned to this contract, as we do with many of our major enterprise wide contracts. I do know that this is a

good solution, it's the right solution. But certainly I will yield to the body here in terms of what the next steps are. Thank you.

GOVERNOR HOGAN: Well, you know, I appreciate the response and I believe we can get to a resolution. I know DGS has been asked to try to resolve these concerns of the Board members and the concerns of the people that testified prior to the meeting. We haven't done so effectively, so if the Comptroller and the Treasurer would rather have two more weeks to take a look at this so you can do a better job of convincing us, I have no problem with that.

MR. CHURCHILL: Well Governor, I will just give a frame of reference that we have briefed the Board, the Board's staff or members that had some questions and we addressed those questions directly. So this is a new question --

GOVERNOR HOGAN: Okay, great.

MR. CHURCHILL: -- that --

COMPTROLLER FRANCHOT: No, and we appreciate our staffs and for some reason --

GOVERNOR HOGAN: Our staffs may understand it.

COMPTROLLER FRANCHOT: -- yeah, I wasn't on the A list. So I need to just check this out with --

TREASURER KOPP: I do want to say the Secretary did brief us, and Mr. Haifley also, and Mr. Gleason also, and Pam, who is actually running the thing, also. And I appreciate it very much, and a number of questions were answered. But not these particular questions. And I have another one after digesting this all, and that is simply how this Board and the public will keep track of what's happening. It isn't something that will be on a PAARs, but if there could be a regular quarterly, for instance, report, so that it's not just something that happens somewhere else. You know, my concerns were that this not, that you all be watching and this not be used to do away with State employees, our people. And that it be used in a timely fashion, those sorts of things. This gives us time to actually lay out how these could be reported.

GOVERNOR HOGAN: And this is probably something that DBM ought to get together with you and help educate us.

MR. CHURCHILL: We, the department will be happy to entertain and provide additional information concerning the questions that have been brought up today. The quarterly report or reporting mechanism is not an onerous thing for us.

TREASURER KOPP: Right.

MR. CHURCHILL: We provide reports all the time. So I'm sure we'll be able --

TREASURER KOPP: It's just establishing the assumption --

MR. CHURCHILL: Yes.

TREASURER KOPP: -- that there will be. You've been good about --

MR. CHURCHILL: Yes. So --

TREASURER KOPP: -- reporting. I have to say also one of my concerns, Governor, but it goes beyond this, is just the relationship between the user agency, the user agency, DGS, DBM, and DoIT, and how things can be clarified so we understand who does what and why.

COMPTROLLER FRANCHOT: My concern is every time I see this, the price goes up. So maybe we could just have a little further understanding because these are not small items and this is a new relationship, let's put it that way. So I appreciate it, Governor.

TREASURER KOPP: But it may be a way --

GOVERNOR HOGAN: Could we get a motion to, the Comptroller has a motion to defer this for two weeks, it has been seconded by the Treasurer, and it has been voted on three to nothing.

SECRETARY GONTRUM: Very good. That will be deferred three weeks, to the July 7th meeting.

GOVERNOR HOGAN: Okay. Great. Are there other questions on the DGS Agenda?

COMPTROLLER FRANCHOT: I just wanted to applaud in Severna Park, I think, there is a million dollars that Secretary Brinkley and you, Governor, are allocating to an intergenerational center added or parts of it. I think that's fabulous. It emulates something that I think is going on on the Shore, and I'm a big fan of seniors being able to (indiscernible) next to younger adults. They can share information, the older people have more, less social isolation and more opportunity to give their experiences to young adults, who often are clueless about many things. So and they get to --

TREASURER KOPP: Sometimes the older ones are, too.

COMPTROLLER FRANCHOT: Yeah, that's true.

GOVERNOR HOGAN: Yeah.

TREASURER KOPP: -- speak --

COMPTROLLER FRANCHOT: I think the mixing of old and young is very commendable in these innovative projects and community centers. And thank you, Governor, for --

GOVERNOR HOGAN: It's good.

COMPTROLLER FRANCHOT: -- putting some money into that.

GOVERNOR HOGAN: Great. Is there a motion on DGS?

COMPTROLLER FRANCHOT: I would move approval, with the exception of that --

GOVERNOR HOGAN: Yes --

COMPTROLLER FRANCHOT: -- pulled it out --

GOVERNOR HOGAN: -- pulled that out. There's a second and it's three to nothing. Thank you all very much. It's great to be back with everybody in person. Thank you for joining us.

(Whereupon, at 11:08 a.m., the meeting was concluded.)