

PERFORMANCE OVERSIGHT COMMITTEE MEETING

January 17, 2019

The meeting was called to order at 9:00 a.m. in Port Authority's Neal H. Holmes Board Room located on the fifth floor of the Heinz 57 Center with the following in attendance:

Board Committee Members

Michelle Zmijanac, Chair
Jen Liptak
Dom Costa
Rob Vescio
Jeff Letwin

Other Board Members

John Tague
Ann Ogoreuc
Rob Kania

1. Approval of Minutes:

The Committee approved the minutes from the November 15, 2018 Performance Oversight Committee meeting.

2. Proposed Resolutions:

There were 10 resolutions reviewed by the Performance Oversight Committee.

The Committee first reviewed five procurement items and determined that the bids were in accordance with the Authority's procurement policies and procedures, the prices to be fair and reasonable, the bidders to be responsible and the bids responsive.

The Performance Oversight Committee agreed to recommend for award the five items listed in the resolution for the total amount of approximately \$33.8 million.

Mr. Wargo presented the next resolution seeking authorization to award construction contracts for the Wash Rack Replacement at the Ross and Collier Garages and Cyclone Installation at the Ross and East Liberty Garages.

The contracts include work for general, plumbing and electrical construction.

Bid documents were prepared and publicly advertised for the project. Three bids were received for the general construction contract, one bid for the plumbing contract and one bid for the electrical contract.

It has been determined that the bid of Waller Corporation, in the amount of \$3,623,400, for the General Construction Contract; the bid of Wheels Mechanical Contracting & Supplier, Inc., in the amount of \$191,100, for the Plumbing Construction Contract; and Merit Electrical Group, Inc., in the amount of \$362,979, for the Electrical Construction Contract are the lowest responsive bids from responsible bidders meeting the Authority's specifications for the contracts.

The Performance Oversight Committee agreed to recommend awarding the respective contracts to the Waller Corporation, Wheels Mechanical, and Merit Electrical, all subject to completing the pre-award requirements.

Mr. Don Rivetti, Port Authority's new Deputy Chief Operations Officer Maintenance, presented the next resolution. Mr. Rivetti reported that the Authority wishes to begin incorporating electric-powered buses into its fleet to provide daily transit service. He explained that the Authority, in partnership with New Flyer of America, Inc., applied for and received funding through the Federal Low or No Emissions Program to procure electric-powered buses.

The Authority wishes to utilize the Low or No Program funds, along with other permitted federal formula funds and the required 15 percent local match, to procure two 40-foot low floor electric-powered buses and training, special tools and equipment. The proposal submitted by New Flyer has been determined to be fair and reasonable and includes a unit price of \$1,081,805.42 for each bus.

The Performance Oversight Committee agreed to recommend entering into an agreement with New Flyer for the purchase of two 40-foot low floor electric-powered buses, along with training, special tools and equipment, for a total not to exceed amount of \$2,278,587.92.

Mr. Ritchie presented the next resolution seeking authorization to enter into agreements to provide Governmental Relations and Legislative Consulting services. He explained that Port Authority requires a pool of firms to assist in representing the Authority before various political bodies and similar organizations, in two categories: the executive and legislative branches of the federal government and the executive and legislative branches of the state and local governments.

The agreements will be for a three-year period, with the option to extend the term up to two additional years at the sole discretion of the Authority.

The proposal submitted by Buchanan Ingersoll & Rooney PC has been determined to be the highest-rated proposal for the performance of the services in the federal government category.

The proposals submitted by Greenlee Partners, LLC and Buchanan Ingersoll & Rooney PC have been determined to be the highest-rated proposals for the performance of the services in the state and local governments category.

The Performance Oversight Committee agreed to recommend entering into agreements with these firms for the identified categories of services for a total not-to-exceed amount of \$888,000 for the initial three-year period.

Mr. Cetra presented the next resolution. He reported that in May 2015, Port Authority entered into an agreement with Parkway Parking of Pennsylvania, Inc. to provide

parking garage facility management services at the Authority's South Hills Village Parking Garage. In December 2017, the Authority's Board authorized to exercise the first option year to extend the agreement until April 30, 2019 and to increase the total not-to-exceed amount of the agreement to \$675,000.

As the agreement with Parkway currently expires on April 30, and Parkway has performed the contract services in a satisfactory and efficient manner, the Performance Oversight Committee agreed to recommend exercising the second option year of the agreement, extending the term until April 30, 2020, and increasing the total not-to-exceed amount by \$180,000 to \$855,000.

Mr. Cetra then presented the next resolution. He reported that Port Authority owns and operates a park and ride and bus transit facility located in McKeesport, PA, commonly known as the McKeesport Transportation Center.

The Municipal Authority of the City of McKeesport owns and operates sanitary lines and system, and one of its lines extends through two parcels that are part of the Transportation Center and has requested that the Authority enter into Deeds of Easement and Rights of Way Agreements for these lines to clarify its ownership and maintenance responsibility.

The Performance Oversight Committee agreed to recommend authorizing the Authority to enter into Easement Agreements with the Municipal Authority of the City of McKeesport.

Mr. Cetra also presented the next resolution. He reported that Port Authority's Collective Bargaining Agreement with Local 85, Amalgamated Transit Union, covering rank-and-file employees, was ratified by the Authority and Local 85 in December 2016 for the period July 1, 2016 through June 30, 2020.

Among other terms and conditions, the agreement provides that the parties would continue discussions concerning potential revisions relating to work rules for transit vehicle operators. Since the 2016 ratification, the Authority and Local 85 representatives have been engaged in discussions and good faith negotiations concerning revisions and clarifications to be made to the agreement.

Recently, the Authority and Local 85 have agreed upon the proposed terms and conditions of the Operator Work Rules Amendment attached to the resolution as Exhibit A. He noted that the Amendment has already been ratified by Local 85.

The Performance Oversight Committee agreed to seek approval and ratification of the Amendment by Port Authority.

Mr. Schenk presented the next resolution. He reported that Port Authority requires the services of a contractor to provide fare model development and related Title VI fare equity analysis.

The services will be performed on a work order basis and will include work such as a review of the Authority's current fare structure, ridership and passenger revenue and review of the current fare policy.

Two proposals were received to perform the work, and the proposal submitted by Four Nines Technologies has been determined to be the highest rated proposal for the performance of the services.

The Performance Oversight Committee agreed to recommend entering into an agreement with Four Nines Technologies for an initial three-year period, with the option to extend the term of the agreement up to two additional years, for an amount not-to-exceed \$210,000.

Mr. Schenk also presented the next resolution. He reported that in December 2015, Port Authority entered into an agreement with Maher Duessel to provide financial audit and pension plan audit services for an initial three-year term. The agreement also contains two option years.

The Authority has determined that it is in its best interest to exercise the first option year extending the Agreement to March 25, 2020, and increasing the total not-to-exceed amount by \$104,500 to \$448,000.

The Performance Oversight Committee agreed to recommend the resolution as presented.

The final resolution, also presented by Mr. Schenk, was seeking authorization to apply for and enter into various agreements for Calendar Year 2019 for Operating and Capital Grant funds.

The Performance Oversight Committee agreed to recommend authorization for the Authority to apply for and enter into grant agreements that the Authority is eligible for, or may become eligible for, in Calendar Year 2019 to support the Authority's operating and capital budgets.

3. Financial Report:

At the meeting, Mr. Schenk reported that Total Operating Income exceeded budget by \$460,410 in the month of December 2018 and Total Expenses were under budget by approximately \$2.63 million. Operating Subsidies were approximately \$1.07 million under budget, but this is a timing issue that will normalize by fiscal year-end.

4. Tactical Plan Update

Additionally, at the meeting, Port Authority's senior team presented an update of the tactical plan. This included subjects such as the Customer Service Experience, the Safety Program, Financial Sustainability, Employee Engagement and Improving Customer and Public Communications.

With no further business, the meeting was adjourned.