



TO: Performance Oversight Committee  
Representative Austin Davis  
Representative Lori Mizgorski

FROM: Michelle Zmijanac, Committee Chair

DATE: January 15, 2021

SUBJECT: Performance Oversight Committee – January 21, 2021

The next meeting of the Performance Oversight Committee is scheduled for Thursday, January 21, 2021, being held virtually via WebEx and conference call-in, immediately following the 9:00 a.m. Finance Committee meeting. The preliminary agenda is as follows:

1. Approval of Minutes of the November 12, 2020 Performance Oversight Committee Meeting.
2. Proposed Resolutions:
  - a. Awarding of Bids (Tony Trona)
  - b. Authorization to Extend Agreement to Provide Inspection and Engineering Services (Greg O'Hare)
  - c. Authorization for Settlement of Public Liability Claim (Mike Cetra)
3. Adjourn

cc: Other Port Authority Board Members

**PERFORMANCE OVERSIGHT COMMITTEE MEETING**

November 12, 2020

The meeting was called to order and held virtually with the following in attendance:

Board Committee Members

*(all via Webex)*

Michelle Zmijanac, Chair  
Rep. Lor Mizgorski  
Jeff Letwin

Other Board Member

*(all via Webex)*

John Tague  
Ann Ogoreuc  
Jennifer Liptak  
Stephanie Turman  
Senator Jim Brewster  
Jessica Walls-Lavelle

1. Approval of Minutes:

The Committee approved the minutes from the October 15, 2020 Performance Oversight Committee meeting.

2. Proposed Resolutions:

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

The Performance Oversight Committee agreed to recommend the award of bids listed in the resolution for the total amount of approximately \$1.3 million dollars. My fellow members, I respectfully request the Board approve this resolution.

Before the next resolution presentation, Mr. Huffaker announced that this will be the last time Keith Wargo will be presenting a resolution as he will be retiring at the end of the year. He thanked Mr. Wargo for his dedication and hard work during the past 30 years, and in particular, thanked him for his support and for sharing of history when he arrived here at the Authority. He congratulated Mr. Wargo on his well-deserved retirement.

Mr. Wargo thanked the Board, especially Ms. Zmijanac and this committee, for their support. He thanked his dedicated staff, consultants and great mentors he worked with along the way, stating that it was an honor and a privilege to work for an organization as wonderful as Port Authority.

He then presented the next resolution seeking authorization to award construction contracts for the Manchester Garage Engine Test Facility project.

Mr. Wargo reported that the Manchester Main Shop rebuilds 40-60 bus engines a year and this facility is used to test the rebuilt engines. He also noted that the existing equipment is the original equipment and nearly 30 years old.

Five bids were received for the general construction contract, four bids for the mechanical construction contract, four bids for the plumbing construction contract, and seven bids were received for the electrical construction contract.

The Performance Oversight Committee agreed to recommend awarding the General Construction contract to Yarborough Development, Inc., in the amount of \$1,263,307; the mechanical construction contract to R&B Mechanical, Inc., in the amount of \$346,500, the plumbing construction contract to First American Industries, Inc., in the amount of \$424,900; and the electrical construction contract to R.E. Yates Electric, Inc., in the amount of \$164,000, all subject to completing pre-award requirements.

Chief Human Resources Officer, Inez Colon, presented the next resolution seeking authorization to enter into an agreement to provide employee benefits consulting services.

Ms. Colon reported that following a request for proposals seeking a firm to providing these services, three proposals were received and evaluated.

The highest-ranking proposer, Willis Towers Watson US LLC, is recommended for agreement award.

The Performance Oversight Committee agreed to recommend entering into an agreement with Willis Towers Watson US LLC for an initial term of three years, plus two option years to be exercised at the Authority's sole discretion, with a total not-to-exceed amount of \$825,000.

Ms. Colon then presented the next resolution seeking authorization to extend and amend agreement with Commercial Consulting to provide Drug and Alcohol Compliance Program services.

She reported that In January 2018, the Board authorized the Authority to enter into an agreement with Commercial Consulting for an initial three-year term not-to-exceed \$1,327,300, with two option years.

As the agreement is set to expire on February 28, 2020, the Performance Oversight Committee agreed to recommend exercising the first option year to extend the agreement through February 28, 2022, with no increase to the total-not-to-exceed amount.

The final resolution was presented by Chief Legal Officer, Mr. Mike Cetra, seeking authorization to extend and amend agreement with UPMC Work Partners to Provide Managed Care Services.

He reported that the Board authorized an award of agreement to UPMC Work Partners for an initial term of five years, with two option years, for a total authorized not-to-exceed amount of \$3.5 million. In November 2019, the Board authorized exercising the first option year with no increase in the total authorized not-to-exceed amount.

Mr. Cetra noted at the meeting that If the second option year is exercised, Port Authority anticipates a Diverse Business Utilization rate for off-site medical case management support in the five to eight percent range.

The Performance Oversight Committee agreed to recommend exercising the second option year to extend the agreement through January 31, 2022, with no increase in the current total authorized not-to-exceed amount.

The final item was an overview and summary of Pennsylvania's Rail Transit Safety Review Program by PennDot representatives, and an update on ongoing safety oversight activities at Port Authority over the past year.

With no further business, the meeting was adjourned.

## **PROPOSED RESOLUTIONS**

## **AWARDING OF BIDS**

### **1. BIO-DIESEL FUEL (CHANGE ORDER)**

At its April 2020 meeting, the Board authorized an agreement with Guttman Energy for the purchase of bio-diesel fuel over a one-year period with an option to extend one additional year.

This contract permits staff to “lock in” futures pricing in order to stabilize the Authority’s fuel budget. At this time, staff is requesting the option year be exercised to enable the Authority to take advantage of the current futures market pricing at a time it would benefit the Authority. Since 2018, Guttman Energy successfully completed the Authority’s bio diesel fuel contracts and staff concludes that they had performed well throughout the duration of these contracts.

**RECOMMENDATION:** That an amendment be executed with Guttman Energy in the estimated amount of \$12,729,600.00 to exercise the optional one-year period. This would bring the total contract value to \$25,459,200.00.

This price for the additional one-year period is in accordance with the agreement. Staff has determined the pricing is fair and reasonable and consistent with the funds budgeted.

### **2. 40-FOOT LOW FLOOR DIESEL TRANSIT COACHES (CHANGE ORDER)**

At its June 2016 meeting, the Board authorized an agreement with Gillig, LLC for the purchase of 70 40-foot low floor coaches with an option to purchase up to an additional 400 coaches over the next five years. At its October 2017 meeting, the Board authorized a change order to purchase 69 additional coaches, an additional 59 in November 2018 and an additional 54 coaches in November 2019.

There is a need for the Authority to exercise this option in order to continue the process of replacing existing vehicles in the fleet which are 12 years old, have in excess of 500,000 miles and have reached the end of their useful life. Staff identified the need for 40 additional coaches, four spare engine packages and four spare transmission packages to continue the Authority’s Coach Replacement Program. Pricing for these units would be as contracted with the applicable Producer Price Index (PPI) at the time of the purchase.

**RECOMMENDATION:** That a contract amendment be executed with Gillig, LLC in the amount of \$21,542,428.00, which will execute the option for 40 additional 40-foot low-floor coaches, four spare engines and four spare transmissions.

This price for the additional coaches, engines and transmissions represents pricing received for the purchase of transit coaches in accordance with the existing approved contract from June 2016. Staff has determined the pricing is fair and reasonable and consistent with the funds budgeted.

### **3. DIESEL ENGINE OIL**

This bid was publicly advertised and ebusiness documents were distributed. Five firms accepted the invitation and four bids were received for Diesel Engine Oil over a one-year period.

**RECOMMENDATION:** That a contract be awarded to the low responsible bidder which submitted a responsive bid, Allegheny Petroleum Products Co. in the estimated amount of \$248,000.00 over the one-year period.

This price represents a 2 percent decrease over the previous contract prices for this product one year ago. Staff has determined the pricing to be fair and reasonable, and consistent with the funds budgeted.

### **4. DEEP CLEANING, DISINFECTING AND EFFICACY TESTING/REPORTING – PORT AUTHORITY FACILITIES**

This bid was publicly advertised and ebusiness documents were distributed. A total of 17 firms accepted the invitation and 12 bids were received for deep cleaning and efficacy testing/Reporting at Port Authority facilities over a two-year period.

The low bidder stated that they would be unable to hire the manpower to complete the services as specified and could not complete an agreement accordingly. Therefore, the bid is ineligible for award.

**RECOMMENDATION:** That a contract be awarded to the low responsible bidder that submitted a responsive bid, Terminix Commercial, in the estimated amount of \$194,000.00 over the two-year period.

There has been no recent purchase of these items, however, staff has determined the pricing to be fair and reasonable and consistent with the funds budgeted.

### **5. BUS BATTERIES**

This bid was publicly advertised and ebusiness documents were distributed. Nine firms accepted the invitation and six bids were received for bus batteries (AGM type) over a two-year period

The low bidder proposed items that were not in compliance with the technical specifications regarding cold cranking amps and warranty. Therefore, the bid is ineligible for award.

The second low bidder proposed items that were not in compliance with the technical specifications regarding cold cranking amps and connection terminals. Therefore, the bid was ineligible for award.

**RECOMMENDATION:** That a contract be awarded to the low responsible bidder that submitted a responsive bid, Northeast Battery & Alternator LLC, in the estimated amount of \$202,680.00 over the two-year period.

This price represents a three percent increase over the previous contract prices for this product two years ago. Staff has determined the pricing to be fair and reasonable and consistent with the funds budgeted.

### **RESOLUTION**

**RESOLVED**, that recommendations as set forth in the report are accepted and that the chief executive officer or chief financial officer be, and hereby are, authorized and directed to execute such documents on behalf of Port Authority of Allegheny County as shall be required for the entry of proper contracts covering those items recommended for acceptance.

**Port Authority of Allegheny County  
Procurement Summary**

January 29, 2021

<b>Item</b>	<b>Description</b>	<b>Number Of Bids</b>	<b>Lowest Responsive Bidder</b>	<b>Award Amount</b>	<b>2nd Bidder Amount</b>	<b>Annual Percentage Change to Previous Purchase</b>
1	Bio Diesel Fuel (Change Order)	n/a	Guttman Energy	\$12,729,000.00	n/a	contract pricing
2	40-Foot Low Floor Transit Coaches (Change Order)	n/a	Gillig	\$21,542,428.00	n/a	contract pricing
3	Diesel Engine Oil	4	Allegheny Petroleum Products Co.	\$248,000.00	\$265,500.00	2% decrease
4	Deep Cleaning, Disinfecting & Efficacy Testing / Reporting - PAAC Facilities	12	Terminix Commercial	\$194,000.00	\$230,000.00	no previous purchase
5	Bus Batteries	6	Northeast Battery & Alternator LLC.	\$202,680.00	\$216,345.60	3% increase

Total Purchases: \$34,916,108.00

## SUMMARY OF RESOLUTION

### Authorization to Extend Agreement to Provide Inspection and Engineering Services

In May 2017, Port Authority of Allegheny County's (Authority) Board authorized the award of Agreement No. R17-05 (Agreement) to a pool of firms in two categories; GAI Consultants, Inc. and SAI Consulting Engineers, Inc., to perform services in the category of Inspection and Engineering Services for Repair (Services) and SAI Consulting Engineers, Inc. and GAI Consultants, Inc., to perform services in the category of Engineering Services for Rehabilitation or Replacement (Services).

Agreement was for an initial four-year term through May 31, 2021 and a total not-to-exceed amount of up to \$11,000,000, with the option to extend Agreement up to one additional year at the Authority's sole discretion.

To date, Services have been completed in a satisfactory manner. The Authority has determined that it is in its best interest to extend the term of Agreement one additional year to continue the completion of Services on current and future projects with no increase in the previously authorized total not-to-exceed amount of Agreement.

The attached resolution authorizes an amendment to extend the term of Agreement through May 31, 2022.

1/29/21  
M. Zmijanac

## RESOLUTION

**WHEREAS**, Port Authority of Allegheny County (Authority) in accordance with its Board-adopted Procurement Policy and Procedures for Competitive Negotiations for Professional and Technical Services, previously awarded Agreement No. R17-05 to a pool of firms in two categories; GAI Consultants, Inc. and SAI Consulting Engineers, Inc., to perform services in the category of Inspection and Engineering Services for Repair (Services) and SAI Consulting Engineers, Inc. and GAI Consultants, Inc., to perform services in the category of Engineering Services for Rehabilitation or Replacement (Services); and

**WHEREAS**, Agreement was for an initial term of four years through May 31, 2021 and a total not-to-exceed amount of \$11,000,000, with the option to extend Agreement up to one additional year at the Authority's sole discretion; and

**WHEREAS**, to date, Services have been completed in a satisfactory manner and the Authority has determined that it is its best interest to exercise the option year and extend the term of Agreement one additional year to continue completion of Services on current and future projects without any increase in the previously authorized total not-to-exceed amount for Agreement.

**NOW, THEREFORE, BE IT RESOLVED** that the chief executive officer, chief development officer, director and/or assistant director Capital Programs be, and hereby are, authorized to execute an amendment to Agreement with GAI Consultants, Inc. and SAI Consulting Engineers, Inc., in a form approved by counsel, to extend the term of Agreement one additional year to May 31, 2022, with no increase in the total not-to-exceed amount of Agreement, and also to take all such other actions necessary and proper to carry out the purpose and intent of this resolution.

## SUMMARY OF RESOLUTION

### Authorization for Settlement of Public Liability Claim

An accident involving a Port Authority of Allegheny County (Authority) bus and an employee of a tire servicing sub-contractor occurred on August 4, 2016 at approximately 5:30 a.m. at the Authority's Collier Garage (Garage).

The employee of the tire servicing sub-contractor, Leo Hefferan, was checking the tire pressure and tread depth of a tire installed on a bus of the Authority parked in Garage when the bus began to move. When the bus began to move, Hefferan pulled his arm out of the rear passenger side wheel well and fell on the floor of Garage. Hefferan claimed various injuries as a result of the accident.

Hefferan has submitted a personal injury claim to the Authority seeking monetary recovery for the damages that he allegedly sustained as a result of the accident (Claim). The monetary damage exposure for the Authority, per the applicable statutory limits under Pennsylvania's Sovereign Immunity Act, is \$250,000.

The parties have reached an amicable agreement to fully and finally settle Claim in the total amount of \$150,000, subject to approval by the Authority's Board.

This resolution authorizes a settlement payment in the total not-to-exceed settlement amount of \$150,000, through a release form approved by counsel, to fully and finally settle Claim.

1/29/21  
M. Zmijanac

## RESOLUTION

**WHEREAS**, an accident involving a Port Authority of Allegheny County (Authority) bus and an employee of a tire servicing sub-contractor occurred on August 4, 2016 at approximately 5:30 a.m. at the Authority's Collier Garage (Garage); and

**WHEREAS**, the employee of the tire servicing sub-contractor, Leo Hefferan, was checking the tire pressure and tread depth of a tire installed on a bus of the Authority parked in Garage when the bus began to move. When the bus began to move, Hefferan pulled his arm out of the rear passenger side wheel well and fell on the floor of Garage; and

**WHEREAS**, Hefferan claimed various injuries as a result of the accident; and

**WHEREAS**, Hefferan has submitted a personal injury claim to the Authority seeking monetary recovery for the damages he allegedly sustained as a result of the accident (Claim); and

**WHEREAS**, the Authority and Hefferan have negotiated an agreement to fully and finally settle Claim for the total settlement amount of \$150,000, subject to review and approval by the Authority's Board.

**NOW, THEREFORE, BE IT RESOLVED**, that the chief executive officer, chief legal officer and/or chief financial officer be, and hereby are, authorized to enter into an agreement with Hefferan to fully and finally settle Claim, through a release form approved by counsel, for a total not-to-exceed settlement amount of \$150,000, payable by the Authority to Hefferan, and to take all such other actions as may be necessary and proper to carry out the purpose and intent of this resolution.