



Maryland Transportation Authority

FINANCE COMMITTEE

THURSDAY, DECEMBER 8, 2022

MARYLAND TRANSPORTATION AUTHORITY
2310 BROENING HWY
BALTIMORE, MD 21224

FINANCE COMMITTEE MEETING AGENDA
December 8, 2022 – 9:00 a.m.

This meeting will be livestreamed on the [MDTA Finance Committee Page](#)

NOTE: This is an Open Meeting being conducted via livestreaming. The public is welcomed to watch the meeting at the link listed above. *If you wish to comment on an agenda item please email your name, affiliation, and agenda item to cdickinson@mdta.state.md.us no later than noon on Wednesday, December 7, 2022. You **MUST** pre-register in order to comment.* Once you have pre-registered you will receive an email with all pertinent information.

AGENDA

OPEN SESSION

Call to Order

- | | | | |
|-----------------------------|--|--------------------|--------|
| 1. <u>Approval</u> – | Open Meeting Minutes from November 10, 2022 | Chairman von Paris | 5 min. |
| 2. <u>Approval</u> – | Contract No. MR-3035-0000 – On Call
Upgrade and Replace Metal Traffic Barriers
and Attenuators | Sushmita Mitra | 5 min. |
| 3. <u>Approval</u> – | Contract No. SV-3104-0000 – Internal Auditing
Services RFP | Paul Trentalance | 5 min. |

Vote to Adjourn Meeting

ITEM

1

FINANCE COMMITTEE MONTHLY MEETING
THURSDAY, NOVEMBER 10, 2022
OPEN MEETING VIA LIVESTREAMING

OPEN SESSION

MEMBERS ATTENDING: Cynthia Penny-Ardinger
Dontae Carroll
Jeffrey Rosen
John von Paris

STAFF ATTENDING: Jeffrey Brown
Jeffrey Davis
Donna DiCerbo
Cheryl Dickinson
Tina Dorn
Allen Garman
Chantelle Green
Natalie Henson
Jeanne Marriott
Selena McKissick
Kimberly Millender, Esq.
Ken Montgomery
Mary O’Keeffe
Will Pines
Deb Sharpless
Timothy Sheets
Debra Stewart
Christina Thompson
Clayton Viehweg

OTHERS ATTENDING: David Calvert – PFM
Sean Walter – CLA
Adam Aceto – CDM Smith
Kelly Morison – CDM Smith

At 9:00 a.m., Member von Paris, Chair of the Finance Committee, called the Finance Committee Meeting to order.

APPROVAL – OPEN MEETING MINUTES FROM OCTOBER 11, 2022 MEETING

Member von Paris called for the approval of the meeting minutes from the Open Meeting held on October 11, 2022. Member Dontae Carroll made the motion, and Member Jeffrey Rosen seconded the motion, which was unanimously approved.

UPDATE – INDEPENDENT AUDITOR’S REPORT FOR THE FY 2022 FINANCIAL STATEMENTS AUDIT

Ms. Deborah Sharpless introduced Mr. Sean Walker, Principal in Charge of the Maryland Transportation Authority’s (MDTA) audit, from CliftonLarsonAllen, LLP (CLA). Mr. Walker noted that the FY 2022 Financial Statements Audit was primarily focused on the MDTA’s investments, capital/leased assets, revenue recognition, accounting for long-term debt, intergovernmental agency relationships, and financial reporting. CLA issued an unmodified opinion on the financial statements and reported that no material weaknesses or significant deficiencies in the MDTA’s internal controls were identified.

APPROVAL – CONTRACT NO. J01B3600006 – OPEN TEXT ADDITIONAL LICENSES

Ms. Debra Stewart requested a recommendation of approval from the Finance Committee to the full MDTA Board for Contract No. J01B3600006, Open Text Additional Licenses.

This Small Business Reserve (SBR) contract is for the provision of additional OpenText user licenses and three years of OpenText Maintenance and Support for the MDTA Division of Information Technology. The OpenText platform is used to maintain, store, and allow quick access to various documents and allows fluid workflow management. The additional licenses and continued software maintenance and support will allow the MDTA to maintain its current systems, continued use of the OpenText software, as well as access to technical support as needed.

Five SBR Master Contractors were authorized to supply OpenText Licenses & Maintenance and Support. Three authorized contractors responded to the request for bids. The lowest financial proposal was provided by Digital Information Services with a cost of \$305,858.95.

Member von Paris called for a motion to recommend approval of this item to the full MDTA Board at its next scheduled meeting. Member Rosen made the motion, and Member Penny-Ardinger seconded the motion, which was unanimously approved.

APPROVAL – CONTRACT NO. MT-00210742 (MT-3154-0000) – FIRE ALARM AND SUPPRESSION PREVENTIVE MAINTENANCE AND REPAIR AND FIRE ALARM MONITORING

Ms. Tina Dorn requested a recommendation of approval from the Finance Committee to the full MDTA Board for Contract No. MT-00210742, Fire Alarm and Suppression Preventive Maintenance and Repair and Fire Alarm Monitoring.

This contract is for the provision of Fire Alarm and Suppression Preventive Maintenance and Repair and Fire Alarm Monitoring service. The requested preventive maintenance, repair and fire alarm monitoring services require the contractor to furnish all labor, materials, supplies, equipment, tools, supervision, transportation, insurance, permits, and confined space program

necessary to provide service calls. The contract also includes repair and routine preventive maintenance and testing, inspections, emergency service, and monitoring of the MDTA's fire alarm/suppression systems. Four bids were opened on this project. The apparent low bidder is Advanced Fire Protection Systems, LLC, with a cost of \$1,340,010.00.

Member von Paris called for a motion to recommend approval of this item to the full MDTA Board at its next scheduled meeting. Member Carroll made the motion, and Member Penny-Ardinger seconded the motion, which was unanimously approved.

UPDATE – ANNUAL TRAFFIC AND REVENUE FORECAST

Ms. Chantelle Green and Ms. Kelly Morison from CDM Smith provided an update to the Finance Committee on the Traffic and Revenue (T&R) Forecast for the legacy facilities, Intercounty Connector (ICC), and the I-95 Express Toll Lanes (ETL). On a systemwide basis, through fiscal year (FY) 2028, forecasted revenues are expected to decline by \$49.9 million, or 0.9 percent, compared to the previous forecast. The reduction is primarily due to the tapering of collected backlogged transactions, lingering effects of COVID-19, and the near-term impact of the Customer Assistance Plan.

APPROVAL – FY 2024 PRELIMINARY OPERATING BUDGET

Mr. Jeffrey Brown requested a recommendation for approval from the Finance Committee to the full MDTA Board of the FY 2024 Preliminary Operating Budget. Mr. Brown explained that the proposed FY 2024 operating budget of \$391.4 million represents a \$4.2 million, or a 1.1 percent, increase, versus the FY 2023 Final Budget. When comparing the FY 2024 Preliminary Operating Budget to the MDTA Board-approved June 2022 financial forecast, the FY 2024 budget is \$4.5 million, or 1.2 percent, more than projected. The key driver for the increase in projected spending is the mandatory 4.5 percent cost of living adjustment (COLA) for all State employees effective November 1, 2022.

The FY 2023 operating budget reflects a \$13.8 million increase in mandatory spending, a \$8.9 million increase in discretionary spending, and a \$18.5 million reduction in discretionary spending. Mandated changes increased the budget by \$13.8 million mostly due to: (1) a 4.5 percent COLA for all State employees effective November 1 plus a 5 percent COLA for the police in FY 2024; (2) employee, LEOPS, and MSP retirement costs; (3) step and grade changes; and (4) social security increasing due to increased salaries.

Member von Paris called for a motion to recommend contingent approval of this item to the full MDTA Board at its next scheduled meeting. Member Rosen made the motion, and Member Carroll seconded the motion, which was unanimously approved.

APPROVAL – FINAL FY 2023-2028 CONSOLIDATED TRANSPORTATION PROGRAM

Ms. Jeanne Marriott requested a recommendation for approval from the Finance Committee to the full MDTA Board of the Final FY 2023-2028 Consolidated Transportation Program (CTP). The proposed FY 2023-2028 CTP is \$2.7 billion and reflects a net increase of \$52.6 million over the six-year period. FY 2022 expenditures were \$496.2 million compared to the \$548.6 million in the Draft FY 2023-2028 CTP. This amount has been rolled over into the Final FY 2023-2028 CTP. The increase is the net result of a (1) \$15.8 million increase for the Nice/Middleton Bridge; (2) \$9.2 million increase for the I-95 Express Toll Lanes (ETL) Northbound Extension; (3) \$80.3 million decline in the allocated and unallocated reserves; and (4) \$107.9 million increase in funding for all projects (excluding the Nice/Middleton Bridge and I-95 ETL).

Member von Paris called for a motion to recommend approval of this item to the full MDTA Board at its next scheduled meeting. Member Penny-Ardinger made the motion, and Member Carroll seconded the motion, which was unanimously approved.

APPROVAL – FY 2023-2028 FINANCIAL FORECAST

Ms. Chantelle Green requested a recommendation for approval from the Finance Committee to the full MDTA Board of the MDTA's FY 2023-2028 Financial Forecast. Ms. Green noted that the forecast has been updated to include the most recent T&R forecast, the FY 2024 Preliminary Operating Budget, and the Final FY 2023-2028 CTP. Throughout the six-year period, the MDTA will continue to meet all required financial goals and legal standards.

Member von Paris called for the approval of the FY 2023-2028 Financial Forecast. Member Rosen made the motion, and Member Carroll seconded the motion, which was unanimously approved.

UPDATE – BI-ANNUAL REVIEW OF REVENUE SUFFICIENCY

Ms. Chantelle Green provided the Finance Committee with an update on the Bi-Annual Review of Revenue Sufficiency for the FY 2023-2028 financial forecast period. Ms. Green noted that the MDTA's Board Policy requires a bi-annual review of revenue sufficiency to determine if current rates and fee levels are appropriate based on levels of expected spending. The FY 2023-2028 financial forecast shows that current toll rates, fees, and discounts provide sufficient revenue over the near-term to meet forecasted spending and exceed all legal and policy requirements.

UPDATE – CUSTOMER ASSISTANCE PLAN CIVIL PENALTY WAIVER GRACE PERIOD

Mr. Will Pines and Ms. Deb Sharpless provided the Finance Committee with an update on the Customer Assistance Plan Civil Penalty Waiver Grace Period. As of October 31, 2022, \$108 million in civil penalties have been waived for approximately 691,000 drivers and businesses that have paid their outstanding Video Tolls. Despite a nine-month opportunity to spread out Video Toll payments without penalty and multi-level public awareness initiatives, approximately 1.9 million drivers to date have chosen not to pay their debt. Standard operations for civil penalties, collections, and enforcement will resume starting on December 1, 2022, which maintains fairness with customers who abided by the law and paid their tolls.

APPROVAL – INVESTMENT COMMITTEE REPORT

Mr. Allen Garman, Mr. Clayton Viehweg, and Mr. David Calvert (PFM) provided an update to the Finance Committee on the activities of the Investment Committee for the period ended September 30, 2022. The update included a review of market conditions, portfolio strategies, total return performance, and dealer trade allocations. Market drivers that may influence portfolio performance in the coming months were also discussed, including the economy, fiscal policy, and Federal Reserve monetary policy. Mr. Garman noted that the Investment Committee is not recommending any changes to the investment strategy at this time.

Member von Paris called for the approval of the Investment Committee Report. Member Rosen made the motion, and Member Penny-Ardinger seconded the motion, which was unanimously approved.

UPDATE – 1ST QUARTER OPERATING BUDGET VERSUS ACTUAL SPENDING

Mr. Jeffrey Brown updated the Finance Committee on actual versus projected year-to-date spending for the first quarter of FY 2023. As of September 30, 2022, 11 percent of the operating budget was spent compared to the target of 23 percent. All objects were below the targeted spending level. The primary driver for the reduced spending was personnel vacancies, seasonality of expenses, and 1st quarter accruals.

UPDATE – 1ST QUARTER CAPITAL BUDGET VERSUS ACTUAL SPENDING

Ms. Jeanne Marriott updated the Finance Committee on actual year-to-date spending for the first quarter compared to projected spending as shown in the FY 2023-2028 Draft CTP. As of September 30, 2022, 11.9 percent of the FY 2023 capital budget was spent as compared to the target of 25 percent. Ms. Marriott indicated that capital spending for the first quarter is low because of outstanding accruals for work completed in FY 2022.

UPDATE – 1ST QUARTER FY 2023 TRAFFIC AND REVENUE PERFORMANCE REPORT

Ms. Deb Sharpless provided the Finance Committee with a quarterly and year-to-date update regarding traffic and toll revenue trends compared to the previous year and the forecast. The key takeaways regarding year-to-date traffic and revenue performance are that (1) passenger vehicle traffic levels continue to track closely to pre-pandemic levels; (2) commercial vehicle traffic levels continue to outperform pre-pandemic levels; and (3) when adjusting for timing differences, systemwide revenue exceeded the forecast by \$4.3 million, or 2.3 percent.

There being no further business, the meeting of the Finance Committee adjourned at 10:52 a.m., following a motion by Member Penny-Ardinger and seconded by Member Carroll.

John von Paris, Chairman

ITEM

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MEMORANDUM

TO: Finance Committee
FROM: Sushmita Mitra, P.E., PTOE, PMP, Director of Engineering
SUBJECT: Contract No. MR3035-0000 - On-Call Upgrade and Replace Metal Traffic Barriers and Attenuators
DATE: December 8, 2022

PURPOSE

The purpose of this memo is to present the above-mentioned contract to the Finance Committee and seek recommended approval from the Finance Committee to present contract MR3035-0000 to the full MDTA Board for award at its next scheduled meeting.

SUMMARY

This contract provides for the upgrade, replacement and maintenance of traffic barrier w-beam, end treatments, attenuators, and associated roadside safety hardware on an as-needed basis. The work on this contract is intended to be performed on an on-call basis. The work under this contract may be performed at all MDTA facilities with the exception of the Point Breeze facility.

A single bid was opened from L.S. Lee, Inc. on October 27, 2022. Bid opening for the contract was originally scheduled for October 13, 2022; however, only one response was received at that time. Bid opening was subsequently postponed to October 27, 2022 to allow the opportunity for other prospective bidders to respond. In response to the solicitation, the Division of Procurement received no-bid forms from 14 contractors citing that they either do not provide the services required by the contract, are inexperienced in the subject of the contract, or that the scope of work is beyond their present capacity. The engineer’s estimate (EE) for the contract was \$4,489,775.00 and the low responsive bid amount was \$5,446,400.00, resulting the preparation of a bid justification to determine that the bid was balanced and reasonable. The MBE goal for the contract is 4.00% with no VSBE requirement and no subgoals.

L.S. Lee is the incumbent on the current traffic barrier on-call contract (MR3015R-0000) and has a successful history performing this work for MDTA and similar work for Maryland State Highway Administration.

RECOMMENDATION

To present contract MR3035-0000 to the full MDTA Board for approval at its next scheduled meeting in order to proceed with award of the contract to L.S. Lee, Inc.

ATTACHMENTS

- Bid Justification
- Project Summary



Maryland
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Authority

FINANCE COMMITTEE PROJECT SUMMARY

MR-3035-0000 : On-Call Upgrade and Replace Metal Traffic Barriers and Attenuators

PIN NUMBER OPER
CONTRACT NUMBER MR-3035-0000
CONTRACT TITLE On-Call Upgrade and Replace Metal Traffic Barriers and Attenuators

PROJECT SUMMARY This contract provides for the replacement and maintenance of traffic barrier w-beam, end treatments, attenuators, and related hardware on an as-needed basis. The work on this contract is intended to be executed via on-call. The contract will cover three years of replacement and maintenance of traffic barrier w-beam and end treatments/attenuators and will be performed at all MDTA facilities with the exception of Point Breeze.

SCHEDULE

ADVERTISEMENT DATE 8/22/2022
ANTICIPATED NOTICE TO PROCEED DATE Feb-23
DURATION (CALENDER DAYS) 1095

MBE PARTICIPATION

OVERALL MBE
SUBGOALS
VSBE

Advertised Goal GOAL (%)	Proposed Goal
4.00%	4.00%
0.00%	
0.00%	

BID RESULTS

BID PROTEST YES NO

L.S. Lee, Inc

BID AMOUNT (\$)	% VARIANCE TO EE
\$5,446,400.00	21.3%

ITEM

3



MEMORANDUM

TO: Finance Committee
FROM: Paul Trentalance, Director, Office of Audits *PT*
SUBJECT: Contract No. 00210783, Internal Auditing Services
DATE: December 8, 2022

PURPOSE OF MEMORANDUM

The purpose of this memo is to present the above-mentioned contract award to the Finance Committee for contingent approval.

SUMMARY

This Contract is to provide internal auditing services, to include assurance consulting services, providing expertise in critical areas through guidance and augmenting existing MDTA staff, and/or fully conducting audits. These services will assist the MDTA’s Board Members, Executive Director, and the Office of Audits in accomplishing their objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization’s risk management, control, and governance process.

This contract was procured as a Request for Proposal (RFP) under Solicitation No. SV-3104-0000. Seven (7) Proposals were received, and one (1) firm was found non-responsive and therefore was not susceptible for award. This was a best value contract where Technical and Financial elements of the RFP had equal importance. The recommended awardee, BD & Co, was ranked first overall and provided the best value to the State with the lowest Financial Proposal and third ranked Technical Proposal. The Evaluation Committee determined that the delta between the top three technically ranked firms was not significant and the lowest Financial Proposal submitted by BD & Co outweighed the higher ranked Technical Proposals; therefore, the Committee recommended award to BD & Company. BD & Company is the incumbent with a proven track record in providing these services to the MDTA.

This Contract exceeds the delegated procurement authority of the Maryland Transportation Authority; and therefore, will be presented to the Board of Public Works on January 25, 2023.

RECOMMENDATION(S)

To obtain contingent recommended approval by the Finance Committee to present the above-mentioned contract to the full MDTA Board at its next scheduled meeting.

ATTACHMENT(S)

- Finance Committee Project Summary



FINANCE COMMITTEE PROJECT SUMMARY

Contract No. 00210783, Internal Auditing Services

PIN NUMBER N/A
CONTRACT NUMBER 00210783 (Solicitation No.: SV-3104-0000)
CONTRACT TITLE Internal Auditing Services

PROJECT SUMMARY This Contract is to provide for internal auditing services, to include assurance consulting services, providing expertise in critical areas through guidance and augmenting existing MDTA staff, and/or fully conducting audits. These services will assist the MDTA’s Board Members, Executive Director, and the Office of Audits in accomplishing their objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization’s risk management, control, and governance process.

SCHEDULE		MBE PARTICIPATION		
		MBE PARTICIPATION - OVERALL	ADVERTISED GOAL (%)	PROPOSED GOAL (%)
ADVERTISEMENT DATE	6/29/2021	OVERALL MBE	30.00%	31.50%
ANTICIPATED NTP DATE	2/1/2023	AFRICAN AMERICAN	0.00%	6.00%
DURATION/TERM	Three (3) years and one (1) two-year option.	ASIAN AMERICAN	0.00%	15.00%
		WOMEN	0.00%	10.50%
		VSBE	0.05%	1.00%

COST ESTIMATE (EE)	(\$)		BID PROTEST		
			YES	NO	
	\$900,000.00	Base 3 Year Term			✓
	\$600,000.00	Two-Year Renewal			

PROPOSER	FINANCIAL PRICE	PRICE RANK	TECHNICAL RANK	OVERALL RANK
BD & Company	\$1,275,259.50	1	3	1
BCA Watson Rice	\$1,376,484.00	2	2	2
Cherry Bekaert	\$1,529,465.00	3	1	3
Citrin Cooperman	\$1,887,500.00	4	5	4
Crowe	\$1,978,340.00	5	6	6
UHY Advisors	\$2,001,547.00	6	4	5