



MEETINGS OF THE

Boards of Directors

Joint Meeting Valley Metro RPTA and Valley Metro Rail	Valley Metro RPTA	Valley Metro Rail
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Date:
September 17, 2020

Starting Time
11:15 a.m.

Meetings to occur sequentially

Location:
Valley Metro
Via Webex
Phoenix

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Agenda

September 10, 2020

**Joint Meeting Agenda
Valley Metro RPTA
And
Valley Metro Rail
Thursday, September 17, 2020
Webex/Phone
11:15 a.m.**

Action Recommended

1. Public Comment (yellow card)

1. For Information

Public comment is being taken in written format and will be entered into the official minutes of the meeting.

2. Chief Executive Officer's Report

2. For information

Scott Smith, CEO, will brief the Boards of Directors on current issues.

3. COVID-19 Update

3. For information

An update on transit operation impacts related to COVID-19 will be provided.

4. Minutes

4. For action

Minutes from the August 27, 2020 Joint Board meeting are presented for approval.

5. Audit and Finance Subcommittee Update

5. For information

Councilmember Arredondo-Savage, AFS Chair, will provide an update on the discussions and actions taken at the AFS meeting.



5A. Audit and Finance Subcommittee Charter

5A. For action

Councilmember Arredondo-Savage, AFS Chair, will request that the Boards of Directors approve the AFS Subcommittee Charter.

REGULAR AGENDA

6. ERP Consultant - Plante Moran Contract Change Order

6. For action

Staff recommends that the Board of Directors authorize the CEO to execute a contract change order in the amount of \$644,850.

7. Broadway Curve: Transit Impact and Mitigation Strategies and Opportunities

7. For information

Staff will provide information about ADOT and MAG's Broadway Curve construction project and how transit can play a role to help mitigate overall transportation impacts related to the project.

8. Travel, Expenditures and Solicitations

8. For information

The monthly travel, expenditures and solicitations for Valley Metro RPTA and Valley Metro Rail are presented for information.

9. Future Agenda Items Request and Update on Current Events

9. For information

Chairs Edwards and Heredia will request future agenda items from members, and members may provide a report on current events.

10. Next Meeting

10. For information

The next meeting of the Joint Board is scheduled for **Thursday, October 22, 2020 at 11:15 a.m.**

Qualified sign language interpreters are available with 72 hours notice. Materials in alternative formats (large print or flash drive) are available upon request. For further information, please call Valley Metro at 602-262-7433 or TTY at 602-251-2039. To attend this meeting via teleconference, contact the receptionist at 602-262-7433 for the dial-in-information. The supporting information for this agenda can be found on our web site at www.valleymetro.org.



Information Summary

DATE

September 10, 2020

AGENDA ITEM 1**SUBJECT**

Public Comment

PURPOSE

Public comment is being taken in written format and will be entered into the official minutes of the meeting.

COST AND BUDGET

None

RECOMMENDATION

This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION

None

COMMITTEE PROCESS

None

CONTACT

Scott Smith

Chief Executive Officer

602-262-7433

ssmith@valleymetro.org

ATTACHMENT

None



Information Summary

DATE

September 10, 2020

AGENDA ITEM 2**SUBJECT**

Chief Executive Officer's Report

PURPOSE

Scott Smith, Chief Executive Officer, will brief the Joint Boards of Directors on current issues.

COST AND BUDGET

None

RECOMMENDATION

This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION

None

COMMITTEE PROCESS

None

CONTACT

Scott Smith
Chief Executive Officer
602-262-7433
ssmith@valleymetro.org

ATTACHMENT

None



Information Summary

DATE

September 10, 2020

AGENDA ITEM 3**SUBJECT**

COVID-19 Update

PURPOSE

An update on transit operation impacts related to COVID-19 will be provided.

COST AND BUDGET

None

RECOMMENDATION

This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION

None

COMMITTEE PROCESS

None

CONTACT

Jim Hillyard
Chief Administrative Officer
jhillyard@valleymetro.org
602-262-7433

ATTACHMENT

None



Minutes

September 10, 2020

AGENDA ITEM 4

Joint Boards of Directors

Thursday, August 27, 2020

Via Webex/Phone

11:15 a.m.

RPTA Meeting Participants

Councilmember Jon Edwards, City of Peoria **(Chair)** (phone)

Councilmember Francisco Heredia, City of Mesa **(Vice Chair)** (phone)

Mayor Kate Gallego, City of Phoenix **(Treasurer)** (phone)

Mayor Kevin Hartke, City of Chandler (phone)

Mayor Alexis Hermosillo, City of El Mirage (phone)

Councilmember Lauren Tolmachoff, City of Glendale (phone)

Vice Mayor Bill Stipp, City of Goodyear (phone)

Supervisor Jack Sellers, Maricopa County (phone)

Councilmember Jon Edwards, City of Peoria (phone)

Councilmember Robin Benning for Mayor Gail Barney, Town of Queen Creek (phone)

Councilmember Susanne Klapp, City of Scottsdale (phone)

Vice Mayor Chris Judd for Councilmember Roland F. Winters Jr., City of Surprise (phone)

Councilmember Robin Arredondo-Savage, City of Tempe (phone)

Councilmember Linda Laborin, City of Tolleson (phone)

Mayor Rui Pereira, Town of Wickenburg (phone)

Mayor Michael LeVault, Town of Youngtown (phone)

Members Not Present

Vice Mayor Pat Dennis, City of Avondale

Vice Mayor Craig Heustis, City of Buckeye

Councilmember Mike Scharnow, Town of Fountain Hills

Councilmember Jared L. Taylor, Town of Gilbert

Valley Metro Rail Participants

Councilmember Francisco Heredia, City of Mesa (phone) **(Chair)**

Mayor Kate Gallego, City of Phoenix (phone) **(Vice Chair)**

Councilmember Robin Arredondo-Savage, City of Tempe

Mayor Kevin Hartke, City of Chandler

Chair Edwards called the meeting to order at 11:17 a.m.

Mr. Chair said thank you, Pat. Good morning everybody and welcome to the August 27th meeting. Do a little housekeeping real quick. If any board member would like to ask a question or make a comment during the meeting, please type in your



comment into the box and it will be read out loud and answered. All meetings attendees if you would say please mute your computer and your phone during the meeting until you have a question or a comment. Thank you.

The pledge was recited.

1. Public Comment

Chair Edwards said today's public comment is taken in written format and will be entered into the official minutes of the meeting.

2. Chief Executive Officer's Report

Mr. Smith said thank you, Mr. Chair and welcome to all of you on a hot, hot summer. I'm glad we could at least get together once again via the Webex.

A couple things I'd like to talk about. We've been very busy since the last time we get together. The first thing is to give you an update on the Northwest Extension Phase II. Just a couple days ago we received very, very good news and a major milestone from the Federal Transit Administration who announced that they had allocated \$50.6 million in their budget to this project. It's a big milestone. The allocation is not actually cutting is check, but it is the fact that they've set aside that money in the budget so when we get a full-funding grant agreement that money will be available. That's not the entire grant amount. That's a portion of the grant amount, but it is still a major milestone.

You can see here on your screen a rendering looking from the northeast to the southwest to the bridge that extends over I-17 from the east side which is the left to the west side. The famous Soup or Salad building cone there or birthday cake, whatever you want to call it there on the middle of the screen and Metrocenter on the upper right corner. You can see that this project is really -- we're excited because this is, first of all, the first elevated station in our system. It will be very similar to if you've ridden the Sky Train to the parking lots. It will be a lot like that. Open air.

The other thing though is that with the recent announcement that Metrocenter is completely closing down. This is another picture from the north or the southwest looking northeast. The other exciting thing is that with Metrocenter closing down, we are now moving forward with the current owners on what I believe will be a very exciting multi-use, multi-transit oriented development type of project that will take a former regional mall and turn it into really a center.

We changed the design to both cut costs and by coming straight across and perpendicular to the freeway and also we wanted to end up there in a place that had huge development opportunities so we're very excited about that.

Construction will actually start this month on some utilities, but, at the same time, that it was announced publicly that there was the \$56.6 million, we were informed by the FTA



that they have at least approved and are working on the paperwork to approve what's called the Letters of No Prejudice or LOMP. This is very important for us because what it means is that we can move forward unimpeded with all construction activities prior to receiving a full-funding grant agreement. Usually you are restricted in what you can do and that creates the potential for some havoc with your construction schedule, but by approving this at this time, the FTA, specifically, told us we want you to be able to move ahead and not worry about the timing on the FFGA and you can go ahead full bore on the construction. So, we are starting, as I said, this month with utilities and hope to begin, I think, bridge work -- building the bridge within a month or two. So, you'll see some real activity if you go out there near Metrocenter.

Second thing I'd like to do is that, our progress in transit document detailing the highlights is now available. You can get it on our web. We have hard copies for you also that we'll send out. Hillary Foose and her staff will look at that. We are -- there's a lot of good things to remember over the last year, a lot of progress. You know, today is somewhat memorable because it was a year ago today that Phoenix voters overwhelmingly reiterated their support for light rail by defeating Proposition 105, I believe, 65-35. I don't know if Mayor Gallego has joined us on the phone -- on the meeting yet, but once again congratulations to her and her staff and everyone in the City of Phoenix. That was a good thing.

This week is also very, very important because it not only is the one year anniversary of 105, but we have a couple of five-year anniversaries related to light rail specifically and transit. It was five years ago this week a couple days ago that the voters of Phoenix approved Transit 2050, Prop 104. And it was five years ago this week that the central Mesa extension was opened. So, a lot happened this week to be proud of as it relates to transit and light rail especially.

Some of the items that we highlight in this month-by-month recap of the year is the grant agreement for Tempe Streetcar, started construction on South Central and Downtown Hub, the very, very successful Polar Express events that has attracted several thousand guests in Mesa and Phoenix. We launched our construct VM smartphone app which was new. We had arrival of our first, new Siemens rail cars. We made service adjustments and had to deal with the COVID-19 challenges on both the rail and the bus side. And, finally, this summer we celebrated the completion of our solar canopies at the he Mesa bus operations and maintenance faculty. So, we've had a very, very active year and we're appreciative of this Board's, these Board's support of all that we do over the year.

The next thing I want to talk about, next slide, please, is the launch just recently of our new sharetheride.com platform. Our Commute Solutions Group is one that you may or may not be totally aware of, but we have an entire group that works with major employers to encourage commuters and works with them to create car pool plans, van pool transportation, teleworking, biking. We have several large employers that utilize, large and small, that utilize our service and we came out with a new and improved



sharetheride.com that is bilingual and it's a way that commuters can match resources to find out a better way that they can get out of their car and get into public transportation. The new platform is available both on the web and as a mobile app making it easier for commuters to log their trips. And I would encourage you if you want to see go to sharetheride.com or download the app. It successfully transferred over 10,000 users using the existing system with more than 400 employer subsites so it's a big undertaking and our Commute Solutions, Abbie and her group have done a great job in doing that.

Second thing I'd like to talk about is that as part of the new, the federal laws, the FAST Act, we are required to really step up our safety and security reporting. Adrian Reese and her team works closely with ADOT. Under FAST, the states have the primary responsibility for safety and security on both rail and on bus. The focus primarily right now is on rail because that's where the rules have tighter deadlines. And as part of this new rule, the State Safety Oversight at ADOT has submitted their annual State Safety Oversight Report of Valley Metro to the governor's office. This is primarily a Valley Metro rail. In addition to the governor's office, the law also requires this report be distributed to the Boards directly from ADOT so those of you who are on the Rail Board should have received this by email. If you have not, please let Pat or Adrian know. And like I said, right now it's specific to rail, bus will follow in the near future.

We'd like to talk to you about some of the things we've undertaken in relation to the COVID. As we all know, ridership is down, but just a little bit of an update. Our ridership is down combined about 45 percent, about 40 percent on bus, 55 percent on rail. While that's significant, I -- as we talk to our peer systems around the country, our hit to ridership is much lower than many, if not most, other systems. You have areas such as, I believe it was, BART had a 90-95 percent reduction. MTA in New York City, 80-90 percent. That's more common is a 70 to 90 percent and we never did dip below about 55-56 percent. So, people are still riding our system. We are still working as you can see here, our Customer Experience Coordinators handing out masks that were provided to us by the FTA. We had 20,000-30,000 masks that were provided to us. City of Phoenix had about a like number. And between the two of us, we are providing those.

Right now, we are monitoring on the Valley Metro systems, bus and rail and, I believe, City of Phoenix is similar, 90 plus percent compliance on mask wearing so it has not been a real issue. But I just wanted to read something we received from a light rail rider out of town talking about her experience with our service and Customer Service Coordinator staff. This is Theresa Summerfield. She said, "Hello, I just wanted to take a moment and thank the City of Phoenix for providing the light rail system." Remember she's from out of town. "It is surely tax dollars well spent along with the exceptional transportation comes expectational customer service which was provided by Don McGuire and Kyle Angeline. They're helpfulness was above and beyond my expectations. They helped us immediately when we approached the station, guided us through the payment process. They even took the time to walk us to our car rental address. In these times of uncertainty it was a relief to have the help and guidance of

these two outstanding individuals. Please honor them for the outstanding employees they are. You're lucky to have them on their team."

And I would like to say that Don and Kyle are not unique. We are privileged to have incredible men and women who as I've stated often have shown up since March when this crisis first began. They've continued to show up and provided service in both the Phoenix and the Valley Metro systems undisturbed and have done an amazing job. Heroes. They are truly heroes.

Once again, our face coverings. We have distributed over nearly 16,000 coverings. We have several more. I know the City of Phoenix also has distribute thousands and we have distributed them along light rail, but also in bus areas in Tempe, Peoria, Glendale, and other places.

The next thing I'd like to give you an update on is the Tempe Streetcar. We have been able to continue with construction activities through the COVID. In actuality, it's given us some advantages with the reduced traffic in both downtown Tempe and downtown Phoenix. We've been able to do things we hadn't. A couple of milestones in the Tempe Streetcar which is about 85 percent constructed now. Moving forward a 2021 opening and that is that the first passenger stop, the first of 14, has been installed at 6th Street and Mill. You can get an idea of what's going on. Just this month about two or three weeks ago, we installed the final piece of track near Dorsey and Apache so all the track and the concrete and everything around there has been laid. Now, we're working on things such as art, the electrical, other things like that and looking toward next year.

One thing you might want to be aware of that the COVID has impacted some of our opening. The Brookville rail factory in Brookville, Pennsylvania was shut down due to COVID for a couple three months. So, while we have moved straight ahead on our construction, our rail cars, our streetcars will be delayed in being delivered because of the COVID. And so, we'll have a finished construction project and yet not have all the cars in so just be aware of that.

One other item that I'm sure all of you were aware of was the Union Pacific derailment that happened right as you can see -- just as it entered just south of the Tempe Town Lake, Salt River, on the bridge. At this point, as you can see from the photo on the left, the freight rail bridge is less than 50 feet from our light rail bridge just to the east of it. You can see in the middle that our bridge was impacted by the fire. We had engineers out there and, luckily, we had no significant damage to the structure. Very luckily, you see that pipeline on the bottom, well, that's -- we thought that might be all of the fiber optics and all the electronics stuff that uses our bridge. We're fortunate that while this is -- those are utilities, but non-electronic and all of our fiber optic are on the east side so they were unaffected by the fire.



So, we had some scarring as you can see, we're going to have to do some work, but we were -- and we were shut down for a couple days crossing the bridge, but our team did an amazing job. Adrian Reese was out there literally almost 24/7. Adrian, if she were in front of you, I'd have her take a bow. On her staff, Dave Zebrow, helped coordinate our CCTV. We have been very involved with the NTSB and the Federal Rail Administration and Homeland Security in the investigation and it just so happens that we had a train going across the bridge about the time of this derailment. So, we were able to provide -- we were able to catch some of the happenings in real time and on tape.

Trevor Collin from our CSD staff helped coordinate with City of Phoenix and thank you to the City of Phoenix staff, Keenie Knutson for getting bridge inspectors out there. City of Phoenix handles our bridge inspections. Scott Wisner from the bus operations and doing everything. Rick White who handles our maintenance of way meaning the bridges and the electrical and everything and his staff. Rail ops and the ops control. We actually had trains stranded on the east side of the river for a couple days and that's easier said than done taking care of, I think, it was 11 cars that were stranded. And our Alert VM and communications teams. We saw how Alert VM and communications becomes critical in that time. So, I just wanted to take the time to tell you that our staff do incredible work.

The last thing I want to talk about, well, before schedule is that this is the last meeting that we will have everybody join us on Webex. Right now, we are streaming on Youtube. And beginning with our next meeting, the public will be invited to and staff will be invited to join via Youtube and the Webex will be for the Board members so we can have interaction. We're hoping that will help the connections and help us to clear up the -- clear up things and give a better presentation so the public and staff can watch in.

So, if you go to our Valley Metro website, there are instructions on how to load the Youtube and get it done.

And speaking of next meetings. As you can see, TMC/RMC is next week. The Audit and Finance the week after that and our next Board Meeting and schedule once again Webex on September 17, 2020.

I know that was a lot to go over, but I appreciate your patience and, Mr. Chair, I will turn it back to you.

Chair Edwards said thank you, Scott. Does anybody have any questions on Scott's comments?

3. COVID-19 Update

Mr. Smith said thank you, Mr. Chair and I'll turn it over to Jim Hillyard.



Mr. Hillyard said thank you, Mr. Smith. We don't have a major COVID update for the Board today. Our ridership remains at levels that we've seen over recent months. We're seeing decreases in COVID caseloads across the state so we're hopeful that that will begin to be reflected in our ridership as business returns to normal.

There's a couple other item in motion at this time. I think you're already aware. We have permanent barriers being installed on our bus system and on July 27th, we restored 50 percent of our reduced Express Service. Aside from that, there are no further updates.

Mr. Smith said thank you. One other thing I would like to present to the Board is -- if somebody's got their phone off. If you could all mute your phone because we're getting a lot of feedback here. Thank you.

One thing we would like to do and one thing that's been very effective and we appreciate the Board for taking this action is back in, I believe, it was May, the Board established the Executive Committee. We've met periodically with the Executive Committee to handle things that come up that are time sensitive that we need to do or that are better handled on a small group. We always bring those actions to the full Board after that, but it's more of an administrative matter. We hoped that the COVID would be completely done by now and so last time we met with you we asked for an of the Executive Committee to August 31st which you agreed to.

We believe since we're not out of the woods yet. For example, we're not returning to full operations at our Admin Center. We're still telecommuting at least probably through the end of September like I know many of you are in your cities. So, we're asking that the Board extend the life of the Board Executive Committee through December 31st of this year. Thinking that, hopefully, by then we will not have a need for that because we'll be out of the COVID and action mess. So, Mr. Chair, I'd like to throw that on the table for action if that's acceptable to the Board.

Mr. Chair said okay. Thank you. Is there any questions or concerns or comments?

IT WAS MOVED BY VICE MAYOR STIPP, SECONDED BY MAYOR HERMOSILLO AND UNANIMOUSLY CARRIED TO EXTEND THE LIFE OF THE EXECUTIVE COMMITTEE UNTIL DECEMBER 31, 2020.

Mr. Smith said Mr. Chair, if I might just to give the Board kudos. At a recent national phone seminar sponsored by APTA, we presented how we have responded to COVID and this was one of the things we presented. And it was really a center piece of the conversation about how this Board has reacted to the changing scene of COVID and many other agencies around the country were very impressed by the fact that this Board did something that allowed us to be more nimble and to do things by the establishment of the Executive Committee. So, just want to let you know that this is,

while it seemed like a natural action for us, for many others it was a very innovative approach to solving this problem. So, thank you very much for supporting us on that.

Chair Edwards said thank you.

4. Minutes

Chair Edwards said minutes from the June 18, 2020 Board meeting are presented for approval.

IT WAS MOVED BY MAYOR HARTKE, SECONDED BY MAYOR GALLEGOS AND UNANIMOUSLY CARRIED TO APPROVE THE JUNE 18, 2020 JOINT BOARD MEETING MINUTES.

5. Audit and Finance Subcommittee Update

Chair Edwards said Vice Mayor Stipp, would you provide an update?

Vice Mayor Stipp said I'll start it out with a comment because that's how our meeting started. We found out that Alexis, our CEO Chief of Staff has a very similar name to that of your nearest and dearest artificial intelligence, Alexa, so we actually had an extra guest in our meeting with that.

Very briefly, we continued our work with taking a look at the 2021 Internal Audit Plan. This includes a look at federal grant requirements, cash collection handling at the Mobility Center, contract management for rail transportation, and fare inspection contracts in addition to our ongoing travel and credit card expense audits.

We also spent some time talking about the Internal Audit Charter and the AFS Charter itself. And those two things are going hand-in-hand with one another. We had another lengthy discussion. It will come back to us in September and, hopefully, the full Board will see that either at the September meeting or in October at the latest.

And, finally, we received a brief summary of the Paratransit Contract Management Audit done by Jennifer Davis and the audit staff. And we have accepted that as well. One thing to note for Pat and Paul. I think, we're still awaiting the distribution of the full Audit Report, but other than that it was a good meeting. And I'll entertain any questions. That concludes my report.

6. DMS Facility Services Contract Change Order

Chair Edwards said the next item is the DMS Facility Services Contract Change Order.

Mr. Smith said thank you, Mr. Chair. I'll turn it over to Jim Hillyard to present this item.

Mr. Hillyard said good afternoon, Mr. Chair, Members. I think as all organizations are doing, Valley Metro is looking for ways to ensure that when our staff need to return to their physical facilities and, many as you know have never left, that we're able to provide them with the highest level of protection from the spread of the coronavirus.

One of the ways that we're doing that is by enhancing the cleaning of those facilities and of the non-revenue vehicles that many of them use for maintenance tasks. We've done that in two ways. The first is we've employed the same disinfectant fogging that is currently being used on light rail and bus vehicles. This fogging uses catalyzed, hydrogen peroxide solution that disinfects over large areas and in places that are not easy to reach through normal cleaning. It's then followed by a second application of a durable, disinfecting film that continues to disinfect for several weeks after it's initial application.

And so the memo that you have before you amends our current contract through a change order to add that service to Valley Metro's administrative and operations and maintenance center facilities and 53 non-revenue vehicles. It provides that service once a month. It does so for the next five months because the contract for that cleaning service is currently in the process of being rebid and will have a new award brought before you for approval going into the end of the calendar year.

The second way that we're safeguarding our employees and work sites is by providing some additional daytime custodial services. So, our building contracts provide sort of standard custodial service overnight emptying trash cans, vacuuming. We have a daytime custodian that's coming in and just doing through the course of the day regular wipe downs of hard surfaces that aren't as amenable to the application of the persistent disinfectant through the fogging process. So, I'm talking about things like door handles and conference room chair arms, etc. This custodian is working several hours a day at each of our facilities to make sure that those high-touch surfaces are as clean as possible given that we continue to have a number of staff working in office on a day-to-day basis.

So, the total cost of these two change orders to the DMS contract will not exceed \$203,827. And I'll also note that as CDC guidance on the types of cleaning change, we are free to modify the types of service we're purchasing so this allows us to continue to purchase the service, doesn't require us to. We can scale back if at some point CDC guidance recommends it be discontinued. I'd be happy to answer any questions.

Chair Edwards said does anybody have any questions, comments, concerns? Okay.

IT WAS MOVED BY MAYOR HARTKE, SECONDED BY MAYOR GALLEGOS AND UNANIMOUSLY CARRIED TO AUTHORIZE THE CEO TO EXECUTE A CHANGE ORDER TO THE DMS FACILITY SERVICES CLEANING AND DISINFECTING FOGGING OF VALLEY METRO FACILITIES (INDISCERNIBLE) THE RISK OF

COVID-19 THROUGH DECEMBER 31, 2020, AT A COST NOT ON EXCEED \$203,827.

7. Possible Executive Session

Chair Edwards said there is a request for an executive session so I need a motion and a second to enter into an executive session.

It was moved by Mayor Hartke, seconded by Councilmember Klapp and unanimously carried to adjourn to Executive Session.

The regular meeting adjourned at 11:48 a.m.

The regular meeting reconvened at 12:05 p.m.

8. Executive Session Action Items

No action items.

9. Implementation of New Customer Service Hours

Chair Edwards said Mr. Item 9.

Mr. Smith said thank you, Mr. Chair. A couple of years ago, I can't remember the exact timeline. We came and got approval of the -- well, presented to the Boards and received approval to expand our customer service hours. This was in conjunction with the expansion of service, primarily, in the City of Phoenix and we matched it in some Valley Metro routes due to T2050 changes. We told the Board at that time that we would come back to the Board when we had a good feeling about service levels and the needs for staffing our center for that extended time.

I'll introduce Diana Kebbekus who is going to give you the report that we promised to give you as far as what we've done related to the service hours especially in these times of COVID. So, Diana, go for it.

Ms. Kebbekus said thank you Scott and Chair and Board Members. Just wanted to go through and kind of walk back and, like Scott said, in 2016 we changed those hours. You can see on the slide there, our hours were 6 to 8 and 7 to 7 on Saturday -- 6 to 8 Monday through Friday. And then we expanded that to start at 5:00 a.m. and end at 10:00 p.m. Monday through Friday and then 6 to 8 on Saturday. So, those were changed.

And just a note that customers do have a few options even when customer service is closed. So, they have the option of doing trip planning functionality on the website as well as Google.com transit. And then we do have a next ride functionality in our automated system as well as via texting. So, they can text the stop ID and get the next



two times that the bus would be there. So, and hopefully, we'll soon have real time bus location with bus time and (indiscernible)

Our call volumes in the early morning and late night just did not materialize like we expected them to. Over 93 percent of our call volume is received during our old hours, you know, and we had forecasted up to 14 percent increase in the calls during the expanded hours and we only had less than 7 percent.

And then, you know, obviously, we were analyzing this well before COVID came and so since 2016 and prior to COVID, we saw 18 percent decrease in total calls received along with 28 percent decrease in transit calls, and 44 percent increase in text messages so we saw, obviously, a movement from calls into the text message options. And then this slide just shows you the interval hours and the average call volume during those interval hours so you can kind of get a sense that that 5:00 a.m. to 6:00 a.m. time frame was very quiet as well as the 8 to 10:00 p.m. Monday through Friday and early morning on Saturday and late on Saturday as well.

So, when we looked at that, we determined that it made more sense to go back to our previous hours. If you go to the next slide. Oh, and we did have peer group comparisons. So, I'm a part of the National Transit Call Center Peer Group and so I reached out to my peers to get an idea of what they were seeing or what their hours were. And so, when we looked at that and we had 20 that responded to me with their times and less than 10 percent had operating hours after 7:00 p.m. during the week and only 20 percent actually had weekend hours with less than 5 percent being open on Sunday.

So, based on that, we take a look at, you know, reducing our hours back to July. And you can see that saved five FTEs which are reflected in our current budget and gained some schedule efficiencies by not having our staff stretched so much. We could decrease the whole time for customers during peak afternoon hours because we'd have more people during that peak time instead of later at night when there was quiet volume. So, we determined we'd implement this along with the service changes in October and change the hours again back to the previous hours back to July. So, it would be 6:00 a.m. start time to 8:00 p.m. Monday through Friday.

So, if you have any questions I'd be happy to answer any of them.

Mr. Chair said does anybody have any questions or comments?

Mayor Gallego said that was a an impressive growth in text messaging. Can you talk about how we respond -- what we used to process text messaging requests? And just a little bit about what types of requests those are?

Ms. Kebbekus said sure. Customers have a stop ID for each of the bus stops and all they have to do then is just text our short code in with the stop ID and it will show them

the next two times. It will come back, they'll get texts to show the next two times of the buses will arrive at that location.

You know we see -- we've had that now for, I think, it's well over ten years, but we have seen a much more increase now. I think, obviously, marketing has shown that we're seeing a lot more people with smartphones and having the ability to do that and text, unlimited text has also increased that as well.

Mayor Gallego said so, the only text communications that we're capable much doing is an automated text about bus arrivals?

Ms. Kebbekus said yes. Although we just talked to our contractor and we're looking at actually trying to push out on the text side some detour information so we're kind of taking that and evaluating that at this time, but right now, it's just going back and letting them know what the next arrival times are.

Mayor Gallego said so, the increase in text messaging then would not be related to COVID it just would be --

Ms. Kebbekus said no, I don't think it's related to COVID in the sense. We saw the increase prior to COVID so and we're still seeing, you know, we have a decrease in the number of the texts along with ridership and the call volume is the same, but prior to COVID, we had seen, you know, the increases already.

Mayor Gallego said could you go back to the slide that, I thought it said 44 percent, well, I guess, I have it in my notes.

Ms. Kebbekus said it's a 44 percent increase in text messages.

Mayor Gallego said are we looking at additional capabilities and additional questions and communications beyond detours as a possibility?

Ms. Kebbekus said we're pulling in Communications to kind of look at to see if we can do some messaging in that regards outside of the detours or messaging regarding, you know, COVID or anything like that. That is something we can do, but it looks like we have the functionality to do that we need to dig in to.

Mayor Gallego said I think this Board has been very excited about mobile phone payment and other moving toward advances and just more connectivity with phones and I certainly would be supportive if our Call Center Operations have multimodes and consistent with our values as well so. Thank you. That's all my questions.
Diana said okay.

Mr. Chair said thank you. So, basically, it's just push communications; right? You're just pushing down, you're not really taking anything back from riders; is that correct? Diana said no, but we have -- we do have the ability to analyze how many calls -- how many texts we get based on the stop IDs and information like that that would help us do some analysis on that side, but you're right. It's basically just pushed down.

Mr. Chair said okay. So, in the pushing that you're, in the communication that you're pushing down is based off of information we want to share with them. What if you got to Mayor Gallego's point, what happens if you had 3 or 4 or 20 residents saying, hey, this platform or this bus stop is having an issue this morning. And would you be able to gather all those communications analyze (indiscernible) and respond back to those concerns? To say, hey, you know, we have your concern. Here's what the problem is or -- and an estimated fix or not.

Ms. Kebbekus said and, ultimately, down the road, I think that's possible. And, again, with the -- we just got the an upgrade to the system and so we're looking at all the changes. And, you know, ideally, we would like to go down that path so.

Mr. Smith said Mr. Chair, if I might. On the rail side, we do have that capability with our Alert VM app. We have not expanded that to the bus side simply because the Alert VM is a real time program and it also involves security issues which means we have to staff that virtually 24/7. But the capabilities you were talking and the Mayor was talking about as far as two-way communication, the ability to report incidents and report maintenance issues and things, we have that capability through Alert VM.

We have been in discussions with City of Phoenix Transit and as of right now, we have decide jointly not to expand it because if we expand it, we need for expand it to the entire bus system. It would entail a significant increase in our security personnel because the monitoring is quite labor intensive even for rail. We have had some, I would say spillage into bus. We do have people who ride both bus and rail who do use Alert VM, but we have not really pushed it. But it's something we could look toward long term and we are looking to long term to enhance that ability to have two-way communication with riders and be able to handle all the things that you're talking about.

Just as a side note. One thing we've seen in the five years I've been here is, as we've done our riders surveys, the number and percentage of riders that we have regardless of economic or income level that have smartphones has increased rapidly. We're now, we surged past 80 percent of our riders that have smartphones. I think we're now pushing almost 90 percent so the ability and the need to have smart ticketing and be able to have two-way communications using smartphones is something which is becoming universal and we will have that capability. We do have that capability technologically right now.

It's just it's a big jump to go from rail-based Alert VM to entire system-based Alert VM.

Chair Edwards said okay. Thank you. Anybody else have any comments or questions?

Vice Mayor Stipp said you know, I didn't get a sense from that conversation that the bus -- adding this feature to the bus system was going to be something we were going to be looking at in any short period of time. Perhaps we need to start thinking about that or at least getting the Board to the point of understanding that it's not an issue on the bus side.

You know, I was kind of holding my tongue earlier. The pretty chart with the colors and the bubbles and everything that we saw earlier. It's all about light rail and Valley Metro is much more than light rail. And I think we need to start looking at this as an entire system that integrates bus and rail instead of two separate systems. While I realize we're legally two independent Boards and two separate systems. We've got, I think, we need to start looking at the bigger picture as a Board. And I hope that we have an opportunity to at least start integrating perhaps not the entire feature, but some of the features on the bus line.

The buses go everywhere and that's part of people's confidence in public transit as a whole. If they have bad bus experiences, I don't think they're going to try light rail regardless of where it is. And if they have bad light rail experiences, they're probably not going to be willing to get on the bus. So, if we can start looking at this as a whole system rather than focusing solely on the rail, I think Valley Metro as a whole is going to be much stronger going in to let rest of this decade, especially as we've got challenges coming up in the near term with funding, etc.

Chair Edwards said thank you. So, would you like to see like a study session down the line? Or?

Vice Mayor Stipp said no, I don't think there's any need for anything, but I think we need the Valley Metro staff and everyone to start just thinking bigger picture. You know, when we start talking about what we offer, what services do we offer and it's, we offer this for rail. We offer this for rail. We offer this for rail. We're forgetting this whole bus system and the entire Valley isn't set up for rail. So, we are Valley Metro, we are not Goodyear's transit system or Peoria's transit system. We are Valley Metro and I want us to start thinking bigger than our own communities and just as rail or just as bus and start thinking about ourselves as an entire system.

And then looking at what things can we integrate into bus? And maybe I'm the only one who feels this way or maybe this is spark of a conversation that going to pick up again six months from now. But I just want to emphasize to the rest of the Board that we've got a huge system here that we need to be responsive to for everybody, both bus and rail. It's really a soap box speech. I appreciate the extra couple minutes, but I think

when we start talking about these technological advances, we have to start looking at ways to integrate it into the bus system that's all. Thanks.

Mr. Smith said Mr. Chair, if I might to follow up on Councilmember Stipp. We work closely with the City of Phoenix Transit and one reason why you do see certain programs like Alert VM on the rail is because it's a much smaller universe. We have a 28-mile system. And even though we have about 15 million riders that is dwarfed by the nearly 50 million riders on bus.

The other thing is that we as Valley Metro run the operations on Valley Metro Rail and for the bus, we operate under one brand. We operate a single customer service, but we work in concert with the City of Phoenix who operates more buses and carries more passengers than we do. We want to make sure that the customer experience on bus is uniform across the system which would mean we coordinate with City of Phoenix. There's many things we do in concert with them such as the implementation of the clever device system that Diana touched on and that's a system of communications, control, other things that we worked with the City to implement across all 900 buses between Valley Metro and the City of Phoenix fleets and that goes into our -- increases the ability of our customer service. And we do those things, but whenever we do it system wide, on buses, it is a much larger undertaking simply because it's a bigger pie and it involves coordination with City of Phoenix and with us. And the other challenge we have is that on rail we have one operator, one company that we contract with to operate and on bus, I think, between us and the City of Phoenix we have five or six different contract providers.

These aren't excuses, they're just one reason why you may see things come out earlier on rail. We use rail sort of as a laboratory. For example, the Alert VM has been incredibly successful on rail. It's a big undertaking. We would love to expand Alert VM across the board, but it is a big undertaking to do it across the whole system and across the whole Valley simply because the footprint is bigger, the buses are bigger, the providers are bigger and it's just a much bigger thing. Would love to have that conversation.

It's something we'd need to do in conjunction with the City of Phoenix Transit and would need the commitment of both the Mayor and the City Council and us because there would be funding issues although we can make an argument that it certainly does increase a lot of things such as safety, public security, and operations. The question is whether it's something that both the City and the Valley Metro Boards would be willing to invest in.

We can implement and start those discussions and come back to you with City of Phoenix Transit as to what things could we do more system-wide. We can start those discussions and then come back and report to you, but just so you know, that's one reason once again why you see things on rail. It's just easier to implement. It's just easier to move into. Not that we're not willing to do it system-wide on the buses.

Vice Mayor Stipp said so, and I realize sometimes my impassioned responses may come across as though I'm pointing a finger at our Valley Metro staff not doing enough and that's not the case, but I'm really appealing to the entire Board for us to start thinking about that. You know, I've got a big voice for a very tiny little sliver of this system. And I talked about that with -- in a little mini executive session the other day, but so I want to encourage the entire Board to start thinking about it as a whole system. And it may be a place that we have to start making an investment in if this is something that everybody see a benefit to. I can certainly understand the efficiency of doing it on a smaller system that we have complete control over, but we take this information in as Board members and we, well, okay. And then we move on and I'm just calling out the fact that maybe it's not okay to move on and just encouraging everybody.

So, I don't know that there's an answer to it. I don't know what the cost would be behind it. If it's a text messaging platform, if we're basing it solely on people's ability to have a smartphone in their pocket then there's really not a lot of investment on our end other than on the receiving end and then diagnosis and response of that text message. So, to have that conversation and to find out what does that really look like, I think, maybe valuable for a FY22 discussion and going into, you know, calendar year '23 as we start to look at it.

COVID and the turn of the economy is going to force us to do a lot of things differently. And I think I just want to start that conversation. And I am absolutely done. I won't speak again, thanks.

Chair Edwards said thank you. Anybody else have any comments or concerns? Because I -- Scott, I kind of agree with Councilmember Stipp. I think that this is becoming prevalent and, you know, sooner than later we need to start addressing this. And how we do that I have no idea, but I think we do need to start looking at

Councilmember Arendondo-Savage said I appreciate Vice Mayor Stipp's comments and I understand. I look at this, you know, COVID, the financial struggles is not only challenging times, but opportunistic times too. I think if we can create is a better system regionally then we should always be looking at trying to do that so I certainly support giving it a look. I don't think there's anything to hurt -- anything that gets hurt by doing that.

The one thing I do worry a little bit about is (indiscernible) smart technology so much that sometimes not everybody that may have a cell phone has data. And I think we have to be careful about that a little bit too so make sure that they do have access. Wifi is available. I know in some of our school districts and being a former school board member, that was one of the things that's always been an issue. Everybody may have a smartphone and they may have some of that technology, but if they don't have access to wifi it really doesn't do them any good. So, I just want to make sure that we keep that on the forefront. And then we continue to look at ways and we can be consistent throughout the system and create a really good experience for (indiscernible) not only

just light rail riders, but, you know, bus riders too. So, I certainly support, you know, giving it a better look. Thank you.

Mr. Chair said thank you.

Mayor Gallego said I also think that Vice Mayor Stipp's proposal makes sense. We don't know what the financial future is for our systems and -- but it does sound like this Board cares a lot about call center operations and how we communicate with our passengers. I think we want to understand what our peer agencies are doing in terms of call center operations and use of texting. So, if we can just stay on top of best practices, there may be ways to use technology that actually help us save money and improve customer service. Different types of riders are used to communicating in different ways and so for some people it's that phone call is always going to be what matters, but for others they may be able to get the a faster and more satisfactory outcome with a simple text and we may actually be able to save money. So, it just sounds like this is enthusiasm on the Board for continuing this conversation.

The expanded hours made sense to me when we passed Prop 400 or when we passed our 104 in Phoenix and appreciate Valley Metro working with us on consistency, but given current budget realities and the hours of use, I will be supporting this motion moving forward and actually don't remember if we do have a motion on the table. Do we? Or do we need one?

Chair Edwards said no. This is just an informational only.

Mayor Gallego said oh, it's a -- okay. All right. Well, it sounds like it was useful conversation to have, but we should continue this conversation and, particularly, if technology can make it easier to communicate with our passengers and maybe take some call that are not super complex off the table for our call center that also seems valuable. Sometimes you call and you just want one simple piece of information.

Mr. Smith said Mr. Chair, we'll work with our partners at City of Phoenix and we'll come back with some more system-wide things especially that relate to bus. Some things that go into the communication that we've talked about. Also this is a good time to do that because with our new ticketing system it involves enhanced communication capabilities too. So, we'll work on it and come back to the Board in a couple, three months with just some ideas as to what the future will look like because we are seeing it. We just have not formulated some of those proposals or ideas for the Board yet. We'll take care of that.

Chair Edwards said okay. Thank you. Again, this is just an item for information only. No action is needed.

10. Quarterly Reports

Mr. Smith said Mr. Chair, both Item 10 and 11 are both for information. There's no presentation. If there are any questions, we would be more than happy to answer them.

Mr. Chair said okay. Anybody have any questions?

Vice Mayor Stipp said the only -- and I know we've talked about this before. Is the ability to track on-time performance when we talk about bus. And I noticed in the operations report both east Valley and west Valley buses, A, we don't have on-time performance and our performance metrics are slipping in both sides on bus performance. I really want to just call attention to that and I know we're waiting for, you know, this new system to take over, but we have got to find a way to determine whether these buses are running on time or not. I think that's one of the things that the bus riders are really counting on is a -- is some consistency in their service. And -- but for us being, not being able to tell whether they're running on time or how that looks feels from an administrative perspective or a oversight perspective which the Board provides, feels a little, feels like we're not doing what we should be doing. So, I really want to encourage us to find a way to get answers to both the on-time performance and then start looking at be those metrics and coming up not just a report that, hey, we're -- we haven't met four of the five metrics, but what's going on? I'd like it get more detail on that and maybe that's a discussion for another time as well.

Mr. Smith said Councilmember Stipp, thank you very much. On the on-time performance that is strictly a technological issue with the transition over to the clever devices system that we've referred to. I am, you know, there have been glitches that have taken longer to implement. The City of Phoenix is leading that effort as far as implementation so it's both us and the City that have this same issue. I am hoping that by the next time we give you a quarterly report we will have at a data available because we'll have fixed the technological glitches. Because we're as frustrated as you are as not being able to track exactly where things are.

And just to give you is quick deal. What the clever devices does that we have not been able to do is it really tracks bus operations on a real time basis. And does it a much more down to the literally the foot than others do and it coordinates and puts into analytical and data programs based on GPS-driven communication, real time communications which we didn't have before clever devices. There have been a few glitches in getting that to work and having the coordination within the program so I'm hoping by next, like I said, next quarterly report we will have that information for you. Vice Mayor Stipp said okay. Thank you.

Councilmember Arredondo-Savage said I just wanted to piggy back on what Bill said not necessarily in regard to on-time performance, but I really think we want to just try to get ahold of our bus complaints and really would like to see a way that we could maybe see if there's some trends. If there's been some new type of complaints because of

COVID if that may be the reason for the increase. I think Mayor Gallego mentioned it a little bit too earlier, but if there is a way that we could really track those trends moving forward, I think it would be really behoove us to have that information so we could implement some changes. Like I said, I think now is the opportunity to address some of the things, challenges that we've had so why not really look at where we are with complaints and try to get those down to a standard that we're comfortable with. Thank you, Chair.

Mr. Smith said noted.

11. Travel, Expenditures and Solicitations

Mr. Smith said once again, if there are any questions. There is no presentation related to this. If there's any questions related to this, we would be more than happy to answer them.

12. Future Agenda Items Request and Report on Current Events

Mr. Chair said are there any Members that a have an item that they would like to place on a future agenda? Or have anything that they would like to share with the Committee?

13. Next Meeting

Chair Edwards said our next meeting for the Board is schedule on Thursday, September 17, 2020, at 11:15 a.m.

With no further discussion the meeting adjourned at 12:36 p.m.



Information Summary

DATE

September 10, 2020

AGENDA ITEM 5**SUBJECT**

Audit and Finance Subcommittee (AFS) Update

PURPOSE

Councilmember Arredondo-Savage, AFS Chair, will provide an update on the discussions and actions taken at the AFS meeting and request that that Board of Directors approve the AFS Charter.

BACKGROUND | DISCUSSION | CONSIDERATION

None

COST AND BUDGET

None

COMMITTEE PROCESS

None

RECOMMENDATION

This item is presented for information only.

CONTACT

Paul Hodgins
Chief Financial Officer
602-262-7433
phodgins@valleymetro.org

ATTACHMENT

None



Information Summary

DATE

September 10, 2020

AGENDA ITEM 5**SUBJECT**

Internal Audit Update

PURPOSE

To update the Boards of Directors on current Internal Audit activities and provide a summary of FY19-20 Internal Audit Follow-up Activities

COST AND BUDGET

None

RECOMMENDATION

Item presented for information only.

BACKGROUND/DISCUSSION/CONSIDERATION

None

COMMITTEE ACTION

None

CONTACT

Jennifer Davis

Senior Internal Auditor

jdavis@valleymetro.org

602-322-4452

ATTACHMENTS

AFS Internal Audit Update

FY19-20 Annual Summary

Internal Audit Charter

Update:

Fiscal Year 20/21 Audit Plan



Process	Status
Credit Card Transactions	Planning audit kick-off for Sept.
Travel Expenses	Planning audit kick-off for Sept.
Contract Mgmt.–Fare Inspection & Security Services	Not Started
Contract Mgmt.–Rail Transportation Services	Not Started
Mobility Center Cash Collection	Not Started
Federal Grant Compliance	Not Started
Special Projects	
Safety and Security Audit	ADOT CAPs & ISSA Review-Security Element #1
Enterprise Resource Planning (ERP) System	Monitoring– Project kicked-off Sept 1 st
External Audits: City of Phoenix – Contract Risk Assessment. ADOT – Rail Safety Audit.	VM meeting with CoP on Oct 1st PTASP to BoD on Oct 22nd, remaining CAPs due by May 2021



Internal Audit Update

FY19/20 Annual Summary of Follow-up Activities

Purpose:

To provide the Audit and Finance Subcommittee (AFS) the annual summary of follow-up activities for Fiscal Year 2019/2020.

Background:

The International Standards for Professional Practice of Internal Auditing (Standards) 2017 version, Standard number 2500 states:

The chief audit executive must establish and maintain a system to monitor the disposition of results communicated to management.

2500. A1- The chief audit executive must establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action.

Audit Recommendations:

During Fiscal Year 2019/2020 (FY19/20), Internal Audit monitored and tracked the status of 41 audit recommendations. 20 carried over from the FY18/19 reviews and 21 resulted from the following FY19/20 Internal Audit reviews: (the number of recommendations is noted in parentheses)

- Bus Services Contract Audit, issued September 2019, (ten)
- Full-Time Employee Additions, issued October 2019, (three)
- OMC Non-Capitalized Rail Parts and Tool Inventory, issued January 2020, (one)
- Hardware and Software Management, issued February 2020, (five)
- Performance Management, issued March 2020, (one)
- Professional Development, issued April 2020, (one)

Additionally, the following external reviews were conducted during FY19/20:

- Maricopa County – Transportation Vendor Invoices Audit, issued December 2019
- City of Phoenix – Light Rail Fare Compliance, issued January 2020

Although Internal Audit did not track the recommendations brought forth from these reviews, the reports were presented to the AFS and posted to the Internal Audit website.

Summary/Conclusion:

34 of the 41 audit recommendations monitored (83%) were remediated as of September 1, 2020:

- 16 of the 20 FY18/19 recommendations
- 18 of the 21 FY19/20 recommendations

Four FY18/19 recommendations were from the Travel and Credit Card Audits. These audits were moved to the FY 20/21 Audit Plan. Internal Audit will review the remediation efforts during these audits which are scheduled to kick-off in September 2020.

Two FY19/20 recommendations are on track for their September and October due dates, and the final FY19/20 recommendation, issued in April 2020, has a due date of June 2021.

Internal and external audits/reviews are accessible via the Internal Audit website:

<https://www.valleymetro.org/audit-reports>

Internal Audit Charter

Purpose and Mission

The purpose of Valley Metro's Internal Audit activity is to serve Valley Metro and its Boards of Directors by providing independent, objective assurance and consulting services designed to add value and improve Valley Metro's operational processes. The mission of internal audit is to assist Valley Metro in providing a safe, efficient and reliable transit network by providing risk-based and objective assurance, advice, and insight. The internal audit activity helps Valley Metro accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance¹, risk management, and internal control processes.

Standards for the Professional Practice of Internal Auditing

The internal audit activity will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework (IPPF), including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing, and the Definition of Internal Auditing. This guidance includes the principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance. In addition, the internal audit activity should adhere to Valley Metro's relevant policies and procedures and the Internal Audit's Procedures Manual. The Director, Internal Audit ("Chief Auditor") will report periodically to the Audit and Finance Subcommittee ("AFS"), Chief Executive Officer ("CEO") and senior management regarding the internal audit activity's conformance to the Code of Ethics and the Standards.

Authority

The Chief Auditor will report functionally to the AFS and administratively (i.e., day-to-day operations) to the CEO. To establish, maintain, and assure that Valley Metro's internal audit activity has sufficient independence and authority to fulfill its duties, the AFS, in coordination with the CEO, shall:

- Approve the internal audit activity's charter.
- Approve the risk-based internal audit plan.
- Approve the internal audit activity's budget and resource plan.
- Approve any proposed material deviation from the approved internal audit plan.
- Approve specific internal audits or engagements to be performed in addition to those outlined in the risk-based plan at the request of the AFS, CEO or senior management.
- Receive communications from the Chief Auditor on the internal audit activity's performance relative to its plan and other matters.

¹ Throughout this charter, "governance" is defined as "the combination of processes and structures implemented by the board to inform, direct, manage, and monitor the activities of the organization toward the achievement of its objectives." [The Institute of International Auditors 2017 IPPF (Redbook)]

- Make appropriate inquiries of management and the Chief Auditor to determine whether there is inappropriate scope or resource limitations.
- Perform the annual performance evaluation of the Chief Auditor, in consultation with CEO, and review with the Chief Auditor and provide input and feedback as appropriate.
- Approve decisions regarding the annual performance evaluation, appointment or removal of the Chief Auditor.
- Approve the Chief Auditor's annual salary and benefits or any adjustments to them.

Administratively, the day-to-day operations of the internal audit activity includes budget and management accounting oversight, human resource administration, adherence to Valley Metro's and internal audit activity's policies and procedures and the facilitation of internal communications and information flow across the organization.

The Chief Auditor shall have unrestricted access to communicate and interact directly with the AFS and CEO, which may include a request for private meetings without senior management present.

By approving this Charter, the AFS, in coordination with the CEO, authorizes the internal audit activity to:

- Have full, free, and unrestricted access to all Valley Metro functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information, except when prohibited by law.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish audit objectives, and issue reports.
- Obtain assistance from the necessary personnel of Valley Metro, as well as other specialized services from within or outside Valley Metro, in order to complete the engagement.

Independence and Objectivity

The Chief Auditor will ensure that the internal audit activity remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the Chief Auditor determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to the AFS and the CEO.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgment on audit matters to others.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.

- Performing any operational duties for Valley Metro or its affiliates.
- Initiating or approving transactions external to the internal audit activity.
- Directing the activities of any Valley Metro employee not employed by the internal audit activity, except to the extent that such employees have been appropriately assigned to auditing teams or to otherwise assist internal auditors.

Where the Chief Auditor has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence or objectivity.

Internal auditors will:

- Disclose any impairment of independence or objectivity, in fact or appearance, to the AFS and the CEO.
- Exhibit professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgments.

The Chief Auditor will confirm to the AFS and the CEO, at least annually, the organizational independence of the internal audit activity and will disclose any difficulties or issues related to completing engagements, performing work, or communicating results.

Scope of Internal Audit Activities

The scope of internal audit activities encompasses, but is not limited to, objective examination and evaluation on the adequacy and effectiveness of Valley Metro's governance, risk management, and internal control processes as well as the quality of performance in carrying out assigned responsibilities to achieve Valley Metro's goals and objectives. Internal audit assessments include evaluating whether:

- Risks relating to the achievement of Valley Metro's strategic objectives are appropriately identified and managed.
- The actions of Valley Metro's officers, directors, employees, and contractors are in compliance with Valley Metro's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations or programs are consistent with established goals and objectives.
- Operations or programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, plans, procedures, laws, and regulations that could significantly impact Valley Metro.
- Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity.
- Resources and assets are acquired economically, used efficiently, and protected adequately.

An audit report shall be prepared and issued by the Chief Auditor or designee following the conclusion of an approved internal audit engagement and will be distributed as appropriate. Internal audit results will also be communicated to the AFS in a format in accordance with IIA standards.

An internal audit report may include management's response and corrective action taken or to be taken in regard to the specific findings or recommendations. Management's response, whether included within the original audit report or provided thereafter by management of the audited area, should include a timetable for anticipated completion of action to be taken and an explanation for any corrective action that will not be implemented.

The Chief Auditor shall report periodically, but no less than each calendar quarter, to the AFS, the CEO and senior management regarding:

- The internal audit activity's plan and performance relative to its plan.
- The internal audit activity's conformance with The IIA's Code of Ethics and Standards, and action plans to address any significant conformance issues.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by the AFS or the CEO.
- Results of audit engagements or other activities.
- Resource requirements.
- Any decisions by management to accept an identified risk that internal audit deems may be unacceptable to Valley Metro.

The Chief Auditor may participate in non-internal audit services work, consultations and evaluations, authorized by the CEO and senior management, or special projects and investigations, approved by the AFS, to improve procedures, controls, systems and/or efficiency of operations, and issue reports or memos, including documenting the project objectives, work performed and results of those procedures in project workpapers that are not intended for distribution in the same manner as an audit report.

The Chief Auditor may also coordinate activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed. The internal audit activity may perform advisory and related client service activities, the nature and scope of which will be agreed with the client, provided the internal audit activity does not assume management responsibility.

Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the AFS, CEO and the appropriate level of management, when appropriate.

Responsibility

The Chief Auditor has the responsibility to:

- Submit, at least annually, to the AFS, the CEO and senior management an internal audit plan for review and approval.

- Ensure the development of an internal audit plan based on a prioritization of the audit universe using a risk-based methodology, including input from the AFS, CEO and senior management, and will consist of a work schedule as well as budget and resource requirements for the fiscal year.
- Communicate to the AFS, the CEO and senior management the impact of resource limitations on the internal audit plan or any significant interim changes to the internal audit plan.
- Review and adjust the internal audit plan, as necessary, in response to changes in Valley Metro's business, risks, operations, programs, systems, and controls.
- Ensure each engagement of the internal audit plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
- Ensure that any proposed material deviation from the approved internal audit plan is communicated to the AFS, CEO and senior management through periodic activity reports.
- Follow up on engagement findings and corrective actions, and report periodically to the AFS, the CEO and senior management any corrective actions not timely implemented. Ensure the principles of integrity, objectivity, confidentiality, and competency are applied and upheld.
- Ensure the internal audit activity collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the internal audit charter and continually improves proficiency and the effectiveness and quality of services.
- Ensure trends and emerging issues that could impact Valley Metro are considered and communicated to the AFS, CEO and senior management as appropriate.
- Ensure emerging trends and successful practices in internal auditing are considered.
- Ensure adherence to policies and procedures designed as a course or method of action to train and guide the internal auditors and internal audit activity.
- Ensure adherence to Valley Metro's relevant policies and procedures, unless such policies and procedures conflict with the internal audit charter. Any such conflicts will be resolved or otherwise communicated to the AFS, the CEO and senior management, as appropriate.
- Ensure conformance of the internal audit activity with the Standards, with the following qualifications:
 - If the internal audit activity is prohibited by law or regulation from conformance with certain parts of the Standards, the Chief Auditor will ensure appropriate disclosures and will ensure conformance with all other parts of the Standards.
 - If the Standards are used in conjunction with requirements issued by Government Accountability Office, the Chief Auditor will ensure that the internal audit activity conforms with the Standards, even if the internal audit activity also conforms with the more restrictive requirements of Government Accountability Office.

Quality Assurance and Improvement Program and Peer Review

The internal audit activity will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. The program will include an evaluation of the internal audit activity's conformance with the Standards and an evaluation of whether internal auditors apply

The IIA’s Code of Ethics. The program will also assess the efficiency and effectiveness of the internal audit activity and identify opportunities for organizational improvement.

The Chief Auditor will communicate to the AFS and the CEO on the internal audit activity’s quality assurance and improvement program, including results of internal assessments (both ongoing and periodic) and external assessments (peer review) conducted every five years (or more often if deemed necessary) by a qualified, independent assessor or assessment team from outside Valley Metro.

Internal Audit Activity Charter

Approved on the 10th day of September 2020.

Approval/Signatures

Audit and Finance Subcommittee Chair

Date

General Counsel

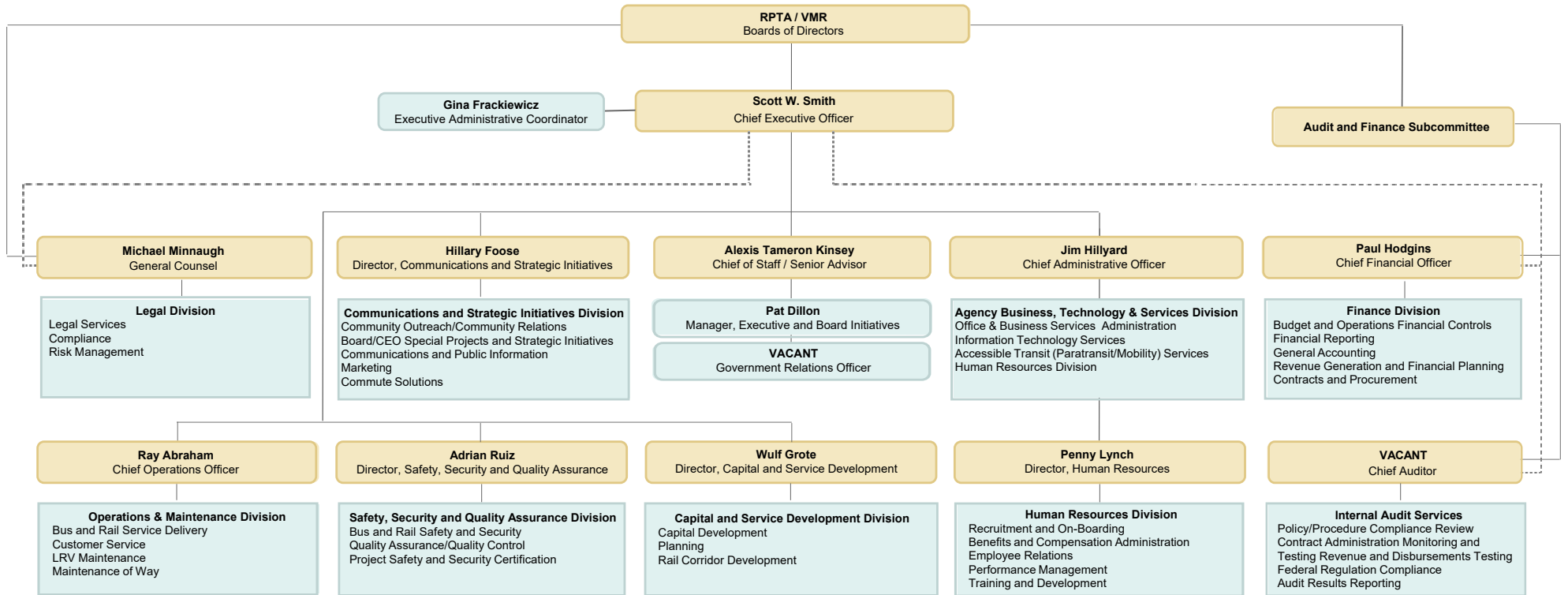
Date

Chief Executive Officer

Date



EXECUTIVE DIVISION





Information Summary

DATE

September 10, 2020

AGENDA ITEM 5A**SUBJECT**

Audit and Finance Subcommittee Charter

PURPOSE

To present the Audit and Finance Subcommittee (AFS) Charter to the Boards of Directors for final approval.

COST AND BUDGET

None

RECOMMENDATION

Staff recommends that the Boards of Directors approve the Audit and Finance Subcommittee Charter.

BACKGROUND/DISCUSSION/CONSIDERATION

The International Standards for Professional Practice of Internal Auditing (Standards) 2017 version, Standard number 1000 (*Purpose, Authority, and Responsibility*), requires an audit function charter. In addition to an audit function charter, the IIA Audit Standards recommend the governing body also have a charter.

Therefore, based on the Board of Directors documents that established the AFS and with the Chief of Staff/Senior Advisor's assistance, Internal Audit drafted a charter for Valley Metro's Audit and Finance Subcommittee to align with the requirements of the Standards.

COMMITTEE ACTION

AFS: May 14, 2020 for discussion and action

AFS: September 10, 2020 approved

Boards of Directors: September 17, 2020 for action

CONTACT

Alexis Tameron Kinsey

Chief of Staff/Senior Advisor

ATameronKinsey@valleymetro.org

602-322-4450

ATTACHMENT

Audit and Finance Subcommittee Charter

Audit and Finance Subcommittee Charter

Approved by AFS on September 10, 2020
Adopted by RPTA & VMR Boards on _____

Background

The Audit and Finance Subcommittee (“AFS”) was originally formed by Valley Metro Regional Public Transportation Authority (RPTA) Board of Directors (Board) as the Budget and Finance Subcommittee (BFS) in 2006 after the passage of Proposition 400 to provide policy oversight of the expanded financial activities of the RPTA. The RPTA and Valley Metro Rail (VMR) Boards renamed the Subcommittee to the AFS in 2016 and expanded the scope of the AFS to add oversight of internal audit functions and to oversee financial and audit functions of VMR.

This charter, which governs the work of the subcommittee, was established on [date].

Purpose

The purpose of the AFS is to provide policy oversight of the financial activities and internal audit functions of the RPTA and VMR. The subcommittee assists the Boards and senior management by providing advice and guidance on:

1. Annual operating and capital budget process of the agency
2. Preparation of budget inputs and assumptions
3. Oversight of the compilation of financial reports for the Boards and member agency review
4. Preparation of the annual Transit Life Cycle Program and its financial model
5. Development of the five-year operating and capital plan
6. Oversight and review of internal and external audit activity

In broad terms, the AFS reviews each of the items noted above and provides the Boards with independent advice on the adequacy and effectiveness of management’s practices. Advice and guidance also may include suggestions and recommendations to strengthen these processes.

Mandate

The mandate for the establishment of the AFS was derived from a vote from the RPTA and VMR Boards of Directors on March 17, 2016.

Authority

The authority of the AFS to perform its work is established within the scope of its charter. In discharging its responsibilities, the AFS shall have unrestricted access to members of management, employees, and relevant information it considers necessary to discharge its duties.

The subcommittee is entitled to receive explanations from management and staff of the organization that it deems necessary to discharge its responsibilities. The AFS may engage independent counsel and/or other advisers as it deems necessary to carry out its duties.

Composition of the Audit and Finance Subcommittee

The AFS will consist of up to five (5) members. A member's financial background will be considered, along with geographic representation. One of the five members will always be the elected official representing the City of Phoenix. Two (2) of the members will represent both RPTA and VMR (with the aforementioned Phoenix member retaining one of the two VMR positions). No more than two members of the AFS will be from the VMR Board due to quorum requirements.

The Chair of the Audit and Finance Subcommittee

The Chair of the AFS will be appointed by the Chairs of the RPTA and VMR Boards.

Terms of Office

Terms of membership are for two years, with the ability to be re-elected by each Board. No member shall serve more than four years, except the elected official representing the City of Phoenix. Membership is structured so that two members are elected in even numbered years and two members elected in odd numbered years. Elections will occur at the last meeting of the fiscal year with membership to begin at the beginning of the following fiscal year.

In the event a vacancy occurs on the AFS, the Board(s) will conduct an election to fill the vacant seat as soon as practicable.

Quorum

The quorum for the AFS is defined as a majority of the total authorized membership of the AFS.

Operational Principles

Values and Ethics

The AFS will conduct itself in accordance with the Valley Metro's core values and ethics policy [Policy I.D.: LGL – 01.02]. The AFS expects that management and staff of the organization will adhere to these requirements.

Communications

The AFS expects that communications with senior management and staff of the organization as well as with any external assurance providers will be direct, open, and complete.

Work plan

The AFS chair, in collaboration with the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and Chief Auditor, will establish a work plan, in addition to a risk-based audit plan, to ensure that the responsibilities of the AFS are scheduled and will be carried out.

Meeting Agenda

The chair shall establish meeting agendas in consultation with AFS members, CFO, and the Chief Auditor.

Information Requirements

The AFS shall establish and communicate its information requirements. This shall include the nature, extent, and timing of such information requirements. Information shall be provided to the AFS at least one week prior to the meeting.

Executive Sessions

Executive sessions of the AFS may be held for purposes of discussing/considering personnel issues; non-public records; legal advice; the Board's position on contract negotiations, litigation or claim settlement; and any other purpose authorized by A.R.S. Title 38, Chapter 3, Article 3.1. The AFS may schedule, and hold if necessary, a private session with the CEO, the CFO, the Chief Auditor, external assurance providers, and with any other officials that the AFS may deem appropriate at each of its meetings.

Preparation and Attendance

AFS members have an obligation to prepare for and participate in committee meetings.

Conflict(s) of Interest

Members of the AFS and all employees and agents of the Regional Public Transportation Authority shall comply with the State Conflict of Interest Law, A. R. S. Sections 38-501, *et seq.*

Orientation and Training

AFS members should receive formal orientation training on the purpose and mandate of the committee and on the organization's objectives. A process of continuing education may be established at the discretion and under the direction of the AFS.

Operational Procedures

Meetings

The AFS shall meet no less than once each calendar quarter or as frequently as the committee deems necessary.

Minutes

The AFS shall comply with the State Open Meeting Law, shall keep regular meeting minutes of the proceedings, and shall report their proceedings to the Boards.

Required Attendance

The CFO and the Chief Auditor are required to attend all committee meetings.

Chair Responsibilities

The responsibilities of the AFS Chair include the following:

- Chair the meetings of the AFS
- Review agency expenses related to credit cards, travel and entertainment, specifically:
 - Approve credit card expenditures for the CEO
 - Approve travel expense reports for CEO
 - Review monthly expenditure activity for Agency credit cards
 - Review a summary of Local Dining and Refreshments expenditures incurred by the Agency on a quarterly basis
 - Review, approve and sign any Relocation over \$25,000 prior to offer letter being sent to Candidate
 - AFS Chair, at their discretion, may defer to the AFS members for decision
- Provide general guidance to CFO and Chief Auditor

Organizational Governance¹

To obtain reasonable assurance with respect to the RPTA and VMR governance², the AFS, in collaboration with the CEO, may review and provide advice on the processes and structures implemented by the Boards to inform, direct, manage, and monitor the financial activities and internal audit functions of the organization toward the achievement of their objectives.

Risk Management

To obtain reasonable assurance with respect to the organization's risk management arrangements, the AFS, in consultation with the CEO and CFO, shall:

- Provide oversight on significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by senior management and the Boards.
- Review and provide advice on the risk management arrangements established and maintained by management and the procedures in place to ensure that they are operating as intended.
- Annually review the organization's risk profile.
- Obtain from the Chief Auditor an annual report on management's implementation and maintenance of an appropriate integrated risk management process.

Fraud

To obtain reasonable assurance with respect to the organization's procedures for the prevention and detection of fraud, the AFS, in consultation with the CEO and CFO, shall:

- Take an active role in the prevention and deterrence of fraud.
- Challenge management and the auditors to ensure that the entity has appropriate antifraud programs and controls in place to identify potential fraud and ensure that investigations are undertaken if fraud is detected.
- Ensure that appropriate action is taken against known perpetrators of fraud.

Oversight of Internal and External Audit and Other Assurance Providers

Internal Audit Activity

To obtain reasonable assurance with respect to work of the audit activity, the AFS, in coordination with the CEO, should:

- Review and approve the internal audit charter at least annually. The charter should be reviewed to ensure that it is consistent with changes in the financial, risk management, and governance arrangements of the organization and reflects developments in internal audit professional practices.
- Review and approve proposed risk-based internal annual audit plan and make recommendations concerning internal audit projects.
- Review and approve the internal audit plan and engagement work program, including reviewing internal audit resources necessary to achieve the plan.

¹ See *The Institute of Internal Auditors'* October 2014 "Assessing Organizational Governance in the Public Sector" for insight and definition of key concepts; 2017 IPPF IG2110 Governance Implementation and 2110 Governance Standard.

² See: Valley Metro Governance and Policy Structure (organization chart)

- Review and approve specific audits or engagements to be performed in addition to those outlined in the internal audit plan at the request of or proposed by a member of the AFS, CEO or Chief Auditor.
- Review and provide input on the budget, expertise, and staffing levels, including the use of consultants, of the internal audit program. Review internal audit reports and other communications to management.
- Review and advise management on the results of any special investigations.
- Inquire of the Chief Auditor whether any evidence of fraud has been identified during internal audits and further action to be taken.
- Review and track management's action plans to address internal audit recommendations.
- Inquire of the Chief Auditor whether any internal audit engagements or tasks have been carried out that did not result in a report to the committee. If there have been, inquire as to the matters of significance, if any, arising from such work.
- Perform and approve the annual performance evaluation of the Chief Auditor.
- Review and provide input on internal audit's strategic plan, program goals, performance measures, and outcomes.
- Review the internal audit activity's performance relative to its audit plan.
- Inquire of the Chief Auditor about steps taken to ensure that the audit activity is consistent with The IIA's *International Standards for the Professional Practice of Internal Auditing (Standards)*.
- Ensure that the internal audit function has an external quality assurance (peer) review every five years or more often if deemed necessary.
- Review the results of the independent external quality assurance (peer) review and monitor the implementation of the action plans to address recommendations raised.
- Advise the Board of any recommendations concerning the continuous improvement of the audit activity.

External Audit

To obtain reasonable assurance with respect to work of the external assurance providers, the AFS, in consultation with CEO, shall evaluate the performance of the external audit firm and recommend to the Boards the appointment of the audit firm. AFS members, the CEO and senior management, may also meet with the external assurance providers during the planning phase of the audit, the presentation of the audited financial statements, and the discussion of the results and recommendations to management.

Follow Up on Management Action Plans

To obtain reasonable assurance that management has acted on the observations and recommendations from internal and external audit, the AFS may review regular reports on the progress of implementing agreed upon management action plans and audit recommendations included in completed audits.

Oversight of Chief Financial Officer

To obtain reasonable assurance with respect to work of the CFO, the AFS, in coordination with the CEO, should:

- Provide oversight over annual operating and capital budget process of the agency.
- Review budget inputs and assumptions.
- Provide oversight of the compilation of financial reports for the Boards and member agency review.
- Review the annual Transit Life Cycle Program and its financial model.

- Review the five-year operating and capital plan.
- Oversee, provide input and approve on the annual performance evaluation of the CFO.
- Review and provide input on budget, contracts and procurement management goals, performance measures, and outcomes.

Financial Statements and Public Accountability Reporting

The AFS is responsible for oversight of the independent audit of the government entity's financial statements, including but not limited to overseeing the resolution of audit findings in areas such as internal control, legal, regulatory compliance, and ethics.

Other Responsibilities

In addition, the AFS, in coordination with the CEO, where appropriate, may:

- Perform other activities related to this charter as requested by the Boards.
- Institute and oversee special investigations as needed.
- Regularly evaluate its performance and that of its individual members.

Reporting on Audit and Finance Subcommittee Performance

The AFS should:

- Report periodically to the Boards summarizing the subcommittee's activities and recommendations or less frequently as the committee deems necessary. The report should be delivered at the regularly scheduled joint meeting of the Boards.
- The report may include:
 - A summary of the work the subcommittee performed to fully discharge its responsibilities.
 - A summary of management units' progress in addressing corrective actions on the findings and recommendations made in internal and external audit reports.
 - An overall assessment of the management units' risk, control, and compliance processes, including details of any significant emerging risks or legislative changes impacting the Boards.
 - Details of meetings, including the number of meetings held during the relevant period and the number of meetings each member attended. The subcommittee may, at any time, report to the Boards any other matter it deems of sufficient importance.

Approval/Signatures

RPTA Board Chair

Date

VMR Board Chair

Date

AFS Chair

Date

CEO

Date



Information Summary

DATE

September 10, 2020

AGENDA ITEM 6**SUBJECT**

ERP Consultant - Plante Moran Contract Change Order

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to execute a contract change order to increase the contract authority by \$644,850 for an overall not to exceed of \$1,497,570.

COST AND BUDGET

This increase of \$644,850 is necessary for Plante Moran to assist Valley Metro in establishing and staffing a project management office (PMO) for the implementation of the ERP/EAM system. Approximately \$205,000 is required in FY21 with the remainder for FY22.

Costs for FY21 are included in the RPTA Adopted FY21 Operating and Capital Budget. Contract obligations beyond FY21 are incorporated into the RPTA Adopted Five-Year Operating Forecast and Capital Program (FY2021 thru FY2025).

RECOMMENDATION

Staff recommends that the Board of Directors authorize the CEO to execute a contract change order in the amount of \$644,850.

BACKGROUND | DISCUSSION | CONSIDERATION

Valley Metro Rail Inc. (VMR) and the Regional Public Transportation Authority (RPTA) executed a contract with Plante Moran in December 2018 for four distinct phases:

1. ERP Software – Needs Assessment
2. ERP RFP Development
3. ERP Vendor Evaluation & Selection
4. ERP Installation & Implementation

At time of award Phase 4 was identified as a potential for renegotiation based on the outcome of the vendor selection. Plante Moran's level of effort has greatly supported Valley Metro in selecting a well rounded ERP/EAM solution, in order to meet implementation timelines Valley Metro will need additional support from Plante Moran.



Valley Metro initially envisioned contracting for a full-time project manager for the implementation phase. Staff decided instead to create a Project Management Office (PMO), let by Plante Moran. The PMO will have a project manager full time on this implementation, a project director to provide additional support to the project manager, and subject matter experts to assist Valley Metro with designing business processes that can maximize efficiency within the Oracle/Trapeze systems.

Plante Moran has been involved with this project and staff assigned to the PMO are intimately familiar with the scope of the implementation and the vendors involved. The original contract award envisioned that the budget and scope for the implementation phase could be renegotiated based on the results of the vendor award. While there are other organizations that could potentially offer similar services, staff determined that moving forward with Plante Moran was the best option as the implementation timeline is very tight.

COMMITTEE ACTION

RTAG: August 18, 2020 for information

TMC/RMC: September 2, 2020 for action

Board of Directors: September 17, 2020 for action

CONTACT

Paul Hodgins

Chief Financial Officer

602-523-6043

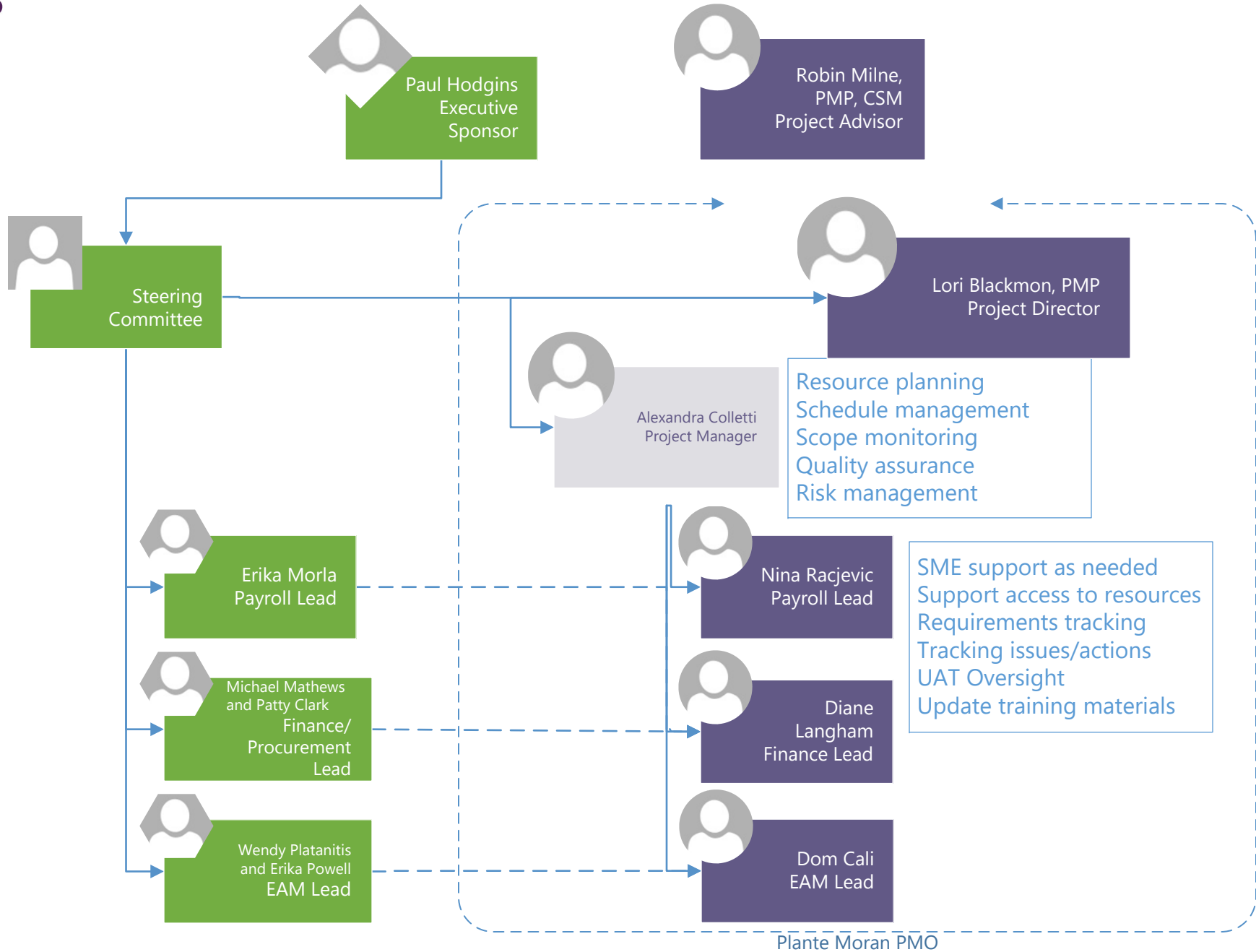
phodgins@valleymetro.org

ATTACHMENT

Project Management Office structure



Outsourced PMO model





Information Summary

DATE

September 10, 2020

AGENDA ITEM 7**SUBJECT**

Broadway Curve: Transit Impact and Mitigation Strategies and Opportunities

PURPOSE

To provide information about ADOT and MAG's Broadway Curve construction project and how transit can play a role to help mitigate overall transportation impacts related to the project.

COST AND BUDGET

N/A

RECOMMENDATION

This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION

The I-10 Broadway Curve expansion project is the region's largest highway expansion of existing infrastructure. Work will be underway for four years, from 2021 to 2024. Because 300,000 cars pass daily through the I-10 project corridor from 24th Street to Ray Road, a primary objective during construction is: *get as many cars as possible out of the construction zone.*

Transit has been identified as key component to helping mitigate congestion during construction. These recommendations define the role transit could play in the Broadway Curve project. Final decisions on project mitigation measures and funding will be made at MAG and ADOT. Valley Metro is working with MAG as a partner and stakeholder. Valley Metro will not undertake any potential mitigation measures unless it is funded through new resources, such as funding made available through the project's costs or eligible grant funding.

Recommendations respond to the goals of both protecting transit and increasing transit capacity, and fall into the following categories:

- Fixed-route bus (local, Express/RAPID)
- Light rail
- Commute Solutions (including vanpool)
- Marketing and messaging



Staff will provide a more detailed presentation identifying transit opportunities to help reduce traffic congestion during the construction period.

COMMITTEE ACTION

RTAG: August 18, 2020 for information

TMC/RMC: September 2, 2020 for information

Boards of Directors: September 17, 2020 for information

CONTACT

Wulf Grote

Director, Capital and Service Development

602-322-4420

wgrote@valleymetro.org

ATTACHMENT

Broadway Curve Transit Impact Mitigation Strategies (PowerPoint presentation)

I-10/US-60 Broadway Curve Widening

Project Summary and Potential Transit Mitigation Strategies

Boards of Directors
September 17, 2020



1

Project Summary & Goals

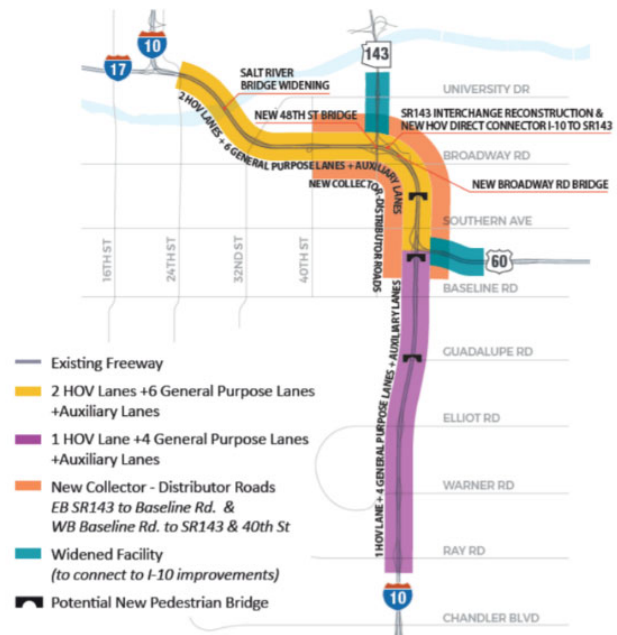
*Maricopa Association of Governments
(MAG)*



2

Broadway Curve Project Summary

- Project priority: Travel reliability
- Busiest stretch of highway in AZ: 300,000 vehicles/day
- 4 years of construction (2021-2024)
- Proposals currently under review



Current Contract Provisions for Closures

All lanes, including HOV, to remain open during the weekday peak periods.

Night time lane closures

- 8:00pm to 4:00am weeknights (Sun, Mon, Tues, Wed, Thurs)
- 10:00pm Friday night to 7:00am Saturday morning
- 10:00pm Saturday night to 9:00am Sunday morning

Weekend lane closures

- 10:00pm Friday night to 4:00am Monday morning

-
- ✓ Both directions of I-10 cannot be closed at the same time
 - ✓ Holidays restricted
 - ✓ Special events restricted

Peer Review of Traffic Mitigation for Freeway Construction Using Public Transit & Transportation Demand Management Strategies

Purpose of the white paper:

- Identify peer freeway projects that included construction mitigation efforts
- Transportation industry literature review and best practices
- Case studies (3 projects identified)
- Key takeaways

Key Takeaways

- ✓ Projects that had mitigation focused on commuter-based transit.
- ✓ Construction mitigation efforts in all projects studied were most successful when implemented with flexible TDM options.
- ✓ I-10 Broadway Curve construction mitigation effort needs to be a comprehensive, coordinated effort that looks at all the available tools.

Assumptions & Potential Mitigation Strategies



7

Valley Metro Assumptions

- Existing local and commuter transit routes will be impacted by construction
- Providing alternate travel options will help alleviate impact and congestion
- Transit and Transportation Demand Management (TDM) would be included in a broad mitigation suite
- Any potential mitigation measures implemented by MAG & ADOT will be funded through the project or new identifiable resources outside of the project (i.e., grant funding)



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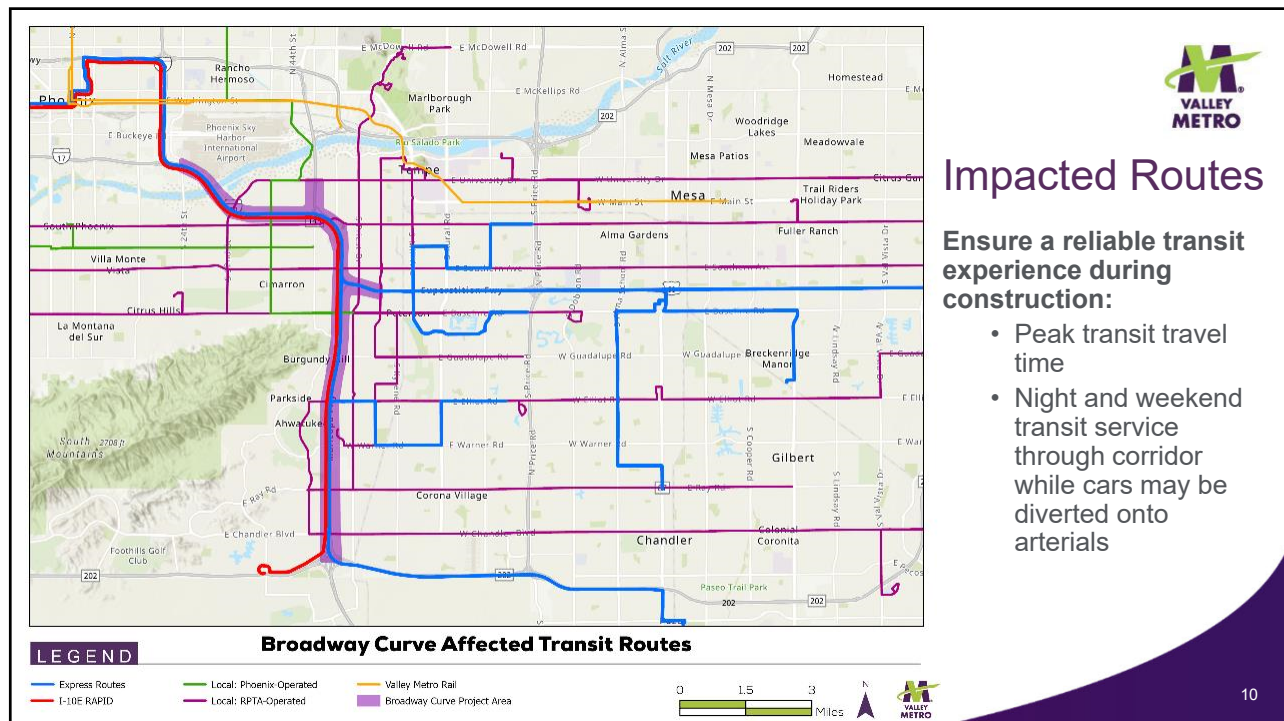
Decisions on Potential Mitigation Strategies



- **Final decisions on project mitigation measures and funding will be made at MAG and ADOT**
 - Valley Metro working with MAG as partner and stakeholder
- **Valley Metro will not undertake any potential mitigation measures unless it is funded through new resources**
 - New resources such as funding made available through the project's costs or identification of available grants outside of the project
 - Funding would not be sought from local contributions
 - Funding would not be diverted from existing transit operations

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Leveraging Transit, Alternative Travel Options

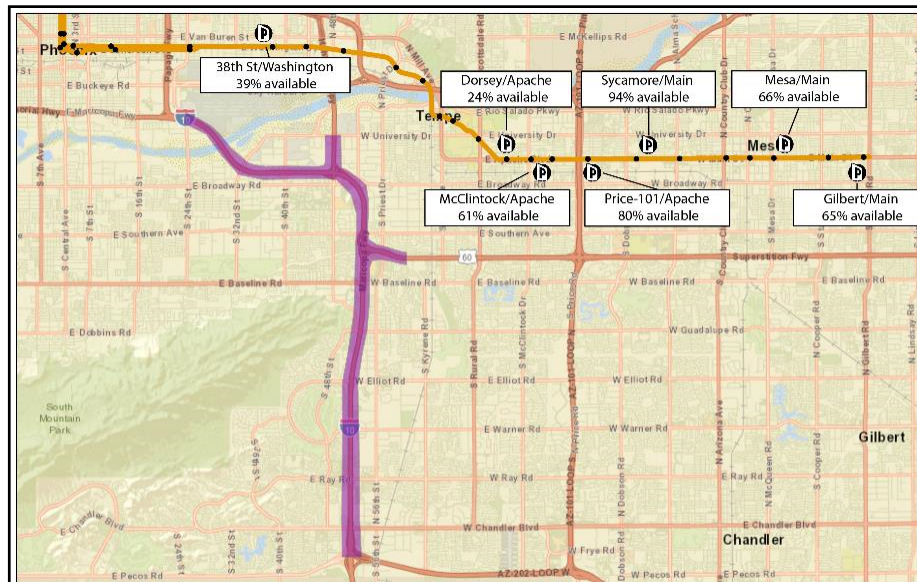


- **Valley Metro Rail**
- **Express/RAPID routes**
- **Local bus service**
- **TDM (Transportation Demand Management)**
 - Vanpool
 - Carpool
 - Alternative Commutes
- **Messaging and Marketing**
 - Regional Coordination

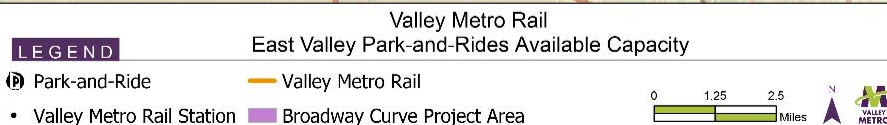


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Rail Park-and-Ride Available Capacity



12

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Increase Rail System Capacity



Two options utilizing eight “system expansion” vehicles

1) Run 3-Car Trains

- Minimal Cost
- Could add capacity for 2,800 additional daily riders

2) 10-Minute Service

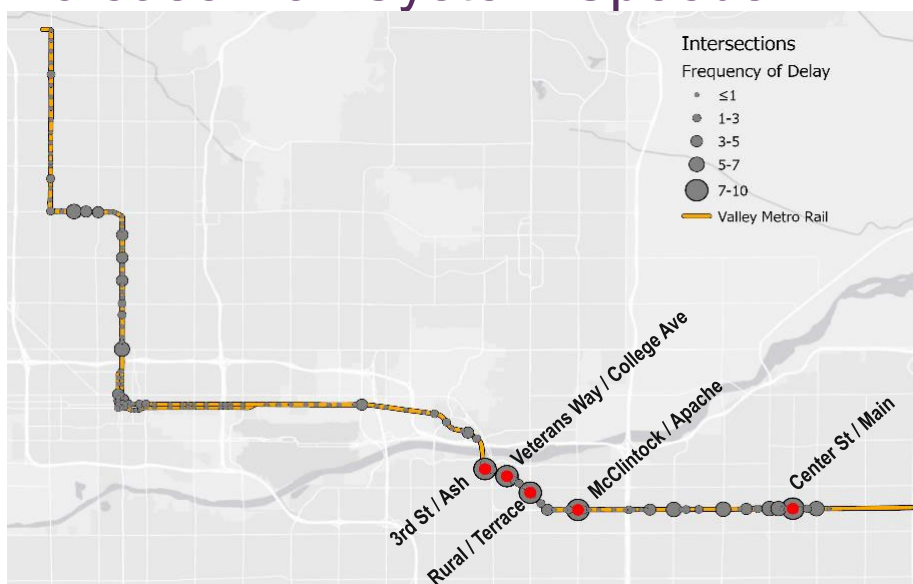
- Could increase operating costs by about 20%
- Could add capacity for up to 9,100 riders



13

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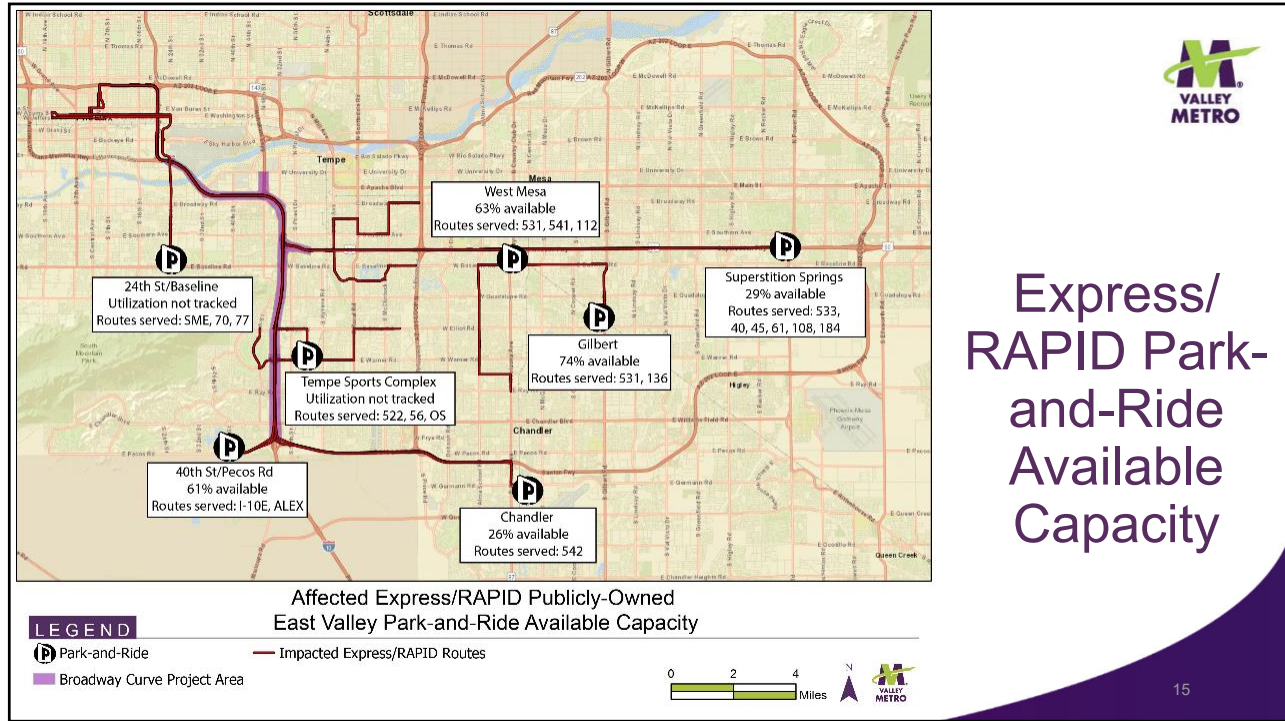
Increase Rail System Speeds



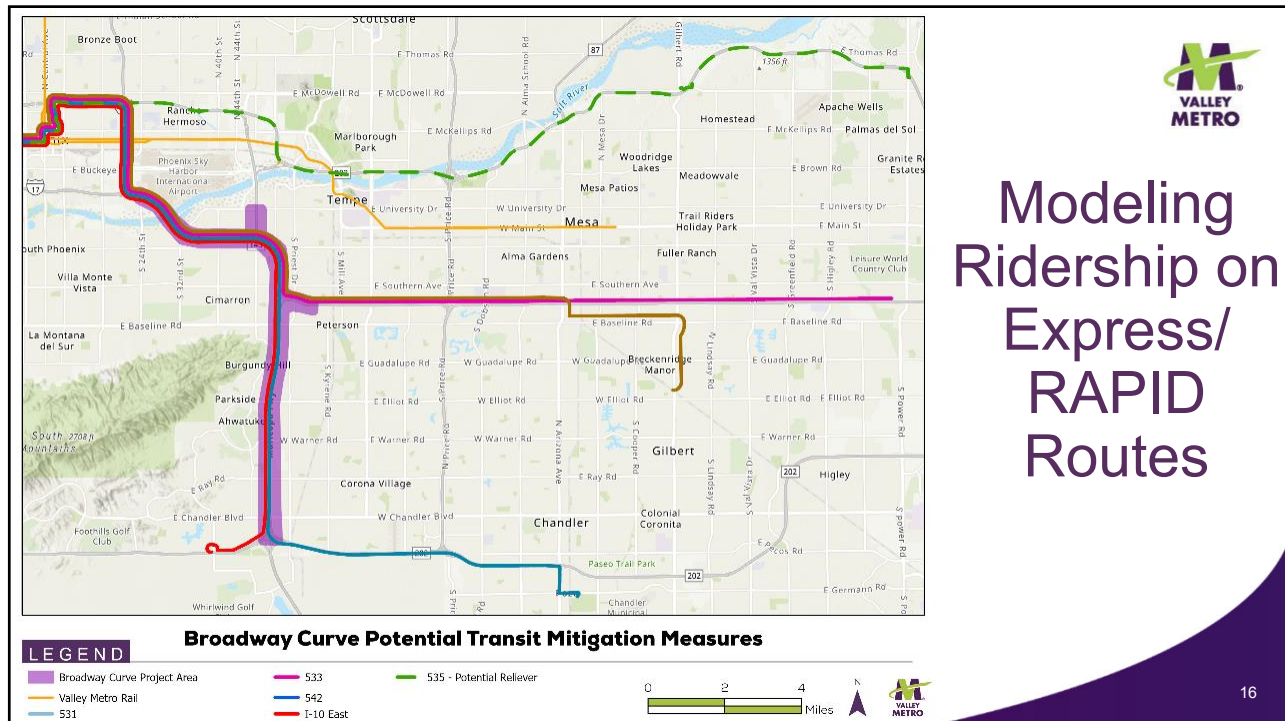
Improvements to five East Valley light rail intersections

14

14



15



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Commute Solutions Overview



Commute Solutions can offer a variety of special tools to help mitigate Broadway Curve impacts

For employers:

- Travel Reduction Program (TRP)
 - Customized TRP assistance by location
- Corridor specific kits & support
- Vanpool promo & targeted coordination
- New “TMA” style corridor employer group to be established (meetings/communication)
- Share The Ride platform sub-site set-up and coordination

For individuals:

- Carpool
- Vanpool
- ShareTheRide.com (new platform) that will include incentivizing the corridor (challenges/trip tracking)
 - Site is live as of July 24

17

17

Vanpool



• Program has room for expansion

- Currently:
 - Fleet ready now for new vanpools
- Future:
 - For new vanpools, avg. 3 month start time

• Targeted vanpool outreach

- First month free promotion available when construction phase starts
- Customized corporate webinars/TMA opportunities
- On site outreach (tables / lunch-and-learns)



18

18

Messaging and Marketing



- **Coordinate with ADOT and MAG in their communication/public involvement plans**
 - Support and underscore their messaging strategies
 - Leverage collective resources
- **Valley Metro amplifies “The Value of Transit”**
 - Leverage existing campaigns to help tell the story
 - Encourage alternative mode usage
 - Educate on the value of a multi-modal transportation network

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Wrap up:



- **Investigating how to leverage the region’s multimodal network**
 - Contribute to overall project success
 - Minimize impact to existing transit operations
- **MAG and ADOT lead project**
 - Valley Metro working with MAG as a stakeholder
 - Final decisions, including funding, on project mitigation measures will be made at MAG and ADOT
- **Valley Metro will not undertake mitigation measures unless funded through new resources**
 - Resources would not be diverted from existing transit operations
- **Iterative process: Incorporating comments from city meetings**
 - Next step: Seeking continued feedback

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Information Summary

DATE

September 10, 2020

AGENDA ITEM 8**SUBJECT**

Travel, Expenditures and Solicitations

PURPOSE

The monthly travel, expenditures and solicitations are presented for information.

Non-essential travel has been suspended at this time.

BACKGROUND | DISCUSSION | CONSIDERATION

None

COST AND BUDGET

None

COMMITTEE PROCESS

None

RECOMMENDATION

This item is presented for information only.

CONTACT

Paul Hodgins
Chief Financial Officer
602-262-7433
phodgins@valleymetro.org

ATTACHMENTS

Valley Metro RPTA and Valley Metro Rail Monthly Accounts Payable over \$25,000
Active Requests for Proposals, Qualifications and Invitations for Bids

Valley Metro Regional Public Transportation Authority
Monthly AP Payments over \$25,000
July 21, 2020 to August 20, 2020

Document Number	Name	Transaction Description	Effective Date	Transaction Amount
20200814W004	First Transit, Inc.	June 2020 Fixed Route Bus Service-Unification	8/14/2020	5,225,694.40
20200814W001	City of Phoenix	July 2020 FR Bus Service, DAR, FR Svc Op Supp	8/14/2020	1,077,317.50
20200814W006	Transdev Services, Inc	June 2020 Regional Paratransit Services	8/14/2020	1,048,089.49
20200724W009	Transdev Services, Inc	May 2020 Regional Paratransit Services	7/24/2020	946,909.18
42042	City of Glendale - Transportation/Transit	PTF Expenditure Reimbursement Request #1	8/20/2020	784,844.00
20200731W	ADP, LLC	PPE 7/26/20 Wages Payable-Reverse Wire	7/31/2020	610,372.52
20200814W007	ADP, LLC	PPE 8/9/20 Wages Payable-Reverse Wire	8/14/2020	594,489.04
41996	Trapeze Software Group	FY20 Trapeze Licensing, Maintenance and Support	7/31/2020	434,561.81
20200724W005	New Flyer of America, Inc.	6867 New Flyer Coach SR-2424 XN40 (80% payment)	7/24/2020	427,796.60
20200724W005	New Flyer of America, Inc.	6868 New Flyer Coach SR-2424 XN40 (80% pymt)	7/24/2020	427,796.60
20200724W005	New Flyer of America, Inc.	6866 New Flyer Bus SR-2424 XN40 (80% payment)	7/24/2020	427,796.60
20200731W008	New Flyer of America, Inc.	6869 New Flyer Coach SR-2424 XN40 (80% pymt)	7/31/2020	427,796.60
20200806W	New Flyer of America, Inc.	6871 New Flyer Coach SR-2424 XN40 (80% payment)	8/6/2020	427,796.60
20200806W	New Flyer of America, Inc.	6872 New Flyer Coach SR-2424 XN40 (80% payment)	8/6/2020	427,796.60
20200731W008	New Flyer of America, Inc.	6870 New Flyer Coach SR-2424 XN40 (80% pymt)	7/31/2020	427,796.60
20200724W001	Cigna Health and Life Insurance Company	July 2020 CIGNA Health Ins Premiums	7/24/2020	387,277.12
20200731W012	Total Transit Enterprises, LLC	June 2020 West Valley Fixed Route Transit Services	7/31/2020	353,868.84
20200731W	ADP, LLC	PPE 7/26/20 Federal, State, SS/Med EE/ER Tax - ACH	7/31/2020	249,610.46
42019	CDW Government LLC	FY21 Microsoft Enterprise License Agreement and FY21 Microsoft True-Up	8/13/2020	241,739.72
20200814W007	ADP, LLC	PPE 8/9/20 Federal, State, SS/Med EE/ER Tax - ACH	8/14/2020	235,620.13
41938	American Logistics Company, LLC	June 2020 RideChoice Management Services	7/31/2020	192,464.41
41912	American Logistics Company, LLC	May 2020 RideChoice Management Services	7/23/2020	166,328.75
42047	Hye Tech Network & Security Solutions LLC	Information Technology Infrastructure Refresh-Network Equipment	8/20/2020	131,812.62
42021	City of Goodyear	FY20 RideChoice Service Recon	8/13/2020	123,036.00
20200814W008	ASRS	PPE 8/9/20 ASRS Contributions Employee	8/14/2020	112,507.90
20200814W008	ASRS	PPE 8/9/2020 ASRS Contributions Employer	8/14/2020	112,507.90
20200731W001	ASRS	PPE 7/26/20 ASRS Contributions Employee	7/31/2020	112,164.95
20200731W001	ASRS	PPE 7/26/20 ASRS Contributions Employer	7/31/2020	112,164.95
20200724W005	New Flyer of America, Inc.	6866 New Flyer Coach SR-2424 XN40 (20% payment)	7/24/2020	106,949.15
20200724W005	New Flyer of America, Inc.	6864 New Flyer Coach SR-2424 XN40 (20% payment)	7/24/2020	106,949.15
20200731W008	New Flyer of America, Inc.	6870 New Flyer Coach SR-2424 XN40 (20% payment)	7/31/2020	106,949.15
20200731W008	New Flyer of America, Inc.	6863 New Flyer Coach SR-2424 XN40 (20% payment)	7/31/2020	106,949.15

Valley Metro Regional Public Transportation Authority
Monthly AP Payments over \$25,000
July 21, 2020 to August 20, 2020

Document Number	Name	Transaction Description	Effective Date	Transaction Amount
20200731W008	New Flyer of America, Inc.	6867 New Flyer Coach SR-2424 XN40 (20% payment)	7/31/2020	106,949.15
20200806W	New Flyer of America, Inc.	6865 New Flyer Coach SR-2424 XN40 (20% payment)	8/6/2020	106,949.15
20200806W	New Flyer of America, Inc.	6868 New Flyer Coach SR-2424 XN40 (20% payment)	8/6/2020	106,949.15
20200806W	New Flyer of America, Inc.	6869 New Flyer SR-2424 XN40 - (20% payment)	8/6/2020	106,949.15
20200806W	New Flyer of America, Inc.	6871 New Flyer Coach SR-2424 XN40 (20% payment)	8/6/2020	106,949.15
20200731W007	Medical Transportation Management, Inc.	June 2020 In-Person Eligibility Assessment and Travel Training Services	7/31/2020	95,661.86
20200724W003	Medical Transportation Management, Inc.	May 2020 In Person Eligibility Assessment and Travel Training Services	7/24/2020	95,244.57
20200814W004	First Transit, Inc.	June 2020 COVID-19 Expenses	8/14/2020	77,008.45
41959	Enterprise Rideshare	May 2020 Vanpool Services	7/31/2020	67,694.04
20200724W006	Second Generation, Inc. dba Ajo Transportation	June 2020 Rural Connector Route	7/24/2020	67,013.27
41957	Dye Management Group, Inc.	June 2020 Transit Asset Management Consultant	7/31/2020	66,405.00
41959	Enterprise Rideshare	June 2020 Vanpool Services	7/31/2020	62,216.03
42021	City of Goodyear	FY20 Paratransit Service Recon	8/13/2020	60,884.00
R20200731W003	City of Mesa	July 2020 Utilities	7/31/2020	57,688.06
42042	City of Glendale - Transportation/Transit	PTF Expenditure Reimbursement Request #2	8/20/2020	55,194.00
R20200731W008	SRP	July 2020 Utilities	7/31/2020	54,078.60
20200731W005	CopperPoint Insurance Company	Aug. 2020 Mobility and Call Center Rent	7/31/2020	52,008.57
20200814W	Alesig Consulting LLC	CAS Maintenance, Support & Hosting 7/1/20-6/30/21	8/14/2020	51,583.00
41957	Dye Management Group, Inc.	May 2020 Transit Asset Management Consultant	7/31/2020	51,450.00
41954	Creative Bus Sales Inc.	49373 2020 Ford Transit 150 Van Silver	7/31/2020	43,562.21
41954	Creative Bus Sales Inc.	49358 2020 Ford Transit 150 Van Silver	7/31/2020	42,667.03
08152020	Wells Fargo	Wells Fargo July 2020 Credit Card Purchases	8/15/2020	41,964.03
42004	World Wide Technology, LLC	Information Technology Infrastructure Refresh	7/31/2020	35,243.87
20200814W004	First Transit, Inc.	COVID-10 Cleaning Expenses	8/14/2020	34,912.15
41981	Mosaic451, LLC	June 2020 Managed Security Services	7/31/2020	34,600.00
41955	Dell Marketing L.P.	June 2020 Computer Hardware and Supports	7/31/2020	33,973.41
41992	SHI International Corp	LastPass Enterprise Site License	7/31/2020	30,807.04
42008	CDW Government LLC	Veeam Annual Renewal	8/6/2020	29,539.20
41935	Accenture LLP	Paratransit Research	7/31/2020	28,000.00
20200724W	Bentley Systems, Inc	FY21 ProcureWare Renewal	7/24/2020	27,150.00

18,507,048.63

Valley Metro Rail, Inc.
Monthly AP Payments over \$25,000
July 21, 2020 to August 20, 2020

Document Number	Name	Transaction Description	Effective Date	Transaction Amount
20200731W013	Kiewit Infrastructure West Co.	2/24/20-4/26/20 S Central Extension	7/31/2020	8,532,875.52
20200814W008	Kiewit Infrastructure West Co.	May - June 2020 S Central Extension	8/14/2020	6,560,942.94
20200814W003	Stacy and Witbeck, Inc.	June 2020 Tempe Streetcar Project	8/14/2020	4,869,405.65
20200731W011	Hensel Phelps Construction Co	June 2020 OMC Expansion Project	7/31/2020	4,783,636.00
20200731W003	Brookville Equipment Corp	Tempe SC Acquisition Milestone B & C	7/31/2020	1,249,866.24
20200814W009	Kiewit-McCarthy, a Joint Venture (NWE2)	Oct 19 - June 20 NW Extension Phase 2	8/14/2020	1,148,937.91
20200731W001	Alternate Concepts Inc.	June 2020 Transportation Services	7/31/2020	898,754.87
20200731W001	Alternate Concepts Inc.	May 2020 Transportation Services	7/31/2020	882,562.85
20200814W007	Hill International, Inc.	May 2020 S Central Extension	8/14/2020	841,032.08
20200724W005	Siemens Mobility, Inc.	Vehicle Communication & Video Upgrade	7/24/2020	794,158.00
20200724W	Allied Universal Security Services	June 2020 Fare Inspection & Security Services	7/24/2020	565,663.79
20200814W006	HDR Engineering, Inc.	June 2020 Planning and Community Relations	8/14/2020	558,302.75
20200814W004	AECOM Technical Services, Inc.	June 2020 S Central Extension	8/14/2020	519,172.64
20200724W003	HDR Engineering, Inc.	April 2020 Planning and Community Relations	7/24/2020	501,848.83
20200731W010	HDR Engineering, Inc.	May 2020 Planning and Community Relations	7/31/2020	466,141.29
20200724W004	Jacobs Engineering	May 2020 NW Extension Phase 2	7/24/2020	453,222.12
20200814W004	AECOM Technical Services, Inc.	May 2020 S Central Extension	8/14/2020	417,728.18
035781	SDB Contracting Services	June 2020 Construction Services	8/6/2020	364,583.86
20200814W005	ARCADIS	June 2020 Project Support Services	8/14/2020	293,387.19
20200724W001	ARCADIS	May 2020 Consulting Support Services	7/24/2020	260,699.86
20200731W009	DMS - Facility Services, Inc.	June 2020 Facilities and LRV Cleaning Services	7/31/2020	231,691.55
20200731W005	City of Phoenix	April through June 2020 Advertising Revenue	7/31/2020	226,245.76
20200731W	101 North First Ave LLC	Aug 2020 101 Building Rent	7/31/2020	165,264.37
V20200731W	APS	July 2020 Utilities	7/31/2020	160,637.33
035699	PGH Wong Engineering, Inc.	May 2020 NW Extension Project Phase 2	7/23/2020	143,922.71
035835	PGH Wong Engineering, Inc.	June 2020 NW Extension Phase 2	8/20/2020	143,448.83
V20200731W021	SRP	July 2020 Utilities	7/31/2020	106,859.70
035742	Penn Machine Company, LLC	Rubber Block Tire Kits	7/31/2020	91,296.72
035751	Salt River Project	TSC Apache and Dorsey TPSS and Service	7/31/2020	85,995.32
20200731W007	Dellner Inc.	LRV Coupler Overhaul	7/31/2020	85,992.00
035749	Salt River Project	S Central Non Prior Right Utilities	7/31/2020	71,522.25

Valley Metro Rail, Inc.
Monthly AP Payments over \$25,000
July 21, 2020 to August 20, 2020

Document Number	Name	Transaction Description	Effective Date	Transaction Amount
20200731W009	DMS - Facility Services, Inc.	June 2020 Facility Maintenance Services	7/31/2020	68,766.47
035750	Salt River Project	NW Extension Pase 2 Utilities	7/31/2020	68,526.51
035779	Salt River Project	NW Extension Pase 2 Utilities	8/6/2020	63,843.81
035789	Arizona Public Service Company	WA445086 Rio Salado Pkwy - Marina Heights West to Marina Heights East	8/6/2020	61,141.61
035772	Arizona Public Service Company	WA445086 Rio Salado Pkwy - Marina Heights West to Marina Heights East	8/6/2020	61,141.61
20200731W004	City of Mesa	April through June 2020 Advertising Revenue	7/31/2020	60,861.32
20200724W002	Brookville Equipment Corp	Tempe Streetcar Aquisition Milestone B	7/24/2020	60,627.84
035835	PGH Wong Engineering, Inc.	June 2020 S Central Extension Design	8/20/2020	54,981.01
035699	PGH Wong Engineering, Inc.	May 2020 S Central Extension Systems Design	7/23/2020	52,077.79
035710	Arizona Public Service Company	WA427491 - Rio Salado 12kV Relocation Dorsey to Terrace	7/31/2020	50,410.91
035722	Delta Electric Motors, Inc.	Repair Traction Motors	7/31/2020	49,840.60
035765	URW, LLC	June 2020 Landscaping	7/31/2020	49,588.00
20200731W006	City of Tempe	April through June 2020 Advertising Revenue	7/31/2020	44,889.40
035834	Microelettrica - USA LLC	High Speed Circuit Breakers	8/20/2020	44,755.00
20200814W001	Dellner Inc.	LRV Coupler Overhaul	8/14/2020	42,996.00
035735	Knorr Brake Corporation (KBC)	LRV Friction Brake Overhaul	7/31/2020	42,908.38
035835	PGH Wong Engineering, Inc.	June 2020 LRV & OMC Testing and Support	8/20/2020	41,913.46
20200814W002	Knorr Brake Corporation (KBC)	LRV Friction Brake Overhaul	8/14/2020	41,867.37
035754	Salt River Project	S Central Non Prior Right Utilities	7/31/2020	37,998.98
035753	Salt River Project	S Central Non Prior Right Utilities	7/31/2020	36,177.86
035676	City of Phoenix	June 2020 Fare Handling Fee	7/23/2020	36,129.00
20200731W002	Award Winning Restorations	Change Color Scheme on LRV 148	7/31/2020	35,040.00
035765	URW, LLC	June 2020 Facilities Landskeeping Services	7/31/2020	33,887.68
035699	PGH Wong Engineering, Inc.	May 2020 LRV & OMC Testing	7/23/2020	33,815.68
20200724W	Allied Universal Security Services	June 2020 Fare Insprcion & Security Services	7/24/2020	33,182.98
V20200731W005	City of Mesa	July 2020 Utilities	7/31/2020	28,452.70
20200814W	Alliant Insurance Services, Inc.	July 2020 Risk Management Consulting	8/14/2020	28,125.00
035773	City of Phoenix	April - June 2020 RWC Charges	8/6/2020	26,721.63
035790	City of Phoenix	April - June 2020 RWC Charges	8/6/2020	26,721.63
035837	Salt River Project	TSC Apache and Dorsey	8/20/2020	25,165.69

37,818,355.03



**Procurement Report
as of 08/07/2020**

RECENTLY COMPLETED PROCUREMENTS										
Contract Administrator	Agency	Procurement Type	Procurement Title	FTA Funding	Release Date	Proposal Due Date	Targeted Board Award Date	Estimated Contract Value	Term of Contract	Comments
ACTIVE PROCUREMENTS										
Contract Administrator	Agency	Procurement Type	Procurement Title	FTA Funding	Release Date	Proposal Due Date	Targeted Board Award Date	Estimated Contract Value	Term of Contract	Comments
Barb H	Joint	RFP	Operations Cleaning Services	Yes	May 2020	July 2020	November 2020	\$10,000,000.00	3 year + 2-yr option	In Negotiation
Barb H	VMR	Sole Source	LRV Modular Door Control Unit Upgrade	No	N/A	N/A	August 2020	\$979,862.00	2 years	Initiating Documents
Barb H	VMR	Change Order	Light Rail Vehicles (14 optl vehicles)	Yes	N/A	N/A	August 2020	\$78,509,911.00	7 years	Pending Board Approval
Barb H	RPTA	COOP	Bus Operator Protective Barriers	Yes	N/A	N/A	August 2020	\$1,977,439.00	2 years	Initiating Documents
Ed N	RPTA	RFP	Retail Sales Networks for Fare Collection and Customer Service	No	February 2020	May 2020	November 2020	\$35,000,000.00	5 years + 3 yr + 2 yr	In Evaluation
Rick W	RPTA	RFP	Bus Inspection Services - Re-Issue	Yes	April 2020	May 2020	August 2020	\$1,600,000.00	5 years	Pending Board Approval
Rick W	Joint	RFP	Landscaping Services	No	June 2020	July 2020	October 2020	\$2,450,000.00	3 year + 2 options	In Evaluation
Rick W	Joint	Change Order	Additional cleaning staff and fogging	No	NA	NA	August 2020	\$203,827.00	NA	Pending Board Approval
Christian J	Joint	Purchase Order	Enterprise Asset Mgmt System Upgrade	No	N/A	N/A	August 2020	\$331,000.00	1 year	Pending Board Approval
Ed N	VMR	Sole Source	Aconex contract & introduce archiving	No	July 2020	August 2020	September 2020	\$1,200,000.00	3 year + 2 options	Initiating Documents
Christian J	VMR	Change Order	Additional tires for contract 19011	No	N/A	N/A	August 2020	\$316,994.00	5 years	Pending Board Approval
Christian J	VMR	Sole Source	Knorr LRV Brakes (Master Purch Agrmt)	No	July 2020	July 2020	September 2020	\$230,000.00	5 years	In Negotiation
Ed N	RPTA	COOP	Investment Management Services	No	N/A	N/A	September 2020	\$120,000.00	21 Months	Pending Board Approval
Susanna H	VMR	RFQ	Business Support Services - CSD	No	August 2020	9/1/2020	September 2020	TBD	3 year + 2 options	Solicitation Issued
Christian J	RPTA	Purchase Order	Transit Scheduling Support Services (Farshi	No	N/A	N/A	September 2020	\$50,000.00	1 year	Pending Board Approval
FUTURE PROCUREMENTS										
Contract Administrator	Agency	Procurement Type	Procurement Title	FTA Funding	Release Date	Proposal Due Date	Targeted Board Award Date	Estimated Contract Value	Term of Contract	Comments
Barb H	VMR	Sole Source	SCV Managed Inventory Program	No	N/A	N/A	May 2021	\$1,000,000.00	5 years	SOW Development
Christian J	VMR	Change Order	Additional contingency for contract 19041	No	TBD	TBD	September 2020	TBD	5 years	Initiating Documents
Shelia H	VMR	COOP	Business Assistance - Communications	No	TBD	TBD	NA	TBD	TBD	SOW Development
Rick W	RPTA	RFP	CNG Facility Maintenance	No	TBD	TBD	TBD	TBD	5 year + 5yr option	Awaiting Board Authorization to Issue Solicitation
Rick W	Joint	RFP	Fare Inspection and Security Services	No	TBD	TBD	TBD	\$56,113,000.00	3 year + 2 options	Awaiting Board Authorization to Issue Solicitation
Christian J	Joint	COOP	Managed Security Services Provider	No	TBD	TBD	TBD	\$2,000,000.00	TBD	Evaluating the potential use of a co-operative contract

IFB - Invitation For Bids

RFP - Request for Proposals

RFQ - Request for Qualifications

COOP - Cooperative Contract

TBD - To Be Determined



Information Summary

DATE

September 10, 2020

AGENDA ITEM 9**SUBJECT**

Future Agenda Items Request and Report on Current Events

PURPOSE

Chairs Edwards and Heredia will request future agenda items from members, and members may provide a report on current events.

COST AND BUDGET

None

RECOMMENDATION

This item is presented for information only.

BACKGROUND/DISCUSSION/CONSIDERATION

None

COMMITTEE PROCESS

None

CONTACT

Scott Smith
Chief Executive Officer
602-262-7433
ssmith@valleymetro.org

ATTACHMENT

None.

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date



Agenda

September 10, 2020

Valley Metro RPTA
Thursday, September 17, 2020
Webex/Phone
11:15 a.m.

Action Recommended

1. Public Comment

Public comment is being taken in written format and will be entered into the official minutes of the meeting.

1. For Information

2. Minutes

Minutes from the August 27, 2020 Board meeting are presented for approval.

2. For action

CONSENT AGENDA

3A. City of Phoenix Grant Pass-Through Intergovernmental Agreements and Change Orders

Staff recommends that the Board of Directors authorize the CEO to execute IGAs and change orders with the City of Phoenix for the listed grants.

3A. For action

3B. Investment Management Services Contract Award

Staff recommends that the Board of Directors authorize the CEO to execute a contract with PFM Asset Management LLC for Investment Management Services (IMS) for a period of 21 months, October 2020 through June 2022, and a cost not to exceed \$73,500.

3B. For action

3C. Transit Scheduling Services Purchase Agreement

Staff recommends that the Board of Directors authorize the CEO to execute a purchase agreement with Guidesoft dba Knowledge Services for transit scheduling services for an amount not to exceed \$50,000.

3C. For action

3D. Authorization to Issue a Competitive Solicitation for Compressed Natural Gas (CNG) Facility Maintenance

3D. For action

Staff recommends that the Board of Directors authorize the CEO to issue a competitive solicitation for a five-year base contract with one two-year renewal option to provide CNG facility maintenance at the Mesa Bus Operations and Maintenance Facility.

REGULAR AGENDA

4. Authorization to Issue a Joint Agency Competitive Solicitation for Fare Inspection and Security Services (FISS)

4. For action

Staff recommends that the Board of Directors authorize the CEO to develop a scope of work and issue a competitive solicitation for a total contract term of five years (three-year base contract plus two one-year renewal options) to provide fare inspection and security services for Valley Metro's existing rail operations and maintenance facilities.

5. Authorization to Develop and Issue a Request for Proposals (RFP) for Operation of Regional Paratransit, Including East Valley and Northwest Valley Services

5. For action

Staff recommends that the Board of Directors authorize the CEO to develop and issue a federally compliant RFP for a total term of ten years (five-year base contract plus five one-year renewal options) to provide paratransit in the East Valley, Northwest Valley and for regional trips and to extend Transdev's current contract 120 days so that any transitions between contractors occurs October 1 rather than July 1, 2022.

6. Future Agenda Items Request and Report on Current Events

6. For information

Chair Edwards will request future agenda items from members, and members may provide a report on current events.



7. Next Meeting

7. For information

The next Board meeting is scheduled for **Thursday, October 22, 2020 at 11:15 a.m.**

Qualified sign language interpreters are available with 72 hours notice. Materials in alternative formats (large print or flash drive) are available upon request. For further information, please call Valley Metro at 602-262-7433 or TTY at 602-251-2039. To attend this meeting via teleconference, contact the receptionist at 602-262-7433 for the dial-in-information. The supporting information for this agenda can be found on our web site at www.valleymetro.org



Information Summary

DATE

September 10, 2020

AGENDA ITEM 1**SUBJECT**

Public Comment

PURPOSE

Public comment is being taken in written format and will be entered into the official minutes of the meeting.

COST AND BUDGET

None

RECOMMENDATION

This item is presented for information.

BACKGROUND | DISCUSSION | CONSIDERATION

None

COMMITTEE PROCESS

None

CONTACT

Scott Smith
Chief Executive Officer
602-262-7433
ssmith@valleymetro.org

ATTACHMENT

None



Minutes

August 20, 2020

AGENDA ITEM 2

Board of Directors
Thursday, June 18, 2020
Via Webex/Phone
11:15 a.m.

RPTA Meeting Participants

Councilmember Jon Edwards, City of Peoria (**Chair**) (phone)
Councilmember Francisco Heredia, City of Mesa (**Vice Chair**) (phone)
Mayor Kate Gallego, City of Phoenix (**Treasurer**) (phone)
Mayor Kevin Hartke, City of Chandler (phone)
Mayor Alexis Hermosillo, City of El Mirage (phone)
Councilmember Lauren Tolmachoff, City of Glendale (phone)
Vice Mayor Bill Stipp, City of Goodyear (phone)
Supervisor Jack Sellers, Maricopa County (phone)
Councilmember Jon Edwards, City of Peoria (phone)
Councilmember Robin Benning for Mayor Gail Barney, Town of Queen Creek (phone)
Councilmember Susanne Klapp, City of Scottsdale (phone)
Vice Mayor Chris Judd for Councilmember Roland F. Winters Jr., City of Surprise (phone)
Councilmember Robin Arredondo-Savage, City of Tempe (phone)
Councilmember Linda Laborin, City of Tolleson (phone)
Mayor Rui Pereira, Town of Wickenburg (phone)
Mayor Michael LeVault, Town of Youngtown (phone)

Members Not Present

Vice Mayor Pat Dennis, City of Avondale
Vice Mayor Craig Heustis, City of Buckeye
Councilmember Mike Scharnow, Town of Fountain Hills
Councilmember Jared L. Taylor, Town of Gilbert

Chair Edwards called the RPTA meeting to order at 12:36 p.m.

1. Public Comment

Chair Edwards said again, for today's meeting public comment is being taken in written format and will be entered into the official minutes of the meeting.

2. Minutes

Chair Edwards said minutes from the June 18, 2020 RPTA meeting are presented for approval.

**IT WAS MOVED BY MAYOR HARTKE, SECOND BY COUNCILMEMBER
TOLMACHOFF AND UNANIMOUSLY CARRIED TO APPROVE THE BOARD**



MEETING MINUTES FROM MAY 21, 2020.

3. Bus Inspections Services Contract Award

Chair Edwards said Mr. Smith.

Mr. Smith said Mr. Chair, we can give a presentation on this. I can have Ray Abraham give a short presentation. Ray.

Mr. Abraham said thank you, Scott, Mr. Chair, members of the Board. I don't have a presentation planned. This company provides our bus inspections onsite here in Tempe and Mesa. They do random audits of our contractors performance. They also provide us support at the bus factories for our bus build. They have been incumbent for the last several years and our present contract expires October 30th of this year so we're asking your authorization for our CEO to engage in another five-year contract with the same company for the amount listed here not to exceed, I believe, it's -- where's the total?

Mr. Chair said thank you. Is there anybody on the Committee that has any questions or comments?

IT WAS MOVED BY MAYOR PERERIA, SECONDED BY COUNCILMEMBER TOLMACHOFF AND UNANIMOUSLY CARRIED TO AUTHORIZE THE CEO TO EXECUTE A FIVE-YEAR CONTRACT WITH TWO-YEAR OPTION FOR VEHICLE MAINTENANCE CONSULTANTS TO PROVIDE BUS INSPECTION SERVICES IN AN AMOUNT NOT TO EXCEED \$2,314,300 FOR THE PERIOD OF NOVEMBER 1, 2020 THROUGH OCTOBER 31, 2027.

4. Recommended October 2020 Transit Service Changes

Chair Edwards said Mr. Smith.

Mr. Smith said Mr. Chair, we do not have a presentation on this unless a member of the Board would like to have questions answered. The changes are somewhat minimal other than the downtown changes that you were briefed on during the study session. So, we can move right ahead with the motion unless someone has a question. We presented these changes, oh, several months ago, couple, three months ago in a previous meeting and there have been no significant changes to the plan since that time.

Chair Edwards said any comments? Concerns?

IT WAS MOVED BY COUNCILMEMBER TOLMACHOFF, SECONDED BY COUNCILMEMBER ARREDONDO-SAVAGE AND UNANIMOUSLY CARRIED TO AUTHORIZE THE CEO TO AMEND MEMBER AGENCY FY21 IGAS AS NECESSARY AND TO EXECUTE CHANGE ORDERS TO THE FIRST TRANSIT AND



TOTAL TRANSIT FIXED ROUTE CONTRACTS WITH TRANSDEV PARATRANSIT CONTRACT TO ACCOMMODATE THE RECOMMENDED OCTOBER 2020 SERVICE CHANGES.

5. Bus Operator Protective Barriers for Fixed Route Bus Fleet Contract Award Mr.

Chair Edwards said Mr. Smith.

Mr. Smith said thank you, Mr. Chair I think we've mentioned this before and I think Jim Hillyard alluded to one of the major items that we're doing as part of the COVID responses to protect our operators and so Scott will give a presentation on a major contract that relates to some modifications we are proposing to make to our buses. Scott, go ahead.

Mr. Wisner said thank you, Mr. Smith and members of the Board. As you know, the recent pandemic has created lots of challenges, most notably our passenger boarding and fare collections. We went to rear-door boarding and alighting. We've gone to passenger limits. We required face coverings now. And in reaction to all those things, we started to install barriers behind the operator, six feet or more behind the operator. A plastic barrier to help protect him from airborne particulates floating up into the cabin area. And then most recently, we've installed plastic curtains around the cockpit area to try to protect them even further.

Despite that, we've still had a host of challenges. Obviously, on the fare collection side, we can't collect cash fares and we cannot scan the electronic fare media. The curtains themselves don't really protect the operator from any type of physical assault or unwanted intrusion into the cockpit area. And there have been an increase in incidents over the last six to eight months of this year. And so in response to that, we really believe we needed to look further into ways to protect our frontline staff.

This is just a photo of the most recent steps we have taken by putting this plastic curtain up in the front area. You can see it's, you can retract it backwards and then close it. We haven't had to use this yet because we're not at the stage of going to front-door boardings yet, but we did that in anticipation of eventually going back to front-door boardings whenever it is safe to do so. So, I just wanted to show you the steps we've taken there.

So, in conjunction with the City of Phoenix, we've been doing a lot of research and looking into best practices. Looking at other properties across the country and transit systems and the vast majority of them are exploring a little greater protective barrier types. So, we did some research and did some specifications and developed a joint RFP with the City of Phoenix and that's what we're here to talk about today is awarding a firm fixed contract to the protective company.

This is a simulation of the barrier that we've chosen. You can see it's a rugged door. It's an actual door like a car door. It has two pieces of glass. One of them slides up and



down so that the operator can actually open the window if they wanted to interface once COVID is done, but this type of barrier protects them from airborne, you know, viruses as well as from the intrusion into the cockpit area.

This is a picture of the inside of the door. It's a very rugged door. It's got a handle just like a door handle. It's got an up and down switch. Also got two ventilation fans which was a very important feature we looked at because, obviously, in the cockpit area it can get very stuffy in there so this allows us to ventilate that area so that the operator can maintain proper temperature inside that area. Very easy to retrofit our fleet with this. Just a couple brackets that they have to install in the floor and in the roof and then this also allows to detach the door whenever we have to do any service area in that particular part of the bus.

This is a photo of an actual barrier that's in place right now. This is the barrier we'd be purchasing. The picture on the left is the barrier closed so you can see it's not any -- very intrusive at all for the public. The public can still see the driver just fine. It provides a visual for the driver so they can see out the front windshield. They can see the right side -- they can see out the doorways so. And then the other picture on the right is the way the driver would access the driving portion of the bus.

Project timeline is expected to take about 60 to 75 days to start seeing these installations take place. We've already got a jump on that with the contractor so once we get approval then we'll be able to sign a contract and get moving on the installation of that on the production of those doors. They can do about 36 doors per week. And they will do it at nighttime so it doesn't interfere with our operation and we think it will take about six to eight months to do our fleet and the City of Phoenix's fleet as well.

This slide gives a summary of the cost associated with this project. We did build in some contingency just in case we had any unforeseen problems.

Lastly, this is our staff recommendation to award a contract to Complete Coach Works in the amount not to exceed \$9,977,439 and I'd be happy to take any questions you may have.

Chair Edwards said I have a real quick question. What happens in the case of a medical emergency with the driver? How can members of the public, if they have to assist him, can they get in there?

Mr. Wisner said there is an emergency release on that door. It's a button that you would have to reach around to get to. So, there is an emergency release button on that door. And if the driver doesn't lock the door then that's another way somebody could get in.

Mr. Chair said okay. Anybody else have any comments or questions? No. Okay.

IT WAS MOVED BY MAYOR HARTKE, SECONDED BY COUNCILMEMBER KLAPP AND UNANIMOUSLY CARRIED TO AUTHORIZE THE CEO TO EXECUTE A



CONTRACT WITH COMPLETE COACH WORKS FOR THE AMOUNT NOT TO EXCEED \$1,977,439 FOR THE PURCHASE AND INSTALLATION OF BUS OPERATOR PROTECTIVE BARRIERS ON FIXED ROUTE BUS FLEET.

6. Future Agenda Items Request and Report on Current Events

Chair Edwards said are there any members that want to add a item to a future agenda? Or have anything they would like to share with the Board?

7. Next Meeting

Chair Edwards said our next meeting will be scheduled for Thursday, September 17, 2020, at 11:15 a.m.

With no further discussion the meeting adjourned at 12:49 p.m.



Information Summary

DATE

September 10, 2020

AGENDA ITEM 3A

SUBJECT

City of Phoenix Grant Pass-Through Intergovernmental Agreements and Change Orders

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to execute Intergovernmental Agreements (IGA) for federal FY20 grant funds and to execute change orders with City of Phoenix extending the term of grant pass-through IGAs.

COST AND BUDGET

All expenses are in the approved budget for FY21 and 5-Year Capital budget. The grant funds will offset expenses, reducing the net cost to the Public Transportation Fund and member agency budgets.

RECOMMENDATION

Staff recommends that the Board of Directors authorize the CEO to execute IGAs and change orders with the City of Phoenix for the listed grants.

BACKGROUND | DISCUSSION | CONSIDERATION

Valley Metro is being provided federal funds through the Federal Transit Administration (FTA) from four grant programs. The table below summarizes the funding available:

Grant	FTA Program	Federal Share	Local Share	Total
TBD	5307 – Formula	\$35,007,094	\$6,575,399	\$41,582,493
TBD	5307 – Formula (A/G)	\$2,974,050	\$2,430,150	\$5,404,200
TBD	5310 – Enhanced Mobility	\$632,400	\$533,100	\$1,165,500
TBD	5337 – SOGR	\$2,801,600	\$494,400	\$3,296,000
TBD	5337 – SOGR (A/G)	\$73,816	\$18,454	\$92,270
TBD	5339 – Bus/Bus Facilities	\$510,000	\$90,000	\$600,000
TBD	STBGP flex	\$3,346,000	\$0	\$3,346,000
Total		\$45,344,960	\$10,141,503	\$55,486,463

- Funds from the Section 5307 Urbanized Area Formula Program are awarded for preventive maintenance, bus acquisition and paratransit vehicle acquisition.
- Funds from the Section 5307 Urbanized Area Formula Program for the Avondale-Goodyear UZA are awarded for operating assistance, bus acquisition and paratransit vehicle acquisition.



- Funds from the Section 5310 Enhanced Mobility Program are awarded for operating assistance and travel training.
- Funds from the Section 5337 State of Good Repair Program are awarded for bus acquisition.
- Funds from the Section 5337 State of Good Repair Program for the Avondale-Goodyear UZA are awarded for preventive maintenance.
- Funds from the 5339 Bus and Bus Facilities Program are awarded for bus acquisition.
- Funds from the Surface Transportation Program flexed from the Federal Highways Administration are awarded for vanpool acquisition.

Valley Metro has requested extensions to the pass-through IGAs for six existing grants. The extensions are needed to allow additional time to complete the projects identified in the grants. The table below summarizes the requested changes:

Grant	Source	Extension
AZ-04-0004	5309 Discretionary Funding	December 31, 2021
AZ-2018-014	CMAQ Program	December 31, 2021
AZ-90-X136	5307 Formula Funds	December 31, 2021
AZ-90-X137	5307 Formula Funds	November 30, 2021
AZ-2018-009	5307 Formula Funds	December 31, 2021
AZ-2018-015	5307 Formula Funds	November 30, 2021

The City of Phoenix is the designated recipient for all FTA grant funds for the region. Valley Metro/RPTA undertakes projects approved for FTA grant funding, then submits requests to Phoenix for reimbursement of actual expenses incurred. Phoenix then executes a drawdown of funds from FTA to pass-through the reimbursement to Valley Metro. The pass-through IGAs are required in order for Phoenix to reimburse Valley Metro for eligible expenses.

STRATEGIC PLAN ALIGNMENT

This item relates to the following goals and strategies in the Five-Year Strategic Plan, FY 2016 – 2020:

- Goal 2: Advance performance based operation
- Goal 4: Focus on economic development, regional competitiveness and financial resources

COMMITTEE PROCESS

RTAG: August 18, 2020 for information

TMC: September 2, 2020 approved

Board of Directors: September 17, 2020 for action

**CONTACT**

Paul Hodgins
Chief Financial Officer
602-523-6043
phodgins@valleymetro.org

ATTACHMENT

None



Information Summary

DATE

September 10, 2020

AGENDA ITEM 3B**SUBJECT**

Investment Management Services Contract Award

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to execute a contract with PFM Asset Management LLC for Investment Management Services (IMS) for a period of 21 months, October 2020 through June 2022, and a cost not to exceed \$73,500.

COST AND BUDGET

Funding for the Investment Management Services contract will be a portion of the investment earnings generated by the RPTA investment pool. IMS contract fees are four basis points (0.04%) based on investment assets and a share of earnings above identified benchmarks. Based on recent performance, the maximum average monthly cost for the contract is estimated at \$3,500.

RECOMMENDATION

Staff recommends that the Board of Directors authorize the CEO to execute a contract with PFM Asset Management LLC for Investment Management Services (IMS) for a period of 21 months, October 2020 through June 2022, and a cost not to exceed \$73,500.

BACKGROUND | DISCUSSION | CONSIDERATION

Valley Metro RPTA is seeking to maximize return on cash and investments in accordance with the RPTA Investment Policy and ARS Title 35 policies. In August 2015, the Board of Directors authorized a five-year contract with PFM Asset Management. The contract expires in September 2020.

The primary task of the IMS contractor is to optimize investment returns by extending maturity dates for investments which are permitted by RPTA investment policy. Through the existing contract to date, PFM has managed a maximum of \$50.5 million in assets. The current assets invested are \$37.8 million, which is expected to decline over time as Prop 400 approaches its sunset in December 2025.

Funds kept in the agency's Wells Fargo savings accounts currently are earning no more than 16 bps. Other funds, such as Regional Area Road Funds and Lottery Funds are invested in the LGIP Pool 5. The table below shows average balances (in millions), interest earnings (in thousands) and calculated yields for each of these three investment types over the past five fiscal years. The yield calculated for PFM is based solely on

interest earned relative to the average market value and does not take into account changes in market value or any premiums or discounts when the securities were purchased.

		Average Balance (\$ millions)	Interest Earned	Yield (basis points)
FY16	WF savings	\$79.4	\$127,745	16
	LGIP	\$9.9	\$26,653	27
	PFM	\$40.5	\$431,627	107
FY17	WF savings	\$34.2	\$47,786	14
	LGIP	\$60.3	\$367,570	61
	PFM	\$45.1	\$679,393	151
FY18	WF savings	\$26.0	\$31,281	12
	LGIP	\$26.4	\$343,809	130
	PFM	\$41.4	\$436,331	105
FY19	WF savings	\$11.8	\$22,576	19
	LGIP	\$31.5	\$755,397	239
	PFM	\$35.7	\$652,679	183
FY20	WF savings	\$15.1	\$24,928	17
	LGIP	\$12.6	\$221,262	176
	PFM	\$35.8	\$844,456	236

In FY18 and FY19, LGIP yields were slightly higher than PFM investments, however, changes in market value for PFM investments are not included in that comparison. Including those changes in market values results in better performance overall by PFM's investments.

Procurement staff have identified a cooperative agreement that Valley Metro can use to continue the relationship with PFM. That cooperative agreement expires June 30, 2022. The 21 months of this cooperative contract will give staff time to evaluate the ongoing need for investment management services through the remainder of Prop 400.

STRATEGIC PLAN ALIGNMENT

This item relates to the following goals and strategies in the Five-Year Strategic Plan FY 2016 – 2020:

- Goal 1: Advance performance-based operations

COMMITTEE PROCESS

RTAG: August 18, 2020 for information

TMC: September 2, 2020 approved



Board of Directors: September 17, 2020 for action

CONTACT

Paul Hodgins

Chief Financial Officer

phodgins@valleymetro.org

ATTACHMENT

None



Information Summary

DATE

September 10, 2020

AGENDA ITEM 3C**SUBJECT**

Transit Scheduling Services Purchase Agreement

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to execute a purchase agreement under Guidesoft dba Knowledge Services for transit scheduling services for an amount not to exceed \$50,000.

COST AND BUDGET

Valley Metro currently has a transit scheduling services agreement with Guidesoft dba Knowledge Services for \$49,960, initiated in FY20 primarily in response to emergency scheduling needed for COVID-19 service reductions.

The request is to approve an agreement to extend the Guidesoft dba Knowledge Services support for transit scheduling services through the end of FY21. Additional funding for transit scheduling services will not exceed \$50,000 and will be used on an as-needed basis.

The costs for this purchase agreement will be charged to the appropriate operating project, depending on the work being performed. The source of funding is a combination of CARES Act funding, Public Transportation Funds and member city contributions. For FY22, the need for these services will be evaluated, and if needed, Board authority to extend this purchase agreement will be sought.

See below for exediture details.

Purchase	Vendor	Contract	Cost
Transit Scheduling Services	Knowledge Services	State Contract: ADSP017-174599	
CEO authority issued during FY20			\$42,322
CEO authority issued to date for FY 2021			\$7,638
Total CEO authority issued to Date			\$49,960
Additional purchase agreement authority requested for FY 2021			\$50,000



RECOMMENDATION

Staff recommends that the Board of Directors authorize the CEO to execute a purchase agreement with Guidesoft dba Knowledge Services for transit scheduling services for an amount not to exceed \$50,000.

BACKGROUND | DISCUSSION | CONSIDERATION

Valley Metro scheduling, blocking and runcutting (collectively referred to as transit scheduling services) is performed using HASTUS software developed by Giro, Inc. Knowledge of this software and of transit services scheduling in general is a very specialized set of skills that is difficult to find in the marketplace. Valley Metro undertakes transit system scheduling year-round for bi-annual service changes using primarily in-house staff. When additional scheduling services are needed, staff must seek supplementary assistance. Recent events, including COVID-19, have resulted in several occasions to need additional help, often in a very fast timeframe.

The ability to perform complex scheduling services quickly and nimbly allows Valley Metro to be responsive to the needs of riders and member cities. Valley Metro began using the services of Knowledge Services in FY20 to meet these needs. Staff anticipates a need to continue using outside help to accomplish complex scheduling changes in a timely manner.

Transit scheduling services are procured from Knowledge Services utilizing a cooperative contract awarded by the Arizona State Procurement Office. Purchasing under a cooperative contract saves Valley Metro resources due to the simplified acquisition process, the cooperative purchasing power of multiple agencies and the use of terms and conditions that have previously been negotiated.

The cost of the service is \$155.88 per hour, billed only as used. The authorization requested is based on an anticipated need of up to an additional 320 hours of assistance.

STRATEGIC PLAN ALIGNMENT

This item addresses two goals in the Board-adopted FY16-20 Strategic Plan:

- Goal 1: Increase customer focus
- Goal 2: Advance performance based operations
- Goal 3: Grow transit ridership

COMMITTEE PROCESS

RTAG: August 18, 2020 for information

TMC: September 2, 2020 approved

Board: September 17, 2020 for action

**CONTACT**

Wulf Grote, P.E.
Director, Capital Services and Development
602-322-4420
wgrote@valleymetro.org

ATTACHMENT

None



Information Summary

DATE

September 10, 2020

AGENDA ITEM 3D**SUBJECT**

Authorization to Issue a Competitive Solicitation for Compressed Natural Gas (CNG) Facility Maintenance

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to issue a competitive solicitation for a five-year base contract with one two-year renewal option to provide CNG facility maintenance at the Mesa Bus Operations and Maintenance Facility.

COST AND BUDGET

The total projected five-year base and 2-year option cost is estimated at \$2,300,000. Funds are accounted for annually in the agency's operating budget.

RECOMMENDATION

Staff recommends that the Board of Directors authorize the CEO to issue a competitive solicitation for a five-year base contract with one two-year renewal option to provide CNG facility maintenance at the Mesa Bus Operations and Maintenance Facility.

BACKGROUND | DISCUSSION | CONSIDERATION

In June 2011, the Board approved a contract with Clean Energy to perform preventative and corrective repair maintenance services on Valley Metro's natural gas compression and vehicle fueling equipment located at the Mesa Bus Operations and Maintenance Facility. The contract was for a 5-year base period and 5 one-year options. This contract expires June 30, 2021.

Valley Metro is seeking authorization to issue a competitive solicitation to provide all scheduled and unscheduled repairs, as well as all maintenance, consumables, parts and labor as required to maintain the performance of the natural gas compression and vehicle fueling equipment. It is planned that the competitive solicitation would be released in November 2020 and contract award recommendation would be brought back for Board approval in April 2021.

STRATEGIC PLAN ALIGNMENT

This item relates to the following goals and strategies in the Five-Year Strategic Plan FY 2016 – 2020:

- Goal 1: Advance performance-based operations

**COMMITTEE PROCESS**

RTAG: August 18, 2020 for information

TMC: September 2, 2020 approved

Board of Directors: September 17, 2020 for action

CONTACT

Ray Abraham

Chief Operations Officer

602-652-5054

rabraham@valleymetro.org

ATTACHMENT

None



Information Summary

DATE

September 10, 2020

AGENDA ITEM 4

SUBJECT

Authorization to Issue a Joint Agency Competitive Solicitation for Fare Inspection and Security Services (FISS)

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to develop a scope of work and issue a competitive solicitation for a total contract term of five years (three-year base contract plus two one-year renewal options) to provide fare inspection and security services for Valley Metro's existing rail operations and maintenance facilities including Mesa Bus Operations and Maintenance facility and for future rail extensions.

COST AND BUDGET

Market research indicates that the three-year cost for services is estimated to be \$30.2M and \$25.9M for a two-year renewal option. This includes a projected competitive minimum hourly wage rate. The base term includes safety and security for RPTA and VMR maintenance facilities, current VMR light rail operations, and future Streetcar operations. The option years include additional scope for both the South Central and Northwest Phase 2 extensions.

Agency	3-Year Base	2-Year Option	5-Year Term
VMR	\$29,112,000	\$25,149,000	\$54,261,000
RPTA	\$1,078,000	\$774,000	\$1,852,000
Total	\$30,190,000	\$25,923,000	\$56,113,000

FY22 expenditures are estimated to be \$9.8M and will be included in the FY22 Valley Metro Operating and Capital budgets. Contract obligations beyond FY22 will be in the Five-Year Operating and Capital forecasts.

RECOMMENDATION

Staff recommends that the Board of Directors authorize the CEO to develop a scope of work and issue a competitive solicitation for a total contract term of five years (three-year base contract plus two one-year renewal options) to provide fare inspection and security services for Valley Metro's existing rail operations and maintenance facilities.



BACKGROUND | DISCUSSION | CONSIDERATION

In August of 2016, RPTA and Valley Metro Rail (VMR) jointly awarded a three-year contract with two one-year options to Allied Barton for fare inspection and security services (FISS). The second one-year option expires on June 30, 2021.

Valley Metro staff is seeking approval to develop a scope of work and issue a competitive solicitation for FISS. The fare inspection and security services contractor provides valuable services by ensuring fares are paid by light rail passengers along with helping to create a safe environment for passengers utilizing our bus and rail facilities, park-and-ride lots, and passenger stations along the light rail alignment. This service results in increased public confidence in safety and rider experience while using Valley Metro services and facilities. The scope of this contract also includes security for Valley Metro bus and rail maintenance facilities at multiple locations.

This competitive solicitation will solicit proposals for fare inspection and security services using the “best value” selection criteria. It is planned that the RFP would be released in February 2021 with a contract award recommendation anticipated for Board approval by June 2021.

STRATEGIC PLAN ALIGNMENT

This item relates to the following goals and strategies in the Five-Year Strategic Plan, FY 2016-2020:

- Goal 1: Increase customer focus
- Goal 2: Advance performance based operations
- Goal 3: Grow transit ridership

COMMITTEE PROCESS

RTAG: August 18, 2020 for information

TMC/RMC: September 2, 2020 approved

Board of Directors: September 17, 2020 for action

CONTACT

Adrian Ruiz

Director, Safety, Security and Quality Assurance

602-523-6054

aruiz@valleymetro.org

ATTACHMENT

None



Information Summary

DATE

September 10, 2020

AGENDA ITEM 5**SUBJECT**

Authorization to Develop and Issue a Request for Proposals (RFP) for Operation of Regional Paratransit, Including East Valley and Northwest Valley Services

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to issue a federally compliant RFP for a total term of up to 10-years (five-year base contract plus five one-year renewal options) to provide paratransit in the East Valley, Northwest Valley and for regional trips.

COST AND BUDGET

Contract obligations will be incorporated into the FY 2023 Valley Metro Operating and Capital Budget and the Five-Year Operating Forecast and Capital Program. At this time, the 10-year cost and budget is estimated to be \$275 million.

RECOMMENDATION

Staff recommends that the Board of Directors authorize the CEO to develop and issue a federally compliant RFP for a total term of ten years (five-year base contract plus five one-year renewal options) to provide paratransit in the East Valley, Northwest Valley and for regional trips and to extend Transdev's current contract 120 days so that any transitions between contractors occurs October 1 rather than July 1, 2022.

BACKGROUND | DISCUSSION | CONSIDERATION

In February 2017, the Valley Metro RPTA Board of Directors awarded a 10-year contract to Transdev for the operation of East Valley, Northwest Valley and Regional Paratransit Services. The paratransit service contract was designed to improve service, safety, quality, and productivity. It was designed to build on the utilization of dedicated vehicles and drivers for trips which can be grouped effectively, while still using flexible, non-dedicated vehicles (such as taxicabs) for trips which cannot be shared in a cost-effective manner. The current contract term is a 5-year base term with one 3-year and one 2-year option available. The base year contract expires on June 30, 2022.

In May 2020, Valley Metro acquired the services of Accenture LLP to conduct paratransit research, specifically benchmarking Valley Metro's paratransit performance against peer agencies throughout the nation. The consultants benchmarked against 69 paratransit providers and rated our overall performance against seven comparable jurisdictions. The benchmarking exercise also included a brief look at the RideChoice program. In June 2020, Accenture LLP presented the outcome of the benchmarking



exercise at the Accessible Transit Services (ATS) Partners meeting, showing Valley Metro Paratransit's efficiency was among the best in the nationⁱ, and that there are opportunities to improve the utilization of the RideChoice program and to eliminate duplicative administrative costs.

Following the presentation, Accessible Transit Service (ATS) Partners and staff discussed whether the contract should be extended or resolicited. There was a consensus to forego the available contract extensions and utilize resolicitation of the contract to create a system that shares the call center / scheduling function to better match customers with the most cost-effective service meeting their needs and to reduce administrative duplication between the Paratransit and RideChoice programs. While there is the potential for a resolicitation to result in increased contractor labor rates, the current recession likely mitigates that risk making it an opportune time to make these improvements.

Valley Metro is seeking approval to develop a federally compliant RFP approximately 10 months before its release. This timeframe is intended to facilitate the involvement of ATS partners and/or RTAG members in the development of the scope of work and the evaluation of offers. Valley Metro will seek city participants at the August 18 RTAG meeting.

In addition, to mitigate the impact on riders of any transition between contractors, Transdev has agreed to extend its contract 120 days making the start date for the new contract October 1 rather than July 1, 2022.

The anticipated timeline for the RFP is as follows:

- September 2020 – July 2021: develop the RFP
- Early July 2021: release the RFP
- January 2022: Board approval to award
- January 2022 – October 1, 2022: transition
- October 1, 2022: Services begin under the new contract

STRATEGIC PLAN ALIGNMENT

This item relates to the following goals and strategies in the draft FY 2021 Strategic Plan:

- Goal 1: Enhance Lives Through Regional Mobility – Future System
- Goal 3: Excellent Rider Experience
- Goal 4: Engage the Cities

COMMITTEE PROCESS

RTAG: August 18, 2020 for information

TMC: September 2, 2020 approved

Board of Directors: September 17, 2020 for action

**CONTACT**

Jim Hillyard
Chief Administrative Officer
602.495.8234
jhillyard@valleymetro.org

ATTACHMENT

None

ⁱ Accenture measured efficiency using National Transportation Database (NTD) data to gauge Ridership, Fare Recovery, and Passengers per Revenue Hour as a function of Administrative Costs, Facility Maintenance Costs, Vehicle Maintenance Costs, Vehicle Operations, and Capital Expenditures.



Information Summary

DATE

September 10, 2020

AGENDA ITEM 6**SUBJECT**

Future Agenda Items Request and Report on Current Events

PURPOSE

Chair Edwards will request future agenda items from members, and members may provide a report on current events.

COST AND BUDGET

None

RECOMMENDATION

This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION

None

STRATEGIC PLAN ALIGNMENT

None

COMMITTEE PROCESS

None

CONTACT

Scott Smith
Chief Executive Officer
602-262-7433
ssmith@valleymetro.org

ATTACHMENT

None

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date



Agenda

September 10, 2020

Valley Metro Rail
Thursday, September 17, 2020
Via Webex/Phone
11:15 a.m.

Action Recommended

1. Public Comment

Public comment is being taken in written format and will be entered into the official minutes of the meeting.

1. For Information

2. Minutes

Minutes from the August 27, 2020 Board meeting are presented for approval.

2. For action

CONSENT AGENDA

3A. City of Phoenix Grant Pass-Through
Intergovernmental Agreements and Change Orders

Staff recommends that the Board of Directors authorize the CEO to execute IGAs and change orders with the City of Phoenix for the listed grants.

3A. For action

3B. Light Rail Vehicle (LRV) Brake/Door Components
Five-Year Supply Contract

Staff recommends that the Board of Directors authorize the CEO to execute a 5-year supply contract for LRV Brake/Door Components from Knorr Brake Company in an amount not to exceed \$260,000.

3B. For action

3C. Oracle Aconex Project Controls Software Contract
Award

Staff recommends that the Board of Directors authorize the CEO to execute a contract with Oracle Aconex for continued project controls software capabilities in the amount not to exceed \$1,136,423.

3C. For action

REGULAR AGENDA

4. Northwest Phase II Light Rail Extension: Updated Funding, Design and Construction Agreement with City of Phoenix

4. For action

Staff recommends that the Board of Directors authorize the CEO to amend the existing funding, design, and construction agreement with the City of Phoenix for the Northwest Phase II Light Rail Extension, and for Phoenix to provide up to an additional \$199 million to Valley Metro.

This action is pending City of Phoenix Council action.

5. Future Agenda Items Request and Report on Current Events

5. For information

Chair Heredia will request future Board agenda items from members and members may provide a report on current events.

6. Next Meeting

6. For information

The next meeting of the Board is scheduled for **Thursday, October 22, 2020 at 11:15 a.m.**

Qualified sign language interpreters are available with 72 hours notice. Materials in alternative formats (large print or flash drive) are available upon request. For further information, please call Valley Metro at 602-262-7433 or TTY at 602-251-2039. To attend this meeting via teleconference, contact the receptionist at 602-262-7433 for the dial-in-information. The supporting information for this agenda can be found on our web site at www.valleymetro.org



Information Summary

DATE

September 10, 2020

AGENDA ITEM 1**SUBJECT**

Public Comment

PURPOSE

Public comment is being taken in written format and will be entered into the official minutes of the meeting.

COST AND BUDGET

None

RECOMMENDATION

This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION

None

COMMITTEE PROCESS

None

CONTACT

Scott Smith

Chief Executive Officer

602-262-7433

ssmith@valleymetro.org

ATTACHMENT

None

Minutes

September 10, 2020

AGENDA ITEM 2

Board of Directors

Thursday, August 27, 2020

Webex/Phone

11:15 a.m.

Meeting Participants

Councilmember Francisco Heredia, City of Mesa **(Chair)** (phone)

Mayor Kate Gallego, City of Phoenix, **(Vice Chair)** (phone)

Councilmember Robin Arredondo-Savage, City of Tempe (phone)

Mayor Kevin Hartke, City of Chandler (phone)

Chair Heredia called the meeting to order at 12:50 p.m.

1. Public Comment

Chair Heredia said public comment is being taken in written form and will be entered into the official record.

2. Minutes

Chair Heredia said minutes from June 18 and July 16, 2020, board meetings are being presented for approval.

IT WAS MOVED BY MAYOR HARTKE, SECONDED BY MAYOR GALLEGU AND UNANIMOUSLY CARRIED TO APPROVE THE JUNE 18 AND JULY 16, 2020 BOARD MEETING MINUTES.

3. Consent Agenda

Chair Heredia said items are presented on the consent agenda for approval. Are there any questions? Hearing none I will take a motion to approve the consent agenda.

IT WAS MOVED BY MAYOR GALLEGU, SECONDED BY MAYOR HARTKE AND UNANIMOUSLY CARRIED TO APPROVE THE CONSENT AGENDA.

4. South Central Extension/Downtown Hub Project: Amending Funding Agreement

Chair Heredia said Mr. Smith.

Mr. Smith said I'm going to turn it over to Wulf Grote who can explain briefly what this item is.

Mr. Grote said okay. Yes. Mr. Chair, members of the Board. This item is to amend an existing funding agreement with the City of Phoenix for the South Central/Downtown Hub project. And the reason for this amendment is to add \$350 million of Phoenix funds to the existing agreement for the project. Most of these funds are to cover costs that we will incur prior to receiving federal funds and it sometimes, well, not sometimes, often takes one to three years to see the federal money after we actually make expenditure. So, essentially, what we're looking for here are bridge funds, I'll say, that allow us to keep our cash flow going and then at the end of this, you know, Phoenix will be reimbursed for these funds. And that amount is approximately \$330 million.

A small portion of the request here is about \$20 million and it's just for adjustments in cost between Valley Metro and the City of Phoenix. In our case, Valley Metro will pay a little bit more, Phoenix will pay a little bit less so we need to move some of those funds over to our side of the ledger just based on further work that we've done with the City. Bottom line is the overall amount of funds that City of Phoenix commits to this project are still the same, it's the \$427 million that we have always been talking about in recent times with the City of Phoenix. So, the request here is for the CEO to receive authorization to amend the existing funding agreement with the City of Phoenix for the South Central/Downtown Hub to provide an additional \$350 million to Valley Metro. And that's all I have. Happy to answer questions.

Chair Heredia said perfect. Thanks, Wulf. Anyone have any questions?

IT WAS MOVED BY MAYOR GALLEGOS, SECONDED BY COUNCILMEMBER ARREDONDO-SAVAGE AND UNANIMOUSLY CARRIED TO AUTHORIZE THE CEO TO AMEND THE EXISTING FUNDING AGREEMENT WITH THE CITY OF PHOENIX FOR THE SOUTH CENTRAL/DOWNTOWN HUB PROJECT FOR PHOENIX TO PROVIDE AN ADDITIONAL \$350 MILLION TO VALLEY METRO.

5. Siemens Mobility, Inc. Light Rail Vehicles Contract Amendment

Chair Heredia said Mr. Smith.

Mr. Smith said yeah. We're going to turn it back over to Wulf Grote to talk about an exciting new contract with Siemens for some new light rail vehicles. So, Wulf, once again.

Mr. Grote said okay. Mr. Chair, members of the Board, it's me again. This item is to amend an existing contract that we have with Siemens Mobility for procurement of additional light rail vehicles, specifically, for the South Central/Downtown Hub project. We have an existing contract with Siemens. They are currently providing Valley Metro with 11 light rail vehicles that are -- three of which are here now. Another eight that will be arriving during the course of this year. And so, we'll have those vehicles available

for our existing projects, but we also now need to exercise one of the options in this contract or, actually, two options that this contract has during its term for additional vehicles.

And what we are proposing today is to exercise the first option that would be to acquire 14 additional vehicles for the South Central/Downtown Hub project. All of those costs that we're going to be incurring for these vehicles are included within the project costs for South Central/Downtown Hub.

Just a little bit more background for you. Today, we have 50 light rail vehicles. When we receive the vehicles this year we will have 11 more plus the 14, we will have a total fleet in 2024 of 75 light rail vehicles to operate our system. And what we anticipate in 2024 is that we will no longer have a single line once South Central is done, we will now have two lines. We will have an east-west line that goes from Gilbert Road in Mesa to the downtown area in Phoenix. And then we will have a north-south line that goes from Baseline Road along South Central all the way up to the Metrocenter area.

And this fleet that we're buying will provide the fleet for that operation and that includes not only our needs for peak fleet, but also our need for spares that we need to have as well as any special events as well as what we call gap trains. And these are trains that are out to the system for emergency purposes.

So, the authorization that we're seeking here today is for \$78.5 million approximately and includes 14 light rail vehicles includes spare parts that we need for those vehicles, training, and also a five percent contingency for things that may happen as we manufacture these vehicles.

So, with that our recommendation is for the Board to authorize our CEO to execute a contract amendment with Siemens Mobility to purchase 14 light rail vehicles to expand our fleet for the South Central/Downtown Hub project at an amount not to exceed \$78.5 million and some change.

Again, I'm ready to answer questions if you have any.

Chair Heredia said Wulf, I have a question. Are most of the vehicles or all of the vehicles made by Siemens?

Mr. Grote said Mr. Chairman, the vehicles that we have currently, the 50 vehicles that we have now are manufactured by a company named Kinkisharyo. And when we went back out to bid for our fleet which we're required to do, Siemens was the successful bidder at that time so the expansion fleet that we are doing now and these others that we're asking for today are all Siemens. So, we will have 50 Kinkisharyo and we will have 25 Siemens vehicles. In addition to that we will have six streetcar vehicles that are being moving forward by Brookville.

Mr. Chair said any questions? All right.

IT WAS MOVED BY MAYOR GALLEGO, SECONDED BY MAYOR HARTKE AND UNANIMOUSLY CARRIED TO AUTHORIZE THE CEO TO EXECUTE A CONTRACT AMENDMENT WITH SIEMENS MOBILITY, INCORPORATED TO PURCHASE 14 S70 LRVS TO EXPAND THE LRV FLEET CONJUNCTION WITH THE SCDTH PROJECT FOR AN AMOUNT NOT TO EXCEED \$78,509,911.

6. Future Agenda Items Request and Report on Current Events

Chair Heredia said do any of the members have any agenda items for future meetings? Or they want anything that the Board should fill us in? Staff fill us in?

Mayor Gallego said just a thank you to everyone. Today is the one year anniversary of the passage of Prop 105 and if Valley Metro wasn't doing a good job with the light rail system our voters in all eight council districts wouldn't have been so enthusiastic and it was fun to have these big items move forward on today's anniversary.
Mr. Chair said thank you, Mayor Gallego.

Mr. Smith said and thank you Mayor. I don't think you were on when we first celebrated this, but thank you for your leadership and all in the City of Phoenix. As I mentioned before I think you got on, this is also close to the five-year anniversary of T2050 and Prop 104 which you were instrumental in and the fifth year anniversary of the opening of the central Mesa extension. So, a lot of good history with related to light rail in this particular week with the most current, of course, being like you said the Prop 105 which not only went down, but we have to mention that to go down 60-35 and to get that kind of affirmation or reaffirmation from the voters when they had actually a pretty good alternative. They could have easily chosen the alternative, but they chose to support the system and that doesn't happen, we appreciate your compliments, but it also doesn't happen without strong political leadership so congratulations and thank you for that.

Chair Heredia said perfect. Yeah. Let's progress moving public transportation for our residents. So, thank you Phoenix for taking the lead and the rest of the cities, everybody here at Valley Metro so thank you staff.

7. Next Meeting

Chair Heredia said the next meeting is Thursday, September 17, 2020 at 11:15 a.m.

With no further discussion the meeting adjourned at 1:04 p.m.

Information Summary

DATE

September 10, 2020

AGENDA ITEM 3A

SUBJECT

City of Phoenix Grant Pass-Through Intergovernmental Agreements and Change Orders

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to execute intergovernmental agreements (IGA) for federal FY20 grant funds and to execute change orders with City of Phoenix extending the term of grant pass-through IGAs.

COST AND BUDGET

All expenses are in the approved budget for FY21 and 5-Year Capital budget. The grant funds will offset expenses, reducing the net cost to the Public Transportation Fund and member agency budgets.

RECOMMENDATION

Staff recommends that the Board of Directors authorize the CEO to execute IGAS and change orders with the City of Phoenix for the listed grants.

BACKGROUND | DISCUSSION | CONSIDERATION

Valley Metro is being provided federal funds through the Federal Transit Administration (FTA) from four grant programs. The table below summarizes the funding available:

Grant	FTA Program	Federal Share	Local Share	Total
TBD	5307 – Formula	\$2,363,287	\$590,822	\$2,954,109
TBD	5337 – SOGR	\$3,697,392	\$924,348	\$4,621,740
TBD	CMAQ flex	\$17,015,567	\$2,007,655	\$19,023,222
TBD	STBGP flex	\$7,000,000	\$423,118	\$7,423,118
Total		\$30,076,246	\$3,945,943	\$34,022,189

- Funds from the Section 5307 Urbanized Area Formula Program are awarded for preventive maintenance.
- Funds from the Section 5337 State of Good Repair Program are awarded for LRV Communications System upgrade.
- Funds from Congestion Mitigation/Air Quality flexed from the Federal Highways Administration are awarded for OMC Expansion and light rail vehicle acquisition.
- Funds from the Surface Transportation Program flexed from the Federal Highways Administration are awarded for OMC Expansion.



Valley Metro has requested extensions to the pass-through IGAs for two existing grants. The extensions are needed to allow additional time to complete the projects identified in the grants. The table below summarizes the requested changes:

Grant	Source	Extension
AZ-2018-007	Section 5337 State of Good Repair Grants Program	October 31, 2025
AZ-2018-014	Section STP FLEX	March 31, 2022

The City of Phoenix is the designated recipient for all FTA grant funds for the region. Valley Metro undertakes projects approved for FTA grant funding, then submits requests to Phoenix for reimbursement of actual expenses incurred. Phoenix then executes a drawdown of funds from FTA to pass-through the reimbursement to Valley Metro. The pass-through IGAs are required in order for Phoenix to reimburse Valley Metro for eligible expenses.

STRATEGIC PLAN ALIGNMENT

This item relates to the following goals and strategies in the Five-Year Strategic Plan, FY 2016 – 2020:

- Goal 2: Advance performance based operation
- Goal 4: Focus on economic development, regional competitiveness and financial resources

COMMITTEE PROCESS

RTAG: August 18, 2020 for information

RMC: September 2, 2020 approved

Board of Directors: September 17, 2020 for action

CONTACT

Paul Hodgins

Chief Financial Officer

602-523-6043

phodgins@valleymetro.org

ATTACHMENTS

None



Information Summary

DATE

September 10, 2020

AGENDA ITEM 3B**SUBJECT**

Light Rail Vehicle (LRV) Brake/Door Components Five-Year Supply Contract

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to execute a 5-year supply contract for LRV Brake/Door Components from Knorr Brake Company in an amount not to exceed \$260,000.

COST AND BUDGET

The cost for the brake and door components being purchased from Knorr Brake Company is an amount not to exceed \$260,000 over the 5-year term of the contract. This cost is based on past usage. The cost for the purchase of the brake and door components is included in the Valley Metro Rail Adopted FY2021 Operating and Capital Budget. Contract obligations beyond FY2021 are incorporated into the Valley Metro Rail Five-Year Operating Forecast and Capital Program (FY2021 thru FY2025). The contract will be completely conditioned on an available source of funds. Valley Metro reserves the right to cancel the contract at any time and for any reason as solely determined by Valley Metro.

RECOMMENDATION

Staff recommends that the Board of Directors authorize the CEO to execute a 5-year supply contract for LRV Brake/Door Components from Knorr Brake Company in an amount not to exceed \$260,000.

BACKGROUND | DISCUSSION | CONSIDERATION

There are currently 50 Kinkisharyo light rail vehicles (LRVs) in the total fleet. Valley Metro maintains an inventory of brake and door components for the LRVs. The contractor will provide the supply of brake and door components over the 5-year contract period. This is a inventory replenishment contract. All labor will be done in house by Valley Metro Rail staff.

The recommended award of the contract to Knorr Brake Company is a non-competitive procurement due to the company being the original equipment manufacturer (OEM). Knorr Brake Company is the only source known to supply the specialty parts. There is no known market information that suggests there are alternative sources available to meet OEM and Valley Metro's safety standards.



An independent cost estimate and a non-competitive procurement justification including a cost comparison and price analysis have been completed. The proposed price has been deemed fair and reasonable based on the price analysis.

STRATEGIC PLAN ALIGNMENT

This item relates to the following goals and strategies in the Five-Year Strategic Plan, FY 2016 – 2020:

- Goal 2: Advance performance-based operation

COMMITTEE PROCESS

RTAG: August 18, 2020 for information

RMC: September 2, 2020 approved

Board of Directors: September 17, 2020 for action

CONTACT

Ray Abraham

Chief Operations Officer

602-652-5054

rabraham@valleymetro.org

ATTACHMENTS

None

Information Summary

DATE

September 10, 2020

AGENDA ITEM 3C
SUBJECT

Oracle Aconex Project Controls Software Contract Award

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to execute a contract with Oracle Aconex to continue to provide project controls software capabilities for the capital program for an amount not to exceed \$1,136,423.

COST AND BUDGET

To date the Board has authorized \$1,789,042 for the Aconex project controls software capabilities. The original contract and subsequent change orders are identified in the table below.

Oracle Aconex Contract Authorization			
Description	Board Authorization	Contract Expiration	Cost
Original Contract – 50 licenses for Gilbert Road	September 2015	September 2020	\$ 350,000
Added unlimited users and 50 th St Station, Tempe Streetcar & Planning Projects	February 2016	September 2020	\$ 110,000
Added O&M Center Expansion, Rail vehicle procurements & financial reporting	July 2017	September 2020	\$ 1,329,042
And added South Central/Downtown Hub, Northwest Phase II and Capitol/I-10	July 2017	December 2023	
Sub-total			\$ 1,668,220
Contingency (10%)			\$ 120,822
Total			\$ 1,789,042



Authorization for a new contract amount of \$1,136,423 is requested herein. This price includes taxes in the amount of \$81,812 and a contingency of \$103,311 (10%) for a three-year initial contract duration. The contract will include an option to extend the period of services for two additional years, but added funding and future Board authorization will be needed to exercise this option.

Description	Payment Due Date	Cost
Annual Service Fee	January 2021	\$ 317,100
Annual Service Fee	January 2022	\$ 317,100
Annual Service Fee	January 2023	\$ 317,100
Sub-total		\$ 951,300
Taxes		\$ 81,812
Contingency (10%)		\$ 103,311
Total		\$ 1,136,423

All costs identified herein are within forecast and expenses expected within FY21 are included in the Valley Metro Rail Adopted FY21 Operating and Capital Budget. Contract obligations beyond FY21 are incorporated into the Five-Year Operating Forecast and Capital Program (FY21 thru FY25).

RECOMMENDATION

Staff recommends that the Board of Directors authorize the CEO to execute a contract with Oracle Aconex for continued project controls software capabilities in the amount not to exceed \$1,136,423.

BACKGROUND/DISCUSSION/CONSIDERATION

In September 2015, the Valley Metro Rail Board of Directors authorized a five-year contract with Aconex for project controls software. The software offers full version control process management reporting, search capabilities with documentation configuration, real-time processing, and backup for Valley Metro's major capital projects. Aconex has primarily been used for rail projects during the design and construction phases. This software is also in use for planning and smaller capital projects.

The original authorization of the five-year Aconex contract included 50 user licenses for the Gilbert Road Light Rail Extension. In March 2016, the contract was amended to add the 50th Street Light Rail Station, the Tempe Streetcar and planning for future rail corridors. In June 2017, the contract was amended again to add four additional rail projects that were advancing into design. This included the South Central Extension/Downtown Hub, Northwest Extension (Phase II), Capital/I-10 West Extension, the Operations and Maintenance Center expansion and rail vehicle procurements. In September of 2020 the five-year contract expires.



The need for Valley Metro to ensure quality and continuity will evolve as solutions and technology advances to ensure federal, state, and local regulatory requirements associated with capital projects; however, current projects need to remain documented through Aconex to not risk any major system transition delays. For this reason, Valley Metro proposes to utilize a sole source procurement for extending our project control software needs. A transition to a new system could potentially delay major capital projects in process. A replacement solicitation at this time would not be in the best interest of the public investment in the major capital projects that are managed in the Aconex system. Valley Metro will work with local member agencies, and internal capital project subject matter experts to create a new scope of work for a future competitive process.

STRATEGIC PLAN ALIGNMENT

This item relates to the following goals and strategies in the Five-Year Strategic Plan, FY 2016 – 2020:

- Goal 2: Advance performance-based operation

COMMITTEE PROCESS

RTAG: August 18, 2020 for information

RMC: September 2, 2020 approved

Board of Directors: September 17, 2020 for action

CONTACT

Wulf Grote, P.E.

Director, Capital and Service Development

602-322-4420

wgrote@valleymetro.org

ATTACHMENT

None

Information Summary

DATE

September 10, 2020

AGENDA ITEM 4**SUBJECT**

Northwest Phase II Light Rail Extension: Updated Funding, Design and Construction Agreement with City of Phoenix

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to amend the City of Phoenix funding, design and construction agreement for the Northwest Phase II Light Rail Extension, and for Phoenix to provide up to an additional \$199 million to Valley Metro.

COST AND BUDGET

The estimated Phoenix funds needed for remaining project activities is \$199 million. \$41 million of this represents the remaining Phoenix T2050 local funding commitment for construction. The remaining \$158 million of these funds are an advance to be reimbursed by federal funds in increments subsequent to award of a Full Funding Grant Agreement (FFGA) from the FTA.

At present, the project is in the FTA Engineering phase with \$158 million in anticipated FTA grant funds, but federal funding is not available to the project until an FFGA has been executed. The FFGA is anticipated in Spring 2021. Even after the grant is awarded, federal funds are provided to Valley Metro on a reimbursement basis. Therefore, it is typical that local/regional funds are utilized until federal funds are reimbursed. FTA grant funds may lag one to three years behind the time costs are incurred for the project.

The project is funded via a combination of Phoenix T2050 funds, regional Public Transportation Funds (PTF) and FTA grant funds. All costs identified herein are within the Northwest Extension Phase II project cost forecast and expenses expected within FY21 are included in the Valley Metro Rail Preliminary FY21 Operating and Capital Budget. Contract obligations beyond FY21 are incorporated into the Preliminary Five-Year Operating Forecast and Capital Program (FY21 thru FY25).

RECOMMENDATION

Staff recommends that the Board of Directors authorize the CEO to amend the existing funding, design, and construction agreement with the City of Phoenix for the Northwest Phase II Light Rail Extension, and for Phoenix to provide up to an additional \$199 million to Valley Metro.

This action is pending City of Phoenix Council action.

BACKGROUND/DISCUSSION/CONSIDERATION

The Northwest Phase II Light Rail Extension project will add 1.5 miles extending west from 19th Avenue on Dunlap Avenue to 25th Avenue, then northward to Mountain View Road, then to a terminus west of Interstate 17 (I-17) adjacent to the Metrocenter Mall. Funding for this project will be through the Federal Transit Administration's Capital Investment Grant (CIG) program and will include local match participation by Phoenix and Valley Metro.

In April 2018, Valley Metro was authorized to enter into an agreement with Phoenix for them to provide funding and to define responsibilities for design and construction of the project. Since then, there have been two amendments to complete planning and design, pre-construction, and construction services. The following table summarizes Phoenix funding to date:

Date	Purpose	Phoenix Funding Amount
April 2018	Design/Pre-Construction	\$25 million
October 2019	Design/Pre-Construction/Construction	\$80 million
	Total	\$105 million

The Northwest Phase II Light Rail Extension design was finalized in early 2020 and a Guaranteed Maximum Price was negotiated with the contractor in July. Construction of utility relocations is starting this summer and full construction will continue in 2020. To keep the project moving, additional funds are needed from Phoenix in advance of receiving FTA funds.

To keep the project on schedule, the FTA has provided pre-award authority for design, land acquisition, utility relocations, long lead procurements (such as special track work) and limited construction activities. This pre-award authority allows Valley Metro to utilize Phoenix and Valley Metro funds to advance the project. FTA will then reimburse its funding share after the federal grant is approved. This means that Phoenix and Valley Metro are currently fronting all project costs, and will continue to do so until FTA is able to provide reimbursement.

The agreement with Phoenix includes additional funding as described above, but there are also modifications needed to define Phoenix and Valley Metro responsibilities during construction. Revisions to the agreement reflect decisions made during recent contractor negotiations. The primary modification is to procure traffic signal materials through the City, rather than by Valley Metro's contractor. This should result in more competitive offers for the material, which will achieve cost savings.

Given the additional Phoenix funding needs and modifications to construction responsibilities, it is necessary to update the agreement and seek Board approval.



STRATEGIC PLAN ALIGNMENT

This item relates to the following goals and strategies in the Five-Year Strategic Plan, FY 2016 – 2020:

- Goal 2: Advance performance based operation
- Goal 3: Grow transit ridership

COMMITTEE PROCESS

RTAG: August 18, 2020 for information

RMC: September 2, 2020 approved

Board of Directors: September 17, 2020 for action

CONTACT

Wulf Grote, P.E.

Director, Capital and Service Development

602-322-4420

wgrote@valleymetro.org

ATTACHMENT

None

Draft amended agreement available upon request.

Information Summary

DATE

September 10, 2020

AGENDA ITEM 5**SUBJECT**

Future Agenda Items Request and Report on Current Events

PURPOSE

Chair Heredia will request future agenda items from members, and members may provide a report on current events.

COST AND BUDGET

None

RECOMMENDATION

This item is presented for information only.

BACKGROUND/DISCUSSION/CONSIDERATION

None

COMMITTEE ACTION

None

CONTACT

Scott Smith
Chief Executive Officer
602-262-7433
ssmith@valleymetro.org

ATTACHMENT

None

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date