

SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY

A G E N D A

REGULAR MEETING

To Be Held at 3:00 PM

APRIL 25, 2019

1234 Market Street, Mezzanine Level

Philadelphia, PA

1. Approval of Minutes of the Regular Board Meeting of March 28, 2019
2. Financial Report
3. Resolutions
- I. **Administration Committee Review**
 - A. Renewal of Excess Workers' Compensation Insurance from Safety National Casualty Company
 - B. Award of a Contract Pursuant to a Request for Proposals
- II. **Operations Committee Review**
 - A. Items for Consideration
 1. Lease by SEPTA to Steam Bar, L.L.C. of Approximately 795.75 Combined Square Feet of Ground Upon the Inactive Newtown Branch Railroad Right-of-Way in Upper Southampton, Bucks County
 2. Lease by SEPTA to the Borough of Hatfield of the Hatfield Station Building and Surrounding Parcels of Ground Along the Inactive Portion of the Bethlehem Branch Located in Hatfield, Montgomery County
 - B. Authorization to Award Contracts for Various Procurements
 - C. Award of Contracts for Sole Source Procurements
 - D. Authorization to Execute Change Orders and Amendment
4. Report of General Manager

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R E S O L U T I O N

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RENEWAL OF EXCESS WORKERS' COMPENSATION INSURANCE
FROM SAFETY NATIONAL CASUALTY COMPANY

WHEREAS, the Commonwealth of Pennsylvania requires excess workers' compensation insurance as a condition for SEPTA to self-insure its workers' compensation claims; and

WHEREAS, SEPTA's current workers' compensation insurance coverage with Safety National Casualty Company ("Safety National") expires on May 1, 2019; and

WHEREAS, the expiring policy provides a \$10 million limit of liability with a \$5 million self-insured retention on a per accident basis and \$1 million in employer's liability coverage, at an annual premium of \$248,813, adjustable at a rate of \$0.0450 per \$100 of SEPTA's payroll not exceeding \$522,917,423 during the expiring policy's term; and

WHEREAS, SEPTA's Risk Management Advisory Committee (RMAC) has recommended that SEPTA exercise the option provided by Safety National which provides a guaranteed 3% rate reduction for the new policy period; and

WHEREAS, the proposed renewal coverage by Safety National would be under the same terms and conditions as the expiring program for a minimum annual premium of \$252,344 (including a \$500 policy administrative charge) subject to adjustment for SEPTA's payroll values in excess of \$578,952,521 for the term at a fixed rate of \$0.0435 per \$100 of payroll; and

WHEREAS, staff, with the concurrence of the RMAC, requested that the General Manager recommend that the Board authorize SEPTA to renew the coverage with Safety National for a 12-month period commencing on May 1, 2019, under the terms and conditions that are set forth above and more fully described in the pertinent staff summary; and

WHEREAS, the General Manager made the recommendation to the Board.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes SEPTA to purchase/renew from Safety National Casualty Company excess workers' compensation insurance for all employees (i) with coverage limits of \$10 million with a \$5 million self-insured retention, both on a per accident basis, and \$1 million employer's liability coverage; (ii) for a 12-month term commencing on May 1, 2019 and will end on May 1, 2020; and (iii)

at a minimum annual premium of \$252,344, subject to adjustments based upon actual payroll in excess of \$578,952,521 at a rate of \$0.0435 per \$100 of payroll during the term, as more fully described within the pertinent staff summary.

FURTHER RESOLVED, that the Board authorizes the proper managers of SEPTA to execute all documents, in form approved by the Office of General Counsel, and to do any and all other things as shall be necessary and proper in order to effectuate the purpose of this Resolution.

R E S O L U T I O N

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AWARD OF A CONTRACT
PURSUANT TO A REQUEST FOR PROPOSALS

WHEREAS, SEPTA, which has need for the services as described below, has advertised and solicited proposals from firm wishing to propose; and

WHEREAS, SEPTA staff has requested that the General Manager recommend that the Board authorize the award of the contract to the firm listed below because said firm was the successful proposer in the area for which the request for proposals was issued; and

WHEREAS, the General Manager recommended that the Board authorize the award of the contract.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes SEPTA to award subject to the following conditions 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 the proposers satisfactorily meeting all requirements of the terms and conditions of the relevant request for proposals, including the provision of any required insurance certificates and full compliance with any applicable Disadvantaged Business Enterprise (DBE) requirements:

1. To Zelenkofske Axelrod LLC, for the appointment of an independent certified public accounting firm to examine the books, records, accounts and operations assets and liabilities of the Authority for the purpose of auditing and reporting upon the annual financial statements, with services to be performed over a period of five years commencing on May 1, 2019 (which will encompass Fiscal Years 2019-2024), as described in the staff summary on this subject, for a total contract amount not to exceed \$1,266,800, Request for Proposals No. 18-00203-ACKR - External Auditing Services.

R E S O L U T I O N

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LEASE BY SEPTA TO STEAM BAR, L.L.C. OF APPROXIMATELY 795.75
COMBINED SQUARE FEET OF GROUND UPON THE INACTIVE NEWTOWN BRANCH
RAILROAD RIGHT-OF-WAY IN UPPER SOUTHAMPTON, BUCKS COUNTY

WHEREAS, SEPTA owns tracks of land known collectively as the Fox Chase/Newtown Branch that includes the part that is located north of Fox Chase Station in which no train service currently operates ("Newtown Branch"); and

WHEREAS, Steam Bar, L.L.C. ("Steam Bar") owns and operates the Steam Pub restaurant located at 606 2nd Street Pike, on land which is adjacent to SEPTA's railroad right-of-way at Milepost 18.87 on the inactive Newtown Branch in Upper Southampton, Bucks County; and

WHEREAS, Steam Bar has requested SEPTA to lease them approximately 795.75 square feet of vacant ground within the subject right-of-way with the intent of using the ground for placement of a raised outdoor dining deck, along with separate areas (8.0 square feet) to accommodate hosting of two HVAC units in connection with its Steam Pub restaurant business (collectively, "Demised Premises"); and

WHEREAS, the Real Estate Department determined that SEPTA could proceed to negotiate with Steam Bar as a sole source because the location of the Demised Premises is only accessible to the Steam Pub restaurant property; and

WHEREAS, the term of the proposed lease agreement is ten years along with ten 1-year options, at the initial annual base rental of \$5,625 (payable at \$468.75 per month), and will increase at the rate of two percent (2%) effective the second year and thereafter; and

WHEREAS, the proposed lease agreement will represent potential revenues to SEPTA totaling \$61,592.18 over the maximum 10-year term (including options); and

WHEREAS, SEPTA will retain continuing control of the property by virtue of 30-day termination and recapture provisions; and

WHEREAS, the Federal Transit Administration (FTA) has concurred with the proposed lease agreement; and

WHEREAS, staff requested that the General Manager recommend that the Board authorize SEPTA to enter into the proposed lease agreement with Steam Bar for the Demised Premises under such terms and conditions as set forth above and more fully described in the pertinent staff summary; and

WHEREAS, the General Manager made the recommendation.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes SEPTA to enter into the proposed lease agreement with Steam Bar, L.L.C. for the Demised Premises totaling 795.75 square feet of ground consistent with the terms and conditions set forth within the pertinent staff summary.

FURTHER RESOLVED, that the Board hereby authorizes the General Manager or his designee to execute all documents, in form approved by the Office of General Counsel, and to do any and all other things as shall be deemed necessary and proper in order to effectuate the purpose of this Resolution.

R E S O L U T I O N

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LEASE BY SEPTA TO THE BOROUGH OF HATFIELD OF THE
HATFIELD STATION BUILDING AND SURROUNDING PARCELS OF
GROUND ALONG THE INACTIVE PORTION OF THE BETHLEHEM BRANCH
LOCATED IN HATFIELD, MONTGOMERY COUNTY

WHEREAS, SEPTA owns the railroad right-of-way that is collectively named the Bethlehem Branch ("Bethlehem Branch") which is located between the Fern Rock section of the City of Philadelphia and the City of Bethlehem, Lehigh County; and

WEHEREAS, SEPTA does not currently operate passenger service on the Bethlehem Branch beyond Lansdale, Montgomery County; and

WHEREAS, SEPTA owns the ground (74,932 square feet) and building improvements thereon at the Hatfield Railroad Station ("Station") located in Hatfield, Montgomery County, along the inactive portion of the Bethlehem Branch, and has no current or anticipated need for the subject premises; and

WHEREAS, Pennsylvania Northeastern Railroad operates freight service on a segment of the line in the vicinity of the

Station pursuant to a trackage rights agreement it acquired from CSX Transportation, Inc.; and

WHEREAS, on February 24, 2000 the Board authorized SEPTA to lease a portion of the vacant ground (approximately 30,660 square feet) adjacent to the Station to the Borough of Hatfield ("Borough") to use for public parking; and

WHEREAS, SEPTA currently leases the Station building itself to a private business for use as a retail establishment, and leases a portion of the parking lot to the Borough; and

WHEREAS, the Borough has requested SEPTA to terminate both of the existing leases and enter into a new lease-sublease agreement with the Borough for the total Station premises consisting of the grounds and improvements thereon ("Demised Premises") for renovation and subleasing of the Station buildings and the development of parking for public use; and

WHEREAS, the Borough has agreed to a proposed lease-sublease agreement of the Demised Premises for a base term of ten years, along with two 5-year renewal option periods, at a SEPTA-contracted fair market value rent appraisal determined at a beginning value of \$27,000 annually; and

WHEREAS, in order to offset the estimated \$153,000 capital outlay by the Borough for improvements to the Demised Premises, SEPTA has agreed that rent would be proportionally abated for the first three (3) years, with the balance equally divided and credited for the seven (7) years remaining under the base term of the proposed lease-sublease agreement, with escalations thereafter of 3% annually beginning in the fourth year; and

WHEREAS, the Borough will be responsible for the estimated \$6,500 annual cost of all ongoing repairs and maintenance to the Demised Premises during the term of the lease-sublease agreement; and

WHEREAS, the proposed lease-sublease will generate \$80,146.08 in adjusted rental income to SEPTA over the initial ten-year base term, and \$395,979.23 in revenue if both five-year options are exercised, and SEPTA will achieve a savings of \$283,000 during the full term of the lease-sublease agreement by shifting capital improvement and maintenance costs to the Borough; and

WHEREAS, all plans, specification and methods will require SEPTA EM&C approvals, and the lease-sublease agreement will further provide for indemnification of SEPTA, satisfaction of

insurance and safety requirements, and SEPTA's ability to recapture the Demised Premises for transportation purposes; and

WHEREAS, if required, SEPTA staff will obtain any necessary Federal Transit Administration (FTA) concurrence of the transaction contemplated hereunder; and

WHEREAS, staff requested that the General Manager recommend that the Board authorize SEPTA to terminate the existing lease agreements with the Borough and current building tenant, and enter in the proposed new lease-sublease agreement with the Borough under the terms and conditions set forth above and more fully described in the pertinent staff summary;

WHEREAS, the General Manager made the recommendation to the Board.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes SEPTA to enter into the proposed lease-sublease agreement with the Borough of Hatfield for the Demised Premises under such terms and conditions set forth within the pertinent staff summary.

FURTHER RESOLVED, that the Board hereby authorizes the General Manager or his designee to execute all documents, in form approved by the Office of General Counsel, and to do any

and all other things as shall be deemed necessary and proper in order to effectuate the purpose of this Resolution.

S: /Corp/Resolutions/04-2019-Lease to Hatfield Borough of Hatfield-Hatfield Passenger Station

R E S O L U T I O N

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AUTHORIZATION TO AWARD CONTRACTS FOR VARIOUS PROCUREMENTS

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

WHEREAS, the firms listed below was the lowest responsive and responsible bidders to the invitations for bids; and

WHEREAS, staff requested that the General Manager recommend that the Board authorize SEPTA to award the contracts 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 contracts 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 vendors satisfactorily meeting all requirements of the bid terms and

specifications, including full compliance with any applicable Disadvantaged Business Enterprise requirements:

1. To Railroad Friction Products Corporation, for the purchase of 1,500 brake pad sets to be used on the Silverliner V rail car fleet, at a unit price of \$67.77, with delivery of material scheduled for 750 sets commencing in May 2019 and the remaining 750 sets due four months later, as described in the staff summary on this subject, for a total contract amount not to exceed \$101,655, Sealed Bid No. 19-00013-ACAC - Brake Pads for Silverliner V.

2. To Progress Rail Services Corporation, for the purchase of high and low restraint track fasteners to replace all direct fasteners on the Market-Frankford Subway Elevated (MFSE) Line, with delivery of material scheduled to commence in June 2019, as described in staff summary on this subject, for a total contract amount not to exceed \$4,182,065, Sealed Bid No. 18-00268-ACZC - Track Fasteners.

3. To Industrial Commercial Cleaning Group, Inc., for the provision of all labor, materials, tools and equipment for the cleaning of escalator glass enclosures at Jefferson Station, with services to be performed over a period of three years

scheduled to commence in May 2019, as described in the staff summary on this subject, for a total contract amount not to exceed \$129,635.64, Sealed Bid No. 19-00016-ADLD - Escalator Enclosure Glass Cleaning at Jefferson Station.

~~4. To Clear Solutions Property Maintenance, LLC, for Line Segment 1, for the provision of services, equipment and materials for the landscaping and grounds keeping of SEPTA-owned and leased railroad stations throughout the Regional Rail Division (RRD) coverage area, with services to be performed over a period of five years scheduled to commence on May 1, 2019, as described in the staff summary on this subject, for a total contract amount not to exceed \$249,000, Sealed Bid No. 18-00204-AJEB - Landscaping Services SEPTA Regional Rail Division.~~

4. 5. To Vanalt Electrical Construction, Inc., for the provision of electrical construction work on the Traction Power Substation Rehabilitation Project - Contract 2, with services to be performed over a period of 1,280 calendar days after issuance of Notice-to-Proceed, as described in the staff summary on this subject, for a total contract amount not to exceed \$26,580,000, RFQ/Sealed Bid No. 18-00197-AMJP - Traction Power Substation Rehabilitation Project- Contract 2.

R E S O L U T I O N

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AWARD OF CONTRACTS FOR SOLE SOURCE PROCUREMENTS

WHEREAS, SEPTA has need for the supplies and services described below and those supplies and services are available only from the firms listed below; and

WHEREAS, staff reviewed the cost of the supplies and services and the General Manager recommended that the Board authorize SEPTA to award the contracts.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes SEPTA to award and the General Manager or his designee to execute the contracts identified below, 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 the vendor/contractor satisfactorily providing any required bonds, insurance certificates and/or other documents, and complying with any applicable Disadvantaged Business Enterprise requirements:

1. To Simmons Machine Tool Corporation, for the provision of preventative maintenance, inspection services, emergency repairs and replacement parts for the Simmons-Stanray Wheel Truing Machine at Overbrook Shop, with services to be performed on an "as required" basis over a period of two years scheduled to commence on May 1, 2019, as described in the staff summary on this subject, for a total contract amount not to exceed \$32,865, Sole Source No. 19-00042-ARIB - Overbrook Wheel Truing Machine.

2. To Amazon Web Services, Inc., for the continued provision of cloud based and front distribution server hosting services for SEPTA's website (www.septa.org) and web application and further advance its web infrastructure development in order to meet the uptime requirements and availability to customers, with technical services to be performed over a period of three years scheduled to commence on June 1, 2019, as described in the staff summary on this subject, for a total contract amount not to exceed \$310,320, Sole Source No. 19-00029-APQC - Web Hosting Services.

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AUTHORIZATION TO EXECUTE CHANGE ORDERS AND AMENDMENT

WHEREAS, additional work is required to complete the projects identified below; and

WHEREAS, staff reviewed the cost of the additional work and the General Manager recommended that the Board authorize SEPTA to order the additional work.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes SEPTA to award and the General Manager or his designee to execute the change orders and amendment identified below in form approved by the Office of General Counsel, subject to the concurrence of the funding agencies, if required, and to any applicable Disadvantaged Business Enterprise requirements:

1. To D'Angelo Brothers Inc., for Change Order No. 2, which provides for additional general construction work and various credits on the Demolition, Drilled Shafts & Support of Excavation at Stadium Station Project, at a net increase in cost not to exceed \$34,910, bringing the total contract price,

including all change orders to date, to an amended contract amount not to exceed \$851,832.

2. To Philips Brothers Electrical Contractors, Inc., for Change Order No. 5, which provides for additional electrical construction work on the Frazer Shop and Yard Expansion - Contract 2 - Project, at an increase in cost not to exceed \$129,391, bringing the total contract price, including all change orders to date, to an amended contract amount not to exceed \$2,913,403, provided that with the Board's approval of this change order, the Board authorizes the resetting of prior authorized cumulative change order amount to zero dollars (\$0) and the establishment of a new cumulative change order threshold of 10% or \$500,000, pursuant to the Resolution adopted by the Board on May 22, 2008, which Resolution authorized a "Delegation of Authority for Change Orders, Amendments and Assignments.

3. To C. Abbonizio Contractors, Inc., for Change Order No. 6, which provides for additional general construction work on the Frazer Shop and Yard Expansion - Contract 2 - Project, at an increase in cost not to exceed \$145,324, bringing the total contract price, including all change orders to date, to an amended contract amount not to exceed \$20,174,259, provided that

with the Board's approval of this change order, the Board authorizes the resetting of prior authorized cumulative change order amount to zero dollars (\$0) and the establishment of a new cumulative change order threshold of 10% or \$500,000, pursuant to the Resolution adopted by the Board on May 22, 2008, which Resolution authorized a "Delegation of Authority for Change Orders, Amendments and Assignments.

4. To Neshaminy Constructors, Inc., for Change Order No. 4, which provides for additional general construction work and a credit on the 30th Street Station Improvements Project, at a net increase in cost not to exceed \$327,694, bringing the total contract price, including all change orders to date, to an amended contract amount not to exceed \$8,315,612, provided that with the Board's approval of this change order, the Board authorizes the resetting of prior authorized cumulative change order amount to zero dollars (\$0) and the establishment of a new cumulative change order threshold of 10% or \$500,000, pursuant to the Resolution adopted by the Board on May 22, 2008, which Resolution authorized a "Delegation of Authority for Change Orders, Amendments and Assignments.

5. To Daniel J. Keating, Inc., for Change Order No. 4, which provides for additional general construction work on the City Hall - 15th Street Station Renovation Project, at an increase in cost not to exceed \$154,424.84, bringing to the total contract price, including all change orders to date, to an amended contract amount not to exceed \$17,577,436.84, provided that with the Board's approval of this change order, the Board authorizes the resetting of prior authorized cumulative change order amount to zero dollars (\$0) and the establishment of a new cumulative change order threshold of 10% or \$500,000, pursuant to the Resolution adopted by the Board on May 22, 2008, which Resolution authorized a "Delegation of Authority for Change Orders, Amendments and Assignments.

6. To Timothy Haahs & Associates, for Amendment No. 8, which provides for additional time/effort to address comments from PennDOT and Upper Darby Township and secure required permits and easements on the 69th Street Terminal Parking Garage Project, at an increase in cost not to exceed \$99,418, bringing the total contract price, including all amendments to date, to an amended contract amount not to exceed \$4,221,743.