



## **Meeting of the Operations and Oversight Committee**

Thursday, August 9, 2018 • 10:00 a.m.  
2nd Floor Board Room • 509 E. 18<sup>th</sup> Street, Norfolk, VA

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A meeting of the Operations and Oversight Committee will be held on Thursday, August 9, 2018 at 10:00 a.m. in the 2nd Floor Board Room at 509 E. 18<sup>th</sup> Street, Norfolk, VA.

The agenda and supporting materials are included in this package for your review.



## Meeting of the Operations and Oversight Committee

Thursday, August 9, 2018 • 10:00 a.m.  
2nd Floor Board Room • 509 E. 18<sup>th</sup> Street, Norfolk, VA

### AGENDA

1. Approval of the July 2018 Operations and Oversight Committee Meeting Minutes
2. Procurement Recommendations to the Committee:
  - a. Request for approval of Contract 18-76541, Elizabeth River Ferry Docks Enhanced Amenities Design
  - b. Request for approval of Contract 18-C78361-01, Light Rail Overhaul Kits
  - c. Request for approval of Contract 18-78365, Microsoft Enterprise Agreement Software License
3. Overview of HRT's Advertising Sale Program
4. Overview of HRT's Disadvantaged Business Enterprise (DBE) Program
5. Operations Update
6. Old and New Business
7. Adjournment

**The next Operations & Oversight Committee Meeting will be held on Thursday, September 13, 2018 at 10:00 a.m. in the 2<sup>nd</sup> Floor Board room at 3400 Victoria Blvd., Hampton, VA**



# Meeting of the Operations and Oversight Committee

Thursday, July 12, 2018 • 10:00 a.m.  
2nd Floor Board Room • 3400 Victoria Blvd., Hampton, VA

## MEETING MINUTES

### Call to order

Commissioner Parnell of Norfolk called the meeting to order at 10:00 a.m.

### **Commissioners in attendance:**

Commissioner Fuller, Chesapeake  
Commissioner Kanoyton, Hampton (via phone)  
Commissioner Parnell, Norfolk  
Commissioner Ross-Hammond, Virginia Beach  
Commissioner Woodbury, Newport News  
Commissioner Rowe, Portsmouth  
Commissioner Hennessee, VADRPT

### **Hampton Roads Transit Staff in attendance:**

Kimberly Ackerman, Chief Human Resource Officer  
Ray Amoruso, Chief Planning and Development Officer  
Amy Braziel, Sr. Executive Assistant  
Conner Burns, Chief Financial Officer  
Alesia Cain, Chief Information Technology Officer  
Margaret Denoncourt, Internal Auditor  
William Harrell, President and CEO  
Sonya Luther, Director of Procurement  
Maryann Martin, Operations Analyst II  
Michael Perez, Director of Rolling Stock  
Jim Price, Chief Operating Officer  
Benjamin Simms, Director of Bus and Rail Transportation  
Mark Stemple, Director of Maintenance  
Robert Travers, Corporate Counsel

The July Operations and Oversight meeting package was distributed electronically to committee members and the media in advance of the meeting. The meeting package consisted of:

- Agenda
- Minutes from the June Meeting
- Procurement Items for Approval

### **Approval of the June 2018 Minutes**

A motion to approve the June 2018 Meeting Minutes was made by Commissioner Hennessee and properly seconded by Commissioner Jackson.

The June 2018 Meeting Minutes were approved by a unanimous vote

### **Request for Approval of Contract 18-76521, General Printing Services**

Ms. Sonya Luther formally presented Contract 18-76521, General Printing Services.

Commissioner Kanoyton arrived at 10:05 am.

The Committee inquired whether Liskey is the incumbent. Staff stated that Liskey is the incumbent bidder.

Commissioner Fuller left the room during the presentation of this contract.

A motion to recommend approval of Contract 18-76521, General Printing Services was made by Commissioner Hennessee and was properly seconded by Commissioner Jackson.

Contract 18-76521, General Printing Services, was approved by a majority vote with Commissioner Fuller not present.

### **Request for Approval of Contract 18-76529, Property and Casualty Insurance Brokerage Services**

Ms. Luther formally presented Contract 18-76529, Property and Casualty Insurance Brokerage Services.

Commissioner Rowe arrived at 10:07 am.

Commissioner Fuller returned at 10:07am.

There was discussion regarding cost of the previous contract for property and casualty insurance brokerage services.

A motion to recommend approval of Contract 18-76529, Property and Casualty Insurance Brokerage Services was made by Commissioner Rowe and was properly seconded by Commissioner Hennessee

Contract 18-76529, Property and Casualty Insurance Brokerage Services was approved by a unanimous vote.

## **Request for Approval of Contract 17-75521R, Uniform Rental Services**

Ms. Luther formally presented Contract 17-75521R, Uniform Rental Services.

There was a request for staff to provide a summary chart that demonstrates the amounts of the contract year over year.

A motion to recommend approval of Contract 17-75521R, Uniform Rental Services was made by Commissioner Rowe and was properly seconded by Commissioner Kanoyton

Contract 17-75521R, Uniform Rental Services was approved by a unanimous vote.

The Chair tabled review of Contract 18-76540, Strategic Regional Transit Transformation Project, until Commissioner McClellan arrived.

## **Operations Update**

Mr. Jim Price updated the committee regarding the I-264 project and a series of light rail closures that have taken place during construction. Mr. Price noted that the phase of the project which impacted light rail is complete. Mr. Price stated that a bus bridge was put in place during the light rail shut down.

Mr. Price stated that HRT provided extra service for July 4<sup>th</sup> events and that ridership for that holiday was approximately 10,000; the highest July 4<sup>th</sup> ridership in several years.

Mr. Price provided an updated regarding the procurement of 28 new buses. Mr. Price noted that 14 buses have already arrived and that 2 of the buses have been placed into service. Mr. Price stated that HRT purchased various size buses to accommodate routes more efficiently.

Mr. Price stated that maintenance is currently in the middle of a repower program with 36 total buses being repowered and 8 already complete.

Mr. Price stated that the agency is currently reviewing possible paratransit models to prepare for a new contract in early 2020. Mr. Price stated that an outside consultant came in to assist with looking at where HRT can take advantage of efficiencies and cost savings in the market place. HRT is hoping to control the predictable year over year escalations in paratransit costs.

There was some discussion regarding the current paratransit fleet. Staff noted that stated that all of the paratransit vans need to be replaced. It was also stated

that HRT is at maximum operational capacity based on its current number of vehicles. Mr. Price stated that there is a need to grow and replace the fleet while holding cost steady.

Commissioner Hennessee stated that the purchase of 71 new paratransit vehicles has been approved by the state and provided an update on funding.

Commissioner Ross-Hammond arrived at 10:22.

There was discussion on how HRT would like to plan for the future and staging the purchase of vehicles in phases.

There was a discussion regarding grants for Department of Rail and Public Transportation (DRPT) and how the funds and agreements are executed.

Commissioner Hennessee stated that the only funds HRT received last year were for the state of good repair.

Mr. Conner Burns gave an update regarding how finance is managing grants and the Capital Improvement Plan (CIP).

Mr. William Harrell stated that staff will provide a full report to the Committee.

Commissioner McClellan arrived at 10:28.

There was discussion regarding bus service at the Virginia Beach oceanfront and it was stated that ridership is very healthy.

There was discussion regarding mobile ticketing which will go into effect July 27<sup>th</sup> to include advertising that will be done. It was stated that it is a soft opening and that there will be a full roll out when it goes across the entire fleet.

Commissioner Parnell stated that HRT needs to get the public excited about the mobile ticketing application.

Commissioner Parnell brought up budget to actuals numbers and is looking for a plan on aggressive advertising sales. Staff to bring a plan regarding advertising sales and to the next meeting.

There were discussions regarding discounting advertising for empty space and focusing on small business.

There was discussion regarding where sales and marketing should be put in relation to a committee for plans and follow up.

## **Request for Approval of Contract 18-76540, Strategic Regional Transit Transformation Project.**

Ms. Luther formally presented Contract 18-76540, Strategic Regional Transit Transformation Project.

Mr. Harrell commented on some email requests from Commissioners regarding the procurement documents related to Contract 18-76540, stating the importance of the committee understanding the process.

Mr. Harrell commented on the importance of the project. He stated that in January he met with the city managers from HRT member cities and three issues were raised. Those issues were: the need for a blank slate route analysis; the need to review different funding models to identify ways other transit agencies are being funding; reviewing the governance of HRT and other transit companies.

Mr. Harrell commented on the concept of the region coming together and providing a basis for a new business model for HRT services. Mr. Harrell contacted the state officials and discussed grant funding for a project to address these areas. Additionally, the General Assembly passed new legislation requiring develop of a new strategic plan. Mr. Harrell discussed reforms and the development strategic plans with partner agencies. HRT and Lynchburg will be the first to get technical support for this project. It was stated that the State will be covering 80% via grant funding for this project.

Mr. Harrell stated that this will be important work to also establish a potential framework for dedicated transit funding which has not been done to date. Mr. Harrell also mentioned the Connect Hampton Roads and Core 20 initiatives which provide valuable background work.

There were some questions regarding the procurement process.

Commissioner McClellan asked if she could review the actual proposals and Mr. Robert Travers stated that proposals are confidential until the process is complete.

Mr. Travers stated that this preserves the integrity and impartiality of the procurement process.

Commissioner Hennessee stated that it is part of the FTA guidelines and Code of Virginia that the confidentiality of a contract remains intact and noted that the same process is followed for all of the contracts.

There was conversation regarding the Project Scope. It was stated that no changes were made to the scope through the duration of the procurement

process. Mr. Travers stated that contracts and changes to RFPs are monitored closely to avoid potential conflicts.

It was stated that staff ensured that tasks and deliverables in the Scope were communicated appropriately and without changes, so they were accurately understood by the bidder and that the hours that the recommended contractor bid were adjusted, not the Scope.

Commissioner Hennessee provided additional insight regarding how the Strategic Regional Transit Transformation Project contract was designed, stating that it will marry very well with work by WSP in support of the Transit Service Delivery Advisory Committee (TSDAC).

Wording on the Request for Proposal (RFP) was discussed.

A motion to recommend approval of Contract 18-76540, Strategic Regional Transit Transformation Project, was made by Commissioner Rowe and was properly seconded by Commissioner Hennessee.

Contract 18-76540, Strategic Regional Transit Transformation Project was approved by a unanimous vote.

### **New and Old Business**

There was a request for an update on the financial audit. Mr. Conner Burns stated that he is working on the requested data.

It was stated that an audit on the money room will be conducted by Internal Audit next.

Commissioner Kanoyton requested a DBE/minority business participation report.

Ms. Brittney Sumpter provided information regarding HRTs current DBE percentage which is at 10%.

**ACTION ITEM: HRT will bring a full report on DBE to next Operations and Oversight Committee Meeting.**

### **Adjournment**

The meeting was adjourned at 10:55 a.m.

Respectfully submitted by:  
Amy Braziel, Sr. Executive Assistant

<b>Contract No:</b>	18-76541	<b>Title:</b>	Elizabeth River Ferry Docks Enhanced Amenities Design	<b>Price: Term:</b>	\$138,484.20 6 Mos.
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**Acquisition Description:** Enter into a contract with a qualified firm to prepare the design and plans for upgraded and new passenger amenities at Hampton Roads Transit's (HRT's) Elizabeth River Ferry (ERF) docks in Norfolk and Portsmouth, VA.

**Background:** This Project addresses specific design enhanced amenities associated with the rehabilitation of the existing ERF docks. Some passenger amenity upgrades are necessary to achieve full compliance with the Americans with Disabilities Act (ADA) accessibility, fare vending and modern passenger information standards. Under the terms of this agreement, the Consultant shall prepare the design of enhanced amenities for the ERF ferry docks. Additionally, the Consultant shall provide design and construction support services.

**Contract Approach:** This solicitation was conducted under a qualifications-based selection process for professional services, in accordance with the Federal Brooks Act and the Virginia Public Procurement Act. The Brooks Act is a two-step procurement process in which technical proposals are evaluated and contracts for Architectural/Engineering services are subsequently negotiated on the basis of demonstrated competence and qualification for the type of services requested at a fair and reasonable price.

A Request for Technical Proposals was issued on April 16, 2018. Two (2) proposals were received on June 1, 2018 from the following firms:

- Andre & Marquez Architects, Inc.
- Retnauer Baynes Associates, LLC (RBA)

Technical proposals were evaluated based on each firm's project organization and key proposed personnel; project approach and strategy; specialized experience on similar projects; and, past performance. Upon review and evaluation of the technical proposals, RBA was determined to be the most technically qualified firm; therefore, no presentations or proposal clarifications were required.

On July 11, 2018, HRT requested RBA's Pricing Proposal. Pricing is generally based on hourly labor rates (including burden and overhead), direct costs and the number of labor hours required to complete the design and plan. In order to determine the fair and reasonableness of RBA's initial price submitted, in the amount of \$159,020, an analysis was conducted utilizing the Independent Cost Estimate as a basis for comparison.

Negotiations held with RBA on July 27, 2018, focused on clarifying assumptions made in establishing pricing and, accordingly, reducing the number of hours allocated to various tasks in the Price Schedule. At the conclusion of negotiations, revised pricing was requested and re-evaluated. RBA's revised pricing in the amount of \$138,484.20 is deemed fair and reasonable based on the results of the negotiations.

<b>Contract No:</b>	18-76541	<b>Title:</b>	Elizabeth River Ferry Docks Enhanced Amenities Design	<b>Price: Term:</b>	\$138,484.20 6 Mos.
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RBA is located in Chesapeake, VA and has provided similar services for Weldenfield & Rowe in Suffolk VA; Johnson Mirmiran and Thompson, Inc. in Virginia Beach, VA; and, the Washington Hospital Center in Washington, DC.

The Contract period of performance is six (6) months.

A DBE goal of 7% was established for this solicitation and RBA has committed to 24% DBE participation.

**Cost/Funding:** This contract will be funded by grant funds.

**Project Manager:** Lee Roy Padgett, HRT Engineer

**Contracting Officer:** Sonya Luther, Director of Procurement

**Recommendation:** It is respectfully recommended that the Commission approve the award of a contract to Retnauer Baynes Associates, LLC to prepare the design and plans for upgraded and new passenger amenities at the Elizabeth River Ferry docks in the not-to-exceed amount of \$138,484.20.

<b>Purchase Order No.:</b>	C78361-01	<b>Title:</b>	Light Rail Vehicle Overhaul Kits	<b>Price:</b>	\$100,864.19
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**Acquisition Description:** Award a Purchase Order (PO) for a vendor to provide brake overhaul kits for the maintenance of HRT’s Light Rail Vehicles (LRV).

**Background:** HRT currently owns and operates nine (9) LRVs. LRV trucks are equipped with a hydraulic braking system that includes a rotor style brake and hydraulic selector valves. Each LRV has a hydraulic hand pump on board that is utilized for releasing brakes in the event an LRV needs to be towed off the alignment. A recent assessment of the LRVs revealed that seals are leaking; hoses are showing signs of wear; and, brake calipers require overhaul as the LRVs have all exceeded 300,000 miles of operation. Under the terms of this agreement, the Contractor shall provide overhaul kits for all components of the braking systems for powered and unpowered LRV trucks.

**Contract Approach:** A Request for Quote (RFQ) was issued on June 4, 2018. Two (2) quotes were received on June 6, 2018 from the following firms:

- Knorr Brake Company (Knorr)
- Siemens Industry, Inc. (Siemens)

After an evaluation of the quotes received, HRT staff determined that Siemens was deemed non-responsive (not in compliance with submittal requirements) due to incomplete overhaul kits. Therefore, HRT staff determined that Knorr was deemed responsive (in compliance with submittal requirements) and responsible (capable to perform) and eligible for award. Knorr is also the Original Equipment Manufacturer (OEM) of the LRV braking system components.

Based on a price analysis performed and the fact that the pricing was obtained in a competitive environment, Knorr’s quote is deemed fair and reasonable. A contractor responsibility review performed confirmed that Knorr is technically and financially capable to provide the requested items.

Knorr is based out of Munich Germany and has been a provider for rail and transit authorities for over one hundred and ten (110) years. Knorr has also provided materials and parts to HRT satisfactorily.

**Cost/Funding:** This contract will be funded by Grant Funds.

**Project Manager:** Wayne Groover, Senior Manager of Rail Vehicle Maintenance

**Contracting Officer:** Keisha Hurst, Buyer II

**Recommendation:** It is respectfully recommended that the Commission approve award of a Purchase Order to Knorr Brake Company to provide brake caliper overhaul kits in the total amount of \$100,864.19.

### SOLICITATION RESULTS

FIRM	TOTAL PRICE
Siemens Industry, Inc.	\$97,980.00
<b>Knorr Brake Company</b>	<b>\$100,864.19</b>

<b>Contract No:</b>	18-78365	<b>Title:</b>	Microsoft Enterprise Agreement Software License (Renewal)	<b>Base Year Price:</b>	\$401,504.14
				<b>Option Pricing:</b>	\$772,588.28 w/2 1-yr. options

**Acquisition Description:** Enter into a renewal sole source contract with SHI International Corp. (SHI) to provide Microsoft (MS) Enterprise Software licenses, software and support.

**Background:** Hampton Roads Transit's (HRT's) computer systems are based on the industry standard MS Windows platforms. HRT uses MS software for all its desktops, laptops and servers. HRT also utilizes MS Cloud to host its communication and collaboration software and Financials ERP software. MS Cloud services play a crucial role in HRT's Disaster Recovery and Business Continuity plans. Under the terms of this agreement, SHI shall renew HRT's Enterprise Agreement directly with Microsoft for software to include Desktop Operating Systems, Office Productivity Suite, Windows Server, Exchange Email server, SQL Database server, and various client access licenses, as well as cloud services. The agreement also covers the procurement of necessary software licenses and provides for all software updates, technical support and training credits.

**Contract Approach:** FTA and Virginia Public Procurement Act guidelines allow non-competitive procurements when only one source is practicably available, and the award of a contract is infeasible under small purchase procedures, sealed bids, or competitive proposals. SHI is the sole provider authorized by Microsoft to provide government pricing for Microsoft licenses. Due to the specific requirements of this solicitation, full and open competition was not a feasible method of Procurement. Sole Source procurements are accomplished through solicitation and acceptance of a proposal from only one source.

A solicitation was issued on July 25, 2018 and SHI provided a responsive proposal on July 30, 2018 in the amount of \$1,174,092.42. The proposal included unit prices for various products and licenses over the three-year contract term.

A price analysis was performed utilizing current discount prices under the Commonwealth of Virginia's Virginia Information Technologies Agency (VITA) Contract No. VA-131017 with SHI. Based on the result of the price analysis, SHI's proposal is deemed fair and reasonable.

SHI is located in Reston, Virginia and has provided these services for municipalities throughout the Commonwealth of Virginia and HRT satisfactorily.

The period of performance for this Contract is one (1) base year, with two (2) additional one-year options.

**Cost/Funding:** This Contract will be funded with Operating and Grant Funds.

**Project Manager:** Alesia Cain, CIO/CTO

**Contracting Officer:** Jason Petruska, Contract Specialist

<b>Contract No:</b>	18-78365	<b>Title:</b>	Microsoft Enterprise Agreement Software License (Renewal)	<b>Base Year Price:</b>	\$401,504.14
				<b>Option Pricing:</b>	\$772,588.28 w/2 1-yr. options

**Recommendation:** It is respectfully recommended that the Commission approve the award of a sole source contract to SHI International Corporation to provide Microsoft Enterprise licenses, support and software maintenance in the amount of \$1,174,092.42 for three (3) years.

<b>SHI International Corp. Proposal Summary</b>			
<b>Base Year</b>	<b>Option Year 1</b>	<b>Option Year 2</b>	<b>Total</b>
\$401,504.14	\$386,294.14	\$386,294.14	\$1,174,092.42