



# SECTION 305 FINANCE SUB COMM

MINUTES      AUGUST 25, 2010      3:00 PM EST      CONFERENCE CALL

<b>FACILITATOR</b>	<i>DJ Stadler, Treasurer S305 NGEC Committee Executive Board, and Chair of the S305 Finance Subcommittee</i>
<b>ATTENDEES</b>	<i>DJ Stadler, Jim Donlin, Steve Hewitt, Ken Uznanski, Leo Penne, Shayne Gill, David Ewing</i>
<b>ABSENTEES</b>	<i>Paul Nissenbaum, Chad Edison, Scott Witt, Amy Arnis, Tanya Wojtulewicz, Bill Bronte, Brent Thompson,</i>

## DECISIONS MADE

On a motion made by David Ewing and seconded by Ken Uznanski, the minutes of the last Finance Subcommittee conference call meeting (July 7) were approved without exception.

Chair, DJ Stadler provided an overview of his two primary agenda items for discussion on this call:

1. Preparation of the Finance Subcommittee Report to the Executive Board at the August 31<sup>st</sup> meeting.
2. Review of the Procurements Approval Process Matrix (attached) developed by the Administrative Task Force

In the absence of some of the members with ownership of specific open Action Items; it was agreed that those items would be tabled until a future call, and that this call would focus on the Chairman's agenda items as described.

### Discussion item 1:

It was agreed that the subcommittee report to the Board would include a summary of activities undertaken by the subcommittee since the last "in-person" meeting of the Board – May 26<sup>th</sup>, 2010. It was also agreed that the subcommittee report would address the matrix developed by the Administrative Task Force and would reflect the comments, suggestions, perspectives discussed during this conference call.

DJ will take comments/changes /suggestions and incorporate them into a revised matrix. He will also contact Administrative Task Force Chair, Rod Massman, to arrange a conference call by the end of this week. The call participants will be DJ, Rod and Ken Uznanski (Vice Chair of the Administrative Task Force). The expectation is that a revised matrix will be developed as a joint effort between the Task Force and subcommittee and will be presented at the Board meeting for discussion/consideration.

### Discussion item 2:

It was generally agreed that the matrix, as presented, was a good first step – work in progress. General comments focused on the multiple layers of approvals described in this initial draft. The view of the subcommittee is that the process should be simplified in a manner conducive to getting bills in and out quickly, and that the process should reflect the lowest common denominator.

The process should emphasize consistency, clarity, transparency and accountability. It is important to maintain a tracking process similar to the "Action Items" matrix used by Steve Hewitt in keeping a record of agreed to actions at the Board, subcommittee and task force level. This process would ensure that expenses are codified – itemized and managed in a concise and transparent manner. As Amtrak has primary contract management responsibilities (especially in regards to reimbursement of AASHTO for support services and states travel expenses), it will be important that any matrix for tracking contract activity can crosswalk with Amtrak.

The subcommittee expressed the view that Steve Hewitt, who, as Manager of the S305 Support Services, may be best suited to manage contract "to do's" and status among the Board, subcommittees and task force, as he is involved in all aspects of the S305 Committee, and reports on and monitors all activities/action items. Steve was asked to think about developing a system which would be similar to the running action items matrix used now, but would be for the purpose of codifying and managing contracts and their status with the ability to easily cross walk with Amtrak.

There are concerns that there is no mechanism established for the subcommittees and/or task force to manage contracts that they may engage in due to a variety of unforeseen occurrences. Primary example – the recent technical subcommittee meeting in Chicago – where the expenses for the meeting space were managed through the subcommittee – rather than as an AASHTO support service. Reimbursement is more complicated as there was no provision in the Budget or grant agreement that addressed this. There will need to be flexibility in the process to allow for remedies to be applied to appropriate expenses (such as the Chicago meeting) that are not specifically addressed in the funding grant agreement. A structure will need to be put in place to address changes that may occur which result in the need for a modification of the scope of work or budget with a cross walk to allow for modification of the funding grant agreement, while staying within the confines of the approved budget.

It was also agreed that since the S305 Committee, as currently structured, is not an entity (corporation) which can hold or manage contracts; there is a sense in the subcommittee that any one of three entities could be the one contract holder on behalf of the S305 Committee – AASHTO, Amtrak or FRA – and that the structure should be established as "one stop shopping" – one contract holder.

It was also emphasized that where you have an approved budget and an invoice for costs within the budget and consistent with it, (as with AASHTO's support services budget) approval levels should not be required. Detailed, clear and concise reports should be documented and available, upon request, but the invoices should be paid in a timely manner consistent with the approved budget.

New contracts will be a different scenario – if there is, at some point, the need for a single contract at a considerable level (such as \$50,000) multiple layers of approval may be required.

In all cases – documentation, transparency and codification are the keys to managing procurements and processing expenditures.

In an e-mail following the subcommittee call, David Ewing provided the following perspective based on the subcommittee discussions:

1. The process should be consistent between all components within the NGEC;
2. The process should be transparent: critical information readily available to all members of the Executive Board;
3. The process should produce timely, regularly scheduled updates to all components of the NGEC;
4. The reporting process should support AASHTO's regular reporting to Amtrak and Amtrak's contract with FRA;
5. AASHTO should be the repository for original documents related to all sub contracts; FRA and Amtrak should receive original copies of the subcontracts for their own internal use.

The next regularly scheduled conference call meeting of the Finance Subcommittee will take place on September 8, 2010 – call in number: **1 866-209-1307 Access code: 8597804#**

### Action Items Update (New and Current)

**Carry over Item:** Shayne Gill, AASHTO, will talk to Jack Basso and Joung Lee about the possibility of adding some of the issues regarding financing options (the options paper) as a topic for future discussions of AASHTO's Finance Center or the Standing Committee on Administration and Finance. Shayne will talk to Jack and Joung Lee to see if there are upcoming webinar or meeting opportunities where these issues can be on the agenda. Shayne will report back on his discussions and, after that, will put together a sub-group to explore options and develop an options paper.

**Carry over Item:** David Ewing will work with AASHTO to help identify states with equipment needs that may be willing to look into partnering and/or collaborative efforts where feasible. David will be meeting with George Weber, IDOT, and this will be part of that discussion.

**Carry over Item:** Bill Bronte will look into finding contacts to talk to/touch base with in regards to the P3 discussion and will consider adding Nossaman to the agenda of the Executive Board webinar meeting of July 21

**Carry over item:** Bill to ask FRA whether or not "we can use CE for secular kinds of growth?"

DJ will develop a revised matrix reflective of the comments and suggestions made by the subcommittee members on today's call and will arrange for a conference call with Rod Massman and Ken Uznanski prior to the Executive Board meeting (target Friday 8-27)

DJ will prepare a Finance Subcommittee report to be presented to the Executive Board at its meeting on August 31. The report to the Board will include subcommittee activities to date and a revised Procurements Approval Process Matrix based on the conference call with Rod and Ken, reflective of today's discussions.

## ATTACHEMENTS



**PRIIA Section 305 Finance Sub Committee Conf. Call Meeting**  
**August 25, 2010**

**Agenda Items**

- 1.) Approval of minutes of the July 7 conference call meeting of the Finance subcommittee
- 2.) Review of Carry Over/Open Action Items
- 3.) Preparation of Subcommittee Report to the Executive Board Meeting of August 31, 2010
- 4.) Discussion /review of the Draft Procurements Approval Process Matrix developed by the Administrative Task Force

**NEXT MEETING / CONFERENCE CALL: September 8, 2010 - 3:00-4:00 pm EST**

**Call in number: 1 866-209-1307 Access code: 8597804#**



**Section 305 Executive Board--*Proposed Approval Authority for Procurements – (submitted to the Finance Subcommittee for review and comment from the Administrative Task Force)***

	<b>Administrative T.F.</b>	<b>Technical or Finance S/C, as appropriate</b>	<b>Executive Board</b>
<i>New Contracts, Consultants, Procurements, Dues &amp; Subscriptions, any task order either singly or in a group, any other single invoices over \$50,000.00</i>	<i>Full Task Force AND</i>	<i>Full Subcommittee (if related to Technical or Finance matters, as appropriate) AND</i>	<i>Final Approval by Full Board</i>
<i>Invoices by approved contractors, consultants and vendors for items covered in existing contracts, up to the existing limit in the budget for that contract.</i>	<i>Chair of A.T.F.</i>	<i>Chair (or Designated Point Person/Project Manager with chair's permission)</i>	<i>Chair of 305 Committee</i>
<i>Invoices by Sec. 305 members for travel related to Sec. 305 meetings, contractors that are already contractually obligated to AASHTO and are performing duties of the same general nature they do for AASHTO for the 305 Committee, expenses of program accounting and management, support services for meetings that are not independent contractors</i>	<i>Amtrak</i>	<i>Amtrak</i>	<i>Amtrak</i>
<i>Invoices for items not under contract, --new items from approved contractors and vendors; -- non-travel expenses by Sec. 305 members --any other miscellaneous expenses not covered by the above</i>	<i>Full Task Force AND</i>	<i>Full Subcommittee (if related to Technical or Finance matters, as appropriate) AND</i>	<i>Final Approval by Full Board</i>