SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY

AGENDA

REGULAR MEETING

To Be Held at 3:00 PM

APRIL 25, 2013

1234 Market Street, Mezzanine Level

Philadelphia, PA

1. Approval of Minutes of the Regular Board Meeting of March 28, 2013

2. Financial Report

3. Resolutions

I. Adoption of a Revised Audit Committee Charter

II. Administration Committee Review

A. Purchase from Safety National of Excess Workers’ Compensation Insurance

III. Operations Committee Review

A. Memorandum of Agreement By and Between SEPTA and the United Transportation Union, Local 61

B. Various Procurements

C. Sole Source Procurements

D. Change Order

4. Report of General Manager
RESOLUTION

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ADOPTION OF A REVISED AUDIT COMMITTEE CHARTER

WHEREAS, the Audit Committee of the Board, inter alia, assists the Board in fulfilling its oversight responsibilities relating to the audit and integrity of the financial statements of the Authority; the performance of its independent auditor; the adequacy and effectiveness of the Authority's financial reporting systems; compliance with regulations; and the assessment of risks that may materially affect the financial condition of the Authority; and

WHEREAS, on May 22, 2003 the Board adopted a formal charter for the Audit Committee ("Charter") that sets forth the Audit Committee's purpose, membership requirements, authority (including investigatory and delegation powers), structure and processes, inherent duties and responsibilities, and other activities deemed relevant to
the Board and which are consistent with the Authority's By-laws and enabling law; and

WHEREAS, the Audit Committee has determined that certain revisions to the Charter are necessary with respect to several procedural and administrative aspects of the Committee; and

WHEREAS, the proposed revisions to the existing Charter have been drafted and fully communicated to the members of the Board, and upon review thereof, the Audit Committee recommends that the Board duly approve and adopt said Charter, as revised.

NOW, THEREFORE, BE IT RESOLVED, that the Charter of the Audit Committee of the Board, as revised, in the form described hereinabove and as presented to the Board at this meeting, be now and is hereby approved and adopted in all respects.
RESOLUTION

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PURCHASE FROM SAFETY NATIONAL
OF EXCESS WORKERS’ COMPENSATION INSURANCE

WHEREAS, the Commonwealth of Pennsylvania requires an employer that self-insures its workers’ compensation claims to obtain excess workers’ compensation insurance; and

WHEREAS, National Safety issued SEPTA’s most recent excess workers’ compensation insurance coverage and that coverage expires on May 1, 2013; 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 $321,603, based upon SEPTA’s payroll not exceeding $571,713,701 during the expired policy’s term; and

WHEREAS, the expiring program also includes coverage for SEPTA railroad employees in the event they elected to file an injury claim under the Pennsylvania Workers’ Compensation Act in lieu of filing under the Federal Employers’ Liability Act (FELA); and
WHEREAS, as a result of the recent decision rendered by the Supreme Court of Pennsylvania in the case of Davis v. SEPTA, the Authority will no longer be offering workers' compensation benefits to its railroad employees; and

WHEREAS, the Risk Management Advisory Committee ("RMAC") marketed this program nationally last year and locked in a four percent fixed rate increase during the 2012 renewal; and

WHEREAS, the proposal of Safety National is competitive due to the hardening of the excess workers' compensation market; and

WHEREAS, the proposed coverage by Safety National would be (i) under the same terms and conditions as the expired program and (ii) for a minimum annual premium of $271,328 subject to adjustment for SEPTA's payroll values in excess of $464,088,288 for the term; and

WHEREAS, staff, with the concurrence of the RMAC, requested that the General Manager recommend that the Board authorize SEPTA to purchase the coverage from National Safety for a twelve-month period commencing on May 1, 2013 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 Safety National 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 twelve-month term commencing on May 1, 2013 and will end on April 30, 2014; (iii) at a minimum annual premium of $271,328, subject to adjustments based upon actual payroll in excess of $464,088,288 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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MEMORANDUM OF AGREEMENT BY AND BETWEEN SEPTA AND THE UNITED TRANSPORTATION UNION, LOCAL 61

WHEREAS, negotiations between representatives of SEPTA and the United Transportation Union, Local 61 ("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 the United Transportation Union, Local 61, 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 TK Keystone Construction Co., Inc., for the provision of all labor, supplies, tools, equipment, supervision, transportation, insurance and bonds to perform routine and emergency janitorial, snow removal and landscaping services at SEPTA’s 30th Street and University City Stations, with services to be performed over a period of five years scheduled to commence on July 1, 2013, as described in the staff summary on this subject, for a total contract amount not to exceed $1,859,999.60, Sealed Bid No. 12-120-DJM - Janitorial Maintenance Regional Rail - 30th Street & University City Stations.

2. To Traffic & Safety Signs, Inc., for the supply of railroad sign frames and faces, with delivery of material on an "as required" basis over a period of three years commencing in May 2013, and with authorization to SEPTA staff to extend the contract for a six (6) month period at no increase in cost, as described in the staff summary on this subject, for a total contract amount not to exceed $289,287, Sealed Bid No. 12-122-TMF - Blanket Contract for Railroad Sign Frames and Faces.
3. To Carlisle Brake & Friction, for the purchase of 8000 disc brake pad assemblies to be used on LRV car brake systems, at a unit price of $35.70, with delivery of material scheduled in lots of 1,000 units each every 90 days commencing in June 2013, as described in the staff summary on this subject, for a total contract amount not to exceed $285,600, Sealed Bid No. 12-174-DLD – Disc Brake Pad Assembly for LRV.
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 Schunk Graphite Technology, LLC, for the purchase of currently stocked replacement parts to be used on SEPTA’s Silverliner IV and V car fleets, with delivery of material scheduled on an "as required" basis over a period of three years commencing in May 2013, and with authorization to SEPTA staff to extend the contract for a six (6) month period at no increase in cost, as described in the staff summary on this subject, for a total contract amount not to exceed $250,000.

2. To Altec Industries, Inc., for the purchase of various non-stock lift parts to be used to repair SEPTA’s fleet of 20 aerial service trucks at Courtland Shop, with delivery of materials on an "as required" basis over a period of two years scheduled to commence in May 2013, and with authorization to SEPTA staff to extend the contract for a six (6) month period at no increase in cost, as described in the staff summary on this subject, for a total contract amount not to exceed $125,000.

3. To Gardner Denver Water Jetting Systems, Inc., for the purchase of currently stocked replacement parts to be used on SEPTA’s Gel Train which removes leaves and resins accumulated on the rail lines during the slippery rail season, with material to be ordered on an "as required" basis over a period of three
years commencing in May 2013, and with authorization to SEPTA staff to extend the contract for a six (6) month period at no increase in cost, as described in the staff summary on this subject, for a total contract amount not to exceed $177,000.

4. To Simmons Machine Tool Corporation, for the provision of preventative maintenance and emergency services of the wheel truing machines at 69th Street and Fern Rock Shops, to be performed on an "as required" basis over a period of two years scheduled to commence in May 2013, as described in the staff summary on this subject, for a total contract amount not to exceed $80,000.
RESOLUTION

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AUTHORIZATION TO EXECUTE A CHANGE ORDER

WHEREAS, additional work is required to complete the projects identified below; and

WHEREAS, staff reviewed the cost of the additional work and the General Manager recommended that the Board authorize SEPTA to order the additional work.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes SEPTA to award and the General Manager or his designee to execute the change order identified below in form approved by the Office of General Counsel, subject to the concurrence of the funding agencies, if required, and to any applicable Disadvantaged Business Enterprise requirements:

1. To Nucero Electrical Construction Co., Inc., for Change Order No. 1, which provides for additional electrical construction work on the SEPTA - New Payment Technologies Electrical Support Contract Project, at an increase in cost not
to exceed $269,289, bringing the total contract price, including this change order, to an amount not to exceed $2,584,989, provided that with the Board's approval of this change order, the Board authorizes the resetting of prior authorized cumulative change order amounts to zero dollars ($0) and the establishment of a new cumulative change order threshold of 10% or $500,000, pursuant to the Resolution adopted by the Board on May 22, 2008, which Resolution authorized a "Delegation of Authority for Change Orders, Amendments and Assignments."