
STATE OF MARYLAND
BOARD OF PUBLIC WORKS
GOVERNOR'S RECEPTION ROOM, SECOND FLOOR, STATE HOUSE
ANNAPOLIS, MARYLAND

February 19, 2020
10:12 a.m.

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

PRESENT

HONORABLE LARRY HOGAN

Governor

HONORABLE NANCY KOPP

Treasurer

HONORABLE PETER FRANCHOT

Comptroller

JOHN GONTRUM

Secretary, Board of Public Works

ELLINGTON CHURCHILL

Secretary, Department of General Services

DAVID BRINKLEY

Secretary, Department of Budget and Management

GREG SLATER

Secretary, Department of Transportation

JEANNIE HADDAWAY-RICCIO

Secretary, Department of Natural Resources

MIKE LEAHY

Secretary, Department of Information Technology

JIMMY RHEE

Special Secretary

Office of Small, Minority and Women Business Affairs

LISA GRIGSBY

Recording Secretary, Board of Public Works

HUNT REPORTING COMPANY
Court Reporting and Litigation Support
Serving Maryland, Washington, and Virginia
410-766-HUNT (4868)
1-800-950-DEPO (3376)

CONTENTS

Subject	Agenda	Witness	Page
Presentation of Customer Service Awards to Melanie Losover and Bavan Smith		Governor Hogan	
Wetlands Licenses	SEC 2, p. 3	John Gontrum	13
Pre-Construction Services for the Health and Human Services Center at Morgan State University	SEC 8, p. 12	John Gontrum Kim McCalla	14
Manhole Steam Trap Replacement Construction at Morgan State University	SEC 9, p. 14	John Gontrum Kim McCalla	14
Oracle Software Service and Support for MDOT	SEC A2, p. 20	John Gontrum Mark Newgent Michael Leahy Howard Barr	16
DNR Agenda	DNR	Jeannie Haddaway- Riccio	25
DOT Agenda	DOT	Greg Slater	27
USM Agenda	USM	Joe Evans	28
Grant to Board of Director of the Deale Volunteer Fire Department and Rescue Squad, Inc.	DGS 6-CGL, p. 73	Ellington Churchill	30

Grant to Board of Directors of the Ralph J. Bunche Community Center, Inc.	DGS 14-CGL, p. 81	Ellington Churchill	30
Workforce Solution, Women and Opioids RFP	DGS 27-S, p. 31	Ellington Churchill	31
Modification of CATS+ Master Contract	DGS 36-IT- MOD, p. 31	Ellington Churchill Michael Leahy	31

PROCEEDINGS

GOVERNOR HOGAN: Good morning, everyone.

ALL: Good morning.

GOVERNOR HOGAN: Welcome to the Board of Public Works.

We're pleased this morning to again start by recognizing some very deserving State employees for their outstanding work. You know, we like to recognize people for doing great customer service, which has been kind of a focus of our administration for five years. And we have a couple of people that have been nominated by their folks in their agency for doing an outstanding job in that regard. So we're going to be recognizing them with customer service awards for their outstanding work. And joining us this morning are two State employees from the Maryland Lottery and Gaming Control Agency. I'd like to welcome Melanie Losover and Bavan Smith. Let's give them a little round of applause.

(Applause.)

GOVERNOR HOGAN: So as Digital Manager of the Creative Services Division, Melanie is responsible for the agency's social media presence. She's in charge of communicating with their 124,000 followers on a daily basis. In addition to being proactive in managing their agency's social media, they say that she's always very quick to respond to customers, keeping them informed, and listening to their concerns. And she has been commended for staying on top of industry trends and recommending new tactics, and also having a great sense of

fun and creativity. So Melanie's knowledge base, attention to detail, dedication, and her always pleasant demeanor help the agency present itself in a way that has developed a large and growing social media audience, which helps the agency in its mission to generate revenue for the State.

COMPTROLLER FRANCHOT: Could I hire her?

GOVERNOR HOGAN: Yeah --

(Laughter.)

GOVERNOR HOGAN: -- no, you can't have her. They want to keep her where she is. But it sounds good. I'm going to get to her first.

(Laughter.)

GOVERNOR HOGAN: Bavan Smith is the Human Resources Officer, positively affecting the agency's customers by providing excellent service to her colleagues. And her job involves unique challenges, including sometimes having to deal with unpleasant situations. But she is a tireless worker who always has a smile on her face and is a pleasure to work with. Her attention to detail, her caring nature, and enthusiasm help boost agency morale.

And both Bavan and Melanie, I want to thank you very much for the great work that you're doing to improve customer service at the Lottery and Control Agency. I know there's a big group of your fan club who is here from your agency to support you, including Director Gordon Medenica. And we also have with us the Co-Chairs of the Customer Service Initiative Work Group, Mike

Pantelides, who is the Executive Director of the Office of Small Business Regulatory Assistance, and Alison Cordell, the Executive Director of the Governor's Office of Performance and Improvement.

So let's have everybody come up here, and let's give them another big round of applause while we take a picture --

(Applause.)

GOVERNOR HOGAN: Congratulations. Thank you so much.

Yeah, we want to get you, why don't we get you guys over here with us. And maybe some of your team can go on both sides. Yeah. There you go. I think that's good. You guys can squeeze behind us.

Yeah, there you go. Yeah, we're going to -- so the Comptroller and I are going to fight over you two.

(Laughter.)

GOVERNOR HOGAN: Gordon is going to lose both of you.

MR. MEDENICA: No way.

(Laughter.)

GOVERNOR HOGAN: Thank you very much. Congratulations.

(Applause.)

GOVERNOR HOGAN: I appreciate you being here. Thank you. I appreciate the work you guys do.

All right. With that, I'm going to turn it over to my colleagues for any opening comments. Madam Treasurer?

TREASURER KOPP: Governor, I love this way of opening the meetings.

GOVERNOR HOGAN: Me too.

TREASURER KOPP: I mean, it really is, and I have to warn people out there that I just muttered to the Governor, we really should do interviews with these people, too, so we can learn and keep for posterity the lessons of how to deal properly with people. No, I'm just, it's a pleasure and a blessing to be here. Good morning.

GOVERNOR HOGAN: Good morning. Thank you.

COMPTROLLER FRANCHOT: Yeah --

GOVERNOR HOGAN: Mr. Comptroller?

COMPTROLLER FRANCHOT: -- thank you, I agree completely with the Treasurer. And thank you, Governor.

Over the last two weeks, my agency has announced a series of measures aimed at combating the youth vaping epidemic that has negatively impacted the health and safety of hundreds of thousands of children across the nation, and tens of thousands of children here in Maryland, who have become addicted to nicotine through vaping. These are not smokers getting off of smoking dangerous cigarettes. These are kids that are vaping in school bathrooms

around the State. And it is unfortunately something that has already done a lot of damage to our communities. So I felt the need to take immediate action.

We have been waiting for a long time at the federal level, and the FDA several weeks ago finally put out their regulations to ban flavored cartridges that have grown in popularity among underage consumers. And the FDA is establishing stricter oversight over the multibillion dollar vaping industry that has ballooned in size over the last few years. But here's what the FDA also did in a little noticed footnote to their announcement about banning candy and fruit flavored vaping products made by Juul and Blu, the big companies that had already apparently agreed to get rid of the flavored vaping products. They specifically legalized and said disposable candy flavored vaping products are exempt from the directive that these vaping products be restricted to tobacco flavored and menthol flavored, I guess is what they ended up with.

So to our shock, the FDA made an exemption, I guess a gaping loophole you would describe it, that stunned us at the State level. Because these are exactly the products that kids are flocking to in convenience stores and gas stations all around the State, disposable fruit flavored, mango, berry, and other things that are strictly designed simply to attract kids.

So when I say it's an ongoing immediate emergency, I mean it. It's out there. It's happening right now. So our Legislature downstairs, they are considering a number of bills related to this subject. But I happen to think that we

shouldn't wait a single hour, especially if we have regulatory options to address this serious public health crisis. That's why last week, utilizing my legal authority as Maryland's chief tobacco regulator, and the regulatory discretion granted by the FDA's new regulations, albeit with this gaping loophole, I directed my field enforcement division to not only strongly enforce the FDA's ban on flavored cartridges, the Juul products, but we issued a regulatory directive that wholesalers and retailers, of whom there are about 9,000 around the State that have tobacco licenses, can no longer sell disposable electronic smoking devices. Period. No more cheap, convenient, affordable, attractive nicotine delivery devices that kids are flocking to, as we speak.

So I'm happy to enforce whatever bills the General Assembly pass later on this year in concert with our regulatory actions. But I believe that Maryland cannot and must not sit idly by as our kids are getting addicted to nicotine and are getting hurt by these unregulated products that in many cases are marketed directly towards them.

In addition to our regulatory action last week, Governor, this past Monday marked the last meeting of an e-facts Task Force which I had convened. We issued a 26-page report that outlines the issues we covered during our deliberations, as well as 12 policy recommendations that are practical, measured, rational, and will accomplish in my opinion our shared goal of providing proper regulation to this industry and the youth vaping epidemic.

The Legislature, for example, can take up these policy recommendations to ban all internet and mail order sales of electronic smoking devices, require ESD manufacturers to provide component and ingredient listings in the State, which they are more than happy to do, by the way. The report has the support of the vaping industry, who have no interest based on the testimony at our Task Force in hooking our young kids on nicotine. Okay, we need the ESD manufacturers, the vaping companies, to provide component and ingredient listings to the State. We need to increase criminal and civil penalties of straw buyers. The Legislature will do and can do, and I'm sure is looking at all of those things.

Internally, my agency will be taking swift action to implement recommendations that can be accomplished through the rule making process, such as requiring retailers to purchase and use ID scanning technology for each tobacco sale without the possibility of a machine override. In most of the stores now, the kids have, you know, you have to show an ID. But you don't have to prove that it's a legitimate ID. That's only proven if you put it in an ID machine, which can be purchased and is affordable. But what happens in the retail stores is that the clerks are trained to override the machine confirmation. So it's not to mean that we don't have a cooperative retail sector. We do. And they want to do the right things. But we're going to have to require this technology for each tobacco sale without the possibility of a machine override, an education training program for

retailers upon renewal or issuance of their licenses as to how important this issue is, and establishing a disciplinary protocol for retailers who sell to underage consumers repeatedly.

These are all very practical, common sense, rational proposals that I believe have a wide consensus among all of the groups that were involved, and they will go a long way at reducing vaping use among our youth. I'm very grateful for the participation of almost 40 members of the Task Force, which included public health experts and leaders, parents, educators, policy makers, and vape shop owners. And I compliment them once again to my -- I was surprised in a very positive way by the fact that these business folks came forward and said we don't want anything other than to help people get off of dangerous cigarettes. But we are opposed to what's going on, which is the unbelievable addiction of a whole generation of young people, who find smoking repulsive. They think smoking cigarettes, because it's such a stigma, it's terrible. But they are getting hooked on these fruit and candy flavored disposable, concealable, affordable vaping -- what are they called? Devices. Disposable devices.

So it's to me something that's very concerning because literally these addictions will hurt kids and their families and the State. And we're not unique. Every state has this problem. But we're sending all of this information, Governor, and the report to the legislators. We're also sending it to my peers

around the country. And I just want to make sure people understand that this is something happening in real time.

GOVERNOR HOGAN: Thank you.

COMPTROLLER FRANCHOT: Sorry to go on about that but --

GOVERNOR HOGAN: No, it's an important issue. We're going to start with the Secretary's report.

SECRETARY GONTRUM: Good morning, Mr. Governor, Madam Treasurer, Mr. Comptroller. I'm very pleased this morning to introduce the Board's new Recording Secretary, Ms. Lisa Grigsby.

(Applause.)

SECRETARY GONTRUM: Lisa is rejoining the Board staff after having previously served as Assistant Recording Secretary, and has really hit the ground running and is doing a phenomenal job. I'd also like to thank Ms. Lisa Johnson, the Board's Records Manager, who filled in for the past two meetings after the retirement of Missy Hodges in December.

This morning we have 12 items on the Secretary's Agenda and there are four reports of emergency procurement. I'm happy to assist with answering any questions.

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

COMPTROLLER FRANCHOT: I just want to note Item 2, which is a license for Washington College, a gem of an institution. Last October, I

attended the dedication of the Semans-Griswold Environmental Waterfront Academic Building. And this system that we're approving today will bring ambient water directly from the Chester River to support a teaching and research lab providing faculty and students the unique ability to study river ecology and marine organism biology in a controlled, state-of-the-art marine science. If you have ever the chance to be over on the Shore and visit Washington College, it is a gem of an institution. But this particular building that is now going to be able to provide us with a generation of new leaders in environmental sustainability, I would urge everybody to stop by. And Governor, thank you for, and your agencies for giving them the license that they needed to have access to the River.

GOVERNOR HOGAN: Well thank you. Any other questions on the Secretary's Agenda? Is there --

TREASURER KOPP: A question, Items 8 and 9 for Morgan State University.

SECRETARY GONTRUM: Kim McCalla is here, the --

TREASURER KOPP: Kim, I didn't see you.

SECRETARY GONTRUM: -- Associate Vice President for Facilities Design and Construction.

TREASURER KOPP: Thank you. Great items. I have no problem with this item at all. But I noticed that you say you're striving to meet LEED Silver.

MS. MCCALLA: Yes.

TREASURER KOPP: Could you tell us, not right now necessarily because you are pre-construction and design, but later on, how you meet it?

MS. MCCALLA: Oh, sure. And just so you know, all our buildings so far --

TREASURER KOPP: Have been.

MS. MCCALLA: -- have met either LEED Silver or Gold. But yes, I'm more than happy to give you the details of how we plan on meeting it.

TREASURER KOPP: Yeah. And Item 9, the maintenance program?

MS. MCCALLA: Yes.

TREASURER KOPP: I thank you. We just, I just got a copy of your report to the Legislature in the fall. And if you could keep us on top also of how the progress that you're making directed towards the entire, you've got, you've got a good set of work. You've got some money now. And if we could just follow how it's accomplished?

MS. MCCALLA: No problem. Because each project will be coming down for approval. So --

TREASURER KOPP: Right.

MS. MCCALLA: -- we'll keep that --

TREASURER KOPP: Right.

MS. MCCALLA: -- keep you informed.

MS. MCCALLA: Thank you.

TREASURER KOPP: Thank you.

GOVERNOR HOGAN: Thank you.

COMPTROLLER FRANCHOT: Yeah, I have a question about A2, if that's okay.

GOVERNOR HOGAN: Mm-hmm.

SECRETARY GONTRUM: Item A2 is an emergency procurement for Oracle software. Mark Newgent is here from MDOT.

COMPTROLLER FRANCHOT: Yes, thank you, Mr. Newgent. I have a question about this item. This is a purchase order for one year from Mythics for Oracle software services and support. It costs the taxpayers \$1.8 million. My concern is not with the specific arrangement here, but the fact that it seems as if Oracle is controlling this procurement, in essence deciding for us what vendor is going to be selected. So if you could help me understand what exactly our relationship is with -- I think Oracle is my concern right now, not these vendors.

MR. NEWGENT: Sure. So this is actually, it's the COTS master contract, which is under the purview of the Department of Information Technology, and they can best answer your question more than I can. Because we

were in a very narrow, limited scope of how we could operate. So I'll turn that over to Secretary Leahy.

COMPTROLLER FRANCHOT: Oh, good. Okay. Sorry about that. But --

TREASURER KOPP: Could --

GOVERNOR HOGAN: Nice job passing the buck.

COMPTROLLER FRANCHOT: Yeah.

(Laughter.)

TREASURER KOPP: Could I just --

MR. LEAHY: Good morning, Governor.

TREASURER KOPP: Could I just interject --

GOVERNOR HOGAN: That was very smooth.

TREASURER KOPP: -- right here, my understanding is there are several departments which have been delayed in the work that they can do, causing really significant problems --

MR. LEAHY: Yes.

TREASURER KOPP: -- because of this dispute with Oracle.

MR. LEAHY: That's correct.

TREASURER KOPP: So it's more than just even MDOT. What is it? Yeah.

MR. LEAHY: Well, good morning, Governor, Madam Treasurer, Mr. Comptroller. Michael Leahy for the Department of Information Technology. Oracle has changed their terms and conditions, and included terms and conditions that are not viable based on State law. I'm going to let Howard Barr, our counsel, speak to that. Very bluntly, we thought we had this settled and solved with Oracle before the holidays in December. And since then, they keep changing the terms that are acceptable to them. We respond to them very quickly, typically within a day or two. And our last communication with them was on February 4th, and we're still waiting to hear back from them about their intent.

So to your comments, they are taking the position, very simply, that because the State uses their software and their methodologies, they are effectively holding us captive because of the need for security patches and other things in the hopes that we will adopt their conditions and in effect change what is required under our procurement and our State provisions. So Howard, would you like to speak to the legal issues?

MR. BARR: Good morning. Howard Barr from the Attorney General's Office. Yeah, I think Secretary Leahy sort of encapsulated. I'm not exactly sure what the backdrop is here. Part of me thinks that they never looked at the COTS master contract in the first place and when they finally looked at it saw a number of things that were troubling to them or perhaps inapplicable to their COTS products.

So we were able to work through a number of items and now we're down to really one issue, which is the order of precedence with respect to the terms and conditions of the contract. We thought we had that resolved. I thought we were going to have this done by Christmastime. But they have since come back and tried to rejigger and put an Oracle license agreement up above the RFP, which we've told them time and again that we're not going to do. And so we're waiting to hear back from them on that.

COMPTROLLER FRANCHOT: So but we need to approve this \$1.8 million contract, I take it, since it's before us. But you're going to work on some resolution of this issue so that the State is comfortable?

MR. BARR: Yes, we have continued to work with them on this resolution, as the Secretary said. You know, they'll give us a proposal, we get back to them within a day or two, and then now we're on I think two weeks since we last responded to them telling them again, no, we can't budge on the order of precedence.

COMPTROLLER FRANCHOT: So does it help to do this for a year? I understand originally it was the bridge contract to the resolution of all this. But --

MR. LEAHY: I think it does because, as we've said, we have had a master contract that they cooperated with fully for the first seven years and it is only now in the updating of the specific terms for each agency that they are

attempting to implement these particular requirements. As I understand it, this emergency contract is utilizing the terms that we've always found acceptable.

MR. BARR: Yes. So MDOT reached a short term extension with Oracle back in the fall sometime, September or October. And so this is a continuation of those terms and conditions. So I, you know, I really think that if we, a year should certainly be more than enough time to resolve this. I mean, I'd really like to think and I've taken the position all along that, you know, we're on the cusp of solving this with them and --

TREASURER KOPP: But you've been on the cusp for half a year, right? Or --

MR. BARR: It's not been quite that long. But it's been much longer than I anticipated, I agree with that. But --

GOVERNOR HOGAN: Let me get this straight. The reason for the extension is because you haven't been able to resolve this dispute with Oracle. But what is the purpose -- you just said you've agreed on the old terms that you've been under for seven years for this extension. So the whole discussion has nothing to do with this extension? Everything you're talking about that they won't agree to because they have agreed to for this extension?

MR. LEAHY: Yes. They would like to change the underlying terms of the master contract --

GOVERNOR HOGAN: But not for this extension?

MR. LEAHY: But not for this extension.

MR. BARR: No, for this extension --

GOVERNOR HOGAN: So everything you are saying has nothing to do with this item before us on the extension.

TREASURER KOPP: But the reason there's an emergency --

MR. BARR: The item --

GOVERNOR HOGAN: They are just using that to help negotiate the bigger contract?

MR. BARR: Right. The conversation we're having right now is sort of --

GOVERNOR HOGAN: Is because of the extension because they won't agree.

MR. BARR: It's the bigger picture.

GOVERNOR HOGAN: And what happens, I mean, tell us what the State's interest is in getting this emergency done in spite of the fact that they have been so difficult?

MR. LEAHY: Sir, if I can --

GOVERNOR HOGAN: And I'm not here to try to help figure out what makes Oracle happy.

MR. BARR: Sure.

GOVERNOR HOGAN: But I am concerned about the State's interest in continuing to make progress on this --

MR. LEAHY: Absolutely.

MR. BARR: Well --

GOVERNOR HOGAN: -- in spite of the difficulties you've had.

MR. BARR: So a number of State agencies are running Oracle and they need to have maintenance for the software subsequent to its installation. And so this is, it's critical that MDOT get this extension.

GOVERNOR HOGAN: So the only reason it's an extension rather than a contract is because of this ongoing dispute that you expected to have resolved by before the holidays and --

MR. BARR: Yes, sir.

GOVERNOR HOGAN: -- they have not, no result, and so we're doing this extension, and you think it might take a year.

MR. BARR: I do not expect it to take a year. But I think it's much more reasonable to stop doing short term extensions, get something in place so that, you know, the anvil can be lifted off each of the agencies' heads. So, you know, I think it's a good idea for MDOT to go ahead and --

GOVERNOR HOGAN: It takes the pressure off of us on the, their hardball negotiating on the contract.

MR. LEAHY: Well, and Governor, the other aspect of this, as you said, a majority of the maintenance underlying these contracts are the security patches to maintain the security within our network. And we believe it's critical that we keep those as up to date as possible.

GOVERNOR HOGAN: Okay.

COMPTROLLER FRANCHOT: Yeah, you can feel free to send the transcript of this conversation --

GOVERNOR HOGAN: Yeah.

COMPTROLLER FRANCHOT: -- to Oracle, because we don't like Oracle telling us that we have to hire their vendors for all of our State agencies just because their software has been updated in some agreement. And so at some point, you know, last December we did \$308,000 for this in another contract, I guess, and we were then very close to a relationship with Oracle. But to the extent Oracle thinks that they can dictate to the State of Maryland who we're going to hire to do maintenance is just wrong. And we're, tell them we're watching, at least I am as the Comptroller.

MR. LEAHY: We'll reiterate that message. We've been, they've been given that message.

GOVERNOR HOGAN: It seems like the bigger issue is they are trying to change the agreement which they've already accepted, that we've been under for seven years.

MR. LEAHY: That's correct.

GOVERNOR HOGAN: Just arbitrarily.

MR. BARR: Well, of course Oracle is not a party to the State's contract. But because its resellers are the entities with whom the State has a contract.

COMPTROLLER FRANCHOT: But we're dependent on them.

MR. BARR: That's correct.

COMPTROLLER FRANCHOT: Okay. So I think obviously --

GOVERNOR HOGAN: I think we've got to move the item and then --

COMPTROLLER FRANCHOT: I'm happy to move the item. I really was just using it as a message that you just, we can't allow them to get involved in the procurement process in this way. Otherwise, it's way too much power to one company. I'm not quite sure what the resolution is that they will accept. But let them know at least as far as my seat over here, we're watching this thing very closely. And we don't like it, because it sounds as if they are picking for us who we have to hire.

MR. LEAHY: Thank you, Mr. Comptroller.

COMPTROLLER FRANCHOT: Yeah, so --

TREASURER KOPP: I wonder, could --

COMPTROLLER FRANCHOT: -- that's the point.

TREASURER KOPP: -- do you have a list of all of the agencies and projects that are being held up because of this impasse?

MR. LEAHY: I can certainly get you that list. Absolutely.

TREASURER KOPP: I know there are problems with elections --

MR. LEAHY: Yes.

TREASURER KOPP: -- which concerns me greatly. But I know there are others, also.

MR. LEAHY: Yes.

TREASURER KOPP: And it would be helpful to air that, I think.

MR. LEAHY: I'm happy to get that for you.

GOVERNOR HOGAN: All right. Thank you.

COMPTROLLER FRANCHOT: Thank you. Good luck.

GOVERNOR HOGAN: Any other questions? Motion to approve on the Secretary's Agenda?

COMPTROLLER FRANCHOT: Yes, move approval.

TREASURER KOPP: Second.

GOVERNOR HOGAN: Is there a second? That's three-nothing. We'll move on to the DNR Real Property Agenda.

MS. HADDAWAY-RICCIO: Thank you. Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, Jeannie Haddaway-Riccio, Secretary of the Maryland Department of Natural Resources.

We have seven items on our Real Property Agenda today for which we are seeking approval. And I'm happy to try to answer any questions you may have.

GOVERNOR HOGAN: Any questions on DNR?

COMPTROLLER FRANCHOT: No. Except I saw the Secretary, I think, was it at the Brew Feast? Or what --

MS. HADDAWAY-RICCIO: At the Taste of the Eastern Shore, sir.

COMPTROLLER FRANCHOT: Taste of the Eastern Shore. That was a wonderful event.

GOVERNOR HOGAN: I'm sorry I missed that one.

COMPTROLLER FRANCHOT: Yeah. But --

GOVERNOR HOGAN: That's right up my alley.

(Laughter.)

MS. HADDAWAY-RICCIO: Well we appreciate you being there.

COMPTROLLER FRANCHOT: Yeah. Keep doing a great job, Madam Secretary.

MS. HADDAWAY-RICCIO: Thank you very much.

GOVERNOR HOGAN: Thank you for representing me there.

MS. HADDAWAY-RICCIO: Yes.

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second --

COMPTROLLER FRANCHOT: Unless the Treasurer --

TREASURER KOPP: Second.

GOVERNOR HOGAN: That's three-nothing on DNR. Next up, University System Agenda. The University System is not here. We're going to move on to the Department of Transportation.

MR. SLATER: Good morning, Madam Treasurer, Mr. Comptroller, Governor. For the record, my name is Greg Slater, Secretary of the Maryland Department of Transportation. The Maryland Department of Transportation is presenting 14 items today. Item 1-AE is being withdrawn, leaving 13 items for your consideration. And we are here for any questions you may have.

GOVERNOR HOGAN: Any questions on Transportation?

COMPTROLLER FRANCHOT: No, just to comment, if you could focus on these Maryland Works projects, where you do wonderful things for folks that have disabilities. For some reason, the contracts keep, are short term and, Mr. Secretary, anything you can do to, you know, give them a little bit of stability.

MR. SLATER: Absolutely. We do have a number of preferred vendor items on this Agenda. So I absolutely can take a look at it.

COMPTROLLER FRANCHOT: Thank you.

GOVERNOR HOGAN: Thank you, Mr. Secretary. Is there a motion on the Transportation Agenda?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second? Three-nothing. We're going to go back to the University System. Good morning. I know they had you trapped out there outside the door. Welcome back.

MR. EVANS: Good morning. Joe Evans representing the University System of Maryland. We have three items on the Agenda. We're here to answer any questions. Is there a motion?

TREASURER KOPP: I had a question. Let me just look for a second. No.

GOVERNOR HOGAN: Motion on the --

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second? Three-nothing, University System. We move on to the Department of General Services.

MR. CHURCHILL: Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, I'm Ellington Churchill, Secretary for the Maryland Department of General Services.

Governor, before I announce the Agenda, I'd like to highlight something really good in this Agenda that's in direct response to an executive order you issued last June. That executive order focuses on energy use of State-owned buildings and requires General Services to analyze all State buildings and identify the least energy efficient buildings within our portfolio. Today's Agenda

includes a master contract, Item 20, which addresses submetering to help the State understand the State use of energy, especially on government campuses, like Annapolis, where energy and utilities are wholly metered through a master meter. This venture is a perfect example of how our executive agencies can work together to leverage resources for greater stewardship and to drive better results for government. And I want to thank the Maryland Energy Administration for partnering with General Services in this effort.

Today, the department is presenting 50 items, including two supplementals and one hand-carried item, for consideration. We are withdrawing Item 33 and we are available to answer any questions you may have at this time.

GOVERNOR HOGAN: Thank you, Mr. Secretary. And I just want to say my condolences to you --

MR. CHURCHILL: Thank you.

GOVERNOR HOGAN: -- on the big milestone. And my question is, how are you feeling about turning 50?

(Laughter.)

GOVERNOR HOGAN: He's a very young 50, but --

COMPTROLLER FRANCHOT: Yeah.

MR. CHURCHILL: I'm coping and --

(Laughter.)

MR. CHURCHILL: -- I have a great partner in my wife to help me through this time.

GOVERNOR HOGAN: That young, that young beautiful wife, yes.

(Laughter.)

GOVERNOR HOGAN: Yes. Well, any questions on DGS?

TREASURER KOPP: Governor, I'd just like to say that we did hear from Delegate (indiscernible) Delegate Howard and Senator Elfreth of their strong support for Items 6 and 14, the sort of items --

GOVERNOR HOGAN: Delegate Howard just came in the room here, so thank you.

TREASURER KOPP: Great timing.

GOVERNOR HOGAN: He just snuck in, just as you mentioned him.

TREASURER KOPP: The sort of items that the State, that Maryland does very well, I think, reaching out and working with the Deale Volunteer Fire, and with groups all over the State to help this be One Maryland and an efficient, modern One Maryland.

GOVERNOR HOGAN: Yeah, thank you very much.

TREASURER KOPP: Thank you for drawing my attention to it.

GOVERNOR HOGAN: Thank you all for being here. Thank you, Delegate.

COMPTROLLER FRANCHOT: Yes, I also wanted to compliment the Governor and his administration, the Department of Labor, for recognizing Maryland New Directions. This is a fabulous group in Baltimore that takes people that have all sorts of addiction problems or legal problems or just down and out on their luck, and they give them employment counseling and all sorts of coaching and career training, and they improve the lives of thousands of Marylanders. Governor, thank you for the grant that's in the program here. And please give Secretary, is it Robinson, who is over there, this is a great group and I've visited it several times.

I did want to bring up one item at the end, Item 36-IT. This is a small item. It's adding \$500 million of the taxpayers' money to the existing Consulting and Technical Services Plus, or CATS+, master contract. And I want to once again thank the Governor and the Treasurer because we recently modified the Board of Public Works so that contracts awarded under this overall master contract, if they exceed \$200,000 individually, they are brought here to the Board. So I'm not suggesting this \$500 million is the last time we'll see it. I guess my question is what exactly is the need to, and do we actually fence off \$500 million of State spending for eight years? Why can't we just do one-eighth of this for a year? What is the logic behind us voting for this amount of money?

MR. LEAHY: Certainly, Mr. Comptroller --

COMPTROLLER FRANCHOT: Thank you. I don't mean to be ignorant about the process.

MR. LEAHY: No, not at all.

COMPTROLLER FRANCHOT: I'm just, I think we recently, you recently spent almost \$500 million, or completed spending that. And this is to replenish that. I understand it. I guess I'm a little surprised at the need for that amount.

MR. LEAHY: Well, I think there are two factors here that are very important, as you said, and thank you for the opportunity to discuss it.

The first is this is a ceiling for spending on technology through the entire executive branch and other projects that impact your office and the Treasurer's Office. And so effectively, what has occurred is in the creation of the CATS+ program, we have established conditions that are pre-met. So people are pre-qualified to bid on the task orders, which as you've said do come back to this Board. But it creates a level of competition that has not been seen under the standard process that existed before this. So there is considerably more competition under the CATS+ program than there was under the standard procurement process prior.

In terms of the amount, as I said, it is an absolute cap. You know, this money has not all been appropriated. And because of a number of things

happening in the Legislature this year with regard to the importance of cybersecurity and our commitment to making certain that the State's citizens' data and information is protected, we anticipate that there will be spending that is not yet determined, because a lot of it is determined by what happens with those particular bills and whether we have responsibilities for the local jurisdictions or not. And with regard to other programs that, for example the one-stop program which we discussed earlier, there are considerable savings because of the automation and the replacement of processes that are currently done by hand throughout the State. And we have a number of legacy technologies -- as you know, we've been running FMIS since the early 1990s, and our ADPICS systems that are now being modernized, your office is taking the lead on looking at a number of those questions -- are all a result of the fact that we've utilized technology effectively beyond its useful life and there are options available to us that will lower the cost of implementing new technology. But each of these things is very expensive in and of themselves. So we viewed this in terms of setting the cap as a matter of not having to come back to you each time. If, you know, the Board believes there is reason to do that, we're happy to discuss and entertain it. But because each item will be coming to you specifically, we thought that was the time to talk about the actual spending rather than the cap on the contract.

COMPTROLLER FRANCHOT: Okay. Thank you. That's very helpful. If you could, as you draw this down, indicate that, how much you're using from the --

MR. LEAHY: Absolutely.

COMPTROLLER FRANCHOT: -- whole amount so that, you know, we're not two years from now facing --

MR. LEAHY: Yes.

COMPTROLLER FRANCHOT: -- replenishment, as opposed to -
- how long is this in place? Eight years?

MR. LEAHY: Well --

COMPTROLLER FRANCHOT: It's an estimate, I take it.

MR. LEAHY: -- this will be in place until the money is spent, and our current projections are it will be at least through the end of the administration.

COMPTROLLER FRANCHOT: Thank you, Governor.

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

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Is there a second? Three-nothing on DGS. And that concludes the Board of Public Works. Thank you.

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