

MINUTES

WORK SESSION OF THE BOARD OF DIRECTORS METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY

June 22, 2018

12:10 p.m.

Board Members Present

Roberta Abdul-Salaam
Robert L. Ashe III
Robert F. Dallas
Frederick L. Daniels, Jr.
Jim Durrett
William "Bill" Floyd
Jerry Griffin
Freda B. Hardage
Alicia M. Ivey
Russell McMurry, P.E.*
John "Al" Pond
W. Thomas Worthy

Staff Members Present

A. Robert Troup (Acting)
Wanda Dunham
Gordon Hutchinson
Elizabeth O'Neill
Davis Allen
Rhonda Allen
Elayne Berry
LaShanda Dawkins
Stephany Fisher
Abebe Girmay
Shelton Goode
Abebe Girmay
Diane Hamilton (Acting)
Jonathan Hunt
Benjamin Limmer
Dean Mallis
Ryland McClendon
Paula Nash
Emil Tzanov
Tom Young

Also in attendance was LaToya Brisbane of Holland & Knight, LLP; David Wickert of *The AJC*.

Chairman's Report

Upcoming Meetings

Friday, July 20, 2018

- Audit Committee – 11:00 a.m.

Thursday, July 26, 2018

- Operations & Safety Committee – 10:00 a.m.
- Business Management Committee (immediately following)

* Russell R. McMurry, P.E. is GDOT Commissioner and is therefore a non-voting member of the MARTA Board of Directors

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Thursday, August 2, 2018

- Planning & External Relations Committee – 10:30 a.m.
- Board – 1:30 p.m.

Approval of the May 3, 2018 Work Session Minutes

On motion by Mr. Griffin seconded by Mrs. Hardage, the minutes were unanimously approved by a vote of 8 to 0, with 9* members present.

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Chairman Ashe thanked and congratulated Commissioner McMurry, Mrs. Hardage and Mr. Pond for their help with the State investment of \$100M.

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General Manager/CEO Report

Unsolicited Proposal Policy Comparison

Mr. Hunt presented this briefing.

The most progressive policies among transit agencies towards the receipt, review and analysis of unsolicited proposals are:

- DART (Dallas)
- LA Metro (Los Angeles)
- MBTA (Boston)
- RTD (Denver)
- WMATA (Washington, DC)

MARTA Unsolicited Policy Overview

General Policy - a written proposal that is:

- Innovative and unique
- Independently developed/originated by the proponent
- Prepared without MARTA assistance
- Does not address/respond to a prior MARTA written expression of need or solicitation; and
- Details the benefits to MARTA

NOTE: MARTA charges a fee to review and evaluate all unsolicited proposals, which may be waived at the GM/CEO's discretion

Evaluation Process:

- CPM and the SME determine if the proposal contains all the required information
- If yes, then a comprehensive evaluation is conducted
- If the proposal is approved, then either a competitive solicitation is conducted OR MARTA may negotiate a direct contract if the proposal meets the sole source criteria

*NOTE: If a competitive solicitation is conducted, then the unsolicited proposal proponent is provided with an advantage during the evaluation of proposals

Evaluation Time:

- Typically, MARTA completes review within 60 days of receipt of the proposal

Key Commonalities Among All Policies

- A written proposal for a new, unique or innovative idea that is independently originated/developed without the Authority's involvement and details the benefit(s) to the Authority
- An unsolicited proposal is not one made in response to a formal or informal Authority request
- The unsolicited proposal must (i) satisfy the definition of an unsolicited proposal, (ii) include all of the required information, (iii) contain enough detail in order to be subjected to an evaluation in order to receive a subsequent comprehensive review by the Authority
- Each Authority has some form of two-step evaluation process
- No Authority is required to enter a contract simply by receiving and reviewing an unsolicited proposal
- Each Authority reserves the right to use non-proprietary information to develop a subsequent public solicitation
- The result of a successful unsolicited proposal is either (i) issuance of a competitive procurement or (ii) negotiation of a sole source award contract
- The applicable Open Records laws of each State apply to all of the unsolicited information
- The ethics code/conflict of interest policy of each Authority applies
- Each Authority streamlines their procurement processes to enable timely/efficient review
- Each Authority reserves the right to terminate the unsolicited proposal process at any time

NOTE: All sole Source awards must comply with each of the Authority's procurement code

Key Differences Among Policies

- Level of Uniqueness – some systems require the following may or may not be a part of the current process:
- Long term budget planning; proprietary proposal; advanced proposal related to real estate
- Review of Proposals – 60 days or less versus an undefined period of time; required publication or notice of interest in an unsolicited proposal post-review
- Marketing/staffing – separate/standalone department; some marketing and promotional materials; very little marketing/promotion
- Public procurement of unsolicited proposal – the unsolicited proposal is advertised as is versus creation of a separate but similar RFP; at least 14 days public notice prior to a direct award to an entity; must meet sole source criteria for a direct award
- Evaluation of procurement post-unsolicited proposal – consideration is given to the initial proponent of an unsolicited proposal during the evaluation process

Approximate Volume Unsolicited Proposals

- MARTA: seven (7) unsolicited proposals; 4 proposals under review; 2 awarded or completed development projects
- RTD: approximately 50 unsolicited proposals; 3 real estate/construction RFPs issued as a result
- MBTA: numerous unsolicited proposals received; 6 RFPs issued as a result
- WMATA: did not respond in time for Board presentation
- LA Metro: did not respond in time for Board presentation

Key Takeaways

- MARTA's unsolicited proposal policy is very similar to other large transit agencies
- MARTA's policy of giving the unsolicited proposal proponent credit in an subsequent procurement is one of the most forward leaning in the country
- Improved awareness of MARTA's unsolicited proposal policy

Introduction to Procurement

Mr. Hutchinson presented this briefing.

MARTA's Procurement Statement

CPM provides centralized procurement for the Authority and is responsible for procurements from purchase requisition through contract closeout.

MARTA solicits competition from as many sources as practical.

Classifications of Procurement

- Formal – procurement over \$200K
- Informal (small purchases) – procurement under \$200K

Small Purchases

- Procurement with an estimated value less than \$200K
- Small purchase procurements are not as rigorous, but still provide competition
- Goal is to obtain the best product/service at the best price and terms
- Micropurchase is a type of small purchase which does not require competition. Threshold is established by funding entity:
 - Locally funded purchase threshold is \$10K
 - FTA funded purchase threshold is \$3KAll P-card purchases are classified as micropurchases
- Written quotations are required above the micropurchase threshold
- A minimum of three (3) qualified vendors are solicited
- The requester reviews submitted quotations and provides a recommendation to CPM

Formal Procurements

- Procurements greater than \$200K require Board approval and formal advertising
- Types of formal procurements:
 - Invitations for Bid (IFB) – sealed bids
 - Request for Proposals (RFP) – negotiated procurements
 - State/GSA
 - Sole Source
 - Emergency
 - A&E Services

Invitations for Bid (IFB)

- Bids publicly solicited; firm fixed unit price contract; awarded to the lowest responsive and responsible bidder; the Authority may choose not to award at its sole discretion; MARTA does not purchase solely on the basis of 'low bid'

Request for Proposals (RFP)

- Use negotiated procurements when the Authority considers quality and other factors in addition to price
- RFPs are preferred when the scope cannot be completely defined in advance
- Two Board actions are required – (i) Request to Solicit and (ii) Award

State/GSA Contracts

- The MARTA Act permits the use of Federal and State of Georgia Contracts
- Advantages – shorter time to award; requires less C&P and other resources; Federal or State government already conducted a competitive bid
- Disadvantages – must accept Federal/State specifications; MARTA may occasionally obtain a lower price by conducting its own solicitation

Sole Source

- Item is available ONLY from one source due to:
 - ∞ Technical specifications
 - ∞ Warranty requirements
 - ∞ After conducting a solicitation, competition is determined to be inadequate
- i.e., software maintenance

Emergency Procurement

- Direct and immediate effect on customer service, public health, safety or welfare of the Authority
 - Requires GM/CEO approval
- i.e., power outage

A&E Services

- Architect-Engineering Services – work required by a registered or licensed architect or engineer
- Types of services include:

- Program management
- Construction
- Project management
- Feasibility studies
- Competitors' qualifications are evaluated and the most qualified competitor is selected
- A price proposal is requested and negotiations are conducted with the selected vendor

Diversity & Inclusion

- MARTA promotes the utilization of Disadvantaged Business Enterprises (DBE) and Small Business Enterprises (SBE)
- D&I will establish goals for each procurement on an individual basis
- CPM Agents, with assistance from D&I shall solicit DBE's/SBE's for quotes, bids and proposals

Delegation of Authority

<u>Authority</u>	<u>Limit</u>
Board of Directors	\$200K or greater
GM/CEO	Up to \$199,999
CFO, Chief Counsel (CC)	Up to \$35K
*Requires alternate concurrence (CFO or CC)	Up to \$74,999
COO, CAO, COS	Up to \$35K
*Requires CFO and CC concurrence	Up to \$74,999
AGMs	Up to \$35,000
Sr. Director, C&P	Up to \$35,000
Sr. Director, Director, Ex. Director, Chief of Litigation, Chief of Corporate Law	Up to \$10,000

Procurement Timeline

Average procurement times (initiation through contract award) depend on the complexity of the solicitation:

<u>Procurement Type</u>	<u>Time – Prior to Award</u>
RFQ	30 days
IFB – Recurring	6 – 9 months
IFB – New	9 – 12 months
RFP	9 – 12 months
A&E	9 months

Mr. Daniels asked that staff provide an update regarding more ways of getting information out to the community.

Mr. Goode said he will come back to the Board and provide an update during the July or August timeframe.

Mr. Daniels mentioned that the Authority is moving from stabilizing the Budget to execution of More MARTA. He asked what is being done to move contracts expeditiously.

Mr. Hutchinson said there is a tendency to do things in a linear fashion. There needs to be a greater sense of urgency. Sometimes when we have contracts in place, we don't execute against them fast enough.

Mr. Griffin asked where are our safeguards.

Mr. Hutchinson said there is good segregation of duties. When requests are made for goods and services there is a lot of rigor to go through. Great strides have been made in running through processes.

Mr. Floyd mentioned if the process is too abbreviated – you can get into trouble. There must be safeguards in place.

Street Car Update

Mr. Hutchinson stated there has been discussion to charge a fare when the street car comes under MARTA.

Chief Dunham noted if a fare is charged, it will give MARTA the ability to enforce 'no loitering'.

Chairman Ashe said this means there will need to be an amendment to the proposed Budget at the Board meeting.

Mr. Worthy asked if the fare would be \$1.

Mr. Hutchinson confirmed that it would and stated there would be three ways to pay – cash in machine; use of vending machines or online.

Chief Dunham reported that she visited Denver recently. Crime is high on that system. They have to have security ride the system, as well.

Requests for Waiver

Mrs. O'Neill reported that two former employees have requested waivers to work with firms that have done or are currently doing business with MARTA. She reported in both cases, the former employees will not be involved in any MARTA work.

Chairman Ashe asked if either of the individuals would have any material role in awarding work to Atkins or Jacobs.

Mrs. O'Neill said they would not. Additionally, during the meeting with MARTA's Board of Ethics, there was discussion as to whether MARTA's Code is too stringent. Research is being done to determine how other systems handle.

Mr. Daniels asked when will the Board receive information on a recent incident on the MARTA system.

Mr. Troup advised the incident is under investigation and there is a Code of Silence being enforced at this time.

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On motion by Mr. Griffin seconded by Mr. Durrett the Board unanimously agreed by a vote of 11 to 0, with 12* members present to go into Executive Session at 1:19 p.m. to discuss a legal matter.

On motion by Mrs. Hardage seconded by Mr. Griffin the Board unanimously agreed by a vote of 11 to 0, with 12* members present to adjourn the Executive Session at 1:59 p.m.

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Adjournment

The meeting of the MARTA Board of Directors adjourned at 1:59 p.m.