FINANCE AND AUDIT COMMITTEE WORKING SESSION

MONDAY MARCH 16, 2020 4:30 P.M.

OR IMMEDIATELY FOLLOWING THE COMPLETION OF THE PLANNING, OPERATIONS AND MARKETING COMMITTEE MEETING

TRINITY METRO℠

FINANCE & AUDIT COMMITTEE
WORKING SESSION

MONDAY MARCH 16, 2020 4:30 P.M.
OR IMMEDIATELY FOLLOWING THE COMPLETION OF THE PLANNING, OPERATIONS & MARKETING COMMITTEE MEETING

Fort Worth Central Station
Downtown Fort Worth
1001 Jones Street, 2nd Floor Community Room
Fort Worth, Texas 76102

Committee Members:

Alan Hooks - Chairman
Sylvia Alcala
Teresa Ayala
Jon Michael Franks
Nick Genua
Ray Taylor

Staff Support:

Fred Crosley, Finance
Richey Thompson, TEXRail

A. CALL TO ORDER		Alan Hooks
B. UPDATE		
1. Finance Update		Fred Crosley
C. ACTION ITEM		
1. FAC2020-14	Trinity Metro Headquarters Design/Build Contract	Richey Thompson
D. OTHER BUSINESS		
E. NEXT MEETING		**MONDAY, APRIL 20, 2020**
F. ADJOURN		

This facility is wheelchair accessible.
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TRINITY METRO℠

FINANCE & AUDIT COMMITTEE
INFORMATION ITEM

Item: Finance Update **Meeting Date:** March 16, 2020

Fred Crosley, Chief Financial Officer/ Vice President, will present an update on Finance.

Fort Worth Transportation Authority

Statement of Revenues and Expenses
Fiscal Year to Date January 31, 2020
(Unaudited)

	Actual	Budget	Variance
Operating Revenue:			
Fares			
Multi Modal Fares	$2,842,203	$2,801,821	$40,381
ACCESS Fares	369,579	370,930	(1,350)
Easy Ride & Corporate	280,097	240,863	39,234
Other Revenue			
Sales Tax	27,720,246	27,583,161	137,085
Advertising	166,668	166,668	0
Rental Income	280,066	275,433	4,633
Other	331,570	378,385	(46,815)
Total Operating Revenue:	31,990,429	31,817,261	173,168
Federal/State/Local Income:			
Operating Assistance Grants	720,999	464,839	256,160
Grapevine Contribution	3,412,263	3,358,048	54,216
Contributions from Partners	532,838	518,112	14,726
Total Assistance Income	4,666,101	4,340,999	325,102
Total Revenue	$36,656,530	$36,158,260	$498,270
Operating Expenses			
Fixed Route Operations			
Salaries & Fringe Benefits	$9,114,226	$8,318,333	($795,893)
Services	456,337	933,871	477,534
Fuels & Lubricants	301,436	499,375	197,939
Tires & Tubes, Materials and Supplies	671,869	653,633	(18,236)
Utilities	31,614	6,934	(24,679)
Other	6,169	8,242	2,072
Total Fixed Route Operations	10,581,650	10,420,387	(161,262)
ACCESS Operations			
Salaries & Fringe Benefits	1,929,533	2,057,308	127,775
Services	1,366,518	1,335,163	(31,355)
Fuels & Lubricants	80,888	161,367	80,479
Tires & Tubes, Materials and Supplies	139,476	195,046	55,570
Utilities	31,633	15,900	(15,733)
Total ACCESS Operations	3,548,386	3,765,484	217,099
TRE Operations			
Salaries & Fringe Benefits	(3,979)	45,845	49,823
Services	4,545,272	5,060,500	515,228
Other	1,106	480	(626)
Total TRE Operations	4,542,399	5,106,825	564,426
TEXRail Operations			
Salaries & Fringe Benefits	163,663	166,892	3,229
Services	4,713,362	4,672,382	(40,980)
Other	2,892,029	2,936,990	44,961
Total TEXRail Operations	7,769,054	7,776,264	7,210
General & Administrative			
Salaries, Wages & Fringe Benefits	4,081,053	4,936,515	855,462
Legal Services	194,694	156,996	(37,698)
Security Services	451,227	830,024	378,797
Other Professional Services	1,196,790	1,282,158	85,368
Vehicle & Facilities Maintenance	596,628	721,810	125,183
Utilities	391,508	470,121	78,613
Other General & Administrative	1,566,215	1,605,716	39,501
Total General & Administrative	8,478,114	10,003,339	1,525,225
Total Operating Expenses:	$34,919,602	$37,072,299	$2,152,697
Operating Income / (Deficit)	$1,736,928	($914,040)	$2,650,967
Capital Grants	11,939,613	11,939,613	0
Investment Income	363,265	827,050	(463,785)
Depreciation	(20,562,394)	(15,206,340)	(5,356,054)
Interest expense	(24,008)	(24,008)	(0)
Net Income / (Deficit)	($6,546,596)	($3,377,725)	($3,168,871)

Fort Worth Transportation Authority
Balance Sheet

	As of January 31, 2020
	(Unaudited)
CURRENT ASSETS	
Cash reserved for Operations and Insurance Claims	$11,000,000
Cash restricted for Rail Vehicles	803,346
Unrestricted cash and cash equivalents	6,014,698
Investments	10,000,000
Receivables	48,738,267
Inventory	1,919,674
Prepaid	3,724,129
Total Current Assets	82,200,114
FIXED ASSETS	
Work in Progress	68,434,843
Land	154,714,130
Buildings	152,189,922
Building Improvements	3,392,520
Machinery and Equipment	342,949,697
Improvements other than Buildings	712,912,850
Intangible Assets	18,897,291
	1,453,491,253
Less: Accumulated Depreciation & Amortization	(282,663,025)
Total Fixed Assets	1,170,828,228
TOTAL ASSETS	**$1,253,028,342**
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable and Accrued Liabilities	$19,394,276
Payroll Liabilities	2,478,450
Uninsured Loss Liability	413,987
Accrued Vacation	1,052,612
Accrued Workers Comp	267,033
Unearned Revenue	1,212,097
Unearned Grant Revenue	803,346
Cash Held for FWTA Scholarship Fund	57,943
Current portion of LT Payable to State	521,633
Current portion of LT TEXRail Loan	60,000,000
Current portion of LT Due Grapevine	10,156,382
Total Current Liabilities	96,357,758
LONG TERM LIABILITIES	
Long Term Payable to State	2,274,360
Long Term Payable to City of Grapevine	3,588,341
TEX Rail Loan	60,000,000
Total Long Term Liabilities	65,862,701
TOTAL LIABILITIES	**$162,220,459**
NET POSITION	
Net Investment in Capital Assets	$1,010,882,129
Restricted (Escrow Reserve)	2,000,000
Unrestricted	77,925,754
TOTAL NET POSITION	**$1,090,807,883**

ACTION ITEM

FINANCE AND AUDIT COMMITTEE
ACTION ITEM

Item Number: FAC2020-14 **Meeting Date:** March 16, 2020
Item Title: Trinity Metro Headquarters Design/Build Contract

BACKGROUND

Trinity Metro Headquarters is currently located in a leased space at Burnett Plaza and the lease expires in December 2021. In anticipation of the need to centralize operations when the Burnett Plaza lease expires, the Board approved the purchase of a building located at 801 Grove Street in March 2017 which will house Trinity Metro's new headquarters.

Trinity Metro plans to make the Grove Street and Alarm Supply Buildings its new headquarters in 2021, utilizing 40,000 of its 70,000 square feet of floor space, and lease the remainder. A new board meeting room accessible to the public will also be located in the Grove Street Building.

Trinity Metro issued a solicitation to procure the services of a contractor for a design/build project for the future Trinity Metro headquarters, located at 801 Grove Street. The contractor is to provide design, professional, technical, managerial, administrative, construction and other services as required for the design and build for the new headquarters.

A separate action item will be presented to Committee recommending the selected team for the Construction Management of the project, once Trinity Metro and the design builder team have agreed on the negotiations terms.

PROCUREMENT

In accordance with Trinity Metro's Procurement Policy and Procedures, a Request for Qualifications (RFQ 19-T023) was issued on September 10, 2019 and advertised on Trinity Metro's website. Seven qualification responses were received on October 17, 2019 from the following firms:

Thomas S. Byrne
Core Construction
KHK Group Ltd
Mapp, LLC
Mucklerory & Falls
Prim
Turner

A Trinity Metro evaluation committee reviewed submissions and short-listed firms for moving forward, based on their qualifications. The top three firms included:

Thomas S. Byrne
Core Construction
KHK Group, Ltd.

The Request for Proposal (RFP) was issued to the top three firms on December 17, 2019 and proposal responses were provided on January 23, 2020. Interviews of the three firms were held, and two firms were asked to submit a Best and Final Offer (BAFO) for their proposed response.

The fees include work for design services, construction bid support, construction phase services and other direct costs, such as insurance and bonds. The final cost of the project is to be determined following final design and negotiated construction costs. The agreed upon budget amount is not-to-exceed $6,500,000.

A minimum goal of 20% Disadvantaged Business Enterprise (DBE) for Design and professional services and a minimum of 30% DBE participation for construction services was set for the Design/Build project.

The evaluation committee rated the Top 3 firms, and after review of the BAFO, selected KHK Group, Ltd. as the top rated firm. KHK Group, Ltd. has agreed to meet or exceed the established DBE participation goals.

FINANCING

The cost associated with the Trinity Metro Headquarters design/build project is included in the fiscal FY2020 Capital Budget and the 2020 Financial Plan. It will be funded with a combination of federal funds and local money.

RECOMMENDATION

We request that the Finance and Audit Committee recommend to Trinity Metro's Board of Directors to authorize the President/CEO to enter into negotiations with the highest rated firm, KHK Group, Ltd., for an amount not to exceed $6,500,000 for the Trinity Metro Headquarters Design/Build Project. If the negotiation results in an amount that is not within the not to exceed amount, then Trinity Metro would negotiate with the next highest scoring firm until an agreed amount is reached that does not exceed the total amount of $6,500,000.

Approved by:

RICHEY THOMPSON, CHIEF ENGINEER	**DATE** 3-11-20	**PRESIDENT/CEO**