SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY

AGENDA

REGULAR MEETING

To Be Held at 3:00 PM

NOVEMBER 19, 2015

1234 Market Street, Mezzanine Level
Philadelphia, PA

1. Approval of Minutes of the Regular Meeting of October 22, 2015

2. Financial Report

3. Resolutions

I. Pension Committee Review

A. Termination of Innovator Management, LLC as Investment Manager

II. Administration Committee Review

A. Request for Proposals

III. Operations Committee Review

A. Items for Consideration

1. Fifth Amendment to the Lease Agreement Between SEPTA and Lincoln Plaza Associates for Space on the Roof of One Oxford Valley Mall in Langhorne, Bucks County, Pennsylvania

2. Acquisition from John DeCaro of Property Located at 231 W. Wingohocking Street, in Philadelphia, Pennsylvania in Connection with the Courtland Maintenance Shop and Yard Facility Roof Replacement Project

3. Memorandum of Agreement By and Between SEPTA and Transport Workers Union of Philadelphia, Local 234, Trenton-Philadelphia Coach Division

B. Various Procurements

C. Sole Source Procurements

D. Change Order

4. Report of General 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 provides investment guidelines and investment return expectations for all investment managers; and

WHEREAS, the Policy Statement contains monitoring procedures for the Pension Committee to utilize in its review of the performance of each investment manager; and

WHEREAS, at the Pension Committee Meeting that was held on July 23, 2015, the Committee reviewed a recently-announced change in sub-advisors to the Income Fund of Innovator Management, LLC ("Innovator") as well its performance results, and voted to place Innovator on the watch list pursuant to criteria outlined in the plan's Policy Statement; and
WHEREAS, at the Pension Committee meeting that was held on September 17, 2015, representatives of Innovator and McKinley Capital Management, LLC, the new sub-advisor to the Innovator Income Fund, were interviewed by the Pension Committee and answered questions related to the firm's management, investment characteristics, and the performance of the fund, and

WHEREAS, at the October 22, 2015 Pension Committee Meeting, PFM Advisors, SEPTA's Plan Consultant, updated the Pension Committee on the Innovator management team, and investment performance of the Innovator Income Fund; and

WHEREAS, based on the interview, the updated performance review and discussion, PFM Advisors recommended and the Pension Committee agreed to recommend termination of SEPTA's investment with Innovator for its Income Fund.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves the termination of SEPTA's investment with Innovator Management, LLC, and authorizes the proper officers of SEPTA (i) to execute and deliver all documents that will enable SEPTA to terminate its investment with Innovator Management, LLC; (ii) take such action necessary to transfer the assets currently being managed by Innovator Management, LLC to fund other
investments as approved by the Pension Committee; and (iii) to do any and all other things that may be necessary in order to effectuate this Resolution.
RESOLUTION

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AWARD OF A CONSULTING SERVICES CONTRACT
PURSUANT TO A REQUEST FOR PROPOSALS

WHEREAS, SEPTA, which has need for the services as described below, has advertised and solicited proposals from firms wishing to propose; and

WHEREAS, SEPTA staff has requested that the General Manager recommend that the Board authorize the award contract to the firm listed below because said firm was the successful proposer in the areas for which the request for proposals was issued; and

WHEREAS, the General Manager recommended that the Board authorize the award of the contract.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes SEPTA to award subject to the following conditions and the General Manager to execute the following contracts, 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 the proposer satisfactorily meeting all requirements of the terms and conditions of the relevant request
for proposals, including the provision of any required insurance certificates and full compliance with any applicable Disadvantaged Business Enterprise (DBE) requirements:

1. To Truveris, Inc., for the provision of Pharmacy Benefit Manager Audit Services which include discovering administrative/claim payment mistakes and recovering erroneous payments, as well as auditing of pricing and rebates (per contract), benefits (per plan design) and pricing of mail and specialty drugs for the purpose of obtaining revenue owed to the Authority, with services to be performed over a period of five years scheduled to commence on January 1, 2016, as described in the staff summary on this subject, for a total contract amount not to exceed $28,000 per year for the first two years and $40,000 per year for the remaining three years, plus the 15% fee of the amount recovered, Request for Proposals No. 14-228-HAC - Pharmacy Benefit Manager Audit Services.
RESOLUTION

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FIFTH AMENDMENT TO THE LEASE AGREEMENT
BETWEEN SEPTA AND LINCOLN PLAZA ASSOCIATES
FOR SPACE ON THE ROOF OF ONE OXFORD VALLEY MALL
IN LANGHORNE, BUCKS COUNTY, PENNSYLVANIA

WHEREAS, on May 14, 1981 Lincoln Plaza Associates ("Lincoln Associates") and SEPTA entered into an agreement ("Lease Agreement") by which Lincoln Associates leases to SEPTA space ("Leased Premises") on the roof and within the penthouse of One Oxford Valley Mall located in Langhorne, Bucks County, Pennsylvania; and

WHEREAS, within the Leased Premises SEPTA installed antennas and related equipment that SEPTA uses for its mobile communication system; and

WHEREAS, the Lease Agreement has been amended four times previously for additional space requirements, installation of a microwave dish on the penthouse roof, radio microwave racks, battery back-up, incoming AC power panel and radio power distributor, as well as extension of the leased term; and

WHEREAS, the Lease Agreement is presently set to expire on
WHEREAS, due to SEPTA’s present and future mobile communications needs via the tower site, SEPTA requested that Lincoln Associates amend the Lease Agreement for a fifth time (“Fifth Amendment”) so that Lincoln Associates would extend the tenancy for the Leased Premises for an additional 5-year term from June 1, 2016 to May 31, 2021; and

WHEREAS, under the Fifth Amendment the fixed rental for the additional 5-year term will be $2,934.89 monthly ($35,218.68 annually); and

WHEREAS, staff requested that the General Manager recommend that the Board authorize SEPTA to enter into the Fifth Amendment under the terms and conditions set forth above and more fully described within 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 Fifth Amendment to the Lease Agreement by and between Lincoln Plaza Associates and SEPTA under the terms and conditions that are set forth 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.
RESOLUTION

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ACQUISITION FROM JOHN DeCARO OF PROPERTY LOCATED AT
231 W. WINGOHOCKING STREET, IN PHILADELPHIA, PENNSYLVANIA
IN CONNECTION WITH THE COURTLAND MAINTENANCE SHOP
AND YARD FACILITY ROOF REPLACEMENT PROJECT

WHEREAS, SEPTA is replacing the roof at its Courtland
Maintenance Shop and Yard Facility ("Facility") located at 2nd &
Wyoming Avenues, Philadelphia, Pennsylvania ("Project"); and

WHEREAS, a parcel of property ("Parcel") owned by John
DeCaro ("DeCaro") located at 231 W. Wingohocking Street,
Philadelphia, Pennsylvania, and comprised of approximately
39,758 square feet, is immediately adjacent to the Facility; and

WHEREAS, SEPTA needs to acquire the Parcel so that SEPTA
can use it as a laydown area in connection with the Project, and
upon completion thereof to increase the footprint of the
Facility and allow for greater operational flexibility; and

WHEREAS, a SEPTA-conducted appraisal was prepared on the
Parcel, along with a review appraisal, supporting a fair market
valuation (FMV) of $250,000; and

WHEREAS, staff and DeCaro have negotiated a final purchase
price of $315,000 for SEPTA to acquire the Parcel, which while more than the appraised FMV, nevertheless greatly enhances SEPTA's long-term potential uses at the Facility and is a prudent business decision; and

WHEREAS, staff requested that the General Manager recommend that the Board authorize SEPTA to enter into an agreement of sale with DeCaro for the purchase the Parcel for a negotiated price of $315,000, under such terms and conditions set forth above and more fully described within 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 an agreement of sale with John DeCaro for purchase of the Parcel located at 231 W. Wingohocking Street, Philadelphia, Pennsylvania, under the terms that are set forth in the pertinent staff summary, for the negotiated final price of $315,000, plus costs that are incidental to the acquisition of real estate.

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 necessary and proper in order to effectuate the purpose of this Resolution.
WHEREAS, negotiations between representatives of SEPTA and Transport Workers Union of Philadelphia, Local 234, Trenton-Philadelphia Coach Division ("Union"), 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 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 Transport Workers Union of Philadelphia, Local 234, Trenton-Philadelphia Coach Division, which governs the terms and conditions of employment of those 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 Knoxville Locomotive Corporation, for the purchase and installation of Locomotive #52 repower components, with delivery of material scheduled in December 2016, as described in the staff summary on this subject, for a total contract amount not to exceed $1,546,000, Sealed Bid No. 15-00073-AMGA - Locomotive 52 Repower.

2. To A.P. Construction, Inc., for general construction services, to provide all labor, materials, tools and equipment for the Concourse Rehabilitation Package 1, with services to be performed over a period of 270 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 $1,154,150, Sealed Bid No. 15-00088-AMZK - Concourse Rehabilitation Package 1.

3. To RailPlan International, Inc., for the purchase of 20 safety transfer bridges to provide safety to customers transferring between trains during emergency situations, at a unit price of $5,778, with delivery of material scheduled within 60 calendar days after issuance of Notice-to-Proceed, for a
total contract amount not to exceed $115,560, Sealed Bid No. 15-00151-AMJP - Safety Transfer Bridge.

4. To Prudential Insurance Company of America, for the provision of long term disability insurance for Fraternal Order of Transit Police (FOTP) and SAM employees, with services to be performed over a period of three years after issuance of Notice-to-Proceed and anticipated to commence on January 1, 2016, as described in the staff summary on this subject, for a total contract amount not to exceed $1,570,021.81, Sealed Bid No. 15-00172-AJGW - Long Term Disability Insurance.
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 Altec Industries, Inc., for the purchase of various non-stock Altec lift parts to be used in the repair of SEPTA's
fleet of utility trucks aerial booms, with delivery of material on an "as required" basis over a period of three years approximately commencing on January 1, 2016, as described in the staff summary on this subject, for a total contract amount not to exceed $105,000.

2. To Ansaldo STS Inc., for Items Nos. 1-3, for the purchase of new solid state transmitter relays to be used for replacement of older obsolete units which are no longer supported at various locations on the Regional Rail Division, at unit prices of $1,461.03, $1,418.25 and $1,418.25, respectively, with delivery of material scheduled to commence in (or before) December 2016, as described in the staff summary on this subject, for a total contract amount not to exceed $91,709.16.

3. To New Jersey Transit, for the purchase of various spare parts to be used in the maintenance of the AEM-7 and ALP-44 locomotives, with delivery of material scheduled in January 2016, as described in the staff summary on this subject, for a total contract amount not to exceed $59,527.97.

4. To Faiveley Transport North America Corporation, for the overhaul and upgrade of 65 Local Control Units (LCU's) to be used in the maintenance of the M-4 car fleet, at a unit price of $550.56, with services scheduled to be performed over a period
of one year commencing in December 2015 and completed by December 2016, as described in the staff summary on this subject, for a total contract amount not to exceed $35,786.40.

5. To Alstom Signaling, Inc., for the provision of engineering, programming and manufacturing services for the technical refresh of the vital and non-vital processes in operation at Erie Interlocking on the Broad Street Subway Line, with services to be performed over a period of 365 calendar days after issuance of Notice-to-Proceed and estimated to commence on December 1, 2015, as described in the staff summary on this subject, for a total contract amount not to exceed $770,908.

6. To INFOR, for the maintenance and support of the E-Series Financial Software Suite and the Management, Planning and Control (MPC) software package, with services to be performed over a period of five years commencing on January 1, 2016 through December 31, 2020, as described in the staff summary on this subject, for a total contract amount not to exceed $1,673,258.
RESOLUTION

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AUTHORIZATION TO EXECUTE A CHANGE ORDER

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 Rockport Construction Co., Inc., for Change Order No. 1, which provides for additional construction-related work on the Rehabilitation of Whiskey Run Bridge Project, at an increase in cost not to exceed $124,074.92, bringing the total contract price, including this change order, to an amount not to
exceed $426,874.92, 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”.

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