

MINUTES
MEETING OF THE BOARD OF DIRECTORS
BUSINESS MANAGEMENT COMMITTEE
METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY

November 29, 2016

The Board of Directors Business Management Committee met on November 29, 2016 at 11:02 a.m. in the Board Room on the 6th Floor of the MARTA Headquarters Building, 2424 Piedmont Road, Atlanta, Georgia.

Board Members Present

Robert F. Dallas
Frederick L. Daniels, Jr.
Roderick E. Edmond, *Chair*
Jerry Griffin

MARTA officials in attendance were: GM/CEO Keith T. Parker, AICP; Chief Administrative Officer LaShanda Dawkins (Acting); Chief Operating Officer Joseph Erves (Acting); Chief Financial Officer Gordon L. Hutchinson; Chief Counsel Elizabeth O'Neill; Chief of Staff Rukiya S. Thomas; AGMs Rhonda Briggins (Acting), Wanda Dunham, Ming Hsi, Benjamin Limmer and David Springstead; Executive Director Ferdinand Risco; Sr. Directors Cynthia Moss Beasley, Perfidia Collier (Acting) and Amanda Rhein; Directors Farouk Baksh, Lisa DeGrace, Jonathan Hunt, Donna Jennings, Sherrie Johnson, Pat Minnucci, Remy Saintil, Richard Slaton and William Taylor; Executive Manager to the Board Rebbie Ellisor-Taylor; Sr. Executive Administrator Brenda L. Williams; Finance Administrative Analyst Tracy Kincaid. Others in attendance were Davis Allen, Rhonda Allen, Ricky Chambers, Gregory Edwards, Abebe Girmay, Mark Harclerode, Manmohan Khuman, Don Lawrence, Erik Leach, LaTonya Pope and Charles Smith.

Also in attendance were Daveitta Jenkins of CH2M; Jim Schmidt of HNTB.

Approval of the September 29, 2016 Business Management Committee Meeting Minutes

On motion by Mr. Griffin seconded by Mr. Dallas, the meeting minutes were unanimously approved by a vote of 4 to 0, with 4 members present.

Resolution Authorizing Award of a Contract for Authority-Wide Energy Savings Performance Contracting Services, P37274

Mrs. Thomas presented this resolution for Board of Directors approval authorizing the General Manager/CEO or his delegate to enter into a contract with Schneider Electric Buildings Americas, Inc. for the Authority-Wide Energy Savings Performance Contracting Services.

On motion by Mr. Dallas seconded by Mr. Griffin, the resolution was unanimously approved by a vote of 4 to 0, with 4 members present.

Resolution to Request Approval to Sell MARTA Parcel D3194, a 12,830 Square Foot Parcel Behind 4761 Peachtree Road NE Between the Brookhaven/Oglethorpe University Rail Station and the Chamblee Rail Station in Chamblee, GA

Mr. Slaton presented this resolution for Board of Directors' approval authorizing the approval to sell MARTA Parcel D3194, a 12,830 Square Foot Parcel Behind 4761 Peachtree Road NE Between the Brookhaven/Oglethorpe University Rail Station and the Chamblee Rail Station in Chamblee, GA.

On motion by Dr. Edmond seconded by Mr. Griffin, the resolution was unanimously approved by a vote of 4 to 0, with 4 members present.

Resolution to Approve the Disposition of Remaining Slope Easement Rights in MARTA Parcel D1182, a Permanent Slope Easement Located at 215 Arizona Avenue

Mr. Slaton presented this resolution for Board of Directors' approval authorizing the disposition of remaining Slope Easement Rights in MARTA Parcel D1182, a permanent slope easement located at 215 Arizona Avenue.

On motion by Mr. Dallas seconded by Mr. Griffin, the resolution was unanimously approved by a vote of 4 to 0, with 4 members present.

Resolution Authorizing Execution of Access and Maintenance Agreements With Perimeter Community Improvement Districts and the City of Dunwoody for the Hammond Drive – Dunwoody Station Pedestrian Access Improvements Project

Mr. Slaton presented this resolution for Board of Directors' approval authorizing the General Manager/CEO, or his delegate, to enter into agreements as necessary with Perimeter Community Improvement District and the City of Dunwoody to execute access

and maintenance agreements for the Hammond Drive - Dunwoody Station Pedestrian Access Improvements Project.

On motion by Mr. Dallas seconded by Dr. Edmond, the resolution was unanimously approved by a vote of 4 to 0, with 4 members present.

Resolution Authorizing the Execution of a Sub-Grant Agreement for the Hammond Drive – Dunwoody Station Pedestrian Access Improvements Project, P38805

Mr. Slaton presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or his delegate to execute a Sub-Grant agreement as necessary with Perimeter Community Improvement District (PCID) and the City of Dunwoody for the Hammond Drive - Dunwoody Station Pedestrian Access Improvements Project in the amount of \$320,000.

On motion by Mr. Dallas seconded by Dr. Edmond, the resolution was unanimously approved by a vote of 4 to 0, with 4 members present.

Resolution Authorizing Award of a Contract for a Mobile Ticketing System, Request for Proposals Number P38056

Mrs. Hsi presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or his delegate to enter into a Contract with Kapsch TrafficCom USA, Inc, in the amount of \$14,186,749.05 for a Mobile Ticketing System.

Overview

- No need to wait in line to purchase fares from Breeze Vending Machines (BVMs)
- No extra cost for buying breeze cards
- Reduce boarding time and improve on-time performance
- Extend the life of BVMs and reduce dependency on BVMs in the future
- Reduce cash collection costs, cost of purchasing card media and inventory management
- Improve customer service and potentially increase ridership

System Components

- MARTA mobile ticketing app installed on customer owned smart devices

Business Management Committee

11/29/16

Page 4

- Fare gates will be modified to allow customers to validate tickets on their smart devices
- Smart device validators on the fixed route and paratransit vehicles
- Customer website
- Regional multimodal account based Back-office

Procurement Process

- Two (2) step procurement process
 - Step 1 - Pilot / proof of concept: employee and riding public
 - Step 2 - Final award / full implementation

Public Pilot

- 200 public pilot users signed up for each pilot company
- 88% were satisfied with mobile app
- 83% would likely to use Breeze Mobile

Contract Cost

- Capital investment costs for mobile app, website, validators and back office software - \$6.8M
- 3-year maintenance - \$1.7M
- Optional 4-year maintenance - \$2.4M
- Total MARTA cost - \$10.9M
- Regional partner cost - \$3.3M
- Grand total - \$14.2M

Cost Savings

- Assumptions
 - 35-40% adoption of the mobile ticketing system by the end of the first year*
 - 30% reduction in BVMs from 341 to 239 BVMs
 - 30% reduction in cash collection

Business Management Committee

11/29/16

Page 5

- Projected Savings:
 - Collecting Cash Savings – \$894K
 - Card Inventory Savings – \$267K
 - Surcharge on Card Inventory Lost – (\$908K)
 - BVMs Maintenance Savings – \$1,016K
 - Total Annual Cost Savings – \$1,269K
- By implementing Mobile Ticketing, MARTA can extend the life of current BVMs beyond 2025 contract life
- Each BVM cost \$80,683; replacing 239 BVMs could cost the Authority \$19M not including the installation

Timeline

- Phase 1: Configure back office, mobile App and customer website – Month 1-3
- Phase 2A: Install validators at two (2) gates per array at all stations – Month 4-6
- Public Rollout – Month 7-9 (Current Phase)
- Phase 2B: Install validators at all gates – Month 7-18
- Phase 3: Install validators on all fixed route vehicles – Month 4-8
- Phase 4: Install validators on all paratransit vehicles – Month 8-12
- Phase 5: Regional implementation – Month 7-12

Mr. Dallas asked if the mobile ticketing system will be cheaper for customers.

Mrs. Hsi said there may be some cost-savings for riders.

Mr. Parker added that the project will save MARTA some costs, but overall the Authority views this as a customer improvement.

On motion by Mr. Dallas seconded by Dr. Edmond, the resolution was unanimously approved by a vote of 4 to 0, with 4 members present.

Resolution Authorizing Award of a Contract for Professional Services for Mobile Ticketing System Project Management Services, L38321

Mrs. Hsi presented this resolution for Board of Director's approval authorizing the General Manager/CEO or his delegate to enter into a contract with CH2M, LLC. for Mobile Ticketing System Project Management Services in the amount of \$545,000.

Mr. Daniels asked how will MARTA mitigate issues.

Mrs. Hsi said the mobile ticketing system will be completely separate from the Breeze system. Additionally, customer education will be much simpler.

Mr. Parker said the pilot allowed MARTA to work out kinks.

Mr. Dallas asked who is the DBE on the contract.

Mr. Risco said Lumenor Consulting Group in Roswell, Georgia.

On motion by Mr. Griffin seconded by Mr. Dallas, the resolution was unanimously approved by a vote of 4 to 0, with 4 members present.

Resolution Authorizing Cancellation of Award to Ricoh USA, Inc. and Approval of Award to Canon Solutions America, Inc. for Multi-Functional Printers (MFPs) Lease and Maintenance Services, Request for Proposals Number P33231

Mrs. Hsi presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or his delegate to cancel the award to Ricoh USA, Inc. and approve the award of the Contract to Canon Solutions America, Inc. for Multi-Functional Printers (MFPs) Lease and Maintenance Services.

On motion by Mr. Dallas seconded by Dr. Edmond, the resolution was unanimously approved by a vote of 4 to 0, with 4 members present.

Resolution Authorizing the Modification of Contract No. P33683 Construction and Operation of Cellular Wireless Network Services With InSite Wireless Group, LLC to Provide Free Wi-Fi Services to All MARTA's Rail Stations

Mrs. Hsi presented this resolution for Board of Directors' approval authorizing the Modification of Contract No. P33683 Construction and Operation of Cellular Wireless

Business Management Committee

11/29/16

Page 8

Network Services with InSite Wireless Group, LLC to provide free Wi-Fi Services to MARTA riders at all the MARTA's Rail Stations.

Consistent with the MARTA Transformation Initiative, providing Wireless access to patrons at all rail stations will improve MARTA's Wi-Fi infrastructure and allow continuous access to MARTA's smartphone apps. This will be accomplished by amending MARTA's existing contract with Insite Wireless Group, LLC. to include the following:

- 1) InSite Wireless Group will increase the Wi-Fi installation from 15 underground stations to all stations
- 2) MARTA will forgo the estimated \$1,107,000 Wi-Fi revenue from InSite Wireless Group
- 3) MARTA will provide a single fiber pair at each station that supports the Wi-Fi equipment

On motion by Mr. Dallas seconded by Mr. Griffin, the resolution was unanimously approved by a vote of 4 to 0, with 4 members present.

Resolution Authorizing the Renewal of MARTA's Excess Operating Property and Liability Insurance Policies for 2017

Mrs. Jennings presented this resolution for Board of Directors' approval authorizing the General Manager/CEO or his delegate to effect placement of MARTA's excess operating property and liability insurance coverage for a period of one year effective January 1, 2017 to January 1, 2018 based on the proposals received by MARTA's insurance broker of record, MARSH, for a total program cost not to exceed \$ 3,053,040.

On motion by Mr. Griffin seconded by Mr. Dallas, the resolution was unanimously approved by a vote of 4 to 0, with 4 members present.

Other Matters

The FY2017 September Key Performance Indicators were provided to the Committee as informational only.

On motion by Mr. Griffin seconded by Mr. Dallas, the Committee unanimously agreed, by a vote of 4 to 0, with 4 members present, to enter Executive Session at 11:44 a.m. to discuss a real estate matter.

On motion by Mr. Dallas seconded Mr. Griffin, the Committee unanimously agreed, by a vote of 3 to 0, with 3 members present, to adjourn Executive Session at 12:24 p.m.

Adjournment

The meeting of the Business Management Committee adjourned at 12:24 p.m.