

PERFORMANCE OVERSIGHT COMMITTEE MEETING

June 20, 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
Rep. Austin Davis (via phone)
Jeff Letwin

Other Board Members

John Tague
Ann Ogoreuc

1. Approval of Minutes:

The Committee approved the minutes from the May 29, 2019 Performance Oversight Committee meeting.

2. Proposed Resolutions:

There were four resolutions reviewed by the Performance Oversight Committee.

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

The Performance Oversight Committee agreed to recommend for award the four items listed in the resolution for the total amount of approximately \$1,040,000.

The next resolution reviewed by the Committee seeks authorization to extend and amend agreements for general marketing services.

Mr. Ritchie reported that in July 2014, the Authority's Board authorized the award of agreements to Red House Communications, Inc., Elisco Advertising Inc., Campos, Inc., and Nakturnal, LLC, for an initial term of four years for a total not-to-exceed amount of \$1,800,000. The agreements also contained two option years to be exercised by the Authority in its sole discretion.

The Board previously authorized an amendment to the agreements for the exercise of the first option year, extending the term of the agreements until August 14, 2019, and increasing the previously authorized total not-to-exceed amount to \$3,240,255.

Mr. Ritchie reported that to date, the services performed by the four firms have been satisfactory and in compliance with the agreements.

The Performance Oversight Committee agreed to recommend exercising the second option year extending the term of the agreements with the four firms to August 14, 2020,

and increasing the previously authorized total not-to-exceed amount by \$793,000. (Note: Mr. Letwin will abstain from voting on this resolution as his firm represents one of these companies.)

The next resolution reviewed by the Committee seeks authorization to enter into third amendments to the Designated Service Agreements with the University Pass Program participants.

Mr. Cetra reported that as part of the University Pass Program, the Authority is a party to agreements with the University of Pittsburgh, Carnegie Mellon University and Chatham University that provide eligible students, faculty and staff with access to, and use of, the Authority's public transit system in exchange for certain fees.

He explained that among other terms and conditions of the agreements, each University pays the Authority a fee of 50 percent of the Authority's base fare per card tap, which is currently \$1.25, for eligible students, faculty and staff with University-issued identification cards compatible with the Authority's smart-card fare collection system. Previously, the agreement with Pitt was extended through June 30, 2019; the agreement with CMU was extended through July 31, 2019; and the agreement with Carnegie Mellon was extended through September 30, 2019.

The Performance Oversight Committee agreed to recommend approval to amend the agreements with Pitt, CMU and Chatham to extend each for one additional year.

Mr. Schenk presented the final resolution seeking authorization to extend and amend an agreement for utility consulting and administrative support services.

He reported that in September 2016, the Authority's Board authorized the award of agreement to Eric Ryan Corporation to provide utility consulting and administrative support services for an initial term of three years for a total not-to-exceed amount of \$170,400. He noted that the agreement also contained two additional option years to be exercised by the Authority in its sole discretion.

Mr. Schenk stated that to date, the services performed by Eric Ryan Corporation have been satisfactory and in compliance with the agreement.

The Performance Oversight Committee agreed to recommend exercising both option years extending the term of the agreement to August 31, 2021, and increasing the total-not-to-exceed amount by \$110,400.

3. Financial Report:

Mr. Schenk, reported on the financial statements for the month of May 2019, He reported that Total Operating Income was below budget by approximately \$172,464.00, primarily due to lower Passenger Revenues. However, Total Operating Income for the fiscal year remains over budget. Total Expenses for the month of May were under budget by approximately \$604,000.

Mr. Schenk noted that Operating Subsidies were over budget by \$972,505 for the month due to a timing issue with State Operating Assistance.

With no further business, the meeting was adjourned.

Approved