

MARYLAND TRANSPORTATION AUTHORITY
BOARD MEETING
THURSDAY, JULY 27, 2017
2310 BROENING HIGHWAY, BALTIMORE, MD 21224

OPEN SESSION

Jim Ports, Acting Chairman

MEMBERS ATTENDING:

Katherine B. Armstrong
P. Jack Basso
Dontae Carroll – via telephone
William H. Cox, Jr.
William Ensor
W. Lee Gaines
John Von Paris

STAFF ATTENDING:

Tekeste Amare
TJ Bathras
Roan Bennett
Kerry Brandt
Percy Dangerfield
Donna DiCerbo
Trudy Edwards
Ben Gilmore
David Goldsborough
Michele Gross
James Harkness
Jaelyn Hartman
Natalie Henson
Meshelle Howard
Col. Jerry Jones
Larry Kimble
Heather Koeberle
Kimberly Millender, Esquire
Tonya Morant
Lt. Bryan Oden
Kevin C. Reigrut
Mike Rice
Deborah Sharpless
Darol Smith
Tim Wendt

OTHERS ATTENDING:

Bart Kennedy, Senator Chris Van Hollen's Office
Janiqua Dunn, Intern MDOT Fellows Program
Thomas Krueger, Conduent

At 9:00 a.m. Acting Chairman Jim Ports called the meeting of the Maryland Transportation Authority (MDTA) Board to order.

APPROVAL – OPEN SESSION MINUTES OF JUNE 29 AND JUNE 30, 2017

Upon motion by Member William Cox and seconded by Member Katherine Bays Armstrong, the Open meeting minutes of the MDTA Board meeting held on June 29 and 30, 2017 were unanimously approved.

RESOLUTIONS – YEARS OF SERVICE RECOGNITION

Ms. Deborah Sharpless read the Years of Service Resolutions for Rodger Janssen, Glen Smith, and Deborah Stewart. She stated on the occasion of their retirement from their distinguished careers of exemplary service, the Chairman and Members of the Maryland Transportation Authority hereby express to Rodger Janssen, Glen Smith, and Deborah Stewart their most sincere appreciation for their excellence and commitment.

APPROVAL – MEMBER COMMITTEE ASSIGNMENT

Mr. Kevin C. Reigrut requested approval of the new Committee assignments. The changes reflect the appointment of new Board Member Dontae Carroll.

Capital Committee: William Ensor, III (Chair), William H. Cox, Jr., W. Lee Gaines, Jr., and Dontae Carroll.

Finance Committee: P. Jack Basso (Chair), John Von Paris, Katherine Bays Armstrong, and a vacant position.

Upon motion by Member Von Paris and seconded by Member Gaines, the Members unanimously approved the Committee Assignments as outlined.

APPROVAL – RESOLUTION No. 17-04 MDTA CONTINUITY OF OPERATIONS PLAN (COOP)

Mr. TJ Bathras requested approval for Resolution No. 17-04 MDTA Continuity of Operations Plan (COOP) authorizing the Executive Director, or in the absence/inability of the Executive Director, the Deputy Executive Director, Chief of Operations, Chief Administrative Officer, or Chief of Police the ability to continue business operations of the MDTA during an emergency event.

The Resolution authorizing the Executive Director to take actions on behalf of the MDTA is part of the initiative to update the COOP. The COOP provides directives to keep MDTA functioning and allow passage through its facilities during catastrophic events. The new Resolution supersedes the previous Resolution from 2008.

Upon motion by Member Basso and seconded by Member Ensor, the Members unanimously approved Resolution No. 17-04 MDTA Continuity of Operations Plan.

APPROVAL – RETROACTIVE APPROVAL OF NORFOLK SOUTHERN RAILROAD’S TEMPORARY ASSIGNMENT AND MODIFICATION AGREEMENT

Ms. Sheila Rivers requested approval of Norfolk Southern Railroad’s Temporary Assignment and Modification Agreement. This item was reviewed by the Capital and Finance Committees and recommended for full approval.

The Norfolk Southern Railroad owns property located at Milepost 2.00 of I-895 in Baltimore City and has an area of 3.00± acres. The MDTA (tenant) intends to utilize the 3.00± acres of Norfolk Southern Railroad’s property as a staging area for the Canton Viaduct Replacement project. The MDTA and Norfolk Southern agreed to implement a five (5) year Temporary Assignment and Modification Agreement.

The Temporary Modification Agreement was executed in 2015 by the previous Real Estate Manager in error. The MDTA met internally with Legal and Procurement and it was determined that the Agreement would require the Authority Board and Board of Public Works approval to proceed with implementing the renewal for the remaining three years with Norfolk Southern Railroad. Based on the content of the language, term length and the dollar amount within the Modification Agreement the document was considered to be a Lease. The rental amount is One Million Dollars (\$1,000,000) for the remaining three years from July 15, 2017 to July 14, 2020 with a one (1) year renewal option.

MDTA is seeking the retroactive approval to proceed with implementing the renewal of the Modification Agreement/Lease with Norfolk Southern Agreement to the Executive Director.

Upon motion by Member Cox and seconded by Member Armstrong, the Members unanimously approved the retroactive renewal of the Modification Agreement/Lease with Norfolk Southern Agreement to the Executive Director for the rental amount of \$1,000,000 for the remaining three years from July 15, 2017 to July 14, 2020 with a one year renewal option.

APPROVAL – CONTRACT AWARDS

- **CONTRACT NUMBERS: AE 3015-0000, AE 3016-0000, AE 3017-0000, and AE 3018-0000 ANNUAL FACILITIES INSPECTION SERVICES**

Ms. Donna DiCerbo requested approval to execute Contract Numbers: AE 3015-0000, AE 3016-0000, AE 3017-0000, and AE 3018-0000 for Annual Facilities Inspection Services. The item was reviewed by the Capital Committee and recommended for approval. These Contracts also require the Transportation Professional Selection Board (TPSSB) and the Board of Public Works (BPW).

The services to be performed under these Contracts are for physical on-site condition inspection of facilities and miscellaneous engineering design and/or consultation services under the jurisdiction of the MDTA.

The scope of services to be provided under these contracts shall consist of:

General Information

The condition inspection of all facilities under the jurisdiction of the MDTA. The inspections shall not consist of a walk/climb through physical inspection resulting in a thorough hands-on or visual inspection of all structures, roadways, bridges, tunnels and the ancillary structures, it may also include buildings (this encompasses all buildings under the jurisdiction of MDTA such as office buildings, maintenance buildings/garages, police buildings and tunnel ventilation buildings including the mechanical and electrical systems, plumbing, HVAC and roofs of said buildings), drainage structures, toll plazas, Dynamic Message Signs (DMS) and incident detection equipment housings and structures, truck weigh scales, retaining walls and noise barriers, traffic and safety equipment, cameras, and all other related appurtenances under the jurisdiction of the MDTA including but not limited to the following facilities:

I-95 (John F. Kennedy Memorial Highway); I-895 (Baltimore Harbor Tunnel); I-395 and I-95 in Baltimore City (Fort McHenry Tunnel); I-695 (Francis Scott Key Bridge); Harry W. Nice Memorial Bridge; Thomas J. Hatem Memorial Bridge; Williams Preston Lane, Jr. Memorial Bridge (twin structures); and the Intercounty Connector (ICC) in Prince Georges and Montgomery Counties.

Typically, hands-on inspections, including non-destructive testing (NDT), load and laboratory testing, instrumentation and asset health monitoring will be required every two (2) years with interim inspections being performed in the off years. Underwater inspections will typically be performed on the four (4) year cycle. All inspections shall be completed in accordance with the Authority inspection manual.

These four (4) task-based contracts will be cost plus fixed fee contracts, valued at Fifteen Million Dollars (\$15,000,000) with a total Not-to-Exceed cost of Sixty Million Dollars (\$60,000,000). The project was initially approved by the Chairman Pete K. Rahn on November 16, 2015.

The Minority Business Enterprise participation goal for each contract is 30% with no sub-goals. The prime contractors have submitted MBE and VSBE plans that meet the goals.

The firm selected for award of Contract No. AE 3015-0000 in the amount of \$15,000,000 is Hardesty & Hanover, LLC/Whitman, Requardt & Associates, LLP-Joint Venture (the highest rated firm). Its sub-consultants are:

Athavale, Lystad & Associates, Inc. – MBE;
RJM Engineering, Inc. – MBE;
Tuhin Basu & Associates, Inc. – MBE;
Marine Solutions, Inc. – MBE;
Road Safety, LLC – MBE;
Sunrise Safety Services, Inc. – MBE;
A Halcon Contractors, Inc. – MBE;
Precision Measurements, Inc. – MBE;
COWI North America;
Collins Engineers; and
LPI, Inc.

The recommended firm has committed to the established MBE goal.

The firm selected for award for Contract No. AE 3016-0000 in the amount of \$15,000,000 is AECOM Technical Services, Inc./WSP USA, Inc. (formerly Parsons Brinckerhoff)/Wallace Montgomery & Associates, LLP-Joint Venture (the second highest rated firm). Its sub-consultants are:

Athavale, Lystad & Associates, Inc. – MBE;
Marine Solutions, Inc. – MBE;
Mercado Consultants, Inc. – MBE;
Tuhin Basu & Associates, Inc. – MBE;
Sabra, Wang & Associates, Inc. – MBE;
Transtec Engineering Consultants, Inc. – MBE;
Sunrise Safety Services, Inc. – MBE;
Northeast Work & Safety Boats, LLC – MBE;
W.J. Castle, PE & Associates; and
Jenkins Engineering Company.

The recommended firm has committed to the established MBE.

The firm selected for award for Contract No. AE 3017-0000 in the amount of \$15,000,000 is Stantec Consulting Services, Inc./Ammann & Whitney Consulting Engineers, P.C./Pennoni Associates, Inc.-Joint Venture (the third highest rated firm). Its sub-consultants are:

Athavale, Lystad & Associates, Inc. – MBE;
All Access Rigging;
BVF Engineering, Inc. – MBE;
Mercado Consultants, Inc. – MBE;
Northeast Work & Safety Boats, LLC – MBE;
Road Safety, LLC – MBE;
Sabra, Wang & Associates, Inc. - MBE;
Stafford Bandlow Engineering, Inc.;;
Sunrise Safety Services, Inc. – MBE;

Transtec Engineering Consultants, Inc. – MBE; and
Tuhin Basu & Associates, Inc. - MBE

The recommended firm has committed to the established MBE goal.

The firm selected for award of Contract No. AE-3018-0000 in the amount of \$15,000,000.00 is Rummel, Klepper & Kahl, LLP/Modjeski & Masters, Inc.– Joint Venture (the fourth highest rated firm). Its sub-consultants are:

Athavale, Lystad & Associates, Inc. - MBE
Mercado Consultants, Inc. - MBE
Marine Solutions, Inc. – MBE;
Sunrise Safety Services, Inc. – MBE;
Transtec Engineering Consultants, Inc. – MBE
Johnson, Mirmiran & Thompson, Inc.
Lehigh University
Dr. Dennis Mertz

The Contracts will be valid for a four (4) year period and include a provision authorizing an extension of one-third of the original base term in accordance with BPW Advisory 1995-1.

Upon motion by Member Ensor and seconded by Member Gaines, the Members unanimously approved the Contract Nos.: AE-3015-0000, AE-3016-0000, AE 3017-0000, and AE-3018-0000 in the amount of \$15,000,000 each for a total Not-to Exceed total amount of \$60,000,000 to the Firms and Sub-Consultants as outlined above.

APPROVAL – CONTRACT MODIFICATON

- **CONTRACT NO. MA 549-000-006 ELECTRONIC TOLL SYSTEM REPLACEMENT AND OPERATION**

Ms. DiCerbo requested approval to execute four (4) retroactive, and one (1) proactive Modification(s) to Contract No. MA 549-000-006 with Conduent for the Electronic Toll System Replacement and Operation. The proposed Modifications were reviewed by the Finance and Capital Committees, recommended to the full Authority for approval, and are contingent upon the approval of the Board of Public Works (BPW).

Contract MA 549-000-006 was competitively solicited and awarded to ACS State and Local Solutions (aka Xerox State and Local Solutions, and now Conduent), on October 19, 2005, in the amount of \$114,361,566, primarily for the development, testing, installation, maintenance, and operation of an Electronic Toll Collection System at the MDTA Toll Facilities to replace the legacy system and to develop the Open Road Toll system for the ICC and I95 Express Toll Lanes (ETLs).

The Contract includes lane-based fare collection equipment that processes cash and electronic transactions; design, development, testing, installation, operation, and maintenance of a complete and fully functional violation image capture system; furnishing, installing, staffing, maintaining, and operating a customer service/violation processing center (CSC) with telephone, mail, and Internet based customer service; and *E-ZPass*® marketing services.

On January 8, 2014, the BPW approved 21 Modifications, including both contract renewal options, in the amount of \$172,590,594, to increase the overall Contract value to \$286,952,160.

It has recently been determined that the MDTA approved four (4) additional, no cost, Extra Work Authorizations (Modifications) without seeking MDTA Authority Board or BPW approval, prior to execution.

The four (4) retroactive modifications and one (1) proactive modification consist of component line item funds being shifted to increase the value of other components and/or offset other contract component line items that were added to the Contract via an approved prior modification or transferred from existing line items that were never or only partially utilized. It should be noted that these are “shifted” line item increases, and not additional funds being added to the Contract.

This Modification also corrects the former Authority Summary and BPW Item 3-GM of the 1/8/14 BPW Agenda to renumber Modification #22 to reflect the correct number of Modification #21, as the same scope for these items was inadvertently repeated on the documentation. Modification #21 should have included both the change in Scope as well as to exercise both Renewal Options.

Although, these four (4) retroactive modifications and one (1) proactive modification were no additional cost to the Contract, BPW Advisory 1995-1 requires that these modifications be approved by the Board of Public Works.

Upon motion by Member Armstrong and seconded by Member Cox, the Members unanimously approved the four (4) retroactive modifications and one (1) proactive modifications, with all modifications being at no cost.

UPDATE – SERIES 2017 REFUNDING BOND RESULTS

Mr. Kevin Reigrut and Ms. Jaclyn Hartman presented the results of the July 12, 2017 competitive bond sale for the Transportation Facilities Projects Revenue Refunding Bonds, Series 2017 (the “Series 2017 Bonds”), in accordance with Board Resolution 17-01 dated February 23, 2017.

The Series 2017 Bonds were successfully sold to Wells Fargo Bank, National Association after receiving and reviewing bids from eight (8) investment banking firms. The bids were ranked upon receipt by the lowest True Interest Cost (TIC) and the bid from Wells Fargo, National Association had the lowest TIC at 3.078%. Bond closing occurred on July 27, 2017.

The preliminary sale par amount was offered at \$164,295,000 and the bond issue was resized to a final par amount of \$169,670,000 with a premium of \$13,103,396.85. This resulted in a final adjusted TIC of 3.063%. Sale results were enhanced by MDTA's equity contribution of \$100 million, which lowered the par amount needed to refund (refinance) the Series 2007 Bonds. Resolution 17-01 required that certain conditions of the sale must be met. The following provides the results:

1. Par amount limit of \$300 million - Par amount issued: \$169.670 million;
2. Net present value (NPV) savings of not less than 3% in aggregate - NPV savings of 16.64%, equaling \$47,039,286.42;
3. Final maturity date not later than July 1, 2041 - final maturity date is July 1, 2040; and
4. Report on bond sale results due at the next Board meeting after the bond sale took place on July 27.

UPDATE – SERIES 2017 GRANT AND REVENUE ANTICIPATION REVENUE REFUNDING BONDS (GARVEE)

Mr. Reigrut and Ms. Hartman reported the results of the Request for Proposals (“RFP”) issued on June 13, 2017 for the placement and sale of the Grant and Revenue Anticipation Revenue Refunding Bonds, Series 2017 (the “Series 2017 Bonds”), in accordance with Board Resolution 17-03 dated April 27, 2017.

The Series 2017 Bonds were successfully placed with Wells Fargo Municipal Capital Strategies, LLC, a wholly owned subsidiary of Wells Fargo Bank, National Association, to hold for its own account. Responsive bids were received from four (4) investment banking firms. The bids were ranked upon receipt by the lowest True Interest Cost (TIC) and the bid from Wells Fargo Municipal Capital Strategies, LLC had the lowest TIC at 1.24%.

After reviewing the bids, the Series 2007 Grant and Revenue Anticipation Bonds (the “Series 2007 Bonds”) were deemed to provide the best opportunity for savings as a current refunding. The Series 2007 Bonds in the amount of \$67,150,000 are callable at any time, and Wells Fargo agreed to a closing date of August 9, 2017 to provide funds for a full redemption on that date. Since the Series 2008 Grant and Revenue Anticipation Bonds in the amount of \$48,865,000 are not callable until March 1, 2019, an advance refunding was not deemed to be in MDOT/MDTA's best interest.

Resolution 17-03 required that certain conditions of the sale must be met. The following provides the results:

1. Par amount limit of \$116 million - Par amount issued: \$67.150 million;
2. Net present value (NPV) savings of not less than 3% in aggregate - NPV savings of 3.79%, equaling \$2,545,040.25;
3. Final maturity date not later than March 1, 2019 - final maturity date is March 1, 2019; and
4. Report on bond sale results due at the next Board meeting after the bond sale took place on July 27.

Member Carroll ended his participation in the meeting.

UPDATE – RESOLUTION 17-02 DIRECTING THE ESTABLISHMENT OF TOLL VIDEO ENFORCEMENT RELATED ISSUES WORKSHOP – PART 4

Mr. Reigrut presented a verbal update of the current procurement to replace the Electronic Toll Collection 3rd Generation (ETC 3G) Toll System and Services and Customer Service Center contracts. Due to the active nature of the procurement, the information being provided has been carefully reviewed to ensure that we do not present any information that will put MDTA in violation of the Code of Maryland Regulations (COMAR) Title 21.

UPDATE – EXECUTIVE DIRECTORS UPDATE

Mr. Kevin Reigrut spoke to the Members about MDTA's Excellerator Participation, the IBTTA Conference that was held in Dallas, Texas, and State Employees Risk Management Awards (SERMA).

There being no further business, the meeting of the MDTA Board was adjourned by general consensus at 10:09 a.m.

The next MDTA Board Meeting will be held on September 7, 2017, at 9:00 a.m. at the Intercounty Connector (MD200/ICC) Eastern Operations Facility, 13201 Konterra Drive, Laurel, MD 20707.

APPROVED AND CONCURRED IN:



Pete K. Rahn, Chairman