

## Minutes

### RTA Organizational, Services & Performance Monitoring Committee Meeting

9:43 a.m. September 11, 2018

**Committee Members:** Lucas (Chair), Elkins, Norton and Serrano

**Other Board Members:** Clough, McCall, Moss and Welo

**Not present:** None

**Also Present:** Anderson, Anthony, Barrett, Benford, Bennett, Bitto, Bobich, Brooks-Williams, Burney, Calabrese, Catalusci, Caver, Cottrell, Cranford, Czeck, Dangelo, Davis, Dietrich, Draper, Eaton, Feliciano, Ferraro, Fields, Ford, Gaio, Garofoli, Gautam, Gillan-Shafron, Harrison, Jaszczak, Jones, Kirkland, Krecic, Lee, Lewis, Lively, Loh, Lozada, Macko, Manning, Marcano, Pickett, Schipper, Shariff, Sutula, Tarka, Temming, Tyler, Vukmanic, Weil, Wiehe, Young, Zeller

Rev. Lucas called the meeting to order at 9:43 a.m. The secretary called the roll and reported that four (4) committee members were present.

#### Healthcare Benefits Program

Scott Ferraro, director of labor and employee relations and Sharon Cottrell, contract administrator, made the presentation. Currently the Authority provides healthcare benefits to approximately 1,900 employees. These benefits are provided to bargaining-unit represented employees through their ATU and FOP contracts, non-bargaining through Personnel, Policies and Procedures and ATU bargaining employees that are part-time are given the opportunity to purchase at a higher cost. The services sought were for medical, prescription drugs, dental, vision and life insurance. The medical services are currently provided by Medical Mutual of Ohio and Health Design Plus (University Hospital plan). Prescription drugs are provided through Medical Mutual using Express Scripts and Health Design Plus using OptumRX. Life insurance and Dental is with MetLife. Vision is with National Vision Administrators.

The RFP was issued May 15, 2018. It was assessed by 49 potential proposers. They were asked to provide on any and all lines of coverage. Twenty-five vendors responded. Evaluation panel members were comprised of various RTA departments using set criteria. RTA's benefits consultant, Oswald Companies was also on the panel. The recommended vendors are Medical Mutual of Ohio for medical and prescription drugs; Delta Dental of Ohio for dental; National Vision Administrators for vision and Guardian for life insurance. The DBE goal is 12% on the administrative cost for each line of coverage. The DBE partners are Washington Enterprises for medical, AG Print Promo Solutions for dental, Ques Media Marketing Solutions for vision and the Rutledge Group for life insurance.

Staff requests that the Organizational, Services & Performance Monitoring Committee recommend to the Board of Trustees the award of one year contracts with three one-year options to Medical Mutual of Ohio, Delta Dental Plan of Ohio, Inc., National Vision Administrators, LLC, and The Guardian Life Insurance Company based on estimated enrollment for 2019. Slides were shown with the recommended vendors, line of coverage for each vendor and estimated annual cost based on past history. The cost is based on actual claims. The

incumbent vendors and what the projected cost would have been under the current contract versus the recommended vendors with the new pricing with anticipated cost for 2019 was also shown. Mayor Elkins asked why there are reductions in cost for medical and will it result in greater expense for employees? Mr. Ferrano said that the plan design and cost has not changed. Negotiations are in place for the ATU and FOP.

Ms. Moss asked how valid the estimated cost projections are and what would keep a contractor from bidding low based off the estimates. The healthcare consultant took the 2017 actual claims data and based on the rebates they offered through each plan design, they came up with the estimates. A representative from Oswald Companies added that the estimates are applied in areas of medical and prescription coverage where they are self-insured. Other coverages are on an insured contract. The only variation would be if the enrollment changed. The estimates used by the evaluation committee are sent out as part of the RFP process and each of the proposers have to provide an analyses of what the expenses would be if the plan's claims replicated themselves in the future. For 2019, they take the actual plan cost, apply medical and pharmaceutical inflation to move those dollars into 2019. Every provider uses the same basis for applying discounts. They have seen reduction in medical cost in the public and private sectors due to prescription expenses decreasing from renegotiated terms in the market. The same goes for medical.

Ms. Moss asked if in the past, the estimates have mirrored actual cost. Oswald confirmed that the same process was used for the last RFP process. The variation that may have come in last time was based on actual health or illness within the population. One thing that triggered a gap from the estimates and plan cost would be the increase in some catastrophic claims. In the absences of those claims, the estimates matched the same analysis process used for the evaluation. Mayor Clough asked if the difference in the prescription cost was related to the issues RTA had with this coverage. He confirmed that it does, although the basis of this were to assume actual eligible claims are those claims running through the program. So it may not be fair to say that issue is driving the cost down. This is due to a renegotiated discount and rebate sharing arrangement, which is common in the industry, and secondly they are applying a closed formulary, which will allow additional discounts within the covered prescriptions.

It was moved by Mr. Serrano, seconded by Mayor Norton and approved by unanimous vote to move this to the full Board for approval.

### Parts Wash Tank Services

Tom Dedo, fleet engineering and Ted Pickett, contract administrator, made the presentation. RTA has an ongoing need to clean parts and equipment required for maintenance of the fleet of rail cars, non-revenue vehicles, fixed route and paratransit buses. RTA has six service locations equipped with 57 parts washed tanks, which are serviced by this contract. Forty-eight are leased under these terms. Nine are privately owned by RTA. The tanks are large and small. Some are hand manual units, barrel top tanks and some are reciprocate units with a table that moves up and down. RTA-owned tanks will be serviced by the contractor. Through the sustainability recycling process, the contractor collects the used solvent and processes it through a distillation column. The solvent is collected and disposed of.

The RFP was issued July 23, 2018 and assessed on the website by seven parties. Two firms proposed and were interviewed. The evaluation panel included various RTA departments using set criteria. The recommended firm is Safety-Kleen Systems, Inc. Current clients include

General Electric, Morton Salt, Nestle and others. They are RTA's current contractor. Staff requests that the Organizational, Services & Performance Monitoring Committee recommend to the Board of Trustees the award of a contract to Safety-Kleen Systems Inc., in an amount not to exceed \$227,659.30 for a period of three years. There were no questions. Rev. Lucas has seen the use of these machines and sees the benefits by looking at the vehicles.

It was moved by Mayor Norton, seconded by Mayor Elkins and approved by unanimous vote to move this to the full Board for approval.

#### Printing Press for Print Shop

Carmen Davis, support services and Sharon Cottrell, contract administrator, made the presentation. The purpose of this project is to provide the Print Shop with a working, reliable printing press to meet the Authority's needs. The Print Shop prints all RTA timetables and other printed materials. Timetables are distributed two weeks prior to a service change. Without a functioning printing press, outsourcing has to be used. Outsourcing is more expensive and creates a challenge for scheduling and delivering timetables to meet service change demands. The existing press is a 1997, five-color printing press. The machine is currently not operating. A third party press repair company inspected the press and provided an estimated cost of repairs, parts and labor at \$311,000. On the average, it cost \$30,000 per service change or \$120,000 a year to outsource time tables and other materials.

The project manager prepared a cost benefit analysis and determined that purchasing a new printing press was in the best interest of the Authority. The useful life of a new press is 15-20 years. The new 4-color machine will allow the Print Shop to produce the timetables and other materials in-house. The new machine will use up to 50% less electricity. The new machine will not require additional infrastructure or major electrical work. They expect to eliminate all outsourcing cost associated with timetable printing. If approved, the delivery is planned for Spring/Summer 2019. The Print Shop employees will receive extensive training.

This RFP was issued June 4, 2018 and was assessed by five parties and two firms proposed. The evaluation team consisted of various RTA departments using set criteria. The recommended vendor is Ohio Graphco, Inc. They are located in Solon, OH and the DBE goal was 0% due to a lack of certified DBEs. Graphco is the industry's leading provider of digital offset and print finishing solutions, employ certified service technicians, are locally based and can respond to request for service and have had a favorable experience with RTA. RTA has worked with them for 25 years. Other clients include JoAnn Stores, Carbonless on Demand and others. Staff requests that the Organizational, Services & Performance Monitoring Committee recommend to the Board of Trustees the award of a contract to Ohio Graphco, Inc., dba Graphco in an amount not to exceed \$725,160.55.

Mayor Elkins asked if this expense was planned with the budget. Staff confirmed. He asked if the cost of maintenance and supplies was calculated, at what point the Authority will see a return on investment and if this purchase would be financed. Ms. Cottrell said the cost includes five years of maintenance. Year six or seven should see a return on the investment. They are in negotiations to finance the press over five years. They are looking at a down payment of \$140,000 to minimize the finance cost and removing the maintenance charges for the five years and then financing the remainder of the cost at 3.4%.

It was moved by Mayor Elkins, seconded by Mr. Serrano and approved by unanimous vote to move this to the full Board for approval.

#### FFY 2019-2021 Proposed Participation Goal

Eric Johnson, Office of Business Development (OBD), made the presentation. The primary function of the Office of Business Development is to administer RTA's disadvantage business enterprise program. OBD certifies DBE firms to do business with RTA, sets DBE goals on contracts, ensures compliance with federal regulations and supports the DBE community through outreach, technical assistance and serves as a liaison between RTA, DBE firms, prime contractors and others, which include public officials, community organizations and labor.

As a recipient of federal funds from the Department of Transportation, RTA is required to establish a DBE goal on a triennial bases that will reflect opportunities for DBEs on federally assisted procurements during the next three years. The DBE goal timetable has been adjusted to successfully meet requirements of the program. In addition to a robust discussion at the Community Advisory meeting, they are taking public comment. The comment period ends September 30. All comments will be submitted with the goal proposal. Some of the organizations invited to the advisory group meeting were listed.

Four pillars of the DBE program are to ensure non-discrimination in awarding and administration of contracts, leveling the playing field for historically underutilized businesses, remove barriers to participation and to support the development of firms to participate in a broader market. The Authority is required to submit a written explanation and corrective action plan where a significant gap exist between the overall DBE goal and actual achievement of the goal in any individual year. The Authority may seek FTA's approval to revise the overall DBE goal during the 3-year period to reflect unanticipated changes in the marketplace or specifically related to RTA.

The median rate for the last three-year period was 22.4%. DBE participation based on type of work and the amount of work can lead to variation in the achieved DBE goal. The DBE goal is calculated by establishing the base figure of the relative availability of DBEs with regard to type of work and location. This process involves the identification of ready and willing DBE firms that have capacity to perform on projects. Some works such as design, supplier and manufacturing projects may allow for a broader consideration of market area. While other opportunities like earth work, hauling, demolition are best suited for local firms with reasonable proximity to projects.

The DBE goal evaluation uses a 7 county area. It involves finding certified DBEs within the area using unified certified listings provided by ODOT and a review of county business patterns from the Census Bureau. Based on the facts considered in the calculation of the Overall DBE Goal, the proposed FFY 2019-2021 DBE goal is 22.5%. The means to achieve the goal are through race conscious means of 18.9% and race neutral means of 3.6%. Race and gender conscious goals are achieved when the contracts specific goals are met through subcontracted opportunities. Race and gender neutral goals are achieved when a DBE is a prime contractor or DBE participation in subcontracting exceeds the contracted goal. Staff recommends the Organizational, Services & Performance Monitoring Committee recommend to the Board of Trustees the approval of the triennial DBE Goal of 22.5%.

Mayor Elkins said the presentation was excellent and all his questions were answered. Ms. Moss asked if anyone from a women's organization was invited to the advisory meeting. Mr. Johnson said that representatives from Hard Hatted Women were invited and that he could provide the list. Ms. Moss ask what other efforts are made to get the women's community at the table. Mr. Johnson said he can provide the list of invitees and follow-up information. She asked for the information before the Board votes on it at the next meeting.

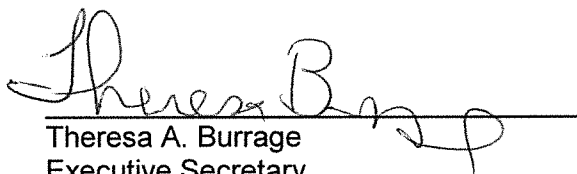
Mr. Serrano mentioned that Ms. Moss has been a consistent advocate for women and requested staff be more intentional to her historical concern for including women. Mr. Serrano said that invitations are not sufficient for outreach. Chief McCall requested a list of who attended also. She suggested that public comment efforts could possibly go under her External and Stakeholder Relations & Advocacy Committee.

It was moved by Mayor Elkins, seconded by Mr. Serrano and approved by unanimous vote to move this to the full Board for approval.

Rev. Lucas adjourned the meeting at 10:16 a.m.



Floun'say R. Caver, Ph.D., Interim CEO  
General Manager/Secretary-Treasurer



Theresa A. Burrage  
Executive Secretary