



Committee Members Present

Andrew Do, Chairman
Steve Jones, Vice Chairman
Michael Hennessey
Richard Murphy
Miguel Pulido
Todd Spitzer
Michelle Steel

Staff Present

Darrell Johnson, Chief Executive Officer
Laurena Weinert, Clerk of the Board
Gina Claridge, Deputy Clerk of the Board
James Donich, General Counsel
OCTA Staff and Members of the General Public

Committee Members Absent

None

Call to Order

The January 10, 2018 regular meeting of the Finance and Administration Committee was called to order by Committee Chairman Do at 10:30 a.m.

Pledge of Allegiance

Director Steel led in the Pledge of Allegiance.

1. Public Comments

No public comments were received.

Special Calendar

There were no Special Calendar matters.

Consent Calendar (Items 2 through 7)

2. Approval of Minutes

A motion was made by Director Spitzer, seconded by Director R. Murphy, and declared passed by those present, to approve the minutes of the Finance and Administration Committee of December 13, 2017.

Directors Hennessey and Pulido were not present to vote on this item.



3. Orange County Treasurer's Management Report November – 2017

A motion was made by Director Spitzer, seconded by Director R. Murphy, and declared passed by those present, to receive and file as an information item.

Directors Hennessey and Pulido were not present to vote on this item.

4. Local Agency Investment Fund - November 2017

A motion was made by Director Spitzer, seconded by Director R. Murphy, and declared passed by those present, to receive and file as an information item.

Directors Hennessey and Pulido were not present to vote on this item.

5. Orange County Transportation Authority Investment and Debt Programs Report - November 2017

A motion was made by Director Spitzer, seconded by Director R. Murphy, and declared passed by those present, to receive and file as an information item.

Directors Hennessey and Pulido were not present to vote on this item.

6. Award of Sole Source Agreement with Xerox Corporation for Ink, Parts, Supplies, Printing, Equipment Repair, and Maintenance

A motion was made by Director Spitzer, seconded by Director R. Murphy, and declared passed by those present, to:

- A. Authorize the Chief Executive Officer to negotiate and execute Purchase Order No. C-7-2110 between the Orange County Transportation Authority and Xerox Corporation, in the amount of \$100,000, for printing costs, equipment repair, and maintenance of the Xerox 800 color press through September 30, 2018.
- B. Add the Xerox 800 and 1000i color presses to the Orange County Transportation Authority's Fiscal Year 2017-18 Sole Source List for Licensing and Maintenance Agreements.

Directors Hennessey and Pulido were not present to vote on this item.

7. Appointment of the Orange County Transportation Authority Treasurer

This item was pulled by Director Spitzer who inquired on the rational to split out the treasury functions.

Darrell Johnson, Chief Executive Officer (CEO), responded that a new department titled Express Lanes Programs is being created and Kirk Avila has been appointed to the new position of General Manager, Express Lanes Programs, and will report to Deputy CEO Ken Phipps. Mr. Johnson stated that given these organizational changes, a new Treasurer needs to be appointed.

Mr. Johnson also stated that a recruitment is currently in progress for a new manager of the Treasury/Public Finance Department. In addition, staff recommends that the Andrew Oftelie, Executive Director of Finance and Administration be appointed the new Treasurer for the current year.

Director Spitzer inquired on whether the Treasurer should have dual responsibilities as the signatory and the recommender, which could conflict with the current annual investment policy.

Mr. Oftelie provided background on previous staff members who held the Treasurer position and explained the practice and decisions made as an appointee.

A lengthy discussion ensued regarding oversight, concerns on dual reporting, drafting a formal practice, and developing a protocol for approvals.

Director Spitzer requested that the staff report reflect names next to the titles of the positions and that organization charts be included in the January 22, 2018, Board of Directors agenda packet.

The Committee added a Recommendation C, to the proposed action, to read as follows:

- C. Direct staff to update existing written policies and procedures that, regardless of the authority vested in the Treasurer by the Board, would require the Treasurer to notify the Deputy Chief Executive Officer or Chief Executive Officer if the Treasurer is contemplating taking an action that is in conflict with the annual investment policy and document their approval. If there is a disagreement between the Treasurer and either the Deputy Chief Executive Officer or Chief Executive Officer regarding whether the action should or should not be taken, then the Finance and Administration Committee will be notified of the disagreement.



7. (Continued)

A motion was made by Director Spitzer, seconded by Director Pulido, and declared passed by those present, to:

- A. Appoint the Executive Director of Finance and Administration as the Treasurer of Orange County Transportation Authority and its affiliated agencies, effective January 22, 2018.
- B. Authorize the Treasurer to invest or reinvest Orange County Transportation Authority funds for the remaining duration of Fiscal Year 2017-18.
- C. Direct staff to update existing written policies and procedures that, regardless of the authority vested in the Treasurer by the Board, would require the Treasurer to notify the Deputy Chief Executive Officer or Chief Executive Officer if the Treasurer is contemplating taking an action that is in conflict with the annual investment policy and document their approval. If there is a disagreement between the Treasurer and either the Deputy Chief Executive Officer or Chief Executive Officer regarding whether the action should or should not be taken, then the Finance and Administration Committee will be notified of the disagreement.

Regular Calendar

8. Agreement for Information Technology Contract Technical Staffing

Andrew Oftelie, Executive Director of Finance and Administration, provided opening remarks and introduced Barry Reynolds, Department Manager of Information Systems. Mr. Oftelie noted the following corrections on the Staff Report and Attachment C of the Staff Report:

- Recommendation B of the Staff Report, the date should read March 31, 2023, instead of May 31, 2023.
- Attachment C of the Staff Report, the "Total Contract Amount" (for Intratek Computer, Inc.) amount should read \$7.2 million instead of \$14,400,000.
- The effective contract date on Page 6 of the Staff Report, under (Summary), should read effective through March 31, 2023 instead of May 31, 2023.

8. (Continued)

Mr. Oftelie also stated that the January 22, 2018 Board agenda synopsis will include the correct "Recommendation" verbiage and will also be noted on the Committee Transmittal.

Barry Reynolds, Department Manager of Information Systems, provided an overview on the need for contracted technical staffing and procurement approach.

Director Spitzer expressed concern about the price of 12 employees at \$60.00 per hour. He asked staff to explain why the 2nd rank firm cannot do the job.

Mr. Reynolds responded the area that the 2nd ranked firm struggled with is the benefits package the company provided to their employees. The company's practice is not to provide Holiday pay. Mr. Reynolds also explained the calculations used when preparing the request for proposal.

A motion was made by Director Spitzer, seconded by Director Hennessey, and declared passed by those present, to:

- A. Approve the selection of Intratek Computer, Inc., as the firm to provide contract staffing services for Information Technology technical positions.
- B. Authorize the Chief Executive Officer to negotiate and execute Agreement No. C-7-1949 between the Orange County Transportation Authority and Intratek Computer, Inc., in the amount of \$11,267,760, for a five-year term effective through March 31, 2023, to provide contract staffing services for Information Technology technical positions.

Director Pulido was not present to vote on this item.

Discussion Items

9. Chief Executive Officer's Report

Darrell Johnson, CEO, reported that:

- This morning, Governor Brown introduced the proposed 2018-19 state budget at a news conference in Sacramento. Staff is preparing a memo outlining the budget and will send to the full Board later this afternoon. In addition, Staff will also be presenting an overview of the budget to the Legislative and Communications Committee on January 18th.



9. (Continued)

- On January 11th, the Orange County Transportation Authority's community outreach team is hosting a booth in the staff cafe at Ikea in Costa Mesa to distribute Interstate 405 Improvement Project information to employees. This is in preparation for the official groundbreaking of the project that will take place on January 26th at 9:00 a.m. in the Ikea parking lot, adjacent to the freeway.
- Mr. Johnson, CEO, congratulated Committee Chairman Do on his appointment as the Chairman of the Orange County Board of Supervisors.

10. Committee Members' Reports

Committee Chairman Do requested that the staff report reflect names next to the titles of the positions and that organization charts be included for item 7 on this agenda.

Mr. Johnson, CEO, responded that staff will include an organization chart in the January 22, 2018, Board of Directors agenda packet.

11. Closed Session

A Closed Session was not conducted at this meeting.

12. Adjournment

The meeting adjourned at 11:13 a.m.

The next regularly scheduled meeting of this Committee will be held at **10:30 a.m. on Wednesday, January 24, 2018**, at the Orange County Transportation Authority Headquarters, 550 South Main Street, Board Room - Conference Room 07, Orange, California.

ATTEST

Gina Claridge
Deputy Clerk of the Board

Andrew Do
Committee Chairman