

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY
HELD SEPTEMBER 12, 2017**

The regular meeting of the Board of Directors of the Richmond Metropolitan Transportation Authority was held on the 12th day of September, 2017, in the Riverfront Plaza East Tower Conference Room, 951 East Byrd Street, Richmond, Virginia, pursuant to due notice.

The following Directors were present and acting throughout the meeting: Directors Dabney, Hardiman, Hinson, Holland, Johnson, Whirley, White and Woodfin. Reverend Nelson arrived during the course of the meeting as set forth below. Directors Brown, Hazelett, Gurley, Ramsey, Tart, Waller, and West were absent. Staff present were Ms. Dean, Ms. Johnson, Ms. Simmons, Ms. Watson, and Mr. Madison. Also present were Mr. Ballou and Messrs. Ely, Grossenbacher, and Papiernik of HNTB.

Mr. Johnson served as Chairman of the meeting, and Mr. Ballou as Secretary.

The Chairman called the meeting to order at 12:15 p.m., welcomed new Board member Hardiman, and, noting that a quorum was not then assembled, moved to the Board report section of the Agenda. Prior to the CEO's comments, he congratulated Ms. Dean in her new capacity as Chief Executive Officer and also on behalf of the Board acknowledged Staff and thanked them for their many contributions and extra effort during the last several months; they had pulled together in a team effort and the Board was most appreciative of same. Reverend Nelson joined the meeting during these remarks.

The CEO began her comments by noting the Strategic Plan materials in the Board's agenda packet. She and the Chairman welcomed comments from Board members during the

meeting or in the next several days. The Strategic Plan and any such comments would assist in upcoming Committee meetings and at the Board retreat. Ms. Dean next commented on the closing in mid-August of the refunding of the Authority's Series 2011-A Bonds. The transaction produced net present value savings of 9.9%. This translated into aggregate debt service savings of approximately \$2.6 million, which equated into annual cash flow savings of approximately \$105,000. She thanked Mr. Madison and the Authority's Staff, as well as the Authority's bond counsel, George Scruggs of Kutak Rock, the Authority's financial advisor, Jimmy Sanderson of Davenport, and Mr. Ballou for their efforts.

She continued with the recent periodic evaluation by the Moody's ratings agency of its credit rating of the Authority's bonds, which it affirmed at A-1 (Stable). Mr. Madison added that he was pleased that Moody's highlighted the Authority's stable performance and conservative fiscal policies, and that the Authority's financial metrics, once past the relatively higher debt service in the next couple of years, may well place the Authority in a good position for an upgrade.

The Chairman added that the leverage calculation in the Moody's report might be a useful indicator to add to the Board's monthly dashboard report.

Ms. Dean noted the upcoming Audit Committee meeting on September 26, at 2:00 p.m., and the regular October meeting of the Board, which would be held at Christian & Barton. The Board discussed several options and formats for the November Board retreat meeting, with the consensus seeming to be an evening dinner meeting on November 2, and the Retreat meeting of the Board on November 3. She hoped to have a draft agenda by the October Board meeting. The regular Board meeting for November would not be held.

The Board briefly discussed the status of approximately 2500 square feet of additional central office space, located adjacent to the current leasehold, and made available by the departure of the neighboring tenant. Ms. Dean and Mr. Madison reported that they had discussed the space with the landlord and a space planner/design consultant, and were planning on working with the leasing advisors who had assisted with the current lease. Mr. White asked if the Authority was in danger of losing the space, and commented that the Board should authorize Staff to obtain the space without the need for further Board action. After a brief discussion, and upon motion duly made and seconded, the Board authorized the CEO to enter into any necessary or desirable lease or lease amendment to add up to approximately 2,500 square feet of additional space to the Authority's central office lease on substantially similar terms and conditions as currently leased.

The CEO concluded her remarks by observing that Dr. Dabney was to be recognized as member of the year by the Central Virginia Chapter of Women in Transportation. Dr. Dabney, in turn, noted that Ms. Dean was to be a guest speaker at the annual meeting, scheduled the following week at the Valentine Museum, and would discuss the "Future of the Transportation Workforce." Members of the Board complimented Dr. Dabney and Ms. Dean on their achievements and recognition.

The Chairman stated that a quorum was present and returned to the beginning of the agenda, whereupon the minutes of the regular Board meeting held on August 8, 2017 and the special Board meeting held on August 30, 2017, on motions duly made and seconded, were each approved unanimously by all Directors noted above as being present, except that Mr. Holland abstained as to the August 30 meeting as he was not present.

Mr. Whirley gave the report of the Operations and Finance Committee, which had met on August 29, primarily to consider the Authority's procurement for new toll equipment under procurement TSS -2017. He gave an overview of the Authority's RFP and schedule and reported that the Authority received three proposals, each from well-established firms in the industry: Conduent, Kapsch and TransCore. He described the Evaluation Committee, which was ably assisted by Ms. Watson and advised by HNTB, and the process that the procurement process and the Evaluation Committee utilized to achieve its ranking. This was a best value process, which received technical and price proposals, followed by oral interviews. The Evaluation Committee determined to short list each of the proposers for negotiations, which was then followed by best and final offers and the Committee's ranking of the vendors, using various factors (such as contract exceptions, pricing, ability to meet project schedule, experience, innovative aspects in proposals, and HNTB's evaluation) to achieve a consensus determination of the best value to the Authority. Pricing and ranking was as follows:

Rank	Proposer	Installation Cost	Maintenance Costs	
			1 – 5 Yrs.	6 – 10 Yrs.
1 st	TransCore	\$ 18.4 M	\$ 8.9 M	\$ 10.8 M
2 nd	Kapsch	21.3 M	11.2 M	13.5 M
3 rd	Conduent	14.3 M	5.8 M	7.0 M
Engineer's Estimate		18.5 M	7.7 M	9.3 M

As noted in the preceding table, the Committee ranked TransCore first, followed in order by Kapsch and Conduent, in part due to TransCore's quality, expertise and experience, relative lack of contract exceptions, pricing as aligned with the Engineer's Estimate, and phased ACM approach.

TransCore's installation costs of approximately \$18.4 M were projected to fall in fiscal years 2018 (\$4.6 M), 2019 (\$4.6 M) and 2020 (\$9.2 M). The Authority's capital budget for this matter in those years totaled \$21.1 M. The project's schedule calls for the design and testing phase to begin in Winter, 2019, the Implementation Phase in Spring, 2019, In-Revenue Service in Fall, 2019 (24 months from notice to proceed), and System Maintenance through 2029, if the Authority determines to exercise the agreement's extension option. Mr. Whirley emphasized that quality and not price was a key driving factor of the Evaluation Committee and of the Operations and Finance Committee. Ms. Simmons briefly outlined the various reasons why the Evaluation Committee ranked TransCore above Kapsch and Conduent. Representatives of HNTB responded to a question from Dr. Dabney regarding the best and final offer prices, which were required by the Authority to include an additional \$250,000 allowance for the increase of bandwidth capacity at several points of the Expressway System. The Board briefly considered and discussed the resolution that authorized contract finalization and award, which resolution had been unanimously recommended to the Board by the Operations and Finance Committee, and thereupon duly approved the resolution entitled "*Resolution as to Award of Contract for Installation and Maintenance of Toll Equipment*" in the form attached to these minutes, by the unanimous affirmative vote of all Board members noted above as being present. The Chairman and Mr. Whirley each complimented Staff, particularly Ms. Simmons and the members of the Evaluation Committee, and HNTB for the numerous hours of hard work that had gone into the procurement.

Ms. Simmons continued with her Operations Report. As noted in the written report, many of the contracts were in the wind down phase, so her report was abbreviated and she referred to her written report, stating that she would be happy to answer questions concerning it.

She concluded with a brief summary of the sad events of the preceding weekend, where a pedestrian was struck and killed by a car in the vicinity of the northbound Powhite Parkway early Sunday morning after exiting a disabled vehicle.

Mr. Madison gave the Finance Report. Referring to the written report, as to Expressway traffic, August traffic increased by approximately 2.8% over August, 2016, primarily due to improved weather conditions. On a normalized basis, he estimated traffic to have increased by approximately 2.0% for the month. Toll revenue for the first two months of the fiscal year was approximately 1.4% ahead of budget, while expenses were within budget, and financial indicators were looking good based on current conditions.

There being no items of new business or any further business to come before the meeting, the meeting was adjourned at 1:15 p.m.



Secretary

APPROVED:



Chairman

RICHMOND METROPOLITAN TRANSPORTATION AUTHORITY

RESOLUTION AWARDING CONTRACT FOR TOLL SYSTEM AND SERVICES

September 12, 2017

WHEREAS, the Richmond Metropolitan Transportation Authority (the "Authority") issued its request for proposals ("RFP") for toll equipment installation and maintenance services on March 24, 2017;

WHEREAS, the Authority received three proposals in response to the RFP;

WHEREAS, pursuant to the provisions of the Virginia Public Procurement Act and the terms of the RFP, Staff and the Authority's consulting engineer, HNTB Corporation ("HNTB") evaluated the proposals received in response to the RFP, negotiated with all of such proposers, and determined that TransCore LP ("TransCore") was fully qualified, best suited and provided the best value to the Authority according to the criteria in the RFP;

WHEREAS, the Directors of the Authority, after mature deliberation and upon the recommendation of Staff and the analysis and evaluation of HNTB, deem it prudent and desirable to proceed first to contract finalization with TransCore, which, in the opinion of the Authority, has made the best proposal and provides the best value for the installation and maintenance of toll system equipment; and

WHEREAS, the terms and conditions of the foregoing are set forth in a Toll System and Services Agreement (the "Agreement") between the selected contractor and the Authority, the form of which has been presented to and reviewed by the Directors.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Board of Directors of the Richmond Metropolitan Transportation Authority that

1. The CEO of the Authority is authorized to proceed to contract finalization with TransCore based upon the terms and conditions set forth in the RFP and as described above, based on the form of the Agreement presented to this meeting, which is hereby approved. If contract finalization with TransCore is unsuccessful, contract finalization shall proceed with the next highest ranking offeror (Kapsch). The CEO of the Authority, with the advice of counsel to the Authority, is hereby authorized to execute and deliver the Agreement in substantially the form, and upon substantially the same terms and conditions, as presented to the Directors at this meeting, with such changes, completions, omissions or insertions as the CEO, upon advice of counsel, may deem appropriate, such approval to be conclusively evidenced by her execution thereof.

2. The initial scope of the Agreement and the work performed thereunder shall consist of toll equipment installation for the cash, EZ-Pass and express/open road tolling lanes on the Authority's Expressway System.

3. The CEO is authorized and directed to do all such further acts and things as he may, upon the advice of counsel to the Authority, deem necessary or appropriate to provide for the

installation of the toll system equipment described above and maintenance therefor and to carry out the intent of this resolution, including the execution and delivery of all such further documents, instruments, certificates and agreements necessary or appropriate in connection therewith.

4. This resolution shall take effect immediately upon its adoption.