

Date: Monday, February 25, 2008

Time: 9:00 a.m.

Where: Orange County Transportation Authority Headquarters
600 South Main Street, First Floor - Conference Room 154
Orange, California 92868



BOARD AGENDA

Orange County Transportation Authority Board Meeting
OCTA Headquarters
First Floor - Room 154, 600 South Main Street
Orange, California
Monday, February 25, 2008, at 9:00 a.m.

ACTIONS

Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact the OCTA Clerk of the Board, telephone (714) 560-5676, no less than two (2) business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

Invocation

Director Glaab

Pledge of Allegiance

Director Dixon

Agenda Descriptions

The agenda descriptions are intended to give members of the public a general summary of items of business to be transacted or discussed. The posting of the recommended actions does not indicate what action will be taken. The Board of Directors may take any action which it deems to be appropriate on the agenda item and is not limited in any way by the notice of the recommended action.

Public Comments on Agenda Items

Members of the public wishing to address the Board of Directors regarding any item appearing on the agenda may do so by completing a Speaker's Card and submitting it to the Clerk of the Board. Speakers will be recognized by the Chairman at the time the agenda item is to be considered. A speaker's comments shall be limited to three (3) minutes.



BOARD AGENDA

ACTIONS

Special Matters

1. Presentation of Resolutions of Appreciation for 2007 Employees of the Year

Present Orange County Transportation Authority Resolutions of Appreciation Nos. 2008-13, 2008-14, and 2008-15 to Ken Dooley, Coach Operator; Rudy Chavez, Maintenance; and Patrick Sampson, Administration, as 2007 Employees of the Year.

2. Presentation of Resolutions of Appreciation for Employees of the Month for February 2008

Present Orange County Transportation Authority Resolutions of Appreciation Nos. 2008-10, 2008-11, 2008-12 to Evelyn Ranson, Coach Operator; Jeffrey Ferree, Maintenance; and Mark Schaff, Administration, as Employees of the Month for February 2008.

3. Federal Authorization Presentation

Richard J. Bacigalupo

The current federal surface transportation authorization act will expire on September 30, 2009. Discussions are now underway as to the future scope and magnitude of federal funding for surface transportation.

This presentation will provide the Board of Directors with three industry views regarding the next authorization act.



BOARD AGENDA

ACTIONS

Consent Calendar (Items 4 through 28)

All matters on the Consent Calendar are to be approved in one motion unless a Board Member or a member of the public requests separate action on a specific item.

Orange County Transportation Authority Consent Calendar Matters

4. Approval of Minutes

Of the Orange County Transportation Authority and affiliated agencies' regular meeting of February 11, 2008.

5. Approval of Resolution of Appreciation for 2007 Employees of the Year

Adopt Orange County Transportation Authority Resolutions of Appreciation Nos. 2008-13, 2008-14, and 2008-15 to Ken Dooley, Coach Operator; Rudy Chavez, Maintenance; and Patrick Sampson, Administration, as 2007 Employees of the Year.

6. Approval of Resolutions of Appreciation for Employees of the Month for February 2008

Adopt Orange County Transportation Authority Resolutions of Appreciation Nos. 2008-10, 2008-11, and 2008-12 to Evelyn Ranson, Coach Operator; Jeffrey Ferree, Maintenance; and Mark Schaff, Administration, as Employees of the Month for February 2008.

7. Western Conference of Teamsters Pension Trust Audit Results

Kathleen M. O'Connell

Overview

The Western Conference of Teamsters Pension Trust performed an audit of Orange County Transportation Authority's payroll records under the authority of Article XI, Section 1, of the Agreement and Declaration of Trust. The audit resulted in a total credit due to the Orange County Transportation Authority of \$1,535.48.



BOARD AGENDA

ACTIONS

7. (Continued)

Recommendation

Receive and file as an information item.

8. **Fiscal Year 2007-08 Internal Audit Plan, Second Quarter Update**

Kathleen M. O'Connell

Overview

The Orange County Transportation Authority Board of Directors adopted the Orange County Transportation Authority Internal Audit Department Fiscal Year 2007-08 Internal Audit Plan on August 8, 2007. This update is for the second quarter of the fiscal year.

Recommendation

Receive and file the second quarter update to the Orange County Transportation Authority Internal Audit Department Fiscal Year 2007-08 Internal Audit Plan.

9. **State Legislative Status Report**

Manny Leon/P. Sue Zuhlke

Overview

To date, over 360 Assembly and Senate bills have been introduced in 2008. The last day for bill introduction is February 22, 2008. Oppose unless amended positions are recommended on two bills related to grade separations and traffic reduction measures in regional plans.

Recommendation

Adopt the following recommended positions on legislation:

Oppose unless amended AB 660 (Galgiani, D-Stockton)

Oppose unless amended AB 842 (Jones, D-Sacramento)



BOARD AGENDA

ACTIONS

10. Federal Legislative Status Report

Richard J. Bacigalupo

Overview

This report discusses the transportation portion of the President's fiscal year 2009 budget, which was submitted to Congress on February 4, 2008, and provides an update on the submission of the Orange County Transportation Authority fiscal year 2009 appropriations requests.

Recommendation

Receive and file as an information item.

11. Consultant Selection for Regional Transportation Improvement Program and Combined Transportation Funding Program Database

Jennifer Bergener/Kia Mortazavi

Overview

The Orange County Transportation Authority is seeking a service for the Regional Transportation Improvement Program and Combined Transportation Funding Program database system. Proposals were solicited from firms to provide services for administration of multiple funding programs. Offers were received in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services.

Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-7-1190 between the Orange County Transportation Authority and EcoInteractive, Inc., in an amount not to exceed \$265,000, to provide services for three years for the Regional Transportation Improvement Program and Combined Transportation Funding Program database.



BOARD AGENDA

ACTIONS

12. **Metrolink Ridership and On-Time Performance Report**
Abbe McClenahan/Kia Mortazavi

Overview

A report on Metrolink ridership and on-time performance is presented. The report covers the second quarter of fiscal year 2007-08.

Recommendation

Receive and file as an information item.

13. **Award of Construction Contract for Americans with Disabilities Act Bus Stop Modifications (Phase 3, Construction Package 11 and 12)**
Dipak Roy/Kia Mortazavi

Overview

The Orange County Transportation Authority Board of Directors approved construction of Americans with Disabilities Act improvements at bus stops countywide. Bids for the last two packages of the program were received in accordance with the Orange County Transportation Authority's public works procurement procedures. Approval of these contracts and related budget adjustment is requested.

Recommendations

- A. Authorize the Chief Executive Officer to execute Agreement No. C-7-1454 between the Orange County Transportation Authority and Bitech Construction Company, Inc., the lowest responsive, responsible bidder, in an amount not to exceed \$489,550, for construction of Americans with Disabilities Act bus stop modifications in the cities of La Habra, Brea, Fountain Valley, Westminster, and Huntington Beach.

- B. Authorize the Chief Executive Officer to execute Agreement No. C-7-1455 between the Orange County Transportation Authority and C.J. Construction, the lowest responsive, responsible bidder, in an amount not to exceed \$323,280, for construction of Americans with Disabilities Act bus stop modifications in the cities of Seal Beach, Laguna Beach, and Huntington Beach.



BOARD AGENDA

ACTIONS

13. (Continued)

- C. Amend the Orange County Transportation Authority's Fiscal Year 2007-08 Budget, in an amount of \$600,000, to fund the remaining work planned in the current fiscal year.

14. **Funding Agreement with the Foothill/Eastern Transportation Corridor Agency Associated with the 91 Express Lanes/Foothill-Eastern Transportation Corridor (State Route 241) Connector Feasibility Study**
Dan Phu/Kia Mortazavi

Overview

In June 2007, the Orange County Transportation Authority initiated the 91 Express Lanes/Foothill-Eastern Transportation Corridor (State Route 241) Connector Feasibility Study. The Foothill/Eastern Transportation Corridor Agency is contributing funds to the study effort and a cooperative agreement is necessary for the Orange County Transportation Authority to receive these funds.

Recommendations

- A. Amend the Orange County Transportation Authority's Fiscal Year 2007-08 Revenue Budget to include \$350,000 from the Foothill/Eastern Transportation Corridor Agency.
- B. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-7-1312 with the Foothill/Eastern Transportation Corridor Agency, in an amount not to exceed \$350,000, for the 91 Express Lanes/Foothill-Eastern Transportation Corridor (State Route 241) Connector Feasibility Study.



BOARD AGENDA

ACTIONS

15. **Amendment to Agreements for Additional Design Services for the Garden Grove Freeway (State Route 22) Soundwalls**
George B. Saba/Kia Mortazavi

Overview

On October 22, 2007, the Orange County Transportation Authority Board of Directors approved a plan for four additional soundwalls on the Garden Grove Freeway (State Route 22) and directed staff to add the soundwalls design work to two existing soundwall design contracts to expedite its completion. Staff requests approval of the amendments to add this work into the existing agreements.

Recommendations

- A. Approve Amendment No. 1 to Agreement No. C-7-0995 between the Orange County Transportation Authority and RMC, Inc., in an amount not to exceed \$279,000, for additional design services associated with additional soundwalls on the Garden Grove Freeway (State Route 22), bringing the total contract value to \$882,017.
- B. Approve Amendment No. 1 to Agreement No. C-7-0996 between the Orange County Transportation Authority and PBS&J, Inc., in an amount not to exceed \$329,000, for additional design services associated with additional soundwalls on the Garden Grove Freeway (State Route 22), bringing the total contract value to \$919,905.

16. **Request to Award Contract for the Prepaid Fare Media Software**
Marlon Perry/Ellen S. Burton

Overview

The Orange County Transportation Authority uses manual and computerized tracking systems to administer its transit prepaid fare media program. In accordance with Orange County Transportation Authority's procurement procedures for professional and technical services, a request for proposals was issued for pass sales software that enhances management controls, improves customer service, and automates inventory control processes. Board of Directors' approval of a prepaid fare media software solution provider is requested.



BOARD AGENDA

ACTIONS

16. (Continued)

Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-7-1150 between Orange County Transportation Authority and CompuSoft Solutions, Inc., in an amount not to exceed \$418,000, for a prepaid fare media software solution, which includes \$410,000 capital costs plus \$8,000 for the first year of maintenance.

17. **Amendment to Agreement and Exercise of First Option Term for Bus Revenue-Generating Advertising Program**

Stella Lin/Ellen S. Burton

Overview

On May 23, 2005, the Board of Directors approved an agreement with Titan Outdoor to sell, place, and maintain advertisements on the interior and exterior of the buses. This report is a request to update the inventory list of advertising spaces and to exercise the first option year of the agreement for which the Orange County Transportation Authority will receive a minimum of \$5,200,000 in advertising revenue.

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 2 to Agreement No. C-5-0127 between the Orange County Transportation Authority and Titan Outdoor by amending the current scope of work effective February 25, 2008, and to exercise the first option year September 1, 2008 to August 31, 2009.



BOARD AGENDA

ACTIONS

18. **Sole Source Agreement for Fixed Route Radio Computing Systems Upgrades and Services**
Joe Tiernan/James S. Kenan

Overview

As part of the Orange County Transportation Authority's Fiscal Year 2008 Budget, the Board of Directors approved funding to achieve an upgrade to the computing systems within the fixed route operation's digital radio communication system. A proposal was solicited and received from Orbital Sciences Corp. in accordance with the Orange County Transportation Authority's sole source procurement procedures for professional and technical services.

Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-7-0772 between the Orange County Transportation Authority and Orbital Sciences Corporation., in an amount not to exceed \$1,765,787, for technology and services to upgrade the computing systems within the fixed route operation's digital radio communication system.

19. **Agreement for Contract and Procurement Support Staffing**
Kathleen Perez/James S. Kenan

Overview

As part of the Orange County Transportation Authority's Fiscal Year 2007-08 Budget, the Board of Directors approved support staffing for the Contracts Administration and Materials Management Department. Proposals were received in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services.

Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-7-1286 between the Orange County Transportation Authority and Procurement Services Associates for a three-year contract, in an amount not to exceed \$240,000, for supplemental support staffing for the Contracts Administration and Materials Management Department.



BOARD AGENDA

ACTIONS

20. Replacement of Bears Stearns as Remarketing Agent for the 91 Express Lanes Variable Rate Demand Bonds, Series 2003-B-2

Overview

On January 18, 2008, Fitch Ratings downgraded the ratings of Ambac Assurance Corporation to "AA." Since the downgrade, one of the Orange County Transportation Authority's remarketing agents for the 91 Express Lanes bonds, Bear Stearns, has been unable to reset the weekly rate for the bonds at a competitive rate. As a result, the variable rate interest costs associated with the bonds held at Bear Stearns have increased significantly relative to the other remarketing agent Lehman Brothers. It is recommended that the bonds held at Bear Stearns be temporarily moved to Lehman Brothers until a permanent remarketing agent is appointed by the Board of Directors.

Recommendations

- A. Approve the removal of Bear Stearns as remarketing agent of the Orange County Transportation Authority Toll Road Revenue Refunding Bonds, Series 2003-B-2.
- B. Adopt Resolution No. 2008-16 authorizing the appointment of Lehman Brothers to act as the remarketing agent of the Orange County Transportation Authority Toll Road Revenue Refunding Bonds, Series 2003-B-2.

Orange County Local Transportation Authority Consent Calendar Matters

21. Measure M Quarterly Progress Report Norbert Lippert/Kia Mortazavi

Overview

Staff has prepared a Measure M progress report for the fourth quarter of 2007. This is a regular report that highlights the Measure M projects and programs currently under development.



BOARD AGENDA

ACTIONS

21. (Continued)

Recommendation

Receive and file as an information item.

Orange County Transit District Consent Calendar Matters

22. **Consultant Selection for Bus Rapid Transit Intelligent Transportation Systems, Traffic Signal Synchronization Project, and Transit Signal Priority Design**

Gordon Robinson/Beth McCormick

Overview

On September 24, 2007, the Orange County Transportation Authority Board of Directors authorized the release of a request for proposals for the technology elements of the bus rapid transit project. Offers were received in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services.

Recommendations

- A. Authorize the Chief Executive Officer to execute Agreement No. C-7-1164 between the Orange County Transportation Authority and ICx Transportation Group, Inc., in an amount not to exceed \$15,634,666, for the Bus Rapid Transit Intelligent Transportation Systems, Traffic Signal Synchronization Project, and Transit Signal Priority design.
- B. Amend the Orange County Transportation Authority's Fiscal Year 2007-08 Capital Budget by \$12,613,012, Account 0051-9011-A9601-3TO to accommodate the encumbrance of the entire contract in this fiscal year.
- C. Transfer \$477,821 from the Orange County Transportation Authority's Fiscal Year 2007-08 Services and Supplies Budget, Account 1545-7519-A9601-3TR to the Orange County Transportation Authority's Fiscal Year 2007-08 Capital Budget, Account 0051-9011-A9601-3TO, to properly account for the capitalization of expenditures related to Agreement No. C-7-1164.



BOARD AGENDA

ACTIONS

23. Amendment to Agreement for Bus Cleaning and Environmental Control Services

Connie Raya/Beth McCormick

Overview

On May 14, 2007, the Board of Directors approved an agreement with Corporate Image Maintenance, in the amount of \$525,000, to provide bus cleaning and environmental control services on all Orange County Transportation Authority vehicles for one year.

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement No. C-6-0854 between the Orange County Transportation Authority and Corporate Image Maintenance, to exercise the first option term in an amount not to exceed \$525,000, for bus cleaning and environmental control services, for a total contract value of \$1,050,000.

24. Agreement for Vehicle Oil Analysis

Connie Raya/Beth McCormick

Overview

The Orange County Transportation Authority Maintenance Department requires oil analysis services for oil samples accumulated during preventive maintenance inspections. Offers were received in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services.

Committee Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-7-1137 between the Orange County Transportation Authority and ANA Laboratories, Inc., in an amount not to exceed \$48,000, for vehicle oil analysis for a term of three years with two one-year options.



BOARD AGENDA

ACTIONS

25. **Agreement for Purchase of Field Supervision, Roadcall, and Transit Police Vehicles**
Connie Raya/Beth McCormick

Overview

A non-revenue vehicle that exceeds its useful life, as outlined by Federal Transit Administration criteria, may be replaced to avoid excessive reliability or cost problems due to aging or high mileage. In accordance with these guidelines, the following non-revenue vehicles are scheduled to be replaced: two field supervision sedans, one police sedan, one police utility vehicle, and one utility roadcall vehicle. Bids were received in accordance with the Orange County Transportation Authority's procurement procedures.

Recommendation

Authorize the Chief Executive Officer to execute Purchase Order A06661 between the Orange County Transportation Authority and Villa Ford, in an amount not to exceed \$77,749, for two full-sized sedans and one police utility vehicle, and Purchase Order A06686 between the Orange County Transportation Authority and Wondries Fleet Group, in an amount not to exceed \$94,146, for one police sedan and one roadcall utility vehicle.

26. **Amendment to Cooperative Agreement with Korean American Senior Association for Participation in the Senior Mobility Program**
Dana Wiemiller/Beth McCormick

Overview

In October 2001, the Orange County Transportation Authority Board of Directors approved the Senior Mobility Program which provides operating assistance for the provision of local senior transportation. The cooperative agreement for the Korean American Senior Association of Orange County to provide transportation expires June 30, 2008. An amendment, in the amount of \$212,557, is necessary to continue the provision of these services.



BOARD AGENDA

ACTIONS

26. (Continued)

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 1 to Cooperative Agreement C-3-0572, a three-way agreement between the Orange County Transportation Authority, the City of Garden Grove and the Korean American Senior Association of Orange County, in an amount not to exceed \$212,557, for continued funding and participation in the Senior Mobility Program through June 30, 2011.

27. **Amendment to Agreement for Janitorial Services**

Ryan Erickson/Beth McCormick

Overview

On May 14, 2007, the Board of Directors approved an agreement with Diamond Contract Services, Inc., in the amount of \$1,100,000, to provide janitorial services for one year. Diamond Contract Services, Inc., was retained in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services.

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 2 to Agreement No. C-6-0868 between the Orange County Transportation Authority and Diamond Contract Services, Inc., to exercise the first option term in an amount not to exceed \$1,350,000, for janitorial services for a total contract value of \$2,554,000.



BOARD AGENDA

ACTIONS

28. **Request for Authorization to Issue an Invitation for Bids for the Irvine Construction Circle Base Facility Modifications Project**
James J. Kramer/Kia Mortazavi

Overview

In October 2006, the Orange County Transportation Authority purchased a bus operations and maintenance facility located at 16281 Construction Circle West, in the City of Irvine. This facility was purchased to increase facility capacity for contractor operated bus services. The facility requires equipment and improvements to serve this function. Design work for the improvements is now complete and the project is ready for construction. Approval is requested to release an invitation for bids for construction modifications necessary to prepare the facility for operations and meet regulatory requirements.

Recommendation

Authorize staff to issue Invitation for Bids 8-0190 for construction of facility modifications at the Irvine Construction Circle Base.

Regular Calendar

Orange County Transportation Authority Regular Calendar Matters

29. **Contract Amendments for Technical and Public Outreach Consultant Services for the South Orange County Major Investment Study**
Charlie Larwood/Kia Mortazavi

Overview

At the October 22, 2007, Board of Directors meeting, Orange County Transportation Authority staff recommended a reduced set of alternative strategies for the South Orange County Major Investment Study. The Board of Directors approved staff recommendations with direction to analyze additional alternatives not included in the original technical and public outreach contracts. This will have scope, schedule, and budget implications that will push the contract completion dates out several months.



BOARD AGENDA

ACTIONS

29. (Continued)

Committee Recommendations

- A. Authorize the Chief Executive Officer to negotiate Amendment No. 3 to Agreement No. C-5-1209 between Orange County Transportation Authority and URS Corporation, in an amount not to exceed \$315,511, to complete the technical analysis for the South Orange County Major Investment Study.
- B. Authorize the Chief Executive Officer to negotiate Amendment No. 2 to Agreement No. C-6-0518 between the Orange County Transportation Authority and Consensus Planning Group, in the amount not to exceed \$80,390, to complete the public outreach effort for the South Orange County Major Investment Study.
- C. Direct staff and consultant team to include completion of the Foothill Transportation Corridor in all project alternatives analyzed, to consult and coordinate with the Transportation Corridor Agencies with regard to how the Foothill Transportation Corridor south is characterized in the South Orange County Major Investment Study, and to move as expeditiously as possible to complete the study and bring recommendations to the Board of Directors.

Orange County Transit District Regular Calendar Matters

30. **Agreement for an Electronic Time and Attendance Tracking System**
Connie Raya/Beth McCormick

Overview

As part of the Orange County Transportation Authority's Fiscal Year 2007-08 Budget, the Board of Directors approved the purchase of an electronic time and attendance tracking system for the Maintenance Department. Proposals were received in accordance with the Orange County Transportation Authority's fixed assets procurement procedures.



BOARD AGENDA

ACTIONS

30. (Continued)

Committee Recommendations

- A. Authorize the Chief Executive Officer to execute Agreement No. C-7-1118 between the Orange County Transportation Authority and Kronos, in an amount not to exceed \$457,287, for a comprehensive electronic time and attendance tracking system.
- B. Request Kennard R. Smart, Jr., General Counsel, to review this procurement before the next Board Meeting.

Orange County Local Transportation Authority Regular Calendar Matters

31. Go Local Step Two Program Allocations and Project Screening

Darrell E. Johnson/Kia Mortazavi

Overview

The Transportation 2020 Committee has directed staff to initiate selection of Go Local projects to enter into Step Two by March 1, 2008. Staff has proposed programmatic funding allocations by project type and developed a screening checklist to evaluate Step One final reports for merit to advance to the Step Two competitive funding process. Staff has also added new recommendations based upon committee input provided on February 18, 2008.

Recommendations

- A. Approve the programmatic allocation of \$25.4 million Go Local funds for development of fixed guideway and bus shuttle projects.
- B. Direct staff to screen the submission of Step One final reports according to the proposed Go Local Step One Final Reports Screening Checklist.
- C. Return to Transportation 2020 Committee with results of project screening.



BOARD AGENDA

ACTIONS

31. (Continued)

- D. Direct staff to begin development of program guidelines for Step Three and Step Four of the Go Local Program to evaluate all Go Local Step Two projects, including the Irvine Fixed Guideway project, which is currently in Step Two of the Go Local Program.
- E. Approve a programmatic allocation of \$1 million of Commuter and Urban Rail Endowment funds for the development of station and parking improvements and direct staff to develop project screening and selection for Board of Directors' approval.
- F. Require participating cities to provide a local funding match of 10 percent of project cost up to \$100,000 of local match, to advance fixed guideway, mixed-flow, and station and parking improvement projects through the conceptual engineering and environmental clearance phase.
- G. Direct staff to extend the deadline for the transportation demand management element of the Combined Transportation Funding Program until March 14, 2008, to allow additional time for pedestrian and bicycle projects developed under Go Local Step One to submit funding applications.

Discussion Items

32. Update on Riverside County - Orange County Geotechnical Efforts

Tony Rahimian, RMC, Inc.

33. Public Comments

At this time, members of the public may address the Board of Directors regarding any items within the subject matter jurisdiction of the Board of Directors, but no action may be taken on off-agenda items unless authorized by law. Comments shall be limited to three (3) minutes per speaker, unless different time limits are set by the Chairman subject to the approval of the Board of Directors.



BOARD AGENDA

ACTIONS

34. Chief Executive Officer's Report

35. Directors' Reports

36. Closed Session

A Closed Session is not scheduled.

37. Adjournment

The next regularly scheduled meeting of this Board will be held at **9:00 a.m. on March 10, 2008**, at the OCTA Headquarters.



**Transportation Authorization Presentation
February 25, 2008
Agenda**

I. Introduction

Art Leahy
Rick Bacigalupo

II. Comments

III. History of the Federal Highway Program

- Good Roads Movement
- Eisenhower Interstate Highway Program
- Emergence of a Multimodal Transportation Program
- Future Directions

Hamid Bahadori
*Automobile Club of
Southern California*

IV. The Transportation Design and Constitution Industry Viewpoint

- Issues and Challenges Facing the Transportation Industry
- The Pending "Freight Tsunami" Facing America
- Global Infrastructure Investment Buildout
- ARTBA's Proposal, Including Critical Commerce Corridors

Larry Russell
*American Road and
Transportation Builders
Association*

V. Recommendations of the National Transportation Policy and Revenue Study Commission

- Magnitude of Infrastructure Investment Needs
- Reform of Present Transportation Policy
- Restructure of Present Transportation Delivery System
- Revenue Considerations

Steve Heminger
*Metropolitan
Transportation
Commission*

A biography for each speaker is attached.

Hamid Bahadori
Principal Transportation Engineer and Senior Public Policy Analyst with the
Automobile Club of Southern California

Hamid Bahadori is a Principal Transportation Engineer and Senior Public Policy Analyst with the Automobile Club of Southern California, responsible for traffic/transportation policies and programs of the Auto Club. He has over 25 years of experience in planning, funding, design, construction and operation of major transportation projects for public and private sectors. Hamid is also an adjunct professor in the University of Southern California (USC) teaching transportation engineering and planning courses. He is a member of several traffic/transportation advisory boards and commissions throughout California, and is currently serving as the Chairman of the California Traffic Control Devices Committee, which is responsible for developing and approving standards for design, operation and maintenance of traffic control devices in California. Hamid is a registered civil and traffic engineer in the State of California and has bachelor and master degrees in civil engineering and a master of public administration.

Larry C. Russell
Vice President Development and National Field Director
American Road & Transportation Builders Association

Larry C. Russell serves as vice president development and national field director for the American Road & Transportation Builders Association (ARTBA). He is a liaison to the industry's leading transportation design, construction and finance firms and represents the association at meetings, events, and conferences across the United States.

Russell leads ARTBA's national field team. He serves as staff liaison to ARTBA's Railroad and Public Transportation Advisory Council, Grassroots Action Team, Membership Development Committee and Western Leadership Team.

Russell previously served as ARTBA's national field director and as director of western operations. Immediately prior to joining ARTBA, Larry led the ground operations for the Bush-Cheney 04 presidential campaign in the Cleveland, Ohio area. Before being asked to join BC04 operation, Larry directed the grassroots operations for now Senator John Thune's (R-S.D.) 2004 successful election where he defeated former Senate Democratic Leader Tom Daschle (D-S.D.).

During these campaigns he worked daily with the Republican National Committee, the National Republican Senatorial Committee and the political operation at the White House. He managed 15 field offices, a multi-million dollar budget, administered a multi-million-piece direct mail and coordinated phone program, and implemented a statewide voter identification program. In this position, Larry also built coalition relationships with statewide and national organizations like the U.S. Chamber of Commerce and the National Federation of Independent Business.

In January 2004, Larry ran for South Dakota's congressional seat in a special primary election to fill an unexpired term, finishing second among nine state leaders.

Larry served as manager of business development in 2003 and early 2004 for Cedar American Rail Holdings, Inc. In that position, he was responsible for business development, government and public affairs, and special projects in eight states—South Dakota, Minnesota, Iowa, Wyoming, Nebraska, Wisconsin, Illinois and Missouri, serving as the firm's primary liaison with state transportation departments. He worked closely with the firm's chief executive officer on development of North America's largest rail project in a century—a \$6 billion expansion into Wyoming's Powder River Basin.

As a grassroots consultant and lobbyist for the Anheuser-Busch Companies in 2003, Larry directed state and local grassroots campaigns in Virginia, West Virginia, North Carolina, South Carolina, Tennessee, Kentucky, and Nevada.

After graduating from a state university in South Dakota in 1995, Larry went to work for then U.S. Congressman John Thune, serving as field and economic development director.

Larry and his wife, Joey, have two daughters. He enjoys golf, tennis, water and snow skiing, snowmobiling, hiking, camping, and pheasant hunting in his free time.

Steve Heminger
Executive Director of the Metropolitan Transportation Commission

Steve Heminger is Executive Director of the Metropolitan Transportation Commission (MTC). MTC is the regional transportation planning and finance agency for the nine-county San Francisco Bay Area. It allocates more than \$1 billion per year in funding for the operation, maintenance and expansion of the Bay Area's surface transportation network.

Since 1998, MTC has served as the Bay Area Toll Authority (BATA) responsible for administering all toll revenue from the seven state-owned bridges. BATA has a "AA" credit rating and plans to issue over \$6 billion in toll revenue bonds to finance bridge, highway, and transit construction projects over the next several years. MTC also functions as the region's Service Authority for Freeways and Expressways (SAFE) and operates a fleet of 80 tow trucks and 2,600 roadside call boxes to assist motorists in trouble. In addition, MTC manages the TransLink® universal fare card program for public transit and the popular 511 traveler information telephone number and web site.

Mr. Heminger was appointed by House Speaker Nancy Pelosi to serve on the National Surface Transportation Policy and Revenue Study Commission, which will help chart the future course for the federal transportation program. In addition, he is a member of the Board of Trustees for the Mineta Transportation Institute and the Board of Directors for the Association of Metropolitan Planning Organizations and International Bridge, Tunnel and Turnpike Association. Prior to joining MTC in 1993, Mr. Heminger was Vice President of Transportation for the Bay Area Council, a business-sponsored public policy group. He also has served as a staff assistant in the California State Legislature and the U.S. Congress.

Mr. Heminger received his Master of Arts degree from the University of Chicago and a Bachelor of Arts degree from Georgetown University.

Minutes of the Meeting of the
Orange County Transportation Authority
Orange County Service Authority for Freeway Emergencies
Orange County Local Transportation Authority
Orange County Transit District
Board of Directors
February 11, 2008

Call to Order

The February 11, 2008, regular meeting of the Orange County Transportation Authority and affiliated agencies was called to order by Chairman Norby at 9:00 a.m. at the Orange County Transportation Authority Headquarters, Orange, California.

Roll Call

Directors Present: Chris Norby, Chairman
Peter Buffa, Vice Chair
Jerry Amante
Patricia Bates
Arthur C. Brown
Bill Campbell
Carolyn Cavecche
Richard Dixon
Paul Glaab
Cathy Green
Allan Mansoor
John Moorlach
Janet Nguyen
Curt Pringle
Miguel Pulido
Mark Rosen
Gregory T. Winterbottom
Cindy Quon, Governor's Ex-Officio Member

Also Present: Arthur T. Leahy, Chief Executive Officer
Paul C. Taylor, Deputy Chief Executive Officer
Wendy Knowles, Clerk of the Board
Laurena Weinert, Assistant Clerk of the Board
Kennard R. Smart, Jr., General Counsel
Members of the Press and the General Public

Directors Absent: None

Invocation

Director Green gave the invocation.

Pledge of Allegiance

Director Amante led the Board and audience in the Pledge of Allegiance.

Special Matters

1. Sacramento Advocate Presentation

Moira Topp, OCTA's Sacramento Advocate, provided a verbal report on activities in Sacramento regarding:

- √ Discussions on the state's budget;
- √ Changes in leadership in the Assembly and Senate due to term limits;
- √ AB 387 (Duvall) which deals with design-build issues;
- √ Discussions regarding the legality of monies taken from public transportation projects;
- √ Legislation being developed for the State Route 55 which will enable negotiations to continue regarding continuous access;
- √ SB 974 (Lowenthal), which deals with potential container fees.

Consent Calendar (Items 2 through 12)

Chairman Norby announced that members of the public who wished to address the Board of Directors regarding any item appearing on the agenda would be allowed to do so by completing a Speaker's Card and submitting it to the Clerk of the Board.

Orange County Transportation Authority Consent Calendar Matters

2. Approval of 2008 Committee Assignments

Director Bates pulled this item, requested to be taken off the Highways Committee, asked that Director Green replace her, and requested to be assigned back onto the Finance and Administration Committee.

Chairman Norby also indicated these additional changes were recommended:

- Director Moorlach will not be serving on the Transit Committee;
- Vice Chairman Buffa will be asked to serve on the Transit Committee;
- Director Campbell will not be serving on the Legislative and Government Affairs and Public Communications Committee; and
- Director Cavecche has been asked to serve on the Executive Committee.

2. (Continued)

A motion was made by Director Brown, seconded by Director Nguyen, and declared passed by those present, to:

- A. Approve the recommended Committee assignments;
- B. Change the name of the former Legislative and Government Affairs and Public Communications Committee to the "Legislative and Communications Committee."

3. Approval of Board Member Travel

A motion was made by Director Campbell, seconded by Director Amante, and declared passed by those present, to approve a request for Director Brown to travel to Washington, D.C., from March 8-12, 2008, to attend the 2008 American Public Transportation Association Legislative Conference.

4. Approval of Minutes - Special Meeting

A motion was made by Director Campbell, seconded by Director Amante, and declared passed by those present, to approve the minutes of the Orange County Transportation Authority and affiliated agencies' special meeting of January 28, 2008.

5. Approval of Minutes - Regular Meeting

A motion was made by Director Campbell, seconded by Director Amante, and declared passed by those present, to approve the minutes of the Orange County Transportation Authority and affiliated agencies' regular meeting of January 28, 2008.

6. Clerk of the Board's Response to State Triennial Performance Audit Recommendation

A motion was made by Director Campbell, seconded by Director Amante, and declared passed by those present, to receive and file as an information item.

7. Transit Division Response to State Triennial Performance Audit Recommendation

A motion was made by Director Campbell, seconded by Director Amante, and declared passed by those present, to receive and file as an information item.

8. State Legislative Status Report

A motion was made by Director Campbell, seconded by Director Amante, and declared passed by those present, to continue to oppose any shift of transportation funding away from designated purposes to fulfill General Fund obligations.

9. Federal Legislative Status Report

Director Nguyen pulled this item to confirm that staff's recommendation was to monitor and seek, not to endorse or support, a container fee; staff confirmed that was correct.

A motion was made by Director Nguyen, seconded by Vice Chair Buffa, and declared passed by those present, to continue to monitor the bill and seek to incorporate into the bill those concepts previously adopted by the Orange County Transportation Authority Board of Directors in Principles for a Container Fee Program and Goods Movement Policy.

10. Selection of a Consultant for Preparation of a Feasibility Study for Improvements to the Riverside Freeway (State Route 91)

Director Campbell pulled this item and commented on the prior discussions on the procurement of engineering services. He stated that he wished to amend the recommendation for staff to return this contract to the Board once the amount is stipulated.

A motion was made by Director Campbell, seconded by Director Bates, and declared passed by those present, to:

- A. Approve the selection of RMC, Inc., as the top ranked firm to prepare a feasibility study for improvements to the Riverside Freeway (State Route 91) between the Costa Mesa Freeway (State Route 55) and the Orange Freeway (State Route 57).
- B. Authorize staff to request a cost proposal from RMC, Inc., and negotiate an agreement for their services.
- C. Authorize the Chief Executive Officer to execute the final agreement.
- D. Direct staff to return to the Board with the contract when the dollar amount is stipulated.

Vice Chair Buffa abstained from voting on this item.

11. Approval to Release Request for Proposals for Consultant Services for the Central County Corridor Major Investment Study and Approval of Funding Agreement with the Southern California Association of Governments

Chairman Norby pulled this item and stated that one of his goals is to look at the State Route 57 Orange Freeway extension and the options available.

A brief discussion followed, and a motion was made by Director Dixon, seconded by Director Amante, and declared passed by those present, to:

- A. Approve the proposed evaluation criteria and weights.
- B. Approve the release of Request for Proposals 8-1042 for consultant services for the Central County Corridor Major Investment Study.
- C. Authorize the Chief Executive Officer to negotiate and execute Cooperative Agreement No. 8-0092 between the Orange County Transportation Authority and the Southern California Association of Governments, to receive an amount not to exceed \$200,000, for the Central County Corridor Major Investment Study.
- D. Amend the Orange County Transportation Authority Fiscal Year 2007-08 Budget to include \$200,000 from the Southern California Association of Governments.
- E. Formally include an evaluation of the right-of-ways as part of this study and transmit results to the Southern California Association of Governments.

12. Customer Information Center Update

A motion was made by Director Campbell, seconded by Director Amante, and declared passed by those present, to return to the Orange County Transportation Authority Board of Directors in six months with an update on Customer Information Center call volume and the status of the Alta Resources' contract.

Regular Calendar

Orange County Transportation Authority Regular Calendar Matters

13. Freeway Program Update

Tom Bogard, Director of Highway Project Delivery, presented this item to the Board and displayed maps showing the progress year-by-year for the freeway system.

Discussion followed, and Director Bates inquired regarding the status for improvements at the southbound Interstate 5 (I-5) Freeway at State Route 55.

13. (Continued)

Mr. Bogard stated that a feasibility study is currently underway for improvements at this location, and similar studies over the past years have been done. He stated that once feasible improvements are identified, OCTA would have to look for funding on the I-5 and it would be incorporated in the coming years as part of the freeway program.

Director Amante offered that he feels it is important to look at what can be done and would like to see this woven into the Central County Corridor Study and alternatives are needed to make that area more efficient.

A motion was made by Director Dixon, seconded by Director Amante, and declared passed by those present, to receive and file as an information item.

Discussion Items

14. Distribution of National Surface Transportation Policy and Revenue Study Commission Final Report

Richard J. Bacigalupo, Federal Relations Manager, provided this document for the Members, and provided an overview of the Commission's report. He informed Members that a presentation will be provided by Mr. Heminger at the February 25 Board meeting.

It was the consensus of the Board that this item be received and filed as an information item.

15. Public Comments

At this time, Chairman Norby stated that members of the public may address the Board of Directors regarding any items within the subject matter jurisdiction of the Board of Directors, but no action would be taken on off-agenda items unless authorized by law.

Public comments were heard from:

Dennis Yost, resident of Costa Mesa, provided complaints regarding the cab company used by OCTA, American Logistics. He stated he had several problems with the company, and staff agreed to meet with Mr. Yost after the meeting to gain further understanding of the problems Mr. Yost was encountering.

Chief Executive Officer (CEO), Arthur T. Leahy, informed the Chairman that staff will return to the Board with the outcome of the investigation of these issues.

15. (Continued)

Arnie Pike, resident of Placentia, requested clarification if OCTA gives a city money for a particular project, can the money be used for only that project, or can the city use it for the general fund to repay money owed.

Kia Mortazavi, Executive Director of Development, responded that a portion of the funds go to the cities and they are governed by gas tax regulations, and that monies are generally for a specific project.

Director Pringle offered that there are a variety of OCTA and Measure M funds, some of which are provided to cities on a per-capita basis. Mr. Leahy stated that the cities have some discretion over some funds.

Mr. Pike also had questions regarding ACCESS hours, improvements to bus stops and bus shelters, and reported a concern regarding accessibility of bus stops for wheelchair users. Staff responded to Mr. Pike's comments.

16. Chief Executive Officer's Report

CEO, Arthur T. Leahy, reported:

- √ A meeting was held with Dave Ream, City Manager for Santa Ana, to discuss the Go Local projects for the city as well as use of the Pacific Electric (PE) right-of-way (ROW);
- √ There will be a PE ROW tour on Friday, February 15;
- √ On February 19, there will be a staff California Transportation Commission hearing on the Trade Corridor Projects. Mr. Leahy reported he spoke with Commission staff last week.
- √ A Costa Mesa study session will be held February 12 on the State Route 55 access study;
- √ A South County Major Investment Study presentation will be held on February 12 to the Capistrano School Board;
- √ Conversation was held with Los Alamitos last week regarding the Orangeline, and the Council took a position in favor of supporting the OCTA Board position. Some members of that council still argue that the Board's direction permits the Orangeline to proceed, which is not what the Board has directed;
- √ The Coastal Commission met last week and a decision was made in opposition of the 241 toll road extension, although OCTA continues to support the extension of the 241 as proposed by the Transportation Corridors Agency (TCA).

Chairman Norby requested that staff arrange for the TCAs to address the Board regarding their response to the vote against the extension and what they would like OCTA's role to be.

17. Directors' Reports

Director Pringle stated that while he was in Washington, D.C., he met with Transportation Secretary Peters, who has instructed her staff to coordinate dates to come to Orange County, based around the concepts of transportation innovations in the County.

Director Brown stated that he attended a tour of the LOSSAN north right-of-way from Los Angeles to Santa Barbara, and Directors Winterbottom and Dixon also went on the trip.

Director Amante expressed his appreciation to OCTA for its support at the Coastal Commission meeting last week. He also stated that an appeal was filed last week to overturn the Commission's decision.

Director Amante further stated that he spoke with members of the City Council for Los Alamitos and stated that there was clearly an acceptance of the Board's view on the PE ROW and what is trying to be accomplished.

Director Dixon requested that staff provide the Board Members with a copy of the California Building Industry Association's proposed replacement bill for SB 375, along with the State League's comparison of the two bills.

He further advised that he has been involved in meetings with the Southern California Association of Governments (SCAG) and staff will be recommending to the Regional Council that they use Orange County projections, along with other sub-regional projections for the Regional Transportation Plan (RTP). They will recommend keeping the blueprint in the RTP and emphasize that it is voluntary. Director Dixon encouraged the members of the Orange County Board of Supervisors to contact Riverside Supervisor Stone to move these items forward

Director Dixon expressed his disappointment with the vote regarding the 241 extension and feels that it was missed that the alternate suggestion to widen the Interstate 5 is not a replacement project for the RTP.

Director Bates asked Chairman Norby to schedule a presentation by County Roads to assist everyone with understanding the issues on this topic.

Director Pulido also expressed his appreciation for recent meetings held with OCTA and the City of Santa Ana and asked that future meetings include staff from the City of Garden Grove.

Director Green advised Director Pulido that the City Manager for Huntington Beach has spoken to the City of Santa Ana regarding partnering on a Go Local project.

Director Dixon asked if OCTA could consider subleasing office space to SCAG staff.

17. (Continued)

Chairman Norby advised Members that an event entitled, "OCTA Face-to-Face" will be held on March 5 and encouraged the Board Members to participate. Directors Green and Pringle indicated they are out of town on that date and will not be able to attend.

18. Closed Session

A Closed Session was not held at this meeting.

19. Adjournment

Chairman Norby adjourned the meeting at 10:30 a.m. He advised that the next regularly scheduled meeting of the Board will be held at **9:00 a.m. on February 25, 2008**, at the OCTA Headquarters.

ATTEST

Wendy Knowles
Clerk of the Board

Chris Norby
OCTA Chairman



ORANGE COUNTY
TRANSPORTATION AUTHORITY

RESOLUTION

KEN DOOLEY

WHEREAS, the Orange County Transportation Authority Board of Directors recognizes and commends Ken Dooley; and

WHEREAS, be it known that Ken Dooley has been with the Authority since April 14, 1975 and has earned thirty-two years of safe driving; and

WHEREAS, Ken Dooley has distinguished himself by maintaining an outstanding record for safety, attendance, and customer relations; and

WHEREAS, Ken Dooley takes great pride in giving extraordinary service to all customers; and

WHEREAS, Ken Dooley maintains a professional demeanor at all times and is well respected by his customers, peers, and supervisors; and

WHEREAS, Ken Dooley's unselfish dedication to the Authority, his customers, and the citizens of Orange County is recognized and appreciated.

NOW, THEREFORE, BE IT RESOLVED that the Authority does hereby declare Ken Dooley as the Orange County Transportation Authority Coach Operator Employee of the Year for 2007; and

BE IT FURTHER RESOLVED that the Orange County Transportation Authority Board of Directors recognizes Ken Dooley's valued service to the Authority.

Dated: February 22, 2008

Chris Norby, Chairman
Orange County Transportation Authority

Arthur T. Leahy, Chief Executive Officer
Orange County Transportation Authority

OCTA Resolution No. 2008-15





ORANGE COUNTY
TRANSPORTATION AUTHORITY

RESOLUTION

RUDY CHAVEZ

WHEREAS, the Orange County Transportation Authority Board of Directors recognizes and commends Rudy Chavez; and

WHEREAS, Rudy is a key member of the Authority's maintenance rebuild program, improving service reliability and safety; and

WHEREAS, Rudy's expertise in the diagnosis, maintenance, and rebuild of engines and transmissions for Authority vehicles is to be commended; and

WHEREAS, Rudy's skills and superb attitude in performing all facets of vehicle transmission and engine repairs have earned him the respect of all that work with him; and

WHEREAS, his commitment to provide the highest quality of service to our customers, teamwork, and professionalism and his desire to excel are duly noted.

NOW, THEREFORE, BE IT RESOLVED that the Authority does hereby declare Rudy Chavez as the Orange County Transportation Authority Maintenance Employee of the Year for 2007; and

BE IT FURTHER RESOLVED that the Orange County Transportation Authority Board of Directors recognizes Rudy Chavez's valued service to the Authority.

Dated: February 22, 2008

Chris Norby, Chairman
Orange County Transportation Authority

Arthur T. Leahy, Chief Executive Officer
Orange County Transportation Authority





ORANGE COUNTY
TRANSPORTATION AUTHORITY

RESOLUTION

PATRICK SAMPSON

WHEREAS, the Orange County Transportation Authority Board of Directors recognizes and commends Patrick Sampson; and

WHEREAS, Patrick Sampson has consistently performed his duties as a Senior Transportation Analyst in the Community Transportation Services Department demonstrating the highest level of dedication and can-do spirit; and

WHEREAS, Patrick Sampson has successfully handled very complex and high profile projects, such as preparing reports for the Board of Directors, developing the department budget, and preparing the National Transit Database Report; and

WHEREAS, Patrick Sampson has consistently demonstrated his professionalism, integrity, creativity, and teamwork in all his projects; and

WHEREAS, Patrick Sampson plays an integral role in representing the Community Transportation Services Department as a customer focused and responsive organization, reflecting the core values of the Authority.

NOW, THEREFORE, BE IT RESOLVED that the Authority does hereby declare Patrick Sampson as the Orange County Transportation Authority Administrative Employee of the Year for 2007; and

BE IT FURTHER RESOLVED that the Orange County Transportation Authority Board of Directors recognizes Patrick Sampson's valued service to the Authority.

February 22, 2008

Chris Norby, Chairman
Orange County Transportation Authority

Arthur T. Leahy, Chief Executive Officer
Orange County Transportation Authority

OCTA Resolution No. 2008-13





ORANGE COUNTY
TRANSPORTATION AUTHORITY

RESOLUTION

Evelyn Ranson

WHEREAS, the Orange County Transportation Authority recognizes and commends Evelyn Ranson; and

WHEREAS, be it known that Evelyn Ranson has earned a five (5) year Safe Driving award, and has been with the Authority since March 1, 2002. She has distinguished herself by maintaining an outstanding record for safety, attendance, customer relations, and performance record; and

WHEREAS, Evelyn's dedication to her duties and desire to excel are duly noted, and she is recognized as an outstanding Authority employee who has consistently demonstrated a level of professionalism that is the embodiment of the Authority's core values; and

WHEREAS, be it known that Evelyn Ranson is a very positive employee, her quiet demeanor compliments her genuine interest in providing excellent customer service to her patrons. Evelyn takes great pride in her driving skills and demonstrates true professionalism in her overall performance as an OCTA Coach Operator.

NOW, THEREFORE, BE IT RESOLVED that the Authority does hereby declare Evelyn Ranson as the Orange County Transportation Authority Coach Operator Employee of the Month for February 2008; and

BE IT FURTHER RESOLVED that the Orange County Transportation Authority Board of Directors recognizes Evelyn Ranson's valued service to the Authority.

Dated: February 25, 2008

Chris Norby, Chairman
Orange County Transportation Authority

Arthur T. Leahy, Chief Executive Officer
Orange County Transportation Authority





ORANGE COUNTY
TRANSPORTATION AUTHORITY

RESOLUTION

JEFFREY FERREE

WHEREAS, the Orange County Transportation Authority recognizes and commends Jeffrey Ferree; and

WHEREAS, be it known that Jeffrey Ferree is a valued member of the Maintenance Department. Jeffrey is an outstanding Quality Control Inspector in the vehicle procurement program; and

WHEREAS, be it known that Jeffrey's skill and experience in working with alternate fuel buses as well as his many other technical abilities have been significant factors in helping the bus manufacturer identify design faults and safety issues; and

WHEREAS, be it known that Jeffrey is a principal player in our Maintenance Department with his innovative contributions, service, and commitment; and

WHEREAS, his dedication to his duties and desire to excel are duly noted, and he is recognized as an outstanding Authority employee.

NOW, THEREFORE, BE IT RESOLVED that the Authority does hereby declare Jeffrey Ferree as the Orange County Transportation Authority Maintenance Employee of the Month for February 2008; and

BE IT FURTHER RESOLVED that the Orange County Transportation Authority Board of Directors recognizes Jeffrey Ferree's valued service to the Authority.

Dated: February 22, 2008

Chris Norby, Chairman
Orange County Transportation Authority

Arthur T. Leahy, Chief Executive Officer
Orange County Transportation Authority

OCTA Resolution No. 2008-10





ORANGE COUNTY
TRANSPORTATION AUTHORITY

RESOLUTION

MARK SCHAFF

WHEREAS, the Orange County Transportation Authority recognizes and commends Mark Schaff; and

WHEREAS, be it known that Mark Schaff has demonstrated his abilities as an outstanding training and development professional to all divisions at the Orange County Transportation Authority; and

WHEREAS, Mark Schaff provided outstanding performance as an interim project manager for the Bus Rapid Transit project by stepping in from July 2007 to December 2007 in order to move the project forward; and

WHEREAS, Mark Schaff's exceptional organizational skills, communication abilities, and management expertise allowed him to quickly transition into his new role and earn the trust of those working with him, as well as assist with the transition of the role to an internal candidate through coaching and mentoring; and

WHEREAS, Mark Schaff continues to provide the same high level of energy and enthusiasm to every project that he is given. Now that he has returned to the Training and Development department, his thorough and thoughtful approach, coupled with his ability to generate ideas and foster an environment of excellence, make him an ideal employee.

NOW, THEREFORE, BE IT RESOLVED that the Authority does hereby declare Mark Schaff as the Orange County Transportation Authority Administrative Employee of the Month for February 2008; and

BE IT FURTHER RESOLVED that the Orange County Transportation Authority Board of Directors recognizes Mark Schaff's valued service to the Authority.

Dated: February 22, 2008

Chris Norby, Chairman
Orange County Transportation Authority

Arthur T. Leahy, Chief Executive Officer
Orange County Transportation Authority

OCTA Resolution No. 2008-12





BOARD COMMITTEE TRANSMITTAL

February 25, 2008

To: Members of the Board of Directors

From: ^{WK} Wendy Knowles, Clerk of the Board

Subject: Western Conference of Teamsters Pension Trust Audit Results

Finance and Administration Committee meeting of February 13, 2008

Present: Directors Amante, Brown, Buffa, Campbell, Green, and Moorlach

Absent: Director Nguyen

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Receive and file as an information item.



February 13, 2008

To: Finance and Administration Committee
From: Arthur T. Leahy, ^{Mr} Chief Executive Officer
Subject: Western Conference of Teamsters Pension Trust Audit Results

Overview

The Western Conference of Teamsters Pension Trust performed an audit of Orange County Transportation Authority's payroll records under the authority of Article XI, Section 1, of the Agreement and Declaration of Trust. The audit resulted in a total credit due to the Orange County Transportation Authority of \$1,535.48.

Recommendation

Receive and file as an information item.

Background

The Western Conference of Teamsters Pension Trust (WCTPT) performed an audit of payroll records for the operations and maintenance pension trust accounts of Teamsters Local Union Number 952 members employed by the Orange County Transportation Authority (OCTA). The audit is authorized under Article XI, Section 1, of the Agreement and Declaration of Trust.

Discussion

The purpose of the audit was to determine whether OCTA contributions are being made in accordance with the respective labor agreements and the provisions of the Trustee Policy. The site visit was performed by an auditor from the WCTPT on October 11 and 12, 2007. The audit period for the operations account was January 1, 2006 through December 31, 2006. The audit period for the maintenance account was January 1, 2004 through December 31, 2006. The auditor reviewed individual payroll records, state quarterly reports, workers' compensation reports, labor contracts, and payroll and accounts payable records for temporary agency personnel.

The audit identified credits due to the OCTA, in the amounts of \$1,330.48 and \$205 for operations and maintenance, respectively (Attachment A). OCTA sent memos to the WCTPT authorizing a check be issued to OCTA for the credits due (Attachment B).

Summary

The WCTPT performed an audit of OCTA's payroll records under the authority of Article XI, Section 1, of the Agreement and Declaration of Trust to determine that OCTA contributions are being made in accordance with the respective labor agreements and the provisions of the Trustee Policy. The audit resulted in a total credit due to OCTA of \$1,535.48.

Attachments

- A. Audit Results Letters from the Western Conference of Teamsters Pension Trust
- B. Refund of Overpayment Memos

Prepared by:



Kathleen M. O'Connell
Manager, Internal Audit
(714) 560-5669

**Audit Results Letters from the Western Conference of
Teamsters Pension Trust**



Western Conference of Teamsters Pension Trust

An Employer-Employee Jointly Administered Pension Plan - Founded 1955

November 15, 2007

Southwest Administrative Office:
1000 S. Fremont Avenue, Unit 11/A9-W
Alhambra, California 91803-8839
P.O. Box 1121
Alhambra, California 91802-1121
(800) 845-0571

Ms. Lisa Monteiro
Principal Internal Auditor
Orange County Transportation Authority
550 South Main Street
Orange, CA. 92863

RECEIVED

NOV 20 2007

RE: Payroll Audit – Account No(s). 215415

Dear Ms. Monteiro:

INTERNAL AUDIT

Your payroll records were recently audited for the period of January 1, 2004 through December 31, 2006 by a Representative of Southwest Administrators, Inc., in accordance with the Trust's continuous routine audit procedure. Please be advised that you have a credit due in the amount of \$1,330.48 as a result of the routine audit.

In accordance with the foregoing, you may:

1. Take the credit toward future contributions by simply deducting the amount shown above from your next report to the Trust Fund and enclose a copy of this letter with your remittance; or
2. Request a refund (in writing).

Under the provisions of Section 403 of the Employees Retirement Income Security Act of 1974, as amended by the Multi employer Pension Plan Amendments Act of 1980, this overpayment must be disposed of by credit or refund within six (6) months of the date of this letter. If this credit cannot be used entirely in the time allowed, please make a written request for a refund of the monies in question. If this credit is not utilized within this six month period, the remaining balance of the overage will become the property of this Trust Fund.

If you have any questions, please contact our office. Your cooperation in connection with the audit was appreciated by all concerned.

Sincerely,

EDWARD WONG
Senior Auditor
Southwest Administrative Office/Ext. 109

EW:vs

cc: Teamster Local Union No(s). 952
Ms. Cherie Fiona, Payroll Manager



Western Conference of Teamsters Pension Trust

An Employer-Employee Jointly Administered Pension Plan - Founded 1955

November 21, 2007

Southwest Administrative Office:
1000 S. Fremont Avenue, Unit 11/A9-W
Alhambra, California 91803-8839
P.O. Box 1121
Alhambra, California 91802-1121
(800) 845-0571

Lisa Monteiro
Principal Intern Auditor
Orange County Transportation Authority
550 South Main Street
Orange, CA. 92863

RECEIVED

NOV 27 2007

RE: Payroll Audit - Account No(s). 215722

INTERNAL AUDIT

Dear Ms. Monteiro:

Your payroll records were recently audited for the period of January 1, 2006 through December 31, 2006 by a representative of Southwest Administrators, Inc., in accordance with the Trust's continuous random audit procedure. Please be advised that you have a credit due in the amount of \$205.00 as a result of the random audit.

In accordance with the foregoing, you may:

1. Take the credit toward future contributions by simply deducting the amount shown above from your next report to the Trust Fund and enclose a copy of this letter with your remittance; or
2. Request a refund (in writing).

Under the provisions of Section 403 of the Employees Retirement Income Security Act of 1974, as amended by the Multi employer Pension Plan Amendments Act of 1980, this overpayment must be disposed of by credit or refund within six (6) months of the date of this letter. If this credit cannot be used entirely in the time allowed, please make a written request for a refund of the monies in question. If this credit is not utilized within this six month period, the remaining balance of the overage will become the property of this Trust Fund.

If you have any questions, please contact our office. Your cooperation in connection with the audit was appreciated by all concerned.

Sincerely,

EDWARD WONG
Senior Auditor
Southwest Administrative Office/Ext. 109

EW:TA

cc: Teamster Local Union No(s). 952
Cherie Fiona, Payroll Manager



INTEROFFICE MEMO

December 21, 2007

To: Lenore Fisher, WCTPT
From: Cherie Finona, Payroll Manager *CF*
Subject: **Refund of overpayment**

As a result of the recent audit we are due a refund in the amount of **\$1,330.48** which represents an overpayment on Account 215415. Please accept this letter as authorization to issue a check payable to:

**Orange County Transportation Authority
550 S Main Street
P.O. Box 14184
Orange, CA 92863-1584
Attn: Cherie Finona, Payroll Manager**

I have enclosed a copy of the audit results for your reference.

Should you have any questions or concerns I can be reached at (714) 560-5665 or cfinona@octa.net.



INTEROFFICE MEMO

December 21, 2007

To: Lenore Fisher, WCTPT
From: Cherie Finona, Payroll Manager *CF*
Subject: **Refund of overpayment**

As a result of the recent audit we are due a refund in the amount of **\$205.00** which represents an overpayment on Account 215722. The audit covered January 1, 2006 through December 31, 2006.

We also received a credit memo in the amount of **\$69.44** as a result of a recent claim inquiry for

Please accept this letter as authorization to issue a check in the amount of **\$274.44** payable to:

**Orange County Transportation Authority
550 S Main Street
P.O. Box 14184
Orange, CA 92863-1584
Attn: Cherie Finona, Payroll Manager**

I have enclosed a copy of the audit results for your reference.

Should you have any questions or concerns I can be reached at (714) 560-5665 or cfinona@octa.net.



BOARD COMMITTEE TRANSMITTAL

February 25, 2008

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Fiscal Year 2007-08 Internal Audit Plan, Second Quarter Update

Finance and Administration Committee meeting of February 13, 2008

Present: Directors Amante, Brown, Buffa, Campbell, Green, and Moorlach
Absent: Director Nguyen

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Receive and file the second quarter update to the Orange County Transportation Authority Internal Audit Department Fiscal Year 2007-08 Internal Audit Plan.



February 13, 2008

To: Finance and Administration Committee
From: Arthur T. Leahy, ^{Mr} Chief Executive Officer
Subject: Fiscal Year 2007-08 Internal Audit Plan, Second Quarter Update

Overview

The Orange County Transportation Authority Board of Directors adopted the Orange County Transportation Authority Internal Audit Department Fiscal Year 2007-08 Internal Audit Plan on August 8, 2007. This update is for the second quarter of the fiscal year.

Recommendation

Receive and file the second quarter update to the Orange County Transportation Authority Internal Audit Department Fiscal Year 2007-08 Internal Audit Plan.

Background

The Internal Audit Department (Internal Audit) is an independent appraisal function, the purpose of which is to examine and evaluate the Orange County Transportation Authority's (OCTA) operations and activities to assist management in the discharge of its duties and responsibilities.

Internal Audit performs a wide range of auditing services that include overseeing the annual financial audit, operational reviews, contract compliance reviews, internal control assessments, investigations, and pre-award price reviews. Internal Audit also monitors software system implementation to help ensure that proper controls are built into systems prior to implementation. All audits initiated by entities outside of OCTA are coordinated through Internal Audit.

Discussion

The Orange County Transportation Authority Internal Audit Department Fiscal Year 2007-08 Internal Audit Plan (Plan) Second Quarter Update (Attachment A) reflects the status of each of the projects. As indicated in

Attachment A, numerous projects are in process or in the report development phase.

Internal Audit has completed or has in process 13 price reviews at December 31, 2007. As shown on Attachment A, and with the fiscal year only half complete, the budget of 500 hours has been exhausted. The primary reason for this is Internal Audit's attempts to improve turn-around time on price reviews by conducting them in-house. While Internal Audit has at its disposal on-call firms to conduct these reviews, competitive contract task orders (CTOs) are required. As such, using on-call firms increases turn-around time by up to two weeks. Internal Audit has recently issued a request for proposals for on-call price review services and has stipulated that qualified firms awarded on-call contracts will henceforth be awarded CTOs on a sequential basis. This is expected to accelerate the price review process and allow Internal Audit to contract for more of these reviews.

Internal Audit has scheduled a Safety Monitoring audit for the fourth quarter of the fiscal year. In December 2007, the American Public Transportation Association (APTA) conducted a Bus Safety Management Program Audit. Comments have been provided to OCTA and a draft report will be issued in the next few weeks. Following management response, a final report will be issued within 45 days. Management of the Safety & Environmental Compliance Department expects to present the final report to the Transit Committee in April 2008. Internal Audit has reviewed the scope of the audit and initial comments and will consider management's corrective action in determining if a delay in this planned audit until fiscal year 2008-09 is appropriate.

An external audit was recently completed of the Teamsters Pension Trust Fund (Trust). Auditors for the Trust reviewed payroll and contribution records and have issued a small refund to OCTA. As such, the scope of the Teamsters Pension Trust Fund planned audit by Internal Audit will be limited and not redundant to the work conducted by those external auditors.

The Veolia contract audit has been completed and draft reports are in development by both Internal Audit and the on-call audit firm Mayer Hoffman McCann PC. It had originally been the intention of Internal Audit to contract out the entire Veolia audit. However, during the development of the scope of work, and in order to contain costs, Internal Audit carved out fixed route, Stationlink and express bus services as well as certain other contract terms and reviewed these services in-house. The hours indicated on Attachment A reflect this work, audit contractor oversight, and other contract analysis.

Finally, Internal Audit has procured an information systems auditor to conduct a comprehensive risk assessment of OCTA's information systems and propose an audit plan and audit cycle. Before proceeding further on the Database Management audit, Internal Audit will ensure that such an effort is consistent with the risk assessment.

Findings and Recommendations Tracking

At the request of the Finance and Administration Committee (Committee), unresolved audit recommendations are to be included in Internal Audit's quarterly updates to the Plan as Attachment B. In order to also ensure resolution of findings and recommendations provided by external auditors, Internal Audit will include findings and recommendations from regulatory audits, as well as those of OCTA's independent financial statement auditors, Mayer Hoffman McCann PC.

Internal Audit Initiatives

In July 2007, the Government Accountability Office (GAO) issued revised Government Auditing Standards, also known as the Yellow Book. Internal Audit has now developed policies and procedures consistent with the Yellow Book. In-house training for all staff was conducted on January 16, 2008. Additional in-house training sessions have been scheduled to ensure that all staff are familiar with, and comply with, these standards.

Internal Audit has been in contact with the Association of Local Government Auditors (ALGA) to establish a tentative date for a Quality Assurance or peer review. The peer review program administered by ALGA is conducted on a voluntary, rotational basis. ALGA has recommended that OCTA, prior to its own peer review, volunteer a staff member for a three-five day peer review of another agency. This contribution of staff time would benefit Internal Audit in that staff would develop an understanding of the process, satisfy the reciprocation requirements, and assist the department in preparing for its 2009 Peer Review.

In an effort to improve the administrative and operational efficiency of the department, Internal Audit will be installing an audit software package in the next few months. A solicitation was recently conducted and proposals were due February 1, 2008. It is anticipated that the installation of the software and required training will occur before the end of the fiscal year.

Summary

The Internal Audit Department will continue to implement the Plan and report to the Committee on a quarterly basis the status of the Plan.

Attachments

- A. Orange County Transportation Authority Internal Audit Department Fiscal Year 2007-08 Internal Audit Plan Second Quarter Update
- B. Unresolved Audit Findings and Recommendations (Audit Reports Issued October 2005 – December 2007)

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**Orange County Transportation Authority
Internal Audit Department
Fiscal Year 2007-08 Internal Audit Plan
Second Quarter Update**

Audit Activity	Description	Quarter Work Begins	Primary Audit Type	Planned Staff Hours	Staff Hours to Date	Under (Over)	Contract Hours	Status	Notes (Contract Auditor)
Mandatory External Independent Audits									
Annual Financial Audit	Annual contracted financial audit for fiscal year 2006-07	1st	Financial	375	201	174	2,800	Complete	F&A 01/23/08 (Mayer Hoffman McCann)
Annual Transportation Development Act Audits	Coordination of legally required annual audits of the recipients of Local Transportation Funds for fiscal year 2006-07.	1st	Compliance	100	30	70	700	Complete	F&A 01/23/08 (Mayer Hoffman McCann)
Federal Triennial Audit	Legally required triennial performance audit conducted by the Federal Transit Administration in 2007.	1st	Performance	75	84	(9)		Complete	F&A 10/24/07 (Federal Transportation Administration)
Internal Audits									
Authority-Wide									
Price Reviews	Cost and price analyses as required by OCTA procurement policies and procedures.	All	Price Review	500	541	(41)	600	13 complete or in process	
Risk Assessment and Annual Audit Plan	Annual review to prepare the audit plan for next fiscal year; periodic assessment of risk throughout the year.	4th	Risk Assessment	100	85	15		In Process	
Unscheduled Reviews and Special Requests	Time allowed for unplanned audits and requests from the Board of Directors and management.	All	Varies	300	11	289	250		
Executive									
Safety Monitoring	Review of policies and procedures over safety function.	4th	Internal Controls	175		175			
Development									
Metrolink	Inventory and review of audit activities and results thereof for the Southern California Regional Rail Authority.	3rd	Operational	300	2	298		In Process	
SR-22 Contract Close-Out (Carryover)	Review to ensure contract stipulations were complied with and to verify the propriety of payments.	1st	Compliance	75	13	62	300	In Process	(GCAP Services, Inc.)
I-5 Gateway Contract (Carryover)	Review to ensure contract stipulations are being complied with and to verify the propriety of payments.	1st	Compliance	75	1	74	300	Scope of Work under Development	
Caltrans Cooperative Agreement 12-281 for I-405/SR-55	Review to ensure contract stipulations were complied with and to verify the propriety of payments.	1st	Compliance	75	7	68	300	In Process	(Mayer Hoffman McCann)
Carter Burgess Contract (Carryover)	Review of project management services contract for bus rapid transit (BRT) system.	1st	Compliance	75	123	(48)		Complete	F&A 01/23/08

**Orange County Transportation Authority
Internal Audit Department
Fiscal Year 2007-08 Internal Audit Plan
Second Quarter Update**

Audit Activity	Description	Quarter Work Begins	Primary Audit Type	Planned Staff Hours	Staff Hours to Date	Under (Over)	Contract Hours	Status	Notes (Contract Auditor)
Combined Transportation Fund Project (CTFP) Audits/CTFP System	Periodic review of selected projects funded by the CTFP and review of the related CTFP database.	3rd	Compliance	100		100	600		
Transit									
Buy America	Pre-award and post-delivery reviews to ensure vendor is in compliance with federal Buy America requirements.	All	Compliance	100		100			
Vehicle Maintenance	Review of policies, procedures, management reporting, and regulatory compliance.	4th	Operational	250		250			
Operations Training (Carryover)	Review to improve efficiencies and ensure compliance with regulations and established practices.	1st	Operational	250	97	153		Report in Draft	
Veolia Contract (Carryover)	Review to ensure contract stipulations are being complied with and to verify the propriety of payments.	1st	Compliance	250	853	(603)	400	Reports in Draft	(Internal Audit and Mayer Hoffman McCann)
Government Relations									
Grant Close-Outs	As needed financial and compliance audits of grants at close-out to ensure propriety of expenditures.	All	Compliance	75	34	41		1 complete and 2 In Process	(Thompson, Cobb, Bazilio & Associates and Mayer Hoffman McCann)
Finance									
Treasury	Biannual financial and compliance reviews of the treasury function, including investment and bond compliance.	1st & 3rd	Compliance	200	87	113		01/01-06/30/07 Complete 07/01-12/31/07 In Process	F&A 10/24/07
Revenue Accounting	Review of controls over the collection and processing of sales tax receipts.	3rd	Operational	250		250			
Grants Management and Accounting	Review of policies, procedures, and regulatory compliance with grant requirements.	3rd	Operational	225		225			
Farebox Operations/GFI Application System (Carryover)	Operational review to improve efficiencies and to analyze the accuracy of GFI fareboxes.	1st	Internal Controls	150	106	44		Report in Draft	
Armored Car Service Contract	Contract compliance review of contract for armored car services.	1st	Compliance	100	41	59		Report in Draft	
Capital Assets	Review of policies and procedures for capital assets, including capitalization policy, classifications, depreciation, disposal	3rd	Internal Controls	225	28	197			

**Orange County Transportation Authority
Internal Audit Department
Fiscal Year 2007-08 Internal Audit Plan
Second Quarter Update**

Audit Activity	Description	Quarter Work Begins	Primary Audit Type	Planned Staff Hours	Staff Hours to Date	Under (Over)	Contract Hours	Status	Notes (Contract Auditor)
91 Express Lanes Collections	Review of contractual compliance and performance of collections contractor Law Enforcement Services (LES)	2nd	Compliance	100		100			
Human Resources									
Payroll	Full-scope audit of the payroll function including internal controls and analytics.	1st	Operational	425	230	195	200	In Process	
Medical Examinations	Review of contracted services for medical examinations and programs.	2nd	Compliance	150	32	118		In Process	
Health Insurance Portability and Accountability Act (HIPAA) Compliance (Carryover)	Review to ensure compliance with HIPAA regulations.	1st	Compliance	45	52	(7)		Complete	F&A 01/23/08 (AON Consulting)
Orange County Employees' Retirement System (OCERS) (Carryover)	Compliance and operational review to improve efficiencies and ensure compliance with external regulations and established practices.	1st	Operational	275	199	76		In Process	
Teamsters Pension Trust Fund	Compliance and operational review of contract provisions and plan operations.	2nd	Compliance	50	6	44	200	Western Conference of Teamsters Pension Trust Audit Complete	F&A 02/13/08
Contracts & Materials									
Procurement Cycle	Operational review to identify efficiencies and determine compliance with established policies and procedures.	2nd	Operational	325	265	60		Report in Draft	
Contract Administration	Operational review to identify efficiencies and determine compliance with established policies and procedures.	3rd	Operational	275		275			
Southern Counties Oil Company	Contract compliance review of C50467 - diesel and unleaded fuel supply.	3rd	Compliance	125		125			
Information Systems									
Database Management (Carryover)	Operational review to improve efficiencies and ensure compliance with established practices.	1st	Operational	250	17	233		Postpone until Risk Assessment is Complete	
Information Systems Risk Assessment	Full inventory and risk assessment of information systems.	2nd	Risk Assessment	100	135	(35)	350	In Process	(Control Solutions, Inc.)
External Affairs									
Vanpool Program	Review of first year operations and contract compliance.	4th	Operational	175		175			
Bus Advertising Revenue Contract (Carryover)	Review to ensure contract stipulations are being complied with and to verify the propriety of payments.	1st	Compliance	175	192	(17)		Report in Draft	

**Orange County Transportation Authority
Internal Audit Department
Fiscal Year 2007-08 Internal Audit Plan
Second Quarter Update**

Audit Activity	Description	Quarter Work Begins	Primary Audit Type	Planned Staff Hours	Staff Hours to Date	Under (Over)	Contract Hours	Status	Notes (Contract Auditor)
Monitoring Activities									
Transportation Development Act	Ongoing compliance review and follow-up of recommendations made in previous Transportation Development Act audits.	All		25	6	19			
Measure M Citizens Oversight Committee (COC) and Administrative Issues	Coordination of audit activities with the Audit Committee of the Measure M Citizens Oversight Committee.	All		75	14	61			
91 Express Lanes	Ongoing monitoring of 91 Express Lanes activities and participation in roundtables.	All		20	6	14			
I-5 Gateway Project	Ongoing monitoring to keep apprised of activities and significant issues.	All		25	2	23			
Compressed Natural Gas (CNG) Station Project	Ongoing monitoring to keep apprised of activities and significant issues.	All		35	11	24			
Mincom/Ellipse Project	Ongoing monitoring to keep apprised of activities and significant issues.	All		25	1	24			
BRT	Ongoing monitoring to keep apprised of activities and significant issues.	All		25	13	12			
Integrated Transportation Communication System (ITCS) Radio System	Ongoing monitoring to keep apprised of activities and significant issues.	All		25	3	22			
Technology Review Committee	Ongoing monitoring to keep apprised of activities and significant issues.	All		25	2	23			
Records Management	Ongoing participation on Records Management Task Force.	All		75	3	72			
Follow-Up Reviews									
State Triennial Audit	Follow-up on internal control related findings and recommendations.	1st		150	31	119			
Other follow-Up Reviews and Reporting	Follow-up on audit findings and recommendations.	Various		225	83	142			
Total Audit Hours				7,600	3,647	3,953	7,000		

UNRESOLVED AUDIT FINDINGS AND RECOMMENDATIONS
(Audit Reports Issued December 2005 - December 2007)

Audit Issue Date	Internal Audit Report Number	Division / Department / Agency	Audit Name	Recommendation	Most Recent Request for Update	Update Due	Management Response	Auditor	Status	Notes
12/21/2005	06-002	Development / Finance, Administration & Human Resources	Internal Control Review and Operational Audit of Project Controls	Develop written policies and procedures for project control functions.	Dec-07	Jan-08	Management agrees with recommendation. Policies and procedures will be documented and include recommendations 3 and 4. This recommendation is expected to be complete by June 30, 2006.	Monteiro	In Process	Management plans to complete by January 2008.
12/21/2005	06-002	Development / Finance, Administration & Human Resources	Internal Control Review and Operational Audit of Project Controls	Project Controls should consider developing a consolidated monthly or quarterly project status summary report for each project.	Dec-07	Jan-08	Refer to Response 1.	Monteiro	In Process	Management plans to complete by January 2008.
5/12/2006	06-015	Transit	Transit Police Services (TPS) Contract Compliance and Operational Audit	Management should analyze vacancy hours to determine whether the actual level of staffing is sufficient to meet contract requirements of the contract. Per management, options to maximize staffing levels are currently being analyzed.	Nov-07	May-08	We have analyzed vacancy hours and believe our staffing plan is sufficient to meeting contract requirements. Weekly meetings are conducted by the Manager of Operations and the Chief of Transit Police Services (TPS) to determine vacancy hours and current staffing levels.	Monteiro	In Process	We reviewed vacancy rates for July-Sept 2007 and noted they were still high. We will follow up again in May 2008.
5/12/2006	06-015	Transit	Transit Police Services Contract Compliance and Operational Audit	Individuals and departmental responsibilities related to contract administration be clearly defined within OCTA and communicated to the County.	Nov-07	May-08	Contract responsibilities have been clearly defined and communicated. The Chief of Transit Police Services reports directly to the Manager of Bus Operations. The Manager of Bus Operations is responsible for annual contract compliance and weekly service level monitoring.	Monteiro	In Process	This has not been documented in writing yet. We will follow up again in May 2008.
5/12/2006	06-015	Transit	Transit Police Services Contract Compliance and Operational Audit	We recommend that support for all credits and charges made outside of the monthly recurring contract cost be reviewed by management before approving invoices for payment.	Nov-07	May-08	All requests for credits and changes made outside of the monthly recurring contract cost are now being reviewed and approved by the Manager of Bus Operations.	Monteiro	In Process	We noted additional special services that did not appear to be pre-approved. We will follow up again in May 2008.
5/12/2006	06-015	Transit	Transit Police Services Contract Compliance and Operational Audit	We recommend that procedures or a letter to file be documented between OCTA and the County for provisions for credits to be applied.	Nov-07	May-08	Credits for the current contract year will be reconciled at the end of the fiscal year 2007-08. Fiscal year 2007-08 is the last year of the current five year contract with the Orange County Sheriff's Department. Should a new contract be executed with the Orange County Sheriff's Department, contract language will include a provision for reconciliation of applied credits.	Monteiro	On Hold	Management did not implement this in the FY 2007-08 contract as originally indicated. We will follow up again in May 2008.

UNRESOLVED AUDIT FINDINGS AND RECOMMENDATIONS
(Audit Reports Issued December 2005 - December 2007)

Audit Issue Date	Internal Audit Report Number	Division / Department / Agency	Audit Name	Recommendation	Most Recent Request for Update	Update Due	Management Response	Auditor	Status	Notes
5/12/2006	06-015	Transit	Transit Police Services Contract Compliance and Operational Audit	We recommend that management analyze the total cost of providing transit police services and determine whether it is beneficial to separately account for these costs.	Nov-07	May-08	Currently, the contract cost is split between Orange County Transit District (OCTD) and Commuter Urban Rail Endowment (CURE) funds. The allocation costs are based on the division of labor between Bus and Rail, 73 percent and 27 percent respectively. All other costs are absorbed by OCTD and not equitably allocated to other service recipients. For future contract cost consideration, the cost of personnel, capital and maintenance-related costs will be included and charged back to a TPS cost center and allocated to recipients of the TPS services. Some of these costs are: <ul style="list-style-type: none"> • Manager of Bus Operations time for administering the TPS contract. • TPS office specialist salary and benefit cost. • Capitol cost for TPS vehicles. • Fuel, parts and labor for TPS vehicles. 	Monteiro	On Hold	Management indicated they will implement this in FY 2008-09. We will follow up again in May 2008.
5/12/2006	06-015	Transit	Transit Police Services Contract Compliance and Operational Audit	An evaluation be conducted on time spent by officers on Orange County Taxi Administration Program (OCTAP) related duties to determine whether the contract costs should be partially funded by OCTAP in addition to the OCTD and CURE. Additionally, the funding split should be periodically evaluated to ensure the allocation accurately reflects the time officers spend on rail activities and OCTAP.	Nov-07	May-08	The current TPS contract cost allocation is based on the division of labor and allocated proportionally to OCTD and CURE funds. As invoices arrive on a monthly basis the cost of contracted TPS services are split 73 percent to bus and 27 percent to rail. Using the division of labor for the period of July 2007 to December 2007 the allocation should be adjusted to indicate, bus - 75.7 percent, rail – 23.5 percent, OCTAP – 0.7 percent. This cost allocation formula will be applied to all future contacts.	Monteiro	On Hold	Management indicated they will implement this in FY 2008-09. We will follow up again in May 2008.
5/12/2006	06-015	Transit	Transit Police Services Contract Compliance and Operational Audit	An agreement be documented between OCTA and the County for rights to conduct routine fiscal and compliance monitoring of the contract by OCTA.	Nov-07	May-08	OCTA Internal Audit Department and the CAMM Department have provided copies of an AUDIT AND INSPECTION OF RECORDS clause that will be included into contract language for any future contracts entered into between OCTA and the Orange County Sheriff Department.	Monteiro	On Hold	Management indicated they will implement this in FY 2008-09. We will follow up again in May 2008.

UNRESOLVED AUDIT FINDINGS AND RECOMMENDATIONS

(Audit Reports Issued December 2005 - December 2007)

Audit Issue Date	Internal Audit Report Number	Division / Department / Agency	Audit Name	Recommendation	Most Recent Request for Update	Update Due	Management Response	Auditor	Status	Notes
6/12/2006	06-017	External Affairs	Bus Revenue-Generating Advertising Program Contract Compliance and Operational Audit	Expedient action be taken to collect the \$40,780.51 due to OCTA.	Jul-06	Rolled into 07-015 audit	Marketing Dept. will work with Internal Audit and Accounts Payable (AP) to properly identify the late fees that may be owed by Titan Outdoor to OCTA. A detailed listing of late fees will be identified on an invoice generated for Titan Outdoor to pay.	Dunning/Bonelli	In Process	Follow-up review has been conducted (07-015) by Ricco Bonelli. Revised audit has concluded that amount due is \$15,799.68. All outstanding revenue and fees were paid to OCTA as of July 11, 2006. Draft report has been sent to auditee.
6/12/2006	06-017	External Affairs	Bus Revenue-Generating Advertising Program Contract Compliance and Operational Audit	Establish, finalize and implement a comprehensive written policy and procedures on the Bus Revenue-Generating Advertising Program. Procedures should include relevant procedures of all parties involved in administering the program and be distributed to all of these parties.	Jul-06	Rolled into 07-015 audit	Management agrees that a strict set of policies and procedures should be formalized for Titan Outdoor to follow. Draft policies and procedures have been prepared and will be reviewed by interested parties (AP, CAMM, Internal Audit).	Dunning/Bonelli	In Process	Follow-up review has been conducted (07-015) by Ricco Bonelli. Draft report has been sent to auditee.
8/2/2006	06-021	Finance, Administration and Human Resources / Development	Cofiroute Contract Compliance and Operational Audit	The contract with the California Highway Patrol should be updated to reflect current billing rates, level of service, responsibilities of each party, and other factors as necessary.	Dec-07	Jan-08	Management concurs. CAMM will meet with the CHP to obtain current rates, level of service, responsibilities of each party and incorporate those items into a new contract.	Monteiro	On Hold	A contract amendment will take place by the second quarter of FY 2007-2008 which will incorporate the contract changes.
8/2/2006	06-021	Finance, Administration and Human Resources / Development	Cofiroute Contract Compliance and Operational Audit	In addition to Cofiroute's review of CHP invoices for accuracy, the invoices should be reviewed by OCTA staff for propriety with contract terms.	Dec-07	Jan-08	Management concurs. Management will review all CHP invoices for propriety with contract terms.	Monteiro	On Hold	CHP invoice review process will begin once the CHP contract is amended.
6/14/2007	07-002	Safety/ Environmental Compliance	Environmental Compliance Review	Internal Audit recommends that comprehensive policies and procedures over environmental compliance be developed and formalized.	Jan-08	Jun-08	Numerous policies and procedures exist that guide the roles and responsibilities of the Health, Safety and Environmental Compliance (HSEC) Department. These policies are in need of updates and more detailed policies need to be developed directly related to environmental compliance. At this time, we are in the process of recruiting a HSEC department manager. One of the first tasks of the new department manager will be a comprehensive review of the existing policies and drafting of new policies. Policies and procedures related to environmental compliance activities will be among those to be reviewed and updated in detail.	Ng	In Process	A new department manager for the HSEC department has been appointed and one of the first priorities is to review all policies and procedures to determine applicability and to formalize the procedures. An action plan is being developed with due dates and assigned responsibilities. Follow-up review will be conducted June 2008.

UNRESOLVED AUDIT FINDINGS AND RECOMMENDATIONS
(Audit Reports Issued December 2005 - December 2007)

Audit Issue Date	Internal Audit Report Number	Division / Department / Agency	Audit Name	Recommendation	Most Recent Request for Update	Update Due	Management Response	Auditor	Status	Notes
6/14/2007	07-002	Safety/ Environmental Compliance	Environmental Compliance Review	Internal Audit recommends that the HSEC department discuss with CAMM a notification process for procurements of consumables, which may involve CAMM periodically sending lists of new agreements with descriptions of procured items. Alternatively, consideration should be given to incorporating the HSEC department's pre-approval in the procurement process for consumables with hazardous properties.	Jan-08	Jun-08	The HSEC department has set up several meetings to discuss implementing a process for procurements of consumables with CAMM, but due to various staff changes, a process has yet to be established. In order to best comply with the Hazardous Waste Reduction Act, the Health, Safety and Environmental Compliance Department highly recommends a procedure that requires pre-approval by the department prior to procurement. This process could ensure that proper quantities are procured and could provide for an opportunity to explore substituting current hazardous materials with non-hazardous materials that are of equal effectiveness. The HSEC department will pursue implementation of this process with CAMM.	Ng	In Process	Several meetings have taken place with CAMM. They understand the need. A policy is being written to implement the changes. Follow-up review will be conducted June 2008.
6/14/2007	07-002	Safety/ Environmental Compliance	Environmental Compliance Review	Internal Audit recommends that the facility section of the scope of work include better definitions when revised.	Jan-08	Jun-08	When CAMM, Community Transportation Services, and Veolia are prepared to amend the current contract, Facilities Maintenance and the HSEC department will assist in rewriting the facilities section of the scope of work.	Ng	In Process	This action has not yet occurred. The contract has not been amended to change the scope of work. Follow-up review will be conducted June 2008.
3/16/2007	07-011	Development	Freeway Service Patrol (FSP) Operational Audit	a) Management should carefully review each invoice to ensure contract requirements are met and charges are substantiated. b) Only approved subcontractors should be used by the contractor. c) The contract should be revised to specifically state hourly rates for the prime and any subcontractors. d) All billed costs should include adequate detail to identify the work performed. Additionally, progress reports should accompany all invoices, as required by the contract. e) Support should be included for any out-of-pocket expenses billed.	Sep-07	Jun-08	<ul style="list-style-type: none"> • Management now carefully reviews each invoice to ensure contract requirements are met and charges are substantiated. • Contract has been amended to add approved subcontractors and their billing rates. • Each bill from contractor now lists work performed and hours on each activity. • Support is now required for all out-of-pocket expense. 	Monteiro	In Process	Follow-up was put on hold until January after the DCA & Associates contract audit is complete. Our follow-up review revealed that issues still exist with invoice documentation; we will follow up again in June 2008.
3/16/2007	07-011	Development	Freeway Service Patrol Operational Audit	A formal OCTA policy should be approved that includes major FSP policy issues, such as the purpose for providing an FSP program, responsible parties and legislation and regulations that govern FSP programs. Additionally, desktop procedures should be continuously updated.	Sep-07	Jun-08	In June 2007 Motorist Services, in seeking Board approval for the award of several contracts to tow truck companies, included key program background and FSP policy information in the staff report. Updated desktop procedures are being updated as time permits. Management anticipates completion in early calendar year 2008.	Monteiro	In Process	Follow-up was put on hold until December after the DCA Contract Audit was complete. Management has not yet updated its desktop procedures; we will follow up again in June 2008.

UNRESOLVED AUDIT FINDINGS AND RECOMMENDATIONS

(Audit Reports Issued December 2005 - December 2007)

Audit Issue Date	Internal Audit Report Number	Division / Department / Agency	Audit Name	Recommendation	Most Recent Request for Update	Update Due	Management Response	Auditor	Status	Notes
6/15/2007	07-012	Finance, Administration and Human Resources	Legal Services Contract Review	Legal services should be appropriately reflected in the general ledger by coding to the different accounts according to the services provided to all departments or programs.	Jan-08	Oct-08	Charges are allocated to departments within a fund based on materiality. Management will review the current contract setup to ensure that charges are properly recorded at the department level.	Monteiro	In Process	Follow-up review is in process.
11/15/2007	07-026	Transit	Carter Burgess (CB)	Internal Audit recommends that future scopes of work, including deliverables, be more narrowly and specifically defined and that large component tasks be either separately procured or specified in Contract Task Orders drawn on a master contract. This will improve OCTA's contract management and oversight. Additionally, OCTA project management should request a more effective invoice summary for use in monitoring contract progress and usage.	N/A	May-08	Project management agrees that scope of work should be defined as narrowly as possible to allow more effective contract management. We will strive in the future to separate large, distinct, and approved projects by contract or by contract task order within a contract. Project management has requested modifications and additions to existing project reporting and invoice detail to allow for more efficient and effective contract management.	Ng	In Process	Follow-up review to begin in May 2008.
11/15/2007	07-026	Transit	Carter Burgess	For not-to-exceed escalation clauses, there should be guidance on whether all rate increases will be reviewed or reviewed on a sample basis. Documentation standards for rate reviews should be established. For project personnel additions, the contract administrator's rate review should include a recalculation of rates using payroll registers and the established overhead and profit rates in the contract. Rate review and resolution of identified discrepancies should be documented in the file. Contract amendments and OCTA Letter Approvals should be executed in a timely manner. The window of time between the effective date and the C&B Request date should be contractually limited. C&B requests should not be combined with contract amendment requests. Project management should confirm that credits appear in C&B's next invoice prior to payment approval.	None Issued	May-08	All rate increases are required to be reviewed, not just a sample. Current documentation standards are that all changes to a contract are to be documented in the contract file. CAMM consistently recalculates rates when submitted. An excel spread sheet is used to verify proposed rates against payment terms. Contract administrators have been requested to include the spread sheet in the contract file. CAMM agrees that changes to the contract be completed in a timely manner. Therefore, CAMM will no longer accept requests that reflect a prior effective date. Project management will log all credits earned and track these against credits given on monthly invoices. For those credits not reflected on the invoice within 60 days, project management shall investigate and resolve.	Ng	In Process	Follow-up review to begin in May 2008.
11/15/2007	07-026	Transit	Carter Burgess	Internal Audit recommends project management confirm that credits appear in C&B's next invoice prior to payment approval. Additionally, project management should establish a limit on the time between when an other direct cost is incurred and when it may be billed.	None Issued	May-08	Project management has confirmed that the credits identified by Internal Audit were credited on the invoice for June services, dated July 19, 2007. Additionally, project management is implementing the credit review procedure described in response 2.4 above.	Ng	In Process	Follow-up review to begin in May 2008.

UNRESOLVED AUDIT FINDINGS AND RECOMMENDATIONS

(Audit Reports Issued December 2005 - December 2007)

Audit Issue Date	Internal Audit Report Number	Division / Department / Agency	Audit Name	Recommendation	Most Recent Request for Update	Update Due	Management Response	Auditor	Status	Notes
6/12/2007	07-028	Transit	ACCESS Eligibility and Certification Process Review	We recommend that OCTA consider conducting an assessment on the cost of providing unlimited paratransit services for visitors and revise their policy accordingly.	Jan-08	Jan-08	In sampling some of the high-use customers, it is likely that either, 1) their client file has been coded "visitor" in error, or 2) they once lived in the County, utilized the service heavily, and have since moved out of the County but have retained visitor status eligibility. CTS staff will review and verify the status of those visitors utilizing the service most frequently to ensure that status is accurately coded. In addition, CTS staff will further research trends for visitor use of ACCESS service. If the trend is found to be problematic, change of policy will be further considered.	Dunning	In Process	Follow-up review in process.
6/12/2007	07-028	Transit	ACCESS Eligibility and Certification Process Review	We recommend that prior to authorizing payment, OCTA should verify or reconcile the number of individual assessments completed and reported on C.A.R.E. Evaluator's (CARE) invoice to OCTA's records for accuracy.	Jan-08	Jan-08	As of April 1, 2007, the CTS Eligibility Section implemented a new process which assists in tracking the CARE invoices. This tracking process consists of a daily cover sheet listing all customers evaluated and those applications that have been denied or incomplete. The daily cover sheet includes the client's name, ID#, type of letter, eligibility determination, evaluation date, and signature of CARE management staff. Once received by OCTA Eligibility Staff, the form is signed and dated to verify completion. Upon receiving the monthly invoice from CARE, those records are cross referenced by the ADA Eligibility Administrator.	Dunning	In Process	Follow-up review in process.
6/12/2007	07-028	Transit	ACCESS Eligibility and Certification Process Review	We recommend that OCTA consider annually reviewing and purging the ACCESS services database to ensure that only current eligible applicant data is maintained.	Jan-08	Jan-08	Expired client file records are maintained within a password protected database, which makes them as secure as any other record or data within the Trapeze database. The only known advantage to purging this data would be to provide additional disk space. Previously, there have not been any issues associated with lack of disk space. Should this create a problem with disk space in the future, Community Transportation Services and Information System staff will reconsider this practice.	Dunning	In Process	Follow-up review in process.
6/12/2007	07-028	Transit	ACCESS Eligibility and Certification Process Review	We recommend that CARE implement measures to ensure ACCESS applications remain out of view and cannot be physically assessed by any unauthorized personnel.	Jan-08	Jan-08	CTS staff recognizes the need for additional security of applications, and practices have been implemented to address this issue. All documents are kept in the CARE operations room, with the door closed at all times during office hours. File cabinets will be open during business hours for items of daily use and locked after business hours. All sensitive documents will be stored in a locked cabinet.	Dunning	In Process	Follow-up review in process.

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6/12/2007	07-028	Transit	ACCESS Eligibility and Certification Process Review	We commend OCTA's efforts to initiate the drafting of an Information Protection Policy. However, we recommend that OCTA aggressively move forward with completing and adopting an information protection policy that communicates management's criteria for handling and sharing sensitive data with business partners.	Jan-08	Jan-08	The Authority's Information Systems Department recently hired a Trapeze software specialist and a senior security analyst to address the information protection policy issues for handling and sharing sensitive data with our contractors. The Authority staff is currently working to develop such policies and a plan for implementing these policies.	Dunning	In Process	Follow-up review in process.
6/12/2007	07-028	Transit	ACCESS Eligibility and Certification Process Review	We recommend that OCTA management coordinate with CARE to implement password aging and forced password change functionality for ASMS. We also recommend that OCTA management coordinate with CARE to implement password formatting functionality for ASMS.	Jan-08	Jan-08	Currently, CARE does not have an automated system to require passwords be changed on a regular basis. CARE assigns all new users an access password and provides a manual notification to change passwords on a quarterly basis. CARE will remind staff of this requirement by e-mail notifications and at the OCTA ACCESS/CARE quarterly staff meetings. It was recommended and agreed upon that software is to be developed for an automated forced password change. The implementation of this will depend on financial programming resources, OCTA contractual requirements with business partners, and final implementation of an OCTA contractor policy for security standards.	Dunning	In Process	Follow-up review in process.
6/12/2007	07-028	Transit	ACCESS Eligibility and Certification Process Review	We recommend that ASMS access rights be reviewed and approved by CARE management on a periodic basis. This would require that management sign and date an ASMS access rights report as evidence of their review.	Jan-08	Jan-08	Currently, there is not an automated system to require user reviews on a regular basis. CARE has an annual review of users on the ASMS system and an automatic manual notification to IS when employees resign or are terminated. Any user that has resigned or is terminated is removed from the access users list. CARE will conduct a manual review of users on the ASMS system at all OCTA ACCESS quarterly staff meetings. A review action document will be developed which will list the current and recently terminated users. This will be made available for review by the eligibility administrator.	Dunning	In Process	Follow-up review in process.

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6/20/2007	07-029	Chief of Staff	Disadvantaged Business Enterprise Contract Review	Internal Audit recommends that policies and procedures be developed to ensure that the payment review process includes: - Verifying that the invoice package contains all contractually required information and deliverables. - Reviewing the contract agreement or purchase order to ensure that services performed fall under the scope of work authorized. - Confirming the billing rates are accurate and allowable per contract agreement. - Identifying any discrepancies and/or disallowed items on the invoices, and ensuring payment authorizations include the total dollar amount authorized for payment in order to minimize confusion in the payment process. - Minimizing the time elapsed between recipient and payment of invoice. - Checking all invoices for mathematical accuracy.	Dec-07	Dec-07	Management has reviewed the invoice payment issues noted and has identified numerous causes for the errors, most of which have been cured with a change in management oversight for DBE contracts. Management agrees that policies and procedures should be developed to address the payment review process. These policies are needed on an Authority-wide basis and should be developed by the appropriate department to ensure consistency throughout the Authority. Furthermore, training on the roles and responsibilities of all departments involved in contract payments should be provided.	Bonelli	In Process	Follow-up review in process.
	07-031	Deputy Chief Executive Officer	Records Management Assessment	OCTA should develop a plan for the implementation of a comprehensive program to manage records organization-wide. Policies and procedures for the systematic and orderly accumulation and storage of active records should be developed to provide a foundation upon which better records retention and destruction can be controlled.	N/A	Jul-08	(Audit findings for this assessment were referred to the Deputy Chief Executive Officer and the newly-created Records Management Task Force for further consideration and implementation of a comprehensive plan to address the issues identified in the assessment.)	Monteiro		
6/25/2007	07-031	Deputy Chief Executive Officer	Records Management Assessment	Employee awareness of their roles and responsibilities with regard to records management should be strengthened. A formal training program should be developed to drive greater accountability.	N/A	Jul-08	(Audit findings for this assessment were referred to the Deputy Chief Executive Officer and the newly-created Records Management Task Force for further consideration and implementation of a comprehensive plan to address the issues identified in the assessment.)	Monteiro		
6/25/2007	07-031	Deputy Chief Executive Officer	Records Management Assessment	OCTA should provide the technological resources necessary to allow consistent, organization-wide records retention, management, and retrieval. Electronic data and mail should be consistently classified, filed, sorted, and purged.	N/A	Jul-08	(Audit findings for this assessment were referred to the Deputy Chief Executive Officer and the newly-created Records Management Task Force for further consideration and implementation of a comprehensive plan to address the issues identified in the assessment.)	Monteiro		
6/25/2007	07-031	Deputy Chief Executive Officer	Records Management Assessment	The current policy and records retention schedules should be updated to include security, third party and electronic document considerations.	N/A	Jul-08	(Audit findings for this assessment were referred to the Deputy Chief Executive Officer and the newly-created Records Management Task Force for further consideration and implementation of a comprehensive plan to address the issues identified in the assessment.)	Monteiro		

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	07-032	Finance, Administration and Human Resources	LNG Contract Review	CAMM should revise its policies and procedures to require formal CEO approval for substantial changes to terms of inventory contracts.	Jan-08	Aug-08	CAMM agrees to review the procurement policies and procedures as they relate to inventory and to update the Procurement Manual as needed. Funds have been budgeted in the fiscal year 2008 budget for this activity. It is anticipated that this effort will start in the September time frame and will include a procedure for handling inventory purchases as well as amendments to inventory contracts.	Monteiro	In Process	An RFP has been issued for a consultant to assist with updating the procurement manual. A completed manual is anticipated by August 2008. We will follow up with this item at that time.
	07-032	Finance, Administration and Human Resources	LNG Contract Review	The monthly index prices for LNG should be independently verified and retained with the invoices.	Jan-08	Aug-08	CAMM agrees to independently verify the index price from a published source and forward that information to Accounts Payable. Accounts Payable can retain this verification with the invoices.	Monteiro	In Process	Management is in the process of implementing a new procedure to verify fuel prices from an independent source. We will follow up with the implementation of
9/11/2007		Finance, Administration and Human Resources	State Transportation Improvement Program Planning, Programing and Management (STIP PPM) Financial and Compliance Review, Fiscal Year 2004-05	We recommend that OCTA management improve its oversight and review of costs charged to the STIP PPM Program.	N/A	Mar-08	OCTA staff concurs that all future reimbursement requests will be thoroughly reviewed and signed off by the Revenue Manager. In addition, staff has initiated contact with Caltrans to reconcile the specific project within the Fiscal Year 2004-05 Work Program.	Monteiro	In Process	
9/11/2007		Finance, Administration and Human Resources	STIP PPM Financial and Compliance Review, Fiscal Year 2004-05	We recommend that OCTA management improve its oversight to ensure compliance with the agreement reporting requirements.	N/A	Mar-08	OCTA staff concurs that all future oversight will be improved to ensure compliance with the STIP/PPM Agreement reporting requirements.	Monteiro	In Process	
10/12/2007	08-003	Finance, Administration and Human Resources	Investment Activities - January 1 through June 30, 2007	Internal Audit recommends that the Accounting Department dispose of reconciling items on a timely basis. Consideration should also be given to dating reconciling items on the reconciliations.	N/A	N/A	Management concurs with the recommendation. Accounting Department procedures require that accounts are reconciled within 30 days of month-end. Any differences are to be investigated and resolved in the subsequent month. The particular error was investigated in February/March and originally thought to have been due to a \$100,000 addition to the 91 Express Lanes major maintenance reserve fund. Subsequent to that time it was determined that the original difference related to an over booking of the interest and was corrected.	Ng	Complete	Follow-up review will be rolled into the next Investment Activities audit.

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10/27/2007		Finance, Administration and Human Resources	Summary Report of Findings, Health Insurance Portability and Accountability Act (HIPAA) Privacy and Data Security Compliance Assessment	In reviewing the health plans from a HIPAA privacy and data security standpoint, it was not entirely clear that all covered entities have been properly identified. For example, the Executive Management Physical Program may be a covered entity unless it is determined to fit within the exemption for plans with less than 50 participants and is self-administered. To the extent that the Executive Management Physical Program does not fit within this exemption, then it will be necessary for the Program to comply with HIPAA privacy and data security tasks.	N/A	Jun-08	Management agrees with the recommendation. We will engage in discussions with Legal Counsel to determine if the management physical program is a covered entity. If the program is determined to be a covered entity, we will take the necessary steps to ensure that the program complies with HIPAA.	Monteiro	In Process	
10/27/2007		Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	A determination of the potential tax implications of the Executive Management Physical Program or the potential impact on nondiscrimination testing for this self-funded benefit is outside the scope of this review. However, under Internal Revenue Code Section 105(h), a self-insured medical expense reimbursement plan may provide tax-free health care expense reimbursements to highly compensated individuals if the plan does not discriminate in favor of those highly compensated individuals. Should a certain benefit fail a nondiscrimination test, then the federal income tax advantages may not be available, and in certain instances, the value of the benefit or a portion of the benefit may become taxable to the highly compensated individuals or key employees. Additional federal income tax reporting may therefore result.	N/A	Jun-08	Management agrees with the recommendation. We will engage in discussions with payroll and Legal Counsel to determine any potential tax implications.	Monteiro	In Process	
10/27/2007		Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	We recommend that OCTA adopt a "hands-off" approach for handling information from its fully insured plans. If a "hands-off" approach to PHI is adopted, the existing privacy policies and procedures should be updated to reflect the additional policies required for compliance, and training should be provided for the new policies and procedures.	N/A	Jun-08	Management agrees with the recommendation. We will take the necessary measures to adopt a "hands-off" approach and will amend our policies and procedures to ensure proper record keeping of this approach.	Monteiro	In Process	
10/27/2007		Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	For a "hands-off" approach, OCTA will need to obtain a HIPAA authorization to assist participant with claims and other customer service activities when Protected Health Information (PHI) is used or disclosed with out the individual present.	N/A	Jun-08	Management agrees with the recommendation. We will institute a process that will require HIPAA authorization to assist participant with claims and other customer service activities when PHI is used or disclosed with out the individual present.	Monteiro	In Process	

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10/27/2007		Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	OCTA needs to formally appoint a Privacy Official and a Security Official to be accountable for the privacy and data security obligations under the HIPAA rules and regulations.	N/A	Jun-08	Management agrees with the recommendation. We will take the necessary measures to appoint a Privacy Official and a Security Official, and we will update our current record keeping documents to reflect the appointed officials.	Monteiro	In Process	
10/27/2007		Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	OCTA should update its training materials to provide more comprehensive training on HIPAA Privacy and Data Security and conduct a refresher training ensuring that all members of the workforce who handle PHI are timely trained.	N/A	Jun-08	Management agrees with the recommendation. We will update our training materials to include the recommendations given and will conduct a refresher training for all members of our workforce who handle PHI. In addition to providing training for those directly responsible for protecting PHI related information, the Information Systems Department will be conducting annual Authority-wide general information security awareness training. Security awareness training has been identified as one of the top Authority security initiatives as it provides the greatest security benefits for each dollar spent.	Monteiro	In Process	
10/27/2007		Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	OCTA should develop a training module that will highlight the importance of e-PHI security to the personnel performing services involving the health plans or e-PHI.	N/A	Jun-08	Management agrees with the recommendation. We will include e-PHI guidelines within the updated training materials.	Monteiro	In Process	
10/27/2007		Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	OCTA should finalize and implement HIPAA record retention policies for the Human Resources Department.	N/A	Jun-08	Management agrees with the recommendation. We will finalize and implement the HIPAA record retention policies after review with Legal Counsel. The Authority, under the guidance of the IS Department manager and Deputy CEO, is in the process of developing an enterprise wide data retention and classification process, that will ensure that any PHI related information is properly protected and archived.	Monteiro	In Process	
10/27/2007		Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	We recommend OCTA obtain business associate agreements with its vendors for shredding services and records storage.	N/A	Jun-08	Management agrees with the recommendation. The IS Department will work with CAMM to amend the current contracts in order to remediate this gap.	Monteiro	In Process	

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10/27/2007		Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	OCTA should issue an addendum to its Business Associate agreement with Mercer Human Resource Consulting, Inc. to include adequate protections for the data security requirements under HIPAA.	N/A	Jun-08	Management agrees with the recommendation. We will hold discussions with Mercer and request an amendment to the business associate agreement to include adequate protections for the data security requirements.	Monteiro	In Process	
10/27/2007		Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	We recommend OCTA receive confirmation of compliance with HIPAA's privacy and security rules from all service providers for the health plans.	N/A	Jun-08	Management agrees with the recommendation. We will receive confirmation of compliance from all service providers for the health plans (Mercer and Creative Benefits).	Monteiro	In Process	
10/27/2007		Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	OCTA should review further and determine whether Chief Executive Office is properly included in the firewall and whether the categories listed in its Minimum Necessary Policy are appropriate and not too broadly defined.	N/A	Jun-08	Management agrees with the recommendation. We will review further and determine whether Chief Executive Office is properly included in the firewall and whether the categories listed in the Minimum Necessary Policy are appropriate and not too broadly defined.	Monteiro	In Process	
10/27/2007		Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	OCTA should to conduct a comprehensive inventory and risk assessment of e-PHI to ensure that OCTA's health plans have established the necessary data security safeguards to comply with HIPAA. OCTA has drafted a number of enterprise-wide policy statements for protecting and safeguarding sensitive electronic information, which we recommend OCTA finalize as soon as possible. Additionally, the FAHR Division needs to further develop, implement, and operate in compliance with these data security procedures/standards.	N/A	Jun-08	Management agrees with the recommendation. This recommendation requires both a review of the manual and technical process/flow of how PHI information moves through the organization. Once this has been completed a better risk assessment can be accomplished. Final adoption of the Authority's newly created security policies and standards is anticipated before year end 2007.	Monteiro	In Process	
10/27/2007		Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	Once the enterprise-wide policy statements are adopted, OCTA should adopt by reference (or amend), on behalf of the health plans, the existing data security policy statements that apply within OCTA with appropriate modification to make certain that such policies specifically extend to e-PHI. In addition, OCTA should confirm that e-PHI should be treated as "Confidential" with respect to all such policies and procedures, and provide that access to such information will be limited solely to those individuals required to review such information.	N/A	Jun-08	Management agrees with the recommendation. Current draft policies have provisions that address this recommendation. As stated in response to recommendation 13, the security policies and standards are anticipated being adopted before year end 2007.	Monteiro	In Process	

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10/27/2007		Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	OCTA should amend appropriate plan documents to reflect the requirements of the HIPAA data security rule. Additionally, the Flexible Benefits Plan HIPAA Amendment needs to be amended to provide data security language.	N/A	Jun-08	Management agrees with the recommendation. We will work with our Flexible Benefits Plan provider to ensure proper language is included in the plan documents on data security.	Monteiro	In Process	
10/27/2007		Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	OCTA should re-examine the number of individuals who have access to e-PHI on a regular basis to reaffirm their need for receipt of or access to the data currently provided to them (i.e., do their job responsibilities require that they access e-PHI), and investigate alternative data forms that do not negatively impact their functions but mitigate the risk of unintentional violations of security standards.	N/A	Jun-08	Management agrees with the recommendation. However, this recommendation requires regular review by Human Resources. The Information Systems department can provide relevant reports on a normal basis to support this review and will modify access to PHI systems as directed by the data owner (HR). Information Systems department are considered the custodians of the information, which means it does not make decision on who access is granted to. We will re-examine the number of individuals who have access to e-PHI on a regular basis to reaffirm their need for receipt of or access to the data currently provided to them.	Monteiro	In Process	
10/27/2007		Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	In concert with OCTA's Information Systems resources, OCTA's Human Resource/ Benefits personnel should establish a specific process for the ongoing evaluation of security policies for the health plans.	N/A	Jun-08	Management agrees with the recommendation. Human Resources will work in concert with Information Systems department to establish the process by which we operate for evaluation of our security policies for Creative Benefits health plan.	Monteiro	In Process	
10/27/2007		Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	OCTA should investigate the costs, required resources and vendor abilities to pursue a data encryption program for all internal and external e-PHI transmissions.	N/A	Jun-08	Management agrees with the recommendation and will analyze... Currently, majority of all e-PHI data transmissions inside and outside the organization has been identified and documented. All transmission of e-PHI data over the open Internet is currently being encrypted. IS and HR will need to verify that e-PHI approved users are not using any mechanism outside those documented (e.g. sending e-PHI via unprotected email) or stored on a unsecured location (e.g. Open file share). Once the e-PHI network data flow has been confirmed an internal review of transmission will be conducted in order to determine the best encryption mechanism to use.	Monteiro	In Process	

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10/27/2007		Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	After the health plans are in existence for at least a year, we recommend that OCTA perform an analysis of the flow of individually identifiable health information for its health plans that pertains to plan participants and their covered dependents. The analysis should encompass the uses of the health information, any disclosures of such health information, and the retention/recording of such health information. The overall objective of the analysis should be to identify any impermissible health information use or disclosure practices that must be revised to conform with the HIPAA standards and ensure the fully insured plans are operating in accordance with a "hands-off" approach.	N/A	Jun-08	Management agrees with the recommendation. We will create a process flow chart for the Flexible Spending Account. In the report it indicates that when using the term "health plans" it is referencing the FSA account/ Creative Benefits. The reference is also being made when stating in the recommendation "After the health plans are in existence for at least a year".	Monteiro	In Process	
10/27/2007		Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	We recommend that OCTA store any and all sensitive health information related to these prior plans and obtain a business associate agreement with the outside document storage vendor. Aon has not reviewed, and there appears to be very little guidance available, as to whether OCTA still has HIPAA obligations with respect to these terminated health plans. As such, further discussion with legal counsel is recommended.	N/A	Jun-08	Management agrees with the recommendation. Human Resources will work with the Records Retention Department to establish required language in the business associate agreements for the outside document storage vendor.	Monteiro	In Process	
10/27/2007		Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	OCTA should confirm that CalPERS is HIPAA compliant with respect to its long-term care plan.	N/A	Jun-08	Management agrees with the recommendation. We will confirm that CalPERS is HIPAA compliant.	Monteiro	In Process	
10/27/2007		Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	In future negotiation with these unions, OCTA should consider obtaining certification that the applicable unions are in compliance with HIPAA's rules and regulations.	N/A	Jun-08	Management agrees with the recommendation. We will address this recommendation with Employee Relations and Legal Counsel.	Monteiro	In Process	
10/27/2007		Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	We recommend that to the extent applicable, third parties such as medical, dental, vision and EAP providers confirm compliance with the electronic transaction and unique health identifiers regulations on an annual basis with respect to the OCTA health plans.	N/A	Jun-08	Management agrees with the recommendation. We will establish an annual process to confirm compliance with HIPAA for all third party health care entities.	Monteiro	In Process	

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10/31/2007		Finance, Administration and Human Resources	2007 Management Letter / Single Audit Report of Federal Awards, Year Ended 2006-07	We recommend that OCTA modify its current subrecipient monitoring policies and procedures to conform with federal requirements and communicate these policies and procedures to all managers of federal programs.	N/A	Sep-08	OCTA staff concurs and will subsequently modify its current subrecipient monitoring policies and procedures to conform with federal requirements and further communicate these policies and procedures to all managers of federal programs.	Monteiro	In Process	
10/31/2007		Transit	2007 Management Letter / Single Audit Report of Federal Awards, Year Ended 2006-07	We recommend that OCTA adhere to the Buy America requirements and ensure that all documentation is contained in the procurement files to support OCTA's compliance.	N/A	Sep-08	Staff provided the necessary quality assurance oversight for the referenced procurement, and the actual in-plant and acceptance inspections were conducted by OCTA mechanics. We did not use an individual checklist for each bus to confirm that each item of the Buy America pre-award audit was verified by signature at the place and date of assembly by our resident inspectors. Since this delivery, we have expanded our inspection detail for our resident in-plant inspector's documentation and definition of the actual components used during the pre-award audit to determine U.S. content and final assembly. We currently use the list of components, as approved by make and model, during the vehicles' assembly process.	Monteiro	In Process	
10/31/2007		Deputy Chief Executive Officer	2007 Management Letter / Single Audit Report of Federal Awards, Year Ended 2006-07	OCTA should develop and implement a policy on misconduct. Once developed, the policy should be acknowledged and signed by each employee on an annual basis as evidence of their reaffirmation that they understand the policy and have complied with its provisions.	N/A	Sep-08	Management will develop and implement a policy on misconduct; each new hire will be asked to acknowledge and sign the policy upon starting work at OCTA.	Monteiro	In Process	
10/31/2007		Finance, Administration and Human Resources	2007 Management Letter / Single Audit Report of Federal Awards, Year Ended 2006-07	We recommend that OCTA require departments using on-call contracts to comply with the existing policies and procedures manual requirements governing the use of CTOs.	N/A	Sep-08	Management agrees to ensure that all departments using on-call contracts comply with the existing policies and procedures manual requirements governing the use of CTOs.	Monteiro	In Process	

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10/31/2007		Finance, Administration and Human Resources	2007 Management Letter / Single Audit Report of Federal Awards, Year Ended 2006-07	We recommend that OCTA acquire or develop an inventory system for passes that provides for proper tracking of unissued passes. Additionally, if the system also serves as a point of sales system, OCTA should ensure the system is compliant with current privacy regulations.	N/A	Sep-08	Management agrees that an inventory system is needed to track bus passes. For over 10 years, a manual Excel spreadsheet has been used to record pass receipts and sales. The spreadsheet was never reconciled to a physical inventory count until fiscal year 2006-2007. While investigating the discrepancies after the first inventory, it was determined that the PICS did not account for passes issued at no cost for promotional purposes. The adjustments to inventory were the result of cumulative transactions over a 10-year period. PICS has since been modified so that passes issued at no cost will be deducted from the excel spreadsheet inventory. Additionally, OCTA is in the process of procuring a point of sale and inventory software package for the pass sale function. Only applications that comply with privacy regulations are being considered.	Monteiro	In Process	
10/31/2007		Finance, Administration and Human Resources	2007 Management Letter / Single Audit Report of Federal Awards, Year Ended 2006-07	We recommend that OCTA develop and implement a formal change management process that documents the system development life cycle of changes to hardware applications and systems.	N/A	Sep-08	OCTA's Information Systems Department management team recognizes the need for a more formal and consistent method to documenting and controlling change in its computing environment. A combination of internal Help Desk tickets, external vendor help desk tickets, and an internal tracking spreadsheet are being used and reviewed at least twice per week to coordinate, communicate and track when changes are implemented. OCTA has developed a scope of work to pilot practices and a software solution that will bring improvements in both configuration management and change management practices to the department. Our plan is currently on hold due to competing demands of other projects deemed more important. We plan to further evolve the practices into the department's operation.	Monteiro	In Process	

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10/31/2007		Finance, Administration and Human Resources	2007 Management Letter / Single Audit Report of Federal Awards, Year Ended 2006-07	We recommend that an individual within the Information Systems Department be tasked with the responsibility of assigning access permissions within IFAS. Access permission should only be assigned upon receipt of a properly authorized request for access.	N/A	Sep-08	Since the implementation of IFAS, the Section Manager of General Accounting has been assigning access in IFAS as there was no one in the IS Department supporting the IFAS system. Information Systems recently hired a Business Computing System Specialist (BCSS) to support the IFAS. As the BCSS gains IFAS expertise, the Accounting Department will transition the assignment of permissions to the BCSS.	Monteiro	In Process	
10/31/2007		Finance, Administration and Human Resources	2007 Management Letter / Single Audit Report of Federal Awards, Year Ended 2006-07	We recommend that management prepare written instructions for Department Heads to be included as part of OCTA's accounting policies and procedures manual. These instructions should document the basic concepts of proper cutoffs and the individuals responsible for accruing payables at the accounting period end.	N/A	Sep-08	Accounting distributes instructions and an accrual worksheet to department heads regarding the year end cutoff, seeking notification of any outstanding expenses that were incurred prior to year end. Next year, Accounting will supplement the written instructions with in-person meetings with staff responsible for submitting invoices. The Accounting Department will also require accounts payable supervisory review of all weekly check writes through October to ensure that all payments related to the previous fiscal year have been properly accrued.	Monteiro	In Process	
10/23/2007		City of Anaheim	Measure M Agreed-Upon Procedures Reports, Year Ended June 30, 2007	The city recorded \$236,066 of expenditures related to its Anaheim Regional Transportation Intermodal Center (ARTIC) project in its Turnback fund. However, since the ARTIC project is not included in the city's Seven-Year Capital Improvement Program, the related expenditures are not eligible to be funded with Turnback monies.	N/A	N/A	The city reclassified the project expenditures out of its Turnback fund in response to our finding.	Monteiro	In Process	
12/7/2007		Orange County Transportation Authority (Transit)	Agreed-Upon Procedures Performed with Respect to the National Transit Database (NTD) Report, For the Period July 1, 2006 through June 30, 2007	We recommend that OCTA ensures that the contractor establishes written procedures requiring that the Data Entry Clerk document the reconciliation of the tripsheets and the Window Supervisor document the review of all tripsheets.	N/A	Jul-08	Management will ensure the contractor implements the recommendation	Monteiro	In Process	

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12/7/2007		Orange County Transportation Authority (Transit)	Agreed-Upon Procedures Performed with Respect to the National Transit Database Report, For the Period July 1, 2006 through June 30, 2007	We recommend that OCTA develop and implement procedures to ensure the mathematical accuracy of the periodic data included on the worksheets and the periodic summaries for NTD reporting purposes.	N/A	Jul-08	OCTA Operations Analysis Department is in the process of developing written procedures to ensure formula calculations are accurate for NTD reporting purposes.	Monteiro	In Process	
12/19/2007		City of La Habra	2006-07 Annual Transportation Development Act Audits	We recommend that the City of La Habra competitively bid its contract for senior transportation services upon expiration.	N/A	Jul-08	The city agrees with the audit recommendation and plans to have a competitively bid contract in place within the next 60 days.	Monteiro	In Process	
12/3/2007		Korean American Senior Association of Orange County (KASA) - passed through the City of Garden Grove	2006-07 Annual Transportation Development Act Audits	We recommend that KASA maintain mileage logs to support reimbursements paid to employees. The auditable mileage logs should contain the following at a minimum: data of trip, purpose of trip, beginning odometer reading, ending odometer reading and total miles. KASA should reimburse employees for business miles at the established IRS mileage rate instead of paying 100% of the fuel, repair, and maintenance costs for employee vehicles.	N/A	Jul-08	(Internal Audit requested a management response from KASA by February 25, 2008.)	Monteiro	In Process	
12/3/2007		Korean American Senior Association of Orange County (KASA) - passed through the City of Garden Grove	2006-07 Annual Transportation Development Act Audits	We recommend that KASA obtain and implement automated accounting software that will allow for double-entry accounting and result in the production of a trial balance and general ledger detailing all transactions.	N/A	Jul-08	(Internal Audit requested a management response from KASA by February 25, 2008.)	Monteiro	In Process	
12/19/2007		Orange County Transportation Authority (Finance, Administration and Human Resources)	2006-07 Annual Transportation Development Act Audits	We recommend that OCTA file claims for reimbursement for allowable TDA Article 3 expenses on at least a semi-annual basis. Additionally, we recommend that OCTA report its TDA revenue and expenses on the accrual basis of accounting.	N/A	Jul-08	In September 2006, staff recognized that the TDA Article 3 reserve balance established at the County Auditor-Controller was unusually high. An analysis determined that \$3.72 million should be claimed in the October 2006 submittal to the County Auditor-Controller. This analysis uncovered an inadequate process that has subsequently been addressed. Staff will file claims for reimbursement for allowable TDA Article 3 expenses on at least a semi-annual basis.	Monteiro	In Process	

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11/28/2007		Finance, Administration and Human Resources	State Triennial Performance Audit (Recommendation No. 1)	OCTA should build on the multi-level planning efforts for the Comprehensive Business Plan (CBP) to position the CBP as the single, agency-wide source for transportation plans, operations, projects and services. Executive: Jim Kenan.	Nov-07	Feb-08	<i>Will Not Implement.</i> Part of the recommendation for this item included expanding performance measures beyond bus operations to all departments within the CBP. It is important to note that the CBP is built at a macro level and is done by program, not by department. The bus operations program lends itself to performance measures on a system-wide basis but parsing out departmental goals at a programmatic level would be difficult and too detail-oriented for the CBP.	Monteiro	In Process	Discussed with Jim Kenan and Art Leahy on 8/24/07. Item will be taken to the Finance and Administration Committee meeting for discussion in March 2008.
		Clerk of the Board	State Triennial Performance Audit (Recommendation No. 3)	OCTA should consider assigning the administrative support of all committees that support the OCTA related activities of Board Members to the Clerk of the Board. Executive: Wendy Knowles	Jan-08	Apr-08	<i>Will Implement with Modifications.</i> This administrative support would logically entail agenda compilation, staffing of meetings, minute-taking, and transcription for several non-Board appointed publicly noticed committees which meet to discuss OCTA issues. Clerk of the Board concurs that administrative support is needed. Staff (largely from External Affairs and the Development Divisions) who have handled these administrative tasks for the past many years are involved with the issues addressed by these committees and have developed working relationships with participants. While this reassignment of committee support could be effected, it would only be feasible and successful with additional staffing in the Clerk of the Board's office.	Monteiro	In Process	A staff report providing an update on this item was provided to the Executive Committee meeting on 2/4/08.
11/28/2007		Finance, Administration and Human Resources	State Triennial Performance Audit (Recommendation No. 14)	OCTA should implement required time and costing processes and tools to enable more extensive and complete direct charging of expenses to the programs/activities responsible for the expenditure. Executive: Jim Kenan	Jan-08	Apr-08	<i>Will Implement with Modifications.</i> The current accounting system (IFAS) and the current Budgeting system both have the technical capacity to implement this type of project tracking at OCTA. Financial Planning & Analysis staff has worked with a consultant to pare down the project codes to a more useful number.	Monteiro	In Process	Discussed with Jim Kenan and Art Leahy on 8/24/07. Item will be taken to the Finance and Administration Committee meeting for discussion in March 2008.

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11/28/2007		Finance, Administration and Human Resources	State Triennial Performance Audit (Recommendation No. 16)	Accounts Payable should implement the "Payment Signature Authorization Policy" or a similar cover form for authorizing personnel to sign in the case of all invoices submitted for goods and services provided under contracts. Purchase orders could be excluded. Executive: Jim Kenan	Jan-08	Apr-08	<i>Will Implement with Modifications.</i> In lieu of requiring a coversheet with boilerplate language to all non-purchase order payments, management suggests creating a new signature authorization card that details the responsibilities and assertions that an approval signature represents. This option will focus attention on the issue without increasing paper usage and processing time. Management believes that acknowledgement of the responsibilities with signature authority as delegated will be more effective and have less cost than adding boilerplate language and an extra piece of paper to each payment.	Monteiro	In Process	Discussed with Jim Kenan and Art Leahy on 8/24/07. A draft Payment Request Policy has been developed detailing the responsibilities of authorizing payments. A signature authorization form has also been drafted. Item will be taken to the Finance and Administration Committee meeting for discussion in March 2008.
11/28/2007		Finance, Administration and Human Resources	State Triennial Performance Audit (Recommendation No. 17.1)	OCTA should establish clear written guidelines on the use of payment requests. These should include those types of purchases that are exempt from the \$2,500 limit (e.g., judgments/settlements) and a cumulative dollar limit that can be paid to any one vendor via payment requests during any fiscal year. Executive: Jim Kenan	Jan-08	Apr-08	<i>Has Already Been Addressed.</i> The CAMM procedures generally establish the criteria for using payment requests by establishing thresholds for procurements that may bypass the formal procurement process. To supplement CAMM procedures, Accounts Payable has increased enforcement of the rules, rejecting payment requests exceeding \$2,500 unless on a pre-approved list of disbursements not subject to CAMM procurement rules. Finally, Accounting has created a document that details the requirements for submitting payments to Accounts Payable for processing that comply with all procurement rules.	Monteiro	In Process	Discussed with Jim Kenan and Art Leahy on 8/24/07. Item will be taken to the Finance and Administration Committee meeting for discussion in March 2008. A Payment Request Policy that details the circumstances for using payment request forms has been drafted. This draft policy has been modified so that the \$2500 limit includes one-time payments as well as a series of payments to a single vendor during a rolling 12-month period

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11/28/2007		Finance, Administration and Human Resources	State Triennial Performance Audit (Recommendation No. 17.2)	CAMM should review the "frequent payment request" list and contact departments that are using numerous payment requests to a single vendor to suggest that a contract or purchase order be established with the vendor. As part of this process, CAMM should also advise Accounts Payable to reject any further payment requests for the identified vendors. Accounts Payable should enforce the restriction. Executive: Jim Kenan	Jan-08	Apr-08	<p><i>Will Implement with Modifications.</i> As Accounts Payable (AP) processes payments, it currently addresses all Payment Requests that exceed \$2,500 without referencing a contract or Purchase Order (PO). If the payment is on the informal list of acceptable payments that do not require CAMM approval, it is processed. All other payment requests over \$2,500 are being rejected until approved by the CEO, Manager of CAMM or their designee. AP generates a weekly list of "exception" payments that the department manager reviews. There are very few true exceptions.</p> <p>Management disagrees that AP should be rejecting payments. This strategy does not address the problem and is punitive to the vendor instead of the offending OCTA department. Once the invoice is received by AP, the legal liability exists and payment must be made.</p>	Monteiro	In Process	Discussed with Jim Kenan and Art Leahy on 8/24/07. Item will be taken to the Finance and Administration Committee meeting for discussion in March 2008. The new payment request draft policy details 4 categories of payment requests. The first 3 are authorized (one-time under \$2500, series of payments under \$2500 during a rolling 12-month period, and exempt payments). The last category is called Payment Request Violations (i.e. procurements that should have gone thru CAMM). Payments in the last category require the signature of the CEO, Deputy CEO, Clerk of the Board, Exec Director or Director before payment will be processed.
11/28/2007		Finance, Administration and Human Resources	State Triennial Performance Audit (Recommendation No. 18)	OCTA's budget process should provide for a more rigorous review of professional services and capital. In doing so, the Budget Department should identify patterns of continual over-budgeting and work with Executive Directors and the CEO to limit the practice. Executive: Jim Kenan	Jan-08	Apr-08	<p><i>Will Implement with Modifications.</i> Financial Planning & Analysis (FP&A) reviews each line-item in the budget as part of the budget review process. Professional Services and Capital budgets are built using a "zero-based" approach to budgeting, meaning that each item must be independently justified each year. In an effort to monitor the progress and merit of requested line items, FP&A staff reviews all board agendas and contracts to ensure budget resources are used as planned. Furthermore, staff is working on developing a carryover budget report that will help users distinguish line items that are encumbered and have budget dollars committed in the year they are executed to avoid the possibility of these items being needlessly re budgeted in subsequent years. A status of budget-to-actual information is transmitted to the Board each quarter. A focused effort to raise the level of awareness of budget-to-actual activity by department will be pursued by FP&A.</p>	Monteiro	In Process	Discussed with Jim Kenan and Art Leahy on 8/24/07. Item will be taken to the Finance and Administration Committee meeting for discussion in March 2008. The Finance and Administration Committee has requested that the quarterly budget status report be a presentation item. This will serve to increase the awareness of budget-to-actual activity throughout the Authority. Budget targets by division are being developed for the fiscal year 2008 09 budget cycle.

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11/28/2007		Finance, Administration and Human Resources	State Triennial Performance Audit (Recommendation No. 19)	OCTA should establish and adopt a policy that requires CEO approval, with Board notification, for budget transfers between asset categories exceeding a reasonable dollar limit with any fiscal year. Executive: Jim Kenan	Jan-08	Apr-08	<i>Will Implement with Modifications.</i> The proposed remedy includes CEO and Board involvement. Although no Board policy was violated, management believes that a less drastic revision to the current policy would provide an equal remedy and more prudent financial tracking. Currently, departments have full autonomy to transfer between capital items throughout the year. Management thinks this policy should be changed to restrict transfers only to those within the asset categories established in the CBP. This change would prohibit large transfers to unrelated items, while maintaining the budget autonomy of each department, the independence of the budget function and keeps the CEO and the Board focused on policy direction instead of individual budget items.	Monteiro	In Process	Discussed with Jim Kenan and Art Leahy on 8/24/07. Item will be taken to the Finance and Administration Committee meeting for discussion in March 2008. Art Leahy requested additional information from Jim Kenan. Management intends to implement this policy revision with implementation of the fiscal year 2008-09 budget.
11/28/2007		Finance, Administration and Human Resources	State Triennial Performance Audit (Recommendation No. 22.1)	OCTA should develop a more coordinated approach to grants management, and should consider creating a Grants Department within Finance, Administration, and Human Resources. At a minimum, the Grants Technician position, currently assigned to the General Accounting Section, should be transferred to the Comprehensive Business Plan(CBP)/Grants Section in the FP&A Department. Executive: Jim Kenan	Jan-08	Apr-08	<i>Will Implement with Modifications.</i> This should be considered during OCTA's organizational assessment. Consolidation of the three grant functions at OCTA is worth consideration.	Monteiro	In Process	Discussed with Jim Kenan and Art Leahy on 8/24/07. Item will be taken to the Finance and Administration Committee meeting for discussion in March 2008.
11/28/2007		Finance, Administration and Human Resources	State Triennial Performance Audit (Recommendation No. 22.2)	OCTA should establish a grants management planning process that requires the Manager of CBP/Grants, the Grants Section staff, the individual in that section overseeing the grant, the project manager, and the grants funding specialist develop a plan for administering each grant upon its receipt. The plan should include a list of all grant requirements and actions needed to meet them. Executive: Jim Kenan	Jan-08	Apr-08	<i>In Process.</i> OCTA has documented policies and procedures for the grant planning process within each of the three grant functional areas. This planning process is an integral part of the success for each specific grant function. The process of continued communication and coordination occurs from the initial stages of the grant needs assessment with the project manager. This continues on to proposal writing to award and execution of the grant to grant management and adherence to federal guidelines to grant accounting to grant close-out. These steps are all documented and followed in the grant policies and procedures. One item to note is that the processes are all individual in nature but coordinated as a single process. This single process itself is not documented but the concept is sound. Management will document the process.	Monteiro	In Process	Discussed with Jim Kenan and Art Leahy on 8/24/07. Item will be taken to the Finance and Administration Committee meeting for discussion in March 2008.

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11/28/2007		Finance, Administration and Human Resources	State Triennial Performance Audit (Recommendation 22.3)	Quarterly grants meetings should be conducted involving the section manager of CBP/Grants Section and his grants-related staff, the grants funding specialist, and the project managers for each planned and active, grant-funded project. The status of each pending and approved grant should be reviewed and needed actions defined. Executive: Jim Kenan	Jan-08	Apr-08	<i>Has Already Been Addressed.</i> Currently, the three grant functional areas have daily communication, coordination and discussions. At times there are procedural breakdowns but they are short lived and quickly addressed. It is important to note that although the audit alludes to grants being "close to jeopardized" there are no instances where grant funds were forfeited. On a quarterly basis, there are regularly scheduled meetings with each functional area to discuss open issues, concerns, process enhancements and grants in general. This meeting is fruitful and assists in closure of any outstanding issues. Improved communication is needed with project managers. The grant specialist and grants management coordinate and report to the OCTA Board of Directors a quarterly staff report on the status of future, pending, executed and active grant activity.	Monteiro	In Process	Discussed with Jim Kenan and Art Leahy on 8/24/07. Item will be taken to the Finance and Administration Committee meeting for discussion in March 2008.
11/28/2007		Finance, Administration and Human Resources	State Triennial Performance Audit (Recommendation No. 23)	OCTA should create a Contracts Administration function within the CAMM organization that is tailored to each major user group depending on the types of contracts and services. With the approval of the extension of Measure M, there will be new contracts that will require more time and attention from a management standpoint. Executive: Jim Kenan	Jan-08	Apr-08	<i>In Process.</i> Two contract administrator positions added in the renewed Measure M budget amendment. Management will develop service level agreements with CAMM's customers. CAMM procurement administrators positions have been reclassified to contract administrators or buyers based on duties and individual qualifications. This is designed to strengthen the contracts administration function.	Monteiro	In Process	Discussed with Jim Kenan and Art Leahy on 8/24/07. Item will be taken to the Finance and Administration Committee meeting for discussion in March 2008. On hold pending the results of the Organization Assessment, additional staffing, and direction from Executive Management.
11/28/2007		Finance, Administration and Human Resources	State Triennial Performance Audit (Recommendation No. 24)	OCTA should create Contracts Administration Policies and Procedures by working with other business units to meet their requirements. The Manager of CAMM is planning to recommend new contract administrator positions and an updated staffing plan as part of her implementation of the consultant recommendations from the study recently completed. Executive: Jim Kenan	Jan-08	Apr-08	<i>In Process.</i> See management response to #23. Additionally, more review in this area will be conducted as part of OCTA's organizational assessment.	Monteiro	In Process	Discussed with Jim Kenan and Art Leahy on 8/24/07. Item will be taken to the Finance and Administration Committee meeting for discussion in March 2008. An RFP has been issued for a consultant to assist with updating the procurement manual; proposals are due 2/15/08. A completed manual is anticipated by July/August 2008.

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11/28/2007		Finance, Administration and Human Resources	State Triennial Performance Audit (Recommendation No. 25)	OCTA should implement the split in the responsibility of maintenance/material management into two sections (one for inventory management and one for major procurements) being considered as a result of the recent consultant report. Executive: Jim Kenan	Jan-08	Apr-08	<i>Has Already Been Addressed.</i> This recommendation has been implemented and both positions have been filled.	Monteiro	In Process	Discussed with Jim Kenan and Art Leahy on 8/24/07. Item will be taken to the Finance and Administration Committee meeting for discussion in March 2008.
11/28/2007		Finance, Administration and Human Resources	State Triennial Performance Audit (Recommendation No. 26)	OCTA should enhance the Inventory Management Section, and review standard best practices, creating Policies and Procedures specific to how inventory is to be managed and maintained. This should be accomplished as part of the implementation of the Ellipse Inventory Management System. While Ellipse has the capability to list best practices, the capability has to be "turned on" and used for it to be functional. Also, the Ellipse system in itself does not generate new policies and procedures. Executive: Jim Kenan	Jan-08	Apr-08	<i>In Process.</i> One of the first duties of the newly created section manager, inventory will be to review the procedures currently in place and update them to reflect industry best practices and the capabilities inherent in the Ellipse application.	Monteiro	In Process	Discussed with Jim Kenan and Art Leahy on 8/24/07. Item will be taken to the Finance and Administration Committee meeting for discussion in March 2008. A new section manager has been hired. Funds have been budgeted in FY 09 to conduct a thorough review of the inventory section.
11/28/2007		Finance, Administration and Human Resources	State Triennial Performance Audit (Recommendation No. 27)	CAMM should develop more detailed policies and procedures that will provide consistent direction. Executive: Jim Kenan	Jan-08	Apr-08	<i>In Process.</i> As part of the revisions to OCTA's procurement policies and procedures, CAMM will develop desktop procedures for the staff. These will ensure that all new employees are trained in a like manner and that all staff is handling procurements in a similar manner.	Monteiro	In Process	Discussed with Jim Kenan and Art Leahy on 8/24/07. Item will be taken to the Finance and Administration Committee meeting for discussion in March 2008. An RFP has been issued for a consultant to assist with updating the procurement manual; proposals are due 2/15/08. A completed manual is anticipated by July/August 2008.
11/28/2007		Transit	State Triennial Performance Audit (Recommendation No. 32)	OCTA Human Resources Department and Bus Operations Department should develop a systematic approach to regular operator evaluations. Executive: Beth McCormick	Jan-08	Apr-08	<i>In Process.</i> Management agrees with this recommendation and will work to develop an operator evaluation program during the next triennial evaluation period. Examples from other systems are being sought. OCTA has taken a more assertive approach to monitoring complaints and accidents.	Monteiro	In Process	Taken to the 1/24/08 Transit Committee. Management is working to develop an operator evaluation program.

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11/28/2007		Transit	State Triennial Performance Audit (Recommendation No. 33)	OCTA should develop and implement plans for providing physical security at the operating bases. Executive: Beth McCormick	Jan-08	Apr-08	<i>Has Already Been Addressed.</i> Facilities is improving fencing with barbed wire, etc. at all bases. We are also adding more electronic locks on various doors throughout all our bases and the use of electronic key cards. Most exterior doors will be included, as well as doors providing access to our telephone/server rooms, electrical power rooms, or any other room that is considered a security priority. Finally, we are hiring a video surveillance consultant to assess all of our bases facility video surveillance systems, determine spots that need coverage, and provide for a secure surveillance system that is common to all bases. The consultant's report will be used in the next fiscal year to actually make the suggested changes.	Monteiro	In Process	Discussed with Beth McCormick and Art Leahy on 10/26/07. Implementation is ongoing; Committee date to be determined.
11/28/2007		Transit	State Triennial Performance Audit (Recommendation No. 38)	OCTA should develop updated service standards for fixed route services including developing unique standards for areas within the County where density and demographics may negatively impact ridership. Executive: Beth McCormick	Jan-08	Apr-08	<i>Will be Implemented.</i> The service standards for fixed route services will be updated as part of Transit's work plan for fiscal year 2007-08.	Monteiro	In Process	Taken to the 1/24/08 Transit Committee. Performance measures and service standards are currently under revision and will be presented to the Board of Directors by the fourth quarter of fiscal year 2007-08.



February 25, 2008

To: Members of the Board of Directors
From: Arthur T. Leahy, Chief Executive Officer
Subject: State Legislative Status Report

Overview

To date, over 360 Assembly and Senate bills have been introduced in 2008. The last day for bill introduction is February 22, 2008. Oppose unless amended positions are recommended on two bills related to grade separations and traffic reduction measures in regional plans.

Recommendation

Adopt the following recommended positions on legislation:

Oppose unless amended AB 660 (Galgiani, D-Stockton)

Oppose unless amended AB 842 (Jones, D-Sacramento)

Discussion

The legislative deadline to introduce a bill for the second half of the 2007-2008 legislative session is February 22, 2008. Thus far, over 360 Assembly and Senate bills have been introduced in 2008. Legislation has been recently introduced addressing a variety of topics from public-private partnerships to clean fuel vehicles. Orange County Transportation Authority (OCTA) staff will continue to monitor the introduction of new legislation.

Newly Analyzed Legislation

AB 660 (Galgiani, D-Stockton) amends a number of provisions to the state railroad-highway at-grade separation Section 190 program. Specifically, AB 660 would delete a provision which currently allows transportation agencies to commence construction on a qualified Section 190 grade separation project prior to being eligible for program funds. AB 660 would remove this flexibility

by eliminating the project's eligibility to receive Section 190 funding if construction on the project proceeds prior to receiving program funds.

Recently, the California Public Utilities Commission (PUC) released its Grade Separation Priority List for fiscal year (FY) 2008-2009 which included four Orange County projects prioritized within the top 20 statewide. Eliminating the ability to commence construction on these and the other eight Orange County grade separation projects on the list prior to receiving funding would cause delays to the entire process and increase the probability of increased project costs.

Unless AB 660 is amended to retain the provision of current law which allows projects to be constructed in advance of qualifying for Section 190 funding, it is recommended that OCTA oppose the bill. An analysis of the bill is attached (Attachment A). Staff recommends: OPPOSE UNLESS AMENDED.

AB 842 (Jones, D-Sacramento) requires the California Transportation Commission (CTC) to update the guidelines for the preparation of regional transportation plans (RTP) to include a 10 percent reduction in the growth increment of vehicle miles traveled (VMT). Additionally, this bill requires the State Department of Housing and Community Development (HCD) to give priority to projects to local and regional public agencies that will reduce VMT by at least 10 percent when awarding grants under specific programs enacted through Proposition 1C, passed in November 2006.

Not only does AB 842 fail to provide a direct nexus between the Proposition 1C incentives and the mandate to the CTC, it holds regional transportation planning agencies responsible for a growth measurement not controlled by the local agency.

Unless the 10 percent VMT reduction requirement is removed, it is recommended that OCTA oppose the bill. An analysis of the bill is attached (Attachment B). Staff recommends: OPPOSE UNLESS AMENDED.

Legislative Bulletin

Attachment C is the monthly legislative bulletin requested by the Legislative and Communications Committee. This monthly report provides the status of OCTA's sponsored legislation and highlights recent Proposition 1B actions. This document is updated monthly to reflect the high priority action items pending before the Legislature at that time. It may be updated more frequently as needed as well.

Summary

To date, the Legislature has introduced over 360 bills including a number of transportation related bills. The bill introduction deadline is February 22, 2008. Oppose unless amended positions are recommended on AB 660 related to grade separations and AB 842 related to traffic reduction measures in regional plans.

Attachments

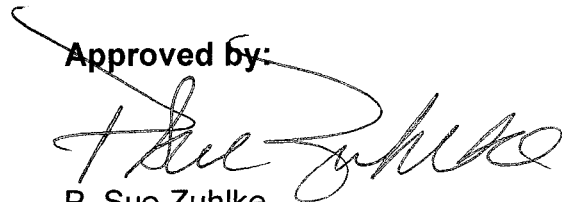
- A. Analysis of AB 660 (Galgiani, D-Stockton)
- B. Analysis of AB 842 (Jones, D-Sacramento)
- C. OCTA Legislative Bulletin
- D. Orange County Transportation Authority Legislative Matrix

Prepared by:



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Approved by:



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BILL: AB 660 (Galgiani, D-Stockton)
Introduced February 21, 2007
Amended April 10, 2007
Amended January 7, 2008
Amended January 17, 2008
Amended January 24, 2008

SUBJECT: Eliminates local agency ability to commence construction on grade separation projects and remain eligible for funding from California's railroad-highway at-grade separation Section 190 program

STATUS: Passed Assembly Transportation Committee 14-0
Passed Assembly Appropriations Committee 16-0
Passed Assembly Floor 74-2
Pending in Senate

SUMMARY AS OF FEBRUARY 8, 2008:

AB 660 would delete provisions within California's railroad-highway at-grade separation Section 190 program that currently allow local agencies to construct grade separation projects prior to becoming eligible to receive fund allocations from the program. Under existing law, the program is jointly administered by the California Department of Transportation (Caltrans) and the California Public Utilities Commission (PUC). Caltrans is to include \$15 million in its annual proposed budget for highway-railroad grade separation projects, while the PUC is to create a priority list for the expenditure of these funds. The California Transportation Commission (CTC) then makes fund allocations to projects on the priority list. During this process, local agencies have the ability to begin construction on a project before the time that the project reaches a high enough priority on the list to receive funding. If local agencies chose to do so, the project remains eligible to be placed on a subsequent priority list and receive funding under the program. AB 660 would delete this flexibility.

AB 660 also deletes funding eligibility for a grade separation at a proposed new grade crossing, and removal or relocation of highways or railway tracks to eliminate an existing grade crossing. Furthermore, AB 660 deletes provisions requiring a proportional project cost reduction when the National Railroad Passenger Corporation (AMTRAK) contributes funding to the project. Under existing law, when AMTRAK contributes an amount equal to one-third of the total project cost, or a lesser percentage agreed to by AMTRAK and the CTC, a project's total cost must be decreased proportionately to AMTRAK's contribution. Finally, AB 660 deletes computation requirements for when agencies use federal funds to assist in the financing of a project.

EFFECTS ON ORANGE COUNTY:

Efficient completion of grade separation projects is key to reducing goods movement related congestion, and resulting pollutant emissions. Orange County has a significant level of goods movement, serving as a connection between Los Angeles County and the Inland Empire. Currently, the Burlington Northern Santa Fe (BNSF) Railway mainline between Los Angeles and San Bernardino counties carries an estimated 70 daily freight trains through northern Orange County in the cities of Yorba Linda, Anaheim, Buena Park, Fullerton, and Placentia. By 2025, this line will carry an estimated 150 daily freight trains. Over \$910 million in grade separation projects have been identified countywide to address freight train volume.

In order to assist in the funding of grade separation projects, Proposition 1B's Highway-Railroad Crossing Safety Account provides \$150 million for grade separations on the PUC's priority list. Projects selected for funding under this account are subject to the Section 190 program guidelines, except a dollar-for-dollar match is required and the maximum project cost limitations do not apply.

Recently, the Orange County Transportation Authority (OCTA) submitted applications for 11 grade separation projects to be included on the PUC's Section 190 program priority list for fiscal year (FY) 2008-2009. As newly approved by the PUC, the FY 2008-2009 list includes all 11 projects, with the project in the City of Fullerton, at State College Boulevard receiving the highest priority of the submittals, ranking sixth of 119 projects. Limitations on local agency flexibility in the construction of these projects will impede progress in achieving goods movement congestion and emissions reductions. Without the ability to construct grade separation projects prior to the award of funding, local agencies will be forced to either postpone critically needed projects, or forgo funding assistance from the Section 190 program.

Staff recommends that unless the bill is amended to retain this provision of current law that projects can be constructed in advance of funding, OCTA should oppose the bill. The California State Association of Counties is generally supportive of the bill but also requests the same amendment noted above. The Alameda Corridor East agency also opposes the bill unless amended for the same reason, but additionally requests amendments allowing the \$15 million single year allocation be awarded to any of the top five projects on the PUC list instead of just the top project and that current law be retained which requires legislative and CTC approval only for projects over \$20 million.

OCTA POSITION:

Staff recommends: OPPOSE UNLESS AMENDED

AMENDED IN ASSEMBLY JANUARY 24, 2008

AMENDED IN ASSEMBLY JANUARY 17, 2008

AMENDED IN ASSEMBLY JANUARY 7, 2008

AMENDED IN ASSEMBLY APRIL 10, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 660

Introduced by Assembly Member Galgiani

February 21, 2007

An act to amend Sections 190, 191, 2450, 2452, 2454, 2458, and 2460.5 of, and to repeal Sections 2454.5 and 2460.7 of, the Streets and Highways Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 660, as amended, Galgiani. Railroad-highway grade separations. Existing law provides for the Department of Transportation to include \$15,000,000 in its annual proposed budget for highway-railroad grade separation projects. Existing law requires the Public Utilities Commission to establish an annual priority list for expenditure of these funds, which may be allocated by the California Transportation Commission for various kinds of projects, including alteration of existing grade separations, construction of new grade separations for existing or proposed grade crossings, and removal or relocation of highways or railroad tracks to eliminate existing grade crossings. Existing law provides that allocations from these funds may not exceed 80% of project costs, and *generally* limits the maximum total allocation amount for a single project to \$5,000,000 unless there is specific legislative authorization, with certain exceptions. Existing law requires that an

amount equal to a portion of the funds received by cities and counties for grade separation projects shall be deducted by the Controller from apportionments to those cities and counties of specified fuel tax revenues.

This bill would revise the program to delete funding eligibility for a grade separation at a proposed new grade crossing or for removal or relocation of highways or railroad tracks to eliminate existing grade crossings. The bill would provide for a maximum allocation of 80% of project costs for all projects funded but would modify the provisions limiting the maximum amount that may be allocated to a single project to \$5,000,000 ~~in any fiscal year~~, unless there is specific legislative authorization, ~~with a cumulative limit for a single project of \$20,000,000~~. The bill would also modify the calculation of the amount of funds deducted from the apportionments of the fuel tax revenues, delete provisions requiring the reduction of cost to a party to a grade separation project when the National Railroad Passenger Corporation (Amtrak) contributes towards a specified amount of the project, and delete provisions authorizing a local agency to construct a grade separation project, and retain eligibility for subsequent project priority lists, prior to the time that the project reaches a high enough priority for funding.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 190 of the Streets and Highways Code
2 is amended to read:
3 190. Each annual proposed budget prepared pursuant to Section
4 165 shall include the sum of fifteen million dollars (\$15,000,000),
5 which sum may include federal funds available for grade separation
6 projects, for allocations to grade separation projects, in accordance
7 with Chapter 10 (commencing with Section 2450) of Division 3.
8 SEC. 2. Section 191 of the Streets and Highways Code is
9 amended to read:
10 191. Prior to each July 15, the department shall prepare and
11 forward to the Controller a report identifying the amounts to be
12 deducted from the allocations under Sections 2104 and 2107 as
13 provided in Sections 2104.1 and 2107.6. The amounts reported
14 shall be the amount of funds allocated to cities for grade separation

1 projects included in allocations to cities made pursuant to Chapter
2 10 (commencing with Section 2450) of Division 3 in the preceding
3 fiscal year and the amount of funds allocated to counties for grade
4 separation projects included in allocations to counties made
5 pursuant to Chapter 10 (commencing with Section 2450) of
6 Division 3 in the preceding fiscal year.

7 SEC. 3. Section 2450 of the Streets and Highways Code is
8 amended to read:

9 2450. For purposes of this chapter:

10 (a) "Grade separation" means the structure which actually
11 separates the vehicular roadway from the railroad tracks.

12 (b) "Project" means the grade separation and all approaches,
13 ramps, connections, drainage, and other construction required to
14 make the grade separation operable and to effect the separation of
15 grades. A grade separation project may include provision for
16 separation of nonmotorized traffic from the vehicular roadway and
17 the railroad tracks. If a separation of nonmotorized traffic is not
18 to be included in a project, there shall be an affirmative finding
19 that the separation of nonmotorized traffic is not in the public
20 interest. On any project where there is only one railroad track in
21 existence, the project shall be built so as to provide for expansion
22 to two tracks when the Director of Transportation determines that
23 the project is on an existing or potential major railroad passenger
24 corridor. The project may consist of:

25 (1) The alteration or reconstruction of existing grade separations.

26 (2) The construction of new grade separations to eliminate
27 existing grade crossings.

28 (c) "Highway" means city street, a county highway, or a state
29 highway which is not a freeway as defined in Section 257.

30 (d) "Railroad" means a railroad corporation.

31 SEC. 4. Section 2452 of the Streets and Highways Code is
32 amended to read:

33 2452. Prior to July 1 of each year, the Public Utilities
34 Commission shall establish a list, in order of priority, of projects
35 that the commission determines to be most urgently in need of
36 separation or alteration. The priority list shall be determined on
37 the basis of criteria established by the Public Utilities Commission.

38 SEC. 5. Section 2454 of the Streets and Highways Code is
39 amended to read:

1 2454. Allocations made pursuant to Section 2453 shall be made
2 on the basis of the following:

3 (a) An allocation of 80 percent of the estimated cost of the
4 project shall be made; except that whenever contributions from
5 other sources exceed 20 percent of the estimated cost, the allocation
6 shall be reduced by the amount in excess of 20 percent of the
7 estimated cost.

8 (b) On projects that eliminate an existing crossing, or alter or
9 reconstruct an existing grade separation, no allocation shall be
10 made unless the railroad agrees to contribute 10 percent of the cost
11 of the project.

12 (c) (1) Notwithstanding subdivisions (a) and (b), the total of
13 these allocations for a single project shall not exceed five million
14 dollars (\$5,000,000) ~~in any one fiscal year~~ without specific
15 legislative authorization. Cumulative allocations to a single project
16 ~~shall be limited to twenty million dollars (\$20,000,000) and shall~~
17 ~~shall~~ not exceed 80 percent of the cost to construct the project.

18 (2) Notwithstanding paragraph (1), the California Transportation
19 Commission may allocate up to fifteen million dollars
20 (\$15,000,000) ~~in any one fiscal year~~ to a single project if that
21 project is the highest ranking project on the priority list established
22 by the Public Utilities Commission pursuant to Section 2452.

23 (d) (1) *Notwithstanding subdivisions (a) to (c), inclusive, a*
24 *single project in excess of five million dollars (\$5,000,000), but*
25 *not exceeding twenty million dollars (\$20,000,000), shall be*
26 *considered without specific legislative authority, if the project (A)*
27 *is included in the Public Utilities Commission's priority list of*
28 *projects scheduled to be funded, (B) eliminates the need for future*
29 *related grade separation projects, (C) provides projected cost*
30 *savings of at least 50 percent to the state or local jurisdiction, or*
31 *both of them, by eliminating the need for future projects, and (D)*
32 *alleviates traffic and safety problems or provides improved rail*
33 *service not otherwise possible. Projects approved pursuant to this*
34 *subdivision shall be funded over a multiyear period, not to exceed*
35 *five years, and the allocation for any one of those years shall not*
36 *exceed the amount prescribed by subdivision (c) for a single*
37 *project.*

38 (2) *Not more than one-half of the total allocation available in*
39 *any one fiscal year for grade separation projects may be used for*
40 *the purposes of this subdivision. An agency that has received an*

1 *allocation for a project approved pursuant to this subdivision shall*
2 *not be eligible for an allocation for another project under this*
3 *subdivision for a period of 10 years from the date of approval of*
4 *that project. However, if funds are available for allocation, as*
5 *determined by the Department of Transportation, an agency may*
6 *be eligible for an allocation for another project.*

7 *(e) Notwithstanding any of the provisions of this section or any*
8 *other provision of law, when the state or a local agency uses funds*
9 *derived from federal sources in financing its share of project costs,*
10 *the railroad contribution, where required by federal law or*
11 *regulation, shall be computed pursuant to federal law.*

12 SEC. 6. Section 2454.5 of the Streets and Highways Code is
13 repealed.

14 SEC. 7. Section 2458 of the Streets and Highways Code is
15 amended to read:

16 2458. If a construction contract has not been awarded within
17 two years after an allocation for construction costs, the commission
18 may order the allocation canceled and those funds shall revert to
19 the fund set aside for purposes of this chapter. All or any part of
20 an allocation for preconstruction costs may be canceled and those
21 funds shall revert to the fund set aside for purposes of this chapter
22 upon a finding that insufficient progress is being made to complete
23 the project. Where an allocation is canceled pursuant to this section,
24 the local agency shall reimburse the fund set aside for purposes of
25 this chapter the portion of the allocation that is not reverted as set
26 forth in this section. The department shall determine, with the local
27 agency, as to the time of repayment.

28 SEC. 8. Section 2460.5 of the Streets and Highways Code is
29 amended to read:

30 2460.5. From funds remaining after allocations for projects
31 higher on the priority list, the commission shall offer to allocate
32 the remaining funds for the next eligible project on the priority
33 list, even though the amount of the remaining funds is less than
34 the amount the local agency is entitled to for that project.

35 The commission, in the next fiscal year, shall allocate to the
36 local agency an additional amount equal to the difference between
37 the amount the local agency was eligible to receive and the amount
38 of the reduced allocation.

39 The total of the amount of allocations for a single project,
40 including, but not limited to, any allocation pursuant to this section,

- 1 shall not exceed the amount prescribed by subdivision (c) of
- 2 Section 2454 without specific legislative authorization.
- 3 SEC. 9. Section 2460.7 of the Streets and Highways Code is
- 4 repealed.

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BILL: AB 842 (Jones, D-Sacramento)
Introduced February 22, 2007
Amended In Assembly, March 29, 2007
Amended In Assembly, April 23, 2007
Amended In Assembly, January 17, 2008

SUBJECT: Requires the California Transportation Commission to update the Regional Transportation Plan guidelines to include a 10 percent reduction in the growth increment of vehicle miles traveled. Also considers projects that will reduce the amount of vehicle miles traveled by at least 10 percent when awarding grants under a specific program enacted through Proposition 1C.

STATUS: Passed Assembly Housing and Community Development Committee 5-2
Passed Assembly Local Government Committee 4-2
Passed Assembly Appropriations Committee 10-5
Passed Assembly Floor 47-28
Referred to Senate Transportation and Housing Committee

SUMMARY AS OF FEBRUARY 8, 2008:

AB 842 requires the California Transportation Commission (CTC) to update the guidelines for the preparation of regional transportation plans (RTP) to include a 10 percent reduction in the growth increment of vehicle miles traveled (VMT). In addition, AB 842 is one of several bills in the Legislature that is intended to establish guidelines and criteria for Proposition 1C bond funds to provide infrastructure incentives for infill housing development.

With California being such a diverse state, the "one size fits all" VMT reduction concept could potentially create significant transportation planning issues for many regional transportation planning agencies (RTPA). This particular measurement fails to factor in the various needs and demands in metropolitan regions throughout the state and furthermore, holds RTPA accountable for a measurement largely not controlled by these agencies. Accomplishing a reduction in regional VMT would depend on a variety of factors including population growth, housing prices, land use, road pricing policies, energy costs, and the costs of parking, among many other things. Many of these are not under the control of RTPA.

In addition, Proposition 1C was part of the 2006 Infrastructure Bond Package and provides funding for housing and community development programs. Specifically, \$850 million was included for the Regional Planning, Housing, and Infill Incentive Account and \$300 million was included for the Transit-Oriented Development (TOD) Account. AB 842 requires the California Department of Housing and Community Development (HCD), when ranking grant applications for the infill incentive program, to consider as one of the priorities projects that are located in a city or county that has an adopted General Plan that will reduce VMT by at least 10 percent or in a region covered

by a council of government that has adopted a transportation plan, RTP, or regional blueprint that will reduce VMT by at least 10 percent. The bill further requires that HCD award "substantial preference" to projects in the TOD category that meet those same criteria.

EFFECTS ON ORANGE COUNTY:

The Orange County Transportation Authority (OCTA) currently prepares the Long-Range Transportation Plan (LRTP) which is submitted to the Southern California Association of Governments (SCAG) for incorporation into the RTP. As a result, SCAG would be responsible for developing a plan to reach the required 10 percent reduction in VMT growth. However, OCTA will be greatly impacted by the policy direction SCAG selects to obtain VMT reductions. Since AB 842 fails to specify the time period over which the VMT reduction is to be measured, fails to define "growth increment" as required in RTPs, and requires statewide universal targets impacting all regions, this bill negatively impacts the ability of local agencies to set local priorities based on local needs.

Since OCTA does not possess land use authority, OCTA would be required to plan transportation projects for future LRTPs which meet the land use and growth requirements developed by SCAG in order to attain the 10 percent reduction in VMT growth.

OCTA staff recommends opposing AB 842 unless the 10 percent VMT reduction requirement in RTP guidelines is removed from the bill.

OCTA POSITION:

Staff recommends: OPPOSE UNLESS AMENDED

AMENDED IN ASSEMBLY JANUARY 17, 2008

AMENDED IN ASSEMBLY APRIL 23, 2007

AMENDED IN ASSEMBLY MARCH 29, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 842

**Introduced by Assembly Member Jones
(Principal coauthors: Assembly Members DeSaulnier, Hancock,
and Lieu)**

February 22, 2007

An act to add Section 14522.5 to the Government Code *and*, to amend Sections ~~53545~~ 53545, 53545.13, and 53563 ~~of, and to add Section 53545.2 to,~~ of the Health and Safety Code, relating to local planning.

LEGISLATIVE COUNSEL'S DIGEST

AB 842, as amended, Jones. Regional plans: traffic reduction.

(1) Existing law authorizes the California Transportation Commission to establish guidelines for the preparation of regional transportation plans.

This bill would require the commission to update its guidelines for the preparation of regional transportation plans, including a requirement that each regional transportation plan provide for a 10% reduction in the growth increment of vehicle miles traveled.

(2) Existing law, the Housing and Emergency Shelter Trust Fund Act of 2006, authorizes the ~~issuance of bonds in the amount of \$2,850,000,000 pursuant to the State General Obligation Bond Law. Proceeds from the sale of these bonds are required to be used to finance various existing housing programs, capital outlay related to infill development, brownfield cleanup that promotes infill development, and~~

housing-related parks. The act establishes the Housing and Emergency Shelter Trust Fund of 2006 in the State Treasury, requires the sum of \$850,000,000 to be deposited in the Regional Planning, Housing, and Infill Incentive Account, which the act establishes in the fund, and makes the money in the account available, upon appropriation, for infill incentive grants for capital outlay related to infill housing development and other related infill development, and for brownfield cleanup that promotes infill housing development and other related infill development consistent with regional and local plans, subject to the conditions and criteria that the Legislature may provide in statute. The act requires the amount of \$300,000,000 to be deposited in the Transit-Oriented Development Account, which the act establishes in the fund, for transfer to the Transit-Oriented Development Implementation Fund, for expenditure, upon appropriation by the Legislature, pursuant to the Transit-Oriented Development Implementation Program established under the act *Department of Housing and Community Development to administer the Infill Incentive Grant Program of 2007, to fund selected capital improvement projects that are an integral part of, or necessary to facilitate the development of, a qualifying infill project or a qualifying infill area, and specifies the conditions that a qualifying infill project or qualifying infill area must meet to receive a capital improvement project grant award. The department is also required to review and rank applicants for the award of capital improvement project grants based upon various priorities, including, among others, project readiness, the depth and duration of the affordability of the housing proposed for a qualifying infill project or qualifying infill area, and the proximity of housing to parks, employment or retail centers, schools, or social services.*

This bill would require an unspecified sum to be made available, upon appropriation, from the Regional Planning, Housing, and Infill Incentive Account to the Department of Housing and Community Development to fund grants to assist agencies of local government in the planning and production of infill housing.

The bill would also require an unspecified sum to be allocated from the Transit-Oriented Development Account to the Transit-Oriented Development Implementation Program, in the amount of an unspecified sum for loans and an unspecified sum for grants.

The bill would also require the department, in ranking applications received for infill housing and the Transit-Oriented Development

~~Implementation Program, to award a substantial preference to applications for projects that meet specified criteria.~~

This bill would additionally require the department to rank applicants for the award of capital improvement project grants based upon a reduction of vehicle miles traveled as a result of the project, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 14522.5 is added to the Government
2 Code, to read:

3 14522.5. The commission shall update its guidelines for the
4 preparation of regional transportation plans, including, but not
5 limited to, a requirement that each regional transportation plan
6 provide for a 10 percent reduction in the growth increment of
7 vehicle miles traveled.

8 SEC. 2. Section 53545 of the Health and Safety Code is
9 amended to read:

10 53545. The Housing and Emergency Shelter Trust Fund of
11 2006 is hereby created in the State Treasury. The Legislature
12 intends that the proceeds of bonds deposited in the fund shall be
13 used to fund the housing-related programs described in this chapter
14 over the course of the next decade. The proceeds of bonds issued
15 and sold pursuant to this part for the purposes specified in this
16 chapter shall be allocated in the following manner:

17 (a) (1) One billion five hundred million dollars (\$1,500,000,000)
18 to be deposited in the Affordable Housing Account, which is
19 hereby created in the fund. Notwithstanding Section 13340 of the
20 Government Code, the money in the account shall be continuously
21 appropriated in accordance with the following schedule:

22 (A) (i) Three hundred forty-five million dollars (\$345,000,000)
23 shall be transferred to the Housing Rehabilitation Loan Fund to
24 be expended for the Multifamily Housing Program authorized by
25 Chapter 6.7 (commencing with Section 50675) of Part 2. The
26 priorities specified in Section 50675.13 shall apply to the
27 expenditure of funds pursuant to this clause.

28 (ii) Fifty million dollars (\$50,000,000) shall be transferred to
29 the Housing Rehabilitation Loan Fund to be expended under the
30 Multifamily Housing Program authorized by Chapter 6.7

1 (commencing with Section 50675) of Part 2 for housing meeting
2 the definitions in paragraphs (2) and (3) of subdivision (e) of
3 Section 11139.3 of the Government Code. The department may
4 provide higher per-unit loan limits as necessary to achieve
5 affordable housing costs to the target population. Any funds not
6 encumbered for the purposes of this clause within 30 months of
7 availability shall revert for general use in the Multifamily Housing
8 Program.

9 (B) One hundred ninety-five million dollars (\$195,000,000)
10 shall be transferred to the Housing Rehabilitation Loan Fund to
11 be expended ~~for~~ *under* the Multifamily Housing Program
12 authorized by Chapter 6.7 (commencing with Section 50675) of
13 Part 2, to be used for supportive housing for individuals and
14 households moving from emergency shelters or transitional housing
15 or those at risk of homelessness. The Department of Housing and
16 Community Development shall provide for higher per-unit loan
17 limits as reasonably necessary to achieve housing costs affordable
18 to those individuals and households. For purposes of this
19 subparagraph, “supportive housing” means housing with no limit
20 on length of stay, that is occupied by the target population, as
21 defined in subdivision (d) of Section 53260, and that is linked to
22 onsite or offsite services that assist the tenant to retain the housing,
23 improve his or her health status, maximize his or her ability to
24 live, and, when possible, work in the community. The criteria for
25 selecting projects shall give priority to the following:

26 (i) Supportive housing for people with disabilities who would
27 otherwise be at high risk of homelessness where the applications
28 represent collaboration with programs that meet the needs of the
29 person’s disabilities.

30 (ii) Projects that demonstrate funding commitments from local
31 governments for operating subsidies or services funding, or both,
32 for five years or longer.

33 (C) One hundred thirty-five million dollars (\$135,000,000) shall
34 be transferred to the fund created by subdivision (b) of Section
35 50517.5 to be expended for the programs authorized by Chapter
36 3.2 (commencing with Section 50517.5) of Part 2.

37 (D) Three hundred million dollars (\$300,000,000) shall be
38 transferred to the Self-Help Housing Fund created by Section
39 50697.1. These funds shall be available to the Department of
40 Housing and Community Development, to be expended for the

1 purposes of enabling households to become or remain homeowners
2 pursuant to the CalHome Program authorized by Chapter 6
3 (commencing with Section 50650) of Part 2, except ten million
4 dollars (\$10,000,000) shall be expended for construction
5 management under the California Self-Help Housing Program
6 pursuant to subdivision (b) of Section 50696.

7 (E) Two hundred million dollars (\$200,000,000) shall be
8 transferred to the Self-Help Housing Fund created by Section
9 50697.1. These funds shall be available to the California Housing
10 Finance Agency, to be expended for the purposes of the California
11 Homebuyer's Downpayment Assistance Program authorized by
12 Chapter 11 (commencing with Section 51500) of Part 3. Up to one
13 hundred million dollars (\$100,000,000) of these funds may be
14 expended pursuant to subdivision (b) of Section 51504.

15 (F) One hundred million dollars (\$100,000,000) shall be
16 transferred to the Affordable Housing Innovation Fund, which is
17 hereby created in the State Treasury, to be administered by the
18 Department of Housing and Community Development. Funds shall
19 be expended for competitive grants or loans to sponsoring entities
20 that develop, own, lend, or invest in affordable housing and used
21 to create pilot programs to demonstrate innovative, cost-saving
22 approaches to creating or preserving affordable housing. Specific
23 criteria establishing eligibility for and use of the funds shall be
24 established in statute as approved by a two-thirds vote of each
25 house of the Legislature. Any funds not encumbered for the
26 purposes set forth in this subparagraph within 30 months of
27 availability shall revert to the Self-Help Housing Fund created by
28 Section 50697.1 and shall be available for the purposes described
29 in subparagraph (D).

30 (G) One hundred twenty-five million dollars (\$125,000,000)
31 shall be transferred to the Building Equity and Growth in
32 Neighborhoods Fund to be used for the Building Equity and
33 Growth in Neighborhoods (BEGIN) Program pursuant to Chapter
34 14.5 (commencing with Section 50860) of Part 1. Any funds not
35 encumbered for the purposes set forth in this subparagraph within
36 30 months of availability shall revert for general use in the
37 CalHome Program.

38 (H) Fifty million dollars (\$50,000,000) shall be transferred to
39 the Emergency Housing and Assistance Fund to be distributed in
40 the form of capital development grants under the Emergency

1 Housing and Assistance Program authorized by Chapter 11.5
2 (commencing with Section 50800) of Part 2 of Division 31. The
3 funds shall be administered by the Department of Housing and
4 Community Development in a manner consistent with the
5 restrictions and authorizations contained in Provision 3 of Item
6 2240-105-0001 of the Budget Act of 2000, except that any
7 appropriations in that item shall not apply. The competitive system
8 used by the department shall incorporate priorities set by the
9 designated local boards and their input as to the relative merits of
10 submitted applications from within the designated local board's
11 county in relation to those priorities. In addition, the funding
12 limitations contained in this section shall not apply to the
13 appropriation in that budget item.

14 (2) The Legislature may, from time to time, amend the
15 provisions of law related to programs to which funds are, or have
16 been, allocated pursuant to this subdivision for the purpose of
17 improving the efficiency and effectiveness of the program, or for
18 the purpose of furthering the goals of the program.

19 (3) The Bureau of State Audits shall conduct periodic audits to
20 ensure that bond proceeds are awarded in a timely fashion and in
21 a manner consistent with the requirements of this subdivision, and
22 that awardees of bond proceeds are using funds in compliance with
23 applicable provisions of this subdivision. The first audit shall be
24 conducted no later than one year from voter approval of this part.

25 (4) In its annual report to the Legislature, the Department of
26 Housing and Community Development shall report how funds that
27 were made available pursuant to this subdivision and allocated in
28 the prior year were expended. The department shall make the report
29 available to the public on its Internet Web site.

30 (b) Eight hundred fifty million dollars (\$850,000,000) shall be
31 deposited in the Regional Planning, Housing, and Infill Incentive
32 Account, which is hereby created in the fund. Funds in the account
33 shall be available, upon appropriation by the Legislature, and
34 subject to such other conditions and criteria as the Legislature may
35 provide in statute, for the following purposes:

36 (1) For infill incentive grants for capital outlay related to infill
37 housing development and other related infill development,
38 including, but not limited to, all of the following:

1 (A) No more than two hundred million dollars (\$200,000,000)
2 for park creation, development, or rehabilitation to encourage infill
3 development.

4 (B) Water, sewer, or other public infrastructure costs associated
5 with infill development.

6 (C) Transportation improvements related to infill development
7 projects.

8 (D) Traffic mitigation.

9 (2) For brownfield cleanup that promotes infill housing
10 development and other related infill development consistent with
11 regional and local plans.

12 (c) Three hundred million dollars (\$300,000,000) to be deposited
13 in the Transit-Oriented Development Account, which is hereby
14 created in the fund, for transfer to the Transit-Oriented
15 Development Implementation Fund, for expenditure, upon
16 appropriation by the Legislature, pursuant to the Transit-Oriented
17 Development Implementation Program authorized by Part 13
18 (commencing with Section 53560).

19 (d) Two hundred million dollars (\$200,000,000) shall be
20 deposited in the Housing Urban-Suburban-and-Rural Parks
21 Account, which is hereby created in the fund. Funds in the account
22 shall be available upon appropriation by the Legislature for
23 housing-related parks grants in urban, suburban, and rural areas,
24 subject to the conditions and criteria that the Legislature may
25 provide in statute.

26 ~~SEC. 3. Section 53545.2 is added to the Health and Safety~~
27 ~~Code, to read:~~

28 ~~53545.2. (a) Upon appropriation, the sum of _____ dollars~~
29 ~~(\$_____) shall be made available from the Regional Planning,~~
30 ~~Housing, and Infill Incentive Account established under subdivision~~
31 ~~(b) of Section 53545 to the department to fund grants to assist~~
32 ~~agencies of local government in the planning and production of~~
33 ~~infill housing. In ranking applications received pursuant to this~~
34 ~~section, the department shall award a substantial preference to both~~
35 ~~of the following:~~

36 ~~(1) Applications for projects that are located in a city, county,~~
37 ~~or city and county that has adopted a general plan that will reduce~~
38 ~~the amount of vehicle miles traveled by at least 10 percent and the~~
39 ~~project is consistent with the plan.~~

1 ~~(2) Applications for projects that are located in a region covered~~
2 ~~by a council of governments that has adopted a transportation plan,~~
3 ~~a regional transportation plan, a regional blueprint, or similar~~
4 ~~document that will reduce the amount of vehicle miles traveled by~~
5 ~~at least 10 percent and the project is consistent with the plan,~~
6 ~~blueprint, or similar document.~~

7 ~~(b) Upon appropriation, the sum of _____ dollars (\$ _____) shall~~
8 ~~be allocated from the Transit-Oriented Development Account~~
9 ~~established under subdivision (e) of Section 53545 to the~~
10 ~~Transit-Oriented Development Implementation Program authorized~~
11 ~~under Part 13 (commencing with Section 53560), in the following~~
12 ~~amounts, for the following purposes:~~

13 ~~(1) _____ dollars (\$ _____) for loans.~~

14 ~~(2) _____ dollars (\$ _____) for grants.~~

15 *SEC. 3. Section 53545.13 of the Health and Safety Code is*
16 *amended to read:*

17 53545.13. (a) The Infill Incentive Grant Program of 2007 is
18 hereby established to be administered by the department.

19 (b) Upon appropriation of funds by the Legislature for the
20 purpose of implementing paragraph (1) of subdivision (b) of
21 Section 53545, the department shall establish and administer a
22 competitive grant program to allocate those funds to selected
23 capital improvement projects that are an integral part of, or
24 necessary to facilitate the development of, a qualifying infill project
25 or a qualifying infill area.

26 (c) A qualifying infill project or qualifying infill area for which
27 a capital improvement project grant may be awarded shall meet
28 all of the following conditions:

29 (1) Be located in a city, county, or city and county, in which
30 the general plan of the city, county, or city and county, has an
31 adopted housing element that has been found by the department,
32 pursuant to Section 65585 of the Government Code, to be in
33 compliance with the requirements of Article 10.6 (commencing
34 with Section 65580) of Chapter 3 of Division 1 of Title 7 of the
35 Government Code.

36 (2) Include not less than 15 percent of affordable units, as
37 follows:

38 (A) For projects that contain both rental and ownership units,
39 units of either or both product types may be included in the
40 calculation of the affordability criteria.

1 (B) (i) To the extent included in a project grant application, for
2 the purpose of calculating the percentage of affordable units, the
3 department may consider the entire master development in which
4 the development seeking grant funding is included.

5 (ii) Where applicable, an applicant may include a replacement
6 housing plan to ensure that dwelling units housing persons and
7 families of low or moderate income are not removed from the low-
8 and moderate-income housing market. Residential units to be
9 replaced may not be counted toward meeting the affordability
10 threshold required for eligibility for funding under this section.

11 (C) For the purposes of this subdivision, “affordable unit” means
12 a unit that is made available at an affordable rent, as defined in
13 Section 50053, to a household earning no more than 60 percent of
14 the area median income or at an affordable housing cost, as defined
15 in Section 50052.5, to a household earning no more than 120
16 percent of the area median income. Rental units shall be subject
17 to a recorded covenant that ensures affordability for at least 55
18 years. Ownership units shall initially be sold to and occupied by
19 a qualified household, and subject to a recorded covenant that
20 includes either a resale restriction for at least 30 years or equity
21 sharing upon resale.

22 (D) A qualifying infill project or qualifying infill area for which
23 a disposition and development agreement or other project- or
24 area-specific agreement between the developer and the local agency
25 having jurisdiction over the project has been executed on or before
26 the effective date of the act adding this section, shall be deemed
27 to meet the affordability requirement of this paragraph (2) if the
28 agreement includes affordability covenants that subject the project
29 or area to the production of affordable units for very low, low-, or
30 moderate-income households.

31 (3) Include average residential densities on the parcels to be
32 developed that are equal to or greater than the densities described
33 in subparagraph (B) of paragraph (3) of subdivision (c) of Section
34 65583.2 of the Government Code, except that a project located in
35 a rural area as defined in Section 50199.21 shall include average
36 residential densities on the parcels to be developed of at least 10
37 units per acre.

38 (4) Be located in an area designated for mixed-use or residential
39 development pursuant to one of the following adopted plans:

1 (A) A general plan adopted pursuant to Section 65300 of the
2 Government Code.

3 (B) A project area redevelopment plan approved pursuant to
4 Section 33330.

5 (C) A regional blueprint plan as defined in the California
6 Regional Blueprint Planning Program administered by the
7 Business, Transportation and Housing Agency, or a regional plan
8 as defined in Section 65060.7 of the Government Code.

9 (5) For qualifying infill projects or qualifying infill areas located
10 in a redevelopment project area, meet the requirements contained
11 in subdivision (a) of Section 33413.

12 (d) In its review and ranking of applications for the award of
13 capital improvement project grants, the department shall rank the
14 affected qualifying infill projects and qualifying infill areas based
15 on the following priorities:

16 (1) Project readiness, which shall include all of the following:

17 (A) A demonstration that the project or area development can
18 complete environmental review and secure necessary entitlements
19 from the local jurisdiction within a reasonable period of time
20 following the submittal of a grant application.

21 (B) A demonstration that the eligible applicant can secure
22 sufficient funding commitments derived from sources other than
23 this part for the timely development of a qualifying infill project
24 or development of a qualifying infill area.

25 (C) A demonstration that the project or area development has
26 sufficient local support to achieve the proposed improvement.

27 (2) The depth and duration of the affordability of the housing
28 proposed for a qualifying infill project or qualifying infill area.

29 (3) The extent to which the average residential densities on the
30 parcels to be developed exceed the density standards contained in
31 paragraph (3) of subdivision (c).

32 (4) The qualifying infill project's or qualifying infill area's
33 inclusion of, or proximity or accessibility to, a transit station or
34 major transit stop.

35 (5) The proximity of housing to parks, employment or retail
36 centers, schools, or social services.

37 (6) The qualifying infill project or qualifying infill area
38 location's consistency with an adopted regional blueprint plan or
39 other adopted regional growth plan intended to foster efficient land
40 use.

1 (7) *Applications for projects that are located in a city, county,*
2 *or city and county that has adopted a general plan that will reduce*
3 *the amount of vehicle miles traveled by at least 10 percent, and*
4 *the project is consistent with the plan.*

5 (8) *Applications for projects that are located in a region covered*
6 *by a council of governments that has adopted a transportation*
7 *plan, a regional transportation plan, a regional blueprint, or*
8 *similar document that will reduce the amount of vehicle miles*
9 *traveled by at least 10 percent, and the project is consistent with*
10 *the plan, blueprint, or similar document.*

11 (e) In allocating funds pursuant to this section, the department,
12 to the maximum extent feasible, shall ensure a reasonable
13 geographic distribution of funds.

14 (f) Funds awarded pursuant to this section shall supplement,
15 not supplant, other available funding.

16 (g) (1) The department shall adopt guidelines for the operation
17 of the grant program, including guidelines to ensure the tax-exempt
18 status of the bonds issued pursuant to this part, and may administer
19 the program under those guidelines.

20 (2) The guidelines shall include provisions for the reversion of
21 grant awards that are not encumbered within four years of the fiscal
22 year in which an award was made, and for the recapture of grants
23 awarded, but for which development of the related housing units
24 has not progressed in a reasonable period of time from the date of
25 the grant award, as determined by the department.

26 (3) The guidelines shall not be subject to the requirements of
27 Chapter 3.5 (commencing with Section 11340) of Division 3 of
28 Title 2 of the Government Code.

29 (h) For each fiscal year within the duration of the grant program,
30 the department shall include within the report to the Legislature,
31 required by Section 50408, information on its activities relating
32 to the grant program. The report shall include, but is not limited
33 to, the following information:

34 (1) A summary of the projects that received grants under the
35 program for each fiscal year that grants were awarded.

36 (2) The description, location, and estimated date of completion
37 for each project that received a grant award under the program.

38 (3) An update on the status of each project that received a grant
39 award under the program, and the number of housing units created
40 or facilitated by the program.

1 SEC. 4. Section 53563 of the Health and Safety Code is
2 amended to read:

3 53563. (a) In ranking applications pursuant to this part, the
4 department shall, among other criteria, consider the extent to which
5 the project or development will increase public transit ridership
6 and minimize automobile trips.

7 (b) The department shall also grant bonus points to projects or
8 developments that are in an area designated by the appropriate
9 council of governments for infill development as part of a regional
10 plan.

11 (c) In ranking applications received pursuant to this section, the
12 department shall award a substantial preference to both of the
13 following:

14 (1) Applications for projects that are located in a city, county,
15 or city and county that has adopted a general plan that will reduce
16 the amount of vehicle miles traveled by at least 10 percent and the
17 project is consistent with the plan.

18 (2) Applications for projects that are located in a region covered
19 by a council of governments that has adopted a transportation plan,
20 a regional transportation plan, a regional blueprint, or similar
21 document that will reduce the amount of vehicle miles traveled by
22 at least 10 percent and the project is consistent with the plan,
23 blueprint, or similar document.

**OCTA LEGISLATIVE BULLETIN
February 21, 2008**

I. Sponsored Bills

- a. AB 387 (Duvall, R-Brea)
 - Amends current statute to allow transit operators option to use design-build for technology or surveillance procurements designed to enhance safety, disaster preparedness, and homeland security.
 - Passed out of the Assembly on January 28. Pending consideration in the Senate.
- b. Costa Mesa Freeway (State Route 55) legislation
 - Deletes section of the California Vehicle Code requiring any 24-hour carpool lane approved between January 1, 1987 and December 1, 1987 to maintain a 4-foot buffer between the carpool lane and general purpose lane.
 - Currently only applicable to State Route 55.
 - Assembly Member Van Tran (R-Costa Mesa) agreed to author legislation.
 - Language has been submitted to Legislative Council, not yet introduced (as of February 8, 2008).

II. Trade Corridor Improvement Fund (TCIF) project submissions

- a. Projects submitted January 17, 2008, California Transportation Commission (CTC) staff evaluating proposals.
- b. Public Hearing in Los Angeles on February 19, 2008.
- c. CTC recommended project list to be released on March 13, 2008.
- d. CTC to adopt project list on April 10, 2008.
- e. Legislature to consider TCIF allocation as part of budget process.



Orange County Transportation Authority Legislative Matrix

2008 State Legislation Session
February 21, 2008

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
OCTA SPONSORED LEGISLATION			
AB 256 (Huff - R)	<i>LEGISLATION DELETED FROM MATRIX. BILL FAILED TO PASS THROUGH HOUSE OF ORIGIN BY JANUARY 31ST OF THE 2ND CALENDAR YEAR OF THE 2-YEAR LEGISLATIVE SESSION, AS REQUIRED UNDER THE CALIFORNIA CONSTITUTION. BILL WOULD HAVE PROVIDED FOR CONTINUOUS APPROPRIATION OF SHOPP FUNDING TO PREVENT A STOPPAGE OF SAFETY PROJECTS WHEN THERE IS A LATE STATE BUDGET.</i>		
AB 387 (Duvall - R) Design-Build: Transit Contracts	Amends law that authorizes transit operators to enter into design-build contract according to specified procedures. Provides that there would be no cost threshold for the acquisition and installation of technology applications or surveillance equipment designed to enhance safety, disaster preparedness, and homeland security efforts. Allows those projects to be awarded based on either the lowest responsible bidder or best value.	INTRODUCED: 02/15/2007 LAST AMEND: 01/07/2008 LOCATION: Assembly Second Reading File STATUS: 01/28/2008 In ASSEMBLY. Read third time. Passed ASSEMBLY. To SENATE.	Sponsor SUPPORT: CH2M HILL OPPOSE: Associated Builders and Contractors of California, Western Electrical Contractors' Association
AB 1228 (Solorio - D)	<i>LEGISLATION DELETED FROM MATRIX. BILL FAILED TO PASS THROUGH HOUSE OF ORIGIN BY JANUARY 31ST OF THE 2ND CALENDAR YEAR OF THE 2-YEAR LEGISLATIVE SESSION, AS REQUIRED UNDER THE CALIFORNIA CONSTITUTION. BILL WOULD HAVE PROVIDED THAT ANAHEIM IS TO BE SOUTHERN TERMINUS FOR THE HIGH-SPEED RAIL SYSTEM.</i>		

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
AB 1306 (Huff – R)	<i>LEGISLATION DELETED FROM MATRIX. BILL FAILED TO PASS THROUGH HOUSE OF ORIGIN BY JANUARY 31ST OF THE 2ND CALENDAR YEAR OF THE 2-YEAR LEGISLATIVE SESSION, AS REQUIRED UNDER THE CALIFORNIA CONSTITUTION. BILL WOULD HAVE ELIMINATED THE STATUTE REQUIRING SPILLOVER SET-ASIDE, THEREBY DIRECTING ALL GASOLINE SALES TAX FUNDS TO PROPOSITION 42.</i>		
SB 442 (Ackerman – R)	<i>LEGISLATION DELETED FROM MATRIX. BILL FAILED TO PASS THROUGH HOUSE OF ORIGIN BY JANUARY 31ST OF THE 2ND CALENDAR YEAR OF THE 2-YEAR LEGISLATIVE SESSION, AS REQUIRED UNDER THE CALIFORNIA CONSTITUTION. BILL WOULD HAVE ALLOWED THE USE OF DESIGN-BUILD FOR COMPLETION OF PHASE II OF THE GARDEN GROVE FREEWAY IMPROVEMENT PROJECT.</i>		

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
BILLS WITH OFFICIAL POSITIONS			
AB 1457 (Huffman – D)	<i>LEGISLATION DELETED FROM MATRIX. BILL FAILED TO PASS THROUGH HOUSE OF ORIGIN BY JANUARY 31ST OF THE 2ND CALENDAR YEAR OF THE 2-YEAR LEGISLATIVE SESSION, AS REQUIRED UNDER THE CALIFORNIA CONSTITUTION. BILL WOULD HAVE PROHIBITED ROAD CONSTRUCTION IN A STATE PARK, EXCEPT UNDER CERTAIN CIRCUMSTANCES. OCTA HAD AN OPPOSE POSITION.</i>		
SB 56 (Runner – R)	<i>LEGISLATION DELETED FROM MATRIX. BILL FAILED TO PASS THROUGH HOUSE OF ORIGIN BY JANUARY 31ST OF THE 2ND CALENDAR YEAR OF THE 2-YEAR LEGISLATIVE SESSION, AS REQUIRED UNDER THE CALIFORNIA CONSTITUTION. BILL WOULD HAVE PROVIDED FOR BROADER DESIGN-BUILD AUTHORITY. OCTA HAD A SUPPORT POSITION.</i>		
SB 375 (Steinberg – D) Transportation Planning: Travel Models: Reviews	Relates to guidelines for travel demand guidelines used in regional transportation plans, the requirement a regional transportation plan include a sustainable community strategy designed to achieve goals for the reduction of greenhouse gas emissions, an environmental document under the Environmental Quality Act that examines specific impacts of a transportation project located in a local jurisdiction that has amended its general plan and the legislative body finds the project meets specified criteria.	INTRODUCED: 02/21/2007 LAST AMEND: 01/28/2008 LOCATION: Assembly Appropriations Committee STATUS: 01/28/2008 From ASSEMBLY Committee on APPROPRIATIONS with author's amendments. 01/28/2008 In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.	Oppose (partial list) SUPPORT: California League of Conservation Voters (co-sponsor), Natural Resources Defense Council (co-sponsor), American Lung Association of California OPPOSE: Orange County Business Council, California Building Industry Association, Department of Finance, Contra Costa Transportation Authority, California Chamber of Commerce, Transportation California

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
SB 872 (Ackerman – R)	<i>LEGISLATION DELETED FROM MATRIX. BILL FAILED TO PASS THROUGH HOUSE OF ORIGIN BY JANUARY 31ST OF THE 2ND CALENDAR YEAR OF THE 2-YEAR LEGISLATIVE SESSION, AS REQUIRED UNDER THE CALIFORNIA CONSTITUTION. BILL WOULD HAVE CREATED GUIDELINES FOR THE DISTRIBUTION OF FUNDS FOR THE PROPOSITION 1B STATE-LOCAL PARTNERSHIP PROGRAM. OCTA HAD A SUPPORT POSITION.</i>		
SB 974 (Lowenthal – D) Ports: Congestion Relief: Environmental Mitigation	Requires the Ports of Los Angeles and Long Beach to transmit a portion of the funds derived from imposition of a container cargo user fee to the San Pedro Bay Ports Congestion Relief Trust Fund and San Pedro Bay Ports Mitigation Relief Trust Funds. Requires the Port of Oakland to transmit a portion of the funds derived from imposition of the fee to the Port of Oakland Congestion Relief Trust Fund and a portion to the Port of Oakland Mitigation Relief Trust Fund. Authorizes related financing agreements.	INTRODUCED: 02/23/2007 LAST AMEND: 09/05/2007 LOCATION: Assembly Inactive File STATUS: 09/10/2007 In ASSEMBLY. To Inactive File.	Support with Amendments (partial list) SUPPORT: LACMTA, Mayor Curt Pringle, City of Anaheim, Port of Long Beach (support only if amended), SCAQMD, California Air Pollution Control Officers Association, California League of Conservation Voters, Gateway Council of Governments, Natural Resources Defense Council. OPPOSE: California Chamber of Commerce, California Railroad Industry, California Taxpayers' Association, National Association of Manufacturers, United States Chamber of Commerce, United Chambers of Commerce of the San Fernando Valley, Howard Jarvis Taxpayers' Association

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
BILLS BEING MONITORED			
AB 38 (Nava – D) Department of Emergency Services and Homeland Security	Deletes provisions of existing law that governs the Office of Homeland Security and the Office of Emergency Services and establishes the Department of Emergency Services and Homeland Security which would succeed to and be vested with the duties, powers, purposes, responsibilities of both of the former offices. Requires the Office of Emergency Services to develop and complete a guidance document to the state emergency plan with respect to agriculture-related disasters.	INTRODUCED: 12/04/2006 LAST AMEND: 05/01/2007 LOCATION: Senate Public Safety Committee STATUS: 07/10/2007 In SENATE Committee on PUBLIC SAFETY: Failed passage. 07/10/2007 In SENATE Committee on PUBLIC SAFETY: Reconsideration granted.	SUPPORT: Office of Emergency Services, Office of Homeland Security, California Emergency Services Association, CSAC, California State Sheriffs' Association, Little Hoover Commission, Metropolitan Transportation Commission, James Lee Witt Associates, Regional Council of Rural Counties
AB 109 (Nunez – D) Global Warming Solutions Act of 2006: Annual Report	Requires the Governor, Treasurer's office, the Public Employees' Retirement and the State Teachers' Retirement systems to annually report to the Legislature information relating to greenhouse gas emissions and green investments. Requires all land conservancies to report to the Legislature on past, current, and future activities to sequester greenhouse gas emissions. Requires an annual on the Global Warming Solutions Act. Includes the reduction of such gases in the Environmental Goals and Policy Project.	INTRODUCED: 01/05/2007 LAST AMEND: 07/18/2007 LOCATION: Senate Inactive Files STATUS: 09/04/2007 In SENATE. From third reading. To Inactive File.	SUPPORT: American Federation of State County and Municipal Employees, California Association of Professional Scientists, Moller International Inc., Silicon Valley Leadership Group
AB 169 (Levine – D) Joint Powers Authorities: Indian Tribes	Provides that 16 federally recognized Indian tribal governments may participate in the Southern California Association of Governments, a joint powers authority, for specified purposes and subject to specified conditions in the 6 - county region of the Southern California Association of Governments.	INTRODUCED: 01/23/2007 LOCATION: Senate Local Government Committee STATUS: 05/23/2007 To SENATE Committee on LOCAL GOVERNMENT.	SUPPORT: SCAG (Sponsor)

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
AB 353 (Carter – D)	<i>LEGISLATION DELETED FROM MATRIX. BILL FAILED TO PASS THROUGH HOUSE OF ORIGIN BY JANUARY 31ST OF THE 2ND CALENDAR YEAR OF THE 2-YEAR LEGISLATIVE SESSION, AS REQUIRED UNDER THE CALIFORNIA CONSTITUTION. BILL'S SUBJECT MATTER RELATED TO GRADE SEPARATION PROJECT FUNDING ELIGIBILITY.</i>		
<p>► AB 660 (Galgiani – D)</p> <p>Railroad-Highway Grade Separations</p>	<p>Revises the highway-railroad grade separation program of the Department of Transportation to delete funding eligibility for a grade separation at a proposed new grade crossing or for removal or relocation of highways or railroad tracks to eliminate existing grade crossings. Provides a maximum allocation of 80% of project costs for all projects funded. Modifies the maximum total allocation provisions. Modifies the calculation of the amount of funds deducted from the apportionments of fuel tax revenues.</p>	<p>INTRODUCED: 02/21/2007 LAST AMEND: 01/24/2008 LOCATION: Senate</p> <p>STATUS: 01/29/2008 In ASSEMBLY. Read third time. Passed ASSEMBLY. To SENATE.</p>	<p>SUPPORT: American Federation of State, County, and Municipal Employees, CSAC (Support with amendments), City of Merced, Merced County, Southern California Contractor Association</p> <p>OPPOSE: Alameda Corridor East (unless amended)</p>
<p>► AB 842 (Jones – D)</p> <p>Regional Plans: Traffic Reduction</p>	<p>Requires the Transportation Commission to update its guidelines for the preparation of regional transportation plans, including a requirement that each regional transportation plan provide for a 10% reduction in the growth increment of vehicle miles traveled. Requires the Department of Housing and Community develop to rank applicants for the award of capital improvement grants based upon a reduction of vehicle miles traveled as a result of the project.</p>	<p>INTRODUCED: 02/22/2007 LAST AMEND: 01/17/2008 LOCATION: Senate</p> <p>STATUS: 01/28/2008 In ASSEMBLY. Read third time. Passed ASSEMBLY. To SENATE.</p>	<p>SUPPORT: California League of Conservation Voters (Sponsor), American Lung Association, Gray Panthers</p> <p>OPPOSE: Metropolitan Transportation Commission (unless amended), ABAG</p>

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
AB 867 (Davis – D) Transportation Analysis Zones	Requires each metropolitan planning organization and each regional transportation planning agency, in developing the regional transportation plan, to factor the mobility of low-income and minority residents into its computer analysis of regional traffic analysis zones used to estimate travel behavior and traffic generation as part of the transportation demand model. Requires results of such analysis to be availed to the public and to be added as an addendum to the regional transportation plan.	INTRODUCED: 02/22/2007 LAST AMEND: 07/10/2007 LOCATION: Senate Appropriations Committee STATUS: 08/30/2007 In SENATE Committee on APPROPRIATIONS: Not heard.	SUPPORT: American Federation of State, County and Municipal Employees
AB 901 (Nunez – D) Transportation: Highway Safety Traffic Reduction	Relates to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 that requires funds from the proceeds of bonds under the act for allocation to public transit operators and transportation planning agencies. Requires the Department of Transportation and Transportation Commission to provide information regarding their needs. Imposes specified auditing requirements.	INTRODUCED: 02/22/2007 LAST AMEND: 07/05/2007 LOCATION: Senate Appropriations Committee STATUS: 07/10/2007 From SENATE Committee on TRANSPORTATION AND HOUSING: Do pass to Committee on APPROPRIATIONS.	SUPPORT: California Transit Association, LACMTA, Long Beach Transit, Merced Transit, Inyo Mono Transit, Unitrans, Associated Students of the University of California, Davis, Shields for Families, Inc.
AB 995 (Nava – D) Trade Corridors	Relates to the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act. Provides that projects eligible for funding from the Trade Corridors Improvement Fund receive priority if they meet specified requirements. Requires the state Transportation Commission to coordinate with the state Air Resources Board for technical assistance in evaluating project applications.	INTRODUCED: 02/22/2007 LAST AMEND: 08/20/2007 LOCATION: Senate Third Reading File STATUS: 09/06/2007 Withdrawn from SENATE Committee on RULES. To third reading.	SUPPORT: American Federation of State, County and Municipal Employees, American Lung Association, Environmental Defense, Natural Resources Defense Council
AB 1161 (Tran – R)) <i>LEGISLATION DELETED FROM MATRIX. BILL FAILED TO PASS THROUGH HOUSE OF ORIGIN BY JANUARY 31ST OF THE 2ND CALENDAR YEAR OF THE 2-YEAR LEGISLATIVE SESSION, AS REQUIRED UNDER THE CALIFORNIA CONSTITUTION. BILL'S SUBJECT MATTER RELATED EMINENT DOMAIN.</i>			

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
AB 1351 (Levine – D) Transportation: State-Local Partnerships	Amends the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006. States the intent of the Legislature to appropriate a specified amount of funds for the State-Local Partnership Program for funding transportation projects for a specified period. Defines local funds under the program relating to a local match as revenues from any locally imposed transportation related sales tax. Requires certain related reports.	INTRODUCED: 02/23/2007 LAST AMEND: 07/12/2007 LOCATION: Senate Appropriations Committee STATUS: 08/30/2007 In SENATE Committee on APPROPRIATIONS: Not heard.	SUPPORT: LACMTA, RCTC
AB 1358 (Leno – D) Planning: Circulation Element: Transportation	Requires the legislative body of a city or county, upon any revision of the circulation element of the general plan, to modify the circulation element to accommodate the safety and convenient travel of users of streets, roads, and highways, in a manner that is suitable to the rural, suburban, or urban context of the general plan. Requires the Office of Planning and Research to prepare of amend guidelines to provides for this accommodation using consideration of accommodation variation in transportation.	INTRODUCED: 02/23/2007 LAST AMEND: 07/18/2007 LOCATION: Senate Third Reading File STATUS: 09/10/2007 Withdrawn from SENATE Committee on APPROPRIATIONS. To third reading.	(partial list) SUPPORT: AARP, California League of Conservation Voters, City of Sacramento, City of Ventura, Sacramento Metropolitan Air Quality Management District, San Luis Obispo Council of Governments, Transportation and Land Use Coalition
AB 1756 (Caballero – D) Infrastructure Development: Public-Private Partnership	Requires the Secretary of Business, Transportation and Housing to establish the Office of Local Public-Private Partnerships in the agency to inform local agencies and other interested stakeholders of the role that public-private partnerships can play in financing, constructing, or operating, or any combination thereof, fee-producing local infrastructure projects.	INTRODUCED: 01/07/2008 LOCATION: Assembly STATUS: 01/07/2008 INTRODUCED	None Listed
AB 1815 (Feuer – D) Transportation Infrastructure Funding Task Force	Creates the Transportation Infrastructure Funding Task Force. Requires the task force to hold at least 3 public hearings around the state and to report to the Legislature and Governor on alternatives to the current system of taxing road users through per-gallon fuel taxes.	INTRODUCED: 01/17/2008 LOCATION: Assembly STATUS: 01/17/2008 INTRODUCED	None Listed

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
<p>► AB 1845 (Duvall – R)</p> <p>Railroad-Highway Grade Separations</p>	<p>Transfers responsibility for developing the priority list for the annual grade separation program from the Public Utilities Commission to the Transportation Commission upon completion of the expenditure of Proposition 1B general obligation bond funds that are to be allocated pursuant to the priority list process.</p>	<p>INTRODUCED: 01/28/2008 LOCATION: Assembly</p> <p>STATUS: 01/28/2008 INTRODUCED.</p>	<p>None Listed</p>
<p>► AB 1850 (DeVore – R)</p> <p>Office of Public-Private Partnerships</p>	<p>Creates the Office of Public-Private Partnerships within the office of the Governor and a process for the Office of Public-Private Partnerships to develop formal public-private partnership agreements to facilitate the construction and maintenance of the state's infrastructure. Requires the Director of that office to provide the Legislature with notice before committing the state to participate in any partnership agreement.</p>	<p>INTRODUCED: 01/29/2008 LOCATION: Assembly</p> <p>STATUS: 01/29/2008 INTRODUCED.</p>	<p>None Listed</p>
<p>► AB 1851 (Nava – D)</p> <p>Greenhouse Gas Emissions: Sale of Voluntary Offsets</p>	<p>Expresses legislative intent to create a process for ensuring that voluntary green house gas emissions offsets sold in the state meet clear and consistent standards, and assist local governments and others in the state in generating and marketing qualifying projects for the voluntary offsets market.</p>	<p>INTRODUCED: 01/29/2008 LOCATION: Assembly</p> <p>STATUS: 01/29/2008 INTRODUCED.</p>	<p>None Listed</p>
<p>► AB 1904 (Torrico – D)</p> <p>Transportation: Programming of Projects</p>	<p>Provides that, for purposes of calculation of state highway miles in a county for the county shares formula, would provide that the total number of non-freeway miles in a county shall be calculated so that it is not less than the total number of non-freeway miles that existed on a certain date.</p>	<p>INTRODUCED: 02/07/2008 LOCATION: Assembly</p> <p>STATUS: 02/07/2008 INTRODUCED.</p>	<p>None Listed</p>
<p>ACA 1 (Dymally – D)</p> <p>Elections: Redistricting</p>	<p>Proposes an amendment to the Constitution to assign the responsibility for adjusting boundary lines of Senate, Assembly, congressional, and State Board of Equalization district to a specified commission. Requires the commission to hold public hearings to provide for public input and comment. Grants the Supreme Court jurisdiction over all challenges to a redistricting plan. Requires the Governor to include in the budget presented to the Legislature funds for the redistricting process.</p>	<p>INTRODUCED: 12/04/06 LAST AMEND: 06/20/2007 LOCATION: Assembly Appropriations Committee</p> <p>STATUS: 06/20/2007 In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.</p>	<p>None Listed</p>

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
ACA 2 (Walters – R) Eminent Domain	Proposes a Constitutional amendment that prohibits the taking or damaging of private property without the express written consent of the owner for purposes of economic development, increasing tax revenue, or private use, or when the same use will be maintained following the taking. Requires that, prior to commencement of eminent domain proceedings, the public use for which the property is to be taken is stated in writing. Defines public use. Permits a taking to eliminate an ongoing threat to public safety.	INTRODUCED: 12/04/2006 LAST AMEND: 07/05/2007 LOCATION: Assembly Judiciary Committee STATUS: 07/10/2007 In ASSEMBLY Committee on JUDICIARY: Failed passage. 07/10/2007 In ASSEMBLY Committee on JUDICIARY: Reconsideration granted.	SUPPORT: Chris Norby, Orange County Supervisor OPPOSE: California Redevelopment Association, California State Association of Counties, League of California Cities
ACA 3 (Gaines – R) Expenditure Limits	Proposes an amendment to the Constitution that would limit total state General Fund and special fund expenditures to an annual increase of no more than the increase in the cost of living multiplied by the percentage increase in state population. Allocates any revenues exceeding the expenditure limitation to the State School Fund and to a reserve fund, to rebates for personal income taxpayers, and to fund state and California State University employees' health and dental benefits.	INTRODUCED: 12/04/2006 LAST AMEND: 06/04/2007 LOCATION: Assembly Education Committee STATUS: 01/09/2008 In ASSEMBLY Committee on EDUCATION: Not heard.	SUPPORT: Howard Jarvis Taxpayers Association
ACA 4 (Villines – R) Reapportionment	Proposes an amendment to the Constitution to provide for the establishment of the Independent Citizens' Commission on Redistricting to be comprised of registered voters, who would adjust the boundary lines of the Senate, Assembly, congressional and State Board of Equalization districts as required by law. Requires the Secretary of State to implement a random selection process for members of the commission. Provides that certain records of the commission are public records.	INTRODUCED: 12/04/2006 LAST AMEND: 06/20/2007 LOCATION: Assembly Appropriations Committee STATUS: 06/20/2007 In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.	None Listed

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
ACA 10 (Feuer – D) Bond Indebtedness: Local Government: Transportation	Amends the State Constitution to create an additional exception to the 1% limit on ad valorem tax on real property for a county, or city to pay for bonded indebtedness, incurred to fund specified transportation infrastructure, that is approved by 55% of the voters of the county or city. Lowers to 55% the voter approval threshold.	INTRODUCED: 01/07/2008 LOCATION: Assembly STATUS: 01/07/2008 INTRODUCED	None Listed
ACA 11 (Blakeslee – R) Budget Process: Strategic Reserve Bank	Proposes a Constitutional Amendment. Creates the Strategic Reserve Bank governed by a board of financial experts appointed by the Governor and legislative leaders to reduce the volatility of the General Fund by moderating swings in revenues and accommodating short-term changes in revenue growth. Creates the Strategic Budget Reserve Fund.	INTRODUCED: 01/08/2008 LOCATION: Assembly STATUS: 01/08/2008 INTRODUCED	None Listed
ACA 12 (Plescia – R) State Mandated Local Programs	Proposes a constitutional amendment requiring the Legislative Analyst to determine and report to the Legislature whether the enacted bill is a balanced state budget; provides that if the Legislative Analyst reports that it is not a balanced state budget, the Legislature is required to pass and send the Governor a bill or bills to balance the state budget within 15 days and the Governor may reduce expenditures in the enacted budget bill as necessary to balance the state budget.	INTRODUCED: 01/15/2008 LOCATION: Assembly STATUS: 01/15/2008 INTRODUCED	None Listed
SB 19 (Lowenthal – D) Trade Corridor; Projects to Reduce Emissions: Goods	Relates to the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Requires the Air Resources Board to implement the Goods Movement Emission Reduction Program and to adopt guidelines and funding criteria for the program. Creates eligibility requirements for funding pursuant to this program. Creates the Goods Movement Emission Reduction Fund to be funded with bond proceeds.	INTRODUCED: 12/04/2006 LAST AMEND: 07/17/2007 LOCATION: Assembly Appropriations Committee STATUS: 07/17/2007 From ASSEMBLY Committee on APPROPRIATIONS with author's amendments. 07/17/2007 In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.	SUPPORT: Moller International, Inc.

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
SB 47 (Perata – D)	<i>LEGISLATION DELETED FROM MATRIX. BILL FAILED TO PASS THROUGH HOUSE OF ORIGIN BY JANUARY 31ST OF THE 2ND CALENDAR YEAR OF THE 2-YEAR LEGISLATIVE SESSION, AS REQUIRED UNDER THE CALIFORNIA CONSTITUTION. BILL'S SUBJECT MATTER RELATED TO ALLOCATION OF FUNDS FROM THE PROPOSITION 1B STATE-LOCAL PARTNERSHIP PROGRAM.</i>		
SB 61 (Runner – R) High-Occupancy Toll Lanes and Toll Roads	Authorizes the Department of Transportation to apply to the State Transportation Commission for the development and operation of a high-occupancy toll land or toll road project sponsored by the department. Deletes the 4-project limitation and the requirement for the Legislature to approve each project by statute.	INTRODUCED: 01/16/2007 LAST AMEND: 05/01/2007 LOCATION: Assembly Transportation Committee STATUS: 06/07/2007 To ASSEMBLY Committee on TRANSPORTATION.	SUPPORT: Department of Transportation (source), Association of Southern California Government, Department of Finance
SB 286 (Dutton – R and Lowenthal – D) Transportation Enhancement Funds: Conservation Corps	Requires, with respect to federal funds made available to the state for transportation enhancement projects, transportation planning agencies, county transportation commissions or authorities, and congestion management agencies to adopt criteria that give priority in project selection to the sponsors of eligible projects that partner with, commit to employ the services of, a community conservation corps, or the state conservation corps to construct or undertake the project.	INTRODUCED: 02/15/2007 LAST AMEND: 01/17/2008 LOCATION: Assembly Appropriations Committee STATUS: 01/17/2008 From ASSEMBLY Committee on APPROPRIATIONS with author's amendments. 01/17/2008 In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.	None Listed

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
SB 445 (Torlakson –D) Road User Task Force	Creates the Road User Task Force to hold public hearings around the state and to report on alternatives to the current system of taxing road users through per-gallon fuel taxes.	INTRODUCED: 02/21/2007 LAST AMEND: 06/04/2007 LOCATION: Assembly Transportation Committee STATUS: 07/02/2007 In ASSEMBLY Committee on TRANSPORTATION: Not heard.	 (partial listing) SUPPORT: California Association of Councils of Governments, California State Association of Counties, City of Costa Mesa, El Dorado Transportation Commission, League of California Cities, Merced County Association of Governments, Sacramento Transportation Authority, Sonoma County Transportation Authority
SB 716 (Perata – D) Transit Operators	Relates to appropriations to transportation agencies from the Public Transportation Modernization, Improvement, and Service Enhancement Account for transit capital projects pursuant to a specified formula. Specifies requirements for an eligible project sponsor to receive an allocation of funds appropriated from the account. Requires the Transportation Commission and the Controller to administer these provisions.	INTRODUCED: 02/23/2007 LAST AMEND: 07/11/2007 LOCATION: Assembly Appropriations Committee STATUS: 07/11/2007 In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.	SUPPORT: AC Transit, American Federation of State, County, and Municipal Employees OPPOSE: LACMTA
SB 841 (Calderon – D) Vehicles: Mature Driver Improvement Course	Amends existing law that requires the Director of Motor Vehicles to establish standards and develop criteria for approval of initial and renewal mature driver improvement courses. Specifies that a course may be offered in an Internet format, if the course is educationally equivalent to the course provided in the classroom format. Authorizes the department to require such course provider to include technologies that reasonably verify the identity of the person taking the course.	INTRODUCED: 02/23/2007 LAST AMEND: 06/27/2007 LOCATION: Assembly Inactive File STATUS: 08/20/2007 In ASSEMBLY. To Inactive File.	SUPPORT: TrafficSchool.com (sponsor), Automobile Club of Southern California, California State Automobile Association

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
<p>SB 947 (Hollingsworth – R)</p> <p>Consultation: Transportation Facilities</p>	<p>Requires notice of at least one scoping meeting to be provided to transportation planning agencies or public agencies required to be consulted concerning a project proposed by a lead agency which requires an environmental impact report under the California Environmental Quality Act. Requires the project's effect on overpasses, on-ramps, and off-ramps to be included in that consultation.</p>	<p>INTRODUCED: 02/23/2007 LAST AMEND: 04/30/2007 LOCATION: Assembly Natural Resources Committee</p> <p>STATUS: 05/24/2007 To ASSEMBLY Committees on NATURAL RESOURCES and TRANSPORTATION.</p>	<p>SUPPORT: Cities of El Cajon, Murrieta, Poway, Temecula, and Victorville, Lakeside Chamber of Commerce, San Diego Regional Chamber of Commerce, San Diego Mayor Jerry Sanders</p> <p>OPPOSE: California Chapter of the American Planning Association, Sierra Club California</p>
<p>SCA 1 (McClintock – R)</p> <p>Eminent Domain: Condemnation Proceedings</p>	<p>Proposes an amendment to the Constitution to provide that private property may be taken or damaged only for a stated public purpose and not without the consent of the owner for purposes of economic development, increasing tax revenue, or any other private use, nor for maintaining the present use by a different owner. Provides that if the property ceases to be used for the public use, the former owner would have right to require the property at its fair market value. Provides reevaluation procedures.</p>	<p>INTRODUCED: 12/04/2006 LAST AMEND: 02/05/2007 LOCATION: Senate Judiciary Committee</p> <p>STATUS: 02/05/2007 From SENATE Committee on JUDICIARY with author's amendments. 02/05/2007 In SENATE. Read second time and amended. Re-referred to Committee on JUDICIARY.</p>	<p>None Listed</p>

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
<p>SCA 5 (McClintock – R)</p> <p>State and Local Government Finance: Taxes</p>	<p>Proposes an amendment to the Constitution to establish a constitutional definition of a tax as any monetary exaction imposed by a governmental entity. Recasts the definition of a special tax. Conditions the imposition by the state or local government of a new tax, or a change in a tax, that increases the amount of any tax levied upon the approval of 2/3 membership of the governing body and voter approval. Prohibits new tax without voter approval. Provides exceptions.</p>	<p>INTRODUCED: 01/30/2007 LAST AMEND: 03/21/2007 LOCATION: Senate Revenue and Taxation Committee</p> <p>STATUS: 04/25/2007 In SENATE Committee on REVENUE AND TAXATION: Heard, remains in Committee.</p>	<p>SUPPORT: Howard Jarvis Taxpayers' Association, California Chamber of Commerce, Council for Citizens Against Government Waste, Mid Valley Chamber of Commerce, Milpitas Chamber of Commerce, Printing Industries of California</p> <p>OPPOSE: California Tax Reform Association, East Bay Municipal Utilities District</p>
<p>SCA 14 (Denham – R)</p> <p>Governor: State Budget</p>	<p>Proposes a Constitutional amendment. Requires the budget submitted by the Governor to be a balanced budget, pursuant to a determination to be made by the Legislative Analyst. Provides that if, by January 10, the Governor fails to submit a balanced budget, as determined by the Legislative Analyst, the Governor shall forfeit any salary from January 11 until the date a balanced budget is submitted.</p>	<p>INTRODUCED: 01/09/2008 LOCATION: Senate Rules Committee</p> <p>STATUS: 01/17/2008 To SENATE Committees on RULES and ELECTIONS, REAPPORTIONMENT AND CONSTITUTIONAL AMENDMENTS.</p>	<p>None Listed</p>
<p>SCA 15 (Denham – R)</p> <p>Legislature: Sessions: State Budget</p>	<p>Proposes an amendment to the State Constitution. Requires, if the Legislature fails to pass the Budget Bill by June 15 of any year, that each house of the Legislature meet in session 24 hours a day, and not recess or adjourn, until the Budget Bill is passed and presented to the Governor.</p>	<p>INTRODUCED: 01/09/2008 LOCATION: Senate Rules Committee</p> <p>STATUS: 01/17/2008 To SENATE Committees on RULES and ELECTIONS, REAPPORTIONMENT AND CONSTITUTIONAL AMENDMENTS.</p>	<p>None Listed</p>

BILL NO. / AUTHOR	COMMENTARY	STATUS	OCTA POSITION / OTHER AGENCY POSITIONS
SCA 16 (Denham – R) Legislature: Compensation	Proposes an amendment to the State Constitution. Provides that, if a Budget Bill is not passed by June 15, Members of the Legislature may not be paid any salary from June 16 to the date a Budget Bill is passed and sent to the Governor. Provides that once a Budget Bill is passed and sent to the Governor, a Member of the Legislature may not be paid any salary due for that period of time.	INTRODUCED: 01/09/2008 LOCATION: Senate Rules Committee STATUS: 01/17/2008 To SENATE Committees on RULES and ELECTIONS, REAPPORTIONMENT AND CONSTITUTIONAL AMENDMENTS.	None Listed
SCR 68 (Denham – R) Budget Bill Conference Committee	Adds a provision to the Joint Rules of the Senate and Assembly for the 2007-08 Regular Session to require that any conference committee on the Budget Bill be comprised of 10 members. Requires the Senate Committee on Rules and the Speaker of the Assembly to appoint 3 members each and the minority party caucuses in each house to appoint 2 members each.	INTRODUCED: 01/09/2008 LOCATION: Senate Rules Committee STATUS: 01/09/2008 INTRODUCED. 01/09/2008 To SENATE Committee on RULES.	None Listed
SCR 69 (Denham – R) Budget Bill Votes	Adds a provision to the Joint Rules of the Senate and Assembly for the 2007-08 Regular Session to require that a vote by a committee or subcommittee in either house of the Legislature to take action on the Budget Bill, or a vote by a conference committee to take action on the Budget Bill, be a 2/3 vote.	INTRODUCED: 01/09/2008 LOCATION: Senate Rules Committee STATUS: 01/09/2008 INTRODUCED. 01/09/2008 To SENATE Committee on RULES.	None Listed



February 25, 2008

To: Members of the Board of Directors
From: Arthur T. Leahy, Chief Executive Officer
Subject: Federal Legislative Status Report

Overview

This report discusses the transportation portion of the President's fiscal year 2009 budget, which was submitted to Congress on February 4, 2008, and provides an update on the submission of the Orange County Transportation Authority fiscal year 2009 appropriations requests.

Recommendation

Receive and file as an information item.

Discussion

President's Fiscal Year 2009 Budget Proposal

President Bush submitted a \$3.1 trillion government-wide budget proposal for fiscal year (FY) 2009 to congress on February 4, 2008. Although the overall budget proposal for highways and transit is only marginally lower than last year, the proposal fails to keep pace with the guaranteed funding amounts provided for in the Safe, Affordable, Flexible, Efficient Transportation Equity Act: a Legacy for Users (SAFETEA-LU) and proposes to meet any unavailability of cash for highways in the Highway Trust Fund (HTF) by borrowing from the more favorable cash balance in the mass transit account of the HTF.

The budget proposal requests an obligation limitation for the federal-aid highway program of \$39.4 billion for FY 2009. For purposes of the highway program, an "obligation" is a definite commitment that creates a legal liability of the government to pay for the goods or services received. In 2008, the total obligation limitation was \$41.2 billion (counting the last minute addition of \$1 billion for bridge repairs). Therefore, the 2009 proposal represents a reduction of \$1.8 billion (approximately 4 percent) from last year's level and is

also \$ 1.8 billion less than the FY 2009 guaranteed obligation limitation amount of \$41.2 billion prescribed by SAFETEA-LU. The budget proposal justifies this action partly based upon the falling estimates of revenue to the HTF and partly as a way to make up for the unexpected bridge repair funds added to last year's funding. As a result of the complexities of SAFETEA-LU state-by-state distribution formulas and equity bonus provisions, California would actually still receive a slight increase (approximately 4 percent) in obligation limitation over 2008 estimated levels under the President's proposal for 2009.

On the transit side, the budget proposes a total of \$10.14 billion of spending for the Federal Transit Administration in 2009. This is a \$644 million increase (or about 6.8 percent) over 2008 levels. The President's proposal meets SAFETEA-LU's guaranteed amount for the approximately 80 percent of the transit program which is funded from the HTF. However, the proposal is approximately \$200 million short of the SAFETEA-LU authorized amount for the remaining portion of the program, which comes from general funds. If enacted, this negative impact would be limited to the new start fixed guideway program.

A more serious concern for transit is the administration proposal to patch a \$3.2 billion projected FY 2009 cash shortfall in the highway account of the HTF by allowing the highway account to borrow cash from the mass transit account. This is possible because the mass transit account has a slower spending rate than the highway account and does not reach a cash crisis until sometime after a new authorization bill would be enacted. The administration has said that these transfers would be temporary and that the mass transit account would be repaid, but has not indicated when future repayment would take place.

Appropriation Requests

Pursuant to the action taken by the Board of Directors (Board) on January 28, 2008, staff is in the process of submitting appropriations request forms to the appropriate delegation offices. The attached chart (Attachment A) shows submittal dates, and delegation offices where the Board approved projects will be sent. Although Congressman Campbell did not issue any instructions or deadline for appropriation request submittal, staff is submitting projects to the office by the end of this month using a prior year format.

While this process is underway, there is growing pressure by conservatives in the House of Representatives for a unilateral Republican earmark moratorium. Shortly after his State of the Union address, the President issued an executive order which prospectively directed all federal agencies to ignore congressional funding earmarks unless those earmarks are specifically written into the text of

laws and threatened to veto any future appropriations bill that does not cut the number and amount of earmarks in half. Since that time, congressional conservatives opposed to earmarking have gathered further support from the fact that Senator McCain (R-AZ) has vowed that if elected President, Senator McCain will veto any bills which contain earmarks. As expected, many Republicans on the appropriations committee are strongly resisting such a unilateral moratorium. Nevertheless, the issue could continue to be escalated as part of the presidential election cycle and have an impact on earmarks in the FY 2009 appropriations process.

The January reports from Smith Dawson and Andrews and Potomac Partners are also attached (Attachments B and C). Both firms were given tours of key Orange County Transportation Authority (OCTA) facilities during a visit here on January 14, 2008, and both also had the opportunity to meet with Directors Glaab and Pringle on January 23 and 24, 2008, in conjunction with the United States Conference of Mayors meeting in Washington, D.C.


Summary

The President has issued the FY 2009 budget proposal, and staff is submitting FY 2009 appropriations requests as directed by the Board.

Attachments

- A. Summary of FY 2009 OCTA Federal Transportation Appropriations Requests
- B. Federal Legislative Status Report for the Month of January
- C. Report to the Orange County Transportation Authority from Smith Dawson & Andrews

Prepared by:


Richard J. Bacigalupo
Federal Relations Manager
(714) 560-5901

Summary of FY 2009 OCTA Federal Transportation Appropriations Requests

Project Name	FY 09 Request	*FY 08 Appropriated	Prior Appropriations/FY	District	Calvert 44	Campbell 48	Miller 42	Rohr 46	Royce 40	Sanchez 47	Boxer	Feinstein
HIGHWAYS												
A	Connector Improvements to the Riverside Freeway (State Route 91) in Orange County	\$7,000,000	\$0		40, 42, 44	X		X		X		X
B	San Diego Freeway (Interstate 405) Widening	\$5,000,000	\$490,000	\$1,500,000 /05 \$1,000,000 /06	46,48		X		X			X
C	San Diego Freeway (Interstate 5) Segment Improvements	\$4,000,000	\$0	\$5,000,000 /05	44,48	X	X					X
D	Santa Ana Freeway (Interstate 5) Segment Improvements	\$5,000,000	\$0		48		X					X
STREETS & ROADS												
E	Bristol Street Widening	\$5,000,000	\$656,600	\$750,000 /05 \$600,000 /06	47						X	X
TRANSIT & GRADE SEPARATIONS												
F	Anaheim Regional Transportation Intermodal Center (ARTIC)	\$9,000,000	\$588,000		40,42,44,47	X		X		X	X	X
G	Grade Separations - North Orange County	\$5,000,000	\$490,000		40				X			X
H	Intercounty Express Bus	\$3,000,000	\$490,000	\$1,080,486 /04	42,44	X		X				X
Total		\$43,000,000	\$2,714,600	\$9,930,486								

* Includes a 2 percent reduction required by the 2008 Omnibus Act

Congressional Districts	Forms Due
CA-47 U.S. Representative Loretta Sanchez	02/15/08
CA-42 U.S. Representative Gary Miller	02/15/08
CA-44 U.S. Representative Ken Calvert	02/29/08
CA-48 U.S. Representative John Campbell	02/29/08
CA-46 U.S. Representative Dana Rohrabacher	03/03/08
CA-40 U.S. Representative Ed Royce	03/03/08
Senator Dianne Feinstein	02/29/08
Senator Barbara Boxer	02/29/08

Federal Legislative Status Report for the Month of January

POTOMAC PARTNERS DC
210 D Street, SE Washington, DC 20003

Partners contributing to the work described in this report include: Rick Alcalde, Dr. Lesli McCollum Gooch, Jay Ghazal, Jim Holton, and Dan Feliz. This report summarizes lobbying activity with the Executive Branch and related agencies, members of Congress and committee staff. Also included are status updates and/or recommended strategy/action items for 1) Appropriations; 2) Highway Bill Re-authorization and SAFETEA LU Technical Corrections; 3) Other Pending Legislation/Congressional Activity; 4) Administrative/Regulatory Action and Advocacy; 5) Other Actions on Behalf of OCTA.

1. FY2009 Appropriations

The Appropriations cycle is in full swing. We are communicating with the Orange County Delegation member offices, obtaining appropriations forms and instructions, and discussing potential appropriations strategy.

Recommendation: *We recommend preparing a focused list of priorities for the individual members' offices and also highlighting regional projects that multiple members can support and/or help advocate.*

We met with Rep. Calvert's office and discussed their plans on addressing the need for grade separations and capacity improvement in important trade corridors. They are aware of efforts to cut back earmarks and of the call by certain members to not request earmarks at all. Rep. Calvert remains committed to bringing county tax revenue back home to his District. For those in the Orange County Delegation that do not request earmarks, Rep. Calvert's office concurs that there should be an effort by those members to find opportunities in the earmarking process that can help return tax revenue generated in the County back to the area in the form of transportation infrastructure block grants to a public entity. We underscored the groundwork that has been laid for increasing Federal funding for SR-91 which connects Riverside County and Orange County (both in Calvert's district). Rep. Calvert will continue to be a strong advocate for this project.

At Richard Bacigalupo's direction during the last conference call we have contacted the offices below and obtained the FY09 appropriations forms and instructions.

Office	Deadline	Staff Contact	Office Number
Rep. Miller (R-42)	Feb 15	Bret Manely	202 225 3201
Rep. Calvert (R44)	Feb 29	Jason Gagnon	202 225-1986

Rep. Royce (R-40)	Mar 3	Darrin Schrader	202 225-4111
Rep. Rohbacher (R-46)	Mar 3	James Schmidt	202 225-2415
Rep. Campbell (R-48)	None	David Malech	202 225-5611

The Committee deadline for Members to submit their appropriations requests is tentatively set for the third week of March.

Appropriations subcommittee assignments were re-shuffled for Republicans due to Rep. Wicker's (R-AL) departure to the Senate. Rep. Calvert was moved to the Energy and Water Appropriations Subcommittee from the Financial Services Appropriations Subcommittee. He will be joined on that committee by Rep. Dennis Rehberg (R-MT) who also left the Financial Services Appropriations Subcommittee.

There has been much pressure from the White House for earmark reforms, as demonstrated by the recent Executive Order and President Bush's comments in the State of the Union Address. The Republican Study Committee (RSC) has been in support of a moratorium on earmarks in the FY2009 Appropriations cycle. We continue to discuss with the Orange County delegation the importance of these earmarks for donor counties like Orange County that also bear the burden of high traffic trade corridors and rely on these funds for transportation projects. We also continue to advance the argument that public entities are appropriate recipients of federal funds through the Congressional earmarking process.

2. SAFETEA LU Reauthorization and SAFETEA LU Technical Corrections

Congress and the Senate have held hearings on the National Surface Transportation Policy (NSTP) and Revenue Study Commission's recommendations. A number of important issues have been raised with regard to SAFETEA LU Reauthorization.

Recommendation: *We recommend responding to some of the issues raised at the hearings in either informal discussion facilitated by the DC advocacy team or written correspondence to the respective committees. Those items may include: 1) support for variable pricing tolling, 2) enhanced pilot programs for VMT and technology test beds that could be located in Orange County, and 3) support for streamlining the environmental review process.*

House Transportation and Infrastructure Committee Hearing Report

On January 17, Potomac Partners DC monitored the House Committee on Transportation and Infrastructure hearing. The Committee received testimony from members of the National Surface Transportation Policy (NSTP) and Revenue Study Commission on recommendations for the future of the nation's surface transportation programs.

Witnesses included the following: Vice Chair Jack Schenendorf, The Honorable Frank Busalacchi, Commissioner Raymond R. Geddes, Commissioner Steve Heminger, Commissioner Frank McArdle, Commissioner Steve Odland, Commissioner Patrick Quinn, Commissioner Mathew Rose, Commissioner Tom Skancke, and Commissioner Paul Weyrich.

Mary Peters was not present to discuss the minority opinion of the NSTP Commission that opposes a dramatic increase in the tax, which they believe would not noticeably improve the transportation system.

A summary of other topics included:

1. *Addressing the Funding Crisis.* NSTP board members highlighted the fact that user fees of some form are going to have to be part of the solution to the funding crisis. A long term solution should include a fee imposed on vehicle miles travelled (VMT), but the technology and the fleet of vehicles is not at the point that this is realistic. As cars become capable of tracking the VMT and privacy and security issues are addressed, this solution will be further discussed.
2. *Tolling and Congestion Pricing.* The NSTP members present advocated for removing barriers to tolling and congestion pricing. Prior to the Board's discussion of tolling and congestion pricing, Rep. Defazio in his opening statement opined that "congestion pricing is not the answer." He argued that the Lexus driver would be the only one able to use the roads and America's working class will be priced off the roads.
3. *Economic Benefits of Infrastructure Investment.* Rep. Defazio also argued that the economic stimulus provided by Transportation funding should be considered and that the allocation of federal dollars to transportation and infrastructure projects should be included in any economic stimulus plan Congress passes.
4. *Speed of Environmental Review Process.* Rep. Mica advocated for helping expedite the environmental review process to speed up time to delivery for many transportation projects, thus driving down cost and reducing the need to raise gas taxes.

Prior to the hearing we met with Rep. Mica. Congressman Mica reiterated his belief that a dramatic increase in the gas tax is highly unlikely. He stated that his main legislative agenda for the year involves the creation of a national strategy for surface transportation. Rep. Mica would like to use the Transportation Re-authorization bill as a vehicle for deploying this national strategy.

Senate Environment and Public Works Committee Hearing Report

On January 31, Potomac Partners DC monitored the Senate Environment and Public Works (EPW) Committee hearing. The Committee received testimony from members of the National Surface Transportation Policy (NSTP) and

Revenue Study Commission. Witnesses included the following: Jack L. Schenendorf (Counsel for Covington & Burling LLP), Matthew Rose (CEO of BNSF), Frank Busalacchi (Wisconsin Secretary of Transportation), and Tom Skancke (CEO of Skancke Company).

In addition to the testimony received from members of the Commission a broader discussion of the need for transportation investment in the SAFETEA LU Re-authorization bill dominated the opening remarks of the Senate EPW Committee members. Republican members of the Committee echoed the need for increased transportation investment and the need to find creative mechanisms of funding infrastructure investment. Sen. Inhofe said in his opening remarks that “an increase in the fuel tax must be considered, but not to the level you (the Commission) propose.” Sen. Boxer, like Sen. Inhofe, also remarked that the recent passage of the new Corporate Average Fuel Economy (CAFÉ) standards and the efforts to make cars more fuel efficient will eventually make any gas tax impossible to keep up with the transportation investment need. Sen. Boxer would also like to consider a creative menu of choices that could provide the needed funding as well as innovative ways to make the current transportation management systems more efficient.

Other discussion during the hearing included:

1. *Foreign Ownership/Investment.* Sen. Craig was concerned about foreign companies managing or owning toll roads. He described his recent encounter with a Spanish company that had a long term lease (75 years) on a toll road in the United States. Sen. Bond later provided a strong defense of foreign investment, saying that these dollars provide important economic stimulus and should not be looked upon negatively (like outsourcing) since the infrastructure will be a permanent fixture in the U.S.
2. *Public Private Partnerships.* Frank Busalacchi raised concerns about tolling and public private partnerships. He argued that “we don’t know enough about these public private partnerships” and that we need to consider their place in ensuring future infrastructure development carefully.
3. *Speed of Project Delivery.* Mr. Skancke impressed upon the Committee the importance of making the surface transportation construction process and project delivery more efficient. Speeding up the process will have the benefit of reducing overall costs and also mitigating environmental problems that congestion can cause in areas as result of languishing construction projects.
4. *Feasibility of a VMT Program.* Sen. Isakson inquired about the mechanics of a “vehicle miles travelled” (VMT) program and whether there was a pilot program underway. Jack L. Schenendorf responded that there is a VMT pilot program in Oregon. He also stated that the Commission recommended further study and more pilot programs like the one in Oregon. Frank Busalacchi commented that the pilot program in Oregon was also able to collect important data on where people were driving within the state and extrapolate other driving patterns, which is helpful to

transportation management plans. Sen. Boxer stated that she supports a VMT tax but added that a simple annual monitoring of vehicle miles traveled should be considered in lieu of a convoluted real time technology program that has not been fully developed or deployed on a large scale.

5. *Improved Passenger Rail.* There was a discussion about the need to accommodate improved passenger rail that could in turn relieve surface transportation congestion, but it must be done without displacing freight rail. Mr. Schenendorf indicated that the Commission also supports helping grow the “market share” of freight rail as well as improve transit in order to provide a viable multi-modal solution to the problem of freight and passenger rail having to share tracks.

SAFETEA LU Technical Corrections

The House and Senate have been meeting in January to finalize remaining provisions of the SAFETEA LU Technical Corrections bill. There has not been an official release of the language. Through conversations with key staff, we believe that the bill will include the agreed upon Young-Miller-Reid-Boxer language for Maglev. We are continuing to work with Sen. Reid and members of both House and Senate Committees to ensure this provision remains in the final SAFETEA LU Technical Corrections bill.

3. Pending Legislation/Congressional Activity

Two bills of relevance to OCTA that we have been monitoring this month are the Economic Stimulus Package and the Calvert/Jackson Freight Fee Bill.

Recommendation: *We recommend having a prepared list of projects, such as SR-91Improvements or another qualifying project, to offer as “ready to go” projects for an economic stimulus package. We suggest working with the Orange County delegation in including such projects in any economic stimulus package that Congress may consider in the future. We will also continue to monitor the Calvert/Jackson bill and report on any opportunities to highlight transportation needs in Orange County.*

Economic Stimulus Package

Transportation funding was not included in the recently passed economic stimulus package. Some staff members on the Hill believe that there will be a second economic stimulus package, which could include transportation projects. In conversations with key staff, we believe Chairman James Oberstar (D-Minn.) would push for the inclusion of transportation funds in a possible second package later this year, as he did in the latest Economic Stimulus package. Republican staff is less optimistic about a second package. If there an opportunity for inclusion of Transportation projects in a second economic stimulus package, these projects would have to be considered “ready to go.” We have already

pointed out to relevant staff that the SR-91 is on the California state TIP plan and the Congestion Mitigation Bond Program list and should be considered “ready to go” for the purposes of inclusion in an economic stimulus package.

H.R. 5102, the ON TIME Act of 2007

We met with Congressman Calvert’s office and discussed the plans for the Calvert/Jackson bill regarding freight fees. We have been told that this bill has many technical issues to work out. However, the legislation provides a good opportunity to contribute to the discussion about how to raise tax revenue that can be used to increase capacity for important trade corridors and mitigate the congestion that freight movement in and out of ports causes in surrounding communities. The bill’s Democrat cosponsor is Rep. Jackson (D-IL). The bill directs the Secretary of Transportation to establish and collect a fee based on the fair market value of articles imported into the United States and articles exported from the United States in commerce. The Secretary would use the amounts collected from the fee to make grants to carry out transportation projects in the transportation trade corridors for which the fee is collected. The bill was referred to the Committee on Transportation and Infrastructure, the Committees on Ways, and Means, and the Foreign Affairs Committee. No hearing date has been set for the bill in any of the Committee of jurisdiction. However, the concept of freight fees will likely be raised in future hearings regarding SAFETEA LU Reauthorization.

4. Administrative/ Regulatory Action & Advocacy

There is no danger of losing FY08 appropriations funding for bus and bus facilities that were contained in the Conference Report of the FY08 Consolidated Appropriations Act.

FY 2008 Appropriations & FTA Bus and Bus Facility Money

We have been communicating with Appropriations Committee staff throughout the month regarding the possibility of the White House issuing a directive to Agencies to ignore earmarks or earmarks contained in the Committee Reports of the FY 2008 Consolidated Appropriations Act. Republican staff committee members have informed us that key Members had discussed with the White House that Congressional prerogatives in the Appropriations process should be protected and any earmark reforms should be addressed in future Appropriations by Congress.

On January 28 there was a posting in the Federal Register regarding the FTA Bus and Bus Facility earmarks. The notice states that the “FTA will issue a supplemental notice, at a later date, regarding the projects designated in the committee reports that accompanied the Consolidated Appropriations Act.”

We have confirmed with staff that the funding in the committee report will not be impounded based on the Executive Order that was released by the White House on January 29 that orders agencies not to direct funds based on "language in any report of a committee of Congress." This Executive Order will affect "appropriations laws and other legislation enacted after the date of this order." The Orange County Congressional delegation staffs have told us they are still discussing with the Appropriations Committee staff the implication of this Executive Order in the FY2009 appropriations process.

SR-241S Toll Road Extension

Rep. Gary Miller's office has spearheaded a joint letter from the Orange County Congressional offices to the California Coastal Commission in support of SR241S toll extension. Potomac Partners assisted Rep. Miller's efforts to secure support from other Orange County delegation members. A representative from Congressman Miller's office attended the hearing and read the joint letter on behalf of the delegation.

We are awaiting instruction on how to proceed on this issue in the wake of the unfavorable Coastal Commission vote.

5. Other Action on Behalf of OCTA

Other actions and items relating to OCTA federal legislative advocacy include:

1. While following up with House Transportation and Infrastructure Committee staff on the issues relating to Technical Corrections and upcoming legislative agenda, Mr. Jim Tymon, minority staff director of the Highways and Transit subcommittee, indicated that he would be interested in visiting Orange County to gain first hand knowledge of the innovative transportation management practices and to learn more about OCTA transportation requests. OCTA would need to extend a formal invitation to the T&I Committee Minority office for Mr. Tymon to take advantage of the opportunity to visit Orange County California.
2. Rick Alcalde and Dr. Lesli McCollum Gooch traveled to Orange County and participated in the federal legislative advocacy discussions and tour of key OCTA projects.
3. We are continuing to work with Chairman Oberstar's key staff to target the best time to bring Chairman Oberstar out to Orange County and showcase important OCTA projects.
4. Potomac Partners DC met with Art Leahy and Director Paul Glaab in Washington, DC and discussed the upcoming appropriations process and federal legislative strategy.

**Report to the
Orange County Transportation Authority
From
Smith Dawson & Andrews**

**Reporting period: January 2008
Focus: Earmarks & Stimulus**

HIGHLIGHTS:

On the heels of the signing of the 2008 Omnibus Spending law, President Bush signaled that an executive order might be issued to withhold funding for earmarks that were not contained in the actual appropriations bills. In addition, the Republican leadership sent a request to Speaker Pelosi to request a moratorium on earmarks and the establishment of bipartisan group to determine all future project spending by Congress. The Democratic Congressional leadership criticized the Republican offer and pointed out that they had reduced the number of projects and the dollar amount earmarked in half from what the Republican Congress had enacted when they were in charge and enacted a number of earmark reforms.

By the time, the President completed his State of Union address, the Administration's position on earmarks was clarified: he will veto any forthcoming appropriations where earmarks are not included in the bill and will seek a 50 percent reduction in all earmarks as a goal. Therefore, the Administration's position on earmarks is now targeted at 2009 funding only; there will not be any retroactive action requested of agencies regarding 2008 earmarks.

Simultaneously, the President and bipartisan Congressional leadership announced that they would be putting together a stimulus package to infuse quick cash into the economy.

The stimulus package was agreed upon in the House in cooperation with the Administration and included several provisions such as: tax rebates based on income (\$103 billion for individuals and \$43.3 billion for businesses), reforms for FHA, and **increase in the** loan limits for Freddie Mac and Fannie Mae **backed mortgages** from \$417 thousand to \$729 thousand.

The House passed its version of the Economic Stimulus Act of 2008 on January 29. It was then sent to the Senate for adoption as passed, but the Senate is fashioning its own version.

The Senate is considering: a tax rebate that is same for all taxpayers, extension of unemployment insurance, state relief for Medicaid costs, heating bill assistance, food stamps, some housing provisions, **\$5.6 billion in energy_tax breaks and additional business incentives**. The timetable for passage of the stimulus is expected to occur **the week of February 4, as Senator Reid needs the votes of Senators Clinton & Obama to ensure a veto proof action**. The goal is to disburse all funds contained in the stimulus package by May.

Add on to all this is the clarion call that infrastructure should be considered on the both House and Senate sides within the stimulus discussion. Although the House did not include infrastructure in its version, the topic's voice is growing on the Senate side as part of the revised version. Senators Wyden (D-OR), Thune (R-SD), Dodd (D-CT) and Shelby (R-AL) are expected to offer a bipartisan amendment to provide \$5 billion to be spent on "ready-to-go" projects that includes a \$1 billion set aside for public transportation. No local match would be required of these stimulus "ready-to-go" projects that would need to be obligated within 120 days of passage of the bill.

Both House and Senate Transportation committee authorizing and appropriations staff are receiving lists of projects that could be implemented quickly with stimulus funding, i.e. ready-to-go within 90 days of passage of the bill.

Earlier on the same day as the House version passed, House T&I Chairman Oberstar held a January 29 press conference to discuss his committee's objectives for the second session and indicated a potential \$15 billion pot for 2,600 "ready-to-go" surface transportation projects. Because the House vote on the stimulus was imminent when this press conference was held, Oberstar indicated he expected a second stimulus to focus on infrastructure.

As the stimulus discussion proceeds, OCTA is evaluating the potential of any "ready to go" projects for distribution to the delegation and the committees in the event a Senate amendment or a second stimulus develops.

Also in January, federal transportation activities included the release of the National Surface Transportation Policy and Revenue Study Commission's report, which included a majority recommendation for a 40-cent increase in the gas tax. As you may know, the Chair of the Commission U.S. DOT Secretary Mary Peters, in keeping with the Administration's long held-position, disagreed with this increase and along with other minority members and recommended a decrease in the federal government's role and funding for future needs. Both House T & I and Senate E&PW committees held hearings to discuss the report and hear all sides.

SDA Outreach

SDA contact with Capitol Hill on behalf of OCTA

- Andrews--Majority staff of House Transportation Appropriations about potential retrenchment of earmarks
- Burrell--Majority staff of House Highways and Transit about OCTA in general and ARTIC project
- Burrell--*Miller* staff introductions
- Gaines & Burrell--*Sanchez* staff to inform about new client; regarding *Sanchez* district event for *Pelosi*
- Smith, Gaines, Dawson & Burrell--*DeFazio* staff to inform about new client; to query potential field hearings for reauthorization
- Gaines--*Feinstein* staff on 241
- Smith—*Murray* and Senate Transportation Appropriations Subcommittee Majority's staff regarding earmarks and FY2009 schedule

SDA contact with federal agencies on behalf of OCTA

- Andrews & Warner--US DOT Secretary to inform about new client
- Burrell --US DOT Assistant Secretary for Administration to inform about new client

Other SDA contact related to OCTA goals

- Dawson & Burrell—tour of OCTA facilities and projects; Goods Movement presentation at Anaheim City Hall; meeting with Irvine officials regarding transit project(s)
- SDA group—outreach to Republican and Democratic leadership and staff regarding earmarks and stimulus

SDA group—capture of important aspects of Congressional hearings and press conferences related to OCTA needs

- Burrell--outreach to Janet Oakley at AASHTO about new client
- Burrell--outreach to Rob Healy at APTA to inform about new client
- Burrell—attended APTA climate change and energy forum and U.S. Conference of Mayors Winter Meeting

SDA group—connecting Orange County goods movement initiative and SDA team member Bill Newman

Miscellaneous

- Smith, Dawson, Gaines & Burrell--attended dinner with OCTA Board members Pringle and Glaab, and CEO Leahy
- Gaines--shared articles on earmark issue and ongoing activities related to stimulus
- Gaines--forwarded all ongoing info and forms related to 2009 appropriations process
- Gaines--drafted delegation letter opposing any retrenchment of earmarks

- Gaines--culled final reports for all 2008 appropriations info related to OCTA

Appropriations Deadlines

The following California members have established appropriations request deadlines:

Congressional Office Deadline presumes COB unless otherwise noted

SENATE

Sen. Feinstein	February 29
Sen. Boxer	February 29

HOUSE

Rep. Calvert	February 29
Rep. Sanchez	February 15
Rep. Miller	February 15
Rep. Royce	"Early March"
Rep. Campbell	No deadline
Rep. Rohrabacher	"Early March"



BOARD COMMITTEE TRANSMITTAL

February 25, 2008

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Consultant Selection for Regional Transportation Improvement Program and Combined Transportation Funding Program Database

Finance and Administration Committee meeting of February 13, 2008

Present: Directors Amante, Brown, Buffa, Campbell, Green, and Moorlach
Absent: Director Nguyen

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-7-1190 between the Orange County Transportation Authority and EcoInteractive, Inc., in an amount not to exceed \$265,000, to provide services for three years for the Regional Transportation Improvement Program and Combined Transportation Funding Program database.



February 13, 2008

To: Finance and Administration Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Consultant Selection for Regional Transportation Improvement Program and Combined Transportation Funding Program Database

Overview

The Orange County Transportation Authority is seeking a service for the Regional Transportation Improvement Program and Combined Transportation Funding Program database system. Proposals were solicited from firms to provide services for administration of multiple funding programs. Offers were received in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services.

Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-7-1190 between the Orange County Transportation Authority and EcoInteractive, Inc., in an amount not to exceed \$265,000, to provide services for three years for the Regional Transportation Improvement Program and Combined Transportation Funding Program database.

Background

The Orange County Transportation Authority (OCTA) is responsible for administration of the current and Renewed Measure M streets and roads program as well as the Federal Regional Transportation Improvement Program (RTIP). The RTIP is the short-range plan that programs the funding and implements the next six years of state and federally funded and regional significant projects within the County. Currently, OCTA utilizes the Southern California Association of Governments (SCAG) TranTrak database to manage the RTIP, and OCTA's Combined Transportation Funding Program (CTFP) database to manage funding for streets and roads projects. Between these two systems, OCTA manages over one thousand projects including tracking funding by source, year, and phase.

The successful implementation of both the current and Renewed Measure M streets and roads program is primarily dependent on the ability to efficiently and effectively manage the program. The administration of the current Measure M streets and roads program is done through an in-house database referred to as the CTFP database. The CTFP database provides the basic functionality necessary to administer the program. The CTFP database does not provide the functionality to modify the actual database structure (to add new programs as would be required for the Renewed Measure M) or perform any advanced analysis. Additionally, the database does not allow for direct connections to other databases, which forces projects to be manually entered into multiple systems. These limitations make this system inefficient and inadequate to manage the current program, and will create significant obstacles for implementing the Renewed Measure M streets and roads program.

The administration of the RTIP is currently done with TranTrak, a Microsoft Access-based database created by SCAG. The TranTrak database provides a system for OCTA to store data required for the RTIP. Unfortunately, the TranTrak database provides only minimal functionality, limiting the ability to efficiently and effectively manage the program. Many of the functions required for the RTIP are not automated and require multiple manual entries. Additionally, the database does not have the ability to link to other systems, therefore, projects that overlap both the CTFP and TranTrak databases must be entered twice. As new funding programs, such as Proposition 1B, are implemented and the RTIP grows, the shortcomings of the database will only be amplified. As such, OCTA staff have been looking into possible replacement systems.

Proposals were solicited from firms to develop and implement a system to address the dual needs of these two programs. Staff has estimated the cost of the required work to be in the range of \$250,000 to \$300,000. This procurement was handled in accordance with OCTA's policies and procedures for professional and technical services. Proposals are evaluated based on qualifications of the lead firm, qualifications of the technical team, effectiveness of the work plan, which includes evaluating the software, and cost. The award is recommended to the firm offering the most effective overall proposal considering factors such as staffing, prior experience with similar projects, existing relationships, and approach to the project requirements, costs, and technical expertise in the field.

Discussion

In an effort to address the need for a combined and fully integrated database to manage the growing RTIP and Renewed Measure M streets and roads program, proposals were solicited from firms to develop and implement a system to address the dual needs of these two programs. The system will be a web-based software application. The term of the contract will be one year for customization and implementation of the system and two years for subscription services including ongoing maintenance and customizations.

The project was advertised on October 24 and October 28, 2007, in a newspaper of general circulation. The notice for this project and a request for proposals (RFP) was sent on October 24, 2007, to 1301 firms registered on CAMM NET. A pre-proposal meeting was held on October 29, 2007, and was attended by four firms.

On November 16, 2007, seven proposals were received. An evaluation committee consisting of staff from OCTA's Capital Programs Department, Contracts Administration and Materials Management Department, and the Business Support Services Department met to review the proposals. The proposals were evaluated consistent with Board-adopted procurement policies and procedures. The evaluation committee reviewed all proposals and found three firms qualified for the work. The committee interviewed each of the qualified firms. In rank order, the three qualified firms are:

Firm and Location

EcolInteractive, Inc.
Davis, California

GCR & Associates
New Orleans, Louisiana

Civic Resources Group
Los Angeles, California

Based on the material provided by the firms, the committee recommends the selection of EcolInteractive, Inc., as the most qualified firm. The firm demonstrated an excellent understanding of the issues related to the RTIP and CTFP process and had extensive experience in working with an identical project at the Los Angeles County Metropolitan Transportation Authority and

other similar projects with the San Diego Association of Governments and SCAG. EcoInteractive, Inc., has over 15 years experience in providing transportation software and the firm's software will require minimal customization. Additionally, the firm has existing relationships with both SCAG and the California Department of Transportation, which allows EcoInteractive, Inc., direct access into those agencies' systems. EcoInteractive, Inc., also showed it had committed the resources of an outstanding project team with the ability to deliver the services on time and within budget, and a work plan was submitted that effectively responded to the RFP.

EcoInteractive, Inc., has a proven ability to provide a quality product over a sustained period of time. The firm's skills, qualifications, existing relationships, and capital assets merit the higher price. Additionally, EcoInteractive, Inc., has increased the subscription price only once over the last five years of providing its software. This increase was based on standard inflation rates. This provides a level of reasonability that the software will be sustainable in the future.

Fiscal Impact

This project was included in OCTA's Fiscal Year 2007-08 Budget, Account 0010-7519-R0001-GJ2. Additional funds will be transferred from Account 0010-7514-T5406-FV7, in the amount of \$105,000.

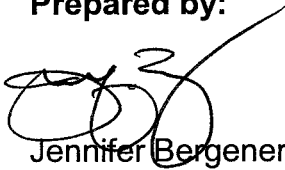
Summary

Based on the information provided, the evaluation committee recommends award of Agreement No. C-7-1190 to EcoInteractive, Inc., in an amount not to exceed \$265,000, to provide the service for three years for the Regional Transportation Improvement Program and Combined Transportation Funding Program database.

Attachments

- A. Proposal Evaluation Summary Matrix Short-List – RFP 7-1190 “Project Tracking Software and Services”
- B. Review of Proposals Presented to the Finance and Administration Committee - February 13, 2008

Prepared by:



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Approved by:



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Executive Director, Development
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PROPOSAL EVALUATION SUMMARY MATRIX SHORT-LIST										
RFP 7-1190 "PROJECT TRACKING SOFTWARE AND SERVICES"										
EcolInteractive, Inc.									Weights	Overall Score
Evaluation Number	1	2	3	4	5					
Qualifications of Firm	5.00	5.00	5.00	4.50	5.00			5	24.50	
Staffing/Project Organization	4.50	5.00	4.50	5.00	4.50			5	23.50	
Work Plan	4.50	4.50	5.00	4.00	4.50			5	22.50	
Cost and Price	3.00	3.00	3.00	3.00	3.00			5	15.00	
	85.00	87.50	87.50	82.50	85.00				86	
GCR & Associates										
Evaluation Number	1	2	3	4	5					
Qualifications of Firm	4.00	3.50	4.00	4.00	4.00			5	19.50	
Staffing/Project Organization	4.00	4.00	4.00	4.00	4.00			5	20.00	
Work Plan	4.00	4.00	4.00	4.50	4.00			5	20.50	
Cost and Price	4.00	4.00	4.00	4.00	4.00			5	20.00	
	80.00	77.50	80.00	82.50	80.00				80	
Civic Resource Group										
Evaluation Number	1	2	3	4	5					
Qualifications of Firm	4.00	3.50	4.00	4.00	3.50			5	19.00	
Staffing/Project Organization	4.00	3.50	4.00	4.00	3.50			5	19.00	
Work Plan	3.00	3.00	3.00	3.50	3.00			5	15.50	
Cost and Price	5.00	5.00	5.00	5.00	5.00			5	25.00	
	80.00	75.00	80.00	82.50	75.00				79	

Review of Proposals

Presented to the Finance and Administration Committee - February 13, 2008

7 proposals were received, 3 firms were interviewed

Overall Ranking	Overall Score	Firm & Location	Sub-Contractors	Evaluation Committee Comments	Price
1	86	EcoInteractive, Inc. Davis, CA	None	Highest ranked firm. Excellent technical proposal and software demonstration. Excellent knowledge of project requirements with minimal software customization required. Very familiar with Caltrans, SCAG and cities participating in the Combined Transportation Funding Project. Pricing reflects a product that will integrate with other transit agencies and minimize the need for future customization.	\$265,000
2	80	GCR & Associates New Orleans, LA	None	Very good technical proposal. Very good customized interview presentation and demonstration. Approach requires considerable customization. Approach has good functionality but no intergration of programs. Pricing competitive but requires additional customization for compatibility with participating agencies.	\$240,000
3	79	Civic Resource Group Los Angeles, CA	None	Good technical proposal. Interview presentation was screen shots not a demonstration of software. Limited information on customization of software. Good experience providing software to RCTC. Pricing reflects an information sharing product rather than a project management product which is required for this project.	\$233,200

Evaluation Panel

OCTA
Capital Programs (3)
Business Support Services
CAMM

Proposal Criteria

Qualifications of the Firm
Staffing/Project Organization
Work Plan
Cost and Price

Weight Factor

25%
25%
25%
25%



BOARD COMMITTEE TRANSMITTAL

February 25, 2008

To: Members of the Board of Directors
From: WK
Wendy Knowles, Clerk of the Board
Subject: Metrolink Ridership and On-Time Performance Report

Transit Committee Meeting of February 14, 2008

Present: Directors Brown, Buffa, Dixon, Green, Nguyen, Pulido, and Winterbottom
Absent: None

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Receive and file as an information item.



February 14, 2008

To: Transit Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Metrolink Ridership and On-Time Performance Report

Overview

A report on Metrolink ridership and on-time performance is presented. The report covers the second quarter of fiscal year 2007-08.

Recommendation

Receive and file as an information item.

Background

The Southern California Regional Rail Authority (SCRRA), a regional joint powers authority (JPA), operates seven lines throughout Southern California's five-county, 400-mile commuter rail system known as Metrolink. Metrolink's five-agency membership includes the Los Angeles County Metropolitan Transportation Authority (Metro), the Orange County Transportation Authority (OCTA), the Riverside County Transportation Commission (RCTC), the San Bernardino Associated Governments (SANBAG), and the Ventura County Transportation Commission. Metrolink operates 145 daily trains, serving 55 stations, and carries nearly 44,000 riders per day.

The Metrolink Orange County (OC) Line service began in 1994, followed by the Inland Empire – Orange County (IEOC) Line in 1995 and the 91 Line in 2002. Today, the three lines serving Orange County provide a total of 44 daily weekday trains to 11 Orange County stations. The newest Metrolink station, located in the City of Buena Park, opened with full Metrolink and OCTA fixed-route bus service on September 4, 2007. The Rail 2 Rail Program, which began in 2003, allows Metrolink monthly pass holders the option of riding Amtrak Pacific Surfliner trains at no additional charge, provided the pass holder travels within the designated stations identified on their monthly pass.

The OC and IEOC lines' weekend services are in the second year of operation. On September 8, 2007, one additional weekend round trip train was added to the OC Line weekend service. The OC Line now provides four round trips on Saturday and Sunday year-round and is funded by OCTA. The year-round IEOC Line weekend service operates three round trips on Saturday and two round trips on Sunday. OCTA, RCTC, and SANBAG are partners in funding the IEOC Line weekend service.

Thirteen OCTA-operated StationLink bus routes serve seven Orange County Metrolink stations and are operating Monday through Friday during peak commute hours, providing Metrolink passengers connecting bus service to major employment centers. One weekend shuttle operates on Saturday from the Irvine Station to Irvine Spectrum. In addition, Metrolink stations in Orange County can be accessed by 32 bus routes.

Discussion

This report provides a second quarter (October, November, December) fiscal year (FY) 2007-08 update of weekday and weekend ridership and on-time performance results. Detailed information regarding performance statistics is delineated in attachments A, B, and C.

Ridership and On-Time Performance Report

Weekday Ridership

Second quarter daily average weekday ridership is up by almost 8 percent compared to the same period last year for all three lines serving Orange County, including Rail 2 Rail passengers. The average daily weekday ridership for the OC Line and Rail 2 Rail is 8,185. Combined weekday daily average ridership on the OC, IEOC and 91 lines is 15,239 including Rail 2 Rail riders. Daily average ridership by line is detailed further in Attachment A.

Weekend Ridership

Metrolink weekend service carried a total of 23,132 Orange County riders during the second quarter of FY 2007-08. Average daily Saturday service ridership on the OC Line is up over 45 percent compared to last year (Attachment B). Average Saturday service ridership on the IEOC Line is up almost 24 percent over last year. Sunday service average riders on the OC and IEOC lines are up 9.2 and 3.7 percent, respectively, compared to last year. The OC Line ridership had a significant increase due in part to the addition of one round trip on both Saturday and Sunday.

Ridership ended the second quarter under the goal of 100 passengers per train for the OC Line weekend service, carrying 77 passengers on average per Saturday train and 61 passengers per Sunday train. Ridership on the IEOC Line fell significantly below the weekend ridership goal of 125 passengers on average per train, carrying 67 passengers on average per train on Saturday and Sunday. Typically, a seasonal weekend ridership drop is expected during the winter months. OCTA marketing staff is currently developing radio advertising with two Hispanic-audience radio stations to promote weekend service, as well as utilizing cross promotional advertising with the University of California Irvine (UCI) to promote Metrolink use for UCI sports games. OCTA marketing staff also planned a "Free Station of the Month" promotion in January to help boost weekend ridership, in addition to the Lunar New Year Event planned for mid February. Although the average per train ridership is below projections on both lines, overall weekend ridership is showing significant growth compared to the second quarter of the first year of service, which began in 2006.

Total second quarter FY 2007-08 ridership for all three lines including weekend service is 972,814 passengers, which is an overall increase of 69,459 riders compared to last year. This equates to a total overall ridership growth of 7.7 percent for the second quarter of FY 2007-08 compared to last year.

In summary, weekday daily average and overall total year to date Orange County ridership is showing positive growth on all three lines.

StationLink Rail Feeder Ridership

StationLink Rail Feeder ridership decreased by 1.3 percent the second quarter of FY 2007-08 compared to last year. Metrolink riders are also using local fixed-route buses to get to and from Metrolink train stations as well as other destinations throughout Orange County. This is most common during peak period commute hours. Non-StationLink Metrolink fixed-route transfers, including the weekends, increased by 16.3 percent the second quarter of FY 2007-08 compared to last year. Combined StationLink and all Metrolink fixed-route transfers showed an increase of 3.6 percent in the second quarter of FY 2007-08 compared to the statistics from last year.

A series of Metrolink weekend train promotions, including highlighting the use of Metrolink tickets on the local fixed-route system, have been ongoing since startup of weekend service. These events have contributed to the increase of Metrolink weekend passengers transferring to OCTA fixed-route services by 37.3 percent during the second quarter of FY 2007-08 compared to last year.

On-Time Performance Report

While the growth in ridership is an important indicator of the success of commuter rail service, on-time performance is a central component of providing quality commuter rail service. Metrolink provides weekly systemwide on-time performance reports followed by monthly on-time performance reports by line.

Of the seven Metrolink routes, three operate in Orange County, accounting for approximately 33 percent of the Metrolink ridership. The OC Line weekday trains averaged 96 percent on-time performance. The IEOC Line had 94.2 percent on-time performance and the 91 Line had 96.6 percent on-time performance. The IEOC Line on-time performance was lower than normal due to a higher number of switch and track problems. Additionally, a fatality caused the tracks to close for an extended amount of time impacting multiple trains during this period. Overall, 95.6 percent of all trains serving Orange County have been within five minutes of the scheduled time compared to the systemwide average of 95.2 percent (Attachment C). Weekend trains operated on average 92 percent on time during the second quarter of FY 2007-08. Weekend on-time performance is lower than weekday on-time performance due to maintenance and construction work occurring primarily on the weekends.

Service Changes/Special Trains

On September 4, 2007, the Buena Park Station successfully opened with full service provided by 19 OC Line and nine 91 Line trains. Within the first week, all 300 parking spaces were occupied. OCTA and the City of Buena Park are working together to seek alternative parking to alleviate the overcrowding resulting from the immediate success of the new station.

Beginning September 4, 2007, three additional trains were extended further south from the Irvine Station to the Laguna Niguel/Mission Viejo Station. Since the service was expanded, monthly pass sales immediately increased for the Laguna Niguel/Mission Viejo Station. In addition, morning peak boardings at the Laguna Niguel/Mission Viejo Station increased by 34.2 percent in the first month of operation. OCTA staff will continue to monitor the immediate impact of the service change and permanency over the long term. In addition, as part of the Rail 2 Rail Program, beginning on October 29, 2007, Amtrak provided two additional stops on four trains at the Orange and Laguna Niguel/Mission Viejo stations.

Metrolink operated a special four round trip schedule between Riverside and Laguna Niguel/Mission Viejo on Thanksgiving day. Previously, this special Thanksgiving day service operated between Riverside and Irvine and was

extended this season to Laguna Niguel/Mission Viejo. In addition, during the planning process, the schedule was adjusted slightly along with a reduction in the number of trains from six round trips to four round trips. The changes in the schedule and reduction in trains resulted in an increase, in the amount of passengers per train, which resulted in a more efficient use of resources for this special service. Lastly, the Friday after the Thanksgiving holiday, IEOC Line ridership increased by 64 percent. The RCTC is a funding partner for the Thanksgiving day train service.

Upcoming Matters

Los Angeles Metro is considering a proposal to install electronically activated turnstile gates on the Metro rail system. Each weekday, 54 percent of Metrolink riders transfer to connecting transit to complete a trip. Connections to the Metro Red/Purple lines will be affected by the turnstile gates. The SCRRA is conducting an analysis of the impacts of the gating proposal on Metrolink customers, operations, and member agencies. OCTA staff will report findings of this analysis upon completion.

Summary

This report provides an update on the OCTA commuter rail ridership and on-time performance. Weekday ridership is increasing on all three lines serving Orange County. Weekend ridership is showing growth compared to the same quarter last year. Weekday on-time performance is within the systemwide goal of 95 percent for the OC Line and slightly below the goal for the IEOC Line.

Attachments

- A. Weekday Ridership
- B. Weekend Ridership
- C. On-Time Performance

Prepared by:



Abbe McClenahan
Principal Transportation Analyst
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Approved by:



Kia Mortazavi
Executive Director, Development
(714) 560-5741

WEEKDAY RIDERSHIP

Daily Average Weekday Ridership Second Quarter Fiscal Year (FY) 2007-08

Second Quarter Average Weekday Ridership	Orange County Line Daily Average	Inland Empire - Orange County Line Daily Average	91 Line Daily Average	Rail 2 Rail Daily Average	Total Weekday Average
2006-07	6,317	4,488	2,074	1,272	14,151
2007-08	6,751	4,802	2,252	1,434	15,239
Change	6.9%	7.0%	8.6%	12.7%	7.7%

Total FY Ridership

FY Total Ridership	Orange County Line	Inland Empire - Orange County Line	91 Line	Rail 2 Rail South of Los Angeles	Total Year to date
2002-03	1,360,631	795,511	391,078		2,547,220
2003-04	1,422,770	913,528	428,572	240,272	3,005,142
2004-05	1,485,342	918,057	473,820	324,983	3,202,202
2005-06	1,597,992	1,066,558	531,930	351,217	3,547,697
2006-07	1,677,978	1,218,638	572,756	371,887	3,841,259
Year-to-Date (YTD) Jul-Dec 2007-08	856,949	620,640	271,590	200,629	1,949,808

WEEKEND RIDERSHIP

Daily Average Weekend Ridership Second Quarter Fiscal Year (FY) 2007-08

Second Quarter Average Weekend Ridership	Orange County Line (Saturday)	Orange County Line (Sunday)	Inland Empire - Orange County Line (Saturday)	Inland Empire - Orange County Line (Sunday)
2006-07	426	445	326	269
2007-08	618	486	403	279
Change	45.1%	9.2%	23.6%	3.7%

Monthly Metrolink Weekend Ridership FY 2007-08

	Orange County Line (Saturday)	Orange County Line (Sunday)	Inland Empire - Orange County Line (Saturday)	Inland Empire - Orange County Line (Sunday)
July	2,049	1,954	4,619	3,557
August	2,397	1,573	5,065	2,591
September	2,649	1,999	2,287	2,298
October	2,881	1,817	1,824	1,596
November	2,665	2,240	1,637	962
December	2,495	2,257	1,781	980
Subtotal	15,136	11,840	17,213	11,984
Total YTD Ridership Per Line	26,976		29,197	
Total YTD Ridership	56,173			

Weekend Ridership Average Per Day/Train

	Orange County Line (Saturday)	Orange County Line (Sunday)	Inland Empire - Orange County Line (Saturday)	Inland Empire - Orange County Line (Sunday)
1st Quarter Average Per Day	599	421	999	650
2nd Quarter Average Per Day	618	486	406	279
1st Quarter Average Per Train	84	61	166	162
2nd Quarter Average Per Train	77	61	67	67

ON-TIME PERFORMANCE

Weekday On-Time Performance Report Second Quarter Fiscal Year (FY) 2007-08

Percentage of ALL Trains Arriving Within 5 Minutes of Scheduled Time				
Month	OC Line	IEOC Line	91 Line	System Total *
Oct-07	93.8%	95.4%	96.2%	94.3%
Nov-07	97.2%	93.6%	95.8%	95.4%
Dec-07	97.1%	93.7%	97.8%	96.0%
Total Line Average	96.0%	94.2%	96.6%	95.2%

* System total includes the Ventura, Antelope Valley, San Bernardino, Riverside, OC, IEOC, and 91 lines.

Weekend On-Time Performance Report

Percentage of Weekend Trains Arriving Within 5 Minutes of Scheduled Time				
Month	OC Line	IEOC Line	91 Line	System Total **
Oct-07	92.2%	95.0%	N/A	95.5%
Nov-07	93.8%	97.4%	N/A	93.4%
Dec-07	83.8%	90.0%	N/A	94.6%
Total Line Average	89.9%	94.1%	N/A	94.5%

** System total includes Antelope Valley, San Bernardino, OC, and IEOC lines. Summary of Saturday and Sunday service.



BOARD COMMITTEE TRANSMITTAL

February 25, 2008

To: Members of the Board of Directors
From: Wendy ^{WK} Knowles, Clerk of the Board
Subject: Award of Construction Contract for Americans with Disabilities Act Bus Stop Modifications (Phase 3, Construction Package 11 and 12)

Transit Committee Meeting of February 14, 2008

Present: Directors Brown, Buffa, Dixon, Green, Nguyen, Pulido, and Winterbottom
Absent: None

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

- A. Authorize the Chief Executive Officer to execute Agreement No. C-7-1454 between the Orange County Transportation Authority and Bitech Construction Company, Inc., the lowest responsive, responsible bidder, in an amount not to exceed \$489,550, for construction of Americans with Disabilities Act bus stop modifications in the cities of La Habra, Brea, Fountain Valley, Westminster, and Huntington Beach.
- B. Authorize the Chief Executive Officer to execute Agreement No. C-7-1455 between the Orange County Transportation Authority and C.J. Construction, the lowest responsive, responsible bidder, in an amount not to exceed \$323,280, for construction of Americans with Disabilities Act bus stop modifications in the cities of Seal Beach, Laguna Beach, and Huntington Beach.
- C. Amend the Orange County Transportation Authority's Fiscal Year 2007-08 Budget, in an amount of \$600,000, to fund the remaining work planned in the current fiscal year.



February 14, 2008

To: Transit Committee

From: Arthur T. Leahy, Chief Executive Officer

Subject: Award of Construction Contracts for Americans with Disabilities Act Bus Stop Modifications (Phase 3, Construction Packages 11 and 12)

Overview

The Orange County Transportation Authority Board of Directors approved construction of Americans with Disabilities Act improvements at bus stops countywide. Bids for the last two packages of the program were received in accordance with the Orange County Transportation Authority's public works procurement procedures. Approval of these contracts and related budget adjustment is requested.

Recommendations

- A. Authorize the Chief Executive Officer to execute Agreement No. C-7-1454 between the Orange County Transportation Authority and Bitech Construction Company, Inc., the lowest responsive, responsible bidder, in an amount not to exceed \$489,550, for construction of Americans with Disabilities Act bus stop modifications in the cities of La Habra, Brea, Fountain Valley, Westminster, and Huntington Beach.
- B. Authorize the Chief Executive Officer to execute Agreement No. C-7-1455 between the Orange County Transportation Authority and C.J. Construction, the lowest responsive, responsible bidder, in an amount not to exceed \$323,280, for construction of Americans with Disabilities Act bus stop modifications in the cities of Seal Beach, Laguna Beach, and Huntington Beach.
- C. Amend the Orange County Transportation Authority's Fiscal Year 2007-08 Budget, in an amount of \$600,000, to fund the remaining work planned in the current fiscal year.

Background

The Orange County Transportation Authority (Authority) established a goal of making all bus stops accessible to persons with disabilities as required by the Americans with Disabilities Act (ADA). A 1996 study found that a majority of Orange County's more than 6,000 bus stops required improvements to comply with federal access standards. The Board of Directors (Board) dedicated the use of the Transportation Development Act, Article 3 funds to bring the Authority's bus stops into compliance.

The Bus Stop Accessibility Program (BSAP) consisted of three phases. During the first phase, bus stop improvements were performed by local agencies. In total, over \$1.68 million was allocated to cities to improve accessibility to approximately 1,750 bus stops. Of the 1,750 stops, 1,335 required construction improvements.

The second phase of the program was managed by the Authority. Phase 2 included 1,250 bus stops located throughout 25 cities and unincorporated portions of the County. These stops were high-use stops prioritized by the likelihood of use by persons with disabilities. Of the 1,250 stops, 965 required construction improvements. The construction packages in Phase 2 included work in the cities of Brea, Buena Park, Cypress, Fullerton, Garden Grove, La Palma, Placentia, Stanton, and Westminster. The total cost for Phase 2 was \$2.82 million. Phase 2 brought the total systemwide ADA compliant stops to approximately 3,000.

The third phase of the BSAP is currently underway and is also managed by the Authority. Construction packages 11 and 12 will complete Phase 3 of the program, and construction is scheduled to be completed by June 2008. This phase addressed the remaining 3,000 stops in the County with an estimated cost of \$11.3 million. Construction Package 11 will improve 47 intersections in the cities of La Habra, Brea, Fountain Valley, Westminster, and Huntington Beach. Construction Package 12 will improve 33 intersections in the cities of Seal Beach, Laguna Beach, and Huntington Beach. Completion of Phase 3 will bring all bus stops in Orange County into ADA compliance.

Discussion

These procurements were handled in accordance with the Authority's procedures for public works and construction projects, which conform to federal and state requirements. Public works projects are handled as sealed bids and award is made to the lowest responsive, responsible bidder.

Award of Construction Contracts for Americans with Disabilities Act Bus Stop Modifications (Phase 3, Construction Packages 11 and 12)

Package 11, Invitation for Bids (IFB) 7-1454, was released on December 17, 2007, and posted on CAMM NET with an electronic notification being sent to 675 firms. Package 11 was advertised on December 19, 2007, in a newspaper of general circulation. A pre-bid conference was held on January 7, 2008, and was attended by seven contractors. Addendum No. 1 was issued on January 16, 2008, to address administrative issues. On January 22, 2008, eight bids were received. All bids were reviewed by staff from the Development Division and the Contracts Administration and Materials Management Department to ensure compliance with the terms and conditions, specifications, and drawings. Listed below are the three lowest bids received for Package 11. State law requires award to the lowest responsive, responsible bidder.

<u>Firm and Location</u>	<u>Bid Price</u>
Bitech Construction Company, Inc. Buena Park, California	\$489,550
S. Parker Engineering, Inc. Costa Mesa, California	\$534,740
L.H. Engineering Anaheim, California	\$586,410

Staff recommends award of the Package 11 construction contract to Bitech Construction Company, Inc., the lowest responsive, responsible bidder, in an amount not to exceed \$489,550 .

Package 12, IFB 7-1455, was released on December 19, 2007, and posted on CAMM NET with an electronic notification being sent to 676 firms. Package 12 was advertised on December 24, 2007, in a newspaper of general circulation. A pre-bid conference was held on January 7, 2008, and was attended by nine contractors. Addendum No. 1 was issued on January 16, 2008, to address administrative issues. On January 23, 2008, eight bids were received. All bids were reviewed by staff from the Development Division and the Contracts Administration and Materials Management Department to ensure compliance with the terms and conditions, specifications, and drawings.

Award of Construction Contracts for Americans with Disabilities Act Bus Stop Modifications (Phase 3, Construction Packages 11 and 12)

Listed below are the three lowest bids received for Package 12. State law requires award to the lowest responsive, responsible bidder.

<u>Firm and Location</u>	<u>Bid Price</u>
C.J. Construction Santa Fe Springs, California	\$323,280
S. Parker Engineering Inc. Costa Mesa, California	\$325,318
Bitech Construction Company, Inc. Buena Park, California	\$371,620

Staff recommends award of the Package 12 construction contract to C.J. Construction, the lowest responsive, responsible bidder, in an amount not to exceed \$323,280 .

On October 5, 2006, the Board approved an increase to the program budget for the ADA bus stop improvement program of \$1,995,000, to a new total of \$15,800,000. The Authority's Fiscal Year (FY) 2007-08 Budget originally assumed that \$2,250,000 of this amount would be needed for the work planned for FY 2007-08. It is now projected that the total cost of the work to be done in FY 2007-08 will be \$2,850,000; therefore, the Authority's FY 2007-08 Budget needs to be amended by \$600,000. This additional amount will cover a portion of the award value of packages 11 and 12 and the additional construction management costs associated with these two projects. This increase in the current FY budget does not impact the overall budget for the ADA BSAP.

Fiscal Impact

The Authority's FY 2007-08 Budget did not anticipate the full cost required to advance the ADA bus stop improvement program in the current FY. The FY 2007-08 budget, Account 0051-9084-A4201-G6U, in the amount of \$600,000, must be increased to allow award of ADA construction packages 11 and 12,

Summary

Staff has reviewed all bids received for ADA bus stop improvements for construction packages 11 and 12 and has determined that Bitech Construction

Award of Construction Contracts for Americans with Disabilities Act Bus Stop Modifications (Phase 3, Construction Packages 11 and 12)

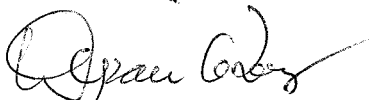
Page 5

Company, Inc., and C.J. Construction are the lowest responsive, responsible bidders. In addition, staff requests approval to increase the Authority's FY 2007-2008 Budget to authorize advancement of this work.

Attachment

None.

Prepared by:



Dipak Roy, P.E.
Project Manager
(714) 560-5863

Approved by:



Kia Mortazavi
Executive Director, Development
(714) 560-5741



BOARD COMMITTEE TRANSMITTAL

February 25, 2008

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Funding Agreement with the Foothill/Eastern Transportation Corridor Agency Associated with the 91 Express Lanes/Foothill-Eastern Transportation Corridor (State Route 241) Connector Feasibility Study

Highways Committee Meeting of February 18, 2008

Present: Directors Cavecche, Dixon, Glaab, Green, Mansoor, Pringle, and Rosen
Absent: Directors Amante and Norby

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

- A. Amend the Orange County Transportation Authority's Fiscal Year 2007-08 Revenue Budget to include \$350,000 from the Foothill/Eastern Transportation Corridor Agency.
- B. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-7-1312 with the Foothill/Eastern Transportation Corridor Agency, in an amount not to exceed \$350,000, for the 91 Express Lanes/Foothill-Eastern Transportation Corridor (State Route 241) Connector Feasibility Study.



February 18, 2008

To: Highways Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Funding Agreement with the Foothill/Eastern Transportation Corridor Agency Associated with the 91 Express Lanes/Foothill-Eastern Transportation Corridor (State Route 241) Connector Feasibility Study

Overview

In June 2007, the Orange County Transportation Authority initiated the 91 Express Lanes/Foothill-Eastern Transportation Corridor (State Route 241) Connector Feasibility Study. The Foothill/Eastern Transportation Corridor Agency is contributing funds to the study effort and a cooperative agreement is necessary for the Orange County Transportation Authority to receive these funds.

Recommendations

- A. Amend the Orange County Transportation Authority's Fiscal Year 2007-08 Revenue Budget to include \$350,000 from the Foothill/Eastern Transportation Corridor Agency.
- B. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-7-1312 with the Foothill/Eastern Transportation Corridor Agency, in an amount not to exceed \$350,000, for the 91 Express Lanes/Foothill-Eastern Transportation Corridor (State Route 241) Connector Feasibility Study.

Background

In June 2007, the Orange County Transportation Authority (Authority) started a feasibility study for improvements to the Riverside Freeway (State Route 91) between the Foothill-Eastern Transportation Corridor (State Route 241) and the Ontario Freeway (Interstate 15).

Funding Agreement with the Foothill/Eastern Transportation Corridor Agency Associated with the 91 Express Lanes/Foothill-Eastern Transportation Corridor (State Route 241) Connector Feasibility Study

Page 2

The feasibility study will evaluate the concept of directly connecting the 91 Express Lanes to State Route 241 (SR-241) and other freeway-to-freeway interchanges, identify where to drop the added lanes merging to and from SR-241, and propose how an extension of the 91 Express Lanes could be integrated into Orange County and Riverside County planned freeway improvements. The goal of this concept is to move more peak period traffic and improve overall State Route 91 (SR-91) corridor travel time. This concept originated from the Foothill/Eastern Transportation Corridor Agency (F/ETCA) SR-241 environmental analysis in the 1990s.

The Board of Directors (Board) also approved in June 2007 a recommendation to authorize the Chief Executive Officer to execute a funding agreement with the F/ETCA. Agreement terms are discussed below.

Discussion

The total feasibility study effort will cost \$700,000. The F/ETCA has agreed to contribute one-half of the total cost for this feasibility study effort. Thus, each agency will contribute \$350,000, from a total of \$700,000, for the technical and project management efforts. Riverside County Transportation Commission's (RCTC) commitment consists of current engineering work on SR-91 from SR-241 to Corona Expressway (State Route 71).

The Authority is the contract administrator for the feasibility study and must budget the full project costs. The Authority's funding share of \$350,000 is included in the Authority's Fiscal Year 2006-07 Budget; however, the F/ETCA funding share is not. Consequently, the Board is requested to increase the Authority's Fiscal Year 2007-08 Budget by \$350,000 to account for the F/ETCA funding contributions.

Under the proposed agreement terms, the F/ETCA agrees to contribute \$350,000 of toll revenue for the feasibility study effort. These funds are provided without regard to specific alignment alternatives or study components.

On January 10, 2008, the F/ETCA Board of Directors approved funding Cooperative Agreement No. C-7-1312 (Attachment A).

Funding Agreement with the Foothill/Eastern Transportation Corridor Agency Associated with the 91 Express Lanes/Foothill-Eastern Transportation Corridor (State Route 241) Connector Feasibility Study

Page 3

The following are roles and responsibilities of the Authority and the F/ETCA for this feasibility study effort:

- If the total study cost is less than \$700,000, the Authority and the F/ETCA shall share equally in the savings.
- The F/ETCA agrees to review and provide comments on the feasibility study to the Authority.
- The Authority shall manage the study effort in consultation with the F/ETCA.
- Project development team meetings, including representatives from the Authority, the F/ETCA, California Department of Transportation, RCTC, and local jurisdictions have been formed to provide review and comments on the feasibility study.

Fiscal Impact

The 91 Express Lanes/SR-241 Connector Feasibility Study was approved in the Authority's Fiscal Year 2006-07 Budget, Strategic Planning Division/Planning and Programming Department, Account 1536-7519-A0001-BYX. Cooperative Agreement No. C-7-1312, with the F/ETCA, increases both the revenue and expenditure budgets for the Authority's Fiscal Year 2007-08 Budget by \$350,000. Reimbursements from the F/ETCA, in the amount of \$200,000, will be placed in the SR-91 improvements from the Orange Freeway (State Route 57) to the Orange/Riverside County Line, Account 0017-6053-F1101-N3K. An operational study is currently underway, which was funded by the aforementioned account, to analyze the benefits of providing median-to-median connectivity between the SR-241 and SR-91 facilities. The remaining \$150,000 will be booked as contribution from other agencies in the general fund, Account 0001-6053-A1210-BYX.

Summary

The Authority and the F/ETCA will jointly conduct a study of alternative concepts for improving travel between the 91 Express Lanes and SR-241. The F/ETCA will fund one-half of this study pursuant to Draft Cooperative Agreement No. C-7-1312. Staff recommends the Board amend the Authority's Fiscal Year 2007-08 Budget to include the F/ETCA funding commitments.

**Funding Agreement with the Foothill/Eastern Transportation
Corridor Agency Associated with the 91 Express
Lanes/Foothill-Eastern Transportation Corridor (State Route 241)
Connector Feasibility Study**

Page 4

Attachment

- A. Draft Cooperative Agreement No. C-7-1312 Between Orange County Transportation Authority and Foothill/Eastern Transportation Corridor Agency for the SR-91 Express Lanes and SR-241 Connector Feasibility Study

Prepared by:



Dan Phu
Section Manager, Project Development
(714) 560-5907

Approved by:



Kia Mortazavi
Executive Director, Development
(714) 560-5741

DRAFT

COOPERATIVE AGREEMENT NO. C-7-1312

BETWEEN

ORANGE COUNTY TRANSPORTATION AUTHORITY

AND

FOOTHILL/EASTERN TRANSPORTATION CORRIDOR AGENCY

FOR THE

SR-91 EXPRESS LANES AND SR-241 CONNECTOR FEASIBILITY STUDY

THIS AGREEMENT is made and entered into this _____ day of _____, 2008

by and between the Orange County Transportation Authority, a public corporation of the State of California (hereinafter referred to as "AUTHORITY") and the Foothill/Eastern Transportation Corridor Agency, a public corporation of the State of California (hereinafter referred to as "TCA").

WITNESSETH:

WHEREAS, severe traffic congestion on State Route 91 (SR-91) negatively impacts the quality of life of Riverside County residents traveling to and from work in Orange County; and

WHEREAS, severe traffic congestion on SR-91 negatively impacts the ability of Orange County businesses to attract and retain employees; and

WHEREAS, the ability to efficiently transport people from home to work is critical for the sustained economic growth of Orange County and Riverside County; and

WHEREAS, SR-91 traffic congestion is anticipated to increase by as much as 50 percent by the Year 2030 without new transportation capacity between Riverside County and Orange County; and

WHEREAS, the parties to this Agreement desire to seek joint solutions to address the demand for transportation capacity between Riverside County and Orange County, specifically between the 91 Express Lanes and State Route 241 (SR-241); and

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1 **WHEREAS**, the parties to this Agreement desire to conduct a Feasibility Study and a
2 Microsimulation Analysis and Traffic and Revenue Forecasts Study to develop conceptual solutions
3 to alleviate traffic delays and provide additional transportation capacity between the 91 Express
4 Lanes and SR-241, and said studies are herein referred to as the PROJECT; and

5 **WHEREAS**, the parties to this Agreement recognize the need for technical expertise and
6 project management services for the Feasibility Study and the Microsimulation Analysis and Traffic
7 and Revenue Forecasts Study and agree to each provide funding for one-half of the studies which
8 are commensurate with benefits to its jurisdiction; and

9 **WHEREAS**, AUTHORITY has contracted or will contract for consultant services for a
10 Feasibility Study and a Microsimulation Analysis and Traffic and Revenue Forecasts Study to
11 develop conceptual solutions to alleviate traffic delays and provide additional transportation capacity
12 between the 91 Express Lanes and SR-241 estimated at:

13	Feasibility Study	\$495,000
14	Microsimulation Analysis and Traffic	\$175,000
15	and Revenue Forecasts Study	
16	Contingency	<u>\$ 30,000</u>
17	Total	\$700,000; and

18 **WHEREAS**, specific conceptual solutions will be developed through the Feasibility Study
19 process; and

20 **WHEREAS**, this Agreement defines the roles and responsibilities of AUTHORITY and TCA
21 for the PROJECT; and

22 **WHEREAS**, AUTHORITY's Board of Directors has reviewed and approved the execution of
23 this Agreement between AUTHORITY and TCA on May 29, 2007;

24 **NOW, THEREFORE**, it is mutually understood and agreed by AUTHORITY and TCA as
25 follows:

26 /

1 **ARTICLE 1. RESPONSIBILITIES OF AUTHORITY**

2 AUTHORITY agrees to the following responsibilities for PROJECT:

3 A. AUTHORITY agrees to provide contract management services to include the
4 following: preparing Request For Proposals; preparing consultant contract(s), advertising,
5 contracting, processing invoices, and other PROJECT related work.

6 B. AUTHORITY will manage, administer, coordinate, and oversee PROJECT activities
7 using both in-house staff and contracted project management services which are incorporated as
8 part of the Feasibility Study.

9 C. AUTHORITY will fund fifty percent (50%) of the technical consultant for the Feasibility
10 Study and one-half of the funding for a Microsimulation Analysis and Traffic and Revenue Forecasts
11 Study consultant. This is not to include AUTHORITY's staff time, overhead or other costs.

12 D. AUTHORITY will administer and manage the activities of PROJECT to ensure
13 adherence to PROJECT schedule, quality, and budget.

14 E. AUTHORITY will make accounting records available to TCA for review and audit
15 during PROJECT and for four years following completion of the PROJECT final Feasibility Study
16 report.

17 F. The total maximum cumulative payment obligation for AUTHORITY for its share of the
18 cost will not exceed Three Hundred and Fifty Thousand Dollars (\$350,000.00).

19 **ARTICLE 2. RESPONSIBILITIES OF TCA**

20 A. TCA agrees that all funding which TCA commits to the PROJECT is to be provided
21 with regard to specific proposed improvements that are part of its jurisdiction.

22 B. TCA will review all consultant deliverables and related documents and return
23 comments within ten (10) working days to maintain the PROJECT schedule.

24 C. The total maximum cumulative payment obligation for TCA shall not exceed Three
25 Hundred and Fifty Thousand Dollars (\$350,000.00).

26 /

ARTICLE 3. MUTUAL AGREEMENTS OF ALL PARTIES

All parties agree to the following responsibilities and understandings regarding PROJECT:

A. The total maximum cumulative payment obligation for AUTHORITY and TCA collectively shall not exceed Seven Hundred Thousand Dollars (\$700,000.00), without a written amendment signed by all parties to this Agreement.

B. Should the PROJECT cost less than Seven Hundred Thousand Dollars (\$700,000.00), the AUTHORITY and TCA shall share equally in the savings.

C. Any amendments to this Agreement must be approved in writing by all parties to this Agreement.

D. This Agreement remains in effect until completion of the final consultant reports and final billings of the PROJECT, or until October 31, 2011, whichever is earlier. This Agreement may be extended by mutual written consent of all parties.

E. AUTHORITY and TCA shall mutually indemnify, defend and hold harmless each other, their officers, directors, employees and agents from and against any and all claims (including attorney's fees and reasonable expenses for litigation or settlement) for any loss or damages, bodily injuries, including death, damage to or loss of use of property caused by the negligent acts, omissions or willful misconduct by their officers, directors, employees, agents, subcontractors or suppliers in connection with or arising out of the performance of this Agreement.

F. Notification and mailing addressees:

Any notices, requests and demands made between the parties pursuant to this Cooperative Agreement are to be directed as follows:

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/

1 If to AUTHORITY:

2 Orange County Transportation Authority
3 Attn: Susan A. Holt, Senior Contract Administrator
4 550 S. Main Street
5 P.O. Box 14184
6 Orange, CA 92613-1584

7 If to TCA:

8 Transportation Corridor Agencies
9 Attn: Michael E. Endres, Corridor Manager-Design
10 125 Pacifica, Ste. 100
11 Irvine, CA 92618

12 G. This Cooperative Agreement, including all exhibits and documents incorporated
13 herein and made applicable by reference, constitutes the complete and exclusive statement of the
14 term(s) and condition(s) of the agreement between AUTHORITY and TCA and it supersedes all prior
15 representations, understandings and communications. The invalidity in whole or in part of any term
16 or condition of this Cooperative Agreement shall not affect the validity of other term(s) or
17 condition(s).

18 H. This Cooperative Agreement shall be construed and all disputes hereunder shall be
19 settled in accordance with the laws of the State of California. Pending final resolution of a dispute
20 hereunder, AUTHORITY and TCA shall proceed diligently with the performance of this Cooperative
21 Agreement.

22 I. Parties may terminate this Cooperative Agreement for its convenience at any time, in
23 whole or part, by giving forty-five (45) days written notice thereof. Upon said notice, the party shall
24 pay the other party its allowable costs incurred to date of termination and those allowable costs
25 determined to be reasonably necessary to effect such termination. Thereafter, the parties shall have
26 no further claims under this Cooperative Agreement.

1 J. AUTHORITY and TCA warrant that in the performance of this Cooperative
2 Agreement, it shall comply with all applicable federal, state and local laws, statutes and ordinances
3 and all lawful orders, rules and regulations promulgated thereunder.

4 K. No member, official, officer, employee, of AUTHORITY, or TCA shall have any
5 personal interest, direct or indirect, in this Cooperative Agreement nor shall any such member,
6 official, officer or employee participate in any decision relating to this Cooperative Agreement which
7 affects his or her personal interests or the interests of any corporation, partnership, or association in
8 which he or she is, directly or indirectly, interested.

9 L. In connection with its performance under this Cooperative Agreement, AUTHORITY
10 and TCA shall not discriminate against any employee or applicant for employment because of race,
11 religion, color, sex, age or national origin. AUTHORITY and TCA shall take affirmative action to
12 ensure that applicants are employed, and that employees are treated during their employment,
13 without regard to their race, religion, color, sex, age or national origin. Such actions shall include,
14 but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or
15 recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and
16 selection for training, including apprenticeship.

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This Cooperative Agreement shall be made effective upon execution by all parties.

IN WITNESS WHEREOF, the parties hereto have caused this Cooperative Agreement No. C-7-1312 to be executed on the date first above written.

**FOOTHILL/EASTERN
TRANSPORTATION CORRIDOR
AGENCY**

ORANGE COUNTY TRANSPORTATION AUTHORITY

By _____
Thomas E. Margro
Chief Executive Officer

By _____
Arthur T. Leahy
Chief Executive Officer

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By _____
Rob Thorton
TCA General Counsel

By _____
Kennard R. Smart, Jr.
General Counsel

APPROVED

By _____
Kia Mortazavi
Executive Director, Development

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BOARD COMMITTEE TRANSMITTAL

February 25, 2008

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Amendment to Agreements for Additional Design Services for the Garden Grove Freeway (State Route 22) Soundwalls

Highways Committee Meeting of February 18, 2008

Present: Directors Cavecche, Dixon, Glaab, Green, Mansoor, Pringle, and Rosen
Absent: Directors Amante and Norby

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

- A. Approve Amendment No. 1 to Agreement No. C-7-0995 between the Orange County Transportation Authority and RMC, Inc., in an amount not to exceed \$279,000, for additional design services associated with additional soundwalls on the Garden Grove Freeway (State Route 22), bringing the total contract value to \$882,017.
- B. Approve Amendment No. 1 to Agreement No. C-7-0996 between the Orange County Transportation Authority and PBS&J, Inc., in an amount not to exceed \$329,000, for additional design services associated with additional soundwalls on the Garden Grove Freeway (State Route 22), bringing the total contract value to \$919,905.



February 18, 2008

To: Highways Committee

From: Arthur T. Leahy, ^WChief Executive Officer

Subject: Amendment to Agreements for Additional Design Services for the Garden Grove Freeway (State Route 22) Soundwalls

Overview

On October 22, 2007, the Orange County Transportation Authority Board of Directors approved a plan for four additional soundwalls on the Garden Grove Freeway (State Route 22) and directed staff to add the soundwalls design work to two existing soundwall design contracts to expedite its completion. Staff requests approval of the amendments to add this work into the existing agreements.

Recommendations

- A. Approve Amendment No. 1 to Agreement No. C-7-0995 between the Orange County Transportation Authority and RMC, Inc., in an amount not to exceed \$279,000, for additional design services associated with additional soundwalls on the Garden Grove Freeway (State Route 22), bringing the total contract value to \$882,017.
- B. Approve Amendment No. 1 to Agreement No. C-7-0996 between the Orange County Transportation Authority and PBS&J, Inc., in an amount not to exceed \$329,000, for additional design services associated with additional soundwalls on the Garden Grove Freeway (State Route 22), bringing the total contract value to \$919,905.

Background

On April 10, 2006, the Orange County Transportation Authority (Authority) Board of Directors (Board) approved further studies of sound barriers along the Garden Grove Freeway (State Route 22) based on community concerns about existing and future freeway noise. Upon study and review, it was determined that added or extended soundwalls were justified at four different locations in order to achieve noise mitigation regulatory and technical

compliance. The locations of the additional soundwalls along State Route 22 are:

- The eastbound Beach Boulevard on-ramp
- A portion of The City Drive eastbound off-ramp
- A portion of westbound State Route 22 between Tustin Avenue and Cambridge Street
- A section along westbound State Route 22 at Devon Road

On September 24, 2007, staff presented a State Route 22 project update to the Board, which discussed the need for the additional soundwalls. The Board was also informed that Granite-Myers-Rados, the design-build contractor for the State Route 22 project, had declined to include this additional work into the existing contract.

On October 22, 2007, the Board approved adding the design work for these four additional soundwalls to contracts with the two consulting firms recently selected to design soundwalls on the San Diego Freeway (Interstate 5) in San Clemente, in order to shorten the delivery timeline. Staff allocated this new work as equally as possible between the two firms, subject to each firm's ability to meet the expedited schedule.

Discussion

Authority staff has negotiated with RMC, Inc., and PBS&J, Inc., to perform the State Route 22 soundwalls design services for a combined cost of \$608,000. Staff is also working with the California Department of Transportation to identify ways to expedite the normal timeline in order to complete the construction of these four soundwalls by the end of 2009. This expedited process is necessary to meet the Authority's commitment to the affected residences.

The original agreement with RMC, Inc., awarded on September 24, 2007, was in the amount of \$603,017. After approval of Amendment No. 1 to Agreement No. C-7-0995, the total contract amount will be \$882,017.

The original agreement with PBS&J, Inc., awarded on October 22, 2007, was in the amount of \$590,905. After approval of Amendment No. 1 to Agreement No. C-7-0996, the total contract amount will be \$919,905.

The cost of the additional four soundwalls will be incorporated into the overall budget for the State Route 22 project. Staff has developed the

following conceptual budget that includes design, right-of-way, and construction costs.

Design Phase	\$ 608,000
Right-of-Way, Capital, and Support	\$ 100,000
Construction Phase	\$2,000,000

Construction costs will be confirmed during the detailed design phase.

Fiscal Impact

The additional work described in Amendment No. 1 to agreement nos. C-7-0995 and C-7-0996 was not included in the Authority's Fiscal Year 2007-08 Budget. Funds will be transferred from Account 0010-7519-T5421-GHH, Other Professional Services, to Account 0010-7519-F7100-KHM, Other Professional Services.

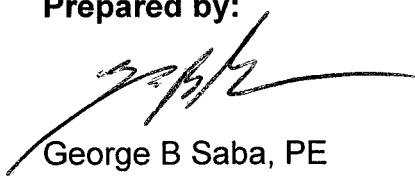
Summary

Staff recommends approval of Amendment No. 1 to agreement nos. C-7-0995 and C-7-0996, with RMC, Inc., and PBS&J, Inc., respectively, for additional design services for the four additional soundwalls on the State Route 22.

Attachments

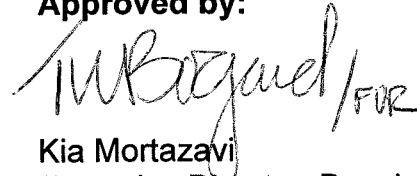
- A. RMC, Inc., Agreement No. C-7-0995 Fact Sheet
- B. PBS&J, Inc., Agreement No. C-7-0996 Fact Sheet

Prepared by:



George B Saba, PE
Senior Civil Engineer
(714) 560-5432

Approved by:



Kia Mortazavi
Executive Director, Development
(714) 560-5741

RMC, Inc.
Agreement No. C-7-0995 Fact Sheet

1. September 24, 2007, Agreement No. C-7-0995, \$603,017, approved by the Board of Directors.
 - Provide professional and technical consultant services for the development of plans, specifications, and estimates for the El Camino Real Soundwall on the San Diego Freeway (Interstate 5) at El Camino Real.
2. February 25, 2008, Amendment No. 1 to Agreement No. C-7-0995, \$ 279,000, pending approval by Board of Directors.
 - Provide design services for additional soundwalls on the Garden Grove Freeway (State Route 22).

Total committed to RMC, Inc., after approval of Amendment No. 1 to Agreement No. C-7-0995: \$882,017.

**PBS&J, Inc.
Agreement No. C-7-0996 Fact Sheet**

1. October 22, 2008, Agreement No. C-7-0996, \$590,905, approved by the Board of Directors.
 - Provide professional and technical consultant services for the development of plans, specifications, and estimates for the Avenida Vaquero Soundwall on the San Diego Freeway (Interstate 5) at Avenida Vaquero.
2. February 25, 2008, Amendment No. 1 to Agreement No. C-7-0996, \$ 329,000, pending approval by Board of Directors.
 - Provide design services for additional soundwalls on the Garden Grove Freeway (State Route 22).

Total committed to PBS&J, Inc., after approval of Amendment No. 1 to Agreement No. C-7-0996: \$919,905.



BOARD COMMITTEE TRANSMITTAL

February 25, 2008

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Request to Reward Contract for the Prepaid Fare Media Software

Finance and Administration Committee meeting of February 13, 2008

Present: Directors Amante, Brown, Buffa, Campbell, Green, and Moorlach
Absent: Director Nguyen

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-7-1150 between Orange County Transportation Authority and CompuSoft Solutions, Inc., in an amount not to exceed \$418,000, for a prepaid fare media software solution, which includes \$410,000 capital costs plus \$8,000 for the first year of maintenance.



February 13, 2008

To: Finance and Administration Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Request to Award Contract for the Prepaid Fare Media Software

Overview

The Orange County Transportation Authority uses manual and computerized tracking systems to administer its transit prepaid fare media program. In accordance with Orange County Transportation Authority's procurement procedures for professional and technical services, a request for proposals was issued for pass sales software that enhances management controls, improves customer service, and automates inventory control processes. Board of Directors' approval of a prepaid fare media software solution provider is requested.

Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-7-1150 between Orange County Transportation Authority and CompuSoft Solutions, Inc., in an amount not to exceed \$418,000, for a prepaid fare media software solution, which includes \$410,000 capital costs plus \$8,000 for the first year of maintenance.

Background

The Orange County Transportation Authority (OCTA) offers many types of multi-day passes to fixed route customers, and two types of fare coupons for ACCESS customers. During fiscal year 2006-2007, total fare revenues reached more than \$49 million. Prepaid fare media accounted for 24 percent, or approximately \$12 million, of the fiscal year 2006-2007 fare revenue.

Passes and coupons can be purchased from retail vendors, by mail, phone, online, and at the OCTA Store. The distribution program includes more than 150 participating vendors including various retail outlets, schools, and employers. Total annual prepaid pass revenue is approximately \$12 million; approximately \$9.6 million of this is generated from the retail vendor program;

more than \$1.6 million from sales by phone, mail, or online; and approximately \$701,000 through walk-in customers to the OCTA Store.

The Accounting, Customer Relations, and Marketing departments share the responsibilities for inventory, distribution, pass sales, marketing, and oversight of the prepaid fare media program. The Customer Relations Department is responsible for overseeing the retail sales to the public by phone, mail, and through OCTA's website. The Accounting Department is responsible for ordering, receiving, and distributing all prepaid fare media inventory in addition to receiving payment for passes. The Marketing Department is responsible for the retail vendor and promotional pass programs. Accounting and Customer Relations departments use the 16-year old Public Information Customer Service (PICS) software to track customer information and sales. PICS and related processes are ineffective as pass sales continue to grow. The existing software does not:

- Contain an automated inventory control mechanism for the OCTA's pass inventory which has an average retail value of more than \$30 million
- Comply with Payment Card Industry (PCI) standards which dictate protocols for securing personal credit card information to help deter identity theft
- Track delinquent vendor accounts resulting in overdue vendor payments
- Integrate with the following OCTA systems: accounting software, Integrated Financial and Administrative Solution (IFAS); GENFARE, Inc. (GFI) farebox system; online sales system; and the reduced fare identification system

Accounting currently uses three software systems to complete the entire pass inventory and payment process. These include: IFAS, utilized for OCTA's accounts receivable and payable, general ledger, fixed assets, and check management; a Microsoft Access database which was custom designed to supplement IFAS with an invoicing system; and PICS, which provides a means of recording quantity of all pass types sold and reporting daily sales receipts.

New software will consolidate and integrate the functions of the existing software systems, eliminating the need for double-data entry, which will significantly improve efficiency and data accuracy and provide improved reporting functions. The new software will also improve:

- Management controls of the OCTA pass inventory as specified above
- Security of credit card data required of merchants

- Distribution and tracking process of the almost \$12 million annual prepaid passes issued to OCTA sales locations and external agencies including retail vendors, schools, and employers
- Retail point-of-sale processes utilized at the OCTA Store, Customer Relations Department, and CIC Pass Sales Section including:
 - Secured cash drawers
 - Automated credit card processing
 - Streamlined online transactions processing
 - Capability to provide automated system checks on customer information (returned checks, fraudulent credit cards, expiring reduced fare identification cards, etc.)
- Management controls of vendor accounts including:
 - Receivable credit limits
 - Aging of vendor accounts with an automated notification system of past due and delinquent accounts
 - Suspension of delinquent accounts to prevent issuance of additional pass orders
- Processes for daily and monthly balancing inventory and cash receipts
- Tracking promotional passes issued at marketing events
- Integration of multiple databases into one system

Finally, due to the lack of interface between the inventory system and IFAS, an accurate listing of pass type availability at each vendor site is not readily available. A new system will resolve this deficiency, resulting in improving customer experience and allowing the Pass Sales program to be consistent in providing timely and up-to-date vendor information to the public. The life expectancy of the new system is approximately ten years.

Discussion

On October 1, 2007, a request for proposals (RFP) for the procurement of a prepaid fare media software system was issued. An electronic notice was sent to 1,425 firms registered on CAMM NET. In addition, notice of the RFP was advertised in the Orange County Register on October 1 and October 8, 2007. A pre-proposal conference was held on October 15, 2007, and was attended by six firms. Two addenda were issued to extend the proposal due date and to address questions that were submitted.

On November 6, 2007, proposals were received from five firms: Abacusoft Corporation, CompuSoft Solutions, Inc. (CompuSoft), Decision Support Software Solutions, Inc. (DS3), Productive Solutions, and Richard Brady & Associates.

An evaluation committee composed of staff from Contracts Administration and Materials Management, Customer Relations, Accounting and Financial Reporting, Marketing, and Information Services was established to review all offers submitted. The proposals were evaluated based on the following criteria:

- Qualifications of the Firm 25 percent
- Staffing and Project Organization 25 percent
- Work Plan 25 percent
- Cost and Price 25 percent

The evaluation committee rated the proposals of the five firms. The two highest ranked firms, CompuSoft and DS3, were interviewed by the evaluation committee on December 3, 2007. These firms provided demonstrations of the proposed software solutions and responded to questions from the committee. The other three firms were not included in the interview process because the firms' scores were below 60 out of a possible total of 100 percent.

Based on its findings, the evaluation committee recommends the following firm for consideration of an award:

Firm and Location

CompuSoft Solutions, Inc.
Fullerton, California

The following is the evaluation committee's comments (Attachment A) under each of the four criteria:

Qualifications of the Firm

Both firms were rated equally. However, CompuSoft, located in Fullerton, California, has extensive experience implementing software solutions to public agencies including the Southern California Regional Rail Authority (Metrolink), City of Anaheim, and Los Angeles County Metropolitan Transportation Authority (Metro). In addition, CompuSoft has completed several projects for OCTA including work on the Access database invoicing application which interfaces with IFAS, making them familiar with OCTA's information systems, applications, and procedures.

Staffing and Project Organization

The evaluation committee rated the proposal from CompuSoft as superior for the following reasons:

CompuSoft's team has extensive experience with the proposed Microsoft Dynamics GP accounting system and Microsoft Retail Management System. CompuSoft's project manager has been with the firm for 13 years and is a Microsoft certified application developer. Another team member, the designated software architect, is a Microsoft certified system engineer, database administrator, and trainer. The project team brings to this project extensive experience in system and database architect and customization development. The firm's consulting partner is a team of former Microsoft employees and was recommended to CompuSoft by Microsoft.

DS3's project manager has been with the firm for less than one year and was not present during the interview. Due to technical difficulties, its software system was demonstrated via a conference call by a system expert on the East Coast and not by staff named in the proposal. Because of its significant reliance on the conference call, DS3 failed to convey a thorough demonstration of the system capabilities.

Work Plan

CompuSoft received the highest rating in this area. CompuSoft's work plan was detailed and well thought out. Its work plan thoroughly addressed every task in the RFP. This clearly communicated its ability to meet or exceed all aspects of the project and required minimal clarification regarding the work plan requirements. CompuSoft will provide a training plan document, a training guide, and training for all administrative and frontline staff who will use the new software.

Deliverables were clearly stated for each task and met the requirements described in the scope of work. The software requires approximately 30 percent customization. Project documentation is provided at each phase of the project for staff review. During the implementation phase, OCTA staff will be informed of the project progress in increments to maintain effective communication as the project moves forward.

DS3's work plan was less specific. While it addressed all tasks stated in the scope of work, it did not contain a clear set of deliverables for each task. Also, there were a number of tasks that will require OCTA's staff to develop testing protocols, provide full documentation for all OCTA integrated systems, and provide training for all end users. In addition, its software solution requires approximately 60 percent customization to meet OCTA's requirements.

Cost and Price

CompuSoft cost and price was \$418,000. Although this is the higher priced proposal, it offers the best value because the price includes software, hardware, and less customization. Recurring costs are also lower. As part of its proposed price, CompuSoft offered a lower annual maintenance cost of \$8,000, versus \$39,480 for DS3.

Although DS3 offered a lower price of \$374,208, its proposal and best and final offer contained a number of assumptions that would impact the final cost of the project. OCTA identified the need to procure the MS2003 server and MSSQL 2005 software sufficient to support a 25 user system and CPSQL software. This will add an additional \$28,500 to the cost of the project not including OCTA staff time and resources to accommodate the server and software installation. In addition, the annual maintenance cost included in their proposed price is \$39,480.

Based on the findings of the evaluation committee (Attachment B), staff recommends CompuSoft Solutions, Inc., Fullerton, California, for consideration of an award.

Fiscal Impact

The project was approved in OCTA's Fiscal Year 2007-2008 Budget, External Affairs Customer Relations, Account 1835-9028-IX055-3TA, and the External Affairs Customer Relations, Account 1835-7612-IX055-3TA, both which are funded through the Local Transportation Fund.

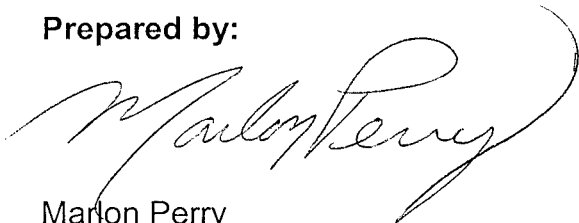
Summary

Staff recommends award of Agreement No. C-7-1150, to CompuSoft Solutions, Inc., in the amount of \$418,000, for the prepaid fare media software and maintenance for twelve months.

Attachments

- A. Prepaid Fare Media Software Review of Proposals – RFP 7-1150
- B. Proposal Evaluation Criteria Matrix RFP 7-1150 – Prepaid Fare Media Software

Prepared by:



Marlon Perry
Section Manager, Customer Relations
(714) 560-5566

Approved by:



Ellen S. Burton
Executive Director, External Affairs
(714) 560-5923

PREPAID FARE MEDIA SOFTWARE
Review of Proposals- RFP 7-1150
Presented to Finance and Administration Committee- - 2/13/08

5 proposals were received, 2 firms was short-listed.

Overall Ranking	Proposal Score	Firm & Location	Sub-Contractors	Evaluation Committee Comments	FIRM FIXED PRICE
1	82.00	Compusoft Solutions, Inc. Fullerton, CA	DexPros Litchfield Park, AZ	Highest ranked firm. Firm has wealth of experience with providing similar services with various public agencies. Firm has previous experience with OCTA. Key personnel has public sector experience. The proposed project manager has been with this firm for 13 years. Detailed workplan. Demonstrated thorough and concise understanding of project requirements. Firm provided a well prepared presentation for proposal and interview. Reasonable price - within budget - all inclusive.	\$418,000
2	77.00	Decision Support Software Solutions, Inc. Valencia, CA	Radiant Systems Memphis, TN	Firm has experience with providing similar services in the retail industry. Firm has some public agency experience. Lacked clarity in areas of responsibilities and deliverables. Product demonstration presented by offeror via conference call during interview which was confusing and difficult to follow. Did not allow for ease of asking questions and getting answers. Project manager did not attend interview. Has been with the firm approximately one year. Offered lower price - however, will require OCTA to purchase additional hardware to support and run the software. Additional cost approximately \$28,500.	\$374,208

Evaluation Panel:

Contracts Administration and
Materials Management
Customer Relations
Accounting & Financial
Reporting
Marketing
Information Systems

Evaluation Criteria

Qualifications of Firm
Staffing and Project Organization
Work Plan
Cost and Price

Weight Factors

25%
25%
25%
25%

ATTACHMENT A



BOARD COMMITTEE TRANSMITTAL

February 25, 2008

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Amendment to Agreement and Exercise of First Option Term for Bus Revenue-Generating Advertising Program

Transit Committee Meeting of February 14, 2008

Present: Directors Brown, Buffa, Dixon, Green, Nguyen, Pulido, and Winterbottom
Absent: None

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 2 to Agreement No. C-5-0127 between the Orange County Transportation Authority and Titan Outdoor by amending the current scope of work effective February 25, 2008, and to exercise the first option year September 1, 2008 to August 31, 2009.



February 14, 2008

To: Transit Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Amendment to Agreement and Exercise of First Option Term for Bus Revenue-Generating Advertising Program

Overview

On May 23, 2005, the Board of Directors approved an agreement with Titan Outdoor to sell, place, and maintain advertisements on the interior and exterior of the buses. This report is a request to update the inventory list of advertising spaces and to exercise the first option year of the agreement for which the Orange County Transportation Authority will receive a minimum of \$5,200,000 in advertising revenue.

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 2 to Agreement No. C-5-0127 between the Orange County Transportation Authority and Titan Outdoor by amending the current scope of work effective February 25, 2008, and to exercise the first option year September 1, 2008 to August 31, 2009.

Background

The Orange County Transportation Authority (OCTA) has historically contracted with an outside bus advertising sales firm to sell, place, and maintain advertisements on the interior and exterior of the buses. The bus advertising agreement is a revenue-generating contract for OCTA. The agreement provides a critical source of revenue to the Orange County Transit District fund.

The procurement with Titan Outdoor was handled in accordance with OCTA's procedures for professional and technical services in early 2005 and was awarded on a competitive basis. Titan Outdoor's proposal provided the highest minimum guarantee among all proposals. Although Titan Outdoor's proposed revenue was lower than the minimum guarantee for the previous contract's term, it was \$16,000,000 more than the next highest proposed bid for the entire

new contract's term. Titan Outdoor's proposed minimum guarantee was based on historical sales from the previous years as well as anticipated yearly growth. On May 23, 2005, the Board of Directors authorized the Chief Executive Officer to execute an agreement with Titan Outdoor. The initial contract was for a three-year term from September 1, 2005 to August 31, 2008. The contract also included two, one-year option terms.

The contract with Titan Outdoor provides OCTA with a monthly minimum guarantee, or 60 percent of the actual gross revenues received by Titan Outdoor, whichever is higher. Titan Outdoor calculated their minimum guarantee based on historical sales, reasonable annual increases, and the base inventory at the time of the bid, as provided by OCTA. Titan Outdoor Agreement No. C-5-0127 Fact Sheet (Attachment A) outlines the annual minimum guarantee for each contract year and the approved inventory of advertising space by vehicle type.

On October 17, 2006, Amendment No. 1, which provided a definition of "working day," was executed. Due to a fleet change which began in summer of 2007, an amendment to the current contract's inventory list is requested, as well as a request to exercise the first option year of the agreement, providing a minimum guaranteed revenue to OCTA of \$5,200,000 for the period September 1, 2008 to August 31, 2009.

Discussion

This past fiscal year, OCTA began replacing its fixed-route fleet of older diesel powered buses with newer compressed natural gas (CNG) buses that cannot accommodate bus tail advertisements due to the ventilation grates.

Article 13 of the current contract states that if OCTA makes changes to the scope of work, which includes the inventory list for bus advertisements, that causes an increase or decrease in the price of the agreement, then the concessionaire shall notify OCTA and an equitable adjustment shall be negotiated.

As a result of the advertisement inventory reduction, staff and Titan Outdoor have worked to identify replacement advertising opportunities to offset the potential revenue loss and to retain the current revenue received by OCTA.

Two additional advertising opportunities were found on the curbside of the 40-foot liquefied natural gas (LNG) buses and the front of the bus bike racks. Although OCTA has not previously utilized the front of the bike racks for bus

advertising, similar use of front displays on bike racks occurs in other regional areas such as Minneapolis, Chicago, and San Francisco (Attachment B). These ads would be visible when the bike rack is in the stowed position and not seen when the rack is in use. Titan Outdoor will pay for the cost and installation of the ad frames that would attach to the front of the bike racks, and OCTA will gain ownership at the end of the two option terms if OCTA elects to exercise both option terms.

Pending the Board of Directors' approval of the revised advertising inventory of the current contract's scope of work (Attachment C), the annual guarantees for the balance of the contract will remain intact.

During the current fiscal year, Titan Outdoor performed in accordance with the provisions in the agreement and provided timely payment of the minimum guarantee amount. For the first two years of the contract, the minimum guarantee has been greater than 60 percent of the actual gross revenues by approximately 12 percent or \$1 million. The contract provides increases to the minimum guarantee each year as outlined in Attachment A. Based on the historical actual gross revenues and the contractual increase to the minimum guarantee, exercising the first option year on this contract is fiscally prudent.

Fiscal Impact

Pending the Board of Directors' approval of the revised scope of work to the current contract, the minimum revenue guarantee to OCTA of \$4,700,000 for fiscal year 2007/2008 will remain intact. In addition, the proposed fiscal year 2008/2009 budget for the Orange County Transit District Fund will assume the minimum guarantee of \$5,200,000, as outlined in Agreement No. C-5-0127.

Summary

It is recommended that the Board of Directors approve Amendment No. 2 with Titan Outdoor to revise the current contract's advertising inventory and to exercise the first option year for the period of September 1, 2008 to August 31, 2009.

Attachments

- A. Titan Outdoor, Agreement No. C-5-0127 Fact Sheet
- B. Photos of OCTA Proposed Bike Rack Display and Displays in Other Regional Areas
- C. Scope of Work (Revised February 2008) Bus Revenue-Generating Advertising Program

Prepared by:



Stella Lin
Marketing Manager
(714) 560-5342

Approved by:



Ellen S. Burton
Executive Director, External Affairs
(714) 560-5923

ATTACHMENT A

**Titan Outdoor
Agreement No. C-5-0127 Fact Sheet**

1. May 23, 2005, the OCTA Board of Directors approved Agreement No. C-5-0127. The revenue-generating agreement was for three years with two, one-year options. The minimum guarantees for those years are as follows:

Time Period	Minimum Guarantee
September 1, 2005 to August 31, 2006	\$3,800,000
September 1, 2006 to August 31, 2007	\$4,200,000
September 1, 2007 to August 31, 2008	\$4,700,000
September 1, 2008 to August 31, 2009	\$5,200,000 option year
September 1, 2009 to August 31, 2010	\$5,700,000 option year

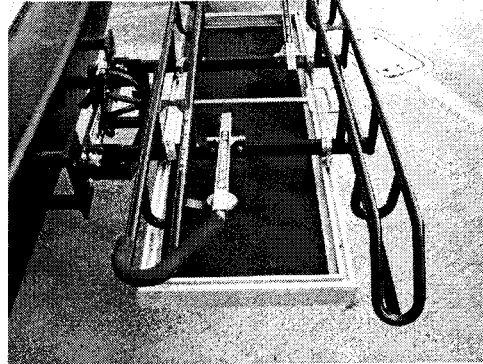
The approved fleet inventory and advertising space are as follows:

Bus Type	Available Space	Quantity
30' & under mini/mid-size	1 tail	332
40' diesel powered	2 king, 1 tail	282
40' LNG powered	1 king, 1 tail	232
60' articulated	3 king, 1 tail	50

2. October 17, 2006, Amendment No. 1 to Agreement No. C-5-0127 to define the term "working day" to mean Monday through Friday, except for the following holidays: New Year's Day, Martin Luther King Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day was executed by purchasing staff.
3. February 25, 2008, Amendment No. 2 to Agreement No. C-5-0127, pending approval by the OCTA Board of Directors. Amendment No. 2 would amend the current scope of work to update the fleet inventory and allow advertising space on curbside ads on LNG powered buses and front bike rack displays on all buses equipped with bike racks as well as exercise the first option year. The minimum guaranteed payment to OCTA would be \$5,200,000 for the first option year, September 1, 2008 to August 31, 2009.

**Photos of OCTA Proposed Bike Rack Display
and Displays in Other Regional Areas**

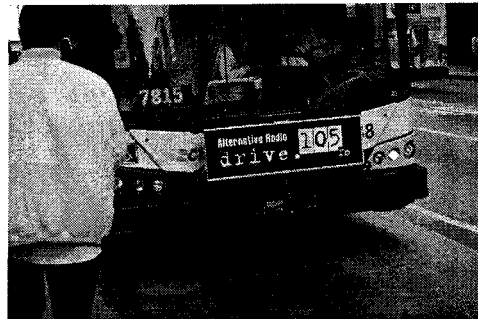
Proposed OCTA Front Display



Front Displays in Other Regional Areas



Minneapolis



Chicago



San Francisco

**SCOPE OF WORK
(Revised February 2008)**

BUS REVENUE-GENERATING ADVERTISING PROGRAM

BACKGROUND

The Orange County Transportation Authority (OCTA) is the agency responsible for planning, developing, and implementing transportation programs and services within Orange County. These programs and services include fixed-route bus service, ACCESS (paratransit) bus service, commuter rail service, administering Measure M revenue to create a balanced multi-modal transportation system, motorists services, and the 91 Express Lanes toll road.

Transit advertising on its fixed-route and ACCESS vehicles has provided OCTA with an innovative way to generate additional needed revenue. In addition, it also provides a service to the business community. Outdoor media in Orange County is very limited, which makes it difficult and expensive to obtain. OCTA vehicles provide, in essence, moving billboards, which businesses can lease to place advertising messages. The vehicles are highly visible on Orange County streets and roads. OCTA's service area covers 797 square miles throughout Orange County as well as some cities in Los Angeles County including Los Angeles and Long Beach.

This agreement between OCTA and the CONCESSIONAIRE is to provide the sales and administration of OCTA's Bus Revenue-Generating Advertising Program. The CONCESSIONAIRE shall solicit, place, administer, and manage advertisements in and on the interior and exterior space available on OCTA vehicles.

The existing revenue-generating agreement is for three years with two, one-year option terms. The agreement is based on annual minimum guaranteed revenue or 65 percent of the total gross revenue, whichever is greater. Below are the minimum guarantees for those years:

Time Period	Minimum Guarantee
September 1, 2000 to August 31, 2001	\$5,500,000
September 1, 2001 to August 31, 2002	\$6,600,000
September 1, 2002 to August 31, 2003	\$7,500,000
September 1, 2003 to August 31, 2004	\$8,000,000 option year
September 1, 2004 to August 31, 2005	\$9,400,000 option year

OCTA FLEET INVENTORY (Revised February 2008)

Currently, OCTA's fleet consists of articulated large buses (60' in length), large buses (40' in length), mid-size buses (30' in length), and mini buses (less than 30' in length). OCTA plans to order additional buses over the next few years. Some of these new buses will replace older buses, and some will increase the fleet size. The fleet type and quantity of advertisements allowed on each type of bus is described below. These numbers represent OCTA's best estimate on the fleet mix and are subject to change. For each of the past few years, OCTA has been one of the fastest growing transit systems in the country. So it is expected that the fleet will continue to grow over time.

Bus Type	Ad Space Available	Original Contract Bus Quantity	Bus Quantity FY 07-08	Bus Quantity FY 08-09	Bus Quantity FY 09-10
30' & under mini/ mid-size	1 tail	332	332	332	332
40' diesel powered	2 king, 1 tail, 1 front	282	88	8	31
40' LNG powered	2 king, 1 tail, 1 front	232	232	232	232
40' CNG powered	2 king, 1 front	0	202	299	342
60' articulated	3 king, 1 tail, 1 front	50	50	50	50

Note: On 40' and 60' buses, king-size advertisements measure 30" x 144". On 30' buses and larger, tail-size advertisements measure 21" x 72". On buses less than 30', tail-size advertisements measure 21" x 72" and 21" x 70".

OCTA's entire bus fleet is currently distributed among four operating bases:

Anaheim Base
1717 E. Via Burton
Anaheim, CA 92806

Garden Grove Base
11790 Cardinal Circle
Garden Grove, CA 92843

Irvine Base (Veolia)
14736 Sand Canyon Road
Irvine, CA 92618

Santa Ana Base
4301 W. MacArthur Boulevard
Santa Ana, CA 92704

TASKS AND RESPONSIBILITIES

- 1) CONCESSIONAIRE agrees to solicit advertising in an effort to completely sell all available advertising space authorized by this agreement.
- 2) CONCESSIONAIRE agrees to refuse advertising of tobacco and/or alcoholic beverage products on any OCTA vehicles.
- 3) If requested in writing by OCTA, an advertiser's poster, inside or outside of any bus, shall be removed by CONCESSIONAIRE within 48 hours of receipt of written request.
- 4) Installation and removal of advertisements shall be done by CONCESSIONAIRE at CONCESSIONAIRE's sole expense. Installation and removal at OCTA's five bus facilities shall be performed by CONCESSIONAIRE between the hours of 8:00 p.m. and 4:30 a.m. unless prior approval is obtained from OCTA. CONCESSIONAIRE shall be responsible for, at no cost to OCTA, any repairs required as a result of installation or removal of advertisements. This includes, but is not limited to, any paint or stripe damage, if any, resulting from the removal of direct application advertisements.
- 5) OCTA enforces a strict safety policy for employees and vendors. Due to the level of activities at OCTA facilities, and the large number of vehicles and employees, yard congestion, and safety is of vital concern. In order to avoid personal injuries or property damage, the following procedures, as found in the OCTA safety manual, shall be followed at all times.
 - Maximum yard speed is 10 m.p.h.
 - Yield right-of-way to vehicles backing out of the shop and parking stalls
 - Follow designated yard directional traffic flow; do not drive across bus stalls
 - Stop at designated "stop" markings in the yard
 - Vehicle must have headlights on, directional signals flashing, and rotating beacon light on
 - All workers in the yard during hours of dusk to sunrise must wear a reflective safety vest
 - Always be courteous and never demand the right-of-way to the extent of causing an accident
 - Pedestrian traffic in or out of the vehicle access gates is prohibited
 - Steel-toed boots should be worn at all times in the yard

- 6) OCTA and CONCESSIONAIRE shall work together to continue the Full Wrap Bus, Partial Full Wrap Bus, and Tail Wrap Bus programs in which the entire or partial parts of the bus are wrapped with a vinyl adhesive printed with the advertisers message. **OCTA will also allow 60' articulated buses to be part of the wrap programs.** OCTA shall have the right of prior approval of all advertising to be proposed for this program. CONCESSIONAIRE shall be responsible for initial application and final removal of the vinyl graphics. Upon removal of graphics, CONCESSIONAIRE shall be responsible for, at no cost to OCTA, repainting the bus to the original color scheme and replacing any damaged stripes or markings, if any, discovered during removal.
- 7) CONCESSIONAIRE shall be responsible for any storage space required to store CONCESSIONAIRE's tools, advertising signs, or any other items required to complete tasks and responsibilities. OCTA will not make space available for storage of these items on OCTA property.
- 8) OCTA owns, maintains, installs, and removes all advertising frames (some older buses still have advertising frames). OCTA's preference, however, is that advertisements be made of pressure-sensitive self-adhesive vinyl that can be placed directly on the surface of the vehicles. This way advertising frames would not be required.
- 9) By the fifteenth day of each month, CONCESSIONAIRE shall furnish to OCTA a posting report which summarizes all advertisements which have appeared or will appear on OCTA vehicles during that month. The posting report shall include the following for each advertisement: advertiser's name, name of advertisement, number of units, type of advertisement, posting and billing dates, and gross revenue. Any deviations from normal contract procedures, such as, but not limited to, "bonuses", shall be noted on this report.
- 10) Upon request, CONCESSIONAIRE shall furnish to OCTA a copy of each contract entered into by CONCESSIONAIRE for advertising on all buses during this agreement. Terms and conditions of sales of advertising shall be at the sole discretion of CONCESSIONAIRE, subject to the terms and conditions of this agreement.
- 11) OCTA shall have the option to retain, free of charge, for its own use: 50 king-size exterior bus advertising spaces, 30 tail-size exterior bus advertising spaces, and 15 full wraps on buses of OCTA's choice. OCTA may use these for their own use as part of barter (trade) agreements with any other firm, including the CONCESSIONAIRE. OCTA will notify CONCESSIONAIRE in a timely manner when it plans to use this space. OCTA shall also have, free of charge, the use of up to 50 unsold exterior bus advertising spaces, as they are available. It shall be CONCESSIONAIRE's responsibility to determine the amount of unsold space available and to notify OCTA in a timely manner (two to four weeks advance notice) in order that OCTA may utilize said space to its best advantage. An audit of CONCESSIONAIRE's records shall periodically be conducted by OCTA to verify the amounts of unsold advertising space available. Such audit may be conducted every six months.

- 12) CONCESSIONAIRE shall reserve 20 interior bus card spaces per bus for OCTA's own use. In addition, OCTA may use any unsold interior spaces. OCTA's interior bus cards shall have priority of installation over all other non-revenue-generating interior cards. OCTA further reserves the right to post at such places as it desires upon its buses: bus books, route maps, and marketing materials regarding its services or operations.
- 13) If OCTA decides to use any of its interior or exterior advertising space, CONCESSIONAIRE agrees to install OCTA's advertisements at no charge within ten days after receipt and to remove all advertising within three days of the specified removal date.
- 14) CONCESSIONAIRE shall report, notify, and/or make OCTA aware of all "trade contracts" that CONCESSIONAIRE may obtain or have for the duration of this agreement.
- 15) CONCESSIONAIRE shall compensate OCTA accordingly for such "trade contracts" by either (1) paying OCTA monies equal to the percentage that OCTA has in this agreement or (2) by other means common in the industry. Such compensation will be determined by OCTA and CONCESSIONAIRE must obtain OCTA approval prior to entering into any "trade contracts." CONCESSIONAIRE shall be accountable to OCTA for such "trade contracts."
- 16) CONCESSIONAIRE shall establish an irrevocable letter of credit in favor of OCTA. The irrevocable letter of credit shall be established on the effective date of this agreement and be in the amount of one-fourth of the minimum annual guarantee for each year the agreement is in effect.
- 17) OCTA agrees to cooperate fully with CONCESSIONAIRE in providing ridership data, bus route information, and actual bus promotions if requested by CONCESSIONAIRE to assist in sales promotions.
- 18) CONCESSIONAIRE may be subject to annual audits on its business relating to the Bus Revenue-Generating Advertising Program. After receipt of reasonable notice, CONCESSIONAIRE shall provide OCTA access to records and facilities as OCTA deems necessary to determine the accuracy of monthly statements and posting reports. Access shall be defined as a location within either Orange County or Los Angeles County.
- 19) At the end of the contract period, existing CONCESSIONAIRE must cooperatively participate in the transition of this service to a new CONCESSIONAIRE if necessary. If a transition to a new CONCESSIONAIRE occurs, the existing CONCESSIONAIRE agrees to make reasonable efforts to maintain service levels without any degradation to the service. These efforts are to ensure a smooth transition of service and to eliminate any service disruption.

In the event that a new CONCESSIONAIRE is awarded the contract, a transition of agreements must take place. As of May 15, 2005, the existing CONCESSIONAIRE will not enter into any new advertising agreements for OCTA that expire later than August 31, 2005.

A status report will be submitted to the OCTA indicating a list of agreements, how many units are involved, and date of expiration for each agreement. The new CONCESSIONAIRE will take over all open advertising units on September 1, 2005, and will be notified of each expiring agreement, taking over that advertising space when open.

- 20) The CONCESSIONAIRE must remove date sensitive advertisements within one week after expiration. Failure to remove date sensitive advertisements within one week after expiration may result in OCTA removing the advertisements and assessing the cost for removal to the CONCESSIONAIRE.



BOARD COMMITTEE TRANSMITTAL

February 25, 2008

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: Sole Source Agreement for Fixed Route Radio Computing Systems Upgrades and Services

Transit Committee Meeting of February 14, 2008

Present: Directors Brown, Buffa, Dixon, Green, Nguyen, Pulido, and Winterbottom
Absent: None

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-7-0772 between the Orange County Transportation Authority and Orbital Sciences Corporation., in an amount not to exceed \$1,765,787, for technology and services to upgrade the computing systems within the fixed route operation's digital radio communication system.



February 14, 2008

To: Transit Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Sole Source Agreement for Fixed Route Radio Computing Systems Upgrades and Services

Overview

As part of the Orange County Transportation Authority's Fiscal Year 2008 Budget, the Board of Directors approved funding to achieve an upgrade to the computing systems within the fixed route operation's digital radio communication system. A proposal was solicited and received from Orbital Sciences Corp. in accordance with the Orange County Transportation Authority's sole source procurement procedures for professional and technical services.

Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-7-0772 between the Orange County Transportation Authority and Orbital Sciences Corporation., in an amount not to exceed \$1,765,787, for technology and services to upgrade the computing systems within the fixed route operation's digital radio communication system.

Background

An integration of multiple technologies from various manufacturers, the fixed route operation's digital radio communication system was deployed in a project that began in 1998. The project was awarded to Orbital Sciences, Corporation (Orbital) through a competitive procurement.

A study of the Orange County Transportation Authority's (Authority) radio systems is currently in its final stages. This study will recommend a strategy and solution for the next generation of communication systems for the Authority. However, the implementation of any recommended strategy and solution is at least four years away. Until that time, the current system needs to be operated and maintained.

Replacement of computing equipment is a normal maintenance practice for information technology and computing systems. In the case of this radio system, the Authority is behind the curve in refreshing its computing technology compared to the industry, which practices an average four-year hardware upgrade cycle.

The Authority's Information Systems department subscribes to this same industry practice, replacing equipment after four to five years of service. The Information Systems department identified the need and planned for this upgrade since taking support ownership of the radio system's computing infrastructure in fiscal year 2006.

The current system's primary software technology is provided and supported by Orbital. However, many of the computing hardware and software technologies on which the Orbital software operates are no longer supported by the respective manufacturers. In addition, at eight years of age the computer hardware technologies are well beyond their useful life where operational reliability is now at risk. Staff finds it necessary to upgrade the computing systems in the fixed route radio system to ensure continued reliable and stable operation of the radio system for the next four to six years.

Several discrete equipment failures in the computing sub-systems of the radio system over the past one and one-half years demonstrate the risk to the system due to the age of the equipment. These failures have resulted in short-term degraded modes of radio communications operations. With the redundancies and fault tolerance built into the radio system, these failures have not been catastrophic. Nonetheless, it has impeded and impacted a radio dispatcher's ability to fully utilize the features of the system to communicate and coordinate activities in the field while the failures were remedied.

There is an increasing risk of additional equipment failure as time goes on. To ensure a stable and highly available radio communication system, equipment replacements need to be conducted proactively in a controlled project environment to allow for the integration and testing that is required for such a complex system. The alternative is to respond to equipment failures as they happen. This is not appropriate for a safety sensitive system, which the radio communication system is. Downtime and time to resolution can be unpredictable due to the shortage of replacement parts and lack of support for the aged equipment. The introduction of new equipment and associated software in a rush to return to service can introduce system incompatibility issues leading to a domino effect of problems. Neither of these are desirable positions in which to be in the context of day to day operations. Equipment replacements need to be conducted in a controlled project environment

proactively before failures occur, especially for safety and operational sensitive systems as is the fixed route radio communication system.

Staff believes it is time for an overhaul of the radio system's computing infrastructure before the increasing risks of failure and lack of support turns into a crisis to maintain operations and support of the fixed route radio system.

Discussion

This procurement was handled in accordance with the Authority's sole source procurement procedures for professional and technical services. The requirement was handled as a non-competitive negotiated procurement due to the sole source nature of the services and software involved. Award is recommended to Orbital Sciences Corp, of Columbia, MD, for its unique technical expertise regarding the Authority's fixed route digital radio system.

Orbital is uniquely qualified to perform the services for several reasons:

- The major software component that will be addressed as part of this project, SmartTrack TMS, is Orbital's original work product and is only available from, licensed, and implemented by Orbital. The upgrade of the computing system that hosts this software represents 72 percent of the entire project costs.
- Orbital was the original systems integrator and as such authored much of the custom integration software that ties the various computing sub-systems together.
- Orbital is intimately familiar with the radio system, a complex set of integrated technologies. Any other vendor would have to expend an extraordinary amount of time studying the integration to accomplish this project, predictably resulting in much higher costs to the Authority. Alternatively, any other vendor would have to subcontract with Orbital to acquire this intellectual property with the same predictable cost impact to the Authority.
- The computer hardware technology required for this project is commercially and readily available in the market; however, staff recommends Orbital acquire it under the scope of this agreement so that one point of accountability for the outcome of the project is maintained, that being Orbital.
- Third party software integrated into the system is available from those third parties. However, because of the custom integration that Orbital originally constructed between its software and these third party products, staff

recommends that required third party products also be acquired by Orbital under this agreement to maintain a single point of accountability.

This project will achieve an overhaul of the computing systems that constitute a major portion of the fixed route digital radio system, positioning it for stable and highly reliable service for the next four to six years.

The specific technologies to be replaced are: the core communication systems comprised of two computer aided dispatch (CAD)/automated vehicle location (AVL) servers, two storage disk arrays, three CAD/AVL workstations, two data terminal controllers, five AVL-only workstations, a systems administration computer, a tape back-up solution, and associated communication peripherals (72 percent of project costs); the automated passenger counting system comprised of a central database server, a correlator computer, and three collection computers (13 percent of project costs); and the voice annunciation system comprised of one computer (7 percent of project costs).

Beyond this act of replacing old hardware with new and performing the required integration and adaptation of the existing software to that new hardware, this project will also include some functional enhancements. These enhancements will include the facilities for a test environment, allowing staff to test the implementation of service change data in advance of the actual service change date so that it can be properly tested. Enhancements will also include improved data back-up facilities that will improve the reliability of the back-ups performed today.

Finally, this project will have the capacity to implement a new addition to the radio system, Orbital's advanced traveler information system. This system exposes route schedule adherence data produced by the radio system, but currently inaccessible in real-time to would-be subscribers to that information that are non-native to the radio system. This is an optional item which, if exercised, will place the radio system in a position to provide data anticipated to be needed by the developing bus rapid transit service and provide the foundation for future potential real-time passenger information tools for the Authority's fixed route customers. This optional component represents the remaining 8 percent of the proposed project costs.

The investment in this project represents roughly 14 percent of the original implementation costs of the fixed route digital radio system. The investment is expected to sustain the radio system for the next four to six years.

The Authority's Internal Audit Department has conducted a price review of Orbital's proposal. Citing a lack of adequate price support, Internal Audit was unable to form an opinion on the fairness and reasonableness of the price proposal by Orbital.

Fiscal Impact

The project was approved in the Authority's Fiscal Year 2008 Budget, Information Technology Transit Assets, Account 2928-9028-IX002-DD1, and is funded through Local Transportation Fund.

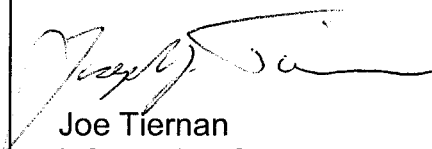
Summary

Based on the information provided, staff recommends award of Agreement No. C-7-0772 to Orbital Sciences Corp., in an amount not to exceed \$1,765,787, for technology and services to upgrade the computing systems within the fixed route operations digital radio communication system.

Attachment

- A. Orbital Sciences Corp. – Sole Source Procurement of Radio Computer Systems Upgrades, Price Review No. PR08-004

Prepared by:



Joe Tiernan
Information Systems
Section Manager
(714) 560-5546

Approved by:



James S. Kenan
Executive Director, Finance,
Administration and Human Resources
(714) 560-5678



INTEROFFICE MEMO

February 6, 2008

To: Kathleen Perez, Manager
Contracts and Procurement

From: Ricco Bonelli, Senior Internal Auditor **RTB**
Internal Audit

Subject: **Revised Orbital Sciences Corp. - Sole Source
Procurement of Radio Computer Systems Upgrades,
Price Review No. PR08-004**

Conclusion

Internal Audit is unable to form an opinion on the fairness and reasonableness of the price proposed by Orbital Sciences Corp. for the Radio Computer Systems Upgrade due to a lack of adequate price support.

Background

A requisition was issued for a sole source procurement of a Radio Computer Systems Upgrade. Orbital Sciences Corp. (Orbital) provided their proposal on August 2, 2007, including Price Proposal, Statement of Work, Equipment List and Cost/Pricing Summary Forms.

Purpose and Scope

The Internal Audit Department conducts reviews of sole source procurements that exceed \$50,000 at the request of Contracts Administration and Materials Management (CAMM). CAMM has requested that Internal Audit review the price proposed by Orbital to determine if the pricing is fair and reasonable.

Discussion

Internal Audit reviewed the requisition, the Sole Source Checklist, and the proposal that included price information for the proposed project. Internal Audit attempted to obtain documentation from Orbital to support level of effort, direct labor rates, overhead rates, and direct material amounts listed in the proposal. Citing confidentiality, Orbital would not provide requested documentation including payroll registers and a detailed price listing for materials to support the proposed prices. Based on the available information,

Internal Audit could not perform the necessary procedures to form an opinion on the price proposed by Orbital.

Summary

Based on the work performed above, Internal Audit is unable to form an opinion on the price proposed by Orbital.

c: Sue Ding
Thomas Meng
Joe Tiernan
Kathleen O'Connell



BOARD COMMITTEE TRANSMITTAL

February 25, 2008

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: Agreement for Contract and Procurement Support Staffing

Finance and Administration Committee meeting of February 13, 2008

Present: Directors Amante, Brown, Buffa, Campbell, Green, and Moorlach
Absent: Director Nguyen

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-7-1286 between the Orange County Transportation Authority and Procurement Services Associates for a three-year contract, in an amount not to exceed \$240,000, for supplemental support staffing for the Contracts Administration and Materials Management Department.



February 13, 2008

To: Finance and Administration Committee
From: Arthur T. Leahy, ^KChief Executive Officer
Subject: Agreement for Contract and Procurement Support Staffing

Overview

As part of the Orange County Transportation Authority's Fiscal Year 2007-08 Budget, the Board of Directors approved support staffing for the Contracts Administration and Materials Management Department. Proposals were received in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services.

Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-7-1286 between the Orange County Transportation Authority and Procurement Services Associates for a three-year contract, in an amount not to exceed \$240,000, for supplemental support staffing for the Contracts Administration and Materials Management Department.

Background

Contracts Administration and Materials Management Department (CAMP) procures and contracts for all the Orange County Transportation Authority's (Authority) materials, equipment, supplies, and services, ranging from office supplies to major construction projects. In fiscal year 2006-07, CAMP processed approximately 525 contracts, purchase orders, and 496 amendments. The department has undergone several process reviews over the last few years and each has recommended the need for additional staff. The department consists of three teams that handle the following major categories of goods and services:

- Capital Projects – public works, i.e. architectural/engineering services and construction procurements.

- Procurement – professional and miscellaneous services such as financial studies, management consultants, public relation services, contracted transportation services and technology related type procurements.
- Maintenance – supplies, capital equipment, bus parts, and maintenance services.

On August 13, 2007, the Authority's Board of Directors approved a Renewed Measure M (M2) Early Action Plan (EAP) for the implementation of the freeway program. As part of the M2 EAP, the Board approved two additional contract administrator positions for which CAMM is currently recruiting. The purpose of the M2 EAP was to advance the start of multiple M2 projects over the next five years. To support this advanced program, as well as the continued demands for existing projects, the Metrolink expansion program, and the bus rapid transit program, additional procurement support staff will be necessary. It is anticipated that up to five additional temporary staff may be required to support these efforts. A supplemental support staffing services contract will also allow for flexibility in putting the appropriate skill sets on the specific projects.

Discussion

This procurement was handled in accordance with the Authority's policies and procedures for professional services. In addition to cost, many other factors are considered in an award for professional services. Therefore, the requirement was handled as a competitive negotiated procurement. Award is recommended to the firm offering the most effective overall proposal considering such factors as staffing, prior experience with similar projects, approach to the scope of work, and technical expertise in the field.

The project was advertised on October 31, 2007 and November 5, 2007, in a newspaper of general circulation, and on CAMM NET. A pre-proposal meeting was held on November 2, 2007, and was attended by five firms. Addendum No. 1 was issued on November 12, 2007, which addressed administrative changes and responded to questions submitted by the firms.

On November 26, 2007, six proposals were received. An evaluation committee composed of staff from Development, Human Resources, CAMM, and an external member from the procurement staff of the Alameda Corridor East Construction Authority was established to review the proposals submitted. Proposals were evaluated based on qualifications of the firm, staffing and the project organization, work plan, and cost and price. The proposals were evaluated based on the following evaluation criteria and weights:

-
- Qualifications of the Firm 25 percent
 - Staffing and Project Organization 30 percent
 - Work Plan 25 percent
 - Cost and Price 20 percent

Based on the review of the proposals, the evaluation committee recommends the following firm for consideration of an award:

Firm and Location

Procurement Services Associates
Pleasanton, California

The following is a discussion relative to the evaluation criteria and weights used in the selection of the firm:

Qualifications of Firm

Procurement Services Associates' (PSA) core business is to provide contract and procurement personnel to the public sector. The other firms' core business was primarily to provide temporary staffing personnel. Additionally, the other firms offer a variety of disciplines and do not concentrate in the area of contract and procurement staffing which is critical to the timely completion of the projects.

Staffing and Project Organization

The staffing section of the proposal established the methods that the firms will use to manage the project and identified key project staff assigned. The evaluation committee rated the proposal from PSA highest for the following reasons:

Personnel provided by PSA are PSA employees. PSA provided the names and resumes for their proposed staff giving PSA the advantage over the other five firms for the simple reason, PSA would not have to recruit which means PSA personnel could start work upon contract award. In addition, contracting with PSA will reduce the potential for personnel turnover. Upon review of the resumes provided, the staff had appropriate experience and qualifications to perform the work required in the scope of work.

Work Plan

The work plan is intended to provide a comprehensive description of how the services will be performed.

PSA provided a strong work plan meeting all of the Authority's requirements for providing support staff for the CAMM Department. Due to PSA's core procurement business background, PSA's work plan depicted a comprehensive understanding of procurement practices and procedures, which would result in a minimal "learning curve" period for the staff.

Cost and Price

PSA ranked lowest in the cost and price category due to the fact that they proposed the highest hourly rates of all the firms. Included in the proposed hourly rate is that PSA offers its personnel medical and dental benefits, holiday, vacation and sick leave pay, and an Individual Retirement Account program. Though the other firms proposed lower hourly rates, the other five firms do not offer benefits to its personnel.

Fiscal Impact

The project was approved in the Authority's Fiscal Year 2007-08 Budget, Finance and Administration, Account 1270-7519-A5050-F01.

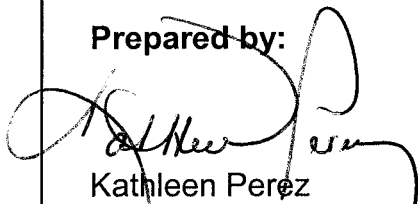
Summary

Based on an evaluation of proposals, the evaluation committee recommends the selection and award to Procurement Services Associates to provide supplemental staffing services for the Contracts Administration and Materials Management Department. The value of this contract is \$240,000, for three years.

Attachments

- A. Request for Proposals 7-1286 Contract/Procurement Support Staffing Proposal Evaluation Summary
- B. Request for Proposals 7-1286 Contract/Procurement Support Staffing Services Review of Proposals

Prepared by:



Kathleen Perez
Department Manager, Contracts
Administration and Materials Management
(714) 560-5743

Approved by:



James S. Kenan
Executive Director, Finance,
Administration and Human Resources
(714) 560-5678

PROPOSAL EVALUATION SUMMARY							
Firm: Procurement Service Associates						Weights	Criteria Score
Evaluation Number	1	2	3	4	5		
Qualifications of Firm	5.00	5.00	5.00	5.00	5.00	5	25.00
Staffing/Project Organization	5.00	4.50	4.00	5.00	5.00	6	28.20
Work Plan	4.00	5.00	4.00	4.00	4.00	5	21.00
Cost and Price	3.00	3.00	3.00	3.00	3.00	4	12.00
Overall Score	87.00	89.00	81.00	87.00	87.00		86
FIRM: AFRA						Weights	Criteria Score
Evaluation Number	1	2	3	4	5		
Qualifications of Firm	4.00	3.50	3.00	4.00	3.00	5	17.50
Staffing/Project Organization	4.00	3.00	3.00	4.00	3.50	6	21.00
Work Plan	3.00	3.50	3.00	3.00	3.00	5	15.50
Cost and Price	5.00	5.00	5.00	5.00	5.00	4	20.00
Overall Score	79.00	73.00	68.00	79.00	71.00		74
FIRM: Rainmaker Staffing						Weights	Criteria Score
Evaluation Number	1	2	3	4	5		
Qualifications of Firm	4.00	4.00	4.00	3.00	4.00	5	19.00
Staffing/Project Organization	3.00	4.00	3.00	2.00	3.00	6	18.00
Work Plan	3.00	3.50	3.00	2.00	3.00	5	14.50
Cost and Price	5.00	5.00	5.00	5.00	5.00	4	20.00
Overall Score	73.00	81.50	73.00	57.00	73.00		72
Firm: Focus on Temps						Weights	Criteria Score
Evaluation Number	1	2	3	4	5		
Qualification of Firm	4.00	4.00	3.00	3.00	3.00	5	17.00
Staffing/Project Organization	3.00	3.50	3.00	2.00	3.00	6	17.40
Work Plan	3.00	3.50	3.00	2.00	3.00	5	14.50
Cost and Price	5.00	5.00	5.00	5.00	5.00	4	20.00
Overall Score	73.00	78.50	68.00	57.00	68.00		69
FIRM: Segula Technologies						Weights	Criteria Score
Evaluation Number	1	2	3	4	5		
Qualification of Firm	4.00	4.00	3.00	3.00	4.00	5	18.00
Staffing/Project Organization	4.00	3.50	3.00	3.00	3.00	6	19.80
Work Plan	3.00	3.00	3.00	3.00	3.00	5	15.00
Cost and Price	4.00	4.00	4.00	4.00	4.00	4	16.00
Overall Score	75.00	72.00	64.00	64.00	69.00		69
FIRM: A Professional Personnel Service						Weights	Criteria Score
Evaluation Number	1	2	3	4	5		
Qualification of Firm	3.00	3.00	3.00	4.00	3.00	5	16.00
Staffing/Project Organization	3.00	3.00	3.00	4.00	3.00	6	19.20
Work Plan	3.00	2.50	3.00	3.00	3.00	5	14.50
Cost and Price	4.00	4.00	4.00	4.00	4.00	4	16.00
Overall Score	64.00	61.50	64.00	75.00	64.00		66

Request for Proposal 7-1286, "Contract/Procurement Support Staffing Services"

Review of Proposals

PRESENTED TO THE FINANCE AND ADMINISTRATION COMMITTEE - February 13, 2008

6 proposals were received, and 1 firm recommended for award

Overall Ranking	Proposal Score	Firm & Location	Sub-Contractors	Evaluation Committee Comments	Proposed Fully Burdened Hourly Rates
1	86	Procurement Services Associate (PSA) Pleasanton, CA	None	Excellent proposal- Met or exceeded proposal requirements. Excellent work plan, clearly understood scope of work. Core business is procurement and contracts staffing. Consultants are employees of the firm. Labor rates are high, but are inclusive of benefits.	Senior Contract Administrator: \$87.65 Buyer: \$53.00 Support Staff: \$33.05
2	74	AFRA Consulting Marina Del Rey, CA	None	Second ranked firm. Good overall proposal. Good work plan and recruiting plan. Core business temporary staffing. Competitive labor rates for two positions, did not price the buyer position .	Senior Contract Administrator: \$57.00 Buyer: Did not price Support Staff: \$33.00
3	72	Rainmaker Staffing Santa Ana, CA	None	Good proposal, not as detailed. Good work plan and recruiting plan. Core business temporary staffing. Competitive labor rates.	Senior Contract Administrator: \$49.13 Buyer: \$36.35 Support Staff: \$26.92
5	69	Focus on Temps Huntington Beach, CA	None	Average proposal Average work plan and recruiting plan Core business temporary staffing Competitive labor rates	Senior Contract Administrator: \$66.00 Buyer: \$54.00 Support Staff: \$38.50
4	69	Segula Technologies Huntington Beach, CA	None	Average proposal Good work plan and recruiting plan. Core business temporary staffing. Competitive labor rates.	Senior Contract Administrator: \$51.85 Buyer: \$38.61 Support Staff: \$30.75
6	66	A Professional Personnel Service Orange, CA	None	Basic proposal. Average work plan and recruiting plan. Core business temporary staffing. Competitive labor rates.	Senior Contract Administrator: \$69.56 Buyer: \$51.54 Support Staff: \$38.18

<u>Evaluation Panel</u>	<u>Proposal Criteria</u>	<u>Weight Factors</u>
Development	Qualification of the Firm	25%
Human Resources	Staffing and Project Organization	30%
Alameda Corridor East	Work Plan	25%
CAMM (2)	Cost and Price	20%



February 25, 2008

To: Members of the Board of Directors

From: Arthur T. Leahy, Chief Executive Officer ^{ALW}

Subject: Replacement of Bears Stearns as Remarketing Agent for the 91 Express Lanes Variable Rate Demand Bonds, Series 2003-B-2

Overview

On January 18, 2008, Fitch Ratings downgraded the ratings of Ambac Assurance Corporation to "AA." Since the downgrade, one of the Orange County Transportation Authority's remarketing agents for the 91 Express Lanes bonds, Bear Stearns, has been unable to reset the weekly rate for the bonds at a competitive rate. As a result, the variable rate interest costs associated with the bonds held at Bear Stearns have increased significantly relative to the other remarketing agent Lehman Brothers. It is recommended that the bonds held at Bear Stearns be temporarily moved to Lehman Brothers until a permanent remarketing agent is appointed by the Board of Directors.

Recommendations

- A. Approve the removal of Bear Stearns as remarketing agent of the Orange County Transportation Authority Toll Road Revenue Refunding Bonds, Series 2003-B-2.
- B. Adopt Resolution No. 2008-16 authorizing the appointment of Lehman Brothers to act as the remarketing agent of the Orange County Transportation Authority Toll Road Revenue Refunding Bonds, Series 2003-B-2.

Background

On November 5, 2003, the Orange County Transportation Authority (Authority) sold \$195,265,000 of Toll Road Revenue Refunding Bonds insured by Ambac Assurance Corporation to refinance the cost of acquiring the 91 Express Lanes from the California Private Transportation Corporation in January 2003. The bond issue was comprised of \$95,265,000 fixed rate bonds and \$100,000,000

of variable rate demand bonds. The bonds have a final maturity of December 2030.

The \$100,000,000 of variable rate demand bonds were divided into two series: \$75,000,000 Series 2003-B-1 bonds remarketed by Lehman Brothers and \$25,000,000 Series-B-2 bonds remarketed by Bear Stearns. The variable rate demand bonds are backed by the "AAA" Ambac insurance policy and a liquidity agreement with JP Morgan Bank and Dexia Bank. The variable rate demand bonds are repriced every Wednesday based on a weekly index published by the Securities Industry and Financial Markets Association (SIFMA). The investors of variable rate demand bonds can either accept the new weekly yield or put (return) the bonds back to the remarketing agent.

Discussion

The capital markets continue to experience tremendous volatility and credit problems as a result of the sub-prime mortgage meltdown. Municipal bond insurers have been some of the hardest hit by the sub-prime market crisis as questions regarding capital adequacy have surfaced. Due to the bond insurers' exposure to sub-prime mortgages and collateralized debt obligations, the rating agencies have focused its attention on the bond insurers. Due to a lack of exposure to sub-prime loans and collateralized debt obligations Financial Security Assurance Inc., and Assured Guaranty are still rated "AAA" with stable outlooks. However, the previously "AAA" rated bond insurers Ambac, Municipal Bond Insurance Association Inc., Financial Guaranty Insurance Corporation, and XL Capital, thought to be among the strongest credit worthy companies in the world, have either been downgraded or placed on negative credit watch with the possibility of a downgrade. On January 18, 2008, Ambac was downgraded to "AA" with a rating credit watch by Fitch Ratings. Moody's and Standard & Poor's have placed Ambac on credit watch as well.

Tax-exempt money market funds have lost confidence in bond insurance and liquidity agreements and have decided to boycott insured variable rate demand bonds. In addition, the banks that provide liquidity agreements have lost confidence in the bond insurers as well as remarketing agent's appetite to underwrite variable rate demand bonds in today's markets.

Pricing variable rate demand bonds used to be homogenous. There was essentially a single clearing rate for all "AAA" insured variable rate demand

bonds in California. However, in today's chaotic markets, many issuers with multiple remarketing agents have experienced weekly reset yields for their variable rate demand bonds that have a wide range of yields for identical credits. The Authority's experience is no different.

Bear Stearns has been unable to remarket the Series 2003-B-2 variable rate demand bonds at weekly rates close to the weekly SIFMA index. The pricing history for the Authority's variable rate demand bonds since Fitch Ratings downgraded Ambac to "AA" are provided below.

	Lehman Brothers <u>Percentage</u>	SIFMA Index <u>Percentage</u>	Bear Stearns <u>Percentage</u>
January 23, 2008	2.63	2.73	3.35
January 30, 2008	1.75	2.20	3.25
February 6, 2008	1.48	1.73	3.50
February 13, 2008	1.50	1.24	3.50

Lehman Brothers and Bear Stearns signed separate remarketing agreements for the 91 Express Lanes variable rate demand bonds issued in 2003. Pursuant to the remarketing agreement for the Series 2003-B-2 variable rate demand bonds with Bear Stearns, the Authority can replace Bear Stearns with a different remarketing agent. Section 4 of the remarketing agreement states; "The Remarketing Agent may be removed at any time, at the direction of the Issuer, upon 15 days' prior notice to the Remarketing Agent, the Trustee, the Liquidity Facility Provider's and the Bond Insurer."

The Authority plans to issue a request for proposals for a new Series 2003-B-2 Bonds remarketing agent. Lehman Brothers will act as the temporary remarketing agent until the Authority names a successor remarketing agent for the Series 2003-B-2 variable rate demand bonds.

Summary

Staff is recommending replacing Bear Stearns as remarketing agent for the 91 Express Lanes variable rate demand bonds, Series 2003-B-2. Bear Stearns has been unable to price the bonds at competitive levels.

Attachment

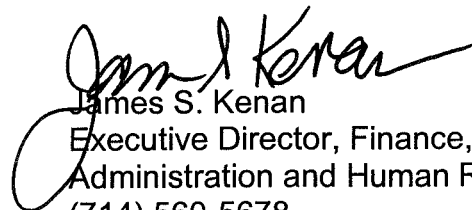
- A. Resolution 2008-16 – Resolution of the Orange County Transportation Authority Authorizing the Appointment of Lehman Brothers to act as the Remarketing Agent for the 91 Express Lanes Bonds.

Prepared by:



Kirk Avila
Treasurer
Treasury/Public Finance
(714) 560-5674

Approved by:



James S. Kenan
Executive Director, Finance,
Administration and Human Resources
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ORANGE COUNTY TRANSPORTATION AUTHORITY

RESOLUTION NO. 2008-16

AUTHORIZING THE APPOINTMENT OF LEHMAN BROTHERS INC. TO ACT AS THE REMARKETING AGENT OF THE ORANGE COUNTY TRANSPORTATION AUTHORITY TOLL ROAD REVENUE REFUNDING BONDS (91 EXPRESS LANES), SERIES 2003-B-2, AND AUTHORIZING THE TAKING OF ALL NECESSARY AND APPROPRIATE ACTIONS WITH RESPECT TO SUCH APPOINTMENT.

WHEREAS, on November 12, 2003, the Orange County Transportation Authority (the "Authority") issued \$25,000,000 aggregate principal amount of Orange County Transportation Authority Toll Road Revenue Refunding Bonds (91 Express Lanes), Series 2003-B-2 (the Series 2003-B-2 Bonds"), pursuant to the authority granted under Section 130240 of the Public Utilities Code of the State of California which authorizes the Authority to issue bonds payable solely from the revenues received by the Authority from the ownership and operation of the 91 Express Lanes toll road project;

WHEREAS, the Series 2003-B-2 Bonds were issued pursuant to a Master Indenture of Trust, dated as of November 1, 2003 (the "Master Indenture"), as supplemented and amended from time to time pursuant to its terms, including as supplemented and amended by a First Supplemental Indenture, dated as of November 1, 2003 (the "First Supplemental Indenture), and a Second Supplemental Indenture, dated as of November 1, 2003 (the "Second Supplemental Indenture," and, together with the Master Indenture and the First Supplemental Indenture, collectively referred to as the "Indenture"), between the Authority and Wachovia Bank, National Association, as trustee;

WHEREAS, pursuant to authority granted under the Indenture and to provide for the remarketing of the Series 2003-B-2 Bonds, the Authority entered into that certain Remarketing Agreement, dated November 12, 2003 (the "Remarketing Agreement"), with Bear, Stearns & Co. Inc. as remarketing agent; and

WHEREAS, the Authority desires to appoint Lehman Brothers Inc. ("Lehman Brothers") to act as the remarketing agent under the Remarketing Agreement.

NOW, THEREFORE, BE IT RESOLVED by the ORANGE COUNTY TRANSPORTATION AUTHORITY as follows:

Section 1. The appointment of Lehman Brothers to act as remarketing agent under the Remarketing Agreement is hereby approved and the Chief Executive Officer, the Executive Director of Finance and Administration/Human Resources and the Treasurer of the

Authority are hereby authorized and directed to take any and all actions necessary and appropriate to appoint Lehman Brothers to act as the remarketing agent for the Series 2003-B-2 Bonds under the Remarketing Agreement.

Section 2. All actions heretofore taken by the officers and agents of the Authority with respect to appointing Lehman Brothers to act as the remarketing agent for the Series 2003-B-2 Bonds under the Remarketing Agreement are hereby ratified, confirmed and approved.

Section 3. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED on February __, 2008, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Chairman of the Orange County
Transportation Authority

This RESOLUTION was entered into
at a meeting of the Orange County
Transportation Authority held
February __, 2008, in Santa Ana, California.

Attest:

Secretary of the Orange County
Transportation Authority

Approved as to Form

By: _____
Kennard R. Smart, Esq.
General Counsel to Authority



February 25, 2008

To: Members of the Board of Directors
From: Arthur T. Leahy, Chief Executive Officer
Subject: Measure M Quarterly Progress Report

Overview

Staff has prepared a Measure M progress report for the fourth quarter of 2007. This is a regular report that highlights the Measure M projects and programs currently under development.

Recommendation

Receive and file as an information item.

Background

Measure M Ordinance No. 2 requires quarterly reports to the Orange County Transportation Authority's (OCTA) Board of Directors (Board), which present the progress of implementing the Measure M Expenditure Plan. Quarterly reports highlight accomplishments for the freeway, streets and roads, and transit programs within Measure M. Reports also include summary financial information for the period and total program to date.

Discussion

This quarterly report updates progress in implementing the Measure M Expenditure Plan during the fourth quarter of 2007 (October through December). Highlights and accomplishments of work-in-progress for freeway, streets and roads, and transit programs, along with expenditure information are presented for Board review.

Freeway Program

Prior Measure M construction projects along the Santa Ana Freeway (Interstate 5), Costa Mesa Freeway (State Route 55), Orange Freeway (State Route 57), and the Riverside Freeway (State Route 91) are complete, with the California

Department of Transportation (Caltrans) continuing to negotiate final change orders and claims. The following are highlights and major accomplishments along each of the freeway corridors:

Interstate 5 (I-5), Gateway Project

The two-mile stretch of the I-5, from just north of the I-5/State Route 91(SR-91) interchange to the Los Angeles County line, is the last phase of the I-5 in Orange County to be improved.

The freeway widening construction package was awarded to FCI Constructors/Balfour Beatty on April 18, 2006. Various construction activities continued during the report period, with the project currently 38 percent complete.

During this period the construction of the Artesia Boulevard northbound bridge was completed. Approximately three quarters of a mile of new roadway paving was placed for the widened northbound lanes from the Beach Boulevard on-ramp to the Artesia Boulevard interchange. Significant progress was made on the northbound Artesia on and off ramps, which are scheduled to be opened during the second quarter of 2008. The Stanton Avenue bridge reconstruction is progressing on schedule with the falsework being completed this quarter. The bridge is currently scheduled to re-open during the second quarter of 2008.

OCTA continues to meet with local businesses and neighborhoods who are affected by ongoing construction activities. Included in this effort are weekly meetings with the City of Buena Park to coordinate and mitigate local traffic issues.

Garden Grove Freeway (State Route 22)

Progress on State Route 22 (SR-22) continues to advance towards project acceptance and turnover to Caltrans, which is currently scheduled for March 7, 2008.

The installation of rubberized asphalt along the SR-22 mainline between Euclid Street and Magnolia Avenue was completed during the report period. The installation of the landscaping continues throughout the project limits. Additionally, OCTA continues to work with the contractor to identify and closeout punch list and extra work items.

Street and Roads Programs

Substantial additional funding to cities and the County is provided by the various programs within the Measure M Local and Regional Streets and Roads Programs through OCTA's Combined Transportation Funding Program (CTFP). The CTFP encompasses Measure M streets and roads competitive programs, as well as federal sources such as the Regional Surface Transportation Program. Funds are awarded on a competitive basis within the guidelines of each program and are used to fund a wide range of transportation projects.

In the fourth quarter of 2007, the CTFP contributed \$4.4 million for streets and roads improvements throughout the County. Of that amount, approximately \$1.1 million was in initial payments and \$3.3 million was in final payments, closing out existing projects. These funds were directed to 13 projects in eight different cities. The Jeffrey Road and San Diego Freeway (Interstate 405) interchange widening in the City of Irvine was completed and closed out. Additionally, progress payments were made on the La Pata Avenue extension study by the County of Orange and the Oso Parkway widening in Mission Viejo.

Transit Programs

Rail Program

The OCTA rail program is comprised mainly of the Metrolink Commuter Rail Program and the associated capital improvements intended to support existing service as well as future service expansion.

Metrolink Service Expansion Program

On November 14, 2005, the Board authorized the implementation of the Metrolink Service Expansion Program (Expansion). The Expansion includes all of the capital and operational improvements necessary to accomplish 30-minute service between the stations located in Fullerton and Laguna Niguel/Mission Viejo. Not all improvements associated with the Expansion are funded by Measure M. Only those elements supported by Measure M funding are discussed here.

A cooperative agreement is in place between the Southern California Regional Rail Authority (SCRRA) and OCTA. Under the agreement, SCRRA is the lead for the design, construction, and construction management effort necessary for the Expansion. OCTA is responsible for the environmental analysis and approval, right-of-way acquisition, utility relocation, as well as providing funding to SCRRA for construction. The current value of the agreement is \$87.8 million.

In accordance with the cooperative agreement, SCRRA issued a notice to proceed to its design team in July 2007. Conceptual design was completed in December 2007. The conceptual design included alternatives for several infrastructure projects, such as the turnback facility in Laguna Niguel. Preliminary engineering (approximately 30 percent) is scheduled to be completed by March 2008. Staff anticipates then returning to the Board with a recommendation to update the list of capital infrastructure improvements and associated cost estimates, based on preliminary engineering efforts. The projects and cost estimates will be better defined at that time. Construction is projected to start in the first quarter of 2009.

Preparation of required environmental documentation was initiated by OCTA in June 2007. A Categorical Exemption was obtained for the parking structure and rail improvements at the Laguna Niguel/Mission Viejo station on November 9, 2007. A Negative Declaration has been prepared for the Fullerton turnback facility and is expected to be finalized in February 2008. The environmental clearance will allow OCTA staff to move forward with the acquisition of properties needed for the Expansion as previously authorized by the Board. Staff continues to meet with individual station cities in order to develop conceptual plans for expansion of parking facilities necessary to support the Expansion Program.

Grade Crossing Safety Enhancement Program

On August 27, 2007, the Board approved the Grade Crossing Safety Enhancement (Grade Crossing) Program, along with an implementation strategy. As with the capital improvements associated with the Expansion, SCRRA will also be the lead agency for the design, construction, and construction management of the Grade Crossing Program.

The OCTA Board previously approved a cooperative agreement with SCRRA, in the amount of \$60,000,000. The SCRRA Board is scheduled to approve the agreement in February 2008. During this period, meetings were held with all participating cities, and 35 percent design plans and engineers estimates are scheduled to be complete in March 2008. At that time, OCTA will finalize cooperative agreements with each of the cities and bring these to the Board for approval. Plans are scheduled to be complete and a construction contract awarded by December 2008. This work will be integrated in with the Expansion improvements.

City-Initiated Transit Extensions to Metrolink

During the report period, work with the cities participating in the Go Local Program continued. Staff continues to work with the cities in defining project concepts and preparing cooperative agreements.

Financial Status

As required in Measure M, all Orange County eligible jurisdictions receive 14.6 percent of the sales tax revenue based on population ratio, Master Plan of Arterial Highways miles, and total taxable sales. There is no competitive criteria to meet, but there are administrative requirements such as having a Growth Management Plan. This money can be used for local projects as well as ongoing maintenance of local streets and roads. The total amount of Measure M turnback funds distributed since program implementation is \$466.7 million. Distributions to individual agencies, from inception-to-date and for the report period, are detailed in Attachment A.

Net Measure M expenditures through December 31, 2007, total \$2.972 billion. Net expenditures include project specific reimbursements to Measure M from cities, local agencies, and Caltrans. Total net tax revenues consist primarily of Measure M sales tax revenues and non-bond interest minus estimated non-project related administrative expenses through 2011. Net revenues, expenditures, estimates at completion, and summary project budgets, per the Measure M Expenditure Plan, are presented in Attachment B. The basis for project budgets within each of the Measure M Expenditure Plan programs is identified in the notes section of Attachment B. Additional details and supporting information to the Measure M Revenue and Expenditure Summary are provided under Attachment C.

Budget Variances

Project budget versus estimate at completion variances relate to freeway and transitway elements as these programs have defined projects. Other programs, such as regional and local streets and roads, assume all net tax revenues will be spent on existing or yet to be defined future projects.

Consistent with Board-approved changes to the Granite-Meyers-Rados construction contract, the project budget and estimate at completion for the SR-22, between State Route 55 (SR-55) and Valley View Street, was increased during the quarter by \$1,181,000. These increases were for additional costs associated with the mainline rubberized asphalt overlay, increased California Highway Patrol services, and extended Disadvantaged Business Enterprise and prompt payment monitoring services. In addition to these increases, the estimate at completion for the SR-22, between SR-55 and Valley View Street, was increased by approximately \$1,100,000 for legal services in support of construction claims.

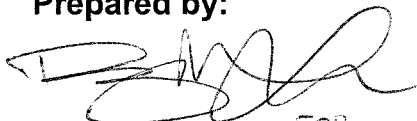
Summary

As required in Measure M Ordinance No. 2, a quarterly report is provided to update progress in implementing the Measure M Expenditure Plan. This report covers freeways, streets and roads, transit program highlights, and accomplishments from October through December 2007.

Attachments

- A. Measure M Local Turnback Payments
- B. Measure M Revenue and Expenditure Summary as of December 31, 2007
- C. Supporting Information to Measure M Revenue and Expenditure Summary

Prepared by:



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Approved by:



Kia Mortazavi
Executive Director, Development
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MEASURE M LOCAL TURNBACK PAYMENTS

Agency	Fourth Quarter 2007	Total Apportionment as of 12/31/07
Aliso Viejo	\$ 80,146	\$ 2,710,821
Anaheim	744,765	51,238,566
Brea	117,902	8,343,012
Buena Park	185,475	12,471,886
Costa Mesa	307,902	22,064,732
Cypress	121,383	8,207,310
Dana Point	73,595	5,239,519
Fountain Valley	138,177	10,092,570
Fullerton	278,906	20,128,662
Garden Grove	324,729	22,909,538
Huntington Beach	417,293	30,063,496
Irvine	531,563	32,406,395
Laguna Beach	57,061	3,919,679
Laguna Hills	79,262	5,514,231
Laguna Niguel	148,302	9,912,991
Laguna Woods	30,819	1,348,176
La Habra	116,884	7,819,413
Lake Forest	171,350	10,147,998
La Palma	41,240	2,611,894
Los Alamitos	29,274	2,208,575
Mission Viejo	210,419	14,518,493
Newport Beach	228,833	14,303,735
Orange	356,797	24,236,863
Placentia	104,043	7,249,342
Rancho Santa Margarita	95,419	3,570,301
San Clemente	122,603	7,292,256
San Juan Capistrano	86,407	5,758,125
Santa Ana	635,452	46,009,290
Seal Beach	53,417	3,682,705
Stanton	66,603	4,605,569
Tustin	174,378	12,610,024
Villa Park	11,691	842,232
Westminster	192,194	13,799,569
Yorba Linda	127,562	8,647,448
County Unincorporated	381,745	30,257,444
Total County:	\$ 6,843,593	\$ 466,742,860

**Measure M Revenue and Expenditure Summary
as of December 31, 2007**

Project Description <i>(\$ in thousands, escalated to year of expenditure/revenue)</i>	Total Net Tax Revenues A	Project Budget B	Estimate at Completion C	Variance Total Net Tax Revenues to Est at Completion (A - C)	Variance Project Budget to Est at Completion (B - C)	To Date Net Project Cost D	Percent Budget Expended (D / B)	Notes
Freeways (43%)								
I-5 between I-405 and I-605	\$ 1,003,828	\$ 810,010	\$ 804,622	\$ 199,206	\$ 5,388	\$ 683,561	84.4%	1
I-5 between I-5/I-405 Interchange and San Clemente	71,801	57,836	60,030	11,771	(2,194)	59,815	103.4%	1
I-5/I-405 Interchange	91,131	72,802	73,075	18,056	(273)	73,075	100.4%	1
SR-55 between I-5 and SR-91	60,754	44,511	50,196	10,558	(5,685)	49,179	110.5%	1
SR-57 between I-5 and Lambert Road	52,470	46,128	44,596	7,874	1,532	22,758	49.3%	1
SR-91 between Riverside Co. line & Los Angeles Co. line	131,174	116,136	105,666	25,508	10,470	105,333	90.7%	1
SR-22 between SR-55 and Valley View Street	418,376	245,641	250,137	168,239	(4,496)	239,146	97.4%	1, 4
Subtotal Projects	\$ 1,829,534	\$ 1,393,064	\$ 1,388,322	\$ 441,212	\$ 4,742	\$ 1,232,867	88.5%	
Net (Bond Revenue)/Debt Service		310,154	310,154	(310,154)	-	299,824		
Total Freeways	\$ 1,829,534	\$ 1,703,218	\$ 1,698,476	\$ 131,058	\$ 4,742	\$ 1,532,691	90.0%	3
Expenditures as a Percent of Total Program						51.6%		
Regional Street and Road Projects (11%)								
Smart Streets	\$ 160,464	\$ 158,068	\$ 158,068	\$ 2,396	\$ -	\$ 133,699	84.6%	2
Regionally Significant Interchanges	93,604	93,604	93,604	-	-	49,624	53.0%	2
Intersection Improvement Program	133,720	133,720	133,720	-	-	63,180	47.2%	2
Traffic Signal Coordination	66,860	66,860	66,860	-	-	38,098	57.0%	2
Transportation Systems and Transportation Demand Mgmt	13,372	13,372	13,372	-	-	6,853	51.2%	2
Subtotal Projects	\$ 468,020	\$ 465,624	\$ 465,624	\$ 2,396	\$ -	\$ 291,454	62.6%	
Net (Bond Revenue)/Debt Service		2,396	2,396	(2,396)	-	2,316		
Total Regional Street and Road Projects	\$ 468,020	\$ 468,020	\$ 468,020	\$ -	\$ -	\$ 293,770	62.8%	2
Expenditures as a Percent of Total Program						9.9%		

ATTACHMENT B

**Measure M Revenue and Expenditure Summary
as of December 31, 2007**

Project Description	Total Net Tax Revenues	Project Budget	Estimate at Completion	Variance Total Net Tax Revenues to Est at Completion	Variance Project Budget to Est at Completion	To Date Net Project Cost	Percent Budget Expended	Notes
<i>(\$ in thousands, escalated to year of expenditure/revenue)</i>	A	B	C	(A - C)	(B - C)	D	(D / B)	
Local Street and Road Projects (21%)								
Master Plan of Arterial Highway Improvements	\$ 174,921	\$ 174,921	\$ 174,921	\$ -	\$ -	\$ 68,536	39.2%	2
Streets and Roads Maintenance and Road Improvements	618,572	618,572	618,572	-	-	466,807	75.5%	2
Growth Management Area Improvements	100,000	100,000	100,000	-	-	63,763	63.8%	2
Subtotal Projects	\$ 893,493	\$ 893,493	\$ 893,493	\$ -	\$ -	\$ 599,106	67.1%	
Net (Bond Revenue)/Debt Service						-		
Total Local Street and Road Projects	\$ 893,493	\$ 893,493	\$ 893,493	\$ -	\$ -	\$ 599,106	67.1%	
Expenditures as a Percent of Total Program						20.2%		
Transit Projects (25%)								
Pacific Electric Right-of-Way	\$ 20,587	\$ 15,000	\$ 14,000	\$ 6,587	\$ 1,000	\$ 13,752	91.7%	
Commuter Rail	377,886	369,718	383,001	(5,115)	(13,283)	289,612	78.3%	
High-Technology Advanced Rail Transit	466,648	456,561	464,580	2,068	(8,019)	49,950	10.9%	
Elderly and Handicapped Fare Stabilization	27,000	20,000	20,000	7,000	-	16,010	80.1%	
Transitways	171,562	146,381	126,079	45,483	20,302	123,614	84.4%	1
Subtotal Projects	\$ 1,063,683	\$ 1,007,660	\$ 1,007,660	\$ 56,023	\$ -	\$ 492,938	48.9%	
Net (Bond Revenue)/Debt Service		56,023	56,023	(56,023)	-	54,157		
Total Transit Projects	\$ 1,063,683	\$ 1,063,683	\$ 1,063,683	\$ -	\$ -	\$ 547,095	51.4%	
Expenditures as a Percent of Total Program						18.4%		
Total Measure M Program	\$ 4,254,730	\$ 4,128,414	\$ 4,123,672	\$ 131,058	\$ 4,742	\$ 2,972,662	72.0%	

Notes:

1. Project Budget based on escalated value of 1996 Freeway Strategic Plan plus subsequent Board approved amendments.
2. Project Budget and Estimate at Completion equal to Total Net Tax Revenues as all funds collected will be expended on future projects.
3. Due to a change in reporting practices, Estimates at Completion now include approximately \$10 million of OCTA direct project labor not included in Project Budgets.
4. Project Budget increased by \$1.18 million, and Estimate at Completion increased by \$2.28 million for construction and legal costs associated with the SR-22 project.

Supporting Information to Measure M Revenue and Expenditure Summary

Schedule 1

<i>(\$ in thousands)</i>	Quarter Ended Dec 31, 2007	Year to Date Dec 31, 2007	Period from Inception to Dec 31, 2007
	(A)	(A)	(B)
Revenues:			
Sales taxes	\$ 69,150	\$ 128,335	\$ 3,201,009
Other agencies share of Measure M costs			
Project related	1,105	1,105	383,290
Non-project related	-	-	97
Interest:			
Operating:			
Project related	73	73	685
Non-project related	6,478	12,134	206,091
Bond proceeds	-	-	136,067
Debt service	284	1,154	71,692
Commercial paper	20	76	5,987
Orange County bankruptcy recovery	-	-	42,268
Capital grants	723	1,180	129,743
Right-of-way leases	106	214	3,988
Miscellaneous	-	-	801
Total revenues	77,939	144,271	4,181,718
Expenditures:			
Supplies and services:			
State Board of Equalization (SBOE) fees	647	1,294	47,593
Professional services:			
Project related	2,590	3,212	139,300
Non-project related	684	739	25,713
Administration costs:			
Project related	549	1,096	14,895
Non-project related	1,267	2,536	69,695
Orange County bankruptcy loss	-	-	78,618
Other:			
Project related	24	32	1,109
Non-project related	77	78	15,044
Payments to local agencies:			
Turnback	6,844	13,457	466,791
Competitive projects	16,434	17,779	445,680
Capital outlay	15,161	19,877	1,835,439
Debt service:			
Principal payments on long-term debt	-	-	696,110
Interest on long-term debt and commercial paper	229	8,917	524,958
Total expenditures	44,506	69,017	4,360,945
Excess (deficiency) of revenues over (under) expenditures	33,433	75,254	(179,227)
Other financing sources (uses):			
Transfers out:			
Project related	-	(1,000)	(251,369)
Non-project related	-	-	(5,116)
Transfers in project related	33	49	1,716
Proceeds on sale of capital assets	537	1,073	18,671
Bond proceeds	-	-	1,169,999
Advance refunding escrow	-	-	(931)
Payment to refunded bond escrow agent	-	-	(152,930)
Total other financing sources (uses)	570	122	780,040
Excess (deficiency) of revenues over (under) expenditures and other sources (uses)	\$ 34,003	\$ 75,376	\$ 600,813

Measure M
Schedule of Calculations of Net Tax Revenues and Net Bond Revenues (Debt Service)

<i>(\$ in thousands)</i>	Quarter Ended Dec 31, 2007 (actual)	Year Ended Dec 31, 2007 (actual)	Period from Inception through Dec 31, 2007 (actual)	Period from January 1, 2008 through March 31, 2011 (forecast)	Total
	(C.1)	(C.1)	(D.1)	(E.1)	(F.1)
Tax revenues:					
Sales taxes	\$ 69,150	\$ 128,335	\$ 3,201,009	\$ 1,005,334	\$ 4,206,343
Other agencies share of Measure M costs	-	-	97	-	97
Operating interest	6,478	12,134	206,091	34,409	240,500
Orange County bankruptcy recovery	-	-	20,683	-	20,683
Miscellaneous	-	-	801	-	801
Total tax revenues	<u>75,628</u>	<u>140,469</u>	<u>3,428,681</u>	<u>1,039,743</u>	<u>4,468,424</u>
Administrative expenditures:					
SBOE fees	647	1,294	47,593	9,249	56,842
Professional services, non-project related	663	686	16,968	5,715	22,683
Administration costs, non-project related	1,267	2,536	69,695	18,695	88,390
Operating transfer out, non-project related	-	-	5,116	-	5,116
Orange County bankruptcy loss	-	-	29,792	-	29,792
Other, non-project related	77	78	5,945	4,926	10,871
	<u>2,654</u>	<u>4,594</u>	<u>175,109</u>	<u>38,585</u>	<u>213,694</u>
Net tax revenues	<u><u>\$ 72,974</u></u>	<u><u>\$ 135,875</u></u>	<u><u>\$ 3,253,572</u></u>	<u><u>\$ 1,001,158</u></u>	<u><u>\$ 4,254,730</u></u>
Bond revenues:					
Proceeds from issuance of bonds	\$ -	\$ -	\$ 1,169,999	\$ -	\$ 1,169,999
Interest revenue from bond proceeds	-	-	136,067	-	136,067
Interest revenue from debt service funds	284	1,154	71,692	13,217	84,909
Interest revenue from commercial paper	20	76	5,987	-	5,987
Orange County bankruptcy recovery	-	-	21,585	-	21,585
Total bond revenues	<u>304</u>	<u>1,230</u>	<u>1,405,330</u>	<u>13,217</u>	<u>1,418,547</u>
Financing expenditures and uses:					
Professional services, non-project related	21	53	8,745	-	8,745
Payment to refunded bond escrow	-	-	153,861	-	153,861
Bond debt principal	-	-	696,110	307,845	1,003,955
Bond debt interest expense	229	8,917	524,958	37,676	562,634
Orange County bankruptcy loss	-	-	48,826	-	48,826
Other, non-project related	-	-	9,099	-	9,099
Total financing expenditures and uses	<u>250</u>	<u>8,970</u>	<u>1,441,599</u>	<u>345,521</u>	<u>1,787,120</u>
Net bond revenues (debt service)	<u><u>\$ 54</u></u>	<u><u>\$ (7,740)</u></u>	<u><u>\$ (36,269)</u></u>	<u><u>\$ (332,304)</u></u>	<u><u>\$ (368,573)</u></u>

Measure M
Schedule of Revenues and Expenditures Summary
as of December 31, 2007

Project Description	Net Tax Revenues Program to date Actual	Total Net Tax Revenues	Project Budget	Estimate at Completion	Variance Total Net Tax Revenues to Est at Completion	Variance Project Budget to Est at Completion	Expenditures through Dec 31, 2007	Reimbursements through Dec 31, 2007	Net Project Cost	Percent of Budget Expended
(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)
<i>(\$ in thousands)</i>										
Freeways (43%)										
I-5 between I-405 and I-605	\$ 767,623	\$ 1,003,828	\$ 810,010	\$ 804,622	\$ 199,206	\$ 5,388	\$ 762,634	\$ 79,073	\$ 683,561	84.4%
I-5 between I-5/I-405 Interchange and San Clemente	54,906	71,801	57,836	60,030	11,771	(2,194)	70,173	10,358	59,815	103.4%
I-5/I-405 Interchange	69,688	91,131	72,802	73,075	18,056	(273)	98,157	25,082	73,075	100.4%
SR-55 between I-5 and SR-91	46,459	60,754	44,511	50,196	10,558	(5,685)	55,351	6,172	49,179	110.5%
SR-57 between I-5 and Lambert Road	40,123	52,470	46,128	44,596	7,874	1,532	25,617	2,859	22,758	49.3%
SR-91 between Riverside Co. line & Los Angeles Co. line	100,308	131,174	116,136	105,666	25,508	10,470	123,939	18,606	105,333	90.7%
SR-22 between SR-55 and Valley View St.	319,930	418,376	245,641	250,137	168,239	(4,496)	524,812	285,666	239,146	97.4%
Subtotal Projects	1,399,037	1,829,534	1,393,064	1,388,322	441,212	4,742	1,660,683	427,816	1,232,867	
Net (Bond Revenue)/Debt Service			310,154	310,154	(310,154)	-	299,824		299,824	
Total Freeways	\$ 1,399,037	\$ 1,829,534	\$ 1,703,218	\$ 1,698,476	\$ 131,058	\$ 4,742	\$ 1,960,507	\$ 427,816	\$ 1,532,691	
%				41.2%						51.6%
Regional Street and Road Projects (11%)										
Smart Streets	\$ 122,706	\$ 160,464	\$ 158,068	\$ 158,068	\$ 2,396	\$ -	\$ 137,188	\$ 3,489	\$ 133,699	84.6%
Regionally Significant Interchanges	71,579	93,604	93,604	93,604	-	-	49,770	146	49,624	53.0%
Intersection Improvement Program	102,255	133,720	133,720	133,720	-	-	63,236	56	63,180	47.2%
Traffic Signal Coordination	51,128	66,860	66,860	66,860	-	-	38,230	132	38,098	57.0%
Transportation Systems Management and Transportation Demand Management	10,226	13,372	13,372	13,372	-	-	7,002	149	6,853	51.2%
Subtotal Projects	357,894	468,020	465,624	465,624	2,396	-	295,426	3,972	291,454	
Net (Bond Revenue)/Debt Service			2,396	2,396	(2,396)	-	2,316		2,316	
Total Regional Street and Road Projects	\$ 357,894	\$ 468,020	\$ 468,020	\$ 468,020	\$ -	\$ -	\$ 297,742	\$ 3,972	\$ 293,770	
%				11.3%						9.9%

Measure M
Schedule of Revenues and Expenditures Summary
as of December 31, 2007

Project Description (G)	Net Tax Revenues Program to date Actual (H)	Total Net Tax Revenues (I)	Project Budget (J)	Estimate at Completion (K)	Variance Total Net Tax Revenues to Est at Completion (L)	Variance Project Budget to Est at Completion (M)	Expenditures through Dec 31, 2007 (N)	Reimbursements through Dec 31, 2007 (O)	Net Project Cost (P)	Percent of Budget Expended (Q)
Local Street and Road Projects (21%)										
Master Plan of Arterial Highway Improvements	\$ 110,230	\$ 174,921	\$ 174,921	\$ 174,921	\$ -	\$ -	\$ 68,635	\$ 99	\$ 68,536	39.2%
Streets and Roads Maintenance and Road Improvements	473,019	618,572	618,572	618,572	-	-	466,807	-	466,807	75.5%
Growth Management Area Improvements	100,000	100,000	100,000	100,000	-	-	64,194	431	63,763	63.8%
Subtotal Projects	683,249	893,493	893,493	893,493	-	-	599,636	530	599,106	
Net (Bond Revenue)/Debt Service							-		-	
Total Local Street and Road Projects	\$ 683,249	\$ 893,493	\$ 893,493	\$ 893,493	\$ -	\$ -	\$ 599,636	\$ 530	\$ 599,106	
%				21.7%					20.2%	
Transit Projects (25%)										
Pacific Electric Right-of-Way	\$ 15,743	\$ 20,587	\$ 15,000	\$ 14,000	\$ 6,587	\$ 1,000	\$ 16,210	\$ 2,458	\$ 13,752	91.7%
Commuter Rail	289,614	377,886	369,718	383,001	(5,115)	(13,283)	350,165	60,553	289,612	78.3%
High-Technology Advanced Rail Transit	356,843	466,648	456,561	464,580	2,068	(8,019)	56,031	6,081	49,950	10.9%
Elderly and Handicapped Fare Stabilization	20,000	27,000	20,000	20,000	7,000	-	16,010	-	16,010	80.1%
Transitways	131,192	171,562	146,381	126,079	45,483	20,302	160,280	36,666	123,614	84.4%
Subtotal Projects	813,392	1,063,683	1,007,660	1,007,660	56,023	-	598,696	105,758	492,938	
Net (Bond Revenue)/Debt Service			56,023	56,023	(56,023)	-	54,157		54,157	
Total Transit Projects	\$ 813,392	\$ 1,063,683	\$ 1,063,683	\$ 1,063,683	\$ -	\$ -	\$ 652,853	\$ 105,758	\$ 547,095	
%				25.8%					18.4%	
Total Measure M Program	\$ 3,253,572	\$ 4,254,730	\$ 4,128,414	\$ 4,123,672	\$ 131,058	\$ 4,742	\$ 3,510,738	\$ 538,076	\$ 2,972,662	



BOARD COMMITTEE TRANSMITTAL

February 25, 2008

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Consultant Selection for Bus Rapid Transit Intelligent Transportation Systems, Traffic Signal Synchronization Project, and Transit Signal Priority Design

Transit Committee Meeting of February 14, 2008

Present: Directors Brown, Buffa, Dixon, Green, Nguyen, Pulido, and Winterbottom
Absent: None

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

- A. Authorize the Chief Executive Officer to execute Agreement No. C-7-1164 between the Orange County Transportation Authority and ICx Transportation Group, Inc., in an amount not to exceed \$15,634,666, for the Bus Rapid Transit Intelligent Transportation Systems, Traffic Signal Synchronization Project, and Transit Signal Priority design.
- B. Amend the Orange County Transportation Authority's Fiscal Year 2007-08 Capital Budget by \$12,613,012, Account 0051-9011-A9601-3TO to accommodate the encumbrance of the entire contract in this fiscal year.
- C. Transfer \$477,821 from the Orange County Transportation Authority's Fiscal Year 2007-08 Services and Supplies Budget, Account 1545-7519-A9601-3TR to the Orange County Transportation Authority's Fiscal Year 2007-08 Capital Budget, Account 0051-9011-A9601-3TO, to properly account for the capitalization of expenditures related to Agreement No. C-7-1164.



Committee Discussion

Committee Members directed staff to explore technology and logistics for ticketing and fare integration. The consensus was for staff to hire a consultant to look at ticketing issues.



February 14, 2008

To: Transit Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Consultant Selection for Bus Rapid Transit Intelligent Transportation Systems, Traffic Signal Synchronization Project, and Transit Signal Priority Design

Overview

On September 24, 2007, the Orange County Transportation Authority Board of Directors authorized the release of a request for proposals for the technology elements of the bus rapid transit project. Offers were received in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services.

Recommendations

- A. Authorize the Chief Executive Officer to execute Agreement No. C-7-1164 between the Orange County Transportation Authority and ICx Transportation Group, Inc., in an amount not to exceed \$15,634,666, for the Bus Rapid Transit Intelligent Transportation Systems, Traffic Signal Synchronization Project, and Transit Signal Priority design.
- B. Amend the Orange County Transportation Authority's Fiscal Year 2007-08 Capital Budget by \$12,613,012, Account 0051-9011-A9601-3TO to accommodate the encumbrance of the entire contract in this fiscal year.
- C. Transfer \$477,821 from the Orange County Transportation Authority's Fiscal Year 2007-08 Services and Supplies Budget, Account 1545-7519-A9601-3TR to the Orange County Transportation Authority's Fiscal Year 2007-08 Capital Budget, Account 0051-9011-A9601-3TO, to properly account for the capitalization of expenditures related to Agreement No. C-7-1164.

Background

In order to satisfy regional air quality commitments and offer more effective and efficient transit solutions to Orange County (County) citizens, the Orange County Transportation Authority (Authority) plans to launch a bus rapid transit (BRT) program to provide differentiated service for riders who travel longer distances over core County corridors. BRT service can be differentiated from traditional fixed-route service by a combination of characteristics including limited stops, real time passenger information systems (RTPI), an emphasis on synchronized signal advantages, and transit signal priority. BRT seeks to optimize commute efficiency with a blend of technology and operational elements.

On October 14, 2005, the Authority's Board of Directors (Board) approved the BRT implementation strategy to provide BRT service on three corridors. Subsequently, on June 11, 2007, the Board approved the implementation plan, which outlined the required procurements to implement the program. On September 24, 2007, the Board authorized issuance of a request for proposals (RFP) to design, furnish, install, and test the Bus Rapid Transit Intelligent Transportation System (ITS), Traffic Signal Synchronization (TSS) Project, and Transit Signal Priority (TSP) 30 percent design.

Discussion

This procurement was handled in accordance with the Orange County Transportation Authority's (Authority) procedures for professional and technical services. In addition to cost, many other factors are considered in an award for professional and technical services. Therefore, the requirement was handled as a competitive negotiated procurement. Award is recommended to the firm offering the most effective overall proposal considering such factors as approach to the requirements or work plan, overall value, prior experience with similar projects, and proposed staffing.

On October 9, 2007, a RFP for the procurement of the bus rapid transit ITS, TSS project, and TSP 30 percent design was issued. An electronic notice was sent to 3,957 firms registered on CAMM NET. In addition, the project was advertised in the Orange County Register on October 8, 2007 and October 15, 2007. A pre-proposal conference was held on October 23, 2007, and was attended by 30 people representing 24 firms.

Three addenda were issued to:

- Post the pre-proposal conference sign-in sheet
- Respond to questions received
- Extend the due date for receipt of proposals

On December 3, 2007, proposals were received from four firms: IBI Group, ICx Transportation Group, Inc. (ICx), Orbital Sciences Corporation (Orbital), and Telvent Farradyne, Inc. (Telvent).

An evaluation committee composed of staff from Contracts Administration and Materials Management, Information Systems, the interim BRT project manager, the City of Anaheim, and the City of Los Angeles was established to review all offers submitted. The offers were evaluated based on the following criterion which was approved by the Authority's Board on September 24, 2007:

Qualifications of the Firm	20 Percent
Staffing and Project Organization	20 Percent
Work Plan	35 Percent
Cost and Price	25 Percent

The evaluation committee rated the proposals of the four firms. The two highest ranked firms, ICx and Telvent, were interviewed by the evaluation committee on January 17, 2008.

IBI Group and Orbital were not asked to interview based on evaluation scores. In the view of the evaluation committee, the interviews could not benefit either of these firms sufficiently to bring them in the range of the top two ranked firms.

ICx and Telvent were allowed three hours for the interview, which included one hour for a company presentation and optional demonstration followed by two hours of questions and answers. Both firms were allowed 30 minutes for equipment set-up prior to the commencement of the interview.

The following is a discussion of the four evaluation criteria categories related to the selection process:

Qualifications of the Firm

Both firms were qualified to provide the BRT solution. Each firm has relevant experience and skilled sub-contractors. ICx has a wide array of experience in

delivering similar projects. Telvent is a reputable firm with a breadth of resources.

Staffing and Project Organization

The evaluation committee unanimously preferred the ICx team approach. As a result of the proposals and subsequent interviews, ICx staffing and project organization appeared to best align with the Authority's project implementation plan with respect to this requirement. During the interview, ICx demonstrated a strong and unified team approach that balanced with the evidenced technical experience of the project team.

Work Plan

ICx demonstrated a thorough and technical understanding of the Authority's requirements. ICx proposed a comprehensive work plan that addressed the entire BRT solution. Both firms provided a viable approach to the TSS and TSP scope elements. The key differential factor between the two firms was the approach to the ITS component. ICx proposed a solution supported by Clever Devices while Telvent proposed a solution supported by NextBus. Upon comparison of the two approaches, the evaluation committee judged the ICx approach best met the scope requirements and project vision.

Cost and Price

ICx proposed a lower price of \$15,634,666 to provide the complete BRT solution. The price is inclusive of everything required to meet the Authority's specifications. Telvent proposed a higher price of \$25,249,733. The difference in price between these two firms occurs primarily in the design and implementation of the ITS solution.

Optional extended warranty and maintenance pricing for the life of the system was requested in the scope of work but are not included in the prices above. These options will be reviewed by staff prior to system installation. Staff recommendations will be provided to the Board for decision regarding the disposition of these options. However, both cost proposals do include a warranty provision that continues for two years after Authority execution of a certificate of final acceptance of the system on all warranted system components. In addition, both cost proposals also include preventive maintenance on the entire ITS system during the warranty period.

Staff recommends the following firm to the Transit Committee for consideration of an award:

Firm and Location

ICx Transportation Group
Orange, California

Fiscal Impact

The design portion of this project was approved in the Authority's Fiscal Year 2007-08 Services and Supplies Budget, Transit Division, Account 1545-7519-A9601-3TR. When the budget was developed, it was not anticipated that installation services or equipment would be included in the same contract. Since this contract includes all of these elements, certain portions will be considered capital items and will require budget authority in the current fiscal year. As a result, it is necessary to transfer \$477,821 from the services and supplies budget, Account 1545-7519-A9601-3TR, to the capital budget, Account 0051-9011-A9601-3TO, and increase this same account by an additional \$12,613,012 to accommodate the award of this contract in the current fiscal year.

In summary, this contract award will be funded with \$13,090,833 (transfer of \$477,821 plus budget amendment of \$12,613,012) from the capital budget, Account 0051-9011-A9601-3TO and \$2,543,833 from services and supplies budget, Transit Division, Account 1545-7519-A9601-3TR for a total of \$15,634,666.

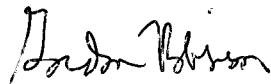
Summary

Staff recommends award of Agreement No. C-7-1164 to ICx Transportation Group, Inc., in an amount not to exceed \$15,634,666, for the Bus Rapid Transit Intelligent Transportation Systems, Traffic Signal Synchronization Project, and Transit Signal Priority design. Budget authority is required to transfer funds from the services and supplies budget to the capital budget to accommodate the award of this contract in the current fiscal year.

Attachments

- A. Proposal Evaluation Summary Matrix RFP 7-1164 – Bus Rapid Transit Intelligent Transportation Systems, Traffic Signal Synchronization, and Transit Signal Priority Design
- B. RFP 7-1164 “Bus Rapid Transit Intelligent Transportation Systems, Traffic Signal Synchronization, and Transit Signal Priority Design” Review of Proposals

Prepared by:



Gordon Robinson
BRT Project Manager
714-560-5715

Approved by:



Beth McCormick
General Manager, Transit
714-560-5964

**PROPOSAL EVALUATION SUMMARY MATRIX
RFP 7-1164 - BUS RAPID TRANSIT INTELLIGENT TRANSPORTATION SYSTEMS,
TRAFFIC SIGNAL SYNCHRONIZATION PROJECT, AND TRANSIT SIGNAL PRIORITY DESIGN**

FIRM: ICX TRANSPORTATION GROUP						Weights	Overall Score
Evaluation Number	1	2	3	4	5		
Qualifications of Firm	3.50	3.00	3.50	3.00	3.00	4	12.80
Staffing & Project Organization	4.00	4.00	4.50	4.50	4.00	4	16.80
Work Plan	4.00	4.50	4.00	4.00	4.00	7	28.70
Cost & Price	4.50	4.50	4.50	4.50	4.50	5	22.50
	80.50	82.00	82.50	80.50	78.50		81

FIRM: TELVENT FARRADYNE						Weights	Overall Score
Evaluation Number	1	2	3	4	5		
Qualifications of Firm	4.00	3.50	4.50	3.50	4.00	4	15.60
Staffing & Project Organization	3.50	3.50	3.50	3.00	3.00	4	13.20
Work Plan	3.50	4.00	4.00	4.00	3.50	7	26.60
Cost & Price	3.50	3.50	3.50	3.50	3.50	5	17.50
	72.00	73.50	77.50	71.50	70.00		73

RFP 7-1164, "Bus Rapid Transit Intelligent Transportation Systems, Traffic Signal Synchronization Project, and Transit Signal Priority Design"

Review of Proposals

PRESENTED TO THE TRANSIT COMMITTEE - February 14, 2008

4 proposals were received, 2 firms were interviewed, and 1 firm recommended for award

Overall Ranking	Proposal Score	Firm & Location	Sub-Contractors	Evaluation Committee Comments	Firm Fixed Price
1	81	ICx Transportation Group, Inc. Orange, CA	Clever Devices LTD Iteris, Inc. Albert Grover and Associates CH2M Hill EIGER TechSystems, Inc. Southland Car Counters Griego and Associates Crosstown Electrical and Data, Inc.	Excellent proposal; met or exceeded proposal requirements. Excellent technical work plan, clearly understood scope of work. Proposed team has strong relationships with local agencies. Provided excellent responses to interview questions. References provided excellent comments and feedback. Strong project team with extensive experience. Provided a good description of the predictive accuracy model. Proposed lower price.	\$15,634,666
2	73	Telvent Farradyne, Inc. Los Angeles, CA	NextBus, Inc. Kimley-Horn and Associates, Inc. EIGER TechSystems, Inc. Griego and Associates Crosstown Electrical and Data, Inc.	Second ranked firm. Good overall proposal. Project team has extensive experience. Firms have experience with all components of BRT solution. Responded well to interview questions. Good technical work plan. Proposed solution is more algorithmically complex. Strong transportation backgrounds. Proposed higher price.	\$25,249,733

Evaluation Panel:

Proposal Criteria

Weight Factors

Interim Project Manager	Qualification of the Firm	20%
Information Systems	Staffing and Project Organization	20%
Contracts Administration and	Work Plan	35%
Materials Management	Cost and Price	25%
City of Anaheim		
City of Los Angeles		



BOARD COMMITTEE TRANSMITTAL

February 25, 2008

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Amendment to Agreement for Bus Cleaning and Environmental Control Services

Transit Committee Meeting of February 14, 2008

Present: Directors Brown, Buffa, Dixon, Green, Nguyen, Pulido, and Winterbottom
Absent: None

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement No. C-6-0854 between the Orange County Transportation Authority and Corporate Image Maintenance, to exercise the first option term in an amount not to exceed \$525,000, for bus cleaning and environmental control services, for a total contract value of \$1,050,000.



February 14, 2008

To: Transit Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Amendment to Agreement for Bus Cleaning and Environmental Control Services

Overview

On May 14, 2007, the Board of Directors approved an agreement with Corporate Image Maintenance, in the amount of \$525,000, to provide bus cleaning and environmental control services on all Orange County Transportation Authority vehicles for one year.

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement No. C-6-0854 between the Orange County Transportation Authority and Corporate Image Maintenance, to exercise the first option term in an amount not to exceed \$525,000, for bus cleaning and environmental control services, for a total contract value of \$1,050,000.

Background

Transit buses routinely require pesticide application services to effectively control pests. Historically, the Orange County Transportation Authority's (Authority) pest management program consisted of contractor services for licensed application of pesticides, placement of bait, and detail cleaning. Detail cleaning is an important element of the program, providing strategies for pest prevention as well as removal of chemical residue that follows spraying and fogging. The agreement provides for scheduled pesticide/bait application four times per year and includes a complete interior detail cleaning after application for the Authority's fixed route buses. The pesticide application and cleaning is performed on weekends when a greater number of buses are available.

The contractor provides all supervision, equipment, labor, and materials to perform this service for detail interior cleaning of a 40-foot or 60-foot transit bus. The agreement also provides for certain supplemental tasks. These

include exterior window hard water spot and calcium removal, applying window sealant, removal/replacement of window protectors when required for any bus. The contract also provides for regular thorough cleanings of the automobiles used by coach operators relieving each other.

Discussion

This procurement was handled in accordance with the Authority's procedures for procurement of professional and technical services. The original agreement was awarded on a competitive basis.

The agreement awarded on May 14, 2007, was for an initial term of one-year, in the amount of \$525,000, plus two, one-year options. Staff recommends Amendment No.1 to Agreement No. C-6-0854, to exercise the first option term as bid by the contractor in the amount of \$525,000.

Fiscal Impact

The work described in Amendment No. 1 to Agreement No. C-6-0854 was approved in the Authority's Fiscal Year 2007-08 Budget, Transit Division, Maintenance Department, Account 2166-7613, and is funded through the Local Transportation Fund.

Summary

Staff recommends approval of Amendment No. 1, in the amount of \$525,000, to Agreement No. C-6-0854 with Corporate Image Maintenance to exercise the first option term.


Attachment

- A. Corporate Image Maintenance Agreement No. C-6-0854 Fact Sheet

Prepared by:


Connie Raya
Section Manager,
Maintenance Resource Management
714-560-5962

Approved by:


Beth McCormick
General Manager, Transit
714-560-5964

**Corporate Image Maintenance
Agreement No. C-6-0854 Fact Sheet**

1. May 14, 2007, Agreement No. C-6-0854, \$525,000, approved by Board of Directors.
 - Bus cleaning and environmental control services.
 - Term of agreement May 1, 2007 through April 30, 2008.

2. February 25, 2008, Amendment No. 1 to Agreement No. C-6-0854, \$525,000, pending approval by Board of Directors.
 - Execute the first option year offered on the original agreement for bus cleaning and environmental control services.
 - Term of Agreement will be May 1, 2008 through April 30, 2009.

Total committed to Corporate Image Maintenance, Agreement No. C-6-0854:
\$1,050,000



BOARD COMMITTEE TRANSMITTAL

February 25, 2008

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: Agreement for Vehicle Oil Analysis

Transit Committee Meeting of February 14, 2008

Present: Directors Brown, Buffa, Dixon, Green, Nguyen, Pulido, and Winterbottom
Absent: None

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation (reflects change from staff recommendation)

Authorize the Chief Executive Officer to execute Agreement No. C-7-1137 between the Orange County Transportation Authority and ANA Laboratories, Inc., in an amount not to exceed \$48,000, for vehicle oil analysis for a term of three years with two one-year options.



February 14, 2008

To: Transit Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Agreement for Vehicle Oil Analysis

Overview

The Orange County Transportation Authority Maintenance Department requires oil analysis services for oil samples accumulated during preventive maintenance inspections. Offers were received in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services.

Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-7-1137 between the Orange County Transportation Authority and ANA Laboratories, Inc., in an amount not to exceed \$48,000, for vehicle oil analysis for a term of one year, with four one-year options.

Background

The Orange County Transportation Authority (Authority) presently operates approximately 570 buses and an assortment of other vehicles to provide transit services to the citizens of Orange County. Prior to a scheduled preventive maintenance inspection, a sample of the vehicle's engine oil/transmission fluid is taken and sent to a certified laboratory to analyze the oil and fluids to provide early warning signs of oil contamination, loss of viscosity, or the presence of foreign matter. Early detection of oil problems helps prevent costly repairs and premature failures of engines, transmissions, and other components. Analysis is also used in the management of products stored in underground storage tanks, such as diesel, liquefied natural gas, and other types of fuels and lubricants used throughout the Authority.

Discussion

This procurement was handled in accordance with the Orange County Transportation Authority's procedures for professional and technical services. In addition to cost, many other factors are considered in an award for professional and technical services. Therefore, the requirement was handled as a competitive negotiated procurement. Award is recommended to the firm offering the most effective overall proposal considering such factors as staffing, prior experience with similar projects, approach to the requirement, and technical expertise in the field.

The project was advertised on September 27, 2007 and October 4, 2007, in the Orange County Register, and an electronic notice was sent to 323 firms registered on CAMM NET. A pre-proposal meeting was held on October 9, 2007, and no firms attended.

On October 29, 2007, two offers were received. An evaluation committee composed of staff from Maintenance Resource Management, Maintenance Support Services, Safety and Environmental Compliance, Maintenance, and Contracts Administration and Materials Management departments was established to review all offers submitted. The offers were evaluated on the basis of staffing, prior experience, technical experience, and cost. Based on their findings, the evaluation committee recommends the following firm to the Transit Committee for consideration of an award:

Firm and Location

ANA Laboratories, Inc.
Bellmawr, New Jersey

The incumbent firm ANA Laboratories, Inc., offered the most responsive proposal, meeting the Authority's scope of work, and currently providing this service to over 75 large transit properties.

Over 6,000 oil and fuel samples are tested per year. Dependent on the sample type, prices range from \$5.70 to \$150 per sample. The requested amount of \$48,000 covers approximately 5,000 oil samples at \$5.70, 1,000 transmission oil samples at \$6.70, over 300 diesel fuel samples at \$30 each, and allows for other required fluid sample testing.

The proposal submitted by Fluid RX, Inc., offered a program that takes exception to the scope of work specified in the request for proposal and offers

alternatives that would require Authority personnel to perform in-house oil analysis. Fluid RX, Inc., provides a do-it-yourself kit which the Authority would be responsible for analyzing. Therefore, the Authority would be required to hire personnel experienced in chemical analysis, hazardous fluids and sample kit debris disposal, as well as the acquisition of necessary equipment to perform the self-analysis.

Fiscal Impact

The project was approved in the Authority's Fiscal Year 2007-08 Budget, Transit, Maintenance Resource Management, Account 2159-7613-D2108-F5X, and is funded through the Local Transportation Fund.

Summary

Staff recommends award of Agreement No. C-7-1137 to ANA Laboratories, Inc., in an amount not to exceed \$48,000, for vehicle oil analysis.

Attachments

- A. Vehicle Oil Analysis Review of Proposals 7-1137
- B. Proposal Evaluation Criteria Matrix RFP No. 7-1137, Vehicle Oil Analysis

Prepared by:


Connie Raya
Section Manager,
Maintenance Resource Management
(714) 560-5975

Approved by:


Beth McCormick
General Manager, Transit
(714) 560-5964

**Vehicle Oil Analysis
Review of Proposals 7- 1137
(Presented to Transit Committee – 2/14/08)**

2 proposals were received, 2 firm were interviewed, 1 firm was recommended

Overall Ranking	Overall Score	Firm & Location	Sub-Contractors	Evaluation Committee Comments	Firm Fixed Rates																
1	88.00	Ana Labs, Inc. Bellmawr, NJ	None	<ul style="list-style-type: none"> . Firm and staff have extensive similar project experience . The #1 oil analysis lab for transit agencies in the US, serving more than 75 transit agencies nationwide . Clear and thorough understanding of requirements . Excellent work plan . Lowest price proposed . Incumbent firm . Web-access software offers ability to perform additional oil analysis 	<table style="width: 100%; border: none;"> <tr> <td>Used Engine Oil</td> <td style="text-align: right;">\$ 5.70/sample</td> </tr> <tr> <td>New Engine Oil</td> <td style="text-align: right;">\$ 5.70/sample</td> </tr> <tr> <td>Transmission Oil</td> <td style="text-align: right;">\$ 6.70/sample</td> </tr> <tr> <td>Air Compressor Oil</td> <td style="text-align: right;">\$ 5.50/sample</td> </tr> <tr> <td>Hydraulic Oil</td> <td style="text-align: right;">\$5.50/sample</td> </tr> <tr> <td>Diesel Fuel (minor)</td> <td style="text-align: right;">\$30.00/sample</td> </tr> <tr> <td>Diesel Fuel (major)</td> <td style="text-align: right;">\$150.00/sample</td> </tr> <tr> <td>Coolant</td> <td style="text-align: right;">\$ 10.00/sample</td> </tr> </table>	Used Engine Oil	\$ 5.70/sample	New Engine Oil	\$ 5.70/sample	Transmission Oil	\$ 6.70/sample	Air Compressor Oil	\$ 5.50/sample	Hydraulic Oil	\$5.50/sample	Diesel Fuel (minor)	\$30.00/sample	Diesel Fuel (major)	\$150.00/sample	Coolant	\$ 10.00/sample
Used Engine Oil	\$ 5.70/sample																				
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Diesel Fuel (minor)	\$30.00/sample																				
Diesel Fuel (major)	\$150.00/sample																				
Coolant	\$ 10.00/sample																				
2	37.00	Fluid Rx, Inc. San Diego, CA	Herguth Lab, Inc. Vallejo, CA	<ul style="list-style-type: none"> . Firm and staff have no similar project experience . Lack of understanding of requirements specified in scope of work . Have no required web-access software available to offer Authority at this time . Non-Responsive to the scope of work; the work approach using their instant Fluid Diagnostics products is not applicable to the scope of work . Price is twice higher than Ana Labs, Inc. 	<table style="width: 100%; border: none;"> <tr> <td>Used Engine Oil</td> <td style="text-align: right;">\$ 6.91/sample</td> </tr> <tr> <td>New Engine Oil</td> <td style="text-align: right;">\$77.49/sample</td> </tr> <tr> <td>Transmission Oil</td> <td style="text-align: right;">\$ 4.75/sample</td> </tr> <tr> <td>Air Compressor Oil</td> <td style="text-align: right;">\$15.40/sample</td> </tr> <tr> <td>Hydraulic Oil</td> <td style="text-align: right;">\$15.40/sample</td> </tr> <tr> <td>Diesel Fuel (minor)</td> <td style="text-align: right;">\$116.76/sample</td> </tr> <tr> <td>Diesel Fuel (major)</td> <td style="text-align: right;">\$1,217.00/sample</td> </tr> <tr> <td>Coolant</td> <td style="text-align: right;">\$1.29/sample</td> </tr> </table>	Used Engine Oil	\$ 6.91/sample	New Engine Oil	\$77.49/sample	Transmission Oil	\$ 4.75/sample	Air Compressor Oil	\$15.40/sample	Hydraulic Oil	\$15.40/sample	Diesel Fuel (minor)	\$116.76/sample	Diesel Fuel (major)	\$1,217.00/sample	Coolant	\$1.29/sample
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Diesel Fuel (minor)	\$116.76/sample																				
Diesel Fuel (major)	\$1,217.00/sample																				
Coolant	\$1.29/sample																				

Evaluation Panel:

Facility Maintenance
Maintenance Support Services
Transit Maintenance
CMM
Safety & Environmental Compliance

Proposal Criteria

Qualifications of Firm
Proposed Staffing
Work Plan
Cost and Price

Weight Factors

25%
25%
25%
25%

PROPOSAL EVALUATION CRITERIA MATRIX

RFP NO. 7-1137, Vehicle Oil Analysis

Firm: Ana Labs, Inc.						Weights	Overall Score
Evaluation Number	1	2	3	4	5		
Qualifications of Firm	4.00	4.00	4.00	4.00	4.50	5	21
Staffing & Project Organization	4.00	4.00	4.00	4.00	4.00	5	20
Work Plan	4.00	4.50	5.00	4.00	4.50	5	22
Cost & Price	5.00	5.00	5.00	5.00	5.00	5	25
Overall Score	85.00	87.50	90.00	85.00	90.00		88
Firm: Fluid Rx, Inc.						Weights	Overall Score
Evaluation Number	1	2	3	4	5		
Qualification of Firm	2.0	1.0	1.0	1.0	2.0	5	7.0
Staffing & Project Organization	2.0	1.0	1.0	2.0	2.0	5	8.0
Work Plan	2.0	1.0	1.0	1.0	2.0	5	7.0
Cost and Price	3.0	3.0	3.0	3.0	3.0	5	15.0
Overall Score	45.0	30.0	30.0	35.0	45.0		37



BOARD COMMITTEE TRANSMITTAL

February 25, 2008

To: Members of the Board of Directors
From: ^{WIK} Wendy Knowles, Clerk of the Board
Subject: Agreement for Purchase of Field Supervision, Roadcall, and Transit Police Vehicles

Transit Committee Meeting of February 14, 2008

Present: Directors Brown, Buffa, Dixon, Green, Nguyen, Pulido, and Winterbottom
Absent: None

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute Purchase Order A06661 between the Orange County Transportation Authority and Villa Ford, in an amount not to exceed \$77,749, for two full-sized sedans and one police utility vehicle, and Purchase Order A06686 between the Orange County Transportation Authority and Wondries Fleet Group, in an amount not to exceed \$94,146, for one police sedan and one roadcall utility vehicle.



February 14, 2008

To: Transit Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Agreement for Purchase of Field Supervision, Roadcall, and Transit Police Vehicles

Overview

A non-revenue vehicle that exceeds its useful life, as outlined by Federal Transit Administration criteria, may be replaced to avoid excessive reliability or cost problems due to aging or high mileage. In accordance with these guidelines, the following non-revenue vehicles are scheduled to be replaced: two field supervision sedans, one police sedan, one police utility vehicle, and one utility roadcall vehicle. Bids were received in accordance with the Orange County Transportation Authority's procurement procedures.

Recommendation

Authorize the Chief Executive Officer to execute Purchase Order A06661 between the Orange County Transportation Authority and Villa Ford, in an amount not to exceed \$77,749, for two full-sized sedans and one police utility vehicle, and Purchase Order A06686 between the Orange County Transportation Authority and Wondries Fleet Group, in an amount not to exceed \$94,146, for one police sedan and one roadcall utility vehicle.

Background

The Orange County Transportation Authority (Authority) follows the Federal Transit Administration (FTA) service life policy guidelines for replacement of non-revenue and police vehicles. The FTA criterion for replacing non-revenue vehicles is five years or 100,000 miles. The current mileage on the two field supervision sedans is 120,589 and 115,119; both are expected to reach almost 150,000 by the time it is replaced. The roadcall truck is currently at 49,000 miles, however the truck has been in service for 12 years. To ensure that Transit Police Services (TPS) vehicles can operate under difficult conditions and remain reliable, the Board approved a policy to replace these vehicles at 70,000 miles in 2000. The TPS sedan is currently at 95,209 miles, and the

TPS utility vehicle is currently at 88,369 miles. Both TPS vehicles will be close to 100,000 miles by the time it is replaced. All vehicles being replaced exceed the mileage and/or age requirements. Replacement vehicles will address excessive reliability problems and increased maintenance costs which accompany vehicle aging and mileage accumulation under severe operating conditions. Vehicles programmed for replacement by the newly procured vehicles will be auctioned when the vehicles are removed from service in accordance with FTA guidelines for disposal of surplus vehicles.

Discussion

This procurement was handled in accordance with the Authority's procedures for fixed assets, which permit the use of sealed bids. Therefore, the requirement was handled as a sealed bid and award is made to the lowest responsive and responsible bidders. The split award between the two bidders is utilized to maximize the savings benefit to the Authority.

The procurement was advertised on September 12 and September 19, 2007, in a newspaper of general circulation. Notices were sent to 127 vendors registered in CAMM NET. A pre-bid meeting was not held for this procurement.

On October 25, 2007, two bids were received. The bids were reviewed by staff from Maintenance Resource Management and Contracts Administration and Materials Management departments to ensure compliance with the terms, conditions, and vehicle specifications. The bidders were deemed responsible and responsive to the requirements identified in the invitation for bids. Based on their findings, staff recommends the following firms for consideration of an award:

Firm and Location

Villa Ford
Orange, California

Wondries Fleet Group
Alhambra, California

Fiscal Impact

This project was approved in the Authority's Fiscal Year 2007-08 Budget, Transit Division, Maintenance Resource Management, under various accounts, and is funded through the Local Transportation Fund.

Summary

Staff recommends award of Purchase Order A06661 to Villa Ford, in an amount not to exceed \$77,749, and Purchase Order A06686 to Wondries Fleet Group, in an amount not to exceed \$94,146, for purchase of non-revenue vehicles.

Attachment

- A. Cost Analysis for IFB 7-1161- Multiple Vehicle Purchase

Prepared by:



Connie Raya
Section Manager,
Maintenance Resource Management
(714) 560-5975

Approved by:



Beth McCormick
General Manager, Transit
(714) 560-5964

Cost Analysis For IFB 7-1161 - Multiple Vehicle Purchase

Bids Received

		Villa Ford				Wondries Fleet Group			
item	Description	QTY	Proposed Brand/Model	Unit Price	Extended Price	QTY	Proposed Brand/Model	Unit Price	Extended Price
1	Full Size Sedan	2	Ford/Crown Victoria Police Interceptor	\$22,414.62	\$44,829.24	2	Ford/Crown Victoria	\$22,676.55	\$45,353.10
2	4-Wheel Drive Utility Vehicle	1	Ford Expedition Special Service Vehicle	\$27,303.80	\$27,303.80	1	Chevrolet Police Tahoe	\$32,255.00	\$32,255.00
3	1-1/4 Ton Heavy Duty Truck W/Dual Wheels	1	Ford/F450 Super Duty	\$76,501.77	\$76,501.77	1	Ford/F450/F46	\$62,667.00	\$62,667.00
4	Full Size Police Interceptor	1	Ford/Crown Victoria Police Interceptor	\$25,182.62	\$25,182.62	1	Ford/Crown Victoria	\$24,691.30	\$24,691.30
	Sub-Total				\$173,817.43				\$164,966.40
	Sales Tax				\$13,470.85				\$12,784.90
	Tire Tax				\$56.00				\$52.50
	Sub-Total				\$187,344.28				\$177,803.80
	Terms/Cash Discount				\$0.00				\$0.00
	Total Cost				\$187,344.28				\$177,803.80
	AWARD ITEMS						AWARD ITEMS		
	Full Size Sedan	2	Ford/Crown Victoria Police Interceptor	\$22,414.62	\$44,829.24	1	Ford/F450/F46	\$62,667.00	\$62,667.00
	4-Wheel Drive Utility Vehicle	1	Ford Expedition Special Service Vehicle	\$27,303.80	\$27,303.80	1	Ford/Crown Victoria	\$24,691.30	\$24,691.30
	Sub-Total				\$72,133.04				\$87,358.30
	Sales Tax				\$5,590.31				\$6,770.27
	Tire Tax				\$26.25				\$17.50
	Sub-Total				\$77,749.60				\$94,146.07
	Terms/Cash Discount				\$0.00				\$0.00
	Total Awarded Amount				\$77,749.60		Total Awarded Amount		\$94,146.07



BOARD COMMITTEE TRANSMITTAL

February 25, 2008

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Amendment to Cooperative Agreement with Korean American Senior Association for Participation in the Senior Mobility Program

Transit Committee Meeting of February 14, 2008

Present: Directors Brown, Buffa, Dixon, Green, Nguyen, Pulido, and Winterbottom
Absent: None

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 1 to Cooperative Agreement C-3-0572, a three-way agreement between the Orange County Transportation Authority, the City of Garden Grove and the Korean American Senior Association of Orange County, in an amount not to exceed \$212,557, for continued funding and participation in the Senior Mobility Program through June 30, 2011.



February 14, 2008

To: Transit Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Amendment to Cooperative Agreement with Korean American Senior Association for Participation in the Senior Mobility Program

Overview

In October 2001, the Orange County Transportation Authority Board of Directors approved the Senior Mobility Program which provides operating assistance for the provision of local senior transportation. The cooperative agreement for the Korean American Senior Association of Orange County to provide transportation expires June 30, 2008. An amendment, in the amount of \$212,557, is necessary to continue the provision of these services.

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 1 to Cooperative Agreement No. C-3-0572, a three-way agreement between the Orange County Transportation Authority, the City of Garden Grove, and the Korean American Senior Association of Orange County, in an amount not to exceed \$212,557, for continued funding and participation in the Senior Mobility Program through June 30, 2011.

Background

When the Senior Mobility Program (SMP) was approved by the Board of Directors (Board) in 2001, the Orange County Transportation Authority (Authority) allocated up to \$18.9 million to be used by 33 Orange County cities and community centers servicing seniors to operate local senior transportation services. A formula allocation was established through fiscal year 2010-11 based on senior population within each city with an annual Consumer Price Index (CPI) adjustment.

In February 2007, the Board approved contract amendments with 17 participating cities and agencies whose original five-year agreements were

Amendment to Cooperative Agreement with Korean American Senior Association for Participation in the Senior Mobility Program

Page 2

expiring in June 2007. The Korean American Senior Association of Orange County joined the SMP in June 2003. The current contract expires June 30, 2008, requiring an amendment to continue the provision of these services through June 30, 2011 (Attachment A).

Discussion

Currently 18 cities and three non-profit organizations operate Senior Mobility Programs (Attachment B). Funding for the program is allocated under Article 4.5 of the Transportation Development Act (TDA) which permits funding to local jurisdictions for community transit services, requiring SMP funding for non-profit agencies to pass through a local jurisdiction. The City of Garden Grove has agreed to pass through SMP funding to the Korean American Senior Association of Orange County.

The Senior Mobility Program has proven to be a cost-effective, alternative transportation option to meet the needs of Orange County's growing senior population. The SMP addresses the "gap" in transportation service for seniors who no longer drive but do not qualify for ACCESS service. Continued funding for this program beyond 2011 is included in Project U of the Renewed Measure M expenditure plan.

Fiscal Impact

Funding allocations for this program are budgeted on an annual basis. This program is budgeted in Account 0011-7831-D2132 and is funded by the Local Transportation Fund as articulated in Article 4.5 of the Transportation Development Act.

Summary

Staff recommends approval of Amendment No. 1, in the amount of \$212,557, to Cooperative Agreement No. C-3-0572 with the City of Garden Grove and the Korean American Senior Association of Orange County to continue to fund this program through June 30, 2011.

Attachments

- A. Cooperative Agreement No. C-3-0572 Fact Sheet City of Garden Grove and Korean American Senior Association
- B. Senior Mobility Program FY07 Performance and Funding

Prepared by:


Dana Wiemiller
Community Transportation Coordinator
(714) 560-5718

Approved by:


Beth McCormick
General Manager, Transit
(714) 560-5964

ATTACHMENT A

**Cooperative Agreement No. C-3-0572 Fact Sheet
City of Garden Grove and Korean American Senior Association of Orange County**

1. October 11, 2001, Cooperative Agreement No. C-3-0572, \$255,725, approved by Board of Directors.
 - Board of Directors approved implementation of the Senior Mobility Program, authorizing the allocation of \$18.9 million in Transportation Development Act, Article 4.5 funds through FY 2010-11.
 - Funding for the Korean American Senior Association of Orange County allocated for FY2003-04 through FY2007-08.
2. February 25, 2008, Amendment No. 1 to Cooperative Agreement No. C-3-0572, \$212,557, pending approval by Board of Directors.
 - Amendment to extend the term of the agreement through June 30, 2011.

Total committed to Korean American Senior Association of Orange County, Cooperative Agreement No. C-3-0572: \$468,282.

**Senior Mobility Program
FY07 Performance and Funding**

City/Agency	Description of Service	Passenger Trips	OCTA Contribution	Reported Match	Total Operating Cost	Cost per Trip
Abrazar, Inc.	Nutrition service & some demand service to social service agencies.	3,147	\$52,691	\$13,176	\$65,867	\$20.93
Anaheim	Service to senior center for nutrition and activities & on-demand voucher program.	10,781	\$170,318	\$45,747	\$216,065	\$20.04
Brea	Service to senior center for nutrition and activities & demand service within city.	10,241	\$47,226	\$57,703	\$104,929	\$10.25
Buena Park	Service to senior center for nutrition and activities & some demand medical trips.	7,500	\$51,598	\$20,682	\$72,280	\$9.64
Costa Mesa	Demand service to senior center and destinations within city.	9,009	\$64,889	\$33,971	\$98,860	\$10.97
Huntington Beach	Service to senior center for nutrition and activities & demand service for shopping and medical.	34,874	\$134,519	\$68,560	\$203,079	\$5.22
Irvine	Group shuttle to senior centers, shopping & religious facilities and demand transportation for medical and shopping.	19,014	\$72,780	\$485,525	\$558,305	\$29.36
Korean American Senior Association	Nutrition, medical & shopping transportation for Korean-language dependent seniors.	14,752	\$67,763	\$13,848	\$81,811	\$5.54
La Habra	Demand service within city and 1/2 mile outside city limits.	11,323	\$65,590	\$16,398	\$81,988	\$7.24
Laguna Niguel	Service to senior center and one-day/week shopping.	2,110	\$38,815	\$9,705	\$48,520	\$22.99
Laguna Woods	Taxi voucher program with trips to John Wayne Airport and shopping destinations.	8,433	\$100,797	\$96,175	\$196,972	\$23.36
Lake Forest	Demand service to city sponsored events and activities.	3,704	\$27,227	\$6,807	\$34,034	\$9.19

**Senior Mobility Program
FY07 Performance and Funding**

City/Agency	Description of Service	Passenger Trips	OCTA Contribution	Reported Match	Total Operating Cost	Cost per Trip
Newport Beach	Service to Oasis Sr. Center, medical, shopping & other errands within city.	13,245	\$86,860	\$209,639	\$296,499	\$22.38
Placentia	Service to senior center for nutrition and activities.	3,716	\$29,772	\$7,440	\$37,212	\$10.01
Rancho Santa Margarita	Taxi voucher program with trips to surrounding cities and John Wayne Airport.	507	\$11,307	\$2,827	\$14,134	\$27.88
San Clemente	Service to senior center for nutrition and activities.	4,022	\$42,930	\$10,732	\$53,662	\$13.34
Santa Ana	Service to senior centers for nutrition and activities.	34,214	\$131,150	\$35,676	\$166,826	\$4.88
Seal Beach	Service to senior center for nutrition and demand shopping within city.	16,605	\$63,446	\$52,544	\$115,990	\$6.98
Vietnamese Community of OC	Service for nutrition, shopping, and medical/dental.	4,932	\$55,231	\$9,539	\$64,770	\$13.13
Westminster	Service to senior center nutrition program and shopping shuttle within city limits.	14,224	\$72,151	\$18,035	\$90,186	\$6.34
Yorba Linda	Demand service three days/week within city limits.	1,777	\$31,968	\$32,735	\$64,703	\$36.41
FY07 Program Totals		232,130	\$1,419,028	\$1,247,464	\$2,666,492	\$11.49



BOARD COMMITTEE TRANSMITTAL

February 25, 2008

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Amendment to Agreement for Janitorial Services

Transit Committee Meeting of February 14, 2008

Present: Directors Brown, Buffa, Dixon, Green, Nguyen, Pulido, and Winterbottom
Absent: None

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 2 to Agreement No. C-6-0868 between the Orange County Transportation Authority and Diamond Contract Services, Inc., to exercise the first option term in an amount not to exceed \$1,350,000, for janitorial services for a total contract value of \$2,554,000.



February 14, 2008

To: Transit Committee
From: Arthur T. Leahy, ^{AK} Chief Executive Officer
Subject: Amendment to Agreement for Janitorial Services

Overview

On May 14, 2007, the Board of Directors approved an agreement with Diamond Contract Services, Inc., in the amount of \$1,100,000, to provide janitorial services for one year. Diamond Contract Services, Inc., was retained in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services.

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 2 to Agreement No. C-6-0868 between the Orange County Transportation Authority and Diamond Contract Services, Inc., to exercise the first option term in an amount not to exceed \$1,350,000, for janitorial services for a total contract value of \$2,554,000.

Background

Janitorial services will be provided at the five Orange County Transportation Authority (Authority) bus maintenance and operations bases, and eight transit centers and park-and-ride facilities throughout Orange County. These facilities require janitorial services on a daily basis. The Authority requires the vendor to furnish a qualified labor force sufficient in number to complete all specified requirements in the prescribed time and to furnish all materials and equipment to perform these services.

Agreement No. C-6-0868 was established to provide on-going janitorial services for the Authority's bases, transportation centers, and park-and-ride facilities. The current agreement expires on April 30, 2008.

Discussion

This procurement was originally handled in accordance with the Authority's procedures for procurement of professional and technical services. The original agreement approved by the Board of Directors was procured on a competitive basis. The agreement approved by the Board of Directors on May 14, 2007, was for a one-year initial term at \$1,100,000, plus four, one-year options. This agreement has been amended previously to address a change in scope (Attachment A).

It has become necessary to amend the agreement to exercise the first option term, for which the contractor bid \$1,350,000. The total contract amount after approval of Amendment No. 2 will be \$2,554,000.

Fiscal Impact

The additional work described in Amendment No. 2 to Agreement No. C-6-0868 was approved in the Authority's Fiscal Year 2007-08 Budget, Transit Division, Maintenance Department, Account 2166-7615, and is funded through the Local Transportation Fund.


Summary

Based on the material provided, staff recommends approval of Amendment No. 2, in the amount of \$1,350,000, to Agreement No. C-6-0868 with Diamond Contract Services, Inc., to exercise the first option term.


Attachment

- A. Diamond Contract Services, Inc. Agreement No. C-6-0868 Fact Sheet

Prepared by:


Ryan Erickson
Manager, Facilities Maintenance
(714) 560-5897

Approved by:


Beth McCormick
General Manager, Transit
(714) 560-5964

**Diamond Contract Services, Inc.
Agreement No. C-6-0868 Fact Sheet**

1. May 14, 2007, Agreement No. C-6-0868, \$1,100,000, approved by Board of Directors.
 - To provide janitorial services at the Authority's directly operated facilities.
2. November 26, 2007, Amendment No. 1 to Agreement No. C-6-0868, \$104,000, approved by Board of Directors, bringing the total commitment to \$1,204,000.
 - To add janitorial services at Authority-owned, contractor-operated facilities for the remaining five months of the contract term.
3. February 25, 2008, Amendment No. 2 to Agreement No. C-6-0868, \$1,350,000, pending approval by Board of Directors.
 - To exercise the first option year for janitorial services at all the Authority's facilities.

Total committed to Diamond Contract Services, Inc., Agreement No. C-6-0868: \$2,554,000, pending approval by the Board of Directors.



BOARD COMMITTEE TRANSMITTAL

February 25, 2008

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: Request for Authorization to Issue an Invitation for Bids for the Irvine Construction Circle Base Facility Modifications Project

Transit Committee Meeting of February 14, 2008

Present: Directors Brown, Buffa, Dixon, Green, Nguyen, Pulido, and Winterbottom
Absent: None

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize staff to issue Invitation for Bids 8-0190 for construction of facility modifications at the Irvine Construction Circle Base.



February 14, 2008

To: Transit Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Request for Authorization to Issue an Invitation for Bids for the Irvine Construction Circle Base Facility Modifications Project

Overview

In October 2006, the Orange County Transportation Authority purchased a bus operations and maintenance facility located at 16281 Construction Circle West, in the City of Irvine. This facility was purchased to increase facility capacity for contractor operated bus services. The facility requires equipment and improvements to serve this function. Design work for the improvements is now complete and the project is ready for construction. Approval is requested to release an invitation for bids for construction modifications necessary to prepare the facility for operations and meet regulatory requirements.

Recommendation

Authorize staff to issue Invitation for Bids 8-0190 for construction of facility modifications at the Irvine Construction Circle Base.

Background

In October 2006, the Orange County Transportation Authority (Authority) purchased property located at 16281 Construction Circle West, in the City of Irvine (Irvine Construction Circle Base). The property was previously owned by Laidlaw Transit Services, Inc., and used as an operations and maintenance base to operate the Authority's ACCESS service. The purchase price included the land and buildings, but did not include the maintenance equipment within the facility, fuel tanks and fueling facilities, and bus washing facilities. The facility modifications project is required to prepare the base for operations and to upgrade the facility to meet regulatory requirements.

Discussion

On July 24, 2007, the Authority executed a contract task order with Miralles Associates, Inc., to provide design and construction support services for the facility modifications at the Irvine Construction Circle Base. The planned facility

modifications will include upgrading the existing operations and maintenance buildings. Minor modifications are proposed for the operations building including additional heating, ventilation, and air conditioning units. Proposed modifications to the maintenance building include the addition of overhead reels for consumables, such as engine oil, engine coolant and transmission fluid, bus vehicle lifts, and a bus exhaust ventilation system. In addition, a bus steam-cleaning area will be constructed adjacent to the maintenance building, and bus wash and water reclamation equipment will be installed in the existing bus wash building. The plans also include the installation of two 10,000-gallon underground gasoline storage tanks, a 6,000-gallon aboveground diesel storage tank, aboveground engine oil and transmission fluid tanks, and a fuel management system. Additional bus parking will also be added.

The design work for this project is complete and the project is ready for construction; issuance of this invitation for bids is necessary for the specified modifications. The construction cost for this project is estimated to be \$3,800,000. Staff estimates this work to be completed by July 2009.

The future plans for the Irvine Construction Circle Base include moving ACCESS administrative support functions, such as the call center, radio dispatch, and the driver training staff to the base in July 2008. These functions are currently split between the Irvine Sand Canyon Base and the Authority's administrative offices in Orange. Moving these functions to the Irvine Construction Circle Base will alleviate overcrowding at the Irvine Sand Canyon Base, and reduce operating costs at the administration offices in Orange. When the facility modifications are complete in July 2009, the Authority will have the flexibility to move all of ACCESS operations to this base, and continue to operate contracted fixed-route services from the Irvine Sand Canyon Base. This will offer the Authority the flexibility to consider awarding more than one contract for these services in future procurements.

Fiscal Impact

The project was approved in the Authority's Fiscal Year 2007-08 Budget, Development Division, Account 17229022D1401HEH, and is funded through the Orange County Transit District.


Summary

Staff requests Board of Directors approval to issue Invitation for Bids 8-0190 for construction of the facility modifications at the Irvine Construction Circle Base.

Attachment

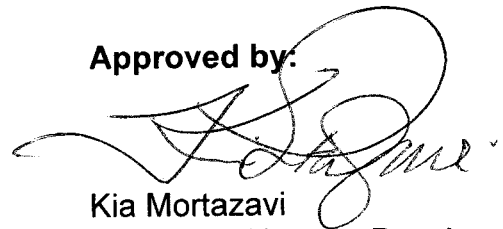
- A. Invitation for Bids (IFB) 8-0190 - Building Modifications at Irvine Construction Circle Base

Prepared by:



James J. Kramer, P.E.
Principal Civil Engineer
(714) 560-5866

Approved by:



Kia Mortazavi
Executive Director, Development
(714) 560-5741

THE INVITATION FOR BIDS (IFB) 8-0190 FOR THE
BUILDING MODIFICATIONS AT IRVINE CONSTRUCTION CIRCLE BASE
IS AVAILABLE ON THE OCTA WEBSITE (www.OCTA.net)
AND AVAILABLE UPON REQUEST
FROM THE CLERK OF THE BOARD'S OFFICE



BOARD COMMITTEE TRANSMITTAL

February 25, 2008

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board ^{WK}
Subject: Contract Amendments for Technical and Public Outreach Consultant Services for the South Orange County Major Investment Study

Highways Committee Meeting of February 18, 2008

Present: Directors Cavecche, Dixon, Glaab, Green, Mansoor, Pringle, and Rosen
Absent: Directors Amante and Norby

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations (reflects change from staff recommendations)

- A. Authorize the Chief Executive Officer to negotiate Amendment No. 3 to Agreement No. C-5-1209 between Orange County Transportation Authority and URS Corporation, in an amount not to exceed \$315,511, to complete the technical analysis for the South Orange County Major Investment Study.
- B. Authorize the Chief Executive Officer to negotiate Amendment No. 2 to Agreement No. C-6-0518 between the Orange County Transportation Authority and Consensus Planning Group, in the amount not to exceed \$80,390, to complete the public outreach effort for the South Orange County Major Investment Study.
- C. Direct staff and consultant team to include completion of the Foothill Transportation Corridor in all project alternatives analyzed, to consult and coordinate with the Transportation Corridor Agencies with regard to how the Foothill Transportation Corridor south is characterized in the South Orange County Major Investment Study, and to move as expeditiously as possible to complete the study and bring recommendations to the Board of Directors.

Discussion

The Committee discussed the staff report and reaffirmed the Orange County Transportation Authority's support for the completion of the Foothill Transportation Corridor. To support this position, the Committee added Recommendation C.



February 18, 2008

To: Highways Committee

From: Arthur T. Leahy, ^{ATL} Chief Executive Officer

Subject: Contract Amendments for Technical and Public Outreach Consultant Services for the South Orange County Major Investment Study

Overview

At the October 22, 2007, Board of Directors meeting, Orange County Transportation Authority staff recommended a reduced set of alternative strategies for the South Orange County Major Investment Study. The Board of Directors approved staff recommendations with direction to analyze additional alternatives not included in the original technical and public outreach contracts. This will have scope, schedule, and budget implications that will push the contract completion dates out several months.

Recommendations

- A. Authorize the Chief Executive Officer to negotiate Amendment No. 3 to Agreement No. C-5-1209 between Orange County Transportation Authority and URS Corporation, in an amount not to exceed \$315,511, to complete the technical analysis for the South Orange County Major Investment Study.

- B. Authorize the Chief Executive Officer to negotiate Amendment No. 2 to Agreement No. C-6-0518 between Orange County Transportation Authority and Consensus Planning Group, in the amount not to exceed \$80,390, to complete the public outreach effort for the South Orange County Major Investment Study.

Background

In the fall of 2005, the Board of Directors (Board) approved an agreement with URS Corporation (URS) to conduct the South Orange County Major Investment Study (SOCMIS). In Phase I of the study, an initial set of

14 alternative strategies was approved by the Board for screening on May 14, 2007. Phase II of the study involved the reducing of this initial set to six alternatives.

On October 22, 2007, the Board approved a reduced set of six alternative strategies for more detailed evaluation. As part of the approval, the Board directed staff to analyze additional alternatives not included in the original URS contract. This will be accomplished as part of the third and final phase of the study in which a locally preferred strategy will be identified.

Since October 2005, two amendments to the URS contract have been required (Attachment A). The original agreement was to conduct the study over a 15-month period ending December 31, 2006. Due to the large size and complexity of the south Orange County study area, staff met individually with each city to seek input on local needs before beginning the technical work. As a result, Amendment No. 1 was approved to extend the study time period by 12 months, to December 2007, at no additional cost. Subsequently, Amendment No. 2 was approved to accommodate the Policy Advisory Committee's request to conduct a weekend traffic study as part of the overall analysis. This required a contract extension to March 31, 2008, and additional funding in the amount of \$52,018.

In addition to a technical consultant, Consensus Planning Group (CPG) was retained in 2006 to conduct the public outreach effort. The original agreement was to complete the outreach program by December 31, 2007. This agreement was extended to March 31, 2008, at no additional cost (Attachment B).

Discussion

At the October 22, 2007, Board meeting, Orange County Transportation Authority (OCTA) staff was directed to analyze additional alternatives not included in the original URS contract. In addition, the study will continue to demand a high level of communication and technical analysis to address the complexities of the study area. To address related scope, schedule, and budget implications, the contracts with URS and CPG need to be amended.

Staff met with URS and negotiated a not-to-exceed cost of \$315,511 for the additional technical work necessary to complete this study. This includes a contract schedule extension to November 30, 2008. Amendment No. 3 to the URS contract will allow staff and the consultant team the time and resources to address the complex issues in the study area, as well as the additional Board direction that will lead to the adoption of a locally preferred strategy this fall.

Since the October 22, 2007, Board meeting, discussions with CPG have taken place regarding schedule, scope, and budget similar to those with URS. Due to the additional time frame required to complete the study, an amendment to the CPG contract is being requested. This will extend the contract date to November 30, 2008. A not-to-exceed cost estimate was negotiated for \$80,390.

Fiscal Impact

In order to fund the requested contract amendments with URS and CPG, additional funds are necessary; however, no amendment to the budget is required. Funds to accommodate these amendments have been identified within the current fiscal year 2007-08 budget.

Summary

Staff is requesting Board approval to amend the technical and public outreach contracts held by URS and CPS, respectively, for the SOCMIS.

Attachments

- A. URS Corporation Agreement No. C-5-1209 Fact Sheet
- B. Consensus Planning Group Agreement No. C-6-0518 Fact Sheet

Prepared by:



Charlie Larwood
Section Manager, Corridor Studies
(714) 560-5683

Approved by:



Kia Mortazavi
Executive Director, Development
(714) 560-5741

**URS Corporation
Agreement No. C-5-1209 Fact Sheet**

1. October 4, 2005, Agreement No. C-5-1209, \$1,080,402, approved by the Board of Directors.
 - Provide professional and technical consultant services to conduct a 15-month strategic transportation study covering most of southern Orange County.
2. December 27, 2006, Amendment No. 1 to Agreement No. C-5-1209, contract time extension, \$0. Approved by purchasing agent.
 - Agreement extended from 15 to 27 months with new expiration date of December 31, 2007.
3. June 29, 2007, Amendment No. 2 to Agreement No. C-5-1209, \$52,018, with contract time extension. Approved by purchasing agent.
 - Amendment increase includes scope increases, scope decreases, and escalated rates.
 - Agreement extended from 27 to 30 months with new expiration date of March 31, 2008.
4. February 25, 2008, Amendment No. 3 to Agreement C-5-1209, \$315,511, with contract time extension. Pending approval by Board of Directors.
 - Increase in scope of work including additional technical analysis for alternatives not included in the original contract, and additional study team and committee (technical, policy, and stakeholder) meetings.
 - Agreement extended from 30 to 38 months with new expiration date of November 30, 2008.

Total committed to URS Corporation after approval of Amendment No. 3 to Agreement No. C-5-1209 will be \$1,447,931.

**Consensus Planning Group
Agreement No. C-6-0518 Fact Sheet**

1. September 25, 2006, Agreement No. C-6-0518, \$99,400. Approved by purchasing agent.
 - Provide professional consultant services for the South Orange County Major Investment Study public outreach effort.
2. Amendment No. 1 to Agreement No. C-6-0518, contract time extension, \$0, approved by purchasing agent.
 - Agreement extended from December 31, 2007, to March 31, 2008.
3. February 25, 2008, Amendment No. 2 to Agreement No. C-6-0518, \$80,390, with contract time extension. Pending approval by Board of Directors.
 - Increase in scope of work includes additional public outreach efforts and support for South Orange County Major Investment Study.
 - Agreement extended to November 30, 2008.

Total committed to Consensus Planning Group after approval of Amendment No. 2 to Agreement No. C-6-0518 will be \$179,790.



BOARD COMMITTEE TRANSMITTAL

February 25, 2008

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Agreement for an Electronic Time and Attendance Tracking System

Transit Committee Meeting of February 14, 2008

Present: Directors Brown, Buffa, Dixon, Green, Nguyen, Pulido, and Winterbottom
Absent: None

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations (reflects change from staff recommendations)

- A. Authorize the Chief Executive Officer to execute Agreement No. C-7-1118 between the Orange County Transportation Authority and Kronos, in an amount not to exceed \$457,287, for a comprehensive electronic time and attendance tracking system.
- B. Request Kennard R. Smart, Jr., General Counsel, to review this procurement before the next Board Meeting.



February 14, 2008

To: Transit Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Agreement for an Electronic Time and Attendance Tracking System

Overview

As part of the Orange County Transportation Authority's Fiscal Year 2007-08 Budget, the Board of Directors approved the purchase of an electronic time and attendance tracking system for the Maintenance Department. Proposals were received in accordance with the Orange County Transportation Authority's fixed assets procurement procedures.

Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-7-1118 between the Orange County Transportation Authority and Kronos, in an amount not to exceed \$457,287, for a comprehensive electronic time and attendance tracking system.

Background

The Orange County Transportation Authority (Authority) currently uses a combination of two separate systems to capture and administer timekeeping records and track attendance for all Maintenance Department employees. The Enterprise Timekeeping Optimization System (ETOS) records employee time-in and time-out. ETOS utilizes biometric time clocks that are no longer supported by the manufacturer. The electronic time and attendance (ETA) application captures and lists schedule exceptions for each employee based on the attendance work rules from two sets of complex union contracts. The combined solution was implemented over 10 years ago and has become failure prone and obsolete. Additionally, the current solution is inflexible and incapable of providing an effective solution for administering the myriad of federal and state leave of absence mandates.

Authority Maintenance Department is comprised of approximately 300 union employees, including mechanics, service workers, body mechanics, upholstery mechanics, electronic technicians, parts clerks, and facility technicians. Maintenance employees work out of three operating bases in Orange County (Garden Grove, Anaheim, and Santa Ana) and support a number of other Authority-owned facilities. The scheduled hours of operation are 24-hours a day, seven days a week.

Maintenance union employees currently clock in using biometric collection devices (hand scanners) for identification. The hand scanner identification system is designed to prevent employees from clocking in and out for each other, a practice commonly referred to as "buddy punching." ETOS, a product manufactured by Cetec Automation, Inc., records employee time worked and captures attendance exceptions. This information is then uploaded to the ETA system, an in-house developed software application that stores and processes attendance information. The ETA system calculates payroll time records and forwards them to the Lawson payroll system. Utilizing timekeeping information, the attendance tracking component creates employee attendance history. ETA uses the history to create attendance policy caution notices, discipline letters, and employee incentive awards.

The many components of the existing time and attendance tracking system are obsolete, non-supported, failure-prone and incapable of administering the complex and ever-changing attendance and leave policies imposed upon it. The application has reached the end of its useful life (Attachment A).

The Authority is seeking a firm to provide a comprehensive workforce management software package that will efficiently and accurately track employee attendance, apply union rules, maintain compliance with legislative mandates while utilizing biometric data collection devices.

This project provides for the purchase of a time and attendance solution that will replace the existing ETOS and ETA timekeeping and attendance systems and it will allow employees the self-service option to track and view work time from a biometric data collection device. The new software will be integrated with the Authority's Ellipse maintenance resource planning system and Lawson payroll system (Attachment B).

Discussion

This procurement was handled in accordance with the Authority's procurement procedures for fixed assets, which permits the use of competitive negotiated

procurements depending on the technical requirements of the item being procured.

The procurement was advertised on September 8 and September 10, 2007, in the Orange County Register. On September 6, 2007, an electronic notice of the Request for Proposals (RFP) 7-1118 was sent to 1,509 firms registered on CAMM NET. A pre-proposal meeting was held on September 13, 2007, and was attended by four firms.

On October 8, 2007, six proposals were received from Productive Solutions, Cetec, Richard Brady and Associates, Kronos Incorporated, IntelliTime Systems Corporation, and Pacific Time Systems.

An evaluation committee was established with staff from Contracts Administration and Materials Management (CAMM), Transit, Information Systems, and Human Resources Employment was established to review each of the proposals submitted by each firm. The proposals were evaluated using the following criteria and weights:

- Qualifications of the Firm 25 percent
- Staffing and Project Organization 25 percent
- Work Plan 25 percent
- Cost and Price 25 percent

The three highest ranked firms, Kronos Incorporated (Kronos), IntelliTime Systems Corporation, and Pacific Time Systems were short listed based on the preliminary scores. Interviews were conducted on October 24, 2007. All three firms provided live, hands-on demonstrations of their timekeeping and attendance software and hardware systems and responded to questions by the evaluation committee. Kronos provided an impressive demonstration of their software, Workforce Central. The evaluation committee was particularly impressed with the ease of use of the product and the fact that the application would interface well with the Authority's other related software, specifically, the Lawson payroll system and Ellipse maintenance resource planning system.

At the end of the evaluation process, Kronos ranked first, with the highest overall score of 73; Pacific Time Systems ranked second, with a score of 71; and IntelliTime Systems Corporation ranked third, with an overall score of 70 (Attachment C).

In addition to the interviews, a teleconference forum was held on November 7, 2007, attended by the evaluation committee and representatives of

the three short-listed firms. Each firm was given the opportunity to ask technical questions related to the technical requirements and hear the questions and concerns of the other short-listed firms before providing best and final offers. Following this teleconference, all three firms were invited to submit a best and final offer (BAFO). A discussion of the evaluation criteria, weights and evaluation process is identified in Attachment C.

Kronos listed several exceptions and deviations to the Authority's agreement. Kronos and the Authority are in the process of working through deviations and exceptions to the agreement and anticipate the deviations will be resolved to the Authority's satisfaction.

Based on their findings, the evaluation committee recommends the following firm for consideration of an award:

Firm and Location

Kronos Incorporated
Irvine, California

Kronos is the recognized industry leader in providing time and attendance tracking solutions with 33,000 clients worldwide, supported locally, with a time-tested and proven implementation strategy. The Workforce Central application proposed by Kronos meets all of the Authority's time and attendance tracking requirements "out of the box", meaning ready for use without system modifications. The time and attendance, leave management, attendance, labor scheduling, labor performance analytics and workforce connect features are currently in use by thousands of customers. The solutions proposed by the other short-listed firms would require significant development and customization to meet the Authority's time and attendance tracking requirements.

Kronos is a 3,400 person company with 45 employees headquartered in its Irvine location. The firm has been in business for 30 years. In order to continually improve products and remain an industry leader, Kronos spends \$60 million annually on research and development. All of the products included in the proposed solution are developed, manufactured, implemented, and supported by Kronos.

Kronos is an industry leader in electronic timekeeping and attendance systems. The firm offers excellent security with a proven product and installations worldwide. Kronos has customers who have had the same Kronos system installed for over 25 years. Based on these facts, the evaluation committee

agreed that the solution offered by Kronos is the best fit for the Authority's needs and would ensure the greatest possibility of success.

The evaluation committee received overwhelming positive response from the contacted references for Kronos. Responses from the other firms' references ranged from unfavorable to very good.

Even though Kronos proposed a higher price, the evaluation committee concluded that the proposed product offers the best value because it represents a more comprehensive solution that will meet the Authority's needs with minimal risk of failure. For frequently asked questions, see Attachment D.

Fiscal Impact

Funds for this project were approved in the Authority's Fiscal Year 2007-08 Budget, Transit Division/Maintenance, Account 2159-9028-D2108-H5T, and funded through the Local Transportation Fund.

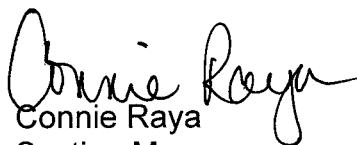
Summary

Staff recommends approval of Agreement No. C-7-1118 to Kronos Incorporated, in the amount of \$457,287, for an electronic timekeeping and attendance tracking system.

Attachments

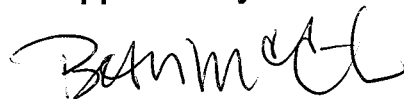
- A. Current System Deficiencies
- B. Benefits of the New System
- C. Evaluation Overview
- D. Timekeeping Procurement Frequently Asked Questions (FAQs)
- E. Proposal Evaluation Criteria Matrix RFP 7-1118 Electronic Timekeeping System Short-listed Firms
- F. RFP 7-1118 Electronic Timekeeping System Review of Proposals

Prepared by:



Connie Raya
Section Manager,
Maintenance Resource Management
714-560-5962

Approved by:



Beth McCormick
General Manager, Transit
714-560-5964

ATTACHMENT A

CURRENT SYSTEM DEFICIENCIES

The current time and attendance tracking system is deficient or inadequate in the following ways:

- ETOS cannot be upgraded to the currently supported version of the Oracle database, as the Authority requires.
- The ETOS system incorporates the use of hand scanners for employee identification. The manufacturer of the hand scanners is no longer in business; there is no longer a reliable source for the repair of these devices.
- ETOS is failure prone and every payroll period results in system generated errors requiring considerable staff time to correct. As a result, approximately \$53,000 is spent annually in manual audit and correction of timekeeping records. This manual process introduces additional risk to the accuracy of the payroll disbursement. The breakdown of the additional cost to the Authority for this manual intervention is:

Maintenance Supervisors (3):	7.5 hrs/wk = 390 hrs/yr =	\$14,999
Facility Maintenance Supervisor:	2.5 hrs/wk = 130 hrs/yr =	\$ 4,992
Office Specialists (3):	15 hrs/wk = 780 hrs/yr =	\$15,000
Payroll Coordinator:	15 hrs/wk = 780 hrs/yr =	<u>\$18,225</u>
		\$53,216

- Due to the continual ETOS system errors, maintenance employee paychecks require frequent check adjustments and replacements. An incorrect paycheck results in employee dissatisfaction, additional staff time to correct, and may result in incorrect reporting of service records for retirement purposes.
- The current system does not provide reporting and analysis tools. The Authority requires a time and attendance tracking system that can generate management reports and provide analysis of its data.
- To maintain a proper timekeeping function for 300 union employees requires a much more reliable and robust program than the current system is capable of providing.

ATTACHMENT B

BENEFITS OF A NEW SYSTEM

The new software will be integrated with the Authority's Lawson payroll system and replace the existing ETOS and ETA timekeeping and attendance systems.

Implementation of an integrated time and attendance tracking application will:

- Validate employee identity and prevent "buddy punching" (biometrics)
- Integrate directly with the Authority's payroll (Lawson) and work order/job costing (Ellipse) systems
- Apply complex work rules and attendance policies accurately
- Provide the flexibility for authorized Authority personnel to reconfigure the system over time as work rules and leave policies change
- Provide an application for tracking leaves of absence in full compliance with the provisions of the Family Medical Leave Act (FMLA) and all other state-mandated leave acts
- Provide for the generation of disciplinary letters, bonuses and awards based on the Authority's attendance policies and collective bargaining agreements.
- Minimize the requirement for custom code to meet the Authority's need for both time and attendance reporting, so as to optimize Authority independence with regard to using and configuring the system
- Provide the ability to periodically upload work schedules as a result of bids for work based upon seniority
- Provide analytical reports to allow the Authority to identify and correct abuses of attendance and leave policies, thereby effecting additional cost savings
- Provide built-in security and privacy features
- Provide all of the above in a single, integrated application
- Elimination of failures

EVALUATION OVERVIEW

Following is a discussion of the evaluation criteria categories:

Qualifications of the Firm

Kronos Incorporated (Kronos) received the highest marks in this area, scoring 23 out of a possible 25 points. The Kronos Workforce Central application met all of the functional requirements specified in the RFP scope of work. The firm has extensive experience in the transit industry, as well with cities and municipalities. Kronos client list includes MTA New York, New Jersey Transit, Cleveland, Omnitrans, North San Diego Transit, the cities of Huntington Beach, Torrance, Ontario, Fresno, Santa Monica, the counties of San Diego, Sonoma and Riverside, The California Department of Food and Agriculture, and the San Diego Water Authority. This is important because these types of agencies share the same or similar challenges in terms of compliance with work and attendance rules and state and federal leave of absence regulations.

Kronos has received a “Strong Positive” rating by Gartner, the world’s leading information technology research and advisory committee. In granting this rating, Gartner considers innovation, product/service, customer experience and overall viability of the vendor. The other short-listed firms are not rated.

Kronos’ proposal includes an integrated solution in which all of the proposed products, system software, and biometric data collection devices are made, delivered, and supported by Kronos. Of the competitors, Pacific Time Sales implements another vendor’s software while IntelliTime provides its own software but uses a third party for the data collection devices. It is important to have one central source for all software and hardware support.

Staffing and Project Organization

The staffing section of the proposal established the methods that the firms will use to manage the project and identified key project staff assigned.

The evaluation committee rated the firms similarly in this area with Pacific Time scoring slightly higher. The firm’s proposed staff was knowledgeable, professional, and shared equally in the discussions regarding the firm’s product and the experience managing similar projects.

Work Plan

The work plan is intended to provide a comprehensive description of how the services will be performed.

Kronos scored highest in this area. The proposed work plan was thorough and comprehensive. The firm could have easily rated higher scores; however, due to the exceptions and deviations to the terms and conditions of the Authority's agreement included in their proposal, the firm's scores were marked down in this area. Kronos and the Authority are in the process of working through deviations and exceptions to the agreement and anticipate the deviations will be resolved to the Authority's satisfaction. Kronos has repeatedly expressed its willingness to work with the Authority to execute a mutually acceptable agreement.

Cost and Price

Kronos ranked third in the cost and price category at \$457,287. Although this is the highest priced proposal, the evaluation committee concluded that the firm offered the most comprehensive solution to meet the Authority's time and attendance tracking requirements.

Timekeeping Procurement Frequently Asked Questions (FAQs)

1. Does the Authority need a state-of-the-art electronic timekeeping system for 300 employees?

The Authority has employed the use of biometric hand-scanners since 2000. These devices offer superior security and identification features and eliminate the practice of “buddy punching”. Additionally, the proposed devices offer self-service features which will allow employees to review their work schedules and accrued leave balances and request time off.

The proposed system will eliminate many manual processes currently required to prepare timekeeping records for payroll processing. This will increase employee satisfaction by consistently providing accurate and timely paychecks. The system will also administer and track unscheduled absences, mandated protected leave status, and ensure that attendance and union work rules are applied consistently and fairly to all employees.

Finally, the proposed system represents one fully integrated workforce management system with direct interface to the Lawson payroll system and Ellipse maintenance resource planning system.

Biometric – The Authority has used biometric hand-scanners since 2000. Biometrics verify the identity of the user with fingerprint or hand recognition systems and eliminates “buddy punching.”

Biometric Collection Devices – The eleven (11) new biometric devices are manufactured and supported by Kronos. They collect more than just time records. They display time records, accrued leave balances, and process requests for leave time.

One system – One fully integrated system with direct interface to the Lawson payroll system and Ellipse maintenance resource planning system.

2. What are the differences between timekeeping and time & attendance systems?

Timekeeping

Simply records and collects hours worked by employees.

Time and Attendance

In addition to timekeeping, a time and attendance tracking solution:

- Implements and applies complex pay rules (union rules)
- Integrates directly with pay systems (Lawson and Ellipse)
- Provides absence and leave management capability
- Applies attendance policies fairly and consistently
- Automatically generates attendance disciplinary letters, bonuses and awards
- Provides real time reporting and audit capability
- Reduces error rates in payroll (no manual input)

3. Is there a professional organization that ranks time and attendance applications, and if so, how are the short-listed firms rated?

Gartner is the world's leading independent information technology research and advisory company. In its December 2006 publication entitled "MarketScope for Retail Time and Labor Applications," Gartner rated Kronos a "strong positive", its highest rating. The criteria for the rating included: innovation, product development, product/service, customer experience, and overall viability of the vendor. The other short-listed firms were not rated in the article.

4. Can a system like this be expected to pay for itself over time?

The Authority's current expenditures related to the manual processes necessitated by deficiencies of the current timekeeping solution are estimated at \$53,000 annually. With the elimination of the majority of these manual processes alone, it can be argued that the replacement application, along with free upgrades, could pay for itself within eight to nine years. Elimination of the majority of the manual processes alone can be argued that, in fact, the replacement application, along with free upgrades, could pay for itself within eight to nine years. Kronos has installations that date over 25 years. The system is developed to expand and grow as long as the product is used.

Additional savings may be realized by implementing the self-service features of the data clocks including entering leave of absence requests and viewing leave accrual balances.

5. Why does the Authority impose such strict project management requirements on software implementation projects?

The Authority's Information Systems Department applies a formalized project management approach to ensure the success of a project. This is accomplished by lowering risk, controlling scope, containing costs, and meeting project deliverable deadlines. Effective project management requires overhead but the Authority believes and has experienced that if not invested in up front and during a project's lifecycle, more will be paid in the end. Depending on the scope of the project, these costs are generally limited to 5 percent to 15 percent of an information technology project budget.

6. Why is transit agency experience important in selecting a vendor for this type of project?

Public transit agencies have unique union work rules, time and attendance rules and regulations, contractual, and project funding requirements.

PROPOSAL EVALUATION CRITERIA MATRIX
RFP NO. 7-1118, ELECTRONIC TIMEKEEPING SYSTEM
Short-listed Firms

KRONOS						Wts.	Overall Score
Evaluation Number	1	2	3	4	5		
Qualifications of Firm	4.00	5.00	5.00	4.00	5.00	5	23
Staffing & Project Organization	4.00	3.00	3.00	3.00	3.00	5	16
Work Plan	4.00	4.00	4.00	4.00	3.00	5	19
Cost & Price	3.00	3.00	3.00	3.00	3.00	5	15
Overall Score	75.00	75.00	75.00	70.00	70.00		73

PACIFIC TIME SYSTEMS						Wts.	Overall Score
Evaluation Number	1	2	3	4	5		
Qualifications of Firm	2.00	3.00	3.00	3.00	2.00	5	13
Staffing & Project Organization	4.00	4.00	4.00	4.00	4.00	5	20
Work Plan	2.00	3.00	3.00	2.00	3.00	5	13
Cost & Price	5.00	5.00	5.00	5.00	5.00	5	25
Overall Score	65.00	75.00	75.00	70.00	70.00		71

INTELLITIME						Wts.	Overall Score
Evaluation Number	1	2	3	4	5		
Qualifications of Firm	4.00	3.00	3.00	3.50	4.00	5	18
Staffing & Project Organization	3.00	3.00	4.00	3.00	3.00	5	16
Work Plan	3.50	3.00	3.00	3.50	3.00	5	16
Cost & Price	4.00	4.00	4.00	4.00	4.00	5	20
Overall Score	72.50	65.00	70.00	70.00	70.00		70

**RFP 7-1118 Electronic Timekeeping System
Review of Proposals**

PRESENTED TO THE TRANSIT COMMITTEE MEETING FEBRUARY 14, 2008

6 proposals were received, 3 firms were interviewed, and 1 firm is recommended to provide the Authority's Electronic Timekeeping System.

Overall Ranking	Prop. Score	Firm & Location	Subcontractors	Evaluation Committee Comments	Firm-Fixed Price
1	73	Kronos Incorporated 18400 Von Karman, #600 Irvine, CA 92612	None	Extensive experience in timekeeping business Recognized industry leader in providing timekeeping applications The Workforce Central Version 6.0 application appears to be an excellent product The Kronos team presented their staff and product very well at the interview The references were eager to praise the services and products provided by Kronos	\$ 457,287.00
2	71	Pacific Time Systems 500 South Kraemer Blvd., #275 Brea, CA 92821	None	Firm should have discussed previous experience and installations in greater detail The reference checks were lukewarm in regards to support of the system The NOVAtime 3000 application is a functional and impressive system The proposed project team presented well at the interview Overall good proposal, but did not expand enough on qualifications and workplan Lowest pricing	\$ 328,131.48
3	70	IntelliTime Systems Corporation 310 S. Susan St., #200 Santa Ana, CA 92704	None	The firm has a good municipal background but no transit experience Very good and well organized proposal The IntelliTime application proposed and presented at interview is functional The proposed team was not cohesive at the interview Good references Competitive pricing	\$ 398,950.00

Evaluation Panel


Contracts Administration and Materials Management
Transit
Human Resources
Information Systems

Proposal Criteria

Qualifications of the Firm	25%
Staffing and Project Organization	25%
Work Plan	25%
Cost and Price	25%



February 25, 2008

To: Transportation 2020 Committee
From: Arthur T. Leahy,  Chief Executive Officer
Subject: Go Local Step Two Program Allocations and Project Screening

Overview

The Transportation 2020 Committee has directed staff to initiate selection of Go Local projects to enter into Step Two by March 1, 2008. Staff has proposed programmatic funding allocations by project type and developed a screening checklist to evaluate Step One final reports for merit to advance to the Step Two competitive funding process. Staff has also added new recommendations based upon committee input provided on February 18, 2008.

Recommendations

- A. Approve the programmatic allocation of \$25.4 million Go Local funds for development of fixed guideway and bus shuttle projects.
- B. Direct staff to screen the submission of Step One final reports according to the proposed Go Local Step One Final Reports Screening Checklist.
- C. Return to Transportation 2020 Committee with results of project screening.
- D. Direct staff to begin development of program guidelines for Step Three and Step Four of the Go Local Program to evaluate all Go Local Step Two projects, including the Irvine Fixed Guideway project, which is currently in Step Two of the Go Local Program.
- E. Approve a programmatic allocation of \$1 million of Commuter and Urban Rail Endowment funds for the development of station and parking improvements and direct staff to develop project screening and selection for Board of Directors' approval.
- F. Require participating cities to provide a local funding match of 10 percent of project cost up to \$100,000 of local match, to advance fixed guideway, mixed-flow, and station and parking improvement projects

through the conceptual engineering and environmental clearance phase.

- G. Direct staff to extend the deadline for the transportation demand management element of the Combined Transportation Funding Program until March 14, 2008, to allow additional time for pedestrian and bicycle projects developed under Go Local Step One to submit funding applications.

Background

Since its approval in February 2006, interested cities have been working on developing their own local transit vision as part of the Go Local Program. Concurrently, staff has been advancing the development of the Go Local Program in preparation of completion of Step One and initiation of Step Two. On November 26, 2007, the Orange County Transportation Authority (OCTA) Board of Directors (Board) approved the extension of cooperative agreements with participating cities until June 30, 2008, to coincide with the date cities are required to submit their Step One final reports.

During the month of December 2007, staff conducted progress meetings with 14 teams and 21 cities to allow staff an opportunity to update the cities on the program. Participating cities also provided a report on the status of their Step One work effort. As a result of these meetings, OCTA staff has been able to develop a preliminary status of the program. The meetings confirmed that project concepts fall into four project types and that there were an estimated 40 projects being studied. Out of the 40 projects, 52 percent were station improvement and pedestrian access, parking or bike improvement projects, with the remainder being fixed guideway or mixed-flow bus shuttle projects. Because cities have not submitted final project concepts, staff does expect the total number of projects submitted to increase by the June 30, 2008, Step One final report deadline.

Upon the completion of Step One, the remaining steps, which are part of the planning and implementation process approved by the Board, will follow and are outlined below.

- Step Two: Detailed planning and alternatives analysis of the concepts emerging from Step One for interested cities, with projects qualifying through a competitive process.
- Step Three: Project development/implementation (preliminary engineering through construction) of those projects, which qualify through a competitive process for continued funding.
- Step Four: Additional work on the Metrolink corridor to transform stations into transportation centers.

The remaining funding from the \$30 million approved for the Go Local Program after the completion of Step One will be available through a competitive basis to enter into Step Two, further developing the most promising projects identified in Step One. These funds were made available through the current Measure M (M1) funds program for High-Technology Advanced Rail Transit. The Go Local Program, funded under M1, is a precursor to the implementation of Project S under the Renewed Measure M (M2).

Discussion

At the February 18, 2008, Transportation 2020 Committee (Committee) meeting, the Committee provided guidance on an initial set of staff recommendations pertaining to the advancement of Go Local Step One final reports to Step Two. Based upon the Committee's direction, a revised set of recommendations are proposed for approval. The modified recommendations address the following issues:

- The amount of a local funding match for Step Two
- The establishment of a defined process for the development of station, parking, pedestrian, and bicycle projects
- Clarification on the inclusion of the City of Irvine's fixed guideway project as a Go Local project currently in Step Two and that further project development will follow the same path as other fixed guideway projects developed under the Go Local Program.

Existing Funding Commitments

The commitments to date of Go Local Step One funds are as follows:

M1 High-Technology Advanced Rail Transit (Total Go Local Program Allocation)	\$30.0 Million
Congestion Mitigation and Air Quality (CMAQ) funds	\$ 5.2 Million
Go Local Step One	(\$ 2.8 Million)
Remaining Step One Funds	(\$.6 Million)
Existing/Future Program Support	(\$ 1.2 Million)
City of Irvine Fixed Guideway	(\$ 5.2 Million)
Remaining Go Local Program Funds:	\$25.4 Million

On October 11, 2007, the OCTA Board approved the use of up to \$5.2 million of CMAQ funds, matched with \$1.3 million in local city funds, for the City of Irvine to complete alternatives analysis, preliminary design and environmental work for the Guideway Project. Furthermore, on November 26, 2007, the Board directed that the Guideway Project would be considered a Go Local project, currently in Step Two and therefore eligible for further development under Step Three and Step Four of the Go Local program.

Program Allocations

Staff has categorized the anticipated types of projects being considered based on information provided in the approved project concepts, as well as the meetings conducted with participating cities during December 2007. The categories of projects defined to date include:

- Fixed Guideway (rail or bus)
- Mixed-Flow Traffic Bus/Shuttle
- Station Improvements
- Pedestrian Access, Parking, or Bike Improvements

The emphasis of Project S, under the M2 program, is to expand access to the core rail system and establish connections to communities and major activity centers that are not immediately adjacent to the Metrolink corridor. Staff recommends that the remaining \$25.4 million of Go Local funds be allocated to the two project types, fixed guideway and mixed-flow traffic bus/shuttle, that connect to Metrolink stations. These project types appear to best fit the original intent of the M1 Go Local Program, as well as the intent of Project S as described in the M2 Transportation Investment Plan and the Board-approved Go Local Program Evaluation Criteria (Attachment A).

The recommended programmatic funding allocations for the remaining Go Local, M1 High-Technology Advanced Rail Transit funds for fixed guideway and mixed-flow traffic projects are as follows:

Fixed Guideway (rail or bus)	\$15.0 Million
Mixed-Flow Traffic (bus/shuttle)	\$ 3.0 Million
Reserve:	
Fixed Guideway Design	\$ 5.2 Million
Future Planning	\$ 2.2 Million
Proposed Allocation To Go Local Step Two	\$25.4 Million

Staff is recommending that a reserve amount be held for both future design of the fixed guideway projects, as well as for future planning of additional fixed guideway and mixed-flow projects that are expected to be submitted up until the June 30, 2008, Step One completion deadline.

Fixed Guideway (rail or bus)

The qualifying Go Local, Project S fixed guideway (rail or bus) projects will use funding from the proposed project type allocation for detailed planning, alternative analysis (AA), financial planning, conceptual engineering, and environmental efforts necessary to clear the projects for both the California Environmental Quality Act and National Environmental Policy Act processes. Having all the fixed guideway (rail or bus) projects go through the Federal Transit Administration's AA process will allow them to maintain eligibility for future potential federal funding opportunities, as well as providing a proven process for fixed guideway project development. Staff is estimating that two or three fixed guideway projects will be submitted and that an estimated \$5 million is needed for each project to undergo the AA and environmental clearance processes. Based upon committee direction at the February 18, 2008, meeting, staff is recommending a local funding match of 10 percent of project cost up to \$100,000 of local match, to advance fixed guideway projects into Go Local Step Two.

Mixed-Flow Traffic Bus/Shuttle

This type of project may require a service planning similar to that undertaken by OCTA for any fixed-route services where existing data is reviewed and service deficiencies and opportunities are identified. The service planning process will allow a process for screening and documenting service characteristics, benefits, and resource requirements and determine its merit. In addition, the analysis will include field testing to ensure that proposed routings are operationally feasible. The factors that are taken into account when conducting service planning include:

- Passenger demand
- Route and system performance
- Customer needs
- Technical feasibility
- Boardings per revenue vehicle hour
- Route segment performance
- Passenger loads
- Vehicle and driver requirements
- City's request/input

Based upon committee direction at the February 18, 2008, meeting, staff is also recommending a local funding match of 10 percent of project cost up to \$100,000 of local match, to advance mixed-flow traffic bus/shuttle projects into Go Local Step Two. In addition, in order to streamline the process and to ensure consistent evaluation of the projects, the Board may wish to consider assistance for this type of analysis. One option is for OCTA to enter into a master contract with several firms that specialize in this type of work and to issue contract task orders for individual city projects as requests are received.

Station/Parking Improvements

For funding purposes, it is proposed that both parking improvement projects and station improvement projects be eligible for project development funding through Commuter Urban Rail Endowment (CURE) funds. Staff recommends that \$1 million in CURE funds be programmed for conceptual engineering and environmental clearance of qualifying station and parking improvement projects and is seeking committee direction to develop project screening and selection processes for these projects.

Pedestrian Access or Bike Improvements

For funding purposes, staff proposes that pedestrian access and bike projects pursue funding through the M1 Transportation Demand Management (TDM) program. OCTA is currently conducting a call for projects for TDM funds with a deadline for applications of February 29, 2008. While cities have been encouraged to submit Go Local pedestrian and bike improvement projects under the TDM program as part of the Go Local project development process, staff recommends an extension of the TDM application deadline to March 14, 2008, in order to accommodate cities' submission of pedestrian and bike improvement projects under this funding program. There is currently a \$3.3 million available for programming during this call for projects. While no local funding match is required for the TDM program, there is a cap of \$500,000 that can be awarded to each project.

Proposed Step One Final Report Screening Process

Staff proposes to perform a preliminary evaluation of each individual project by screening the projects according to the Board-approved (August 8, 2006) Go Local Program Evaluation Criteria. Staff will determine if the project generally exceeds, generally meets, or generally does not meet the individual evaluation criteria and will assign a value based upon the weighted value of the criteria (Attachment B). Examples of how projects may be screened are as follows:

- Generally Exceeds: Project A is a fixed guideway system that intends to connect city population and activity centers to the local Metrolink station. The host city has committed to a local funding match and submitted a written commitment from the largest employer in the host city expressing its support and intended use of the system for its employees.
- Generally Meets: Project B is a mixed-flow shuttle system that intends to connect the city's town center to a neighboring city's Metrolink station. While there is no funding commitment from the participating cities, a public survey deemed that Metrolink riders would be interested in visiting the town center if a shuttle service was implemented.
- Generally Does Not Meet: Project C is a plan to improve pedestrian accessibility from the city's largest employment center to the Metrolink station that is across the street. The plan includes a proposal to construct a pedestrian bridge and bikeway over the corridor.

Similar to the process of evaluating projects for other OCTA-funded programs, staff proposes that two city representatives, selected via the Technical Advisory Committee, and a member of the Citizens' Advisory Committee also participate in the screening process. All projects and respective evaluation, and a preliminary recommendation, will be presented to the Committee for review. Staff is expecting to return to the Committee in March, May, and July 2008, consistent with the submission of the Go Local Step One final reports, with results of the project screening and recommendations of advancing qualifying projects to the appropriate funding program as outlined above.

For subsequent phases of development for the Go Local Program, Project S, there is \$1 billion in M2 funds available. This funding is anticipated to coincide with Step Three of the Go Local Program and would be available for qualifying project development and implementation. Major policy issues, such as use of funds for operating and capital expenses, are being addressed as part of the M2 Transit Strategic Plan, which is planned to be brought to the Board for consideration in April 2008. Since these policy issues will have direct impact on the next phases of the Go Local Program, staff is requesting Committee direction to begin development of program guidelines for Step Three and Step Four in conjunction with the M2 Transit Strategic Plan.

Fiscal Impact

All planning work under Step One and Step Two for fixed guideway and mixed flow shuttle is fundable with the approved \$30 million in existing M1 funds and \$5.2 million in CMAQ funds. Staff is proposing that \$1 million of CURE funds be programmed for station and parking improvement projects. Use of CURE

funds for this purpose will have a minor impact on the long-term fund balance used for Metrolink operations. The TDM call for projects is within current programmed amounts.

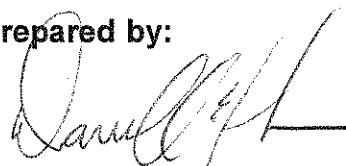
Summary

With Step Two of the Go Local Program beginning in March 2008, staff has proposed funding allocations of the remaining \$25.4 million of Go Local funds for the project types that best fit the intent of Project S. Staff has also recommended a screening process to evaluate Step One final reports for consideration of advancing to the Step Two competitive funding process. Given Committee direction from the February 18, 2008, meeting, staff has also provided a modified set of recommendations to address local match requirements, funding of projects that do not meet the intent of Project S, and incorporating the Irvine Fixed Guideway Project into the Go Local process. Upon approval, staff will return with results of the project screening and recommendations of advancing qualifying projects to the appropriate funding program.

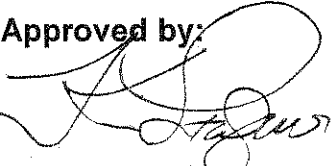
Attachments

- A. Board-Approved (August 8, 2006) Evaluation Criteria Go Local Program – Final Version
- B. Proposed Go Local Step One Final Reports Screening Checklist

Prepared by:


Darrell Johnson
Director, Transit Project Delivery
(714) 560-5343

Approved by:


Kia Mortazavi
Executive Director, Development
(714) 560- 5741

Board-Approved (August 8, 2006) Evaluation Criteria Go Local Program – Final Version

This criteria will evaluate results of the Step One effort as documented in the city's final report that will serve as the city's Step Two funding application.

Criterion	Priority	Purpose	Performance Measures
1. Local Jurisdiction Funding Commitments	High	To appropriately invest scarce Measure M resources and ensure that the project is a high priority for the host cities.	<ul style="list-style-type: none"> • Proof of local funding commitments (e.g. city council actions, city budgets, grant applications, memorandums of understanding [MOUs], etc.) • Level of local funding match
2. Proven Ability to Attract Other Financial Partners	High	To ensure that Measure M dollars are being invested in areas which others have determined warrants investment and to ensure that Measure M dollars are being leveraged to maximize their return to the public.	<ul style="list-style-type: none"> • Cooperative agreements, MOUs, council actions, grants • Funding agreements with private parties, if any, to demonstrate private sector financial participation in the proposed project related to the area served or affected by the project • Projected increase in land values of lands affected by the proposed project • Percent of proposed project funding not from Measure M • Action plan for obtaining commitments in Step Two • Employer rideshare commitments from employers along the route
3. Proximity to Jobs and Population Centers	High	Coordinated planning of transit and land use to increase pedestrian safety and access to Metrolink.	<ul style="list-style-type: none"> • Recommendations for policies, general plan amendments, etc. applied within 1500' of station • Recommendations for short or long-term local transit strategies coordinated with land use • Increase the number of people who can get to work/home from Metrolink in 15 minutes using transit or 10 minutes walking (total transit travel time includes walk + wait + in vehicle time)

Criterion	Priority	Purpose	Performance Measures
<p>4.</p> <p>Regional Benefits</p>	<p>High</p>	<p>Effectively deliver Metrolink riders to regional employment and activity destinations utilizing convenient locally-oriented transit.</p> <p>Expand transit's appeal to those who own autos.</p>	<ul style="list-style-type: none"> • Number of cities served by the proposed project • Number of existing and planned "regional" employment and activity centers within 15 minutes total transit travel time or 10 minutes walking time of the nearest Metrolink station. Definition of regional activity center to be determined, but examples are California State University Fullerton, Disneyland, UCI Medical Center, Civic Center, John Wayne Airport, regional malls such as South Coast Plaza, Orange Coast College, etc. • Agreements regarding intent to pursue program to develop cooperative ridership development programs (or letters of intent to pursue same in Step Two) etc. with activity centers and/or employers
<p>5.</p> <p>Ease and Simplicity of Connections</p>	<p>High</p>	<p>To close gaps between existing transit services especially during peak demand hours.</p> <p>To maximize ridership by making sure the project includes the optimum number, ease and user-friendly design considerations regarding connections between the project and Metrolink.</p>	<ul style="list-style-type: none"> • Linkage assessment within project area • Number of new transit connections • Number and clarity of transfers required to travel 15 minutes of total transit travel time to/from the nearest Metrolink station • Attention devoted to customer service planning • Ease of access from the Metrolink platform to boarding location of proposed new service or to new land uses • Amount of integration between Metrolink fares and fares of proposed project. • Apply sample trips for comparative purposes • Evaluate the amount and type of research done or proposed, and/or considerations given to site design to make connections easy
<p>6.</p> <p>Cost-Effectiveness</p>	<p>Medium</p>	<p>Assess the benefit for each public dollar spent.</p>	<ul style="list-style-type: none"> • Total cost per new rider • Measure M cost per new rider • Total cost per passenger-mile • Measure M cost per passenger-mile • Private investment attracted per passenger mile • Non-transit funding attracted per passenger mile

Criterion	Priority	Purpose	Performance Measures
7. Traffic Congestion Relief	Medium	Reduce congestion so streets and freeways can work better, especially in the local community/project area.	<ul style="list-style-type: none"> • Projected number of "new" transit riders • Estimated reduction in daily vehicle miles of travel (VMT) • Projected ridership in year 2015 (or 2030?; or year of opening?) • Projected number of new pedestrian-oriented uses within ½ mile • Projected reduction in parking requirements • Projected benefits to local street network • Complementary congestion relief efforts (signal synchronization, etc.) are proposed for the project to make it work better with the transit connection(s) in place
8. Right-of-Way (ROW) Availability	Medium	To accurately assess what is needed to build a project and thereby maximize the likelihood of cost effective, timely project delivery.	<ul style="list-style-type: none"> • Proof of ROW availability (if required). Appropriate letters of agreement, contracts or ownership records (public ROWs, easements, property donations, etc.) • Action plan and schedule for obtaining the necessary commitments in step two
9. Sound Long-Term Operating Plan	Medium	Experience elsewhere has shown that early operations planning can be overlooked and is a high priority. The framework of an operating plan can and must be established early to ensure public funds are invested well.	<ul style="list-style-type: none"> • 5+year operating plan • Projected farebox recovery compared with OCTA or other relevant operation's history • Qualitative assessment of the proposed funding sources • Demonstrations of partnering agreements (letters of intent, MOUs, etc) or intent to pursue same in step two for sustained cooperative agreements to utilize service as a connection to Metrolink for employees, etc.
10. Compatible and Approved Land Use	Medium	Ensure that transportation and land use are working in concert to maximize the return on transit investment and land values.	<ul style="list-style-type: none"> • Qualitative assessment of the transit supportiveness of land uses served by the proposed project (e.g. pedestrian friendly, integration of transit stops with development, mixed uses, etc.) • Qualitative assessment of ease of pedestrian connectivity to transit stops of proposed new service and/or to the Metrolink station • Letters of support from affected interests (e.g. homeowner associations, community associations, chambers of commerce, developers)

Criterion	Priority	Purpose	Performance Measures
11. Project Readiness	Low	To assess when a project could reasonably benefit a community.	<ul style="list-style-type: none"> • Ability of proposed project or concept to be implemented within 5 years of submittal of the Go Local Step One final report, as documented in the proposed schedule of project development activities • The proposed implementation schedule will be compared to existing, similar projects from Orange County or other metro areas
12. Safe and Modern Technologies	Low	Increase the project's public appeal, increase ridership, and, reduce liability and maintenance costs.	<ul style="list-style-type: none"> • Actual experience from existing operations or manufacturer's data • Qualitative assessment of the safety of proposed technology • Qualitative assessment of the reliability of the proposed technology

Proposed Go Local Step One Final Reports Screening Checklist

		Generally Exceeds, Meets, Does Not Meet Criteria*	Priority Multiplier (x3)
High Priority	Local Jurisdiction Funding Commitments		
	Proven Ability to Attract Other Financial Partners		
	Proximity to Jobs and Population Centers		
	Regional Benefits		
	Ease and Simplicity of Connections		
		Screening Result	

		Generally Exceeds, Meets, Does Not Meet Criteria*	Priority Multiplier (x2)
Medium Priority	Cost-Effectiveness		
	Traffic Congestion Relief		
	Right-of-Way Availability		
	Sound Long-Term Operating Plan Compatible and Approved Land Use		
		Screening Result	

		Generally Exceeds, Meets, Does Not Meet Criteria*	Priority Multiplier (x1)
Low Priority	Project Readiness		
	Safe and Modern Technologies		
		Screening Result	

*Rating for Each Criteria:	
Generally Exceeds	3
Generally Meets	1
Generally Does Not Meet	0

Total Screening Result:



BOARD COMMITTEE TRANSMITTAL

February 25, 2008

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Go Local Step Two Program Allocations and Project Screening

Transportation 2020 Committee meeting of February 18, 2008

Present: Directors Brown, Campbell, Cavecche, Dixon, and Pringle
Absent: Directors Amante and Buffa

Committee Vote

No vote was taken.

Committee Discussion

A lengthy discussion took place which resulted in a consensus by the Committee to hold a Special Transportation 2020 meeting to address the issues raised.

That meeting has been set for 8:00 a.m. on February 25, 2008, prior to the Board meeting.



February 18, 2008

To: Transportation 2020 Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Go Local Step Two Program Allocations and Project Screening

Overview

The Transportation 2020 Committee has directed staff to initiate selection of Go Local projects to enter into Step Two by March 1, 2008. Staff has proposed programmatic funding allocations by project type and developed a screening checklist to evaluate Step One final reports for merit to advance to the Step Two competitive funding process.

Recommendations

- A. Approve the programmatic allocation of \$25.4 million Go Local funds.
- B. Direct staff to screen the submission of Step One final reports according to the proposed Go Local Step One Final Reports Screening Checklist.
- C. Return to Transportation 2020 Committee with results of project screening.
- D. Direct staff to begin development of program guidelines for Step Three and Step Four of the Go Local Program.

Background

Since its approval in February 2006, interested cities have been working on developing their own local transit vision as part of the Go Local Program. Concurrently, staff has been advancing the development of the Go Local Program in preparation of completion of Step One and initiation of Step Two. On November 26, 2007, the Orange County Transportation Authority (OCTA) Board of Directors (Board) approved the extension of cooperative agreements with participating cities until June 30, 2008, to coincide with the date cities are required to submit their Step One final reports.

During the month of December 2007, staff conducted progress meetings with 14 teams and 21 cities to allow staff an opportunity to update the cities on the program. Participating cities also provided a report on the status of their Step One work effort. As a result of these meetings, OCTA staff has been able to develop a preliminary status of the program. The meetings confirmed that project concepts fall into four project types. Upon the completion of Step One, the remaining steps, which are part of the planning and implementation process approved by the Board, will follow and are outlined below.

- Step Two: Detailed planning and alternatives analysis of the concepts emerging from Step One for interested cities, with projects qualifying through a competitive process.
- Step Three: Project development/implementation (preliminary engineering through construction) of those projects, which qualify through a competitive process for continued funding.
- Step Four: Additional work on the Metrolink corridor to transform stations into transportation centers.

The remaining funding from the \$30 million approved for the Go Local Program after the completion of Step One will be available through a competitive basis to enter into Step Two, further developing the most promising projects identified in Step One. These funds were made available through the current Measure M (M1) funds program for High-Technology Advanced Rail Transit. The Go Local Program, funded under M1, is a precursor to the implementation of Project S under the Renewed Measure M (M2).

Discussion

Program Allocations

Staff has categorized the anticipated types of projects being considered based on information provided in the approved project concepts, as well as the meetings conducted with participating cities during December 2007. The categories of projects defined to date include:

- Fixed Guideway (rail or bus)
- Mixed-Flow Traffic Bus/Shuttle
- Station Improvements
- Pedestrian Access, Parking, or Bike Improvements

The emphasis of Project S, under the M2 program, is to expand access to the core rail system and establish connections to communities and major activity

centers that are not immediately adjacent to the Metrolink corridor. Staff recommends that the remaining \$25.4 million of Go Local funds be allocated to the two project types, fixed guideway and mixed-flow traffic bus/shuttle, that connect to Metrolink stations. These project types appear to best fit the original intent of the M1 Go Local Program, as well as the intent of Project S as described in the M2 Transportation Investment Plan and the Board-approved Go Local Program Evaluation Criteria (Attachment A). For the project types (station and pedestrian access improvements) that appear to not fit the Project S evaluation criteria, it is recommended that projects be redirected to other programs that may be more appropriate for the type of projects proposed. These other programs include, but are not limited to, the following:

- Project R – High-Frequency Metrolink Service (M2)
- Project T – Metrolink Gateways (M2)
- Project V – Community Circulators (M2)
- New/Small Starts (Federal)
- Transportation Enhancement Activities/Transportation Development Act (State)

The commitments to date of Go Local Step One funds are as follows:

M1 High-Technology Advanced Rail Transit (Total Go Local Program Allocation)	\$30.0 Million
Go Local Step One	(\$ 2.8 Million)
Remaining Step One Funds	(\$.6 Million)
Existing/Future Program Support	(\$ 1.2 Million)
Remaining Go Local Program Funds:	\$25.4 Million

The recommended programmatic funding allocations by project type for the remaining Go Local Program funds are as follows:

Fixed Guideway (rail or bus)	\$15.0 Million
Mixed-Flow Traffic (bus/shuttle)	\$ 3.0 Million
Reserve:	
Fixed Guideway Design	\$ 5.2 Million
Future Planning	\$ 2.2 Million
Proposed Allocation To Go Local Step Two	\$25.4 Million

Staff is recommending that a reserve amount be held for both future design of the fixed guideway projects, as well as for future planning of additional fixed guideway and mixed-flow projects that are expected to be submitted up until the June 30, 2008, Step One completion deadline.

Fixed Guideway (rail or bus)

The qualifying Go Local, Project S fixed guideway (rail or bus) projects will use funding from the proposed project type allocation for detailed planning, alternative analysis (AA), financial planning, conceptual engineering, and environmental efforts necessary to clear the projects for both the California Environmental Quality Act and National Environmental Policy Act processes. Having all the fixed guideway (rail or bus) projects go through the Federal Transit Administration's AA process will allow them to maintain eligibility for future potential federal funding opportunities, as well as providing a proven process for fixed guideway project development. Staff is estimating that two or three fixed guideway projects will be submitted and that an estimated \$5 million is needed for each project to undergo the AA and environmental clearance processes. Consistent with other M1 programs, staff is also recommending a 20 percent local match requirement for Step Two grants.

Mixed-Flow Traffic Bus/Shuttle

This type of project may require a service planning similar to that undertaken by OCTA for any fixed-route services where existing data is reviewed and service deficiencies and opportunities are identified. The service planning process will allow a process for screening and documenting service characteristics, benefits, and resource requirements and determine its merit. In addition, the analysis will include field testing to ensure that proposed routings are operationally feasible. The factors that are taken into account when conducting service planning include:

- Passenger demand
- Route and system performance
- Customer needs
- Technical feasibility
- Boardings per revenue vehicle hour
- Route segment performance
- Passenger loads
- Vehicle and driver requirements
- City's request/input

Staff also recommends a 20 percent local matching fund requirement for these projects. In addition, in order to streamline the process and to ensure consistent evaluation of the projects, the Board may wish to consider assistance for this type of analysis. One option is for OCTA to enter into a master contract with several firms that specialize in this type of work and to issue contract task orders for individual city projects as requests are received.

For subsequent phases of development for the Go Local Program, Project S, there is \$1 billion in M2 funds available. This funding is anticipated to coincide with Step Three of the Go Local Program and would be available for qualifying project development and implementation. Major policy issues, such as use of funds for operating and capital expenses, are being addressed as part of the M2 Transit Strategic Plan, which is planned to be brought to the Board for consideration in April 2008. Since these policy issues will have direct impact on the next phases of the Go Local Program, staff will develop program guidelines for Step Three and Step Four in conjunction with the M2 Transit Strategic Plan.

Proposed Step One Final Report Screening Process

Staff proposes to perform a preliminary evaluation of each individual project by screening the projects according to the Board-approved (August 8, 2006) Go Local Program Evaluation Criteria. Staff will determine if the project generally exceeds, generally meets, or generally does not meet the individual evaluation criteria and will assign a value based upon the weighted value of the criteria (Attachment B). Examples of how projects may be screened are as follows:

- **Generally Exceeds:** Project A is a fixed guideway system that intends to connect city population and activity centers to the local Metrolink station. The host city has committed to a local funding match and submitted a written commitment from the largest employer in the host city expressing its support and intended use of the system for its employees.
- **Generally Meets:** Project B is a mixed-flow shuttle system that intends to connect the city's town center to a neighboring city's Metrolink station. While there is no funding commitment from the participating cities, a public survey deemed that Metrolink riders would be interested in visiting the town center if a shuttle service was implemented.
- **Generally Does Not Meet:** Project C is a plan to improve pedestrian accessibility from the city's largest employment center to the Metrolink station that is across the street. The plan includes a proposal to construct a pedestrian bridge and bikeway over the corridor.

Similar to the process of evaluating projects for other OCTA-funded programs, staff recommends that two city representatives, selected via the Technical Advisory Committee, and a member of the Citizens' Advisory Committee also participate in the screening process. All projects and respective evaluation, and a preliminary recommendation, will be presented to the Transportation 2020 Committee (Committee) for review. Staff is expecting to return to the Committee in March, May, and July 2008, consistent with the submission of the Go Local Step One final reports, with results of the project screening.

If a project does meet the Project S criteria, staff will return to the Committee with a recommendation of advancing the project to the Go Local Step Two competitive funding process via the proposed programmatic allocations.

If a project does not appear to meet the Project S criteria, staff will return to the Committee with a recommendation to redirect the project to an appropriate funding program and a commitment to assist the cities in that effort. Once redirected, projects will be subject to the timing and evaluation criteria of the designated program.

As part of the M2 Transit Strategic Plan, currently underway, staff will also develop program guidelines for Step Three and Step Four of the Go Local Program.

Fiscal Impact

All planning work under Step One and Step Two is fundable with the approved \$30 million in existing M1 funds.

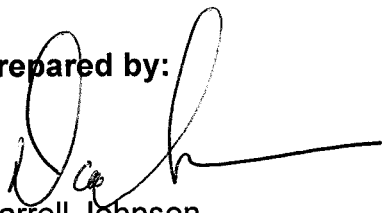
Summary

With Step Two of the Go Local Program beginning in March 2008, staff has proposed funding allocations of the remaining \$25.4 million of Go Local funds for the project types that best fit the intent of Project S. Staff has also recommended a screening process to evaluate Step One final reports for consideration of advancing to the Step Two competitive funding process. Upon approval, staff will return with recommendations on awarding funding to projects that meet Project S criteria, as well as a process for redirecting projects that do not meet Project S criteria to other appropriate funding programs.

Attachments

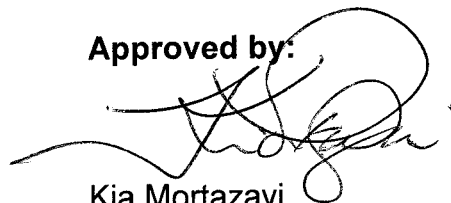
- A. Board-Approved (August 8, 2006) Evaluation Criteria Go Local Program – Final Version
- B. Proposed Go Local Step One Final Reports Screening Checklist

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Board-Approved (August 8, 2006) Evaluation Criteria Go Local Program – Final Version

This criteria will evaluate results of the Step One effort as documented in the City's Final Report that will serve as the City's Step Two funding application.

Criterion	Priority	Purpose	Performance Measures
1. Local Jurisdiction Funding Commitments	High	To appropriately invest scarce Measure M resources and ensure that the project is a high priority for the host cities.	<ul style="list-style-type: none"> • Proof of local funding commitments (e.g. City council actions, city budgets, grant applications, memorandums of understanding [MOUs], etc.) • Level of local funding match
2. Proven Ability to Attract Other Financial Partners	High	To ensure that Measure M dollars are being invested in areas which others have determined warrants investment and to ensure that Measure M dollars are being leveraged to maximize their return to the public.	<ul style="list-style-type: none"> • Cooperative agreements, MOUs, council actions, grants • Funding agreements with private parties, if any, to demonstrate private sector financial participation in the proposed project related to the area served or affected by the project • Projected increase in land values of lands affected by the proposed project • Percent of proposed project funding not from Measure M • Action Plan for obtaining commitments in Step Two • Employer rideshare commitments from employers along the route
3. Proximity to Jobs and Population Centers	High	Coordinated planning of transit and land use to increase pedestrian safety and access to Metrolink.	<ul style="list-style-type: none"> • Recommendations for policies, general plan amendments, etc. applied withing 1500' of station • Recommendations for short or long-term local transit strategies coordinated with land use • Increase the number of people who can get to work/home from Metrolink in 15 minutes using transit or 10 minutes walking (total transit travel time includes walk + wait + in vehicle time)

Criterion	Priority	Purpose	Performance Measures
<p>4.</p> <p>Regional Benefits</p>	<p>High</p>	<p>Effectively deliver Metrolink riders to regional employment and activity destinations utilizing convenient locally-oriented transit.</p> <p>Expand transit's appeal to those who own autos.</p>	<ul style="list-style-type: none"> • Number of cities served by the proposed project. • Number of existing and planned "regional" employment and activity centers within 15 minutes total transit travel time or 10 minutes walking time of the nearest Metrolink station. Definition of regional activity center to be determined, but examples are California State University Fullerton, Disneyland, UCI Medical Center, Civic Center, John Wayne Airport, regional malls such as South Coast Plaza, Orange Coast College, etc. • Agreements regarding intent to pursue program to develop cooperative ridership development programs (or letters of intent to pursue same in Step Two) etc. with activity centers and/or employers
<p>5.</p> <p>Ease and Simplicity of Connections</p>	<p>High</p>	<p>To close gaps between existing transit services especially during peak demand hours.</p> <p>To maximize ridership by making sure the project includes the optimum number, ease and user-friendly design considerations regarding connections between the project and Metrolink.</p>	<ul style="list-style-type: none"> • Linkage assessment within project area • Number of new transit connections • Number and clarity of transfers required to travel 15 minutes of total transit travel time to/from the nearest Metrolink station • Attention devoted to customer service planning • Ease of access from the Metrolink platform to boarding location of proposed new service or to new land uses • Amount of integration between Metrolink fares and fares of proposed project. • Apply sample trips for comparative purposes • Evaluate the amount and type of research done or proposed, and/or considerations given to site design to make connections easy
<p>6.</p> <p>Cost-Effectiveness</p>	<p>Medium</p>	<p>Assess the benefit for each public dollar spent.</p>	<ul style="list-style-type: none"> • Total cost per new rider • Measure M cost per new rider • Total cost per passenger-mile • Measure M cost per passenger-mile • Private investment attracted per passenger mile • Non-transit funding attracted per passenger mile

Criterion	Priority	Purpose	Performance Measures
7. Traffic Congestion Relief	Medium	Reduce congestion so streets and freeways can work better, especially in the local community/project area.	<ul style="list-style-type: none"> • Projected number of “new” transit riders • Estimated reduction in daily vehicle miles of travel (VMT) • Projected ridership in year 2015 (or 2030?; or year of opening?) • Projected number of new pedestrian-oriented uses within ½ mile • Projected reduction in parking requirements • Projected benefits to local street network • Complementary congestion relief efforts (signal synchronization, etc.) are proposed for the project to make it work better with the transit connection(s) in place
8. Right-of-Way (ROW) Availability	Medium	To accurately assess what is needed to build a project and thereby maximize the likelihood of cost effective, timely project delivery.	<ul style="list-style-type: none"> • Proof of ROW availability (if required). Appropriate letters of agreement, contracts or ownership records (public ROWs, easements, property donations, etc.) • Action Plan and schedule for obtaining the necessary commitments in step two
9. Sound Long-Term Operating Plan	Medium	Experience elsewhere has shown that early operations planning can be overlooked and is a high priority. The framework of an operating plan can and must be established early to ensure public funds are invested well.	<ul style="list-style-type: none"> • 5+year operating plan • Projected farebox recovery compared with OCTA or other relevant operation’s history • Qualitative assessment of the proposed funding sources • Demonstrations of partnering agreements (letters of intent, MOUs, etc) or intent to pursue same in step two for sustained cooperative agreements to utilize service as a connection to Metrolink for employees, etc.
10. Compatible and Approved Land Use	Medium	Ensure that transportation and land use are working in concert to maximize the return on transit investment and land values.	<ul style="list-style-type: none"> • Qualitative assessment of the transit supportiveness of land uses served by the proposed project (e.g. pedestrian friendly, integration of transit stops with development, mixed uses, etc.) • Qualitative assessment of ease of pedestrian connectivity to transit stops of proposed new service and/or to the Metrolink station • Letters of support from affected interests (e.g. homeowner associations, community associations, chambers of commerce, developers)

Criterion	Priority	Purpose	Performance Measures
11. Project Readiness	Low	To assess when a project could reasonably benefit a community.	<ul style="list-style-type: none"> • Ability of proposed project or concept to be implemented within 5 years of submittal of the Go Local Step One final report, as documented in the proposed schedule of project development activities • The proposed implementation schedule will be compared to existing, similar projects from Orange County or other metro areas
12. Safe and Modern Technologies	Low	Increase the project's public appeal, increase ridership, and, reduce liability and maintenance costs.	<ul style="list-style-type: none"> • Actual experience from existing operations or manufacturer's data • Qualitative assessment of the safety of proposed technology • Qualitative assessment of the reliability of the proposed technology

Proposed Go Local Step One Final Reports Screening Checklist

		Generally Exceeds, Meets, Does Not Meet Criteria*	Priority Multiplier (x3)
High Priority	Local Jurisdiction Funding Commitments		
	Proven Ability to Attract Other Financial Partners		
	Proximity to Jobs and Population Centers		
	Regional Benefits		
	Ease and Simplicity of Connections		
		Screening Result	

		Generally Exceeds, Meets, Does Not Meet Criteria*	Priority Multiplier (x2)
Medium Priority	Cost-Effectiveness		
	Traffic Congestion Relief		
	Right-of-Way Availability		
	Sound Long-Term Operating Plan		
	Compatible and Approved Land Use		
		Screening Result	

		Generally Exceeds, Meets, Does Not Meet Criteria*	Priority Multiplier (x1)
Low Priority	Project Readiness		
	Safe and Modern Technologies		
		Screening Result	

*Rating for Each Criteria:	
Generally Exceeds	3
Generally Meets	2
Generally Does Not Meet	1

Total Screening Result: