

Administration, Finance & Personnel Committee

Thursday, September 12, 2024
9:30 a.m. – 10:30 a.m.
Boston Convention & Exhibition Center
415 Summer Street
Boston, MA 02210
Board Room 201

Pursuant to the Massachusetts Open Meeting Law, G.L. c. 30A, §§ 18-25, notice is hereby given of a meeting of the Massachusetts Convention Center Authority's Administration, Finance & Personnel Committee.

The meeting will take place VIA MICROSOFT TEAMS OR [Click here to join the meeting](#) JOIN BY PHONE:
DIAL-IN NUMBER: +1-857-702-2232 Phone Conference ID: 705 308 837#

AGENDA

- I. Roll Call
- II. Review and Adoption of Minutes of July 11, 2024
- III. FY24 Independent Audit Progress
- IV. FY24 Supplier Diversity Update
- V. Adjusting Software Costs from Operating to Capital Budget
- VI. Virtual Purchase Power Agreement [VOTE]
- VII. North Station Ferry Extension [VOTE]
- VIII. Black Economic Council of Massachusetts (BECMA) Supplier Diversity Pilot [VOTE]
- IX. Old Business
- X. New Business
- XI. Adjournment



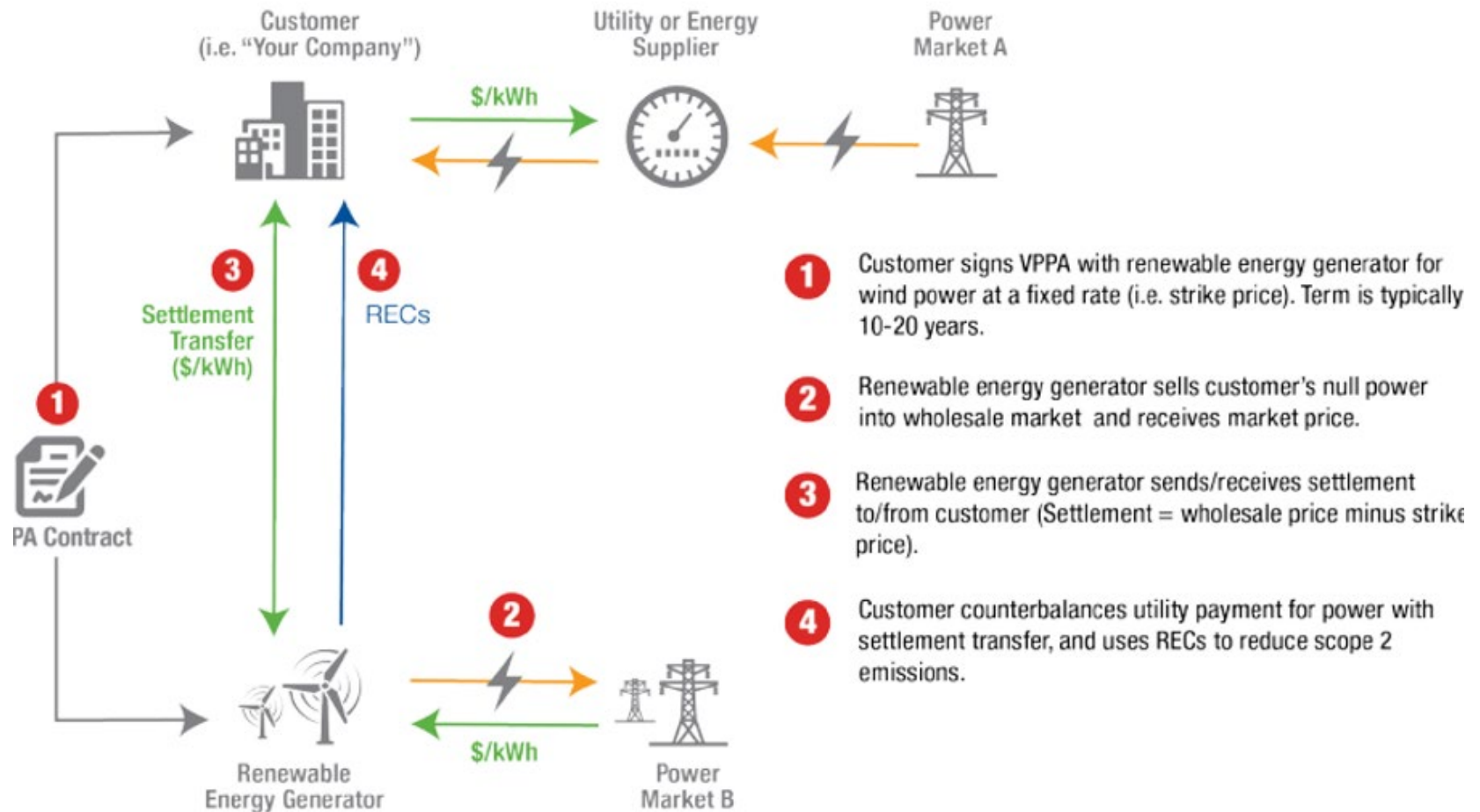
Virtual Power Purchase Agreement

Administration, Finance and Personnel Committee

September 12, 2024

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Virtual Purchase Power Agreement



Source: Environmental Protection Agency

Benefits of VPPA

- Allows MCCA to abide by state and city environmental policy objectives
- Financial instrument acts as a hedge against high natural gas prices with potential for revenue stream
- Fosters development of renewable energy facilities
- Aligns MCCA sustainability initiatives with those of peer convention centers
- Attracts clients interested in sustainability

VOTE: Virtual Purchase Power Agreement

The Massachusetts Convention Center Authority's ("Authority") uses the services of a nonprofit energy buying consortium, PowerOptions, for energy procurements. Recent regulatory policy changes both by the Commonwealth of Massachusetts and the City of Boston, which are listed below, require reductions in greenhouse gas emissions.

Executive Order 594 – Decarbonizing & Minimizing Environmental Impacts of State Government
Building Energy Reduction & Disclosure Ordinance (BERDO)

While the Authority is not directly subject to these requirements, it will endeavor to meet these guidelines, particularly given its acute energy demand profile and emerging demands from its customers.

Through a competitive procurement, facilitated by PowerOptions, the Authority along with prominent healthcare and higher educational institutions in Boston, Cambridge and Wellesley plan to enter into a virtual purchase power agreement (VPPA) with a renewable energy developer(s) to procure renewable energy credits (RECs). The agreement allows a developer(s) to secure financing to build renewable energy facilities in parts of the United States where generation is predominantly fossil fuel fired. Every kilowatt hour produced by a renewable energy facility displaces a kilowatt hour with greater greenhouse gas emissions giving the parties to the contract the renewable attributes of the electricity produced.

If approved, this contract would be the second VPPA for the Authority. Previously in 2022, the board approved an agreement in a not to exceed amount of \$2,500,000. The solar facility is expected to come online later this year. As in the last contract, this contract would provide the Authority with RECs at a price much lower than those available in the Massachusetts market or through a BERDO compliance payment option if emissions are not reduced. In addition, the contract acts as a hedge against natural gas prices providing the Authority an opportunity to receive payments if natural gas prices are high.

VOTE: Virtual Purchase Power Agreement

In making this decision, the Authority's Executive Director has relied on the advice and analysis provided by the Authority staff led by the Chief of Operations and Capital Projects, the Energy and Sustainability Manager along with the staff of PowerOptions and its consultants.

A vote of the Administration and Finance Committee to authorize a VPPA for renewable energy would take the following form:

VOTE: The Administration, Finance and Personnel Committee of the Massachusetts Convention Center Authority recommends that the full Board adopt the following vote:

VOTE: The Massachusetts Convention Center Authority hereby authorizes the Executive Director to enter into a contract(s) for renewable energy for 100% of the Boston Common Garage, the Hynes Convention Center and the Massachusetts Mutual Center's electric load for a 15-year term beginning in 2027 with a developer chosen through a competitive bidding process run by PowerOptions, whose pricing is deemed to be most advantageous to the Authority and consistent with the Authority's overall energy portfolio strategies in a not to exceed amount of Four Million Four Hundred Thousand Dollars (\$4,400,000.00).

Draft

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North Station Seaport Ferry Extension

MCCA Administration, Finance & Personnel

September 12, 2024

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Overview

- The MCCA currently operates a ferry service between North Station and the Seaport that is funded by a group of local companies:
 - Fan Pier Owners Corp (includes Vertex, our largest client)
 - CBRE 101 Seaport
 - Alexion Pharmaceuticals
 - Foundation Medicine Inc.
 - PTC
- The agreement fully covers the cost of running the service: operations, staff and administration.
 - The service is open to the public.
 - Public fare revenues are shared between the MCCA, which retains 20% to reinvest in the service, and the companies that fund the service



Overview

- FPOC, CBRE, Alexion & FMI ("the Principals Group") is at the end of their original three (3) year contract, and the MCCA would like to move forward with exercising the first option year of that contract extending until December 31, 2025.
- PTC has a separate contract to participate in the service as a one-year contract with two (2) one-year options, and the MCCA would need to enter into a new contract with them. Same terms would apply.
 - The contract with PTC is subject to the terms of the contract with the Principals Group.
- In November 2023, the Board voted to approve MCCA's extension with Bay State Cruise Company through the end of the option years for the Principals Group's contract to ensure that we were able to offer the services to the funding companies at the prices stated in the contract.

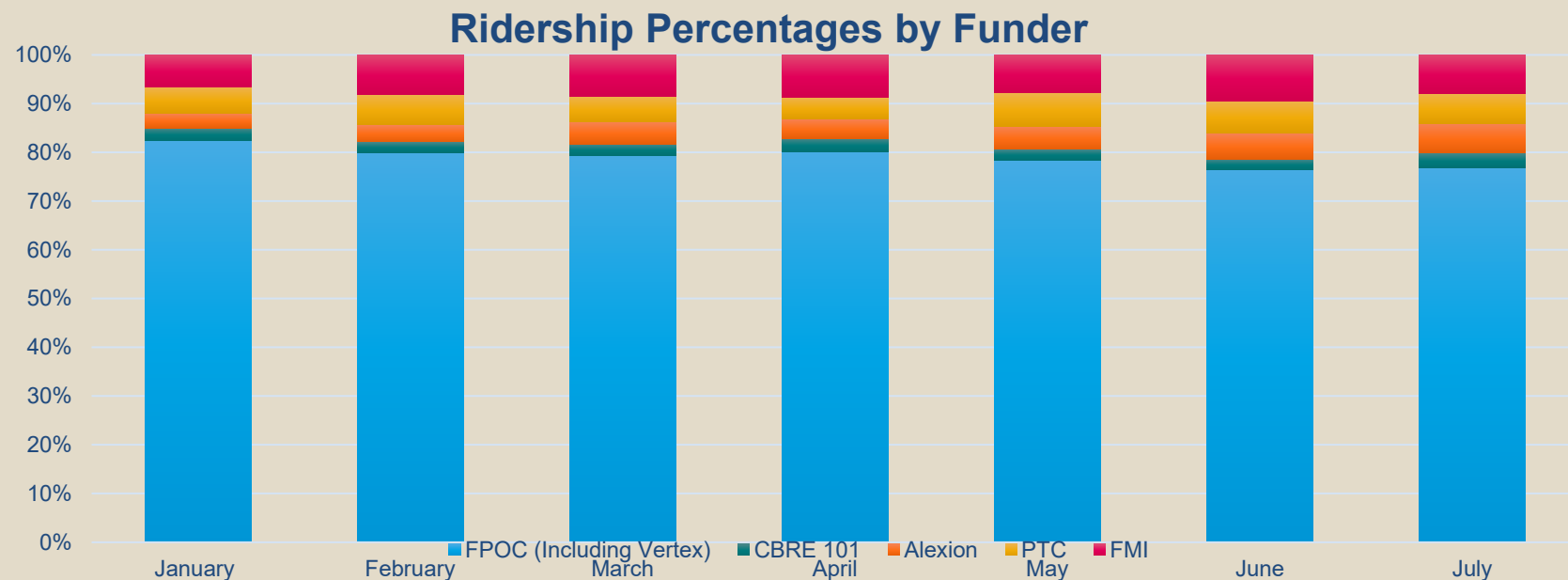
2025 Cost Breakdown

- Anticipated value of funders' extension and PTC contract (Seaport/North Station route): **\$2,017,850.54**
 - Note: PTC's contract portion is currently estimated at ~\$137K for FY25
- Anticipated Bay State Cruise Company costs: **\$1,302,234.85**
- Per Year MCCA Costs:
 - Staffing:
 - Transportation agents / supervisors: **\$134,279.38**
 - Management / overhead allocation: **\$67,549.00**
 - Other Costs:
 - Ticketing software: **\$42,000.00**
 - Website costs: **\$300.00**
 - Total: **\$1,472,739.85**



North Station Ridership Jan-July 2024

Month	North Station Ridership for Each Month Public vs Corporate				
	Overall Total Riders	Number of Corporate Riders	Number of Public Riders	% of Corporate ridership making up total ridership	% of Public ridership making up total ridership
January	6,436	4,326	2,110	67%	33%
February	6,228	4,496	1,732	72%	28%
March	6,544	4,690	1,854	72%	28%
April	6,354	4,440	1,914	70%	30%
May	7,466	4,980	2,486	67%	33%
June	7,174	4,215	2,959	59%	41%
July	9,120	5,354	3,766	59%	41%



VOTE: Exercise Option to Continue Ferry Service

The Massachusetts Convention Center Authority's ("Authority") Transportation Department desires to exercise the option in the contract with FPOC, Alexion, CBRE 101 Seaport and FMI to continue to provide ferry service to them.

A vote to implement the recommendations of the Transportation Department would take the following form:

VOTE: The Administration, Finance & Personnel Committee of the Massachusetts Convention Center Authority recommends that the full Board adopt the following vote:

VOTE: To authorize the Interim Executive Director or her designee to exercise the first option to extend their contract with the Fan Pier Owners Corporation, Alexion Pharmaceuticals, CBRE 101 Seaport and Foundation Medicine Inc., for a term of one year as outlined in this presentation.



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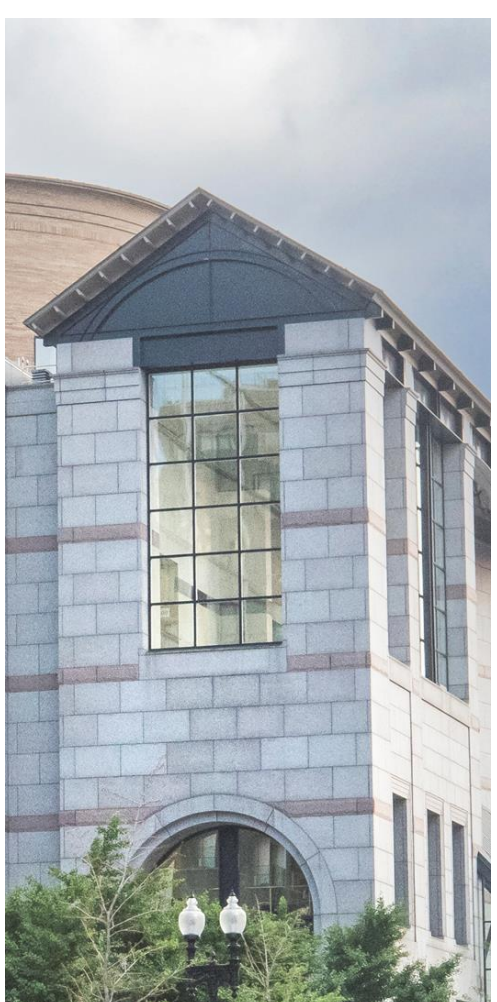
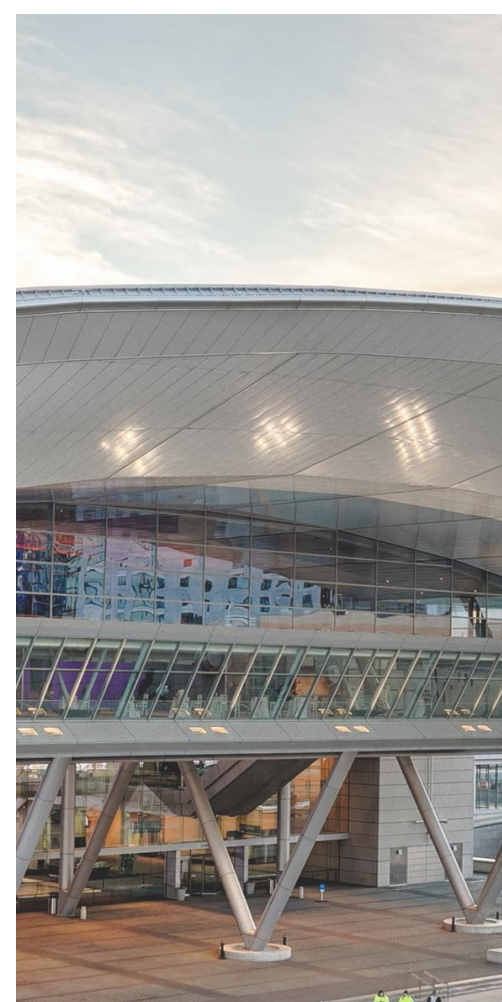
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MCCA Presentation

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Supplier Diversity - Overview

The MCCA has consistently committed to sourcing and partnering with diverse businesses. Each year, we collaborate closely with the Commonwealth's Supplier Diversity Office (OSD) to ensure that we meet or exceed the established benchmarks.

For example, in FY23 the MCCA finished with almost 90% above the set goal by OSD for MBE participation and through two (2) quarters reporting through FY24 the MCCA is 5% above the agreed upon benchmark established by OSD for MBE, WBE, and VBE.

However, even with our dedicated efforts to engage diverse vendors each year, the MCCA believes there is further progress that can be made.



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Supplier Diversity - Challenges

Existing challenges in doing business with diverse firms can range from a variety of topics such as but not limited the following:

- Vendor(s) not certified through state SDO program
- Vendor(s) not known to MCCA as a vendor or a subcontractor
- Vendor(s) not aware of ongoing business opportunities
- Vendor(s) may not have minimum threshold for insurance and or bond requirements
- Vendor(s) may have cost and or pricing barriers as with any small business
- Current procurement requirements do not distinguish between minimum threshold of pre-established SDO goals or business owner



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MCCA Supplier Diversity Program

To address these historical challenges, the MCCA is creating its own Supplier Diversity Program. This initiative is designed to increase business opportunities for certified:

- Minority Business Enterprises (MBEs)
- Women Business Enterprises (WBEs)
- Veteran Business Enterprises (VBEs)
- Disadvantaged Business Enterprises (DBEs)

As part of this program, the MCCA will develop a pre-qualified list of vendors, enabling us to directly engage with these businesses for purchases and services within specified procurement spending thresholds.



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MCCA Support

To effectively transform our approach to engaging with diverse firms, the MCCA seeks assistance and support. We believe that a partnership with the Black Economic Council of Massachusetts (BECMA) can provide the necessary support.

Over the course of the next 12 months BECMA has proposed to offer supplier diversity services to enhance our current processes and systems and to accelerate our efforts to increase the utilization of diverse businesses. Working in collaboration with the MCCA team, BECMA will:

- Review our current supplier diversity practices
- Provide recommendations for improved processes to ensure our future success
- Connect us with additional businesses that can contract with the MCCA and develop a pipeline of eligible firms
- Assist eligible businesses with obtaining statewide OSD certifications
- Assist with monthly reporting and program transparency



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Request for Approval

Board Vote: BECMA Partnership Agreement

The MCCA aims to expand its current supplier diversity annual spending efforts through a partnership with the Black Economic Council of Massachusetts (BECMA). BECMA will collaborate with various MCCA business units over the course of a year to help reshape and enhance existing practices.

Vendor	Quote
BECMA	\$587,900

A vote to implement the Administration, Finance & Personnel Committee's recommendation and award of this contract to the Boston Economic Council of Massachusetts in the amount of \$587,900 would take the following form:

VOTE: The Massachusetts Convention Center Authority authorizes the Executive Director to enter into an agreement with the Black Economic Council of Massachusetts. The purpose of this partnership is to enhance and support the MCCA's ongoing supplier diversity initiatives. The contract will be for a duration of 12 months, with a not to exceed amount of \$587,900.

Draft

VOTE: BECMA Partnership Agreement

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