



PUBLIC LIGHTING AUTHORITY
Board of Directors Regular Meeting
Via Uber Conference
August 21, 2020

Board Members in Attendance

Dr. Lorna Thomas, Chair
Melvin Butch Hollowell
Patrick Padgett, Secretary
Rod Parker, Treasurer
Ric Preuss
Beau Taylor, Executive Director

Resolution:

Resolution 2020-02
Resolution 2020-03

Motions Carried/Failed:

Resolution 2020-02 Carried
Resolution 2020-03 Carried

Legal Representative(s)

Floyd Allen
George Pitchford

CALL TO ORDER

The Regular Board Meeting of the Public Lighting Authority (PLA) was held on August 14, 2020 via Uber Conference. Dr. Lorna Thomas, Chair of the Board, called the meeting to order at 2:02 p.m.

ROLL CALL

Roll call was taken by Patrick Padgett, Secretary. Members in attendance included: Dr. Lorna Thomas, Chair; Patrick Padgett, Rod Parker, Ric Preuss, and Melvin Butch Hollowell. Others in attendance included Beau Taylor, Executive Director and Legal Representatives Floyd Allen and George Pitchford.

APPROVE AGENDA

Motion made to approve the amended agenda by Melvin Butch Hollowell
Motion seconded by Rod Parker
Motion Carried

APPROVE OF MINUTES

Motion made to approve the May 14, 2020 Regular Board Meeting Minutes by Rod Parker
Motion seconded by Melvin Butch Hollowell
Motion Carried

Dr. Thomas asks if there are any members of the public who wish to speak. Hearing none, Dr. Thomas asks for the Executive Director's Comments.

EXECUTIVE DIRECTOR'S COMMENTS

Beau gave a brief overview of the current PLA Operations. We still have a modified office schedule. As you know, we share office space with the Wayne County Treasurer, who has frequent interfacing with the public, so because of this, we will continue to have only necessary office staff. Beau, Marie, Ben, Mohamed, Dre', and John currently come into the office for about 20 hours per week, alternating work from home the rest of the week. The Field Staff does not come to the office at this time. However, they currently park the trucks in a new space that is also housing minor inventory that will be discussed later as one of our agenda items.

Beau mentions that we have no issues with Leotek changeouts. We still have findings of lights that were missed, but for the most part, the work is done. The new lights look good. Additionally, we're interfacing with the City quite often on streetscape projects; we switched to a new design firm, which mitigated some of the problems we had last year. But when working with projects in the City with multiple agencies coming together there will be "bumps" in the road. We handle a great deal of those meeting via Zoom, which makes it a little more difficult, but Beau is happy with PLA's performance in terms of assisting the City.

From an Operational perspective, we are behind as regards backlog (about 300) we like to have it around 50. We switched our current contractor to time and expense billing, which we thought would be easier both for a validation and billing standpoint. We've put the larger jobs on the back burner and focused on the jobs that would get the most impact – taking into consideration the area effected as priority.

De'Andre Brooks has transitioned into Jamal Harrison's role, interfacing with the City, making him the primary contact for with the Department of Neighborhoods and City Council. He's done a very good job migrating into that role. We are beginning to discuss a few more viaducts, as that issue is still out there that I think needs to be addressed, so we plan to add a few new viaducts at minimum cost – so when the children begin walking to school, they'll be walking in a lit viaduct.

About 98 – 99 percent of the lights are on, so we're not in a bad position, we're not getting an influx of calls, they're answered as they come in; and if calls go to voicemail, they are promptly returned. There has been an uptick of knockdowns; something we need to keep an eye on. The Allen Law Group is doing a good job getting the license plate and accident information in order to recoup costs through claims from insurance companies.

Rod Parker asks: What's the cause of the back log?

Beau: There's a few things going on. One, we've always had a backlog. I think this time it's a result of somewhat diminished capacity during COVID, we took 2 weeks off, where we just had crews doing emergencies, so any work orders that came in during that time hit the backlog. We've always been understaffed in terms of contractors; sometimes there's only 2-3 linemen per week – in my view we need more to get the work done in a timely fashion. In the past, we've brought in additional contractors to augment the work, but didn't do that this year. Those are the primary drivers.

Butch Hollowell: Is there a pattern to the backlog i.e., lights going out, is it east or west side, or evenly distributed?

Beau: No, it's not geographic, a lot of times what we've done now is prioritize the work – before we would release the work and the contractor would complete the work in the way they wanted to complete it. We have stopped that now and are only releasing jobs that we prioritize, so the work is equally distributed geographically in terms of type, but the work that we're releasing is the easier work with the most impact for the least amount of time.

Ric Preuss: I noticed the pole on the corner of 6th Street is down for the third time, as well as other locations. Have we looked at relocation of poles so that they won't have to be replaced multiple times a year?

Beau: Great question! No we haven't pulled that data that identifies areas where poles have been knocked down more than once; Ben, do we have that data to sort through?

A. Benjamin Barker: Yes. We have the ability.

Beau: Ric you're absolutely right. Ben will put this on our list of things to undertake.

Dr. Thomas: The viaducts - is this the issue Councilwoman Castañeda Lopez came to us with a couple of years ago?

Beau: From my understanding, she wanted all viaducts lit throughout the city. I've been working with her the last couple of years to whittle that down to where we actually need them. So I had one of our Facilitators – Mark go out to do an analysis of all viaducts – especially those in proximity to schools and put a price component on it; by looking at whether it had a feed point, existing infrastructure and what we would actually need to get the ones lit that would have an impact as opposed to a shotgun approach. Hopefully we can put the issue to rest by having some goodwill and taking care of a couple of these.

Dr. Thomas: So you think there is a correlation between the increased severity of the knockdowns and the increased violence that we're seeing in the city?

Beau: I would think that with more violence comes more aggression. When one is more violent there comes more aggression. I think people might be drinking a little bit more now. People are on edge and take out their aggression when they drive. I've heard of a lot more reports of people racing along 7 Mile; the east side... yes, I think they're societal trends you can correlate to the increase.

DISCUSSION ITEMS:

a. New Maintenance RFP Recommendations

Beau introduces George Pitchford to give an overview of the 2020 Maintenance RFP process as he facilitated. George begins by saying the PLA did release an RFP for the maintenance work. The PLA would ultimately deal with 2 qualified vendors. The reasoning behind this was that the PLA was looking to maximize the capacity to address the maintenance work that needs to be done, as well as have a deeper pool of expertise to draw from by having more than one vendor under contract, so that the PLA wouldn't be overly committed to just one contractor. With that in mind, after receiving six responses from six different vendors, (the Board has been made aware of the vendors as well of responses they provided), there was a selection committee put together that consisted of Charlie Beckham, former City of Detroit employee – former Director for PLD as well as other public works throughout the City, Jamal Harrison, current General Services Department employee and former PLA employee, and Mukesh Patel, who is currently a contractor for PLA, who assists in a variety of positions. The selection committee was given an opportunity to review all submissions, they conducted interviews with all vendors who provided a submission, and based on that, they came with the recommendation (included in Board's package). The 2 vendors that were recommended were Harlan Electric Company and Universal Contracting Services. George notes it was a conditional recommendation in the instance of Harlan Electric – as they made certain commitments to relocate a site into the City of Detroit as part of their bid, so the committee was very clear that they wanted that commitment formalized before Harlan would commence actual maintenance work under the contract. They also recommended the PLA negotiate with Harlan with some of its pricing and have some established metrics to monitor Harlan's usage of City of Detroit residents as employees. The other company selected

was Universal Contracting Services. The two conditions on that was to negotiate the pricing and establish the metrics with regards to City of Detroit residents. Universal Contracting Services is already headquartered in Detroit and has a significant presence in the Detroit area.

This recommendation has been discussed with the Executive Director who may want to comment on it, but he does concur with the idea of negotiating with these vendors. To answer the Board's question, in addition to George, Mohamed Hassan as well as Mukesh Patel were on the call if the Board has any questions regarding what the selection committee discussed and what may or may not have persuaded them.

Dr. Thomas thanks George for his presentation and then asks if there are any questions.

Butch: I think that the approach is very smart as it relates to not one but two vendors. The push to get more offices open in the city is very smart, and certainly the emphasis on pricing. My question relates to safety and liability. In Section 5, under Task 2 of the RFP, it talks about safety. My chief concern as always, is not just the training for onboarding and continuous training, but the make safe protocols ensuring that the contractors have those in place particularly for when they come into contact with energized wires. To me more than anything else is critical. I'm assuming we have the regular "hold harmless" language and the like; but just ensuring that whoever is out there is properly trained and that they have make-safe protocols as to when they come to an energized line is the most important. Just wanted to make sure you are comfortable with that.

Beau: When we negotiated our current contract, we did put language in on the energized conductor. I do think that language can be improved upon to make it more definitive. There were some things that needed to be improved. The firms selected currently have pretty good safety programs in place, one with a national presence. Universal works on DTE property and PLD property as well, so they're familiar with the infrastructure.

George: In that, on the contractual side in general, the contract we put together last time was PLA's first maintenance contract as we were transitioning from the construction phase. There have been some lessons we've learned along the way over the last 3 years. To Butch's concern, even the current contract has strong legal language about indemnification, liability. However, ironically, we had already identified the safety component to beef up even more this time around, so the input is heard and taken to heart.

Beau: One more aspect in this, when we negotiated the first contract, the safety aspect has always been around worker safety, but we've found that given the number of make-safes and some of the accidents in the city involving downed wire takes us on a different priority of public safety, I think some of that language needs to be integrated into our contract; as it pertains to leaving wire down, turning over a job site from one crew to another, and handling wire temporarily taken down, will be added as well.

Butch: The focus here is internal, we need to make sure those protocols are strong, I was referring to the terrible tragedy involving they young girl that came into contact with the energized arc wire. Everyone was pointing the finger at everyone else. I just want to make sure is that you've got something that where the public does come into contact with potential energized wires, the protocol is in place that once we get called or one of our contractors gets called to the area, we make it safe and stay there so that no one leaves; and someone wanders on the site, and have some sort of tragic occurrence happen. Even if you have the best language, the shielding of liability that will get broken if you have that type of tragedy and don't have those policies in place. So it's great on the internal training and externally how do we keep it safe for members of the public.

Rod Parker: Is there some reason we did not request audited financial statements?

George responds that he does not believe there was no particular reason, it was discussed very briefly and it was more so as standpoint of the timeline we wanted to get this done, and did not have issues with those who had not had audits done, so we took the financials as they were submitted.

Rod Parker: Universal had audited financial statements, but Harlan's came from the parent corporation. It gives me some concern – if we had some kind of liability to sue them, how do we know we could collect?

Beau: I used to work for a company similar to Harlan, I would suspect that if there were any lawsuits, the liability would fall under the parent company. Beau asks George for verification.

George: It always depends upon the specific circumstances. We can take some steps in the contract as well to make sure they remain collectable.

Rod Parker then suggests during the negotiations, PLA request a breakout of Harlan's and the last audit financial statements from Universal.

Beau states that he's not sure that Harlan will be able to provide the breakout at the local level. So, we may end up getting an audited financial statement from their parent company.

Rod Parker states it can be something as simple as revenue, expenses and income.

Patrick Padgett: Was it clear during the interviews/discussion that multiple vendors would be selected?

George: Yes. One of the preselected questions that all vendors had to provide a response to was, were they prepared to work with other contractors on this project, and what was their experience in working with other contractors. Additionally, throughout the RFP it was made clear the PLA had the right to select more than one contractor, but even as part of the interview process, it was made clear PLA was looking to select more than one vendor, of which both vendors answered in the affirmative.

Patrick Padgett: Do we have an unbiased mechanism to distribute the work? How work is assigned, and how to resolve questions between the two?

Beau: One of the things we plan to do is to have a Friday coordination meeting that assigns work for the next week. We'll have a pool of work that is being distributed, and we'll be able to work through their different capacities. Both of these companies have multiple customers, so they may have jobs where one is better than the other. If we choose not to assign work geographically, we assign work type; such as underground, pole setting, crews that just hang fixtures. They're a lot of ways to divide the work.

Rod Parker states at his former employer work was assigned regionally. The after a period of time, we looked at the performance based on time of completion and cost, then the one doing the best will be rewarded more work.

Ric Preuss: What will happen if one of the contractors we select – there's an issue with our expectations or problems regarding hiring City of Detroit residents and have a presence in the City of Detroit. If contractors fail to meet our thresholds, what's our recourse? The other question is the RFP went out in June – when did we finalize the process/period of evaluation with the committee?

Beau: On how we can guarantee their commitment for City of Detroit workforce participation, one of the things we will do, and that goes with all of our contracts – it's more or less an at-will contract having 2 contractors will give leverage if one of them does not perform in this sphere or any other sphere, we can assign all work to the contractor that is performing and meeting expectations. We can pull work back, and

even pull back the contract if there's a blatant misrepresentation of their intentions from the beginning. We will monitor this and bring back before the Board for updates.

George mentions the timeline – the RFP went out June 12th, the responses came back July 17th. The committee was formed the last week of July. Had a week to review the responses. The interviews were held at the end of that week, and within 2 days they had finalized their recommendations.

Ric Preuss – because we've had issues in the past, and no one wants to see any contractor fail, my concern is that we have not rushed through this. If it takes a little longer to find the right contractor, that's time well spent. It's many years of aggravation to not get the right contractor.

b. Lease of Yard

Beau: We made a determination that it's in the PLA's best interests to manage its own inventory and distribute material to crews and contractors weekly so as to have a better gauge of what is going where, how it's being stored, and how warranty claims are being processed. Given that we're going to 2 contractors, we're almost forced to do that anyway, as we wouldn't be able to have 2 contractors managing 1 yard. So when we looked for our current office, we were taking into consideration the possibility of hiring our own crews so we had a good idea of the real estate market in Detroit and what we could afford, what was available and what made the most sense. We found a yard with a small office space – 200 square feet and a very large inside/outside storage space. The total comes to about \$7,000.00 a month, which would bring us to where our previous lease would have been at Cadillac Tower for everything. One thing to consider is that we're now parking our cars at this yard. So there is an opportunity cost that we're saving for PLA fleet, and all personal cars for PLA employees, which comes to around \$3,000.00 per month we're saving.

Additionally, we've had a lot of problems with warranty claims and processing and I think that alone with make up the share from an accounting standpoint. This will also give our field staff a separate place to congregate in the morning, arrange inventory for the crews and deploy from, and we'll be having all materials delivered right to us. From a social distancing standpoint, in the short term, it makes a lot of sense to keep people out of downtown and public buildings as much as possible.

Dr. Thomas: You're planning to park staff cars at this warehouse – isn't this on 23rd Street?

Beau: Not office staff. We have 6 vehicles – PLA fleet. The vehicles will be stored on 23rd street as well the employees who drive those six vehicles will park their personal vehicles there and won't need to park their vehicles in the downtown area.

Rod Parker: What were the warranty issues?

Beau: We were leaving that in the hands of our contractor. If a light failed, it would be on them to package it properly and return it to the manufacturer, have it delivered; and we weren't involved in the process making it impossible to put any quality control into it. We did receive complaints from the manufacturer on the state of the returns. We don't know if every model that was eligible for a return was indeed returned, because we weren't able to access why it went out in the first place. We will just have a lot more ability to oversee the inventory process both on the front and back ends.

Rod Parker: Will staff be increased to man that facility?

Beau: We may have to bring on one person that can manage a hi-lo, but we can use our current staff and add a line item to their job descriptions. If we need to, it won't be a large expense; it would be an entry level position.

Rod Parker: Will we have to invest in inventory management software?

Beau: We may. We haven't gotten that far yet. We looked at bar coding our inventory, based on input from John Vernon, Inventory Manager, a few years ago, we received a quote for that, but was not very expensive.

Dr. Thomas: Are we paying now to store inventory at the Stateline Yard?

Beau: In a roundabout way yes – it was integrated into their pricing for the previous RFP, so theoretically we are but it's not a cost that's separated out.

Ric Preuss: The material we have there, how will we get it back?

Beau: We will have to move it.

Ric Preuss: As far as inventory – what's ours, what's theirs?

Beau: Beau ask John Vernon our Inventory Manager to reply

John Vernon: We have a count of all PLA materials. He's over there weekly to check on inventory. It will be an easy process to move everything out, it will just take a little time.

Rod Parker: What's the sense of urgency in finding the yard, month to month before we have the contractors in place?

Beau: We had some residual inventory at third party contractors that we needed to move. Stateline's yard is essentially full, and we didn't want to have to move it twice. We wanted to have a place outside of downtown for our vehicles, because we didn't want people coming into the office. We also had the old Leotek's that we needed to preserve until we could dispose of them.

Rod Parker: Are we the only tenants?

John Vernon: No. There are GM and Ford. We have the area just for us detailed on the map in the board package as well as the whole yard outside has been guaranteed for us.

Rod Parker: Is the yard mainly for vehicles?

John: We can use either the yard, as well as the inside for vehicles.

Rod Parker: What about the poles, will they be inside or outside?

John: The poles will be outside.

Dr. Thomas: During the winter, the vehicles can be inside?

John: Yes.

Dr. Thomas: Is this property owned by the same people that own the office building?

Beau: Yes.

Patrick Padgett: Do we own shelving and suitable storage or racking?

John: We do have a good amount of shelving for storage that we will transfer over to this warehouse, so our materials will not be on the ground.

Ric Preuss: What was the address of the warehouse?

Dr. Thomas: 2703 23rd Street

Rod Parker: Is that off Vernor or Michigan?

John: Off Michigan Ave.

Dr. Thomas adds that the Board would like to have a tour once it's all together.

ACTION ITEM(S)

Resolution 2020-02

Dr. Thomas then asks if there are any questions regarding these resolutions. Hearing none, Dr. Thomas asks for a motion to approve.

Motion made to approve by: Melvin Butch Hollowell
Seconded by Ric Preuss Motion Carried

Resolution 2020-03

Dr. Thomas then asks if there are any questions regarding these resolutions. Hearing none, Dr. Thomas asks for a motion to approve.

Motion made to approve by: Rod Parker
Seconded by: Patrick Padgett Motion Carried

PUBLIC COMMENT

None

ADJOURNMENT

Motion to adjourn made by Melvin Butch Hollowell
Seconded by Rod Parker
Dr. Thomas adjourned the meeting at 2:56 p.m.

