

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY

A G E N D A

REGULAR MEETING

To Be Held at 3:00 PM

SEPTEMBER 27, 2018

1234 Market Street, Mezzanine Level

Philadelphia, PA

1. Approval of Minutes of the Regular Board Meeting of July 26, 2018
2. Financial Report
3. Resolutions
- I. **Pension Committee Review**
 - A. Appointment of Golub Capital Partners and Arrowhead Investment Management as Investment Managers
- II. **Administration Committee Review**
 - A. Renewal of Property Insurance for the Transit, Rail Divisions, and Builders Risk Insurance for Various Projects, and Additional Placement of Bridge Insurance and Terrorism Risk Insurance Act Coverage
 - B. Authorization to Execute a Consultant Amendment
- III. **Operations Committee Review**
 - A. Items for Consideration
 1. Lease by SEPTA to Broaddus Trust of Approximately 8,000 Square Feet of Vacant Ground Along the Former Reading Railroad Bethlehem Branch Located in Perkasio, Bucks County

Agenda
September 27, 2018

2. Lease by Philadelphia Suburban Development Corporation to SEPTA of Approximately 6,700 Square Feet of Warehouse and Storage Space Required for the Ancillary Control Center Project Located in Philadelphia, Pennsylvania

3. Grant of License by SEPTA to Level 3 Communications, LLC for a Subterranean Fiber Optic Cable Transverse Crossing Under the Norristown Line Railroad Right-of-Way Located in Whitmarsh Township, Montgomery County

4. License by SEPTA to Commonwealth Real Estate Investors of a 22,000 Square Foot Portion of the West Chester Branch Right-of-Way Located in Middletown Township, Delaware County

B. Authorization to Award Contracts for Various Procurements

C. Award of Contracts for Sole Source Procurements

D. Authorization to Execute Amendments

4. Report of General Manager

/

R E S O L U T I O N

re

APPOINTMENT OF GOLUB CAPITAL PARTNERS AND
ARROWHEAD INVESTMENT MANAGEMENT AS INVESTMENT MANAGERS

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, which can be amended by the Pension Committee from time-to-time as deemed appropriate and in the best interests of the Authority's Pension Plan, provides investment guidelines and investment return expectations for all investment managers; and

WHEREAS, the Policy Statement includes private debt as a permissible investment within the private equity asset class; and

WHEREAS, at the June 21, 2018 Pension Committee meeting, PFM Advisors, SEPTA's Pension Plan consultant, provided the Pension Committee an introduction to Private Debt investments detailing the characteristics of the asset class and the distinction between bank loans, public debt and private debt investments; and

WHEREAS, at the June 21, 2018 Pension Committee meeting, PFM Advisors provided the Pension Committee with performance data and manager information for several private debt managers, and after review of the performance data and discussion, the Committee decided to interview three managers, CVC Credit Partners, Golub Capital Partners, and Arrowhead Investment Management; and

WHEREAS, at the July 19, 2018 Pension Committee meeting, representatives of CVC Credit Partners, Golub Capital Partners and Arrowhead Investment Management made presentations and responded to questions from Pension Committee members, staff and PFM Advisors, and the committee subsequently discussed in detail each of the private debt managers' investment characteristics, risks and projected returns; and

WHEREAS, at the July 26, 2018 Pension Committee meeting, members of the committee held further discussions regarding the merits and risks of investing in private debt and specifically, investing with the three private debt managers that the committee had interviewed; and

WHEREAS, based upon these discussions, the manager presentations and interviews, the performance data, and compatibility of the funds with the overall portfolio of the Pension Plan, PFM Advisors recommended and the Pension Committee

agreed to appoint Golub Capital Partners and Arrowhead Investment Management as Private Debt investment managers with respect to the investment of SEPTA's pension funds, with initial funding to be determined by the Pension Committee.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby designates and appoints Golub Capital Partners and Arrowhead Investment Management as investment managers of Private Debt investments for the SEPTA Pension Plan.

FURTHER RESOLVED, that the Board hereby authorizes the proper officers of SEPTA (i) to execute and deliver all documents that will enable SEPTA to enter into an investment management agreement with Golub Capital Partners and Arrowhead Investment Management as investment managers of Private Debt investments for the SEPTA Pension Plan; (ii) to take such action necessary to fund the investment with Golub Capital Partners and Arrowhead Investment Management in such amounts and at such times 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.

R E S O L U T I O N

re

RENEWAL OF PROPERTY INSURANCE FOR THE
TRANSIT, RAIL DIVISIONS, AND BUILDERS RISK INSURANCE
FOR VARIOUS PROJECTS, AND ADDITIONAL PLACEMENT OF
BRIDGE INSURANCE AND TERRORISM RISK INSURANCE ACT COVERAGE

WHEREAS, SEPTA's current property insurance program with Factory Mutual Insurance Company ("Factory Mutual") for transit, rail divisions and builder's risk for various projects has a \$750 million limit of coverage above a \$2.5 million self-insured retention on a per occurrence basis, at a consolidated expiring premium (inclusive of property appraisals for various locations, fees and broker commissions) of \$1,635,628 for \$7.24 billion of insured value of assets expires on October 1, 2018, and also includes a \$5 million sublimit of Terrorism Risk Insurance Act ("TRIA") coverage; and

WHEREAS, concurrent with SEPTA's renewal of property insurance for 2018-2019, the Risk Management Department and the Risk Management Advisory Committee ("RMAC") conducted a review of SEPTA's property loss exposure which included insured values, an analysis of both concentrated asset values and loss history, and updating of the values of the rolling stock, and recent property

appraisal of SEPTA's 25 largest properties which, resulted in an increase in asset values of \$266 million, bringing the total value of assets to be insured to \$7.5 billion; and

WHEREAS, in addition thereto, staff's previous assessment of uninsured risks determined a need to insure over 400 bridges that SEPTA uses daily if a reasonable premium could be obtained; and

WHEREAS, due to catastrophic natural events that occurred in 2017, Factory Mutual has postponed a decision to issue membership credits until the conclusion of the natural hazards season, and if eliminated thereby significantly impact the premium for this year, and

WHEREAS, Factory Mutual has proposed to underwrite renewal of the \$750 million limit of property coverage in excess of the \$2.5 million self-insured retention at an annual premium of \$1,636,000 effective on October 1, 2018; and

WHEREAS, Aon Crisis Management ("Aon") conducted a marketing effort for an increased TRIA coverage limit above the existing \$5 million in the Factory Mutual Program, which resulted in the most cost effective option again being a stand-alone policy of \$100 million per occurrence placed with Lloyd's of London ("Lloyd's") at a cost of \$61,001, inclusive of commissions and fees; and

WHEREAS, Chubb Insurance Company ("Chubb") was the only carrier to submit quotes to insure SEPTA's bridges, and of Chubb's

two limit options, the RMAC has recommended the \$25 million limit in excess of SEPTA's current \$2.5 million self-insured limit, at a total annual cost of \$136,861; and

WHEREAS, the total costs for the 2018-2019 policy year also includes brokerage commissions to the RMAC of 20% or \$327,200, plus surplus lines, stamping and policy fees of \$650; and

WHEREAS, the proposed renewal coverages for the new program, as proposed by Factory Mutual, Lloyd's and Chubb, total a combined annual premium of \$2,161,712; and

WHEREAS, the Risk Management staff, with the concurrence of the RMAC, requested that the General Manager recommend that the Board authorize SEPTA to (i) place with Factory Mutual the \$750 million in property insurance in excess of the \$2.5 million self-insured retention for property insurance; (ii) place with Aon through Lloyd's the \$100 million in TRIA coverage; and (iii) place with Chubb the \$25 million in bridge insurance in excess of the \$2.5 million self-insured limit for property insurance, along with the commissions to the RMAC, under such terms and conditions as set forth above and more fully described in the pertinent staff summary, at an annual premium and total program cost not to exceed \$2,161,712; and

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

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes SEPTA to obtain and place (i) property insurance with Factory Mutual Insurance Company for \$750 million in primary coverage with a \$2.5 million per occurrence self-insurance retention; (ii) stand-alone Terrorism Risk Insurance Act coverage with Aon Crisis Management through Lloyd's of London with a limit of \$100 million; and (iii) property insurance for bridges with Chubb Insurance Company for \$25 million in property coverage with a \$2.5 million per occurrence self-insured retention, at a combined annual premium not to exceed \$2,161,712, for a period of one year that will commence on October 1, 2018.

FURTHER RESOLVED, that the Board hereby authorizes SEPTA to fund in conjunction with the 2018-2019 property insurance renewal program brokerage commissions to the Risk Management Advisory Committee of \$327,200, along with surplus lines and policy fees of \$650.

FURTHER RESOLVED, that the Board hereby authorizes the General Manager 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.

R E S O L U T I O N
re

AUTHORIZATION TO EXECUTE A CONTRACT AMENDMENT

WHEREAS, additional work is required to complete the project 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 an amendment 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 Michael Baker International, Inc., for Amendment No. 1, which provides for expansion of the balance of the value under SEPTA's current contract for Testing and Environmental Consulting Services (TES) to allow continued usage for scheduled projects, at an increase in cost not to exceed \$750,000,

bringing the total contract amount, including this amendment, to an amount not to exceed \$5,750,000.

S/Corp/Resolutions/RES-SEPTEMBER-2018

R E S O L U T I O N

re

LEASE BY SEPTA TO BROADDUS TRUST OF APPROXIMATELY 8,000 SQUARE FEET OF VACANT GROUND ALONG THE FORMER READING RAILROAD BETHLEHEM BRANCH LOCATED IN PERKASIE, BUCKS COUNTY

WHEREAS, on December 18, 1967 SEPTA, as successor to the Reading Company ("Reading"), acquired an original land lease (as lessor) of a narrow 20-foot by 400-foot strip of land (8,000 square feet) situated between Reading's Bethlehem Branch and the property of Prodesco, Inc. d/b/a the Secant Group, LLC ("Secant") (as lessee) located in the southeastern quadrant of 700 Park Avenue in Perkasio, Bucks County, for use as supplemental parking; and

WHEREAS, on January 1, 2017 Secant performed an unauthorized and nonbinding assignment of the original lease to Broaddus Trust ("Broaddus") who is now selling the property adjacent to the leased premises, and has requested SEPTA's agreement to enter into a new lease with the right to assign it to a successive buyer; and

WHEREAS, while SEPTA is unwilling to grant Broaddus permission to assign the original lease since Broaddus was

itself an authorized assignee thereof, SEPTA has agreed to enter into a new lease with Broaddus in resolution of this matter; and

WHEREAS, the original lease is considered land-locked and is accessible only via the Broaddus property and the railroad, which currently operates as freight-only under a lease agreement from SEPTA to East Penn Railroad, LLC, with the original leased premises being excluded therefrom; and

WHEREAS, the proposed new lease between SEPTA and Broaddus will be for a base term of ten years with two 5-year renewal option periods and include the right to assign by Broaddus, at a fair market rental value of \$5,500 annually with a three percent (3%) recurring annual escalation from years two through ten of the lease and any renewal option periods, along with an annual rent credit to Broaddus of \$1,000 for maintenance offset and subsequent savings to SEPTA; and

WHEREAS, in order to effectuate the validity of the proposed new lease agreement with Broaddus and the right to assign, Secant will be added as an assignee for purposes of unconditionally terminating the original lease agreement; and

WHEREAS, if required, SEPTA staff will obtain any necessary Federal Transit Administration (FTA) concurrence of the transaction contemplated hereunder; and

WHEREAS, staff requested that the General Manager recommend that the Board authorize SEPTA to enter in the proposed new lease agreement with Broaddus for the 8,000 square foot parcel of property along the former Reading Bethlehem Branch located at 700 Park Avenue in Perkasio, Bucks County for purposes of supplemental parking, under the terms and conditions set forth above and more fully described in the pertinent staff summary;

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 new lease agreement with Broaddus Trust for the subject premises under such 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 as shall be deemed necessary and proper in order to effectuate the purpose of this Resolution.

S: /Corp/Resolutions/9-2018-Lease to Broaddus of 8,000sq-Bethlehem Branch-Perkasie, Bucks County

R E S O L U T I O N

re

LEASE BY PHILADELPHIA SUBURBAN DEVELOPMENT CORPORATION TO SEPTA
OF APPROXIMATELY 6,700 SQUARE FEET OF WAREHOUSE AND STORAGE
SPACE REQUIRED FOR THE ANCILLARY CONTROL CENTER PROJECT LOCATED
IN PHILADELPHIA, PENNSYLVANIA

WHEREAS, Philadelphia Suburban Development Corporation ("PSDC") owns a parcel of property ("Parcel") located at 700 Packer Avenue in Philadelphia, which includes a 99,250 square foot warehouse facility used for storage; and

WHEREAS, in support of the anticipated Ancillary Control Center Project ("Project"), SEPTA desires to lease from PSDC approximately 6,700 rentable square feet of warehouse space within the Parcel ("Demised Premises") to securely store an extensive array of electronic equipment, supplies and other items for the Project; and

WHEREAS, as part of the lease SEPTA will not require dedicated parking spaces, but will utilize ingress and egress via a shared driveway leading to the entrance of the Demised Premises; and

WHEREAS, PSDC will make the property ready for immediate occupancy as a "turn-key" facility, and SEPTA may install door hardware, security cameras, alarm system and shelving units as deemed necessary, and shall be responsible for separately metered utilities; and

WHEREAS, any occupancy, construction or other permits, including fire inspection, shall be obtained by SEPTA; and

WHEREAS, the proposed lease agreement for the Demised Premises will be for a base term of two years, along with two (2) six-month renewal options, at a base annual rental of \$48,575 for the two-year gross lease; and

WHEREAS, the proposed rent thereafter will increase by three percent (3%) beginning the first day of each of the successive two (2) six-month option periods; and

WHEREAS, upon expiration of the final option period, SEPTA, if required, may continue to lease the Demised Premises from PSDC on a month-to-month basis in holdover status, at a fixed monthly rental increase of 150% from the monthly rate of the last option period of ~~\$4,187~~ \$4,047.91 plus ~~\$2,093~~ \$2,023.95 for the duration of the lease while in holdover to ~~\$6,280.75~~ \$6,071.86; and

WHEREAS, either party may terminate the lease upon 90-days written notice to the other party prior to the end of the then current lease term, or upon 30 days prior written notice of the lease if in holdover; and

WHEREAS, if required, SEPTA staff will obtain any necessary Federal Transit Administration (FTA) concurrence of the transaction contemplated hereunder; and

WHEREAS, staff requested that the General Manager recommend that the Board authorize SEPTA to enter into the proposed lease agreement with PSDC for the Demised Premises under such 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 enter into the proposed lease agreement with Philadelphia Suburban Development Corporation consistent with 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 as shall be deemed necessary and proper in order to effectuate the purpose of this Resolution.

S/Corp/Resolutions/09-2018-Lease Agreement - Philadelphia Suburban Development Co - Storage Facility to Support Auxiliary Control Center Project

R E S O L U T I O N

re

GRANT OF LICENSE BY SEPTA TO LEVEL 3 COMMUNICATIONS, LLC
FOR A SUBTERRANEAN FIBER OPTIC CABLE TRANSVERSE CROSSING
UNDER THE NORRISTOWN LINE RAILROAD RIGHT-OF-WAY LOCATED IN
WHITEMARSH TOWNSHIP, MONTGOMERY COUNTY

WHEREAS, SEPTA acquired the Norristown Branch from Conrail via quitclaim deed dated March 30, 1979, with the railroad right-of-way being acquired under the Regional Rail Reorganization Act of 1973 and funded under Federal Grant PA-03-0067; and

WHEREAS, on September 25, 2008 the Board authorized SEPTA to enter into an easement agreement with Level 3 Communications, LLC ("Level 3") with respect to the installation and occupation of a subterranean fiber optic cable transverse crossing under parts of SEPTA's Norristown Line right-of-way that intersects Lee Street and is attached to Pole #73295 in Whitemarsh Township, Montgomery County, for a period of ten years which will expire on September 29, 2018; and

WHEREAS, Level 3 has requested to continue to occupy the subject right-of-way via a license agreement and inhabit the

existing 4½-inch diameter conduit that is 74 feet in length, for a 12-strain fiber optic cable beneath the Norristown Line right-of-way situated at approximately Mile Post 12.35; and

WHEREAS, the base term of the proposed license will be five years, along with the right to exercise one 5-year renewal option at the end of the expiring base term; and

WHEREAS, in consideration for the license, SEPTA will receive from Level 3 a crossing fee of \$5,309.14 for the initial term based upon SEPTA's current fee schedule for fiber optic occupations (effective 2013), as well as a one-time agreement preparation fee of \$1,000; and

WHEREAS, if required, SEPTA shall obtain any necessary Federal Transit Administration (FTA) concurrence of the transaction contemplated hereunder; and

WHEREAS, staff requested that the General Manager recommend that the Board authorize SEPTA to grant to Level 3 a license agreement for a subterranean fiber optic cable transverse crossing beneath the Norristown Line railroad right-of-way 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.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes SEPTA to grant to Level 3 Communications, LLC, a

license agreement for the occupation of a subterranean fiber optic cable transverse crossing under the terms that are 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 deemed necessary and proper in order to effectuate the purpose of this Resolution.

Shares/Corp/CorpMatters/Resolutions/09-2018-License Agreement to Level 3 Communications LLC - Right of Way
Whitemarsh Twp

R E S O L U T I O N

re

LICENSE BY SEPTA TO COMMONWEALTH REAL ESTATE INVESTORS OF A 22,000 SQUARE FOOT PORTION OF THE WEST CHESTER BRANCH RIGHT-OF-WAY LOCATED IN MIDDLETOWN TOWNSHIP, DELAWARE COUNTY

WHEREAS, SEPTA acquired the West Chester Branch in 1979 under the Regional Rail Reorganization Act of 1973, which was funded under Federal Grant No. PA-03-0067; and

WHEREAS, Commonwealth Real Estate Investors ("Commonwealth") is the owner of certain property located at 176 New Middletown Road in Middletown Township, Delaware County, which is adjacent to SEPTA's West Chester Branch right-of-way; and

WHEREAS, in 1995 Commonwealth filed a Corrective Deed that incorporated a 22,000 square foot (0.513 acre) portion of the SEPTA-owned property ("Parcel"); and

WHEREAS, in 1996 Commonwealth constructed a professional building at 176 New Middletown Road, a portion of the parking area and landscaping of which encroached upon the Parcel; and

WHEREAS, this encroachment was not discovered by SEPTA until 2017 when boundary surveyys were being prepared in

conjunction with the planned upgrade of the Elwyn to Wawa portion of the West Chester Branch right-of-way; and

WHEREAS, Commonwealth is not in a position to purchase the Parcel at this time, which is required for the professional building to remain in conformity with local zoning requirements, and has requested that SEPTA grant them an interim lease or license to use the Parcel until such time that they can pursue the purchase thereof; and

WHEREAS, SEPTA has agreed to enter into a license agreement with Commonwealth for their ongoing incidental usage of the Parcel for a base term of 29.5 years, with a renewal option for an additional 29.5 year term, at a SEPTA-commissioned appraised annual rental license fee of \$21,600 (or \$632,200 over the course of the base term); and

WHEREAS, Commonwealth has agreed to pay the document preparation fee and provide required insurance coverage; and

WHEREAS, the granting of the license to Commonwealth will be subject to concurrence of the Federal Transit Administration (FTA); and

WHEREAS, staff requested that the General Manager recommend that the Board authorize SEPTA to enter into the proposed license agreement with Commonwealth 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.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes SEPTA enter into a license agreement with Commonwealth Real Estate Investors for continued usage of a 22,000 square foot portion of the West Chester Branch right-of-way 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 as shall be deemed necessary and proper in order to effectuate the purpose of this Resolution.

R E S O L U T I O N

re

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 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 T. Frank McCall's, Inc., for the purchase of 50-pound bags of calcium chloride, for a total contract amount not to exceed \$731,700; and to Chemical Equipment of DE, Inc., for the purchase of ~~bulk salt~~ (calcium chloride 50-pound bags of sodium chloride rock salt and loose bulk sodium chloride), for a total contract amount not to exceed \$816,660, to be used for SEPTA properties throughout the five county service area during winter snow and ice conditions, with delivery of material on an "as required" basis over a period of ~~730 calendar days~~ two years after issuance of Notice-to-Proceed, as described in the staff summary on this subject, ~~for a total contract amount not to exceed \$1,278,660,~~ Sealed Bid No. 18-00125-AKLM - 2 Year Winter Bulk Salt.

2. To Simmons Machine Tool Corporation, for the replacement of the wheel truing machine at Woodland Shop, with delivery of equipment within 500 calendar days after issuance of Notice-to-Proceed, as described in the staff summary on this subject, for a total contract amount not to exceed \$1,250,000, Sealed Bid No. 18-00143-AKLM - Replacement Wheel Truing Machine.

3. To Mutual Industries, Inc., for the purchase of various sizes of safety vests to be worn by all SEPTA personnel working in conditions that require PPE protection, with delivery of material on an "as required" basis over a period of ten years after issuance of Notice-to-Proceed, as described in the staff summary on this subject, for a total contract amount not to exceed \$643,815, Sealed Bid No. 18-00192-AMUD - Safety Vests.

4. To Canon Solutions America, Inc., for the lease of various types and sizes of digital copiers and multifunctional devices to be used in SEPTA's Headquarters Building and central mailroom at 1234 Market Street as well as various satellite locations throughout the Authority, with delivery and installation of the equipment over a period of four years commencing in October 2018, as described in the staff summary on this subject, for a total contract amount not to exceed \$1,336,899, Sealed Bid No. 18-00128-ACKR - Lease of Digital Copier/Multifunctional Devices.

5. To Delta Railroad Construction, Inc., for the remanufacture/overhaul of one Harsco BEB17 ballast regulator used by the Track Department to shape and distribute the gravel track ballast that supports the ties in rail tracks, with

delivery of material scheduled over a period of 16 weeks after issuance of Notice-to-Proceed, as described in the staff summary on this subject, for a total contract amount not to exceed \$290,750, Sealed Bid No. 18-00126-ADWC - Remanufacture of Harsco BEB17 Ballast Regulator.

6. To Pomeroy IT Solutions Sales Company, Inc., for the purchase of enhanced development workstations, laptop computers and OS software for SEPTA's IT Department for implementation within the Operations Division, with delivery of material scheduled over a period of one year commencing in November 2018, as described in the staff summary on this subject, for a total contract amount not to exceed \$160,761.35, Sealed Bid No. 18-00113-AKNJ - Enhanced Development Workstations, Laptops and OS Software.

7. To Road-Con, Inc., for general contractor services to provide all labor, materials, tools and equipment for the Chestnut Hill East Retaining Wall Rehabilitation Project, with services to be performed over a period of 180 calendar days after issuance of Notice-to-Proceed, as described in the staff summary on this subject, for a total contract amount not to

exceed \$1,469,935, Sealed Bid No. 18-00193-AMJP - Chestnut Hill East Retaining Wall Rehabilitation Project.

8. To H & K Group, Inc., for the purchase of track ballast to be used throughout the five-county service area, with delivery of material on an "as required" basis over a period of 365 calendar days after issuance of Notice-to-Proceed, as described in the staff summary on this subject, for a total contract amount not to exceed \$411,500, Sealed Bid No. 18-00136-ACZC - Supply and Delivery Truck Ballast.

9. To TNT Equipment Sales & Rentals, Inc., for the purchase of two medium duty aerial lift platform trucks (with rail gear) used to maintain and repair overhead power lines in tunnels and restricted spaces while performing track inspections throughout the Authority, with delivery of the vehicles scheduled to commence in August 2019, as described in the staff summary on this subject, for a total contract amount not to exceed \$775,500, Sealed Bid No. 18-00168-ATMM - Medium Duty Aerial Lift Trucks.

10. To Standard Pipe Services, LLC, for the replacement of approximately 80 feet of a chilled water main input pipe and its return pipe (160 feet total) and a nearby tie-in return pipe of

approximately 20 feet at Suburban Station, with services to be performed over a period of 21 days after issuance of Notice-to-Proceed, as described in the staff summary on this subject, for a total contract amount not to exceed \$94,595, Sealed Bid No. 18-00188-ADIM - Water Main and Return Pipe Replacement Project, Suburban Station.

11. To Solari Corp., for the supply and delivery of LED message signs to be installed at all City Transit Division (CTD) rail lines which will display train arrival status to SEPTA's passengers, with delivery of material over a period of two years scheduled to commence 60 calendar days after issuance of Notice-to-Proceed, as described in the staff summary on this subject, for a total contract amount not to exceed \$3,515,330, Sealed Bid No. 18-00224-ACZC - LED Signs for SEPTA.

12. To Zones, Inc., for the purchase of a Volume License Agreement (VLA) for Microsoft Windows 10 Enterprise Software Licenses which will replace the existing obsolete Microsoft Windows 7 Software and is part of the Technology Refresh Program, with licenses scheduled for delivery within 90 days after issuance of Notice-to-Proceed, as described in the staff summary on this subject, for a total contract amount not to

exceed \$2,055,207.07, Sealed Bid No. 18-00162-AKNJ - VLA
Microsoft Windows 10 Enterprise Software Licenses.

S/Corp/Resolutions/RES-SEPTEMBER-2018

R E S O L U T I O N

re

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. To Woojin IS America, Inc., for the purchase of 15 each Pac-Vol and RS-485 communication boards to be used to replace currently damaged boards as well as repair of float stock for the Silverliner V rail car fleet, at unit prices of \$2,240.09 and \$2,375.33, respectively, with delivery of material scheduled to commence in February 2019, as described in the staff summary on this subject, for a total contract amount not to exceed \$69,231.30, Sole Source No. 18-00218-ACAC - Communication Boards for the SLV Fleet.

2. To Simmons Machine Tool Corporation, for the purchase of two cutter head assemblies used for the wheel truing machine, with services scheduled to commence in December 2018 and be completed by February 2019, as described in the staff summary on this subject, for a total contract amount not to exceed \$39,783.50, Sole Source No. 18-00222-ACAC - Overhaul of Wheel Truing Machine.

3. To Kiepe Electric, Inc., for the upgrade to the existing KLP100 bench test stand at Woodland Electronic Repair Shop which provides testing and repair capabilities on the trackless trolley DPU450 AC propulsion inverter units, with delivery of equipment scheduled in December 2018, as described

in the staff summary on this subject, for a total contract amount not to exceed \$28,100, Sole Source No. 18-00219-ACAC - KLP100 Test Stand Upgrade.

4. To James L. Howard & Co., for Line Nos. 1 and 2, for the retrofit of 160 push bar assemblies and purchase of 170 new cab door lock sets for the Silverliner V rail car fleet, at unit prices of \$282.10 and \$86, respectively, with deliver 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 \$59,756, Sole Source No. 18-00226-ASTC - SLV Cab Door Lock Bar Assembly & Retrofit of SLV Lock Sets.

5. To Trapeze Software Group, Inc., to provide continued maintenance and technical support for the Trapeze Malteze-FX/Blockbuster and Trapeze Operations Management Module Software Suites(Trapeze Ops), with services to be performed over a period of five years commencing on October 1, 2018 through September 30, 2023, as described in the staff summary on this subject, for a total contract amount not to exceed \$3,995,078, Sole Source No. 18-00237-AHAC - Software Maintenance and Support Renewal for Trapeze FX and Trapeze Operations Management Products.

6. To PECO, for the relocation of utilities circuits and manholes to facilitate SEPTA's installation of elevators at Susquehanna Station on the Broad Street Subway (BSS) Line, as described in the staff summary on this subject, for a total contract amount not to exceed \$350,000, Sole Source No. 18-00243-ATMM - Utility Relocation for the Susquehanna Station Elevator Project.

R E S O L U T I O N
re

AUTHORIZATION TO EXECUTE 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 his designee to execute the 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 Krapf's Coaches, Inc., for Amendment No. 2, which provides for up to a one-year time extension (first six months guaranteed with an optional month-to-month extension thereafter with 30-day written notice of cancellation) and added costs to the contract for operation of Route 204 bus service which is necessary to allow time for a revised scope of services and

issuance of a Request for Proposals solicitation, and affords a transition of the existing route segments being retained as well as the contemplated service adjustments to Route 204 and the combination of Route 205 with Route 206, thereby establishing a new contract completion date of September 30, 2019, at an increase in cost not to exceed \$706,200, bringing the total contract price, including all amendments to date, to an amount not to exceed \$3,789,713.

2. To Krapf's Coaches, Inc., for Amendment No. 3, which provides for up to a one-year time extension (first six months guaranteed with an optional month-to-month extension thereafter with 30-day written notice of cancellation) and added costs to the contract for operation of Route 205 bus service which is necessary to allow time for a revised scope of services and issuance of a Request for Proposals solicitation, and affords a transition of the existing route segments being retained as well as the contemplated service adjustments to Route 204 and the combination of Route 205 with Route 206, thereby establishing a new contract completion date of September 30, 2019, at an increase in cost not to exceed \$247,370, bringing the total

contract price, including all amendments to date, to an amount not to exceed \$1,756,219.

S/Corp/Resolutions/RES-SEPTEMBER-2018