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

**April 6, 2022**  
**10:07 a.m.**

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# PRESENT

**HONORABLE LARRY HOGAN**

Governor

**HONORABLE DERECK DAVIS**

Treasurer

**HONORABLE PETER FRANCHOT**

Comptroller

**JOHN GONTRUM**

Secretary, Board of Public Works

**ELLINGTON CHURCHILL**

Secretary, Department of General Services

**JAMES PORTS, JR.**

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: Well, good morning everyone.

ALL: Good morning.

GOVERNOR HOGAN: Welcome to the Board of Public Works.

We have a number of people joining us this morning. We have Rabbi Chesky Tenenbaum from Chabad Lubavitch of Maryland, Rabbi Shmuel Kaplan, Regional Director of Chabad Maryland, along with a whole group of their fellow rabbis from across the State. I think they are maybe coming in from outside the door. They are here with us to celebrate a proclamation, Education and Sharing Day USA.

Education and Sharing Day USA recognizes the monumental achievements of Lubavitcher Rebbe, Rabbi Menachem Schneerson, to better the education of all Americans. Rabbi Schneerson escaped to America from Nazi Germany in 1941. In New York, he became one of the leading Jewish scholars in America and his passion was education. He dedicated his life to a robust, high quality education for all Americans. In 1978, Congress declared Education and Sharing Day in his honor. And it has been a tradition every year since then, recognized by both the Congress and the President.

Rabbi Schneerson's influence can also be seen here in Maryland. Today, there are more than 30 Chabad Centers and educational institutions in our State continuing the work of the Rebbe to stress the vital importance of a high quality education for all Marylanders. So today, I am pleased to proclaim Education and Sharing Day in the State of Maryland and I would like to ask some of the rabbis to come up here behind us and we will take a picture with them.

COMPTROLLER FRANCHOT: Fabulous.

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(Applause.)

COMPTROLLER FRANCHOT: So Governor, I just want to thank you for your support, Governor, of the (indiscernible) program, because it's very controversial. It's --

GOVERNOR HOGAN: It shouldn't be.

COMPTROLLER FRANCHOT: -- absolutely appropriate. And God bless everybody who benefits from that and here we are celebrating education.

GOVERNOR HOGAN: That's a lot of rabbis. We're trying to squeeze everybody into the photo --

(Laughter.)

COMPTROLLER FRANCHOT: Okay --

GOVERNOR HOGAN: -- a little bit --

COMPTROLLER FRANCHOT: Oh no, this is really -- don't fall down.

GOVERNOR HOGAN: You can fill right in there -- somebody is blocking, you're blocking your own camera there on TV. That guy is going to get it. You got it? Very good. Well thank you.

(Applause.)

RABBI KAPLAN: On behalf of the Chabad Lubavitch of Maryland, its 36 centers and 52 rabbis, I want to thank you, Governor Hogan, for this meaningful proclamation recognizing the 120th birthday of our leader, Rabbi Menachem Schneerson of blessed memory, of Sharing and Education Day in the State of Maryland. Rabbi Schneerson was a forceful advocate for education in general, and in particular for investing proper moral values and civic responsibility into the education system. In addition, he encouraged developing a culture of sharing with the less fortunate.

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Our centers and rabbis have resolved to dedicate our efforts during this entire year to strengthening Jewish home identity throughout the State. We will be focusing on three core elements: promoting the affixing of a mezuzah on the doorpost, having a charity box in every home, and acquiring classic Jewish texts. The idea of each home having a charity box and regularly contributing to charity is applicable to any home, school, and office. In light of this, we would like to present you with a special charity box, which we have done, that you can place and use as you see fit. And may we all strive to create a more caring and moral society and thereby merit Almighty God's abundant blessings upon us and all the citizens of our State. Thank you.

(Applause.)

SECRETARY GONTRUM: -- for the record, please?

RABBI KAPLAN: Rabbi Shmuel Kaplan, the senior Chabad representative in the State of Maryland.

SECRETARY GONTRUM: Thanks.

GOVERNOR HOGAN: I introduced you before you came in. You guys were all out in the hallway. Sorry about that.

RABBI KAPLAN: Did you get it all?

GOVERNOR HOGAN: Thank you, guys. Thank you. With that, I'm going to turn it over to my colleagues for any opening remarks. Mr. Treasurer? It's good to see you, good to be with you.

TREASURER DAVIS: And you as well, sir. Good morning, everyone.

ALL: Good morning.

TREASURER DAVIS: This will be real brief today. I just want to first of all say welcome to each and every one of you. It's good to see you once again. Governor, I want to congratulate you and the General Assembly. I know

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we've still got a few more days to go, but you all have had a terrific General Assembly session, legislative session, and certainly the citizens of the State are going to benefit greatly on just a number of important items that you all were able to accomplish. So my hats off to you on that.

As for everyone else, again, it's good to be here. And with that, I'm ready to go.

GOVERNOR HOGAN: You'll yield the rest of your time to the Comptroller?

(Laughter.)

COMPTROLLER FRANCHOT: Careful. That's dangerous. Thank you, Mr. Treasurer, for your comments. Governor, thank you for the (indiscernible). It's well deserved.

And so this is the last Board of Public Works meeting prior to the Legislature being scheduled I think to adjourn *sine die* on Monday night. So I'd like to share a couple of thoughts on what I hope they will address in the coming week.

The Governor and my colleagues have heard me speak often about this subject on a couple of occasions. I still firmly believe that the gas tax holiday, set to expire just ten days from now, should be extended for another 60 days. This could be done very simply. Just put it in the budget. The Governor and the legislative leaders have the authority to extend the existing gas tax holiday for 60 days. At a time when so many Maryland families continue to stretch the dollar to pay for basic household needs, a time when the State is experiencing an unprecedented moment of financial prosperity, I can't think of one reason why we wouldn't extend this wildly popular, very effective program.

It was great that Maryland -- thank you, Governor. You indicated that you were in support of it. The Legislature swiftly, within a week did a

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bipartisan action to enact a gas tax holiday two and a half weeks ago. It was great that we were the first state in the country to enact it. It has been completely, efficiently put into place by the 2,300 gas stations in the State. We have out of state plates all over the State of Maryland, lined up to get our tax free gas. And guess what? They are shopping a lot in addition to coming into our State. So it would be I think somewhat of a bad news story if we are the first state in the country to end it prematurely.

Let's look at what other states have done. Georgia imposed a ten-week holiday on their 29-cent per gallon gas tax. Connecticut imposed a 12-week holiday on their 25-cents per gallon. Other state legislatures, including Virginia, Pennsylvania, West Virginia, Delaware, D.C., and other entities, are all trying to put gas tax holidays into place.

So the point being that Maryland's action, while laudable that we were the first to act, falls short compared to what other State legislatures are doing to address this crisis. We can and we should act to extend the holiday, or at least give the authority to the Governor so we don't need to come back for a special session. It is totally affordable. Let me just repeat that, it is totally affordable. Taxpayers deserve a break.

And lastly, Governor, this is where I commend you and praise you and the Legislature, but I just want to comment on the many tax relief measures enacted by the Legislature this session, all of which are graded initiatives, all incredibly well intentioned. No doubt, they will be financially beneficial to the people that they are targeted on. But I've been in Annapolis long enough to see what happens in very expensive, unfunded mandates. They are great in the immediate short term, not so great in the long term, especially if surplus money, which should really be spent on one time expenditures, like a temporary gas tax holiday, or short term immediate relief to struggling families, small businesses,

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and childcare providers, is being utilized in part to pay for these permanent tax cuts. So the unprecedented period of excess revenue is soon going to come to an end. You know, our huge budget this year is going to be much smaller next year. How do you put ten pounds of potatoes into a five-pound sack? In Annapolis, you either cut spending or you raise taxes.

So I think it's critically important that as we move to reduce taxes or increase spending, you have some kind of a plan to pay long term for it. I know that some of that is done as far as the short term. But it causes chaos in future budgets when you have these unfunded, what I call unfunded mandates, put in. So simply to do so I think will put a burden of responsibility and cleanup on future leaders. Most of us won't be here when the financial cliff occurs. And by the way, Deutsche Bank and other major financial institutions are now predicting a very strong possibility of a recession in the United States next year. I mean, none of us advocate that but we just want to be cognizant of it so that we're not tying the hands of future legislatures and future governors and future leaders. Thank you for letting me say those comments, Governor.

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

SECRETARY GONTRUM: Good morning, Governor, Mr. Treasurer, Mr. Comptroller. There are 17 items on the Secretary's Agenda this morning and three reports of emergency procurements. Item 7, the MES contract deferred at the prior last meeting, is hand-carried. Item 3, the Department of Transportation Procurement Agency Activity Report is being withdrawn at the request of the department. Item 6 has been updated as anticipated to include the awardee and bid information. Item 11 has been revised to clarify the MBE participation percentage. I'm happy to assist with answering any questions.

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

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Agenda?

COMPTROLLER FRANCHOT: I have one on Item 5.

SECRETARY GONTRUM: Item 5 are a compilation of State tidal wetlands licenses.

COMPTROLLER FRANCHOT: Thank you, Governor. I don't have any questions for this item but since we're discussing wetland licenses, I wanted to take a moment to offer my sincere thanks to the Maryland Department of the Environment as well as the Board of Public Works staff for their swift response to the March 13th incident where a very large cargo ship named *Ever Forward* ran aground in the Chesapeake Bay. Their prompt response allowed for the issuance of two emergency wetlands permits for the dredging of material surrounding this ship. The *Ever Forward* has now been stuck in the Chesapeake Bay for more than three weeks. It is reportedly the largest ship to ever be stuck in the Chesapeake Bay. It is notable to me that the *Ever Forward* is the sister ship to the *Ever Given*, which recently ran aground in the Suez Canal and materially disrupted global supply chains by blocking the Suez Canal. While the stranded ship is not completely blocking shipping in the Chesapeake, I have been told that the largest container ships are being limited and that the new rescue plan may limit shipping lanes for all ships coming in and out of the Port of Baltimore, which as we all know is a State-owned facility.

I remain concerned about the ongoing salvage effort as each day that goes by increases the potential for a hull breach and disruptions to the critical Port of Baltimore. A hull breach could result in ecological, reputational, and economic risks to Maryland.

This past Monday federal officials, in coordination with the Maryland Department of the Environment and other State and local entities, reportedly determined that a new approach would be necessary to free the ship

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after three weeks of unsuccessful efforts. Previously officials had been focused on digging the ship out. Now there is a focus on removing containers to reduce the weight of the ship first. It's my understanding that the Department of the Environment and Transportation are among the local, State, and federal agencies working together to refloat *Ever Forward* as soon as possible and prevent further disruptions and possible environmental damage. And since we have Director Bill Doyle here from the Port Administration, excellent appointee of the Department of Transportation and also the Governor, and Assistant Secretary Suzanne Dorsey from MDE, I always notice my friend and former colleague, the Secretary of the Maryland Department of Transportation is always here geared up for action. But I was wondering if we could hear from them on how things stand with the recovery efforts?

GOVERNOR HOGAN: Sure, that would be great. I have had a discussion with Bill Doyle about this. I said I was going to climb up on the side of that ship and paint a (indiscernible) --

(Laughter.)

GOVERNOR HOGAN: -- *Ever Forward*. The Coast Guard is coordinating this entire effort and they are ones in charge, but all of our State agencies have been providing support around the clock. It's frustrating but I think they've got a plan, so I think I'll turn it over to --

COMPTROLLER FRANCHOT: Well I have nothing but good words to say about Administrator Doyle.

GOVERNOR HOGAN: Bill, do you want to step up to the podium or --

COMPTROLLER FRANCHOT: Where are the -- yeah. And I certainly appreciate what the team is doing, but I do have a couple of questions.

MR. DOYLE: Well, good morning. For the record, my name is

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William Doyle. I am the Executive Director for the Maryland Administration Port of Baltimore. Before I begin, I do have some handouts today that you can look at. They are official U.S. Coast Guard documents that lay out the plan and the steps. And I'm not going to vary too much from that because the Coast Guard is the lead federal agency.

With that, I did make remarks on the record yesterday at the Maryland Port Commission meeting. If I could present those remarks now, I think that would be helpful.

GOVERNOR HOGAN: Great.

COMPTROLLER FRANCHOT: How long are they?

MR. DOYLE: Not that long.

GOVERNOR HOGAN: Two, three hours.

COMPTROLLER FRANCHOT: Yeah.

(Laughter.)

MR. DOYLE: All dredging operations to 43 feet in the vicinity of the *Ever Forward* were completed yesterday, April 5, 2022. 170,500 cubic yards of dredged material was discharged into Poplar Island. The staging of equipment for future pulling evolutions and container removal operations will begin today, April 6th. This effort will involve anchoring two pull barges astern of the *Ever Forward*. While the pull barges will remain out of the channel, the anchoring system for the westernmost pull barge will be in the federal channel with the other along the eastern edge of the channel. The location of these anchoring systems will be marked with buoys having flashing white lights. Additionally, two crane barges will be positioned on the port and starboard side of the vessel to facilitate the offload of containers. The stern westernmost crane barge will encroach on the eastern side of the channel. The allowance for one-way traffic at a reduced safe speed through the safety zone will continue throughout the container lightening

operations, which are expected to commence Friday, April 8, 2022 and conclude Friday, April 15, 2022, weather permitting.

While the lightening of containers will be limited to daylight hours, so they will only be removing the containers during daylight hours, we expect container barges transiting between the *Ever Forward* and Seagirt Marine Terminal during all hours. It's a normal container operation. A 500-yard safety zone around the ship in the Chesapeake Bay will continue for the duration of the operation and the adjacent shipping channel will remain unaffected. This zone has been established to provide for the safety of persons involved in the salvage operation as well as the integrity of the marine environment.

Ensuring the ship's stability and monitoring for any signs of pollution continue to be top priorities for the unified command and responders. In addition to the regular soundings of fuel and ballast stacks, a naval architect and salvage master are remotely monitoring a recently installed sensor system to constantly evaluate the ship's stability and integrity and will continue to do so throughout the refloat operation. They will also continue to conduct regular visits on board the ship.

As you know, the *Ever Forward* salvage operation began Sunday, March 13th after the vessel grounded in the Chesapeake Bay near Craighill Channel. Thank you.

COMPTROLLER FRANCHOT: Great. That's terrific. Thank you. I do have a couple of questions, which is, is the Evergreen Corporation, (indiscernible) shipping companies in the world, are they responsible for all the costs incurred as part of the recovery efforts? What if any expenditures is the State incurring or has incurred as part of these salvage efforts? And will the State be reimbursed if we have?

MR. DOYLE: Evergreen has indicated to me and the unified

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command that they are taking care of all costs thus far. But there is an admiralty provision under the law called Law of General Averages. I can't get into that right now because it is probably going to end up in a court case at some point and I don't want to speculate on that. But what we monitored from the Maryland Port Administration's point of view, what we were responsible for up to this point, was the discharge of material into Poplar Island. And one of the major concerns was clay, because the cell that it's going into is designed for a future wetland, which will have growth and vegetation. All, most if not all, of the dredged material that went in there was silt and I had a letter on the record to Evergreen that if it was clay, it would have a make a double move. Meaning we would have to move it from that cell into an upland area. We haven't had to do that because -- and then the other point that I had my other people at the discharge pipe watching was to let me know if they saw any oyster shells, which they did not.

COMPTROLLER FRANCHOT: Okay. So you are on top of this and you are going to be able to give, obviously I'm just the Comptroller, but I'd like to have the Board kept abreast of the costs. Because that, you know, even with litigation --

MR. DOYLE: Yes, sir.

COMPTROLLER FRANCHOT: How has the traffic to and from the Port been impacted?

MR. DOYLE: Uninterrupted, for us. We haven't missed any vessel calls due to this.

COMPTROLLER FRANCHOT: What have --

MR. DOYLE: -- may have heard that there was, but remember, if you look at even the dredging operations, basically last week and into the weekend it was weather related delays.

COMPTROLLER FRANCHOT: Okay. So but with the containers

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being removed, isn't there going to be a new 500-yard or one-way traffic, I guess?

MR. DOYLE: It's one-way traffic anyway.

COMPTROLLER FRANCHOT: Okay. How does the -- so you are saying that it doesn't have any impact on the shipping operations of the Port?

MR. DOYLE: No, sir. It does not.

COMPTROLLER FRANCHOT: Okay. And I guess I -- stay there, if you could. I don't know whether Assistant Secretary Dorsey is here, but I wanted to ask her about the potential environmental impact.

DR. DORSEY: Yes. For the record, my name is Suzanne Dorsey, Assistant Secretary, Maryland Department of the Environment. I have today with me, I'm pleased to introduce you to Geoff Donahue, Director of the Office of Emergency Preparedness and Response. And he has been onsite since the beginning of this project.

COMPTROLLER FRANCHOT: So a lot of the watermen are confused about all of the dredging and all of the activity and everything stirred up by the still to date unsuccessful but heroic recovery effort. What can you say about the environment?

MR. DONAHUE: -- sir, one second. Okay. So from an environmental standpoint, we have obviously been, as Director Doyle has indicated, there has been provisions in place with the vessel for them to do on board monitoring of fuel, ballast water, etcetera. The vessel is double bottomed, so the fuel tanks are not integral to the bottom of the vessel. Additionally, we have done modeling with our NOAA scientific support coordinator to look to see if there were release of oil or discharge, where it's going to go. And we do that in conjunction with planned moves of the vessel, when they try to do the push/pull operations when it would be at most risk. Those models take into effect wind, weather conditions, and they are time sensitive. So we don't have them going on

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continuously because you have to establish a time of release, essentially. So we use, you know, during the push/pull operations to do that. We have no plans to lighten any fuel off the vessel. That was a perception of low benefit versus the risk of doing an over the water transfer.

COMPTROLLER FRANCHOT: Can I just interrupt there? So how much fuel is on the ship?

MR. DONAHUE: It's around 2,200 metric tons.

COMPTROLLER FRANCHOT: And just for us laypeople, how much is that?

MR. DONAHUE: I would have to do the conversion there to put it into gallons. I'm very sorry I don't have that number in front of me.

COMPTROLLER FRANCHOT: And how much does that weigh approximately?

MR. DONAHUE: 2,200 metric tons.

COMPTROLLER FRANCHOT: That's a lot.

MR. DONAHUE: That's a lot.

COMPTROLLER FRANCHOT: Yeah. And the trade-off between moving containers off and moving some of the fuel off is what?

MR. DONAHUE: The risk of the pollution of obviously the oil spill. The vast majority of the containers that are set to come off are consumer goods. There's to my knowledge, and Director Doyle, I believe there's only seven containers of hazardous materials which is actually a flammable solid. So we don't have the pollution threat associated with that. It's more --

COMPTROLLER FRANCHOT: And do you have, if the best laid plans of mice and men go astray and there is some kind of leakage, are there provisions already being made to contain it and --

MR. DONAHUE: Correct. We have MSRC, Marine Spill

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Response Corporation was secured by the responsible party, by Evergreen, and the salvor. They do have pre-staged equipment ready to deploy if there were any release so that we can quickly contain it and they do have skimming capabilities and storage capacity for recovery.

COMPTROLLER FRANCHOT: Okay. And I guess for Secretary Riccio-Haddaway, from your point of view as far as the watermen and the oysters and the crabs and all of the recreational fishing, this is all under control?

MS. HADDAWAY-RICCIO: Well, thank you for the question, Mr. Comptroller. For the record, Jeannie Haddaway-Riccio, Secretary of the Maryland Department of Natural Resources. So we have been coordinating very closely with our partners. Once the activities are done and the vessel is freed, we will participate in an assessment of any potential mitigation. That information will be provided to the Maryland Department of the Environment. And I don't want to speak for MDE, but I believe a condition of the wetland license is mitigation. So that was thought about in advance and built into the conditions of the permit.

COMPTROLLER FRANCHOT: Okay. So this has been very helpful for me and it is transparent and it's direct. And this is an incredibly complicated operation so I'm not suggesting there are any deficiencies. I'm just saying I hope that every possible outcome is being looked at closely so that we don't, we're not back here saying, gee, I wish we had been prepared for something that really affected the Bay, for example, or the Port.

GOVERNOR HOGAN: Is there anything that any of the agencies, all of our State agencies are assisting the Coast Guard in this but it's their mission and they are the ones in charge and making decisions along with, you know, telling the company what to do. Is there anything that you can think of that we, that the Coast Guard is not doing that they should be doing that we can push the

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federal government to take more action? Because I think we're all getting tired of having that ship sitting out there, as I expressed to Director Doyle pretty directly previously.

MR. DOYLE: So this came up yesterday and I brought it to the attention of the Coast Guard. So the lightening operation with the crane barges, you're going to have, you know, salvage team seamen crawling on top of the containers. And you have to unlash the containers. So what I've asked is how do we clear the drones and how do we clear, like, news helicopters or something like that while we're doing the salvage operation? And they are contacting the FAA. But you know, from a State level, you know, you don't want the workers distracted by somebody operating a drone while they are, you know, working. So I mean, if you could take that into consideration, that would be helpful, I think. You know, and we believe the first lightening of the containers will start Friday. So.

GOVERNOR HOGAN: But does the Coast Guard believe that if, you know, it's a complicated process to remove all of those containers out in the middle of the water. It doesn't happen that often. I don't know if it has been done before. Or do they believe that once they unload that we are going to be able to move the ship? Or is that still not going to guarantee us a solution?

MR. DOYLE: I can't guarantee anything. But what I can tell you is there's news reports out there that 5,000 containers will be removed from the ship. That's not correct. The estimate right now is a minimum of 550 containers in order to start. So the reason why you have the pulling barges at the stern and the equipment in place is that you're going to be able to watch, or at least monitor, the ship load lines. And as it, it may not take five, it may take 800. But you are going to be able to see that the stress and the weight of the vessel in the flats come up. And that's what we're looking for. So they can stop it at any time and move

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in, the salvage and pull/push barges at any time when they see that. So that's what we're looking at, sir.

COMPTROLLER FRANCHOT: Has anybody heard of the full moon?

MR. DOYLE: If the stars, seriously, if the stars and the moon and everything else aligns for us, they will do another pull. But the tides aren't cooperating right now. There are lower high tides than what would be probably the best case scenario. And that's just what we've gone through. We just went through a full new moon at the beginning of the month.

COMPTROLLER FRANCHOT: I grew up as a Boston Red Sox fan over in Rhode Island so I have a very strong connection to Director Doyle. Thank you for --

(Laughter.)

GOVERNOR HOGAN: -- speak --

COMPTROLLER FRANCHOT: -- yeah, but thank you for that briefing.

GOVERNOR HOGAN: Yes, thank you all --

COMPTROLLER FRANCHOT: And thank you, Governor, for letting --

GOVERNOR HOGAN: Thank you all very much. Is there any other questions on the Secretary's Agenda? Or is there a motion?

TREASURER DAVIS: So moved.

COMPTROLLER FRANCHOT: No, I have 17, if you could hold off just a minute.

GOVERNOR HOGAN: Seventeen? Seventeen questions or seventeen --

(Laughter.)

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COMPTROLLER FRANCHOT: No, Item 17.

SECRETARY GONTRUM: Item 17 is the hand-carried item from the Maryland Environmental Service. We have Director Glass --

COMPTROLLER FRANCHOT: Director who? Glass is here, great. And so this item was deferred during the last meeting at my request and our offices, you know, received additional information on the extent of the agency's relationships with private companies. I'm just kind of surprised to see that we have not just this contract but 86 other private entities that we have got contracts with and I'm wondering if the Director could just remind me again what is the status of the MES agency, which I believe was set up to strictly provide services to municipalities and counties. And there was a provision there to allow the private sector, but how exactly did these 87 contracts, were they all just people knocking on your door from the private sector saying we want to use your services?

DR. GLASS: Good morning, Governor, Comptroller Franchot, and Treasurer Davis. For the record, my name is Charles Glass. I'm Director of the Environmental Service. Mr. Comptroller, a lot of those contracts are for things like MES operating material recovery facilities and selling the commodities to private entities. So when we recycle plastic or when we make leaf grow compost material, you establish contracts with distributors, you establish contracts with people that buy the material and then repurpose it. Whether it's plastics that are made from material from Montgomery County to go to North Carolina and make socks and Under Armour shirts, those materials are repurposed. So they are sold to private entities to then buy those, they buy those commodities, where we are acting for municipalities to support that material. We also, obviously, do a lot of work supporting the Maryland Port Administration and Director Doyle on projects. And sometimes those projects end up crossing into relationships with

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private entities. So --

COMPTROLLER FRANCHOT: Okay. And how do you again establish competitive rates for these companies that approach you? I take it it's not a competitive process. But you have I would think some rate setting --

DR. GLASS: Oh no, so we don't change our rates for our own labor. Are you concerned with our labor or are you concerned with -- when it's a commodities market, that rate, like for instance recyclables are at all time-highs right now. But MES doesn't control those rates. And that's just put out to bid like anything to sell. And then we're paid by --

COMPTROLLER FRANCHOT: Okay. So I can see that. But this one before us is \$1.3 million for the material management and maintenance of a private landfill.

DR. GLASS: Yes.

COMPTROLLER FRANCHOT: How do you determine what the amount is competitively?

DR. GLASS: Our labor rates for those for our staff that work on that project, along with overhead and fringe that are approved annually through our accountants, through our auditors, our external auditors, and then we have OLA in house right now that reviews it every three years. So all of our rates are based on actuals and overhead, the labor rate, overhead and fringe, and that is the same for all, we don't change those numbers whether it's for a State entity or a county or a private entity. So it's --

COMPTROLLER FRANCHOT: Okay. And then finally, some of these contracts are small but then you add onto them. I take it any contract that is going to total \$250,000 regardless of when it was entered into, that you are going to bring it to the Board's attention?

DR. GLASS: Yes, sir.

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COMPTROLLER FRANCHOT: Excellent. Thank you very much.

GOVERNOR HOGAN: Thank you.

DR. GLASS: Thank you. Thank you, Comptroller.

GOVERNOR HOGAN: So is there a motion on the Secretary's Agenda?

TREASURER DAVIS: So moved.

GOVERNOR HOGAN: Is there a second?

COMPTROLLER FRANCHOT: Second.

GOVERNOR HOGAN: Three-nothing. We're going to move on to DNR Real Property Agenda. And before we get started, Madam Secretary, we, you notice we have some seedlings here on our desk. Thank you for that. It's marking Arbor Day, Maryland Arbor Day. April 6, 2022 marks the 139th celebration of Arbor Day in Maryland. This year, 2022, marks the 150th anniversary of National Arbor Day. And Arbor Day is a great reminder of the importance of Maryland's forestlands and the importance of planting trees. And we are very proud of the small businesses that support our economy by engaging in natural resources based industries. With us today are two great examples of that: Jim McMartin and Jim Beggins, who are the furniture makers who built the Governor's desk from the Wye Oak, historic Wye Oak tree. It's a beautiful desk. I get to work there every day and I promise I haven't scratched it up or scuffed it. I've been very careful with it. As well as the formal podium that we use, I just delivered my latest State of the State in the old Senate chamber with this. It was also handcrafted out of that tree. But these skilled and talented craftsmen have shared their talents with Maryland consumers for over 20 years. They have been featured in publications such as Chesapeake Home and Maryland Life and we want to thank them for being here.

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I also want to recognize the important role that DNR's Forest Service plays. For their hard work and dedication in large part is why Maryland forests are such a point of pride. Their work with nonprofit organizations, industry, and private citizens is integral to the success of our economy and our environment. And I'd like to recognize, have, I'd like to have you come up, Madam Secretary, and all of our guests come up and do an Arbor Day --

COMPTROLLER FRANCHOT: What kind of a tree are we getting?

GOVERNOR HOGAN: Yes, what kind of tree? I'm going to plant that at my new house.

MS. HADDAWAY-RICCIO: These are red buds.

COMPTROLLER FRANCHOT: Red bud, oh great.

GOVERNOR HOGAN: This is the proclamation proclaiming Arbor Day April 6th.

(Proclamation presented.)

(Photographs were taken.)

(Applause.)

GOVERNOR HOGAN: Also joining us this morning are two retiring DNR employees, Romeesa Estep and Gene Deems. Romeesa started with DNR in January of 1974 and is currently the Urban Forestry Assistant in the Maryland Forest Service. Romeesa has been with DNR throughout her entire career. She has been the point of contact for over 1,400 tree workers a year, guiding applicants through the licensing and renewal process and with a patient and friendly face and putting a personal touch on every task that she takes on.

Gene Deems started with DNR in May of 1974. That's the month and the year that I graduated from high school so he has been there a long time. He is the eGov and Online Services Manager in the Office of Communications.

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Gene oversees DNR's social media channels, which have hundreds of thousands of followers, and Gene has been an invaluable member of the DNR team for decades, spending his entire career with the department. And Gene brings a refreshing positive attitude to the office and forms innovative solutions amidst changing technologies in a changing world. So I'm going to ask Gene and Romeesa and the Secretary to come up and we're going to present them with some Governor's Citations.

(Citations were presented.)

(Applause.)

COMPTROLLER FRANCHOT: So Governor, could I just say a word about Gene? I've never met him but I'm honored to be standing by his side. My Director of Communications Susan O'Brien worked with him way, way, way back. She said this is a person with a big heart and he also was our connection to the future because he kept telling us, get out of the Stone Age guys. Everything is going to be on the internet. So I just want to give Gene one of my coveted medallions because, well, he's from my generation. And he really understands this stuff. Oh, good, terrific. But this is a special person who, you know, decades ago understood where we were headed and we're here. More than here.

MR. DEEMS: Thank you.

COMPTROLLER FRANCHOT: And on behalf of Susan O'Brien, super congratulations.

MR. DEEMS: Thank you. Thank you so much.

GOVERNOR HOGAN: Thank you both for your many years of service.

(Photographs were taken.)

(Applause.)

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GOVERNOR HOGAN: And now I guess we'll turn it over to you, Madam Secretary for the DNR Agenda.

MS. HADDAWAY-RICCIO: Yes. Thank you again and good morning, Governor, Mr. Treasurer, Mr. Comptroller. Thank you so much for recognizing Arbor Day. In addition to the seedlings, you have notecards in front of you that feature the artwork of fifth grade students from across the State --

GOVERNOR HOGAN: Yes.

MS. HADDAWAY-RICCIO: -- and we're very honored to have the First Lady join us for that event every year. And --

GOVERNOR HOGAN: I still want to know what kind of tree we got.

MS. HADDAWAY-RICCIO: It's a red bud, sir.

GOVERNOR HOGAN: Red bud. Okay, well that's cool.

MS. HADDAWAY-RICCIO: Yes. So --

GOVERNOR HOGAN: I'll plant that over in the yard.

MS. HADDAWAY-RICCIO: -- take it home and plant it and nurture it and get to tree planting in Maryland. And with that, sir, we have 11 items on our Real Property Agenda today for which we are seeking approval and we're happy to answer any questions you may have.

GOVERNOR HOGAN: Are there any questions on the DNR Agenda?

COMPTROLLER FRANCHOT: Move approval if that's appropriate.

GOVERNOR HOGAN: It's appropriate.

TREASURER DAVIS: Second.

GOVERNOR HOGAN: Three-nothing. That was easy.

TREASURER DAVIS: DNR's is always easy.

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GOVERNOR HOGAN: DNR, well she, they gave us trees, so you know.

MS. HADDAWAY-RICCIO: Right.

(Laughter.)

MS. HADDAWAY-RICCIO: We bring gifts every time.

GOVERNOR HOGAN: Next we're going to have the University System Agenda.

MR. HICKEY: Good morning, Governor, Mr. Comptroller, Mr. Treasurer. Tom Hickey representing University System of Maryland. There are five items on our Agenda this morning for your consideration and we're happy to answer any questions.

GOVERNOR HOGAN: Anybody have questions for the University System or is there a motion?

COMPTROLLER FRANCHOT: Move approval.

TREASURER DAVIS: Second.

GOVERNOR HOGAN: Three-nothing. We're going to move to the Department of Transportation.

MR. PORTS: Good morning, Governor, Treasurer, Comptroller. For the record, my name is Jim Ports, Secretary for the Maryland Department of Transportation. The Department of Transportation has 15 items to present to you today and we would be happy to answer any questions.

GOVERNOR HOGAN: Any questions on Transportation?

COMPTROLLER FRANCHOT: I'm trying to think of some questions.

MR. PORTS: Come on.

COMPTROLLER FRANCHOT: But that's okay. I would move approval.

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TREASURER DAVIS: Second.

GOVERNOR HOGAN: Three-nothing. We're on a roll. I don't want to see you screw it up.

(Laughter.)

MR. CHURCHILL: All the pressure. All the pressure. It's a good thing I have wide shoulders. Good morning, Governor, Mr. Treasurer, Mr. Comptroller. For the record, I'm Ellington Churchill, Secretary for the Maryland Department of General Services. Today we are presenting 24 items on our Agenda, including three supplementals. The Agenda features more than \$17 million in capital grants and loans, including \$2 million to Lexington Market in Baltimore City and \$6 million to Stevenson University. Additionally, DGS is seeking approval for contract action to support eight minority businesses, four small businesses, and one veteran-owned business. And we are available to answer any questions you may have at this time.

GOVERNOR HOGAN: Any questions on DGS?

COMPTROLLER FRANCHOT: On Item 10.

MR. CHURCHILL: Item 10 having to do with the bulkheads and bulk ramps.

COMPTROLLER FRANCHOT: Yes, in Somerset County. So the issue here that I'm just bringing everyone's attention to is I noticed the MBE participation rate, which is supposed to be 20 percent, 20 percent, I guess, under this contract, is currently at zero percent. And I just want to make sure that the procurement system is on top of this and making sure that obviously something that we care about a lot is being -- I guess it's a DNR contract but you are in charge of it?

MR. CHURCHILL: We're managing the contract. There is, of course, as you have noted, a participation goal. Courtney League is our Acting

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Assistant Secretary for Design, Construction and Energy is available. And of course, we are monitoring that contract as we do with all contracts, maintaining contact with the vendor, the contractor, to make sure that they achieve their goals by the end of the contract. It's not the requisite in terms of per month. You know, the contracts have different trades to them. But Courtney League is available to address your question.

COMPTROLLER FRANCHOT: Great.

GOVERNOR HOGAN: Great.

COMPTROLLER FRANCHOT: What are we exactly doing to, A, ensure that the goal was met, and B, in future bids we actually have some minority or women-owned companies get, I take it, can win the contract overall, right?

MR. CHURCHILL: Well --

COMPTROLLER FRANCHOT: MBEs, MBEs, you know --

GOVERNOR HOGAN: Do we have Courtney --

COMPTROLLER FRANCHOT: -- EBA Engineering in Laurel, Maryland, I salute them. I assume they are a Maryland company but --

MR. CHURCHILL: Those are two separate questions. The first is how do we come to determine the participation, and that's through our PRG process. The second is (indiscernible) --

SECRETARY GONTRUM: (Indiscernible).

MR. LEAGUE: Yes, good morning. Can you hear me?

GOVERNOR HOGAN: Yes.

MR. LEAGUE: Good morning. Good morning, Governor, Mr. Treasurer, Mr. Comptroller. For the record, Courtney League, Acting Assistant Secretary for Design, Construction, and Energy. To address your question about what we are doing to ensure that the MBE goal is met, the majority of the work

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performed by the MBE subcontractor on this contract is handled towards the end of the project. So we will monitor it as we move through. We'll ensure that we are meeting that 20 percent. But that is the reality for this particular project. The majority of the MBE participation is at the end, towards the end of the project.

COMPTROLLER FRANCHOT: And I guess EBA isn't an MBE company? Is that right or no?

MR. LEAGUE: I would have to circle back to that, sir. I believe, I would have to double check and see if they are MBE certified to --

MR. CHURCHILL: (Indiscernible).

COMPTROLLER FRANCHOT: So I stand corrected, but that's good. Because that's what we want. Equity, parity, ownership. And --

MR. LEAGUE: Yes, sir. We are focused on that.

COMPTROLLER FRANCHOT: -- thank you.

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

COMPTROLLER FRANCHOT: Item 24.

MR. CHURCHILL: Item 24 concerning Baltimore Therapeutic Treatment Center in terms of the design and construction consultant.

COMPTROLLER FRANCHOT: Okay, thank you, Secretary Churchill. I know you have given us information on this project. This is a \$15.9 million contract to CGL Companies for project management services supervising the design and construction of the new Baltimore Therapeutic Treatment Center in Baltimore City. This item was withdrawn from the March 23rd Agenda. Thank you for all the information you have given us. I strongly believe that frankly we have a statutory obligation in the State to assure the well-being of prisoners and that's what this facility is going to provide. That's not the issue of contention. My question relates to how you handled the procurement and how the taxpayer dollars are being spent.

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According to this item, this procurement was conducted as an architectural and engineering procurement. In other words, just rating technical ability, not price. So I get that some of these facilities have unique construction service needs. But my question is, how are these pre-construction services different from the design-bid-build or construction management at risk contracts we typically see? If I'm understanding the contract correctly, it seems to me to be some kind of a synergistic combination of both with the addition of a design and construction consultant involved. How was it determined that this procurement method was the most advantageous to the State?

MR. CHURCHILL: Thank you, Mr. Comptroller. It's an excellent question. This is a priority project for the State and a total (indiscernible) about \$450 million. So a ten-year project. And the department --

COMPTROLLER FRANCHOT: -- it's an important priority for the State and it's a ten-year project?

MR. CHURCHILL: \$450 million cannot be constructed in a couple of years. There are multiple phases to this. It has some complexity --

GOVERNOR HOGAN: -- back up a second. I tore down the Baltimore City Jail ten years ahead of schedule --

COMPTROLLER FRANCHOT: Yeah.

GOVERNOR HOGAN: -- and this is just what we're doing --

COMPTROLLER FRANCHOT: Yeah, well I'm thinking American Legion Bridge and other things that we're going to finish in advance of this. But this is, I agree it's an important project. But I'm curious as to why we are using this particular thing. And I'm just concerned that what happens in these procurements is the \$450 million gets given. It's allocated, you know. I know we do competition but the competition tends to have relationships to the people that are managing. And but we have placed a lot of trust and sometimes we want to

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verify rather than just trust. And you know, have everything out in, where appropriate, a competitive, transparent arena. And I'm just concerned here that we've got some kind of hybrid thing created that, you know, because this is a special requirement for a facility. I don't really see it as that. I don't understand why it is warranting this kind of special relationship and what we're doing to protect ourselves against it being abused despite our good intentions.

MR. CHURCHILL: Certainly. So the department has traditionally engaged in design-bid-build construction and has been very successful in that in this sector, which is public safety as well. This is a unique project which, of course, Secretary Green can talk about the merits of how this is different than a traditional system. The department when looking at total project costs, as has already been mentioned, we want to make sure that we have enough resources to mitigate risk for the State. And we have also in years past talked about other construction methodologies, which was CM at risk, CM advisor, design-build. Those are usually the ones, the four, that come to mind.

The design construction consultant will be able to help leverage the resources that we have within our department within this construction unit. And please, I would also give the frame of reference that the department has more than a thousand projects that we manage at any given time. So this will help our team manage the work that is going on, both from the designer and from the contractor. And it is an expert in that industry so it is allowing an additional context to be able to manage those two trades. So normally, we have looked at other methodology, we have talked about that, would just be a CM at risk. We think that, you know, by having three folks at the table it allows for better management of this particular project. That's why we're recommending it --

COMPTROLLER FRANCHOT: So I'm just curious as to why, since this is a very important hire that you're doing, you identified 25 firms who

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were believed to have the qualifications and experience for this scope of work and you had the pre-proposal conference that I'm told was well attended.

MR. CHURCHILL: Yes, it was.

COMPTROLLER FRANCHOT: So we have 25 firms and we get one single technical proposal, despite an extension of the solicitation. What happened?

MR. CHURCHILL: Well this consultant and the design consultants are closely related. The department made very clear that if you're going to submit a proposal for this particular consultant you would not be able to then compete on the design services, which is a factor of two to three times the contract cost. So it's a matter of the marketplace. The contractors decided which one they wanted to compete in. We have a very capable and experienced firm for this request for approval. We think that the State is served even with the single proposal.

COMPTROLLER FRANCHOT: Okay. And then there are two more RFPs associated with the project.

MR. CHURCHILL: Yes, sir.

COMPTROLLER FRANCHOT: What will be the extent of the company CGL, what role will they play in awarding those contracts, since the vendors are going to have to work with them?

MR. CHURCHILL: Yes. Well, as I mentioned before, they are leveraging our resources that we have within the department. But I would refer to Courtney League again, who is our Assistant Secretary for Design, Construction, and Energy, and he can give more of the details in terms of the use of CGL in terms of the relationship with the designers and contractors.

COMPTROLLER FRANCHOT: Where is he?

MR. CHURCHILL: He's on the line.

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COMPTROLLER FRANCHOT: Oh, great. You get my --

MR. LEAGUE: Good morning, again.

COMPTROLLER FRANCHOT: Good morning. And you get my question. I mean, you hire a company and then you put in the specs they have to, everybody has to work collaboratively and know each other, and you're going to end up with a, I think a pretty pre-determined select group. I'm sure they are competent but the question is, where is the competition?

MR. LEAGUE: So thank you for the question. The design construction consultant entity would support and assist DGS, the DGS team, with navigating the RFPs for the design, the architectural design and for the general contractor through the design-bid-build process. So we see it as an opportunity, as the Secretary mentioned, to leverage that resource to make sure that the State's interests are, you know, that we're moving forward in the best interests of the State and ensuring that we are creating as best as we can competition at every step of the RFP process for the design and for the construction of this therapeutic treatment center.

COMPTROLLER FRANCHOT: Okay. I'm still concerned about it. I'm going to vote against the contract. I don't think it's in the best interests of the taxpayers. You know, this is a big project, very important project, long term project. And I just don't like handing over the selection of most of the other parts of this project by a company that has obviously got other relationships that are separate from the State of Maryland. And I just, I just want to see honest, open competition where there are multiple bids. And if I could, Governor, have this item taken out and let me vote against it, I would be grateful.

GOVERNOR HOGAN: So there is a motion to pull this out --

COMPTROLLER FRANCHOT: Yes, this item. And, you know, I'm not pre-judging your votes. But obviously it's not an easy vote for me but it's

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one that I'm very confident in because it's just too much behind the scenes collaboration that results in new companies and new talent and new energy and new innovation not coming to the State of Maryland. And we instead end up with another company's relationships all of a sudden determining who we're, who is even allowed to compete for the parts of this important project. So I'm going to vote no on that and I have one other item that I want to take a look at. But I just wanted to alert you that --

GOVERNOR HOGAN: Okay. So when we finish with all the questions, we'll pull that out for a separate vote and we'll see if there is a second or any support for that.

COMPTROLLER FRANCHOT: Thank you. So the last item is 17 and 18-IT, which I guess is a request to extend contracts with vendors working on the Department of Human Services MD THINK project. Cumulatively these requests, in the two items, 17 and 18, total approximately \$113.2 million.

MR. CHURCHILL: Okay. So 17 and 18 1.1 and 1.2, or just -- it's the same response for all three. We have Secretary Lance Schine from the Department of Information Technology and Deputy Secretary Greg James to answer any programmatic questions.

GOVERNOR HOGAN: Okay. Deputy Secretary James is here. I guess Mr. Schine is on the -- good morning.

MR. JAMES: Good morning, Governor, Mr. Comptroller, Mr. Treasurer. I'm Greg James, Deputy Secretary for Operations for the Maryland Department of Human Services. And we have Lance Schine from the Department of Information Technology.

MR. SCHINE: Good morning. Lance Schine, Deputy Secretary of the Department of Information Technology. Hello, Mr. Governor, Mr. Comptroller, Mr. Treasurer.

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GOVERNOR HOGAN: Good morning.

COMPTROLLER FRANCHOT: So my question, Assistant Secretary, thank you, and also Mr. Schine, you know, we have had this relationship talked about before, previous conversations, previous Board meetings. It was always my understanding that DHS was in the process of moving away from working with Deloitte on this contract. With that being said, what is the reasoning for not only extending the contract a year but also adding an additional one-year option on top of that?

MR. JAMES: So Mr. Comptroller, our --

COMPTROLLER FRANCHOT: Are we being attacked?

GOVERNOR HOGAN: Sorry.

MR. CHURCHILL: -- scaffolding --

MR. JAMES: Mr. Comptroller, the Department of Human Services, when we came before this body previously, it was our intention at that time to end this relationship with Deloitte at the end of this contract term. However, since then there was the network incident at the Department of Health. They reached out to MD THINK to assist them with their recovery efforts, including migrating several of their applications onto the MD THINK platform. The only way for us to respond quickly to that was to leverage the Deloitte contract. And so we are here today asking for a one-year extension of that contract so that we can assist the Department of Health. We are in the process of migrating away from Deloitte. We have already replaced some of our Deloitte resources and we were on that glide path. But that is the primary reason that we are here with this extension.

There is also, the Department of Information Technology also does need a short term bridge extension of this contract while they finalize their new procurement with a new vendor for the AWS resale services. So MD THINK is

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looking for --

COMPTROLLER FRANCHOT: No, I'm just repeating anecdotes from the street that I pick up, which is as we move from the enormously prosperous one time only situation where we have this historic surplus, all the private sector companies are very aggressively approaching the State saying we want our money. We want our contracts. We want our guarantees because we know what lies ahead, which is a difficult reordering. And I'm just, you know, couldn't this have been part of a competitive procurement? I'm not talking about the emergency with DHS or with the Department of Health. I mean, really. We're not only doing it for an extra year, we're doing it with a one-year option attached.

MR. JAMES: So it is the intention and plan of the Department of Human Services, of the MD THINK program, not to utilize that option, to migrate all of this over onto our existing agile contract and not have to exercise that option. That is there simply as a contingency if there is some other unforeseen event. But our primary focus right now is the next year and having these projects stood up within that next year. Certainly other competitive procurements can occur for the staffing of these programs. But right now, if we are going to assist Department of Health with restoring their applications and migrating them into a new secure environment that MD THINK provides, we need to have the ability to leverage these resources.

COMPTROLLER FRANCHOT: Well everybody tells me I have to vote for this, but I'm going to just vote no because I happen to think that -- I understand (indiscernible), I understand the need to do something. This is not the kind of moving away from Deloitte that I thought we were going to happen. I understand your thinking. I'm not questioning your sincerity. I'm just saying it's not a good way to proceed down the road. And you know, I appreciate the, you

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don't intend to exercise the option. But why would we give that to you? I might vote for it if you didn't have that extra option on. But it just sounds like, you know, these guys have a fantastic self interest in working for the State of Maryland. They don't want to be moved away from. So I just think we're setting the State up for something that should be competitively bid down the road. So I guess there's --

GOVERNOR HOGAN: Any other, any other questions after this one?

COMPTROLLER FRANCHOT: No.

GOVERNOR HOGAN: So you want to pull out the two, these two items --

SECRETARY GONTRUM: So Item 24 for sure, and then Mr. Comptroller, please clarify, is it just Item 17 you would like to vote against in addition to 24? Or is it also the two --

COMPTROLLER FRANCHOT: Both --

SECRETARY GONTRUM: -- as per the request --

COMPTROLLER FRANCHOT: (Indiscernible).

SECRETARY GONTRUM: So Item --

COMPTROLLER FRANCHOT: And I like Deloitte. It's a big company. Why, who wouldn't like them? Guess what? You know, we need to have --

GOVERNOR HOGAN: -- three different motions, one on Item 17, one on 24, and one on the remainder of the Agenda?

MR. CHURCHILL: Right.

SECRETARY GONTRUM: That's correct, Governor.

COMPTROLLER FRANCHOT: I'm just, on 17 I'm voting no, because it's --

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GOVERNOR HOGAN: Okay, and I'm going to vote yes.

TREASURER DAVIS: As will I.

GOVERNOR HOGAN: And on Item 24, the Comptroller is going to vote no, I'm going to vote yes.

TREASURER DAVIS: As will I.

COMPTROLLER FRANCHOT: Thank you.

GOVERNOR HOGAN: Is there a motion to approve the rest of the

--

COMPTROLLER FRANCHOT: Move approval. Move approval.

TREASURER DAVIS: Second.

GOVERNOR HOGAN: Second? Three-nothing. Very good.

Well, thank you all for joining us today. That concludes the Board of Public Works.

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