

MINUTES
MEETING OF THE BOARD OF DIRECTORS
BUSINESS MANAGEMENT COMMITTEE
METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY

May 25, 2017

The Board of Directors Business Management Committee met on May 25, 2017 at 11:13 a.m. in the Board Room on the 6th Floor of the MARTA Headquarters Building, 2424 Piedmont Road, Atlanta, Georgia.

Board Members Present

Frederick L. Daniels, Jr., *Chair*
Jim Durrett
Roderick E. Edmond
Jerry Griffin
J. Al Pond

MARTA officials in attendance were: GM/CEO Richard A. Krisak (Acting); Chief Administrative Officer LaShanda Dawkins (Acting); Chief Counsel Jonathan Hunt (Acting); Chief Financial Officer Gordon L. Hutchinson; Chief Communications Officer Goldie Taylor; AGMs Perfidia Collier (Acting), Wanda Dunham, Ming Hsi, Angela Jackson (Acting), Benjamin Limmer, Ryland McClendon and David Springstead; Executive Director Paula Nash (Acting); Sr. Directors Rhonda Briggins, Amanda Rhein and Donald Williams; Directors Onyinye Akujuo, Lisa DeGrace, Richard Slaton, Patricia Sullivan and William Taylor. Executive Manager MARTA Board of Directors Rebbie Ellisor-Taylor; Manager, Executive Office Administration Tyrene L. Huff; Senior Executive Administrator Keri Lee (Acting). Others in attendance were Davis Allen, Frederick Askew, Garrett Eberly, Abebe Girmay, Forrest Graham, Aston Greene, Courtne Middlebrooks, LaTonya Pope.

Also in attendance was Jack Buckingham of MATC; Soji Tinubu of WR&J, Inc.

Consent Agenda

- a) Approval of the April 27, 2017 Business Management Committee Meeting Minutes
- b) Resolution Authorizing Permission to Solicit for Vending Services for MARTA Headquarters Building and Satellite Facilities
- c) Resolution Authorizing Award of IFB 38788 – Disposal of Land Parcel D1118 – Southwest Corner of Wells Street and Hobbs Street, City of Avondale Estates, DeKalb County, Georgia

On motion by Mr. Durrett seconded by Mr. Pond, the Consent Agenda was unanimously approved by a vote of 5 to 0, with 5 members present.

Resolution Authorizing Award of Annual Financial and Management Audit Reports for Fiscal Years 2018 Through 2022, Request for Proposals P38060

Mrs. Jackson presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or his delegate to enter into a contract with Crowe Horwath, LLP for the procurement of Annual Financial and Management Audit Reports for Fiscal Years 2018 Through 2022, Request for Proposals P38060.

On motion by Mr. Pond seconded by Mr. Durrett, the resolution was unanimously approved by a vote of 5 to 0, with 5 members present.

Resolution Authorizing the Expenditure of Capital Funds for General Consulting and Professional Services (GCPs) for the Division of Operations and the Department of Capital Programs & Development in Fiscal Year 2018

Mr. Springstead presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or his delegate to provide funding authorization in an amount not to exceed \$2,964,000 to the Division of Operations and the Department of Capital Programs & Development for professional and specialized vendors holding valid GSA schedules to support delivery/execution of the FY 2018 Capital Improvement Program (CIP), on an as-needed basis over the period of July 1, 2017 through June 30, 2018. This represents a 35% reduction from the FY 2017 authorization.

Mr. Daniels asked what is the Authority forecasting to spend by the end of the fiscal year.

Mr. Springstead said the current forecast is \$197M on a \$256M base, covering 156 projects. Some are TOD and some are studies.

Mr. Daniels asked about the gap in spending.

Mr. Springstead said there is a contingency budgetary amount included.

Mr. Daniels stated that money is authorized that is not being spent. He said going forward, there needs to be an understanding of how funds will be executed.

Mr. Springstead said the numbers are picked at an upper level, but staff always hope to go below. He said staff will come back with a briefing for the Board.

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On motion by Mr. Durrett seconded by Mr. Griffin, the resolution was unanimously approved by a vote of 5 to 0, with 5 members present.

Resolution Authorizing the Expenditure of Capital and Operating Funds for General Consulting and Professional Services for the Department of Police and Emergency Management in Fiscal Year 2018 (July 1, 2017 – June 30, 2018)

Lt. Greene presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or his delegate the allocation of \$4,000,000 expenditure authority to MARTA Police & Emergency Management staffing vendors holding valid General Service Administration (GSA) Schedule 70, State of Georgia contract or United States Government contract to provide professional and specialized staffing for the MARTA Police & Emergency Management Department, on an as-needed basis over the FY18 period of July 1, 2017 - June 30, 2018.

Mr. Griffin acknowledged the physical protection projects and programs. He asked what protection does MARTA have against hacking.

Lt. Greene responded there is a line item for a Cyber Security Program.

On motion by Mr. Pond seconded by Mr. Durrett, the resolution was unanimously approved by a vote of 5 to 0, with 5 members present.

Resolution Authorizing the Expenditure of Capital and Operating Funds for General Consulting and Professional Services for the Department of Technology in Fiscal Year 2018 (July 1, 2017 – June 30, 2018)

Mrs. Hsi presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or his delegate the allocation of \$7,760,000 expenditure authority to Technology staffing vendors holding valid General Service Administration (GSA) Schedule 70, State of Georgia contract or United States Government contract to provide professional and specialized staffing for the Department of Technology, on an as-needed basis over the FY18 period of July 1, 2016 - June 30, 2017 depending on funding source.

Mr. Griffin asked about GSA Schedule 70.

Mrs. Hsi explained that it is an Information Technology professional service contract administered by MARTA's Contracts & Procurement Department and the Federal government.

On motion by Mr. Durrett seconded by Dr. Edmond, the resolution was unanimously approved by a vote of 5 to 0, with 5 members present.

Resolution Authorizing the Solicitation of Proposals for the Implementation of Enterprise Performance Management (EPM) Public Sector Planning and Budgeting Service for the Office of Management and Budget

Mrs. Hsi presented this resolution for Board of Directors' approval authorizing the solicitation of proposals for the procurement of professional services and the purchase of software for the implementation of Enterprise Performance Management Planning and Budgeting System for the Office of Management and Budget.

On motion by Mr. Durrett seconded by Mr. Griffin, the resolution was unanimously approved by a vote of 5 to 0, with 5 members present.

Resolution to Approve Breeze Participation Agreements for Cobb, Gwinnett and GRTA/SRTA

Mrs. Hsi presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or his delegate to enter into Breeze Participation Agreements with Cobb Community Transit (CobbLinc), Gwinnett County Transit and Georgia Regional Transportation Authority (GRTA) / State Road and Tollway Authority (SRTA).

On motion by Mr. Durrett seconded by Mr. Griffin, the resolution was unanimously approved by a vote of 5 to 0, with 5 members present.

Resolution Authorizing the Receipt of FY17 Federal Transit Administration Formula Grants

Ms. Akujuo presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or his delegate to execute grants on behalf of MARTA for the receipt of Federal Fiscal Year 2017 Formula Program grants from the Federal Transit Administration (FTA). This federal assistance would be provided from the following FTA formula grant programs: (i) Section 5307 Urbanized Area Formula, (ii) Section 5337 State of Good Repair, and (iii) Section 5339 Bus and Bus Facilities. This resolution would also authorize the General Manager/CEO or his delegate to provide FTA with the standard Federal grant program certifications and assurances on behalf of MARTA required as a condition of receiving these funds.

On motion by Mr. Durrett seconded by Mr. Pond, the resolution was unanimously approved by a vote of 5 to 0, with 5 members present.

Results of the Proposed FY18 Budget and August Service Modifications Public Hearings

Ms. Briggins briefed the Committee on the results of the Public Hearings for the Proposed FY18 Budget and August Service Modifications.

Public Hearings Locations

- Tuesday, May 16, 2017
 - Maloof Auditorium
- Wednesday, May 17, 2017
 - Clayton County Commission Office
- Thursday, May 18, 2017
 - Fulton County Assembly Hall

Advertisement

- AJC
- ACE III/Champion
- Clayton Daily News
- Crossroads & So DeKalb County
- Neighbor Newspapers
- Mundo Hispanico
- Social Media (Facebook, Twitter, website)
- Clayton County Government T.V.
- Fulton County Government T.V.
- DeKalb Government T.V.

Electronic Notice Distribution

- Distributed to all 26 Neighborhood Planning Units (NPU) within the City of Atlanta
- Senior Centers (63)

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- Email blast to Outreach Database
- Government Affairs Database

Flyer Distribution – Limited English Proficiency (LEP) Communities

- Chinese Community Center
- Dinho Super Market
- Vietnamese Market/Buford Highway
- Hong Kong Market - Jimmy Carter Blvd.
- Super H-Mart - Doraville/Peachtree Industrial & 1-285
- Happy Valley Restaurant - Jimmy Carter Blvd.
- Buford Farmers Market Media Distribution Desk
- Asian American Resource Center Gwinnett
- Korean Community Center - Buford Highway
- Ho Pin Market Media Table
- Atlanta Chinese Community Church
- Center for Pan Asian American Community Services

Public Hearing Attendance

- Tuesday, May 16, 2017
 - Maloof Auditorium
 - Attendance – 12
 - Speakers – 1
 - Media – 0
- Wednesday, May 17, 2017
 - Clayton County Commission Office
 - Attendance – 1
 - Speakers – 0
 - Media – 0

- Thursday, May 18, 2017
 - Fulton County Assembly Hall
 - Attendance – 10
 - Speakers – 2
 - Media – 0
- Total
 - Attendance – 23
 - Speakers – 3
 - Media – 0

Public Comments

- Direct Phone Calls – 0
- Emails – 0
- Petitions – 0
- Letters – 0
- Public Hearing Comments (Written) – 0

Comments During Public Hearing

- Would like to see Clayton routes re-aligned to be more north-south and east-west oriented. Submitted a hand-drawn "system" map
- Suggested a BVM could be placed at the international terminal at the airport (Route 191)
- Suggested Route 75 be extended North of Lawrenceville Hwy/Mountain Industrial to connect with Gwinnett County Transit
- Suggested Route 120 to be kept the way it is now, but Route 221 proposed changes are good.
- Does not support Route 81 proposal due to uphill route segment causing buses to be noisy in residential areas
- Routing on the Route 81 by Adams Park is not safe, especially after dark
- Questioned FY18 Budget figures compared to FY17 numbers and why wasn't the proposed 1/2 penny tax in the City of Atlanta not put into the budget

Resolution Authorizing Service Modifications for August 2017

Mr. Williams presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or his delegate to implement service modifications for August 5, 2017 to Bus Routes 12, 30, 75, 81, 82, 84, 93, 119, 120, 121, 162, 191, 192, 193, 194, 195, 196, 221, and 800.

Mr. Daniels asked how this is articulated in the Budget.

Mr. Williams said MARTA is streamlining and realigning to make it cost neutral. MARTA is seeking approval of overall service to the City of Atlanta.

Mr. Pond asked how does the Authority handle the deletion of routes.

Mr. Williams said MARTA communicates this information to the community.

On motion by Mr. Durrett seconded by Dr. Edmond, the resolution was unanimously approved by a vote of 5 to 0, with 5 members present.

Resolution to Adopt FY18 Operating and Capital Budgets

Mr. Hutchinson presented this resolution for Board of Directors' approval authorizing the adoption of the Fiscal Year 2018 Operating and Capital Funds Budgets. This resolution also allows for the utilization of prior year carry-over to subsidize operating and capital costs.

Operating Budget

- The Budget Summary for Fiscal Year 2018 reflects gross operating expenditures of \$522,871,505;
- of this, \$461,588,524 is required for net Transit Operations for the cost of providing bus, rail, and paratransit services, including Clayton County and MORE MARTA service;
- the remaining \$61,282,980 is reimbursement of expenses related to the Capital Improvement Program;
- the allocation is based on direct costs and our cost allocation plan prepared in accordance with FT A guidelines

Capital Funds Budget

- The capital funds budget for Fiscal Year 2018 reflects total capital expenditures of \$434,789,354 for capital cash disbursement;
- of which \$150,129,517 is for the principal and interest on outstanding debt and debt issues in Fiscal Year 2018;
- the remaining \$284,659,837 represents the Capital Improvement Program

Mr. Pond asked from a transit, national perspective, what is typical for an Operating Reserve.

Mr. Hutchinson said there is not really a 'typical' reserve. The reserve will vary depending on the size of the agency. MARTA is the only agency without State appropriations. Staff feels the Authority is in a good position – having liquidity is very positive.

Mr. Griffin stated the proposed Operating Revenue numbers jumped due to MORE MARTA. He said Clayton County's money goes into a lock box. He asked where is that shown.

Mr. Hutchinson said half of the Clayton penny goes into escrow. A Clayton Reserve was created.

On motion by Mr. Durrett seconded by Mr. Pond, the resolution was unanimously approved by a vote of 4 to 0, with 4 members present.

Briefing – Three-Year DBE Goal (FFY2018 – FFY2020)

Mrs. Nash briefed the Committee on MARTA's Disadvantaged Business Enterprise (DBE) Program and Program results. Every three years, MARTA is required to submit a DBE goal for federally-funded contracts to be awarded by the Authority. This is done in accordance with the methodology in guidelines issued by the US Department of Transportation (USDOT) as well as Chapter 49, Code of Federal Regulations, Part 26.

Disadvantaged Business Enterprise (DBE) Program

- DBE Program Federal Mandate [49 CFR Part 26.21 (a)(2)]:
 - FTA recipients receiving planning capital or operating assistance, who will award prime contracts exceeding \$250,000 in FTA funds in a Federal fiscal year

- Four Elements of the DBE Program:
 - Program Document
 - Goal Setting Methodology
 - Monitoring and Oversight
 - Semi-Annual Reporting
- Who is eligible for the program:
 - Small business-owned and controlled by a socially and economically disadvantaged individual; including women-owned
 - Woman-owned businesses are not automatically eligible for the program (cannot exceed gross receipts and personal net worth threshold)
- Criteria to become a DBE:
 - For-profit business
 - 51 % owned and controlled by a socially and economically disadvantaged individual(s) U.S. citizen or lawfully admitted permanent residents of the U.S. Meet Small Business Administration's size standards Gross receipts does not exceed \$23.98M for DBE and \$52.47M for ACDBE
 - Personal Net Worth less than \$1.32M

Forecasted DBE Program Goals (FFY2018-FFY2020)

- DBE Goal - 33%
 - Race conscious 27%
 - Race neutral 6%
- Based on contracts greater than \$200,000
 - Race conscious – A measure or program that is focused specifically on assisting only DBEs includes women owned
 - Race Neutral – A measure or program that is, or can be, used to assist all small businesses (Small Business Program)

Program Purpose

- No discrimination in award of contracts
- Level playing field to compete

- Remove barriers to participation
- Provide flexibility in providing opportunities

The Program does NOT contain...

- Quotas
- Set Asides
- Guarantees
- Minimum Participation

DBE Goal Methodology

- Weighted based on demonstrable evidence of "ready, willing and able" DBE firms relative to all firms available to perform on MARTA contracts;
- Currently certified DBEs with the Georgia Unified Certification Program;
- DBEs certified in North American Industry Classification System (NAICS) Code(s) for work to be performed; and
- Accurately account for all contracting opportunities based on the scope of work
- U.S. Census County Business Patterns
- Firms in MARTA service area (Clayton, DeKalb and Fulton counties)

Program Results

- DBE Goal - Race Conscious (2012 - 2016)
 - FFY2012
 - Goal – 22.75%
 - Attained – 26.69%
 - FFY2013
 - Goal – 22.75%
 - Attained – 19%
 - FFY2014
 - Goal – 22.75%
 - Attained – 23%

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- FFY2015
 - Goal – 25%
 - Attained – 52.5%
- FFY2016
 - Goal – 25%
 - Attained – 26.05%
- DBE Goal - Race Neutral (2012 - 2016)
 - FFY2012
 - Goal – 5%
 - Attained – 1%
 - FFY2013
 - Goal – 5%
 - Attained – 1%
 - FFY2014
 - Goal – 5%
 - Attained – 5%
 - FFY2015
 - Goal – 5%
 - Attained – 5.3%
 - FFY2016
 - Goal – 5%
 - Attained – 5.7%
- Five Year DBE Goal (2012 - 2016)
 - FFY2012
 - Overall Goal – 27.75%
 - Goal Attained – 26.69%
 - FFY2013
 - Overall Goal – 27.75%
 - Goal Attained – 20%

- FFY2014
 - Overall Goal – 27.75%
 - Goal Attained – 28.05%
- FFY2015
 - Overall Goal – 30%
 - Goal Attained – 57.8%
- FFY2016
 - Overall Goal – 30%
 - Goal Attained – 31.75%

Procurement Types and How Goals Are Set

- Request for Proposals (RFPs) and A/E Contracts \$200,000, Request for Quotations (RFQs), Seal Bids (IFB)/Task Order
 - Examine scope of work
 - Identify certified DBEs
 - Calculate goal using methodology
 - Assign DBE participation goal
 - Develop tailored listing of DBEs
- General Services Administration (GSA)/State of Georgia Procurements
 - Federal Acquisition Regulation (FAR) requirements are established (bidders/proponents are prequalified)
 - MARTA "piggyback" on contracts awarded by Federal and State agencies
 - No MARTA DBE goals assigned
- Emergency and Sole Source Procurements
 - No MARTA DBE goals assigned
 - Justification approved for sole source procurement
- Transit Vehicle Manufacture (TVM)
 - NO MARTA DBE goals assigned
 - Manufacturer - FTA TVM DBE Concurrence/Certification Approval Letter

2014 - 2016 Contracts with Zero Goal

- 2014
 - Number of contracts with 0% goal: 11
 - No certified DBEs in scope: \$11,042,466
 - Dollar Value Sole Source/GSA/State of Georgia/Single Source: \$2,900,000
- 2015
 - Number of contracts with 0% goal: 3
 - No certified DBEs in scope: \$11,303,161
 - Dollar Value Sole Source/GSA/State of Georgia/Single Source: \$1,875,000
- 2016
 - Number of contracts with 0% goal: 5
 - No certified DBEs in scope: \$11,432,445
 - Dollar Value Sole Source/GSA/State of Georgia/Single Source: \$52,751,162
- Why a Zero Goal
 - No DBEs certified in the scope of work functions identified
 - State of GA or General Services Administration Schedules procurement (bidders/proponents are prequalified)
 - Justification approved for Single Source procurements

Top 10 Contracts with DBE Goals

- General Engineering Consultants
 - Contract Amount – \$23,400,000
 - DBE Goal Assigned – 25%
- Safety Specialist Services
 - Contract Amount – \$11,625,000
 - DBE Goal Assigned – 35%

- Systems Engineering Services
 - Contract Amount – \$11,625,000
 - DBE Goal Assigned – 15%
- Vehicle Consulting Services – Bus/Rail
 - Contract Amount – \$21,000,000
 - DBE Goal Assigned – 30%
- Elevator/Escalator Rehabilitation Program and Maintenance Contract
 - Contract Amount – \$217,861,063
 - DBE Goal Assigned – 20%
- General Consulting and Professional Services
 - Contract Amount – \$17,580,000
 - DBE Goal Assigned – 35%
- Bus Tire and Lease and Services
 - Contract Amount – \$12,545,064
 - DBE Goal Assigned – 20%
- Wheel/Axle Overhaul and Repair Services
 - Contract Amount – \$9,428,161
 - DBE Goal Assigned – 20%
- North Avenue Station Low Voltage Replacement
 - Contract Amount – \$2,598,000
 - DBE Goal Assigned – 12%
- Bi-Directional Amplifier Replacement and Additions for MARTA's Interoperable P25
 - Contract Amount – \$3,262,908
 - DBE Goal Assigned – 20%

DBE Success Stories

- Furnishing and Installing AC Track Circuit Upgrade
 - DBE Goal Assigned – 0%
 - DBE Goal Achieved – 10%

- Janitorial Services for MARTA HQ and Annex
 - DBE Goal Assigned – 30%
 - DBE Goal Achieved – 100%
- Non-Revenue Vehicles (two contracts)
 - DBE Goal Assigned – 0%
 - DBE Goal Achieved – 100%
- Beverage and Snack Vending Services
 - DBE Goal Assigned – 30%
 - DBE Goal Achieved – 100%
- Architectural Services
 - DBE Goal Assigned – 31%
 - DBE Goal Achieved – 60%
- HVAC Building Maintenance
 - DBE Goal Assigned – 25%
 - DBE Goal Achieved – 100%
- General Professional Services – Operations
 - DBE Goal Assigned – 35%
 - DBE Goal Achieved – 66%
- Mystery Customer Program
 - DBE Goal Assigned – 30%
 - DBE Goal Achieved – 100%
- Location Service for MARTA Electrical
 - DBE Goal Assigned – 20%
 - DBE Goal Achieved – 100%

Education and Outreach

- MARTA Industry Days
- I-85 Small Business Fair
- Procurement Readiness Workshop
- MARTA – Get Ready for Transportation (#GRT)
- Women in Construction Engineering and Related Services (WICERS)
- MARTA Mentor-Protégé Program
- Concerned Black Clergy of Metro Atlanta
- Georgia Hispanic Construction Association
- Atlanta Business League Super Tuesday
- Renew Atlanta Expo – City of Atlanta
- Fulton County Vendor Opportunity Fair
- Georgia Minority Supplier Development Council – Business Opportunity Expo
- Greater Atlanta Economic Alliance – The Sky’s the Limit
- Atlanta Tribune – Moving Your Business Forward
- City of Atlanta – Partnering for Progress
- DBE Orientation
- DeKalb County – Passport to Business
- City of Atlanta – Back to Business
- Atlanta Business League – Congress on the State of Black Businesses
- University System of Georgia – Procurement Expo
- Greater Atlanta Economic Alliance – Annual Supplier Diversity Conference
- Women History Month

Briefing – FY2017 March Budget Variance Analysis and Performance Indicators

The FY2017 March Budget Variance Analysis and Performance Indicators were deferred.

Other Matters

The FY2017 March Key Performance Indicators (KPIs) were provided to the Committee as informational only.

Adjournment

The meeting of the Business Management Committee adjourned at 12:43 p.m.