

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

MINUTES/PROCEEDINGS

Regular Meeting
Board of Directors
Thursday, February 23, 1984
District Board Room
425 South Main Street
Los Angeles

Called to order at 1:07 p.m.

DIRECTORS PRESENT:

Michael W. Lewis, President
John F. Day
Jan Hall
Nate Holden
Marvin L. Holen

Nick Patsaouras
Jay B. Price
Charles H. Storing
Gordana Swanson
George Takei

DIRECTOR ABSENT:

Ruth E. Richter, Vice-President

1. Presentation of Certificates of Merit to:
 - a. Marie Tervalon, Information Operator of the Month;
 - b. Luis Esparza, Maintenance Employee of the Month;
 - c. Ralph Stone, Operator of the Month;and presentation of plaques by Director Richter.

2. Presentation by Director Hall of Fourth Quarter Safe Performance Awards.

3. Report of the President.

President Lewis reported that he had been away from the District for the past two meetings, appearing before the House Authorizing Committee, encouraging them to do a variety of things with the one-cent gas tax, including raising the revenue authorization to match the revenue flow which will help in getting the Metro Rail Project funded by increasing the size of the pot. He also requested that a third year be added to the authorization period which serves the same purpose. District representatives also supported the position of the Administration that the funds should be allocated based on some criteria which includes cost effectiveness and some performance measures of the transit property.

Mr. Lewis also reported that he and Mr. Dyer had attended the APTA Board Meeting at which this item was a matter of discussion and he commented that it will be discussed at the APTA Legislative Conference, at which time it is expected to be hotly debated.

4. Report of the General Manager.

General Manager Dyer reported that it would be necessary to recess to Closed Session at the conclusion of the regular agenda to discuss labor matters.

Mr. Dyer urged Director attendance February 24 and 25 at the Lincoln Land Institute and USC Law Center seminar on joint development opportunities.

General Manager Dyer suggested to the Board members that it would be beneficial for them to spend some time in Atlanta studying joint development projects on their way to or from the APTA Legislative Conference in March.

5. Director Special Items.

None

6. Approved awarding to Ralph M. Parsons/DeLeuw, Cather/Dillingham the opportunity to negotiate a contractual relationship with the District for the Construction Management function of the Metro Rail Project.

Director Holen, Chairman of the Rapid Transit Committee, explained the process followed by the Committee in arriving at this recommendation, and he then made the motion which was seconded by Director Takei.

Director Holden then made a substitute motion that the Board receive the Rapid Transit Committee's report and recommendation and specify that action shall not be taken until the next Board meeting in terms of adoption.

Director Lewis seconded the substitute motion for discussion purposes. Director Holden stated that this is a monumental effort that we are undertaking, and he has some concerns about rushing into this effort. The credibility of the District is at issue. If there are any flaws, we should make sure that all factors have been thoroughly considered and when action is taken, no one can question it. This is the largest and biggest project in Los Angeles that will be undertaken for many years. We have a lot of work to do before completion. Director Holden concluded by stating that he personally does not see anything wrong in waiting until the next Board Meeting.

Director Richter stated that she believes it is far better to take action now. President Lewis mentioned that he does not believe the Board has ever delayed a decision simply for the purpose of buying time. He believes that the points included in the motion by Director Holen are indicative of three or four areas in which there was great diversity in the presentations by the firms.

A vote was taken on the substitute motion, with Director Holden voting for the motion, and all other Directors present voting against the motion.

President Lewis then called for the vote on Director Holen's original motion, which motion carried unanimously, and the following resolution was adopted.

RESOLVED, that the Southern California Rapid Transit District hereby awards to Parsons/DeLeuw, Cather/Dillingham Joint Venture the opportunity to negotiate with the District for the contract to perform the construction management work effort described in Request For Proposal No. 018404.

RESOLVED FURTHER, that the District staff keep the Rapid Transit Committee advised during the negotiations as to the following:

1. Any adverse deviation from the cost proposal submitted by the firm with which the negotiations are being conducted;
2. The further definition of the construction manager's community relations role, and the relation of the construction manager to the District with reference to community relations activity;
3. The necessity, definition and specific role of the construction manager with respect to the Arts Program.

RESOLVED FURTHER, that a full report be made to the Board of Directors at the close of negotiations on the final results of the negotiations.

Director Holen then made a comment that the documents submitted by the firms were lengthy and complex, but they have been read, digested, understood and have generated questions in the minds of the Board Members. Those questions have been asked and answered. If there are any doubters as to the validity of the participatory democracy system we have, they should have been exposed to the process this Board followed with respect to the construction management contract.

SURFACE OPERATIONS COMMITTEE REPORT

7. Authorized the rejection of the bid submitted by Gasco Gasoline, Inc., and award of Contract to Texaco, Inc., Los Angeles, the lowest responsible bidder under Bid No. 2-8416, covering procurement of diesel fuel for a one-year period at an estimated cost of \$25,572,000; form of contract subject to approval of the General Counsel.

UNANIMOUS

A protest by Gasco Gasoline, Inc., and comments from Gale Barstow were heard by the Board.

8. Authorized the rejection of all bids received and the reissuance of invitations to bid covering the procurement of non-revenue tires for a two-year period; form of documents subject to approval of the General Counsel.

UNANIMOUS

EQUIPMENT & MAINTENANCE COMMITTEE REPORT

9. Authorized the General Manager to execute a contract with ATE Systems, Inc., Lexington, Massachusetts, the lowest responsible bidder under Bid No. CA-90-0022-F covering procurement of two automatic test equipment systems and four automatic test equipment units, with a one-year option for three additional automatic test units with accessories at the election of the District, for a total bid price of \$388,860; form of contract subject to approval of the General Counsel.

This procurement is funded under UMTA Grant Nos. CA-90-0022 and CA-03-0259.

UNANIMOUS

EQUIPMENT & MAINTENANCE COMMITTEE REPORT (Cont'd.)

10. Authorized the General Manager to:

- a. execute a contract with Cubic Western Data, San Diego, the lowest responsible bidder under Bid No. CA-03-0259-L covering Electronic Fare Collection System and spares for a total bid price of \$3,478,600; form of contract subject to approval of the General Counsel;

UNANIMOUS

- b. Withdrawn from the agenda at the request of staff.

ADVANCE PLANNING COMMITTEE REPORT

11. Approved adoption of policies regarding minimum level of weekday service and minimum productivity of service as contained in the revised Board report dated February 23, 1984.

12. Approved removal of passenger restrictions at on-line stops on the Hollywood Freeway.

UNANIMOUS

ADVANCE PLANNING COMMITTEE (Cont'd.)

13. Approved the continuation of the two most productive Bus Express Employee Program (BEEP) lines until June, and the elimination of the least productive line.

Also, directed staff to work with Torrance Transit System concerning the takeover of these lines by that Agency, and to work with the cities in the area concerning subsidy of the line.

UNANIMOUS

14. Authorized the General Manager to enter into an Agreement with the County of Los Angeles covering provision of augmented service on Line 434; form of agreement subject to approval of the General Counsel.

UNANIMOUS

15. Approved minor route modification of short-line on Line No. 1 in the Hollywood area.

UNANIMOUS

16. Approved Final Service Deployment Plan for the 1984 Olympic Games; including the establishment of a park-ride location at Alpine Village in Torrance.

UNANIMOUS

Alice Lepis, City of Los Angeles Transportation Department, appeared before the Board requesting a distance based fare. There was also discussion concerning bus only and/or bus preference streets.

ADVANCE PLANNING COMMITTEE (Cont'd.)

17. Deferred action on the FY 1985-89 Short Range Transit Plan. Set a Special Board Meeting to be held on Thursday, March 1, 1984 for this item.

UNANIMOUS

At 2:43 p.m., the Board heard the protest under Agenda Item No. 39, returning to the remainder of the items at 4:10 p.m.

RAPID TRANSIT COMMITTEE REPORT

18. Tabled recommendations regarding the station site plan and joint development plan for the Metro Rail Station at Wilshire and Crenshaw Boulevards until such time as an excursion to the site can be arranged which would include Members of the Board, Councilman Ferraro, leadership of the 'user' community and leadership of the residential community.

UNANIMOUS

19. Authorized the General Manager to negotiate and execute a contract with Schimpeler-Corradino Associates to provide General Planning Consultant Services in an amount not to exceed \$880,000; form of contract subject to approval of the General Counsel.

UNANIMOUS

RAPID TRANSIT COMMITTEE REPORT (Cont'd.)

20. Approved Requisition No. 4-8100-055 and authorized the General Manager to execute a Master Cooperative Agreement with CalTrans for relocation of facilities that are impacted by the construction of the Metro Rail Project at an estimated cost of \$2,800,000 for FY 1984; form of contract subject to approval of the General Counsel.

UNANIMOUS

21. Approved Requisition No. 4-8100-053 and authorized the General Manager to execute a Utility Cooperative Agreement with Pacific Bell Telephone Company for relocation of facilities that are impacted by the construction of the Metro Rail Project at an estimated cost of \$200,000 for FY 1984; form of contract subject to approval of the General Counsel.

This is funded under UMTA Grant CA-03-0130.

UNANIMOUS

22. Approved Requisition No. 4-8100-038 and authorized the General Manager to execute a Utility Cooperative Agreement with Western Union Telegraph Company for relocation of facilities that are impacted by the construction of the Metro Rail Project at an estimated cost of \$60,000 for FY 1984; form of contract subject to approval of the General Counsel.

UNANIMOUS

GOVERNMENT RELATIONS COMMITTEE REPORT

23. Considered position paper on SB 1264 relative to Citizens Advisory Committees.

Director Holen made a motion that the District maintain a position of neutrality on this bill. Following discussion, Director Storing made a substitute motion that the District oppose the Bill because the District already has the ability to form citizen advisory committees and can do it on a broader scale than this bill allows.

SUBSTITUTE MOTION UNANIMOUSLY CARRIED.

24. Received and Filed State Legislative Update Report.

Took action to support Senate Bill 283 (Foran) regarding revisions to the STIP process.

Took action to support Senate Bill 1463 (Watson) with technical amendments regarding Benefit Assessment Clean-Up.

UNANIMOUS

PERSONNEL COMMITTEE REPORT

25. Approved Side Letter of Agreement No. XIX between the District and the Brotherhood of Railway, Airline and Steamship Clerks; form of agreement subject to approval of the General Counsel.

UNANIMOUS

PERSONNEL COMMITTEE REPORT (Cont'd.)

26. Ratified Special Olympic Agreement with the United Transportation Union.

UNANIMOUS

CONSENT CALENDAR

27. Approved Requisition No. 4-3399-1347 and authorized the General Manager to exercise an option for one additional year with Chemco Products, Compton, covering concentrated pine odor cleaner at an estimated annual cost of \$55,300; form of option subject to approval of the General Counsel.

UNANIMOUS

28. Approved Requisition No. 4-3399-1346 and authorized the General Manager to exercise an option for one additional year with Coral Chemical Company, Paramount, covering liquid steam cleaner at an estimated annual cost of \$47,500; form of option subject to approval of the General Counsel.

UNANIMOUS

CONSENT CALENDAR (Cont'd.)

29. Approved Requisition No. 4-3500-39 and authorized the General Manager to execute a contract with E. J. Ward, San Antonio, Texas, covering procurement of parts to repair data collection terminals at an estimated cost of \$34,000; form of contract subject to approval of the General Counsel.

UNANIMOUS

30. Ratified Requisition No. 4-4400-359 and authorized the General Manager to amend an existing contract with Anderson Lithograph Company, Los Angeles, covering production of the 1984 RTD Commemorative Calendar, increasing the total cost by an additional \$4,055 for a total cost of \$27,335; form of contract amendment subject to approval of the General Counsel.

UNANIMOUS

31. Authorized the Purchasing Agent to issue Invitations To Bid covering the sale of 52 wrecked and cannibalized buses and authorized the General Manager to execute contracts with the highest responsible bidders thereon, for an estimated revenue of \$5,000; form of bid requirements, specifications and contracts subject to approval of the General Counsel.

A portion of the revenue will be credited to UMTA Grant No. CA-03-0178.

UNANIMOUS

CONSENT CALENDAR (Cont'd.)

32. Approved Requisition No. 4-7400-02 and authorized the General Manager to amend an existing contract with Trans-Management, Inc., Los Angeles, covering consultant services to develop an insurance subrogation system for the District's Insurance Department, increasing the total cost by an additional \$6,760 to a total amount of \$31,660; form of contract amendment subject to approval of the General Counsel.

UNANIMOUS

33. Authorized the General Manager to execute a contract with GMC Truck and Coach Corporation, Los Angeles, the lowest responsible bidder under Bid No. CA-90-0022-CA, covering procurement of two 1-ton cargo vans for a total bid price of \$27,010; form of contract subject to approval of the General Counsel.

This procurement is funded under UMTA Grant No. CA-90-0022.

UNANIMOUS

34. Approved Requisition No. 4-3399-1345 and authorized the General Manager to exercise options for one additional year with Grumman Flexible Corporation, Compton, for an estimated annual cost of \$65,000, and Fletcher Electrical Specialty, Costa Mesa, for an estimated annual cost of \$10,000, covering miscellaneous Delco-Remy automotive parts; form of options subject to approval of the General Counsel.

UNANIMOUS

CONSENT CALENDAR (Cont'd.)

35. Approved conveyance of easement to Southern California Edison Company for underground electrical system and above ground pads and equipment necessary to supply service to our new Division 18 facility in Carson; form of documents subject to approval of the General Counsel.

UNANIMOUS

36. Received and Filed Report Calendar - February 2 through February 15, 1984.

UNANIMOUS

37. a. ratified bus stop zone changes as filed with the Secretary;
- b. ratified temporary route diversions as filed with the Secretary.

UNANIMOUS

GENERAL ITEMS

38. President Lewis appointed Directors Price, Hall and Storing to a Nominating Committee to report at the next meeting for the election of President and Vice-President, in accordance with Section 2.2 (a) of the Rules and Regulations. Director Price will serve as Chairman.

GENERAL ITEMS (Cont'd.)

39. At 2:43 p.m. President Lewis turned the gavel over to Director Holen, who as Chairman of the Rapid Transit Committee, presided over the hearing of the protest filed by Gibson, Dunn & Crutcher on behalf of Alexander & Alexander, a joint venture, regarding the Board's decision to award negotiating rights for the District's Metro Rail Insurance Administrator Contract to another joint venture.

Mr. Willard Z. Carr presented his testimony on behalf of his clients, Alexander & Alexander. He stated that in accordance with the Request For Proposal, a proposer must achieve a minimum rating to be considered for award of contract; this was a threshold requirement. It has been acknowledged that only one firm met this threshold requirement, yet the General Manager decided to submit all firms to the Board for their consideration. He also stated that Alexander & Alexander was the only firm to be subjected to an audit procedure. Once certain procedures are set forth, you are committed to follow those procedures; you cannot arbitrarily deviate from those procedures. This is a matter of great concern to Alexander & Alexander, to the public, and to any other persons who may be bidding on District work.

GENERAL ITEMS (Cont'd.)

Hearing Officer Holen stated that a motion would be made to adjourn to Closed Session to consider the merits of the protest. The motion was made and seconded.

Prior to recessing to Closed Session, Mr. Thomas A. Jones, representing T. A. Jones & Associates, spoke stating that MBE firms are being left out of the Metro Rail work. After hearing Mr. Jones, Hearing Officer Holen ruled that Mr. Jones' comments were not pertinent to the issue at hand.

The Board recessed to Closed Session at 3:04 p.m., returning at 3:58 p.m. with all Directors except Director Day responding to Roll Call.

Hearing Officer Holen reported that the Board had met in Closed Session to consider the protest of Alexander & Alexander. Prior to announcing the Board's conclusions and making a motion for Board action, he stated it was important to lay a foundation. First, the District recognizes that the Metro Rail Project would be engaged in awarding contracts involving very large sums of money. The procedures established for the award of contracts must be above question in terms of their integrity and business common sense. The District established a public policy for the procedure of awarding contracts to avoid favoritism and prejudice. The District set up a system of checks and balances. The RFP or Statement for Expressions of Interest and Qualifications are prepared, proposals are then made. The staff then screens out those firms which are determined not qualified to perform the work. There is no way that the Board or a single Director can interfere with the process at this point. The Board will choose from a number of firms so that staff cannot direct just one firm to the Board. At no place in this procedure can one or more staff persons direct who is going to get a contract. This procedure was established to try to reduce to a minimum the effect of favoritism or prejudice.

GENERAL ITEMS (Cont'd.)

Hearing Officer Holen mentioned a second policy which is not to allow any firm to negotiate with the District in a non-competitive environment; a competitive environment is maintained all the way through the process. The General Manager, in the case before the Board, interpreted the language in keeping with the public policy as just described. The General Manager did not allow the staff to submit a single firm to the Board; we had a Request For Proposal that conflicted with our public policy. The Board has become concerned that UMTA may take the protest seriously and that would result in undue delay in the Metro Rail Project.

Hearing Officer Holen commented to Mr. Carr that from his letter filed with the District it would appear that he did not bring his clients before the Board with clean hands; for this reason the protest should be rejected. It appears that an employee of the District was compromised; this opens up the possibility of subornation. Mr. Carr had been asked to name the District employee and he refused to do so.

Hearing Officer Holen then offered the following resolution, which motion was seconded and carried on a Roll Call vote as noted below:

RESOLVED, that in keeping with the public policy interests of the Southern California Rapid Transit District, and in keeping with the best business practices that the District can follow:

- 1) The Board hereby rescinds the action of January 26, 1984, in which the District offered to the Fred S. James Company the opportunity to negotiate with the District for the role of insurance manager for the Metro Rail Project;
- 2) That the Southern California Rapid Transit District will reject all proposals received pursuant to the Request For Proposal; and

GENERAL ITEMS (Cont'd.)

3) The Board of Directors hereby instructs the staff of the District to revise or prepare a new Request For Proposal, and recirculate the Request For Proposal among those parties in the insurance industry who have indicated an interest in responding to such a Request For Proposal.

Ayes:	Hall, Holden, Hoken, Lewis, Patsaouras, Price, Richter, Storing, Swanson, Takei
Noes:	None
Abstain:	None
Absent:	Day

General Manager Dyer commented that staff will proceed as quickly as possible to revise the Request For Proposals. Staff should return to the Board with a recommendation to conduct interviews for negotiating rights within 45-50 days.

40. New Business

On motion made, seconded and duly carried, the Board recessed to Closed Session at 4:37 p.m. to consider labor matters. The Board returned at 4:50 p.m. and took the following actions:

Ratified collective bargaining agreement with Teamsters Union, Local 911, covering the District's Security Guards for the period October 1, 1983 to September 30, 1984.

UNANIMOUS

Ratified collective bargaining agreement with United Transportation Union - Schedule Maker unit for the period February 1, 1984 to January 31, 1985.

Roll Call vote as follows:

Ayes:	Holden, Patsaouras, Price Richter, Swanson, Takei
Noes:	Lewis, Storing
Abstain:	None
Absent:	Day, Hall, Holen

Greg Roberts appeared before the Board speaking on a number of transit related issues.

Adjourned at 4:55.


District Secretary