



MINUTES
EXECUTIVE COMMITTEE MEETING
REGIONAL TRANSPORTATION AUTHORITY
OCTOBER 17, 2018

- I. **CALL TO ORDER:** The Regional Transportation Authority of Middle Tennessee (RTA) Executive Committee meeting was held at the Clarion Hotel, 211 N. 1st Street, Nashville, Tennessee 37213 on Wednesday, October 17, 2018. A quorum was established, and the meeting was called to order at 10:07 a.m. by Secretary Ed Cole.

COMMITTEE MEMBERS IN ATTENDANCE WERE:

Mayor Randall Hutto, Vice Chair	Wilson County
Governor Appointee Ed Cole, Secretary	Davidson County
Mayor Bob Rial	Dickson County
Mayor Ken Moore	Franklin City
County Executive Anthony Holt	Sumner County
Mayor Jerry Kirkman	Westmoreland City
Governor Appointee Ken Davis	Wilson County
Liza Joffrion	TDOT

- II. **PUBLIC COMMENTS:** There were no public comments at this time.

III. **FINANCE COMMITTEE REPORT**

- a. **MONTHLY FINANCIAL REPORT COMPARED TO BUDGET (EXC-D-18-012):** Chief Financial Officer Ed Oliphant reviewed the year-to-date data of the statement of operations for the month of August 2018 compared to the FY2019 budget and the balance sheet as of August 31, 2018. Mr. Oliphant asked if there were any questions, and there were none at this time.
- b. **LOCOMOTIVE OVERHAUL FOR MUSIC CITY STAR (EXC-A-18-003):** Since inception of the Music City Star, the commuter rail service has operated with former Amtrak locomotive equipment purchased in 2005. The fleet was placed into revenue service on the Star in 2006 and has operated as such since that time. Based on recent inspections and observations, the fleet is “tired” but in functioning condition considering its advanced age of 33 years. Withstanding locomotive 120, the fleet has not been overhauled in 19 years and is in need of repair to ensure the functionality and service reliability provided to Regional Transportation Authority of Middle Tennessee’s (RTA) customers. Three of the

locomotives – 381, 120, and 121 – are used in support of daily service. One locomotive, 122, is categorized as long-term out-of-service stemming from a main engine issue. Although nearing their end of useful life, the fleet’s usefulness can be largely attributed to the high level maintenance effort being performed by RTA’s third-party train operator, Transit Solutions Group (TSG).

In an effort to evaluate the condition and capability of the Star operating fleet, the RTA contracted with HDR/LTK consulting firms in spring 2018 to evaluate and assess four F40PH locomotives, to document their current condition, and to provide a technical specification for their potential overhaul. Based on inspections and observations, it was recommended by HDR/LTK that the entire locomotive fleet be overhauled, including unit 120. Without overhaul, the reliability of the units will degrade, and the ability to provide revenue service will eventually be compromised. It is important to note that overhaul of the locomotives is expected to provide an additional 10-15 years of useful life for those locomotives affected.

On July 18, 2018, RTA sent out solicitations for locomotive overhaul and repair services for the Star. As such, three proposals were received as responsive and responsible according to the Request for Proposals (RFP) criteria set forth in the solicitation documentation. RTA analysis of all three proposals was conducted as well as site visits at Lebanon yard which provided potential proposers the opportunity to inspect the locomotives to be overhauled. An RTA evaluation committee was formed for the evaluation of best value and cost projections. Below are the bid totals and evaluation committee conclusion:

1. Higher Power Industries (HPI), Yonkers, NY – \$5.8 million
2. NRE, Mt. Vernon, IL – \$4.9 million
3. Progress Rail, Deerfield, IL – \$8.6 million

Overall, the evaluation team determined HPI to be the strongest competitor with clear ability, knowledge, and bench strength to handle the project. Key points of competence for HPI included their demonstrated experience with overhaul projects and extensive industry experience with heavy and commuter rail transit companies. Although HPI’s bid cost came in the mid-range between NRE and Progress Rail, the evaluation team declared that HPI’s experience, commitment to project management, and understanding of project scope far outweighed the lower cost of NRE. As this overhaul project is also imperative to the RTA’s ability to provide reliable service options for its customers, HPI’s ability to begin work in 2018 was also a positive attribute to their bid package. All things considered, HPI outscored NRE and Progress Rail by a significant margin.

The Finance Committee recommended that the Executive Committee provide the Chief Executive Officer authority to enter into a contract with Higher Power Industries (HPI) to completely overhaul locomotives 121, 122, 381 and spare trucks and to exercise the option of locomotive 120, the

air-compressor and trucks. The proposed contract is written with a not-to-exceed amount of \$5,821,767, including mobilization, base fees, a complete overhaul of locomotives 121, 122, and 381 in addition to a partial overhaul of locomotive 120, including air compressor and trucks. Staff requested a contingency amount of 20% (or \$1,164,353) for a total cost not to exceed \$6,986,120. The funding source for this contract will be comprised of various grants and regional support.

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

- c. **NEXT GENERATION FARE COLLECTION SYSTEM EQUIPMENT (EXC-A-18-004)**: In July 2017, the Nashville Metropolitan Transit Authority (Nashville MTA) and the RTA issued a Request for Proposals (RFP) for Next Generation Fare System Solutions. Proposals were received from the following firms:

1. Genfare, division of SPX Corporation
2. INIT Innovations in Transportation, Inc.
3. Scheidt and Bachmann GmbH

An evaluation committee completed a two-step evaluation process including in-person presentations, interviews, and live demonstrations from each vendor. Factors considered during the evaluation process included cost, technical approach, features/functionality, professional references, and relevant experience successfully completing similar projects. After scoring and careful consideration, the evaluation committee determined that a joint award to two firms would result in the most comprehensive solution for the agency. The firms selected by the evaluation committee are:

1. Genfare, division of SPX Corporation
2. INIT Innovations in Transportation, Inc.

Genfare will provide new fare boxes on WeGo Public Transit (formerly Nashville MTA) vehicles and will not be responsible for any RTA equipment. INIT will provide all other aspects of the system, including smart media validators on WeGo and RTA vehicles, new ticket vending machines (TVMs), platform validators for the Music City Star, handheld validators for conductors, smart cards, and the software solutions to power the new system. This system will allow for customers to pay via reloadable smart cards as well as smartphones. Customers will be able to purchase and reload smart cards at a variety of locations through a third-party retail distribution network, as well as new TVMs, WeGo Central) ticket windows, and Riverfront Station. The system will be account-based, which allows customers to go online and register their card, reload value, and view transaction history.

Onboard electronic transactions will be processed in real time and reconciled with the online account, allowing for WeGo and the RTA to adopt new fare structures that make the fare payment experience simple

and seamless for customers while speeding up the boarding process. RTA is also engaging in discussions with regional public transportation service providers in Murfreesboro, Franklin, and Clarksville about how they may be able to participate in the system if they desire. In addition, the system will be open-architecture, allowing for third-party service providers such as bikeshare and Taxi/rideshare to integrate with the system if they are willing and able to do so.

Director of Service Quality Dan Freudberg was present to provide a project overview and answer questions at the Committee meeting.

The Finance Committee recommended the Executive Committee award a contract for the RTA equipment supporting a Next Generation Fare Collection System to INIT Innovations in Transportation, Inc. for the amount of \$798,748.99. In addition, given the technical nature of the work and required integration with other systems, a 20% contingency of \$159,749.80 was recommended for a total value of \$958,498.79.

Equipment and services to be procured include ticket vending machines, rail platform validators, smart media validators on RTA buses, handheld validators for conductors, customer point-of-sale devices, a customer website for account management, and mobile ticketing via smart phones.

Other capital costs will be required to implement and support the project outside of the contract with INIT. For RTA, there will be capital costs for make-ready at the rail stations to support installation of the ticket vending machines and platform validators. Additional communications equipment will also be required on RTA vehicles and at garage facilities. The total capital costs associated with the project are reflected in the RTA Capital Plan as approved at the August 2018 board meeting, budgeted at a total of \$1.75 million. This budgeted value of \$1.75 million includes the funding in this Action Item. Urbanized Area Formula Funding (49 U.S.C. 5307) is available for this project's capital funding requirements.

There will also be ongoing operational costs to support the computer server equipment powering the system (to be hosted by Metro Nashville Information Technology Services), as well as costs for smart card media, system warranty, and maintenance. These costs are dependent on final system design, but are currently estimated at between \$125,000 and \$250,000 annually following full system deployment, currently scheduled for the first half of calendar year 2020. These operational expenses remain to be authorized through future operating budgets.

Any cost items associated with project implementation and operations that require Board approval will be brought before the Committee for review.

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

IV. AUDIT COMMITTEE REPORT

Secretary Ed Cole explained that CFO Ed Oliphant reported on the Annual Risk and Conflict of Interest Assessments. The Risk Assessment focused on RTA's accounting system controls while the conflict of Interest Assessment highlighted incidents or circumstances that had appearance of conflict and how the potential conflict was mitigated. Secretary Cole stated that this was a good start to this working report. Chief Executive Officer Steve Bland stated that if there was additional information that this Executive Committee wanted to see management would be more than happy to include that information in future reports.

The Executive Committee requested that a copy audit for the Annual Risk Assessment, the Conflict of Interest Assessment and the Fare Policy Assessment be included in the minutes so that we can make sure that we are in compliance with the State Comptroller's office.

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

V. OPERATIONAL STATISTICS (EXC-D-18-013): Chief Operating Officer India Birdsong reviewed the RTA Monthly Dashboard Report through the month of August 2018 with the Executive Committee and was available to answer any questions. There were no questions at this time.

Mayor Ken Moore of Franklin City expressed his desire to see us move forward on the Franklin City Park & Ride lot.

COO Birdsong stated that we are seeing some changes in the park and ride fluctuations, particularly with routes 91 and 95, and we are in conversations with management as well to see what our options are.

VI. CEO'S REPORT: CEO Bland gave the following report:

- CEO Bland asked everyone to review the attendance sheet in the minutes, and make sure they signed in for today's meeting so we can properly monitor attendance.
- Following up a suggestion by Mayor (Rogers) Anderson several months ago, and a successful program being run by Franklin Transit, we will be piloting a "free-rides for veterans program" in November and December. We will report results back to the Board to review for permanence.
- We completed the RTA's Transit Asset Management Plan and submitted it to the Nashville Area Metropolitan Planning Organization (MPO) in compliance with the federally mandated deadline of October 1. We will provide the Finance Committee with an overview of the plan next month.
- We completed the public engagement process for service changes on the Music City Star in order to comply with our limited service exception for positive train control, as well as consideration of several schedule options. Recommendations for service adjustments will be brought to the full Board in November for action.

- MCC rehab continues on schedule. All buses are back in the terminal, and work is continuing on the new restrooms and expanded Customer Care office. The project remains on schedule for completion in late November, with follow on work on wayfinding and signage through early 2019.
- We have begun work on the design of the Mt. Juliet Parking expansion and will be working with the City on this effort over the next several months. We anticipate going out for construction bids for the 2019 construction season.
- CEO Bland thanked members who volunteered to serve on the ad hoc marketing and branding committee. Kelly Dannenfelser will be chairing the effort and (so far) Mayors Hutto and Paige Brown have volunteered, as well as Margo Fosnes, Secretary Cole, Cheryl Lewis, and Mary Beth Ikard. If anyone else is interested, please let Mr. Bland know.

VII. CHAIR'S REPORT: In the absence of Chair McMillan, Secretary Ed Cole acknowledged the presence of Mayor Bill Ketron from Rutherford County and Mary Beth Ikard from Mayor Briley's office.

VIII. OTHER BUSINESS: There was no other business to come before the Executive Committee at this time.

IX. ADJOURNMENT: Proper motion was made and seconded to adjourn, and the meeting was adjourned at 10:29 a.m.

Respectfully submitted:

Ed Cole, RTA Secretary &
Davidson County Governor Appointee