



OUR MISSION is to improve,
modernize and maintain the
street lighting system in Detroit.

PUBLIC LIGHTING AUTHORITY
Board of Directors Special Meeting
Via Uber Conference
October 5, 2020

Board Members in Attendance

Dr. Lorna Thomas, Chair
Rod Parker, Treasurer
Ric Preuss
Beau Taylor, Executive Director

Resolution:

Resolution 2020-04

Motions Carried/Failed:

Resolution 2020-04 Tabled

Board Members Absent

Melvin Butch Hollowell
Patrick Padgett, Secretary

Legal Representative(s)

Floyd Allen
George Pitchford

CALL TO ORDER

The Regular Board Meeting of the Public Lighting Authority (PLA) was held on October 5, 2020 via Uber Conference. Dr. Lorna Thomas, Chair of the Board, called the meeting to order at 5:04 p.m.

ROLL CALL

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

APPROVE AGENDA

Rod Parker calls for point of order and asks about the Minutes from the Board Meeting of 8/21/20.

Marie Brown explains that since this was a special meeting and due to the urgency of getting meeting information to the Board it was decided to withhold the minutes until the next scheduled meeting.

Motion made to approve the amended agenda by

Motion seconded by

Motion Carried

PUBLIC COMMENT

Dr. Thomas asks if there are any members of the public who wish to speak, and instructs such to announce who they are, their relationship to this meeting and to limit their comments to 3 minutes.

Anthony Adams: Good evening, my name is Anthony Adams, I'm the attorney for Stateline Construction & Maintenance, LLC; they're the current incumbent on the maintenance contract. I'm assuming based on the fact that you're getting ready to move forward and award the contract, my client who has not been notified of such award is not the selected vendor. So, we will be filing a protest, if that is the case with the agency to lay out certain concerns of which I will forward by letter to Mr. Pitchford as well as Mr. Taylor for presentation to the Board. I think the letter is self-explanatory and raises serious questions about the process employed by PLA and people who are under its control. Thank you.

Dr. Thomas asks if there are any other members of the public who wish to speak. Hearing none, Dr. Thomas asks for the Executive Director's Comments and ask that we roll Roman Numerals V and VI together in his comments and introduce the discussion items in Roman Numeral VI for efficiency.

EXECUTIVE DIRECTOR'S COMMENTS & DISCUSSION

Beau begins by acknowledging IBEW Local 17 Business Manager Dean Bradley, who is retiring today. He's been a stalwart partner to the PLA with both the construction and maintenance phases and represented a number of the employees at PLA and he just wanted to recognize his contributions and wish him the best of luck in his future endeavors.

Beau begins to talk about the contract – the panel made a recommendation; and we brought vendors in together and negotiated in tandem, as we wanted to make sure they were on the same rates. We didn't want to have each company doing the same work at a different rate. PLA and the vendors came to an understanding on T&E as well as Unit Rates. We will start out on T&E and assess after a period of time whether or not that makes sense.

What is a little different is with this contract as opposed to the last contract, we the language regarding Detroit residents – we made that a little more robust with the goal of 50% Detroit residents as well as participation in our development program for future apprentices. One of the requirements the panel did put on us was for Harlan to establish a presence in the City of Detroit; they have done that – they will be right at our yard with us. We have most of the material moved to our yard. We still have a few things to clear out of other places which should be done hopefully within a week.

Other language in the contract talked about not leaving downed wire, making sure that it is transferred over.

There's a PLA safety plan that needs to be improved – the contractors will come up with it and we will work with them to approve it.

Finally, it's a 3-year contract with 2 add on years. Beau then asks if there are any questions.

Rod Parker: Help me understand how T&E versus unit prices work? How is it determined which one is used?

Beau: Time and Materials – essentially, we're compensating them for the hourly rate plus whatever mark-up they have, as well for equipment. On a unit basis each unit (can be as minor a photocell, to as major as replacing a new light fixture and burying underground wire) that is done based on what is achieved in the field. With Time and Expense, I believe the crews are more thoughtful; they are not trying to get everything

done as quickly as they can, but the best that they can. In addition, it relieves some of the administrative burden on the contractor and PLA, because we don't have as much need to go out counting individual units in the field. So, we've done both on our current contract, and I believe this one is the best way to start. We can find out, and there is language in here for us to regroup after 6 months, circle back and if we need to adjust, we can. With time and expense though, we're limited on our upside – we can control it based on the number of hours. With units, how many units they get we have to pay for. I prefer time and expense, but I don't want to memorialize that 100% without having the option to revert back based on performance.

Rod Parker: I understand that. I'm just trying to figure out – but, what I hear you saying is that we go on time and attendance first, then 6 months later we have the option to go back to unit pricing?

Beau: Yes.

Rod: I was wondering how the choice was made, because both were in the contract?

Beau: Unit pricing is best used when you have a project that can be laid out from start to finish, you know what units apply. But when you have maintenance, which is more emergent, essentially, you don't know what units apply until you get into the field and a lot of it is on the honor system with the contractor to tell us what they did; and it makes it really cumbersome to oversee. Not that it can't be done, but I want to see the implications to T&E and see if the costs balance out.

Rod: So, regular work will be on Units and emergency work on T&E since you don't know what's in the field – that's my take on it.

Beau: Even with regular work a small job relatively small, we may get 50-80 per week, and it would be impossible for us to go out and predefine that work. But if we have a job like Mound Road where we need to install another 100 lights, that we can very well go out and pre-flight it and tell exactly how much it should cost and know the units that go into job. Likewise, down the road, I think we might get into a position where we get some larger underground jobs that are pre-defined and would take a week to two weeks then we could apply units to them, if it makes sense.

ACTION ITEM(S)

Dr. Thomas asked for a motion to approve the resolution

Resolution 2020-04 Approval of 2020 Streetlight Maintenance Contract

Rod Parker called for discussion

Rod Parker: The last time we met I had questions about financial statements of the two companies. I guess would like to make an amendment (it's probably too late to make an amendment) but given these economic times I would like to propose on an annual basis they submit audited financial statements to ensure that during these difficult times, they're financially viable.

Beau: Both companies are on the line. Is it okay to engage them for discussion on this?

George Pitchford: Yes. The only thing I would want the Board to be aware of is that under the terms of this agreement, we actually have the right to request certain records. I know one of the companies proposed to get this contract is a public company and that can be a little difficult in terms of what records they can and can't release and what form it's in. We've made them aware that based on the discussion at

the last Board meeting the Board would need some indication of their financial soundness. If you would like to open it up to the 2 contractors for additional information, that's fine.

Dr. Thomas asks Rod Parker that not a formal amendment you were just proposing, that was a suggestion?

Rod Parker: Absolutely.

Adam Segers, Harlan Electric George is correct, we're part of a publicly traded company we can certainly share our public financial statements but we can also share our individual company financial request, but there may be a of non-disclosure agreement of some sort we would request of PLA but not a problem, I believe there are provisions in the contract that PLA can audit our financials at any time. So I have no issues with that.

Kevin Bryant, Universal Contracting Services We're also willing to provide financial documentation or records that you need. Any point, we've been open and fully undisclosed of all our records thus far. So whatever you need to provide to show our liability to performing the work we'll be happy to provide any documentation.

Ric Preuss: Is it appropriate for me to ask these contractors what their commitment is toward hiring Detroit residents if and who ends up getting awarded the project, what type of commitment do they have to hiring?

George Pitchford: Once again, just before the contractors address it, I would point out, and Beau touched on it one of the differences in the operation and maintenance contract this time around is there is a section in the contract that makes it very clear that it's a material breach not to have both a yard and office in Detroit as well as it sets a goal for at least 50% Detroiters, it has reporting requirements to both to the PLA and to the Board, but I think you're looking more for some process information, so it is absolutely appropriate to ask the contractors that and for them to weigh in on.

Beau: Prior to them answering, I'd just like to say, the PLA will be actively involved in this process, so as new candidates come to the contractor we will have the ability to review those names and make sure they're on the right trajectory to meeting that goal as well participation in our pre-apprenticeship program. So I would like to hear from the contractors as well. I think it will give the Board a level of comfortability.

Adam Segers, Harlan Electric We are certainly committed to hiring Detroit residents and we have in the last couple of weeks even proactively in anticipation brought on a couple of employees and are in in the process of training. We do a similar scope of work for Detroit Edison and maintain all of their streetlights north of 8 Mile, so they are already getting exposure to the industry and we are committed to the pre-apprenticeship program, working with Local 17, working with schools in the community, in the City of Detroit, working with PLA, and through the hiring process, we are committed to the Detroit residents, on to the property. So within our company/organization it doesn't stop with PLA and this project here. We are promoting this to our other projects and customers as well because we are very passionate about this cause.

Ric Preuss: How many Detroit residents do you employ currently?

Adam Segers: We have 4 Detroit residents that I am aware of currently.

Kevin Bryant, Universal Contracting Services As Adam stated, we are very committed to this cause, we're excited about the opportunity and currently as far as our staff is concerned, over 48% of our employees living in the City of Detroit that's part of the power and our street light crews. We also do traffic

management where out of 37 employees 30 live in the city of Detroit; that's a higher percentage within that division of our company. As far as the mentoring program, we have identified all city of Detroit workers that we're looking to place in this program, We're excited because a lot of the dedicated traffic control employees are interested in the program looking to the next step, and we'll be able to backfill those positions with city of Detroit employees. We have a high percentage of Detroit workers, we're excited about being given this opportunity; all employees will be part of the local, so they'll receive high wages, retirement benefits, health care, and paying taxes within the city of Detroit, so we're very committed, we've been doing it, this is something that we're passionate about so when this opportunity came and Beau brought it to us, the mentoring program we were on it, excited about it to continue to provide employment opportunities for people living in the city of Detroit. So that's our breakdown of our staffing.

Beau: And to conclude, we did put language in each one of the contracts for the contractors to be required to appear before the Board to discuss this issue and plan on having them do either bi-annually or annually to discuss and review the data, to ensure compliance and just to make sure everyone knows how we're doing and we're on the same page.

Dr. Thomas: If you would like more specificity that information is in Article 5, II entitled Project Staffing.

Dr. Thomas asks now to consider Resolution 2020-04.

Ric Preuss: I would like to ask how they derived at the contractors, how many people were bidding on this project, and how did we come to the process of elimination?

Beau asks George Pitchford to answer as he states he was not involved in the process.

George Pitchford: There was a written RFP that was put out soliciting bids from interested contractors, I believe there were at least 6 respondents. Upon receiving the 6 responses a selection committee was formed to a recommendation to the board with regards to who to move forward with. The PLA had requested of the selection committee to recommend at least 2 with the thought that this time around, there would be more than 1 vendor. After reviewing the RFP responses the selection committee presented the formal recommendation that was provided to the Board at the previous Board meeting, and from there the Board voted for the PLA to enter into negotiations with the 2 selected vendors.

Ric Preuss: How is the vote going to happen? Will we be voting on both contractors; or is this going to be separate voting?

George Pitchford: It would be a separate vote; because both contractors have the same contract, you would be voting on this contract, and that would authorize the PLA to enter into the contract with both vendors.

Ric Preuss: Say that again?

George Pitchford: You're essentially approving the contract as written, the form of the contract. So, it would be the PLA would be authorized to enter into this agreement with these 2 contractors.

Dr. Thomas: It's articulated in Roman Numeral V of the resolution in the Board package.

Rod Parker: I'm not comfortable voting on a major contract like this without the whole Board. So I will ask can we defer this vote until we have a full Board quorum. And, I'm thinking at the end of October we have to vote on the Audit Report, so maybe this should be deferred until then. That would be my request.

Dr. Thomas allows George to respond to Rod's request.

George Pitchford: Ultimately, if the Board wants to table something it can table something. The one thing we would need to deal with is the current contract expires on October 18th. So just from a logistics standpoint that would have to be dealt with, but the Board absolutely has the ability to table something if it wants to.

Rod Parker: Can we give them a 30-day extension?

George Pitchford: Without wanting to speak for the current vendor, I suspect they would be willing to do that.

Anthony Adams: We would be prepared to do that, Anthony Adams speaking on behalf of Stateline.

Rod Parker: Were you speaking for Universal, Mr. Adams?

George Pitchford: Anthony Adams represents Stateline who is the current vendor. It is their contract that expires as of October 18th. I believe what he is evidencing on behalf of Stateline is that they would be willing to enter into some sort of extension if the Board were to for some reason want to table the action today.

Beau Taylor: One thing to think about, we do have a considerable backlog that is only growing. It is our hope that we could have our current contractor finish their contract and have these 2 contractors start and overlap to help pick up that backlog. If we're okay with maintaining that backlog for another 30 days or so, that's the Board's decision to make, I just wanted to make sure that we all know what environment we're working in right now.

Anthony Adams begins to speak out of turn. George Pitchford does not allow him to do so, saying this is not an open meeting where he can just jump in and begin to speak. He acknowledges his need to advocate for his client, but we will not get anywhere being out of order.

Dr. Thomas: Given that we do have a quorum of the Board and I am asking if you are ready for Resolution 2020-04 which appears in your packets under Tab 2?

Ric Preuss: If this vote does not happen today, if it's postponed until we can have a full Board, how will that effect your operations?

Beau: We're moving all of the material now, we're in a state of transition, and there's considerable work that needs to be done and our plan was something different than this. So, it will have adverse effects on our operations. But we can work through anything. If we're okay with those adverse effects, we'll work through it. Obviously, I would prefer to move forward with the plan we had, but we're at the discretion of the Board.

Ric Preuss: The contract expires on the 18th. So we have 2 weeks. If we get too close to that deadline is problematic, to delay it for a couple of days, a week. At what point does it become problematic to the point of costing PLA money?

Beau: I think we can mobilize relatively quickly. I do think the selected vendors are in the process of staffing up, so it may cost them money. As far as the PLA I don't think it will financially impact us, it's more reputation than operational.

Ric Preuss: Did you say reputation?

Beau: Yes. Because we we're not able to at this point get the lights fixed in the amount of time that we've committed to the city. So, we really need to get some of these older work orders taken care of. Again, we can work through anything. My preference would be to move forward with the 2 selected vendors if you're asking me.

Ric Preuss: I have to agree with my colleague Rod Parker on this that I would feel more comfortable with all the Board members present for this meeting with such an important decision that has to be made that will have long lasting implications that we need to have a full Board would be my recommendation that we table until we have a full Board.

Motion made to table Resolution until next Board Meeting by: Rod Parker

Seconded by Ric Preuss Motion Carried

Dr. Lorna Thomas - Opposed

ADJOURNMENT

Motion to adjourn made by Rod Parker

Seconded by Ric Preuss

Dr. Thomas adjourned the meeting at 5:49 p.m.