



MINUTES

Finance and Administration Committee Meeting

Committee Members Present:

Michael Hennessey, Chairman

**Committee Members Present
Via Teleconference:**

Steve Jones, Vice Chairman

Brian Goodell

Patrick Harper

Gene Hernandez

Joe Muller

Staff Present

Jennifer L. Bergener, Deputy Chief Executive Officer

Sahara Meisenheimer, Clerk of the Board Specialist

Gina Ramirez, Clerk of the Board Specialist, Senior

Via Teleconference:

Darrell E. Johnson, Chief Executive Officer

Cassie Trapesonian, Assistant General Counsel

OCTA Staff Members

Committee Members Absent

Katrina Foley

Call to Order

The July 28, 2021, regular meeting of the Finance and Administration (F&A) Committee was called to order by Committee Chairman Hennessey at 10:32 a.m.

Roll Call

The Clerk of the Board Specialist conducted an attendance roll call and announced a quorum of the F&A Committee.

Pledge of Allegiance

Director Hernandez led in the Pledge of Allegiance.

1. Public Comments

Public Comments were received under Item 11.

Special Calendar

There were no Special Calendar matters.



Consent Calendar (Items 2 through 10)

2. Approval of Minutes - June 23, 2021

A motion was made by Director Harper, seconded by Director Goodell, and following a roll call vote, declared passed 6-0, to approve the minutes of the Finance and Administration Committee meeting of June 23, 2021.

3. Approval of Minutes - July 14, 2021

A motion was made by Director Harper, seconded by Director Goodell, and following a roll call vote, declared passed 6-0, to approve the minutes of the Finance and Administration Committee meeting of July 14, 2021.

4. Fiscal Year 2020-21 Internal Audit Plan, Fourth Quarter Update

A motion was made by Director Harper, seconded by Director Goodell, and following a roll call vote, declared passed 6-0, to receive and file the fourth quarter update to the Orange County Transportation Authority Internal Audit Department Fiscal Year 2020-21 Internal Audit Plan as an information item.

5. Orange County Transportation Authority Internal Audit Department Fiscal Year 2021-22 Internal Audit Plan

Director Harper pulled this item and inquired about the procurement process.

Janet Sutter, Executive Director of Internal Audit, responded that procurements are often reviewed in project audits. For example, the OC Streetcar project, staff will review the procurement for the construction manager and construction firm by ensuring it complies with the Orange County Transportation Authority's (OCTA) procurement policies and procedures. One won't see it within their own audit because OCTA is covering procurements in their project.

Darrell E. Johnson, Chief Executive Officer (CEO), added that OCTA was awarded the prestigious 2021 Achievement of Excellence in Procurement Award from the National Procurement Institute. This is the eleventh consecutive year that OCTA has received the award. It focuses on best practices in procuring public contracts. Every three years, the Federal Transit Administration does a triennial review where they closely review OCTA's procurement process.



5. (Continued)

A motion was made by Director Harper, seconded by Director Goodell, and following a roll call vote, declared passed 6-0, to:

- A. Approve the Orange County Transportation Authority Internal Audit Department Fiscal Year 2021-22 Internal Audit Plan.
- B. Direct the Executive Director of the Internal Audit Department to provide quarterly updates on the Orange County Transportation Authority Internal Audit Department Fiscal Year 2021-22 Internal Audit Plan.

6. Orange County Transportation Authority, Proposition 1B Bond Program, Project Number P2500-0008

A motion was made by Director Harper, seconded by Director Goodell, and following a roll call vote, declared passed 6-0, to direct staff to work, as requested with the California Department of Transportation on appropriate disposition of the observations and recommendations identified through the audit conducted by the California Department of Finance related to Proposition 1B projects.

7. Administrative Controls Related to Conflict of Interest Code and California Form 700 Statement of Economic Interests, Internal Audit Report No. 21-510

A motion was made by Director Harper, seconded by Director Goodell, and following a roll call vote, declared passed 6-0, to direct staff to implement three recommendations provided in Administrative Controls Related to Conflict of Interest Code and California Form 700 Statement of Economic Interests, Internal Audit Report No. 21-510.

8. Orange County Transportation Authority Investment and Debt Programs Report - June 2021

A motion was made by Director Harper, seconded by Director Goodell, and following a roll call vote, declared passed 6-0, to receive and file as an information item.

9. Fiscal Year 2020-21 Third Quarter Budget Status Report

A motion was made by Director Harper, seconded by Director Goodell, and following a roll call vote, declared passed 6-0, to receive and file as an information item.

10. Fourth Quarter Fiscal Year 2020-21 Procurement Status Report

A motion was made by Director Harper, seconded by Director Goodell, and following a roll call vote, declared passed 6-0, to receive and file as an information item.

Regular Calendar

11. Contractor Selection for the Back-Office System and Customer Service Center Operations for the 405 Express Lanes in Orange County

Kirk Avila, General Manager of the 91 Express Lanes, provided a PowerPoint presentation.

A public comment was received from Cofiroute USA, LLC via email on Tuesday, July 27, 2021. The comment was emailed to the Members of the F&A Committee prior to the meeting on Tuesday, July 27, 2021 at 2:07 p.m. The comment was read into the record by the COB Specialist and will be retained as part of the record for this Committee meeting.

A lengthy discussion ensued regarding:

- Director Hernandez complimented staff for their explanation of this item and stated that it must come down to newer technology versus standard technology. He also stated that he does not want OCTA to go with someone who uses older technology because then OCTA would have to submit a change order to cover the costs of newer technology.
- Overview of the functionality requirements that are included in the request for proposals (RFP).
- The cost differentials between the two firms came down to the customer service side and the additional quality control measures.
- Details regarding the development of the software: both firms use their own platform and cloud implementations. The functionality for all development in the toll systems is modular.
- There are 40 back offices approximately in the United States. They all have the same functionality, but the only real components that someone could plug-in are the recording or business intelligence modules.
- This will be a brand new implementation with no migrated data into the system for the 405 Express Lanes.
- Inquiry as to how Electronic Transaction Consultants, LLC (ETC) has performed and if there have been any deployment issues.
- There was one issue with ETC in Florida that led to some litigation and the court ruled in their favor.

11. (Continued)

- A summary of what WSP USA Services Inc. (WSP) provided in their proposal and during the interview and how the evaluation committee concluded that they were more customer-centric than Cofiroute USA, LLC (CUSA).
- WSP is working with Harris County Toll Road Authority and it has a lot of functionality that OCTA requires for the 405 Express Lanes.
- Director Muller requested information on whether or not WSP has implemented the new technology with an automated system and if they have had a history of doing that. Mr. Avila agreed that he would get that information to him.
- OCTA has had experience with WSP on the architectural and engineering side.
- Committee Chairman Hennessey commented on the following:
 - The history of CUSA with OCTA and how they have done an excellent job for many years.
 - The 91 Express Lanes has been widely regarded among rating agencies as the best toll road in the United States and CUSA deserves credit for that.
 - Overview of the procurement process and being in favor of having two firms to choose from.
 - Competition is good and makes OCTA more robust.
 - Committee Chairman Hennessey supports WSP and staff's recommendations.
 - Appreciates Director Muller's comments and the time he spent researching this item.
- Talking to a live person on the phone is excellent but there will be a wait time, which could cause frustration and complaints.

A motion was made by Director Hernandez, seconded by Committee Vice Chairman Jones, and following a roll call vote, declared passed 6-0, to:

- A. Approve the selection of WSP USA Services Inc., as the firm to provide the back-office system and customer service center operations services for the 405 Express Lanes in Orange County.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-0-2690 between the Orange County Transportation Authority and WSP USA Services Inc., in the amount of \$110,981,893, to provide the back-office system and customer service center operations services for the 405 Express Lanes in Orange County, for an initial term up to eight and a half years, with one three-year, and one two-year option terms.



Discussion Items

12. Chief Executive Officer's Report

Mr. Johnson, CEO, reported on the following:

- As mentioned earlier, OCTA was awarded the 2021 Achievement of Excellence in Procurement Award from the National Procurement Institute. Mr. Johnson acknowledged the hard work from the procurement staff.
- Earlier this week, Irvine Valley College asked to join the College Pass program starting this fall. When on-campus instruction resumes on August 23rd, more than 12,000 Irvine Valley College students will be able to use OC Bus system to get to school or wherever they need to go. With nearly all Orange County community colleges now participating in the College Pass Program, staff continues to work with the remaining schools to join the program in the future. And this ties in nicely with the Youth Ride Free program coming up.

13. Committee Members' Reports

Committee Chairman Hennessey acknowledged Director Goodell, who was a former Olympian and gold medalist.

Director Goodell commented on the athletes who are struggling emotionally and physically, and commended the hard work and dedication these athletes have committed to in their training and competing.

14. Closed Session

There were no Closed Session items scheduled.



15. Adjournment

The meeting adjourned at 11:30 a.m.

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, August 11, 2021**, at the Orange County Transportation Authority Headquarters, Conference Room 07, 550 South Main Street, Orange, California.

ATTEST

Michael Hennessey
Committee Chairman

Sahara Meisenheimer
Clerk of the Board Specialist