1. Approval of Minutes of the Regular Board Meeting of September 26, 2013

2. Financial Report

3. Resolutions

I. Pension Committee Review

A. Appointment of Innovator Management, LLC, as Investment Manager

II. Operations Committee Review

A. Items for Consideration

1. Exchange of Nominal Perpetual Easements Between SEPTA and Enrico Partners, L.P. in Properties that are Situated in the Township of Radnor, Delaware County

2. Lease to the Borough of Souderton of Various Buildings and Parcels of Ground at Souderton Passenger Station in Montgomery County

3. Delegation of Authority and Adoption of Procedures for Issuance of Board Subpoenas

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

B. Procurement

C. Sole Source Procurements

D. Change Order

4. Report of General Manager

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RESOLUTION

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APPOINTMENT OF INNOVATOR MANAGEMENT, LLC
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, on March 22, 2012, the Board approved the addition of a Local and Emerging Manager Fund component as a permissible asset class within the Combined SEPTA Pension Plan; and

WHEREAS, at the request of the Pension Committee, PFM Advisors, SEPTA’s pension consultant, identified Innovator Management, LLC ("Innovator") as an investment firm qualified to serve as a Local and Emerging investment manager, and circulated to the members of the Pension Committee a summary of Innovator’s product, investment management style and performance data; and

WHEREAS, at the meeting that was held on September 26, 2013, representatives of Innovator, along with sub-advisor Trust & Fiduciary Management Services, Inc., made a presentation to
the Pension Committee and responded to questions from Pension Committee members and PFM Advisors; and

WHEREAS, as a result of said presentation and interview, the Pension Committee recommended that SEPTA appoint Innovator as a Local and Emerging investment manager with respect to the investment of SEPTA’s pension funds, with initial funding and timing of the investments to be determined by the Pension Committee.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby designates and appoints Innovator Management, LLC (with Trust & Fiduciary Management Services, Inc., as sub-advisor), as a manager of SEPTA’s investments in the Local and Emerging Manager component of the SEPTA Pension Plan, 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 Innovator Management, LLC; and (ii) to do any and all other things that will be necessary in order to effectuate this Resolution.
RESOLUTION

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EXCHANGE OF NOMINAL PERPETUAL EASEMENTS BETWEEN
SEPTA AND ENRICO PARTNERS, L.P. IN PROPERTIES THAT
ARE SITUATED IN THE TOWNSHIP OF RADNOR, DELAWARE COUNTY

WHEREAS, due to the limited clearance between SEPTA’s Norristown High Speed Line (NHSL) right-of-way and Lancaster Avenue (US Route 30) in Radnor, Delaware County, SEPTA vehicles have been traversing the adjacent property owned by Enrico Partners, L.P. ("Enrico") for several years to gain safe access thereto without objection; and

WHEREAS, Enrico has recently expressed a desire to use a sloped area along the periphery of SEPTA’s NHSL right-of-way for its development of approximately 20 parking spaces to serve Enrico’s office/retail complex; and

WHEREAS, it is proposed that SEPTA be granted a non-exclusive easement in the Enrico property (totaling 1.212 acres) to facilitate SEPTA’s access between the NHSL right-of-way and Lancaster Avenue, in exchange for SEPTA granting Enrico an exclusive easement in SEPTA’s property (totaling .103 acre) within
the NHSL right-of-way for Enrico's development of the parking spaces; and

WHEREAS, the proposed easements will be exchanged for nominal consideration and be perpetual in term, with the exception that they can be terminated with one year's prior notice in the event SEPTA needs to reclaim its property for transportation purposes; and

WHEREAS, the proposed easements are further subject to the concurrence of the Federal Transportation Administration ("FTA"); and

WHEREAS, staff requested that the General Manager recommend that the Board authorize SEPTA to enter into an agreement for the exchange of the perpetual easements with Enrico as 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 enter into the proposed easement agreements with Enrico Partners, L.P. which will enable SEPTA safe and unobstructed access between the NHSL right-of-way and Lancaster Avenue, as more fully described in the pertinent staff summary.
FURTHER RESOLVED, that the Board hereby authorizes the General Manager or his designee to execute all documents, in form approved by the Office of General Counsel, and to do any and all other things as shall be deemed necessary and proper in order to effectuate the purpose of this Resolution.
LEASE BY SEPTA TO THE BOROUGH OF SOUDERTON OF VARIOUS BUILDINGS AND PARCELS OF GROUND AT SOUDERTON PASSENGER STATION IN MONTGOMERY COUNTY

WHEREAS, SEPTA owns the Souderton Passenger Station which is located on the out-of-service Bethlehem Branch in Montgomery County, Pennsylvania; and

WHEREAS, the station property includes some 90,107 square feet of ground and improvements thereon, including a station building (1,300 square feet), outbound waiting room building (350 square feet), freight house building (1,525 square feet) and parking lot; and

WHEREAS, SEPTA currently leases the station building and parking lot to a restaurateur, 11,683 square feet of ground to the Borough of Souderton ("Borough") for public parking, and 3,125 square feet of ground to a bank for parking; and

WHEREAS, the lease for the station building expires in 2019, while the leases with the Borough and bank are in month-to-month and year-to-year hold-over status, respectively; and
WHEREAS, the Borough has requested SEPTA to terminate all existing leaseholds (with the permission of the tenants) and then lease to the Borough all the buildings and the ground ("Premises") for renovation and subleasing of the buildings and for development of parking for public use and subleasing back to the restaurant and bank; and

WHEREAS, under the proposed lease agreement ("Lease") the base term will be for a period of 30 years with two (2) consecutive 5-year renewal options, for an initial annual rent of $33,000, with annual increases of three percent (3%) thereafter; and

WHEREAS, the Premises shall be leased in "as is" condition with the Borough being responsible for all repairs and maintenance thereof, which will include the expenditure by the Borough of $1,500,000 in Federal and State Funded improvements, which will be subject to SEPTA’s engineering approvals, and which will be offset at the rate of $27,000 annually against rentals due SEPTA over the term of the Lease, resulting in SEPTA receiving minimum net rental proceeds of $300,016 over the 30-year base term of the lease and $471,980 over the maximum term of 40 years; and

WHEREAS, the lease shall also provide for indemnification of SEPTA and satisfaction of insurance and safety requirements, as
well as include all FTA required language, including SEPTA’s ability to recapture the Premises for transportation purposes; and

WHEREAS, staff requested that the General Manager recommend that the Board authorize SEPTA to enter into the proposed Lease with the Borough under the terms 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 enter into the proposed lease agreement by which SEPTA will lease the Premises to the Borough of Souderton under the terms set forth above and within the pertinent staff summary.

FURTHER RESOLVED, that the Board hereby authorizes the General Manager or his designee to execute all documents, in form approved by the Office of General Counsel, and to do any and all other things as shall be deemed necessary and proper in order to effectuate the purpose of this Resolution.
WHEREAS, according to Section 1727 of SEPTA's enabling legislation, the Public Transportation Law (Act 26 of 1991, as amended by Act 3 of 1994), the Board is granted, inter alia, the explicit power to conduct investigations and utilize subpoenas in aid thereof regarding the activities, conduct and efficiency of all officers, agents and employees of the Authority; and

WHEREAS, the Secretary of the Board is vested with the sole authority to issue subpoena's on behalf of the Board; and

WHEREAS, prior to the issuance of any such subpoena, each subpoena is supposed to be reviewed and approved by the Board, or an individual appointed by the Board; and

WHEREAS, over the years SEPTA's Office of Inspector General has effectively used the Board subpoena power as an essential and effective tool to gather important records and information facilitating their investigations of suspected fraud, waste and abuse; and
WHEREAS, SEPTA's Transit Police Department could also greatly benefit from use of the Board's subpoena power in furtherance of its own criminal investigatory process, and

WHEREAS, upon the advice of the General Counsel, it is desired that the Board delegate certain of its powers to increase timeliness and efficiency in the issuance of Board subpoenas pursuant to Section 1727 of the Public Transportation Law, to both SEPTA's Inspector General and SEPTA's Chief of Police; and

WHEREAS, the General Counsel has also developed a formal set of procedures outlining the specific protocols to be followed with respect to the request, review, completion, approval, and ultimate issuance of all subpoenas under Section 1727 of the Public Transportation Law; and

WHEREAS, the General Counsel requested that the General Manager recommend that the Board delegate its authority under Section 1727 of the Public Transportation Law pertaining to the issuance of subpoenas to SEPTA's Inspector General and Chief of Police, as well as recommend the adoption of the formal procedures required for the request, review, completion and approval process in anticipation thereof, as set forth above and more fully described in the pertinent staff summary; and
WHEREAS, the General Manager made the recommendations to the Board.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby delegates its power and authority to issue subpoenas as granted under Section 1727 of the Public Transportation Law, to SEPTA’s Inspector General and SEPTA’s Chief of Police.

FURTHER RESOLVED, that the Board also hereby authorizes and approves those procedures developed by the General Counsel with respect to the formal process that must be followed in order to request, review, complete and approve all subpoenas being issued under the foregoing delegation of authority and in exercising those powers granted by Section 1727 of the Public Transportation Law contemplated hereunder, as set forth above and more fully described in the pertinent staff summary.
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 Railroad Division 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
Railroad Division 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 CONTRACT FOR A PROCUREMENT

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

WHEREAS, the firm listed below was the lowest responsive and responsible bidder to the invitation for bid; and

WHEREAS, staff requested that the General Manager recommend that the Board authorize SEPTA to award the contract 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 contract 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 Railroad Resources & Recovery, Inc., for the removal and disposal of an estimated 460 tons of steel rail and other track material from SEPTA's railroad right-of-way on the Chester Creek Branch in Delaware County, at a unit price of $336.25 per ton, with services scheduled to be performed over a period of 56 calendar days after issuance of Notice-to-Proceed, as described in the staff summary on this subject, for a total estimated contract amount of $154,675, which will be split with Delaware County (per lease agreement) on a 50/50 basis, Sealed Bid No.13-089-AJE - Steel Rail and Other Track Material Removal on the Chester Creek Branch.
RESOLUTION

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AWARD OF VARIOUS CONTRACTS FOR SOLE SOURCE PROCUERMENTS

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:

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1. To Tyco Integrated Security LLC for the purchase and installation of 64 additional cameras and expansion of camera storage space to support the New Payment Technology Projects requirement for customer assistance phone cameras, with material to be delivered and installed within 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 $56,683.99.

2. To Knorr Brake Company (formerly New York Air Brake), for the purchase of 42 blending valves, 72 blending valve kits and 1 test bench to be used in the maintenance of the Silverliner IV rail car fleet, at unit prices of $11,230.66, $689.41 and $25,350, respectively, along with an additional $42,230 in engineering costs, with delivery of material scheduled to commence in February 2014, as described in the staff summary on this subject, for a total contract amount not to exceed $588,905.24.

3. To Northrup Grumman Systems Corporation, for the purchase of a mobile enhancement of the Northrup Grumman Commandpoint Computer Aided Dispatch (CAD) System, with installation and operation of the upgraded enhancement scheduled
to be completed by December 31, 2013, as described in the staff summary on this subject, for a total contract amount not to exceed $49,950.

4. To The American Arbitration Association, for the rendering of services for interpretation of SEPTA's collective bargaining agreements and resolution of union grievances pertaining to working conditions and disciplinary matters, with services to be performed on an "as required" basis over a period of three years scheduled to commence on November 1, 2013, as described in the staff summary on this subject, for a total contract amount not to exceed $70,000.
WHEREAS, additional work is required to complete the project 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 Neshaminy Constructors, Inc., for Change Order No. 7, which provides for additional construction-related work including the excavation, removal and disposal of unsuitable soil and changes due to design errors/omissions for the SEPTA - Wayne Junction Station Improvements Project, at an increase in
cost not to exceed $521,650, bringing the total contract price, including all change orders to date, to an amount not to exceed $16,621,880, 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."