SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY

AGENDA

REGULAR MEETING

To Be Held at 3:00 PM

DECEMBER 20, 2018

1234 Market Street, Mezzanine Level

Philadelphia, PA

1. Approval of Minutes of the Regular and Special Board Meetings of November 15, 2018
2. Financial Report
3. Resolutions

I. Administration Committee Review

A. Purchase from American International Group (AIG) and Starr International Company of Directors and Officers Liability Insurance

B. Purchase from American International Group (AIG), Starr, AXA/XL and Beazley of Cyber Liability Insurance

II. Operations Committee Review

A. Items for Consideration

1. Reimbursement Agreement Between SEPTA and The Port Authority Transit Corporation (PATCO) Relating to Elevator/Escalator Maintenance and Inspection Services

2. Acquisition from James Malik of a Parcel of Property Situated in Upper Darby Township, Delaware County, for Use in the Secane Station Improvement Project

3. Lease to Metro Terminal Pizza, LLC for Use and Occupancy of the Inbound Ambler Regional Rail Division Station Building
Agenda
December 20, 2018

B. Authorization to Award Contracts for Various Procurements

C. Award of Contracts for Sole Source Procurements

D. Authorization to Execute Change Orders and Amendments

III. Pension Committee Review

A. Termination of Philadelphia Investment Partners, LLC as Investment Manager of the SEPTA Pension Plan

4. Report of General Manager
RESOLUTION

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PURCHASE FROM AMERICAN INTERNATIONAL GROUP (AIG) AND STARR INTERNATIONAL COMPANY OF DIRECTORS AND OFFICERS LIABILITY INSURANCE

WHEREAS, SEPTA's current directors and officers ("D&O") liability insurance policies with American International Group (AIG) and Starr International Company ("Starr") will expire on December 31, 2018, with expiring annual premiums of $181,370 and $67,700, respectively; and

WHEREAS, one of the insurance policies is a primary layer of $10 million which covers director and officers and the entity, SEPTA, with SEPTA entity coverage subject to $5 million sublimit; and

WHEREAS, the other insurance policy is an excess layer of $10 million which covers directors and officers; and

WHEREAS, the reason for the dual layer insurance program is to insure that the cover afforded to directors, officers and Board members remains undiluted by any claims brought against them individually and against SEPTA; and
WHEREAS, both layers provide coverage for wrongful acts, errors and omissions that could result from any matter claimed against directors, officers and Board members solely due to their status or due to their official acts; and

WHEREAS, during the September 2018 meeting of the Risk Management Advisory Committee ("RMAC") it was agreed that since a full marketing effort had taken place during each of the two prior renewals in 2016 and 2017, alternative markets would only be explored if the incumbent providers sought rate increases for a one-year renewal with the same terms and conditions; and

WHEREAS, AIG and Starr quoted coverages with the same terms and conditions as the expiring program, with (i) AIG offering a flat premium of $181,370 for the primary D&O layer which included the option of an "Enhanced Assault Extension" endorsement which would provide an additional aggregate limits of $1,000,000 coverage to the D&O limits; and (ii) Starr offering a flat premium quote of $67,700 for the excess D&O layer; and

WHEREAS, staff, with the concurrence of the RMAC, requested that the General Manager recommend that the Board authorize SEPTA to purchase D&O liability insurance (i) from AIG a primary
layer of $10 million with a self-insured retention of $200,000 except for employment practices liability (which will have a $500,000 self-insured retention); and (ii) from Starr an excess layer of $10 million, under the terms and conditions 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 purchase (i) from American International Group (AIG) a primary layer of directors and officers liability insurance in the amount of $10 million; and (ii) from Starr International Company an excess layer of directors and officers liability insurance in the amount of $10 million, for one-year terms effective December 31, 2018, both of which will be under the terms and conditions set forth within the pertinent staff summary.

FURTHER RESOLVED, that the total annual prepaid premiums for the policies with American International Group (AIG) and Starr International Company will not exceed $181,370 and
$67,700, respectively, along with a $1,000 policy fee, for a total combined annual premium of $251,065.

FURTHER RESOLVED, that the Board hereby authorizes the General Manager or his designee and other proper officers 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 AMERICAN INTERNATIONAL GROUP (AIG), STARR, AXA/XL AND BEAZLEY OF CYBER LIABILITY INSURANCE

WHEREAS, in today's hi-tech corporate environment, companies are constantly faced with the threat of "Cyber Liability" when conducting business online and receive, disseminate and/or store personal information on their computer database systems; and

WHEREAS, in the event personal information is publically disclosed by either unlawful act or mistake, the company could face legal exposure for breaching individual privacy rights, infringing upon or misappropriating intellectual property or violating other laws; and

WHEREAS, while SEPTA currently maintains data protection and security protocols in order to protect against cyber-attacks and other unlawful access to personal information, occasionally it has been found that even the most stringent of IT protocols can sometimes be compromised and are insufficient to protect a company against such intrusions; and

WHEREAS, the purchase of Cyber Liability Insurance provides SEPTA with an additional level of protection in the event SEPTA's
existing protocols are somehow breached and personal information disclosed; and

WHEREAS, SEPTA's expiring Cyber Liability Program was underwritten in two layers, the first with American International Group (AIG) providing $5 million of primary coverage with a $100,000 per occurrence self-insured retention (SIR) at an annual premium of $89,972, and the second layer with XL/Catlin (now AXA/XL) providing $5 million in excess coverage at an annual premium of $62,890, with both policies being for one-year terms effective December 31, 2017, for a combined annual premium (including a $600 policy fee) of $153,462; and

WHEREAS, during the September 2018 Risk Management Advisory Committee (RMAC) meeting, it was discussed that Aon pursue the incumbent carriers as well as non-incumbent markets to broaden coverage and seek competitive premiums; and

WHEREAS, the total annual premium for the primary and excess coverages quoted by AIG of $95,545 was the only premium that offered all the existing coverages; and

WHEREAS, the best additional excess layers of coverages were quoted by (i) Starr for $5 million excess of $5 million, for a total annual premium of $38,218; (ii) AXA/XL for $5 million excess of $10 million, for a total annual premium of $39,000; and (iii)
Beazley for $5 million excess of $15 million, for a total annual premium of $35,000; and

WHEREAS, the primary layer buyer of coverage offers enhancements for (i) cyber extortion, (ii) continuity date exclusion; (iii) law enforcement cooperation; (iv) loss definition amendment; (v) defense provision amendment; and (vi) property damage and security failure definition amendment; and

WHEREAS, the RMAC and Office of General Counsel requested that the General Manager recommend that the Board authorize SEPTA to bind (i) the primary layer of Cyber Liability Insurance in the amount of $5 million with AIG, and three $5 million excess layers of coverage with Starr, AXA/XL and Beazley, under such terms and conditions as set forth above and more fully described in the pertinent staff summary, at a combined total annual program cost (including a $2,000 policy fee) not to exceed $209,763; and

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

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes SEPTA to renew and place Cyber Liability Insurance with (i) American International Group (AIG) for $5 million in primary coverage with a $100,000 per occurrence self-insured retention, at an annual premium not to exceed $95,545; (ii) Starr for $5 million in coverage in excess of $5 million, at an annual premium not to
exceed $38,218; (iii) AXA/XL for $5 million in coverage in excess of $10 million, at an annual premium not to exceed $39,000; and (iv) Beazley for $5 million in coverage in excess of $15 million, at an annual premium not to exceed $35,000, for a total annual premium not to exceed $209,763 (including a $2,000 policy fee), with all four policies being for one-year terms commencing December 31, 2018.

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.
WHEREAS, since June 2014 SEPTA has been responding to the requests of the Port Authority Transit Corporation (PATCO) by providing assistance in maintaining PATCO’s fleet of vertical transportation equipment (elevators and escalators) under the terms of a five-year Reimbursement Agreement which commenced on June 29, 2014 and will expire on June 30, 2019; and

WHEREAS, under the Reimbursement Agreement SEPTA provides a dedicated team of maintenance employees and supervision who perform inspection, preventative maintenance and repairs on all of PATCO’s 13 elevators and 14 escalators; and

WHEREAS, both SEPTA and PATCO believe that this arrangement has proven successful and should be sustained for another five-year term; and

WHEREAS, the parties have now negotiated a new formal Reimbursement Agreement by which SEPTA would perform maintenance
and inspection services for all of PATCO's elevators and escalators, for a period of five years commencing July 1, 2019, which can be terminated by either party upon 90 days prior written notice; and

WHEREAS, while most of the basic terms and conditions of the original agreement remain the same, one significant change commits PATCO to fund the cost of one SEPTA elevator/escalator apprentice as part of SEPTA's state-sanctioned two-year apprentice program for elevator/escalator maintenance, which will insure an adequate supply of skilled personnel to maintain our growing fleet of vertical transportation equipment during the duration of the agreement and going forward; and

WHEREAS, under the proposed new Reimbursement Agreement, SEPTA will be fully reimbursed for services rendered in an estimated amount of $5,894,781 over the entire five-year term, with the funding of the apprentice portion being separate from, and in addition to, reimbursement of maintenance costs; and

WHEREAS, staff requested that the General Manager recommend that the Board authorize SEPTA to enter into the proposed Reimbursement Agreement with PATCO under the terms and conditions that are set forth above and 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 Reimbursement Agreement with PATCO with respect to SEPTA’s ongoing maintenance and inspection of PATCO’s fleet of vertical transportation equipment (elevators and escalators), under the terms 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 necessary and proper in order to effectuate the purpose of this Resolution.
RESOLUTION

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ACQUISITION FROM JAMES MALIK
OF A PARCEL OF PROPERTY SITUATED IN
UPPER DARBY TOWNSHIP, DELAWARE COUNTY,
FOR USE IN THE SECANE STATION IMPROVEMENT PROJECT

WHEREAS, Secane Passenger Station was acquired by SEPTA from Consolidated Rail Corporation (Conrail) by deed dated March 30, 1979, and is located on SEPTA's Media/Elwyn Regional Rail Division (RRD) Line adjacent to Providence Road between Bishop and North Avenues in Upper Darby Township ("Township"), Delaware County; and

WHEREAS, SEPTA intends to construct a new station and parking lot at Secane as part of the Secane Station Improvement Project ("Project"); and

WHEREAS, in order to meet the Township's traffic flow requirements for construction of the outbound parking lot, SEPTA must provide an entrance for vehicular access to the lot from Bishop Avenue and an entrance/exit to the lot from North Avenue; and

WHEREAS, James Malik ("Malik") owns a parcel of property ("Parcel") located at 325 North Avenue in the Township comprised of 82,451 square feet as improved by a one story single family
dwelling consisting of 768 square feet, which would satisfy the Township’s requirements, as well as provide up to an additional 181 parking spaces for SEPTA’s commuters and the ground needed for construction of a portion of the proposed driveway connection between Bishop and North Avenues; and

WHEREAS, a SEPTA commissioned independent appraisal determined that the current fair market valuation (FMV) of Parcel (as of March 10, 2018) is $140,000, which was supported by a subsequent review appraisal; and

WHEREAS, SEPTA has offered Malik $165,000 plus relocation assistance benefits; and

WHEREAS, SEPTA will also be responsible for payment of the customary charges incidental to the acquisition of the subject Parcel, such as closing costs and recording

WHEREAS, acquisition of the Parcel is crucial for the culmination of the Project and will greatly enhance SEPTA’s future development of the Station; and

WHEREAS, if required, SEPTA will obtain the concurrence of the Federal Transportation Administration (“FTA”) in acquiring the Parcel; and

WHEREAS, staff requested that the General Manager recommend that the Board authorize SEPTA to purchase from Malik in lieu of
condemnation or, if not successful, to acquire by condemnation the Parcel for a FMV or estimated just compensation capped at $165,000, under such terms 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 purchase from James Malik, in lieu of condemnation or, if not successful, to acquire by condemnation the fee simple interests in the parcel of property located at 325 North Avenue in Upper Darby Township, under such terms as set forth within the pertinent staff summary, for a fair market value or estimated just compensation of $165,000, plus relocation assistance benefits and 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 deemed necessary and proper in order to effectuate the purpose of this Resolution.
WHEREAS, SEPTA owns the Ambler Passenger Station ("Station") along the inbound side of the Lansdale/Doylestown Regional Rail Division (RRD) Line, which is located at 27 West Butler Pike in the Borough of Ambler, Montgomery County, Pennsylvania; and

WHEREAS, the Station building is comprised of approximately 1,276 square feet of space which includes with one bathroom and 13 dedicated parking spaces ("Demised Premises"), and has been offered for lease via SEPTA’s competitive bidding process for a minimum annual rental of $32,000; and

WHEREAS, SEPTA received only two sealed bids, with Metro Terminal Pizza, LLC ("Metro") submitting the highest bid of $39,500 annually ($3,294.67 monthly), and was determined to be a responsive and responsible bidder; and

WHEREAS, Metro has offered to enter into a lease agreement ("Lease") with SEPTA for the Demised Premises for an initial
term of five (5) years, along with ten (10) consecutive one-year renewal option periods, to use and occupy the Demised Premises as a restaurant and retail store; and

WHEREAS, the annual base rental for the Demised Premises shall be $39,500 for the first year of the initial term of the Lease, with annual increases thereafter at the rate of 3% per year over the annual rental of the prior year; and

WHEREAS, the proposed Lease will generate $209,710.86 in rental revenue to SEPTA over the initial five-year base term, and an additional $524,946.23 in revenue if all ten one-year options are exercised thereby generating total receipts of $734,657.09; and

WHEREAS, Metro accepted the Demised Premises in “as-is” condition, and under the proposed Lease, Metro shall also be responsible for all interior improvements, maintenance and repairs (including the heating, ventilation and air conditioning system), as well as separately metered utilities and trash removal; and

WHEREAS, SEPTA shall be responsible for all snow and ice removal from the Demised Premises; and

WHEREAS, if required, SEPTA will obtain any necessary Federal Transit Administration (FTA) concurrence of the
WHEREAS, staff requested that the General Manager recommend that the Board authorize SEPTA to enter into the proposed lease agreement with Metro for the Demised Premises under the terms and conditions 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 with Metro Terminal Pizza, LLC for the Demised Premises under the terms and conditions 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 that shall be necessary and proper in order to effectuate the purpose of 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 was the lowest responsive and responsible bidders to the invitations 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 SJA Construction, Inc., for Zones 1 and 2, for a total contract amount not to exceed $1,514,900; and to Castor Materials, Inc., for Zones 3-7, for a total contract amount not to exceed $2,154,750, for the provision of ready mixed air-entrained and super-plasticized concrete for delivery to various locations throughout SEPTA's five-county service area, with delivery of material on an "as required" basis over a period of three years commencing on January 1, 2019, as described in the staff summary on this subject, Sealed Bid No. 18-00245-AR1B - Three Year Contract for Supply and Delivery of Ready Mixed Concrete.

2. To Michael Gabor & Associates, LLC d/b/a W. P. Cooke, for the purchase of tires and repair services for SEPTA's fleet of non-revenue vehicles, with services to be performed on a "as required" basis over a period of three years commencing upon issuance of Notice-to-Proceed anticipated to be January 1, 2019, as described in the staff summary on this subject, for a total contract amount not to exceed $1,014,541, Sealed Bid No. 18-00200-APQC - Tires and Repair Services.
3. To Michael Baker International, Inc., for the provision of tank testing, inspections and repairs for bulk fluid storage tanks located throughout the Authority, with services to be performed on an “as required” basis over a period of 1,095 calendar days commencing upon issuance of Notice-to-Proceed, as described in the staff summary on this subject, for a total contract amount not to exceed $1,702,440, Sealed Bid No. 18-00233-ARZP - Bulk Fluid Storage Tank Testing.

4. To Tyco Fire & Security (US) Management, Inc., for the purchase of 189 security cameras and related mounting hardware for installation on the Market-Frankford Subway Elevated (MFSE) Line, with delivery of material scheduled to commence in January 2019, as described in the staff summary on this subject, for a total contract amount not to exceed $113,817, Sealed Bid No. 18-00181-ACZC - Camera Equipment for SEPTA.

5. To Stella-Jones Corporation, for Item No. 1, for the purchase of 30,000 Grade 7 eight-foot six-inch long track ties to be used for track renewal projects in 2019, at a unit price of $63.83, with delivery of material scheduled to commence in March 2019, as described in the staff summary on this subject,
for a total contract amount not to exceed $1,914,900, Sealed Bid No. 18-00231-ALSP - Track Ties and Timbers.
RESOLUTION

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AWARD OF 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, 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 vendor/contractor satisfactorily providing any required bonds, insurance certificates and/or other documents, and complying with any applicable Disadvantaged Business Enterprise requirements:
1. Questionmark Corporation, for an additional 5,000 participants and the provision of continued software support and maintenance services for SEPTA’s Training Department to administer tests, schedule course registrations and review test results as part of the Testing Center Modernization Project, with services to be performed over a period of one year commencing in March 2019, as described in the staff summary on this subject, for a total contract amount not to exceed $38,403, Sole Source No. 18-00293-AMLP - Questionmark Software Additional Participants and Annual Support & Maintenance Services.

2. To PECO Energy Company (PECO), to provide utility relocation services for an existing transmission and distribution line which will allow SEPTA to replace a 100+ year old terra cotta pipe with a properly designed reinforced concrete pipe for the Sharon Hill Line Flood Mitigation Design and Construction Project, with services to be performed over a period of nine months scheduled to commence in December 2018, as described in the staff summary on this subject, for a total contract amount not to exceed $2,250,000, Sole Source No. 18-00291-ATMM - Sharon Hill Line Flood Mitigation Design & Construction Project.
3. To PS Technology, Inc., for the provision of software maintenance and support for the Crew Management System for SEPTA’s Regional Rail Division (RRD) designed to automate the dispatching functions conducted at the Personnel Assignment Office (PAO), with services to be performed over a period of one year commencing on January 1, 2019 and ending December 31, 2019, as described in the staff summary on this subject, for a total contract amount not to exceed $192,000, Sole Source No. 18-00285-APES - Crew (Rail) Management System Maintenance & Support Services.
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 orders and amendments 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 Carr & Duff, Inc., for Change Order No. 6, which provides for a credit based upon a global settlement of claims under the electrical construction contract for the Wayne Junction Traction Power Substation Rehabilitation Project, at a
decrease in cost not to exceed $150,584, bringing the total contract price, including all change orders to date, to an amended contract amount not to exceed $13,817,477.

2. To New Flyer of America, Inc., for Change Order No. 4, which provides for additional specifications and a PPI adjustment under the contract for the 40-Foot Low Floor Diesel-Electric Hybrid Bus Project, at an increase in cost not to exceed $1,613,193.30, bringing the total contract price, including all change orders to date, to an amended contract amount not to exceed $415,156,326.29.

3. To TK Keystone Construction, Co., Inc., for Change Order No. 1, which provides for additional janitorial services at Wheatsheaf Warehouse and the Regional Rail Division (RRD) crew bathroom facility, at an increase in cost not to exceed $458,372, bringing the total contract price, including this change order, to an amended contract amount not to exceed $5,595,507.

4. To Conduent Transport Solutions, Inc. (formerly Xerox Transport Solutions, Inc.), for Change Order No. 20, which provides for a transit maintenance and warranty services extension under the contract to design, build, install, deploy
and support SEPTA's New Payment Technologies System (aka KEY Program) on a month-to-month basis for a period of 13 months thru December 31, 2019, at an increase in cost not to exceed $9,929,762, bringing the total contract price, including all changes orders to date, to an amended contract amount not to exceed $172,205,416.

5. To Faiveley Vapor Stone Rail Systems, a Wabtec Company, for Amendment No. 1, which provides for additional scope of services pertaining to the improvement of air compressors under the contract for the B-IV HVAC Upgrade Project, at an increase in cost not to exceed $231,260, bringing the total contract price, including this amendment, to an amended contract amount not to exceed $16,818,582.

6. To Truveris, Inc., for Amendment No. 1, which provides for the increase of the price ceiling and removal of the 15% recovery fee (for years 2017 and 2018) under the contract for Pharmacy Benefit Manager Audit Services, at an increase in cost not to exceed $54,723.73, bringing the total contract price, including this amendment, to an amended contract amount not to exceed $230,723.73.
7. To Gannett Fleming, Inc., for Amendment No. 7, which provides for additional architectural/engineering design and construction work for the Bucks County Intermodal Improvements Project - Levittown, as well as a 411 day schedule extension, thereby establishing a new contract completion date of July 19, 2019, at an increase in cost not to exceed $151,754, bringing the total contract price, including all amendments to date, to an amended contract amount not to exceed $4,251,133.
RESOLUTION

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TERMINATION OF PHILADELPHIA INVESTMENT PARTNERS, LLC AS INVESTMENT MANAGER OF THE SEPTA PENSION PLAN

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, Philadelphia Investment Partners, LLC (formerly Carne Capital, LLC or "Carne") manages a portfolio of Domestic Equity securities for the SEPTA Pension Plan; and

WHEREAS, at the Pension Committee Meeting that was held on February 17, 2016, PFM Advisors, SEPTA's Pension Plan consultant, recommended and the Pension Committee agreed, to place Carne on the Watch List pursuant to criteria outlined in the Policy Statement; and
WHEREAS, effective April 1, 2017, SEPTA consented to the assignment of SEPTA's Investment Advisory Agreement with Carne to Philadelphia Investment Partners, LLC but maintained the Watch List status and determined it would closely monitor the performance and assets under management of the firm; and

WHEREAS, at the November 15, 2018 Pension Committee meeting, PFM reviewed updated performance measures of the Philadelphia Investment Partners, LLC fund and discussed those results with the Pension Committee, and based on the performance data other relevant information, PFM Advisors recommended and the Pension Committee agreed to terminate the investment advisory agreement with Philadelphia Investment Partners, LLC.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves the termination of SEPTA's investment advisory agreement with Philadelphia Investment Partners, LLC.

FURTHER RESOLVED, that the Board hereby authorizes the proper officers of SEPTA (i) to execute and deliver all documents that will enable SEPTA to terminate its investment advisory agreement with Philadelphia Investment Partners, LLC; (ii) take such action necessary to liquidate and/or transfer the assets currently managed by Philadelphia Investment Partners, LLC to fund 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.