

PERFORMANCE OVERSIGHT COMMITTEE MEETING

September 20, 2018

The meeting was called to order at 9:00 a.m. in Port Authority's Neal H. Holmes Board Room located on the fifth floor of the Heinz 57 Center with the following in attendance:

Board Committee Members

Michelle Zmijanac, Chair
Jennifer Liptak
Rob Vescio
Jeff Letwin

Other Board Member

John Tague
Ann Ogoreuc
Rob Kania

1. Approval of Minutes:

Minutes from the July 19, 2018 Performance Oversight Committee meeting were approved.

2. Proposed Resolutions:

There were eight resolutions reviewed by the Performance Oversight Committee.

The Committee first reviewed three procurement items and found the bids to be in accordance with the Authority's procurement policies and procedures, the prices to be fair and reasonable, and the bidders to be responsive and responsible.

The Performance Oversight Committee agreed to recommend for award the three items discussed at the meeting for the total amount of \$1,560,300.15.

The next resolution reviewed by the Performance Oversight Committee was authorization to award a construction contract for ancillary services. The contract provides for HVAC ancillary construction services over a three-year period for upgrades and improvements to property and facilities owned and/or operated by Port Authority.

It was reported at the meeting that bids were requested based on labor and equipment rates for an estimated quantity of services to be provided over the three-year period. After review of the three bids received, it was determined that the bid of Quality Mechanical Services, Inc. is the lowest responsive bid from a responsible bidder meeting the Authority's specifications for the contract.

The Performance Oversight Committee agreed to recommend awarding the contract to Quality Mechanical Services, Inc. for an amount not to exceed \$553,245, subject to the completion of the pre-award requirements.

The next resolution reviewed by the Performance Oversight Committee seeks authorization to extend and amend agreements for temporary technical and clerical support services.

It was reported at the meeting that In November 2014, the Board authorized the award of four agreements for an initial term of three years for a total not-to-exceed amount of \$1 million to be allocated on an as-needed basis through work orders. It was noted at the meeting that the agreements also contained two option years to be exercised by the Authority in its sole discretion.

In October 2017, the Board approved the first option year to extend the term of the agreements until November 30, 2018. The services provided by Marsetta Lane Temp Services, Inc., Industrial Employees, Inc. and Staffmark Holdings, Inc., have been satisfactory and in compliance with the agreement.

The Performance Oversight Committee agreed to recommend extending the term of the agreements with these three firms for one additional year to November 30, 2019, with no increase in the previously authorized total not-to-exceed amount.

The next resolution reviewed by the Performance Oversight Committee seeks authorization to acquire real property from the Roman Catholic Diocese of Pittsburgh.

It was reported at the meeting that the Authority owns a portion of the St. Anne's Park and Ride Lot in Castle Shannon Borough. The Diocese of Pittsburgh owns the remaining portion of the lot, consisting of 85 spaces. The Diocese has advised the Authority of its intent to dispose of its portion of the property.

The Authority wishes to acquire the portion of the St. Anne's Park and Ride Lot owned by the Diocese so it can continue to be used for the Authority's operations.

The Performance Oversight Committee agreed to recommend that the Authority proceed with the acquisition of the property for \$149,000.

The next Resolution reviewed by the Performance Oversight Committee seeks authorization to settle a liability claim.

It was reported at the meeting that an accident involving a Port Authority bus occurred on June 26, 2018, on Fort Pitt Boulevard at Wood Street. As the bus was attempting to make a right turn, the bus made contact with a pedestrian, Bailey Falk, who suffered injuries because of the accident.

The Performance Oversight Committee agreed to recommend approving a settlement payment in the total not-to-exceed amount of \$240,000, to fully and finally settle the claim.

The next resolution reviewed by the Performance Oversight Committee seeks authorization to enter into a Second Amendment to the agreement with Chatham University.

It was reported at the meeting that Port Authority and Chatham University have been parties to a series of agreements providing eligible Chatham students, faculty and staff with use of the Authority's public transit system in exchange for fees paid by Chatham to the Authority as part of the Authority's U-Pass Program.

Among other terms and conditions, the agreement provides that Chatham pay the Authority a fee of 50 percent of the Authority's base fare per card tap, which is currently \$1.25 per card tap, for eligible Chatham students, faculty and staff utilizing the Authority's system with Chatham-issued identification cards compatible with the Authority's Smart Card-based Automated Fare Collection System.

As the agreement is set to expire on September 30, 2018, the Performance Oversight agreed to recommend that Port Authority enter into a Second Amendment with Chatham University for one additional year to September 30, 2019.

The next resolution reviewed by the Performance Oversight Committee seeks authorization to extend and amend agreements for financial advisory services.

It was reported at the meeting that In October 2015, the Board entered into agreements with Public Financial Management, Inc., and Public Resources Advisory Group, to provide financial advisory services for an initial term of three years for a total not-to-exceed amount of \$500,000. The agreements also contained two option years to be exercised by the Authority in its sole discretion.

The initial three-year term of the agreements expires on October 31, 2018 and to date, the services performed by both firms have been satisfactory and in compliance with agreements.

The Performance Oversight Committee agreed to recommend extending the agreements with both firms for an additional year to October 31, 2019, with no increase in the previously authorized total not-to-exceed amount.

The final resolution reviewed by the Performance Oversight Committee seeks authorization to enter into an agreement to provide chief investment officer services.

It was reported at the meeting that Port Authority requires the services for its Defined Benefit Consolidated Plan and Defined Contribution Plan. A request for proposals was prepared and publicly advertised and four proposals were received.

The proposal submitted by Marquette Associates, Inc., has been determined to be the highest rated proposal for the performance of the services.

The Performance Oversight Committee agreed to recommend entering into an agreement with Marquette Associates, Inc., to provide the services for the not-to-exceed amount of \$643,930 over a three-year period with the option to extend the term of the agreement up to an additional two years at the sole discretion of the Authority.

3. Financial Report:

It was reported at the meeting that Total Operating Income through August was approximately \$800,000, ahead of budget due to higher Passenger Revenues. Total Expenses through August were approximately \$4.1 million under budget. However, Materials & Supplies is exceeding budget through August by \$769,000 due to higher major component usage for the light rail vehicles.

4. Miscellaneous

An audit report of the 2018 Annual Physical Inventory was presented to the Committee. In general, the Audit provided reasonable assurance that inventory items were accurately counted, adjustments to on-hand quantities were recorded correctly in PeopleSoft, the cut-off process was properly followed and variances were resolved and recorded properly.

With no further business, the meeting was adjourned.