

MARYLAND TRANSPORTATION AUTHORITY
BOARD MEETING
THURSDAY, AUGUST 25, 2016
2310 BROENING HIGHWAY, BALTIMORE, MD 21224

OPEN SESSION

Pete K. Rahn, Chairman

MEMBERS ATTENDING:

William H. Cox, Jr.
William Ensor
W. Lee Gaines, Jr.
William K. Hellmann
Randall Nixon, Esquire (via telephone)
John Von Paris

STAFF ATTENDING:

Milt Chaffee
Percy Dangerfield
Trudy Edwards
Alan Garman
David Goldsborough
Michele Gross
Colonel Jerry Jones
Jim Harkness
Jaclyn Hartman
Meshelle Howard
Jessica Mettle
Kimberly Millender, Esquire
Tonya Morant
Lt. Michelle Mount
John O'Neill
Will Pines
Deb Sharpless
Cheryl Sparks
Alison Williams
Dan Williams
Melissa Williams

OTHERS ATTENDING:

Ed McDonald, Chief of Staff, MDOT

OPEN SESSION

At 9:06 a.m. Chairman, Pete Rahn, called the meeting of the Maryland Transportation Authority (“MDTA”) Board to order.

APPROVAL – OPEN SESSION MINUTES OF JULY 28, 2016

Upon motion by Member William Cox, and seconded by Member Lee Gaines, the open meeting minutes of the MDTA Board meeting held on July 28, 2016 were unanimously approved.

UPDATE – MDTA INDUSTRY AWARDS

Mr. Dan Williams reported the receipt of two National awards from Engineering News Record. The first award for “Best Projects” in the Highways/Bridges category was for the Bay Bridge Dehumidification project. The second award in the “Specialty Contracting” category was for the Deck Rehabilitation and Joint Modifications to the Bridges on I-95 South of the Fort McHenry Tunnel. These are prestigious national awards, recognizing the success of these projects.

APPROVAL – DEBT POLICY

Ms. Jaclyn Hartman reported that the required annual review of the Debt Management Policies was completed and certain changes were recommended. This item was reviewed by the Finance Committee and recommended for approval.

The Debt Management Policies have been updated to reflect certain changes recommended by Finance staff in consultation with MDTA’s Office of Attorney General. Several changes are recommended to address two important areas of compliance: 1) MDTA’s disclosure of financial information to bondholders; and 2) Best practices when financial advisors are engaged by MDTA to provide municipal advice as a fiduciary. In addition, other limited technical changes were also recommended.

Upon motion by Member William Hellmann and seconded by Member Gaines, the Members unanimously approved the changes to the Debt Management Policies.

APPROVAL – INVESTMENT POLICY

Ms. Hartman requested approval of changes to the Board Policy on Investment Management related to the single-issuer Federal Agency Obligations exposure limitation. This item was reviewed by the Finance Committee and recommended for approval.

As a result of discussions over the last several months, including input from MDTA’s two financial advisors, the Investment Committee recommends an increase to 50% from 35% in the Investment Policy’s Federal Agency Obligations* single-user exposures limitation contained in Section 8.2.2 of the Policy. *Note: Federal Agency Obligations include issuers such as Federal Home Loan Bank, Fannie Mae, and Federal Farm Credit Bank.

Upon motion by Member Cox and seconded by Member John Von Paris, the Members unanimously approved the changes to the Investment Management Policy.

APPROVAL – MASONVILLE AGREEMENT

Ms. Hartman requested approval of the termination of MDTA's leasehold interest in the Masonville Auto Terminal and to delegate authority to the Executive Director to execute the termination agreement. This item was reviewed by the Finance Committee and recommended for approval.

In April 1998, MDTA, the Maryland Department of Transportation (MDOT), and the Maryland Port Administration (MPA) entered into an agreement regarding the financing, construction, and operation of Phase I of the Masonville Auto Terminal (Masonville Agreement). Pursuant to the terms of the Agreement, MDTA financed the construction of the terminal; MPA designed, constructed, managed, and operated the terminal; and MDOT made annual payments of principal and interest to MDTA.

In consideration of MDTA's \$20 million investment in the Masonville terminal, the Masonville Agreement provided for an interest rate of 5.5% and repayment through 20 annual installments of approximately \$1.7 million through FY 2020. As a condition precedent to the financing and construction of the Masonville terminal, MPA was required to grant MDTA a leasehold interest in the land (Masonville Lease).

In May 2016, MPA requested a final invoice from MDTA to pay off the remaining balance of the Masonville Agreement. On June 17, 2016, MPA submitted final payment of \$5,866,172 to MDTA. That amount represents the full and sufficient payment of all sums and obligations due to MDTA under the Masonville Agreement. As such, MDTA is able to release its leasehold interest in the Masonville Terminal. Both the Agreement and Lease allow for early termination and MPA concurs with this action.

Following the sale of Seagirt Marine Terminal to MPA in 2010, the sale of the Intermodal Container Transfer Facility to MPA in January 2016, and now the termination of the leasehold interest in Masonville Terminal, the only Port-related investment that MDTA maintains is ownership of the Canton Railroad.

Upon motion by Member Cox and seconded by Member Randy Nixon, the Members unanimously approved the termination of MDTA's leasehold interest in the Masonville Auto Terminal and delegate authority to the Executive Director to execute the termination agreement.

APPROVAL – CONTRACT AWARD

- **CONTRACT NO. J01B6400031 POWERDMS SOFTWARE AS A SERVICE SUBSCRIPTION**

Ms. Jessica Mettle requested approval to execute Sole Source Contract No. J01B6400031 PowerDMS as a Service Subscription. This item was reviewed by the Finance Committee and recommended for approval.

PowerDMS is a proprietary document management solution uniquely designed to accommodate the assessment and certification processes of law enforcement agencies seeking accreditation from The Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA). The MDTA Police currently possess CALEA accreditation in Law Enforcement, Training, and Communication.

PowerDMS is currently the only software solution to achieve official endorsement by The Commission on Accreditation of Law Enforcement Agencies, Inc. (CALEA) for its assessment purposes and contains directly imbedded system integrations with the on-line CALEA standards and training manuals, which govern the compliance metrics for certification. This proprietary linkage between CALEA and the PowerDMS system exists exclusively and cannot be accomplished by the purchase of any other document management system currently in the marketplace. Furthermore, as of November 1, 2015, PowerDMS is exclusively required by CALEA for utilization for the annual off-site assessments that are required as part of a four (4) year assessment cycle for any agency seeking CALEA reaccreditation. It is due to the CALEA instituted multi-year assessment process that a five (5) year contract is now requested. PowerDMS supports the MDTA Police CALEA certification in all three (3) nationally recognized accreditations.

This Contract fits the Sole Source criteria as stated in COMAR 21.05.05.02 (1) and (2), (1) when only one source exists which meets the requirements; and (2) when the compatibility of equipment, accessories, or replacement parts is the paramount consideration. There are no other providers of a similar product in the industry.

This Contract contains no Minority Business Enterprise or Veteran-Owned Business Enterprise participation and, as a sole source contract, was not designated as a Small Business Reserve.

As the total value of this Contract exceeds the delegated authority of Resolution 15-01 dated 1/23/15, the MDTA will seek the approval of the Department of Information Technology.

The term of this contract shall be for five (5) years beginning on September 4, 2016 through September 3, 2021. The total amount of this contract shall be Seventy-Five Thousand, One Hundred Fifty Dollars (\$75,150) to be paid annually at Fifteen Thousand, Thirty Dollars (\$15,030) per year.

Upon motion by Member Gaines and seconded by Member Von Paris, the Members unanimously approved Contract No. J01B6400031 PowerDMS Software as a Service Subscription, Sole Source Contract with terms of five (5) years beginning September 4, 2016 through September 3, 2021 and the total amount shall be Seventy-Five Thousand, One Hundred Fifty Dollars (\$75,150) to be paid annually at Fifteen Thousand, Thirty Dollars (\$15,030) per year.

- **CONTRACT NO. BB 2829-000-006 BAY BRIDGE FACILITY HVAC REPLACEMENT**

Ms. Mettle requested approval for Contract No. BB 2829-000-006 Bay Bridge Facility HVAC Replacement. This item was reviewed by the Capital Committee and was recommended for approval.

The Contract is for the replacement of the Heating, Ventilation and Air Conditioning (HVAC) systems at the Administration and Police Building at the Bay Bridge facility. The scope of work includes demolition and construction of new ceilings, painting and patching of walls, roof system demolition, roof framing, installation of new LED light fixtures, installation of conduits and exhaust fans, installation of new boilers and unit heaters, installation of new exhaust fans and terminal units, installation of new copper tubing and insulation, installation of new duct work, installation of temporary trailers, installation of sewer, piping, lighting and conduits for temporary trailers and construction of pavement, curbing, and landscaping around trailers.

There is allowance in the Contract of \$450,000.00 for Miscellaneous Construction included in the Invitation for Bids (IFB) that will only be used if necessary and with prior approval of the Engineer.

Six Bids were received ranging from 15% to 107% above the Engineer's Estimate of \$3,844,000.

Fresh Air Concepts, LLC is the lowest responsive and responsible Bidder. As its bid was fifteen percent (15%) 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 on prior MDTA projects.

This project was advertised as a Small Business Reserve only (SBR) procurement, with a one percent (1%) Veteran Small Business Enterprise (VSBE) participation goal. Fresh Air Concepts, LLC is a certified Small Business and submitted a VSBE plan that meets the goal.

Upon motion by Member Hellmann, and seconded by Member William Ensor, the Members unanimously approved Contract No. BB 2829-000-006 Bay Bridge Facility HVAC Replacement to Fresh Air Concepts, LLC in the amount of \$4,427,751.

- **CONTRACT NO. HT 2821-000-006 SUBSTRUCTURE AND SUPERSTRUCTURE REHABILITATION TO VARIOUS BRIDGES ON I-895 NORTH TO I-695 TO TUNNEL & I-895 SPUR**

Ms. Mettle requested approval for Contract No. HT 2821-000-006 Substructure and Superstructure Rehabilitation to Various Bridges on I-895 North to I-695 to Tunnel & I-895 Spur. This item was reviewed by the Capital Committee and recommended for approval.

This project is intended to perform repairs for the rehabilitation of sixteen (16) structures located along the Baltimore Harbor Tunnel (BHT) Thruway (I-895) from I-695 to the BHT and along the I-895 Spur (I-895B) to MD Route 2. The repairs include, but are not limited to structural steel weld repairs; structural steel and bearing hardware repairs; structural steel plating repairs, superstructure and substructure concrete spall/delaminated areas repair; concrete crack repairs; implementation of Maintenance of Traffic (MOT); and other miscellaneous items of work as prescribed in the Contract Documents.

There are allowances of \$25,000.00 for CSXT Railroad Expenses, and \$500,000.00 for Miscellaneous Repairs included in the Invitation for Bids (IFB). These allowances will only be used if necessary and with prior approval of the Engineer.

Five (5) Bids were received ranging from 17% to 33% below the Engineer's Estimate of \$9,051,416.

Martins Construction Corp. (Martins) is the lowest responsive and responsible Bidder and was therefore recommended for award to the full Authority. As its bid was Thirty-three Percent (33%) lower than the Engineer's Estimate, a bid justification was conducted and the bid was determined to be fair and reasonable. The company has performed work on prior State Highway Administration (SHA) projects.

This project was advertised with an overall Minority Business Enterprise (MBE) participation goal of 30% with sub-goals of 7% for African-American owned firms, and 4% for Asian-American owned firms. The project was also advertised with a 1% Veteran Small Business Enterprise (VSBE) participation goal. Martins submitted a MBE plan and a VSBE plan that meets the goals.

Upon motion by Member Gaines, and seconded by Member Nixon, the Members unanimously approved Contract No. HT 2821-000-006 Substructure and Superstructure Rehabilitation to Various Bridges on I-895 North to I-695 to Tunnel & I-895 Spur to Martins Construction Corp. in the amount of \$6,108,303.

- **CONTRACT NO. HT 2823-000-006 SUBSTRUCTURE AND SUPERSTRUCTURE REHABILITATION TO VARIOUS BRIDGES ON I-895 (I-95 TO I-695)**

Ms. Mettle requested approval for Contract No. HT 2823-000-006 Substructure and Superstructure Rehabilitation to Various Bridges on I-895 (I-95 to I-695). This item was reviewed by the Capital Committee and recommended for approval.

The scope of work shall include substructure and superstructure rehabilitation to eighteen (18) bridges on I-895 (I-95 to I-695). Work includes structural bearing replacements and repairs, structural steel repairs, steel member plating, superstructure and substructure concrete repairs, bridge deck joint replacements, joint seal replacements, drainage trough repairs, and implementation of temporary maintenance of traffic devices.

There are allowances of \$100,000.00 for Railroad Expenses and \$500,000.00 for Miscellaneous Repairs included in the Invitation for Bids (IFB). These allowances will only be used if necessary and with prior approval of the Engineer.

Ten (10) bids were received ranging from 38% below to 0.12% above the Engineer's Estimate of \$9,708,069.

Freyssinet, Inc. (Freyssinet) is the lowest responsive and responsible Bidder. As its bid was Thirty-eight Percent (38%) lower than the Engineer's Estimate, a bid justification was conducted and the bid was determined to be fair and reasonable.

This project was advertised with an Overall Minority Business Enterprise (MBE) participation goal of 28% with sub-goals of 7% for African-American owned firms and 4% for Asian-American owned firms. The project was also advertised with a 1% Veteran Small Business Enterprise (VSBE) participation goal. Freyssinet submitted a MBE plan that exceeds the goal and a VSBE plan that meets the goal.

Upon motion by Member Cox, and seconded by Member Nixon, the Members unanimously approved Contract No. HT 2823-000-006 Substructure and Superstructure Rehabilitation to Various Bridges on I-895 (I-95 to I-695) to Freyssinet, Inc. in the amount of \$5,987,207.08.

APPROVAL – CONTRACT RENEWALS

- **CONTRACT NO. 20120001A AND 20120001B FINANCIAL ADVISOR SERVICES**

Ms. Mettle requested to execute the Renewal for Contract No. 2012001A with Davenport & Company, LLC and Contract No. 2012001B with Hilltop Securities, Inc., for Financial Advisor Services. These Renewals were reviewed by the Finance Committee and recommended for approval. Approval of these Renewals is contingent upon the approval of the Board of Public Works (BPW).

The scope of work includes providing financial advice and related services, including but not limited to financial forecasting and modeling, investment strategy and portfolio structuring, debt structuring and accessing the capital markets, and developing innovative financing techniques and strategies for the acquisition of improvements to revenue-producing transportation projects in Maryland. The Contracts are executed per tasks issued by the Contract Manager.

The original term for each Contract was from November 15, 2012 through November 14, 2016, with a base Not-to-Exceed (NTE) value of \$1,666,666.67; and one (1) 2-Year Renewal Option valued at \$833,333.33, for a total Contract value of \$2,500,000.00 NTE. The original Contract was approved by the Board of Public Works (BPW) on November 14, 2012.

Both Renewal terms are from November 15, 2016 through November 14, 2018. As spending under these Contracts has been under budget, these are Time-Only Renewal Options.

The overall Minority Business Enterprise (MBE) participation goal established for each of the Contracts was Five Percent (5%). However, Contract B made a commitment of Ten Percent (10%). Davenport & Company, LLC (Contract A) has achieved 6.82% MBE compliance to date. This Contract is structured such that Davenport has the first right of refusal for all tasks. Hilltop Securities, Inc. (Contract B) has achieved 0% MBE compliance to date, but is committed to achieving the established MBE goal through a recently issued task.

These Contract Renewals exceed the delegated authority of the Executive Director pursuant to Resolution 15-01 dated January 23, 2015; therefore, they must be presented to the Board of Public Works for approval.

Upon motion by Member Hellmann, and seconded by Member Cox, the Members unanimously approved the contract renewals for Contract No. 2012001A with Davenport & Company, LLC and Contract No. 2012001B with Hilltop Securities, Inc., for Financial Advisor Services for a one (1) 2-Year Renewal Option for Time-Only Renewal Option; both Renewal terms are from November 15, 2016 through November 14, 2018.

- **CONTRACT NO. 20130003 FINANCIAL AND CONSULTING MANAGEMENT SERVICES**

Ms. Mettle requested to execute the Renewal for Contract No. 20130003 Financial Consulting and Management Services with SC&H Consulting Services, Inc. This item was reviewed by the Finance Committee and recommended for approval.

The scope of work includes providing financial consulting and management services expertise in critical areas on a task order basis. This includes providing guidance and/or augmenting existing staff in conducting audits, reviews, financial reporting and analysis, governance, and reviewing the organization's processes for monitoring compliance with laws and regulations or other management projects for different divisions of the MDTA.

The original contract term was from November 18, 2013 to November 17, 2016, with one (1) two (2) year Renewal Option. The original Contract value for this (2) year Renewal Option was \$1,000,000. The contract was originally approved by the Board of Public Works on November 6, 2013.

This request seeks a recommended approval to exercise this time-only Renewal Option for a term of November 18, 2016 through November 17, 2018. As spending on this Contract has been under Budget, this is a time-only Renewal Option.

The overall MBE participation goal established for this Contract was 30%, with sub-goals of 7% for African American firms, 4% for Asian firms, and 12% for Women Owned firms. The Veteran Owned Small Business Enterprise (VSBE) participation goal was .05%. SC&H has achieved 11.8% MBE compliance to date; and 0.64% VSBE. They have submitted a revised MBE plan and are committed to achieving the established goal.

This Renewal exceeds the delegated authority of the Executive Director pursuant to Resolution 15-01 dated January 23, 2015; therefore, the renewal will be presented to the Board of Public Works for approval.

Upon motion by Member Gaines, and seconded by Member Ensor, the Members unanimously approved the contract renewal for Contract No. 20130003 Financial Consulting and Management Services with SC&H Consulting Services, Inc. for Time-Only and delegate authority to the Executive Director to execute the document.

APPROVAL – BAY BRIDGE TIER ONE NATIONAL ENVIRONMENTAL POLICY ACT (NEPA) STUDY

Ms. Melissa Williams requested approval for the Bay Bridge Tier One NEPA Study. Ms. Williams stated Governor Larry Hogan will be announcing, on August 30, 2016 the study to explore a potential new Chesapeake Bay crossing. The process will begin this fall and take up to four years to finish at an estimate cost of \$5,000,000.

The Tier One Study will pursue environmental regulatory agency concurrence and agreement from the Eastern Shore counties on a single crossing location. The Study will include traffic, engineering, and environmental analysis; cost-per-mile estimates; preliminary financing and procurement options; and an economic and land-use study.

Upon motion by Member Cox, and seconded by Member Hellmann, the Members unanimously approved the Bay Bridge Tier One NEPA in the amount of \$5,000,000.

UPDATE – PORT COVINGTON

Ms. Williams reported that a couple of public outreach meetings, a workshop and a public hearing will be forthcoming for the Port Covington Project. As soon as details are certain, an update will be provided.

UPDATE – EXECUTIVE DIRECTOR'S REPORT

Mr. Milt Chaffee presented an update on the Third Generation Toll Collection Contract and reminded everyone that the 5K Fort McHenry Tunnel Walk/Run is on September 18. Mr. Chaffee also noted that the Roadeo was held on August 24, and the two winners and their Supervisors will be sent to Loveland, Colorado to compete in the National Roadeo.

There being no further business, the meeting of the MDTA Board was adjourned by general consensus at 10:20 a.m.

The next MDTA Board Meeting will be held on September 29, 2016 at 9:00 a.m. at 2310 Broening Highway, Baltimore, Maryland 21224 in the Louise Hoblitzell Board Room.

APPROVED AND CONCURRED IN:
