
BOARD OF PUBLIC WORKS

*GOVERNOR'S RECEPTION ROOM, SECOND FLOOR, STATE HOUSE
ANNAPOLIS, MARYLAND*

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10:07 a.m.

PRESENT

HONORABLE ARUNA MILLER

Lieutenant Governor

HONORABLE BROOKE E. LIERMAN

Comptroller

HONORABLE DERECK E. DAVIS

Treasurer

JOHN GONTRUM

Secretary, Board of Public Works

ATIF CHAUDHRY

Secretary, Department of General Services

JOSH KURTZ

Secretary, Department of Natural Resources

THOMAS HICKEY

Director of Procurement and Real Property Initiatives
University System of Maryland

VALERIE RADOMSKY

Chief Procurement Officer, Department of Transportation

LISA GRIGSBY

Recording Secretary, Board of Public Works

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PROCEEDINGS

LIEUTENANT GOVERNOR MILLER: Good morning, everybody.

(Chorus of Good Morning.)

LIEUTENANT GOVERNOR MILLER: Welcome to today's meeting of the Board of Public Works. Before we begin, I'd like to recognize Treasurer Davis for a point of personal privilege.

TREASURER DAVIS: Oh, I forgot about that.

(Laughter.)

TREASURER DAVIS: You know what, I know what it is. Frank Turner, former Delegate Frank Turner, who you all may know, he departed within the last two weeks. Frank and I came in together in 1995. '94 election and sworn in in 1995. I spent many years with Frank. I think he retired in '18, but Frank was a great legislator.

And I mean you've heard me say it before, he's the embodiment of what you want in a legislator -- very hard working. We came in at the same time, but he looked after me. You know, there were some things early on in my career that Frank didn't like, you know, that other people were doing. So he stepped in and he stood up for me until I found my voice, and then I could stand up for everybody.

Frank was just a good guy. We used to play basketball every -- I guess it was Monday night or Thursday nights. Back then, we were all much younger and spry and all of those things. But he was a terrific guy. He's going to be missed. He was a professor at Morgan State University as well, so he never stopped educating our young people. Whether it's, you know, down -- whether it

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was down here as a legislator, on campus as a professor. And Maryland's a little less better of a place -- or it's a better place because Frank was here and a little less better because he's no longer with us.

So with that, Madam Governor, thank you for that opportunity. Let's get started.

LIEUTENANT GOVERNOR MILLER: Well, thank you for those comments, Mr. Treasurer. And really paying a tribute to Maryland's -- one of Maryland's finest and most dedicated public servants.

And I have to tell you, Delegate Turner was a colleague of mine. I served with him in the Ways and Means Committee. He was a friend of mine. He took me under his wings and tried to give me my voice as well, so I can represent others. But let me tell you, the gentleman from the District 13 never hesitated to take debate with me about letting me know how HoCo was so much better than MoCo, right?

He would tell me the schools were so much better in HoCo. He said the people were finer in HoCo. He said the economy was much stronger in HoCo. Wherever you are, Delegate Turner, I just want to say one day I'll be joining you too and we can pick up that debate again. But 'til then, rest easy, my friend.

TREASURER DAVIS: He never said that to me.

(Laughter.)

LIEUTENANT GOVERNOR MILLER: Madam Comptroller?

COMPTROLLER LIERMAN: Yeah, he was very --

LIEUTENANT GOVERNOR MILLER: I know you --

COMPTROLLER LIERMAN: Yeah, he was fantastic. And it was always a treat, when he would stand up to defend a bill on the floor. We sort of never knew what was coming. And he always did a great job, and he was

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fantastic. And I got to know him even better when I started campaigning in Howard County.

Of course, you know, running statewide. And he was so friendly and supportive in showing me -- you know, introducing me to people. And he has a wonderful family and a wonderful son. And I just -- you know, I was so sad to hear about his passing. He was such a bright light and I'll miss his smile and his jokes. And yeah, Howard County was certainly a better place because of him.

LIEUTENANT GOVERNOR MILLER: Absolutely. So with that, let's go ahead and begin with the business of the day.

Good morning, Secretary Gontrum.

MR. GONTRUM: Good morning, Governor. And good morning, Madam Comptroller and Mr. Treasurer. There are 14 items on the Secretary's Agenda this morning and two reports of emergency procurements. I'm happy to assist in answering any questions.

LIEUTENANT GOVERNOR MILLER: Thank you, Mr. Secretary.

I'd like to call up Item Number 14, which is a request from the Maryland Stadium Authority to enter into a memorandum of agreement with the Baltimore Ravens related to capital improvements to M&T Bank Stadium.

Since the Ravens and the Stadium Authority entered into a lease extension in December 2022, both the State and the team have made significant investment towards stadium to improve the game day experience for Ravens Nation. This memorandum of agreement, which outlines roles and responsibilities of the State and the team to finance critical capital projects, will allow for the acceleration of the timelines to complete these projects.

I'd like to recognize Executive Director Mike Frenz from the Maryland Stadium Authority to offer remarks regarding this agreement. Good

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morning, Director Frenz.

MR. FRENZ: Good morning. Thank you, Governor. Good morning, Madam Controller, Mr. Treasurer.

We're pleased to be here today to discuss this agreement. This agreement concerns \$55 million that the Ravens plan to invest in M&T Bank Stadium improvement projects. \$35 million of which is subject to repayment from the proceeds of future bond issuance and \$20 million of which includes no expectation of repayment. This transaction addresses a cash flow timing issue. The Ravens would like to begin these projects now rather than in the future due to a desire to improve the fan experience sooner rather than later and avoid the greater costs of delayed construction.

The \$35 million may be thought of as an interest-free loan, where repayment is subject to the ability to issue bonds and is at risk to the extent that bond proceeds are less than the amount spent on the projects. The \$35 million is proposed to be repaid from the proceeds of a bond issuance in 2026, when debt service capacity will be freed up from the repayment of the existing bonds. To be clear, this transaction in no way adds extra dollars to amounts available for stadium improvements. The debt service never exceeds the \$45 million annual debt cap, and the total issuance never comes close to the \$600 million cap.

Upon bond issuance in 2026, the maximum repayment amount is the lesser of \$35 million or the amount actually spent on the projects. If for some reason we are unable to issue bonds or secure other financing, the Ravens will not be repaid. If, due to market conditions, the amount raised is less than the amount spent on the projects, nonetheless, that is the amount the Ravens will receive. Clearly, the Ravens are taking on some degree of risk in this agreement. The risk of not being repaid or being repaid an amount less than that spent, as well as the opportunity cost of a zero-interest loan.

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Thank you. And we respectfully ask you to approve this agreement.

LIEUTENANT GOVERNOR MILLER: Thank you, Director Frenz.

We also have a representative from the Baltimore Ravens joining us this morning. At this time, I'd like to welcome Brandon Etheridge, General Counsel for the Ravens, to the podium to offer remarks.

Okay. That is not Mr. Etheridge.

(Laughter.)

MR. BROWN: A less handsome, shorter version of the Ravens representative. Sashi Brown, President of the Ravens.

LIEUTENANT GOVERNOR MILLER: So great to see you.

MR. BROWN: Treasurer Davis, Comptroller Lierman, and Lieutenant Governor Miller, thank you for having us here. Executive Director Frenz, thank you for your remarks. I think they summed it up well.

We are thankful. We want to thank the Legislature for the financial support to reinvest in our stadium. Ravens Stadium is one of the best in the league and it's only going to get better. It is -- the investment allows us to continue ensuring that M&T Bank Stadium remains one of the best in the league and really reflective of what Marylanders deserve. So we appreciate the public support and the support of this body as well as the Legislature.

As Mike said, we have for a long time been partners in co-investment in the stadium. This is no different. So the \$20 million that Mike referenced, we're excited to make alongside the State. We think it's really important to put the finishing touches on the first three phases of the renovation. And the \$35 million that Mike referenced is a function of the way the bonds are structured and allows us to accelerate the projects that are on the slate for Phase 2

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and Phase 3.

And we heard this body loud and clear, when we passed the legislation, let's not have that money in these renovations take four and five years. Let's make sure that we get them out. And thank you to Phil, who's here from MSA, and his team who were working so diligently to bring this three-phase renovation online, the bulk of which will be done by August, not to put any pressure on Phil, But we're super excited to bring the renovations. Can't wait to have you guys come down and we ask you for your support, and thank you in advance for consideration.

LIEUTENANT GOVERNOR MILLER: Thank you very much, Sashi. I have to say, when they told me that they were going to bring somebody from the Baltimore Ravens, the question I asked was, "Lamar Jackson, is he going to be here?" But you know what, having you here is just as good.

MR. BROWN: Sorry to disappoint.

(Laughter.)

TREASURER DAVIS: I don't know if it's just as good.

COMPTROLLER LIERMAN: It's not (indiscernible).

LIEUTENANT GOVERNOR MILLER: Sorry.

MR. BROWN: Thank you.

LIEUTENANT GOVERNOR MILLER: Before we recognize the one public speaker request, are there any questions or comments from my colleagues?

TREASURER DAVIS: No.

COMPTROLLER LIERMAN: No.

LIEUTENANT GOVERNOR MILLER: Okay. At this time, I'd like to recognize Mr. Bill Marker, who has signed up to speak in opposition to this item. Mr. Marker, we'd request that you limit your comments to no more

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than three minutes.

Good morning, and please proceed.

MR. MARKER: Good morning, members of the Board. Thank you. Some of you know me, some of you don't. This is my wife. She will hold up a graphic in a moment, but (indiscernible) not Marker.

I'm Bill Marker. I'm a long-time resident of Baltimore City. I'm here in opposition to this item, which gives millions of dollars to the Baltimore Ravens. My case is made by the Baltimore Banner, as published at 7:07 a.m. last Thursday, February 20th. I rely on connecting three articles therein. The first describes efforts to cut the Blueprint For Education. The second describes expected slashing of federal government jobs, focusing on the Social Security Administration. And the third reports on the Stadium Authority agreement to give yet more money to the Baltimore Ravens. This time \$35 million, some of which will be for luxury suites and clubs for top dollar ticket holders.

I recognize the reimbursement is not until next year, but we are dealing with it this year. So to reinforce those three, I now republish the essence of these articles as a Maryland Banner. And as you can see, it's Maryland and the three items -- State cuts, federal destroying us, and owe more money to the sports team. And that -- and I have copies of my statement. There'll be a copy of this in it, if anybody else wants it. On my way out, happy to give.

Maryland does not need to just say no to the Ravens and await their response. Perhaps a threat, whether explicit or implicit, to scurry away at night like the Colts did. Baltimore City can use the Charter Article II(b) powers we were given as the Colts departed to acquire the Ravens by purchase or condemnation. We can then either resell the team without the right to leave Baltimore, or we could publicly operate the team.

Thank you for considering acting reasonably on this matter. And

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here are they -- I called the Board, they said four copies, and there they go. So here are four copies of the testimony to give to the Board. Happy to take any questions.

LIEUTENANT GOVERNOR MILLER: Thank you so much, Mr. Marker. And Mrs. Marker, thank you as well. You did a great job holding up the poster. Thank you.

MR. MARKER: Thank you. I'll be outside for a moment or two, if anybody wants me to --

COMPTROLLER LIERMAN: Thank you.

MR. MARKER: -- (indiscernible).

COMPTROLLER LIERMAN: Mr. Marker, it's nice to see you. Can Mike Frenz come back?

LIEUTENANT GOVERNOR MILLER: Okay. Is there any further discussion on this item or any other item in the Secretary's Agenda?

COMPTROLLER LIERMAN: I'd just like to clarify something with Mr. Frenz. Thank you.

Hi, Mike. Nice to see you.

MR. FRENZ: Nice to see you, too.

COMPTROLLER LIERMAN: Certainly, the picture that Mr. Marker paints is not one that I think probably most of us would support if this was, in fact, a vote to allocate additional funding to the Ravens for M&T Bank Stadium upgrades. But this is not a vote to allocate additional funding to the Ravens and the stadium, correct?

MR. FRENZ: That is correct.

COMPTROLLER LIERMAN: This money has already been voted on and allocated from a special fund to support bonds by the General Assembly, signed by the Governor several years ago, correct?

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MR. FRENZ: Exactly, we never exceed the \$45 million annual debt cap.

COMPTROLLER LIERMAN: So I can certainly -- I certainly agree with Mr. Marker. If this was a vote by the General Assembly now to allocate additional money to the Ravens when we have so many other needs -- and that would certainly be not one that I would support, but this is money that is already allocated. It's already budgeted for.

When we do our Board of Revenue estimates, our Bureau of Revenue estimates, we take into account already that this money is in a special fund and has been allocated to the stadium projects just like the Camden Yards money has already been allocated. This is simply giving them -- doing the -- sort of putting a loan to the -- sort of a no-interest loan in a way to the Ravens. One in which they are taking all the risk on. Because if something were to happen and we couldn't float it, they wouldn't even get repaid necessarily.

MR. FRENZ: That's right.

COMPTROLLER LIERMAN: Yeah, so I appreciate the clarification. Thank you.

And Mr. Marker, I appreciate your points.

LIEUTENANT GOVERNOR MILLER: Thank you, Madam Controller.

If there is no further discussion, may I have a motion to approve the agenda?

COMPTROLLER LIERMAN: Motion to approve the Secretary's Agenda.

LIEUTENANT GOVERNOR MILLER: Is there a second?

TREASURER DAVIS: Second.

LIEUTENANT GOVERNOR MILLER: Thank you. Now, let's

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proceed to the DNR Agenda.

Good morning, Secretary Kurtz.

MR. KURTZ: Good morning, Madam Governor, Madam Comptroller, and Mr. Treasurer. For the record, Josh Kurtz, Secretary of the Department of Natural Resources. The Department has ten items for your consideration today. I'm here, and so is other staff and happy to answer any questions that you may have.

LIEUTENANT GOVERNOR MILLER: Thank you, Secretary Kurtz.

Is there any discussion on the DNR Agenda?

COMPTROLLER LIERMAN: You've got a lot of great rural legacy programs in here.

MR. KURTZ: Very excited about that today. Thank you.

COMPTROLLER LIERMAN: Thank you.

LIEUTENANT GOVERNOR MILLER: May I have a motion to approve the agenda?

COMPTROLLER LIERMAN: I move to approve the DNR Agenda.

LIEUTENANT GOVERNOR MILLER: Is there a second?

TREASURER DAVIS: Second.

LIEUTENANT GOVERNOR MILLER: Thank you, next up is the University System of Maryland.

Good morning, Mr. Hickey.

MR. HICKEY: Good morning, Governor, Mr. Treasurer, Madam Comptroller. Tom Hickey representing the University System of Maryland. There are two items for your consideration, and I'm happy to answer any questions you may have.

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LIEUTENANT GOVERNOR MILLER: Thank you so much, Mr. Hickey.

Is there any discussion on the USM Agenda? If not, may I have a motion to approve the agenda?

COMPTROLLER LIERMAN: Motion to approve the USM Agenda.

LIEUTENANT GOVERNOR MILLER: Is there a second?

TREASURER DAVIS: Second.

LIEUTENANT GOVERNOR MILLER: All right, thank you.

MR. HICKEY: Thank you very much.

LIEUTENANT GOVERNOR MILLER: Thank you so much, Mr. Hickey.

Let's proceed to the MDOT Agenda. Good morning, Ms. Radomsky.

MS. RADOMSKY: Good morning, Governor, Madam Comptroller, Mr. Treasurer. For the record, my name is Valerie Radomsky, Chief Procurement Officer for the Maryland Department of Transportation. Today, we are presenting 16 agenda items for your consideration.

LIEUTENANT GOVERNOR MILLER: Thank you, Mr. Radomsky.

Is there any discussion on the MDOT Agenda? May I have a motion to approve the agenda?

COMPTROLLER LIERMAN: So moved.

LIEUTENANT GOVERNOR MILLER: Is there a second?

TREASURER DAVIS: Second. This is like the first time we've never had questions for --

COMPTROLLER LIERMAN: Yeah, the MDOT Agenda.

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TREASURER DAVIS: -- the MDOT Agenda.

LIEUTENANT GOVERNOR MILLER: I guess.

TREASURER DAVIS: I always feel obligated.

COMPTROLLER LIERMAN: Sorry, Valerie.

MS. RADOMSKY: Thank you.

LIEUTENANT GOVERNOR MILLER: Let's conclude with the
DGS Agenda.

Good morning, Secretary Chaudhry.

MR. CHAUDHRY: Good morning.

TREASURER DAVIS: We were waiting for you.

(Laughter.)

MR. CHAUDHRY: I dare say maybe we keep that momentum
going, maybe I wouldn't get any questions also. But usually, not that lucky.

Good morning, Madam Governor, and Madam Comptroller, and
Mr. Treasurer. For the record, I am Atif Chaudhry, Secretary of the Maryland
Department of General Services.

Today, the Department is presenting 32 items on our agenda,
including one report of an expedited procurement for the Department of General
Services. We are withdrawing five items today. It is Items 3-CGL, 4-CGL, 11-C-
MOD, 14-S-MOD and 26-EX. Our agenda does feature six capital grants and
loans totaling more than \$1.5 million.

I did want to highlight one item in particular, and that's Item 2-
CGL. Which does include \$1.2 million in State support to the Montgomery
County Historical Society to purchase the Farmers Banking and Trust Building in
downtown Rockville. This building will serve as the home of Montgomery
County's Historical Library, and will also provide exhibit and event space. As
well as a podcast and oral histories recording studio, which is neat, as well as

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administrative office space there for the community.

As we continue to keep an eye on minority business participation, our agenda does include two contract awards a certified minority businesses totaling more than \$19 million. And we have agency representatives here to answer any questions you may have.

LIEUTENANT GOVERNOR MILLER: Thank you so much, Secretary Chaudhry.

Is there any discussion on the DGS Agenda?

COMPTROLLER LIERMAN: Thank you, Governor.

I'd like to pull out Items 7, 8, 9, and 10. These are four requests to grant exceptions for one year from the automatic termination of funding for bond bill authorizations. So these are four requests from different organizations that will not meet the seven-year deadline for spending bond bill funding/ capital funding because of project delays.

And I think there just has to be a line somewhere. I was taught in school that a deadline is a deadline. And I think seven years provides adequate opportunity for organizations to spend the money that the State government has granted to them. When the General Assembly authorizes funding in the capital budget, recipients have seven years after authorization to encumber or expend the funding for their projects. Seven years ago was a long time, and there is not an unlimited amount of capital funding that the State has.

In fact, I think last year there was over \$195 million in requests. And the General Assembly was only able to meet about half of that need. So I just think it's really important that organizations not ask for capital funding until they're ready to spend it. And so for that reason, you know, these are all very worthy projects. They're great. It has absolutely nothing to do with the merits of the projects, but I think you've got to use it or lose it. And seven years is long

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enough, so I'm going to just ask to separate out those four items.

LIEUTENANT GOVERNOR MILLER: Thank you, Madam Comptroller.

COMPTROLLER LIERMAN: Sure.

LIEUTENANT GOVERNOR MILLER: Secretary --

COMPTROLLER LIERMAN: Oh, yeah, and then I also have to separate out -- sorry, I'm the one causing problems today. And then also, Governor, on the advice of counsel from the State Ethics Commission, I will be recusing myself from Item 30-IT. So I would also request it to be separated out as well.

LIEUTENANT GOVERNOR MILLER: Okay, thank you.

COMPTROLLER LIERMAN: Thank you.

LIEUTENANT GOVERNOR MILLER: Thank you so much, Madam Comptroller.

Secretary Gontrum, let's conduct two separate votes before we proceed to consideration of Item 30. Oh, Secretary --

TREASURER DAVIS: No, before Item 30.

LIEUTENANT GOVERNOR MILLER: Before Item 30?

COMPTROLLER LIERMAN: Yes, yeah.

LIEUTENANT GOVERNOR MILLER: (Indiscernible)?

TREASURER DAVIS: This is first.

LIEUTENANT GOVERNOR MILLER: Okay. First --

COMPTROLLER LIERMAN: Okay.

LIEUTENANT GOVERNOR MILLER: First on Items 7, 8, 9, and 10, is there a motion to approve these four items?

TREASURER DAVIS: Move favorable.

LIEUTENANT GOVERNOR MILLER: All right.

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COMPTROLLER LIERMAN: Good job, good job.

LIEUTENANT GOVERNOR MILLER: Thank you, Mr.

Treasurer. I will second the motion. Items 7, 8, 9, and 10 pass 2:1 with the Comptroller voting in the negative.

Now, on the remainder of the DGS Agenda, excluding Items 7, 8, 9, 10 and 30, is there a motion to approve the agenda?

COMPTROLLER LIERMAN: Motion to approve the remainder of the agenda.

TREASURER DAVIS: Not 30.

COMPTROLLER LIERMAN: Not 30, right. Motion to approve --

TREASURER DAVIS: I'm just (indiscernible).

COMPTROLLER LIERMAN: Motion to approve the DGS Agenda without 7, 8, 9, 10, or 30, correct.

LIEUTENANT GOVERNOR MILLER: Is there a second?

TREASURER DAVIS: Second.

(Laughter.)

LIEUTENANT GOVERNOR MILLER: Thank you for those comments, Mr. Treasurer. Let me see.

COMPTROLLER LIERMAN: So now we're going to move to 30.

LIEUTENANT GOVERNOR MILLER: Okay. Wait a minute, I am --

COMPTROLLER LIERMAN: And with that, I will be recusing myself. And thank you all.

LIEUTENANT GOVERNOR MILLER: Okay.

COMPTROLLER LIERMAN: Thank you.

LIEUTENANT GOVERNOR MILLER: All right.

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TREASURER DAVIS: See, we can do all sorts of stuff now.

COMPTROLLER LIERMAN: Yeah, yeah. I know. Don't get in too much trouble without me.

(Comptroller exits the meeting room.)

LIEUTENANT GOVERNOR MILLER: Okay. Mr. Secretary. I'd like to call up Item 30-IT, which is a request from the Department of General Services to award a statewide Agile Teams contract to 39 vendors.

At this time, I'd like to recognize Secretary Chaudhry, who will introduce the item.

MR. CHAUDHRY: Thank you very much, Madam Governor.

And I really appreciate the opportunity here to be able to talk about Item 30-IT. Again, for the statewide Agile Resources and Teams contract. And this is being presented to you here on behalf of DGS, but also it's a statewide contract. So on behalf of the many health and human services agencies across the state, which will be utilizing this for their very important services provided to the community, including the Maryland Department of Human Services, Maryland Department of Health, the Maryland Health Benefit Exchange, and Department of Public Safety and Correctional Services.

While fully recognizing and respecting the Board's duty and commitment to protecting the State's fiscal integrity by ensuring expenditures are necessary, appropriate, responsible, fair, as well as lawful, the Department of General Services fully supports proceeding with award of the statewide Agile Resources contract despite ongoing protests and appeals. As we believe awarding these contracts without delay is necessary to protect substantial state interests.

While protests and appeals are understandably part of a public procurement landscape, especially on large scale contracts such as this, both here in -- both here in Maryland and throughout the country, the critical nature of the

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services and reliance on federal funding requires us to act swiftly on this particular contract. The State of Maryland has a duty to protect essential services that directly impact public health and safety for over two million residents across the State, which is nearly one third of the State's population.

Particularly, including programs such as the Supplemental Nutrition Assistance Program, also referred to as SNAP; Supplemental Social Security Income, also referred to as SSI; child welfare support, foster care services, and countless more. In addition to MD Think's host of data and vital records for more than seven million individuals, these services rely on the uninterrupted operation of IT-related systems. Whereas, disruptions could jeopardize the State's ability to support its most vulnerable populations.

The Department has worked diligently to ensure the procurement process was conducted properly and in close consultation with the Office of Attorney General to ensure full compliance with State laws and regulations. Of the 21 protests filed, 18 have been denied, 2 have been sustained, and 1 is still pending a response. Ten firms, whose protests were denied and are no longer eligible to file an appeal while ten appeals have been filed with the Maryland State Board of Contract Appeals, of those, one has already been dismissed with prejudice as of February the 7th.

We understand the magnitude of this decision and it requiring careful oversight; however, the need to protect the State's substantial interests and federal funding in public services for Marylanders that Marylanders depend on very heavily requires the Board's decision here today. We respectfully ask that the Board consider the broader implications of any delay in awarding these contracts. And we're happy to answer any questions you may have.

I did want to just highlight very quickly that the current Agile contract expired -- the agency we're currently utilizing expired back in 2023.

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Two one-year extensions were granted, which just puts us through May 7th of this year, of 2025. The State is working very closely with federal agencies to request a four-month extension through the end of September, and that is for a transition period.

Just for the opportunity and time that after this particular new contract is awarded, all the resources can be transitioned on and can be onboarded on some of these vital, critical IT-related systems. Some of these are very large projects. It takes a long -- it takes months to transition services over, and that's why we are currently working with the federal government to do this. No cost modification through the end of September. And happy to answer any questions you may have.

LIEUTENANT GOVERNOR MILLER: Thank you so much, Mr. Secretary.

Mr. Treasurer, do you have any questions for Secretary Chaudhry?

TREASURER DAVIS: Yes, ma'am.

LIEUTENANT GOVERNOR MILLER: Okay.

TREASURER DAVIS: Let me back up first on that last point that you made, just so it's sort of crystal clear. It's not -- the federal government isn't sending this, you know, until September for you to make the initial award. It's for the transition period. Is that a correct statement, or?

MR. CHAUDHRY: That is correct. Right, absolutely correct. We're requesting the extension for the opportunity to do transition of the resources from the current project to the new vendors that will be coming on board.

TREASURER DAVIS: So is it -- in your opinion or to the best of your knowledge, are you saying that we still need to get it done today or we can wait? Because we have the extension, we can wait? I'm asking the question -- I

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know the answer, but I'm asking the question because it was brought to me and I know members of the public are a bit confused. So I just wanted to clarify that the extension until September isn't for the , you know, the award, but rather for the transition period. Am I stating that correctly?

MR. CHAUDHRY: Yes, sir. Yeah, Mr. Treasurer. Absolutely. Yeah, it's critical that we vote on this to have these contracts awarded today. There's still going to be a 60-day review window with the federal government, so we cannot start issuing work orders off of this contract -- these contracts for another 60 days until the federal government does their proper review. After that point is when we'll start the transition process. So the four-month extension is strictly for -- not tied to this contract, but strictly for the transition period.

TREASURER DAVIS: Got it. Secondly, and this is more for the edification of everybody overall. Again, you all know my particular role. I am in this seat to represent the interest of the General Assembly. I had a meeting with a few senators, although I'm fairly certain the delegates are equally interested in it. And it would be remiss of me not to share sort of what came about of that.

Rather than to try to summarize it, I want to read what they gave to me just so that, you know, even though we're doing this today, their feelings on what we're doing and -- well, you'll get it from the tone of the statement that they prepared where they're coming from.

With that, they start off by saying: "The Legislature has a lot of questions about how this contract may be enshrining the same old/ same old that hasn't worked for decades. Time and time again, it has been made clear that agencies do not have the internal capacity to represent the State as project managers or major IT development projects.

A legislative audit -- a legislative audit of DoIT last year demonstrated this with a finding that between Maryland THINK and the Medicaid

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Management Information System, the cost increased by \$1 billion between 2018 and 2022. MD THINK increased in cost from \$166 million to \$580 million by itself. The legislative auditors have brought up the issue of the lack of project monitoring efforts in the last four audits of DoIT, dating back to November 10th, 2009.

Bottom line, current process isn't working, hasn't worked, and isn't likely to work in the future. It makes no sense to continue to pay for outside vendors to manage these projects without ensuring that there is real accountability for results, value to the State, as well as timely and cost-effective delivery. As at the same time, we must deal with triaging projects right now. We have major IT projects underway that are subject to federal requirements, which will benefit from this contract.

Therefore, as we proceed to address concerns regarding oversight, project management, and financial accounting of IT concerns, I'm asking for your commitment on two things. First, the Administration will require reporting for work order contracts entered into by clients using agencies from the statewide Agile Terms contracts over \$1 million. Client-user agencies will be required to notify the Board of Public Works 30 days after the work order award and submit reports every four months. The report must be signed by the head of the agency and reviewed by DoIT in their oversight capacity. Prior to the submission to the Board of Public Works and the Legislative Policy Committee, we can cancel this contract for convenience and plan to it because -- and plan to it becomes clear it is no longer in the State's interest.

Second, you must work towards a longer-term solution for the efficient management and oversight of our \$3 billion portfolio of information technology. We must take the delivery of high quality, efficient, modern IT infrastructure as seriously as we take highway transportation and construction

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projects. I look forward to seeing a concrete solution passed in the next 45 days, which will enable our State to modernize its IT effectively and efficiently, and prevent any contractor from taking advantage or mismanagement of the portfolio."

So I know that was rather lengthy. And certainly, I can provide that to you to see it, but I wanted to emphasize more than anything else -- or the take away from this is the General Assembly's concern with it. Meetings, certainly with Manny and others, they were able to communicate the necessity that we move forward here today.

But moving forward here today in no way, I guess, eliminates their concern. You know, they wanted to be clear that they understand the importance of it and all of that, but still that they have concerns. So in my duty as their representative, I wanted to voice their concerns and hopefully we can work towards resolving the issues raised in the letter.

MR. CHAUDHRY: Thank you, Mr. Treasurer.

I did want to -- before I hand it over to our Deputy Secretary, Melissa Leaman, from DoIT to respond to the technical and project management, I just want to also on the procurement side reiterate to the point addressed in the letter that there is a termination for convenience capability for this particular contract, as with all contracts. So that is present in this contract.

Melissa?

MS. LEAMAN: Good morning, Governor, Mr. Treasurer. For the record, my name is Melissa Leaman. I'm the Deputy Secretary for the Maryland Department of Information Technology. I appreciate the concerns raised by the Senate and also by the Office of Legislative Auditors. We take very seriously our role as stewards of taxpayers' dollars. And we appreciate in this fiscal climate the changes that we are making internally to MITDP oversight. And we recognize

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that there are more important than ever.

In an effort to improve State technology implementation and move oversight to modern practices, Secretary Savage and Governor Moore have created the Maryland Digital Service. We are changing the MITDP oversight process to reflect and reinforce modern best practices. We are shifting from a project model to a product model, which is a critical piece of this needed change. But we recognize that transitioning to new practices is hard and will take agencies' time.

We are standing up support capabilities within DoIT to work with agencies to help them with this transition. This change must be multifaceted in order for it to be successful, and we need to change how we define success not exclusively focused on time and budget, but focused on outcomes for both agencies and the constituents. We, again, appreciate the diligence of the Office of the Legislative Auditors and the Legislature and the illustration that they have made in their concerns with MITDP oversight. And we look forward to working with them as we continue on looking how to implement a better model moving forward. Thank you.

LIEUTENANT GOVERNOR MILLER: Thank you so much.

Treasurer Davis, any comments?

TREASURER DAVIS: That's it.

LIEUTENANT GOVERNOR MILLER: Okay. Next, we'll proceed to the speaker requests on this item. We'd ask that the comments please be limited to no more than three minutes. Let's begin with Mr. Alexander Major representing FEI Systems, who has signed up to speak in opposition to this item.

Mr. Major, good morning.

MR. MAJOR: Good morning, Lieutenant Governor Miller and Treasurer Davis. Thank you very much.

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I appreciate and second what DGS is trying to do here in terms of making sure that we are continuing the provision of services. But as you noted, my name is Alex Major and I represent FEI Systems, a minority-owned Maryland company, in opposition to BPW Agenda 30-IT. Where DGS is asking this Board to avoid law and regulation and ignore over 20 protests -- 11, now, of which are active -- and proceed with contract award and performance of start 2024 a half a billion-dollar contract that will lock the State in for ten years.

I'm not here to describe the substantial State interest this Board has in not granting DGS's request. 11 -- as of yesterday, 11 active protests are before the MSBCA and in front of DGS. I raised the number to demonstrate the volume of protests and to update the Board that another one was filed yesterday afternoon after DGS submitted its agenda, the description.

As any auditor will tell you, as any federal reviewer will tell you, there isn't a brighter red flag for any fundamentally flawed procurement process, especially as it relates to cost and pricing. 20 awards were made under Functional Area 2 of this contract. FEI had the 13th best price at \$124 million, a lot of money. But an award was given to a non-Maryland company that was over \$100 million more expensive -- \$100 million.

If you look at the chart that was provided in the initial agenda, of the 20 awards, only eight were of better value. Meaning two-thirds of the awards for this contract will cost Maryland taxpayers more, and one-third of those are heading to out-of-state contractors. Those are substantial state interests, but they're not the biggest. The most significant state interest, if DGS is concerned about ensuring federal financial participation, is to maintain the stay and let the protest process proceed as directed by law.

Last Friday, MD THINK provided, during an all-call to all the participants, the good news that federal funding was secured through October

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2025. But to receive federal financial participation, Maryland must meet regulatory requirements of necessity and reasonableness under federal regulations. More importantly, regulations require Maryland to ensure that it does not significantly deviate, quote, "from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the federal awards costs."

Avoiding the stay is a deviation. The most significant substantial State interest is ensuring the continued funding of this necessary program without the scrutiny, without the oversight that's presently plaguing federal agencies, federal programs, and federal funding. We understand disruption. We see it every day. This would be a disruption.

The State has secured immediate funding. The State has contractors meeting existing MD THINK Agile Resource requirements. There is no need to draw the foul. It's a substantial State interest to maintain the stay and allow these 11, 11 protests to proceed so that the State of Maryland can legally and properly assure that its citizens and the United States are receiving the best value for this contract.

MR. GONTRUM: That's three minutes, Mr. Major. Thank you.

MR. MAJOR: Thank you. I urge you to review the public comments and just push pause. Thank you very much.

LIEUTENANT GOVERNOR MILLER: Thank you, Mr. Major.

Next, we'll proceed to Sheila McDonald, the legendary Sheila McDonald representing Attain Partners, who signed up to speak in opposition.

Secretary McDonald, good morning and welcome back to your home turf, the Board of Public Works.

MS. MCDONALD: Good morning, Madam Governor and Mr. Treasurer. It is a pleasure to be here on this side of the podium. I have to say, all

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my years there, I did start on this side of the podium. In 1992, when you had budgets that were to be cut -- in the 1991, 1992 the Board of Public Works had to cut all kinds of budgets.

And I was actually representing an assistant attorney general for the Economic Development Department. And we had to sell Maryland Magazine. We had to get rid of that wonderful Maryland Magazine. Anyway, I came in front of the Board, Governor Schaefer. Ended up working for you all for years, treasured the Board of Public Works, and I full circled back in front of you again.

Thank you for letting me be here. I understand what's being said. I want to also thank Alex Major because basically he has said what I wanted to say, but I just want to reemphasize. The best way for Maryland to obtain effective agile technology is to cancel the current hamstrung procurement and initiate a new procurement that will thoroughly and appropriately evaluate the offers and the proposals.

I have three points. One is that canceling this solicitation does not harm the State. Two is that this current solicitation was flawed on multiple levels. And three, reissuing the procurement does offer the State multiple benefits. The most important issue is number one because I understand that you do have to find substantial State interest to award this contract in the face of 19, but now 20 protests. And those substantial State interests are defined as you need those essential services to be provided, and nobody disagrees with that.

But we do have the federal funding partner, CMS has approved funding through the end of the federal fiscal year. And let me just say, from my own observations of Washington D.C., I don't know about any funding for anything past the end of this federal fiscal year. So we have it in place. And Maryland THINK and other services are being delivered now and will continue to be delivered through the existing contract vehicles that currently undergird those

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services. So yes, I understand about the federal financial participation, but we are approved through October and I don't know that there is a federal budget after October.

The current solicitation is flawed on multiple levels. DGS did not follow its own evaluation criteria. They mandated reference checks and then they said the checks -- they never did a reference check because they stated that they were not necessary. They did not allow for oral presentations or discussions. They did not fully evaluate the staff of my client. But more importantly, we have looked at the offering -- the rankings that are provided the agenda item, which is the only information we have, the agenda item.

We have looked at those rankings and we have done analysis with the technical and the price, and we cannot get a consistent formula that takes you to that with each of them. I would go into it, but you don't want to hear it. That goes to the MSBCA. That's why we want the MSBCA. I don't want to bore you with an aggression analysis. But I can point you to page 57 -- OSB 57 on the item.

Just real quickly, there were two -- the two vendors that were ranked 47th and 48th overall. The 47th was ranked 48th technically, first financially. First financially, 48th technically. They got a 47 overall.

MR. GONTRUM: That's three minutes.

MS. MCDONALD: And then, the 48th and the 45th comes to 48. So finally, reissuance would offer the State multiple benefits because it would be an opportunity to improve the scope of work along the things the legislators are telling you. They could correctly weight the evaluations and they can follow the criteria. Thank you very much.

LIEUTENANT GOVERNOR MILLER: Thank you so much,
Secretary McDonald.

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Any further discussions on this item? Mr. Treasurer?

TREASURER DAVIS: No.

LIEUTENANT GOVERNOR MILLER: No? All right. Thank you, Mr. Treasurer.

Secretary Gontrum, let's proceed with the vote on Item 30. Is there a motion to approve Item 30?

TREASURER DAVIS: So moved.

LIEUTENANT GOVERNOR MILLER: Thank you, Mr. Treasurer. I will second the motion. Item 30 passes 2:1 with the Comptroller recusing herself.

TREASURER DAVIS: 2-0-1?

LIEUTENANT GOVERNOR MILLER: Two to one.

TREASURER DAVIS: Two to none.

MR. GONTRUM: That's correct. Two to nothing with the Comptroller recusing.

LIEUTENANT GOVERNOR MILLER: Oh, okay.

MR. GONTRUM: On the agenda item.

LIEUTENANT GOVERNOR MILLER: All right.

MR. GONTRUM: So it's two in the affirmative and none in opposition.

LIEUTENANT GOVERNOR MILLER: Thank you for the correction.

So that concludes today's meeting of the Board of Public Works. The next meeting will be on March 19. We are adjourned. Thank you all for being here.

(Whereupon, at 10:51 a.m., the meeting was concluded.)