



LANE TRANSIT DISTRICT BOARD OF DIRECTORS FINANCE COMMITTEE MEETING

Monday, July 08, 2019
4:00 p.m. – 5:00 p.m.

LTD Board Room
3500 E. 17th Avenue, Eugene
(Off Glenwood Blvd. in Glenwood)

AGENDA

<u>Time</u>	<u>ITEM</u>	<u>Page</u>
4:00 p.m.	I. CALL TO ORDER	
	II. ROLL CALL	
	<input type="checkbox"/> Emily Secord <input type="checkbox"/> Joshua Skov <input type="checkbox"/> Carl Yeh	
	III. COMMENTS FROM THE CHAIR	
	IV. ITEMS FOR ACTION	
4:05 p.m.	A. APPROVAL OF MINUTES	2
	Action Needed: Approval	
	<i>Approve minutes from the June 10, 2019, meeting</i>	
	V. ITEMS FOR BOARD RECOMMENDATION	
4:10 p.m.	A. CONTRACT NO. 2019-52: UNIVERSITY OF OREGON SUSTAINABLE CITY YEAR PROGRAM [Jennifer Zankowski]	7
4:20 p.m.	B. CONTRACT NO. 2019-09: CUMMINS SALES AND SERVICES [Matthew Imlach]	9
4:40 p.m.	VI. ADJOURNMENT	

The facility used for this meeting is wheelchair accessible. To request a reasonable accommodation or interpreter, including alternative formats of printed materials, please contact LTD's Administration office no later than 48 hours prior to the meeting at 541-682-5555 (voice) or 7-1-1 (TTY through Oregon Relay).

MINUTES OF FINANCE COMMITTEE MEETING

LANE TRANSIT DISTRICT

Monday, June 10, 2019

Pursuant to notice given to *The Register-Guard* for publication on April 3, 2019, and distributed to persons on the mailing list of the District, the Finance Committee of the Lane Transit District held a meeting on Monday, June 0, 2019, beginning at 4:00 p.m., at the LTD Board Room, 3500 E. 17th Avenue, Eugene, Oregon.

Present: Carl Yeh, Chair
Emily Secord (via teleconference)
Josh Skov (via teleconference)
Assistant General Manager Service Delivery Mark Johnson
Sean Walker, General Counsel
Kristin Denmark, General Counsel
Director of Business Services Collina Beard
Director of Specialized Services Cosette Rees
Camille Gandolfi, Clerk of the Board

CALL TO ORDER/ROLL CALL — Mr. Yeh called the meeting to order and called the roll.

COMMENTS FROM THE CHAIR — None.

MOTION APPROVAL OF MEETING MINUTES — Mr. Skov moved to approve the minutes of the May 13, 2019, Finance Committee meeting as presented. Ms. Secord provided the second.

VOTE The motion passed as follows:
AYES: Secord, Skov, Yeh (3)
NAYS: None
ABSTENTIONS: None
EXCUSED: None

CONTRACT NO. 2019-49 - GIRO, INC. — Mr. Johnson said the Giro, Inc. contract had been delayed and therefore removed from the agenda.

CONTRACT NO. 2019-51 - THORP, PURDY, JEWETT, URNESS & WILKINSON, P.C. — Ms. Denmark said the contract was for legal services. She said the current contract expired on June 30, 2019, and the contract could be competitively procured or procured through the personal services policy. She said Ms. Beard and General Manager Aurora Jackson determined that procurement through the personal services policy for the reasons set forth in the agenda item summary. She said procurement in that matter complied with the law.

Ms. Beard said a major factor in selecting the personal services policy procurement was the learning curve that a new law firm would have. There was still a property acquisition associated with the West Eugene EmX project that still needed to be resolved, property matters associated with the Santa Clara Transit Center project were ongoing and there were other legal issues that staff felt Thorp, Purdy was best equipped to handle. Staff was satisfied with the legal services being provided.

Mr. Skov said he understood the rationale for the procurement method, but that would always be the case. It would be costly to pay another firm to acquire client-specific knowledge. He asked when it might be appropriate to competitively procure legal services.

Ms. Denmark said for the reason Mr. Skov stated, agencies procure legal services more often than not through the personal services exception. When legal services were competitively bid it was often because they were not satisfied with their current firm, or the agency had not issued a competitive solicitation for services in some time. She noted that Thorp, Purdy's services had been competitively procured by LTD in 2011.

Ms. Beard said staff had conducted a cost analysis of the rates in the contract and Thorp, Purdy provided a 20 percent discount off market rates. That, together with the firm's level of expertise and familiarity with LTD staff and legal matters, lead staff to conclude the rates were fair and reasonable.

MOTION Mr. Skov moved forward Contract No. 2019-51 to the Board of Directors with a recommendation for approval. Ms. Secord provided the second.

VOTE The motion passed as follows:
AYES: Secord, Skov, Yeh (3)
NAYS: None
ABSTENTIONS: None
EXCUSED: None

CONTRACT NO. 2019-33 - MARKETING & COMMUNICATIONS BENCH — Ms. Beard said this was LTD's first contract for a bench of providers. Staff compiled a list of 18 types of services that would be needed in the areas of marketing and communications. She said the purpose was to supplement internal staff in terms of specialization. She said seven bids were received and five were approved as qualified to provide the specified services. She said two firms - Bell & Funk and Revolution Design Group - were qualified to provide all of the services specified in the solicitation. The other three firms - AdLib Advertising, Pac/West and Turell Group - only bid on certain services and were technically qualified in those certain areas. She said the contract was based on an annual budget of \$60,000; however, over the full term of the contract that could total \$300,000. She said each of the contracts would be a firm fixed-price contract with indefinite delivery and indefinite quantity because LTD knew it would have work, but not when and with no particulars. She said the contracts would be managed via tax quarters and vendors would have to provide a quotation each time for staff review to determine if it was fair and reasonable, with deliverables clearly defined. She said essentially LTD would establish a preferred vendors list that was determined to be qualified to perform the work and vendors would be rotated to assure openness and fairness.

Mr. Skov asked why vendors would be rotated as that seemed to be placing constraints on the use of a vendor if that vendor had already done a good job on a particular project. Ms. Beard said if state or federal dollars were used in a contract it was important to assure there was no preferential treatment of a particular vendor. When a bench was developed no vendor preference should be perceived. She did not feel that would constrain staff's use of vendors, but if the same vendor was used again it would require justification from staff. The purpose was to prevent always using the same firm, but the rotation would not be forced.

Mr. Skov asked how the contract related to the impending rollout of major initiatives like the TouchPass system and new fare policies such as the student and low income programs Ms.

Rees said there would be short-term capacity needs, like graphics and communications plans, that could not be performed in a timely fashion by LTD staff alone; the contract was an opportunity to supplement staff and perform the work within the necessary timeframe. She said some projects, such as development of a strategic business plan, might require procurement of certain services separately.

Mr. Skov said the Finance Committee needed to convey to the Board the nature of the bench contract and its purpose.

Mr. Yeh asked if it would be more expensive to hire staff to fill the gaps in capacity. Ms. Rees said it would be more expensive and filling a graphics position would not help if assistance was needed in outreach activities. The bench would provide the depth and breadth of resources to accomplish a wide range of initiatives that would be implemented in the near future. It also provided greater flexibility than committing to a full-time staff position when capacity was needed on a temporary basis.

Ms. Secord said her preference was year-to-year approval instead of committing to a five-year term.

Ms. Beard said the contract language could be changed to allow LTD to exercise a renewal option each year, not to exceed a total of five years, instead of automatic renewal. Staff would make an assessment prior to the expiration of the contract each year to determine whether the contract would be renewed.

Mr. Yeh, Ms. Secord and Mr. Skov agreed with Ms. Beard's suggestion for renewal language to include in the contract.

Ms. Denmark noted that the annual renewal of the contract would not be an amount that would require Board approval unless that was requested by the Finance Committee because of the nature of the contract.

Mr. Skov asked if bringing the contract back to the Board each year would be an additional administrative expense or place a burden on the vendors. Ms. Beard said the process could be onerous if give separate contracts had to be presented to the Board each year. She suggested that an annual report could be provided to the Board prior to the deadline for renewal.

Mr. Skov said the Board was concerned with getting the organization on track with marketing and communications, as well as assuring there was an appropriate division of labor between internal staff and external contractors. He was not certain adding contractual check-ins advanced either of those objectives. He said if an on-call vendor's service was not necessary or desirable LTD staff would simply not use that vendor.

Mr. Yeh said he did not think the additional administrative tasks were necessary given that staff were not obligated to use vendors.

Ms. Secord agreed that bringing contracts before the Board each year was not necessary.

Mr. Skov noted that the Board would be provided with monthly reports on expenditures that would allow it to monitor activity under the contract.

MOTION Ms. Secord moved forward Contract No. 2019-33 to the Board of Directors with a recommendation for approval. Mr. Skov provided the second.

VOTE The motion passed as follows:
AYES: Secord, Skov, Yeh (3)
NAYS: None
ABSTENTIONS: None
EXCUSED: None

CONTRACT AMENDMENT NO. 2018-09 - KUHN INVESTMENTS, INC., DBA RIVER CITIES TAXI — Ms. Rees said the amendment would extend the Yachats-Florence pilot service. She said the contract was scheduled to expire on June 30, 2019, at which time Lane Council Governments (LCOG) was scheduled to assume responsibility for operating the service. LCOG had asked the District to extend the contract through September so they would have time to competitively procure a provider and finalize a contract. She said the LTD's original solicitation for the pilot project was specific about providing the service for one year, with the option of extending it to September 3, 2019. She said funding would be provided by the Oregon Department of Transportation (ODOT) and the option for extending would not be exercised unless there was an affirmative agreement with ODOT for funding through September 3, 2019. She said if LCOG was unable to complete its process by that date another request would be presented to the Finance Committee and Board to extend the service through September.

In response to a question from Mr. Yeh, Ms. Rees affirmed that LTD would not move forward with the service beyond June 30 unless a funding agreement with ODOT was in place.

MOTION Mr. Skov moved to forward the amendment of Contract No. 2018-09 to the Board of Directors with a recommendation for approval. Ms. Secord provided the second.

VOTE The motion passed as follows:
AYES: Secord, Skov, Yeh (3)
NAYS: None
ABSTENTIONS: None
EXCUSED: None

PROCUREMENT POLICY REVISION: INVENTORY AND DISPOSITION POLICY FOR PERSONAL PROPERTY — Ms. Beard said the review of LTD's procurement policy had identified the lack of a policy regarding personal property as defined by the Federal Transit Administration and Oregon Revised Statutes. She said the policy would provide guidance to staff on the disposal of surplus and obsolete equipment. The policy would not cover the disposition of real property, which was already addressed in federal and state law.

MOTION Mr. Skov moved to forward the Procurement Policy revision: Inventory and Disposition of Personal Property to the Board of Directors with a recommendation for approval. Ms. Secord provided the second.

VOTE The motion passed as follows:
AYES: Secord, Skov, Yeh (3)
NAYS: None
ABSTENTIONS: None
EXCUSED: None

ADJOURNMENT — Mr. Yeh adjourned the meeting at 4:43 p.m.

Recorded by Lynn Taylor



AGENDA ITEM SUMMARY

DATE OF MEETING: July 8, 2019

ITEM TITLE: CONTRACT NO. 2019-52: UNIVERSITY OF OREGON SUSTAINABLE CITY YEAR PROGRAM

PREPARED BY: Jennifer Zankowski, Senior Development Planner

DIRECTOR: Tom Schwetz, Director of Planning

ACTION REQUESTED: Forward to the Board of Directors with a recommendation of approval

Please disclose any actual or potential conflict of interest.

PURPOSE: To authorize the general manager to enter into a contract with University of Oregon (UO) for the purpose of participation in the Sustainable City Year Program (SCYP) partnership with the UO.

ROLE OF THE BOARD: The LTD Board of Directors is a Policy Board and the contract review Board.

DESCRIPTION/JUSTIFICATION: In March 2019, LTD applied for and was selected to be the community partner for the 2019-2020 school year SCYP partnership. The projects identified in the application are aligned with the focal questions facing LTD's strategic planning efforts. The project themes in LTD's application include:

- Scenario Planning and the Changing Mobility Landscape
- Decision-making for the Multimodal Future
- Strategies for Transportation Behavior Change
- Multi-modal Transportation Hubs
- Financial Sustainability
- Public Involvement & Outreach Tools
- Climate-resilient
- Bike-share/Pedestrian Access – Making Connections
- Small City Mobility
- Big Event Transportation
- Climate Action Planning
- Fleet Replacement

CONTRACT/PROJECT HISTORY: SCYP is a massively scaled university-community partnership program that matches the resources of the UO with one Oregon community each year to help advance that community's sustainability goals.

LTD was a collaborating partner with the City of Springfield as part of this program during the 2012-2013 school year. Based on this experience, LTD and the UO began discussions about a future partnership with LTD as the lead community partner.

PROCUREMENT IMPACT: See Policy Impact.

POLICY IMPACT: LTD Resolution No. 2017-03-15-011 requires that contracts exceeding \$149,999 must be presented to the Board of Directors for review and approval.

Contract NO. 2019-52: University of Oregon SCYP

ECONOMIC IMPACT: If recommended for approval, this contract between LTD and the UO would commit up to \$250,000 for this partnership. The resources for this partnership were identified in the *2019-2028 Community Investment Plan* (Non-Capital Project) and are reflected in the Fiscal Year (FY) 2020 budget request that the LTD Board of Directors has approved.

FUNDING SOURCE: General Fund

REQUIRED REPORTING: There are no reporting requirements associated with this contract. However, the Board will be afforded opportunities to receive progress presentations throughout the 2019-2020 school year partnership.

CONSIDERATIONS: Based on the assessment and rationale the Board is being advised to authorize the General Manager to enter into the agreement with the UO.

ALTERNATIVES: The LTD Board may choose to delay this partnership to another school year or not participate in the program at all. If these options are selected, adjustments to the FY20 budget would likely be needed.

PROJECT CLOSEOUT TEAM: Jennifer Zankowski – ensure all work is performed as stated in this agreement and other class-specific memoranda of collaboration; Tom Schwetz – contract close out authority

SUPPORTING DOCUMENTATION: N/A

PROPOSED MOTION: I move to forward contract No. 2019-52 of the Board of Directors with a recommendation for approval.



AGENDA ITEM SUMMARY

DATE OF MEETING: July 8, 2019

ITEM TITLE: CONTRACT NO. 2019-09: CUMMINS SALES AND SERVICES

PREPARED BY: Matthew Imlach, Director of Fleet Management

DIRECTOR: Mark Johnson, Assistant General Manager

ACTION REQUESTED: Forward to the Board of Directors with a recommendation of approval

Please disclose any actual or potential conflict of interest.

PURPOSE: To authorize the general manager to enter into contract with Cummins Sales and Services for the purpose of providing Cummins engines & rebuild kits, and Voith transmissions for the purpose of maintaining critical components on the fleet.

ROLE OF THE BOARD: The LTD Board of Directors is a Policy Board and the contract review Board. As such, and in accordance with LTD Resolution No. 2017-03-15-011, the Board must review and approve all contracts exceeding \$149,999.

DESCRIPTION/JUSTIFICATION: Maintaining a bus fleet in a State of Good Repair (SGR) is a critical function of District. This contract will allow LTD to have the Cummins engines (ISB, ISC, ISL, ISM) and Voith transmissions (.3 & .3E) on contract to allow LTD to schedule the procurement of these critical components throughout multiple years under one contract.

The number of engines and transmissions reflected in the contract amount are based upon the maximum five (5) year contract term to meet staff recommendation for replacing or rebuilding these components.

CONTRACT/PROJECT HISTORY: This is a new contract.

PROCUREMENT IMPACT: On April 25, 2019, Lane Transit District issued Invitation for Bid (IFB) No. 2019-09 to seek bids from qualified firms for provide Cummins Engines, Cummins Engine Rebuild Inframe Kits, and Voith Rebuilt Transmissions for revenue buses. LTD received one bid from: Cummins Sales and Services. Cummins was responsive.

The bid was provided to the Contract Manager and Project Manager to review. A Single Bid Analysis and Price Analysis was performed and it was determined that Cummins Sales and Services was the lowest responsive, responsible bidder. To be completed by Procurement.

POLICY IMPACT: LTD Resolution No. 2017-03-15-011 requires that contracts exceeding \$149,999 must be presented to the Board of Directors for review and approval

ECONOMIC IMPACT: The base term of this contract is one (1) year. The total maximum contract value over the entire term of the contract (five (5) years) is \$1,511,528.18.

FUNDING SOURCE: Multiple sources: Preventative Maintenance Grant, ACM Grant, and General Fund.

REQUIRED REPORTING: None

Contract No. 2019-09: Cummins Sales and Services

CONSIDERATIONS: Based on the assessment and rationale the Board is being advised to take the following action: authorize the general manager to enter into a contract with Cummins Sales and Services for a maximum contract term of five (5) year.

ALTERNATIVES: LTD can do multiple IFBs throughout the year to decrease the overall contract value as well as ensuring the pricing we receive is the most up-to-date from vendors.

PROJECT CLOSEOUT TEAM: Fleet Management

SUPPORTING DOCUMENTATION: N/A

PROPOSED MOTION: I move to forward contract no. 2019-09 to the Board of Directors with a recommendation for approval.