



MINUTES
REGIONAL TRANSPORTATION AUTHORITY
OCTOBER 19, 2016

- I. CALL TO ORDER:** The regular meeting of the Regional Transportation Authority (RTA) Board of Directors was held in the meeting room at Music City Central, 400 Charlotte Avenue, Nashville, TN on Wednesday, October 19, 2016. A quorum was established, and the meeting was called to order at 10:00 a.m. by Finance & Audit Committee Chair Ken Moore, Franklin City Mayor.
- II. APPROVAL OF MINUTES:** Mayor Moore entertained a motion to approve the minutes of the September 21, 2016 meeting. Proper motion was made and seconded, and the minutes were adopted unanimously.
- III. PUBLIC COMMENTS:** Mayor Moore opened the period for public comments and recognized the following members of the public:

Margo Chambers of Nashville was recognized and had this comment:

- She asked for clarification of point two under Action Item A-16-021 when presented today.

Cheryl Lewis, a frequent rider of the Music City Star, was recognized and had these comments:

- The current Music City Star crew is the best crew the Star has ever had and she attributes this to Terry Bebout. He drills into the crew the importance of being on time and has done an excellent job training them.
- The crew is personable, and they go beyond the call of duty to accommodate and assist their passengers.

Mayor Ken Moore, seeing no other comments, read an email he had received from Donald Gauge on October 13, 2016 requesting it be submitted as public comment:

- Mr. Gauge supports Transit Solutions Group (TSG), the current operators of the Music City Star.
- He is concerned that the competitor bidding against the TSG group has no long-term track record of operating a commuter train in the United States.
- If the other company wins the bid, he will be concerned about safety and about whether the Star will be operated as effectively and efficiently as it has been over the last 10 years.
- Mr. Gauge asks that the Board show the RTA staff their support of TSG.

At this time, Mayor Moore turned the meeting over to Paula Mansfield, RTA Board Secretary, to conduct the rest of the meeting. She recognized the following member of the public for comment:

Jo Ann Graves, Executive Director of the Transit Alliance who had these comments:

- The ninth Transit Citizens Leadership Academy (TCLA) has started with 25 members in the class. Every county is represented, save Maury, and that was because the class was full, but they will be in the spring class.
- The Transit Alliance will be holding their second Transit Governments Leadership Conference (TGLC) in October in Rutherford County and another class scheduled in November in Williamson County and Maury will be included in that class. The TGLC targets elected and appointed officials to make sure they have all the current information about what is happening in the transit arena.

There were no other public comments at this time.

IV. **MONTHLY OPERATING STATISTICS (I-16-009):** Chief Operating Officer India Birdsong reviewed the monthly operating statistics for the Board.

V. **FINANCE AND AUDIT REPORT:** Committee member Franklin City Mayor Ken Moore called upon Chief Financial Officer Ed Oliphant to present the Finance and Audit report through August 31. CFO Oliphant briefly reviewed the statistics that were previously presented in committee.

Mayor Moore presented the following action items:

- a. **Operations & Maintenance Service Purchase Order (A-16-020):** Staff is currently in the process of procuring a third-party contractor to manage the operation and maintenance of the Music City Star following the expiration of a previously held agreement. RTA has operation and maintenance services with Transit Solutions Group (TSG) through November 13, 2016.

To allow staff sufficient time to complete the solicitation and evaluation process for the implementation of a new contract, staff is seeking to extend the current purchase order for operation and maintenance service up to an additional six months.

The Committee recommends approval from the Board to provide the Chief Executive Officer authority to extend the current purchase order up to six months in a not-to-exceed amount of \$1,266,353.77. The funding source for this purchase order will be various grants and regional support. Proper motion was made and seconded, and a call was made for any discussion.

There was some discussion that resulted in the further explanation that because Federal and State funds are used to operate the Music City Star services, as well as all of the RTA services, and we are obligated to compete any of the third-party contracts. This has been done every five years and is what we are doing now.

This is the first time we have actually had a competitive procurement process where we have more than one qualified proposer. While the evaluation committee goes through that process to evaluate technical, financial, and capacity issues, the extension allows uninterrupted service; and, the evaluation criteria to continue a very high quality of service in a manner that is in the best financial interest to the tax-payers and those who support the service.

There was no further discussion, and the vote of approval was unanimous.

- b. Procurement Policy & Procedure Manual Update (A-16-021):** As a recipient of federal funding through the Federal Transit Administration (FTA), every three years RTA's policies and practices are subject to review. The objectives of the Triennial Review Audits are to encourage and facilitate improved recipient operations, promote the use of best practices, and assess the recipient's compliance with all federal requirements.

The FTA completed its 2016 Triennial Review of the RTA in June of this year. This included a review of our current procurement policy and procedure manual that was first adopted by the Board on June 17, 2009 and amended most recently on December 16, 2015. Subsequent to the Triennial Review, the FTA recommended adding the following language to our current procurement policy:

1. Buy America for rolling stock
 - a. Reviewed and Verified Domestic Content is more than 60 percent for fiscal year 2016 and 2017.
 - b. Reviewed and Verified Domestic Content is more than 65 percent for fiscal year 2018 and 2019.
 - c. Reviewed and Verified Domestic Content is more than 70 percent for fiscal year 2020 and beyond: Buy America List of bus components and sub-components that will calculate the percentage of domestic content.
 - d. Buy America certification is required for procurements that include steel, iron, or manufactured products of \$100,000 or higher.
2. Single Source a competitive procurement action where there is only one offeror who is deemed responsive and responsible. Before an award is made based on a single source, the price must be negotiated and justified as reasonable.
3. Making Responsibility Determinations should include the review of the contractor's Technical Capacity, Financial Resources, and Past Performance.

Upon further review of the current policy, RTA staff also proposes the following changes:

1. Adding procedures to the procurement policy and renaming the document Procurement and Procedure Manual
2. Adopting the new Micro threshold levels of \$3,500.00
3. Adopting the new Small Procurement threshold levels of \$150,000.00

The Finance and Audit Committee recommends to the Board adoption of the procurement policy and procedure manual updates in accordance with the Triennial Review auditor's recommendations and additional updates as outlined above.

Proper motion was made and seconded and discussion followed. The first set of changes is in response to the FTA's recommendations to bring us into full compliance. The second set is recommendations from our procurement staff after having looked at best practices in other agencies. If this is adopted by the Board, then we are in full compliance with federal rules and regulations.

Further discussion ensued clarifying the process and standards for a single source competitive procurement action where there is only one offeror who is deemed responsive and responsible. These are single bids, for whatever reason, and they come from procurement. A competitive analysis is done to answer why there were not multiple offers, and if that is satisfactorily answered, then a full cost price analysis is done to show that pricing is in a competitive range.

If it is not satisfactorily answered, then a re-bid is considered. Who makes the final decision is based on value. If it is beyond a certain value, then it would come before the Board for review with background documentation.

Concerning the federal process, when the FTA holds the triennial review or an occasional specific procurement systems review, one of the first things they ask for are the procurement files for single bids, or sole source, to make sure that all of those procedures have been followed.

Buy America was also discussed and explained that it is a specific provision in the federal transportation law for procurement that is specific to rolling stock like buses or rail cars. Not just final assembly of the vehicle has to occur within the United States, but there is an actual measurement. When we buy buses, or should we ever buy rail cars, we have to assign auditors to document points of origin for their components. The auditors will look for points of origin for components until they get to that threshold level, until they get to that content level, which passes whatever that federal threshold is. All that information has to be in our files for the federal auditors review.

There was no further discussion and the vote of approval was unanimous.

VI. CEO'S REPORT: CEO Steve Bland reported the following:

- Northwest Corridor Study – some of this has been on hold for the nMotion closure, but has been reactivated with Parson's Brinkerhoff and we expect to wrap that up over the next couple of months and bring final recommendations to the board. Toward that end, there have been a lot of conversations with corridor mayors in the northwest corridor on the future dynamic of that corridor.
- Clarksville Park & Ride Opening – just a couple of weeks ago we were very pleased to join with Tennessee Department of Transportation (TDOT)

Commissioner John Schroer and City of Clarksville Mayor Kim McMillan for the grand opening of the new park and ride for the 94X Clarksville Express route. It is a tremendous facility. We have more than doubled the capacity; it has great access to the interstate, and is well-lit. We extend a big thanks to TDOT for putting that together.

- Hamilton Springs – we have been working on this with the developer, the City of Lebanon, the Metropolitan Planning Organization, and a number of others. After opening bids on the Hamilton Springs Station development there was a bit of a funding gap and we are brainstorming to close that funding gap. We do expect to be bringing a recommendation for construction award to the board for a fully funded project.
- Federal Railroad Administration (FRA) – we have had a number of meetings with the FRA and the FTA, as well as with TSG and Nashville and Eastern Railroad on implementation of our Positive Train Control system and those meetings have been very productive. After two years of trying, we finally got FRA type approval on the technology that we would like to use. That was a significant barrier to overcome
- 10th Anniversary celebration of the Music City Star – a special thanks to Wilson County Mayor Randall Hutto, City of Lebanon Mayor Philip Craighead, Nashville and Davidson County Mayor Megan Barry, and City of Clarksville Mayor Kim McMillan for participating actively in that. It went extremely well.

VII. CHAIR’S REPORT: Board Secretary Paula Mansfield deferred this report until Board Chair City of Clarksville Mayor Kim McMillan returns at the next meeting.

VIII. OTHER BUSINESS: There was no other business to come before the Board.

IX. ADJOURNMENT: Motion was made to adjourn, and the meeting was adjourned at 10:30 a.m.

Respectfully,

Paula Mansfield

Governor’s Appointee
RTA Secretary