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GOVERNOR HOGAN: Questions on the Secretary's Agenda?

COMPTROLLER FRANCHOT: Move approval, unless the Treasurer has something.

GOVERNOR HOGAN: Madam Treasurer?

TREASURER KOPP: Sorry. No, I don't.

GOVERNOR HOGAN: Second?

TREASURER KOPP: Second. I'm sorry.

GOVERNOR HOGAN: Three-nothing on the Secretary's Agenda. We'll move on to the DNR Real Property. I understand we have, Madam Secretary, some special guests here with us today.

MS. HADDAWAY-RICCIO: Yes.

GOVERNOR HOGAN: We're going to pause while we get some of them in the room, I think. Unless you want to kind of give us your Agenda --

MS. HADDAWAY-RICCIO: Sure.

GOVERNOR HOGAN: -- while they are coming in, and then we will move into that.

MS. HADDAWAY-RICCIO: Yes. Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, Jeannie Haddaway-Riccio, with the Department of Natural Resources. And thank you for the opportunity to

highlight our Maryland Climate Leadership Academy today. DNR's goal in the Leadership Academy is to equip leaders and decision makers and Maryland's workforce with the skills that they need to be ready to meet the challenges of climate change, flooding, and increasing severe weather. So in 2018, we launched the nation's first state sponsored institution and that institution provides continuing education and executive training specifically designed for state and local government officials, for infrastructure executives, and for business leaders. We certainly are not doing it alone. We partner with many organizations, including the Association of Climate Change Officers, the Maryland Department of the Environment, and I'd like to acknowledge that Secretary Grumbles is here today. And also I want to highlight Madam Treasurer as a partner. She is on our advisory council board for the Leadership Academy.

And Governor Hogan, I wanted to take a moment to thank you for your leadership on these issues and for the funding that you have provided for DNR's Coastal Resiliency Program, which is a first of its kind grant program. You included over \$4 million in the budget for that this year. You also fully funded the Chesapeake and Atlantic Coastal Bays Trust Fund, which provides funding for resiliency projects. And you also funded \$2 million for the Ocean City beach replenishment and hurricane protection program, which will provide really important resiliency on our Atlantic coastline.

So since November 2018, when we launched the Academy, we've trained more than 450 professionals through six cohorts. And among those participants are 40 who have joined us here today. The 40 individuals that are here with us today actually went the extra mile. They completed all of the exams and all of the electives so that they could become certified climate change professionals. And it is that accomplishment that we are honoring today. So again, thank you, Governor, Madam Treasurer, and Mr. Comptroller for your support and for your willingness to recognize the commitment of Maryland's first class of certified climate change professionals. Thank you.

GOVERNOR HOGAN: Well, thank you very much, Madam Secretary. We're really proud of the Climate Leadership Academy that we launched back in May of 2018. It's the nation's first state sponsored climate change training institute. I want to thank you and Secretary Grumbles and all the folks that were involved. I want to thank the Treasurer for her leadership. And I think let's all give congratulations to the team here.

(Applause.)

GOVERNOR HOGAN: I don't know how we can fit this entire group in a photo.

(Laughter.)

GOVERNOR HOGAN: But if it's possible, can we try to squeeze them up here to get a picture with us to congratulate them? Let's try to do that.

TREASURER KOPP: Governor, I can't help noticing all of the certificates, too.

GOVERNOR HOGAN: There's a lot of certificates.

TREASURER KOPP: I congratulate you.

COMPTROLLER FRANCHOT: Congratulations.

GOVERNOR HOGAN: Congratulations everyone. Thank you.

(Applause.)

GOVERNOR HOGAN: Okay.

TREASURER KOPP: This is the man who behind the scenes with all of the secretaries and the committee and everything, Dan Kreeger has been guiding the development of your academy and doing a terrific job.

GOVERNOR HOGAN: Nice work, Dan.

MR. KREEGER: Thank you. We appreciate it. Thank you all very much.

(Applause.)

TREASURER KOPP: I'd like to just add --

GOVERNOR HOGAN: Yes, please.

TREASURER KOPP: -- one word about another aspect of the Academy. Secretary Haddaway-Riccio's predecessor Mark Belton was Secretary of Natural Resources when we started up the Academy, as you know. He now is Administrator of Charles County. And they just went out to the bond market for a











and our highest day ever at 82 percent on time performance. So it's about using data and this technology to continue to build efficiencies in our system.

GOVERNOR HOGAN: Well, thank you, Secretary Slater. And I want to congratulate our Administrator Kevin Quinn on improving. That's quite an improvement going up to 79 percent. But you know me, I'm never satisfied. So I'm looking forward to seeing continued improvements until we get to 100 percent. Let's start with 82 every day, instead of one day. But really, I want to congratulate you on all of your efforts to make those pretty substantial improvements. So thank you.

Any other questions on the Transportation Agenda?

COMPTROLLER FRANCHOT: Yes. I want to join the praise of the new, what are we, Secretary of Transportation. Greg Slater reminds me a lot of a legendary predecessor that he had, John Porcari, who was just universally recognized by folks on both sides of the aisle as just a tremendous advocate for rational civil discussion. And that's pretty rare company, and I associate Mr. Slater with the best values of John Porcari. And congratulations, Governor, because I think Greg Slater is going to do well for the State and for your administration.

GOVERNOR HOGAN: Well, thank you. I feel the same way. But you know, John Porcari was a friend of mine going back to his days in Prince

George's County. And I just don't want Mr. Slater to get his head blown up in his first week on the job.

(Laughter.)

GOVERNOR HOGAN: You know. But I agree, he's going to do a terrific job. So thank you for saying that.

TREASURER KOPP: Governor, could I, as so often, agree with the Comptroller and you and say that we have great, great hopes for the Secretary and all he has done since he has become Secretary, in terms of all the work of reaching out throughout the State, as well as getting the department running in a civil and collegial way, I think is a great step forward.

MR. SLATER: Thank you.

GOVERNOR HOGAN: Great. Thank you very much.

COMPTROLLER FRANCHOT: So --

TREASURER KOPP: But --

GOVERNOR HOGAN: Now you're going to grill him.

(Laughter.)

GOVERNOR HOGAN: But you have some tough questions for him.

COMPTROLLER FRANCHOT: Item 1.

TREASURER KOPP: Yes, exactly. Item 1.

COMPTROLLER FRANCHOT: Yeah. So this is a lease and concession contract, Mr. Secretary, for the design, development, and financing, construction management, and maintenance of two gas station and convenience locations within the BWI Marshall complex. I guess my concern is how did we end up after a competitive bid RFP, how did we end up with a single bid contract to an out-of-state developer?

GOVERNOR HOGAN: That's a very good question.

MR. SLATER: Good morning. We have Executive Director for Maryland Aviation Ricky Smith, as well as our superstar Director of Commercial Development Jaimine Erskine.

MR. SMITH: Good morning, Governor, Treasurer, Madam Comptroller. So the Airport spent a number of years trying to figure out ways to expand our non-airline related revenue base. And so we have a five-acre lot that's on Amtrak Way. It's adjacent to the Amtrak station across from Northrup Grumman, where there are hundreds of employees who look for gas station related services. And it's also close to our rental car facility, where we also have customers that are in dire need of gas station facilities. So we decided to launch a procurement to entice a developer to come in and offer gas station services, as well as convenient food services at that location.

So during the procurement, we initially did a survey to try to get a feel for what the marketplace would want in order to find ourselves an attractive

procurement. And so in that survey, the feedback we got was, one -- if I can back up a little bit, we also have another gas station on the north side of the Airport. That lease is expiring and so we had both considerations that we had to deal with. And so, the feedback we got from the survey was that the marketplace would rather have the two combined as one solicitation because they didn't want the competition, and also the economies of scale would make it a more attractive opportunity for them.

And so when we put it out on the street, we actually got three responders. One of the responders modified its financial condition, its financial offer, to include a condition which violated the procurement requirements in the RFP. And so that firm was disqualified. The other one did not offer a financial proposal.

MS. ERSKINE: The financial offer that they had was actually not sufficient so it didn't fill the mandatory requirements of the RFP.

MR. SMITH: And so we were down to just one. The one firm that we are recommending is the firm that currently operates the gas station, the BWI gas station on the north side of the Airport. This firm also operates gas stations across the country at airports. They specialize in airport related gas station developments. And so that's how we came down to one. Our preference --

GOVERNOR HOGAN: My understanding is, and correct me if I'm wrong, this is a very unique situation. Because unlike a typical State

procurement, we're dealing with federal law that required this, the Airport Concession Disadvantaged Business Enterprise, ACDBE participation --

MR. SMITH: Correct.

GOVERNOR HOGAN: -- of 25 percent.

MR. SMITH: Correct. So all airport --

GOVERNOR HOGAN: Which is, only applies to these airports, right?

MR. SMITH: That is correct, Governor.

GOVERNOR HOGAN: And so the bid went out. I think maybe Royal Farms and Wawa both were interested.

MR. SMITH: That's correct.

GOVERNOR HOGAN: And as soon as they said they had to comply with this federal law, they both dropped.

MR. SMITH: Including Sheetz as well, yes.

GOVERNOR HOGAN: And only one, who only does airports --

MR. SMITH: That's correct.

GOVERNOR HOGAN: -- is the only bidder. Because no one else can meet that requirement.

MR. SMITH: That's correct.

GOVERNOR HOGAN: So it has nothing to do with State procurement or our bid process. It's federal law.

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MR. SMITH: Right. Their structure just doesn't allow for participation in the Airport Concessions Disadvantaged Business Enterprise.

COMPTROLLER FRANCHOT: No, that would explain why 11 of the 14 that were interested did not bid.

GOVERNOR HOGAN: Yeah.

COMPTROLLER FRANCHOT: But I guess my question is, was that identified when you first went out and surveyed the group?

MR. SMITH So that was not identified as an issue when we did the survey. But after we did the procurement, we did follow up with a couple firms and they identified the ACDBE requirement as an issue that they just could not --

GOVERNOR HOGAN: That's a pretty aggressive goal. That seems to be hard for any, you know, there are not very many companies that can comply.

MR. SMITH: So the 25 percent goal is the goal that's on the existing gas station --

MS. ERSKINE: Correct.

MR. SMITH: -- contract that we have. And so we thought it would be obtainable.

COMPTROLLER FRANCHOT: And that's the incumbent --

GOVERNOR HOGAN: -- incumbent protection --

(Laughter.)

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COMPTROLLER FRANCHOT: -- to steal my lines. No. No, I guess my question, Mr. Administrator, is did you give any consideration after the two of the three bids were ruled unresponsive, and you ended up with the incumbent with the single bid contract that's before us, did you give any consideration to rebidding this? And perhaps splitting it into, rather than both of them together, separately? And try to produce some competition?

MR. SMITH: So we did give that consideration. There were two factors. One, the marketplace had already told us that combining the two would make it most attractive. Second, we have an existing procurement and we have an existing contract, a lease, with the gas station company on the north side of the Airport that is expiring. As a matter of fact, I believe it's on a month-to-month now.

MS. ERSKINE: Mm-hmm.

MR. SMITH: And so we needed to complete the procurement in time to satisfy that contract.

COMPTROLLER FRANCHOT: Okay. But this is a fairly lucrative contract, because, and it's important to the State. We get 5.75 percent of the gross sales goes to the State. So how long are these leases going to be in this obviously attractive, high traffic, busy location? How long are the leases for?

MR. SMITH: So there are two terms. The term for the new location, the Amtrak location, is 25 years. The term for the existing location on

the north side is ten years, because the Airport's expansion plans extends the terminal into that area. And so we want to have the flexibility to end that contract, get out of that contract to support the expansion.

TREASURER KOPP: When you issued it, what were your projections or assumptions about the long term profits?

MR. SMITH: Well going into the procurement, we didn't necessarily have a --

TREASURER KOPP: How much do you get now on the one north --

MR. SMITH: On the existing gas station -- yeah, we don't have it off the top of our head. I think it's -- I don't know the number off the top of my head.

GOVERNOR HOGAN: Can I ask you this? There were 14 potential bidders. Eleven of them just dropped out right away because they said we can't comply with this federal law.

MR. SMITH: Right. Correct.

GOVERNOR HOGAN: The other ones tried to bid and couldn't comply. How far off were the bids? The one, the only bidder that could meet the federal, was that, financially was that a much different bid from the ones who couldn't comply?



MS. ERSKINE: No, well the ones that submitted a bid, and Royal Farms was one of those bidders, because they conditioned their proposal, we were counting fuel sales and non-fuel sales. And that was part of the RFP, that was a requirement. And so the condition to say, you know, a lot of large companies don't want to give up their fuel (indiscernible). And so that was one of the concerns that we had, that, you know, we're not actually maximizing the revenue to the State.

GOVERNOR HOGAN: My point is, if we somehow changed the federal law, is it going to dramatically change the financial revenues to the State by saying we can get other bidders instead of having a one non-bid, no competition contract with somebody that's the incumbent?

MS. ERSKINE: Yeah, if the FAA regulation didn't stipulate the 25 percent, then yeah, I mean, that would certainly open it up.

GOVERNOR HOGAN: Maybe that's what we should work on.

TREASURER KOPP: Of the other airports, do any of these firms, the 11 firms, or the other three, not have facilities at airports?

MR. SMITH: Not every airport has this kind of development. I did a similar development in my previous life in Cleveland. We didn't get a lot of responses to that as well because of the federal requirement, one. Also, this company just seems to specialize in creating relationships with the airport community to drive business at its locations.

TREASURER KOPP: I thank you. I really don't, I mean, I use the train station a lot and the Airport. It is a perfect location for a gas station. I just --

GOVERNOR HOGAN: Couldn't you also get around that issue by surplussing the property and realizing the value? You know, so you would get the benefit of all that revenue and it wouldn't be part of the Airport concession anymore.

MR. SMITH: So there's a, we're talking a lot about the FAA. So the FAA requires that airports maximize revenues on its properties. So if we, it has been determined that this is the best approach to maximizing revenues in the Airport as opposed to just selling off the property.

GOVERNOR HOGAN: Okay.

COMPTROLLER FRANCHOT: So I have a lot of confidence in the Airport's leadership. Thank you for running a very successful State-owned Airport.

GOVERNOR HOGAN: They are breaking records every month.

MR. SMITH: Mm-hmm.

COMPTROLLER FRANCHOT: Yeah, no, it's --

GOVERNOR HOGAN: Number one Airport in the region.

MR. SMITH: That is correct.

COMPTROLLER FRANCHOT: And they also have good customer service, so thank you guys.

GOVERNOR HOGAN: It keeps beating the heck out of Dulles. I like that.

(Laughter.)

MR. SMITH: Yeah, we are, we are winning Dulles, yes.

COMPTROLLER FRANCHOT: Let me ask you a question, though, Mr. Administrator. Was there, when you put this out to bid, was it part of the bid RFP that they had to do the Airport Concession Disadvantaged Business Enterprise participation program? That was in the contract?

MR. SMITH: So prior to putting the RFP on the street, we first have to get the FAA to approve the procurement document. And yes, this was included in that solicitation document.

COMPTROLLER FRANCHOT: Okay. So not to be overly candid, but even though I don't like the single bid contracts given to incumbents, I'm going to vote for this. But part of it's that you guys are apparently on, at all hands on deck with this Coronavirus and you have enough things to deal with up there. That's my basic rationale. Not that it makes any sense to anybody, but that's my view right now. But if you could suggest some ways for us to avoid this particular federal program, whatever it is, that seems to cut down on the ability to have competition, I would be grateful.

And if you could also, I met recently with Senator Clarence Lam and Councilwoman Deb Jung, who live in the airplane noise path. And this is

becoming an insufferable, completely utterly unacceptable situation west of the Airport, where these planes are coming in. Apparently Amazon has bought a whole bunch of junky old planes that make tremendous amounts of noise and are very polluting and they are bringing them in at 2:00, 3:00, and 4:00 a.m. at altitudes where you can literally read the Amazon name on the plane. And so I understand that this is a federal situation and that you guys don't have a lot of clout. But something is going to have to happen.

MR. SMITH: So --

COMPTROLLER FRANCHOT: You just cannot submit people to jumping out of their beds at 3:00 in the morning, morning, after morning, after morning. It's not fair.

MR. SMITH: So --

COMPTROLLER FRANCHOT: And Amazon is now double FedEx and UPS as far as flights. So what can you do? Anything?

MR. SMITH: So actually this is to some degree an opportunity to talk about how communities can come together and address an issue like this. We know the Governor's actions compelling the Attorney's General's Office to file a suit. Those are still working their way --

COMPTROLLER FRANCHOT: Oh, I didn't realize that. Good.

MR. SMITH: -- through the court system, yes, both in the administrative petition and a suit was filed on behalf of the Governor's request.

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We also worked with affected communities to form the BWI Roundtable. These were participants that were appointed by elected officials representing those districts. And so the Roundtable, over a period of about a year, working with the Airport, Southwest Airlines, and other industry representatives, we've recommended to the FAA changes to the flight paths to correct that issue. And so we have one recommendation that represents the entire affected community. And so the FAA has agreed to consider that until March. They have a special process they are going to go through and so sometime around March they should review that recommendation and get back to us on whether or not they are going to make modifications.

COMPTROLLER FRANCHOT: Good.

MR. SMITH: It's one of the best processes that we've seen in this country in terms of dealing with the FAA's flight changes.

COMPTROLLER FRANCHOT: Could you just do a favor for me, though?

MR. SMITH: Yes? Though?

COMPTROLLER FRANCHOT: Can you -- if you could draft a letter --

MR. SMITH: Yes.

COMPTROLLER FRANCHOT: -- that I could sign to Amazon, to Jeff Bezos, and if it's true that they are using old, cheap airplanes, which I

assume Amazon is because they are always cutting corners and they are geniuses at that. But these old, loud, polluting airplanes that are coming into greater use at just the wrong time on this issue. And if you could take a look at whether in fact they are old and noisy and cheap and draft a letter that makes some sense, because I am not an expert on this, for upgrading the planes and reducing the noise. I'm happy to distribute it to the Treasurer and the Governor, too. But something has to happen here. Right now, I don't sense that there is going to be any logjam breakthrough.

MR. SMITH: So there is also a federally authorized process for mitigating the impact of aircraft noise. It's called a Part 150 Study. Our plan is to engage a new Part 150 Study once we get some resolution on the flight path changes that have occurred. That's the vehicle that we use to modify if necessary Amazon's, for example, flight behavior.

COMPTROLLER FRANCHOT: Okay. But if you could --

MR. SMITH: But we'll look into --

COMPTROLLER FRANCHOT: -- call Senator Lam for me and Councilwoman Deb Jung, they were pretty hot under the collar when they came into my office.

MR. SMITH: We will follow up with them.

COMPTROLLER FRANCHOT: And desperate, frankly.

MR. SMITH: I will.

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COMPTROLLER FRANCHOT: So good luck.

MR. SMITH: Yes, sir.

COMPTROLLER FRANCHOT: Thank you for that.

GOVERNOR HOGAN: Thank you. Any --

TREASURER KOPP: Ricky? No -- could you just keep us informed as things develop at the FAA? And also, I would appreciate your views. I appreciate what the Comptroller said, and the idea of a letter. But people at the Airport, your staff, must have some knowledge of what Amazon and, particularly Amazon, but the other, not the scheduled airlines but the others, are doing, what they are using, when they are coming in. I would appreciate hearing that from you, too.

MR. SMITH: So we're trying to balance two priorities here. One -

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TREASURER KOPP: Absolutely.

MR. SMITH: -- it's important to this community that we have the service that an Amazon brings, for example. I mean, there are almost 1,200 jobs as a result of their build up at BWI Marshall. And I think that's important to a lot of people. But we want them to do that in a way that minimizes the impact of aircraft noise. And there's a process for doing that. There's a federally mandated process for doing that. And we are working that process. We don't certify aircraft. That's an FAA requirement. And some people might question how well

they do that, but that's their priority. We don't dictate what hours an airline or a freight airline can fly their aircraft. That's the FAA's discretion. That's their discretion. However, when they are violating the flight paths that have been approved by the FAA, and we get complaints, we can follow up with them and we can take whatever actions we have available to us to try change that behavior.

GOVERNOR HOGAN: Okay.

TREASURER KOPP: So if you could keep us informed on what --

MR. SMITH: I sure will. Yes, I will.

TREASURER KOPP: -- and what you're doing. And one other question, EV, you mentioned gas. So obviously --

MR. SMITH: Yes.

TREASURER KOPP: -- EV charging, will they be at those facilities? And also, what's happening at the Airport and the Amtrak station --

MR. SMITH: Yes.

TREASURER KOPP: -- Amtrak parking?

MS. ERSKINE: We included it in this solicitation that they had to have EV stations at both locations.

MR. SMITH: Both locations will have EV stations.

TREASURER KOPP: How much? How many?

MR. SMITH: How many?



MS. ERSKINE: I think there were 11 at one location, and seven at one location.

TREASURER KOPP: And how about at the garages?

MR. SMITH: So --

TREASURER KOPP: Can you get back if you don't --

MR. SMITH: So we have, we currently have --

TREASURER KOPP: I know you have some.

MR. SMITH: -- six currently in the hourly garage. We're working with BGE now to expand that in both our hourly garage and our daily garage. Because our customers are asking for it.

TREASURER KOPP: Right.

MR. SMITH: We think it's the right thing to do.

TREASURER KOPP: Right. Right.

MR. SMITH: And so we're working very hard to expand the number of spaces that are EV charged.

TREASURER KOPP: Good. If you could just send us a number that would be --

MR. SMITH: We sure will.

TREASURER KOPP: Thanks.

COMPTROLLER FRANCHOT: And the Treasurer just reminded me of a last issue. If you could keep us informed about the Wi-Fi contract that

we're approving today at BWI. Because, apparently, it's a company that hasn't done this. I'm not saying that's a disqualification. Just keep us informed about how it's implemented, please, unless I'm misstating the facts, here.

MR. SMITH: Well the company has done it before.

COMPTROLLER FRANCHOT: They have done? Okay.

MS. ERSKINE: They just, they are not specialized in airports. But they, but part of the collection, there are nine companies that are part of the company. But AT&T is one, and they have other companies that are airport familiar or they have already been in airports before. It's just the main company Slice, that they are based in New York. But they do Wi-Fi. They provide Wi-Fi products to --

COMPTROLLER FRANCHOT: Got it. Okay. But keep us informed as to how it goes.

MR. SMITH: Yes, we will.

TREASURER KOPP: Could you, while you are keeping us informed, we have some bullets. But I would appreciate hearing from you in more sort of narrative form what you, what the privacy and security implications are and what you are doing to protect people's privacy.

MR. SMITH: So today we have, we have the worst Wi-Fi service -

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TREASURER KOPP: I didn't mean this moment.

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MR. SMITH: -- in the country for airports. It is very slow. It is unreliable. And --

TREASURER KOPP: I understand all that. It's a specific question.

MR. SMITH: So the problem, so with respect to privacy, there are two levels here. So the company will know where cell phones are moving throughout the campus, all right? But they will not know the personal information related to the owner of the cell phone. That's important to us because it allows us to understand how many people are using restrooms, for example, and when they are using them. Or how many people are in and out of certain amenities at the Airport. We don't have to know the personal information, we just need to know the number of people --

TREASURER KOPP: So you know everywhere I am and what I am doing, you just don't know my name? Is that --

MR. SMITH: So we know how many people, for example, are using certain restrooms in the Airport. We know that today on the existing Wi-Fi service. Okay? This service will continue that.

The second level is if you opt into a tier two level, then the provider will also know other information related to you. So for example, today when I walked in the Airport, I have an app on my phone that's called Foursquare. Right? And so, if I walk past Obrycki's, I will get an alert on my

phone about Obrycki's, right? Someone writing a comment saying, I just took a seat in Obrycki's, this place is amazing. Right? Or Obrycki's is not full so this is a good time to come there. If you subscribe to this tier two level, only if you subscribe, will the provider have access to that kind of information to send you those alerts. Right? So you have to grant permission for the provider to have that kind of access.

TREASURER KOPP: Well, I would appreciate it, as I said, if you could, when you are sending this other information, send us that.

MR. SMITH: Okay.

TREASURER KOPP: In narrative, not just bullets.

MR. SMITH: Okay. Yes, ma'am.

TREASURER KOPP: So you can explain it a little. I know people sign up. We do. I mean, Safeway knows everything I eat.

(Laughter.)

TREASURER KOPP: I get that. I chose to do that. It may not have been a wise choice.

(Laughter.)

TREASURER KOPP: But just to explain it that way.

MR. SMITH: Okay.

TREASURER KOPP: I would appreciate it. Thank you.

GOVERNOR HOGAN: Great. Thank you.

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MR. SMITH: Thank you.

GOVERNOR HOGAN: Any other questions on Transportation?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second? Three-nothing. We'll move on to Department of General Services.

MR. CHURCHILL: Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, I'm Ellington Churchill, Secretary for the Department of General Services. Today we are presenting 49 items for your consideration, including Supplemental Item 49. We are withdrawing Item 29 and 48. I will also note, or highlight, that there's \$21 million in terms of funding for medical campuses within our Agenda for today. And we have representatives available to answer questions you may have at this time.

GOVERNOR HOGAN: I see we have Dr. Mohan Suntha, President and CEO of UMMS, and we also have the Chairman of the Capital Region, my friend Judge Alex Williams is here as well to answer any questions. Are there questions, Mr. Comptroller, Madam Treasurer?

COMPTROLLER FRANCHOT: I have a question on Item 13.

GOVERNOR HOGAN: Okay, Item 13.

MR. CHURCHILL: Item 13 concerning the Central Business Partnership.

COMPTROLLER FRANCHOT: Yes.

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MR. CHURCHILL: I don't believe my grants administrator is here, but maybe I can answer your, address your question.

COMPTROLLER FRANCHOT: No, I just wanted to applaud the Governor for granting \$1 million in loan to the Central Baltimore Partnership for a number of capital investments in various projects in the Station North Arts District. Among the beneficiaries of this State investment are Made in Baltimore, which I've had the privilege of visiting and touring; Young Audiences; Code in the Schools; North Avenue Market; and Baltimore Improv Group. I know someone from Days Gone By, Ellen James, is involved in this. If she's here, I'd love to have her just come up and tell us what impact this is going to have. If she isn't, I'll just stand in her place.

MR. CHURCHILL: I believe they may be out in the hall or in transition into the room.

COMPTROLLER FRANCHOT: Well, okay. Well I'll defer on that. But she's obviously someone who has had a big role in helping organizations and neighborhoods in the heart of Baltimore, and frankly all around the State. So hats off to your administration for giving them some much needed support.

TREASURER KOPP: It's a great project. I want to again echo the Comptroller, with Ellen James particularly. But even without, even without Ms. James, this is a great example of good development, public-private, excellent.

GOVERNOR HOGAN: Great. Any other questions?

COMPTROLLER FRANCHOT: And you mentioned that the UMMS leadership are here. Please, keep us in the loop on the new hospital over in Prince George's. Not everybody is building new acute care hospitals these days, but obviously something is needed in that area. And to the extent it's on time and on budget, that would be really good.

GOVERNOR HOGAN: Very good. Any other questions?

TREASURER KOPP: Yeah, I have a question, Governor, on 26, the travel service.

GOVERNOR HOGAN: Item 26.

MR. CHURCHILL: Item 26, Joseph Consoli.

TREASURER KOPP: Is there someone -- I just don't understand why there weren't more bidders. I'm just curious. It seems to me a service that's, there are a lot of people in the business.

GOVERNOR HOGAN: What is Item 26?

TREASURER KOPP: It's the travel --

GOVERNOR HOGAN: -- someone here to talk about that?

MR. CHURCHILL: Item 26 is to do with the travel services for State agencies. I do not see --

TREASURER KOPP: If not, somebody can come back. I mean, we need a contract. I'm not --

MR. CHURCHILL: We can address your, we can address your question as a follow up today concerning the competition.

TREASURER KOPP: Yeah. I mean, it just seems strange that there was only one company.

GOVERNOR HOGAN: Yeah. Any other questions?

TREASURER KOPP: The incumbent.

MR. CHURCHILL: I think Joe Consoli is walking to the microphone now.

GOVERNOR HOGAN: Okay.

MR. CONSOLI: Good morning, Governor.

GOVERNOR HOGAN: Good morning.

MR. CONSOLI: Good morning, Treasurer --

TREASURER KOPP: Hi, good morning.

MR. CONSOLI: -- Comptroller. The question is why not more competition?

TREASURER KOPP: Why not more competition, yeah.

MR. CONSOLI: We've tried our best with that. We've put it out there for as long as we could. There are some national contracts in Sourcewell, but they don't address the particular issues we have within our State and the particular needs we have with our contract. They aren't interested in, essentially what they are telling us we've done a national contract. You can sign up to use



that one or not, but we're not interested in detailing it or customizing it for the needs we have within the State.

TREASURER KOPP: And what sort of needs do we have that no one else has?

MR. CONSOLI: We have a lot of -- we're a one-stop shop, basically. We're able to call one contractor, in this case Globetrotter, the incumbent, and they are able to take care of our entire needs, from travel, to hotel, to cars. And it just makes it a really nice service. Most of the others would do one or two of the three or four things we asked, but not all of them at the same time. So we would end up having to have a subcontracting kind of a situation throughout. And we just don't --

TREASURER KOPP: But we like subcontracting.

MR. CONSOLI: They are okay, but we've really had no real hiccups with this particular incumbent, either. They are really, they've done a good job over the time they've been here. But I'm with you. I'd much rather see more than just the two. That's ideally what you want to have. I don't really know what else we can do to kind of solicit that.

TREASURER KOPP: And do we actually make enough changes that we, that it makes up for a \$300,000 difference? Wasn't that what the difference was?

MR. CONSOLI: Roughly. I don't remember the exact numbers. But it was roughly that. It was a third more. The changes --

TREASURER KOPP: There was, the reason we were given was that they make, they allow to change a reservation for free instead of a charge. I mean --

MR. CONSOLI: Oh, I mean, yes. But that's not \$300,000 worth. But there are a number of things. The evaluation board felt that the second proposer, while they were robust and they were trying to get into the business, they were trying to establish themselves as a good provider of travel, they just didn't seem to really get exactly what we needed. They seemed to be just falling short of what the RFP required in various stages. They answered our cure letters pretty well and gave us more information. We then asked more questions in the oral presentation. They answered them yet a little more detailed. But most of the time the answers we got were we're very confident we can handle what you have in the RFP. We don't see a problem with that. But they haven't handled nearly as large as our State travel contract.

Also, there were other questions we had. They are, they are going to allow or allot or designate about eight employees to our account. But these employees would reside some in Asia, some in Europe, some in South America. And while our PII information for State employees would reside here in the cloud

within the U.S., these other employees outside would have access to that information because we don't know who we are getting making our reservations.

So there were a number of issues. I believe I answered David Chaisson the other day with that and gave more detail in terms of what it was we were uncomfortable with. And in our minds, established the need for yet a more expensive contract.

TREASURER KOPP: Okay.

SECRETARY GONTRUM: Would you mind introducing yourself for the record, please, sir?

MR. CONSOLI: I'm sorry. My name is Joseph Consoli. I'm the Department of Budget and Management Administrator for Travel and Fleet.

SECRETARY GONTRUM: Thank you.

GOVERNOR HOGAN: Any other --

TREASURER KOPP: How are you doing with electric vehicles?

MR. CONSOLI: I think you're going to be very happy. It looks like we're going to be ordering in the next few days about 74 fully electric or plug-in hybrid vehicles under Legislative Section 42 of the budget. So that's looking really, really good. I also, I have not forgotten. I promised you last year I'd have a hybrid police vehicle for you to see.

TREASURER KOPP: Right.

MR. CONSOLI: And it's coming. Ford is having some issues with getting the production but they are going to send one to us. So.

TREASURER KOPP: Thank you.

GOVERNOR HOGAN: Thank you. Questions?

COMPTROLLER FRANCHOT: Yes. I have a question for Mr. Leahy on a different subject.

GOVERNOR HOGAN: Yes. Thank you.

MR. LEAHY: Good morning.

COMPTROLLER FRANCHOT: Yeah, so I noticed at the end of this Item 49 --

MR. LEAHY: Yes, sir.

COMPTROLLER FRANCHOT: -- which is a \$250 million, three-year with two renewal years, contract, how can that possibly be something that you are procuring through this master contract as opposed to a traditional procurement?

MR. LEAHY: Well, Mr. Comptroller, thank you for the question. And as I believe you are aware, the Governor has initiated a program that we're calling OneStop to digitize all of our State potential contact with citizens. And we've been in operation for a little over a year. In that year, we've created information on all 360 licenses and permits issued by the State, 14 different State agencies. And we are in the process now of digitizing a number of our

applications and providing electronic means, which is considerably less expensive than using first class mail, considerably less open to human error. And this particular master contract involves the work we're doing that is ongoing to now bring over the next five months another 31 licenses for another six agencies into the fold and for the following period thereafter until we get to all 360.

The principal reason we've gone forward in this way was that the program has actually been more successful than originally anticipated. We have spent the money under the current contract so that's why this was brought as a supplemental matter. Because one of the bidders, it's my understanding, made an informal protest to the procurement people but did not file a formal protest with the Board of Contract Appeals. And because we are at the ceiling for the contract, and we have committed to over 150 open projects that we're either in flight or beginning, we thought it was important not to lose any additional time because of the potential savings and the efficiencies that this will bring to the State.

COMPTROLLER FRANCHOT: Great. Well, first of all I'd just like to thank my colleagues, because without their support and the Board taking action, we would not be seeing these task orders.

MR. LEAHY: Absolutely.

COMPTROLLER FRANCHOT: So this is a good thing. But this is an eye-popping amount. And I'm still a little dubious as to how exactly it was -  
- I understand there was competition --

MR. LEAHY: Yes.

COMPTROLLER FRANCHOT: -- so I'm not objecting to that, obviously. But maybe you can think about that down the road, as to the amount of this. As I said, it's \$150 million for three years with two \$50 million annual --

MR. LEAHY: Absolutely.

COMPTROLLER FRANCHOT: I'm not disputing that it's needed. I'm just suggesting that under the old system, we wouldn't have even seen it. Under the new system, it certainly caught my eye. And since you brought up the competition, Item 4.1, is it -- 40-IT. 40-IT is another one of these massive contracts that we normally would not see. But this is a single bid contract. Why, I thought we were going to get rid of this using the master contracts?

MR. LEAHY: Well --

COMPTROLLER FRANCHOT: That's only for \$2.1 million.

MR. LEAHY: Let me -- give me a moment while I see what item this is.

MR. CHURCHILL: Mr. Comptroller, which item under 40? There are -- 4.1?

MR. LEAHY: Sure.

MR. CHURCHILL: 4.1.

COMPTROLLER FRANCHOT: 4.1 under 40.

MR. CHURCHILL: The last item, MDOT.

MR. LEAHY: Yes. Mr. Comptroller, as I understand it, this is a matter for MDOT. And we are effectively dealing with licensing and ongoing issues that there was a vendor that was in a position to address these. We did put it out to competition, as I understand it. And this particular vendor was the only respondent. To my understanding, this was brought twice -- but we ended up that this was something that we had to address because of the needs of the agency and we had run out of time to look for other ways to approach it immediately.

As you've said, one of the principal difficulties we face these days with a number of these issues is because we have built infrastructure that is reliant on either licensing or software for a particular vendor, we are locked into that until we change the system.

MR. CHURCHILL: Mr. Comptroller, we also have Jessica Mettle, Deputy Administrator, Support Services for MVA.

MS. METTLE: Yes.

COMPTROLLER FRANCHOT: For who?

MR. CHURCHILL: For MVA.

MS. METTLE: MDOT MVA.

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COMPTROLLER FRANCHOT: Oh, good.

MS. METTLE: Good morning. Afternoon, I think now. How are you today? Yes, actually this is for our IVR system at the MDOT MVA. This system is where the customers when they call, they get the responses for most everything that we do now, which is the VEIPs, the notifications, and all of those things. We did advertise to all five of the master contractors. We did follow up with them repetitively to find out why they did not submit at this time. And they basically said that they could not be competitive because MS Technologies is both the manufacturer as well as the -- hold on, I have to look. I'm sorry. The master contractor as well as the manufacturer. Therefore, they weren't competitive. We reached out again to NEC. NEC said that they wouldn't be able to do it because it's just, it's not in their wheelhouse to do it because it's their system. So.

MR. LEAHY: In effect, the software is controlled by the manufacturer so it's very difficult for folks that don't have access to those licenses on a competitive basis themselves to be able to bid on these in a way that is competitive with the manufacturer.

MS. METTLE: And this is strictly for maintenance and any kind of patches or upgrades that we get periodically throughout the month, and we get many of them. It's not to replace this system. It's just to maintain it.

COMPTROLLER FRANCHOT: Okay. So you're going to keep an eye on that.



I have one final question, not about you, but about --

GOVERNOR HOGAN: Thank you.

COMPTROLLER FRANCHOT: Thank you, Mr. Secretary. But this is IT -- what item is this? It's my favorite company, Motorola. I don't know whether anybody recalls over the last 14 years my objections to requiring our public safety people to --

MR. CHURCHILL: Bill Parham, Director of MDOT MTA.

COMPTROLLER FRANCHOT: Yes. Thank you.

TREASURER KOPP: Which number?

COMPTROLLER FRANCHOT: This is --

MR. CHURCHILL: We're talking about Item 2.1 on Item 40, Motorola Solutions, radio communications master contract.

MR. PARHAM: Good morning. I'm William Parham, Acting Director of Procurement at MDOT MTA. These are our PORFPs. They are, we reached out to all of the contractors that were qualified on the master contract. Basically, these PORFPs are for the 700 MHz migration of Maryland First System, one for the Metro, one for our Light Rail System. In both cases, we were told by the other vendors that they could not compete or they would not be authorized by Motorola to utilize their product. So in both cases, Motorola basically was the only qualified vendor.

COMPTROLLER FRANCHOT: Okay, so two questions.

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MR. PARHAM: Yes, sir?

COMPTROLLER FRANCHOT: This doesn't make, it isn't surprising to me. This is what I said was going to happen over this. But how much participation has there been by the local entities in this program?

MR. PARHAM: Well we seem to run into this issue often on this particular master contract, where the other vendors do not submit their bids because of Motorola dominance of that material.

COMPTROLLER FRANCHOT: Yeah, but what, I take it the locals, or are we paying all of these costs? I take it the locals have to get charged for part of this? Right? The folks that use --

MR. PARHAM: That would have to do with the master contract.

COMPTROLLER FRANCHOT: Okay. Well let me ask a follow up question. How much do these, in Item 2.2 you are spending \$400,000 approximately on 65 mobile radios. How much is that per radio?

MR. PARHAM: Oh I --

COMPTROLLER FRANCHOT: I'm not very good at math. That's a joke, okay.

MR. PARHAM: Okay.

(Laughter.)

MR. PARHAM: I would have to pull out my phone, sir.

COMPTROLLER FRANCHOT: Whatever it is --

GOVERNOR HOGAN: Yeah. Write that down. The Comptroller

--

(Laughter.)

COMPTROLLER FRANCHOT: Anyway, \$400,000 ballpark divided by 65 is -- someone smarter than I, \$6,000 per radio. I mean, do you think that's fair? Or is that just monopoly?

MR. PARHAM: I would not be able to comment on whether the cost of the radio is fair, sir. We, when we utilize the PORFP, we work with the master contractor or the master contract and the vendors that are qualified to provide those radios and consoles. And we get their bids.

COMPTROLLER FRANCHOT: Well, obviously it's in the public safety area and we're all in favor of public safety. But I just want to offer that. And if you could get back to me or someone could get back to me as to what the cost of these radios are, how they are impeding or not impeding participation by local public safety entities, please.

MR. PARHAM: Yes, sir.

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

TREASURER KOPP: Yeah, I have, I don't know if it's a question or a comment, Mike, on the last one.

MR. LEAHY: Please.

TREASURER KOPP: That you explain well, I think. But looking at it, what we got --

MR. LEAHY: Yes.

TREASURER KOPP: -- it came at the last minute. It's one page. It's a quarter of a billion dollars.

MR. LEAHY: Absolutely.

TREASURER KOPP: Perhaps, if you could have said in the description attached to the item what you told us this morning, it would have been very helpful.

MR. LEAHY: I will make sure that happens in the future.

TREASURER KOPP: It would be helpful. And I want to thank the Comptroller for his proposal some time ago to include the task orders. I think it's extremely helpful, a good move.

COMPTROLLER FRANCHOT: Transparency.

TREASURER KOPP: Thanks.

COMPTROLLER FRANCHOT: Thank you both.

GOVERNOR HOGAN: Great. Any other questions?

COMPTROLLER FRANCHOT: Move approval.

GOVERNOR HOGAN: Second? Three-nothing. That concludes the Board of Public Works. Thank you.

(Whereupon, at 11:23 a.m., the meeting was concluded.)

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