



Maryland Transportation Authority

BOARD MEETING

THURSDAY, DECEMBER 21, 2023

MARYLAND TRANSPORTATION AUTHORITY
2310 BROENING HIGHWAY
BALTIMORE, MD 21224

IN-PERSON AND LIVESTREAM



MARYLAND TRANSPORTATION AUTHORITY BOARD MEETING

2310 Broening Highway * Training Room – 2nd Floor * Baltimore, MD 21224

DECEMBER 21, 2023 9:00 AM

This meeting will be livestreamed on the [MDTA Board Meeting Page](#)

NOTES:

- This is an In-Person Open Meeting being conducted via livestreaming.
- The public is welcomed to watch the meeting at the link above.
- *If you wish to comment on an agenda item please email your name, affiliation, and the agenda item to nhenson@mdta.state.md.us no later than 5:00 p.m. on December 19th. You **MUST** pre-register and attend the meeting in person in order to comment.* Once pre-registered, all pertinent information will be emailed to you.

AGENDA

OPEN SESSION – 9:00 AM

Call Meeting to Order

- | | | |
|---|--------------------|---------|
| 1. <u>Approval</u> – <u>Open Session Meeting Minutes of November 29, 2023</u> | Chairman | 5 min. |
| 2. <u>Approval</u> – <u>Contract Award</u> <ul style="list-style-type: none">• J01B4600002 – Hewlett Packard Enterprises (HPE) Synergy Hardware, Installation, and Training• MT-00211148 – Janitorial Services - William Preston Lane, Jr. Memorial (Bay) Bridge Facilities• SV-00210586 – Right of Way Services | Donna DiCerbo | 10 min. |
| 3. <u>Approval</u> – <u>Board Resolution 23-02</u> – Toll Revenue Bonds Refinancing | Allen Garman | 10 min. |
| 4. <u>Approval</u> – <u>Quarterly Review of Investment Strategy and Benchmarks</u> | Allen Garman | 10 min. |
| 5. <u>Update</u> – <u>1st Quarter Operating Budget Comparison</u> – Review of Actual vs. Projected Fiscal Year 2024 Operating Budget Spending | Jeffrey Brown | 5 min. |
| 6. <u>Update</u> – <u>1st Quarter Capital Budget Comparison</u> – Review of Actual vs. Projected Fiscal Year 2024 Capital Budget Spending | Jennifer Stump | 5 min. |
| 7. <u>Update</u> – <u>Quarterly Update on Traffic and Revenue</u> – Update on the Actual Performance of Traffic and Revenue Compared to the Forecast through September 30, 2023 | Chantelle Green | 5 min. |
| 8. <u>Update</u> – <u>Major Projects</u> – Quarterly Update on Major Projects Valued Over \$40 Million or of Significant Public Impact | James Harkness | 15 min. |
| 9. <u>Update</u> – <u>Information Technology Major Projects</u> – Quarterly Update on Information Technology Major Projects | David Goldsborough | 10 min. |
| 10. <u>Update</u> – <u>Civil Rights and Fair Practice’s Socioeconomic Programs</u> – Quarterly Update on Socioeconomic Programs | Tia Rattini | 10 min. |

**MDTA BOARD MEETING
DECEMBER 21, 2023, 9:00 AM**

**AGENDA
PAGE 2**

- | | |
|--|-------------------------------|
| 11. <u>Update</u> – <u>Audit Committee Update</u> – Verbal | Member Penny-Ardinger 10 min. |
| 12. <u>Update</u> – <u>Executive Director’s Report</u> – Verbal | Percy Dangerfield 10 min. |

Vote To Go Into Closed Session

CLOSED SESSION – Expected Time 10:45 AM

- | | |
|--|----------------------|
| 13. Discuss pending collective bargaining negotiations with FOP 34 | Tonya Dorsey 15 min. |
|--|----------------------|

Vote To Return To Open Session

Vote to Adjourn Meeting

TAB 1

MARYLAND TRANSPORTATION AUTHORITY
BOARD MEETING

WEDNESDAY, NOVEMBER 29, 2023
9:00 A.M.

2310 BROENING HIGHWAY, BALTIMORE MD 21224
IN-PERSON & LIVESTREAMED OPEN MEETING

OPEN SESSION

Paul J. Wiedefeld, Chairman

MEMBERS ATTENDING:

Dontae Carroll
William H. Cox, Jr.
W. Lee Gaines, Jr. – Via Telephone
Mario J. Gangemi
Cynthia D. Penny-Ardinger
Jeffrey S. Rosen
Samuel D. Snead
John F. von Paris

STAFF ATTENDING:

Jeffrey Brown
Percy Dangerfield
Jeffrey Davis
Tonya Dorsey
Allen Garman
James Harkness
Natalie Henson
Richard Jaramillo
Daryl Keys
Selena McKissick
Kelly Melhem
Kimberly Millender, Esq.
John Monk
Ebony Moore
Mary O’Keeffe
Acting Colonel Joseph Scott
Deborah Sharpless
Jennifer Stump
Jerome Watson

OTHERS ATTENDING:

Samantha Biddle, Deputy Secretary, MDOT TSO

At 9:00 a.m. Chairman Paul J. Wiedefeld called the meeting of the Maryland Transportation Authority (MDTA) Board to order. The meeting was held in-person at MDTA Headquarters, 2310 Broening Highway, Baltimore MD 21224 and was livestreamed on the MDTA Board Meeting web page.

APPROVAL – OPEN SESSION MEETING MINUTES OF OCTOBER 26, 2023

Upon motion by Member William H. Cox, Jr. and seconded by Member Mario J. Gangemi, the open session meeting minutes of the MDTA Board meeting held on October 26, 2023 were unanimously approved.

APPROVAL – 1st CLOSED SESSION MEETING MINUTES OF OCTOBER 26, 2023

Upon motion by Member Jeffrey S. Rosen and seconded by Member Samuel D. Snead, the 1st closed session meeting minutes of the MDTA Board meeting held on October 26, 2023 were unanimously approved.

APPROVAL – 2nd CLOSED SESSION MEETING MINUTES OF OCTOBER 26, 2023

Upon motion by Member Mario J. Gangemi and seconded by Member Dontae Carroll, the 2nd closed session meeting minutes of the MDTA Board meeting held on October 26, 2023 were unanimously approved.

APPROVAL – CONTRACT AWARD

- **HB-3001-0000 – Cleaning and Painting and Miscellaneous Structural Repairs of the US 40 Bridge over the Susquehanna River (Hattem Bridge)**

Mr. Jeffrey Davis requested contingent approval from the MDTA Board to execute Contract No. HB-3001-0000 – Cleaning and Painting and Miscellaneous Structural Repairs of the US 40 Bridge over the Susquehanna River (Hattem Bridge) with Blastech Enterprises, Inc. in the amount of \$56,861,520.00.

Mr. Davis explained that the work to be performed under this Contract is located on the Thomas J. Hattem Memorial Bridge, US Route 40, over the Susquehanna River. The scope of work includes replacement of the protective coating system on the structural steel members and performing miscellaneous structural steel repairs on the bridge.

Upon motion by Member Mario J. Gangemi and seconded by Member W. Lee Gaines, Jr., the Members unanimously gave contingent approval to execute Contract No. HB-3001-0000 – Cleaning and Painting and Miscellaneous Structural Repairs of the US 40 Bridge over the Susquehanna River (Hattem Bridge).

UPDATE – PROCURMENT REPORT ON OPEN CONTRACTS

Mr. Jeffrey Davis presented the MDTA Board with a verbal report on how many contracts are currently open with the MDTA excluding state credit card purchases. There are currently 204 total contracts totaling \$2,732,347,048.99.

APPROVAL – CANTON RAILROAD

Ms. Deborah Sharpless requested approval from the Maryland Transportation Authority (MDTA) Board of the proposed Canton Development Corporation, Inc. (Canton) Board of Directors and designation of the Chief Financial Officer, or designee, as proxy to attend the Canton Annual Stockholders Meeting on December 13, 2023 to vote to approve the election of the Canton Board of Directors.

Ms. Sharpless explained that the MDTA is the sole stockholder of Canton and the day-to-day operations of Canton are managed by Mr. Paul Barnes, the President and CEO, with the oversight of a Board of Directors. Per the Corporate By-Laws, the stockholders are to gather annually and elect the members of the Board of Directors.

She further explained that Mr. Barnes has provided MDTA with proper notice of the upcoming Annual Meeting of stockholders to be held on December 13, 2023. Per the By-Laws, the only matter on which the stockholders have authority to vote is the election of the members to Canton's Board of Directors. Additionally, the By-Laws of Canton permit the stockholders to be represented by a proxy.

Ms. Sharpless explained that the MDTA recommends the appointment of Charley C. Sung and Thomas E. Huesman. MDTA Board Members Cox, von Paris, and Canton Director Kaufman strongly endorse these appointments. Information regarding their qualifications were shared in the Board materials. The MDTA also recommends the reappointment of J. Robert Huber, Sr. Member Cox, Canton Director Kaufman, and Canton CEO Barnes strongly endorse the reappointment. Lastly, the MDTA recommends Director Kaufman assume the responsibility of Chairman.

Upon motion by Member Cynthia D. Penny-Ardinger and seconded by Member Dontae Carroll, the Members unanimously approved the Canton Railroad Board of Directors and the designation of the Chief Financial Officer as proxy to attend Canton's Annual Stockholder Meeting on December 13, 2023 to vote.

UPDATE – TRAFFIC AND REVENUE FORECAST UPDATE

Ms. Deborah Sharpless briefed the MDTA Board on the annual update to the Traffic and Revenue (T&R) forecasts for all facilities.

Ms. Sharpless explained that each fall, an update to the ten-year traffic and revenue forecast is prepared by independent consultants. The MDTA selected CDM Smith through a competitive process to provide the T&R forecast. The forecast is built on historical data from the MDTA's facilities and national, regional, and State socioeconomic data, such as population, employment, unemployment, real income per capita, real gross domestic product, inflation, and fuel prices. The forecast also accounts for, among other things, anticipated construction projects, video toll collection and enforcement, and ongoing T&R growth trends following COVID-19.

Ms. Sharpless then provided an update on the traffic T&R forecast for the legacy facilities, Intercounty Connector (ICC), and the I-95 Express Toll Lanes (ETL). She explained that the current T&R forecast (FY 2023-2029) increases by \$354 million, or 7%, from November 2022. The \$354 million increase in revenue is largely driven by a \$320 million increase in legacy facility revenue and a \$26 million increase in toll administrative revenue. Also, the Intercounty Connector and I-95 Express Toll Lanes revenue increases by \$7 million, or 1%, throughout the forecast period.

APPROVAL – FISCAL YEAR 2025 PRELIMINARY OPERATING BUDGET

Mr. Jeffrey Brown requested MDTA Board approval of the Preliminary Fiscal Year (FY) 2025 Operating Budget.

Mr. Brown explained that the proposed FY 2025 Preliminary Operating Budget of \$421.4 million, represents a \$21.3 million, or 5.3%, increase versus the FY 2024 Final Budget. Overall, the key drivers of the increase are mandated personnel expenses, E-ZPass® service center costs, engineering costs, and insurance premiums.

The FY 2025 operating budget reflects a \$9.4 million increase in mandatory spending, a \$14.8 million increase in discretionary spending, and a \$2.9 million reduction in discretionary spending. Mandated changes increased the budget by \$9.4 million mostly due to: (1) a 5.0% COLA for Police; (2) Maryland State Police increases due to personnel and an overhead rate increase totaling \$2.3 million; (3) a one-time step increase for all sworn and civilian employees totaling \$1.7 million; (4) Civilian COLA of 2% increases the budget by \$1.6 million; (5) Employee & Law Enforcement Officers Pension System retirement costs account for \$0.8 million; (6) Overtime increases due to vacancies increases by \$0.5 million; (7) Social Security increases to \$0.4 million primarily due to rate changes; and (8) other (reclasses, other fringe, accrued leave, etc.) decrease by \$0.5 million.

Upon motion by Member Jeffrey S. Rosen and seconded by Member Cynthia D. Penny-Ardinger, the Fiscal Year 2025 Preliminary Operating Budget was unanimously approved.

**APPROVAL – FINAL FISCAL YEAR 2024 – 2029 CONSOLIDATED
TRANSPORTATION PROGRAM (CTP)**

Ms. Jennifer Stump requested MDTA Board approval for the Final Fiscal Year (FY) 2024-2029 Consolidated Transportation Program (CTP). She explained that the six-year FY 2024-2029 budget in the proposed CTP is \$3.1 billion.

The proposed CTP reflects a net increase in the six-year FY 2024-2029 budget of \$393.1 million. The net FY 2024-2029 increase is the result of the following:

- Increase of \$780 thousand for the Nice/Middleton Bridge.
- Increase of \$4.9 million for the I-95 Express Toll Lanes (ETL) Northern Extension.
- Increase of \$177.9 million for all projects except Nice/Middleton Bridge, I-95 ETL Northern Extension, and reserves.
- Increase of \$209.5 million in the Allocated and Unallocated Reserves.

The FY 2023 expenditures were \$451.7 million vs. \$484.8 million in the Draft FY 2024-2029 CTP (Attachment #1 – Line 6). FY 2023 underspending was \$33.1 million and has been rolled over into the Final FY 2024-2029 CTP.

Upon motion by Member Dontae Carroll and seconded by Member William H. Cox, Jr., the Final Fiscal Year 2024 – 2029 Consolidated Transportation Program was unanimously approved.

APPROVAL – DEBT POLICY

Mr. Allen Garman requested MDTA Board approval of the amended Debt Policy to upwardly revise the \$350 million Unrestricted Cash target to \$400 million.

For historical perspective, Mr. Garman explained that prior to 2009, the MDTA's liquidity target was set to equal annual toll revenues. With projected revenue increases associated with new facilities (ICC/ETL), traffic, and toll rates, it was recognized that revenues would rise sharply, from less than \$300 million in fiscal 2009 to more than \$600 million in fiscal 2014, and necessitate unnecessarily high cash reserves to remain in compliance with the internal policy.

A revised policy was adopted in 2009 based on the rating agencies' preferred metric that sized the unrestricted cash position to the relatively lower Operating Budget rather than Toll Revenues. The Debt Policy unrestricted cash target of \$350 million has been adequate in intervening years to meet rating agencies' liquidity standards.

Mr. Garman further explained that management, through consultation with credit rating agencies and external Municipal Advisors, recommends an increase in the unrestricted cash reserve to support prudent liquidity and meet Toll Sector ratings methodologies that require unrestricted cash to approximate the annual operating budget. This metric is termed the Days Cash on Hand ratio and is a critical credit strength measure, along with the Debt Service Coverage ratio, in maintaining credit ratings in the double-A ratings category and access to the capital markets at the lowest possible financing rates.

Unrestricted cash is adequate to meet the Days Cash on Hand metric for the ratings category in the current fiscal year but will need to rise during the six-year capital planning period to maintain relative size with the operating budget.

An increased cash reserve will have minimal short-term impact on debt service coverage, debt limit, and funds available for capital spending. In the long-term, the financing savings as a higher rated borrower will result in improved debt service coverage and lower debt outstanding.

Upon motion by Member Jeffrey S. Rosen and seconded by Member Dontae Carroll the MDTA Debt Policy was unanimously approved.

APPROVAL – FISCAL YEAR (FY) 2024 – 2029 FINANCIAL FORECAST

Mr. Allen Garman requested MDTA Board approval of the Fiscal Year (FY) 2024-2029 Financial Forecast.

Mr. Garman explained that through FY 2028, the MDTA remains in compliance with its financial goals and legal standards. However, based on the current forecast estimates, beginning in FY 2029, a systemwide toll increase will be necessary to maintain 2.0 times debt service coverage throughout the remainder of the FY 2024-2029 forecast period. Tolls were last increased in FY 2014 followed by a reduction of tolls in FY 2016. The actual timing of a toll increase will depend on many factors.

Upon motion by Member Mario J. Gangemi and seconded by Member John F. von Paris, the Fiscal Year 2024-2029 Financial Forecast was unanimously approved.

UPDATE – BI-ANNUAL REVIEW OF REVENUE SUFFICIENCY

Mr. Allen Garman presented to the MDTA Board the Bi-Annual Review of Revenue Sufficiency update. The most recent financial forecast shows that through FY 2028, the MDTA's current toll rates, fees, and discounts provide enough revenue in the immediate near-term to meet forecasted spending as well as legal and policy requirements.

UPDATE – INDEPENDENT AUDITORS’ REPORT ON THE FISCAL YEAR 2023 FINANCIAL STATEMENTS

Ms. Deb Sharpless reported to the MDTA Board the Independent Auditors’ Report on the Fiscal Year (FY) 2023 Financial Statements that CliftonLarsonAllen, LLP, MDTA’s independent auditor, completed. For the FY 2023 financial statements audit period, an unmodified opinion was issued by CliftonLarsonAllen, LLP. The two uncorrected misstatements for pensions and accrued interest were immaterial to the MDTA’s overall financial statements. The passed journal entries were recorded in FY 2024.

UPDATE – FISCAL YEAR 2023 INDEPENDENT AUDITORS’ SERVICE ORGANIZATION CONTROL (SOC) 1 AND SOC 2 REPORTS

Ms. Deborah Sharpless presented an overview of the results of the Fiscal Year 2023 Service Organization Control (SOC) 1 and SOC 2 Reports for the Maryland *E-ZPass* System. The audits were conducted by independent auditor SB & Company, LLC.

Ms. Sharpless explained the FY 2023 SOC 1 Type 2 audit review included 11 Control Objectives described and asserted by TransCore and 5 Control Objectives described and asserted by Kapsch. The FY 2023 SOC 2 Type 2 audit of TransCore was designed to ensure that the service organization’s people, infrastructure, software, data-handling, and procedures are sufficient to handle and protect customer data and information.

She further explained that for the FY 2023 audit period, unmodified opinions were issued for the SOC 1 Type 2 and SOC 2 Type 2 audits. With one exception, all of the findings noted were addressed. The remaining finding is expected to be addressed by the end of the calendar year.

UPDATE – BRIDGES AND TUNNELS PROPERTY INSURANCE COVERAGE

Ms. Deborah Sharpless updated the MDTA Board on the selected Property and Business Interruption insurance for 2024. Although insurance costs are a component of the annual Operating Budget approved by the Board, a more detailed update was warranted due to the materially rising premium costs. Ms. Sharpless explained decisions on deductibles as a function of risks, loss history, and breakeven analysis.

Ms. Sharpless explained the following key points to the MDTA Board.

1. Practical insurance coverage with reasonable terms is prudent and required by Section 6.06 of the Trust Agreement.

Section 6.06. Insurance.

The Authority covenants that it will maintain a practical insurance program, with such reasonable terms, conditions, provisions, and costs that the Authority in its sole discretion determines will afford adequate insurance protection. The Authority shall provide insurance against loss caused by damage to or destruction of all or any part of any of the Transportation Facilities Projects; use and occupancy insurance covering loss of revenues...

2. Industrywide policy premiums have risen materially due to inflation, catastrophe risk, and increasing property claims from weather events.
3. Property and Business Interruption Insurance is obtained annually in a competitive process through the State Treasurer's Office.
4. Combined Property and Business Interruption insurance quotes are provided based on replacement cost and maximum foreseeable loss estimates.
5. Despite operating histories for some of the tolling assets of more than 75 years, the MDTA has not experienced catastrophic property damage or loss of revenue that warranted insurance claims against the purchased policies, although the agency routinely pursues insurance claims against external parties that cause less severe damage.
6. Given the large differences in insurance premiums for varying deductibles, breakeven periods were quantitatively analyzed and the policy was selected based on prudent reasonableness considerations.

UPDATE – HUMAN RESOURCES COMMITTEE

Member W. Lee Gaines, Jr. presented an update on the Human Resources Committee meeting that took place on November 7, 2023. The Human Resources Committee Members were given updates on the Diversity, Equity, and Inclusion Program; Recruitment and Examinations Update on actions taken and progress made to lower the vacancy rate; the Leadership Investment for Tomorrow (LIFT) Program recap; and the Career Development Program activity for the current fiscal year.

UPDATE – EXECUTIVE DIRECTOR'S REPORT

Mr. Percy Dangerfield gave the Executive Director's Report. Mr. Dangerfield began by introducing himself, giving some of his background, and thanking everyone at the MDTA for everything they do to keep our Agency moving forward.

Mr. Dangerfield announced that the Governor Harry W. Nice/Senator Thomas "Mac" Middleton Bridge Replacement Design-Build project was honored by the Design-Build Institute of America. The project was awarded Project of Year, Infrastructure Award of Excellence, and the Best in Design Excellence by DBIA – Mid-Atlantic Region. And at the national level, the project won the DBIA Merit Award. He thanked the many employees (including Jim Harkness, Heather Lowe, John Wedemeyer, Jeff Davis, Dave Dikes, Ben Gilmore, Jim Davies, Brian Wolfe, and Bill Randow) for their roles in making the new safer bridge a reality.

Mr. Dangerfield acknowledged the hard work of those who helped to put together the two Open Houses for the public to learn more about the 695 Repairs and Subgrade Rehabilitation on Sparrows Point Project.

He also introduced Mr. Jerome Watson, MDTA's New Director of Customer Experience to the Board and gave a brief background of Mr. Watson. He also acknowledged Member Dontae Carroll and Member Mario Gangemi for their participation in the Leadership Investment for Tomorrow (LIFT) program. And for Member Carroll's participation in the Division of Administration's Employee Retreat.

Mr. Dangerfield concluded his remarks by presenting the MDTA Employee of the 3rd Quarter Award to our Point Breeze Maintenance Chief, Mr. Daryl Keys. Mr. Keys was nominated by the Executive Office staff for helping with Board set-up, stepping in to help with Hot Dog Day, and always be ready and willing to help.

VOTE TO ADJOURN MEETING

There being no further business, upon motion by Member William H. Cox, Jr. and seconded by Member Samuel D. Snead, the Members unanimously voted to adjourn the meeting at 10:45 a.m.

The next MDTA Board Meeting will be held on Thursday, December 21, 2023 at 9:00 a.m. at MDTA, 2310 Broening Highway, Baltimore MD and will be livestreamed on the MDTA Board webpage.

APPROVED AND CONCURRED IN:

Paul J. Wiedefeld, Chairman

TAB 2



Maryland
Transportation
Authority

Wes Moore, Governor
Aruna Miller, Lt. Governor
Paul J. Wiedefeld, Chairman

Board Members:
Dontae Carroll Cynthia D. Penny-Ardinger
William H. Cox, Jr. Jeffrey S. Rosen
W. Lee Gaines, Jr. Samuel D. Snead, MCP, MA
Mario J. Gangemi, P.E. John F. von Paris

Percy E. Dangerfield PhD, Acting Executive Director

MEMORANDUM

TO: MDTA Board
FROM: Deputy Director of Procurement Jeffrey Davis, NIGP-CPP, CMPO
SUBJECT: J01B4600002, Hewlett Packard Enterprises (HPE) Synergy Hardware, Installation and Training
DATE: December 21, 2023

PURPOSE

To seek approval to execute Contract No. J01B4600002, Hewlett Packard Enterprises (HPE) Synergy Hardware, Installation, and Training.

SUMMARY

This Small Business Reserve Contract is for the provision of a one-time purchase of Hewlett Packard Enterprises (HPE) Synergy Hardware, Installation, Training, and Extended Warranties for use by the MDTA ICC Data Center Site and the MDTA JFK Data Center Site.

RECOMMENDATION

To provide approval to execute Contract No. J01B4600002, Hewlett Packard Enterprises (HPE) Synergy Hardware, Installation, and Training.

ATTACHMENT

- Project Summary



AUTHORITY BOARD PROJECT SUMMARY

CONTRACT NUMBER. J01B4600002 SBR-HEWLETT PACKARD ENTERPRISES (HPE) SYNERGY HARDWARE, INSTALLATION AND TRAINING

PIN NUMBER

CONTRACT NUMBER

J01B4600002

CONTRACT TITLE

SBR-Hewlett Packard Enterprises (HPE) Synergy Hardware, Installation and Training

PROJECT SUMMARY

This SBR contract is for the provision of a one-time purchase of Hewlett Packard Enterprises (HPE) Synergy Hardware, Installation, Training and Extended Warranties for use by the MDTA ICC Data Center Site and the MDTA JFK Data Center Site. The total amount for this contract is \$736,781.30.

SCHEDULE

ADVERTISEMENT DATE

9/27/2023

ANTICIPATED NTP DATE

1/31/2024

DURATION (CALENDER DAYS)

One Time Purchase

ENGINEER'S ESTIMATE (EE)

(\$)

\$1,500,000.00

MBE PARTICIPATION

OVERALL MBE

(%)

0.00%

PROPOSED GOAL (%)

0.00%

AFRICAN AMERICAN

ASIAN AMERICAN

VSBE

0.00%

0.00%

BID RESULTS

BID AMOUNT (\$)

% VARIANCE TO EE

Advanced Computer Concepts, Inc.

\$736,781.30

-50.88%

Applied Technology Services, Inc.

\$761,473.96

-49.24%

Universal Adaptative Consulting
Services, Inc.

\$805,447.86

-46.30%

Electronic Data Solutions, Inc.

\$2,151,428.85

43.43%

IP Data Systems, Inc.

\$2,265,552.50

51.04%

YES

NO

BID PROTEST

☐ Check

☒ Check



Maryland Transportation Authority

Wes Moore, Governor
Aruna Miller, Lt. Governor
Paul J. Wiedefeld, Chairman

Board Members:

Dontae Carroll	Cynthia D. Penny-Ardinger
William H. Cox, Jr.	Jeffrey S. Rosen
W. Lee Gaines, Jr.	Samuel D. Snead, MCP, MA
Mario J. Gangemi, P.E.	John F. von Paris

Percy E. Dangerfield PhD, Acting Executive Director

MEMORANDUM

TO: MDTA Board
FROM: Deputy Director of Procurement Jeffrey Davis, NIGP-CPP, CMPO
SUBJECT: MT-00211148, Janitorial Services – William Preston Lane (WPL)
Memorial Bridge Facilities
DATE: December 21, 2023

PURPOSE

To seek approval to execute Contract No. MT-00211148, Janitorial Services – William Preston Lane (WPL) Memorial Bridge Facilities.

SUMMARY

This Community Services contract provides comprehensive janitorial services including supervision, supplies, labor, and equipment at the (WPL) Memorial Bridge facilities - Community Services Provider is National Center on Institutions and Alternatives (NCIA). The Pricing and Selection Committee approved the rates for these services on November 16, 2023. Janitorial supplies are included in the contract total and the contract specifies that supplies be purchased from Blind Industries of Maryland, also a Community Service Provider.

RECOMMENDATION

To provide approval to execute Contract No. MT-00211148, Janitorial Services – William Preston Lane (WPL) Memorial Bridge Facilities.

ATTACHMENT

- Project Summary



AUTHORITY BOARD PROJECT SUMMARY

Contract No. MT-00211148 Janitorial Services - William Preston Lane (WPL) Memorial Bridge Facilities

PIN NUMBER
CONTRACT NUMBER
CONTRACT TITLE

N/A
MT-00211148
Janitorial Services - William Preston Lane (WPL) Facilities

PROJECT SUMMARY

This (Community Services) contract provides comprehensive janitorial services including supervision, supplies, labor, and equipment at the (WPL) Memorial Bridge facilities: National Center on Institutions and Alternative (NCIA). The Pricing and Selection Committee approved the rates for these services on November 16, 2023. Janitorial supplies are included in the contract total and the contract specifies that supplies be purchased from Blind Industries of Maryland, also a Community Service Provider.

		MBE PARTICIPATION (N/A)		
SCHEDULE		MBE PARTICIPATION - OVERALL	ADVERTISED	PROPOSED
			GOAL (%)	GOAL (%)
ADVERTISEMENT DATE	N/A	OVERALL MBE	0.00%	0.00%
ANTICIPATED NTP DATE	2/1/2024	VSBE	0.00%	0.00%
DURATION/TERM	Three (3) Years w/one 2-Year Renewal Option			
		BID PROTEST	YES	NO ✓
NAME OF COMPANY	PRICING			
National Center on Institutions and Alternatives, Inc.	\$1,366,583.80 (NTE) Cost for 5 Years			



Maryland Transportation Authority

Wes Moore, Governor
Aruna Miller, Lt. Governor
Paul J. Wiedefeld, Chairman

Board Members:

Dontae Carroll	Cynthia D. Penny-Ardinger
William H. Cox, Jr.	Jeffrey S. Rosen
W. Lee Gaines, Jr.	Samuel D. Snead, MCP, MA
Mario J. Gangemi, P.E.	John F. von Paris

Percy E. Dangerfield PhD, Acting Executive Director

MEMORANDUM

TO: MDTA Board
FROM: Deputy Director of Procurement Jeffrey Davis, NIGP-CPP, CMPO
SUBJECT: Contract No. SV-00210586, Right-of-Way Services
DATE: December 21, 2023

PURPOSE

To seek approval to execute Contract No. SV-00210586, Right-of-Way Services.

SUMMARY

This contract is for the provision of professional Right of Way support services, such as project management, the development of right-of-way cost estimates, real estate appraisals and appraisal reviews, real estate surveys and survey reviews, support for acquisitions and dispositions, support for relocations, support for settlements, condemnation support, GIS (Geographic Information System Mapping) support, title services, and other related right-of-way services. The resulting contract will assist Real Estate Services staff in meeting its short-term and long-term goals, as it supports the customer service, mobility, and financial needs of Real Estate Services.

RECOMMENDATION

To provide approval to execute Contract No. SV-00210586, Right-of-Way Services.

ATTACHMENT

- Project Summary



PROJECT SUMMARY	<p>The purpose of this contract is to provide the MDTA with project management, development of right-of-way cost estimates, real estate appraisals and appraisal reviews, real estate surveys and survey reviews, support for acquisitions and dispositions, support for relocations, support for settlements, condemnation support, GIS (Geographic Information System Mapping) support, title services, and other related right-of-way services. The resulting contract will assist Real Estate Services staff in meeting its short-term and long-term goals, as it supports the customer service, mobility and financial needs of Real Estate Services.</p>
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SCHEDULE		MBE PARTICIPATION (N/A)		
		MBE PARTICIPATION - OVERALL	ADVERTISED GOAL (%)	PROPOSED GOAL (%)
ADVERTISEMENT DATE	4/19/2023	OVERALL MBE	15.00%	15.00%
ANTICIPATED NTP DATE	3/1/2024	VSBE	1.00%	1.00%
DURATION/TERM	Three (3) Years w/one 2-Year Renewal Option			
		BID PROTEST	YES	NO ✓
BID RESULTS	BID AMOUNT(S)			
Johnson, Mirmiran & Thompson, Inc.	\$ 11,467,000.00			
Bowman Consulting Group, Ltd.	\$ 19,589,350.00			

TAB 3



Board Members:

MEMORANDUM

TO: MDTA Board
FROM: Deputy Director of Finance Allen W. Garman
SUBJECT: MDTA Board Resolution No. 23-02, Toll Revenue Bonds Refinancing
DATE: December 21, 2023

PURPOSE OF MEMORANDUM

Request the MDTA Board's approval of Resolution No. 23-02 to authorize the issuance of toll revenue bonds to refinance the Series 2009B and 2010B Build America Bonds for economic savings and reduced risk.

SUMMARY

Key Refinancing Goals

1. Interest Cost Savings
 - a. Net Present Value cash flow savings of combined initial refinancing and subsequent refunding.
2. Risk reduction associated with sequestration and uncertain federal subsidy payments.
 - a. The fixed rate nature of the coupons has been unexpectedly variable as a function of less than promised federal subsidies.
 - b. Risk of future subsidy cuts.

The Resolution No. 23-02 authorizes refunding bonds to refinance the Series 2009B and 2010B taxable Build America Bonds for economic savings.

The market dependent refinancing could occur as soon as February 2024 and will be sized to account for the call premium, refinancing bond premium, and costs of issuance, including funding a debt service reserve.

The \$747 million of Series 2009B and 2010B taxable Build America Bonds (BABs) were issued with a make-whole call provision that makes economic refinancings unlikely, but the current abnormal market environment has created a unique opportunity for debt restructuring savings. Of the original BABs issued, \$721 million remains outstanding with maturities extending to

2043. Coupons range from 5.16% to 5.89%. The IRS subsidy payments are designed to cover 35% of the coupons, so the net coupons should range between 3.35% to 3.83%. However, the federal budget sequestrations have reduced the federal subsidies and increased net interest costs and risks as outlined below.

Sequestration and Subsidy Cuts Quantified, Federal Budget/Legislation Risks

- Inability to pass federal budgets and future *sequestration*¹ increases net interest cost and creates additional risks.

Sequestration Rates, October 1 - September 30		
Federal Fiscal Year Corresponds to MDTA's January and July Payments		
	Cut	Cost to MDTA
FFY13	8.70%	1,313,976
FFY14	7.20%	1,087,428
FFY15	7.30%	1,102,531
FFY16	6.80%	959,232
FFY17	6.90%	1,042,119
FFY18	6.60%	931,020
FFY19	6.20%	936,396
FFY20	5.90%	891,087
FFY21	5.70%	860,881
FFY22	5.70%	852,263
FFY23	5.70%	843,331
Total Foregone Subsidies		10,820,264

Make-Whole Call, Extraordinary Redemption Provision, Refinancing Savings

The term Make-Whole Call is from the investor's perspective, not the issuer's. This type of call is generally not economic to exercise for the issuer and is designed to protect the investor from reinvestment risk in a falling rate environment.

The Extraordinary Redemption Provision was legally triggered by the federal cuts to the 35% subsidy starting in 2013. The Make-Whole Call Price² is calculated from prevailing treasury rates plus 100 basis points, so the call price unfavorably rises when interest rates fall. In a rising rate environment, the call price may not fall below par and interest rates in the tax-exempt municipal market are normally correlated and moving unfavorably higher.

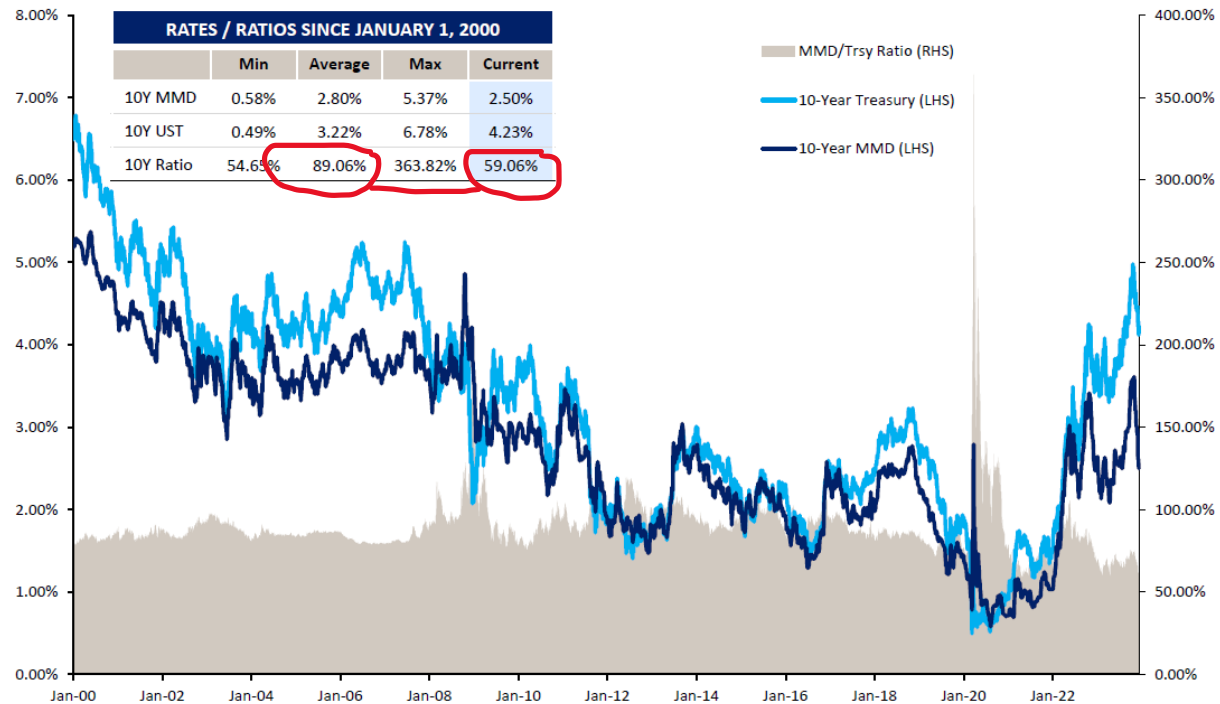
While both falling and rising rate environments generally do not provide favorable economics for make-whole call refinancings, there is an unusual *Goldilocks* relationship between Tax-Exempt Municipal rates and Treasury rates that creates the current opportunity.

- Larger than normal yield differentials between Municipals and Treasuries creates the opportunity.

¹ Sequestration – automatic federal spending cuts.

² Make-Whole Call Price = present value of future principal and interest payments, discounted at the Treasury Rate plus 100 basis points.

- The current yield of the 10-year tax-exempt Municipal yield is near the lowest ratio relative to 10-year Treasury yield in more than twenty years.
- Extremely abnormal market is favorable for make-whole call refunding economics.



- Continued weakness in Municipal supply may support the refunding economics in coming months. That is, suppress muni yields relative to treasuries.

Monthly Net Supply (\$ billions)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Issuance	26	27	32	31	32	39	30	38	34	42	33	36	400
Principal redemption	31	33	30	21	26	48	48	50	28	35	30	37	416
Net supply (issuance less principal redemption)	-5	-6	2	10	6	-9	-18	-12	6	7	3	-1	-16
Coupon payment	15	16	9	10	13	15	15	16	9	10	13	15	158
Net supply less coupon payments	-20	-22	-7	0	-7	-24	-33	-28	-3	-3	-10	-16	-174

Projected Savings, Gained Par Call Option Value for Refunding Bonds

- Realized NPV cash flow savings are modeled at \$27 million.
 - Accounts for the initial small savings or dissaving associated with restructuring the make-whole callable taxable BABs and adding the large projected savings gained through the par call option of the refunding tax-exempt bonds.

	Initial Refunding	Subsequent Refunding	Aggregate Results
Description	Refunding of all Outstanding BABs	Current Refunding of Bonds Issued to Refund the BABs	Aggregate
Delivery Date	2/15/24	7/1/34	-
Par Amount	641,125,000	347,235,000	988,360,000
Refunded Par Amount	721,135,000	381,970,000	1,103,105,000
Refunded Maturities	2009B: 2024 - 2043; 2010B: 2024 - 2041	2035 - 2043	-
Average Life (Years)	11.52	4.75	12.79
All-In TIC (%)	3.47%	2.71%	3.36%
Gross D/S Savings	(2,301,991)	43,358,500	41,056,509
NPV Savings (\$) ⁽¹⁾	(598,709)	27,801,842	27,203,133
NPV Savings (%)	-0.08%	7.28%	2.47%
Issuance Costs	COI: \$500k; UWD \$3.00/Bond	COI: \$500k; UWD \$3.00/Bond	

(1) NPV Savings discounted back to assumed delivery date of 2/15/2024 at a rate of 3.00%

Bond Year	Initial Refunding						Subsequent Refunding			Total Estimated
	Existing Gross 2009B / 2010B D/S	BABs Subsidy Receipt ⁽²⁾	Prior Receipts ⁽³⁾	Prior Net Cash Flow	Refunding D/S	Gross Savings / Dissavings	Initial Refunding D/S	Refunding D/S	Gross Savings / Dissavings	Gross Impact
7/1/2024	45,449,120	(6,899,405)	23,331,373	15,218,342	15,255,139	(36,797)	-	-	-	(36,797)
7/1/2025	65,850,295	(13,348,970)		52,501,325	52,604,000	(102,675)	-	-	-	(102,675)
7/1/2026	65,309,227	(12,883,247)		52,425,980	52,528,750	(102,770)	-	-	-	(102,770)
7/1/2027	64,726,407	(12,387,241)		52,339,166	52,445,500	(106,334)	-	-	-	(106,334)
7/1/2028	64,160,852	(11,873,830)		52,287,022	52,392,250	(105,228)	-	-	-	(105,228)
7/1/2029	63,533,595	(11,341,704)		52,191,890	52,295,000	(103,110)	-	-	-	(103,110)
7/1/2030	62,844,868	(10,790,941)		52,053,927	52,158,250	(104,323)	-	-	-	(104,323)
7/1/2031	62,210,691	(10,215,276)		51,995,416	52,101,250	(105,834)	-	-	-	(105,834)
7/1/2032	61,545,238	(9,612,785)		51,932,453	52,037,250	(104,797)	-	-	-	(104,797)
7/1/2033	60,737,006	(8,987,924)		51,749,082	51,853,500	(104,418)	-	-	-	(104,418)
7/1/2034	59,980,258	(8,342,099)		51,638,159	51,737,750	(99,591)	-	-	-	(99,591)
7/1/2035	68,248,330	(7,673,111)		60,575,218	60,678,500	(103,282)	60,678,500	55,436,750	5,241,750	5,138,468
7/1/2036	67,222,848	(6,808,221)		60,414,627	60,514,500	(99,873)	60,514,500	55,273,000	5,241,500	5,141,627
7/1/2037	66,159,364	(5,912,636)		60,246,728	60,349,750	(103,022)	60,349,750	55,112,250	5,237,500	5,134,478
7/1/2038	65,064,665	(4,985,295)		60,079,371	60,179,500	(100,129)	60,179,500	54,935,000	5,244,500	5,144,371
7/1/2039	63,924,966	(4,024,949)		59,900,018	60,004,000	(103,982)	60,004,000	54,762,500	5,241,500	5,137,518
7/1/2040	62,747,048	(3,030,535)		59,716,513	59,823,250	(106,737)	59,823,250	54,579,750	5,243,500	5,136,763
7/1/2041	47,152,116	(2,000,801)		45,151,315	45,252,000	(100,685)	45,252,000	40,007,250	5,244,750	5,144,065
7/1/2042	34,128,509	(1,207,491)		32,921,018	33,174,000	(252,982)	33,174,000	29,844,250	3,329,750	3,076,768
7/1/2043	33,529,435	(615,357)		32,914,078	33,169,500	(255,422)	33,169,500	29,835,750	3,333,750	3,078,328
Total	1,184,524,836	(152,941,815)	23,331,373	1,008,251,647	1,010,553,639	(2,301,991)	473,145,000	429,786,500	43,358,500	41,056,509

Note: Assumes MMD as of December 8, 2023 and UST as of December 8, 2023 @ 1:35pm

(2) BABs subsidy receipt based on current 5.7% sequestration

(3) Prior receipts represent funds on hand, which are monies that MDTA would have already set aside in the Debt Service Fund towards the July 1st next interest payment and July 1, 2024 principal payments on the 2009B and 2010Bs

The Executive Director and Chief Financial Officer (CFO) will have the authority to manage the bond sale and closing, including the award of the 2024 bonds to the successful underwriting firm(s) and/or negotiation of terms for a private placement. The resolution also provides for authority to select other service providers and to prepare and execute all closing documents, certificates, and bond forms.

Resolution No. 23-02 contains the following limiting and reporting provisions:

1. Par Amount – Limited to \$770 million.
2. Economic Savings – Must Exceed \$1 Million, Net of NPV Savings/Dissavings of Refunding and Projected Cash Flow Savings Incorporating Gained Par Call Options and Subsequent Refinancing.
3. Bond Sale Date – No later than December 31, 2024.
4. Bond Sale Reports on Results – Provided by the Executive Director and CFO at the first Board meetings after the sale dates.

RECOMMENDATION

Approve MDTA Board Resolution No. 23-02.

ATTACHMENT

- MDTA Board Resolution No. 23-02, Toll Revenue Bonds Refinancing

**MARYLAND TRANSPORTATION AUTHORITY
RESOLUTION 23-02**

A RESOLUTION REGARDING THE ISSUANCE BY THE MARYLAND TRANSPORTATION AUTHORITY (THE “MDTA”) OF ITS SPECIAL OBLIGATION REVENUE BONDS, SERIES 2024 (THE “2024 BONDS”) FOR THE PURPOSE OF (REFUNDING CERTAIN OUTSTANDING OBLIGATIONS OF THE MDTA ISSUED FOR THE PURPOSE OF FINANCING AND REFINANCING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN TRANSPORTATION FACILITIES PROJECTS; APPROVING THE PREPARATION AND DISTRIBUTION OF A PRELIMINARY AND A FINAL OFFICIAL STATEMENT, A SUPPLEMENTAL TRUST AGREEMENT, AN ESCROW DEPOSIT AGREEMENT AND OTHER TRANSACTION DOCUMENTS; AUTHORIZING THE SOLICITATION AND SELECTION OF PROVIDERS OF PROFESSIONAL SERVICES; AUTHORIZING CERTAIN OFFICERS TO DETERMINE MATTERS PERTAINING TO THE SALE AND ISSUANCE OF THE 2024 BONDS, INCLUDING THE FINANCING STRUCTURE AND TERMS; AND AUTHORIZING, SPECIFYING, DETERMINING AND APPROVING CERTAIN OTHER MATTERS PERTAINING TO THE 2024 BONDS.

WHEREAS, the MDTA is authorized under Sections 4-101 through 4-405 of the Transportation Article of the Annotated Code of Maryland (the “Act”) to finance “transportation facilities projects” (as defined in the Act), to issue revenue bonds for the purpose of financing the cost of transportation facilities projects, to issue revenue bonds for the purpose of refunding any of its outstanding revenue bonds and to perform any actions necessary or convenient to carry out the powers granted in the Act; and

WHEREAS, the MDTA has entered into the Second Amended and Restated Trust Agreement dated as of September 1, 2007 (as previously amended and supplemented, the “**Master Trust Agreement**”), with The Bank of New York Mellon (successor to The Bank of New York), as trustee (the “**Trustee**”); and

WHEREAS, pursuant to Sections 2.01 and 2.04 of the Master Trust Agreement, the MDTA has issued its Transportation Facilities Projects Revenue Bonds, Series 2009B (Federally Taxable Build America Bonds – Direct Payment) dated December 10, 2009 (the “**Series 2009 Bonds**”), its Series 2010B (Federally Taxable Build America Bonds – Direct Payment) dated July 28, 2010 (together, the “**Series 2010 Bonds**”), its Transportation Facilities Projects Revenue Refunding Bonds, Series 2012 (Tax-Exempt Bonds) dated February 28, 2012 (the “**Series 2012 Bonds**”), its Transportation Facilities Projects Revenue Refunding Bonds, Series 2017 (Tax-Exempt Bonds) dated July 27, 2017 (the “**Series 2017 Bonds**”), its Transportation Facilities Projects Revenue Refunding Bonds, Series 2019 (Tax-Exempt Bonds) dated June 19, 2019 (the “**Series 2019 Bonds**”), its Transportation Facilities Projects Revenue Bonds, Series 2020 (Tax-Exempt Bonds) dated June 25, 2020 (the “**Series 2020 Bonds**”), its Transportation Facilities Projects Revenue Bonds, Series 2021A dated April 7, 2021 (the “**Series 2021 Bonds**”), its Governor Harry W. Nice Memorial/Senator Thomas "Mac" Middleton Bridge Replacement Project (TIFIA – 20221007A) TIFIA Bond (the “**2022 TIFIA Bond**”), and its Transportation Facilities Projects Revenue Refunding Bonds Series 2022 (Tax-Exempt Bond) dated May 5, 2022 (the “**Series 2022 Bonds**”); and

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WHEREAS, the Series 2009 Bonds, the Series 2010 Bonds, Series 2012 Bonds, the Series 2017 Bonds, the Series 2019 Bonds, the Series 2020 Bonds, the Series 2021 Bonds, the 2022 TIFIA Bond, and the Series 2022 Bonds currently outstanding (the “**Outstanding Prior Bonds**”) were issued for the purpose of financing and refinancing the design, construction and equipping of Transportation Facilities Projects (as defined in the Master Trust Agreement) or any Improvements (as defined in the Master Trust Agreement); and

WHEREAS, Section 2.04 of the Master Trust Agreement provides that the MDTA may from time to time issue Additional Bonds (as defined in the Master Trust Agreement) in accordance with the terms and conditions set forth in the Master Trust Agreement for the purpose, among others, of (i) providing funds for refunding all or a portion of the bonds then outstanding of any or all series, whether or not such bonds are then subject to redemption, including providing for the payment of any redemption premium due or to become due thereon, interest to accrue to the selected redemption date or maturity date, any serial maturities to become due prior to the selected redemption or maturity date and any expenses in connection with such refunding; and

WHEREAS, pursuant to the terms of Section 11.01 of the Master Trust Agreement, the MDTA desires to enter into a supplemental trust agreement supplementing the Master Trust Agreement to provide for the issuance of Additional Bonds (the “**2024 Bonds**,” as defined herein) to be secured by the Master Trust Agreement and a supplemental trust agreement equally and ratably with any portion of the Outstanding Prior Bonds that may remain outstanding after issuance of the 2024 Bonds; and

WHEREAS, the MDTA desires to authorize the sale and issuance of the 2024 Bonds for the purpose of refunding all or a portion of the Outstanding Prior Bonds or all or a portion of any principal maturities thereof (collectively, the “**Refunded Bonds**”) provided that certain conditions set forth in this Resolution are met.

NOW, THEREFORE, BE IT RESOLVED BY THE MARYLAND TRANSPORTATION AUTHORITY, as follows:

Section 1. MDTA hereby authorizes the issuance of its Special Obligation Revenue Bonds, Series 2024 (the “**2024 Bonds**”), in one or more series as the bond issue may be further designated by the Executive Director of the MDTA (the “**Executive Director**”), in an aggregate principal amount not to exceed Seven Hundred Seventy Million Dollars (\$770,000,000) for the purpose of (i) refunding and redeeming the Refunded Bonds, provided that the refunding results in at least One Million (\$1,000,000) of economic savings in the form of an aggregate Net Present Value reduction in debt service or projected NPV cash flow savings when incorporating the gained par call option values that may be realized in subsequent refinancings, (ii) optionally depositing funds into a debt service reserve fund or for the purchase of a Reserve Subaccount Insurance Policy (defined in the Master Trust Agreement) , and (iii) paying the costs related to the issuance of the 2024 Bonds.

Section 2. The 2024 Bonds shall be issuable as fully registered bonds without coupons in denominations of \$5,000 or any integral multiple thereof, and sold in one or more series. The 2024 Bonds are special obligations of the MDTA payable, as to principal and interest, solely from

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the revenues and funds pledged thereto under the Master Trust Agreement, as amended and supplemented, and are not and shall not be deemed (i) to be general obligations of the MDTA, (ii) to constitute obligations of the Department of Transportation of Maryland, or (iii) to constitute a debt or a pledge of the faith and credit or the taxing power of the State of Maryland or any political subdivision thereof.

Section 3. Bond Sale.

(a) The MDTA hereby authorizes its Executive Director to sell the 2024 Bonds in one or more sales by either competitive bidding or private negotiation (including but not limited to a direct placement with a financial institution) as determined to by the Executive Director, with the advice of the Chief Financial Officer of the MDTA (the “**Chief Financial Officer**”), its bond counsel, its financial advisors and, as appropriate, other officers and staff of the MDTA, to be the most advantageous for the MDTA, provided that such sales must occur no later than December 31, 2024, unless a later sale date is approved by a future resolution of the MDTA.

(b) The Executive Director is authorized to determine, with the advice of the Chief Financial Officer, its bond counsel, its financial advisors and, as appropriate, other officers and staff of the MDTA, the rate or rates of interest to be borne by the 2024 Bonds or the method of determining the rates (such rates of all or a portion of the 2024 Bonds may be fixed or variable), if all or a portion of the 2024 Bonds will be sold with taxable or tax-exempt interest, the dates of principal and interest payments and final maturity of the 2024 Bonds, provided that the date of final maturity of the 2024 Bond shall not exceed the final maturity of the Refunded Bonds.

(c) If the Executive Director determines to sell all or a portion of the 2024 Bonds by the solicitation of competitive bids, the MDTA hereby authorizes the Executive Director, with the assistance of the Chief Financial Officer, its bond counsel, its financial advisors and, as appropriate, other officers and staff of the MDTA, (1) to determine the means for the submission of competitive bids, including but not limited to electronic bids via such service provider as the Executive Director deems appropriate, (2) to determine the terms and conditions for such sale, including but not limited to, the conditions for acceptance of bids and the criteria for the selection of a winning bidder, subject to the limitations set forth in this Resolution, (3) to prepare a notice of sale setting forth the terms and conditions of such sale (the “**Notice of Sale**”), and (4) to advertise such sale, including but not limited to publication of the Notice of Sale or a summary thereof by any electronic medium, financial journal or such other manner as the Executive Director shall deem appropriate, at least ten days before the date set for the receipt of bids.

(d) If the Executive Director determines to negotiate the terms of the sale of all or a portion of the 2024 Bonds, the MDTA hereby authorizes the Executive Director, with the assistance of the Chief Financial Officer, its bond counsel, its financial advisors and, as appropriate, other officers and staff of the MDTA, (1) to solicit and accept proposals for the sale of the 2024 Bonds on a private, negotiated basis, and (2) to negotiate an agreement for the purchase of the 2024 Bonds (a “**Bond Purchase Agreement**”), in accordance with the limitations set forth in this Resolution.

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(e) The Executive Director and the Chief Financial Officer shall each provide a report of the results of the any sale of the 2024 Bonds at the first meeting of the MDTA Board occurring after the 2024 Bonds sale.

Section 4. The Executive Director is hereby authorized to engage, as appropriate, the services of a trustee, a registrar, a paying agent, an escrow agent, a verification agent, an underwriter, a feasibility consultant, engineers, accountants, printers, and such other service providers as the Executive Director deems appropriate from time to time with respect to the 2024 Bonds and the Refunded Bonds.

Section 5. The MDTA hereby authorizes the Executive Director, Chief Financial Officer and other staff of the MDTA, with the assistance of its bond counsel and its financial advisors, to prepare a preliminary official statement, a final official statement, a private placement memorandum or any other form of offering document (each referred to herein as, an “**Official Statement**”) for the sale of the 2024 Bonds and to distribute each Official Statement to the entities that they shall deem appropriate.

Section 6. Subject to the terms set forth in this Resolution, the MDTA hereby authorizes its Executive Director, with the assistance of other officers of the MDTA, counsel to the MDTA, its bond counsel, financial advisors, and staff, to prepare (i) one or more supplements to the Master Trust Agreement (each, a “**Supplemental Trust Agreement**”), (ii) one or more bond certificates for the 2024 Bonds (each, a “**Bond Certificate**”), (iii) an escrow deposit agreement or an escrow letter (the “**Escrow Deposit Agreement**”), if required, (iv) one or more continuing disclosure agreements (each, a “**Continuing Disclosure Agreement**”) to assist the underwriters of the 2024 Bonds in complying with the requirements of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, and (v) a municipal bond debt service reserve insurance policy (a “**Reserve Fund Policy**”) as the same may be amended from time to time.

Section 7. The Chairman of the MDTA (the “**Chairman**”) and the Executive Director are hereby authorized to execute and deliver on behalf of the MDTA each Bond Certificate by their manual or facsimile signatures. The Executive Director is hereby authorized to cause an original or facsimile of the official seal of the MDTA to be imprinted on each Bond Certificate.

Section 8. The MDTA hereby authorizes the Chairman and the Executive Director, or either of them, to execute and deliver on behalf of the MDTA, as appropriate, an Official Statement, a Supplemental Trust Agreement, a Bond Purchase Agreement, an Escrow Deposit Agreement, a Continuing Disclosure Agreement, a Reserve Fund Policy, and such other documents and agreements deemed appropriate by the Chairman or the Executive Director (collectively, together with the Bond Certificates, the “**Bond Documents**”). The execution and delivery by them of the Bond Documents shall be conclusive evidence of their final approval.

Section 9. The MDTA hereby covenants that it will take, or refrain from taking, any and all actions necessary to comply with the provisions of Section 103 and Sections 141 through 150 of the Internal Revenue Code of 1986, as amended (the “**Code**”), applicable to the 2024 Bonds in order to preserve the status of the interest on the 2024 Bonds as excluded from gross income for

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federal income tax purposes. Without limiting the generality of the covenant set forth in the preceding sentence, (a) the MDTA will not use or permit the use of any of the proceeds of the 2024 Bonds or any of the funds of the MDTA in such manner as would cause the interest on the 2024 Bonds to be included in gross income for federal income tax purposes, (b) the MDTA will regulate the investment of the proceeds of the 2024 Bonds so as not to cause any of the 2024 Bonds to be an “arbitrage bond” within the meaning of Section 148 of the Code and the Income Tax Regulations thereunder, (c) the MDTA will, if and to the extent necessary make periodic determinations of the rebate amount and timely pay any rebate amount, or installment thereof, to the United States of America, (d) the MDTA will prepare and timely file Internal Revenue Service Form 8038-G, Information Return for Tax-Exempt Governmental Obligations, and (e) the Executive Director and Chief Financial Officer are hereby authorized and directed to prepare or cause to be prepared and to execute and deliver any certificate or other document which may be required in order to assure compliance with the applicable provisions of Section 103 and Sections 141 through 150 of the Code, and the Income Tax Regulations thereunder.

Section 10. The Chairman and the Executive Director are hereby authorized to specify, prescribe, determine, provide for or approve, all within the limitations of this Resolution and the Act, all other matters, details, forms, documents and procedures pertaining to the sale(s), security, issuance, delivery and payment of or for the 2024 Bonds, including (without limitation) the execution, acknowledgment, sealing and delivery of Bond Documents by the Chairman, Executive Director or any other duly qualified employee, agent or officer of the MDTA as are or may be necessary or appropriate to consummate the transactions contemplated by this Resolution in accordance with the Act and this Resolution.

Section 11. The MDTA hereby authorizes its Executive Director and all other proper officers of the MDTA to create, supplement, amend, execute, and deliver documents, notices and agreements related to the Refunded Bonds and to take such actions or cause to be taken such actions as shall be necessary, proper, and convenient for carrying out the purposes of this Resolution, including expending funds and incurring costs.

Section 12. This Resolution shall be effective immediately upon its adoption.

Dated as of: December 21, 2023

WITNESS:

MARYLAND TRANSPORTATION AUTHORITY

Percy E. Dangerfield, PhD
Acting Executive Director

Paul J. Wiedefeld
Chairman

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APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

Kimberly A. Millender
Assistant Attorney General

TAB 4



Board Members:

MEMORANDUM

TO: MDTA Board
FROM: Director of Treasury & Debt Allen W. Garman
SUBJECT: Investment Strategy/Benchmarks and Qualified Institutions
DATE: December 21, 2023

PURPOSE OF MEMORANDUM

To complete the required quarterly review of the MDTA's investment strategy and benchmarks for the three-month period ended September 30, 2023. This item was discussed in greater detail at the December 7 Finance Committee meeting and the Committee Members support a continuation of the current investment strategies for all accounts and adding a firm to the authorized dealers list.

KEY POINTS

- For the trailing twelve-month period ended September 30, investments conformed to Investment Policy limitations.
- The longer duration strategies employed in certain reserves generate higher return volatility with expected higher average annual returns over multiyear periods.
- Portfolio structuring by account adhered to board approved strategy and should remain consistent, despite short-term return volatility associated with the rising interest rate environment.
- No changes in strategy or benchmarks are recommended.

INVESTMENT STRATEGY

The Trust Agreement and Investment Policy prescribe a Matched Funding investment strategy for specific purpose accounts including Operating, Debt Service, and Capital/Construction.

Longer term strategies are permitted by the Trust Agreement for certain reserves that do not have cash flow needs. The Investment Policy's investment objectives include longer-term total return considerations for reserves. Given that the unencumbered cash balance will be held long-term, a long-term approach is prudent and supported by the Finance Committee.

The agency employs either a Matched Funding or Total Return Duration Targeted approach for certain categories of accounts.

- Of the \$912 million portfolio at the end of September, \$562 million of Match Funded accounts are invested in short-term securities with maturities of less than one year that precede or coincide with projected outflows. (Capital, Operating, Debt Service)
- The remaining \$350 million is managed for Total Return, representing long-term unrestricted reserves held in the General and M&O Reserve accounts.
 - Unrestricted reserves are managed for Total Return, with consideration of the volatility/return tradeoff associated with longer-term structures.
 - Longer duration portfolios benefit from higher average annual returns over multiyear periods and exhibit greater return volatility relative to shorter-term maturity structures.
 - Duration Targeted portfolios maintain a consistent structure and management does not attempt to time market rate changes.

The General account is benchmarked to a composite index of 1-5-year bullet agency indices. Investment maturities are generally staggered from three-months to five-years, with an effective duration target of approximately 3.0.

The smaller M&O Reserve, representing approximately 5% of assets under management, is benchmarked to a composite of 1-13 year Treasury Strip indices that approximates effective duration of a laddered portfolio of 6-month to 15-year securities. The 7.5 year average maturity structure has an associated effective duration of approximately 7.0.

The General account strategy has not changed in many years and the smaller M&O Reserve's recommended strategy has been consistent since 2020.

DEALER APPROVED LIST

The MDTA's investment policy generally requires a competitive bid/offer process for bond transactions with dealers included in the Qualified Institutions list. Dealers are prescreened for required SEC registration, experience, and minimum net capital. Within the Operating Policy, the MDTA Board reserves authority for approving additions to the broker/dealer list.

Broker/dealers are periodically added to the Qualified Institutions list to ensure adequate access to primary and secondary markets for investment securities. Firms may be periodically disqualified due to poor service in the form of uncompetitive bids/offers.

Following the standard Request for Qualifications screening, the Investment Committee recommends the addition of Academy Securities to the Qualified Institutions list.

RECOMMENDATION

To approve a continuation of the investment strategies and benchmarks for the current quarter, as well as the additional firm to the approved dealers list.

TAB 5



MEMORANDUM

TO: MDTA Board
FROM: Director of Budget Jeffrey Brown
SUBJECT: Fiscal Year (FY) 2024 Operating Budget vs. Actual Spending Review
DATE: December 21, 2023

PURPOSE

The purpose of the memorandum is to report on the 1st quarter FY 2024 spending compared to the FY 2024 Final Operating Budget.

KEY TAKEAWAYS

Key points regarding actual fiscal year spending relative to the FY 2024 Final Operating Budget:

- As of September 30, 2023, 15% of the budget was spent compared to a target of 23%.
- All Objects are at or below the targeted spending level.
- The primary underspending drivers include personnel vacancies and the seasonality of expenses.

SUMMARY

Budget analysis threshold: More than \$500,000 budgeted with variances greater than +/- 5% of the targeted spending level.

- Salaries & Wages/Technical & Special Fees (Object 01 & 02) are at targeted spending levels with a 20% spend rate when compared to the projected spend rate of 23%.
- Communications (Object 03) is below budget with a 7% spend rate.
- State Paid Telecommunications (0305) is 0% of the budget and accounts for most of the underspending in Object 03. This item contains the annual State Radio System budget expense of \$1.6 million, which has not been billed.
- Travel (Object 4) was below budget at 16% spend rate.

- Fuel and Utilities (Object 06) is on budget with an 18% spend rate.
- Motor vehicle operations and maintenance (Object 07) is on budget with a 23% spend rate.
 - Purchased vehicles (Object 0701) was above budget with a 44% spend rate due to the timing of when orders are received.
- Contractual Services (Object 08) is below budget with a 7% spend rate. Significant spending variances include:
 - Advertising (0801) is at a -2% spend rate due to seasonality and year end accruals.
 - Engineers (0807) is below budget at a 0.4% spend rate. Year-end capital adjustments drive the 1st quarter performance.
 - Equipment Repairs & Maintenance (0809) is below budget with a 1% spend rate due to the seasonality of activity.
 - Building/Road Repairs & Maintenance (0812) is below budget at a 7% spend rate due to the seasonality of activity.
 - Education & Training (0819) is below budget with a 9% spend rate due to the seasonality of activity.
 - Management Studies (0821) is below budget with a 1% spend rate. The timing of management study activities will determine when funds are spent.
 - IT related costs (Objects 0841 to 0869) is below budget at a 13% spend rate due to the seasonality of the IT expenses.
 - *E-ZPass*[®] Service Center Costs (0873) is under budget with a 2% spend rate. The year end accrual and invoicing delay drive lower recognized cost in the 1st quarter.
 - Other contractual (0899) is below budget at a 5% spend rate due to the seasonality of activity and the timing of MSP charges.
- Supplies & Materials (Object 09) is below budget at a 15% spend rate.
 - Roadway Maintenance Materials (0905) is at an 8% spend rate due to seasonality.
 - Salt (0906) is at a 0% spend rate due the seasonality of usage.
- Replacement Equipment (Object 10) is below budget at a 12% spend rate.
 - Replacement Maintenance & Building Equipment (1013) is below budget with a 2% spend rate due to seasonality.
 - Replacement Computer Equipment (1033) is below budget with a 1% spend rate due to seasonality.
- Additional Equipment (Object 11) is below budget at a 7% spend rate.
 - Other Additional Equipment (1199) is below budget at an 11% spend rate due to seasonality.

- Fixed Costs (Object 13) is under budget at a 1% spend rate.
 - Insurance (1309) is under budget at 0% spend rate, as the invoice for our insurance premium has not yet been submitted. This object is expected to be above budget due to increased premiums.

ATTACHMENT

- Budget vs Actual by Object 1st Qtr. FY 2024

MDTA OPERATING FUND
Bgt vs. Actual by Obj and RC Detail
Summary of All Units
For the Three Months Ending Saturday, September 30, 2023

	<u>Expenditures</u>		<u>YTD</u>		<u>%</u>
	<u>This Month</u>	<u>Budget</u>	<u>Expense</u>	<u>Balance</u>	<u>Spent</u>
OBJECT 01 Salaries and Wages					
0101 REGULAR EARNINGS	\$7,485,150	\$135,139,681	\$21,706,087	\$113,433,594	16.06%
0102 ADDITIONAL ASSISTANCE		194,092		194,092	0.00%
0104 OVERTIME EARNINGS	418,013	4,998,396	1,249,874	3,748,522	25.01%
0104 OVERTIME EARNINGS - SNOW		1,338,168		1,338,168	0.00%
0105 SHIFT DIFFERENTIAL		978,410	2,058	976,352	0.21%
0110 MISCELLANEOUS P/R ADJUSTMENTS		198,768	18,086	180,682	9.10%
0111 ACCRUED LEAVE PAYMENTS		196,471	120,437	76,034	61.30%
0112 RECLASSIFICATIONS		410,058		410,058	0.00%
0151 SOCIAL SECURITY CONTRIBUTIONS		9,645,927	3,732	9,642,196	0.04%
0152 HEALTH INSURANCE		19,174,953	(4,577)	19,179,531	(0.02%)
0154 RETIREE'S HLTH INSURANCE PREM		11,735,068	(235)	11,735,303	(0.00%)
0161 EMPLOYEES RETIREMENT SYSTEM		16,575,238	3,177	16,572,062	0.02%
0165 STATE POLICE RETIREMENT SYSTEM		3,463,737	85,430	3,378,307	2.47%
0169 LAW ENFORCEMENT OFF PENSION SYS		22,964,855		22,964,855	0.00%
0171 BURDEN EXPENSE	7,386,188		20,840,416	(20,840,416)	0.00%
0172 DEFERRED COMPENSATION MATCH			1,100	(1,100)	0.00%
0174 UNEMPLOYMENT COMPENSATION		378,386	501	377,885	0.13%
0175 WORKERS COMPENSATION		4,196,741		4,196,741	0.00%
0189 TURNOVER		(12,655,816)		(12,655,816)	0.00%
0199 OTHER FRINGE BENE - CLOTH ALLOW		856,750	167,842	688,908	19.59%
Total Object 01	15,289,351	219,789,884	44,193,926	175,595,958	20.11%
Object 02 Technical and Special Fees					
0202 PER DIEM PAYMENTS	19,500	150,000	20,000	130,000	13.33%
0211 EMPLOYEE AWARDS		1,000		1,000	0.00%
0220 SPECIAL PAYMENTS PAYROLL		625,409		625,409	0.00%
Total Object 02	19,500	776,409	20,000	756,409	2.58%
Object 03 Communications					
0301 POSTAGE	1,644	72,584	1,883	70,701	2.59%
0302 TELEPHONE	24,699	253,569	45,460	208,109	17.93%
0303 TELECOMMUNICATIONS	35,369	821,482	92,275	729,207	11.23%
0305 STATE PAID TELECOMMUNICATIONS		1,604,611		1,604,611	0.00%
0306 CELL PHONE EXPENDITURE	36,569	425,657	71,181	354,475	16.72%
Total Object 03	98,282	3,177,903	210,800	2,967,103	6.63%
Object 04 Travel					
0401 IN STATE/ROUTINE OPERATIONS	531	43,120	3,507	39,613	8.13%
0402 INSTATE/CONF/SEMINARS	9,362	101,704	15,777	85,927	15.51%
0403 OUTSTATE/ROUTINE OPERATIONS	100	55,064	264	54,800	0.48%
0404 OUTSTATE/CONF/SEMINARS	24,323	313,680	61,711	251,969	19.67%
Total Object 04	34,316	513,568	81,259	432,309	15.82%
Object 06 Fuel and Utilities					
0603 FUEL-OIL #2		135,200	4,802	130,398	3.55%
0606 FUEL-NATURAL GAS/PURCHASE	2,155	355,613	7,315	348,298	2.06%
0620 UTILITIES-ELECTRICITY	295,923	3,514,116	675,431	2,838,685	19.22%
0621 UTILITIES-WATER/SEWERAGE	24,166	331,206	76,842	254,364	23.20%
Total Object 06	322,244	4,336,135	764,389	3,571,745	17.63%

Object 07 Motor Vehicle Operations and Maintenance

MDTA OPERATING FUND
Bgt vs. Actual by Obj and RC Detail
Summary of All Units
For the Three Months Ending Saturday, September 30, 2023

		Expenditures		YTD		%
		This Month	Budget	Expense	Balance	Spent
0701	PURCH VEH-CAR,LIGHT	746,964	4,746,900	2,086,615	2,660,285	43.96%
0702	VEHICLE GAS & OIL	93,918	3,765,454	352,178	3,413,276	9.35%
0703	VEHICLE MAINTENANC	31,501	1,794,664	241,741	1,552,923	13.47%
0704	INSURANCE		407,863		407,863	0.00%
0721	VEHICLE GAS & OIL - W.	2,106	44,347	2,409	41,938	5.43%
0722	VEHICLE MAINT & REPA	505	61,431	10,960	50,471	17.84%
0724	BOAT SLIP RENTAL/LAUNCHING FEES		4,200		4,200	0.00%
0730	PURCH VEH-OTHER LAND VEH - DUMP, TRACTOR			141	(141)	0.00%
0731	GAS & OIL - OTHER LAN	44,843	1,100,000	160,195	939,805	14.56%
0732	LG VEHICLE MAINT & R	96,733	2,000,000	417,784	1,582,216	20.89%
0789	COMMUTER CHARGE	(1,127)	(5,000)	(3,012)	(1,988)	60.23%
0799	OTHER MOTOR VEHICLE CHARGES		50,000		50,000	0.00%
Total Object 07		1,015,444	13,969,859	3,269,012	10,700,847	23.40%

Object 08 Contractual Services

0801	ADVERTISING/LEGAL PU	90,060	3,064,353	(73,837)	3,138,190	(2.41%)
0802	APPLICATIONS SOFTWARE MAINTENAN		100,000		100,000	0.00%
0804	PRINTING/REPRODUCTI	222	43,200	222	42,978	0.51%
0807	ENGINEERS	24,648	2,650,000	72,179	2,577,821	2.72%
0807	ENGINEERS - Environmen	76,388	3,655,000	65,481	3,589,519	1.79%
0807	ENGINEERS - Highways (M	2,640	210,000	2,640	207,360	1.26%
0807	ENGINEERS - Architectura	45,111	200,000	47,834	152,166	23.92%
0807	ENGINEERS - ITS/Electric	48,883	855,000	(13,502)	868,502	(1.58%)
0807	ENGINEERS - Structural (M	6,476	1,500,000	(456)	1,500,456	(0.03%)
0807	ENGINEERS - Traffic (MA	68,002	1,500,000	67,189	1,432,811	4.48%
0807	ENGINEERS - Asset Mgmt	80,035	700,000	8,924	691,076	1.27%
0807	ENGINEERS - On-Call (All	224,654	6,415,000	152,512	6,262,488	2.38%
0807	ENGINEERS - Annual Insp	126,085	14,015,000	(272,744)	14,287,744	(1.95%)
0808	EQUIPMENT RENTAL	28,845	490,131	65,487	424,644	13.36%
0809	EQUIPMENT REPAIRS &	5,425	1,654,264	15,280	1,638,984	0.92%
0810	EXTERMINATION		16,771	352	16,419	2.10%
0812	BUILDING/ROAD REPAIR	149,362	16,882,158	464,537	16,417,620	2.75%
0812	BUILDING/ROAD REPAIR	790,704		742,600	(742,600)	0.00%
0813	JANITORIAL SERVICES	176,697	1,473,540	405,968	1,067,572	27.55%
0814	GROUNDS MAINTENANCE		45,482	5,050	40,432	11.10%
0815	LAUNDRY	128	3,199	265	2,934	8.29%
0817	LEGAL SERVICES	1,163	203,300	5,458	197,842	2.68%
0819	EDUCATION/TRAINING (15,989	1,375,988	123,406	1,252,582	8.97%
0820	MEDICAL CARE	8,003	395,720	91,418	304,302	23.10%
0821	MGMT STUDIES AND CC	19,968	4,398,658	55,678	4,342,980	1.27%
0823	SECURITY SERVICES	82,071	889,560	179,289	710,271	20.15%
0824	LABORATORY SERVICES		45,578	2,120	43,458	4.65%
0825	VETERINARIAN		31,565	1,005	30,560	3.18%
0826	FREIGHT AND DELIVER'	260	14,497	260	14,237	1.79%
0827	TRASH AND GARBAGE F	37,195	453,394	128,402	324,992	28.32%
0828	OFFICE ASSISTANCE	2,075	61,244	2,888	58,356	4.72%
0829	FISCAL SERVICES	3,481,933	17,960,250	4,474,544	13,485,706	24.91%
0841	DP CENTRAL PROCESS S	79,070	1,150,000	140,336	1,009,664	12.20%
0843	DP COMMUNICATIONS CONTROLLERS		480,000		480,000	0.00%
0849	TELECOMM LINES, MODEMS & CONTR		95,704	11,431	84,273	11.94%
0854	COMPUTER MAINTENAN	66,900	185,000	66,900	118,100	36.16%

MDTA OPERATING FUND
Bgt vs. Actual by Obj and RC Detail
Summary of All Units
For the Three Months Ending Saturday, September 30, 2023

	Expenditures		YTD	Balance	%
	This Month	Budget	Expense		Spent
0858 SOFTWARE LICENSES	3,649	148,402	11,344	137,058	7.64%
0862 APPL SOFTWARE MAINT	69,638	1,901,200	299,658	1,601,542	15.76%
0864 SYSTEMS SOFTWARE M	32,097	500,000	32,097	467,903	6.42%
0865 OUTSIDE SVCS-SYS ANA	993,232	7,465,000	1,045,648	6,419,352	14.01%
0866 OUTSIDE SVCS-PROGRA	82,726	415,000	82,726	332,274	19.93%
0869 OUTSIDE SVCS-COMPUTER USAGE		775,000		775,000	0.00%
0873 OUTSIDE SVC - E-Z PASS	3,427,644	40,000,000	975,169	39,024,831	2.44%
0874 OFFICE OF ATTORNEY GENERAL FEE		43,526		43,526	0.00%
0875 RETIREMENT AGENCY F	232,813	251,556	240,915	10,641	95.77%
0876 STATEWIDE DOIT SERVICES		52,080		52,080	0.00%
0894 STATEWIDE PERSONNEL SYS ALLOC		55,667		55,667	0.00%
0897 STATE ENTERPRISE BUDGET SYSTEM		27,646	14,706	12,940	53.19%
0899 OTHER CONTRACTUAL S	(50,155)	2,969,244	152,090	2,817,154	5.12%
Total Object 08	10,530,636	137,817,877	9,893,471	127,924,406	7.18%

Object 09 Supplies and Materials

0901 AGRICULTURE		33,879	13,550	20,329	39.99%
0902 OFFICE SUPPLIES	32,032	394,383	62,690	331,693	15.90%
0903 ELECTRICAL MATERIAL	10,615	390,418	48,614	341,804	12.45%
0904 BUILDING & HOUSEHOL	28,085	386,011	60,993	325,018	15.80%
0905 ROADWAY MAINT MATI	16,729	619,613	49,440	570,172	7.98%
0906 SALT/SNOW MELTING MATERIALS		1,880,363		1,880,363	0.00%
0908 HOUSEKEEPING SUPPLI	104	74,537	7,303	67,234	9.80%
0909 MEDICAL SUPPLIES	860	39,162	3,550	35,612	9.06%
0912 WEARING APPAREL-UNI	90,286	1,144,880	316,949	827,931	27.68%
0915 LIBRARY SUPPLIES		23,675		23,675	0.00%
0917 SMALL TOOLS	10,650	372,809	29,602	343,207	7.94%
0918 VETERINARY SUPPLIES	3,561	28,500	4,361	24,139	15.30%
0920 FOOD	5,748	188,276	14,905	173,371	7.92%
0926 DATA PROCESSING SUP	2,073	42,522	4,019	38,503	9.45%
0934 AMMO GUNS FIRING RA	6,866	575,549	123,851	451,698	21.52%
0951 E-ZPASS TRANSPONDER	417,300	4,450,000	899,753	3,550,247	20.22%
0999 OTHER SUPPLIES AND M	39,043	315,913	48,858	267,054	15.47%
Total Object 09	663,952	10,960,489	1,688,438	9,272,051	15.40%

Object 10 Replacement Equipment

1013 REPL MAINTENANCE & I	1,382	505,500	8,089	497,411	1.60%
1015 REPL OFFICE EQUIPMEN	3,843	48,000	6,412	41,588	13.36%
1019 REPL RADIOS & ELECTRONIC EQUIPME		226,000	60	225,940	0.03%
1031 REPL DP EQUIP-MAINFRAME		80,000		80,000	0.00%
1033 REPL DP EQUIP-MICROC	7,660	1,250,000	11,665	1,238,335	0.93%
1099 OTHER REPLACEMENT I	51,362	334,900	268,096	66,804	80.05%
Total Object 10	64,248	2,444,400	294,323	2,150,078	12.04%

Object 11 Additional Equipment

1102 ADDT'L AUDIO-VISUAL EQUIP		9,500		9,500	0.00%
1103 ADDT'L CLEANING EQUIPMENT		10,000		10,000	0.00%
1109 ADDT'L HUMAN ENVIRONMENTAL EQ		1,000	1,178	(178)	117.81%
1113 ADDT'L MAINTENANCE & BUILDING EC		242,000	2,347	239,653	0.97%
1115 ADDT'L OFFICE EQUIPMENT		27,500		27,500	0.00%
1133 ADDT'L DP EQUIP-MICROCOMPUTER		20,000		20,000	0.00%

MDTA OPERATING FUND
Bgt vs. Actual by Obj and RC Detail
Summary of All Units
For the Three Months Ending Saturday, September 30, 2023

	<u>Expenditures</u>		<u>YTD</u>		<u>%</u>
	<u>This Month</u>	<u>Budget</u>	<u>Expense</u>	<u>Balance</u>	<u>Spent</u>
1199 OTHER ADDITIONAL EQ	7,229	459,834	50,671	409,163	11.02%
Total Object 11	7,229	769,834	54,195	715,639	7.04%
Object 13 Fixed Charges					
1301 RENT	267		267	(267)	0.00%
1302 INSURANCE COVERAGE PAID TO STO		490,658		490,658	0.00%
1303 RENT PAID TO DGS		1,100		1,100	0.00%
1304 SUBSCRIPTIONS	738	26,938	2,988	23,950	11.09%
1305 ASSOCIATION DUES	2,353	350,445	6,714	343,731	1.92%
1308 LICENSES	1,543	7,270	2,357	4,913	32.42%
1309 INSURANCE (NON STO PAYMENTS)		4,667,231		4,667,231	0.00%
1320 BAD DEBT EXPENSE			30,387	(30,387)	0.00%
Total Object 13	4,901	5,543,642	42,712	5,500,930	0.77%
Total All Objects	28,050,103	400,100,000	60,512,525	339,587,475	15.12%

TAB 6



Board Members:

MEMORANDUM

TO: MDTA Board
FROM: Assistant Capital Program Manager Jennifer Stump
SUBJECT: First Quarter Review of Fiscal Year (FY) 2024 Capital Budget vs. Actual Spending
DATE: December 21, 2023

PURPOSE OF MEMORANDUM

The purpose of the memorandum is to update the MDTA Board on the status of actual Fiscal Year (FY) 2024 capital spending against the FY 2024 capital budget in the FY 2024-2029 Draft Consolidated Transportation Program (CTP). This information was also presented to the MDTA Finance Committee on December 7, 2023.

SUMMARY

As of September 30, 2023, 9.1% of the FY 2024 budget was spent as compared to the targeted spending level of 25%. The total budget for FY 2024 is \$539.6 million. The actual spending through the first quarter was \$49.3 million. The first quarter percentage is low because there are outstanding accruals for work completed in FY 2023.

ANALYSIS

Seventy-nine of the 83 projects budgeted in FY 2024 were within the acceptable spending limits of 0% to 50% (plus or minus 25% of the 25% target). Due to normal lags in invoicing, generally two months, a plus or minus 25% threshold was determined to be reasonable.

Actual spending through the first quarter for ten projects budgeted for more than \$11 million each in FY 2024 was \$37.4 million. The ten projects are detailed in Attachment A.

ATTACHMENT

- FY 2024 Capital Program Spending – Projects with FY 2024 Budget Over \$11 Million

**FY 2024 Capital Program Spending
Compared to Draft FY 2024-2029 CTP Budget
Projects with FY 2024 Budget Over \$11 Million**

Project Name	FY 2024 Budget Draft FY24-29 CTP (\$ Million)	FY 2024 Actual thru 09/30/2023 (\$ Million)	FY 2024 1st Qtr Spend Rate	FY 2024 Budget Remaining (\$ Million)
Rehabilitate Decks of Eastbound Span - Phase I	\$83.4	\$5.6	7%	\$77.8
I-95 ETL Northbound Extension - MD 152 Interchange Reconstruction	\$68.9	\$9.9	14%	\$59.0
I-95 ETL Northbound Extension - Express Toll Lanes to MD 152	\$62.4	\$12.4	20%	\$50.0
Replace Nice/Middleton Bridge	\$35.5	\$5.9	17%	\$29.5
I-95/Belvidere Road Interchange	\$30.1	\$0.4	1%	\$29.7
I-95 ETL Northbound Extension - MD 24 to Bynum Run	\$27.1	-\$0.1	0%	\$27.2
Envelope Repair and Switchgear Replacements at BHT Vent Buildings	\$17.6	\$1.4	8%	\$16.3
I-695 Subgrade Improvements at Bear Creek	\$13.9	\$0.0	0%	\$13.9
10-Year Equipment Budget - FY 2018 - FY 2027	\$12.2	\$1.4	12%	\$10.8
I-95 ETL NB Transition - MD 24 Interchange Reconstruction	\$11.1	\$0.5	4%	\$10.6
Total	\$362.2	\$37.4	10%	\$324.8

TAB 7



Maryland Transportation Authority

Wes Moore, Governor
Aruna Miller, Lt. Governor
Paul J. Wiedefeld, Chairman

Board Members:
Dontae Carroll
William H. Cox, Jr.
W. Lee Gaines, Jr.
Mario J. Gangemi, P.E.
Cynthia D. Penny-Ardinger
Jeffrey S. Rosen
Samuel D. Snead, MCP, MA
John F. von Paris

Percy E. Dangerfield PhD, Acting Executive Director

MEMORANDUM

TO: MDTA Board
FROM: Director of Finance Chantelle Green
PREPARED BY: Director of Revenue Cheryl Lewis-Orr
SUBJECT: First Quarter Fiscal Year (FY) 2024 Traffic and Revenue Performance
DATE: December 21, 2023

PURPOSE OF MEMORANDUM

To provide the Maryland Transportation Authority Board with a quarterly and year-to-date update regarding traffic and toll revenue trends compared to the previous year and the forecast.

KEY TAKEAWAYS

- Passenger vehicle traffic continues to track closely to pre-pandemic levels.
- Commercial vehicle traffic levels continue to outperform pre-pandemic levels.
- For the first quarter FY 2024, there is practically no variance in the forecast vs actuals. Actual traffic and revenue were used in the first three months of the forecast.

ANALYSIS

This quarterly review looks at traffic and toll revenue trends and compares actual system-wide experience with traffic and toll revenue forecasts. CDM Smith continues to track and evaluate the performance of traffic at the lane level and traffic and revenue collected on a cash basis.

FY 2024 Actuals compared to FY 2023 Actuals and FY 2024 Forecast versus FY2024 Actuals

Combined Facilities														
TRANSACTIONS (in Millions)								REVENUE (in Millions)						
	FY23	FY24			FY23			FY23	FY24			FY24		
	Actual	Actual	Diff	% Change	Forecast	Diff	% Diff	Actual	Actual	Diff	% Change	Forecast	Diff	% Diff
Qtr. 1	42.6	42.1	(0.4)	-1.0%	42.1	-	0.0%	\$ 199.8	\$ 202.0	\$ 2.1	1.1%	\$ 201.9	\$ 0.0	0.0%
YTD Totals	42.6	42.1	(0.4)	-1.0%	42.1	-	0.0%	199.8	202.0	\$ 2.1	1.1%	201.9	0.0	0.0%
*Note: Numbers may not sum due to rounding														

As shown in the Table above, for the period ended September 30, 2023, year-to-date (YTD) systemwide transactions totaled 42.1 million and corresponding collected revenue totaled \$202.0 million. This represents a decrease of 0.4 million transactions, or 1.0%, compared to the same period last year. YTD revenue increased by \$2.1 million, or 1.1%, compared to the same period last year. The increase is mainly due to administrative revenue.

For the period ended September 30, 2023, there was practically no difference in actuals vs. the forecast. Actual YTD transactions and revenue were used in the forecast.

ATTACHMENTS

- Attachment A: Summary of Revenue
- Attachment B: Comparison of Official Forecast to Actual Toll Revenue Performance
- Attachment C: Analysis of Actual Toll Revenue Performance & Financial Forecast Differences
- Attachment D: FY 2023 Forecast vs Actual Revenue – by Facility
- Attachment E: FY 2023 Forecast vs. Actual Revenue – By Payment Method

Attachment A
Summary of Revenue
FY2023 Forecasted and Actual Revenue Comparison

	E-ZPass®	Video, Administrative ¹ & Pay-By- Plate	Total
Forecast Revenue	\$161,897,471	\$40,129,805	\$202,027,275
<i>less</i> Actual Revenue	161,897,471	40,059,210	201,956,681
Difference	(0)	(70,595)	(70,595)
<i>plus</i> Timing Differences	0	0	0
Difference	(\$0)	(\$70,595)	(\$70,595)

¹ Includes items such as Hatem Bridge discount plan (\$20.00 annual plan), oversize permit fees, transponder sales, civil penalties, unused trips, commercial post-usage discount & monthly account fees (non-Maryland addresses).

Attachment B

Comparison of Official Forecast to Actual Toll Revenue Performance
(In millions)

Jul 1, 2023 to Sep 30, 2023

Toll Revenue Forecast: \$202,027,275

Actual Revenue:

<i>E-ZPass</i>	161,897,471
Pay-By-Plate	1,270,127
Video Toll	24,754,262
Administrative Toll	14,034,822
Total Actual Revenue	201,956,681
Actual Revenue less Forecasted Revenue	(70,595)

First Quarter Fiscal Year 2024 Traffic and Revenue Performance Report
Page Four

Attachment C

Analysis of Actual Toll Revenue Performance & Financial Forecast Differences

Jul 1, 2023 to Sep 30, 2023

Adjusted Difference (Forecast less Adjusted Actual Revenue)

(\$70,595)

Forecast Assumption Differences:

Administrative Toll Revenue Lower than Forecasted - ongoing

(70,596)

Total Forecast Assumption Differences

-70,596

Unreconciled/Analyzed Difference

(\$1)

First Quarter Fiscal Year 2024 Traffic and Revenue Performance Report
Page Five

Attachment D
FY 2024 Forecast vs. Actual Revenue – By Facility

Legacy Facilities						
Video, Pay-By- Plate & Other	E-ZPass		July	August	September	Total
		Forecast	\$ 48,295,743	\$ 46,386,213	\$ 48,540,704	\$ 143,222,660
		Actual	48,295,743	46,386,206	48,540,707	\$ 143,222,656
		Difference	0	(8)	3	\$ (5)
		Forecast	13,281,604	10,953,223	11,228,719	\$ 35,463,546
		Actual	13,259,843	10,933,920	11,209,746	\$ 35,403,509
		Difference	(21,761)	(19,303)	(18,973)	\$ (60,037)
	Total	Forecast	61,577,347	57,339,437	59,769,423	\$ 178,686,206
		Actual	61,555,587	57,320,126	59,750,453	\$ 178,626,165
		Difference	\$ (21,760)	\$ (19,311)	\$ (18,970)	\$ (60,041)

Intercounty Connector						
Video, Pay-By- Plate & Other	E-ZPass		July	August	September	Total
		Forecast	\$ 5,030,627	\$ 4,490,200	\$ 5,709,722	\$ 15,230,549
		Actual	5,030,627	4,490,200	5,709,718	\$ 15,230,545
		Difference	-	(0)	(3)	\$ (4)
		Forecast	1,566,245	1,398,437	1,500,142	\$ 4,464,824
		Actual	1,562,418	1,395,042	1,496,805	\$ 4,454,265
		Difference	(3,827)	(3,395)	(3,337)	\$ (10,559)
	Total	Forecast	6,596,872	5,888,637	7,209,864	\$ 19,695,372
		Actual	6,593,044	5,885,242	7,206,523	\$ 19,684,809
		Difference	\$ (3,827)	\$ (3,395)	\$ (3,340)	\$ (10,563)

I-95 Express Toll Lanes						
Video, Pay-By- Plate & Other	E-ZPass		July	August	September	Total
		Forecast	\$ 1,149,440	\$ 1,188,892	\$ 1,105,930	\$ 3,444,262
		Actual	1,149,440	1,188,900	1,105,930	\$ 3,444,270
		Difference	-	8	0	\$ 8
		Forecast	78,610	56,477	66,349	\$ 201,435
		Actual	78,610	56,477	66,350	\$ 201,436
		Difference	-	-	1	\$ 1
	Total	Forecast	1,228,049	1,245,369	1,172,279	\$ 3,645,697
		Actual	1,228,049	1,245,377	1,172,280	\$ 3,645,706
		Difference	\$ -	\$ 8	\$ 1	\$ 9

All Facilities						
		July	August	September	Total	
	Forecast	\$ 69,402,268	\$ 64,473,442	\$ 68,151,565	\$ 202,027,275	
	Actual	69,376,680	64,450,744	68,129,256	\$ 201,956,681	
	Difference	\$ (25,588)	\$ (22,698)	\$ (22,309)	\$ (70,595)	

Attachment E

FY 2024 Forecast vs. Actual Revenue – By Payment Method

E-ZPass					
		July	August	September	Total
Forecast	Legacy	48,295,743	46,386,213	48,540,704	\$ 143,222,660
	ICC	5,030,627	4,490,200	5,709,722	\$ 15,230,549
	ETL	1,149,440	1,188,892	1,105,930	\$ 3,444,262
	Total	54,475,810	52,065,306	55,356,356	\$ 161,897,471
Actual	Legacy	48,295,743	46,386,206	48,540,707	\$ 143,222,656
	ICC	5,030,627	4,490,200	5,709,718	\$ 15,230,545
	ETL	1,149,440	1,188,900	1,105,930	\$ 3,444,270
	Total	54,475,810	52,065,306	55,356,355	161,897,471
Difference		\$ 0	\$ 0	\$ (0)	\$ (0)

Video, Pay-By-Plate & Other					
		July	August	September	Total
Forecast	Legacy	13,281,604	10,953,223	11,228,719	\$ 35,463,546
	ICC	1,566,245	1,398,437	1,500,142	\$ 4,464,824
	ETL	78,610	56,477	66,349	\$ 201,435
	Total	14,926,458	12,408,136	12,795,210	\$ 40,129,805
Actual	Legacy	\$ 13,259,843	\$ 10,933,920	\$ 11,209,746	\$ 35,403,509
	ICC	1,562,418	1,395,042	1,496,805	\$ 4,454,265
	ETL	78,610	56,477	66,350	\$ 201,436
	Total	14,900,871	12,385,438	12,772,901	40,059,210
Difference		\$ (25,588)	\$ (22,698)	\$ (22,309)	\$ (70,595)

All Revenue					
		July	August	September	Total
Forecast	\$	69,402,268	\$ 64,473,442	\$ 68,151,565	\$ 202,027,275
Actual		69,376,680	64,450,744	68,129,256	\$ 201,956,681
Difference	\$	(25,588)	\$ (22,698)	\$ (22,309)	\$ (70,595)

TAB 8



Maryland
Transportation
Authority

Wes Moore, Governor
Aruna Miller, Lt. Governor
Paul J. Wiedefeld, Chairman

Board Members:

Dontae Carroll	Cynthia D. Penny-Ardinger
William H. Cox, Jr.	Jeffrey S. Rosen
W. Lee Gaines, Jr.	Samuel D. Snead, MCP, MA
Mario J. Gangemi, P.E.	John F. von Paris

Percy E. Dangerfield PhD, Acting Executive Director

MEMORANDUM

TO: MDTA Board
FROM: Chief Engineer James Harkness, P.E., PTOE
SUBJECT: Quarterly Update on Major Capital Projects valued over \$40 Million
DATE: December 21, 2023

PURPOSE OF MEMORANDUM

The purpose of the memorandum is to update the MDTA Board on the status of the major projects in the Capital Program.

SUMMARY

As of December 14, 2023, there are twelve major projects in the Capital Program. Nine of the projects are under construction, one project is in procurement, and two projects are under design. This update includes projects funded for construction in the current CTP and includes six projects valued in excess of \$100 million. There are four projects from the \$1.1 billion I-95 ETL Northbound Expansion program.

ATTACHMENT

- MDTA Major Capital Projects (>\$40 million) – December 2023 Update

MDTA Major Capital Projects (>\$40 Million) - December 2023 Update

Pin	Contract No.	Description	AD	NTP	Budget (Thousands \$)	Ant. Construction Completion Date	Construction (C), Procurement (P) or Design (D)
2147	MA-2257	Replace Electronic Toll Collection - 3rd Gen	8/1/16	3/6/18	139,369	Summer 2025	C
1024	NB-0543	Replace Nice/Middleton Bridge	10/20/18	3/17/20	610,787	Winter 2025	C
2251	FT-2651R	Rehabilitate Ventilation Fans	9/5/19	7/1/20	44,695	Spring 2024	C
2453	KH-3009	I-95 ETL Northbound Extension - Express Toll Lanes to MD 152	8/17/20	5/3/21	224,455	Winter 2025	C
2491	KH-3019	I-95 ETL Northbound Extension - MD 152 Interchange Reconstruction	5/7/21	2/28/22	245,499	Winter 2025	C
2477	KH-3024	I-95/Belvidere Road Interchange	5/18/20	2/25/22	81,529	Summer 2026	C
2317	BB-2726 BB-3017 BB-3018	Eastbound Bay Bridge Deck Replacment - Phase 1	9/6/19	1/9/23	294,629	Spring 2026	C
2306	HT-2709	Envelope and Switchgear Replacements at BHT Ventilation Buildings	1/10/22	2/20/23	80,675	Winter 2027	C
2512	HB-3001	Cleaning and Painting of the Hatem Bridge	8/3/23	1/5/24	65,915	Summer 2026	C
2450	KB-3005	I-695 Subgrade Improvements at Bear Creek	6/6/23	1/12/24	48,791	Summer 2025	P
2492	KH-3020	I-95 ETL Northbound Extension - MD 24 to Bynum Run	2/14/24	8/5/24	66,000	Winter 2028	D
2493	KH-3021	I-95 ETL Northbound Extension - MD 24 Interchange	3/25/24	10/15/24	287,000	Winter 2028	D

TAB 9



MEMORANDUM

TO: MDTA Board
FROM: Director of Information Technology David Goldsborough
SUBJECT: Quarterly Information Technology Update
DATE: December 21, 2023

PURPOSE OF MEMORANDUM

The purpose of this memorandum is to provide a quarterly update to the MDTA Board on MDTA's Division of Information Technology (DoIT).

SUMMARY

As of December 21, 2023, the Division of Information Technology maintains an active portfolio of 21 projects and provides continued support of the third-generation tolling system (3G) program. As a result of the enterprise risk assessment, the first IT audit for the CSC vendor (Transcore) has commenced. This will cover various controls around backup and restore, access controls, etc. DoIT has also completed several recruitments. I would like to welcome Blake Shelton who is our new Maximo Systems Supervisor, and Norman "Chip" Molter who is our Lead Database and Systems Administrator. We are also in the offer process for two (2) Senior Project managers.

DoIT also completed the annual tabletop disaster recovery exercise on November 6, 2023. We are scheduled to perform a live failover exercise in quarter 1 of 2024. The annual financial audit has concluded for DoIT. All deliverables have been forwarded to Clifton Larsen Allen.

Some of the significant initiatives that DoIT continues to work on include the following:

Project Name	Brief Description	Go-live	Status
HR Central Conversion	Moving HRC to the new Salesforce lightning platform	1/31/2024	Green
Web-Based appointment scheduler	Provides the ability for customers to schedule appointments online for EZ Pass or general tolling issues.	9/1/2023	Closed

Miss Utility conversion	Scheduling system for having utilities marked.	10/1/2023	Green
Maximo Spatial	Implementation of Maximo spatial for asset management	6/30/2023	Green
Open Text Upgrade	Upgrade from version 2016 to 2021	10/30/2023	Pending close
Dynamics SL Upgrade	Upgrade from version 2015 to 2018	7/1/2024	Green
HRIS	Moving the HRIS system to the cloud	9/24	Green
Data Center *Enhancements Project	Replace power and cooling units in the ICC and JFK data centers.	Q1 2024	Green
Clearing House tracking for Health and Safety (OESRM)	Tracking of driver information for MDTA drivers that hold a CDL.	10/11/2024	Green

TAB 10



Maryland Transportation Authority

Wes Moore, Governor
Aruna Miller, Lt. Governor
Paul J. Wiedefeld, Chairman

Board Members:

Dontae Carroll	Cynthia D. Penny-Ardinger
William H. Cox, Jr.	Jeffrey S. Rosen
W. Lee Gaines, Jr.	Samuel D. Snead, MCP, MA
Mario J. Gangemi, P.E.	John F. von Paris

Percy E. Dangerfield PhD, Acting Executive Director

MEMORANDUM

TO: MDTA Board
FROM: Acting Chief Administrative Officer Tonya J. Dorsey
Director of Civil Rights and Fair Practices Tia Rattini
PREPARED BY: Compliance Officer Nicholas Lloyd
SUBJECT: Quarterly Update: Socioeconomic Programs Status
DATE: December 21, 2023

PURPOSE OF MEMORANDUM

The purpose of this memorandum is to provide the Maryland Transportation Authority (MDTA) Board of Directors with an update on the MDTA's progress toward achieving the legislatively mandated socioeconomic program goals.

SUMMARY

In accordance with Article II of the MDTA Board Operating Policy, as amended on January 25, 2018, this summary has been prepared and distributed. The Division of Civil Rights and Fair Practices (CRFP) is responsible for the development, oversight, and administration of the MDTA's State and federal socioeconomic programs. These programs include the following:

- Disadvantaged Business Enterprise (DBE) Program.
- Minority Business Enterprise (MBE) Program.
- Small Business Reserve (SBR) Program; and
- Veteran-Owned Small Business Enterprise (VSBE) Program.

The following socioeconomic programs' performance information presented is based on Q1 of 2024, which covers the performance period of July 1, 2023 to September 30, 2023¹. This performance period will be referenced as Q1 FY 2024.

¹ The achieved goals reported for the MBE, SBR, and VSBE programs in this document are specific to contract awards and payments. This data does not include Purchasing Credit Card (P-Card) information and may vary from data submitted for the Governor's Office of Small Minority and Women Business Affairs (GOSBA) quarterly reporting.

Disadvantaged Business Enterprise (DBE) Program

CRFP is responsible for monitoring the Nice-Middleton Bridge Project's federally funded contracts to ensure compliance with nondiscrimination and affirmative action requirements. The responsibilities include oversight of the Disadvantage Business Enterprise (DBE) Program, the Contractor's Equal Employment Opportunity (EEO)/Workforce Affirmative Action plans, On-the-Job Training (OJT) programs, and Contractor Labor Compliance. The unit also provides management, supervision, and direction to the third-party civil rights compliance monitors assigned to the Project by the General Engineering Consultant for the Nice-Middleton Bridge Replacement Project.

The Nice-Middleton Bridge Project will construct a new 4-lane crossing of US-301 over the Potomac River to replace the existing bridge, which is over 80 years old. The Project also includes minor roadway work on each side of the Potomac River, improvements to the campus infrastructure, and demolition of the existing bridge. The Nice-Middleton Bridge Project is comprised of five (5) contracts that have an estimated value of \$531 million.

The five (5) contracts that are included in Nice-Middleton Bridge Project were identified for federal financial assistance via a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan. DBE firms' utilization is monitored monthly and reported to the Federal Highway Administration (FHWA) semi-annually. DBE firms' utilization is calculated by dividing the total dollars paid to DBE subcontractors by the total dollars expended for this Project.

Table 1 depicts total DBE payments by Contract for the Nice-Middleton Bridge Projects and the newly awarded I-95 Interchange at Belvidere Road through September 30, 2023. Each Contract has a contract-specific DBE goal commitment. Table 1 depicts each Contract's DBE utilization in payments project-to-date.

Minority Business Enterprise (MBE) Program

CRFP's Compliance Officers are responsible for monitoring State-funded projects to ensure compliance with Maryland's Minority Business Enterprise (MBE) Program. The MBE Program intends to increase procurement opportunities for socially and economically disadvantaged small business owners within the State contracting marketplace. Maryland's MBE Program requires State agencies to structure their procurements in a manner that allows 29 percent of the agency's total annual expenditures on procurement contracts to be paid directly or indirectly to certified MBE firms as prime contractors or subcontractors.

Table 2 depicts total MBE participation by Contracting Areas for Q1 FY 2024. During this period, MBE firms received \$9.89 million (40.02%) of the \$24.7 million in total contract awards. These amounts represent contract awards in six (6) Procurement Categories: Construction; Architectural & Engineering (A&E); Maintenance; Information Technology (IT); Services; and Supplies and Equipment.

Table 3 depicts MBE awards by Minority Business Enterprise (MBE) classification and procurement category for Q1 FY 2024. During this period, African American firms received approximately \$726,000 (2.94%) of the \$24.7 million of Prime contract awards. Asian American firms received \$5 million (20.22%). Women-owned firms received \$4.1 million (16.86%). MBE participation for Q1 FY 2024 is calculated by dividing the total MBE contract award dollars by the total contract award dollars.

Small Business Reserve (SBR) Program

The Small Business Reserve (SBR) Program is administered by the Division of Procurement (DOP). CRFP is responsible for reviewing and analyzing State-funded procurements to ensure compliance with Maryland's SBR Program. Maryland's SBR Program provides small businesses with the opportunity to participate as prime contractors on State-funded contracts by establishing a unique marketplace where small businesses compete against other small businesses instead of larger, more established companies. The SBR program is a race and gender-neutral program. Minority status is not a criterion for participation in the SBR Program. (See Md. Code Ann., State Fin. & Proc. Art. §14-501.)

On January 6, 2021, Governor Hogan signed Executive Order 01.01.2021.01 to increase small business participation in State procurements. The Executive Order enhances the SBR Program by directing all procurements between \$50,000 and \$500,000 to the SBR Program unless the procurement meets defined exemptions. The State has established a 15% SBR utilization goal.

The SBR firms' utilization for Q1 FY 2024 is calculated by dividing the total SBR designated payments by the total procurement payments. An SBR-designated payment is a payment made to a vendor for an SBR-designated procurement.

Table 4 depicts Small Business Reserve Program utilization for Q1 FY 2024. SBR-designated firms received \$760,000 (0.31%) of the \$246 million in procurement payments during this period. Non SBR-Designated payments for this quarter were \$2.9 million (1.19%). MDTA's SBR utilization was \$3.7 million (1.52%) for all SBR payments (designated and non-designated).

Veteran-Owned Small Business Enterprise (VSBE) Program

CRFP's Compliance Officers are responsible for monitoring State-funded projects to ensure compliance with Maryland's Veteran-Owned Small Business Enterprise (VSBE) Program. The VSBE Program provides contracting opportunities on State-funded procurements for qualified veteran-owned small businesses. In accordance with COMAR 21.11.03.01, each State procurement agency is required to structure its procedures for making procurements to achieve an overall minimum goal of one (1) percent of the unit's total dollar value of all procurement contracts made directly or indirectly with veteran-owned small business enterprises.

Table 5 depicts VSBE contract participation by contracting area for Q1 FY 2024. During this period, VSBE firms received \$6.6 million (26.8%) of the \$24.7 million in contracts awarded by

the MDTA during this period. VSBE participation for Q1 FY 2024 is calculated by dividing the total contract award dollars to VSBE firms by all contract awards.

Major Initiatives

CRFP has enacted the following strategies focused on outreach, training, and data analysis to achieve its mission of championing socioeconomic programs:

- *PRISM Contract Compliance System:* PRISM is a contract compliance system that supports payment and contract compliance, performance management functionality, and compliance workflow automation for the whole performance management contracting cycle from pre-solicitation to contract closeout. PRISM includes the following capabilities: vendor registration, vendor management, contract management, labor management, outreach management; and dashboard and reporting. The following is an update on the status of PRISM implementation:
 - Production testing completed.
 - Custom reports in development.
 - Vendor training for federal Prime contractors took place in June and July 2023.
 - Federal Prime contractors will receive sign-on information and additional documents in December 2023.
 - DBE subcontractors to receive sign-on information and training documents by January 2024.
 - Federal contracts reporting to PRISM will start in January 2024.
 - Training of State contracts Prime and subcontractors, and Compliance Officers will begin in February 2024.
 - State contracts Prime and subcontractors will start receiving training, sign-on information, and additional documents in February 2024.
 - Prime contractors and MBE/DBE/VSBE subcontractor reporting to PRISM starting in March 2024.
- *In-person Outreach Events:* On March 8, 2023, June 14, 2023 and September 13, 2023, CRFP completed in-person events titled “Doing Business with the MDTA,” attended by a combined total of 212 members of the business community. Small and minority businesses were invited to attend a free 4-hour workshop to network with prime contractors, learn about upcoming procurement opportunities and resources to grow their businesses, MBE, DBE, and VSBE program requirements, and their role as prime contractors or subcontractors. Future in-person events are planned for March 21, 2024, June 20, 2024, and September 19, 2024.
- *Training with the Office of Engineering and Construction (OEC):* CRFP coordinated with OEC to host training sessions for MDTA Project Managers and Project Engineers. These training sessions are designed to foster relationships between the CRFP and OEC teams and increase Project Managers’ and Project Engineers’ awareness and understanding of the MBE, DBE, and VSBE programs and regulatory requirements.

Training sessions with Project Managers and Contract Managers in the Construction Unit were completed in December 2022, March 2023, and June 2023.

- During the June 2, 2023, training session, over forty (40) staff were in attendance. The training included information about the importance of accounting for MBE, VSBE, DBE goals and subgoals when a contract's value is increased by way of an Extra Work Authorizations (EWA) or Supplemental Agreement (SA).
 - CRFP will be scheduling training with Project Managers on IT, Service, and Maintenance contracts in January 2024.
- *Credit card purchases made with MBE, DBE, VSBE, and SBR vendors:* CRFP is working with the Purchasing Card Program Administrator and the IT Solutions Administrator to develop a way to automatically identify, and track credit card transactions made with MBE, DBE, VSBE, and SBR vendors in the purchasing card system. This option would make compiling and reporting this data more manageable and efficient. This functionality within the purchasing card system would also help CRFP to identify the frequency with which cardholders make purchases using MBE, DBE, VSBE, and SBR vendors – thereby uncovering opportunities for additional training or recognition. CRFP is also working with the DOP to update the “Strive for Five” form to include a reference to MBE and VSBE vendors.
 - Civil Rights and Fair Practices had several meetings with Finance, Procurement, and IT to discuss implementing an interface to the P-Card system from MDOT's MBE Directory and eMaryland Marketplace Advantage (eMMA) that would enable our P-Card system to identify MBEs/VSBE that are utilized on credit card purchases. The P-Card form (Strive for Five) will be updated to remind P-Card users to look for DBEs/MBEs/VSBEs/SBRs that can be utilized when making purchases. We have also met with the Division of Communications (DOC) to have our Small Procurement Training Sessions recorded to have available for MDTA Staff.
 - CRFP and IT had a Project initiation meeting on August 23rd to discuss the interface between eMaryland Marketplace Advantage (eMMA) and MDTA's Maximo System to identify MBE/VSBE/SBR firms on credit card purchases.
- *Identifying additional opportunities for MBE/DBE/VSBE participation:* Evaluating the extra work authorization (EWA) and supplemental agreement (SA) process to ensure maximization of goal attainment is considered with all additional work. We are working internally with our Office of Engineering and Construction to identify these opportunities. In addition, we are reviewing the feasibility of expanding third tier subcontracting more broadly and reducing the standard requirement that Primes self-perform 50% of the contract. Lastly, reviewing our task order/open end contracts to see if we can repackage tasks into contracts with more defined items of work that have greater likelihood of achieving the contract goals.
- *Outstanding MBE/DBE/VSBE Subcontracting Partner Award:* The MDTA is developing the Outstanding Subcontracting Partner award as an annual recognition of

completed projects with subcontracting goals (or subgoals, if applicable) that achieve the highest MBE, DBE, or VSBE participation. The main purpose of this award is to celebrate success, share lessons learned of best practices, and honor all project stakeholders. This award is for the successful use of certified MBE, DBE, or VSBE firms on an MDTA construction, architectural/engineering, information technology, or service/maintenance project. See Table 6 of Corrective Strategies for meeting DBE/MBE/SBR goals.

ATTACHMENTS

- Table 1: Nice-Middleton Bridge Project and I-95 Interchange at Belvidere Road Project Disadvantaged Business Enterprise (DBE) Program Utilization
- Table 2: Minority Business Enterprise (MBE) Program Contract Awards by Procurement Category
- Table 3: Minority Business Enterprise (MBE) Program Contract Awards by MBE Classification and Procurement Category
- Table 4: Small Business Reserve (SBR) Program Utilization
- Table 5: Veteran-Owned Small Business Enterprise (VSBE) Contract Awards by Procurement Category
- Table 6: Corrective Strategies

ATTACHMENTS

QUARTERLY UPDATE: SOCIOECONOMIC PROGRAMS STATUS

**Table 1: Nice-Middleton Bridge Project and I-95 Interchange at Belvidere Road Project
Disadvantaged Business Enterprise (DBE) Program Utilization**

Disadvantaged Business Enterprise Program Utilization Project-To-Date (Period Ending September 30, 2023)					
Contract Number & Contract Value	Contract Description	Committed DBE Goal (%)	Total Payments (\$) to Primes	Total (%) Payments Paid to DBEs	Total Payments to DBEs
KH-3024-0000 NTP 02/25/22 \$65,437,722.28	I-95 Interchange at Belvidere Road	23.00%	\$9,667,237.84	8.98%	\$867,911.62
NB-0543-0000 NTP 03/17/20 \$462,957,000.00	Bridge Replacement	16.75%	\$434,440,541.29	18.26%	\$79,321,787.46
NB-3003-0000 NTP 08/28/20 \$27,433,000.00	Campus Improvements	23.75%	\$24,202,811.70	24.08%	\$5,828,499.12
AE-3049-0000 NTP 11/14/18 \$15,000,000.00	Construction Management Inspection Services	26.00%	\$8,964,819.24	27.61%	\$2,474,839.03
AE-3050-0000 NTP 11/14/18 \$15,000,000.00	Construction Management Inspection Services	26.00%	\$8,697,719.49	23.35%	\$2,030,563.56
AE-3051-0000 NTP 11/14/18 \$15,000,000.00	Construction Management Inspection Services	26.00%	\$7,166,118.77	19.99%	\$1,432,619.32

Table 2: Minority Business Enterprise (MBE) Program Contract Awards by Procurement Category

Minority Business Enterprise (MBE) Program Contract Awards by Procurement Category FY2024 Quarter 1 Report			
State MBE Program Participation Goal	29%		
MDTA-MBE Program Contract Utilization	40.02%		
Procurement Category	MBE %	MBE Subcontract Awards	Prime Contract Awards
Construction	15.30%	\$ 1,766,400.00	\$ 11,548,498.50
A&E	100.00%	\$ 7,000,000.00	\$ 7,000,000.00
Maintenance	3.81%	\$ 101,540.00	\$ 2,664,259.48
IT	30.08%	\$ 1,028,244.60	\$ 3,418,335.05
Services	0.00%	\$ -	\$ 96,000.00
Supplies/Equipment	0.00%	\$ -	\$ -
Total	40.02%	\$9,896,184.60	\$24,727,093.03

Table 3: Minority Business Enterprise (MBE) Program Contract Awards by MBE Classification and Procurement Category

Minority Business Enterprise (MBE) Program Contract Awards by Minority Business Enterprise (MBE) Classification and Procurement Category FY2024 Quarter 1 Report													
Procurement Category	African American (%)	African American (\$)	Hispanic American (%)	Hispanic American (\$)	Asian American (%)	Asian American (\$)	Women (%)	Women (\$)	Native American (%)	Native American (\$)	Disabled (%)	Disabled (\$)	Total Award (\$)
Construction	6.29%	\$ 726,400.00	0.00%	\$ -	0.00%	\$ -	9.01%	\$ 1,040,000.00	0.00%	\$ -	0.00%	\$ -	\$ 1,766,400.00
A&E	0.00%	\$ -	0.00%	\$ -	71.43%	\$ 5,000,000.00	28.57%	\$ 2,000,000.00	0.00%	\$ -	0.00%	\$ -	\$ 7,000,000.00
Maintenance	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	3.81%	\$ 101,540.00	0.00%	\$ -	0.00%	\$ -	\$ 101,540.00
IT	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	30.08%	\$ 1,028,244.60	0.00%	\$ -	0.00%	\$ -	\$ 1,028,244.60
Services	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	\$ -
Supplies/Equipment	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	0.00%	\$ -	\$ -
Total Participation	2.94%	\$ 726,400.00	0.00%	\$ -	20.22%	\$ 5,000,000.00	16.86%	\$ 4,169,784.60	0.00%	\$ -	0.00%	\$ -	\$ 9,896,184.60

Table 4: Small Business Reserve (SBR) Program Utilization

Small Business Reserve (SBR) Program Utilization FY2024 Quarter 1					
SBR State Participation Goal	15%				
MDTA SBR Utilization	1.52%				
SBR Designated Payments \$	SBR Designated Payments %	SBR Non-Designated Payments \$	SBR Non-Designated Payments %	Credit Card Payments to SBR	Total Procurement Payments (\$)
\$760,636	0.31%	\$2,936,486	1.19%	\$ 37,958.00	\$246,085,825
Total SBR Payments \$					
\$3,735,080					

Table 5: Veteran-Owned Small Business Enterprise (VSBE) Contract Awards by Procurement Category

Veteran-Owned Small Business Enterprise (VSBE) Program Contract Awards FY2024 Quarter 1			
VSBE Participation Goal	1.00%		
MDTA - VSBE Contract Awards	26.84%		
Procurement Category	VSBE %	VSBE Awards \$	Total Awards \$
Construction	56.67%	\$6,545,000.00	\$11,548,498.50
A&E	1.00%	\$70,000.00	\$7,000,000.00
Maintenance	0.00%	\$0.00	\$2,664,259.48
IT	0.66%	\$22,549.22	\$3,418,335.05
Services	0.00%	\$0.00	\$96,000.00
Supplies/Equipment	0.00%	\$0.00	\$0.00
Total	26.84%	\$6,637,549.22	\$24,727,093.03

Table 6: Corrective Strategies

Corrective Strategies for Meeting Goals				
Goal Category	Goal Percentage	Reason for Not Meeting Goal	Strategy to Address Issue	Positive Outcome of Implementing Strategy
DBE A/E Contracts (AE-3050 and AE-3051)	26%	Prime had challenges with identifying willing and available staff because of project location.	Working with OEC to see if other MDTA work can be completed using these contracts.	Increase goal attainment on contract.
MBE Awards	29%	Sole source and single element of work contracts with no MBE goal. On-call and specialized requirements	Educating/working closely with OEC to look at all possible subcontracting opportunities. Working with DBEs/MBEs/VSBEs to become Certified/Registered on eMMA/keep profiles updated/ expansion of services.	Better able to identify subcontracting opportunities which would increase the goal. On-going monitoring to determine impact to overall goal. Increased knowledge of program participation and availability.
SBR	15%	Outreach efforts. Current iFMIS database doesn't track SBR information eMMA SBR profiles are missing pertinent information (i.e., email addresses) SBR's respond that they are interested in bidding and meet the qualifications to be a Prime, but they don't bid.	Implementing new Compliance System – PRISM. CRFP Quarterly Outreach events – inform vendors on programs, requirements, register on eMMA and keep profiles updated to increase the pool of potential SBR Primes	Ongoing tracking to determine increase in SBR bidders and SBR awards.

TAB 11

VERBAL

TAB 12

VERBAL

TAB 13

CLOSED SESSION

VERBAL