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COMPTROLLER FRANCHOT: Okay. If you could provide the members of the Board, or their staff, with a copy of the initial assessment report from Ernst and Young, I would be appreciative. Is that possible?

MR. YE: Mr. Comptroller, we'll take a look at it. We didn't ask for a report to stick on a bookshelf and have it look pretty, sir. It was an operational set of items that we immediately took and implemented and you can see that we are delivering results right now.

COMPTROLLER FRANCHOT: Well, that's fine. But just send us what you have. You don't have to have it bound. Thank you. Is that a yes or no?



MR. YE: We'll do our best to get it to you, sir.

COMPTROLLER FRANCHOT: And if I could ask --

TREASURER KOPP: And --

COMPTROLLER FRANCHOT: -- I'm sorry --

TREASURER KOPP: -- a moment, that answer, because I had the same question. I'd just like to clarify, my understanding is that you hired them to do an overall assessment to evaluate 34 processes to help improve them. I have great respect for Ernst and Young and I think it was a good idea to hire them. I don't think it's a good idea to keep secret, however, what their report was since we did pay for it.

MR. YE: Madam Treasurer, I think the focus is not so much on the actual report but rather the operational support they have given us. We have embedded EY staff with our National Guard, Health Department, and other agency staff.

TREASURER KOPP: You told us they gave you a report in their framework to include people, process, technology, and data. I think it would be an interesting document, or set of documents, or whatever it is, to see.

MR. YE: I understand, Madam Treasurer.

TREASURER KOPP: -- what you told us, sir.

MR. YE: I understand, Madam Treasurer.

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COMPTROLLER FRANCHOT: -- yes from the Deputy Health Director. I can't imagine there not being a --

LIEUTENANT GOVERNOR RUTHERFORD: You know, we need to look into that. If they said that there is a report, then we need to, you know --

TREASURER KOPP: A recommendation.

LIEUTENANT GOVERNOR RUTHERFORD: -- production of that report, so.

COMPTROLLER FRANCHOT: Okay. So I have a couple of other questions. Mr. Ye, how much of the contract has been expended to date? Can you briefly discuss the financial structure of the contract?

MR. YE: Yes, sir. What type of questions do you have? I think there's -- well, go ahead, sir. I'm not quite sure I understand your question.

COMPTROLLER FRANCHOT: How much of the contract has been expended?

MR. YE: I don't know the answer to that, sir. I'll have to get back to you. And we'll certainly do our best to get you the documents that you have requested and the Treasurer.

COMPTROLLER FRANCHOT: Okay. And if you could just briefly describe the financial structure? What --

MR. YE: Yes, no problem, sir. The basic question, as stated in our report to the Board of Public Works, it's a not to exceed contract. The initial three-month period is about \$3.8 million. The basic idea is we're trying to use EY staff to assist us at the beginning and then start transitioning State employee staff to replace these folks as time goes on. We'll anticipate probably moving on using State employees to the extent possible as they get trained up by the EY staff, and that's the basic financial structure.

COMPTROLLER FRANCHOT: Okay. And let me just ask about other consulting contracts similar to this one with perhaps other companies other than Ernst and Young. Are, and since nine out of the 11, this one happened to be presented on time, but are there other contracts that have been executed or consulted with that are similarly going to be late entries to the 45-day window to get them before the Board?

MR. YE: Sir, I sincerely apologize for our late submitted reports. We are doing everything we can to get everything reported to the Board of Public Works as quickly as we can.

COMPTROLLER FRANCHOT: How many emergency contracts are awaiting review and approval by the Board?

MR. YE: Sir, as soon as we submit the reports, that will be in the hands of the Board staff and we are working as quickly as we can.

COMPTROLLER FRANCHOT: And so I happened to have called a couple of weeks ago for an independent commission of fiscal experts to examine in a positive way, I'm not suggesting that relief is not great. Relief funding from the feds is terrific. But I think we need to examine and have some accountability as to these emergency contracts, particularly the ones that are arriving late. And so I would move, Lieutenant Governor, that we defer this item, in addition to Items A13 and A15, until our next meeting, hoping that a few more weeks will provide MDH some time to better justify the spending and perhaps get us the assessment, the report that the Treasurer articulated better than I. But there has to be something they can be providing in response to our questions. And if I have a second, terrific. Obviously, the money has already been paid. There is no question about that. So I don't think there is any harm in simply, you know, asking. That's all. And I'd love to get your support, Lieutenant Governor, because I know you are an expert on procurement. And really --

LIEUTENANT GOVERNOR RUTHERFORD: You know --

COMPTROLLER FRANCHOT: -- make sure that the, you know, that the information -- well, first of all, that it's presented to us within the 45-day period. And secondly, when we ask questions that there be some tangible response.

LIEUTENANT GOVERNOR RUTHERFORD: Well I think, and particularly as it relates to A9 or A5, you know, we will make sure that we get that

information to you that you all are looking for. I don't really see a reason to defer it. They are providing value, as we've mentioned. But they can get that initial assessment information to you, even if as the Health Department, they said that there was a report, we'll get that report. And if they were mistaken, then they write up what it was that Ernst and Young found. I don't see that. I don't remember the other ones that you said, what numbers, did you say A9?

SECRETARY GONTRUM: A13 and A15 is what I heard, Governor.

COMPTROLLER FRANCHOT: A13 and A15.

LIEUTENANT GOVERNOR RUTHERFORD: Oh, wait a minute. So 5, 13, and --

COMPTROLLER FRANCHOT: Fifteen.

SECRETARY GONTRUM: A15.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Not A9?

COMPTROLLER FRANCHOT: No.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. I'm not sure, I mean, I don't remember, you know, the questions that you had for this Berkeley Research. I just, I don't see a need for that. But --

TREASURER KOPP: I --

COMPTROLLER FRANCHOT: Well I would press my motion --

TREASURER KOPP: -- could I --

LIEUTENANT GOVERNOR RUTHERFORD: Madam --

TREASURER KOPP: All of these are emergency contracts which have gone into effect, isn't that right?

LIEUTENANT GOVERNOR RUTHERFORD: Correct.

TREASURER KOPP: That's what I thought. I would second the Comptroller's motion. I think we do need more information. And I, Mr. Ye, am very interested in your response and trying to understand it. And this will give us time to understand why the emergency contracts cannot be, why we can't be notified of the emergency contracts when they are executed or at least within 45 days after they are executed. And the response that you are essentially underfunded and don't have enough people in your huge department in the procurement agency, well, that's not anything that this Board has anything to do with. But you know where to get the procurement personnel. I don't think lack of transparency ought to be blamed on underfunding or insufficient personnel. It's not an impressive response.

MR. YE: Madam Treasurer, I don't think I am saying that we are underfunded or under-personneled. I am saying that my colleagues in the procurement office are working their hearts out seven days a week to try to turn things around as quickly as possible. We're trying to manage the procurements for

the mass vax sites at the same time that we are trying to take care of these items.

And I should note --

TREASURER KOPP: -- these are reports to us. This is not, this is not to do a procurement. And I am only saying what you said, which is you are trying to recruit. And everyone knows, I do believe most people know, that the State employees right now are overburdened and there are insufficient numbers of them in some offices. I can't imagine that you are denying that.

MR. YE: Ma'am, we are trying our best to, we've got ongoing recruitments for our procurement office along with DGS. But we're trying to do the best we can. And I think that this was a good faith effort by my procurement colleagues. I should note that these contracts were --

TREASURER KOPP: -- I did not say that the people who were working there were not working their hearts out. I am saying that there are insufficient resources put into this, and therefore you are not reporting to us in the legally set required timeframe.

MR. YE: I understand, Madam Treasurer. We will do our best to improve our future performance.

TREASURER KOPP: Or get some people.

LIEUTENANT GOVERNOR RUTHERFORD: Well, we can work with them as well as maybe see if there are resources in other departments that can

help them out with regard to some of these if there's backlogs on these emergency contracts, see where everything is. So --

COMPTROLLER FRANCHOT: if I could add in, Lieutenant Governor --

LIEUTENANT GOVERNOR RUTHERFORD: -- defer those three items?

COMPTROLLER FRANCHOT: -- yeah, those are going to be deferred. And I'd also suggest that the Acting Secretary of the Department of Health appear at the next Board of Public Works meeting. Please.

MR. YE: I will take that back, Mr. Comptroller.

COMPTROLLER FRANCHOT: Thank you, Governor. Do we need to vote? Or do we just need to --

LIEUTENANT GOVERNOR RUTHERFORD: Well, we'll need to vote separately. Are there any other questions on the Secretary's Agenda?

COMPTROLLER FRANCHOT: I would move approval with the deferral of those three items.

LIEUTENANT GOVERNOR RUTHERFORD: Yes, we have the exception on the two items. So John, do you want to take it as two votes? Is it two separate votes?



SECRETARY GONTRUM: Those three items, correct, yes, please, if there could be a vote on the motion to defer Items A9 -- I'm sorry. A5, A13, and A15. A5, A13, and A15, if there could be a vote on that motion, please?

LIEUTENANT GOVERNOR RUTHERFORD: Okay. I think it's two to one. I'm opposing it.

SECRETARY GONTRUM: Very good. And then just a vote on the balance of the Secretary's Agenda.

COMPTROLLER FRANCHOT: Move approval.

TREASURER KOPP: I will second, but I would like to say for the record that I do think that the Lieutenant Governor made some very good points about the need for a capacity to have emergency contracts. And I don't think anyone disagrees with that. But because there is that need, I think it's all the more important that there be transparency and that we know what is being done.

LIEUTENANT GOVERNOR RUTHERFORD: No, I agree. The reports should be getting to the Board quicker. But the ones that created the, you know, press articles did not get to the Board late. And so that was particularly what I was addressing. And the examples that the Legislature is talking about is not, you know, they didn't get to the Board late. They were transparent. There was competition. One of the press items, and I guess they were quoting somebody else

who said there was no competition. They called it a sole source and some were calling it secret. But you know, the press likes controversy.

TREASURER KOPP: Right.

LIEUTENANT GOVERNOR RUTHERFORD: So, you know, that's what sells. And so, you know, that's what I was really addressing when it came to Ernst and Young and even the other DMI contract. So --

TREASURER KOPP: We need emergency capacity. I do agree with you. Although I would point out, Governor, that sometimes the real emergencies are caused by inadequate maintenance and --

LIEUTENANT GOVERNOR RUTHERFORD: Oh, no question about it. I can, you know, as the former DGS Secretary --

TREASURER KOPP: Yes.

LIEUTENANT GOVERNOR RUTHERFORD: -- and I can remember several years ago testifying before one of the committees, I think it was Appropriations in the House, and I said to the Subcommittee Chair at the time, I said, you know, none of you guys go to a ribbon cutting of a new HVAC system or a new plumbing system or a new roof. You want a new building, but not the maintenance that takes place. And so that's why we're asking for these facilities renewal. And it's non-partisan, you know.

TREASURER KOPP: Right. Yes.

LIEUTENANT GOVERNOR RUTHERFORD: State buildings only have one constituency and that is State employees. It's not roads, it's not children, it's not, you know, whatever other group. And so that's, and so the public doesn't always call and say, hey, I think, you know, that office building, State Center, is looking terrible. I think you need to do something about the plumbing.

TREASURER KOPP: I must admit, State Center was springing to mind. But the prisons also.

LIEUTENANT GOVERNOR RUTHERFORD: Oh, yeah. Yeah. No question about them. Yeah. The prisons. Yeah, we often have pipes bursting and air conditions failing there. Okay. So it sounds like we have approved the Secretary's Agenda.

TREASURER KOPP: (Indiscernible.)

COMPTROLLER FRANCHOT: yes.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. John, I think we're fine? We lost John. Department of Natural Resources.

SECRETARY GONTRUM: Yes, Governor. Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Thank you.

MS. HADDAWAY-RICCIO: Hi, good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, Jeannie Haddaway-Riccio, Secretary of the Maryland Department of Natural Resources. First, I want to thank you for

highlighting and approving the Coastal Resiliency Project that was on the Secretary's Agenda. And we also have 13 items for your approval today on our Real Property Agenda. And we're happy to answer any questions you may have.

COMPTROLLER FRANCHOT: Move approval, if appropriate.

LIEUTENANT GOVERNOR RUTHERFORD: Let me just say for the Treasurer's purposes, she particularly likes our park tours, and I guess it's two weeks we'll be designating, I don't know if the Commerce Department is going to get upset with me, State Park Week. They will be launching that, I think it's in two weeks. And highlighting our State Parks, our wonderful State Parks that I think that Marylanders have really been taking great advantage of over the last year.

TREASURER KOPP: That's -- I do have a question now that I look at 1A Open Space. This is not really one of your parks, Madam Secretary. We are replacing deteriorating artificial turf with new artificial turf. Do you all, do you all have any position or do you look at the question, I get letters of concern about the impact of artificial turf both on people and on the environment. Do you all, have you looked at this?

MS. HADDAWAY-RICCIO: Yes. So artificial turf is often utilized by local parks and particularly with sports fields and it is an acceptable practice for Program Open Space Local. But we certainly understand your concerns.

TREASURER KOPP: I'm just trying to understand better the letters of concern that I am getting. But thank you, Lieutenant Governor.

LIEUTENANT GOVERNOR RUTHERFORD: We know for the professional athletes, they prefer the, you know, grass turf because it just is not as hard. But the, typically school systems will use the artificial because it's cheaper, it costs a lot less. And in our climate, you wear out those fields very quickly and they become, like when I was in high school you played on dirt and that might as well be artificial turf when it's, you know, in late October and early November when it's hard and --

MS. HADDAWAY-RICCIO: Mm-hmm. So I should also point out that there are environmental regulations that govern the disposal of the turf and the counties are required to comply with those regulations. So there are policies and practices in place for that.

TREASURER KOPP: Thank you. Thank you. I'll inquire there. Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. Any other questions on -- I think we had a motion on --

COMPTROLLER FRANCHOT: Yes. I would move approval, yes.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. I'll second. Okay. All right. Thank you, Madam Secretary. University System.

MR. HICKEY: Good morning, Governor, Madam Treasurer, Mr. Comptroller. Tom Hickey, representing University System of Maryland. We have five items for your consideration this morning and we have a team of folks ready to answer any questions you may have.

LIEUTENANT GOVERNOR RUTHERFORD: Any questions on the University System Agenda?

COMPTROLLER FRANCHOT: Governor, I just want to indicate my strong support for Towson University, Item 4-C, your administration. And please pass along to the Governor my appreciation for the new science complex, which is being built up at Towson, which is one of the gems of our system. And I was lucky enough to be on a phone conversation with Linda Gooden, the Chair of the Regents, and two of my old friends, former County Executive Ike Leggett, and Bobby Neall, former Senator Bobby Neall. And they were suggesting that this was a really, really, really important program. And I agree with them and just want to applaud the leadership of the Chancellor Jay Perman and the President of Towson Kim Schatzel, and obviously the Board of Regents. Thank you.

TREASURER KOPP: I agree completely.

COMPTROLLER FRANCHOT: I would move approval, if people don't have questions.

TREASURER KOPP: Second.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. That was easy. Okay. Thank you, Tom.

MR. HICKEY: Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: Department of Transportation.

MR. POWELL: Good morning. Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, my name is Sean Powell, Deputy Secretary for the Maryland Department of Transportation. We have nine items to present today for your approval. And with that, we do have representatives on the call if you have any questions. So thank you.

LIEUTENANT GOVERNOR RUTHERFORD: Any questions for Transportation?

TREASURER KOPP: I have a general question that was raised by Item 3, really, about the Port Administration. But it just looks like things were a mess and you are correcting it now. But --

MR. POWELL: Yes, ma'am. This is some corrective action. I believe if you need a little deeper dive on that, I believe that Executive Director Doyle is on the line.

TREASURER KOPP: Well, I just wondered, the new Director, I appreciate that you are digging into this. But should we be expecting other items

like this, where things just have been overlooked and now create real problems? I mean, the fire protection systems way over date. I mean --

MR. POWELL: Yeah, I can, I'll let the Executive Director --

TREASURER KOPP: -- is this just, is this an indication of more things we should be prepared to see? That's my question.

MR. POWELL: Executive Director, are you on the line?

SECRETARY GONTRUM: We are --

COMPTROLLER FRANCHOT: Maybe he's muted.

SECRETARY GONTRUM: We are not seeing Mr. Doyle on the line. Is there another person, Mr. Powell?

MR. POWELL: Well, let me double check, sir. Sorry about that. Mr. Thornton, our Procurement Manager?

SECRETARY GONTRUM: Is John Thornton available? Yes, John Thornton. Mr. Thornton, are you available?

MR. POWELL: And I want to apologize. It slipped my mind that the Executive Director had a personal matter he needed to attend to today, so I apologize.

TREASURER KOPP: Maybe you could get back to us. I don't want to hold --

MR. POWELL: Yes, ma'am.



MR. THORNTON: I can answer the question, if you can hear me.

MR. POWELL: Oh, great.

LIEUTENANT GOVERNOR RUTHERFORD: Okay.

MR. THORNTON: Good morning. This is John Thornton, Manager of Procurement for the Maryland Port Administration. We are not making this request in Item 3-M-MOD because anything was done incorrectly or improperly. We have old buildings on our terminals and we ended up in the original contract budgeting half a million dollars for these additional capital improvements and repairs that might be necessary for our fire protection system. Life being as it is, in the course of our inspections over the last few years, more problems have popped up than that original half a million dollar allowance can account for. Our facility maintenance people believe we need another \$600,000 simply in contract capacity to cover additional possible repairs and improvements through the remaining term of the contract. And that's the reason for our request.

TREASURER KOPP: And I get that, and I am not, I support this item. I don't doubt that. But that is looking at one set of unanticipated repairs and improvements to the fire protection system. And I assume you think that that will take care of this particular fire protection system issue. My question really is more broadly, as you look at the plant of the Port, which is not a new plant and grew over

time, whether we should anticipate, whether you are really doing a thorough evaluation of the maintenance and plant repair needs of the Port.

MR. THORNTON: Well, I understand your question and it's certainly a good point. I'm the Manager of Procurement, so I don't know --

TREASURER KOPP: Right.

MR. THORNTON: -- the extent or the detail to which the facilities maintenance program is, what its current state is. But I'm sure the Port Administration could report back on that question specifically.

TREASURER KOPP: Thank you. That's why I thought you wouldn't be able to answer it, because I respect what you do and this is not your wheelhouse. I get that.

MR. POWELL: Thank you, Madam Treasurer. We will get back to you in short order.

TREASURER KOPP: Thanks.

LIEUTENANT GOVERNOR RUTHERFORD: Yes, Sean, yes, I guess if you can get, you know, something with regards to facilities maintenance and their projections in terms of what they may need or they expect needing so that, you know, we're not looking at a lot of, you know, modifications to existing contracts. As the Treasurer had mentioned before, on emergency procurements, you know, it's making sure we maintain the properties that we have. So --

MR. POWELL: Understood, sir.

TREASURER KOPP: I have another sort of high level question and I don't know honestly if it's of you, Mr. Powell, or Commerce, or whatever. But we're reading more and more about problems with supply chain and how that is impacting Maryland and our economy and our businesses. I think --

LIEUTENANT GOVERNOR RUTHERFORD: The Port of Los Angeles and Long Beach, you know, have ships sitting off shore.

TREASURER KOPP: Yes.

MR. POWELL: Right.

LIEUTENANT GOVERNOR RUTHERFORD: We're getting them through, you know, the Panama Canal. So I don't know, has that impacted East Coast ports and particularly Baltimore?

MR. POWELL: Yeah, I don't know if there has been any major impacts, Madam Treasurer. But I will certainly get a little bit more detailed information to see if we're having any more local effects. I know that we have had the record number of port, you know, record number of cargo ships and things coming in. And of course, that does cause some backlog sometimes in getting things trucked off of the Port and I guess in some respects that's a good problem because we have a lot of things that we need. So we'll certainly make sure that we

find out from our standpoint on the supply chain -- oh good, Madam Secretary Schulz is on.

MS. SCHULZ: I thought that I would just jump in to see, Madam Treasurer, if I could answer your question. And again, I don't have all the information as well. But I can say that at the beginning of the pandemic, our manufacturing community in that industry was suffering from supply chain issues as it was coming over from our global partners, mostly. However, we have heard from the manufacturing community that things have gotten increasingly better. And I think this is actually helping us to understand more thoroughly the need to be able to do some manufacturing reshoring in this country and in the State. And I can guarantee you that the Department of Commerce is working on something to that effect as we speak.

TREASURER KOPP: Well I would --

LIEUTENANT GOVERNOR RUTHERFORD: Madam Secretary, can you introduce yourself for the record? Sorry, can you --

MS. SCHULZ: Oh, I'm sorry. Sure. My name is Kelly Schulz. I'm Secretary of Maryland's Department of Commerce.

TREASURER KOPP: Madam Secretary, if you don't mind I would like to follow this up with you at some later date.

MS. SCHULZ: Of course. Of course.

MR. POWELL: Thank you for your question.

TREASURER KOPP: Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: Any other questions on the Transportation Agenda?

COMPTROLLER FRANCHOT: Yeah, if I could just comment briefly on MDOT Agenda Item 4-S-OPT. This is a Maryland Port Administration two-year extension, \$1.5 million renewal option on a contract for waste management services at Dundalk Marine Terminal. But let me just echo I think what Secretary Schulz was commenting on and what I think Executive Director Doyle is eminently qualified to, you know, answer for. The Port is like a goalpost for the State of Maryland's economic future. I mean, the Port and the Airport are just two tremendous State-owned assets. So I, please give my regards to Executive Director Doyle. And Mr. Powell, are you the Deputy Secretary of MDOT or of the Port?

MR. POWELL: The Maryland Department of Transportation, sir.

COMPTROLLER FRANCHOT: Yeah, so you are above Mr. Doyle, I guess, or somewhere on the, please give him my regards because I think they are doing an excellent job. And but I did have a question about this Agenda item because we're three years into this waste management service contract. The

MBE goal was ten percent three years ago and the vendor has achieved so far less than one percent compliance.

MR. POWELL: Okay --

COMPTROLLER FRANCHOT: And I just would like to obviously see that improved. I mean, three years into the contract, we're giving two option years here, and he is way out of compliance. I think it is less than a half a percent. So it's not, you know, an enormous deal. It's more of a, kind of a, you know, housekeeping measure here. But I would hope that the Port is holding their vendors' feet to the fire on these very important diversity goals that we have.

MR. POWELL: Absolutely. Understood, sir. And you know, that's our intent across MDOT as well. So we'll certainly carry that message back to ensure that we're, you know, that we're following what we have laid out in the contract.

LIEUTENANT GOVERNOR RUTHERFORD: Yeah, I think Mr. Thornton is still on the line. So he can contact, you know, the company Allstate Power and ask them about their compliance or lack thereof with --

MR. THORNTON: Yes.

LIEUTENANT GOVERNOR RUTHERFORD: -- this agreement.

MR. POWELL: And we will certainly --

COMPTROLLER FRANCHOT: Thank you.

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MR. THORNTON: I could address it now, if you'd like.

COMPTROLLER FRANCHOT: Oh, great.

LIEUTENANT GOVERNOR RUTHERFORD: Oh. Yes.

MR. THORNTON: Yes. We were aware of this shortage on the part of our contractor. Our Office of Fair Practices is the office that is engaged in the MBE compliance during the course of contract performance. They advised us that this was not our contractor's fault. The subcontractor, the main subcontractor who was being used for the hazardous waste disposal lost its license for hazardous waste disposal, for hazardous waste hauling. It's very difficult if not impossible, almost impossible, to find MBE companies who are licensed hazardous waste haulers. This licensed MBE subcontractor, the hazardous waste hauler, lost its license so the contractor could not use it for required hazardous waste hauling on this contract. It took the subcontractor some time to get its hazardous waste permit renewed. That was taken care of in January. We still have I think about 80 percent of the contract value remaining to be paid. And the hazardous waste MBE subcontractor now can be used for the hazardous waste portion of the remaining payments on the contract. So there should be substantial MBE participation for the remainder of the contract. And the contractor has committed to that.

COMPTROLLER FRANCHOT: Well, that's dangerous to answer questions because it brings up another question for me. If 82 percent of the contract value has not been paid, why are you asking for an extension?

MR. THORNTON: Because we will need it to complete the work that's required by the consent decree by the time the consent decree requires that we complete the removal of chromium contaminated soil.

COMPTROLLER FRANCHOT: Yeah, I could see that. April 2006 agreement. Okay. Well, I mean, you get my message. The fact that somebody lost their permit is not our problem. That is the vendor's problem. And I sincerely hope that the ten percent goal is going to be met. And I find it to be odd that the agency would accept a, gee, it's not our fault. Well, yeah, but you are the ones that signed the contract. Ten percent is very clear. You are at .42 percent three years in so please correct it. And you know, this reminds me of that old thing when I went in and asked my boss decades ago for a raise and he looked at me and he said, well what have you done for the company? I said, well, I don't know but I've got a lot of bills to pay. He said, well, Peter, that's your problem. That's your problem, not my problem at the company. And I think here we should ask the vendor to redouble their efforts and get the percentages up so that we look better.

MR. THORNTON: And that is exactly what we intend to do and we have already done it.



COMPTROLLER FRANCHOT: Excellent. Delighted. Thank you.

MR. POWELL: Thank you, Mr. Comptroller, for your questions.

TREASURER KOPP: Could I just ask one clarification question on that issue? The written thing says that the subs allowed its permit to expire in 2019 until it was renewed in 2021, and you said it lost its permit. And I'm not sure whether we're saying the same thing?

MR. THORNTON: Well, I think it, yes, the permit expired. It was not revoked.

TREASURER KOPP: And it took them a year to be able to have it renewed?

MR. THORNTON: I don't know if they attempted to get it renewed during all of that time. All I know is that it was, at some point it expired and they didn't get it reinstated until --

TREASURER KOPP: But then, all right, so they didn't lose it for anything they did? They just --

MR. THORNTON: Correct.

TREASURER KOPP: -- didn't keep it. Okay. That seems strange but better than if it had been taken away.

MR. POWELL: Correct.

COMPTROLLER FRANCHOT: I would move approval if it's appropriate.

TREASURER KOPP: Second.

COMPTROLLER FRANCHOT: Give my regards to Doyle. I think he's a real find for the State, by the way.

MR. POWELL: Absolutely, Mr. Comptroller, and we thank you for your support of our items and your questions today.

LIEUTENANT GOVERNOR RUTHERFORD: Once we get the expansion of the Howard Street Tunnel, we will really see a lot more activity and economic activity coming out of that Port.

MR. POWELL: Absolutely and it's moving along very well.

LIEUTENANT GOVERNOR RUTHERFORD: I think we're all in approval.

TREASURER KOPP: That's exciting.

LIEUTENANT GOVERNOR RUTHERFORD: Okay. All right. Well, thank you, Mr. Deputy Secretary.

MR. POWELL: Thank you.

LIEUTENANT GOVERNOR RUTHERFORD: Department of General Services?

MR. CHURCHILL: Good morning, Governor --

LIEUTENANT GOVERNOR RUTHERFORD: Good morning.

MR. CHURCHILL: -- Treasurer, Mr. Comptroller. For the record, I'm Ellington Churchill, Secretary for the Maryland Department of General Services. Today we are presenting 31 items, including one supplemental for your consideration. And I stand ready to answer any questions that you may have.

LIEUTENANT GOVERNOR RUTHERFORD: I had a concern about one of the items. Unfortunately I didn't mark my book like I usually do. 25-IT.

MR. CHURCHILL: 25-IT, the delivery project management services. Yes, of course I am available, and of course Secretary Leahy with the Maryland Department of Information Technology is available.

LIEUTENANT GOVERNOR RUTHERFORD: Well, I'm concerned about some of the description in terms of, first of all, the dollar amount is pretty high. But I'm concerned about the description that it's, you know, bringing in technical writers and some of what these technical writers would do would seem to be in conflict with the reorganization of procurement. And so I'm concerned about that procurement. It seems as though it could very well get a little out of hand and get beyond the scope of what is authorized by that department as compared to the Office of Procurement and DGS. So I don't know if there is anyone to explain where I may be off on that.

MR. CHURCHILL: Well, again, Secretary Leahy is available for comment, and then we would also have in terms of your question about procurement and alignment with the Office of State Procurement, we can also speak to that.

MR. LEAHY: Good morning, Governor, Madam Treasurer, Mr. Comptroller. Mike Leahy, Secretary of the Department of Information Technology. Mr. Governor, I do not mean to sound long-winded. But this program in terms of setting up the departmental project management office, which has been lacking historically but has been viewed as necessary for quite some time, does two things. The first is to your point about overlapping with the Office of State Procurement. The responsibility for policy implementation and technology oversight remains with DoIT and I believe Secretary Churchill would agree that we are working very closely together to make certain that the technology needs of the State are met effectively and efficiently within the procurement process as it currently exists.

The impetus for doing things this way was we set this office up both we believe in conformity with 3.8.202(e) and (f) of the Procurement and Finance Article, and also in alignment with the COMAR regulations and we discussed this significantly with our Assistant Attorney General. And our goal was that historically the State has relied on vendors themselves or outside vendors associated

with the vendors doing projects to provide project management. So that does two things. First, the project managers are more aligned in their loyalty with the vendor than necessarily with the State, which we believe is an important consideration. And secondly, in studying this before we went to DBM to ask for permission to implement a developmental PMO, we found that in many cases agencies moving forward with these sorts of projects would hire a project manager full time and that project manager was actually working a third time or a quarter time. So what we are doing is coordinating efforts so that we right size the number of people doing project management and although DBM did not provide us the budget to implement this internally to the State, we believe it would be more effective and efficient. And as the Comptroller tells us every meeting, you know, we're concerned as stewards of the taxpayers' hard-earned dollars. And finally, your concerns about competition, we do implement and abide by the secondary competition rules that are in place before any of these contracts are issued or let as work orders. And as I have offered on many occasions, you know, those contracts don't currently go to the Board, but we are happy to report them to the Board if they would like the additional information.

LIEUTENANT GOVERNOR RUTHERFORD: I didn't ask a question about competition, at least I don't think I did. Maybe I'm getting tired. No, my concern, really is the category three, the technical writing. That's where it

seems like it gets too close to or overlap with the jurisdiction of DGS. You know, some of the information that was provided said they would actually write solicitations and that's not really what within the authority of the department.

MR. LEAHY: Certainly, sir. And --

LIEUTENANT GOVERNOR RUTHERFORD: Project management, I understand that. And that's, you know, and I understand that conflict concern that you have. But I'm really focused much more on the technical writing side of it.

MR. LEAHY: Sure. As you've said, the Office of State Procurement is responsible for the actual solicitations, but they do rely on resources within DoIT or resources available to DoIT to ascertain the actual technical requirements and to incorporate them into whatever solicitations are going out. So it is not our intent to overstep our authority. We believe this to be a collegial action in support of the Office of State Procurement.

MR. CHURCHILL: Governor, I would also add one last thing and echoing what Secretary Leahy mentions. That this is a unique working relationship between our two departments because of the procurement transformation. So we are in now regular conversation with the department about, you know, overall frame of reference on procurements, and one of the discussion points of course is the conversation around technical writing. So I don't have anything more in depth to













(Whereupon, at 11:56 a.m., the meeting was concluded.)