



**LANE TRANSIT DISTRICT
BOARD FINANCE COMMITTEE MEETING**

Monday, April 9, 2018

4:00 p.m.

LTD Board Room

3500 East 17th Avenue, Eugene (in Glenwood)

(No public testimony will be heard at this meeting.)

AGENDA

<u>Time</u>		<u>Page</u>
4:00 p.m.	I. CALL TO ORDER	
	II. ROLL CALL	
	<input type="checkbox"/> Wildish <input type="checkbox"/> Necker <input type="checkbox"/> Yeh	
4:05 p.m.	III. APPROVAL OF MEETING MINUTES	2
	• Minutes of the January 8, 2018, LTD Board Finance Committee Meeting	
4:10 p.m.	IV. CONTRACT AMENDMENT – ELMS LANDSCAPING [Joe McCormack, Collina Beard]	4
4:25 p.m.	V. CONTRACT APPROVAL - WHA INSURANCE [David Collier, Collina Beard]	6
4:45 p.m.	VI. ADJOURNMENT	

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MINUTES OF FINANCE COMMITTEE MEETING

LANE TRANSIT DISTRICT

Monday, January 8, 2018

Pursuant to notice given to *The Register-Guard* for publication on January 4, 2018, and distributed to persons on the mailing list of the District, the Finance Committee of the Lane Transit District held a meeting on Monday, January 8, 2018, beginning at 4:00 p.m., at the LTD Board Room, 3500 E. 17th Avenue, Eugene, Oregon.

Present: Gary Wildish, Chair
Carl Yeh (via teleconference)
Aurora Jackson, General Manager
Camille Gandolfi, Clerk of the Board
Lynn Taylor, Minutes Recorder

Absent: Ed Necker, Secretary

CALL TO ORDER/ROLL CALL — Mr. Wildish convened the meeting and called the roll.

MOTION APPROVAL OF MEETING MINUTES — Mr. Yeh moved to approve the minutes of the December 4, 2017, Finance Committee meeting as presented. Mr. Wildish provided the second.

VOTE The motion passed as follows:
AYES: Wildish, Yeh (2)
NAYS: None
ABSTENTIONS: None
EXCUSED: Necker (1)

CONTRACT APPROVAL – CENTER FOR TRANSPORTATION AND THE ENVIRONMENT (CTE) — Assistant General Manager Service Delivery Mark Johnson explained that the NoLo grant LTD was awarded for the purchase of five electric vehicles required that LTD use a contractor to conduct a study to optimize deployment of the electric buses as well as collect data for a side-by-side comparison with hybrid vehicles. He said the NoLo grant included 75 percent of the funds for the study and LTD would provide the remaining 25 percent through \$105,000 in General Funds match. He noted that LTD had already purchased five electric vehicles and the NoLo grant would fund the purchase of an additional five. It was agreed by all parties that the contract with CTE could be entered into now in order to conduct the study for the first five electric buses, with payment to be made once the NoLo grant was executed.

Mr. Wildish stated that the information provided by the study would be very valuable to the LTD Board and organization in making future decisions.

MOTION Mr. Yeh moved to forward the contract with the Center for Transportation and the Environment to the Board of Directors with a recommendation of approval. Mr. Wildish provided the second.

VOTE The motion passed as follows:
AYES: Wildish, Yeh (2)
NAYS: None
ABSTENTIONS: None
EXCUSED: Necker (1)

IGA AMENDMENT – SMART TRIPS AND CITY OF EUGENE — Mr. Johnson stated that the City of Eugene had requested that \$30,000 remaining in the University Station/SmartTrips federal grant be added to the IGA to enhance the West Eugene SmartTrips program. The City would provide \$3,081 in additional match. The amendment to the IGA would add \$30,000 to the Point2point spending authority.

Mr. Wildish asked if it was necessary for the amendment to come before the Board for approval, rather than as an information matter, since the amendment was of a small amount and consistent with the intended use of the funds. Mr. Johnson said that finance law required Board approval for increasing the District's spending authority.

Ms. Beard noted that the amendment was also subject to the Board's adopted policies on procurement and authorizations, including the requirement that contract amendments over \$150,000 or ten percent of the contract amount would go to the Board for approval. She said the \$30,000 increase was in excess of ten percent of the existing contract amount of \$248,360.

Ms. Jackson said it had been a year since the Board adopted the new policies and the upcoming Board retreat would be an opportunity to discuss whether any changes were desirable now that the District had a year of implementation experience to review. An example might be this type of amendment, which was fairly routine and might come before the Board in the monthly delegated authority report instead of requiring formal approval.

Mr. Wildish agreed that the matter should be on the Board's retreat agenda for discussion.

MOTION Mr. Yeh moved to forward the amended IGA between the City of Eugene and SmartTrips to the Board of Directors with a recommendation of approval. Mr. Wildish provided the second.

VOTE The motion passed as follows:
AYES: Wildish, Yeh (2)
NAYS: None
ABSTENTIONS: None
EXCUSED: Necker (1)

NEXT MEETING — Mr. Wildish said the Finance Committee would meet in February 2018 on a date to be determined.

ADJOURNMENT — Mr. Wildish adjourned the meeting at 4:15 p.m.

AGENDA ITEM SUMMARY

DATE OF MEETING: April 9, 2018

ITEM TITLE: CONTRACT AMENDMENT – ELMS LANDSCAPING

PREPARED BY: Joe McCormack, Director of Facilities

ACTION REQUESTED: Approval

Please disclose any actual or potential conflict of interest.

PURPOSE/OBJECTIVE: This action will authorize the general manager to amend the existing contract value to include landscape services of newly implemented facilities and miscellaneous annual services.

DESCRIPTION/JUSTIFICATION: Lane Transit District (LTD) is required to maintain landscaping associated with development projects. Recent projects that have transitioned from construction to operation include the Willow Creek Facility, part of the West Eugene EmX project, and the maintenance crew building located on the Glenwood campus. Both of these facilities included vegetated storm water treatment features that are regulated by the City of Eugene and Springfield. Additionally, there are seasonal services that are value additions for customer and community experience. These include rotation of flowers, tree root feeding and foliage spraying.

Development code for both municipalities, Eugene and Springfield, require storm water to be managed on-site through vegetated swales and retention areas. Privately owned storm water facilities must be maintained to protect the public storm water system and downstream environments. Operation and maintenance plans and logs are required which are inspected annually. The inspection confirms the site is maintained properly and the storm water management facilities are functioning as designed.

CONTRACT HISTORY: Lane Transit District solicited for a landscape services in spring of 2017. Subsequently a contract was awarded to Elms Landscaping Services. Contract term is for 2 years with an additional three option years. The contract includes services for all current LTD facilities and two new facilities planned to become operational within the contract term.

PROCUREMENT IMPACT: Not Applicable

POLICY IMPACT: LTD Resolution No. 2017-03-15-011 states that “individual or cumulative contract amendments and change orders cannot exceed the lesser of \$150,000 or ten-percent (10%) of the initial contract” value. Contract amendments and change orders which do exceed these limits require prior authorization from the District’s Contract Review Board, the Board of Directors.

ECONOMIC IMPACT: Current value for the five-year contract term is \$430,382. The addition of services for the two new facilities would increase the contract value to \$514,049, which represents an increase of nearly 20% over the initial contract value. However, the proposed change value is approximately 5% less than the original cost estimate, which was created using historical cost data and understanding of the work to be performed. The amendment is within reason and demonstrates the scope of requested work and proposal are in sync.

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CONTRACT AMENDMENT – ELMS LANDSCAPING
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Contract Year	Current	Proposed Change	New Total	Estimated Change Value
1	\$ 82,602	\$ 16,058.00	\$ 98,660	\$ 17,555.00
2	\$ 84,254	\$ 16,379.15	\$ 100,633	\$ 17,555.00
3	\$ 86,098	\$ 16,737.63	\$ 102,836	\$ 17,555.00
4	\$ 87,834	\$ 17,075.11	\$ 104,909	\$ 17,555.00
5	\$ 89,594	\$ 17,417.26	\$ 107,011	\$ 17,555.00
<i>Total Contract Value</i>	\$ 430,382	\$ 83,667	\$ 514,049	\$ 87,779

FUNDING SOURCE: Landscape operation and maintenance costs are allocated from general fund and managed in the Facilities Management materials and services budget.

REQUIRED REPORTING: NA

RECOMMENDATIONS: Authorize the General Manager, or designee, to execute a contract amendment with Elms Landscaping to include landscape services for the recently added facilities: Willow Creek Facility and Facilities Crew Building and miscellaneous seasonal services.

IMPACT IF NOT APPROVED: Landscape maintenance is required by local development code. Options to meet the requirement other than making this contract change include re-soliciting for these services or perform with current or additional in-house staff.

PROJECT CLOSEOUT TEAM: Director of Facilities Management, or designee.

ATTACHMENTS: None.

PROPOSED MOTION: I move to forward the amended contract between the Elms Landscaping and LTD to the Board of Directors with a recommendation of approval

AGENDA ITEM SUMMARY

DATE OF MEETING: April 9, 2018

ITEM TITLE: CONTRACT APPROVAL – WHA INSURANCE

PREPARED BY: David Collier, Director of Human Resources and Risk Management

ACTION REQUESTED: Approval

Please disclose any actual or potential conflict of interest.

PURPOSE/OBJECTIVE: This action will authorize the general manager to enter into contract with WHA Insurance to provide Agent of Record services for Lane Transit District on Health Care, Property and Liability Insurance.

DESCRIPTION/JUSTIFICATION: Lane Transit District (LTD) requires an Insurance Agent of Record to partner with and provide services in the area of employee benefits, and risk management services for workers' compensation, property, and liability coverage.

CONTRACT HISTORY: Lane Transit District has previously had this contract broken out into two contracts, one for Employee Benefits and one that was for Risk Management Services for workers' compensation, property, and liability coverage. For this contract it was decided to bring those two together to see if we could get greater buying power by having both in one contract. WHA Insurance currently has both of these contracts, they have held the Employee benefits since 2005 with the most recent contract being renewed in 2011. WHA has held the Risk Management Services since 2001 with the most recent contract being renewed in 2012.

PROCUREMENT IMPACT: On January 17, 2017, LTD solicited proposals from qualified firms or teams to provide services related to being the Insurance Agent of Record for its healthcare, property, and liability insurances. Proposals were due on February 16, 2017, by not later than 10:00 AM (Pacific). LTD received three responses to its solicitation via its eBid eXchange Procurement portal:

CONTRACTOR	RESPONSIVE?	SCORING	TOTAL CONTRACT
Brown & Brown	No ¹	88	\$401,949.36
USI	Yes	83	\$497,055.00
WHA	Yes	95	\$424,425.00

¹ Vendor's pricing information was incomplete. It did not include cost for TPA or project commission on Worker's Compensation, as the other proposals did. In order to preserve competition, procurement allowed the evaluation committee to review the Proposer's response, but made adjustments to its overall pricing to align with other proposers submittals. The value for TPA was the same for the other two proposers, so this amount added (\$1525.00), along with the presumption of a rate of commission on WC of ~1.12%.

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CONTRACT APPROVAL – WHA Insurance

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The Evaluation Committee determined that WHA was the most responsive and responsible proposer.

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

ECONOMIC IMPACT: An estimated base cost per year of \$90,000 considers potential fee increase without consideration of fee reductions enjoyed in recent years as well as additional staff. Historical data demonstrates the following:

Calendar Year 2014, SDAO (LTD’s public risk pool) included broker fee = \$29,639

Calendar Year 2015, Broker billed - \$33,399 less \$5,000 (fee reduction) = \$28,399

Calendar Year 2016, Broker billed - \$36,057 less \$5,000 (fee reduction) = \$31,057

Calendar Year 2017, Broker billed - \$36,948 less \$5,000 (fee reduction) = \$31,948

Health Care: \$9/employee/month. 2017 projection is: $\$9 * 371 * 12 = \$40,068$. Additionally, the cost for WHA to be TPA for the stoploss program has been: Fiscal Year 2013 - \$1325; Fiscal Year 2014 - \$1575; Fiscal Year 2015 - \$1125; Fiscal Year 2016 - \$1650.

FUNDING SOURCE: Employee Benefits are budgeted for annually in Personnel Services and the Risk Management Services are budgeted in Insurance and Risk Services.

REQUIRED REPORTING: NA

RECOMMENDATIONS: Authorize the General Manager, or designee, to execute a contract with the WHA Insurance to act as the Broker for the District’s Insurance contracts.

IMPACT IF NOT APPROVED: Current contract for broker services will expire leaving the agency without these services and unable to meet the District’s contractual obligations to procure insurance.

PROJECT CLOSEOUT TEAM: The Director of Human Resources and Risk Management, and the entire Human Resources team will be responsible.

ATTACHMENTS: None.

PROPOSED MOTION: I move to forward the contract between WHA Insurance and LTD to the Board of Directors with a recommendation of approval.