

Lorain Port Authority
CONTRACT MANAGEMENT COMMITTEE MEETING
Tuesday, February 13, 2018

Committee: Ms. Carr (6:06); Messrs. Kuszniir, Nielsen, Zellers and Zgonc

Board Members: Mrs. Cook; Messer's Bansek, Davila and Mullins

Staff: Tom Brown, Executive Director
Tiffany McClelland, Economic Development Specialist
Kelsey Leyva, Office Manager

Guests: John Schrenk

I. Roll Call

- A. The committee meeting was called to order at 6:00 p.m. by Chairman Alan Zgonc. Roll call indicated a quorum present.

II. Report of Chairman

- A. Long EDA Contract: Mr. Zgonc said Messrs. Tim and Joe Long attended the meeting in January to reintroduce themselves and give a presentation. Mr. Brown said some board members hadn't met them yet and felt it was a good idea to bring them in. He said following the presentation, it is still the recommendation of the staff to retain Mr. Long at a rate of \$1,000 per month. Mr. Nielsen said Mr. Long has been a valued partner over the years and believes we should continue it. Mr. Zellers found it very helpful to meet Mr. Long. He asked for clarification on the term of the previous contract. Mr. Brown said T. Long was incorrect and the previous contract expired at the end of 2017. Mr. Zellers asked if Long EDA was asking for \$15,000 annually. Mr. Brown explained the original retainer was \$1,250, but it was reduced to \$1,000 under Mr. Rick Novak. T. Long requested bumping the retainer back up to \$1,250 and Mr. Brown told him he would take it to the board. Back in December, the board agreed it felt comfortable with \$1,000. Renewing the contract for 2018 is tied into the CDFR assessment. Mr. Brown would like to get feedback on current setup. In 2019 the contract would be addressed. Mr. Brown said with the

assessment process, the Port has to be willing to change, so at this point he would be against a two-year contract. He doesn't want to be tied into any contracts past 2018. Mr. Nielsen then made a motion to contract with Long EDA for 12 months, retroactive to January 1, 2017, not to exceed 1,000 a month. Mr. Zellers seconded the motion. Mr. Zgonc said he didn't believe raising the rate to \$1,250 a month would be out of place. Mr. Zellers said he's fine with \$1,250. Mr. Brown explained the planning consultants line item was already budgeted at \$1,000 per month. After a little back and forth about the proper price point, Mr. Mullins suggested amending the motion to allow the executive director the ability to negotiate up to \$1,250 per month. Mr. Nielsen said that was a great idea and amended his motion to include the ability to negotiate up to no more than \$1,250 per month. Mr. Zellers seconded the motion. Motion carried.

B. Kelleys Island Ferry Boat Line Project – Engineering Services Agreement:

Ms. McClelland said right now we're looking at hiring the marine architect for the initial drawings to get the project moving. A committee reviewed the interested firms who submitted qualifications. TAI Engineering Services was selected, negotiations occurred and now there is a contract to review. Mr. Mike Brosky, the staff, ODOT and Kelleys Island have all reviewed the document and all parties are in agreement. It has now been brought to the Lorain Port Authority Board for approval. Mr. Zgonc asked about the total cost of the project. Ms. McClelland said the first phase of the project, which includes the hiring of this contractor, is just over \$300,000. The whole project is about \$6.5 million. Mr. Zellers asked where the money was coming from to pay the engineers. Ms. McClelland said Kelleys Island. The whole first phase of the project will be paid solely by Kelleys Island. Mr. Zellers said he's concerned with payment language. If we do not get paid from Kelleys Island, will money go into an escrow account to pay for the engineers? Ms. McClelland said she's not concerned because Kelleys Island is required to pay the engineers up front through an escrow account and then they will be reimbursed later from the state. The money

has to be there and they know this. Ms. McClelland said there is a separate contract with Kelleys Island ensuring the money is in escrow before the project begins. Mr. Zgonc asked about the 30 percent advance to TAI. Mr. Zellers said it's about \$34,000. Ms. McClelland said that's the amount paid at the signing of the contract. Mr. Zgonc asked about ABS and what that stands for. Ms. McClelland said it's a standard classification for boats, so this boat has to be built to ABS classifications to be certified. Mr. Zgonc said that should be described somewhere in the agreement. Mr. Brown said marine architects, shipyards, ODOT and federal highway all know the lingo. Mr. Zellers asked Ms. Carr if she read the contract. Ms. Carr said she did not. Mr. Zellers then asked Ms. McClelland to double check with Mr. Brosky item number 10, which is the indemnification. It talks about only 25 percent of charges going to the engineer and Mr. Zellers said that seems low to him. He said he would be okay with it as long as Mr. Brosky and Ms. Carr are okay with it. Ms. Carr asked who the indemnification was coming from. Mr. Zellers said it comes from the engineers. He then added that it felt it was necessary to include errors and omissions insurance. If something happens down the road, we need to be able to go back to someone. What type of insurance should they have to protect us? Mr. Mullins asked for Mr. Zellers to clarify his concern. Mr. Zellers said he believed there needs to be minimum insurance requirements. He said the company may very well have all the insurance they need, but he wants a paragraph included in the contract about it. Mr. Nielsen asked if contract was approved by everyone but us. Ms. McClelland said yes. Mr. Zellers said he believed the solution would be giving the executive director or his designee the ability to negotiate on the points he brought up. He said he's okay with passing the resolution but wanted to be sure the contract covered everything. Ms. Carr said she'd like to know what the industry standard is for indemnity caps because 25 percent does seem a bit low, but that may be the industry standard for

those type of services. Mr. Zellers moved to send the contract to the board for approval. Mr. Kuszniir seconded. Motion carried.

- C. Able Rents stage top proposals: Mr. Brown said we've used Able Rents for the last three years. It's a local company. They come out on a moment's notice and they worked some issues we experienced last year into this year's cost. Mr. Brown explained the stage top is typically put up in May and the changes in temperature require an extra tightening. Our stage top is a specialty item. Mr. Brown said there aren't a lot of places willing to put it up, and Able Rents even installs the railing. Mr. Zellers asked if Able Rents also provides storage. Mr. Brown said yes and explained there are three phases. The first is install, the second is removal and the third is storage. Mr. Mullins asked what we spent last year. Ms. McClelland said last year was \$11,500 and this year we're looking at spending \$13,000. She explained the price increase is not surprising because last year Able Rents had to come back to retighten the stage top and they also need a lift. For the past two years the Port has had to coordinate with someone to get a lift out and now it's just factored into the total price. Mr. Nielsen asked how many years are left on our current stage top. Mr. Brown said the staff will likely go out for RFQs to see what our options are, what's out there and what the cost might be. The current stage top is basically to the end of its lifecycle. Ms. McClelland said this will be its 10th year going up. Mr. Nielsen said the Port has spent a lot in maintenance and restoration of the stage top. Long-term, Mr. Brown said we need to come up with a permanent structure. Mr. Nielsen suggested putting together a timeline of when we'll need the permanent structure. Mr. Brown said he would like to get some design ideas later this year. Ms. McClelland said the stage top has tentatively been penciled into the 2020 budget. Mr. Brown said he could look into cost estimates as well. Mr. Zellers moved to recommend to the full board the approval of the three proposals submitted by Able Rents. Mr. Nielsen seconded. Motion carried.

D. MT Business Copier Lease Contract: Mr. Brown explained our current copier lease is with MT Business. It's about time for an upgrade. The staff met with Mr. Chris Stack with MT Business. The structure of the new lease agreement is slightly different than the previous one. The first 2,000 copies per month are included at a flat rate. Additional copies beyond the 2,000 cost a discounted rate. The machine would be brand new. Mr. Brown said the Port has stuck with MT Business because they're reliable and offer great service. Issues are immediately addressed and the best part is MT Business is under the state bidding threshold. Mr. Zgonc asked if staff still provided copies for SCORE. Mr. Brown said he didn't think SCORE needed any copies made in the last six months or more. Copier usage in the office has actually decreased since Mr. Brown joined the staff as executive director, according to the year-end report. The goal is to be more digital. Mr. Zellers asked for clarification on the cost of the lease and the cost of copies. Mr. Brown explained the first 2,000 copies are included in the rate we pay monthly. If in one quarter we exceed that amount, then we'll pay a discounted rate per copy. Ms. Leyva said the graph provided by Mrs. Smith was broken down by month due to the setup of our previous lease, but the new lease actually includes 6,000 copies per quarter. Our average use of black and white and color copies per month is about 2,000. We're still within the threshold. Mr. Zellers asked about the staff and whether or not they believe the new copier will do everything the office requires. Ms. Leyva said yes. Both Ms. Leyva and Mrs. Smith met with Mr. Stack and he explained the new Xerox machine will help the office become more digital. The copier will actually convert scans into searchable documents, making filing a breeze. Mr. Zellers asked how long the lease would be. Mr. Zgonc said the new lease agreement will be for five years. Mr. Nielsen asked if the Port could have a contract beyond the levy. Mr. Brown said he believed it was possible. Mr. Mullins asked if the agreement included preventative maintenance. Ms. Leyva explained there is a fee associated with an in-person visit, but issues resolved remotely

are included with the lease. Mr. Zellers said from a technology point of view, the Port may not want to have the same machine for the next five years. Ms. Carr said a lot of the machines can be upgraded without changing the entire machine. Mr. Mullins said he's not a fan of five-year contracts because you're locked in. Mr. Zellers suggested including in the agreement a piece about technology upgrades. He then moved to recommend to the full board the approval of the lease agreement with MT Business for up to five years with the ability to negotiate additional language about technology upgrades. Ms. Carr seconded. Motion carried.

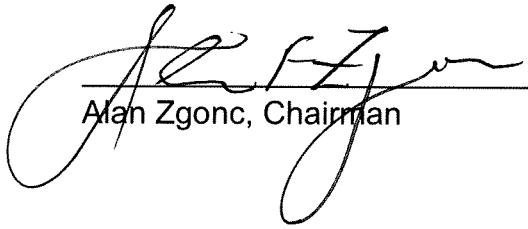
- E.** LED lighting upgrade RFP: Mr. Brown said the request for proposals is out. Mr. Zellers lent his assistance in formulating the request. The RFP is on Builders Exchange and it was emailed out to companies directly. The mandatory site walkthrough took place yesterday and proposals are due March 12. Six companies attended the walkthrough. The greatest hope is to finance this so we can get the cost savings. Mr. Zgonc asked about solar power. Mr. Brown said there are issues with recapturing the initial cost due to the climate. Once the proposals come back, they will be reviewed by committee. Interviews will also take place.
- F.** Insurance RFP: Mr. Brown said he scanned the insurance books and sent out the RFP. He spoke with the Port's current company, he reached out to city's insurance carrier via email and he also reached out to Janasco Insurance. Janasco will not quote due to the marine vessels. Mr. Brown said marine vessels are unique and have eliminated some of the area insurance providers. Four years ago, the Port had eight insurance policies. Those were consolidated into one with Allen, Thorley and DILoyde at a cost savings. Mr. Brown said this is not a performance issue. If the staff has a question, it takes five minutes for a response. The Board directed the staff to get additional proposals prior to May. Mr. Zgonc asked how many companies received the packet. Mr. Brown said about five. No costs were included in an effort to keep it fair. Quotes will be back by March 31 so the committee can meet in April and a decision can be made by May.

III. Other Business

- A. None.

IV. Adjournment

- A. There being no further business to come before the Contract Management Committee, Ms. Carr moved to adjourn. Mr. Zellers seconded the motion. The motion carried and the meeting adjourned at 6:38 p.m.



Alan Zgonc, Chairman



Tom Brown, Executive Director