

**CONTRACT MANAGEMENT COMMITTEE MEETING
Lorain Port Authority
December 11, 2017**

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

Board Members: Messrs. Bansek (6:31 p.m.) Davila and Mullins

Staff: Tom Brown, Executive Director
Yvonne Smith, Accountant
Tiffany McClelland, Economic Development Specialist
Michael Brosky, Esq. (6:53 p.m.)

I. Roll Call

- A. The committee meeting was called to order at 6:05 p.m. by Chairman Alan Zgonc. Roll call indicated a quorum present.

II. Disposition of Meeting Minutes

- A. September 5, 2017: The minutes from the September 5, 2017, Contract Management Committee were presented for approval. Mr. Nielsen moved to accept the minutes Mr. Zellers seconded. Motion carried.
- B. November 14, 2017: The minutes from the November 14, 2017, Contract Management Committee were presented for approval. Mr. Nielsen moved to accept the minutes. Ms. Carr seconded. Motion carried.

III. Report of Chairman

- A. Spectrum Consulting Services Train Station Proposal: Mr. Brown said the Port has been assessing the rental structure of Train Station. Ms. McClelland reached out to a few groups. Spectrum showed interest and would like to make a presentation about an alternate solution for us. Ms. Cheryl Weber said it's more than a little bit of interest. Spectrum came to the LPA board three years ago when they noticed an article in the paper about the concession stand being subcontracted. They made a proposal and have had a good relationship with the Port since. From that time 3 years ago, Spectrum opened up a full-service kitchen, a café and is now close to opening its full catering service. Ms. Weber said Spectrum has a

full-service business now that is all about catering and food service for its students. When Ms. McClelland mentioned the Port may be interested in subcontracting the Train Station, Ms. Weber said she was ready to jump all over it. It is all about the jobs for Spectrum's students. Students can be a part of maintenance and janitorial department, which is at the City Center. The students would also be able to expand their food service opportunities as well, giving them another place to practice those skills. In preparing the proposal, Ms. Weber said she did a little research on what similar venues in the area are charging. The cheapest options she could find to accommodate the same amount of people as the Train Station were places like the Slovak Home and the American Legion. She believes we are underselling the property. What they're proposing is an increase in the rental fee from \$200 to \$250. The additional \$50 would then go back to the Port Authority to offset costs related to utilities, maintenance and upkeep. For Spectrum, about \$100 would be toward cleaning, databases and labor. That would leave a profit for Spectrum of \$100. Ms. Weber said that would go a long way toward offsetting the children who are working. She sees this as a great opportunity to utilize Spectrum's students in another environment. Spectrum would then like to be able to advertise the building as one of their venues available to the public. Ms. Weber said she thinks rentals would increase tremendously. They also see a big area of Black River Landing property, around the pergola, that is being underutilized. Outdoor weddings are a plight for people because there's no other option or you're booking two venues. At Black River Landing if it rains, we have the option of the Train Station as a backup. With the dates left available, Ms. Weber said she could see the building rented every single weekend for weddings and showers. They would need the master calendar but are willing to work around Bob Earley. Ms. Weber said whether it would be Spectrum or anyone else, there are a lot of details that would have to be worked out. For example, the keys or the protocol for if the A/C goes out. How are those type of issues resolved? There would

need to be ongoing discussions. As far as what else they may have, Ms. Weber said they are interested in the Train Station and have the capacity to include it in the overview of their organization. The other factor she mentioned is not everyone can afford a catering service. She wants to make sure the Train Station still has that option that they don't have to use Spectrum's catering. They would also discount the catering if the renter decided to use them. Ms. Weber then opened the floor to the board. Mr. Mullins asked about the schedule. Ms. Weber said yes, Spectrum would control the schedule. They would share the calendar with Ms. McClelland every month. Spectrum also wants a key to be able to show the building. If Spectrum is running it, they don't want to bother the Port. Ms. Weber said they would handle the fees, the paperwork and the cleaning of the building. Mr. Brown said he thinks the Train Station has been an ongoing issue since the Port got the building. He wanted to bring Spectrum to the meeting to at least open the conversation. Contracts and additional paperwork would need to be created, but Mr. Brown wanted to show there is active local interest. Ms. Weber said as far as viability, she doesn't think they would get to it this year as these types of undertakings take time but sees the possibilities in the future for open houses and more. Mr. Zgonc thanked the woman for her presentation. Mr. Nielsen asked about how much staff time that would eliminate. Ms. Carr and Mrs. Smith said a lot. Mr. Brown mentioned it would eliminate scheduling and contracting for cleaning. Currently, we have a leap of faith policy. We give them the keys and hope the lock up and clean up after. Subcontracting puts active management on the site. Mr. Nielsen said he thinks it could be a win-win for both organizations if negotiated properly. He is in support of subcontracting moving forward. Mr. Zellers asked if we should go out for proposals. Ms. Carr said she doesn't think there are a lot of affordable places out there. Mr. Zellers mentioned being criticized in the past for not doing due diligence. Mr. Brown said he looked into the Lorain County Metro Parks plan for the Sunset Terrace at Lakeview Beach and it's

expensive. Renters have to use their caterer and pay no less than \$25 per person. Mr. Zellers said he wants a little more due diligence and additional proposals. He said he thinks \$50 is a little low to be getting back but that can all be negotiated. Mr. Nielsen made a motion to further look into subcontracting out the Train Station. Ms. Carr said even if it's not a full proposal, just reaching out to other groups and seeing what's out there would be helpful. Mr. Davila said balance what we gain and what we'd be losing. Is the \$50 compatible to what we're getting now. Mr. Brown said we wanted to get the conversation started. Ms. Carr said she agreed with subcontracting. Even if the prices are a bit different, if someone is diligently marketing, you're going to make up in volume what's lost in individual rentals. Part of the reason the numbers haven't worked for us so far with the building is we don't rent it often enough to cover the overhead. She doesn't know if any others would operate like this, with the limited schedule, but Ms. Carr said she doesn't know if she cares to get other proposals if they're rigid and require a specific caterer. Mr. Zellers asked about the number of rentals in a year. Ms. McClelland said about 50. Mr. Zellers then asked about revenue. Mrs. Smith said it's difficult to say because this year when we had back to back rentals, the Friday group wouldn't clean well and then we were refunding money to the Saturday group. Mr. Zellers asked about how often we donate the building free of charge. Ms. McClelland said roughly 40% of the time. Mr. Davila said we don't want to lose the ability to offer the building for free. He doesn't want to lose the authority. Ms. Carr said that's not a question that can be answered today, but is something to be negotiated. She said she'd rather not donate for the building for free. Mr. Zgonc said the recommendation is to further study the idea. Mr. Brown said groups will have to be sensitive to our long standing schedule. It's not the easiest, but we'll do some more due diligence. Mr. Nielsen moved to further study the idea. Ms. Carr seconded. Motion carried.

- B.** King Fishery Agreement: Mr. Nilsen recommended the Port Authority continue the relationship. Mr. Brown said this is a longstanding relationship and a rather simple easement. They pay the Port \$400 for the year. Mr. Nielsen turned his recommendation into a motion. Mr. Zellers seconded the motion. The motion carried.
- C.** 2018 Lawn and Grounds Maintenance Bid Proposals: Mr. Brown said Ms. McClelland has a presentation prepared. He said he's not sure that the staff is ready to make a decision but the staff is prepared to do its due diligence to vet capacity and past performances. We hoped for a wider pool of candidates. Mr. Brown said he believed our regularity of going out to bid may be coming back to bite us. It costs people money to submit bids and Mr. Brown thinks some people that haven't gotten them in the past have moved on. Mr. Zgonc said we received four bids. Mr. Brown said that is correct. The Port used Builders Exchange as a way to get the request for bids out there, but we didn't have the reach we wanted. Mr. Zellers asked about the cost of last year's contract. Ms. McClelland said \$63,000 and change. Mr. Zellers then asked about the snow removal contract. Ms. McClelland said snow removal contracts are per season. She said there are inconsistencies in the numbers provided by those who submit bid packets. Out of the four bids we received, the lowest number was significantly less than the other three. Then if you look at performance and current contract, Ms. McClelland said she isn't so sure she wants our sites to look similar to those. When looking at the next lowest bidder, the staff has questions about capacity and whether they submitted the appropriate insurance and bid bonds. Ms. McClelland said the plan is to do due-diligence on all companies to ensure we have a full understanding. Mr. Mullins asked if a scope of work was included in the request for bids. Ms. McClelland and Mr. Zellers said the packet is very extensive. For example, the third lowest bidder called the week it was due asking if a bid bond was required. Brian-Kyles, the landscaping company utilized last year, was the third lowest bidder. They did up bid from last year, which we were not

surprised by because last year they underbid slightly. They knew they underbid the project so they adjusted. One company, Excel Management, is much higher than the other companies. Excel currently provides our snow plow service at a fairly low cost. Ms. McClelland said she would recommend leaving snow removal out of the lawn maintenance contract. We need to do more due diligence. Mr. Zellers clarified that Schill submitted a bid for the 2017 contract, but not for 2018. Ms. Leyva then explained Schill called in the day after bids were due asking if we were going out for proposals. Ms. McClelland said she personally emailed the company. It was advertised in the local paper and made available for six weeks on Builders Exchange. Ms. McClelland said she also personally sent a copy to BrightView Landscape and didn't receive a response. Brian-Kyles was the largest company to respond to us and we know they had capacity struggles last year. Now we're only getting smaller companies responding to our requests. Mr. Nielsen asked if it would make any sense to start from scratch. Ms. McClelland said the staff is considering that. Mr. Mullins recommended in the future calling companies like Schill and BrightView directly. Mr. Nielsen said due to the inconsistency in the numbers, he would support starting from scratch. Of those to submit bids, we have a certain comfort level with Brian-Kyles. His recommendation is to either throw the bids out and start over or consider Brian-Kyles. Ms. Carr agreed. Mr. Zellers disagreed. He said we asked community to put in proposals and they've done that. Four companies responded. If we haven't done the due diligence yet to meet with companies and check references and we're ready to throw them out, Mr. Zellers thinks that's ridiculous. Mr. Nielsen said the board used to have a habit of going with the lowest bidder and the Port ended up with an understaffed company. Mr. Brown said he'd like to finish the due diligence. We at least owe it, to Mr. Zeller's point, to follow up with the companies who did submit and make some determinations. Mr. Brown said he'd hate to have companies get another bid bond, especially if a company who has

submit a bid would want to resubmit. Mr. Nielsen said we still have time to research before we make our decision. Mr. Brown said this is more for information. He said he can't give a wholehearted recommendation tonight and would rather vet the companies further. If after that it appears a new round of proposals is needed, Mr. Brown wants good, steadfast reasons to rebid. The packets came back and aren't exactly what we expected. We expected a wider reach as two companies who attended the pre-bid meeting didn't submit bids. Ms. Carr asked if the companies were smaller and Mr. Brown said yes. Ms. Carr said when the Port went with smaller, local companies, they could not manage our sites correctly. She said the larger companies have the equipment and the capacity. Mr. Mullins said the larger companies also provide the consistency we want. Mr. Nielsen said he would think Black River Landing needs a crew of 6-10 people. Mr. Brown said the equipment, capacity, fertilization and weed control is all important. Ms. McClelland mentioned the vacant lots owned by the City of Lorain. She asked if those in attendance liked the way those lots look. Mr. Zgonc said they look bad. Ms. McClelland said the lowest bidder handles those lots. Another company who submitted listed hand-weeding as a piece of equipment and the way they planned to handle our sites. Those simple things are what we're looking at and struggling with. Mr. Nielsen clarified that Black River Landing is only one of the sites the landscape company would handle. Riverside Park, Lakeside Landing and the Mile-Long Pier are among the others. Ms. McClelland said even the second lowest bidder may not have the capacity and equipment. She admitted that those who submitted are all over the county and we haven't have time to visit or call, which will be the next step. Mr. Zellers said we need to ask those questions (equipment, capacity, other jobs). Mr. Brown said he is reporting where we're at. The goal is to have this ready by January's meeting or February at the latest. The staff will have interviews and is waiting for other answers related to the bids.

- D. Fireworks Proposal:** Mr. Zgonc said the only submission was American Fireworks Company. Mr. Brown said we reached out to Ohio companies. A company called in today after seeing the fireworks proposal as an item on our agenda and were upset they didn't receive the request for proposals. Mr. Zellers asked if there was anything in the bylaws preventing the Port from going with a bidder when they're the only company to submit a proposal. Mr. Brown confirmed there is no stipulation. Mr. Zellers then moved to recommend to the full board the acceptance of the proposal from American Fireworks for the 2018 display. Mr. Kuszniar seconded. Motion carried.
- E. Murray Ridge Contract:** Ms. McClelland said this is for the cleaning of our facilities. Every year we hire Murray Ridge to take care of all our sites and pick up the trash. Their frequency depends on the season. Ms. McClelland said the milder winter left our sites looking a little messy so we've added a monthly cleaning in winter months. Other than that, the pricing and scheduling is identical to the previous contract. The contract is a little more than \$8,000 with optional additional hours if cleanups are necessary. Mr. Zellers asked if we're pleased. Ms. McClelland said absolutely. Any time there was an issue or something that was missed, Murray Ridge always came same-day to correct it. Mr. Brown said it's a great partnership. The winter addition was absolutely needed. Mr. Zellers made the recommendation to send the contract to the full board. Ms. Carr seconded. Motion carried.
- F. Long EDA Contract:** Mr. Brown said we've had a long-standing contract with Long EDA. We previously paid \$1,250 per month for the retainer and in recent years, due to budget constraints, it was dialed back to \$1,000. This year their proposal is back up to \$1,250 as the monthly retainer. Mr. Brown said he has made no commitments. As we enter the next year and go through the CDFA audit, Mr. Brown believes it would be wise to have another year contract with Long EDA and then make decisions for 2019. His recommendation is to adopt some type of contract. Mr. Zgonc asked if

we would stay with the \$1,000. Ms. Carr asked how much we use him. Mr. Brown said it varies. He feels comfortable talking with Mr. Long and letting him know \$1,000 is what the board is comfortable with. Mr. Nielsen asked if the city used Mr. Long's services. Mr. Brown said yes and recommended to the city splitting the bill. Mr. Zellers reiterated Ms. Carr's question about how regularly we contact Long EDA. Is it the same relationship it always has been? Mr. Brown said we have an economical development specialist on staff, so as we look to bridge the transition, he sees that as the conclusion moving forward. But in the short term, Mr. Brown recommends one more year with Long as a bridge. Ms. Carr said she doesn't see it as much a need in 2018 as she would in 2019. If we refocus on more economic development, TIFs and bonds, then we would have a greater need for Mr. Long and Ms. Carr can see having a retainer that's a little higher if that happens. Mr. Brown said ideally, we want to rely on our own staff. Have someone trained in that. If the board doesn't want to go there, he has faith we do it. Ms. Carr suggested leaving it at \$1,000. If doing specific deals, there's a difference in the advice he provides. Mr. Brown said ideally, he wants the staff to be able to take over what Mr. Long has helped us with in the past. We have someone on staff who has the education. Ms. Carr said if we continue the retainer, she wouldn't want to go higher than \$1,000, but if we start doing specific deals, we might want to use him for specific instances. She sees a difference in the service Ms. McClelland can provide and the service Mr. Long can provide. Mr. Zellers recommended putting this topic on hold until we have a better idea of what exactly Mr. Long has done for using recent years. Mr. Nielsen said Mr. Long has made us more than he's cost us over time. Mr. Zellers said he wants a better understanding of what it is Mr. Long actually does. Mr. Brown suggested inviting Mr. Long to next month's meeting so he can give a presentation. Mr. Zellers said he would love to meet Mr. Long. Mr. Zellers moved to recommend to the full board a demonstration by Mr.

Long to get a better understanding of the services he provides. Ms. Carr seconded. Motion carried.

IV. Other Business

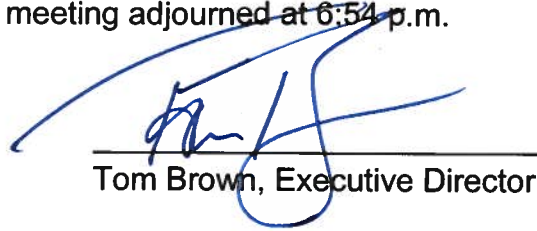
A. None.

V. 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 6:54 p.m.



Alan Zgonc, Chairman



Tom Brown, Executive Director