1. Approval of Minutes of the Regular Board Meeting of March 26, 2015

2. Financial Report

3. Resolutions

I. Pension Committee Review
   A. Appointment of Homestead Capital as Investment Manager

II. Administration Committee Review
   A. Purchase from Arch Insurance Group of Excess Workers’ Compensation Insurance
   B. Purchase from Scottsdale Insurance Company of Out-of-State Automobile and General Liability Insurance Coverage

III. Operations Committee Review
   A. Memorandum of Agreement By and Between SEPTA and Sheet Metal Workers International Association (SMWIA)
   B. Various Procurements
   C. Sole Source Procurements

4. Report of General Manager
RESOLUTION

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APPOINTMENT OF HOMESTEAD CAPITAL
AS INVESTMENT MANAGER

WHEREAS, on February 24, 2011 the Pension Committee of the Board revised the Statement of Investment Policy and Objectives and Operating Guidelines ("Policy Statement") which governs the investment of the funds of the pension plans of SEPTA; and

WHEREAS, the Policy Statement places Commodities within the permissible investment classes; and

WHEREAS, at the request of the Pension Committee, PFM Advisors, SEPTA’s pension consultant, provided the Pension Committee with an analysis of the existing commodities investments and a plan to increase the allocation to commodities to the recommended range over time; and

WHEREAS, at a meeting that was held on February 25, 2015, PFM Advisors presented two qualified agricultural commodities manager options for the Pension Committee’s consideration, and reviewed with the Pension Committee the management teams, investment style and strategies, historic performance, risks and
other relevant information regarding each of the two management teams and funds; and

WHEREAS, as a result of said review the Pension Committee agreed to interview both of the investment managers; and

WHEREAS, at the meeting that was held on March 26, 2015, representatives of the two investment managers made presentations to the Pension Committee, and responded to questions from Pension Committee members and PFM Advisors; and

WHEREAS, based upon said presentations, interviews and discussions, the Pension Committee recommended that SEPTA appoint Homestead Capital (USA Farmland Fund I) as an investment manager with respect to the investment of SEPTA’s pension funds, with the initial timing and funding to be determined by the Pension Committee.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby designates and appoints Homeland Capital (USA Farmland Fund I), as a manager with respect to the investment of SEPTA’s pension funds, and authorizes the proper officers of SEPTA (i) to execute and deliver all documents, in form approved by the Office of General Counsel, that will enable SEPTA to enter into an investment management agreement with Homeland Capital (USA
Farmland Fund I), consistent with this Resolution; (ii) to take such action necessary to transfer such amounts of funding to said manager as deemed appropriate by the Pension Committee; and (iii) to do any and all other things that will be necessary in order to effectuate this Resolution.
RESOLUTION

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PURCHASE FROM ARCH INSURANCE GROUP
OF EXCESS WORKERS’ COMPENSATION INSURANCE

WHEREAS, the Commonwealth of Pennsylvania requires excess workers’ compensation insurance as a condition for SEPTA to self-insure its workers’ compensation claims; and

WHEREAS, SEPTA’s current workers’ compensation insurance coverage with Arch Insurance Group expires on May 1, 2015; and

WHEREAS, the expiring policy provides a $10 million limit of liability with a $5 million self-insured retention on a per accident basis and $1 million in employer’s liability coverage, at an annual premium of $246,198, adjustable at a rate of $0.0521 per $100 of SEPTA’s payroll not exceeding $471,972,763 during the expiring policy’s term; and

WHEREAS, with the excess workers’ compensation market hardening over the last several years, SEPTA’s brokers agreed to market the 2015-2016 renewal, which resulted in only the incumbent carrier providing a quote with two year rate guarantees; and
WHEREAS, the proposed renewal coverage by Arch Insurance Group would be (i) under the same terms and conditions as the expiring program; and (ii) for a minimum annual premium of $245,620 (including a $300 policy administrative charge) subject to adjustment for SEPTA’s payroll values in excess of $500,653,254 for the term at a rate of $0.0490 per $100 of payroll; and

WHEREAS, staff, with the concurrence of the Risk Management Advisory Committee, requested that the General Manager recommend that the Board authorize SEPTA to purchase the coverage from Arch Insurance Group for a 12-month period commencing on May 1, 2015, under the terms and conditions that are set forth above and as described in the pertinent staff summary; and

WHEREAS, the General Manager made the recommendation to the Board.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes SEPTA to purchase from Arch Insurance Group excess workers' compensation insurance for all employees (i) with coverage limits of $10 million with a $5 million self-insured retention, both on a per accident basis, and $1 million employer's liability coverage; (ii) for a 12-month term
commencing on May 1, 2015 and will end on May 1, 2016; (iii) at a minimum annual premium of $245,620 (including a $300 policy administrative charge), subject to adjustments based upon actual payroll in excess of $500,653,254 at a rate of $0.0490 per $100 of payroll during the term; and (iv) as more fully described in the pertinent staff summary.

FURTHER RESOLVED, that the Board authorizes the proper managers of SEPTA to execute all documents, in form approved by the Office of General Counsel, and to do any and all other things as shall be necessary and proper in order to effectuate the purpose of this Resolution.
RESOLUTION

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PURCHASE FROM
SCOTTSDALE INSURANCE COMPANY
OF OUT-OF-STATE AUTOMOBILE AND GENERAL
LIABILITY INSURANCE COVERAGE

WHEREAS, it is presently unclear whether SEPTA may be at risk as not being protected by the liability limitations and defenses afforded to the Authority under the Pennsylvania Sovereign Immunity Act and/or Political Subdivision Tort Claims Act, for any bus and railroad revenue service operations conducted outside of the Commonwealth, as well as the operation of non-revenue service Authority vehicles; and

WHEREAS, SEPTA currently operates bus and railroad operations in both New Jersey and Delaware, servicing over 6,700 passengers each day, thereby necessitating the purchase of liability insurance coverage to protect the Authority against out-of-state claims; and

WHEREAS, during the January 2015 meeting of the Risk Management Advisory Committee (RMAC), it was advised that SEPTA should approach the insurance markets to solicit competitive
proposals for automobile and general liability insurance coverage outside the Commonwealth; and

WHEREAS, the RMAC received a quote from Scottsdale Insurance Company ("Scottsdale") for such coverage at a total annual premium cost of $194,970 to insure a layer of $10,000,000, with a self-insured retention of $1,000,000, and which also incorporates coverage for losses arising out of acts of terrorism; and

WHEREAS, staff, with the concurrence of the RMAC, requested that the General Manager recommend that the Board authorize SEPTA to purchase out-of-state automobile and general liability insurance coverage from Scottsdale, under the terms and conditions that are set forth above and more fully described in the pertinent staff summary; and

WHEREAS, the General Manager made the recommendation to the Board.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes SEPTA to purchase from Scottsdale Insurance Company, out-of-state automobile and general liability insurance with a $10,000,000 limit of liability and a self-insured retention of
$1,000,000, at an annual premium of $194,970, under the terms and conditions set forth in the pertinent staff summary.

FURTHER RESOLVED, that the Board hereby authorizes the General Manager or his designee and other appropriate officers to execute all documents, in form approved by the Office of General Counsel, and to do any and all other things as shall be necessary and proper in order to effectuate the purpose of this Resolution.
RESOLUTION

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MEMORANDUM OF AGREEMENT BY AND BETWEEN SEPTA AND SHEET METAL WORKERS INTERNATIONAL ASSOCIATION (SMWIA)

WHEREAS, negotiations between representatives of SEPTA and Sheet Metal Workers International Association ("Union") have resulted in a proposed Memorandum of Agreement which governs the terms and conditions of employment of the bargaining unit employees whom the Union represents; and

WHEREAS, SEPTA staff has communicated to the Board the terms of the proposed Memorandum of Agreement and the terms are summarized within the pertinent staff summary; and

WHEREAS, the appropriate members of the Union have ratified the Memorandum of Agreement; and

WHEREAS, the General Manager recommended that the Board approve and ratify the proposed Memorandum of Agreement.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves and ratifies the proposed Memorandum of Agreement by and between SEPTA and Sheet Metal Workers International Association, which governs the terms and conditions of
employment of the bargaining unit employees whom the Union represents.

FURTHER RESOLVED, that the Board hereby authorizes the General Manager or his designee and other proper officers of SEPTA to take all necessary and proper action including, but not limited to, amending agreements with the providers of medical, prescription and dental benefits and life insurance, in order to implement the terms and conditions of the Memorandum of Agreement and to do all other acts necessary and proper to effectuate this Resolution.
RESOLUTION
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AUTHORIZATION TO AWARD CONTRACTS FOR VARIOUS PROCUREMENTS

WHEREAS, SEPTA advertised and invited bids for the supplies identified below; and

WHEREAS, the firms listed below were the lowest responsive and responsible bidders to the invitation for bids; and

WHEREAS, staff requested that the General Manager recommend that the Board authorize SEPTA to award the contracts identified below; and

WHEREAS, the General Manager made the recommendation to the Board.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes SEPTA to award and for the General Manager or his designee to execute the contracts identified below in form approved by the Office of General Counsel, subject to and contingent upon the concurrence of the funding agencies, if required, and contingent upon and subject to the vendors satisfactorily meeting all requirements of the bid terms and
specifications, including full compliance with any applicable Disadvantaged Business Enterprise requirements:

1. To Graybar Electric Company, for the purchase of 16 MVA power traction autotransformers to be installed as part of the Regional Railroad Substation Overhaul Program, at a unit price of $284,000, with delivery of material scheduled over a period of five years commencing in January 2016, as described in the staff summary on this subject, for a total contract amount not to exceed $4,544,000, Sealed Bid No. 15-069-JJC - 5 MVA Autotransformers.

2. To Knoxville Locomotive Corp., for the purchase and installation of repower components to be used on Locomotive 52 in order to bring it into compliance with stricter EPA Tier 4 regulations, with delivery of the repowered locomotive scheduled in February 2016, as described in the staff summary on this subject, for a total contract amount not to exceed $1,355,000, Sealed Bid No. 14-243-MEC - Repower of Locomotive 52.

3. To Kirk's Automotive, Inc., for the purchase of 146 remanufactured Sheppard steering gears to be used on the New Flyer Bus FY 2016 Vehicle Overhaul (VOH) Program, at a unit price of $990, with delivery of material scheduled over a period
of one year commencing in May 2015, as described in the staff summary on this subject, for a total contract amount not to exceed $144,540, Sealed Bid No. 15-067-BJV - Remanufactured Sheppard Steering Gear.

4. To Neshaminy Constructors, Inc., for the provision of all labor, materials, tools and equipment for the Media/Elwyn Viaducts - Phase 2 Track & Structure Rehabilitation Project, with services to be performed over a period of 543 calendar days after issuance of Notice-to-Proceed, as described in the staff summary on this subject, for a total contract amount not to exceed $16,126,050, Sealed Bid No. 14-271-PES - Media/Elwyn Viaducts - Phase 2, Track & Structure Rehabilitation Project.
RESOLUTION

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AWARD OF VARIOUS CONTRACTS FOR SOLE SOURCE PROCUREMENTS

WHEREAS, SEPTA has need for the supplies and services described below and those supplies and services are available only from the firms listed below; and

WHEREAS, staff reviewed the cost of the supplies and services and the General Manager recommended that the Board authorize SEPTA to award the contracts.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes SEPTA to award and the General Manager or his designee to execute the contracts identified below, all in form approved by the Office of General Counsel, subject to the concurrence of the funding agencies, if required, and contingent upon and subject to each vendor/contractor satisfactorily providing any required bonds, insurance certificates and/or other documents, and complying with any applicable Disadvantaged Business Enterprise requirements:
1. To ARINC, Inc., for the provision of software engineering and programming services for the Centralized Traffic Control (CTC) System used in the Railroad Operations Control Center (ROCC) for both the Cynwyd and West Trenton Rail Lines, with services scheduled to commence on May 2, 2015 through January 1, 2016, as described in the staff summary on this subject, for a total contract amount not to exceed $477,373.

2. To Active Data Exchange, Inc., for enhancements and modifications to the SEPTA in-house developed web-based e-Procurement system to be used for a new secured module for the electronic submittal of third party contractor's certified payrolls, with services to be provided over a period of 60 calendar days after issuance of Notice-to-Proceed, as described in the staff summary on this subject, for a total contract amount not to exceed $50,000.