

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
BOARD OF DIRECTORS  
1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101

MINUTES

December 10, 2020

[Clerk's note: Except where noted, public, staff and board member comments are paraphrased. Note that the meeting was conducted via webinar to comply with public health orders].

1. Roll Call

Chair Fletcher called the Board meeting to order at 9:00 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Chair Fletcher moved to approve the minutes of the November 12, 2020, MTS Board of Directors meeting. Board Member Sandke seconded the motion, and the vote was 13 to 0 in favor with Board Member Campbell absent and the 4th City of San Diego Board seat vacant.

3. Public Comment

There were no Public Comments.

DISCUSSION ITEMS (ITEMS TAKEN OUT OF ORDER):

30. Fixed Route Bus Services - Contract Award (Mike Wygant, Larry Marinesi, Sam Elmer)

Sharon Cooney, MTS Chief Executive Officer, provided a brief opening statement for the Fixed Route Bus contract, which supports half of the bus service MTS provides. She acknowledged this was the largest contract budget the Board would approve. She assured the Board that MTS staff is proposing a contract that has its passengers' best interests in mind.

Michael Wygant, MTS Chief Operating Officer – Transit Services; Larry Marinesi, MTS Chief Financial Officer; and Sam Elmer, MTS Manager of Procurement, presented on the Fixed Route Bus Services contract award. They outlined the following aspects of the project: bus service overview, contracted services reasoning, current contract background and highlights, contract procurement methodology, negotiated procurement process, budget impact, cost savings, details of cost proposal, Transdev organization background, new contract terms and conditions, new contract incentives and assessments, new contract enhancements, new contract-future plans and projects, benefits moving forward, evaluation committee review, and staff recommendation.

Public Comments

*Laura Hendricks* - CEO of Transdev North America, expressed appreciation for being a long-time partner with MTS. She acknowledged trust and teamwork with the agency as well as MTS diligence and fairness in the current contract and throughout the Request for Proposal (RFP) process. She described the proposal as competitive and expressed excitement to continue the partnership with the agency. She articulated the company's pride in supporting the community, as well as its diverse workforce that reflects the community it serves. She acknowledged the proposed contract will assure a seamless transition and high level of performance, competitive wages and protection for employees who currently support the contract. Ms. Hendricks

emphasized Transdev's and MTS's collaboration as they adjusted to the pandemic. She also thanked the Board for recognizing Transdev drivers as essential employees with a bonus during the summer.

#### BOARD COMMENTS

Board Member Hall asked if the buses for East County would be replaced with newer models as members of the community have complained about the buses in the past.

Mr. Wygant replied that there is currently a detailed fleet replacement program with five commuter Compressed Natural Gas (CNG) vehicles approved and accepted with a projected service start date of January 1, 2021. He also noted that East County will receive several replacement 40-foot buses by the summer of 2021, along with the recent deployment of two battery electric buses.

Board Member Moreno asked how and why MTS chooses to contract out some of its transit services. She asked if staff had conducted a cost comparison between outsourcing services and hiring public employees through San Diego Transit. She asked how in-house costs compared to those of the contractor.

Mr. Marinesi assured Board Member Moreno the agency did conduct an analysis. He confirmed outsourcing the contract would be 25% less expensive than internalizing the operational services.

Board Member Moreno asked why the East and South County transit routes were contracted out versus other service areas which are serviced by San Diego Transit.

Mr. Wygant clarified the operators are chosen based on the location of the facility each bus route operates out of. He explained the agency tries to keep contracted operations in individual divisions, such as the South Bay and East County divisions. Routes are chosen for deadheading and efficiency purposes based on their location surrounding those operating facilities.

Ms. Cooney further explained the agency contracts out some of its services to create flexibility, cost effectiveness and balance risk. She noted that due to a bill passed by Assemblywoman Kehoe, there are limitations to how many internal routes can be contracted without first negotiating with the union. She clarified that the agency has negotiated with the union to swap routes when it was more efficient or offered better performance outcomes. She acknowledged a capacity limitation for new buses and routes at each division, and that the unions are aware that the agency cannot add more routes without adding more buses.

Board Member Goble asked staff to clarify the selection committee's non-voting member viewpoints in the selection process.

Mr. Wygant clarified the non-voting members do have a significant impact in the final decision as they are the specialists of the services within the RFP. He explained that they review and recommend the proposer for their area of expertise. They then present to the evaluation team their recommendation with a ranking for all the proposals.

Board Member Goble was pleased to hear non-voting members present their recommendations to the entire evaluation committee, which he noted adds integrity to the selection process. He also asked about changes in protections, indemnifications or liability to MTS.

Mr. Elmer clarified the contract does have liability requirements for the provider. The liability and insurance provisions are standard in most of the contracts.

Board Member Goble asked if MTS could face increased exposure contracting with the provider.

Mr. Elmer responded no. He clarified the clauses were the same as the previous contract.

Karen Landers, General Counsel, explained MTS has been working closely with Transdev for the duration of the contract and the liability risk works well for the contractor. She stated the relationship is good and Transdev's team responds in litigation and to members of the public in the same way MTS does. They consistently represent MTS's values in the community, and MTS does not have any concerns with the contractor.

Board Member Goble was pleased to hear there were not increases in exposure or liability as a result of the contract.

Board Member Sandke asked how the relationship was between employees of Transdev and MTS.

Ms. Cooney noted that passengers cannot tell if the operator of the vehicle is a Transdev contractor versus an MTS employee. She clarified that MTS does not negotiate with the contractor unions, as those matters are between the contractor, their employees, and their union representation. She explained the contractor performance monitoring program, including such data as on-time performance, and explained that MTS and Transdev statistics are reported jointly to the National Transit Database, and are also audited in the same manner. She also noted that MTS will hold Transdev accountable if they do not meet their objectives.

Board Member Sandke supported the motion.

Vice Chair Sotelo-Solis asked for clarification on the additional costs of the contract.

Mr. Marinesi clarified the performance bonus program of \$3,090,000 and additional pass through costs of \$8,309,373 would both be incorporated within the total amount of the contract, which totals \$911,362,781.

#### Action Taken

Board Member Moreno moved to authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0708.0-20, with Transdev North America (Transdev), in the amount of \$911,362,781 for the provision of fixed-route, express and Bus Rapid Transit (BRT) bus services for a six year base period with two 2-year option terms to be exercised at the CEO's discretion. Chair Fletcher seconded the motion, and the vote was 12 to 0 in favor with Board Member Arambula, Board Member Campbell absent and 4th City of San Diego Board seat vacant.

#### 31. State Lobbying Services – Contract Award (Julia Tuer)

Julia Tuer, Manager of Government Affairs, presented on the State Lobbying Services contract award. She outlined the following aspects of the project: MTS state legislative advocacy, state lobbyist contract, RFP process, contractor Watts & Hartmann, LLC and staff recommendation.

Chair Fletcher commented that although the amount of the state lobbyist contract is small, MTS has lobbying and advocacy support through other mechanisms as well, including the California

Transit Association. He also acknowledged and discussed the positive relationships between MTS and its Board Members and state legislators. He noted that between all of these resources, MTS is well covered and supported for state lobbying services.

Action Taken

Chair Fletcher moved to authorize the Chief Executive Officer (CEO) to: (1) Execute MTS Doc. No. G2414.0-21 with Watts & Hartmann, LLC, for the provision of State Lobbying Services for a three (3)-year base period, and two (2) one-year optional terms, for a total of five (5) years, in the amount of \$157,800; and (2) Exercise each option year at the CEO's discretion. Board Member Sandke seconded the motion, and the vote was 10 to 0 in favor with Board Member Arambula, Board Member Campbell, Board Member Moreno, Board Member Montgomery absent and 4th City of San Diego Board seat vacant.

CONSENT ITEMS (ITEMS TAKEN OUT OF ORDER)

6. Zero-Emission Bus (ZEB) Project: 40-Foot Low-Floor Electric Buses – Issuance of Purchase Order to Gillig, LLC  
Action would authorize the Chief Executive Officer (CEO) to issue a Purchase Order to Gillig for the purchase of five (5), 40-foot, Low-Floor Electric, Battery-Powered buses in the amount of \$4,863,380.40
7. Roadway Worker Early Warning Alarm Technology Maintenance and Support – Contract Award  
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L1564.0-21, with Miller Ingenuity for Roadway Worker Early Warning Alarm Technology Maintenance and Support Services totaling \$360,573.25 for five (5) years effective January 1, 2021.
8. Kearny Mesa Division (KMD) Underground Storage Tank Closure (KMD UST Closure Project) – Award Work Order Under a Job Order Contract (JOC)  
Action would authorize the Chief Executive Officer (CEO) to execute Work Order MTSJOC275-14 to MTS Doc. No. PWG275.0-19, with ABC Construction Co., Inc. (ABC), for the closure of the KMD underground storage tank for a total cost of \$120,918.48.
9. Fare Collection (Add Sales Tax and Ticket Vending Machine (TVM) Spare Parts and Gateway Services) – Contract Amendment  
Action would authorize the Chief Executive Officer (CEO) to execute Amendment 5 to MTS Doc. No. G2091.0-18, with Innovations in Transportation, Inc. (INIT), for a total contract increase of \$2,478,990.86.
10. Building C Rollup Door Replacement – Award Work Order Under Job Order Contract (JOC)  
Action would authorize the Chief Executive Officer (CEO) to execute Work Order No. MTSJOC275-15 to MTS Doc. No. PWG275.0-19, with ABC Construction Co., Inc. (ABC), for the removal and replacement of the rollup doors, door threshold, and addition of flood barriers at Building C for a total cost of \$251,853.51.

11. On-Call Job Order Contracting (JOC) Building and Facilities Construction Services – Contract Award

Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWG324.0-21, with ABC Construction Co., Inc. (ABC), for on-call building and facilities construction services, in the amount of \$7,000,000.00, for one (1) base year and four (4) option years beginning on January 1, 2021.

12. Low Carbon Fuel Standard Verification Services – Contract Award

Action would authorize the Chief Executive Officer (CEO) to: 1) Execute MTS Doc. No. G2429.0-21 with Rincon Consultants for the provision of Low Carbon Fuel Standard Verification Services for a three (3)-year base period, and one (1) three-year optional term, for a total of six (6) years, in the amount of \$123,728.00; and 2) Exercise option at the CEO's discretion.

13. Bayside Double Track Imperial Avenue Transit Center (IMT) Construction Management Services – Work Order Amendment

Action authorize the Chief Executive Officer (CEO) to execute Work Order No. WOA2019-CM07 under MTS Doc. No. G2019.0-17 (in substantially the same format as Attachment A), with Kleinfelder Construction Services, Inc., for the Bayside Double Track IMT, Construction Management (CM) Services in the amount of \$846,751.95

14. Bus Farebox Conversion – Contract Award

Action authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0723.0-21, a Sole Source Agreement with Genfare, A Division of SPX Corporation, for Bus Farebox Conversion totaling \$3,556,310.61 for ten (10) years effective January 1, 2021, subject to the MTS General Counsel approving modified MTS Standard Conditions.

Action on Recommended Consent Items

Chair Fletcher moved to approve Consent Agenda Item Nos. 6 to 14. Board Member Salas seconded the motion, and the vote was 10 to 0 in favor with Board Member Arambula, Board Member Campbell, Board Member Moreno, Board Member Montgomery absent and 4th City of San Diego Board seat vacant.

REPORT ITEMS (ITEM TAKEN OUT OF ORDER):

45. Operations Budget Status Report for October 2020 (Gordon Meyer)

Gordon Meyer, MTS Operating Budget Supervisor, presented on the Operations Budget Status Report for October 2020. He outlined the Federal Transit Administration (FTA) Coronavirus Aid, Relief, and Economic Security (CARES) Act funding, total operating revenues, total operating expenses, and total operating activities.

Chair Fletcher acknowledged the impacts of COVID-19 especially on MTS ridership. He acknowledged the uncertainty with reduced ridership activity due to COVID-19 and the need to constantly assess and reevaluate the financial health of the agency on a monthly basis. Once the cases stabilize, it will be crucial for the agency to rebuild its ridership and stabilize operations. Chair Fletcher commended the agency for its budget management and noted the agency is doing better than other transit agencies. He proposed post COVID-19, the agency

should analyze and assess the market of transit and transportation in order to position the agency in the strongest place moving forward.

Action Taken

No action taken. Informational item only.

NOTICED PUBLIC HEARINGS

25. None.

OTHER ITEMS

60. Chair Report

There was no Chair report.

61. Chief Executive Officer's Report

Ms. Cooney wished everyone a happy and safe holiday. She promoted the Stuff the Bus Event and noted that the participation details were listed on the MTS website.

62. Board Member Communications

There were no Board Member communications.

63. Additional Public Comments on Items Not on the Agenda

There were no additional public comments.

64. Next Meeting Date

The next regularly scheduled Board meeting is January 21, 2021.

CLOSED SESSION (TAKEN PRIOR TO CLOSED SESSION):

24. Closed Session Items

The Board convened to Closed Session at 10:05 a.m.

- a. CLOSED SESSION – CONFERENCE WITH LABOR NEGOTIATORS Pursuant to California Government Code Section 54957.6

Agencies: San Diego Trolley, Inc. (SDTI)

Employee Organization: Transit Enforcement Officers Association (TEOA)

Employee Organization: International brotherhood of electrical workers, local 465 ("IBEW"), representing flaggers

Agency-Designated Representative: Jeff Stumbo, Chief Human Resources Officer

- b. CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(d)(2)  
(Government Tort Claim from Claudia Isabel Hernandez for herself and as successor in interest to the Estate of Angel Zapata Hernandez)

The Board reconvened to Open Session at 10:20 a.m.

Oral Report of Final Actions Taken in Closed Session

Karen Landers, General Counsel, reported the following:

- a. For the IBEW Local 465 representing flaggers, the Board voted to ratify a tentative agreement with a vote of 10 to 0 in favor, with Board Member Arambula, Board Member Campbell, Board Member Moreno, Board Member Montgomery absent and 4th City of San Diego Board seat vacant. For the TEOA, the Board voted to ratify a tentative agreement with a vote of 10 to 0 in favor with Board Member Arambula, Board Member Campbell, Board Member Moreno, Board Member Montgomery absent and 4th City of San Diego Board seat vacant.
- b. The Board received a report from legal counsel and no action was taken.

65. Adjournment

The meeting was adjourned at 10:22 a.m.



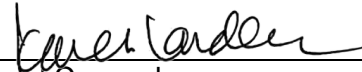
Chairperson  
San Diego Metropolitan Transit System

Filed by:



Clerk of the Board  
San Diego Metropolitan Transit System

Approved as to form:



General Counsel  
San Diego Metropolitan Transit  
System

Attachment: Roll Call Sheet