

FINANCE COMMITTEE MONTHLY MEETING
TUESDAY, APRIL 12, 2016
POINT BREEZE HEADQUARTERS BUILDING
BALTIMORE, MARYLAND

OPEN SESSION

MEMBERS ATTENDING: Jack Basso
Rev. Dr. William Calhoun, Sr. (via phone)
Michael Leahy, Esq. (via phone)
Randall Nixon, Esq.

STAFF ATTENDING: Koudjo Amouzou
Donna DiCerbo
Tina Dorn
David Goldsborough
Chantelle Green
Jaclyn Hartman
Jim Harkness
Sherita Harrison, Esq.
Meshelle Howard
Cheryl Jordan
Cheryl Lewis-Orr
Jeanne Marriott
John O'Neill
Will Pines
Deb Sharpless
Cheryl Sparks
Chris Thompson
Paul Truntich
Jim Wesselhoff

At 9:03 a.m., Member Jack Basso, Chair of the Finance Committee, called the Finance Committee Meeting to order.

Approval – Open and Closed Meeting Minutes from January 20, 2016 Meeting

Member Basso called for the approval of the open meeting minutes from the meeting held on February 16, 2016. Member Michael Leahy, Esq. made the motion, Member Rev. Dr. William Calhoun seconded the motion; and the motion was passed unanimously.

** Member Randall Nixon, Esq. joined the meeting at 9:06 a.m.

Approval – Contract No. 20120002 – Communications and Related Services for the Maryland Transportation Authority

Ms. Cheryl Sparks requested a recommended approval from the Finance Committee to present a renewal option for Contract No. 20120002, Communication and Related Services for the Maryland Transportation Authority, to the full MDTA Board at its next scheduled meeting.

The original contract was awarded to McAndrew Company for a term of September 5, 2013, through September 4, 2016, with a base value of \$3,600,000; and one two-year renewal option valued at \$2,400,000.00, for a total Contract value of \$6,000,000.00. The original contract was approved by the Board of Public Works (BPW) on September 4, 2013. The renewal option is for a term of September 5, 2016, through September 4, 2018, at a not-to-exceed (NTE) cost of \$2,400,000.00. MDTA will seek BPW approval on May 11, 2016.

Member Basso noted that the goal for minority business enterprise (MBE) participation is not being met. Ms. Sparks stated that a plan is in place to reach compliance.

Member Basso called for a motion to recommend the approval of this item to the full MDTA Board at its next scheduled meeting. Member Leahy made the motion, and Member Randall Nixon, Esq. seconded the motion, which was unanimously approved.

Approval – Contract No. 20130006 – Armored Car Transport Services – All Locations

Ms. Tina Dorn requested a recommended approval from the Finance Committee to present a renewal option for Contract No. 20130006, Armored Car Transport Services for All MDTA Locations, to the full MDTA Board at its next scheduled meeting.

The original contract was awarded to Dunbar Armored, Inc. for a term of December 1, 2013, through November 30, 2016, with a base value of \$702,740.08; and one two-year renewal option valued at \$504,252.69, for a total contract value of \$1,206,992.77. The original contract was approved by BPW on October 2, 2013. The renewal option is for a term of December 1, 2016, through November 30, 2018, at a not-to-exceed (NTE) cost of \$504,252.69. MDTA will seek BPW approval on May 11, 2016.

Member Leahy asked about the scope of the contract. Ms. Dorn advised the scope includes armored transport of cash and check deposits from all MDTA locations. Ms. Deb Sharpless advised that Dunbar also delivers change to the toll facilities.

Member Basso called for a motion to recommend approval of this item to the full MDTA Board at the next scheduled meeting. Member Leahy made the motion, and Member Nixon seconded the motion, which was unanimously approved.

Approval – Contract No. MT 3039-0000 – Fire Alarm/Suppression Systems Maintenance Authority-wide

Ms. Dorn requested a recommended approval from the Finance Committee to present Contract No. MT 3039-0000, Fire Alarms/Suppression Systems Maintenance Authority-wide to the full MDTA Board at its next scheduled meeting.

MDTA solicited Competitive Sealed Bids for these services, pursuant to the Code of Maryland Regulations (COMAR) 21.06.03.02 B(1)5.01.02. The project was advertised on October 13, 2015, as a single-award contract. Four bids were received on December 18, 2015. The contract was designated as a Small Business Preference.

Advance Fire Protection Systems, LLC was the lowest and responsive Bidder and is therefore recommended for award to the full MDTA Board. This company has satisfactorily performed work on prior MDTA projects.

The contract has a term of three years valued at \$1,335,000 with one two-year renewal option valued at \$655,000.00, for a total contract term of five years, with a NTE contract value of \$1,990,000.00. MDTA will seek approval by BPW. Notice-to-proceed (NTP) for this contract is anticipated for July 1, 2016.

Member Calhoun asked about the variance in the bids and if this company had done work for the MDTA previously. Ms. Dorn advised that this company has done work for the MDTA on an on-call basis.

Member Basso called for a motion to recommend approval of this item to the full MDTA Board at the next scheduled meeting. Member Leahy made the motion, and Member Nixon seconded the motion, which was unanimously approved.

Approval – Contract No. SV 3009-0000 – HAZMAT Removal Services Authority-wide

Mr. Paul Truntich requested a recommended approval from the Finance Committee to present Contract No. SV 3009-0000, HAZMAT Removal Service Authority-wide to the full MDTA Board at its next scheduled meeting.

This project was advertised on December 18, 2015. Five bids were received on February 4, 2016. Clean Harbors Environment Services, Inc. is the lowest and responsive bidder and is therefore recommended for award to the full MDTA Board.

The contract has a base term of three years valued at \$540,000.00 with one two-year renewal option valued at \$360,000.00, for a total contract term of five years, with a total NTE contract value of \$900,000.00. MDTA will seek approval by BPW on May 11, 2016. NTP for the contract is anticipated for June 2016.

Member Basso called for a motion to recommend approval of this item to the full MDTA Board at the next scheduled meeting. Member Leahy made the motion, and Member Calhoun seconded the motion, which was unanimously approved.

Approval – Contract No. MR 2847-0000 – On-Call Upgrade and Replace Metal Traffic Barriers & Attenuators

Mr. James Wesselhoff, Jr. requested a recommended approval from the Finance Committee to present Contract No. MR 2847-0000, On-Call Upgrade and Replace Metal Traffic Barriers & Attenuators, to the full MDTA Board at its next scheduled meeting.

This project was advertised on December 1, 2015 with a MBE goal of 5 percent and no sub-goals. Three bids were received on January 12, 2016. L.S. Lee, Inc. is the lowest responsive and responsible bidder and is therefore recommended for award to the full MDTA Board. As the bid of \$3,471,775.00 was 18 percent lower than the Engineer's Estimate, a bid justification was conducted and the bid was determined to be fair and reasonable. This company has performed work on prior MDTA projects. NTP for the contract is anticipated in May 2016. The contract term is 1,095 calendar days from NTP.

Member Calhoun asked why the MBE goal was so low. Ms. Meshelle Howard advised that this was an on-call contract, which makes the amount of work to be performed by subcontractors difficult to determine. Ms. Sharpless noted that the MBE goal is impacted by the number of MBE firms available to do that type of work. Ms. Donna DiCerbo agreed and noted that the work is highly specialized.

Member Basso called for a motion to recommend approval of this item to the full MDTA Board at the next scheduled meeting. Member Leahy made the motion, and Member Nixon seconded the motion, which was unanimously approved.

Approval – Contract No. MA 2767-000 – On-Call Cleaning and Painting of Signature Bridges

Mr. Koudjo Amouzou requested a recommended approval from the Finance Committee to present Contract No. MA 2767-000, On-Call Cleaning and Painting of Signature Bridges, to the full MDTA Board at its next scheduled meeting.

This project was advertised on October 28, 2015 with a MBE goal of 15 percent with no sub-goals and with a Veteran Small Business Enterprise goal of 0.5 percent. Three bids were received on March 2, 2016. Titan Industrial Services, Inc. is the lowest and responsive bidder and is therefore recommended for award to the full MDTA Board. As the bid was 11 percent higher than the Engineer's Estimate, a bid justification was conducted and the bid was determined to be fair and reasonable. This company has performed work for MDTA previously.

This is a \$3,500,000.00 NTE on-call contract. NTP for the contract is anticipated in May 2016. The contract term is 365 calendar days from NTP.

Member Leahy asked how often this type of work is performed. Mr. Will Pines explained that there are three types of painting - zone, spot and full. Mr. Pines advised that using an on-call call contract for this type of work allows MDTA to spot paint surfaces as needed, providing a more cost-effective option to zone or full painting.

Member Basso noted that receiving the bid justification for bid prices that vary significantly from the Engineer's Estimate is a useful tool.

Member Basso called for a motion to recommend approval of this item to the full MDTA Board at the next scheduled meeting. Member Leahy made the motion, and Member Nixon seconded the motion, which was unanimously approved.

Approval – Board Policy on Sponsorships

Ms. Jaclyn Hartman requested a recommended approval from the Finance Committee to present to the full MDTA Board at its next scheduled meeting a new Board Policy on Sponsorships.

This is a new Board Policy that allows staff to explore opportunities to enter into sponsorships to help fund certain MDTA activities, programs and services. The Policy allows staff to conduct a competitive solicitation and to recommend approval of sponsorship requests but requires MDTA Board approval of a sponsorship agreement.

Member Nixon stated that partnerships with Maryland firms should be pursued where possible. Member Leahy reminded staff about the additional ethical issues that should be considered and reviewed by MDTA's counsel in regard to these types of agreements. Ms. Sharpless advised that the solicitations would be conducted and reviewed through the same competitive process as any other solicitation.

Member Basso called for a motion to recommend the approval of this item to the full MDTA Board at its next scheduled meeting. Member Calhoun made the motion, and Member Nixon seconded the motion, which was unanimously approved.

Update – 3rd Quarter Operating Budget vs Actual

Ms. Christina Thompson provided an update on the status of year-to-date spending against the FY 2016 Operating Budget.

As of March 31, 2016, 70 percent of the budget has been spent as compared to the targeted spending level of 71 percent. There are eight responsibility centers that exceed expected spending levels by more than 5 percent. Three Comptroller's Objects exceed targeted spending by more than 5 percent.

Member Leahy asked about the lower than expected spending for the Maryland State Police. Ms. Thompson advised that the MDTA is billed quarterly at a lag and MDTA has only paid two quarters so far this fiscal year. Member Basso noted the underspending in the budget for management studies and encouraged staff to review the budget level to ensure it is appropriate based on expected needs.

Update – Quarterly Update on the Finance Division

Ms. Hartman updated the Finance Committee on the Finance Division's progress on reaching its FY 2016 goals and provided an update on vacancies.

The Finance Division's FY 2016 goals include identifying budget reductions of two percent for the FY 2017 operating budget, improving IT systems and business practices, developing a data dashboard on the division's productivity, and developing a plan for succession planning. Significant progress has been made on FY 2016 goals, but more work remains to be done.

As of April 1, 2016, 6 of the Finance Division's 50 positions are vacant. During the month of April, four new employees will begin working at MDTA. The two remaining positions are in various stages of the recruitment process.

Update – Traffic and Revenue

Ms. Cheryl Lewis-Orr noted that system-wide toll revenues for the month ending March 31, 2016, were \$55.6 million, which is up \$2.6 million, or 4.8 percent, from the previous year. Fiscal year-to-date system-wide toll revenues were \$480.7 million, which is up \$5.2 million, or 1.1 percent, from the previous year. When comparing fiscal year-to-date system-wide toll revenues to the Base Case revenue forecast, system-wide toll revenues exceed the forecast by \$21.9 million, or 4.8 percent.

System-wide transactions for the month ending March 31, 2016, were 13.4 million, which is up 1.5 million, or 12.5 percent, from the previous year. Fiscal year-to-date system-wide transactions were 117.9 million, which is up 13.5 million, or 13 percent, from the previous year. When comparing fiscal year-to-date system-wide transactions to the Base Case transaction forecast, system-wide transactions exceed the forecast by 8.9 million, or 8.2 percent.

Ms. Hartman noted that strong growth in transactions has helped to mitigate the revenue impact of the toll reductions.

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Following completion of the regular agenda items, staff provided two additional updates to the Members. Ms. Hartman noted that the Maryland General Assembly had adjourned Sine Die the previous day and provided a brief update on certain legislation that impacts MDTA. Ms. Sharpless then provided an update on the industry forums that were recently held for MDTA's future tolling operations and customer service center.

There being no further business, the meeting of the Finance Committee adjourned at 10:20 a.m., following a motion by Member Leahy and seconded by Member Nixon.