

**PIERCE TRANSIT BOARD OF COMMISSIONERS
SPECIAL EXECUTIVE FINANCE COMMITTEE
Building 4 – Conference Room 1B
October 30, 2014 – 3:00 PM.**

AGENDA

CALL TO ORDER

APPROVAL OF MINUTES: September 18, 2014, Regular Meeting and October 2, 2014, Special Meeting

ACTION AGENDA:

- | | | |
|--------------|---|---|
| 1. FS 14-070 | Authorization to Enter Into and Execute a Contract with Phoenix Environmental, Inc., for Waste Handling Services | Jason Hovde Safety Officer |
| 2. FS 14-071 | Authority to Execute a Five-Year Contract With Tolar Manufacturing, Inc. for the Purchase of Passenger | Ben Han Planner II |
| 3. FS 14-072 | Authority to Execute a Professional Services Contract with Northwest Research Group to Conduct Customer Survey/Market Research Services on an As-Needed Basis | Jay Peterson Transit Development Manager |
| 4. FS 14-073 | Authority to Purchase Ten (10) 7-Passenger Expansion Vanpool Vans from Washington State Contract No. 03613 | Bill Spies Fleet Manager |

DISCUSSION:

- | | |
|---|---|
| Review of Proposed 2015 Budget | Wayne Fanshier Chief Financial Officer |
| Review of Proposed Timeline and Work Plan for CEO Recruitment | Deanne Jacobson Clerk of the Board |

ADJOURNMENT

American Disability Act (ADA) accommodations are available with a 72-hour notice. An interpreter for the hearing impaired will be provided upon request with a minimum notice of two weeks. Please contact the Clerk's office at 253-581-8066 for special accommodations. Meeting room is wheelchair accessible. Registered SHUTTLE customers may obtain specialized transportation to and from the hearing by calling SHUTTLE at 253-581-8100 from one to five days in advance of the hearing.

**PIERCE TRANSIT
BOARD OF COMMISSIONERS
EXECUTIVE FINANCE COMMITTEE MEETING**

September 18, 2014

MINUTES

CALL TO ORDER

Chair Vermillion called the meeting to order at 3:02 PM.

ATTENDANCE

Commissioners present:

Steve Vermillion, Chair, Puyallup Councilmember
Rick Talbert, Pierce County Councilmember (via phone)
Don Anderson, Mayor of Lakewood

Commissioners excused:

Lauren Walker, Vice-Chair, City of Tacoma Councilmember

Staff present:

Alberto Lara, Chief Administration Officer
Wayne Fanshier, Chief Financial Officer
Carol Mitchell, Public Relations Officer
Dana Henderson, General Counsel
Doug Middleton, Chief Operations Officer
Deanne Jacobson, Clerk of the Board
Angela Woods, Deputy Clerk of the Board
Van Sawin, Business Development Officer
Spiro Manthou, Procurement Manager

Outside Counsel present:

Suzanne Thomas, Counsel, K&L Gates

APPROVAL OF MINUTES

Commissioners Talbert and Anderson **moved** and seconded to approve the August 21, 2014 minutes as presented.

Motion **carried**, 3-0.

SPECIAL BUSINESS

1. Discussion, negotiation, and recommendation to Board of Commissioners related to compensation and conditions of employment of Interim Chief Executive Officer.

Chief Administrative Officer Alberto Lara opened discussion on the Chief Executive Officer's (CEO) current compensation and benefit package to give context for a starting point to determine the salary for the incoming interim CEO. He discussed the Agency's salary structure. The Committee discussed which benefits would make sense to offer the interim CEO.

Commissioners Anderson and Talbert **moved** and seconded to pay James Walton at a salary rate of \$165,000 per annum with the usual benefits offered to all employees at Pierce Transit as compensation for his work and services performed as Interim Chief Executive Officer during the period of time from his starting date of September 23, 2014 until the next regular Board of Commissioners meeting on October 13, 2014 at which time it is anticipated that a more formal employment agreement will be ratified and an offer letter to this effect shall be sent by the Chair of this Committee.

Motion **carried**, 3-0.

Commissioners Anderson and Talbert **moved** and seconded to commence negotiations with James Walton for the terms, conditions and compensation package for his employment at Pierce Transit as Interim CEO with a salary rate of \$165,000 per annum and to further negotiate any other benefits or compensation for his work as Interim Chief Executive Officer, the terms and conditions of which shall be memorialized in an employment agreement to be prepared by the Agency's General Counsel for further evaluation by this Committee.

Motion **carried**, 3-0.

Chair Vermillion designated Don Anderson to act as the primary negotiator with James Walton for the terms and conditions of his employment as Interim CEO at Pierce Transit, including the authority to negotiate his compensation and also requested that Commissioner Anderson report the proposed terms, conditions and compensation package to Chair Vermillion and the Agency's General Counsel to be memorialized in an Employment agreement which will be considered by the Executive Finance Committee at the next special meeting.

Chair Vermillion asked the Clerk of the Board to set a Special Executive Finance Committee meeting between September 18, 2014 and October 13, 2014 for the purpose of reviewing and recommending an employment agreement for James Walton as Interim CEO to the Board of Commissioners and for any additional transition business necessary at that time.

Commissioner Talbert left conversation at 3:32 pm.

ADJOURNMENT

Commissioners Vermillion and Anderson **moved** and seconded to adjourn the meeting.

Motion **carried**.

The meeting adjourned at 3:34 PM.

Angela Woods
Deputy Clerk of the Board

Steve Vermillion, Chair
Board Executive Finance Committee

**PIERCE TRANSIT
BOARD OF COMMISSIONERS
SPECIAL EXECUTIVE FINANCE COMMITTEE MEETING**

October 2, 2014

MINUTES

CALL TO ORDER

Chair Vermillion called the meeting to order at 11:09 AM.

ATTENDANCE

Commissioners present:

Steve Vermillion, Chair, Puyallup Councilmember
Rick Talbert, Pierce County Councilmember
Don Anderson, Mayor of Lakewood (via phone)
Lauren Walker, Vice-Chair, City of Tacoma Councilmember (via phone)

Staff present:

Alberto Lara, Chief Administration Officer
Wayne Fanshier, Chief Financial Officer
Carol Mitchell, Public Relations Officer
Dana Henderson, General Counsel (via phone)
Deanne Jacobson, Clerk of the Board
Angela Woods, Deputy Clerk of the Board
Van Sawin, Business Development Officer
Spiro Manthou, Procurement Manager

SPECIAL BUSINESS

1. FS 14-064, Discussion and Review of the Proposed Employment Contract for Interim Chief Executive Officer James L. Walton; and Referral of Proposed Employment Contract to the Board of Commissioners Meeting on October 13, 2014 for Ratification.

Commissioner Anderson reported that he met with James L. Walton to review and discuss the contract for the Interim Chief Executive Officer position and noted that that Mr. Walton understood the terms and conditions of the contract.

Conversation then ensued consisting of minor amendments to the contract.

Commissioners Talbert and Walker **moved** and seconded to recommend a do pass to the October 13, 2014, Board meeting with the employment contract to include the changes that were discussed at the Special Executive Finance Committee of October 2, 2014, and with recommendation that the full Board ratify the employment contract as presented.

Motion **carried**.

ADJOURNMENT

Commissioners Vermillion and Talbert **moved** and seconded to adjourn the meeting.

Motion **carried**.

The meeting was adjourned at 11:29 AM.

Angela Woods
Deputy Clerk of the Board

Steve Vermillion, Chair
Board Executive Finance Committee

FACT SHEET – EXECUTIVE FINANCE COMMITTEE

TITLE: Authorization to Enter Into and Execute a Contract with Phoenix Environmental, Inc., for Waste Handling Services

DIVISION: Executive

ORIGINATOR: Jason Hovde, Safety Officer

PRECEDING ACTION: N/A

COORDINATING DEPARTMENT:

APPROVED FOR SUBMITTAL:

Chief Financial Officer

APPROVED FOR AGENDA:

Chief Executive Officer

General Counsel

ATTACHMENTS: N/A

BUDGET INFORMATION

2014 Budget Amount
\$68,000

Required Expenditure
\$60,000

Impact
\$0

Explanation: Expenditures will vary based on actual usage and staff estimates costs to average approximately \$60,000 per year. The full expenditure amount includes an \$8,000 contingency per year for emergencies with a not to exceed amount of \$68,000 per year.

BACKGROUND:

Due to the nature of its business, Pierce Transit generates waste products such as waste oil, sludge, oil/water mix, waste lacquer thinner and waste solvents that, by law, must be disposed of in an environmentally responsible and safe manner.

A request for proposals was issued on June 19, 2014 for waste handling services, and a pre-proposal conference was held on June 26, 2014, with three companies in attendance. Two proposals were received on July 7, 2014 in response to our solicitation. One was determined to be non-responsive and Phoenix Environmental, Inc. was chosen as being the contractor in the best interest of Pierce Transit.

Phoenix was selected for their overall plan to carry out the responsibilities; their commitment to recycle, re-use, or incinerate waste along with assistance to reduce Pierce Transit's waste stream; and their excellent history with EPA and other regulatory agencies. Phoenix is our current provider and has been exceeding our expectations in their performance of disposal of environmental waste as well as assisting in reduction of Pierce Transit's waste streams. In addition, they have offered fair and reasonable pricing and will continue to pay Pierce Transit for its spent

FACT SHEET
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antifreeze and increase what they pay Pierce Transit for waste oil. The proposed contract term is three (3) years with options for two (2) additional one-year contract extensions.

ALTERNATIVES:

An alternative would be to purchase services as needed. However, a long-term contract with a single firm will provide lower fixed pricing as well as ensuring reliable and timely emergency response as needed.

RECOMMENDATION:

Authorize the Chief Executive Officer to enter into and execute a contract with Phoenix Environmental Services, Inc., for waste handling services in the amount of \$204,000 for three years, with two additional one-year extensions at \$60,000 per additional year.

Executive/Finance Committee Action:

Approved: _____

Disapproved: _____

Steve Vermillion, Chair
Executive/Finance Committee

ATTEST:

Deanne Jacobson, CMC
Clerk of the Board

FACT SHEET - EXECUTIVE FINANCE COMMITTEE

TITLE: Authority to Execute a Five (5) Year Contract with Tolar Manufacturing, Inc., for the Purchase of Passenger Shelters
DEPARTMENT: Planning Department
ORIGINATOR: Ben Han, Planner II

PRECEDING ACTION: N/A

COORDINATING DIVISION: Bus Stops Program, Service Planning

APPROVED FOR SUBMITTAL:

Chief Financial Officer

APPROVED FOR AGENDA:

Chief Executive Officer

General Counsel

ATTACHMENTS: N/A

BUDGET INFORMATION

| | | |
|--------------------|---|--------|
| 2015 Budget Amount | Required Expenditure | Impact |
| \$106,150 | \$530,750 | N/A |
| | Including Tax, estimated over the life of the contract | |

Explanation: The proposed 2015 budget allocates \$106,150 funding for shelters. We anticipate ordering 10-15 shelters per year plus other improvements over the next five (5) years. The Actual expenditures may vary depending on the size and type of shelters purchased. The "required expenditures" amount listed here is a rough estimate for the contract term using the anticipated 2015 budget amount as a guideline.

BACKGROUND:

Pierce Transit seeks to execute a contract with Tolar Manufacturing, Inc. for Passenger Shelters for a five (5) year contract term. Historically, Pierce Transit has maintained an on-going multi-year contract for passenger shelters, however; our last contract expired in 2009 and has not been out for re-solicitation primarily due to budget cuts and reductions in our bus stop program. Pierce Transit is now in need of a contract for passenger shelters for new service areas as well as replacement of existing aging shelters. The final quantity of shelters purchased will depend on need, availability of funds, and identification of suitable sites.

The Request for Proposals (RFP) was released on June 23, 2014. Proposals were received by the due date and time of 4:00 PM, August 15th, 2014. The submittals were reviewed in accordance with the published evaluation criteria by a committee consisting of Pierce Transit staff.

Tolar Manufacturing Company Inc. has submitted the proposal which has been found by the evaluation committee to be responsive and which meets all criteria set forth in the RFP. Staff is confident that this contractor is fully capable to perform the work required. Furthermore, a site visit was conducted at Alderwood Mall and found the shelters to be satisfactory by both the Bus Stops Program and Facilities Maintenance. Staff, therefore recommends award of the contract to Tolar Manufacturing Company, Inc. This contract is contingent upon the adoption of the 2015 Budget.

ALTERNATIVES:

Forego awarding a contract and re-solicit for additional proposals, however, it is doubtful that better results would be achieved. Another alternative would be to select another vendor that has submitted a proposal as the contractor; however, other submitted proposals did not have the highest score in other ranking criteria set forth in the RFP.

RECOMMENDATION:

Authorize the Chief Executive Officer to enter into and execute a contract with Tolar Manufacturing, Inc., for the purchase of passenger shelters for an estimated amount of \$530,750 over a five (5) year contract term, contingent upon approval of the 2015 Budget.

Executive Finance Committee Action:

Approved: _____

Disapproved: _____

Steve Vermillion, Chair
Executive Finance Committee

ATTEST:

Deanne Jacobson, CMC
Clerk of the Board

FACT SHEET – EXECUTIVE FINANCE COMMITTEE

TITLE: Authority to Execute a Professional Services Contract with Northwest Research Group to Provide Customer Survey/Market Research Services

DIVISION: Finance

ORIGINATOR: Jay Peterson, Transit Development Manager

PRECEDING ACTION: N/A

COORDINATING DEPARTMENT: Purchasing

APPROVED FOR SUBMITTAL:

Chief Financial Officer

APPROVED FOR AGENDA:

Chief Executive Officer

General Counsel

ATTACHMENTS:

N/A

BUDGET INFORMATION

2015 Budget Amount
\$50,000.00 for Task Order No. 1

Required Expenditure
Not to exceed \$50,000

Impact
N/A

2015-2019 Budget Amount
\$600,000

Required Expenditure
Not to exceed \$600,000

Impact
N/A

Explanation: The term of the contract is three years with two optional one-year extensions. Work will be assigned by task order. Maximum expenditures for all Task Orders shall not exceed \$600,000. Contingent upon adoption of the 2015 through 2019 Operating Budgets.

BACKGROUND:

Pierce Transit has entered into professional services contracts with qualified customer survey/market research firms for many years. The purpose of the work is to obtain quantitative and qualitative data from our riders and the public. Examples of research include: customer satisfaction surveys; public perception surveys and focus groups; route specific surveys and origin and destination surveys. Ultimately the data obtained from the research is used to make informed decisions for a variety of projects and programs.

In August, Request for Proposal (RFP) 40-14 was advertised for customer survey/market research services. Ten proposals were received by Pierce Transit. An evaluation committee evaluated and scored the proposals. After the review was conducted the evaluation committee decided that interviews were not necessary as Northwest Research Group emerged as the top score by a substantial margin.

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The firm has a good track record, has vast experience in this type of work, and has presented a fair and reasonable cost proposal. The committee, therefore, recommends that the contract be awarded to Northwest Research Group.

ALTERNATIVES:

Do not execute a contract with Northwest Research Group for customer survey/market research services. However, Pierce Transit does not have the personnel or facilities necessary for this type of work in-house.

RECOMMENDATION:

Authorize the Chief Executive Officer to enter into and execute a contract with Northwest Research Group to provide customer survey/market research services for three years, with the option of two (2) one-year extensions, with the total cost of the contract not to exceed \$600,000, and contingent upon adoption of the 2015 through 2019 Operating Budgets.

Executive/Finance Committee Action:

Approved: _____

Disapproved: _____

Steve Vermillion, Chair
Executive/Finance Committee

ATTEST:

Deanne Jacobson, CMC
Clerk of the Board

FACT SHEET – EXECUTIVE FINANCE COMMITTEE

TITLE: Authority to Purchase Ten (10) 7 Passenger Expansion Vanpool Vans From Washington State Contract No. 03613

DIVISION: Operations

ORIGINATOR: Bill Spies, Fleet Manager

PRECEDING ACTION:

COORDINATING DEPARTMENT: Finance

APPROVED FOR SUBMITTAL:

Chief Financial Officer

APPROVED FOR AGENDA:

Chief Executive Officer

General Counsel

ATTACHMENTS: N/A

BUDGET INFORMATION

| 2014 Budget Amount | Required Expenditure | Impact |
|--------------------|-----------------------------|-------------------------|
| \$325,000 | \$300,670 | (\$24,330) Under Budget |
| | \$285,636.50 – grant monies | |
| | \$15,033.50 – Agency match | |

Explanation: Purchase 10 expansion Vanpool vans using Washington State Grant which provides 95% funding.

BACKGROUND:

The Agency Budget for 2014 includes funding for 10 expansion Vanpool Vans which are grant funded by the State of Washington. Staff has reviewed the contracts available and confirmed that this vehicle contract is appropriate for our intended purpose. State Contract pricing is obtained on a competitive bid basis and is considered to be fair and reasonable.

There is enough demand to support the expansion of Pierce Transit's Vanpool Program by 10 vehicles per year, for a total of 60 vans between 2015 and 2020. There is currently a waiting list for vanpools. Expansion will also allow us to pursue new markets (colleges, social services, etc.) and allow us to serve worksites along the congested JBLM corridor, as well as new downtown Tacoma employers, like State Farm.

ALTERNATIVES:

Develop specifications and solicit bids ourselves, however, in the past we were not able to achieve the deep discounts offered in the state contracts due to combined statewide purchasing volume.

RECOMMENDATION:

Authorize the purchase of ten (10) 7 passenger expansion vanpool vans from Washington State Contract No. 03613 in the amount of \$300,670.

Executive/Finance Committee Action:

Approved: _____

Disapproved: _____

Steve Vermillion, Chair
Executive Finance Committee

ATTEST:

Deanne Jacobson, CMC
Clerk of the Board



CEO Recruitment Proposed Timeline and Work-Plan

| Date | Activity |
|--|--|
| November 3rd or 4th | <ul style="list-style-type: none"> ✓ Initial Meeting with Executive Finance Committee ✓ Review job description and job announcement ✓ Discuss core-competencies ✓ Discuss timeline |
| November 5th – 10th | <ul style="list-style-type: none"> ✓ Develop advertising plan and timeline ✓ Design job announcement ✓ Touch base with stakeholders |
| November 11th | <ul style="list-style-type: none"> ✓ Submit draft job announcement, timeline and advertising plan for approval ✓ Receive approval no later than November 14th |
| November 14th – December 29th | <ul style="list-style-type: none"> ✓ Commence national recruitment ✓ Place job advertisements ✓ Target potential candidates ✓ Assess candidate pool (ongoing) ✓ Karras Consulting screening interviews (in-person and videoconference) ✓ Karras Consulting provides weekly update on recruitment (ongoing) |
| Week of January 12th | <ul style="list-style-type: none"> ✓ Meet with Executive Finance Committee to review recruitment ✓ Recommend A and B list candidates ✓ Candidate discussion ✓ Develop interview questions and processes |
| Week of January 26th | <ul style="list-style-type: none"> ✓ Executive Finance Committee interviews semi-finalists ✓ Select finalists ✓ Karras conducts background, criminal and reference checks for top candidate(s) |
| Week of February 9th | <ul style="list-style-type: none"> ✓ Board of Commissioners interviews finalists ✓ Board of Commissioners selects CEO ✓ Karras Consulting assists in the negotiation of employment package |