

**BOARD OF DIRECTORS
Salem Area Mass Transit District
October 27, 2011**

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Moved to approve Resolution #11-11 to adopt the facts and findings, and allow the use of an alternative contracting method of Request for Proposals (RFP) to solicit design-build services for the remediation of the Courthouse Square complex	3
Moved approval of the Consent Calendar	4
1. <u>Approval of Minutes</u>	
a. Regular Meeting of September 22, 2011	
2. <u>Routine Business</u>	
a. Legislative Action – HR 2698 Amendment to Broaden Special Rules for Certain Governmental Plans under Section IRC 105(j)	
Appoint John Hammill representing Subdistrict #5; and reappoint Dennis Kilfoil representing Subdistrict #1; Dale Penn II representing Subdistrict #6 and Claudia Howells representing Subdistrict #7 to the District’s Budget Committee citizen positions for a three-year term ending June 30, 2014	4

MINUTES

BOARD OF DIRECTORS
Salem Area Mass Transit District
October 27, 2011
City of Salem City Council Chambers
555 Liberty Street SE, Salem Oregon 97301

Call To Order
& Note Of
Attendance

President Thompson called the regular meeting to order at 6:32 p.m. Attendance was noted and a quorum was present.

Present: President Jerry Thompson; Directors Doug Rodgers, Kate Tarter, Marcia Kelley, Bob Krebs, and Steve Evans

Excused: Director Ron Christopher (death in family)

Staff: Allan Pollock, General Manager; Paula Dixon, Director of Human Resources; Sue Quick, Director of Operations; Pat Mercier, Director of Finance; Chad Fosnight, Capital Projects Manager; Jared Choc, Strategic Planning/Technology Services Manager; Charlie Clarke, Fixed Route Operations Manager; Sue Coffin, Interim Contracted Services Manager; Doreen Blome, Contract/Procurement Specialist; Lorna Adkins, Marketing & Communications Coordinator; Linda Galeazzi, Administrative Secretary; Ben Fetherston, SAMTD Legal Counsel

Guests: Bill Holmstrom, Geoffrey James, Clarence Pugh, David Beem, Eddie Plourde, Steve Aanonson

ANNOUNCEMENTS

There were no announcements or changes to the agenda.

PUBLIC HEARING
Alternate Contract
Method-CH2
[6:34 PM]

The Board of Directors, in its capacity as the Local Contract Review Board (LCRB) called for a Public Hearing to take comments on draft findings for an exemption from competitive bidding (see pages 1-12 of the agenda). President Thompson opened the Public Hearing at 6:34 p.m.

- Geoffrey James
- Patrick Hazel
- Randy Morgan

Chad Fosnight gave a presentation on the *Design-Build Delivery Method Findings* to include the development of the findings justifying the use of an alternative method; the statutory requirements for the selection criteria and advertising; and special requirements pursuant to federal, state and local public contracting code for sub-consultants, and geographic preferences on FTA-funded projects. Mr. Fosnight reviewed the competitive bidding strategies and stated that the resulting contract from the design-build alternative procurement process will be treated as a public contract for public improvement as defined by the public contracting code and will be subject to all requirements for public improvement contracts, including but not limited to hours of labor, retainage and payment, subcontractors, bonds, insurance, warranties, peer reviews, and prevailing wage requirements. He concluded with staff's recommendation that the LCRB adopt the findings and allow the use of an alternative contracting method based on the following justifications: 1) It provides the most likely opportunity to acquire a specialized, technical, peer reviewed, and cost-

effective solution for the remediation of the Courthouse Square Complex; 2) The alternative contracting method will result in an open environment that takes into account modern realities and practices that are consistent with the public policy of encouraging competition.

President Thompson noted the written testimony that should be entered into the record. Written testimony was received from:

- **Geoffrey James**, address on file: Mr. James spoke about his support of the alternative contracting method and submitted written comments *[herein given as Attachment A and by this reference made a part of the minutes]*;
- **Patrick A. Hazel**, President of the USAF Pilot Training Class 52-G&H Association, Inc., wrote about building a major national hotel on the Courthouse Square property *[herein given as Attachment B and by this reference made a part of the minutes]*; and
- **Randy Morgan**, citizen, wrote to keep the transit mall centrally located and complete a public house project on the North Block *[herein given as Attachment C and by this reference made a part of the minutes]*.

There was no other testimony. President Thompson closed the Public Hearing and moved into deliberation at 6:50 p.m.

DELIBERATION OF
PUBLIC HEARING
Resolution #11-11
Contract Method-
CH2 [6:52 PM]

Director Rodgers asked about the scope of advertising for the remediation RFP. He wanted a wide network of advertising so that contractors as far away as Maine would know about the bid. Mr. Fosnight responded that bid documents would be provided to anyone who wanted to apply. Information on the RFP will be available on both Marion County and the District websites. Mr. Pollock advised that advertising would be done in the traditional methods throughout the transit industry and through county channels.

Director Kelley moved to approve Resolution #11-11 to adopt the facts and findings, and allow the use of an alternative contracting method of Request for Proposals (RFP) to solicit design-build services for the remediation of the Courthouse Square complex. Director Tarter second. The motion was passed unanimously by those present (6).

Mr. Pollock announced that the Marion County Commissioners had approved the design-build process at their October 26th meeting.

PUBLIC COMMENT
[6:55 PM]

- Eddie Plourde
- David Beem

Eddie Plourde, address on file: Mr. Plourde reported that people had been riding their bikes on the Transit Mall sidewalks and people were smoking around Courthouse Square. He said it is difficult for people with asthma who ride the bus to breath in the smoke and the people smoking were ignoring the no-smoking signs. Mr. Pollock responded that there is a designated smoking area on the corner of Chemeketa and High Streets but staff would inform the Security Coordinator and Salem Police to keep an eye out for the issues he raised.

David Beem: Mr. Beem wants the Courthouse Square building to be remodeled.

PRESENTATION
Safety Education for

Charlie Clarke gave a presentation on the operations safety education and customer service training which is done for new transit operators and at annual in-service

Operators [7:00 PM] trainings. Operators learn about on-board safety, safety from a maintenance perspective, and security and police presence at the Transit Mall. The safety standard for preventable accidents per 100,000 miles according to the Federal Transit Administration is 1.4. In comparison the safety record for Salem-Keizer Transit is 0.83.

Director Rodgers recalled that Portland seemed to have their share of issues and he was glad that he had not heard of those issues at Salem-Keizer Transit.

Director Evans knew the District's safety record was good in talking with the drivers. He appreciates the training they get, noting that buses were big, cars are small and kids are smaller.

CONSENT
CALENDAR
[7:12 PM]

No items were deferred from the Consent Calendar on pages 13-28 of the agenda. **Director Kelley moved approval of the Consent Calendar. Director Tarter seconded. The Motion was passed unanimously by those present (6).**

ACTION ITEMS
I.1 Appointments -
Budget Committee
Citizen Members
[7:14 PM]

Director Kelley moved to appoint John Hammill representing Subdistrict #5; and reappoint Dennis Kilfoil representing Subdistrict #1; Dale Penn II representing Subdistrict #6 and Claudia Howells representing Subdistrict #7 to the District's Budget Committee citizen positions for a three-year term ending June 30, 2014. Director Evans seconded. The Motion was passed unanimously by those present (6).

INFORMATION

None

REPORTS
K.1 FY 11/12 Year-
End Financials
[7:16 PM]

Pat Mercier reported on the fourth quarter financials as of June 30, 2011 from pages 33-48 of the agenda and highlighted revenues and expenditures that were over or under by at least 5% of the budget. Overall, actual revenues at \$22,304,763 were under budget at 95.34%; general fund expenditures totaling \$21,892,756 were under budget at 89.83%. Ms. Mercier noted that the auditors were currently wrapping up their final numbers for the auditor's report.

K.2 Performance
First Quarter -
FY 2011-2012
[7:26 PM]

Jared Choc reported on the District's performance measures with a Power Point presentation. CARTS and CherryLift ridership for July and August 2011 was down over previous quarters. The average passengers per hour on most fixed-routes was down with the exception of increased ridership on Routes #5/Center Street, #6/12th-Battle Creek, #13/Silverton-Brown Road, #19/River Rd North/Parkmeadow, #1X/Wilsonville, #2X/Grand Ronde, and #91/Garten Foundation. Total fare revenue in the first quarter of FY 2010/11 totaled \$602,590; BETC revenue was 18% of that revenue totaling \$108,690. Revenue for FY 2011/12 in the first quarter totaled \$534,234; down 13% at \$69,000 without BETC revenue. Nearly all non-BETC sales increased: monthly passes at 21%, annual pass sales at 61%, Cherricards at 33%, Youth Passes at 16%, and Single Ride/Day passes at 4%. Ridership and fare revenue are expected to increase in the second quarter. Cherriot's safety record continues to show a decrease in preventable accidents in fixed-route revenue vehicles per 100,000 miles. There has been a downward trend since the system was redesigned in the first quarter of FY 2010/11 from 90% to 55% in the first quarter of FY 2011/12.

Director Tarter asked about the potential impact on District costs if there was a

decrease in CherryLift riders. Mr. Pollock explained that the District pays the contractor per revenue hour to provide that service; there are no fixed monthly revenue hours, but they monitor the service provided through a passenger per hour count. Revenue would be reduced if there were fewer reservations.

Director Tarter noted the Cherriots safety record and asked for examples of this trend to make it safer. Mr. Choc explained that since the system was redesigned buses were not going through as many neighborhoods but were traveling more on primary corridors and on wider roads.

Director Rodgers asked about the increasing commuter ridership and if there was a mechanism to figure out why it was happening and capitalize on it. Mr. Choc speculated that it could be due to the economy and gas prices; however staff has discussed having available customer satisfaction surveys for current riders this year to find out about the riders' experience which may help to explain the increase.

Board members reported on their board assignments and on subcommittee discussions and projects from pages 49-60 of the agenda.

Director Krebs said the Salem Keizer Area Transportation Study's October meeting was cancelled; and he plans to attend the November Oregon Metropolitan Planning Organization Consortium (OMPOC) meeting in Portland.

Director Kelley reported on the October 6th Mid-Willamette Area Council on Transportation (MWACT) meeting where they met the new Region Two manager for ODOT; they heard a presentation on least cost planning and talked about changes to the Oregon highway plan. She shared news about the opening of the District's Rickreall Park & Ride and the District's APTA AdWheel Award at this meeting.

President Thompson attended the Special Transportation Fund (STF) Advisory Committee meeting where potentially new members were introduced; however, they did not have a quorum so no action was taken. He also attended the Mid-Willamette Valley Council of Governments (MWVCOG) meeting where they discussed issues not related to transit.

Director Krebs, as chair of the Planning & Operations Subcommittee, reported that the committee discussed West Salem revisions in service and along Route #7/Fairview Industrial Road to be implemented in March 2012. They received capital project updates on the Rickreall Park & Ride, Courthouse Square and the Keizer Transit Center.

Director Evans, as chair of the External Relations Subcommittee, reported that the committee discussed saying the Pledge of Allegiance at the beginning of their regular board meeting. They talked about forming partnerships with local government officials and businesses to discuss local transportation needs. At their November 10th meeting they will review and update Attachment A of the Bylaws "Consumer Advisory Committee" for the December 8th Board meeting and they will prepare a list of potential business partners.

President Thompson reported that the Executive Committee met to discuss the Courthouse Square decision tree matrix.

Mr. Pollock reported for Director Christopher on the Finance & Performance Management Subcommittee where they were introduced to a draft of next year's budget calendar. They discussed ways to simplify the budget process and the financial impact of the Wheels request for more funding.

K.4 Staff Report

Departmental Staff Reports from pages 61-67 of the agenda were received and filed.

**BOARD &
MANAGEMENT**
General Manager
[7:45 PM]

Mr. Pollock reported on his activities in the month of October:

- He was elected to the American Public Transportation Association's Board of Directors, and is serving as President of the Oregon Transit Association.
- The Secretary of State's Office has contracted with the MWVCOG to produce two redistricting map options for Board review and approval.
- The District received a \$2.8 million livability grant that will insure that the Keizer Transit Center will be a flagship project.
- The Board Retreat on Saturday, November 5th begins at 9:00 a.m. at the District's administration office in Suite 350.
- The District starts their internal United Way campaign with a chili cook-off on Monday, November 7th;
- District offices will be closed on the Veteran's Day holiday, November 11th and on Thanksgiving Day, November 24th; there will be no bus service
- The next, regular board meeting is scheduled for Thursday, December 8th.

Board President
[7:50 PM]

President Thompson attended the APTA Annual Meeting and Expo in New Orleans. It was an outstanding event; the meetings were informative and educational with first-class speakers. There was 280,000 square feet of vendor display space at the Expo where they had opportunities to talk with vendors about bus washes and mechanical needs. He attended the October 15th special board meeting where the board discussed Wheels request for financial help. He attended the quarterly MWVCOG meeting and the Lansing Neighborhood Association meeting with Director Tarter where he gave a transit update.

Board of Directors
[7:53 PM]

Director Kelley attended meetings of the Planning & Operations and the External Relations Subcommittees. She attended the October 15th special board meeting, the South Central Association of Neighbors meeting and participated in Pringle Creek Watershed's Make A Difference Day.

Director Krebs attended two City Club meetings and the Marion-Polk League of Women Voters Streetcar Committee meeting. He had lunch with David Rosenfeld who spoke at the Lions Club and attended the Association of Oregon Rail and Transit Advocates meeting in Portland. He announced that Amtrak's 40th Anniversary exhibition train would be at Union Station on October 29-30.

Director Rodgers spoke about traveling along a bus route on his way to work in the dark and noticing for the most part that bus stops were in lighted areas and that brush was clean and away from the shelters. He asked for more information about other bus stops and shelters being clean and safe. He has also been making an

attempt to talk with people about coming to the Board's meetings and to find out what their concerns are. He received feedback from those who had tried the bus once, or they got confused when riding the bus and ended up on the other side of town. One person was using a taxi because they did not know how much it would cost to use the bus. Director Rodgers was able to give him a list of fares and encouraged him to try using the bus the next time he went out.

Director Tarter attended meetings for SEDCOR, the Salem Chamber of Commerce and the Latino Business Association with Mr. Pollock. She attended the Northgate and Lansing Neighborhood Association meetings and meetings of the Finance & Performance Management and External Relations Subcommittees. She rode the bus on a "ride along" with the League of Women Voters (LWV) on October 7th and noted that the LWV was doing a transportation survey and would share their findings at the December 8th board meeting. She asked if the District would participate in the Holiday Light Parade which had been moved to Keizer. Mr. Pollock responded that the District is scheduled to have a bus in the parade. She reported that the Northeast Salem Community Association (NESCA) cleans up the park and ride along Salem Parkway and suggested having the District's volunteer litter patrol coordinate with them to work on the same day. She suggested that the District be listed on the 211 program through United Way.

Director Evans attended a Salem Chamber meeting where they received a budget and bond measures report. He attended two West Salem Neighborhood Association meetings and an after-hours event sponsored by the West Salem Business Association. He appreciated Mr. Pollock being there also. He attended a school board forum and gave appreciation cards to two transit operators. Director Evans asked if the District would take on the Wheels shopper service. Mr. Pollock responded that in the short term the District would not take it on but staff is investigating a CherryLift shopper shuttle for the ADA which creates an opportunity for board discussion but first they need to get through the DD53 transition.

Director Tarter asked if Marion County funding was a solution for the DD 53 program or was it only available to non-profits such as Wheels. Mr. Pollock responded that the District was not eligible for that funding.

OTHER BUSINESS None

ADJOURNMENT The meeting was adjourned at 8:09 p.m.

Respectfully submitted,

Jerry Thompson
President

Attachments (3)

[This meeting was videotaped and can be viewed on the CCTV website: www.cctvsalem.org]

Courthouse Square: **Suggested DESIGN-BUILD Bidding Process**
 Testimony (for the Record) for MC & SAMTD Public Hearings of October 26 & 27, 2011

INTRODUCTION

Structural remediation of existing structures make use of **testing, engineering, construction methods** and **materials** that are unlike those used in a new construction project. Therefore, the experience and history of material suppliers, engineers and contractors who do this type of work is also much more specialized than those who are experienced in new construction. A process that will guarantee that we attract the most qualified DESIGN-BUILD teams to compete for the remediation of CH2 is a very critical aspect of successfully completing this repair in the most cost effective and timely manner. As the lead on the Task Group for this remediation of CH2, i.e. The Technical Committee, I have explored what types of processes have been successfully used on similar projects.

A PHASED BIDDING PROCESS

Below is a summary of a phased bidding process that I understand has been used and also seems to be one that would satisfy our needs to ensure that we attract committed, experienced DB teams. It is a **three phased process**:

- **Phase 1 is a general screening process that require bidders to exhibit prior experience in the type of work**
- **Phase 2 in an in-depth report by DB teams on their understandings, analysis and remediation plans...including a GMP cost.**
- **Phase 3 is an interview with the finalists in the bidding process as deemed by Golder and other members of the evaluation team for CH2**

In detail:

PHASE 1

Concept:

DB teams will be required to submit general information, reference projects and resumes to display their design build strengthening and remediation experience on similar projects. As this is a large and complex project I would suggest that they should be able to demonstrate a minimum of the following:

- **50** strengthening type remediation projects,
- **5** design-build defect upgrade projects,
- ... and of these 5 projects at least ...
- **3** be at least \$2MM in size (our current estimate of this project is \$18MM)

Benefits:

Assures only teams with specific experience are selected. With the current economic conditions in the construction industry and potential size of this project, a public solicitation for bids may attract many good but not repair-experienced teams.

PHASE 2

Concept:

Require DB Teams that are selected from **Phase 1** process to submit an in depth and detailed report on specific subject matter as noted in a questionnaire developed by CH2. Questionnaire items are on their remediation and repair process including in depth strategies for:

- Technical evaluation, analysis of existing structural conditions and findings
- Project and safety management plans
- Guaranteed Maximum Price (GMP)
- Any Value Engineered options or shared value incentives to CH2

Benefits:

- Ability to compare project approaches and understandings of each team.
- Allows for alternative and creative solutions.
- Understanding project schedules, safety plans and effects to building and surrounding activity during construction.
- Compare Project Management structures and processes to ensure a successful project.
- QA/QC program review.
- If applicable, review any value incentive, cost savings programs.
- Development of a GMP cost such that maximum cost are understood before award of contract.

Phase 2 forces DB teams to commit to a sizeable amount time and effort of analysis, site visits and estimating to submit a detailed, responsive fixed price proposal at their cost.

This will ensure that we have only experienced sincere bidders willing to make a substantial investment in our project to develop a bid.

PHASE 3

Concept:

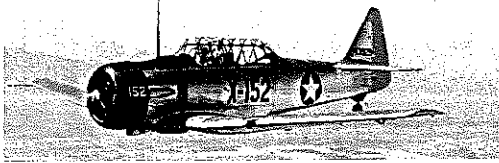
- Those DB teams that are selected from **Phase 2** are invited to an interview process.
- The interview is with a review panel consisting of Golder and select others in order to present their concepts of remediation as well as field questions from the review panel related to the report submitted in **Phase 2**.
- A final selection is based on all of the above information.

We have all (Owners and Task Force) invested much work in understanding the issues and processes of fixing CH2 to get to this point and are very close to a solution. The process in which we solicit DB proposals seems to be yet one last critical aspect of restoring the use of CH2.

I strongly suggest that we consider the above as a process to achieve our goal.

If it would be of benefit, we could discuss this with other owners who have utilized the process described above.

USAF PILOT TRAINING CLASS 52-G&H ASSOCIATION, INC.



www.52G-52Hpilots.org

Patrick A. Hazel, President

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October 24, 2011

Peggy Mitchell
Marion County Finance
P.O.Box 14500
Salem, OR 97309

Testimony for the public hearings on Courthouse Square

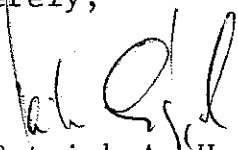
After being involved in the planning of a military reunion in Salem, I have arrived at the following alternative for the Courthouse Square property.

Offer the entire property, as is, to a major national hotel organization at a bargain basement price.

Sweeten the offer by levying property taxes on only the land, excluding any improvements thereon.

The positive impact of this alternative on our local economy and County Treasury will be greatly enhanced by providing a revenue producing competitive facility in the middle of our downtown. Both the new facility and the Grand Hotel/Conference Center will benefit.

Sincerely,

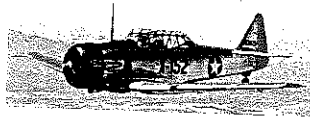

Patrick A. Hazel

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3301 Sunridge Dr S • Salem, OR 97302

OCTOBER 2011

TO WHOM IT MAY CONCERN AT THE TRANSIT DISTRICT:

THE TRANSIT DISTRICT SHOULD KEEP LOCAL TRANSIT SERVICE HUB AT THE CURRENT BLOCK IN DOWNTOWN SALEM (CHEMEKETA, CHURCH, COURT, HIGH).

THE BASIC VISION FOR THIS BLOCK FROM OVER TEN YEARS AGO INCLUDED PUBLIC HOUSING BUILDING IN THE NORTH SIDE OF THE BLOCK.

THE TRANSITCENTER PROJECT IS NOT COMPLETE UNTIL A PUBLIC HOUSING PROJECT IS DONE ON THE NORTH SIDE OF THIS BLOCK.

PIECES OF THE BIG SICK BUILDING COULD BE SALVAGED AND USED IN A NEW BUILDING ON THE NORTH BLOCK.

THE TRANSIT DISTRICT NEEDS TO STOP PASSING UP MILLIONS OF DOLLARS OF STATE AND FEDERAL GRANTS AND LOANS AND GIFTS THAT CAN BE USED TO BUILD A NEW BUILDING ON THE NORTH SECTION OF THE BLOCK.
BUILD UP BIGGER AND BETTER.

R. Morgan

R. MORGAN

SUBMITTED: October 27, 2011 at 6:25 PM

SAMTD Board of Directors Meeting

555 Liberty St SE - Council Chambers

Salem OR 97301

//Linda Galeazzi

Clerk of the Board