MINUTES OF SPECIAL BOARD MEETING
OF
SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY
FEBRUARY 25, 2016

The Special Meeting of the Board of the Southeastern Pennsylvania Transportation Authority was held on Thursday, February 25, 2016 at 3:11 PM, in the Board Room of the Authority, with the Chairman in the Chair.

Present

Attending the meeting were the following Board Members:

Pasquale T. Deon, Sr., Chairman
Thomas E. Babcock Vice Chairman
Beverly Coleman
Honorable Dwight Evans
Robert D. Fox, Esquire
Honorable Stewart J. Greenleaf (via telephone)
Kevin L. Johnson, P.E.
Daniel J. Kubik (via telephone)
Kenneth E. Lawrence, Jr.
William J. Leonard, Esquire
Honorable Charles H. Martin (via telephone)
William M. McSwain, Esquire
Clarena I.W. Tolson
Honorable Michael A. Vereb (via telephone)

Present from the staff:

Jeffrey D. Knueppel, General Manager
Richard G. Burnfield, Deputy General Manager/Treasurer
Gino J. Benedetti, Esquire, General Counsel
Stephen A. Jobs, Controller
Carol R. Looby, Secretary
Kim Scott Heinle, AGM, Customer Service
Ronald G. Hopkins, AGM, Operations
Francis E. Kelly, AGM, Government & Public Affairs
Robert E. Lund, AGM, Engineering, Maintenance & Construction
Susan VanBuren, AGM, Human Resources
Marie Chua, Sr. Director, Business Services

Mr. Deon called the Special Meeting of the Board to order. Mr. Deon announced that Senator Greenleaf, Danny Kubik, Commissioner Martin and Representative Vereb would be participating by telephone and they confirmed their
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participation. He then welcomed Deputy Managing Director, Clarena Tolson, of the City of Philadelphia to the SEPTA Board.

Pledge of Allegiance was observed.

Mr. Deon stated that the Board met in Executive Session just prior to the meeting to discuss legal matters. Mr. Deon stated that if there were speakers who wished to address agenda items they would be called before the Board voted on the item and asked that they limit their remarks to three minutes.

Mr. Deon then asked Marie Chua to present the following Resolution,

"I. Award of a Sole Source Procurement Contract

1. To Rotem Company, for the overhaul and extending the useful life of 11 "Push-Pull" Regional Rail Division coach cars, for a total contract amount not to exceed $6,281,000."

Ms. Chua stated that the first item was a sole source contract to Rotem for overhaul of 11 railcars for a total amount of $6,281,000. She stated that Rotem had been previously awarded a contract to overhaul 22 push pull coaches and that the work would be performed on 19 year old regional railcars and would be completed in time for the delivery of high speed electric locomotives beginning in late 2017.

Ms. Chua commented that this would enhance service to SEPTA regional rail customers and extend the useful life of the railcars. She stated that the unit price per car is 1.8 percent less compared with the amount negotiated previously and 5.3 percent less than our internal estimate.

Ms. Chua said Rotem would perform this work at their facility in South Philadelphia. She stated that in accordance with Pennsylvania State Procurement Code a sole source contract was allowable if it was deemed to be in the best interest of the Commonwealth. Ms. Chua then noted that there was a revised Resolution for this contract award.

Ms. Chua then requested the Board to approve the authorization to execute this agenda item.

Chairman Deon then called for speakers wishing to address the above agenda item. There was no response.

Chairman Deon noted that this agenda item had been revised, and that copies of the revised Resolution had been provided to the Board. He then entertained a Motion to adopt the Resolution. Mr. Babcock moved, Representative Evans seconded, and the following Resolution was unanimously adopted.
I.1. AWARD OF A SOLE SOURCE PROCUREMENT CONTRACT

"WHEREAS, SEPTA has need for the supplies and services described below, which are available only from the firm listed below; and

WHEREAS, staff has reviewed the cost of the supplies and services and the General Manager has recommended that the Board authorize the award of a contract.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes SEPTA to award 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 each vendor/contractor satisfactorily providing any required bonds, insurance certificates and/or other documents, and complying with any applicable Disadvantaged Business Enterprise (DBE) requirements:

1. To Rotem Company, for the overhaul and extending the useful life of an additional 11 22 "Push-Pull" Regional Rail Division (RRD) coach cars, at a unit price of $571,000, with the overhaul work scheduled to commence in March 2016, as described in the staff summary on this subject, for a total contract amount not to exceed $6,281,000."

Mr. Deon then asked Marie Chua to also present the next Resolution,

"II. Authorization to Award a Contract for a Procurement

1. To Penn Detroit Diesel Allison, LLC, for the purchase of an estimated 54,480 Toyota NHW11 Generation II Energy Storage System Panasonic batteries, for a total contract amount not to exceed $6,482,030.40."

Ms. Chua stated that the next item was the award of a two-year contract to Penn Detroit Diesel Allison, LLC in the amount of $6,482,030.40 for the purchase of Panasonic Batteries. She stated that the batteries would be used to replace the Allison Hybrid Energy Storage System sub packs as part of our FY’17 and FY’18 bus overhaul program. Ms. Chua noted that this procurement was originally reviewed and approved by SEPTA’s Board on December 17, 2015.

Ms. Chua stated that the apparent low bidder, Koehlke Components, was unable to secure these batteries from the Original Equipment Manufacturer after approval by the Board. She said the apparent second low bidder, Gillig, was not the actual next low bid when SEPTA factored in a $9.00 per battery surcharge, which involves the cost of labor and handling to harvest the batteries from the Toyota Prius sub-pack.
configuration into the one required on the New Flyer Hybrid Bus. Ms. Chua mentioned that Penn DDA offered the OEM battery pack that was a drop in replacement and does not require modification to fit SEPTA's bus.

Ms. Chua stated that Penn Detroit Diesel's price was 2.1 percent lower than the nearest offer when considering the internal surcharge that was applied to vendors that required additional labor for battery reconfiguration. She stated that staff recommends award of a contract to Penn Detroit Diesel Allison, LLC.

Chairman Deon then called for speakers wishing to address the above agenda item. There was no response.

Chairman Deon then entertained a Motion to adopt the Resolution. Mr. Johnson moved, Representative Evans seconded, and the following Resolution was unanimously adopted.

**II.1. AUTHORIZATION TO AWARD A CONTRACT FOR A PROCUREMENT**

"WHEREAS, SEPTA advertised and invited bids for the supplies identified below; and

WHEREAS, the firm listed below was the lowest responsive and responsible bidder to the invitation for bids; and

WHEREAS, staff requested that the General Manager recommend that the Board authorize SEPTA to award the contract 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 his designee to execute the contract 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 vendor satisfactorily meeting all requirements of the bid terms and specifications, including full compliance with any applicable Disadvantaged Business Enterprise requirements:

1. To Penn Detroit Diesel Allison, LLC, for the purchase of an estimated 54,480 Toyota NHW11 Generation II Energy Storage System (ESS) Panasonic batteries to be used for the FY2017 and FY2018 Vehicle Overhaul (VOH) campaign to overhaul 227 New Flyer Hybrid buses, at a unit price of $118.98, with delivery of material on an "as required" basis over a period of 24 months commencing in July 2016, as described in the staff summary on this subject, for a total contract amount not to exceed $6,482,030.40, Sealed Bid No. 15-00217-AJJV - ESS Battery Packs."
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Adjournment

There being no further business to come before the Board at this Special Meeting, it was moved by Mr. Kubik, seconded by Mr. Lawrence and unanimously adopted that the meeting be adjourned at 3:16 PM.

A transcript of this meeting was made by an official court reporter and is made a part of the original Minutes.

Carol R. Looby
Secretary