

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

February 28, 2011

The Board of Directors Business Management Committee met on February 28, 2011 at 10:20 a.m. in the Board Room on the 6th Floor of the MARTA Headquarters Building, 2424 Piedmont Road, Atlanta, Georgia.

Board Members Present

Robert L. Ashe, III
Harold Buckley, Sr.
Wendy Butler
Frederick L. Daniels, Jr., Chair
Jim Durrett
Roderick E. Edmond
Adam Orkin

MARTA officials in attendance were: General Manager/CEO Beverly A. Scott; Chief Business Support Services Theodore Basta, Jr.; AGMs Davis Allen, Deborah Dawson, Garry Free (Acting), Ben Graham, Georgetta Gregory, Fred Hammett (Acting), Mary Ann Jackson, Jonnie Keith, Cheryl King, Ryland McClendon, Elizabeth O'Neill and Gary Pritchett; Sr. Directors Johnny Dunning, Jr. and Kevin Hurley; Directors Anton Bryant, Lisa DeGrace, Lowell "Rip" Detamore, Reginald Diamond, Lyle Harris, Donna Jennings, Knox O'Callaghan and Carol Smith; Managers Marsha Brooks, Cathy Gesick, Paul Grether and Robert H. Thomas; Executive Manager to the Board Rebbie Ellisor-Taylor; Sr. Executive Administrator Tyra J. Wiltz; Sr. Executive Administrator Renee Willis; Finance Administrative Analyst Tracy Kincaid; Others in attendance Harold Johnson, Haniyah Miller, Anthony Pines and Srinath Remala.

Also in attendance Charles Pursley, Jr. of Pursley, Lowery and Meeks; David Emory of Atlanta Regional Commission; Jennifer Ball of Central Atlanta Progress; Matt Pollack of MATC.

Approval of the January 31, 2011 Business Management Committee Meeting Minutes

On motion by Mr. Buckley seconded by Mr. Durrett, the minutes were unanimously approved by a vote of 7 to 0, with 7 members present.

Resolution Authorizing the General Manager/CEO to Execute an Intergovernmental Agreement for the Atlanta Streetcar Project

Mrs. O'Neill presented this resolution for Board of Directors' approval authorizing the General Manager/CEO to execute an Intergovernmental Agreement with the City of Atlanta and the Downtown Atlanta Community Improvement District/Atlanta Downtown Improvement District (DACID/ADID) for the Atlanta Streetcar Project.

Mrs. O'Neill noted that the Federal Transit Administration (FTA) requires a Memorandum of Understanding (MOU). The MOU has been executed. She further noted that the Intergovernmental Agreement (IGA) draft before the Board sets forth the City of Atlanta as grantee who is responsible for determining the type of vehicles and issuing the required permits and licenses necessary for construction. MARTA, as designee is responsible for administering funds, construction management and oversight. The procurement of design/build must be done using MARTA's criteria.

Mr. Daniels expressed unreadiness due to the number of moving pieces.

Mrs. O'Neill said that the roles and responsibilities have been established.

Mr. Daniels asked if the City of Atlanta has ever handled projects with this scope.

Mrs. O'Neil said this is why MARTA will lend the technical expertise.

Mr. Orkin said the Authority should be more proactive in owning parts.

Mrs. O'Neill said this will come under a separate agreement.

Mr. Orkin said he would like to see it together.

Mr. Durrett said that while the conversation should have taken place sooner, this is an immense, complex new project; it is a foreshadowing of things to come.

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Mrs. Butler said that she initially thought MARTA would be responsible for Operations and Maintenance. She expressed concern, now knowing the City of Atlanta will select parts.

Dr. Scott said that there is only one vehicle type to purchase for this project. An example of this was seen in Utah. Brian Leary of Atlanta Beltline, Inc. and Mayor Reed are for integration, preserving all options to do things as cost efficient as possible.

Mr. Orkin stated that he loved the business side of this, but has concerns about the second phase. He asked if MARTA could request a Capital Improvement Plan from the City of Atlanta showing that they can maintain the project.

Mrs. O'Neill said that she would ask on behalf of MARTA.

Mr. Orkin added that perhaps it is there but it would be great to actually see it.

Dr. Scott referred to the appendices of the resolution, noting the Operations and Maintenance responsibilities as adopted by City Ordinance.

The Board expressed concern about the lack of time given to consider the item. In order to get a clearer understanding, they asked that staff outline the highlights and provide more information - even consideration of a flat management fee for the Authority - before final vote at the upcoming Board meeting.

On motion by Mr. Durrett seconded by Dr. Edmond, the resolution was unanimously approved by a vote of 7 to 0, with 7 members present.

Resolution Authorizing Award of Multiple Contracts for the Procurement of Authority-Wide Uniforms, Contract Proposal Number B22231

Mr. Pritchett presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or her delegate to enter into contracts with multiple vendors – Ashbrite Uniforms, Cintas and Enterprise Uniforms II, Inc. – for the procurement of Authority-wide uniforms.

Dr. Edmond asked why three contractors had been selected.

Mr. Pritchett answered that selecting three contractors gives employees an option to choose a location for pick up that is convenient for them.

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Mrs. Dawson further explained that represented employees are given a uniform stipend (\$250.⁰⁰); they can choose one of the contractors based on convenience of location or hours, sizes available, etc.

Dr. Edmond asked if any of the three contractors were incumbents.

Mr. Pritchett answered no.

Dr. Edmond asked how will employees know which company performs the best work.

Mr. Pritchett answered that several union representatives went out to each location to inspect the quality of the work.

Mr. Ashe asked if staff was satisfied with the quality.

Mr. Pritchett said yes, they agreed that all three companies produced comparable high-quality uniforms.

Mr. Ashe if the uniforms will look the same.

Mr. Pritchett answered yes; each contractor is mandated to apply the MARTA standards when producing uniforms.

On motion by Mr. Buckley seconded by Mr. Durrett, the resolution was approved by a vote of 6 to 0, with 7 members present.

Dr. Edmond voted no.

Resolution Authorizing the Execution and Receipt of a Clean Fuels Bus Program Grant from the Federal Transit Administration

Mr. O'Callaghan presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or her delegate to execute an agreement with the Federal Transit Administration (FTA) for receipt by MARTA of a Clean Fuels Bus program grant in the Federal amount of \$840,000. The FTA grant funds would provide 80% of the cost of two MARTA bus technology projects:

- 1) Electronic Vehicle Thermal Management System
- 2) Lithium Iron Battery Technology

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Dr. Edmond asked what would be the annual estimated savings per bus.

Mr. Bryant responded. A second-generation cooling system adds to variable water pump and variable speed-mixing valves. Economy will increase upwards 8-9%. By percentage, the increment is 4-5% fuel economy and at least 7-10% for electrical system.

Dr. Edmond said because the Board is being asked to make decisions on money in a budget crunch it is imperative to know the bottom-line.

Mr. Daniels agreed; saying, ideally the Board wants to know mileage on an annual basis and at the end of the demonstration grant, what those savings are.

Mr. Bryant said that staff will conduct an in-depth analysis and comparison statistically valued to the rest of the fleet and report back to the Board.

Mr. Durrett asked what the overall impact to the Capital Budget is.

Dr. Scott answered \$188M in the current year. Staff will provide more specifics prior to next Board meeting.

Mrs. Butler stated that MARTA puts up \$210,000. She asked if there would be other costs.

Dr. Scott answered no.

Mr. Daniels asked if staff, assuming the resolution is passed, will provide a breakdown of percentages.

Dr. Scott answered yes; staff will also carry out a post-analysis.

On motion by Mr. Durrett seconded by Mr. Buckley, the resolution was unanimously approved with a vote of 7 to 0, with 7 members present.

Resolution Authorizing the Placement of Excess Workers' Compensation Insurance Policy for a Period of One Year

Mrs. Jennings presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or her delegate to effect placement of

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MARTA's excess workers' compensation insurance coverage for a one year period.

On motion by Mr. Buckley seconded by Mr. Durrett, the resolution was unanimously approved by a vote of 7 to 0, with 7 members present.

Resolution Authorizing Award of a Contract for Track Renovation Phase III – Running Rail and Switch Tie Replacement, Contract Proposal Number B12221

Mr. Pritchett provided initial comments as to why this item was being moved forward. None of the bidders complied with the Buy America provision mandated by the Federal Transit Administration (FTA). This necessitated the Authority going to the FTA.

Mr. Free presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or her delegate to enter into a contract with Veolia Transportation Maintenance and Infrastructure, Inc.

This project generally consists of a Base Contract to replace certain track products on the Authority's East, West, North, Northeast and South Rail Lines, and both Avondale and South Yards, and Option One (1) to include the procurement of running rail and switch steel hardware for the Atlanta Streetcar Project.

Mr. Durrett asked Mr. Pritchett about the Buy America issue and whether staff would come back to the Board at a later date to add the amount that was noncompliant.

Mrs. O'Neill answered no, MARTA is purchasing the same amount as requested in the bid document but the bidder will replace the non-compliant materials with American made materials.

Mr. Ashe asked if the Authority will get the same price.

Mr. Free answered yes

On motion by Mr. Durrett seconded by Mr. Buckley, the resolution was unanimously approved by a vote of 7 to 0, with 7 members present.

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DEO Report - Resolution Authorizing Award of Multiple Contracts for the Procurement of Authority-Wide Uniforms, Contract Proposal Number B22231

Mr. Diamond presented a DEO Report on the Resolution Authorizing Award of Multiple Contracts for the Procurement of Authority-Wide Uniforms, Contract Proposal Number B22231.

DEO Report - Resolution Authorizing Award of a Contract for Track Renovation Phase III – Running Rail and Switch Tie Replacement, Contract Proposal Number B12221

Dr. Diamond presented a DEO Report on the Resolution Authorizing Award of a Contract for Track Renovation Phase III – Running Rail and Switch Tie Replacement, Contract Proposal Number B12221.

Other Matters

Mr. Daniels referenced Tab 9 of the Committee books and asked Board Members to review these items:

- a) Business Management Committee Look-A-Head
- b) Financial Highlights/KPIs (December YTD)
- c) Financial Markets Update
- d) Ridership Update (December YTD)

Adjournment

The meeting of the Business Management Committee adjourned at 11:39 a.m.