

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY

A G E N D A

REGULAR MEETING

To Be Held at 3:00 PM

December 17, 2020

1234 Market Street, Mezzanine Level

Philadelphia, PA

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1. Approval of Minutes of the Regular Board Meeting of November 19, 2020
 2. Financial Report
 3. Resolutions
 - I. Budget, Planning & Information Technology Committee Review
 - A. Deferral of the Fare Increases Associated with the Adoption of the Fiscal Year 2021 Operating Budget
 - II. Administration Committee Review
 - A. Purchase from Chubb Insurance of Directors and Officers Liability Insurance
 - B. Authorization for the Administration of SEPTA's Employee Medical Benefit Programs with Independence Blue Cross
 - C. Award of Contract Pursuant to a Request for Proposal
 - III. Operations Committee Review
 - A. Authorization to Award Contracts for Various Procurements
 - B. Award of Contract for a Sole Source Procurement
 - C. Authorization to Execute Change Orders and Amendments
 4. Report of General Manager

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R E S O L U T I O N

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DEFERRAL OF THE FARE INCREASES ASSOCIATED WITH THE
ADOPTION OF THE FISCAL YEAR 2021 OPERATING BUDGET

WHEREAS, pursuant to the 2006 recommendation of the Pennsylvania Transportation Funding and Reform Commission to periodically increase transit fares, the Authority included a modest fare increase in its proposed Fiscal Year 2021 Operating Budget; and

WHEREAS, the proposed modifications under the Fare Restructuring Plan made part of the FY 2021 Operating Budget also included certain fare saving initiatives via (i) offering one free transfer and extending the transfer eligibility period from 90 minutes to 120 minutes from the start of the base ride on Transit for customers using the SEPTA KEY card; and (ii) offering free fares to all children aged 5-11 travelling with a fare paying adult on both Transit and the Regional Rail Division; and

WHEREAS, on June 26, 2020 the Board approved SEPTA's proposed fare increases as part of Fare Restructuring Plan, but

due to the impact of the COVID-19 pandemic crisis on the region at that time, the fare changes which were to become effective on July 1, 2020 were initially delayed for a period of six months until January 1, 2021 at the earliest, with such effective date being subject to further consultation with the Board; and

WHEREAS, due to the recent spikes in COVID-19 infections in the SEPTA service area resulting in record high levels adding to new restrictions and financial hardship on the riding public, staff has recommended deferral of the fare increases from January 1, 2021 to July 1, 2021 to support the region in its recovery and as an incentive to grow ridership; and

WHEREAS, it is anticipated that the Authority will continue to utilize funding under the Coronavirus Aid, Relief, and Economic Security (CARES) Act to offset passenger revenue shortfall throughout the remainder of Fiscal Year 2021; and

WHEREAS, staff requested that the General Manager recommend that the Board adopt the proposed deferral of the fare increase previously authorized under the FY 2021 Fare Restructuring Plan until July 1, 2021, 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, the Board hereby adopts the proposed deferral of the fare increases and implementation of new rates as outlined in SEPTA's FY 2021 Fare Restructuring Plan from January 1, 2021 to July 1, 2021, with such effective date being subject to further consultation with the Board.

FURTHER RESOLVED, that the Board hereby authorizes the 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.

S/Corp/Resolutions/ 12-2020-FY2021 Fare Restructuring Plan - Deferral of Fare Increase

R E S O L U T I O N

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PURCHASE FROM CHUBB INSURANCE ~~AND~~
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, 2020, with expiring annual premiums of \$197,200 and \$73,609, respectively; and

WHEREAS, one of the insurance policies is a primary layer of \$10 million which covers directors and officers and the entity, SEPTA, and 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 officers, directors and Board members solely due to their status or due to their official acts; and

WHEREAS, during the October 2020 virtual meeting of the Risk Management Advisory Committee ("RMAC") it was agreed that Aon would conduct a marketing effort of the program since AIG issued a non-renewal notice due to its exiting the industry on primary D&O coverages stemming from profitability issues; and

WHEREAS, Aon thereupon approached Chubb Insurance Corporation, Ironshore Inc., Validus Holdings Ltd., Sampo Holdings US Group and Starr to provide primary layer options; and

WHEREAS, Chubb Insurance ("Chubb") ~~and~~ quoted coverages with the same terms and conditions as the expiring program, ~~with~~ (i) _____ offering a premium of \$451,488 for the primary D&O layer; and (ii) _____ offering a premium quote of \$_____ ~~for the excess D&O layer; and~~

WHEREAS, the Risk Management staff, with the concurrence of the RMAC, requested that the General Manager recommend that the Board authorize SEPTA to purchase D&O liability insurance from (i) Chubb for a primary layer of \$10 million with a self-insured retention \$200,000, except for employment practices liability (EPL) which will have a \$500,000 self-insured retention; ~~and~~ (ii) _____ 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 Chubb Insurance a primary layer of directors and officers liability insurance in the amount of \$10 million, ~~(ii) from _____ an excess layer of directors and officers liability insurance in the amount of \$10 million,~~ for a term of one year effective December 31, 2020, ~~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 Chubb Insurance and _____ will not exceed \$451,488 and \$_____, respectively, along with a \$1,000 policy fee, ~~for a total combined premium of \$_____.~~

FURTHER RESOLVED, that the Board authorizes the General Manager or her designees, or 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.

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AUTHORIZATION FOR THE ADMINISTRATION OF SEPTA'S EMPLOYEE
MEDICAL BENEFIT PROGRAMS WITH INDEPENDENCE BLUE CROSS

WHEREAS, on July 10, 2020 the Authority's benefit broker/consultant (Brown & Brown Metro, LLC/Innovative Risk Solutions, Inc.) solicited a Request for Proposals (RFP) from prospective insurance carriers in the marketplace to provide administrative services in support of SEPTA's Employee Medical Benefit Programs for approximately 9,636 covered employees/COBRA and pre-65 retirees and 504 post-65 retirees, for a term of five years; and

WHEREAS, SEPTA's contract with incumbent carrier Independence Blue Cross ("IBC") was for a term of five years commencing June 1, 2016, which expires on July 31, 2021; and

WHEREAS, of those carriers solicited, only IBC and Aetna Insurance Company ("Aetna") submitted proposals in response to the RFP; and

WHEREAS, IBC's proposal offered all existing program services with no changes in benefits and procedures, along with

additional services such as telemedicine, as well as continuation of the current Annual Wellness Initiative of \$118,000 for Wellness Coaches and \$50,000 in other Wellness Initiatives, which equals a value of \$840,000 over the contract period; and

WHEREAS, after negotiations were completed, SEPTA received Best and Final Offers (BAFOs) from IBC and Aetna; and

WHEREAS, IBC's BAFO pricing (\$765,858,885) was \$7,902,511 less than its initial quotation, while Aetna's BAFO (\$878,639,068) reduced its pricing by \$4,207,501; and

WHEREAS, with the concurrence of the Administration Committee, staff requested the General Manager recommend that the Board authorize the award the contract to administer SEPTA's Employee Medical Benefit Programs to IBC 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 award the contract for the administration of SEPTA's Employee Medical Benefit Programs to Independence Blue

Cross for a five-year term scheduled to commence on July 1, 2021, for a total projected cost of \$765,868,885, under the terms and conditions that are set forth within the pertinent staff summary.

FURTHER RESOLVED, that the Board hereby authorizes the 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.

S/Corp/Resolutions/12-2020-Medical Insurance-IBC

R E S O L U T I O N

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AWARD OF CONTRACT
PURSUANT TO A REQUEST FOR PROPOSAL

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 of the contract to the firm listed below because said firm was the successful proposer in the area 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 contract, 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 proposers satisfactorily meeting all

requirements of the terms and conditions of the relevant requests for proposals, including the provision of any required insurance certificates and full compliance with any applicable Disadvantaged Business Enterprise (DBE) requirements:

1. To Nelson/Nygaard Consulting Associates, Inc., for the provision of Comprehensive Bus Network Redesign (CBNR) services for the Strategic Planning and Analysis Department, with services to be performed over a period of up to three years (two years for design and one year for implementation) commencing upon issuance of Notice-to-Proceed, as described in the staff summary on this subject, for a total contract amount not to exceed \$2,993,641.86, Request for Proposals No. 20-00056-ARLW - Comprehensive Bus Network Redesign Services.

S/Corp/Resolutions/RES-DEC-2020-RFP

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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 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 her 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 Devine Brothers, Incorporated, for the purchase of eight rooftop exhaust fans and associated duct modifications, fan controls and smoke detection hardware to be used in the Jefferson Station Fan Replacement and Duct Modification Project, with delivery of material and mechanical construction services to be performed over a period of 365 calendar days after issuance of Notice-of-Proceed, as described in the staff summary on this subject, for a total contract amount not to exceed \$2,976,300, Sealed Bid No. 20-00161-ADIM - Jefferson Station Fan Replacement and Duct Modification Project.

2. To The Aftermarket Parts Company, LLC, for the purchase of 112 single-end (SE) barrier kits and 58 double-end (DE) barrier kits to be used on the light-rail vehicle (LRV) car fleet to provide safety and protection for the operator, at unit prices of \$5,862 and \$6,244.20, respectively, with delivery of material being split over five scheduled shipments with the initial 24 SE kits and 6 DE kits expected within six months after issuance of Notice-to-Proceed, and then every two months thereafter to complete the balance, as described in the staff summary on this

subject, for a total contract amount not to exceed \$1,018,707.60,
Sealed Bid No. 20-00530-AMUD - Barrier Kits.

S/Corp/Resolutions/RES-DEC-2020-Sealed-Bids

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AWARD OF CONTRACT FOR A SOLE SOURCE PROCUREMENT

WHEREAS, SEPTA has need for the supplies and services described below and those supplies and services are available only from the firm 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 contract.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes SEPTA to award and the General Manager or her designee to execute the contract 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. To ProntoForms, Inc., for the provision of advanced tier subscriptions (including software updates and support) for 550 licensed users which enables the Authority to modernize

paper-based forms and associated business processes using ProntoForms' standalone and secure a digital forms development platform, at a unit price of \$300 per licensed user, with said licenses being in effect over a period of one year scheduled to commence on January 1, 2021, as described in the staff summary on this subject, for a total contract amount not to exceed \$165,000, Sole Source No. 20-00147-AALD - ProntoForms Subscription for 550 Licensed Users.

S/Corp/Resolutions/RES-DEC-2020-Sole-Source

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AUTHORIZATION TO EXECUTE CHANGE ORDERS AND AMENDMENTS

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 her 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 Hitachi Rail STS, USA, for Change Order No. 2, which provides for additional construction work on the Media-Sharon Hill Line (MSHL) Communications Based Train Control (CBTC) System Project, at an increase in cost not to exceed \$825,845, bringing the total contract price, including all change orders to date, to an amended contract amount not to

exceed \$56,604,511, provided that with the Board's approval of this change order, the Board authorizes the resetting of prior authorized cumulative change order amount 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."

2. To Walsh Construction Company II, LLC, for Change Order No. 11, which provides for reimbursement of the contractor's COVID-related costs incurred as a result of the statewide shutdown of construction projects, as well as changes requested by the EM&C Division for costs associated with the OCIP insurance termination on the Elwyn to Wawa R3-2 Right-of-Way Improvements Project, at an increase in cost not to exceed \$686,612, bringing the total contract price, including all change orders to date, to an amended contract amount not to exceed \$85,321,337, provided that with the Board's approval of this change order, the Board authorizes the resetting of prior authorized cumulative change order amount 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."

3. To Dolan Mechanical, Inc., for Change Order No. 2, which provides for additional mechanical construction work due to unforeseen conditions and changes requested by EM&C Division and apparent design errors/omissions for the City Hall - 15th Street Station Renovation Project, at an increase in cost not to exceed \$92,594, bringing the total contract price, including all change orders to date, to an amended contract amount not to exceed \$1,126,401.20.

4. To Trapeze Software Group, Inc. d/b/a AssetWorks, LLC, for Amendment No. 1, which provides for additional program changes/customization and a retroactive 23-month time extension for the Trapeze Operations Management Module System and Core System Enhancements Project, thereby establishing a new contract completion date of August 10, 2020, at an increase in cost not to exceed \$123,738, bringing the total contract price, including this amendment, to an amended contract amount not to exceed \$6,861,240.

5. To Gannett Fleming, Inc., for Amendment No. 6, which provides for additional Phase A-4 design-related work requested by the EM&C Division pertaining to Bethayres Interlocking at

Mile Post 15.7 on the Neshaminy Line for the Jenkintown Station Improvement Project, as well as a 390 calendar day no-cost time extension, thereby establishing a new contract completion date of September 26, 2021, at an increase in cost not to exceed \$1,107,507, bringing the total contract price, including all amendments to date, to an amended contract amount not to exceed \$7,850,266.

S/Corp/Resolutions/RES-DEC-2020-Change Orders & Amendments