

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

Minutes of Special Meeting
of the Board of Directors of the District

August 27, 1975

Upon notice duly given, the Directors of the Southern California Rapid Transit District met at a Special Meeting in the District Board Room, 1060 South Broadway, Los Angeles, California, at 2:00 p.m. on August 27, 1975, at which time Vice-President Thomas G. Neusom called the meeting to order.

Due to the lack of a quorum, with only Directors Brewster, Carter, Gregory, Neusom and Takei present, Vice-President Neusom announced that the Board would go to non-action Item No. 2 on the agenda, and receive the first presentation from finalist firms proposing to conduct a study of bus maintenance systems and procedures, with Roll Call suspended until a quorum of the Board was present.

Also present were General Manager Pro Tempore Jack Stubbs; Manager of Operations George W. Heinle; Manager of Planning & Marketing George L. McDonald; Controller-Treasurer-Auditor Joe B. Scatchard; Assistant General Counsel Suzanne Gifford; Secretary Richard K. Kissick; and the public.

) Presentation by Booz, Allen & Hamilton, Inc.

Mr. Heinle introduced Mr. John C. Lorini, Vice-President of Booz-Allen & Hamilton, Inc., to make the first presentation of the three finalist firms proposing to conduct a study of bus maintenance systems and procedures. Mr. Lorini introduced James A. Mateyka and Jerry Visek of his firm, together with John T. Doolittle, Jr., of the firm of Simpson & Curtin.

(President Cook and Director Price arrived at 2:10 p. m.)

Mr. Lorini presented his firm's proposals to conduct the study as outlined in the proposal which had been submitted to the District, copies of which had been forwarded to each Director, with the estimated cost of the study being \$185,000, if conducted by the firm of Booz-Allen & Hamilton.

Following the presentation, Director Price asked if the firm had developed the TransBus, and Mr. Lorini replied that they had worked on the program and managed the program with other consultants under them.

Director Gregory inquired if their study would recommend reorganization of the maintenance supervisory personnel, and was told that if it appeared desirable they might make supervisory recommendations but not what they managed on a day-to-day basis, and that many of the recommendations would be what and how to carry out the best maintenance program and required changes necessary to support the program.

Director Carter asked if they had made any studies to register the position of other systems as to maintenance procedures that other systems

)
do, and Mr. Lorini replied they found in their studies as many procedures as there were properties visited; that Booz has a great amount of data on how many systems are working and recommendations would depend on unique aspects of the property being studied. He mentioned the Mitre Corp. study and the results of that might be used. Mr. Carter said he meant the quality of three other systems and the standings of those other systems, to which Mr. Lorini replied that each system is different in different sections of rank order but felt that MBTA in Boston was very good in buses, but not in rapid transit, and that Twin Cities had a superior record in maintenance but they have late model newer buses, and that different management attitudes makes it difficult to analyze in rank.

Mr. Heinle inquired if the answer would probably be a part of the study and was told it would. Mr. Heinle then stated that each consultant had done extensive work in connection with the proposals and asked Mr. Lorini why should the District spend the money to make such a study and what is the cost benefit relationship.

Mr. Lorini made a lengthy reply, including that the study would be beneficial to the District; that they don't attempt to quote dollar cost savings in relation to their fee; that in many cases the implementation of recommendations is beyond the consultant's control; but in looking at the District's property, the dispersion of maintenance operations, that the system is growing and the maintenance cost factor in the bus life cycle as displayed in some of their exhibits in their proposal, indicate that the efforts in replanning the maintenance

) activity, attempting to streamline it and get greater mileage out of the cost of maintenance, all will be beneficial, but that he couldn't make an estimate of dollar savings.

Mr. Heinle stated the District had received eleven proposals from top firms in transportation consulting, accounting, etc., and inquired as to what factors Booz-Allen bring to the project that makes them stand out and should be selected above the others.

Mr. Lorini replied that he assumed the other firms submitted good sound work plans for attacking the study in a fairly systematic way, but that his firm brings a combination of direct bus maintenance experience about operations all over the country, from facilities and planning from both cost and performance standpoint. Also, they have transit operations know-how, recognizing that maintenance activity is a service to operations and, further, they bring senior experience in industrial engineering, work planning and scheduling, electronic data processing, and other functions. He felt there was not another firm that can duplicate the experience of his firm using people accustomed to working together.

Call to Order and Roll Call at 2:45 P. M.

President Cook called the Special Meeting to order at 2:45 p. m. with Directors George W. Brewster, Victor M. Carter, Byron E. Cook, Adelina Gregory, Thomas G. Neusom, Jay B. Price and George Takei responding to Roll Call. Directors A. J. Eyraud, Jr., Donald H. Gibbs, Pete Schabarum and Baxter Ward were absent from the meeting.

Recess in Executive Session at 2:46 P.M.

Upon motion duly made, seconded and unanimously carried, the Board of Directors recessed in Executive Session at 2:46 p. m. for the purpose of receiving a report on pending litigation.

The Board of Directors reconvened at 3:00 p. m. with the same seven Directors responding to Roll Call as responded when the meeting was called to order. No report was made of the discussion in Executive Session.

Adoption of Resolutions Regarding Responses to Bus Manufacturers and UMTA with Respect to District's Specifications Relative to the Procurement of 200 Buses Equipped for Accessibility of the Elderly and the Handicapped - Public Appearances Regarding Same

Mr. Heinle reviewed the report dated August 26, 1975 on the above subject, together with Addendum No. 1 which had been distributed to Directors, and concluded the report by reviewing the alternate responses which the staff had submitted for consideration by the Board.

President Cook inquired about the prepayments which had been requested by Rohr-Flexible, and Mr. Heinle replied that this matter would require the approval of UMTA. Mr. Cook then inquired concerning pending bus specification legislation in Sacramento, and Mr. Stubbs reported that the bill has passed out of the Assembly and could possibly be approved effective January 1st. Mr. Heinle reported that the bill would provide for the extension of the front end of buses which could provide for a wider door, but that Rohr would be building buses for use all over the United States and would have to comply with state laws everywhere.

Mr. Heinle also reported on the price escalation clause which had been requested by Rohr; that the staff feels this is reasonable and UMTA would

probably approve the request, but that the staff is not in agreement on the periods of time of the price indices Rohr has requested, and that the staff has suggested a counter offer which would also have to be approved by UMTA. He also stated that the final policy matter which the Board should consider is the one of the test procedures imposed by UMTA and to which Rohr has objected. The staff feels the tests should be conducted and will contribute to the obtaining of a better bus. However, if UMTA should waive the test procedures the staff could conduct tests on its own, but felt it was up to UMTA to decide.

Mr. Heinle stated that it gets down to the previous decision of the Board to procure buses for the elderly and the handicapped, and it is up to the Board to consider the four alternatives presented in the report. He stated at the same time the Board should consider the District's aging fleet and the agreement with the County which has used up every single bus, that we must get out of service the 33 bus years, and, without additional buses before January, 1978, we can't make any additional implementations of new services prior to January, 1978 without some other alternative.

Director Carter felt that the decision to order only buses that will include elderly and handicapped features was made a long time ago and felt we should stick to that decision; that Alternate No. 2 would probably be the one to approve, and felt that if we insist on these specifications they will expedite delivery of the new buses, and that UMTA would support the District. He further stated that we are successfully using old buses.

Mr. Heinle inquired if we should stick to our original delivery dates of 17 to 21 months previously stated by Rohr, or the 21 to 28 month delivery date now stated by Rohr. Mr. Carter stated it would include the extended delivery dates, but he still felt they would deliver sooner.

Director Carter moved that the Board accept Alternate No. 2 as recommended by the staff in the report dated August 26, 1975, which motion was seconded by Director Takei.

Mr. Heinle suggested that the recommendation also include either Alternate 2A or 2B, and Mr. Carter stated his motion was to adopt No. 2 only.

Director Brewster stated that in either case we were proceeding with the procurement of buses for the elderly and the handicapped, but that Alternate 2B would allow us to buy standard buses only, and felt that decision should be made by the full Board.

Mr. Heinle stated the Board should be aware of the fact of the District's inhibited ability to provide additional services prior to delivery of the new buses, and there was also a middle ground between Alternates 2A and 2B.

Director Takei inquired about the 30 articulated buses and hadn't the Board decided to buy them "off-the-shelf", and Mr. Heinle replied that the staff's guidance on the articulated buses was to proceed with procurement of off-the-shelf vehicles, that we had a public hearing and the findings of that hearing will be on the September 3 agenda for consideration.

) Director Takei stated he recalled that the handicapped issue was not a part of the off-the-shelf bus because the purchase was to be funded by UMTA and UMTA had precluded that consideration, and also we would be getting those buses to enrich our services regardless of whatever decision the Board made today. Mr. Heinle agreed with that statement and added that would help us since the 30 articulated buses would be equal to 45 standard buses.

Mr. McDonald stated that in considering the matter of delaying bus acquisitions, we should look at a year from now--not including the Mid-Cities, Santa Monica Preferential Freeway, East Los Angeles and San Gabriel improvements--but that in Westside Los Angeles, and possibly Glendale-Burbank, Compton and elsewhere, service improvements to be planned during Fiscal Year 1976 would depend upon receipt of additional buses. Another consideration is the cost and availability of gasoline and if there is to be a shortage the RTD would be asked to improve its services immediately, that possibly we could not readily obtain additional equipment. He also pointed out the poor quality of many of the buses in service at this time.

Director Carter stated that he had had a call from Supervisor Ward and that Mr. Ward had told him he was against changing the bus specifications.

Director Brewster felt that the Board could not make a decision on the imponderables at this time.

) Mr. Heinle stated there was about a one year lead time to obtain off-the-shelf buses, and that a fuel shortage could result in used buses not being available.

Appearances by the Public

President Cook stated that before taking a vote on the motion, there were requests for appearances by the public.

Mr. Robert J. Goeghegan, Senior Deputy to Supervisor Edelman, distributed copies of a letter dated August 27, 1975 from Supervisor Edelman to President Cook, a copy of which is filed with the Secretary, urging the Board to not change the specifications requiring buses with facilities for the elderly and the handicapped, and stating that if the specifications were changed he would vote against any further subsidization of the RTD by the County.

Miss Frances Rainbow, 18407 Dearborn, Northridge, representing the San Fernando Valley Chapter, C.A.P.H., commended the Board for its decision in October, 1974 and hoped the Board would continue to honor its commitment to provide buses for the elderly and the handicapped.

President Cook stated it appeared that persons who had requested appearances were apparently in favor of the motion, and that unless there was someone opposing the motion, he would call for the vote on Director Carter's motion, including the staff recommendations relating to Alternate No. 2 contained in the August 26, 1975 report.

) By a Roll Call Vote, the motion passed unanimously and the following resolution was adopted:

RESOLUTION NO. R-75-346

WHEREAS, this Board of Directors has reviewed the staff recommended responses to bus manufacturers' specifications relative to the procurement of 200 buses equipped for accessibility of the elderly and the handicapped, as outlined in the report dated August 26, 1975, a copy of which is filed with the Secretary, and has recommended adoption of Alternate No. 2 contained in the aforementioned report;

NOW, THEREFORE, BE IT RESOLVED, that the staff is authorized to advise bus manufacturers that their requests in connection with the manufacture of 200 buses which would deviate from specifications resulting in the production of a vehicle designed for the elderly and the handicapped are disapproved, and, further, to advise said manufacturers that those requests which are required to provide a vehicle designed to accommodate the elderly and the handicapped, including an extended delivery time and price escalation clauses, as outlined in the aforementioned report dated August 26, 1974, are approved.

Following adoption of the above resolution, Director Neusom stated if the Board later considered Alternates 2A and 2B of the August 26 report that additional information would be needed for the Board to understand, and requested more detailed information as to what specific risks are if there are possibilities of the service now being offered to be interrupted in substantial detail and what we could expect in terms of contingency planning and other information necessary for the Board to act intelligently.

Director Carter asked how many more buses of the same type would be required, and Mr. Heinle replied that 320 additional buses are already included under an UMTA application. He also reported that the Board had

) approved a 12-year life but the staff is now using a 15-year life by necessity, and to maintain that age span we need to procure as just replacements, without improvements, 320 buses per year over the next three years, and there is a need to retire many of the older buses.

Director Price inquired if the 320 buses were added to the present order would it have any effect on the delivery dates, and Mr. Heinle replied that he felt it would not and, furthermore, UMTA has not yet approved the 320 buses.

Director Carter felt that larger orders would expedite the tooling up and delivery of new buses.

President Cook left the meeting at 4:00 p.m. and Vice-President Neusom assumed the chair.

Attorney Mason Rose, representing the California Association of Physically Handicapped, and related organizations, appeared before the Board and commended them for the October, 1974 action regarding purchase of buses for the elderly and the handicapped, and asked them not to take a step backward now since the eyes of the nation are on Los Angeles. He stated that by leaving the Alternates 2A and 2B open for later consideration the Board would violate its resolution. He spoke to the pre-payments requested by the manufacturer and felt the Board should accept that amendment by giving them some form of progress payments; that if the manufacturer needs help they should be given that, and asked the Board to adopt a motion accordingly.

) Director Price asked if UMTA might approve this, and Mr. Heinle replied that UMTA does not favor this, but the specifications allowed the manufacturer to air their differences with UMTA and if they could talk UMTA into it then that avenue is still open to the potential bidder, whether the Board acts now or not.

Director Carter inquired if we couldn't go to UMTA, and Mr. Stubbs stated that we could go to UMTA and try to work something out, but no doubt UMTA would not approve 80% pre-payment.

Vice-President Neusom stated that a motion was in order to request UMTA to look favorably upon this request, using UMTA funds, which motion was moved by Director Carter and seconded.

The question was called for on Mr. Carter's motion, unanimously carried, and the following resolution was adopted:

RESOLUTION NO. R-75-347

RESOLVED, that the staff is authorized to advise the U. S. Department of Transportation, Urban Mass Transportation System (UMTA), that this Board of Directors urges UMTA to give favorable consideration to bus manufacturers' requests for partial prepayment 100% from UMTA funds to said manufacturers to aid in the development, manufacture and expeditious delivery to the District of buses with features designed to accommodate the elderly and the handicapped.

Director Brewster felt that District money should not be used for progress payments and wanted Mr. Rose to understand that even though Alternates 2A and 2B had not been acted on didn't mean they couldn't be considered at a future date. Director Carter agreed and stated, however,

) that Alternates 2A and 2B were not a part of today's action.

Mr. Heinle stated that payments are always on an 80-20 basis, and Mr. Neusom replied that the motion was for UMTA to make the progress payments and not the RTD.

Directors Carter and Gregory departed at 4:15 p. m. , leaving the Board without a quorum.

Presentation by Arthur Young & Co. - PBQ&D, Inc.

Mr. Heinle introduced Mr. Timothy P. Haidinger of the firm of Arthur Young & Co. for the second presentation by the three finalist firms proposing to conduct the maintenance systems and procedure study. Mr. Haidinger introduced David F. Chelesnik, Edgar J. Cummins and Roger D. Hoff of the firm of Arthur Young & Co. , and Raymond W. Holdsworth, of the firm of PBQ&D, Inc.

Mr. Haidinger presented his firm's proposals to conduct the study, copies of which had been forwarded to each Director, and also distributed to Directors copy of the report entitled "A Proposal to Evaluate Bus Maintenance Systems and Procedures - Oral Presentation" dated August 27, 1975.

The estimated cost of the study if conducted by Arthur Young & Co. - PBQ&D, Inc. was \$148,720.

Following the presentation, Mr. Heinle stated the proposal indicated they would expect an RTD coordinator, plus some staff assistance, and asked as to what degree these people would be needed.

Mr. Haidinger stated that this would be determined in contract negotiations and the amount and time of RTD staff involvement would reduce the cost accordingly. He stated they would like to have one RTD staff person, possibly two, but that would depend upon the availability of RTD people which would affect the cost.

Mr. Heinle stated that their proposal, like the others, put a ceiling on the cost and asked if the charges would be made only as they might be utilized, to which Mr. Haidinger replied that they would be hourly charges. Mr. Heinle then stated that the ceiling obviously was based on assumptions, certain RTD staff help, etc., and asked if those could be identified, and Mr. Haidinger replied the ceiling is based on the availability of people to meet with them, but not on the assumption of RTD people working full time on their project team; in other words, the firm would be providing all of the technical conduct of the project.

Mr. Heinle stated that this was the coordination and review function, and asked about the clerical function, to which Mr. Haidinger replied that his firm would provide the clerical function.

The presentation was concluded at 4:37 p.m.

Presentation by Arthur Andersen & Co.

Mr. Heinle introduced Mr. Patrick D. Murphy of the firm of Arthur Andersen & Co. for the final presentation. Mr. Murphy introduced two other members of the firm, Lloyd D. Seese and John R. McChristy.

Mr. Murphy then presented his firm's proposals to conduct the study, copies of which had been forwarded to each Director, and also distributed to Directors a copy of the report entitled "Proposal to Conduct a Study of Bus Maintenance Systems and Procedures" dated August, 1975.

The estimated cost of the study if conducted by the firm of Arthur Andersen & Co. was \$135,000.

Following the presentation, Mr. Takei stated that one of the other groups had emphasized the members of their team are residents of the area and available for follow-up work, and asked Mr. Murphy about the situation with his firm, to which Mr. Murphy replied that all of the team selected are working out of the Los Angeles office and are residents of communities in and around Los Angeles.

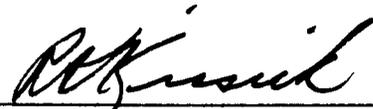
Mr. Heinle asked Mr. Murphy what his firm's involvement was with TransMan, and was told they had not had any. Mr. Heinle then asked if that wasn't what he had referred to when talking about AC, Dallas and SIMS, to which Mr. Murphy replied he had alluded to the fact they were going to look at SIMS and the demonstration projects being undertaken at AC Transit and in Dallas, but have not yet done that. Mr. Heinle stated he thought Mr. Murphy had indicated his firm's prior involvement to which Mr. Murphy replied that he had not.

Director Brewster stated he noticed in the firm's breakout of Task 14, which says designing the system but not actually moving forward to implementation, and asked Mr. Heinle if that was true in all cases, with

) the RFP covering the design but not the implementation, to which Mr. Heinle replied that the study would carry it out to the complete system design without implementation.

The presentation was concluded at 5:02 p. m.

There being no further business, the Special Meeting was adjourned at 5:02 p. m.



Secretary