

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

MINUTES/PROCEEDINGS

REGULAR BOARD MEETING

**Board of Directors
District Board Room
425 South Main Street
Los Angeles**

February 8, 1990

Called to order by President Swanson at 1:05 p.m.

Directors Present

Gordana Swanson, President
Marvin L. Holen, Vice President
Joseph S. Dunning
Larry Gonzalez
Jeff Jenkins
Don Knabe

Jerold F. Milner
Nick Patsouras
Jay B. Price
Charles H. Storing
Kenneth R. Thomas

Items were considered in the following order:

The oath of office was administered to Director Don Knabe by the District Secretary.

1. Report of the President

No report was made.

3. Director Special Items

No items were discussed.

4. APPROVED the following Pension Plan Changes for Non-Contract Employees:
- a. For employees who voluntarily elect to join the "New" Plan, increase the retirement benefit tables (part of the retirement formula that determines the level of retirement income) by 8% in exchange for the elimination of the "30 & Out" benefit. The "30 & Out" benefit provides that after 30 years of service an employee will receive a monthly retirement benefit of not less than 50% of the adjusted three-year average earnings, regardless of age.
 - b. Provide for 100% vesting of pension benefits to all Non-Contract employees if there is a significant change in the make-up of the Board of Directors.

Unanimous with 11 Directors present.

POLICE AND PUBLIC SAFETY COMMITTEE

22. Reviewed RTD Police proposal for Blue Line Security.

Commander Baker of the L.A. County Sheriff's Department gave a very brief overview of the Sheriff's security proposal and responded to questions from the Board.

Director Patsouras made the following motion which was seconded by Director Jenkins:

Authorize the Transit Police Chief to provide an officer at each Light Rail facility 24 hours a day for the first six months of operation of the Blue Line (July 1 through December 31, 1990).

The following substitute motion was made by Director Dunning and seconded by Director Gonzalez:

That security for the Long Beach Line be provided by the Southern California Rapid Transit District, Transit Police Organization.

On a call for the question the following Roll Call Vote was recorded on the substitute motion by Director Dunning:

Ayes: Dunning, Gonzalez, Holen, Milner, Patsaouras
Price, Storing, Thomas, Swanson
Noes: Knabe, Jenkins
Abstain: None
Absent: None

Carried on a 9 to 2 vote with 11 Directors present.

Public comment was received from G. Roberts, H. Watts and J. Walsh regarding security and graffiti on the Blue Line.

The vote was then taken on the Patsaouras motion regarding 24-hour security for Light Rail facilities.

Ayes: Dunning, Gonzalez, Knabe, Holen, Jenkins,
Milner, Patsaouras, Price, Storing, Swanson
Noes: None
Abstain: Thomas
Absent: None

The motion carried with 11 Directors present and Director Thomas abstaining.

5. APPROVED Resolution to Proceed with the establishment of Benefit Assessment Districts for Phase II of the Metro Rail System, with the exception that action on the Universal City Benefit Assessment District is deferred until staff can bring back more definitive language describing the boundaries of this particular Benefit Assessment District removing any reference to slopes and generally following a one-half mile simple radius.

Unanimous with 11 Directors present.

J. Walsh, and H. Watts spoke to the Board on the subject of Benefit Assessment Districts.

2. Report of the General Manager

General Manager Pegg gave a brief oral synopsis of his written report regarding the contract with CBC, Inc., which was followed by questions from the Board.

Director Jenkins mentioned the three existing contracts with lobbyists and questioned the need for another.

Upon query by Director Gonzalez as to the Board's intention, President Swanson stated that the Board had acted at the last meeting to suspend the contract for one week to allow the General Manager to submit a written report and that it was her intention to entertain a motion to rescind the contract.

Director Patsouras offered a motion to rescind the contract. The motion was seconded by Director Storing.

Director Dunning suggested the issues be split into two parts -- one dealing with the hiring of a consultant and a second to address the question of administration. This substitute motion was seconded by Director Knabe.

Director Jenkins requested an Executive Session be held regarding the General Manager's contracting authority, and was advised that such a session was scheduled for February 22, 1990.

Director Thomas questioned the legality of a contract naming a former Board member. Legal Counsel advised that District law prohibits a former Board member from appointment to any salaried office or appointment in the service of the District within one year after ceasing to be a Director, but spells out no prohibition against contracting.

Director Gonzalez observed that the General Manager's actions appeared to be a direct attempt to help public transit which was gone about in an improper way.

Director Holen said that he would like to see the District adopt the policy that under no circumstances would the District employ, directly or indirectly, a member of the Board for one year following membership on the Board.

Director Holen expressed his opinion that contracting with CBC appeared to be a subterfuge and that he would prefer to contract directly with Mrs. Hall. Director Dunning, in agreement with Director Holen, withdrew his substitute motion, and the following substitute motion was made by Director Holen:

That the General Manager be requested to terminate the contract with CBC and be supported in entering into a contract directly with Mrs. Hall for whatever scope of services he feels appropriate. That the understanding with Mrs. Hall be that the District has the exclusive right for her services and that would specifically preclude the representation of other clients before the District for a one year period. After that one year, she may become an employee of the District. Further that the policy of this Board of Directors be that the District will not employ, directly or indirectly, any former member of the Board for a one year period.

Whereupon Director Milner asked that this compound motion be separated into parts to allow each pertinent portion to be voted on separately.

Director Holen made a substitute motion to terminate the contract with CBC. The motion was seconded by Director Thomas and carried on a Roll Call Vote as noted below:

Ayes: Dunning, Gonzalez, Hall, Holen, Jenkins,
Milner, Patsouras, Storing, Thomas, Swanson
Noes: Price
Abstain: None
Absent: None

Director Holen then made another motion to request the General Manager to contract directly with Mrs. Hall for the services as described in the previous contract with CBC, at a fee to be determined by the General Manager, for a one year period, and that she be precluded from representing other clients that do business with the District. Director Milner seconded. This motion failed on a Roll Call Vote as noted below:

Ayes: Dunning, Hall, Holen, Jenkins, Price
Noes: Gonzalez, Milner, Patsouras, Storing,
Thomas, Swanson
Abstain: none
Absent: none

Director Storing expressed his distaste for this motion calling it a back-door approach to reinstating what existed before the last motion was passed.

A motion was then made to prohibit the District from entering into a contract for services or products with a member of the Board of Directors for a minimum of one year following termination of service as a Board member. This motion was seconded and carried, with Directors Knabe and Jenkins casting "No" votes.

Director Knabe then presented a motion to approve the contract with CBC. There was no second to this motion.

H. Watts spoke on this subject matter.

6. CARRIED OVER Review of delegated contracting authority levels.
7. CARRIED OVER analysis of District Law as it relates to reporting relationship of the Inspector General.
8. Considered and REJECTED request by California Engineering Contractors, Inc. (CEC), the prime contractor, for substitution of United Engineering Technology, Inc., for work on Metro Rail Contract A610/A115.

Unanimous with 10 Directors present.

Dr. Lucie Michails of United Engineering Technology appeared before the Board, requesting rejection of the request by California Engineering Contractors for substitution for failure to provide a bond.

After lengthy discussion Mr. Buddy Hogan of the Transit Bond Guarantee Program advised, that as custodian of the LACTC and the City's \$15 million that's used as collateral for these bonds, the Board could direct the Bond Guarantee Program to guarantee the bond.

And on the following Roll Call Vote the Board DIRECTED that the request for substitution be rejected and risk for this subcontractor contract be borne by the District through authorizing the exercise of the Transit Bond Guarantee for United Engineering Technology.

Ayes: Dunning, Gonzalez, Knabe, Jenkins,
Price, Storing, Thomas, Swanson
Noes: Patsaouras
Abstain: None
Absent: Holen, Milner

9. CARRIED OVER Hearing Officer's report regarding the unauthorized substitution by Harris Corporation, San Carlos, the prime contractor, of the subcontractor, Microwave Radio Communication, El Monte, designated to do the installation portion of Contract No. 5023, Microwave System Upgrade.

10. CARRIED OVER Receipt and filing of the outside auditor's (Coopers & Lybrand) report to management on internal controls and recommended operating efficiencies based on the audit of the financial statements for Fiscal Year 1989.

Items 11 through 14 on the Consent Calendar were unanimously approved in one motion with 9 Directors present.

11. APPROVED a contract with Neils Detroit Diesel, Inc., Phoenix, Arizona, the lowest responsible bidder under Bid No. CA-90-X283-F covering V731 D transmissions for a total bid price of \$246,806; form of contract subject to approval of the General Counsel.

This procurement is funded in part under UMTA Grant No. CA-90-X2383.

12. APPROVED Requisition No. 0-7500-043 and amendment of an existing contract with Ambulatory Health Systems dba Advantage Care of Van Nuys, increasing the total cost by an estimated additional cost of \$250,000; form of contract amendment subject to approval of the General Counsel.

13. RECEIVED and FILED Report Calendar - January 26, 1990 to February 7, 1990.

14. RECEIVED and FILED the Treasurer's Report on District's Investment of Funds for January 1990.

MARKETING AND CUSTOMER INFORMATION COMMITTEE

15. RECEIVED and FILED 2nd Quarterly Report of the Marketing and Communications Department.

Unanimous with 9 Directors present.

EQUIPMENT AND OPERATIONS COMMITTEE

16. AUTHORIZED rejection of non-responsive bid submitted by Cummins West, Inc. and APPROVED a contract with Flexible Distribution Center, Compton, the lowest responsible bidder under Bid No. CA-90-X329C covering Voith transmission procurement at a total bid price of \$320,784; form of contract subject to approval of the General Counsel.

This procurement is funded in part under UMTA Grant No. CA-90-X329.

Unanimous with 9 Directors present.

17. AUTHORIZED rejection of non-responsive bid submitted by Crown Dodge, Ventura, and APPROVED a contract with Downey Auto Center, Downey, the lowest responsible bidder, under Bid No. CA-90-X329-B covering 42 cargo vans for a total bid price of \$637,397; form of contract subject to approval of the General Counsel.

This procurement is funded in part under UMTA Grant No. CA-90-X329.

Unanimous with 9 directors present.

18. RECEIVED and FILED report on Bus Operator Courtesy.

Unanimous with 9 Directors present.

19. RECEIVED and FILED status report on Alternate Fuel and Test Projects.

Unanimous with 9 Directors present.

EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION COMMITTEE

20. RECEIVED and FILED report on DBE Contracting and Substitution -Bonding on the Metro Rail Project and gave staff the following direction:

A: Draft into contracts a requirement that when a prime contractor offers to enter into a contract with the District and certifies to the District their DBE contractors in order to get the contract, if the prime, in its contract with the DBE subcontractor does not require a bond from the DBE at the time the District awards the contract, it will be thereafter deemed that the prime has waived the bond requirement for the contract for substitution purposes;

- B: Policy for administering payments to primes be revised to include the provision that all subcontractors be notified at their address of record, the date and amount of such payment.
- C: Legal Staff to report back in two weeks on contract changes required to implement the bond and the prompt payment requirements; and
- D: Affirmative Action Department to report back in one month on the procedures to monitor payments to subcontractors in a timely manner in accordance with law, and report back on the establishment of procedures to make available to DBE contractors information on all bond guarantee programs available for their utilization.

Unanimous with 9 Directors present.

POLICE AND PUBLIC SAFETY COMMITTEE

- 21. Received and Filed LACTC and L.A. County Sheriff's Department proposal for Blue Line security and approved use of Blue Logo for Blue Line Railcars.

GENERAL ITEMS

- 23. There were no items arising subsequent to the posting of the agenda.

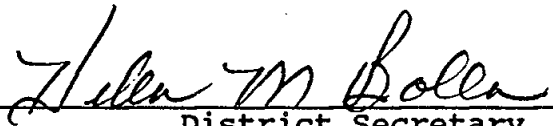
- 25. Recessed to Closed Session to consider personnel, labor negotiations and litigation matters from 6:00 p.m. to 6:15 p.m. No report was made.

24. Public Comment

G. Lyon of the Operating Engineers Local 12 appeared to bring to the attention of the Board the existence of a DBE designation certification on which the signature of a District Contract Compliance Officer has allegedly been forged. Mr. Lyon requested that the Office of Inspector General investigate this matter, and offered his cooperation.

Mr. A. Castro of the One Stop Immigration & Educational Center requested Board approval for Community Based Organizations (CBO's) to disburse "Student & Vocational Bus Passes" for students attending Amnesty Education courses.

The meeting adjourned at 6:30 p.m.


District Secretary