

Date: Monday, July 13, 2009

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
Orange County Transportation Authority Headquarters
First Floor - Room 154
600 South Main Street, Orange, California
Monday, July 13, 2009, 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.

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.

Public Availability of Agenda Materials

All documents relative to the items referenced in this agenda are available for public inspection at www.octa.net or through the Clerk of the Board's office at the OCTA Headquarters, 600 South Main Street, Orange, California.

Call to Order

Invocation

Director Dalton

Pledge of Allegiance

Director Green



BOARD AGENDA

ACTIONS

Special Matters

There are no Special Matter items.

Consent Calendar (Items 1 through 16)

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

1. **Approval of Minutes**

Of the Orange County Transportation Authority and affiliated agencies' regular meeting of June 22, 2009.

2. **Draft Code of Conduct**

Kathleen M. O'Connell

Overview

A Draft Code of Conduct has been developed to address a deficiency identified by the Orange County Transportation Authority's external auditors during their financial statement audits for the fiscal years ended June 30, 2007 and 2008, as well as to comply with Federal Transit Administration requirements. The Draft Code of Conduct provides direction to officers, employees, agents, and Members of the Board of Directors on appropriate and professional behavior in the conduct of Orange County Transportation Authority business.

Recommendation

Approve the Draft Code of Conduct.



BOARD AGENDA

ACTIONS

3. **Cooperative Agreements with the Orange County Council of Governments for Administrative Services and SB 375 Planning Requirements**
P. Sue Zuhlke

Overview

The Orange County Transportation Authority proposes to enter into cooperative agreements with the Orange County Council of Governments. Cooperative agreements are required to establish roles, responsibilities, and financial commitments associated with administrative services and SB 375 planning requirements.

Committee Recommendations

- A. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-9-0496 with the Orange County Council of Governments for the Orange County Transportation Authority, which will receive as revenue \$141,000, to provide staff to administer the functions and activities of the Orange County Council of Governments. This Agreement shall commence upon execution by both parties and approval by both parties of a separate agreement regarding SB 375 planning requirements and shall continue in full force and effect through June 30, 2013, unless terminated earlier by any party.
- B. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-9-0497 with the Orange County Council of Governments to establish roles, responsibilities, and financial commitments, including the use of a federal grant in the amount of \$834,007, for the preparation of a sustainable communities strategy and, if necessary, an alternative planning strategy for the subregional area of Orange County in compliance with SB 375 planning requirements.



BOARD AGENDA

ACTIONS

4. Amendment to Agreement for Medical Clinic Services
Lisa Arosteguy-Brown/Patrick J. Gough

Overview

On June 26, 2006, the Board of Directors approved a three-year agreement with Pacific Medical Clinic, in the amount of \$218,500, to perform Department of Motor Vehicle DL-51 recertification examinations and drug and alcohol testing. Pacific Medical Clinic was retained in accordance with the Orange County Transportation Authority's procurement procedures for professional services.

Recommendation

Authorize the Chief Executive Officer to execute Amendment No.1 to exercise the first option term for Agreement C-6-0339 between the Orange County Transportation Authority and Pacific Medical Clinic, adding \$73,000 for a total contract obligation of \$291,500 for the period of August 1, 2009, through July 31, 2010.

5. Amendment to the Master Plan of Arterial Highways
Joseph Alcock/Kia Mortazavi

Overview

The Orange County Transportation Authority administers the Master Plan of Arterial Highways including the review and approval of amendments requested by local agencies. The City of Yorba Linda has requested an amendment to the Master Plan of Arterial Highways to reflect existing and proposed changes to the arterial highway system within its jurisdiction.

Recommendations

- A. Approve amendment to the Master Plan of Arterial Highways to add Bastanchury Road, from Fairmont Boulevard to Village Center Drive, as a primary (four-lane, divided) arterial.



BOARD AGENDA

ACTIONS

5. (Continued)

- B. Approve amendment to the Master Plan of Arterial Highways to reclassify Village Center Drive, from Bastanchury Road to Fairmont Boulevard, from a secondary (four-lane, undivided) arterial to a collector (two-lane, undivided) arterial, subject to approval by the City of Yorba Linda of a general plan amendment reflecting this change.

6. **Proposed Overall Annual Race-Neutral Disadvantaged Business Enterprise Goal for Federal Fiscal Year 2009-10**

Virginia Abadessa/Kenneth Phipps

Overview

An Overall Annual Disadvantaged Business Enterprise Goal has been developed for the Orange County Transportation Authority's Federal Transit Administration assisted contracts in compliance with federal regulations set forth in 49 CFR Part 26 entitled "Participation by Disadvantaged Business Enterprises in United States Department of Transportation Programs" for the federal fiscal year 2009-10.

Recommendation

Adopt the proposed federal fiscal year 2009-10 Overall Annual Race-Neutral Disadvantaged Business Enterprise participation goal of 8 percent for contracts assisted by the Federal Transit Administration, in accordance with 49 CFR Part 26.

7. **Investor Relations Meetings in New York**

Kirk Avila/Kenneth Phipps

Overview

Since the early 1990's, the Orange County Transportation Authority has maintained an active investor relations program. As part of this program, each year the Orange County Transportation Authority conducts a series of meetings with rating agencies, financial institutions, insurers, and investors in New York, New York. This year, the trip took place during the week of June 8, 2009.



BOARD AGENDA

ACTIONS

7. (Continued)

Recommendation

Receive and file as an information item.

Orange County Local Transportation Authority Consent Calendar Matters

8. **Consultant Selection for Preparation of Plans, Specifications, and Estimate for Lane Addition on the Westbound Riverside Freeway (State Route 91)**

Dipak Roy/Kia Mortazavi

Overview

On March 23, 2009, the Orange County Transportation Authority Board of Directors approved the release of a request for proposals to select a firm to prepare the plans, specifications, and estimate for a westbound lane addition on the Riverside Freeway (State Route 91) between the Santa Ana Freeway (Interstate 5) and Orange Freeway (State Route 57). Proposals were solicited in accordance with the Orange County Transportation Authority's procurement procedures for the retention of a consultant to perform architectural and engineering work.

Recommendations

- A. Approve the selection of RBF Consulting as the top-ranked firm to prepare the plans, specifications, and estimate for a westbound lane addition on the Riverside Freeway (State Route 91) between the Santa Ana Freeway (Interstate 5) and Orange Freeway (State Route 57).
- B. Authorize the Chief Executive Officer to request a cost proposal from RBF Consulting and negotiate an agreement for services.
- C. Authorize the Chief Executive Officer to execute final Agreement No. C-9-0244, in an amount not to exceed \$4,000,000.



BOARD AGENDA

ACTIONS

9. Amendments to Agreements for Preliminary Engineering, Final Design, and Construction Support Services for the Railroad Grade Separation Projects

Tom Bogard/Kia Mortazavi

Overview

On October 27, 2008, the Board of Directors approved agreements with HNTB Corporation, DMJM Harris/AECOM, Biggs Cardosa Associates, Inc., and CH2M HILL to provide final design and construction support services for the Kraemer Boulevard, Orangethorpe Avenue, Tustin Avenue/Rose Drive, and Lakeview Avenue railroad grade separation projects, respectively. Amendments to the four agreements are necessary at this time to authorize the remaining phases of work required to complete the projects.

Recommendations

- A. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Agreement No. C-8-0922 with HNTB Corporation, in an amount not to exceed \$1,000,000, for the completion of preliminary engineering, and upon completion of the environmental document, execute Amendment No. 3, in an amount not to exceed \$3,392,000, for completion of final design and construction support services for the Kraemer Boulevard railroad grade separation project, bringing the total contract value to a not-to-exceed amount of \$4,744,830.
- B. Authorize the Chief Executive Officer to negotiate, and upon completion of the environmental document, execute Amendment No. 2 to Agreement No. C-8-0987 with DMJM Harris/AECOM, in an amount not to exceed \$5,791,000, for the completion of final design and construction support services for the Orangethorpe Avenue railroad grade separation project, bringing the total contract value to a not-to-exceed amount of \$6,195,953.
- C. Authorize the Chief Executive Officer to negotiate, and upon completion of the environmental document, execute Amendment No. 2 to Agreement No. C-8-0988 with Biggs Cardosa Associates, Inc., in an amount not to exceed \$3,991,000, for the completion of final design and construction support services for the Tustin Avenue/Rose Drive railroad grade separation project, bringing the total contract value to a not-to-exceed amount of \$4,402,537.



BOARD AGENDA

ACTIONS

9. (Continued)

- D. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Agreement No. C-8-0962 with CH2M HILL, in an amount not to exceed \$670,000, for the completion of preliminary engineering, and upon completion of the environmental document, execute Amendment No. 3, in an amount not to exceed \$2,524,000, for the completion of final design and construction support services for the Lakeview Avenue railroad grade separation project, bringing the total contract value to a not-to-exceed amount of \$3,543,593.
- E. Amend the Orange County Transportation Authority's Fiscal Year 2009-10 Budget by \$3,000,000.

10. **Candidate Projects for Transportation Investment Generating Economic Recovery Funding**

Barry Engelberg/Kia Mortazavi

Overview

President Obama signed the American Recovery and Reinvestment Act into law in February 2009. The Transportation Investment Generating Economic Recovery portion of the act authorizes \$1.5 billion for a discretionary grant program. The submittal deadline is September 15, 2009; however, the State of California has set an earlier deadline of July 27, 2009, for the creation of a statewide list of projects. Proposed project submittals are provided for review and approval.

Committee Recommendations

- A. Review and approve proposed projects for Transportation Investment Generating Economic Recovery funding.
- B. Direct the Chief Executive Officer to include projects as part of a statewide list for Transportation Investment Generating Economic Recovery funding.



BOARD AGENDA

ACTIONS

10. (Continued)

- C. If an Orange County Transportation Authority project is not selected as part of a statewide list for Transportation Investment Generating Economic Recovery funding, direct the Chief Executive Officer to make an application to the United States Secretary of Transportation for such funding.
- D. If neither of the projects are selected for the statewide list, staff will contemplate how another project may be substituted.

11. **Cooperative Agreement with the City of Laguna Beach for Go Local Step Two Bus/Shuttle Service Planning**

Kelly Long/Darrell Johnson

Overview

The Orange County Transportation Authority Board of Directors has approved 27 bus/shuttle proposals submitted under Go Local Step One to be advanced to Step Two. As part of Step Two, each bus/shuttle proposal will undergo detailed service planning. Cooperative agreements are needed to outline roles and responsibilities for the Step Two service planning effort. A cooperative agreement with the City of Laguna Beach for service planning of the city's bus/shuttle proposal is presented for review and approval.

Recommendation

Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-9-0551 between the Orange County Transportation Authority and the City of Laguna Beach to define each party's roles and responsibilities for service planning of the bus/shuttle proposal entitled "Laguna Beach Summer Arts Festival Shuttle."



BOARD AGENDA

ACTIONS

12. **Cooperative Agreement with the City of Orange and the Orange Redevelopment Agency for Parking Capacity Expansion at the Orange Transportation Center**
Lora Cross/Darrell Johnson

Overview

A cooperative agreement is required with the City of Orange and the Orange Redevelopment Agency to fund parking expansion site feasibility studies. Additional parking is needed at the Orange Transportation Center to meet future demands related to expanded Metrolink service.

Recommendation

Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-9-0243 between the Orange County Transportation Authority, the City of Orange, and the Orange Redevelopment Agency, in an amount not to exceed \$200,000, to define roles, responsibilities, and funding for site feasibility studies at the Orange Transportation Center.

Orange County Transit District Consent Calendar Matters

13. **Buy America Review**
Kathleen M. O'Connell

Overview

The Internal Audit Department has conducted a post-delivery Buy America review for an Orange County Transportation Authority agreement to purchase 20 compressed natural gas cutaway transit vehicles.

Recommendation

Receive and file Eldorado National, Inc. Post-Delivery Buy America Review, Internal Audit Report No. 09-035.



BOARD AGENDA

ACTIONS

14. Agreement for Janitorial Services
Ryan Erickson/Beth McCormick

Overview

On March 23, 2009, the Board of Directors approved the release of Request for Proposals 9-0259 for janitorial services for all Orange County Transportation Authority-owned facilities. 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 C-9-0259 between the Orange County Transportation Authority and Diamond Contract Services, Inc., in an amount of \$4,097,939, for janitorial services at Orange County Transportation Authority-owned facilities for a three-year period with a two-year option.

15. Agreement for Installation of Worker's Fall Protection System at the Anaheim, Garden Grove, and Santa Ana Bus Bases
James J. Kramer/Darrell Johnson

Overview

The Orange County Transportation Authority needs to install a worker's fall protection system at the Anaheim, Garden Grove, and the Santa Ana bus bases for the safety of bus mechanics. The project is ready for construction and the Board of Directors' authorization is required.

Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-9-0397 between the Orange County Transportation Authority and L.H. Engineering Company, Inc., the lowest responsive, responsible bidder, in an amount not to exceed \$670,000, for the installation of a worker's fall protection system at the Anaheim, Garden Grove, and Santa Ana bus bases.



BOARD AGENDA

ACTIONS

16. **Agreement for Replacement of Bus Vehicle Lifts at the Anaheim, Garden Grove, and Irvine Sand Canyon Bus Bases**
James J. Kramer/Darrell Johnson

Overview

The Orange County Transportation Authority needs to replace the bus vehicle lifts in the steam clean area at the Anaheim, Garden Grove, and Irvine Sand Canyon bus bases. The project is ready for construction and the Board of Directors' approval is requested to execute the agreement.

Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-9-0212 between the Orange County Transportation Authority and Dalke & Sons Construction, Inc., the lowest responsive, responsible bidder, in an amount not to exceed \$699,800, for the replacement of bus vehicle lifts in the steam clean areas at the Anaheim, Garden Grove, and Irvine Sand Canyon bus bases.

Regular Calendar

Orange County Transit District Regular Calendar Matters

17. **Bus Service Reduction Update**
Erin Rogers/Beth McCormick

Overview

At the June 8, 2009, Board of Directors' meeting, alternatives were presented for the bus service reductions required with the September 2009 Service Change program. At that time, the Board of Directors adopted a preferred strategy to make the necessary reductions in September 2009 and directed staff to return in 30 days with a proposed strategy to make the remainder of the necessary bus service reductions.

Committee Recommendation

Direct staff to prepare recommendations for the remainder of the necessary bus service reductions with the March 2010 Service Change Program and include a revised Attachment D (Proposed Bus Service Reduction Program June 2009 – March 2010).



BOARD AGENDA

ACTIONS

Discussion Items

18. Address Congestion on the Garden Grove Freeway (State Route 22) Collector Distributor Road

James Pinheiro, Caltrans Deputy Director

19. 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.

20. Interim Chief Executive Officer's Report

21. Directors' Reports

22. Closed Session

Pursuant to Government Code Section 54956.9(a) to discuss Ronald Cunningham vs. Orange County Transportation Authority, et al.; OCSC No. 30-2008-00107941.

23. Adjournment

The next regularly scheduled meeting of this Board will be held at **9:00 a.m, on Monday, July 27, 2009**, at the OCTA Headquarters.

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
June 22, 2009

Call to Order

The June 22, 2009, regular meeting of the Orange County Transportation Authority and affiliated agencies was called to order by Chairman Buffa at 9:03 a.m. at the Orange County Transportation Authority Headquarters, Orange, California.

Roll Call

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

Also Present: James S. Kenan, Interim Chief Executive Officer
Wendy Knowles, Clerk of the Board
Allison Cheshire, Deputy Clerk of the Board
Kennard R. Smart, Jr., General Counsel
Members of the Press and the General Public

Directors Absent: Paul Glaab

Invocation

Director Bates gave the invocation.

Pledge of Allegiance

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

Public Comments on Agenda Items

Chairman Buffa 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.

Special Matters

1. Special Recognition for Thirty Years of Safe Driving

Chairman Buffa presented an award to Coach Operator James Da Vanzo for achieving thirty years of safe driving.

2. Presentation of Resolutions of Appreciation for Employees of the Month for June 2009

Chairman Buffa presented Orange County Transportation Authority Resolutions of Appreciation Nos. 2009-36, 2009-37, 2009-38 to Larry Grewal, Coach Operator; Leo Diza, Maintenance; and Rita De Andrade, Administration, as Employees of the Month for June 2009.

3. Presentation of Resolution of Appreciation to Orange County Sheriff's Department Employee of the Quarter

Chairman Buffa presented Orange County Transportation Authority Resolution of Appreciation No. 2009-39 to Orange County Sheriff's Deputy Timm Pusztai and Canine Foose.

4. Measure M Taxpayers' Oversight Committee New Member Recruitment and Lottery

Chairman Buffa advised the Board that terms of some of the Measure M Taxpayers' Oversight Committee Members have expired, and new members would be drawn at this time through a lottery.

4. (Continued)

New Committee members were selected as follows:

First District:

Vivian Kirkpatrick-Pilger, Westminster
Diana Hardy, Santa Ana - Alternate
Linda Rogers, Garden Grove - Alternate

Second District:

Anh-Tuan Le, Fountain Valley
Michael Schwarzmann, Costa Mesa - Alternate
Craig Schaum, Huntington Beach – Alternate
Lois Thompson, Fountain Valley – Alternate
Patrick Donnelly, La Palma - Alternate

Fourth District:

Gregory Pate, Anaheim - Alternate
Craig Green, Placentia - Alternate
Jennie Anderson, Fullerton - Alternate

Fifth District:

James Kelly, Mission Viejo - Alternate
Michael Recupero, San Juan Capistrano - Alternate
Daniel Wiles, Rancho Santa Margarita - Alternate
Mabel Hill Garcia, Dana Point - Alternate
David Celestin, Laguna Niguel - Alternate

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

- A. Pursuant to the Measure M Ordinance, conduct the lottery for final selection of new Measure M Taxpayers' Oversight Committee members by drawing one name each representing the First, Second, Fourth and Fifth Supervisorial districts from the list of recommended finalists from Grand Jurors' Association of Orange County.
- B. Adopt Orange County Local Transportation Authority resolutions of appreciation nos. 2009-40 for James Kelly, 2009-41 for Gilbert Ishizu, 2009-42 for Narinder Mahal, and 2009-43 for Frederick von Coelin, members of the Taxpayers' Oversight Committee whose terms have expired.

Director Dixon was not present for this vote.

Consent Calendar (Items 5 through 24)

Chairman Buffa 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.

Director Moorlach stated that he felt it appropriate, with the potential hiring of a new Chief Executive Officer (CEO), that the term "Interim" no longer be used in recommendations as the actions approved will likely occur when the new CEO is in place. Consensus of the Board was to remove "Interim" from recommendations when they are approved.

Orange County Transportation Authority Consent Calendar Matters

5. Approval of Minutes

Director Campbell pulled this item and noted a correction needed to page 11, item 20, second paragraph, stating that the word 'not' had been left out.

With that correction, Director Campbell made a motion to approve the minutes of the Orange County Transportation Authority and affiliated agencies' regular meeting of June 8, 2009. A second was provided by Director Pulido, and the minutes were declared approved by those present.

Director Dixon was not present to vote on this item.

6. Schedule for the Preparation of the 2010 State and Federal Legislative Platforms

A motion was made by Director Campbell, seconded by Vice Chair Amante, and declared passed by those present, to approve the preparation plan and timeline for the State and Federal Legislative platforms.

Director Dixon was not present to vote on this item.

7. State Legislative Status Report

Director Bates pulled this item and expressed her concern regarding SB 406 for a 5 percent surcharge being charged on regions which approve the revenue-generator, which goes to fund an expanded review committee, and stated she feels this will fund bureaucracy, rather than to local government revenue streams. She stated she feels 'Oppose' would be a better position.

7. (Continued)

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

A. Adopt the following recommended positions on legislation:

Oppose SB 406 (DeSaulnier, D-Concord), which would authorize specific entities to implement a vehicle registration surcharge to pay for planning related to a sustainable communities strategy or blueprint.

Oppose SB 474 (Ducheny, D-San Diego), which would require specific findings before an agency could utilize existing design-build or public private partnership authority.

Oppose SB 555 (Kehoe, D-San Diego), which would create notice and procedural requirements related to the condemnation of land with a conservation easement.

B. Reaffirm opposition position to the diversion of transportation revenue to provide relief to state General Fund.

Director Dixon was not present to vote on this item.

Director Moorlach requested General Counsel prepare an analysis to be issued on contractual obligations of the State regarding the diversion of transportation revenue in regard to the bankruptcy recovery plan.

8. Federal Legislative Status Report

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

Director Dixon was not present to vote on this item.

9. Federal Transit Administration Section 5316 and 5317 Grant Program Recommendations

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

A. Approve the recommended project list and authorize the Interim Chief Executive Officer to file and execute grant-related agreements needed to secure and make available funding from the Federal Transit Administration Section 5316 and Section 5317 grant programs.

B. Authorize staff to amend the Regional Transportation Improvement Program to accommodate grant revenues.

10. Federal Transit Administration Section 5307 Program of Projects Revisions

Director Bates pulled this item and referenced page 2 and inquired if the \$2 million in reallocated funding could be redirected to transit.

Abbe McClenahan, Section Manager from Development, responded that these funds will be going to the paratransit operations and the preventive maintenance. She also informed the Board that the maximum obligation has been reached for the year; therefore, the additional funds are recommended to go to radio and transit safety projects. Due to that maximum having been reached, no additional Section 5307 funds can be put toward paratransit and preventive maintenance this year. She further stated that operations is not an allowable cost for Section 5307 funds.

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

- A. Approve the revised federal fiscal year 2008-09 Federal Transit Administration Section 5307 program of projects.
- B. Direct staff to make all necessary amendments to the Regional Transportation Improvement Program, submit necessary Federal Transit Administration grant applications, and execute any necessary agreements to facilitate the above action.

Directors Dixon and Moorlach were not present to vote on this item.

11. Metrolink Ridership and Revenue Quarterly Report

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

Director Dixon was not present to vote on this item.

12. Citizens' Advisory Committee Update

Director Winterbottom pulled this item and informed Members that Sheldon Singer, a member of the Citizens' Advisory Committee, had passed away a few days ago and Director Winterbottom requested that the meeting be adjourned in Mr. Singer's memory and a resolution of appreciation be prepared.

A motion was made by Director Winterbottom, seconded by Director Green, and declared passed by those present, to:

12. (Continued)

- A. Receive and file the Citizens' Advisory Committee report.
- B. Adopt resolutions of appreciation 2009-32 through 2009-34 for members of the 2008-2009 Citizens' Advisory Committee.

Director Dixon was not present to vote on this item.

Orange County Service Authority for Freeway Emergencies Consent Calendar Matters

13. Agreement for Call Box System Operations and Maintenance Services

Member of the public, Sebastian Gutierrez, President of CASE Systems, Inc., of Irvine, pulled this item for comment and expressed his concern for the operation of the callbox system and to correct statements in the report which showed the recommended firm capable of handling the maintenance of the call box system.

Iain Fairweather, Manager of Motorist Services, provided background on this item and participated in the discussion that followed.

Director Pringle requested staff contemplate a plan for reducing call boxes to the lowest possible number and how to phase them out.

Director Bates requested staff review legislative provision regarding OCTA's responsibility for safety as it relates to providing call boxes for the public.

Vice Chairman Amante requested a review of the areas covered by cell phones in the County and liability (if any) if call boxes were not provided for motorists.

Director Campbell requested staff return in six months to report on the status of performance by the new firm.

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

- A. Authorize the Chief Executive Officer to execute Agreement C-9-0173 between the Orange County Transportation Authority and Republic Intelligent Transportation Services, in an amount not to exceed \$1,600,000 for a five-year period, to operate and maintain the Orange County call box system.

13. **(Continued)**

- B. Direct staff to return in six months to report on the performance of the new provider for this service.
- C. Direct staff to: return with a plan for reducing call boxes (after contacting Caltrans to learn minimum of boxes required); conduct a review of the legislative provision regarding OCTA's responsibility for safety as it relates to providing call boxes for the public; perform an analysis for review of the areas covered by cell phones in the County; and report on the liability (if any) if call boxes were not provided for motorists.

Directors Cavecche and Norby voted in opposition to the motion.

14. **Cooperative Agreement with Los Angeles County Metropolitan Transportation Authority to Participate in the 511 Motorist Aid and Traveler Information System and to Develop an Interactive Voice Response System**

Director Moorlach pulled this item and stated he is not convinced this action is necessary and does not easily recognize where the savings would be.

Iain Fairweather, Manager of Motorist Services, provided a history of this program and an explanation of what it provides to the traveling public.

A motion was made by Director Moorlach, seconded by Director Green, and declared passed by those present, to:

- A. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-9-0434 between the Orange County Transportation Authority and the Los Angeles County Metropolitan Transportation Authority to participate in the regional 511 Motorist Aid and Traveler Information System.
- B. Authorize the Chief Executive Officer to execute Amendment No. 1 to Cooperative Agreement No. C-9-0434 with the Los Angeles County Metropolitan Transportation Authority, in an amount not to exceed \$667,800, for the development, operations, and maintenance of an Interactive Voice Response System for the 511 Motorist Aid and Traveler Information System for a nine-year period through February 28, 2018.

Director Nguyen asked that it be shown that she was present for the vote on this item at the Transit Committee on June 11, 2009.

Orange County Local Transportation Authority Consent Calendar Matters

15. Cooperative Agreement with the City of Fullerton for Parking Expansion at the Fullerton Transportation Center

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

- A. Authorize the Chief Executive Officer to negotiate and execute Cooperative Agreement No. C-9-0404 between the Orange County Transportation Authority and the City of Fullerton, in an amount not to exceed \$13,035,000, to define roles, responsibilities, and funding for the design and construction of a parking structure at the Fullerton Transportation Center.
- B. Authorize staff to prepare and submit any necessary programming documents, including amendments to the Regional Transportation Improvement Program and execute any necessary agreements to meet the requirements of Cooperative Agreement No. C-9-0404 with the City of Fullerton.

Director Dixon was not present to vote on this item.

16. Cooperative Agreements with the Cities of Mission Viejo and Westminster for Go Local Step Two Bus/Shuttle Service Planning

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

- A. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-9-0467 between the Orange County Transportation Authority and the City of Mission Viejo to define each party's roles and responsibilities for service planning of two bus/shuttle proposals entitled, "Irvine Transportation Center to Mission Viejo Community Center" and "Laguna Niguel/Mission Viejo Metrolink Station to Mission Viejo Community Center."
- B. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-9-0428 between the Orange County Transportation Authority and the City of Westminster to define each party's roles and responsibilities for service planning of four bus/shuttle proposals entitled, "Bolsa Chica Inter-County Express," "North/South Commuter Express," "Fountain Valley Express," and "Little Saigon/Fountain Valley/ Huntington Beach Express."

Director Dixon was not present to vote on this item.

17. Cooperative Agreement with the Southern California Regional Rail Authority to Implement the Commuter Rail Grade Crossing Monitor Program

A motion was made by Director Campbell, seconded by Vice Chair Amante, and declared passed by those present, to authorize the Chief Executive Officer to execute Cooperative Agreement No. C-9-0429 between the Orange County Transportation Authority and the Southern California Regional Rail Authority to define each party's roles and responsibilities and to fund rail grade crossing monitors, in an amount not to exceed \$273,100, to upgrade and/or install monitoring equipment at Orange County rail grade crossings.

Director Dixon was not present to vote on this item.

18. Memorandum of Understanding with the City of San Juan Capistrano to Support and Develop Railroad-Related Improvements

Director Bates pulled this item and indicated she is supportive of this item, and requested that the record show that when this goes forward, the quiet design issues are part of the design process and this is the understanding of the City and those involved.

Darrell Johnson, Executive Director, Rail Division, stated that this is reflected in the Memorandum of Understanding.

A motion was made by Director Bates, seconded by Director Campbell, and declared passed by authorize the Chief Executive Officer to enter into a memorandum of understanding with the City of San Juan Capistrano to define roles and responsibilities related to the conversion of the Rancho Capistrano at-grade rail-highway grade crossing from a private to public at-grade rail-highway grade crossing.

19. Amendment to Design Services Agreement for the Orange Freeway (State Route 57) Northbound Widening Project Between Orangethorpe Avenue and Yorba Linda Boulevard

(Chairman Buffa and Directors Bates and Nguyen left the room during the discussion on this item and abstained from voting.)

Director Moorch pulled this item and stated he was curious in regard to this request coming at a time when OCTA is under-budget on the project, and asked if these improvements would have been requested had the project been over-budget.

Tom Bogard, Director of Highway Project Delivery, responded that the requested changes are items that have been worked on over the past months with Caltrans and OCTA believes this work is necessary to complete the project. Mr. Bogard stated that there is a contingency fund, and this work is within the amount set aside for unplanned-for work.

19. (Continued)

A motion was made by Director Moorlach, seconded by Director Green, and declared passed by those present, to authorize the Chief Executive Officer to execute Amendment No. 2 to Agreement No. C-7-0887 with RBF Consulting, in the amount of \$525,027, for additional design services for the northbound widening project on the Orange Freeway (State Route 57) between Orangethorpe Avenue and Yorba Linda Boulevard.

Chairman Buffa and Directors Bates and Nguyen did not participate in this vote.

20. Renewed Measure M Progress Report

Craig Green, member of the public, pulled this item for comment and submitted a letter for the record. Mr. Green expressed concern regarding the State Route 57 freeway widening, and stated there is a parcel of property owned next to the freeway at Crowther Avenue in Placentia and the owner was approached by OCTA to purchase that piece of property. The property owner is trying to keep this property for his business and Mr. Green asked for consideration in this matter, in that the property next to the one in question is available and would allow the other owner to keep his business in place.

A motion was made by Director Winterbottom, seconded by Director Pringle, and declared passed to receive and file as an information item.

Orange County Transit District Consent Calendar Matters

21. Agreement for Joint Sealant Replacement at the Irvine Sand Canyon Base

A motion was made by Director Campbell, seconded by Vice Chair Amante, and declared passed by those present, to authorize the Chief Executive Officer to execute Agreement No. C-9-0228 between the Orange County Transportation Authority and Kitson Specialty Contracting, Inc., the lowest responsive, responsible bidder, in an amount not to exceed \$148,948, for joint sealant replacement at the Irvine Sand Canyon Bus Base.

Director Dixon was not present to vote on this item.

22. Agreement for the Purchase of 33 Paratransit Buses

Director Moorlach pulled this item and expressed concerns due to the cost difference indicated.

Beth McCormick, General Manager of Transit, responded that when the information on this item was first provided to the Board, staff had requested it be deferred due to staff receiving a letter from another manufacturer who claimed their bus was significantly lower in cost.

22. (Continued)

Subsequently, Contracts Administration and Materials Management researched the firm and asked the vendor for a revised quote, adding the equipment necessary for the paratransit vehicles; ultimately, the price was reduced significantly. This keeps the fleet homogeneous and reduces the need to have different parts for different vehicles.

A motion was made by Director Moorlach, seconded by Director Green, and declared passed by those present, to authorize the Chief Executive Officer to execute Purchase Order No. C-8-1315 between the Orange County Transportation Authority and Creative Bus Sales, Inc., in an amount not to exceed \$3,457,627, for the purchase of 33 gasoline replacement paratransit buses for ACCESS service.

Director Nguyen abstained from voting on this item.

23. Amendment to Agreement for On-Board Video Surveillance System

A motion was made by Director Campbell, seconded by Vice Chair Amante, and declared passed by those present, to authorize the Chief Executive Officer to execute Amendment No. 8 to Agreement No. C-6-0142 between the Orange County Transportation Authority and March Networks, Inc., in an amount not to exceed \$425,000, to exercise the third option term through July 31, 2010, bringing the total contract value to \$1,679,292.

Director Dixon was not present to vote on this item.

24. Customer Information Center Update

Director Moorlach pulled this item and stated he was confused, as this seems to "encourage call failures".

Marlon Perry, Manager of Customer Relations, addressed the Board and stated that in the Customer Information Update, a modification was proposed for the performance standards, and it would increase the average speed of answer. He indicated that currently, most calls are answered within 60 seconds.

Director Moorlach requested staff look at the cost involved to add in the wait time notification feature on the Customer Information Center calls.

A motion was made by Director Moorlach, seconded by Director Green, and declared passed by those present, to modify Alta Resources' contract performance standards relative to average speed of answer for a 12-month pilot period and direct staff to return to the Board of Directors within six months with an update.

Director Brown was not present to vote on this item.

Regular Calendar

Orange County Transportation Authority Regular Calendar Matters

25. **Newly-Enacted State Statutes Related to Project Delivery**

Tom Bogard, Director of Highway Project Delivery, presented this item and reviewed recently-enacted legislation as it relates to project delivery for OCTA. One provision in the new legislation allows for unlimited use of public/private partnerships in California.

Mr. Bogard informed Members that the California Transportation Commission is beginning to develop policies and regulations in regard to the use of the design-build legislation, but stated that until they are developed, staff is not sure how they may apply in Orange County.

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

Directors Brown and Pringle were not present to vote on this item.

26. **Cooperative Agreement with Discovery Science Center for a Pass Through of Local Funds for the Exchange of a Federal Transit Administration Section 5309 Discretionary Capital Earmark**

Interim Chief Executive Officer, James S. Kenan, provided background on this item and summarized discussions which have taken place regarding this cooperative agreement with the Discovery Science Center. He stated that there is presently no Board policy covering the funding of this type of arrangement for non-profit agencies, and explained there had been concern for setting this type of precedent for future requests of this type being submitted to OCTA.

Also of concern was OCTA possibly assuming risk with respect to the request to have these funds re-programmed so that OCTA would be guaranteed to receive the money from the federal government. Mr. Kenan stated that meetings have been held which have relieved the concerns raised over the past weeks.

Chairman Buffa commented that he noticed in the Memorandum of Understanding (MOU) that if the subsequent funding to OCTA from the federal government does not come through, the Discovery Science Center would have to re-pay this money advanced plus interest.

26. (Continued)

Director Bates stated that she would like to know what account the funds are coming from and insure that the money will go back to those accounts. She requested that a timeline be part of the MOU as to the expectation of the re-payment.

Ken Phipps, Interim Executive Director of Finance and Administration, reported that the advance funds are coming from the Orange County Transit District local funds and would be repaid with the federal earmark at a later time.

Director Moorlach requested Internal Audit analyze and summarize how this request for funds for the Discovery Science Center originated, and asked that this information be presented through the Finance and Administration Committee.

Paula Negrete, District Director, Office of Congressman Loretta Sanchez, addressed the Board to advocate for the Discovery Science Center in order for the aforementioned federal funds to be accessed with the assistance of the Board of Directors.

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

- A. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-9-0431 between the Orange County Transportation Authority and Discovery Science Center, in an amount of \$297,000, to exchange local funds for a Federal Transit Administration Section 5309 Discretionary Capital Earmark through June 30, 2010.
- B. Direct staff to return to the Board on this item in one year if re-payment by the Discovery Science Center to OCTA has not been finalized.

Orange County Transit District Regular Calendar Matters

27. Bravo! Program Update

Gordon Robinson, Program Manager, provided an overview of the program, along with background and development of bus rapid transit since 2002. Mr. Robinson also stated that OCTA is looking at other cost-efficient methods by which to implement the system, which may include the radio upgrade project and the 511 system.

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

Directors Green and Pulido were not present to vote on this item.

Discussion Items

28. Anaheim Regional Transportation Intermodal Center Update

Jennifer Bergener, Program Manager, Rail Division, introduced Jamie Lai, Transit Manager, Public Works Department for the City of Anaheim, who presented a status update and showed a model of the project.

Ms. Bergener stated that the Anaheim Regional Transportation Intermodal Center (ARTIC) is envisioned to be a world-class transportation destination, serving existing Amtrak and Metrolink services, as well as future anticipated high-speed rail service and the City's Go Local fixed-guideway concept. ARTIC will also serve a host of bus, shuttle, and taxi services, including OCTA's bus rapid transit service (Bravo!).

Ms. Lai presented an overview of the City's two-step architectural and engineering procurement process through which world-class engineers and architectural firms were attracted to propose on the first phase of the work. Ms. Lai provided a summary of the procurement process, proposals evaluations, award of contract, and next steps.

Director Moorlach inquired if there will be strictly surface parking, or if there will be a parking structure. Ms. Lai responded that in Phase I, there is underground parking planned.

29. Public Comments

Chairman Buffa 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.

Public comment was heard from Patrick Kelly, representing Teamsters Local #952, who encouraged the Board to contemplate a referendum to protect transit funds.

Richard J. Bacigalupo, Manager of Federal Relations, explained recent steps taken by OCTA to protect funds and recent developments at the federal level.

30. Interim Chief Executive Officer's Report

James S. Kenan, Interim Chief Executive Officer (CEO), reported on upcoming meetings and events, including the annual Sacramento Legislative Delegation Trip on June 24-25.

Mr. Kenan stated that staff would return to the Board meeting of July 13 with a proposal regarding a potential service reduction of 300,000 hours as well as issues raised at the community hearings and at the Board's public hearing.

31. Directors' Reports

Chairman Buffa reported that he, Vice Chairman Amante, and Director Campbell attended the Annual Rating Agencies' meetings in New York. Chairman Buffa expressed his appreciation to Kirk Avila, OCTA's Treasurer and General Manager of the 91 Express Lanes, and his staff for all the preparation and materials provided for the meetings.

Director Brown reported that he attended the American Public Transportation Association's Rail Conference in Chicago.

Director Dixon commented that he participated in a conference call earlier today with the State League Board of Directors, and he felt it was important to mention that 9 of the 10 largest cities in California have sent letters to the Governor indicating their preference for working with the Governor for Proposition 1A type borrowing as opposed to taking the gas tax. He stated that the League Board of Directors took two positions:

- a. Continue to affirm the fact that the League does not want the Governor and/or State Legislature looking at Proposition 1A funds, nor taking redevelopment funds.
- b. Authorized staff to begin (as a precaution if gas tax money is taken) possible litigation on the constitutionality of that action.

Vice Chairman Amante thanked staff for their presentation made to the Tustin City Council.

32. Closed Session

A Closed Session was held:

- A. Pursuant to Government Code Section 54957 to consider the appointment of a Chief Executive Officer.
- B. Pursuant to Government Code Section 54957.6, meet with designated representatives Chairman Buffa, Vice Chairman Amante, and Directors Campbell, Cavecche, Pringle, and Winterbottom to discuss the compensation of the Chief Executive Officer.

33. Consideration of Appointment of a Chief Executive Officer

Chairman Peter Buffa stated that a discussion had taken place regarding the hiring of Caltrans Director, Will Kempton, as the new CEO of OCTA and terms involved.

A motion was made by Vice Chair Amante, seconded by Director Norby, and declared passed unanimously by those present, to approve the contract of employment with Will Kempton to serve as the Chief Executive Officer of the Orange County Transportation Authority.

34. Adjournment

The meeting adjourned at 11:15 a.m. in memory of Sheldon Singer, who recently passed away. Mr. Singer was appreciated for his years of service on several committees with OCTA and was involved with several community projects.

The next regularly scheduled meeting of this Board will be held at **9:00 a.m. on Monday, July 13, 2009**, at the OCTA Headquarters.

ATTEST

Wendy Knowles
Clerk of the Board

Peter Buffa
OCTA Chairman



BOARD COMMITTEE TRANSMITTAL

July 13, 2009

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: **Draft Code of Conduct**

Executive Committee meeting of July 6, 2009

Present: Chairman Buffa, Vice Chairman Amante, Directors Campbell, Cavecche, Glaab, Nguyen, Norby, and Pringle
Absent: None

Committee Vote

This item was passed by all Committee Members present.


Directors Campbell and Nguyen voted in opposition to the motion.

Committee Recommendation

Approve the Draft Code of Conduct.



July 6, 2009

To: Executive Committee
From:  James S. Kenan, Chief Executive Officer
Subject: Draft Code of Conduct

Overview

A Draft Code of Conduct has been developed to address a deficiency identified by the Orange County Transportation Authority's external auditors during their financial statement audits for the fiscal years ended June 30, 2007 and 2008, as well as to comply with Federal Transit Administration requirements. The Draft Code of Conduct provides direction to officers, employees, agents, and Members of the Board of Directors on appropriate and professional behavior in the conduct of Orange County Transportation Authority business.

Recommendation

Approve the Draft Code of Conduct.

Background

In connection with its annual audit of the Orange County Transportation Authority's (OCTA) financial statements for the fiscal years ended June 30, 2007 and 2008, Mayer Hoffman McCann P.C. (MHM) issued management letters which identified certain deficiencies in internal control considered to be significant deficiencies as defined by the American Institute of Certified Public Accountants, Statement on Auditing Standards Number 112. One deficiency related to the OCTA's lack of a Code of Conduct.

In addition, the Federal Transit Administration (FTA) requires that all recipients maintain a written code of conduct or standards of conduct that will govern the actions of its officers, employees, board members, or agents engaged in the award or administration of sub-agreements, leases, third party contracts, or other arrangements supported with federal assistance.

OCTA has not adopted a formal Code of Conduct. As such, OCTA's legal counsel drafted a Code of Conduct (Attachment A) to meet federal and state legal requirements and to promote prudent stewardship of public funds.

Discussion

The Draft Code of Conduct requires that officers, employees, agents, and Members of the Board of Directors (parties) exercise the highest level of ethical behavior in the conduct of OCTA business. It includes expectations that these parties comply with the law as well as the letter and spirit of the Code of Conduct.

Consistent with FTA requirements and codes of conduct adopted by other public agencies, the Draft Code of Conduct prohibits both real and apparent personal conflicts of interest and includes procedures for identifying and preventing such conflicts. As a means of promoting a strong ethical culture at OCTA, the Draft Code of Conduct also includes reiterations of existing OCTA policies or state laws prohibiting discrimination, retaliation, sexual harassment, and other inappropriate behavior. A questions and answers summary (Attachment B) will assist OCTA officers, employees, Members of the Board of Directors, and agents in complying with the Code of Conduct.

The section of the Draft Code of Conduct related to gifts represents a departure from current business practices at OCTA but is a required element of a written code of conduct as provided in OCTA's Master Agreement with FTA. The proposed rules prohibit OCTA employees, agents, and Members of the Board of Directors from accepting any gifts, gratuities, favors, or anything of monetary value from contractors, subcontractors, bidders, or proposers on OCTA contracts. Gifts totaling less than \$420 from other sources would be permitted so long as designated employees, as defined in OCTA's Conflict of Interest Policy, report the gifts on their annual Statements of Economic Interests in accordance with state law.

A draft of the Code of Conduct was provided to the Executive Committee (Committee) of the Board of Directors on June 1, 2009. Following discussion, the Committee made recommendations for certain revisions. The revisions were made to ensure the Code of Conduct is consistent with guidance on gifts provided by the Fair Political Practices Commission (Attachment C). Once approved by the Board of Directors, the Code of Conduct will be provided to employees on their date of hire and biennially thereafter, with acknowledgement of receipt required.

Summary

A Draft Code of Conduct has been developed to provide direction to OCTA officers, employees, agents, and the Board of Directors on matters related to behavior while conducting OCTA business.

Attachments

- A. Draft Code of Conduct
- B. Code of Conduct Question/Answer Summary
- C. Gifts - Fair Political Practices Commission, Local Officials 1/2009

Prepared by:



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

DRAFT CODE OF CONDUCT

1. **Values.** The Orange County Transportation Authority (Authority) is a public agency that shall conduct its business with integrity in an honest and ethical manner. For purposes of this Code of Conduct, Authority employees shall mean and include employees, members of the Board of Directors and agents of the Authority. Authority employees shall comply with the letter and spirit of this policy and the law. Any attempt to evade or circumvent any requirements of this policy or of any rules or laws applicable to the Authority and its employees is improper.
2. **Business Conduct.** Authority employees shall conduct the Authority's business in compliance with the law, regulations, Authority policies, and good judgment based on the Authority's values and goals. Authority employees shall avoid speech or behavior that is likely to create an appearance of impropriety.
3. **Professionalism.** It is up to each Authority employee to maintain a professional, safe, and productive work environment. Authority employees shall treat each other professionally and with courtesy at all times. Differences of opinion on work issues should be expressed in a constructive manner that promotes sharing of ideas and effective teamwork to resolve problems to meet the challenges of the Authority.
4. **Nondiscrimination.** No person shall be discriminated against in employment because of race, color, creed, religion, sex, ancestry, age, national origin, marital status, sexual orientation, veteran status, physical or mental disability or any other status protected by applicable federal or state statutes, except where a bonafide occupational qualification applies.
5. **Workplace Harassment.**
 - A. No Authority employee or person associated with the Authority shall engage in sexual harassment. Sexual harassment includes any sexual advances or requests for sexual favors which are unwelcome or where submission to or rejection of such conduct is used as the basis for employment or business decisions. Sexual harassment also includes verbal, visual and/or physical conduct of a sexual nature, which creates an intimidating, hostile or offensive working environment.
 - B. No Authority employee or person associated with the Authority shall engage in harassment based on race, color, creed, religion, sex, ancestry, age, national origin, marital status, physical or mental disability or any other status protected by applicable federal or state statutes. Harassment includes verbal, visual and/or physical conduct. Such conduct constitutes harassment when the submission to the conduct is made an explicit or

implicit condition of employment, submission to or rejection of the conduct is used as the basis for an employment decision, or the harassment interferes with an employee's work performance or creates an intimidating hostile or offensive work environment.

6. **Relationships with Contractors.** Authority business shall be conducted in a manner above reproach, with impartiality, and without bias. Particularly in relationships with contractors and potential contractors, Authority employees must avoid any actual or appearance of conflict of interest or impropriety.
7. **Use of Authority Assets.**
 - A. Authority employees shall not use any Authority assets for personal gain or for any purpose other than Authority business. Authority assets include, but are not limited to, time, facilities, equipment, stationery, records, mailing lists, supplies, badges, vehicles, prestige or influence.
 - B. Authority telephones, computers, e-mail and internet access are provided for the purpose of conducting Authority business. Subject to the restrictions in this section and if permitted by the employee's supervisor, some occasional and limited personal use is allowed so long as it does not interfere with the performance of the employee's Authority duties and does not result in any additional expense to the Authority. However, Authority telephones, computers, e-mail or internet access shall not be used for e-mail chain letters, for religious or political advocacy, for excessive personal communications, for personal financial gain, to seek outside employment, for any purpose that could reasonably be viewed as abusive, harassing, hostile or intimidating to Authority customers or employees, to access entertainment or sexually explicit sites, or for any use otherwise prohibited by law. The Authority reserves the right to monitor and review all records of usage by Authority employees of any Authority assets. No use of Authority telephones, computers, e-mail or internet access, or use of any other Authority asset shall be private to the employee, and no Authority employee shall be given any basis for an expectation of privacy in any such use.
8. **Confidential Information.** Authority employees shall maintain the confidentiality of any confidential information relating to contracts, construction, procurement, litigation strategy, personnel files, Authority employee medical information, or other proprietary information to which they have access through their employment with the Authority. Such confidentiality shall be maintained during and after employment with the Authority. Authority employees shall not use confidential information for any purpose other than in the performance of their job for the benefit of the Authority. Confidential information shall only be disclosed to authorized persons.

9. **Gifts.**

- A. Authority employees or immediate family members shall neither solicit nor accept gifts, gratuities, favors or anything of monetary value, except unsolicited items of nominal intrinsic value, from any Authority contractor, subcontractor, bidder or proposer for an Authority contract which is federally funded. A bidder/proposer is a party which has submitted a bid or proposal for an active procurement which has not been awarded or otherwise concluded.
- B. Designated Authority employees may accept gifts totaling less than \$420, or such amount allowed pursuant to Government Code Sections 89502 and 89503 as adjusted biennially, in a calendar year from a single source other than one identified in paragraph A above. Designated employees must report such gifts totaling fifty dollars (\$50) or more from a single source, in a calendar year on their annual Statements of Economic Interests according to state law.
- C. For purposes of this Code, a gift shall have the meaning it is defined to have in the California Political Reform Act and the regulations issued pursuant to the Act.

10. **Conflicts of Interest.**

- A. A conflict of interest, or at least an appearance of impropriety, exists when the interests, investments, outside employment or personal enterprises of the employee or a member of his or her immediate family could compromise the employee's duty of loyalty, or otherwise conflict with, or appear to conflict with his or her job performance, objectivity, impartiality or ability to make fair business decisions in the best interest of the Authority. A conflict of interest may arise in any situation in which an Authority employee is in a position where he or she could use his or her contacts or position in the agency to advance the private business or financial interests of the employee or his or her immediate family, whether or not at the expense of the Authority. An Authority employee may also have a conflict of interest if called upon to make a decision concerning a person or entity that the employee worked for during the previous twelve months.
- B. An Authority employee who has a conflict of interest shall not participate in the making of any decision or contract in which the Authority employee has a financial interest. Any Authority employee with such a conflict of interest must disqualify himself or herself from making, participating in the making, or in any way attempting to use his or her official position to influence the Authority decision in which he or she knows, or has reason to know, that he or she has a financial interest. An Authority employee should also disqualify himself or herself from participating in an Authority

decision where the Authority employee does not have a disqualifying financial interest, but where the making of the decision will have some other significant effect on the employee, a member of his or her immediate family.

- C. Any Authority employee who may have a conflict of interest as described in paragraphs A or B relative to a prospective contractor, subcontractor, bidder or contract, or any other Authority decision or issue, at the earliest possible time, must advise his or her supervisor of the possible conflict of interest.
 - D. Upon request, the General Counsel shall advise an Authority employee and his or her supervisor regarding whether it is appropriate for the Authority employee to participate in a decision involving a possible conflict of interest.
11. **Incompatible Activities.** No Authority employee shall engage in any outside activity that is inconsistent, incompatible, or that interferes with his or her ability to efficiently and effectively carry out his or her Authority duties. Incompatible activities include, but are not limited to, any of the following:
- A. The use for private gain or advantage of the employee's Authority time, facilities, equipment or supplies; or the badge, uniform, prestige or influence of the employee's Authority employment;
 - B. Receipt or acceptance by the employee of any money or other consideration from anyone other than the Authority for the performance of an act which the employee, if not performing such act, would be required or expected to render in the regular course or hours of Authority employment or as a part of the employee's duties;
 - C. Time demands from outside activities that would interfere with the ability of the Authority employee to devote his or her full work time, attention, and efforts to his or her Authority duties.
12. **Duty to Report.** Each Authority employee is obligated to report to his or her supervisor, the Internal Auditor, Labor and Employee Relations staff, the Chief Executive Officer or the General Counsel any facts made known to the employee which show that an Authority contractor or Authority employee has engaged in business practices regarding an Authority matter which appear to be unethical, or which may violate this policy or any applicable state or federal law.
13. **Whistleblower Protection.** The Authority is committed to fair treatment of all its employees and recognizes its responsibility under state and federal law to protect from punishment and harassment any person who reports a potential ethics issue, whether or not the allegation is found to have merit. The report may be made anonymously. The Authority shall not take any action or threaten any action against any Authority employee as a reprisal for making a report under

section 13 above, unless the report was made or the information was disclosed with the knowledge that it was false or with willful disregard for its truth or falsity.

14. **Ethics Hotline**. The Authority shall maintain a telephone Ethics Hotline number for any employee, vendor or member of the public to anonymously report any suspected fraud, waste, abuse, illegal or unethical behavior. The report shall be confidential. Reports to the Ethics Hotline will be administered by Internal Audit for review and investigation by the appropriate department.
15. **Compliance and Enforcement**.
 - A. All Authority employees have a responsibility to conduct the Authority's business in compliance with this policy. The General Counsel shall investigate alleged violations of this policy. In the event the General Counsel determines that a violation has occurred then the General Counsel's findings shall be reported to the Chief Executive Officer who shall take such action, which may include notification to the Board of Directors, as is appropriate under the circumstances. Any violation of a provision of this policy which is based upon a state or federal law may also be enforced by any appropriate enforcement agency.
 - B. A violation of this policy by an Authority employee may result in the imposition of discipline, up to and including dismissal. The appropriate discipline will be determined by the employee's supervisor in consultation with the Division Executive Director of the organization unit in which the employee works and the Executive Director of Human Resources and Organizational Development. The discipline imposed will depend upon the severity of the violation and may be progressive unless the violation is determined to be so serious as to warrant more severe action initially. The imposition of discipline by the Authority for a violation of this policy, which such violation is also a violation of state or federal law, shall not affect the ability of any appropriate prosecutorial agency to seek the imposition of any penalty allowed by law for such a violation.
16. **Acknowledgement of Receipt of Code of Conduct**. Each new Authority employee shall receive a copy of this policy upon commencement of employment and shall sign an acknowledgment of receipt. Thereafter, the employee shall receive a copy of this policy once every two (2) years and the employee shall sign an acknowledgment of receipt.
17. **Administration of Code of Conduct**. The Human Resources Department shall be responsible for the administration of this Code of Conduct and maintenance of employee acknowledgements of receipt.

**Code of Conduct
Question/Answer Summary**

- Q:** What is the purpose of the Code of Conduct (“Code”)?
- A:** To set forth the ethical standards of personal conduct that are required by the Orange County Transportation Authority (“Authority”).
- Q:** Who does the Code apply to?
- A:** It applies to employees, members of the Board of Directors and agents of the Authority (collectively referred to as “employees”). In addition, persons associated with the Authority, such as vendors and independent contractors, shall not engage in sexual harassment, as required by state law. Finally, immediate family members of employees may not accept or solicit gifts from any party contracting with or bidding to contract with the Authority.
- Q:** Does the Code establish clear black/white lines as to what conduct is prohibited?
- A:** Many provisions of the Code do establish/specify conduct that is prohibited per objective standards. However, other required conduct is based on good judgment expected of a reasonable person as applied to the circumstances. When in doubt, a person is advised to refrain from the conduct that may be prohibited. The Code states that the letter and spirit of the Code shall be complied with and any attempt to evade or circumvent its requirements is improper.
- Q:** What gifts may be solicited or accepted by an employee from Authority contractors or bidders?
- A:** Gifts or anything of monetary value shall not be solicited or accepted by an employee or immediate family member of the employee from an Authority contractor, subcontractor or bidder/proposer for an Authority contract (collectively referred to as “contractor”). The only exception is an unsolicited item of nominal intrinsic value. For example, an employee’s meal, tickets to an event, or personal items shall be paid for by the employee and not by an Authority contractor. Examples of gifts of nominal intrinsic value that may be accepted include a coffee mug or an inexpensive pen or pencil.
- Q:** May designated Authority employees (identified in the Authority’s Conflict of Interest Code) accept gifts from persons/entities that are not Authority contractors?
- A:** Yes. The maximum aggregate dollar value of gifts from a single source, other than an Authority contractor, in a calendar year that may be accepted is currently \$420. Any such gifts valued at \$50 or more must be included in the designated employee’s Form 700 Statement of Economic Interests filed each year.

Q: Is an employee who supervises a contractor prohibited from jointly owning an asset, such as a surfboard, with a contractor?

A: Yes. This may not be an actual conflict of interest, assuming the asset produces no income, but the joint ownership is a relationship that creates an appearance of a conflict of interest and could compromise the employee's duty of loyalty, objectivity or ability to make decisions in the best interest of the Authority.

Q: May an employee socialize with a contractor?

A: Yes. However, an employee should refrain from social activity with a contractor on a regular basis, especially if the employee is responsible for supervising or approving the contractor's work.

Q: If an employee becomes aware of or believes that an employee or contractor is engaged in fraudulent, unethical or prohibited conduct, is the employee obligated to take any action?

A: Yes. The employee is obligated to report the conduct. The employee may anonymously make the report and is protected by federal and state whistleblower laws from punishment or harassment for reporting a potential ethics issue. The Authority will maintain an Ethics Hotline to receive anonymous reports of suspected fraud, illegal or unethical behavior.

Q: What if an employee violates a provision of the Code?

A: A violation may result in discipline against an employee, up to and including termination of employment.

Q: For questions about the Code not addressed in this summary, who should an employee ask for clarification?

A: The Human Resources Department is responsible for administering the Code and is an appropriate resource to respond to employee's questions about the Code.

Q: May an employee rely on this Question/Answer Summary as the "final word" on conduct that is prohibited/permitted?

A: The Code is the "final word" governing employee conduct, and not this Question/Answer Summary.

Gifts

Limitations

If you are a local elected officer, a candidate for local elective office, a local official specified in Government Code Section 87200, or a judicial candidate, you may not accept gifts from any single source totaling more than \$420 in a calendar year. (Section 89503.)⁶

If you are an employee of a local government agency who is designated in the agency's conflict of interest code, you may not accept gifts from any single source totaling more than \$420 in a calendar year if you are required to report receiving income or gifts from that source on your statement of economic interests. (Section 89503(c).)

What is a "Gift"?

A "gift" is any payment or other benefit provided to you that confers a personal benefit for which you do not provide goods or services of equal or greater value. A gift includes a rebate or discount in the price of anything of value unless the rebate or discount is made in the regular course of business to members of the public. (Section 82028.) (See FPPC Regulation 18946.1 for valuation guidelines.)

Except as discussed below, you have "received" or "accepted" a gift when you know that you have actual possession of the gift or when you take any action exercising direction or control over the gift, including discarding the gift or turning it over to another person. (Regulation 18941.)

Exceptions

The Act and Commission regulations provide exceptions for certain types of gifts. (Section 82028; Regulations 18940-18946.5.) The following are not subject to any gift limit and are not required to be disclosed on a statement of economic interests (Form 700):

1. Gifts which you return (unused) to the donor, or for which you reimburse the donor, within 30 days of receipt. (Section 82028(b)(2); Regulation 18943.)
2. Gifts which you donate (unused) to a non-profit, tax-exempt (501(c)(3)) organization or a government agency within 30 days of receipt without claiming a deduction for tax purposes. (Section 82028(b)(2); Regulation 18943.)
3. Gifts from your spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, aunt, uncle, niece, nephew, or first cousin or the spouse of any such person, unless he or she is acting as an agent or intermediary for another person who is the true source of the gift. (Section 82028(b)(3); Regulation 18942(a)(3).)
4. Gifts of hospitality including food, drink, or occasional lodging that you receive in an individual's home when the individual or a member of his or her family is present. (Regulation 18942(a)(7).)
5. Gifts approximately equal in value exchanged between you and another

⁶ The gift limit is adjusted biennially to reflect changes in the Consumer Price Index. For 2009-2010, the gift limit is \$420. (Section 89503; Regulation 18940.2.) Gifts aggregating \$50 or more must be disclosed and gifts aggregating \$420 or more may subject you to disqualification with respect to the source. (Section 87103(e).) Designated employees should consult the "disclosure category" portion of their agency's conflict of interest code to determine if a particular source of income or gifts must be disclosed. Some conflict of interest codes require very limited disclosure of income and gifts. If your agency's conflict of interest code requires you to disclose income and gifts only from specified sources, gifts from sources which are not required to be disclosed are not subject to the \$420 gift limit.

individual on holidays, birthdays, or similar occasions to the extent that the gifts exchanged are not substantially disproportionate in value. (Regulation 18942(a)(8).)

6. Informational material provided to assist you in the performance of your official duties, including books, reports, pamphlets, calendars, periodicals, videotapes, or free or discounted admission to informational conferences or seminars.

"Informational material" may also include scale models, pictorial representations, maps, and other such items, provided that if the item's fair market value is more than \$420, you have the burden of demonstrating that the item is informational. In addition, on-site demonstrations, tours, or inspections designed specifically for public officials are considered informational material, but this exception does not apply to meals or to transportation to the site unless the transportation is not commercially available. (Section 82028(b)(1); Regulations 18942(a)(1) and 18942.1.)

7. A devise or inheritance. (Section 82028(b)(5); Regulation 18942(a)(5).)

8. Campaign contributions, including rebates or discounts received in connection with campaign activities. (Section 82028(b)(4); Regulation 18942(a)(4).) However, campaign contributions must be reported in accordance with the campaign disclosure provisions of the Act and may be subject to other limitations imposed by the Act.

9. Personalized plaques and trophies with an individual value of less than \$250. (Section 82028(b)(6); Regulation 18942(a)(6).)

10. A single ticket or other admission privilege, for your own use, to attend a fundraiser for a campaign committee or candidate, or to a fundraiser for an

organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. The ticket may only be received from the organization or committee holding the fundraiser. The nondeductible value of a ticket to a 501(c)(3) fundraiser may not exceed the gift limit. (Regulation 18946.4.)

11. Free admission, refreshments, and similar non-cash nominal benefits provided to you at an event at which you give a speech, participate in a panel or seminar, or provide a similar service. Transportation within California, and any necessary lodging and subsistence provided directly in connection with the speech, panel, seminar, or similar service, are also not considered gifts. (Regulation 18942(a)(11).)

12. Passes or tickets that provide admission or access to facilities, goods, services, or other benefits (either on a one-time or repeated basis) that you do not use and do not give to another person. (Regulation 18946.1.)

13. Gifts provided directly to members of your family unless: a) you receive a direct benefit from the gift (other than a benefit of nominal value); b) you use the gift (and your use is more than nominal or incidental); or c) you exercise discretion or control over the use or disposition of the gift. Factors used to determine the recipient of a gift include the relationship between the donor and family member, nature of the gift, and the manner in which the gift was offered. (Regulation 18944.) (Note: In most cases, the full amount of a gift made to you and your spouse must be counted for purposes of disclosure and the gift limits. However, see the discussion below regarding wedding gifts.)

14. Gifts provided to your government agency. This may include passes or tickets to facilities, goods or services, travel payments, and other benefits. However, this exception does not apply to elected officials

and officials specified in Government Code Section 87200 (see page 1) with regard to travel payments. In addition, certain other conditions must be met before a gift received by an official through his or her agency would not be considered a gift to the official. An agency must disclose specified payments on its Website. (Regulations 18944.1-18944.2.) Contact the FPPC for detailed information.

15. Generally, payments made by a third party to co-sponsor an event that is principally legislative, governmental, or charitable in nature. Payments made by a single source totaling \$5,000 or more in a calendar year for this type of event must be reported if the payments are made at the behest of (at the request of, or in consultation or coordination with) an elected official. The report must be made to the elected official's agency, and then forwarded to the office that maintains the elected official's campaign disclosure statements. (Section 82015(b)(2)(B)(iii).)

16. Leave credits (e.g., sick leave or vacation credits) received under a bona fide catastrophic or emergency leave program established by your employer and available to all employees in the same job classification or position. Donations of cash are gifts and are subject to limits and disclosure. (Regulation 18942(a)(9).)

17. Food, shelter, or similar assistance received in connection with a disaster relief program. The benefits must be received from a governmental agency or charity (501(c)(3)) and must be available to the general public. (Regulation 18942(a)(10).)

Reportable Gifts Not Subject to Limits

The following exceptions are also applicable to gifts, but you may be required to report these items on a statement of economic interests (Form 700) and they can subject you to disqualification:⁶

1. Certain payments for transportation, lodging, and subsistence are not subject to gift limits but may be reportable. Travel payments are discussed below. See Regulation 18946.6 to determine the value of gifts of air transportation.

2. Wedding gifts are not subject to the gift limit but are reportable. For purposes of valuing wedding gifts, one-half of the value of each gift is attributable to each spouse, unless the gift is intended exclusively for the use and enjoyment of one spouse, in which case the entire value of the gift is attributable to that individual. (Regulation 18946.3.)

3. A prize or award received in a bona fide competition not related to your official status is not subject to the gift limit, but must be reported as income. Therefore, it is reportable if the value of the prize or award is \$500 or more. (Section 87207; Regulation 18946.5.)

⁶ Designated employees should consult the "disclosure category" portion of their agency's conflict of interest code to determine if a particular source of income or gifts must be disclosed.



BOARD COMMITTEE TRANSMITTAL

July 13, 2009

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: Cooperative Agreements with the Orange County Council of Governments for Administrative Services and SB 375 Planning Requirements

Executive Committee meeting of July 6, 2009

Present: Chairman Buffa, Vice Chairman Amante, Directors Campbell, Cavecche, Glaab, Nguyen, Norby, and Pringle
Absent: None

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations (reflects a change from staff's recommendation)

- A. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-9-0496 with the Orange County Council of Governments for the Orange County Transportation Authority, which will receive as revenue \$141,000, to provide staff to administer the functions and activities of the Orange County Council of Governments. This Agreement shall commence upon execution by both parties and approval by both parties of a separate agreement regarding SB 375 planning requirements and shall continue in full force and effect through June 30, 2013, unless terminated earlier by any party.
- B. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-9-0497 with the Orange County Council of Governments to establish roles, responsibilities, and financial commitments, including the use of a federal grant in the amount of \$834,007, for the preparation of a sustainable communities strategy and, if necessary, an alternative planning strategy for the subregional area of Orange County in compliance with SB 375 planning requirements.

(Note: Please see revised page of Cooperative Agreement attached.)

ARTICLE 4. PRE-EXISTING CIRCUMSTANCES

OCCOG hereby discloses, in general terms, that OCCOG is currently the subject of regular and/or special audits by one or more sources of funds. AUTHORITY will assist OCCOG in its efforts to complete the audits and develop a beneficial remedial program to respond to any required programmatic modifications. The OCCOG hereby represents and acknowledges that these pre-existing conditions are not directly or indirectly, related to any action or failure to act of AUTHORITY'S and that, if AUTHORITY cannot achieve a remedy suitable to all interested parties, AUTHORITY will not be deemed to have any fault or responsibility for such conclusion.

ARTICLE 5. INDEMNIFICATION

A. OCCOG shall defend, indemnify, and hold harmless the AUTHORITY, its officers, directors, agents, and employees, from all liability, claims, losses and demands, including defense costs and reasonable attorneys' fees, whether resulting from court action or otherwise, arising out of the acts or omissions of OCCOG, its officers, directors, agents, or employees, in the performance of this Agreement.

B. AUTHORITY shall defend, indemnify, and hold harmless the OCCOG, its officers, directors, agents, and employees, from all liability, claims, losses and demands, including defense costs and reasonable attorneys' fees, whether resulting from court action or otherwise, arising out of the acts or omissions of AUTHORITY, its officers, directors, agents, or employees, in the performance of this Agreement.

ARTICLE 6. ASSIGNMENT

AUTHORITY shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of OCCOG.


ARTICLE 7. TERM OF AGREEMENT

This Agreement shall commence upon execution by both parties and approval by both parties of a separate agreement regarding SB 375 planning requirements, and shall continue in full force and effect through June 30, 2013, unless terminated earlier by any party. The term may be



July 6, 2009

To: Executive Committee

From:  James S. Kenan, Interim Chief Executive Officer

Subject: Cooperative Agreements with the Orange County Council of Governments for Administrative Services and SB 375 Planning Requirements

Overview

The Orange County Transportation Authority proposes to enter into cooperative agreements with the Orange County Council of Governments. Cooperative agreements are required to establish roles, responsibilities, and financial commitments associated with administrative services and SB 375 planning requirements.

Recommendations

- A. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-9-0496 with the Orange County Council of Governments for the Orange County Transportation Authority, which will receive as revenue \$141,000, to provide staff to administer the functions and activities of the Orange County Council of Governments.
- B. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-9-0497 with the Orange County Council of Governments to establish roles, responsibilities, and financial commitments, including the use of a federal grant in the amount of \$834,007, for the preparation of a sustainable communities strategy and, if necessary, an alternative planning strategy for the subregional area of Orange County in compliance with SB 375 planning requirements.

Discussion

The Orange County Council of Governments (OCCOG) is a joint powers agency comprised of a voluntary advisory association of member local governments and agencies in Orange County. The founding OCCOG joint powers agreement was entered into by 30 entities (including cities, the

Transportation Corridor Agencies (TCA), and Orange County special districts) during 1996 – 1998. Currently, 40 local jurisdictions and agencies are member agencies of OCCOG, including all 34 cities, the County of Orange, the TCA, the Orange County Transportation Authority (OCTA), and Orange County special districts. The purpose of OCCOG is to 1) serve as the Southern California Association of Governments (SCAG) subregional organization that represents Orange County on mandated and non-mandated SCAG regional planning activities; 2) develop and adopt an Orange County Projections that serves as Orange County's official growth forecast for local, areawide, and regional planning; and 3) serve as a vehicle for cooperative planning for activities and issues of interest to the OCCOG member agencies.

The OCCOG was previously administered by the Orange County Division, League of California Cities (OCDLCC) through in-kind staff support. OCCOG's technical and administrative support was funded indirectly through city contribution of its OCDLCC dues and through federal and state grant funding received from SCAG and other agencies. In 2006, the California Department of Transportation (Caltrans) conducted a pre-award evaluation of OCCOG regarding proposed federal funding to be awarded. The Caltrans pre-award evaluation and findings determined certain deficiencies in OCCOG's financial management system and concluded that OCCOG was to be designated a high-risk agency and would not be eligible to receive future federal and state funding until corrective processes and procedures in financial management and administration are implemented.

In response to the audit, the governing boards of the OCCOG and the OCDLCC requested the Orange County City Managers Association (OCCMA) to recommend a structure and identify the inter-relationships between the OCCOG and the OCDLCC. The OCCMA made the following recommendations on the mission and structure of OCCOG:

- OCCOG should be refocused primarily to prepare the subregional plan components of regional plans, e.g. Regional Housing Needs Assessment, mandated by state and federal law and to seek grants for programs of value to member agencies.
- A bylaws review committee should be created to reconcile the document with legal requirements and desired practices.
- The position of executive director should be created to administer the agency and be held responsible for activities.
- A mechanism to control carefully any additional duties afforded OCCOG needs to be created, e.g. a super majority vote of the General Assembly, so

that it reflects membership desires rather than organizational self-perpetuation and growth.

- Initial administrative responsibilities should be delegated to a volunteer member agency until OCCOG is able to create a permanent support structure. A transition plan needs to be developed to provide OCCOG with the financial resources, including but not limited to a dues structure, to operate as a viable entity.
- OCCOG should reinstitute the Executive Management Committee to provide administrative advice in the following areas: finance, budgeting, auditing, personnel, grant initiation, and any other duties assigned to it by the Board.
- OCCOG should focus only on obtaining grants wherein it does not compete with member agencies.
- Maintain OCCOG as the subregional entity representing Orange County with SCAG.

In October 2006, administrative support services of the OCCOG were transferred to the City of Mission Viejo on an interim and volunteer basis. The City of Mission Viejo provided personnel to serve as executive director, treasurer, auditor/controller, and clerk of the board at no cost to the OCCOG. Technical support was provided by a City of Mission Viejo consultant and staffs from various member cities. The legal firm of Aleshire & Wynder, LLP has provided pro bono legal services for the OCCOG since October 2001.

The enactment of SB 375 (Chapter 728, Statutes of 2008) provides for subregional councils of governments in the SCAG region to work with their respective county transportation commissions to develop land use/transportation strategies to meet greenhouse gas reduction targets. This legislation presented a unique opportunity for OCTA and OCCOG staffs to discuss compliance with SB 375 along with administrative responsibilities for the OCCOG.

After several months of negotiations, OCTA and OCCOG staffs agreed to draft terms for the administration of OCCOG contingent upon development and approval of a concurrent agreement specifying the respective roles and responsibilities in complying with the provisions of SB 375. Cooperative Agreement No. C-9-0496 (Attachment A) identifies the roles and responsibilities for each agency for administration of the OCCOG.

If approved by the OCTA Board of Directors, OCTA will be responsible for administration of the OCCOG including providing a meeting location;

preparation of agendas, staff reports, and minutes for the OCCOG Board of Directors meetings; distribution and posting of meeting notices and meeting materials; management of election of SCAG Regional Council/OCCOG Board of Directors; management of financial requirements; invoicing and collection of dues from member agencies and payments from Orange County cities for OCCOG's sponsorship of the Center for Demographic Research (CDR); and maintenance and storage of records. OCTA will also assist with the administration of the OCCOG Technical Advisory Committee. In order to provide these administrative services, and in compliance with the laws governing joint powers agencies, OCTA will also be required to provide an executive director, clerk of the board, treasurer, and auditor/controller either through direct staff and/or consultant support. The OCCOG Executive Director, or his/her designee, will also serve as the OCCOG Subregional Coordinator to SCAG and represent OCCOG on the SCAG Plans and Programs Technical Advisory Committee.

To cover the cost of administrative services, the OCCOG Board of Directors appointed a Bylaws Subcommittee to establish a dues structure and review the current bylaws and joint powers agreement. OCCOG staff worked with the OCCMA on various alternatives for a dues structure. Two alternatives were crafted: a flat-fee alternative, with each member agency paying \$5,000, and a population based alternative. Both alternatives would have generated \$200,000 to fund administration of the OCCOG and pay legal fees. The OCCMA recognized that the dues structure would not be able to wholly fund OCCOG administrative and technical staffing needs, and that continued volunteer staff support would be needed from the member agencies.

Upon review of the two alternatives by the OCCMA and based on input from city managers of large and small cities, a hybrid dues structure was developed with each city paying a base amount of \$1,666.67 and a weighted amount based on population with no member agency paying more than \$5,000. Under this dues structure, OCTA would pay \$5,000 per year. This hybrid dues structure (Attachment B) results in \$167,799.65. To implement the dues structure, the OCCOG joint powers agreements with individual member agencies was amended to authorize membership dues, and was approved by the OCCOG Board of Directors along with amended bylaws at its June 25, 2009, meeting. Amended joint powers agreements with the individual member agencies are anticipated to be executed during July and August. Cooperative Agreement No. C-9-0496 requires the OCCOG to adopt annual member dues and to pay the OCTA \$141,000 per year for administrative services. The remaining amount of approximately \$26,800 in dues is to cover the cost of legal fees and conduct an annual financial audit.

OCTA staff worked closely with OCCOG staff to determine the time commitment involved in the various administrative functions of the OCCOG. Attachment C provides an estimate of costs associated with the administrative services to be provided. The estimated cost for the executive director, clerk of the board, treasurer, auditor/controller, and support staff are based on the salaries and benefits of existing OCTA staff that would perform the various administrative functions.

The executive director's activities include preparing for and attending OCCOG Board meetings and the SCAG Subregional Coordinators meetings. The clerk of the board (Clerk) activities include the labor costs for General Services and Information Systems to prepare the meeting rooms, the Clerk's office to compile and post the agenda, a deputy clerk of the board to attend meetings, take and transcribe minutes, finalize resolutions, and processing other legally required documents, and assist in the elections process. The treasurer's and auditor/controller's activities include the processing of invoices for dues and payments for the CDR, receipt and processing of receivables and payables, balancing of accounts, preparation of financial statements, and managing the financial audit. Support staff will assist in monitoring areas of interest, assist in the preparation of staff reports as needed, and will manage the election of SCAG Regional Council/OCCOG Board of Directors.

The technical support costs provide for a consultant to review material, provide recommendations, and attend the various SCAG related meetings as well as address other specialized issues such as land use and housing. Technical support services have been estimated at 50 hours per month.

The cost of OCTA staff resources (calculated using only salaries and benefits), technical support, legal counsel, and the financial audit is estimated at \$191,070.54. With membership dues covering \$167,799.65 of the cost, OCTA would be providing \$23,270.89 of in-kind services. If the OCTA staff resources were calculated using a fully burdened rate, the estimated cost to provide the administration of OCCOG would be \$214,664.01.

A joint responsibility identified in Cooperative Agreement No. C-9-0496 is to "develop and approve concurrent with this Administrative Services Agreement a separate Agreement between the entities specifying their respective roles and responsibilities in complying with the provisions of SB 375 (Chapter 728, 2008 laws)." SB 375 authorizes a subregional council of governments and the county transportation commission in the SCAG region to work together to propose the sustainable communities strategy (SCS) and an alternative planning strategy (APS), if needed, for that subregional area. SCAG would be

required to include the subregional SCS within its regional SCS to the extent that it is consistent with existing state and federal law, and approve the APS if consistent with SB 375. SB 375 also authorizes SCAG to develop and adopt a framework for the subregional SCS and APS to address the intraregional land use, transportation, economic, air quality, and climate policy relationships. SCAG is in the process of preparing the framework and on June 3, 2009, released an outline of the framework to the subregions for review and comment. SCAG wants the subregions to notify them by September if they intend to develop and submit a subregional SCS and APS, if needed.

In order to meet the September timeline, OCTA and OCCOG staff drafted terms for SB 375 planning requirements which have been incorporated into Cooperative Agreement No. C-9-0497 (Attachment D) to identify the roles and responsibilities of each entity. The agreement defines the responsibilities of each agency should the boards of directors of OCTA and the OCCOG decide to prepare a subregional SCS and APS, if needed; as well as each agency's responsibilities should the OCTA and OCCOG boards of directors not agree to develop a subregional SCS. OCTA is responsible for the preparation and adoption of the long-range transportation plan for Orange County and would also be responsible for the preparation, in consultation with OCCOG, and adoption of the SCS as it is now a requirement of the regional transportation plan. The agreement, however, provides that the OCCOG can, by a two-thirds vote of its Board of Directors, reject the subregional SCS.

The agreement also identifies that SCAG shall maintain all responsibilities for administering and conducting the state-mandated regional housing needs assessment and allocation process and authorizes OCTA to use the OCCOG's federal grant in the amount of \$834,077 to fund the SB 375 work plans for fiscal years 2009-2010 and 2010-2011. The non-federal matching funds, in the amount of \$208,519, required for the grant would be provided by OCTA, unless funding can be obtained through Proposition 84, SCAG, or some other non-federal funding source. Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, includes \$580 million for sustainable communities and climate change reduction, which the legislature directed that \$90 million be available for incentives for conservation and local planning.

Fiscal Impact

The cost of providing administrative support services under this agreement are estimated to be \$191,071 which will be offset by \$167,800 of dues collected from member agencies. Federal grant funds related to the earmark for

OCCOG is included in the fiscal year 2009-10 budget, Account 1470-7831-A1004-RJT.

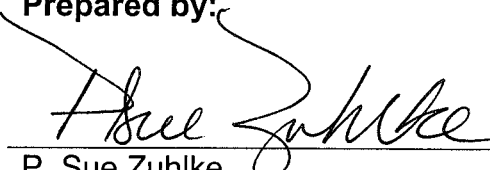
Summary

Based on the information provided, staff recommends the approval of Cooperative Agreement No. C-9-0496 for OCTA to provide administrative services to the OCCOG whereby OCTA will receive \$141,000 in revenue. Approval of Cooperative Agreement No. C-9-0497 is also recommended to establish roles, responsibilities, and financial commitments associated SB 375 planning requirements as well as authorize OCTA to use a federal grant in the amount of \$834,077 to fulfill planning requirements.

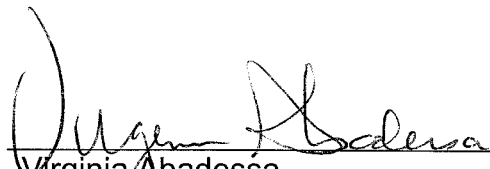
Attachments

- A. Cooperative Agreement No. C-9-0496 Between Orange County Transportation Authority and Orange County Council of Governments for Administrative Services
- B. Fiscal Year 2009-10 Preliminary Orange County Council of Governments Dues Structure for Member Agencies
- C. Estimated Cost of Administration of the Orange County Council of Governments
- D. Cooperative Agreement No. C-9-0497 Between Orange County Transportation Authority and Orange County Council of Governments for SB 375 Planning Requirements

Prepared by:



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Director, Contracts Administration and
Materials Management
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COOPERATIVE AGREEMENT NO. C-9-0496

BETWEEN

ORANGE COUNTY TRANSPORTATION AUTHORITY

AND

ORANGE COUNTY COUNCIL OF GOVERNMENTS

FOR

ADMINISTRATIVE SERVICES

THIS AGREEMENT (hereinafter referred to as "AGREEMENT"), is effective this _____ day of _____, 2009, by and between the Orange County Transportation Authority ("AUTHORITY"), a public corporation of the State of California and the Orange County Council of Governments ("OCCOG"), a public joint powers entity of the State of California.

RECITALS:

WHEREAS, OCCOG has requested AUTHORITY to provide staff to administer the functions and activities of OCCOG; and

WHEREAS, AUTHORITY is willing to accept responsibility for the administration of OCCOG functions and activities as provided in this Agreement.

WHEREAS, AUTHORITY's Board of Directors approved this Agreement on July 13, 2009.

NOW THEREFORE, it is mutually understood and agreed by AUTHORITY and OCCOG as follows:

ARTICLE 1. RESPONSIBILITIES OF OCCOG

A. Make available to AUTHORITY all records in the possession of OCCOG and its consultants as may regard any matter within the jurisdiction of OCCOG and as may be required for AUTHORITY to perform its duties under this Agreement.

B. Provide legal counsel to advise and represent OCCOG.

C. Appoint an OCCOG representative to the Center for Demographic Research ("CDR").

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1 D. Pursue the adoption by OCCOG member agencies of annual membership dues in the
2 amount approved by the OCCOG Board to pay for the administrative services provided by
3 AUTHORITY as well as the activities and programs of OCCOG.

4 E. Upon OCCOG member agencies' approval of an amended Joint Powers Agreement
5 requiring the member agencies to pay dues to the OCCOG in amounts as approved by the OCCOG
6 Board, pay AUTHORITY the sum of \$141,000 per year for the services provided by AUTHORITY.
7 Twenty-five percent (25%) of this sum shall be paid to AUTHORITY on the first day of each quarter
8 (first day of July, October, January and April), commencing July 1, 2009.

9 **ARTICLE 2. RESPONSIBILITIES OF AUTHORITY**

10 A. Provide administrative services to OCCOG consistent with and subject to the
11 OCCOG Joint Powers Agreement, Bylaws and other formally adopted policies, contracts and
12 applicable regulations, with the understanding that the AUTHORITY'S policies and procedures for
13 procurements and grant management shall govern all services provided by AUTHORITY pursuant to
14 this Agreement.

15 B. Assume responsibility for the administration of OCCOG, including providing meeting
16 sites; administration of the OCCOG Board of Directors and the OCCOG Technical Advisory
17 Committee; conduct elections of the Southern California Association of Governments ("SCAG")
18 Regional Council/OCCOG Board of Directors; preparation of agendas, staff reports and minutes;
19 distribution and posting of meeting notices and meeting materials; conduct of OCCOG financial
20 requirements pursuant to the OCCOG Bylaws and Caltrans pre-award audit determinations;
21 invoicing and collection of payments from Orange County cities for OCCOG's sponsorship of the
22 CDR; invoicing and collection of payments from member agencies for OCCOG dues; and
23 maintenance and storage of records.

24 C. Provide staff and/or contract for consultant support for OCCOG to carry out its
25 responsibilities, including the designation of:
26

- (1) OCCOG Executive Director, subject to the approval of OCCOG Board of Directors;
- (2) Clerk of the OCCOG Board;
- (3) OCCOG Treasurer;
- (4) OCCOG Auditor/Controller.

D. Responsibilities of the OCCOG Executive Director (or his/her designee) shall be as specified in the OCCOG Bylaws, and shall also include the following:

- (1) OCCOG Subregional Coordinator to the SCAG; and
- (2) OCCOG representative to the SCAG Plans and Programs Technical Advisory Committee.

ARTICLE 3. JOINT RESPONSIBILITIES OF OCCOG AND AUTHORITY

A. Develop and adopt a work plan for Fiscal Year 2009-10 and 2010-11 to comply with the responsibilities of each entity. The work plan shall identify the tasks, staffing, costs, schedules, necessary services and deliverables, and shall assign financial and policy responsibilities for each entity.

B. Each entity to maintain a sponsor membership with the CDR and use the CDR for demographic forecasts.

C. Develop and approve concurrent with this Administrative Services Agreement a separate Agreement between the entities specifying their respective roles and responsibilities in complying with the provisions of SB 375 (Chapter 728, 2008 laws).

D. AUTHORITY and/or OCCOG may elect to participate in additional regional monitoring and planning activities outside of those covered by this Agreement. In that case, each entity may independently support those activities with monetary and resources other than those specified in this Agreement.

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1 **ARTICLE 4. PRE-EXISTING CIRCUMSTANCES**

2 OCCOG hereby discloses, in general terms, that OCCOG is currently the subject of regular
 3 and/or special audits by one or more sources of funds. AUTHORITY will assist OCCOG in its efforts
 4 to complete the audits and develop a beneficial remedial program to respond to any required
 5 programmatic modifications. The OCCOG hereby represents and acknowledges that these pre-
 6 existing conditions are not directly or indirectly, related to any action or failure to act of
 7 AUTHORITY'S and that, if AUTHORITY cannot achieve a remedy suitable to all interested parties,
 8 AUTHORITY will not be deemed to have any fault or responsibility for such conclusion.

9 **ARTICLE 5. INDEMNIFICATION**

10 A. OCCOG shall defend, indemnify, and hold harmless the AUTHORITY, its officers,
 11 directors, agents, and employees, from all liability, claims, losses and demands, including defense
 12 costs and reasonable attorneys' fees, whether resulting from court action or otherwise, arising out of
 13 the acts or omissions of OCCOG, its officers, directors, agents, or employees, in the performance of
 14 this Agreement.

15 B. AUTHORITY shall defend, indemnify, and hold harmless the OCCOG, its officers,
 16 directors, agents, and employees, from all liability, claims, losses and demands, including defense
 17 costs and reasonable attorneys' fees, whether resulting from court action or otherwise, arising out of
 18 the acts or omissions of AUTHORITY, its officers, directors, agents, or employees, in the
 19 performance of this Agreement.

20 **ARTICLE 6. ASSIGNMENT**

21 AUTHORITY shall not assign the performance of this Agreement, nor any part thereof, nor
 22 any monies due hereunder, without prior written consent of OCCOG.

23 **ARTICLE 7. TERM OF AGREEMENT**

24 This Agreement shall commence upon execution by both parties and shall continue in full
 25 force and effect through June 30, 2013, unless terminated earlier by any party. The term may be
 26 extended by mutual consent; for a period of time agreed upon in writing between the parties.

1 AUTHORITY or OCCOG may terminate this Agreement, without cause, by delivering written notice
2 of termination to the other party not less than one hundred twenty (120) calendar days before the
3 date of termination. Upon the date of termination each party shall, at no cost to the other party,
4 make available all equipment, materials, documents or records in their possession to the party that
5 requests the same.

6 **ARTICLE 8. ENTIRE AGREEMENT**

7 This Agreement contains the entire understanding between the parties relating to the
8 obligations of the parties described in this Agreement. All prior or contemporaneous agreements,
9 understandings, representations and statements, oral or written, are merged into this Agreement
10 and shall be of no further force or effect. Each party is entering into this Agreement based solely
11 upon the representations set forth herein and upon each party's own independent investigation of
12 any and all facts such party deems material.

13 **ARTICLE 9. AUTHORITY TO EXECUTE THIS AGREEMENT**

14 The person or persons executing this Agreement warrant and represent that he or she has
15 the authority to execute this Agreement on behalf of their principal and has the authority to bind such
16 party to the performance of its obligations hereunder.

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1 **IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed the
2 day and year written below.

3 **ORANGE COUNTY COUNCIL OF**
4 **GOVERNMENTS**

ORANGE COUNTY TRANSPORTATION
 AUTHORITY

5 By: _____

5 By: _____
 James S. Kenan
 Interim Chief Executive Officer

6 Date: _____

6 Date: _____

7 APPROVED AS TO FORM:

8 By: _____
 Kennard R. Smart, Jr.
 General Counsel

9 APPROVED AS TO FORM:

10 APPROVAL RECOMMENDED:

11 By: _____

12 By: _____
 P. Sue Zuhlke
 Chief of Staff

13 Date: _____

**Fiscal Year 2009-10 Preliminary Orange County Council of Governments
Dues Structure for Member Agencies**

	Member Agency Name	2008 City Population	% Population (2008 DOF)	Base (1/3) of Initial Dues	Weighted Dues % of Total Pop.	Population Factor	Proposed OCCOG Dues
1	Aliso Viejo	45,249	1.45%	\$1,666.67	\$1,932.94	\$3,599.61	\$3,599.61
2	Anaheim	346,823	11.11%	\$1,666.67	\$14,815.56	\$16,482.22	\$5,000.00
3	Brea	40,081	1.28%	\$1,666.67	\$1,712.18	\$3,378.84	\$3,378.84
4	Buena Park	82,768	2.65%	\$1,666.67	\$3,535.68	\$5,202.34	\$5,000.00
5	Costa Mesa	113,955	3.65%	\$1,666.67	\$4,867.92	\$6,534.59	\$5,000.00
6	Cypress	49,541	1.59%	\$1,666.67	\$2,116.29	\$3,782.95	\$3,782.95
7	Dana Point	36,982	1.18%	\$1,666.67	\$1,579.79	\$3,246.46	\$3,246.46
8	Fountain Valley	57,925	1.86%	\$1,666.67	\$2,474.44	\$4,141.10	\$4,141.10
9	Fullerton	137,437	4.40%	\$1,666.67	\$5,871.02	\$7,537.69	\$5,000.00
10	Garden Grove	173,067	5.54%	\$1,666.67	\$7,393.06	\$9,059.73	\$5,000.00
11	Huntington Beach	201,993	6.47%	\$1,666.67	\$8,628.72	\$10,295.39	\$5,000.00
12	Irvine	209,806	6.72%	\$1,666.67	\$8,962.74	\$10,629.14	\$5,000.00
13	La Habra	62,635	2.01%	\$1,666.67	\$2,675.64	\$4,342.30	\$4,342.30
14	La Palma	16,176	0.52%	\$1,666.67	\$691.00	\$2,357.67	\$2,357.67
15	Laguna Beach	25,131	0.81%	\$1,666.67	\$1,073.54	\$2,740.21	\$2,740.21
16	Laguna Hills	33,421	1.07%	\$1,666.67	\$1,427.68	\$3,094.34	\$3,094.34
17	Laguna Niguel	66,877	2.14%	\$1,666.67	\$2,856.85	\$4,523.61	\$4,523.51
18	Laguna Woods	18,442	0.59%	\$1,666.67	\$787.80	\$2,454.47	\$2,454.47
19	Lake Forest	78,317	2.51%	\$1,666.67	\$3,345.54	\$5,012.21	\$5,000.00
20	Los Alamitos	12,191	0.39%	\$1,666.67	\$520.77	\$2,187.44	\$2,187.44
21	Mission Viejo	98,572	3.16%	\$1,666.67	\$4,210.79	\$5,877.46	\$5,000.00
22	Newport Beach	84,554	2.71%	\$1,666.67	\$3,611.97	\$5,278.64	\$5,000.00
23	Orange	140,849	4.51%	\$1,666.67	\$6,016.78	\$7,683.44	\$5,000.00
24	Placentia	51,727	1.66%	\$1,666.67	\$2,209.67	\$3,876.34	\$3,876.34
25	Rancho Santa Margarita	49,764	1.59%	\$1,666.67	\$2,125.81	\$3,792.48	\$3,792.48
26	San Clemente	67,892	2.18%	\$1,666.67	\$2,900.20	\$4,566.87	\$4,566.87
27	San Juan Capistrano	36,782	1.18%	\$1,666.67	\$1,571.25	\$3,237.92	\$3,237.92
28	Santa Ana	353,184	11.32%	\$1,666.67	\$15,087.28	\$16,753.95	\$5,000.00
29	Seal Beach	25,986	0.83%	\$1,666.67	\$1,110.07	\$2,776.73	\$2,776.73
30	Stanton	39,276	1.26%	\$1,666.67	\$1,677.79	\$3,344.46	\$3,344.46
31	Tustin	74,218	2.38%	\$1,666.67	\$3,170.44	\$4,837.10	\$4,837.10
32	Villa Park	6,259	0.20%	\$1,666.67	\$267.37	\$1,934.04	\$1,934.04
33	Westminster	93,027	2.98%	\$1,666.67	\$3,973.92	\$5,640.59	\$5,000.00
34	Yorba Linda	68,312	2.19%	\$1,666.67	\$2,918.15	\$4,584.81	\$4,584.81
35	County of Orange	122,032	3.91%	\$1,666.67	\$5,212.95	\$6,879.62	\$5,000.00
36	OCTA	0	0.00%	-	-	-	\$5,000.00
37	TCA	0	0.00%	-	-	-	\$5,000.00
38	OC Sanitation District	0	0.00%	-	-	-	\$5,000.00
39	OC Special Districts (ISDOC)	0	0.00%	-	-	-	\$5,000.00
40	South Coast AQMD	0	0.00%	-	-	-	\$5,000.00
	TOTAL	3,121,251	100.00%	\$58,333.33			\$167,799.65

**Estimated Cost of Administration of the
Orange County Council of Governments**

REVENUES

Member Dues	\$167,799.65
In-Kind Support by OCTA	\$23,270.89
TOTAL REVENUES	\$191,070.54

EXPENDITURES

Staff

Executive Director	\$32,422.32
Clerk of the Board	\$7,050.90
Treasurer	\$1,048.80
Auditor/Controller	\$8,453.52
Technical Support	\$105,000.00
Support Staff	\$10,295.00

Professional Services

Legal Counsel	\$20,000.00
Financial Audit	\$6,800.00

TOTAL EXPENDITURES	\$191,070.54
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COOPERATIVE AGREEMENT NO. C-9-0497

BETWEEN

ORANGE COUNTY TRANSPORTATION AUTHORITY

AND

ORANGE COUNTY COUNCIL OF GOVERNMENTS

FOR

SB 375 PLANNING REQUIREMENTS

THIS AGREEMENT (hereinafter referred to as "AGREEMENT"), is effective this _____ day of _____, 2009, by and between the Orange County Transportation Authority ("AUTHORITY"), a public corporation of the State of California and the Orange County Council of Governments ("OCCOG"), a public joint powers entity of the State of California.

RECITALS:

WHEREAS, SB 375 (Chapter 728, laws of 2008) ("SB 375") authorizes, pursuant to Government Code Subsection 65080(b)(2)(C) OCCOG, as a subregional council of governments, and AUTHORITY, as a county transportation commission, to work together to propose a sustainable communities strategy ("SCS") and, if necessary, an alternative planning strategy ("APS") for the subregional area of Orange County; and

WHEREAS, OCCOG and AUTHORITY desire to evaluate and consider a cooperative relationship for the preparation of the SCS and, if necessary, the APS for Orange County.

WHEREAS, AUTHORITY's Board of Directors approved this Agreement on July 13, 2009.

NOW THEREFORE, it is mutually understood and agreed by AUTHORITY and OCCOG as follows:

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ARTICLE 1. JOINT RESPONSIBILITIES OF OCCOG AND AUTHORITY

A. Develop and adopt an SB 375 work plan for fiscal years (FY) 2009-10 and 2010-11 to comply with the responsibilities of each entity under SB 375. The work plan shall identify the entity tasks, costs, schedules, staffing, necessary professional services, and deliverables and shall assign financial and policy responsibilities for each entity.

B. Contract with a demographic consultant to develop demographic forecasts that will be utilized for the development of the SCS for greenhouse gas emissions reduction (and which, by statute, will also be used to allocate the subregion's Regional Housing Need Allocation); and, further, to develop additional forecasts for the preparation of an APS, if necessary.

ARTICLE 2. PREPARATION OF SCS AND, IF NECESSARY, PREPARATION OF APS FOR ORANGE COUNTY

A. OCCOG and AUTHORITY shall decide, by a majority vote of each party's Board of Directors, whether to prepare a subregional SCS, and if necessary, a subregional APS for Orange County. This decision shall be made after review and consideration of the approach and methodology for subregional SCS development established by the Southern California Association of Governments ("SCAG"). The decisions by OCCOG and AUTHORITY shall be prior to the date required by SCAG for such a decision.

B. OCCOG and AUTHORITY recognize that working relationships, approval authority, work tasks and deadlines for SCS and APS development shall be framed by terms and requirements, processes, work products and deliverables that are yet to be established, but shall be in an SB 375 subregional framework with guidelines that will be adopted by SCAG.

C. If OCCOG and AUTHORITY do not agree to develop an Orange County SCS/APS, each entity shall support the use of the Orange County Projections, as prepared by the Center for Demographic Research ("CDR"), for use in the 2012 Regional Transportation Plan; and further, shall secure additional funding for CDR to prepare interim drafts of the Orange County Plan ("OCP") for SCAG's development of the SCS, APS and the Regional Housing Needs Assessment ("RHNA").

1 D. If OCCOG and AUTHORITY agree to develop an Orange County SCS/APS, then the
 2 parties agree as follows:

- 3 (1) Work with SCAG to identify a timeline for SCS preparation and submission,
 4 and determine if preparation of an APS is necessary;
- 5 (2) Secure additional funding resources for consultant support to produce the SB
 6 375 demographic forecasts for development of the SCS/APS, which would
 7 include the subregion's RHNA development and allocations. The consultant
 8 shall prepare the demographic forecast, with input from local jurisdictions, for
 9 the SCS, and APS, if necessary, in consultation with both AUTHORITY and
 10 OCCOG;
- 11 (3) AUTHORITY shall prepare a long-range transportation plan for Orange
 12 County;
- 13 (4) OCCOG shall review and approve the Orange County Projections developed
 14 by the demographics consultant;
- 15 (5) AUTHORITY shall use the OCCOG-adopted Orange County Projections to be
 16 submitted to SCAG for inclusion into the 2012 Regional Transportation Plan
 17 ("RTP");
- 18 (6) AUTHORITY, in consultation and cooperation with OCCOG, shall be
 19 responsible for the preparation and shall adopt the subregional SCS and, if
 20 necessary, the APS to be proposed to SCAG;
 - 21 (i) AUTHORITY shall make a good faith effort to consider and include a
 22 summary of all input provided by OCCOG to the SCS or, if necessary,
 23 the APS;
 - 24 (ii) AUTHORITY shall only use land use scenarios within the SCS that
 25 have been approved by the respective cities or the County;

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(iii) OCCOG may, by a two-thirds vote of its Board of Directors, reject the subregional SCS and/or the APS prepared and adopted by AUTHORITY, in which event AUTHORITY and OCCOG shall agree to provisions for approval and adoption as established pursuant to the guidelines to be established by SCAG for subregional development of an SCS/APS.

(7) OCCOG agrees that the AUTHORITY-adopted subregional SCS and, if necessary, the APS shall be submitted to SCAG as the subregional plan unless it is rejected by a two-thirds vote of its Board of Directors.

ARTICLE 3. REGIONAL HOUSING NEEDS ASSESSMENT

SCAG shall maintain all responsibilities for administering and conducting the state-mandated Regional Housing Needs Assessment and Allocation processes, which are required to be consistent with the adopted 2012 SCS.

ARTICLE 4. REDUCE ORANGE COUNTY CONGESTION ("ROCC") GRANT

Upon authorization from the Federal Transit Administration and/or other approving agencies, OCCOG shall agree to AUTHORITY'S use of ROCC federal planning grant in the amount of approximately \$834,077 for the purpose of implementing the SB 375 work plans for FY 2009-10 and 2010-11. Use of the ROCC funds shall be in conformance with all federal and state requirements, including audit and procurement processes.

ARTICLE 5. INDEMNIFICATION

A. OCCOG shall defend, indemnify, and hold harmless the AUTHORITY, its officers, directors, agents, and employees, from all liability, claims, losses and demands, including defense costs and reasonable attorneys' fees, whether resulting from court action or otherwise, arising out of the acts or omissions of OCCOG, its officers, directors, agents, or employees, in the performance of the Agreement.

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1 B. AUTHORITY shall defend, indemnify, and hold harmless the OCCOG, its officers,
2 directors, agents, and employees, from all liability, claims, losses and demands, including defense
3 costs and reasonable attorneys' fees, whether resulting from court action or otherwise, arising out of
4 the acts or omissions of AUTHORITY, its officers, directors, agents, or employees, in the
5 performance of the Agreement.

6 **ARTICLE 6. ASSIGNMENT**

7 AUTHORITY shall not assign the performance of this Agreement, nor any part thereof, nor
8 any monies due hereunder, without prior written consent of OCCOG.

9 **ARTICLE 7. TERM OF AGREEMENT**

10 This Agreement shall commence upon execution by both parties and shall continue in full
11 force and effect through June 30, 2011, unless terminated earlier by any party. The term may be
12 extended by mutual consent; for a period of time agreed upon in writing between the parties.
13 AUTHORITY or OCCOG may terminate this Agreement, without cause, by delivering written notice
14 of termination to the other party not less than one hundred twenty (120) calendar days before the
15 date of termination. Upon the date of termination each party shall, at no cost to the other party,
16 make available all equipment, materials, documents or records in their possession to the party that
17 requests the same.

18 **ARTICLE 8. ENTIRE AGREEMENT**

19 This Agreement contains the entire understanding between the parties relating to the
20 obligations of the parties described in this Agreement. All prior or contemporaneous agreements,
21 understandings, representations and statements, oral or written, are merged into this Agreement
22 and shall be of no further force or effect. Each party is entering into this Agreement based solely
23 upon the representations set forth herein and upon each party's own independent investigation of
24 any and all facts such party deems material.

25 /

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ARTICLE 9. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement warrant and represent that he or she has the authority to execute this Agreement on behalf of their principal and has the authority to bind such party to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year written below.

ORANGE COUNTY COUNCIL OF GOVERNMENTS

ORANGE COUNTY TRANSPORTATION AUTHORITY

By: _____

By: _____

James S. Kenan
Interim Chief Executive Officer

Date: _____

Date: _____

APPROVED AS TO FORM:

By: _____

Kennard R. Smart, Jr.
General Counsel

APPROVED AS TO FORM:

APPROVAL RECOMMENDED:

By: _____

By: _____

P. Sue Zuhlke
Chief of Staff

Date: _____



BOARD COMMITTEE TRANSMITTAL

July 13, 2009

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Amendment to Agreement for Medical Clinic Services

Finance and Administration Committee meeting of June 24, 2009

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

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation


Authorize the Chief Executive Officer to execute Amendment No.1 to exercise the first option term for Agreement C-6-0339 between the Orange County Transportation Authority and Pacific Medical Clinic, adding \$73,000 for a total contract obligation of \$291,500 for the period of August 1, 2009, through July 31, 2010.

Note

Staff clarified the recommendation is to indicate this action exercises the first of two one-year options on an existing three-year contract.



June 24, 2009

To: Finance and Administration Committee
From: James S. Kenan, Interim Chief Executive Officer 
Subject: Amendment to Agreement for Medical Clinic Services

Overview

On June 26, 2006, the Board of Directors approved a three-year agreement with Pacific Medical Clinic, in the amount of \$218,500, to perform Department of Motor Vehicle DL-51 recertification examinations and drug and alcohol testing. Pacific Medical Clinic was retained in accordance with the Orange County Transportation Authority's procurement procedures for professional services.

Recommendation

Authorize the Interim Chief Executive Officer to execute Amendment No.1 to exercise the first option term for Agreement C-6-0339 between the Orange County Transportation Authority and Pacific Medical Clinic, adding \$73,000 for a total contract obligation of \$291,500 for the period of August 1, 2009 through July 31, 2010.

Discussion

As required by the Department of Motor Vehicles (DMV), and in accordance with the Orange County Transportation Authority's (Authority) Drug and Alcohol Policy, employees who carry a commercial driver license are required to have a medical examination, including a drug and alcohol screening test, at least every two years. On June 26, 2006, the Board of Directors approved a three-year contract with two one-year option terms with Pacific Medical Clinic to perform these annual examinations and drug and alcohol screening tests. The third year of Agreement C-6-0339 will conclude on July 31, 2009.

In this option year, additional money will need to be added to the contract based on an increase in the number of annual examinations. Determination of the contract amount for services provided by Pacific Medical Clinic is based on historical and projected data for this time and expense contract. The Authority

is charged on a per task basis so even though the number of full-time employees has been reduced, the number of examinations performed have increased over the last three years. This is due in part to the number of employees who have medical conditions that require recertification on a more frequent schedule than every two years.

Pacific Medical Clinic has provided effective and efficient service to the Authority over the course of its contract. Pacific Medical Clinic has demonstrated a thorough knowledge and understanding of federal and state regulations including DMV, Department of Transportation (DOT), Federal Transit Administration (FTA), and Authority drug and alcohol procedures and regulations. Additionally, it has a medical review officer on site which enables the relay of positive drug test results to the Authority more quickly.

Procurement Approach

The agreement for drug and alcohol screening tests was executed on June 26, 2006, with Pacific Medical Clinic for a three-year term with two one-year option terms. Option year pricing was negotiated in the original agreement that included various fixed-unit fees for the testing services they provide. The volume of tests is an estimate and may vary per month depending on usage. The amended amount of \$73,000 will cover tests for the first option term of 12 months.

The firm has provided excellent service for the initial term of the agreement. Amending this contract will allow the Authority to continue uninterrupted medical examinations and drug testing services and eliminate the delays and costs associated with transitioning to another medical clinic.

Fiscal Impact

The project was approved in the Authority's Fiscal Year 2009/2010 Budget, Human Resources and Organizational Development, Account 1330-7519-A2312-EP6, and is funded through the Local Transportation Fund.

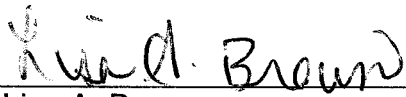
Summary

Based on the information provided, staff recommends approval of Amendment No. 1 to Agreement C-6-0339 to Pacific Medical Clinic, in the amount of \$73,000, for DMV recertification examinations and drug and alcohol testing.

Attachment


- A. Pacific Medical Clinic Agreement No. C-6-0339 Fact Sheet

Prepared by:

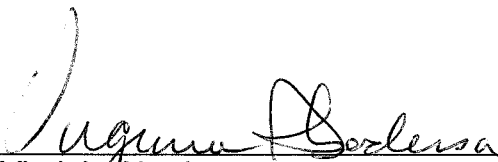


Lisa A. Brown
Human Resources Manager
(714) 560-5801

Approved by:



Patrick J. Gough
Executive Director, Human Resources
and Organizational Development
(714) 560-5824



Virginia Abadessa
Director, Contracts Administration and
Materials Management
(714) 560-5623

**Pacific Medical Clinic
Agreement No. C-6-0339 Fact Sheet**

1. June 26, 2006, Agreement C-6-0339, in the amount of \$218,500, was approved by the Board of Directors.
 - Contract to provide medical examinations and drug and alcohol testing for the Orange County Transportation Authority's employees who carry a commercial driver license for Department of Motor Vehicles DL-51 recertification services.

2. July 13, 2009, Amendment No. 1 to Agreement C-6-0339, pending approval by Board of Directors.
 - Amendment to exercise the first option term for medical examinations and drug and alcohol testing for the Orange County Transportation Authority's employees who carry a commercial driver license for the period August 1, 2009 through July 31, 2010 in an amount not to exceed \$73,000.

Total commitment to Pacific Medical Clinic, after approval of Amendment No. 1 to Agreement C-6-0339, will be \$291,500.



BOARD COMMITTEE TRANSMITTAL

July 13, 2009

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Amendment to the Master Plan of Arterial Highways

Highways Committee Meeting of July 6, 2009

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

Committee Vote

This item was passed by all Committee Members present.

Directors Dixon and Pringle were not present to vote on this item.


Committee Recommendations

- A. Approve amendment to the Master Plan of Arterial Highways to add Bastanchury Road, from Fairmont Boulevard to Village Center Drive, as a primary (four-lane, divided) arterial.
- B. Approve amendment to the Master Plan of Arterial Highways to reclassify Village Center Drive, from Bastanchury Road to Fairmont Boulevard, from a secondary (four-lane, undivided) arterial to a collector (two-lane, undivided) arterial, subject to approval by the City of Yorba Linda of a general plan amendment reflecting this change.



July 6, 2009

To: Highways Committee

From: James S. Kenan, Interim Chief Executive Officer 

Subject: Amendment to the Master Plan of Arterial Highways

Overview

The Orange County Transportation Authority administers the Master Plan of Arterial Highways including the review and approval of amendments requested by local agencies. The City of Yorba Linda has requested an amendment to the Master Plan of Arterial Highways to reflect existing and proposed changes to the arterial highway system within its jurisdiction.

Recommendations

- A. Approve amendment to the Master Plan of Arterial Highways to add Bastanchury Road, from Fairmont Boulevard to Village Center Drive, as a primary (four-lane, divided) arterial.
- B. Approve amendment to the Master Plan of Arterial Highways to reclassify Village Center Drive, from Bastanchury Road to Fairmont Boulevard, from a secondary (four-lane, undivided) arterial to a collector (two-lane, undivided) arterial, subject to approval by the City of Yorba Linda of a general plan amendment reflecting this change.

Background

Guidelines adopted by the Orange County Transportation Authority (OCTA) Board of Directors (Board) on November 27, 1995, include procedures to be followed by local agencies requesting amendments to the Master Plan of Arterial Highways (MPAH). These procedures are summarized below:

- The local agency submits its request in writing to OCTA, including a detailed description of the proposed amendment and documentation to support the basis for the request.

- Upon receiving an MPAH amendment request, OCTA convenes a staff conference with the requesting agency and representatives of adjacent jurisdictions, if necessary. The conference will determine if there is mutual agreement on the proposed amendment.
- If there is mutual agreement, OCTA provides a written response to that effect and submits the request to the OCTA Board for approval. Upon OCTA Board approval, the local agency proceeds with the process of amending its general plan to reflect the change to its circulation element. If there is no mutual agreement or if more information is needed, a cooperative study is initiated with the goal of reaching consensus between OCTA, the local agency, and affected jurisdictions as appropriate.

Proposed amendments are submitted to the OCTA Board on a quarterly basis for approval. Exceptions to this schedule may be made where a compelling need can be demonstrated by the local agency for approval prior to the next scheduled quarterly approval.

There are currently seven proposed amendments to the MPAH under review, in the cooperative study process, or on-hold pending resolution of issues with other agencies or the refinement of development plans (Attachment A). The specific amendment request from the City of Yorba Linda (City) (Attachment B) is presented below.

Discussion

Bastanchury Road

The City has requested that Bastanchury Road be extended on the MPAH as a primary arterial, from its current terminus as depicted on the MPAH (Fairmont Boulevard) to its actual existing terminus at Village Center Drive.

The extension of Bastanchury Road from Fairmont Boulevard to Village Center Drive was completed in 2006 and has been open to traffic since that time. To better reflect consistency between the arterial system as identified in the circulation element of the City's general plan and the MPAH, City staff has requested that this extension be added to the MPAH.

Village Center Drive

Recent traffic analyses conducted by the City and OCTA concluded that both current and future year (2030) traffic volumes on Village Center Drive, from

Bastanchury Road to Fairmont Boulevard, do not warrant secondary arterial designation on the MPAH. Year 2030 traffic volumes are projected to equal approximately 2,300 average daily traffic (ADT), which is well below the MPAH standard of 10,000 ADT for a secondary arterial. As such, traffic volumes on this facility are more consistent with MPAH designation as a collector arterial.

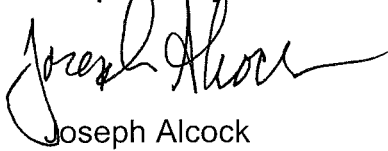
Summary

The City of Yorba Linda has requested an amendment to the Master Plan of Arterial Highways to reflect proposed changes to the arterial highway system within its jurisdiction. Staff has determined that implementation of the amendment as described in this staff report would not adversely impact the integrity of the Master Plan of Arterial Highways; therefore, Board of Directors' approval of the amendment is requested.

Attachments

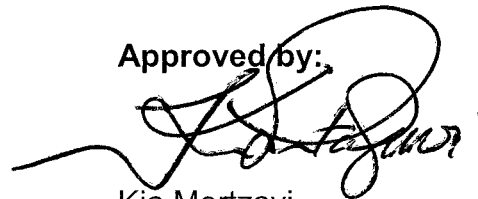
- A. Summary of Currently Active Master Plan of Arterial Highways (MPAH) Amendment Requests
- B. Letter from Tony Wang, City of Yorba Linda, dated April 29, 2009 - OCTA MPAH Amendment Request
- C. Bastanchury Road Extension/Village Center Drive Reclassification Map

Prepared by:



Joseph Alcock
Transportation Analyst
(714) 560-5372

Approved by:



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

Summary of Currently Active Master Plan of Arterial Highways (MPAH) Amendment Requests

JURISDICTION	STREET	REQUESTED ACTION	STATUS
Brea	Tonner Canyon Road/ Valencia Avenue	Downgrade from secondary to collector.	On hold pending resolution of four corners issues.
County of Orange	Santiago Canyon Road	Downgrade Santiago Canyon Road from secondary to collector between Jeffrey Avenue and Live Oak Canyon Road.	On hold.
Dana Point	Golden Lantern	Downgrade from major smart street to primary smart street.	Staff is currently evaluating the City of Dana Point's request in light of South Orange County Major Investment Study findings.
Irvine	Bake Parkway, Ridge Route, and Santa Maria Avenue	Delete proposed southerly sections of these arterials.	Fair share analysis for proposed mitigations is currently being reviewed by cities.
Irvine	Great Park circulation plan	Add future streets to the MPAH within the former El Toro airbase area.	Amendment request is currently under review.
Placentia	Madison Avenue and Bradford Boulevard	Downgrade Madison Avenue from secondary to collector from Placentia Avenue to Kraemer Boulevard and Bradford Avenue from secondary to collector from Madison Avenue to Crowther Avenue.	Awaiting updated traffic data from the City of Placentia.
Yorba Linda	Bastanchury Road and Village Center Drive	Add Bastanchury Road from Fairmont Boulevard to Village Center Drive. Downgrade Village Center Drive from secondary to collector between Bastanchury Road and Fairmont Boulevard.	Proposed amendment is being submitted as part of the current staff report for review and approval.



CITY OF YORBA LINDA

P.O. BOX 87014

CALIFORNIA 92885-8714

(714) 961-7170

FAX (714) 986-1010

ENGINEERING / PUBLIC WORKS

April 29, 2009

Mr. Charlie Larwood
Manager of Transportation Planning
Orange County Transportation Authority
550 South Main Street
P.O. 14184
Orange, CA 92863-1584

Subject: OCTA MPAH AMENDMENT REQUEST

Dear Mr. Larwood:

The City of Yorba Linda would like to request an amendment to the Master Plan Arterial Highway (MPAH) to reclassify Village Center Drive between Bastanchury Road and Fairmont Boulevard from a secondary arterial to a collector. Based upon the City's 2008 traffic count, the ADT is only 2,800 and the surrounding area is built out. The City does not anticipate that this segment of Village Center Drive will ever reach the threshold of a secondary arterial.

In addition, the City would like to add Bastanchury Road, between Fairmont Boulevard and Village Center Drive, to the MPAH as a primary arterial. This segment of Bastanchury Road was open for general public in 2006 and the 2008 ADT is 5,200. I have attached the 2008 ADT and the General Plan Amendment to this letter for your information.

We would be happy to meet with you to further discuss our request if needed. Should you have any questions, please do not hesitate to contact me at 714-961-7184.

Sincerely,

CITY OF YORBA LINDA

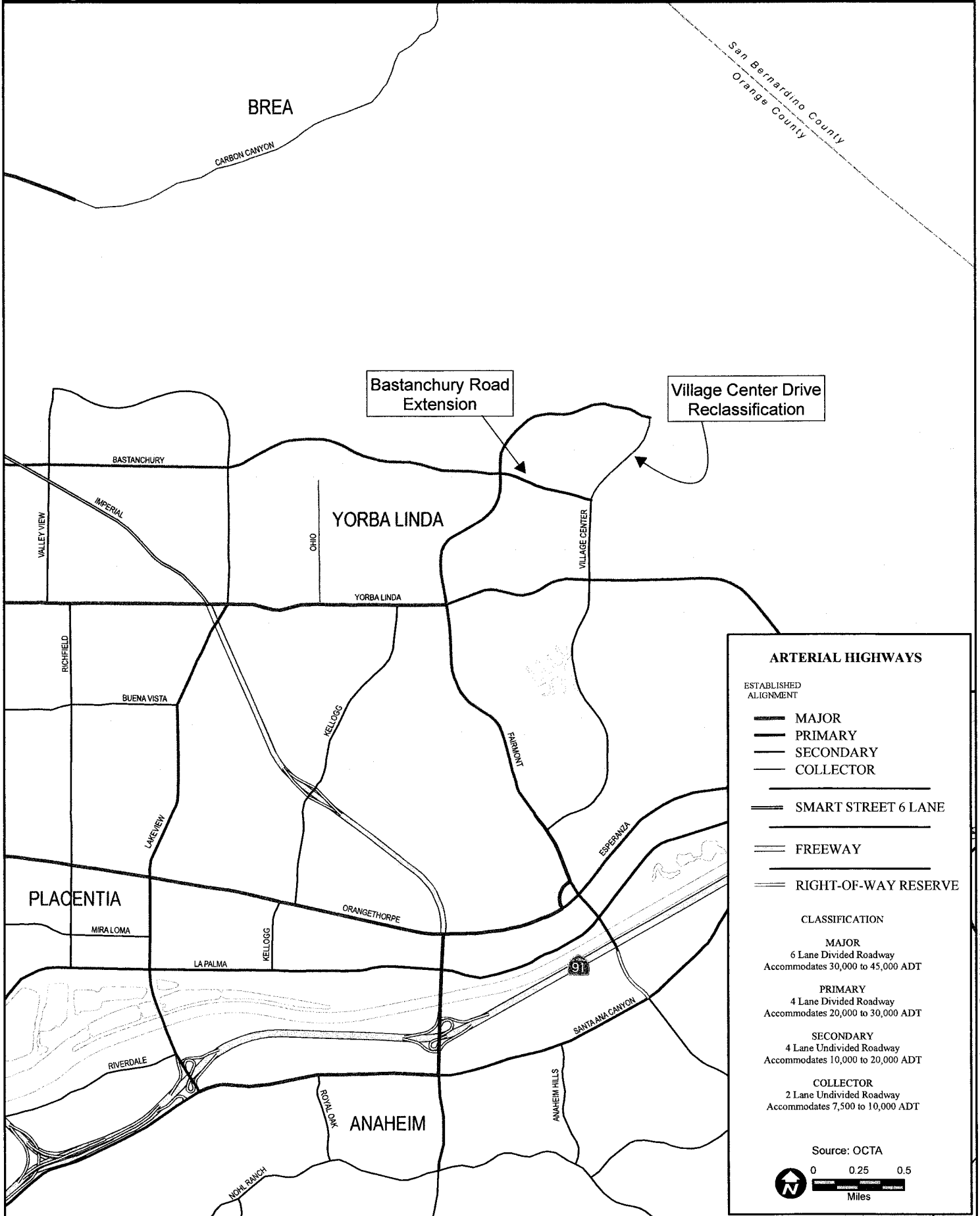

TONY L. WANG
Traffic Engineering Manager

Attachments: City of Yorba Linda 2008 ADT
Resolution No. 2002-3576

C: Glen Campbell, OCTA
Joseph Alcock, OCTA
Mark Stowell, Asst. City Manager/Public Works Director, City of Yorba Linda

Bastanchury Road Extension / Village Center Drive Reclassification Map

ATTACHMENT C





BOARD COMMITTEE TRANSMITTAL

July 13, 2009

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Proposed Overall Annual Race-Neutral Disadvantaged Business Enterprise Goal for Federal Fiscal Year 2009-10

Finance and Administration Committee meeting of June 24, 2009

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

Committee Vote


This item was passed by all Committee Members present.

Committee Recommendation

Adopt the proposed federal fiscal year 2009-10 Overall Annual Race-Neutral Disadvantaged Business Enterprise participation goal of 8 percent for contracts assisted by the Federal Transit Administration, in accordance with 49 CFR Part 26.



June 24, 2009

To: Finance and Administration Committee
From:  James S. Kenan, Interim Chief Executive Officer
Subject: Proposed Overall Annual Race-Neutral Disadvantaged Business Enterprise Goal for Federal Fiscal Year 2009-10

Overview

An Overall Annual Disadvantaged Business Enterprise Goal has been developed for the Orange County Transportation Authority's Federal Transit Administration assisted contracts in compliance with federal regulations set forth in 49 CFR Part 26 entitled "Participation by Disadvantaged Business Enterprises in United States Department of Transportation Programs" for the federal fiscal year 2009-10.

Recommendation

Adopt the proposed federal fiscal year 2009-10 Overall Annual Race-Neutral Disadvantaged Business Enterprise participation goal of 8 percent for contracts assisted by the Federal Transit Administration, in accordance with 49 CFR Part 26.

Background

The Orange County Transportation Authority (Authority) is required to develop and submit a Disadvantaged Business Enterprise (DBE) Overall Annual Goal for DBE participation as a condition of receiving federal assistance, pursuant to Section 1101 of the Transportation Equity Act for the 21st Century; 49 CFR Part 26; the Federal Transportation Administration (FTA) Master Agreement and the American Recovery and Reinvestment Act of 2009, which includes DBE provisions and requirements.

On March 23, 2006, the Authority received a notice/guidance from the FTA (Docket No. FTA-2006-24063), which directed all United States (U.S.) Department of Transportation (DOT) recipients in the Ninth Circuit to implement a wholly race-neutral DBE program if they did not have sufficient evidence readily available to satisfy the evidentiary standards established by

the Ninth Circuit Court of Appeals to request a waiver from the U.S. DOT to implement a race-conscious DBE program. The Authority, in response to this requirement, became a funding member agency of the Southern California Disparity Study Consortium. It is anticipated that the results of the disparity study will be finalized in November 2009. The results of this study may have an effect on the Authority's federal fiscal year (FFY) 2009-10 overall annual DBE goal analysis; therefore, a mid-year adjustment to the annual DBE goal may be necessary.

A DBE is a for-profit, small business concern that is at least 51 percent owned and controlled by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, is one in which 51 percent of the stock is owned and controlled by one or more socially and economically disadvantaged individuals. A socially and economically disadvantaged individual is defined by the federal regulations to be a citizen or lawfully admitted permanent resident of the United States who is a Black American, Hispanic American, Native American, Asian-Pacific American, Subcontinent Asian American, a woman, or a member of any additional group that can demonstrate that he or she is socially or economically disadvantaged. A small business owner is considered economically disadvantaged if the individual who meets the ownership and socially disadvantaged criteria identified above, has a personal net worth that does not exceed \$750,000.

Discussion

The proposed overall annual goal reflects staff's determination of the level of DBE participation based upon DBE availability in contrast to all firms available to propose or bid on the list of federally funded projects as identified in the Authority's Fiscal Year 2009-10 Budget and in accordance with the requirements set forth in 49 CFR Part 26.

The proposed overall annual race-neutral DBE goal for FFY 2009-10 for the Authority's FTA-assisted contracts is 8 percent. The goal represents the relative availability of DBEs based upon evidence of ready, willing and able DBEs, in relationship to all comparable businesses known to be available to compete for the Authority's FTA-assisted contracts. The 2006 U.S. Census County Business Patterns data and the California Unified Certification Program (CUCP) statewide DBE database were utilized to calculate and determine the relative availability of DBEs within the Authority's market area in accordance with the federally prescribed goal-setting methodology, specifically Step I, which is designed to establish the base figure of DBE availability.

Step II of the federally prescribed goal setting methodology requires that the

Authority conduct a review and analysis of other known relevant evidence available to determine what additional adjustments, if any, are needed to narrowly tailor the base figure of availability. Accordingly, the Authority considered past attainments on similar type projects, bidders list data specific to the defined contracting program, evidence from disparity studies and other agency's DBE goals in this step of the goal-setting process.

In conformance with the mandatory public facilitation requirements of 49 CFR Part 26.45, this goal analysis and corresponding methodology and rationale will be reviewed with minority, women, local business chambers and community organizations. Additionally, the Authority will publish a public notice in general circulation media, and minority focused media, announcing the Authority's proposed overall annual goal for FFY 2009-10 contracts assisted by FTA. This public notice will inform the public that the proposed goal and the rationale are available for inspection at the Authority's administrative offices during normal business hours for 30 days following the date of the public notice and that the Authority and FTA will accept comments on the goals for 45 days from the date of the public notice.

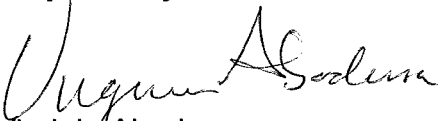
Summary

In summary, staff recommends that the Orange County Transportation Authority Board of Directors adopt the proposed federal fiscal year 2009-10 overall annual race-neutral disadvantage business enterprise goal of 8 percent for contracts assisted by the Federal Transit Administration in accordance with 49 CFR Part 26: Participation by Disadvantaged Business Enterprise in the Department of Transportation Programs and United States Department of Transportation's new race-neutral policy directives.

Attachment

- A. Submission of the Orange County Transportation Authority's Proposed Overall Annual DBE Goal Setting Methodology For FFY 2009/10

Prepared by:


Virginia Abadessa
Director, Contracts Administration and
Materials Management
(714) 560-5623

Approved by:


Kenneth Phipps
Acting Executive Director,
Finance and Administration
(714) 560-5637



Submission of the

Orange County

Transportation Authority's

Proposed Overall Annual DBE

Goal Setting Methodology

For FFY 2009/10

Submitted in fulfillment of:

*Section 1101 of the Transportation Equity Act for the 21st Century
and
49 Code of Federal Regulations Part 26*

**ORANGE COUNTY TRANSPORTATION AUTHORITY
DISADVANTAGED BUSINESS ENTERPRISE (DBE)
OVERALL ANNUAL DBE GOAL AND METHODOLOGY
FOR
FEDERAL FISCAL YEAR (FFY) 2009/10
(Covering the period of October 1, 2009 to September 30, 2010)**

I. INTRODUCTION

The Orange County Transportation Authority (hereinafter referred to as the “Authority”) herein forth its Overall Annual Disadvantaged Business Enterprise (DBE) Goal and corresponding federally prescribed methodology for Federal Fiscal Year (FFY) 2009/10, pursuant to Section 1101 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users; 49 CFR Part 26 “Participation by Disadvantaged Business Enterprises in U.S. Department of Transportation Programs”; and the Federal Transportation Administration (FTA) Master Agreement.

II. BACKGROUND

The Orange County Transportation Authority (Authority) is required to develop and submit a Disadvantaged Business Enterprise (DBE) Overall Annual Goal for DBE participation as a condition of receiving federal assistance, pursuant to Section 1101 of the Transportation Equity Act for the 21st Century; 49 CFR Part 26; Federal Transportation Administration (FTA) Master Agreement and the American Recovery and Reinvestment Act of 2009 (i.e. Economic Stimulus Package), which includes DBE provisions and requirements. Furthermore, it is important to note that the Authority has received a Notice/Guidance from the Federal Transit Administration (Docket No. FTA-2006-24063) dated March 23, 2006, which directed all DOT recipients in the Ninth Circuit to implement a wholly race-neutral DBE Program if they did not have sufficient evidence readily available to satisfy the evidentiary standards established by the Ninth Circuit Court of Appeals to request a waiver from the U.S. DOT to implement a Race-Conscious DBE Program. The Authority, in response to this requirement, became a funding/participating member of the Southern California Disparity Study Consortium. It is anticipated that the results of the Disparity Study will be finalized in November 2009. The results of the Disparity Study will be considered by the Authority in determining if an amended FFY 09/10 Overall Annual DBE Goal will be required. Accordingly, the Authority is currently proposing to meet its FFY 2009/10 Overall Annual DBE Goal by strictly utilizing race-neutral measures. Pertinent aspects of the Ninth Circuit Court ruling and the Notice are stipulated below:

PERTINENT ASPECTS OF THE GUIDANCE:

- If a recipient does not currently have sufficient evidence of discrimination or its effects, then the recipient submits an all race-neutral Overall Annual DBE goal.
- The recipient submission shall include a statement concerning the absence of adequate evidence of discrimination and its effects and a description of plans to either conduct a disparity/availability study or other appropriate evidence gathering process to determine the existence of discrimination or its effects on the recipient’s marketplace.
- An action plan describing the study and timeline for its completion should also be included.

- Recipients will be required to continue to monitor, collect and report participation and utilization of DBE's on Federal-aid contracts.
- All DOT federal-aid procurements shall contain race-neutral DBE solicitation and contract language.
- Recipients may no longer advertise and award contracts with DOT federal-aid funds containing race-conscious DBE goals.

Accordingly, the Authority herein presents its Overall Annual DBE Goal Methodology for FFY 2009/10.

III. DOT-ASSISTED CONTRACTING PROGRAM FOR FFY 2009/10

Table 1 represents the Authority's U.S. DOT-assisted (FTA) contracting program, which includes nineteen (19) projects considered in preparing its **Overall Annual DBE Goal-Setting Methodology**. Four (4) of the nineteen (19) projects, the Fixed Route Services Radio Replacer, Support Vehicles/Sheriff Vehicles, Support Vehicles/Field Operations Sedans and the Support Vehicles/Electric Forklifts procurements were exempted from this analysis due to the lack of viable subcontracting opportunities (these projects are highlighted in gray.) The remaining fifteen (15) FTA-5307 assisted projects, which include, Construction, Professional Services, and Materials and Supplies procurements, have viable subcontracting possibilities, a required criterion for Overall Annual Goal consideration and are anticipated to be awarded within FFY 2009/10:

Table 1

PROJECT	Total Estimated Project Cost	Estimated Federal Dollar Share of Construction	Estimated Federal Dollar Share of Professional Services	Estimated Federal Dollar Share of Materials & Supplies
Fixed Route Services Radio Replacer*	\$10,400,000	\$0	\$0	\$9,142,201
Support Vehicles/Sheriff Vehicles*	\$60,000	\$0	\$0	\$48,000
Support Vehicles/Field Operations Sedans*	\$75,000	\$0	\$0	\$60,000
Support Vehicles/Electric Forklifts*	\$75,000	\$0	\$0	\$60,000
Support Vehicles/Right of Way Truck	\$35,000	\$0	\$0	\$28,000
Support Vehicles/Half-Ton Facility Trucks	\$60,000	\$0	\$0	\$48,000

Orange County Transportation Authority (FTA) Overall Annual DBE Goal Methodology

For FFY 2009/10

Page 4 of 9

Support Vehicles/ Stakebed Trucks for Parts	\$60,000	\$0	\$0	\$48,000
Support Vehicles/ Propane Forklifts	\$50,000	\$0	\$0	\$40,000
Vanpool/ Vanpool Advertising Agency	\$70,000	\$0	\$61,971	\$0
Vanpool/ IS Consultant	\$15,000	\$0	\$13,280	\$0
Preventative Maintenance Facilities/Facilities on-call Environmental Services	\$50,000	\$0	\$40,000	\$0
Preventative Maintenance Facilities/Project Management Services	\$325,000	\$0	\$260,000	\$0
Preventative Maintenance Facilities/On-call Architectural/Engineering Services	\$1,600,000	\$0	\$1,280,000	\$0
Preventative Maintenance Facilities/On-call Testing and Inspection Services	\$400,000	\$0	\$320,000	\$0
Preventative Maintenance-IS Projects/ OBVSS Camera	\$435,786	\$0	\$0	\$348,629
Rideshare/Consultant: Employer Transportation Plan Development	\$50,000	\$0	\$50,000	\$0
Rideshare/Advertising Agency	\$150,000	\$0	\$150,000	\$0
Preventative Maintenance- Capitol/Drainage Improvements-Pacific Electric Right of Way	\$400,000	\$320,000	\$0	\$0
Preventative Maintenance- Capitol/Concrete Repairs- Anaheim Base	\$110,000	\$88,000	\$0	\$0
TOTAL EXEMPT	\$10,610,000	\$0	\$0	\$9,310,201

TOTAL NON-EXEMPT	\$3,810,786	\$408,000	\$2,175,251	\$512,629
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* The projects (shaded in gray), were exempted from this FFY 2009/10 analysis due to the lack of viable subcontracting opportunities.

Table 2 provides a summary of work grouped by three (3) primary categories: *Construction, Professional Services & Materials & Supplies*, utilizing the North American Industry Classification System (NAICS) primary work categories. *Table 2* also serves to identify the estimated Federal Dollar Share and the Percent of Federal funding, as follows:

Table 2

CONTRACT CATEGORY	NAICS Works Categories¹	ESTIMATED FEDERAL DOLLAR SHARE	% OF FEDERAL FUNDING
Construction	238110	\$408,000	13%
Professional Services	541611	\$2,175,251	70%
Materials & Supplies	423830	\$512,629	17%
TOTAL		\$3,095,880	100%

IV. GOAL METHODOLOGY

Step 1: Determination of a Base Figure (26.45)¹

To establish the Authority's Base Figure of the relative availability of DBEs to all comparable firms (DBE and Non-DBEs) available to propose on the Authority's FFY 2009/10 DOT-assisted contracting opportunities projected to be solicited; the Authority's followed one of the five prescribed federal goal-setting methodologies in accordance with 49 CFR Part 26 regulations. This was accomplished by accessing the *California Unified Certification Program (CUCP) Directory of Certified DBE Firms* and the *2006 U.S. Census Bureau County Business Patterns (CBP) Database*. Comparisons were made within the Authority's market area (defined as the Counties of Orange, Los Angeles, Riverside and San Bernardino) and by specified industries and types of businesses identified in Table 2. The Authority's local market area represents where the substantial majority of the Authority's contracting dollars are expended and/or where the substantial majority of contractors and subcontractors bids or quotes are received.

The Authority made a concerted effort to ensure that the scope of businesses included in the numerator was as close as possible to the scope included in the denominator. For corresponding detail of all work category classifications grouped, refer to *Attachments I and II*.

¹ §26.45 represents Title 49 CFR Part 26 regulatory referenced section.

- ⇒ **For the numerator:** *California UCP DBE Database of Certified Firms*
- ⇒ **For the denominator:** *2006 U.S. Census Bureau's Business Pattern Database (CBP)*

To determine the relative availability of DBEs, the Authority divided the numerator² representing the ratio of ready, willing and able DBE firms, by the denominator³ representing all firms (DBE and Non-DBEs) available in each work category. Application of this formula yielded the following baseline information:

$$\frac{\text{Number of Ready, Willing and Able DBEs}}{\text{Number of All Available Firms (including DBEs and Non-DBEs)}} = \text{BASE FIGURE}$$

The Base Figure was further weighted by contract type and corresponding contract value. The Base Figure resulting from this weighted calculation is as follows:

Step 1: Base Figure (weighted by type of work to be performed and corresponding contracting dollars)

	Construction	Professional Services	Materials & Supplies
Base Figure =	13% $\frac{\text{DBEs in NAICS 238110*}}{\text{CBPs in NAICS 238110**}}$	+ 70% $\frac{\text{DBEs in NAICS 541611*}}{\text{CBPs in NAICS 541611**}}$	+ 17% $\frac{\text{DBEs in NAICS 423830*}}{\text{CBPs in NAICS 423830**}}$
Base Figure =	$\left[\frac{.13 (222)}{1,053} \right]$	$+ \left[\frac{.70 (552)}{7,762} \right]$	$+ \left[\frac{.17 (14)}{1,591} \right]$
Base Figure =	$\left[.13 (.2108) \right]$	$+ \left[.70 (.0711) \right]$	$+ \left[.17 (.0088) \right]$
Base Figure =	$\left[(.0274) + (.0498) + (.0015) \right]$		
Base Figure =	$\left[(.0787) \right]$		
Base Figure =	$(.0787) 100 = 7.87 = \mathbf{8\%}^{***}$		
* For additional NAICS Codes from the California UCP DBE Database of Certified Firms, refer to Attachment I.			
** For additional NAICS Codes from the County Business Patterns Database, refer to Attachment II.			
*** Rounded to the nearest whole number.			

² Numerator represents all DBE firms established within the Authority's market area.
³ Denominator represents all comparable available established firms.

Step 2: Adjusting the Base Figure

Upon establishing the Base Figure, the Authority reviewed and assessed other known evidence potentially impacting the relative availability of DBEs within the Authority’s market area, in accordance with prescribed narrow tailoring provisions set forth under 49 CFR Part 26.45 Step 2; DBE Goal Adjustment guidelines.

Evidence considered in making an adjustment to the Base Figure included the Authority’s *Past DBE Goal Attainments, Bidders List, Disparity Studies, and Other Evidence*, as follows:

A. Past DBE Goal Attainments

The following table reflects the demonstrated capacity of DBEs (measured by actual historical DBE participation attainments) on similar DOT-assisted contracts awarded by the Authority within the last three fiscal years:

Table 3

PROJECT	DBE CONTRACT GOAL	DBE GOAL COMMITMENT	DBE GOAL ATTAINMENT
Fall Protection Improvements	0%	N/A*	N/A*
Steam Vehicle Lifts	0%	N/A*	N/A*
Joint Sealant (Irvine Base)	0%	N/A*	N/A*
Janitorial services	0%	N/A*	N/A*
Radio Upgrades	0%	N/A*	N/A*
C-6-0142 (March Networks/Radio)	0%	N/A*	N/A*
C-7-1146 (Promotional Source)	0%	N/A*	N/A*
Bus Rapid Transit Design			
C-5-2585	9%	N/A*	N/A*
ADA Bus Stop Modification Project/Contracts Issued			
C5-2930	15%	15%	0%
C5-2450	15%	89.55%	74.55%
C6-0412	0%	89.68%	89.68%
C6-0780	0%	89.84%	89.84%

* DBE Goal Attainment data is not available at this time as the Project is still in Progress.

The Authority considered an adjustment to the Base Figure based on historical DBE goal attainments on similar contracts to those contracting opportunities identified and considered in the Overall Annual DBE Goal Analysis for this federal fiscal year 2009/10. The projects highlighted in grey were excluded from this analysis as they were awarded to DBE Primes and as

such are not indicative of DBE subcontracting opportunities. The Fall Protection Improvements, Steam Vehicle Lifts, Joint Sealant (Irvine Base), Janitorial services, Radio Upgrades, C-6-0142 (March Networks/Radio), C-7-1146 (Promotional Source) and the Bus Rapid Transit Design projects were excluded from this analysis as DBE attainment data is not available at this time as the projects are still in progress. This leaves one (1) relevant project in Table 3 above for consideration, C5-2930; the ADA Bus Stop Modification Project, however, one project is not sufficient to ascertain a DBE utilization attainment trend, accordingly an adjustment to the Step 1 Base Figure will not be made at this time based on this factor, however, the Authority will continue to capture and consider past participation data on future Overall Annual DBE Goal Analyses.

B. The Authority's Bidders List

While the Authority maintains a Bidders List, the Authority lacks sufficient relevant Bidders List data from recently released Projects to consider for an adjustment. Therefore, while this factor was considered, the Authority will not make an adjustment to the Step 1 Base Figure based on the Authority's current Bidders List, however, the Authority will continue to encourage contractors to report all required information for purposes of accurately capturing all pertinent information for future goal-setting analyses.

C. Evidence from Disparity Studies

The Authority does not find it feasible to conduct its own independent availability/disparity study; however, it is actively participating and is a funding member/partner of the Southern California Regional Disparity Study Consortium designed to assess the existence of discrimination or its effects within the regions marketplace. The Southern California Regional Disparity Study Consortium Study is anticipated to be completed by late November 2009. The results of the Disparity Study will be considered by the Authority to determine if an amended FFY 2009/10 Overall Annual DBE Goal Analysis will need to be issued. Accordingly, this factor does not merit an adjustment to the Authority's Step 1 Base Figure.

D. Other Evidence

The Authority did not receive any anecdotal evidence nor is aware of any other factors or adverse considerations that would have had a material affect on DBEs availability within the Authority's marketplace, or on DBEs' ability to participate (meeting bonding, insurance and financial requirements) in the Authority's FTA-assisted contracting programs. Therefore, no goal adjustment was made in consideration of this factor. However, the Authority will continue to explore and consider all available evidence that materially would affect the opportunities for DBEs to form, grow, and compete in the Authority's FTA-assisted contracting programs.

OVERALL ANNUAL DBE GOAL AND PROJECTION OF RACE NEUTRAL AND RACE-CONSCIOUS PARTICIPATION:

The Overall Annual DBE Goal for FFY 2009/10 for the Authority's FTA-assisted contracts is 8%. The Overall Annual Goal is expressed as a percentage of all DOT-assisted funds that the Authority will expend in applicable DOT-assisted contracts in the given federal fiscal year.

The goal further serves to identify the relative availability of DBE's based on evidence of ready willing, and able DBE's to all comparable firms, which are known to be available to compete for and perform on the Authority's DOT-assisted contracts.

V. RACE-NEUTRAL MEASURES

In conformance with Title 49 CFR Part 26; "Participation by Disadvantaged Business Enterprises in Department of Transportation Programs" and in further response to FTA Notices issued to Public Transportation Providers regarding DOT's DBE Program and Race Neutral Policy Implementation Guidance, the Authority is required to submit and implement a **strictly Race Neutral Overall Annual DBE Goal for FFY 2009/10**, due to the absence of readily available evidence of discrimination and its effects in its marketplace.

The Authority will implement race-neutral measures to meet its overall Annual DBE Goal objectives in accordance with 49 CFR Part 26.51, including but not limited to:

- Arranging timely solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways that facilitate DBEs and other small business firms' participation.
- Unbundling large contracts to make them more accessible to small businesses, requiring or encouraging prime contractors to subcontract portions of work that they might otherwise perform with their own work forces.
- Providing technical assistance and other services to small businesses, including DBE firms.
- Providing information and communications programs on contracting procedures and specific contract opportunities.
- Providing assistance to small businesses in overcoming limitations in obtaining bonding, lines of credit and building financing capital.

VI. PUBLIC PARTICIPATION AND FACILITATION

In accordance with Public Participation Regulatory Requirements of Title 49 CFR Part 26, minority, women, local business chambers, and community organizations within the Authority's market area will be consulted and provided an opportunity to review the goal analysis and provide input. The Authority will prepare Outreach Consultation Letters advising the aforementioned business community of the proposed DBE goal analysis and availability for review and comment.

The Authority will also issue a Public Notice in a general circulation media and in at least one other minority focused media publishing the Authority's proposed Overall Annual Goal for the FFY 2009/10 FTA-assisted contracts. Such Notice will inform the public that the proposed goal and rationale are available for inspection at the Authority's principal office during normal business hours for 30 days following the date of the Public Notice and that the Authority will accept comments on the goal analysis for 45 days from the date of the Public Notice. The Authority will give full consideration to all comments and input and assess its impact on the proposed Overall Annual DBE Goal. If no impact and/or comments are received during the public participation process the Goal will be considered final.

**ORANGE COUNTY TRANSPORTATION AUTHORITY (AUTHORITY)
DBE GOAL ANALYSIS FOR FFY 2009/10**

ESTABLISHMENT OF THE NUMERATOR

OF DBE FIRMS ESTABLISHED IN THE AUTHORITY'S MARKET AREA (BY COUNTY)

CONSTRUCTION:		BY COUNTY:				
NAICS CODE	NAICS DESCRIPTION	Orange	Los Angeles	Riverside	San Bernardino	TOTAL
237990	Drainage Project Construction	27	29	27	22	105
238110	Concrete Repair	30	31	30	26	117
TOTAL		57	60	57	48	222

Professional Services:		BY COUNTY:				
NAICS CODE	NAICS DESCRIPTION	Orange	Los Angeles	Riverside	San Bernardino	TOTAL
541810	Advertising Agencies	14	15	11	9	49
541330	Engineering Services	50	42	39	35	166
541611	Management Consulting Services and Records Management	51	47	45	28	171
541620	Environmental Consulting Services	34	25	27	24	110
541380	Testing Laboratories	9	7	7	5	28
562910	Remediation Services	8	7	7	6	28
TOTAL		166	143	136	107	552

Materials & Supplies:		BY COUNTY:				
NAICS CODE	NAICS DESCRIPTION	Orange	Los Angeles	Riverside	San Bernardino	TOTAL
333120	Truck Manufacturing	0	0	0	0	0
423830	Forklift Trucks, Lift Trucks, Wholesalers	11	1	1	1	14
423410	Camera, video (except household-type) merchant wholesalers	0	0	0	0	0
TOTAL		11	1	1	1	14

DATA SOURCE: California UCP DBE Database of Certified Firms

**ORANGE COUNTY TRANSPORTATION AUTHORITY (AUTHORITY)
DBE GOAL ANALYSIS FOR FFY 2009/10**

Attachment II

ESTABLISHMENT OF THE DENOMINATOR:

OF ALL ESTABLISHED FIRMS (DBEs and Non-DBEs) BY PRIMARY WORK CATEGORIES WITHIN THE AUTHORITY'S MARKET AREA

CONSTRUCTION:		BY COUNTY:				
NAICS CODE	NAICS DESCRIPTION	Orange	Los Angeles	Riverside	San Bernardino	TOTAL
237990	Drainage Project Construction	48	65	35	23	171
238110	Concrete Repair	191	339	191	161	882
TOTAL		239	404	226	184	1053

Professional Services:		BY COUNTY:				
NAICS CODE	NAICS DESCRIPTION	Orange	Los Angeles	Riverside	San Bernardino	TOTAL
541810	Advertising Agencies	234	637	30	30	931
541330	Engineering Services	1,546	1,068	250	246	3,110
541611	Management Consulting Services and Records Management	1,719	830	155	128	2,832
541620	Environmental Consulting Services	208	170	32	35	445
541380	Testing Laboratories	177	97	22	28	324
562910	Remediation Services	63	34	7	16	120
TOTAL		3947	2836	496	483	7762

Materials & Supplies:		BY COUNTY:				
NAICS CODE	NAICS DESCRIPTION	Orange	Los Angeles	Riverside	San Bernardino	TOTAL
333120	Truck Manufacturing	5	14	5	5	29
423830	Forklift Trucks, Lift Trucks, Wholesalers	438	791	58	147	1434
423410	Camera, video (except household-type) merchant wholesalers	27	95	3	3	128
TOTAL		470	900	66	155	1591

DATA SOURCE: 2006 U.S. Census Bureau: County Business Patterns, NAICS Work Category Codes.



BOARD COMMITTEE TRANSMITTAL

July 13, 2009

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Investor Relations Meetings in New York

Finance and Administration Committee meeting of June 24, 2009

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

Committee Vote


This item was passed by all Committee Members present.

Committee Recommendation

Receive and file as an information item.



June 24, 2009

To: Finance and Administration Committee
From:  James S. Kenan, Interim Chief Executive Officer
Subject: Investor Relations Meetings in New York

Overview

Since the early 1990s, the Orange County Transportation Authority has maintained an active investor relations program. As part of this program, each year the Orange County Transportation Authority conducts a series of meetings with rating agencies, financial institutions, insurers, and investors in New York, New York. This year, the trip took place during the week of June 8, 2009.

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority (Authority) and its affiliated agencies have issued over a billion dollars of long-term debt to advance various capital programs since 1987. One sub-component of debt issuance is the servicing of debt, which includes updating the rating agencies on the progress of the Authority's programs and services on an annual basis.

Every year, the Authority provides a comprehensive presentation to various organizations. This year, the Authority met with Moody's Investor Services, Standard & Poor's, Fitch Ratings, Assured Guaranty, Ambac, J.P. Morgan, Banque Nationale de Paris (BNP) Paribas, Bank of America, Dexia Credit Local, and Municipal and Infrastructure Assurance Corporation (MIAC). In addition to these institutions, the Authority also had the opportunity to meet with representatives from the New York Metropolitan Transportation Authority and Western Asset Management Company.

It is important for the Authority to provide constant communication to the municipal market. The annual meetings provide the Authority the opportunity

to discuss the issues facing the Authority and the Orange County economy. The Authority's track record of providing projects on time and under budget has clearly established the Authority's credibility with the rating agencies.

Discussion

The following representatives from the Authority were in New York during the week of June 8, 2009: Chairman Peter Buffa, Vice Chairman Jerry Amante, Director Bill Campbell, Jim Kenan, and Kirk Avila. In addition, Jim Martling from Sperry Capital and representatives from J.P. Morgan attended the presentation meetings.

This year's meetings focused on the impacts of the downturn of the economy. The national and local economic slowdown has had a direct impact on all of the Authority's programs and services. Lower traffic volumes on the 91 Express Lanes, the loss of state revenues for bus service, reduced revenues in the Measure M (M1) and Renewed Measure M (M2) programs, the reduction of bus service hours, and the Orange County economy were topics discussed by the Authority's participants. Although the majority of the topics focused on the negative aspects of the economy, there were a few highlights raised by the Authority's representatives. These include the Anaheim Regional Transportation Intermodal Center, the lowering of tolls through the 91 Express Lanes congestion management toll policy, the leveling off of Orange County job losses and unemployment rate, and the establishment of the M2 Early Action Plan Tax-Exempt Commercial Paper Program.

A detailed summary report on all the New York meetings has been prepared by Sperry Capital, the Authority's Financial Advisor, and has been included as Attachment A. The report identifies the members of each firm and discusses the topics of concern for each of the organizations. A copy of the New York presentation book is provided as Attachment B.

Summary

The Orange County Transportation Authority has been proactive in delivering information to the municipal market in order to ensure that the Orange County Transportation Authority's credit ratings remain strong. A summary report of the most recent meetings in New York is provided as an attachment.

Attachments

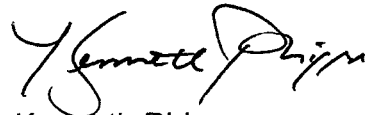
- A. Sperry Capital Inc. Letter dated June 16, 2009 to James S. Kenan on OCTA's 2009 New York Trip
- B. Orange County Transportation Authority June 2009 Update

Prepared by:



Kirk Avila
Treasurer / General Manager
(714) 560-5674

Approved by:



Kenneth Phipps
Acting Executive Director,
Finance and Administration
(714) 560-5637

Sperry Capital Inc.

June 16, 2009

Mr. James S. Kenan
Interim Chief Executive Officer
Orange County Transportation Authority
550 South Main Street
Orange, California 92863-1584

Dear Jim:

The June 2009 update trip to New York was very successful. Since 1991, the Orange County Transportation Authority (OCTA) has clearly established its credibility with the rating agencies, municipal bond insurance companies, letter of credit (LOC) banks, and investors for being able to successfully manage its unique multi-modal transportation responsibilities. The past year has been a very difficult time for Wall Street. OCTA received unanimous appreciation for continuing its credit update outreach program despite the challenging economic environment in Orange County. The credit analysts we met with all complimented OCTA for its commitment to provide updates in good times as well as in today's difficult economy. Several credit analysts stated that OCTA's annual credit update program was one of the most comprehensive in the United States.

OCTA met with the following firms June 9th through 12th in New York:

- Ambac
 - Ambac insures \$174.94 million 91 Express Lanes Bonds, \$30.145 million 1997 Second Senior Bonds, and \$34.97 million Series 2001 Second Senior Bonds
- Bank of America
 - Bank of America briefed OCTA on the current LOC market; Bank of America is one of the four Renewed Measure M (M2) Early Action Plan (EAP) tax exempt commercial paper (TECP) \$400 million LOC providers
- J.P. Morgan
 - J.P. Morgan is one of the four M2 EAP TECP \$400 million LOC providers
- Dexia
 - Dexia is the lead bank for the M2 EAP TECP \$400 million LOC
- Assured Guaranty
 - Assured Guaranty is currently the only active monoline municipal bond insurer with a AAA rating
- BNP Paribas
 - BNP Paribas is one of the four M2 EAP TECP \$400 million LOC providers
- Moody's
 - Moody's rates OCTA's First Senior Bonds Aa2, Second Senior Bonds Aa3, M2 TECP P-1, and 91 Express Lanes Bonds A1
- S&P
 - S&P rates OCTA's First Senior Bonds AAA, Second Senior Bonds AA, M2 TECP A-1+, and the 91 Express Lanes Bonds A
- Fitch Ratings
 - Fitch rates OCTA's First Senior Bonds AA, Second Senior Bonds AA-, M2 TECP F1+, and 91 Express Lanes Bonds A
- MIAC
 - MIAC is a new monoline municipal bond insurance company
- J.P. Morgan
 - J.P. Morgan briefed OCTA on the current short-term and long-term markets
- Western Asset
 - Western Asset is one of OCTA's four external portfolio managers



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Mr. James S. Kenan

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Fitch Ratings, Moody's, Standard & Poor's (S&P), Ambac, J.P. Morgan, Dexia Credit Local (Dexia), Assured Guaranty, Banque Nationale de Paris (BNP) Paribas, and Municipal and Infrastructure Assurance Corporation (MIAC), were all extremely complimentary about the quality of the June 2009 Update book and the presentations by OCTA's Board of Directors and staff.

In addition, Chairman Buffa and staff met with the senior management of the New York Metropolitan Transportation Authority (MTA) on Tuesday, June 9 to discuss and contrast OCTA's and MTA's respective transportation challenges. Despite a difficult budget year which created a 2009 \$2 billion MTA deficit, the MTA staff was very generous with their time.

Chairman Peter Buffa, Vice Chairman Jerry Amante, Director Bill Campbell, Interim Chief Executive Officer Jim Kenan and Kirk Avila represented OCTA at the New York meetings. Dan Feitelberg from J.P. Morgan and I attended the presentations as well.

The Treasury/Public Finance Department, with support from many departments throughout the Authority, worked diligently during April, May and June to update and prepare the comprehensive 65-page spiral bound presentation book, entitled the "June 2009 Update", which was used in conjunction with each of OCTA's meetings. The June 2009 Update presentation book was organized as follows:

- I. Introduction
 - II. Orange County Economy
 - III. Sales Tax Collections and the Impact on Measure M1 and M2
 - IV. 91 Express Lanes
 - V. Interim Chief Executive Officer's Report
 - VI. Debt and Investments
- Appendix

The Appendix to the June 2009 Update presentation book contained profiles for each Board member and executive management staff attendees.

Tuesday, June 9th

Ambac: Ambac was represented by Debra Saunders. Ambac insures OCTA's 2001 and 1997 Measure M Second Senior Refunding Bonds and the 91 Express Lanes Bonds. Ambac's current ratings are Ba3 by Moody's and A by S&P. After Ambac declined to send Fitch Ratings additional financial information, Fitch Ratings withdrew its rating. Debra briefed OCTA on Ambac's short-term goals of limiting its losses and plans for introducing a new "municipal bonds only" insurance product. OCTA gave an update to Ambac on the Orange County economy, the M1 and M2 programs, and the 91 Express Lanes.



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Bank of America: Bank of America was represented by Sandra Brinkert. The bank's new brokerage subsidiary, Merrill Lynch, was represented by Kevin O'Brien from Los Angeles and Sonja Toledo from New York. The Merrill Lynch representatives arranged the meeting with MTA. Merrill Lynch briefed OCTA on MTA's current financial and policy challenges. After the MTA briefing, Sandra Brinkert presented an overview of the LOC market and the short-term municipal market. Merrill Lynch gave OCTA a bank credit provider market update. Sandra Brinkert said that although the credit markets are improving, only a handful of banks are actively providing LOCs for municipal issues so far this year. "Of the \$6.3 billion in municipal LOCs and liquidity agreements closed in the first quarter of 2009, just over \$3 billion was provided by just three banks. The municipal LOC market needs more competition to show real signs of improvement." said Ms. Brinkert.

MTA: We met with MTA at their offices located on Madison Avenue between 46th and 47th Street. The MTA is the largest transit system in North America. The MTA is governed by a 17-member Board. Members are nominated by the Governor, with four recommended by New York City's mayor and one each by the county executives of Nassau, Suffolk, Westchester, Dutchess, Orange, Rockland, and Putnam counties. The Board also has six rotating non-voting seats held by representatives of organized labor and the Permanent Citizens Advisory Committee, which serves as a voice for users of MTA transit and commuter facilities. All Board members are confirmed by the New York State Senate.

MTA was represented by Chris Boylan, Deputy Executive Director, Patrick McCoy, Director of Finance, Lara Muldoon, Assistant Director of Finance, Olga Chernat, Deputy Director of Finance, and Greg Kollberg, Director of Capital Budgets. The MTA / OCTA meeting lasted for 90 minutes. The meeting's topics of discussion included budgets, congestion management pricing and paratransit. Chairman Buffa asked what portion of MTA's bus budget was devoted to paratransit and the MTA response was that 50% of MTA's bus transit budget went to paratransit.

Wednesday, June 10th

J.P. Morgan: The first meeting on Wednesday was at 9 am with J.P. Morgan at their office located at 270 Park Avenue. J.P. Morgan is one of the four banks that provides the current \$400 million LOC for OCTA's M2 EAP TECP program. J.P. Morgan's credit department was represented by Tim Self and Justin Wahn. Tim Self opened the meeting by stating, "I wish more issuers would take the time to give us annual updates. This is very helpful. Thank you very much."

OCTA started all of the New York meetings with a three minute video on transportation in Orange County. After self-introductions, Chairman Buffa introduced OCTA as, "One of the few agencies responsible for both transit and roads." Chairman Buffa outlined the difficult challenges OCTA is facing as a result of the national, state and Orange County economic environment.



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Vice Chairman Amante described the success of M1 and the plans for M2. In response to a question from Justin Wahn, he explained that OCTA's goals for M2 freeway, transit, and streets and roads are very similar to the highly successful M1 program, "We made some adjustments, but there are no wholesale changes. The major change is the environmental mitigation fund." Vice Chairman Amante also underscored the importance of the EAP and added that OCTA planned to issue an additional \$25 million of M2 EAP TECP this June.

Dexia: The second meeting on Wednesday was with Dexia at their offices located at 445 Park Avenue. Dexia is the lead bank for the current \$400 million LOC for OCTA's M2 EAP TECP program. Dexia was represented by Richard Skiera and Richard Nussbaum. Richard Skiera noted that he has been Dexia's OCTA account manager for eight years.

Chairman Buffa summarized the Orange County economic environment for Dexia stating that despite the recession, Orange County's economy had bright spots, "Tourism is still very strong. People want to come to Orange County. Disneyland and our beaches are tremendous draws."

Vice Chairman Amante effectively used the bar chart on page III-1 to illustrate the strong growth history of M1 sales tax collections and the bar chart on page III-7 to discuss the projection of M2 sales tax collections from 2011 to 2041.

Assured Guaranty: Assured Guaranty was represented by John Trahan, who specializes in tax-backed credits, and Mary Francoeur, who specializes in toll roads. Ms. Francoeur has tracked OCTA since she was a rating analyst at Moody's in 1992. Although the insurance premium cost was very high (and ultimately rejected), Assured Guaranty was the only municipal bond insurance company to offer the 91 Express Lanes credit enhancement in 2008.

Chairman Buffa introduced OCTA as a unique transportation agency with a wide range of multi-modal responsibilities, "We are responsible for everything in transportation in Orange County that doesn't fly with the exception of the Transportation Corridor Agencies toll roads." When Chairman Buffa explained the organization chart on page I-3 he added, "We expect to have a new CEO on Board within 60 to 90 days."

Assured Guaranty was pleased with the success of M1 and very interested in OCTA's capital expenditure plans for M2.

BNP Paribas: The last meeting on Wednesday was with BNP Paribas at their offices located at 787 Seventh Avenue. BNP Paribas is one of the four banks that provides the current \$400 million LOC for OCTA's M2 EAP TECP program. BNP Paribas was represented by Kelly Parden and Patrick Williams. We met in a glass-enclosed conference room on the edge of the BNP Paribas trading floor.



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After briefings by Chairman Buffa on OCTA's recent challenges and Vice Chairman Amante on the Orange County economy, Jim Kenan said that the two OCTA bright spots this year are high speed rail and ARTIC. Jim described the importance of high speed rail to Orange County and showed the credit analysts several large photographs of the proposed ARTIC complex. Jim Kenan said the ARTIC hopes to be under construction in 2011.

Kelly Parden briefed OCTA on BNP Paribas, "Although we have been in a pause mode recently by trying to buy Fortis Bank, we are hoping to start writing more municipal LOC business this year."

Thursday, June 11th

Moody's: We traveled on the Lexington Avenue subway line to Moody's for a 9 am meeting. Moody's was represented by Maria Matesanz and Baye Larsen. The Moody's conference room we used for the presentation at their new offices at 7 World Trade Center looked directly down into the reconstruction site of the World Trade Center.

After a short introduction, Chairman Buffa explained his goods movement goal, "I am trying to start an alliance between major ports, transportation agencies and cities to work together to set common goals for goods movement. There has never been a line item for goods movement in the federal reauthorization bill. We are trying to change that."

Vice Chairman Amante described the success of M1 despite the recent drop in sales tax receipts. Baye Larsen asked if the State has been diligent in promptly distributing SBOE sales tax receipts. Vice Chairman Amante said that although SBOE has been prompt so far, that OCTA is carefully monitoring the SBOE due to the desperate financial situation at the State level.

In his update on the 91 Express Lanes, Director Campbell stressed that the 91 Express Lanes is a unique toll road, "When times are tough, most toll roads raise their tolls. But our policy is to provide incentives to our customers to use our toll road. Tolls can go up or down in order to improve mobility." Director Campbell used the charts on page IV-2 to illustrate the recent trends in traffic volumes.

Director Campbell stated that OCTA planned to implement a COLA increase on July 1, "The COLA is important revenue. We get very few emails with complaints and the annual COLA increases have not produced any customer behavior modification."

Baye Larsen closed the Moody's meeting by thanking OCTA for incurring the time and the expense to present the 2009 update, "Thank you for making the continuing effort to update us. We all realize how difficult and challenging the markets and the economy have been."

Standard & Poor's: We walked from Moody's to S&P's offices at 55 Water Street in a light



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drizzle. S&P was represented by David Hitchcock and Kurt Forsgren from S&P's Boston office. Kurt told OCTA, "We appreciate the regularity and professionalism of your updates."

S&P hosted a working lunch for OCTA. Chairman Buffa explained that tourism and visitor spending has been one of the bright spots for the Orange County economy, "An illustration of the law of unintended consequences is that the economy is convincing many people to cancel their vacation plans for Europe, Mexico or Hawaii and come to Orange County."

After presenting the first seven pages of the section on the Orange County economy, Chairman Buffa told the credit analysts, "Page II-9 is my one good news page." Chairman Buffa explained that the economic forecasts on page II-9 were the result of the economists at Chapman, UCLA and Cal State Fullerton closely tracking the dwindling housing inventory in Orange County, "Due to the continuing jobs / housing imbalance in Orange County, the three university economists all predict a jump in the Orange County economy when the lack of housing inventory prompts buyers to buy homes assuming there is still attractive mortgage money."

Jim Kenan directed the analysts back to page III-8 which shows the M2 forecast, "The extension of the 91 Express Lanes franchise up to 35 years results in approximately \$1 billion of additional toll revenues in 2009 dollars. The Board can use the new toll revenue for SR-91 construction to offset some of the projected reductions in M2 revenues."

Chairman Buffa noted that the material for the ARTIC walls is the same material that was used in the Water Cube aquatic center at the 2008 Beijing Olympics, "The colors will change during the day. It's going to be very striking."

Kurt Forsgren asked if OCTA saw a drop in Metrolink ridership last year. "Yes. Transit ridership is an interesting study in demographics. Metrolink riders have an \$80,000 average income. They all have cars. Consequently, they are very sensitive to gas prices." said Vice Chairman Amante.

Director Campbell updated S&P on the 91 Express Lanes, "In my trips to New York, I have been the designated hitter to talk about the 91 Express Lanes. It's only ten miles long. But I call the 91 Express Lanes the little road that keeps on giving." Director Campbell used the charts in Section IV to illustrate that traffic volume (page IV-2) and toll revenues (page IV-5) over the last several months have both decreased at a slightly lower rate when compared to last year.

Fitch Ratings: We walked from S&P to Fitch Ratings' office at One State Street Plaza. Fitch Ratings was the last meeting on Thursday afternoon. Fitch Ratings was represented by Amy Doppelt by telephone from San Francisco, Cherian George, Michael McDermott, Seth Lehman and Jesse Ortega.

After the Orange County video and self-introductions, Chairman Buffa summarized the recent



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challenges faced by OCTA starting with the national and regional economy as well as the State's structural deficit, "You are aware of the economy, but I want to underscore that we have to wrestle with the State's problems every day." Chairman Buffa explained that the drop in state transit assistance payments dramatically impacted OCTA's bus services and additional likely cuts will have further negative impacts, "The State is no longer in the local transit assistance business."

Vice Chairman Amante used the chart on page III-8 to illustrate the drop in M2 sales tax projections from \$24.3 billion in 2005 to \$15.4 billion in 2009 due to the current recession. However, he said the M2 EAP is already underway, "We are not going to wait. We are rushing the completion of permits and engineering. We are anxious to solicit bids. Local contractors are hungry for work and we want to move as quickly as we can on behalf of our voters."

Director Campbell used the data on page IV-8 to summarize the impact of lower tolls on the 91 Express Lanes demand in peak periods. He noted that the data comparing the March 2008 and March 2009 traffic volumes shows that the demand in the 14 peak hours in which tolls were reduced on October 1, 2008 is, "inelastic during periods of increased demand and elastic in periods of falling demand." As a result of the toll decreases in the 14 hours, toll revenue was down \$14,000. However if OCTA had not reduced the tolls in the 14 peak hours, based on the lower traffic volumes in March 2009 compared to March 2008, OCTA would have received \$14,000 less revenues. "As a result of the toll reductions and resulting increased revenue, OCTA achieved its goal of increased mobility yet maintained the same level of revenue." said Director Campbell.

Jim Kenan told Fitch Ratings that on June 8 the OCTA's Board had approved reducing 400,000 bus service hours and coach operator, maintenance, and bus operations position reductions totaling 368 employees in response to lower sales tax and State Transportation Assistance Funds. "We don't like making cuts. But we have to live within our means." said Jim Kenan.

Kirk Avila summarized information on OCTA's M1 bonds, 91 Express Lanes bonds and swaps, projected M2 bonds, and \$907 million short-term fixed income portfolio in Section VI of the 2009 Update presentation book.

Friday, June 12th

MIAC: Municipal and Infrastructure Assurance Corporation, known as "MIAC", was represented by Tom Randazzo, the President and CEO, Adam Bergonzi, the Chief Credit Officer, and Jin Chun, from Macquarie Capital, one of the lead equity investors in MIAC. Although MIAC is still working on achieving its initial Aaa/AAA ratings, MIAC has received licenses to provide monoline municipal bond insurance in 12 states. Tom Randazzo said MIAC hopes to achieve its Aaa/AAA ratings and California license later this year.



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In the Introduction section, Chairman Buffa talked enthusiastically about the future of high speed rail in California and in Orange County, "I have worked on high speed rail for 23 years and we have had a stunning turnaround and show of support in the last six months." Chairman Buffa said that based on his recent trips to Washington D.C., it was clear that the White House recognized that, "California is significantly ahead of the rest of the country in high speed rail planning, and that Orange County is significantly ahead of every other county in California."

Tom Randazzo asked about the impact of declining car sales on sales tax collections. "We are taking a hit. Approximately 20% of the budget of the city of Tustin is based on sales tax and car sales are down 40%." said Vice Chairman Amante. "But, California is a car culture. When the economy turns around, we expect a big jump in car sales."

Prior to joining MIAC, Tom Randazzo worked for XL Capital. He represented XL Capital when OCTA purchased the 91 Express Lanes and then assumed a \$135 million taxable revenue bond insured by XL Capital. During Director Campbell's discussion of page IV-10 entitled "Debt Service Coverage, Net Revenues and Reserves" which included a comparison of the 91 Express Lanes' actual results compared to the projected debt service coverage ratios in the 2003 Official Statement, Tom Randazzo was very complimentary about the toll road's financial performance.

"This is the first meeting I have attended with an issuer in 14 months. I want to underscore that MIAC is eager to help OCTA." said Adam Bergonzi. Jim Kenan complimented MIAC by saying the MIAC meeting was his first direct meeting with a President / CEO and head Credit Risk Officer in 17 years of meeting with municipal bond insurance companies.

J.P. Morgan: OCTA attended a 90 minute working lunch at J.P. Morgan on Friday to discuss the current trends in the short-term and long-term capital markets with several of the bank's underwriters, traders, salesmen, economists and investment bankers. J.P. Morgan was represented by Jeffery Bosland, the head of J.P. Morgan's entire tax exempt sales, trading and investment banking department, Michael Lexton, Kyle Pulling, James Adams, Robert Servas, James Millard, Justin Ward, Marshall Kitain, and Ben Djounas from their New York office, as well as by Dan Feitelberg and Mellissa Shick from their San Francisco office.

Western Asset Management: Western Asset Management is located in a new skyscraper directly across from the Port Authority bus terminal, the largest bus terminal in the world. Western Asset Management is one of OCTA's four external portfolio managers. Western Asset Management is also a large institutional investor in municipal bonds. Western Asset Management was represented by Colleen Cavanaugh, Judith Ewald, Theresa Veres, Kevin Kennedy and Robert Amodeo.

Robert Amodeo is the firm's head municipal bond portfolio manager. He gave OCTA an overview of the national market for municipal bonds in general and the market for municipal bonds issued by California issuers in particular. Robert Amodeo complimented OCTA on its



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Mr. James S. Kenan
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dedication to investor relations and said that investor outreach is more important than ever, "If you can continue to distinguish yourself as a very good credit in a dysfunctional state, OCTA will continue to be successful in selling bonds at the very best rates available."

Summary

The capital markets have undergone a dramatic change in the last year. Tax exempt short-term rates shot up to as high as 20% for high grade credits like the Port Authority of New York and New Jersey. And for several months, retail sales provided the only support for intermediate and long-term municipal high grade bonds. Despite the fact that the credit and liquidity markets are starting to return to normal, the portfolio managers, underwriters and traders unanimously described a "two-tiered" market in the future in which AAA-rated and AA-rated issuers would continue to have market access while BBB rated issuers would continue to find support waning and credit spreads between high and low grade issuers at historically wide levels. As a result, OCTA was urged to continue to place a high priority on continuing its highly successful annual credit updates and investor relations meetings.

I have attached Exhibit 1 with a complete list of the participants at OCTA's 2009 New York meetings.

Sincerely,

James W. Martling

James W. Martling
Principal



ORANGE COUNTY TRANSPORTATION AUTHORITY

JUNE 2009 UPDATE

IS AVAILABLE ON THE OCTA WEBSITE (www.OCTA.net)

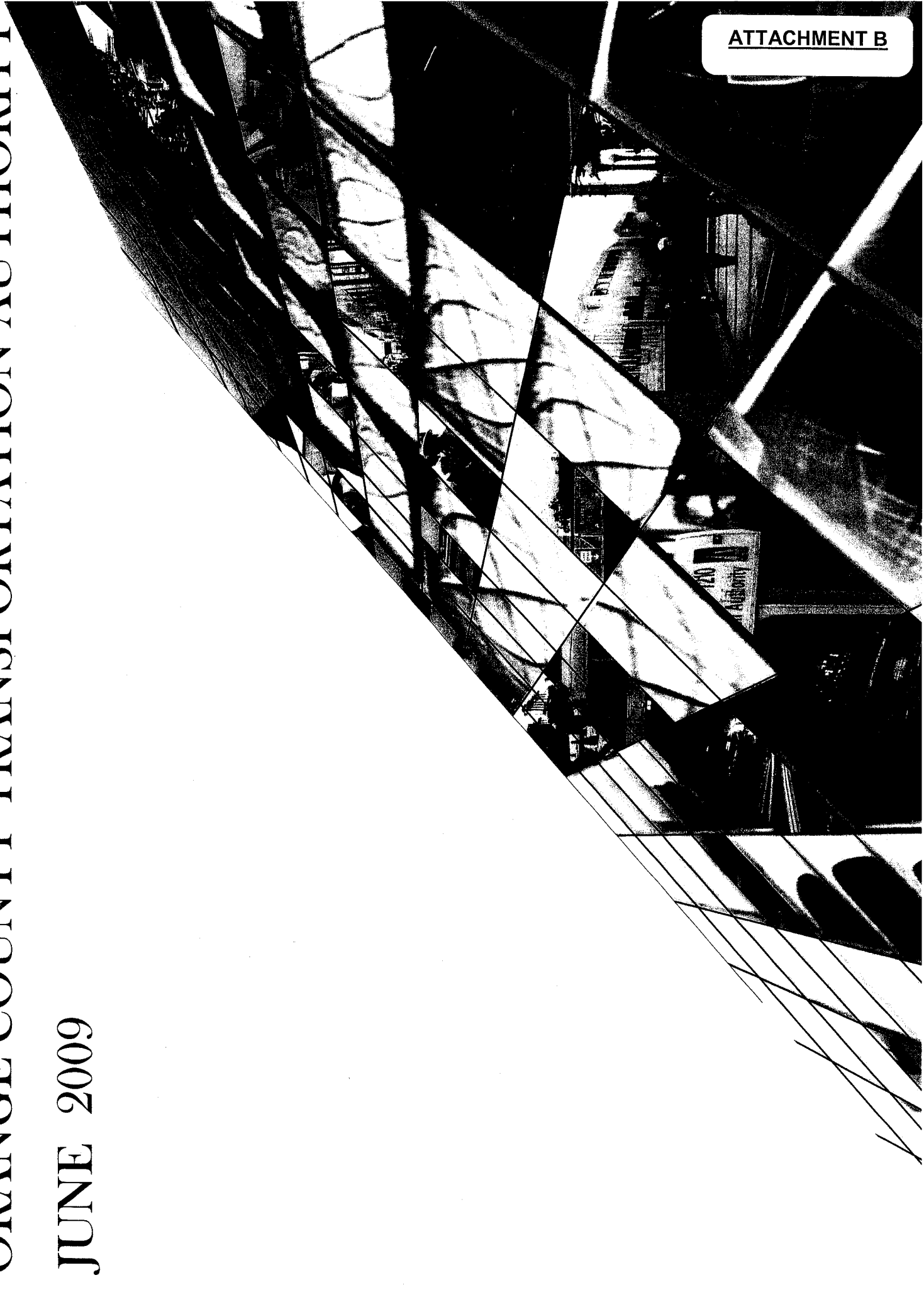
AND AVAILABLE UPON REQUEST

FROM THE CLERK OF THE BOARD'S OFFICE

ORANGE COUNTY TRANSPORTATION AUTHORITY

JUNE 2009

ATTACHMENT B



Presentation Overview

- I. Introduction
 - II. Orange County Economy
 - III. Sales Tax Collections and the Impact on Measure M1 and M2
 - IV. 91 Express Lanes
 - V. Interim Chief Executive Officer's Report
 - VI. Debt and Investments
- Appendix

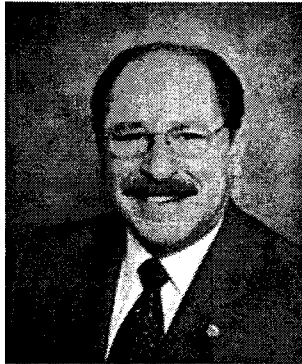
I. Introduction

Presentation Participants



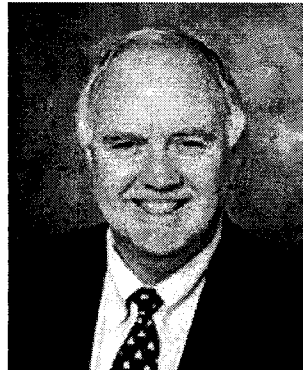
Peter Buffa

Chairman
Board of Directors



Jerry Amante

Vice-Chairman
Board of Directors



Bill Campbell

Chairman, Finance
and Administration
Committee



Jim Kenan

Interim Chief
Executive Officer



Kirk Avila

Treasurer, General
Manager of the
91 Express Lanes

Sperry Capital

Jim Martling

Principal

J.P. Morgan

Daniel Feitelberg

Executive Director

J.P. Morgan

Melissa Shick

Associate

Orange County Transportation Authority

▶ Governed by a 17-member Board of Directors and the Governor's Ex-Officio representative

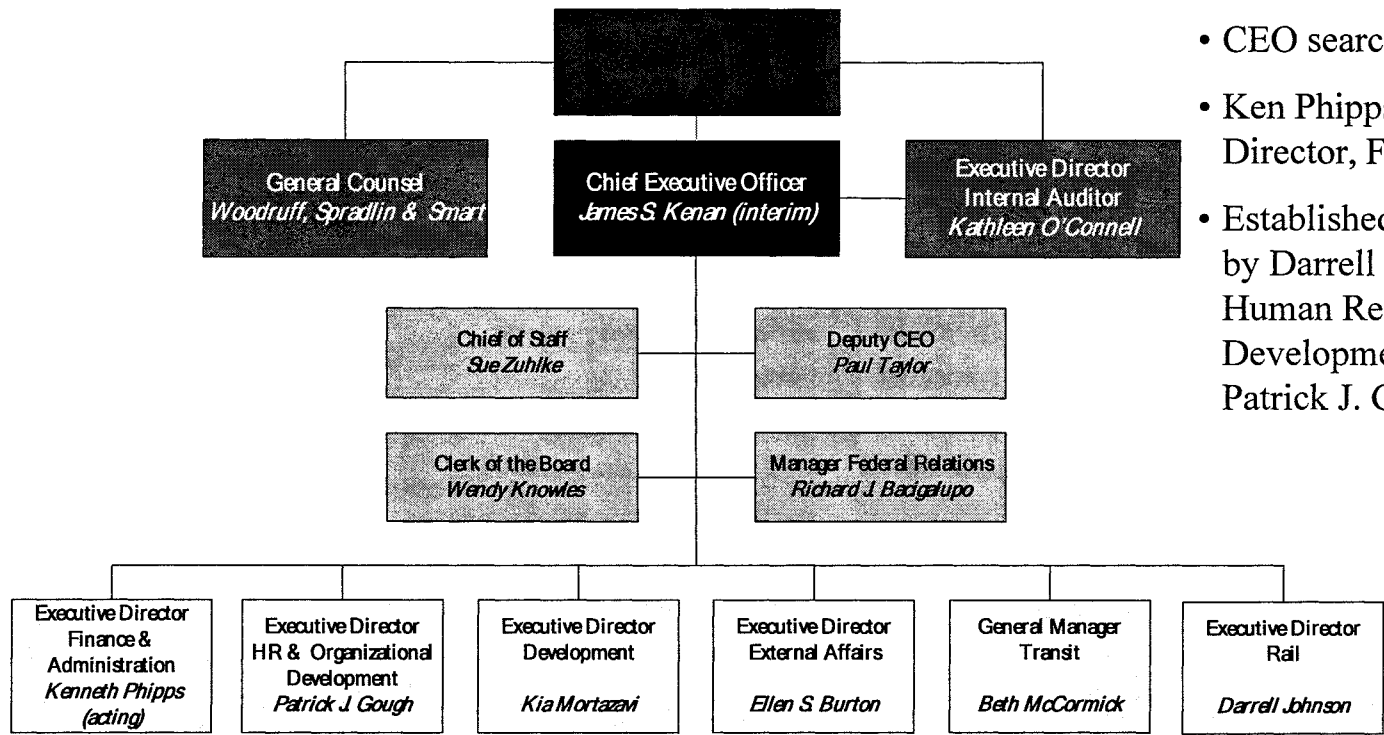
▶ Multi-modal programs and services include:

- o Countywide bus and paratransit
- o Metrolink commuter rail
- o Freeway improvements
- o Streets and Roads improvements
- o 91 Express Lanes
- o Motorist aid services
- o Taxi program regulation

Peter Buffa	Chairman, Public Member
Jerry Amante	Vice Chairman, City of Tustin
Patricia Bates	5th District Supervisor
Art Brown	City of Buena Park
Bill Campbell	3rd District Supervisor
Carolyn Cavecche	City of Orange
William J. Dalton	City of Garden Grove
Richard T. Dixon	City of Lake Forest
Paul Glaab	City of Laguna Niguel
Cathy Green	City of Huntington Beach
Allan Mansoor	City of Costa Mesa
John Moorlach	2nd District Supervisor
Janet Nguyen	1st District Supervisor
Chris Norby	4th District Supervisor
Curt Pringle	City of Anaheim
Miguel A. Pulido	City of Santa Ana
Gregory Winterbottom	Public Member
Cindy Quon	Governor's Ex-Officio



Executive Management Team



Changes from 2008:

- Jim Kenan - Interim CEO
- CEO search underway
- Ken Phipps, acting Executive Director, Finance & Administration
- Established new Rail division headed by Darrell Johnson and created new Human Resources & Organizational Development division headed by Patrick J. Gough



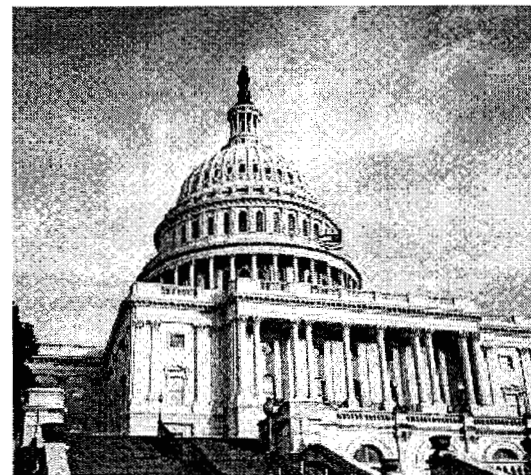
Chairman's Major Transportation Goals for 2009

- ▶ Begin strategic regional / national alliances
- ▶ Advocate for Orange County to maximize state and federal grants
- ▶ Continue delivery of Measure M2 Early Action Plan
- ▶ Maximize use of HOV Lanes / HOT Lanes
- ▶ Go green



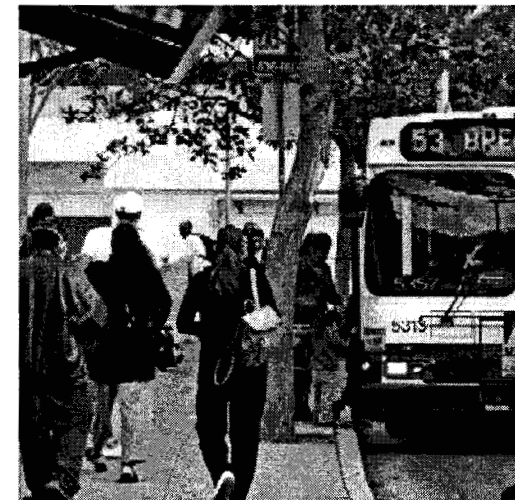
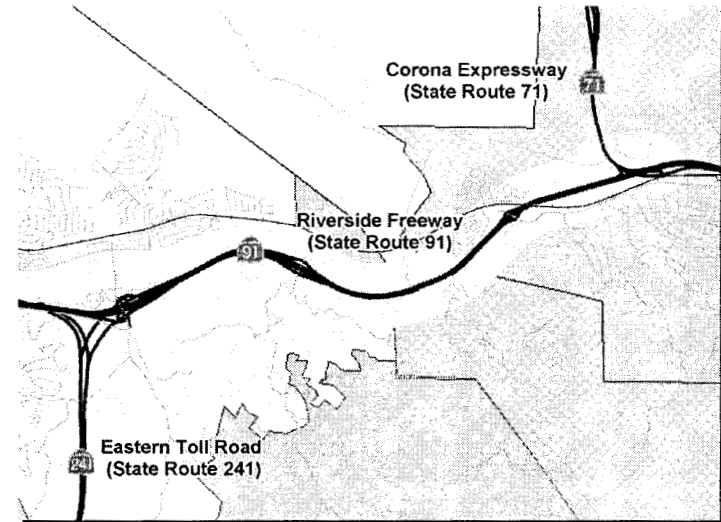
Recent Challenges

- ▶ National and regional economic slowdown
- ▶ State's structural budget deficits
- ▶ Declining sales tax collection
- ▶ State cuts in transit funding
- ▶ Transit service reductions
- ▶ OCTA employee reductions
- ▶ Chief Executive Officer search
- ▶ Declining traffic volume and revenue on the
91 Express Lanes



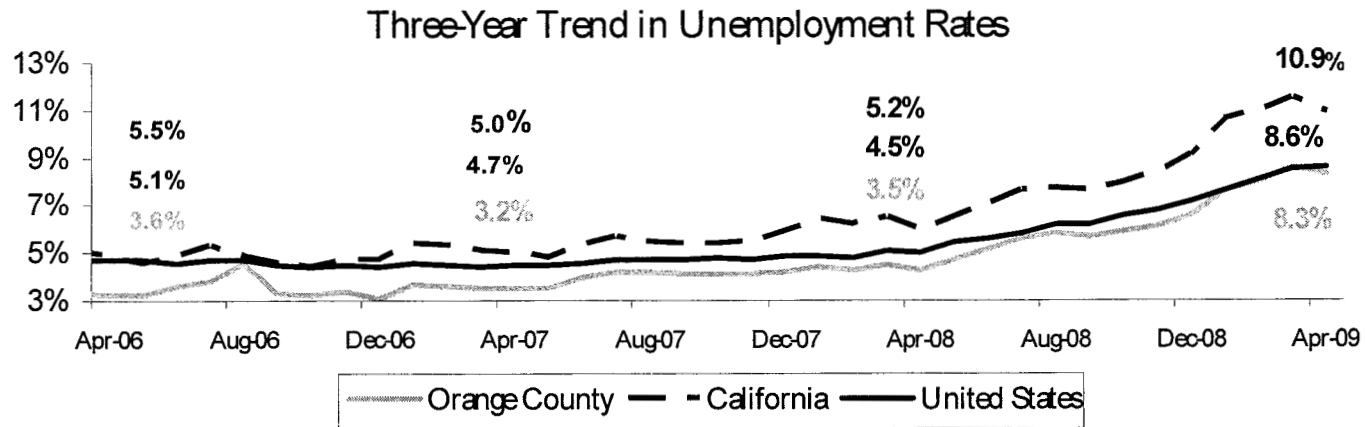
\$212 Million for Stimulus Act Projects in Orange County

- ▶ \$71.4 million for a new eastbound lane on SR-91 between SR-241 and SR-71
- ▶ \$26.4 million for SR-22/I-605 carpool connectors
- ▶ \$33 million for local agency projects
- ▶ \$76 million for transit capital / operating assistance
- ▶ \$1.2 million for rail modernization
- ▶ \$4 million for local transportation enhancement projects

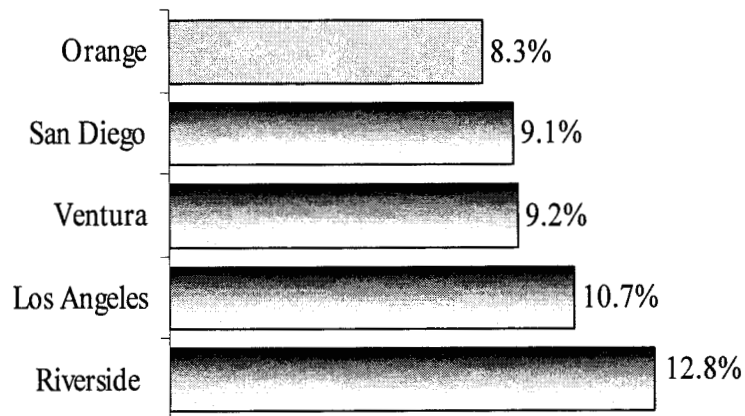


II. Orange County Economy

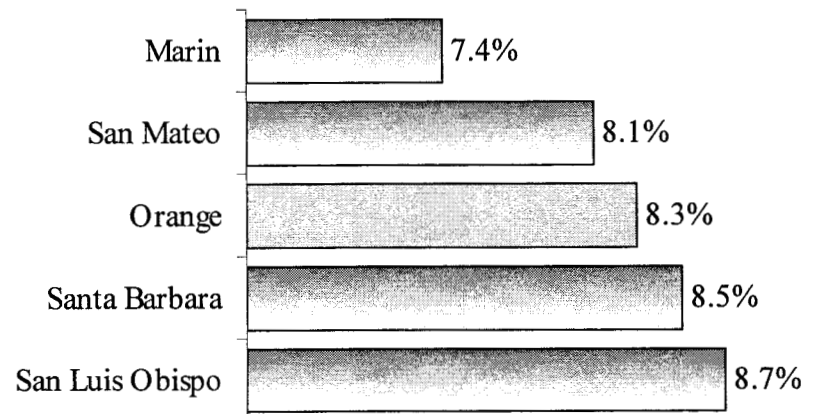
Unemployment Rate Comparisons



Southern California Counties



Lowest California County Rates



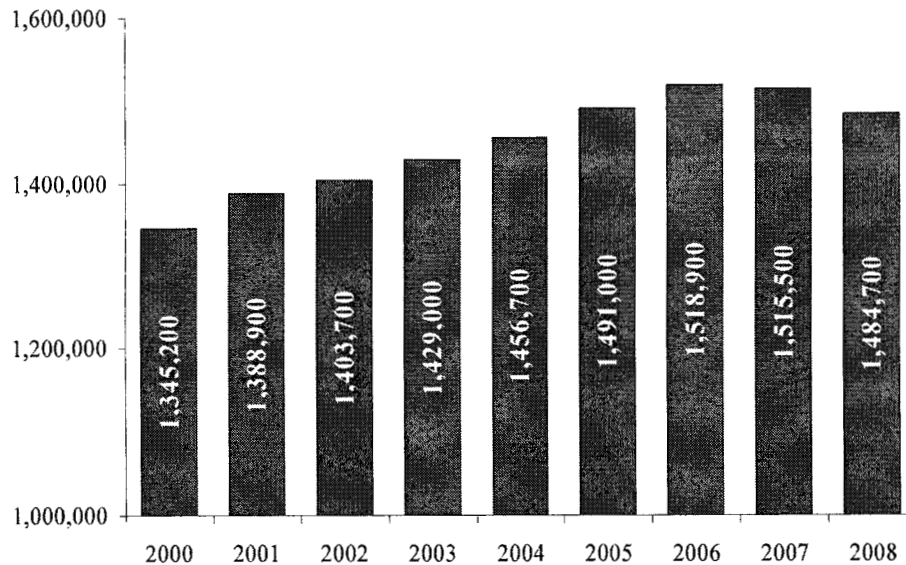
Source: Employment Development Department, April 2009



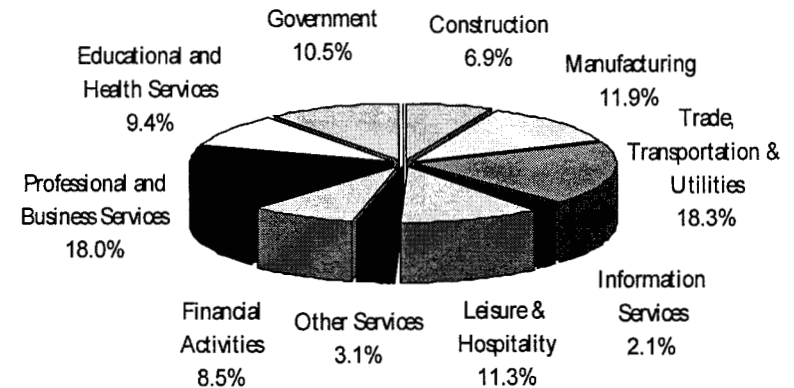
Employment Overview

► 2% drop in jobs in 2008 underscores the diversity of Orange County's employment base

Orange County Employment History



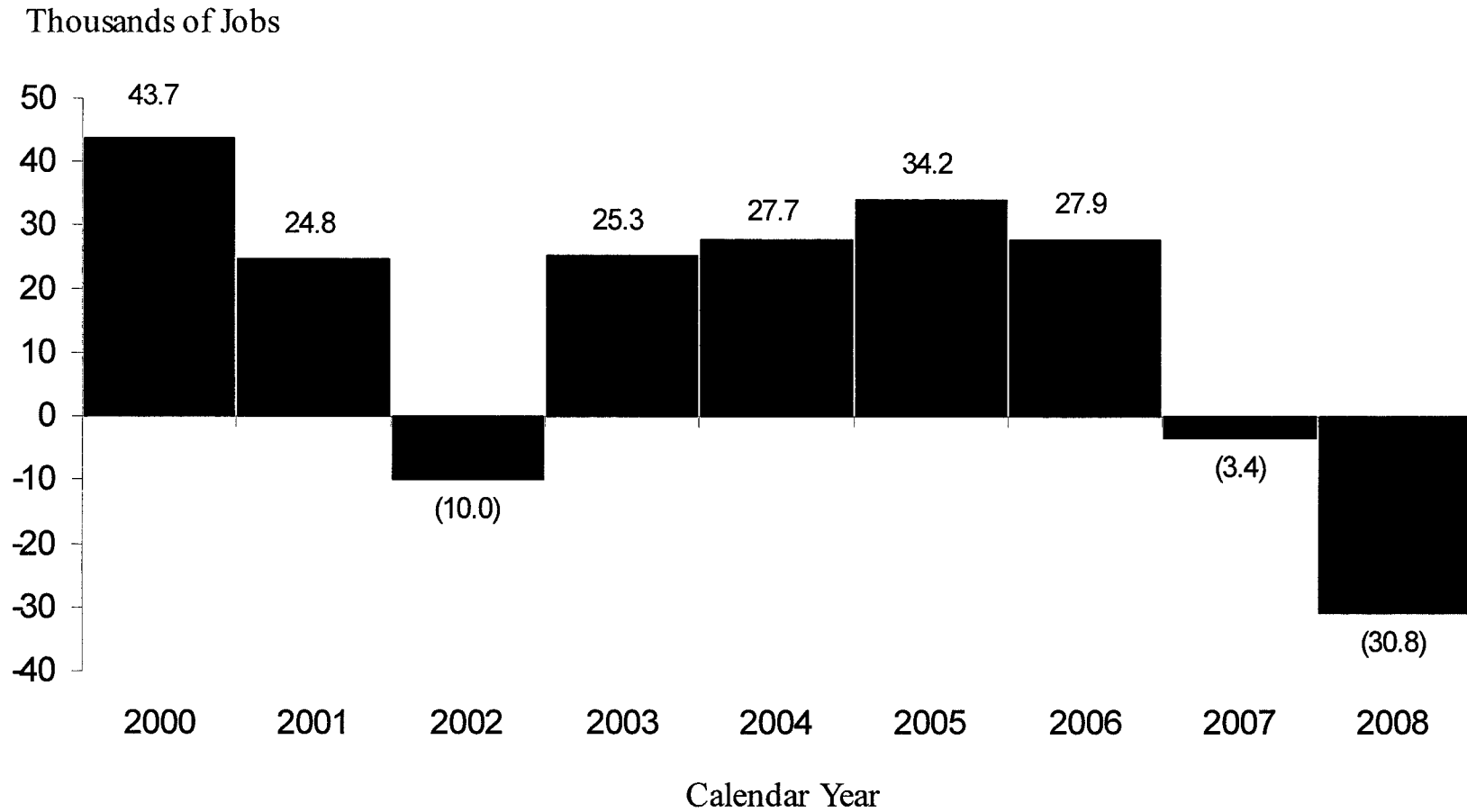
Orange County Employment Sectors
1.485 Million Jobs in 2008



Source: Employment Development Department, April 2009



Recent Orange County Job Creation and Loss History



Source: Employment Development Department, April 2009



Employment by Sector Since 2006

	<u>2006</u>	<u>2008</u>	<u>Number of Jobs Gained or Lost (2-Years)</u>	<u>Percentage Change (2-Years)</u>
Construction & Mining	107,200	91,800	-15,400	-14.37%
Manufacturing	182,700	173,800	-8,900	-4.87%
Trade, Transportation & Utilities	272,800	271,000	-1,800	-0.66%
Financial Activities	138,200	113,700	-24,500	-17.73%
Information Services	31,900	30,100	-1,800	-5.64%
Professional & Business Services	274,500	267,900	-6,600	-2.40%
Education & Health Services	137,700	149,600	11,900	8.64%
Leisure & Hospitality	169,600	176,800	7,200	4.25%
Other Services	47,700	48,000	300	0.63%
Federal Government	11,400	11,700	300	2.63%
State & Local Government	145,300	150,400	5,100	3.51%
TOTAL			-34,200	

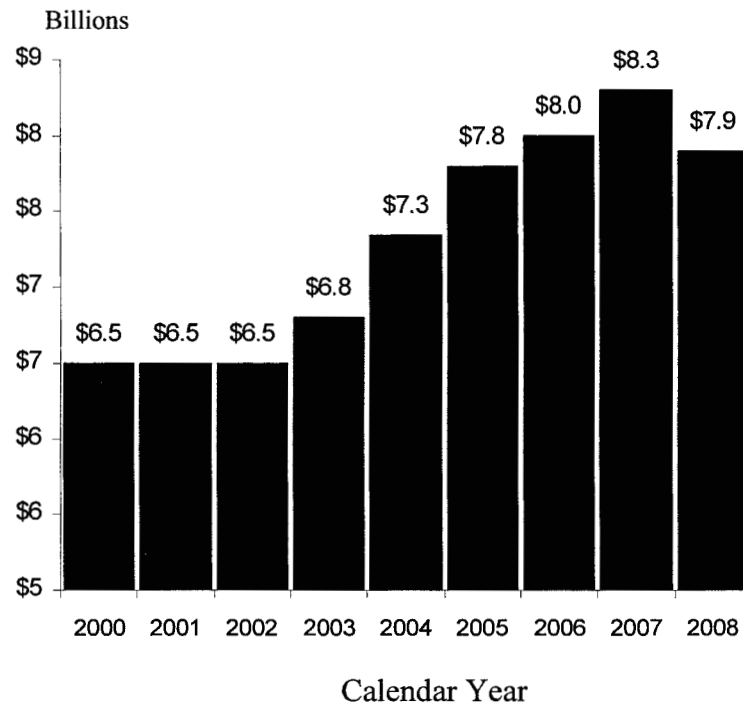
Source: Employment Development Department, April 2009



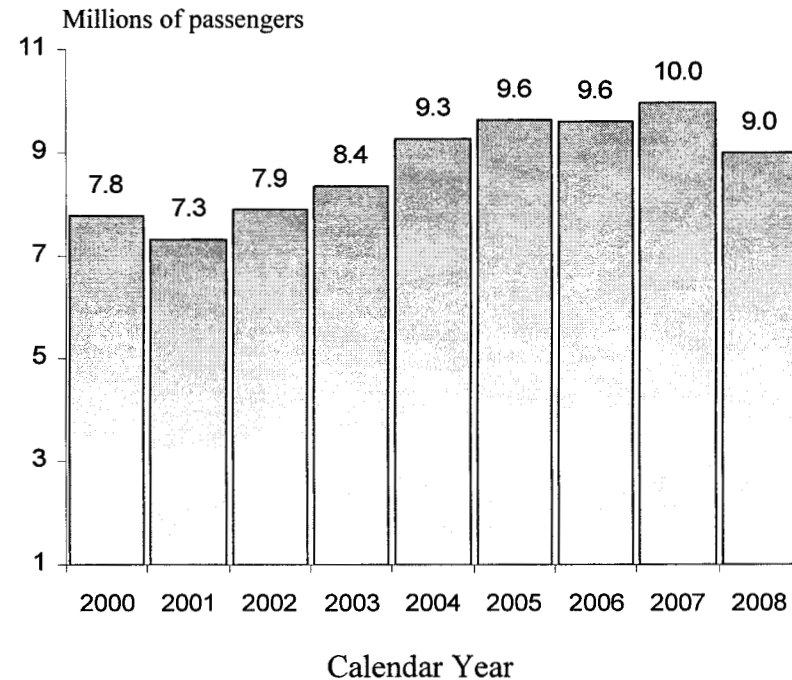
Visitor Spending

- ▶ Orange County attracts 60% of its visitors from the western portion of the United States
- ▶ International visitors account for 10% of annual visitors
- ▶ Anaheim has the largest convention center on the West Coast

Visitor Spending



Total Passengers at John Wayne Airport



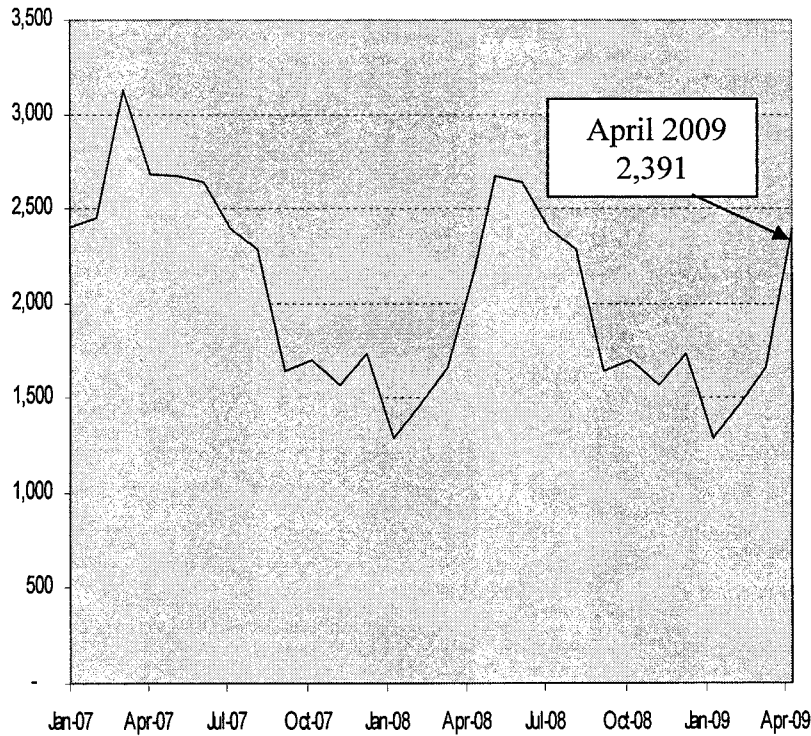
Source: Anaheim/Orange County Visitors and Convention Bureau



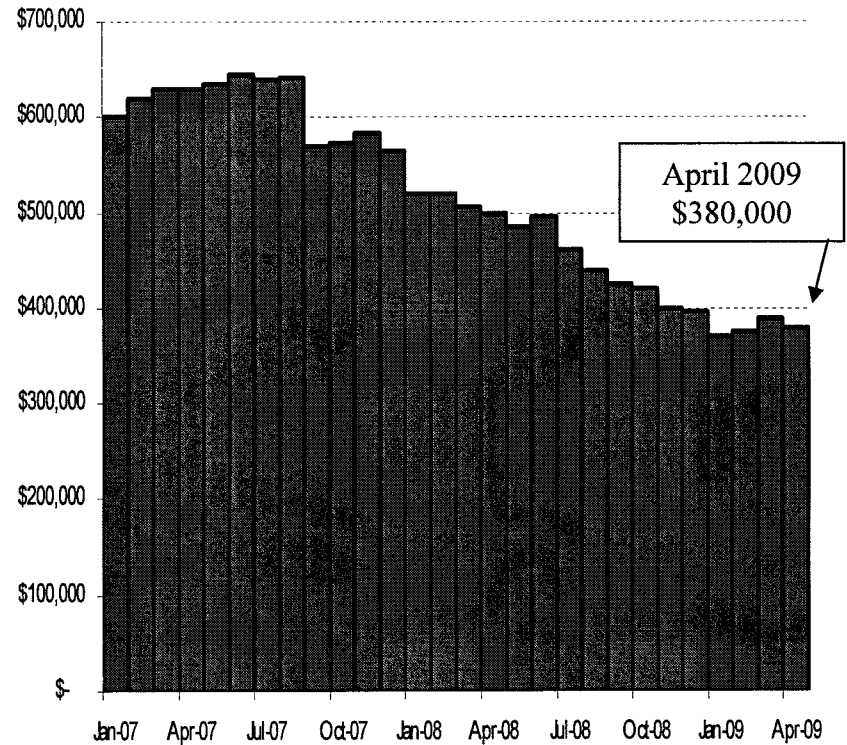
Home Sales and Median Prices

- ▶ Sales volume has rebounded since a low of 1,268 home sales in January 2009
- ▶ Median prices have risen slightly since falling to \$370,000 in January 2009

Orange County Home Sales



Orange County Median Price



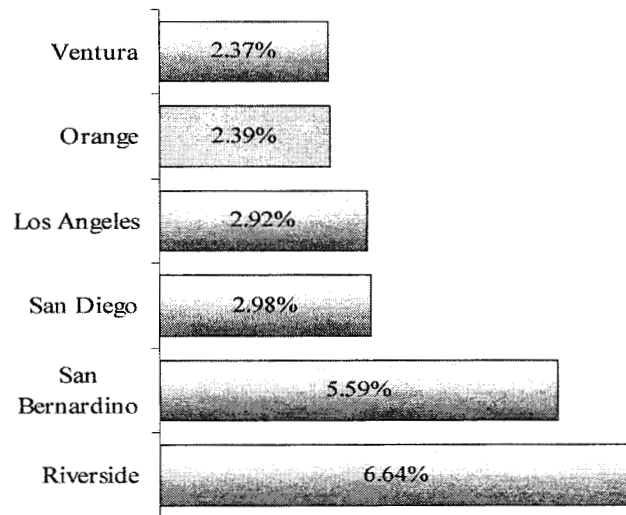
Source: DataQuick



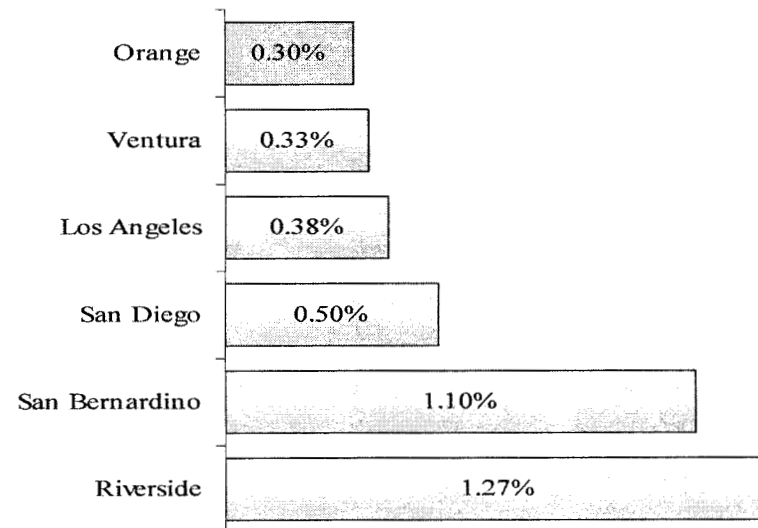
Comparison of Housing Activity and Foreclosures in the Region

All homes	Sales Volume April 2008	Sales Volume April 2009	Percent Change	Median Price April 2008	Median Price April 2009	Percent Change
Los Angeles	5,016	6,425	28.1%	\$435,000	\$300,000	-31.0%
Orange	2,166	2,391	10.4%	\$500,000	\$380,000	-24.0%
San Bernardino	1,667	3,130	87.8%	\$265,000	\$138,500	-47.7%
San Diego	2,809	3,375	20.1%	\$400,000	\$290,000	-27.5%
Ventura	771	724	-6.1%	\$445,000	\$340,000	-23.6%
Riverside	3,186	4,469	40.3%	\$295,000	\$180,000	-39.0%
Southern California Total	15,615	20,514	31.4%	\$385,000	\$247,000	-35.8%

5/1/09 Percentage of homes in foreclosure



5/1/09 Percentage of homes owned by banks



Source: DataQuick and Foreclosureradar.com May 1, 2009



Change in Southern California Housing Values from June 2007 Peak

Southern California Counties Median Price of Homes Sold April 2009	Change From April 2008	Change From Market Peak June 2007
Orange \$380,000	-24%	-41%
Ventura \$340,000	-24%	-42%
Los Angeles \$300,000	-31%	-45%
San Diego \$290,000	-28%	-41%
Riverside \$180,000	-39%	-55%
San Bernardino \$138,500	-48%	-62%
Total Southern California Region \$247,000	-36%	-51%

Source: DataQuick



Rebound Projected by 2011

▶ Chapman University

- Forecasts employment to increase by 1% in 2010 and 2% in 2011
- Projects taxable sales change for Fiscal Year 2010 at -1.12% and for Fiscal Year 2011 at 4.9%

▶ California State University, Fullerton

- Forecasts employment to increase 1.5% in 2010
- Projects taxable sales change for Fiscal Year 2010 at -0.36% and for Fiscal Year 2011 at 5.10%

▶ University of California at Los Angeles

- Forecasts employment to decrease by -0.5% in 2010 and increase 1.9% in 2011
- Projects taxable sales change for Fiscal Year 2010 at -0.32% and for Fiscal Year 2011 at 7.56%

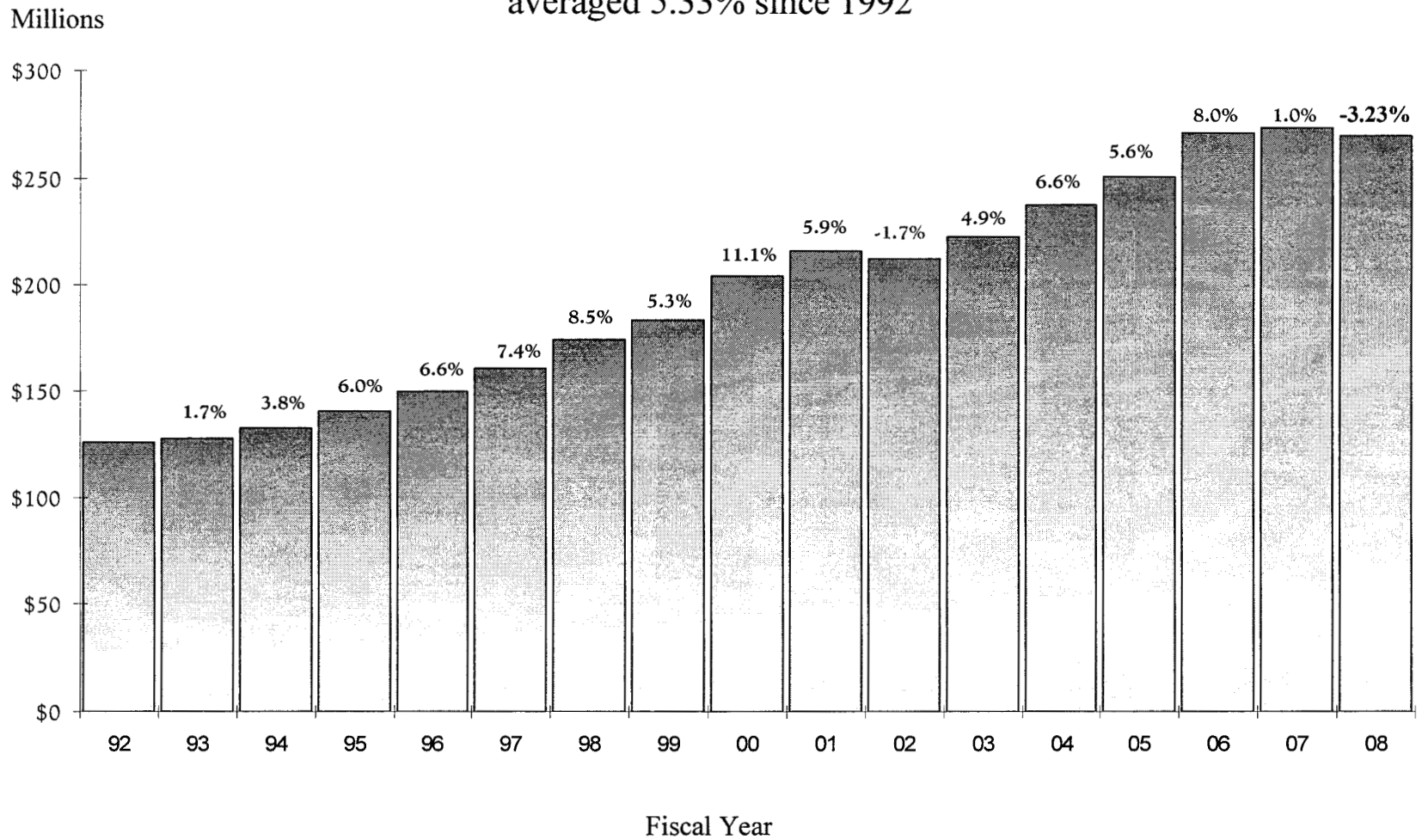
▶ California State University, Long Beach

- Forecasts employment to decrease by -0.4% in 2010 and increase 1.4% in 2011
- Projects taxable sales to show positive growth for 2010 and 5% growth in 2011

III. Sales Tax Collections and the Impact on Measure M1 and M2

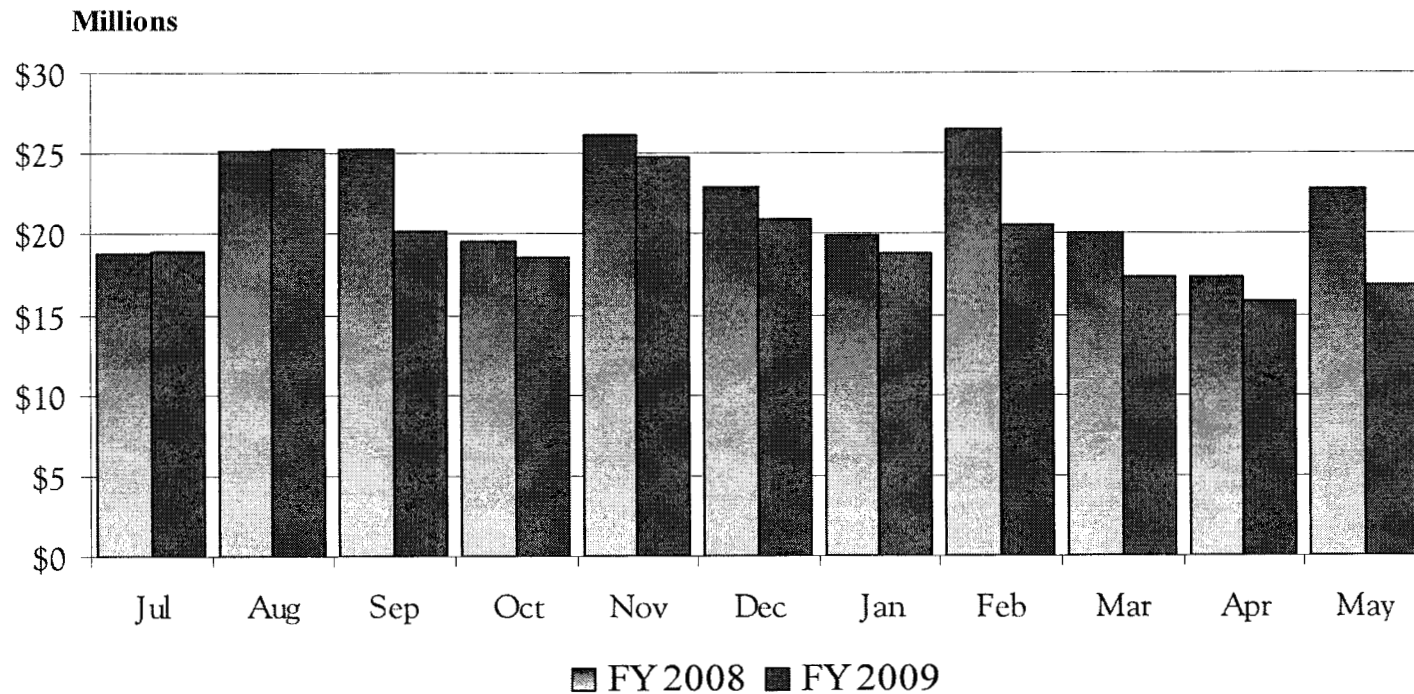
Historical Measure M1 Sales Tax Revenues

Sales Tax Revenues annual growth has averaged 5.33% since 1992



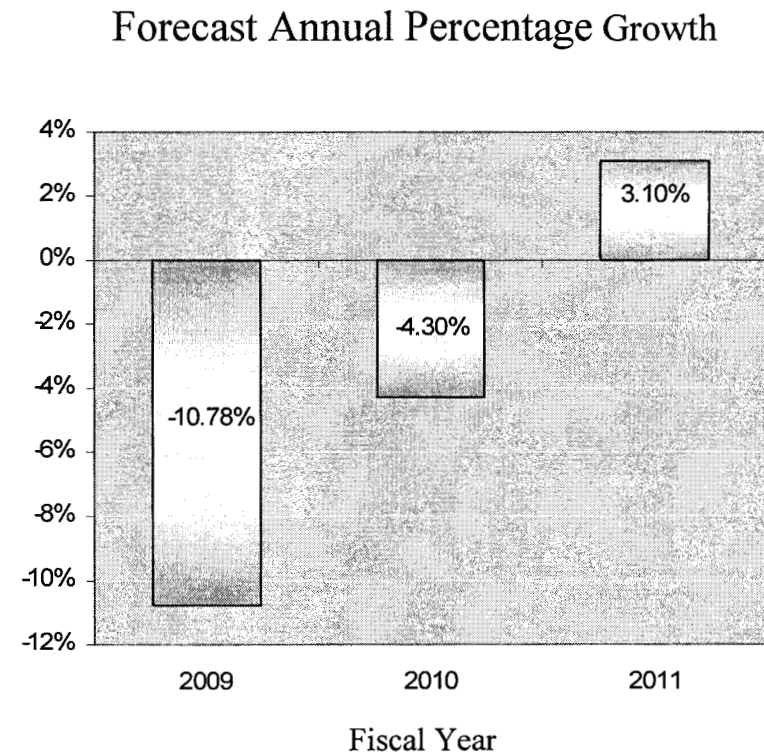
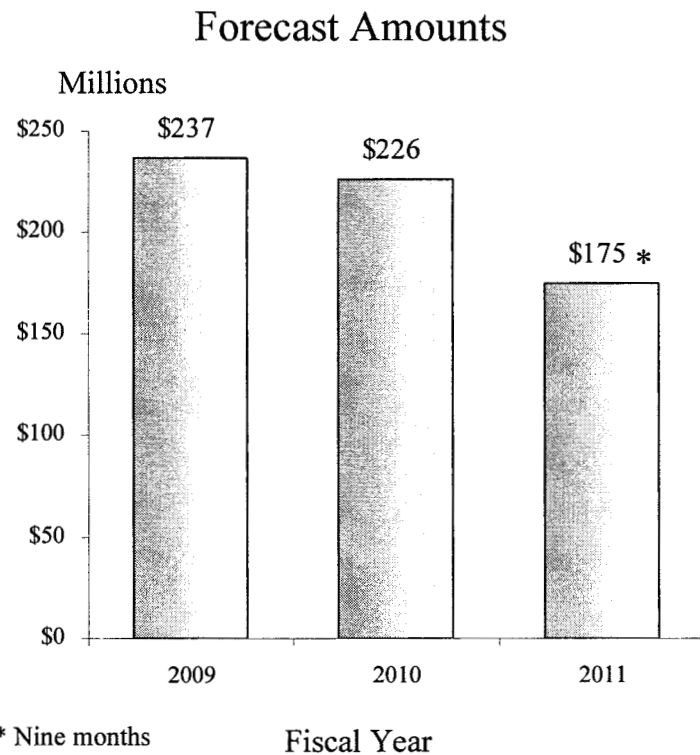
Fiscal Year 2008 and 2009 Sales Tax Receipt Advances

- ▶ Fiscal Year 2009 Sales Tax Receipts have declined 10.78% through May



Sales Tax Projections For Successful Measure M1 Program

- ▶ Measure M1 program expected to collect \$4.0 billion for 20-year period
- ▶ Forecasted amounts for Fiscal Year 2010 and Fiscal Year 2011 based on estimates provided by the State Board of Equalization



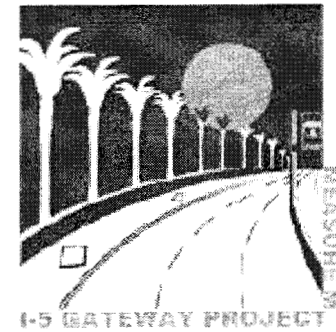
Measure M1 Historical and Projected Expenditures

- ▶ Over \$3 billion in expenditures as of March 31, 2009
 - Freeways \$1,477 million
 - Transit \$ 565 million
 - Local Streets and Roads \$ 671 million
 - Regional Streets and Roads \$ 340 million
- ▶ Added SR-22 (complete) and SR-57 to Measure M1 program
- ▶ Projected remaining expenditures
 - I-5 Gateway Project
 - Construction is 67% complete
 - SR-57 Project
 - Design is 87% complete
 - Metrolink Expansion
 - Streets & Roads
- ▶ Unprogrammed balance as of March 31, 2009 \$ 677,000



Remaining Freeway Projects

- ▶ Interstate 5 Gateway Project
 - Widen the remaining two miles of the I-5 in Orange County from the SR-91 to the Los Angeles County line
 - Measure M1 will contribute \$189.6 million towards the project costs
 - Scheduled to be completed in the fall of 2010



- ▶ State Route 57 Project
 - \$22 million in Measure M1 funds allocated for design and right-of-way pre-construction costs
 - Project will add a new northbound lane along SR-57 from Orangewood Avenue to Lambert Road
 - Construction to begin in July 2010

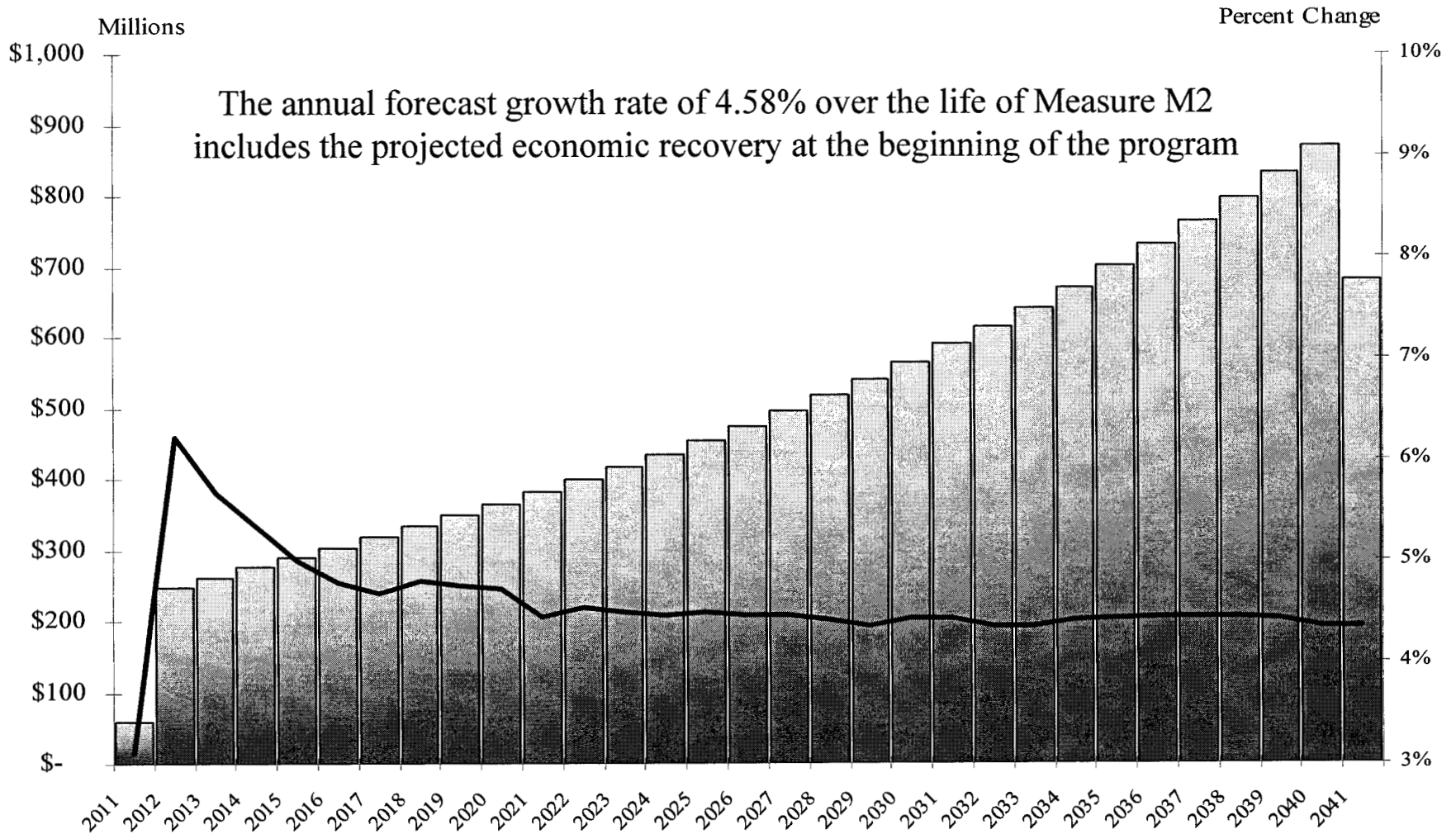


Metrolink Expansion

- ▶ In November 2005, the Board authorized the implementation of a Metrolink service expansion
- ▶ Expansion includes capital and operational improvements necessary to accomplish high-frequency service between the Fullerton and Laguna Niguel / Mission Viejo stations
- ▶ Board approved expansion increases weekday trips from the current level of 44 weekday trains to 76 weekday trains
- ▶ As a result of the economic downturn and corresponding loss of revenue, it is anticipated that the Metrolink program will require additional funding sources for operations by Fiscal Year 2024 under the current expansion program
- ▶ Next steps include seeking alternative funding sources for capital acquisitions and recasting service level to match available revenues



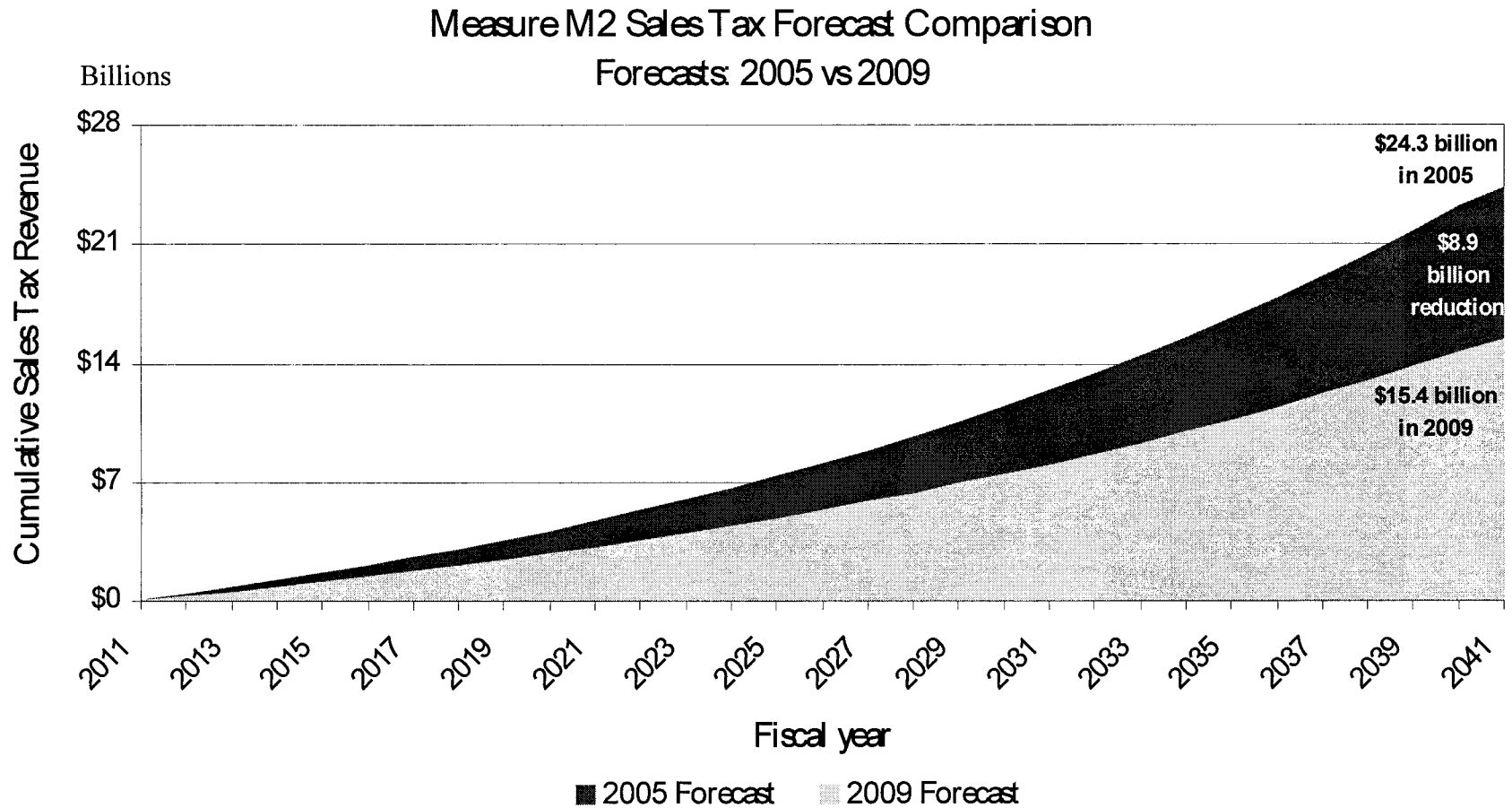
Measure M2 Forecast Totals \$15.4 Billion



2009 forecast derived by using the average growth rate of the projections provided by Chapman University, UCLA, and California State University at Fullerton



2005 versus 2009 Projected Measure M2 Sales Tax Collections



2009 forecast derived by using the average growth rate of the projections provided by Chapman University, UCLA, and California State University at Fullerton



Measure M2 Early Action Plan Program

- ▶ Early Action Plan (EAP) adopted by Board of Directors in August 2007 – key objectives included:
 - Completing conceptual engineering for every freeway project in the Plan
 - Starting construction on five major M2 freeway projects
 - Enabling Orange County cities and the County to meet eligibility requirements for M2 funds
 - Awarding funds to the cities and the County for signal synchronization and road upgrades
 - Implementing high-frequency Metrolink service
 - Awarding funds for competitive funding for transit projects
 - Completing an agreement with resource agencies for environmental mitigation
 - Completing program development for road runoff/water quality projects
- ▶ Tax-Exempt Commercial Paper (TECP) funds all EAP projects
- ▶ Issued and spent \$25 million of TECP proceeds
 - High frequency Metrolink, I-5 South projects, SR-91, I-405, SR-57
- ▶ Next TECP issuance is anticipated in June 2009 for \$25 million
- ▶ Board of Directors reprioritization of EAP projects anticipated in July 2009

IV. 91 Express Lanes

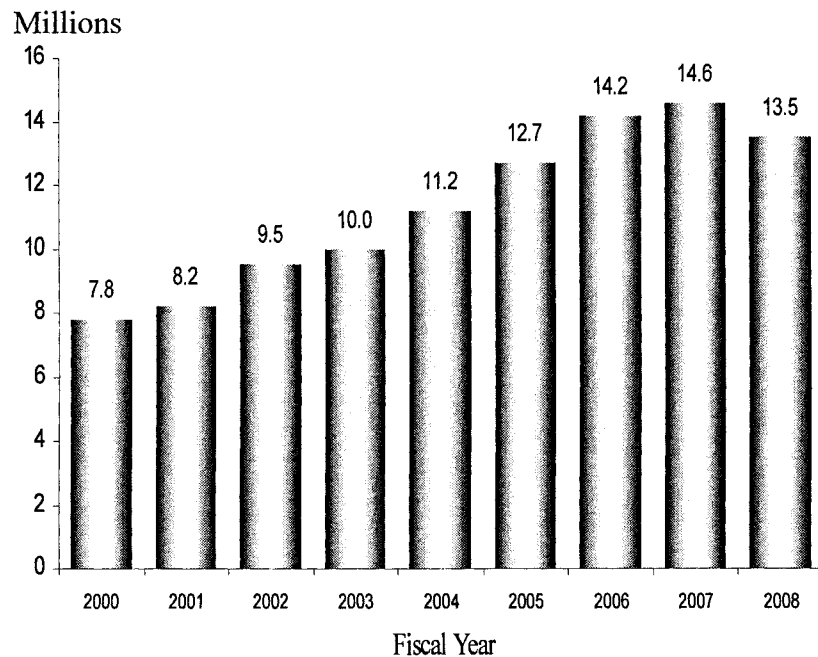
91 Express Lanes Fiscal Year 2009 Events

- ▶ Experienced a decline in traffic volumes and toll revenues
- ▶ Reduced selected tolls on October 1, January 1, and April 1 per Toll Policy
- ▶ Implemented annual inflation adjustments to “non-peak” hours on July 1, 2008
- ▶ Received International Bridge, Tunnel and Turnpike Association award for congestion management pricing Toll Policy in September 2008
- ▶ Closed \$100 million private placement with the Orange County Treasurer
- ▶ Stantec completed 2008 Traffic and Revenue Update
- ▶ SB 1316 authorizes OCTA’s 91 Express Lanes franchise extension up to 2065
- ▶ S&P upgraded the 2003 Toll Road Revenue Bonds to “A” rating in December 2008
- ▶ Deposited \$3.6 million to 2003 Toll Road Revenue Refunding Bonds reserves

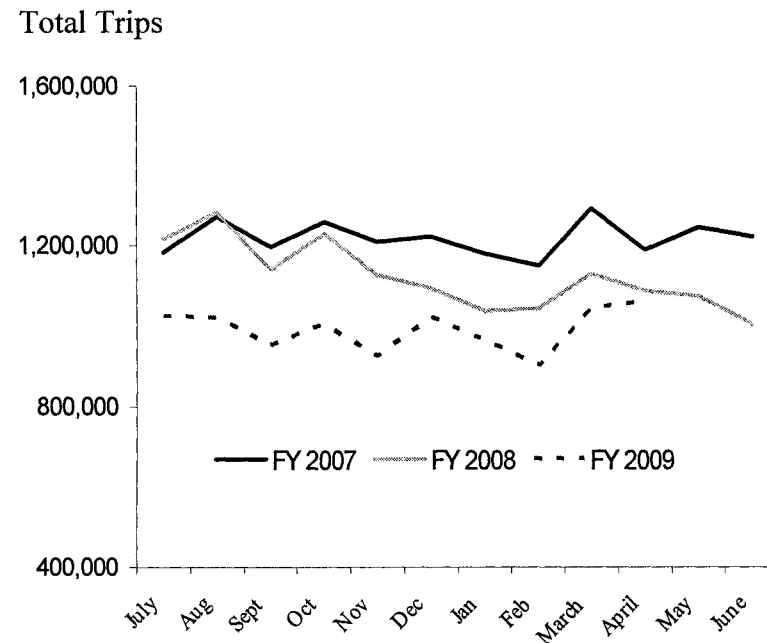
Traffic Volumes

- ▶ Although annual traffic increased an average of 10% between Fiscal Year 2003 and Fiscal Year 2007, traffic decreased in Fiscal Year 2008 and Fiscal Year 2009
- ▶ Monthly traffic volumes in April 2009 were 2.7% lower than in April 2008

Annual Traffic Volumes

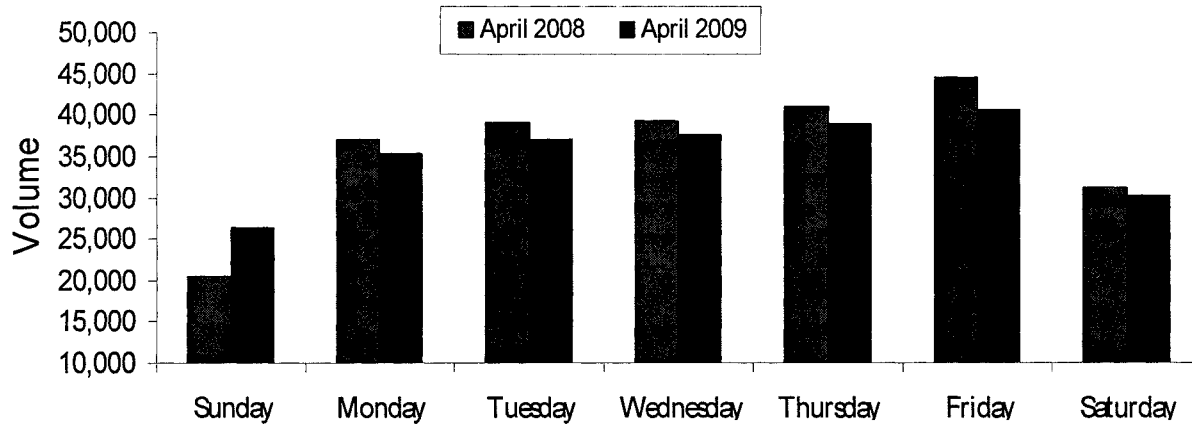


Monthly Traffic Volumes

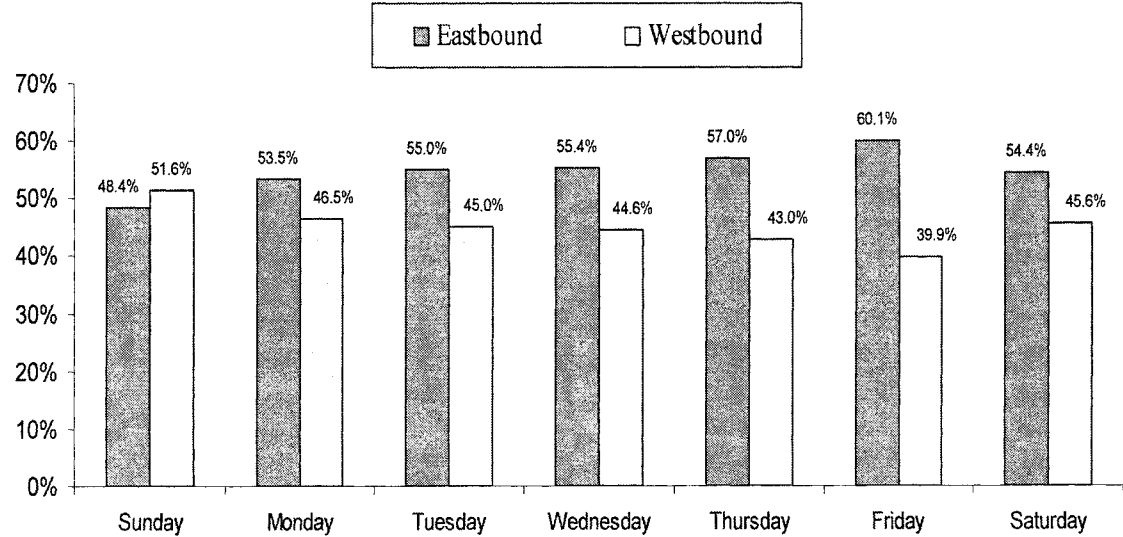


Daily Traffic Distribution

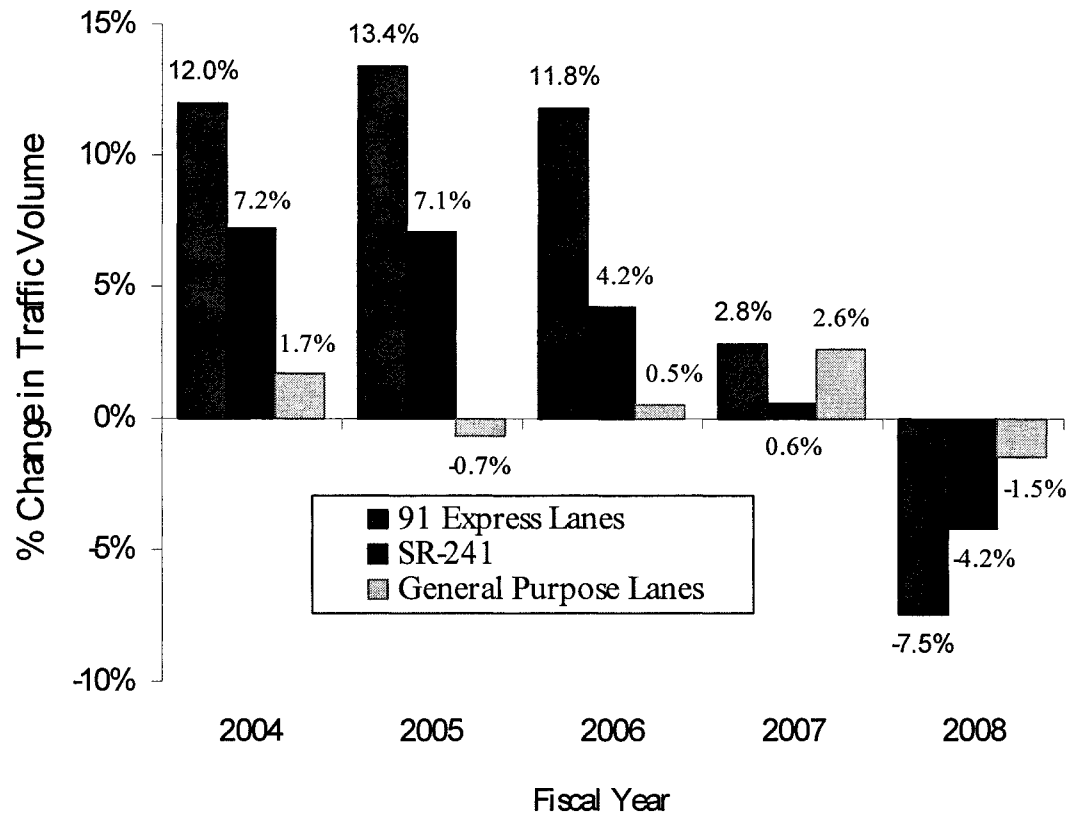
Average Total Traffic Volume by Day



Eastbound versus Westbound Traffic



Local Traffic Demand Impacts



Month	91 Express Lanes	SR-241 *	General Purpose Lanes **
Jul	-15.8%	-7.8%	-4.2%
Aug	-20.5%	-12.1%	-1.1%
Sep	-16.7%	-6.0%	-2.4%
Oct	-18.3%	-4.4%	-1.6%
Nov	-17.9%	-12.3%	-4.1%
Dec	-6.8%	-4.4%	-1.1%
Jan	-7.1%	-8.2%	0.9%
Feb	-13.7%	-12.6%	1.7%
Mar	-7.7%	-7.1%	1.2%
Apr	-2.7%	-7.2%	1.3%

* Transportation Corridor Agencies

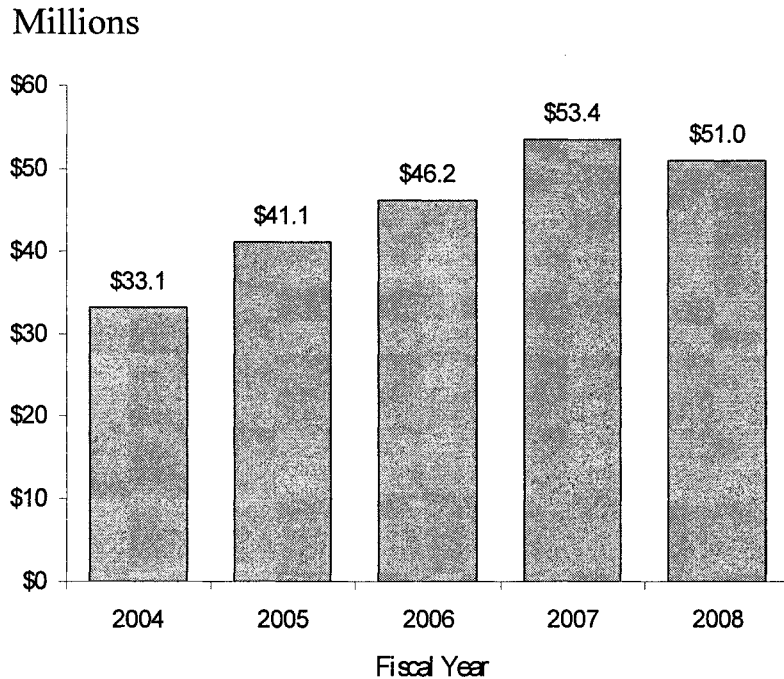
** Freeway Performance Measurement System, University of California at Berkeley



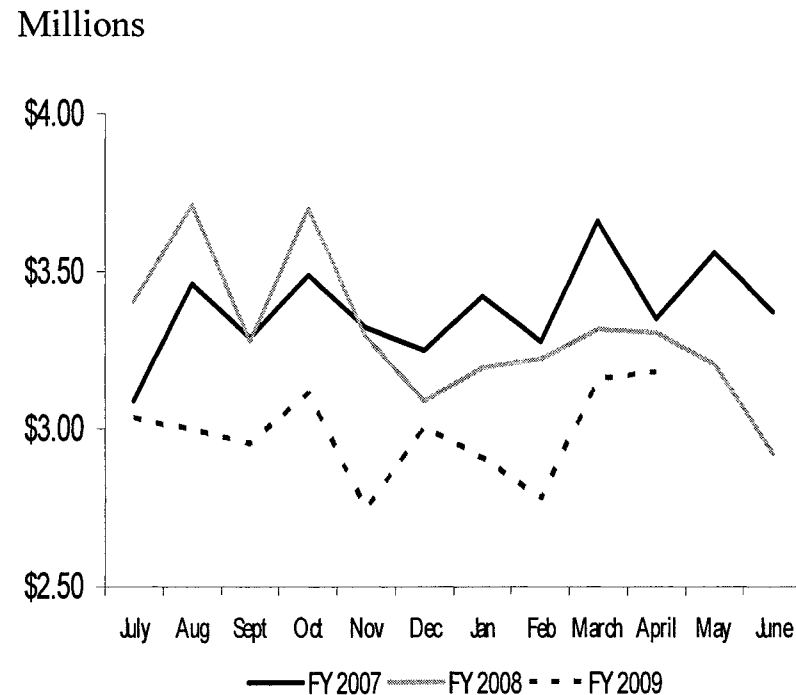
Revenues

- ▶ Despite a 7.9% Fiscal Year 2008 decline in traffic volume, annual Revenues were only down 4.5%
- ▶ Recent monthly Revenue has started to close the gap with Fiscal Year 2008

Annual Revenues



Monthly Gross Potential Toll Revenue



Current Toll Schedule Effective April 1, 2009

Eastbound

SR-55 to Riverside County line

Westbound

Riverside County line to SR-55

	Sun	M	Tu	W	Th	F	Sat
Midnight	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25
1:00 AM	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25
2:00 AM	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25
3:00 AM	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25
4:00 AM	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25
5:00 AM	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25
6:00 AM	\$1.25	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$1.25
7:00 AM	\$1.25	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$1.25
8:00 AM	\$1.60	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95
9:00 AM	\$1.60	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95
10:00 AM	\$2.40	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$2.40
11:00 AM	\$2.40	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$2.40
Noon	\$2.90	\$1.95	\$1.95	\$1.95	\$1.95	\$3.00	\$2.90
1:00 PM	\$2.90	\$2.75	\$2.75	\$2.75	\$3.00	\$4.65	\$2.90
2:00 PM	\$2.90	\$3.90	\$3.90	\$3.90	\$4.00	\$4.10	\$2.90
3:00 PM	\$2.40	\$4.20	\$3.70	\$5.45	\$5.70	\$9.50	\$2.90
4:00 PM	\$2.40	\$6.05	\$7.75	\$8.25	\$9.55	\$9.30	\$2.90
5:00 PM	\$2.40	\$5.85	\$7.75	\$8.25	\$9.05	\$7.75	\$2.90
6:00 PM	\$2.40	\$4.20	\$4.60	\$4.10	\$5.40	\$5.05	\$2.40
7:00 PM	\$2.40	\$3.00	\$3.00	\$3.00	\$4.30	\$4.70	\$1.95
8:00 PM	\$2.40	\$1.95	\$1.95	\$1.95	\$2.75	\$4.30	\$1.95
9:00 PM	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$2.75	\$1.95
10:00 PM	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.95	\$1.25
11:00 PM	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25

	Sun	M	Tu	W	Th	F	Sat
Midnight	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25
1:00 AM	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25
2:00 AM	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25
3:00 AM	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25
4:00 AM	\$1.25	\$2.30	\$2.30	\$2.30	\$2.30	\$2.30	\$1.25
5:00 AM	\$1.25	\$3.80	\$3.80	\$3.80	\$3.80	\$3.65	\$1.25
6:00 AM	\$1.25	\$3.90	\$3.90	\$3.90	\$3.90	\$3.80	\$1.25
7:00 AM	\$1.25	\$4.35	\$4.35	\$4.35	\$4.35	\$4.20	\$1.70
8:00 AM	\$1.70	\$3.90	\$3.90	\$3.90	\$3.90	\$3.80	\$1.95
9:00 AM	\$1.70	\$3.15	\$3.15	\$3.15	\$3.15	\$3.15	\$2.40
10:00 AM	\$2.40	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$2.40
11:00 AM	\$2.40	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$2.80
Noon	\$2.40	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$2.80
1:00 PM	\$2.80	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$2.80
2:00 PM	\$2.80	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$2.80
3:00 PM	\$2.80	\$1.95	\$1.95	\$1.95	\$1.95	\$2.40	\$2.80
4:00 PM	\$2.95	\$1.95	\$1.95	\$1.95	\$1.95	\$2.40	\$2.95
5:00 PM	\$2.95	\$1.95	\$1.95	\$1.95	\$1.95	\$2.40	\$2.95
6:00 PM	\$2.95	\$1.95	\$1.95	\$1.95	\$1.95	\$2.90	\$2.40
7:00 PM	\$2.40	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95	\$1.95
8:00 PM	\$2.40	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25
9:00 PM	\$2.40	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25
10:00 PM	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25
11:00 PM	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25	\$1.25



Fiscal Year 2009 Toll Reductions

Eastbound	October 1, 2008	January 1, 2009	April 1, 2009
Monday	4 PM - 5 PM \$7.05 → \$6.55		4 PM - 5 PM \$6.55 → \$6.05
Monday	5 PM - 6 PM \$6.85 → \$6.35		5 PM - 6 PM \$6.35 → \$5.85
Tuesday	3 PM - 4 PM \$4.70 → \$4.20		3 PM - 4 PM \$4.20 → \$3.70
Tuesday		4 PM - 5 PM \$8.25 → \$7.75	
Tuesday	5 PM - 6 PM \$8.75 → \$8.25		5 PM - 6 PM \$8.25 → \$7.75
Tuesday	6 PM - 7 PM \$5.60 → \$5.10		6 PM - 7 PM \$5.10 → \$4.60
Wednesday	3 PM - 4 PM \$5.95 → \$5.45		
Wednesday		4 PM - 5 PM \$8.75 → \$8.25	
Wednesday	5 PM - 6 PM \$8.75 → \$8.25		
Wednesday	6 PM - 7 PM \$5.10 → \$4.60		6 PM - 7 PM \$4.60 → \$4.10
Thursday	5 PM - 6 PM \$9.55 → \$9.05		
Thursday	6 PM - 7 PM \$5.90 → \$5.40		
Friday	2 PM - 3 PM \$5.10 → \$4.60		2 PM - 3 PM \$4.60 → \$4.10
Friday	3 PM - 4 PM \$10.00 → \$9.50		
Friday	4 PM - 5 PM \$9.80 → \$9.30		
Friday	5 PM - 6 PM \$8.25 → \$7.75		



Observations Based on Fiscal Year 2009 Toll Reductions

- ▶ Lowered 14 eastbound peak hours October 1, 2008
 - These were the first reductions since OCTA purchased the 91 Express Lanes
- ▶ Lowered 2 eastbound peak hours January 1, 2009
- ▶ Lowered 7 eastbound peak hours April 1, 2009

	Traffic Volume Changes	
	Feb 2008 to Feb 2009 Percent Change	Mar 2008 to Mar 2009 Percent Change
Average Change in Traffic Volume Based on 14 Toll Hours Reduced on October 1, 2008	-5.7%	-3.5%
Monthly Volume Change (Westbound and Eastbound)	-13.7%	-7.7%
Eastbound Volume Change	-15.9%	-9.9%
Eastbound Weekday Volume Change	-16.9%	-8.2%
Eastbound Weekday Peak Hour (2:00 pm - 8:00 pm) Volume Change (Excludes the 14 toll hours that were adjusted on October 1, 2008)	-7.5%	-8.4%

Debt Service Coverage Remains Strong

	Year 2005 Actual	Year 2006 Actual	Year 2007 Actual	Year 2008 Actual	Year 2009 Estimated
Total Trips	12,741,319	14,182,916	14,639,848	13,477,488	11,810,050
Gross Potential Toll Revenues	\$32,518,490	\$37,510,375	\$40,574,194	\$39,636,132	\$35,578,696 *
Tolls	\$30,411,879	\$35,002,588	\$38,352,897	\$37,452,652	\$33,619,753
Add: Non-Toll Revenues	\$10,726,815	\$11,161,318	\$15,032,234	\$13,586,598	\$13,038,481
Revenues	\$41,138,694	\$46,163,906	\$53,385,131	\$51,039,250	\$46,658,234
Less: Current Expenses	(\$14,505,407)	(\$14,507,464)	(\$14,481,941)	(\$14,063,952)	(\$14,005,800)
Net Revenues for Debt Service	\$26,633,287	\$31,656,442	\$38,903,190	\$36,975,298	\$32,652,434
Series 2003 Bonds Debt Service	\$11,970,445	\$12,254,033	\$12,257,389	\$12,652,714	\$15,000,000 **
Series 2003 Bonds DSCRs	2.22x	2.58x	3.17x	2.92x	2.18x

* Source: Stantec

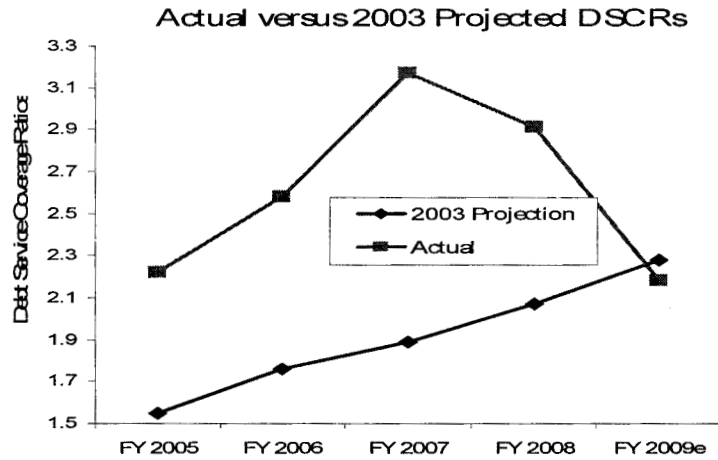
** Estimated

Summary of Five Year Financial Highlights

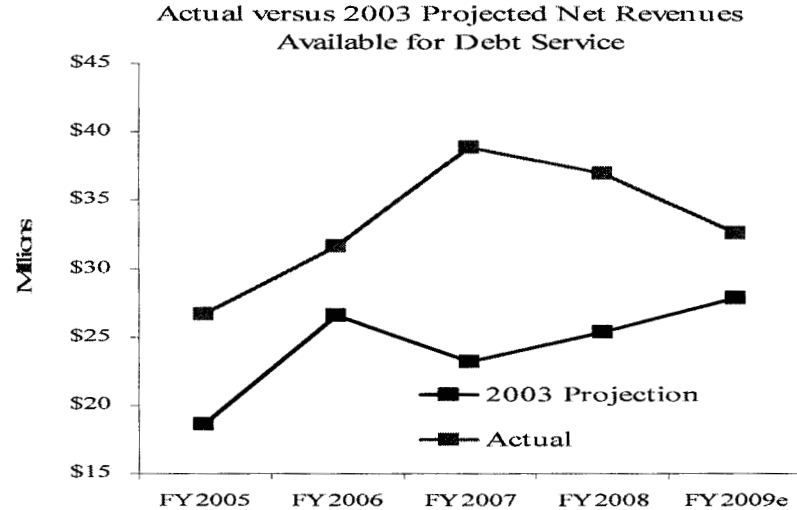
- ▶ Non-Toll Revenues continue to contribute predictable revenue
- ▶ Current Expenses have remained constant
- ▶ Debt service coverage ratio peaked in 2007, but has declined recently due to lower traffic volume and higher debt service



Debt Service Coverage, Net Revenues and Reserves



Current Reserves May 1, 2009	
Reserve Fund	\$12,837,876
Supplemental Reserve Fund	\$11,711,160
Operating Reserve Fund	\$3,220,990
Major Maintenance Reserve Fund	\$10,102,631
Bond Indenture Reserve Funds	\$37,872,657
Internal Cap Ex Reserve	\$8,530,984
Total Bond & Internal Reserve Funds	\$46,403,641



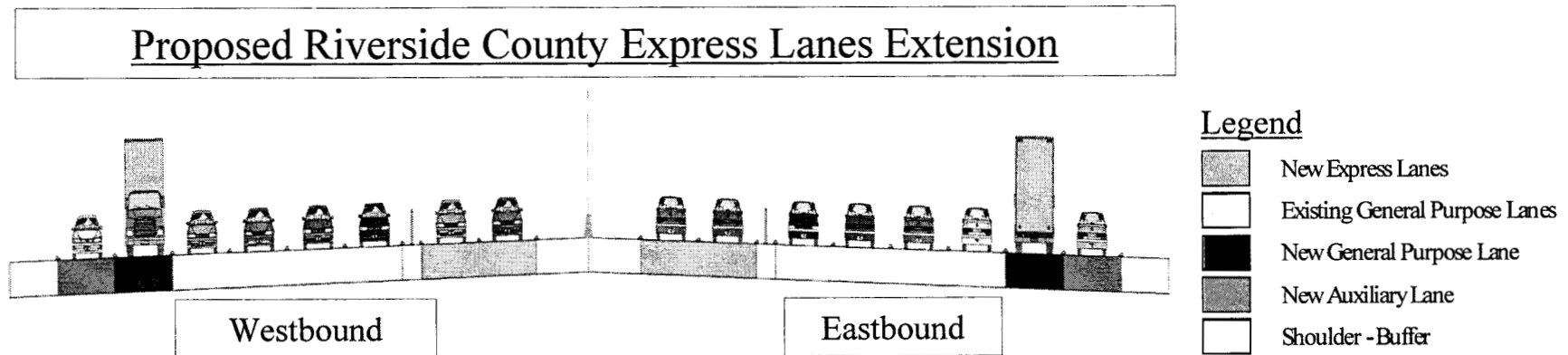
Highlights

- ▶ The Major Maintenance Reserve and Operating Reserve are fully funded
- ▶ The Supplemental Reserve will be fully funded within a year

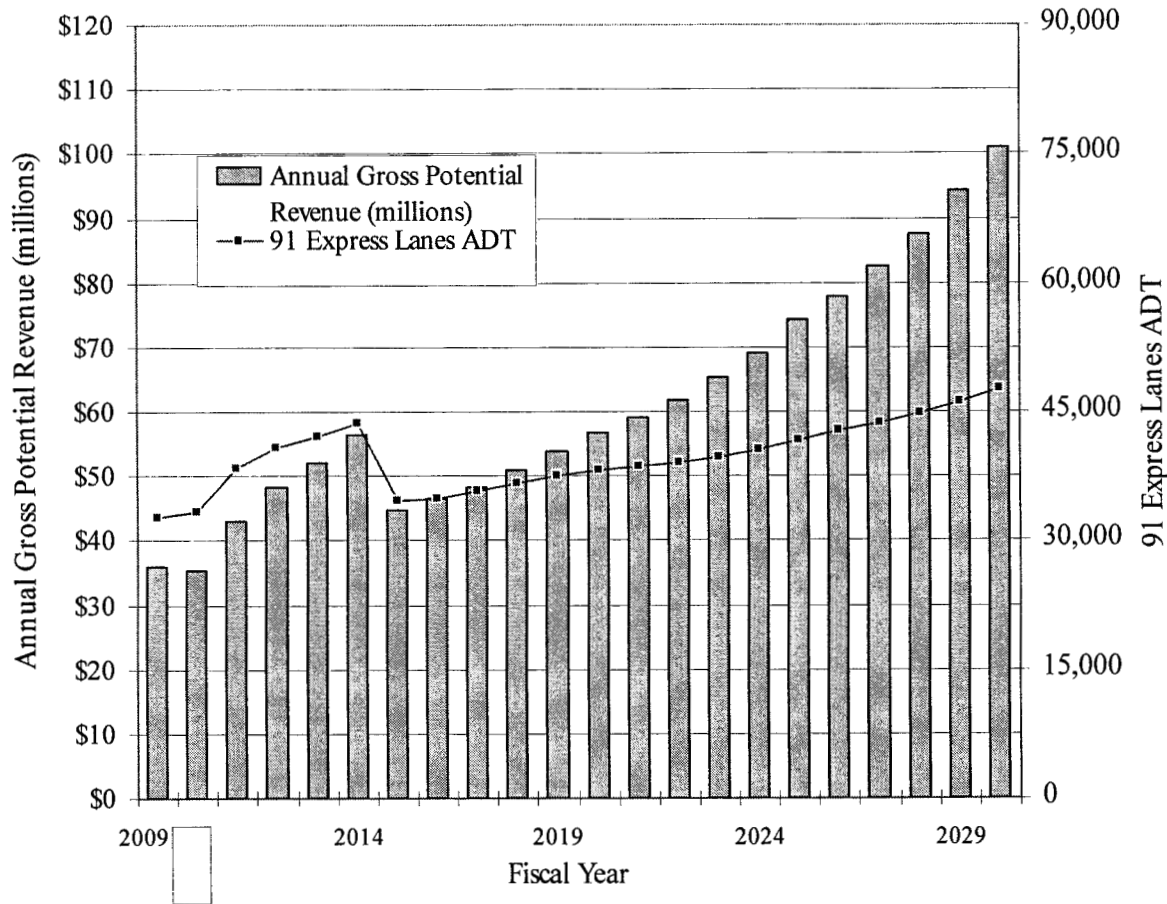


SB 1316 Highlights

- ▶ SB 1316 extended the maturity of OCTA's 91 Express Lanes Franchise Agreement up to 2065 which will add over \$1 billion to projected toll revenues in 2009 dollars
- ▶ SB 1316 authorizes the extension of the express lanes into Riverside County
- ▶ RCTC recently issued an RFP for Project and Construction Management Services for the express lanes extension and SR-91 Corridor projects
- ▶ OCTA currently meets with RCTC each month to discuss future operations



2008 Traffic and Revenue Update



The Update assumes the 2008 SR-91 Implementation Plan projects will open on January 1 of:

2011

- Eastbound lane addition from SR-241 to SR-71

2015

- Extension of the 91 Express Lanes to I-15 in Riverside County,
- Widening of SR-91 by one general purpose lane in each direction east of SR-241

2020

- SR-241/SR-91 Express connector

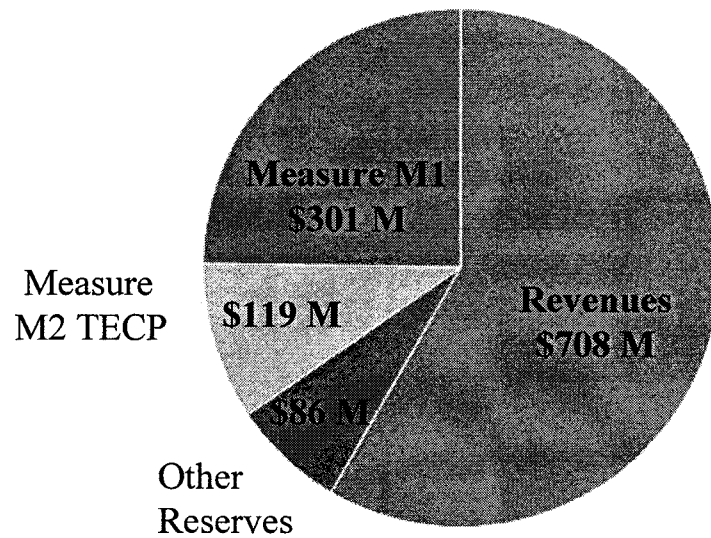


V. Interim Chief Executive Officer's Report

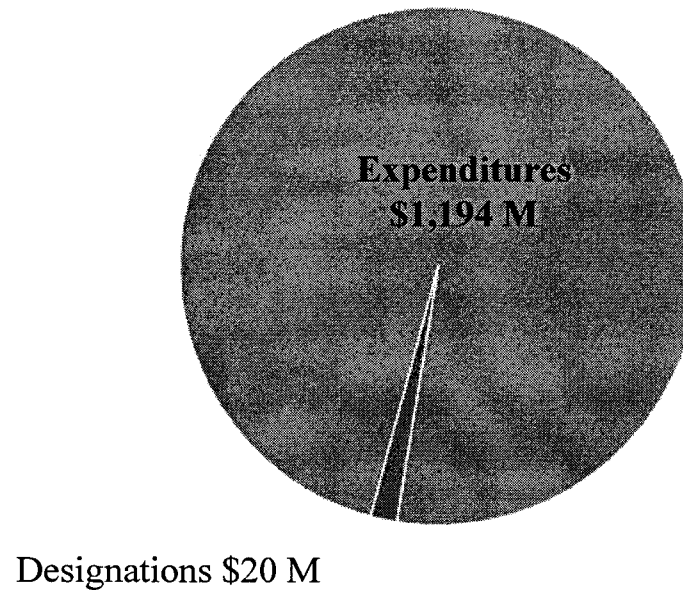
Balancing the Fiscal Year 2010 Budget

- ▶ Board of Directors will review proposed Fiscal Year Budget in June 2010
- ▶ Proposed Fiscal Year 2010 Budget reflects 15% increase over current budget

Source of Funds
\$1,214 Million

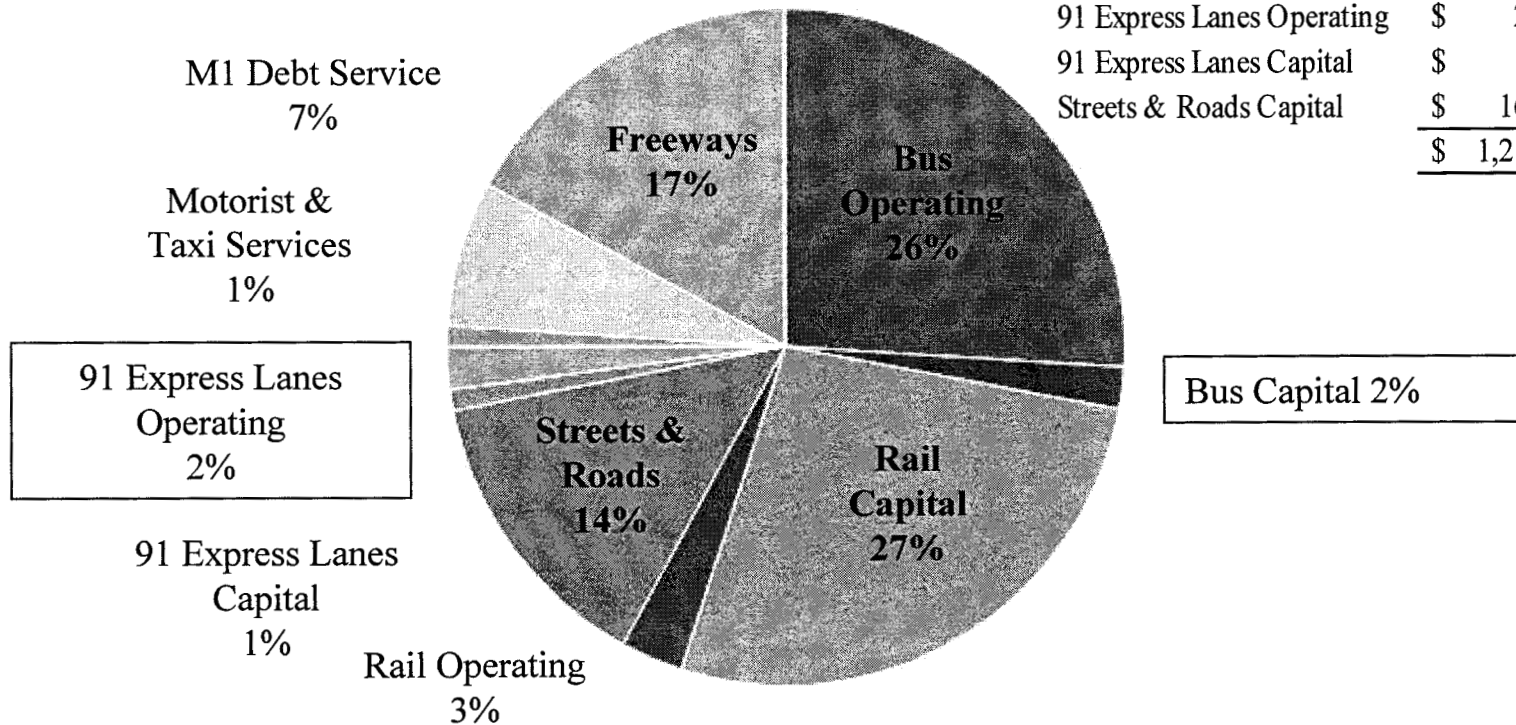


Use of Funds
\$1,214 Million



Fiscal Year 2010 Expenditures by Program

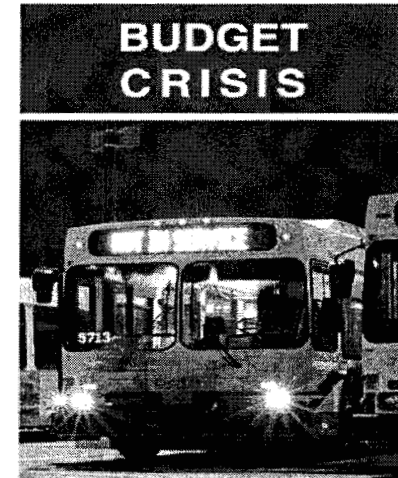
Rail Operating	\$ 33,087,665	3%
Rail Capital	\$ 322,170,619	27%
Bus Capital	\$ 26,173,624	2%
Bus Operating	\$ 313,334,374	26%
Freeways	\$ 210,358,031	17%
Measure M Debt Service	\$ 89,682,032	7%
Motorist & Taxi Services	\$ 9,489,515	1%
91 Express Lanes Operating	\$ 27,009,258	2%
91 Express Lanes Capital	\$ 13,717,839	1%
Streets & Roads Capital	\$ 168,753,319	14%
Total	\$ 1,213,776,275	100%



Balancing the Bus Transit Budget

- ▶ Proposed Fiscal Year 2010 Budget includes \$339.5 million for bus transit
 - No outstanding debt
- ▶ Service reductions are currently estimated to occur in 100,000 hour increments in September 2009, December 2009, March 2009, and June 2010
 - Equates to about 22% service reduction
- ▶ Position reductions associated with the 400,000 service hours include:

◦ Coach operators	260
◦ Maintenance	56
◦ Bus operations	<u>52</u>
Total	368

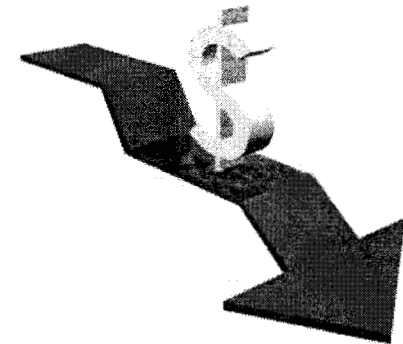


Fiscal Year 2010 Proposed Administrative Savings

<u>Administrative Programs</u>	<u>Estimated Cost Savings</u>
Merit, Interim, and Performance Awards - 0%.	\$ 3,494,259
19 Frozen Administrative positions	2,001,326
Contracted Staff/Temporary Help/Interns	387,068
One less Personal Paid Holiday (total reduced from 11 to 10)	180,000
Computer purchase reimbursement program on hold	102,000
Revise Metrolink / Ridership benefits	59,113
Furlough Day for Management	56,000
Suspend management physicals	37,500
	<u>\$ 6,317,266</u>
	57

Projected Five-Year \$272 Million Shortfall

- ▶ Two major funding sources for bus operations down
 - Local Transportation Fund: ¼-cent sales tax down \$214 million
 - State Transit Assistance Fund: down \$99 million
- ▶ \$76 million federal stimulus funds added
- ▶ Fiscal emergency



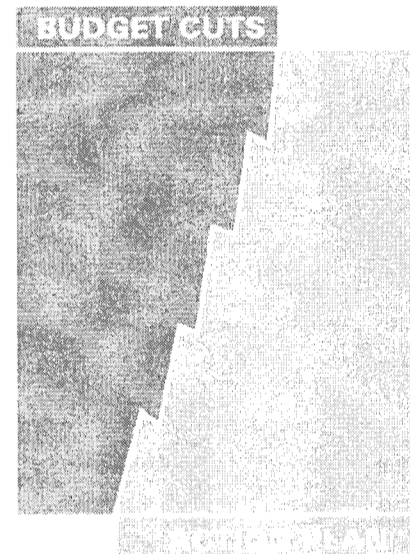
Change in \$ Millions

Funding Source	FY 09	FY 10	FY 11	FY 12	FY 13	Total
Local Transportation Fund	(28.6)	(41.6)	(46.0)	(47.7)	(50.5)	(214.4)
State Transit Assistance Fund	(17.0)	(20.0)	(20.8)	(21.2)	(20.2)	(99.2)
Other	(10.7)	(16.5)	(18.9)	(6.1)	(4.8)	(57.0)
Federal Formula Grants	(3.3)	14.2	(2.9)	8.5	9.2	25.7
Bus Fares	(1.7)	(0.7)	1.0	4.1	3.6	6.3
Property Taxes	(0.4)	(1.1)	(1.9)	(2.7)	(3.4)	(9.5)
Federal Economic Stimulus	28.0	37.5	10.6	0.0	0.0	76.1
Total	(33.7)	(28.2)	(78.9)	(65.1)	(66.1)	(272.0)

Prudent Actions to Date

- ▶ Reduced administrative budgets and benefits
- ▶ Implemented hiring and wage freeze
- ▶ Raised transit fares in January 2009
- ▶ Reallocated \$4 million/year bikes to bus
- ▶ Reduced 133,000 service hours
- ▶ Asked unions to renegotiate
- ▶ Used \$20 million reserves in FY 2009*
- ▶ Cancelled capital projects
- ▶ Continue to contract out 26 routes

* \$6 million more than planned

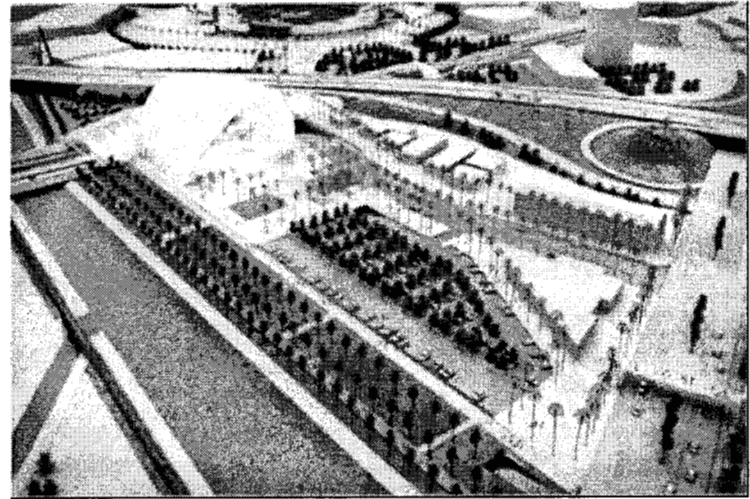


Bargaining Units

- ▶ All three bargaining units were asked to defer wage increases in the third year of their collective bargaining agreements on January 27, 2009
- ▶ Coach Operators and Maintenance bargaining units officially rejected the request on February 6, 2009 (Transportation Communications International Union continue to engage in dialog with OCTA)
- ▶ Total savings if all three bargaining units forego their negotiated wage increases would be approximately \$4 million
- ▶ Coach Operators' Bargaining Unit - 1,082 employees
 - o Term of agreement: May 2007 through Apr 2010 valued at \$209 million
 - o Salary increases: 4.25% in first year, 3% in second year, and 4% in third year
- ▶ Maintenance and Service Worker's Bargaining Unit - 235 employees
 - o Term of agreement: Oct 2007 through Sep 2010 valued at \$57 million
 - o Salary increases: 4.25% in first year, 3% in second year, and 4% in third year
- ▶ Transportation Communications International Union Bargaining Unit – 47 employees
 - o Term of agreement: April 2008 through March 2011 valued at \$10 million
 - o Salary increases: 4% in first year, 4% in second year, and 4% in third year

ARTIC Vision

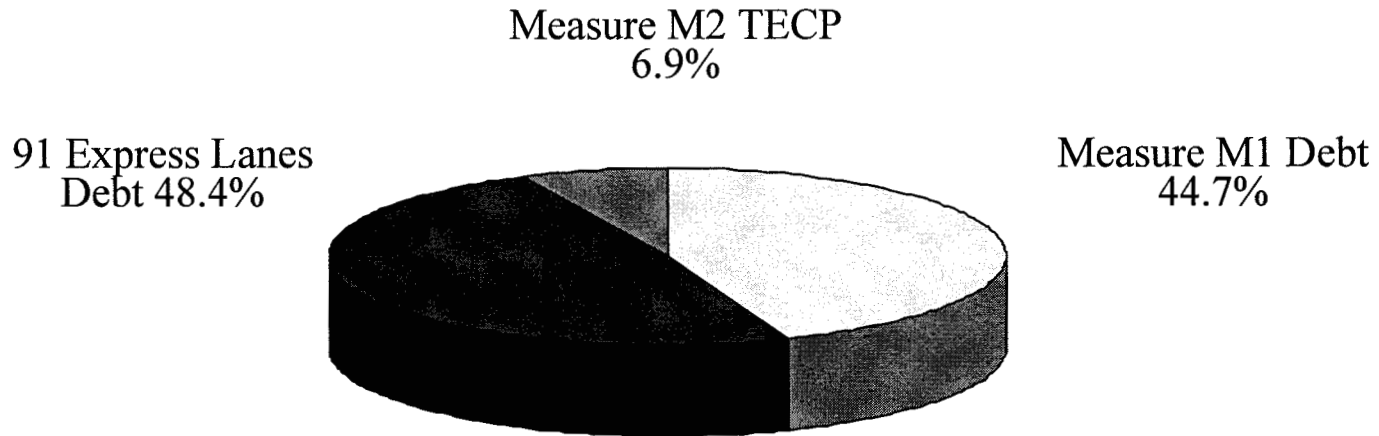
- ▶ Anaheim Regional Transportation Intermodal Center (ARTIC) will combine a transportation gateway and mixed-use activity center on a 16-acre site owned by OCTA and the City of Anaheim
- ▶ ARTIC will accommodate Metrolink trains, local and express bus routes, and future high-speed rail service
- ▶ On May 27, 2009, the City of Anaheim selected an architectural and engineering team Parsons Brinckerhoff/HOK to design the first phase of ARTIC
- ▶ The first phase of ARTIC is expected to cost \$179 million; funding that will come from a combination of federal and state transportation funds



Project Schedule	
Environmental Clearance Began	April 1, 2009
Architectural & Engineering Began	May 27, 2009
Environmental Clearance & Design Complete	October 2010
Construction Starts	Early 2011
Construction Complete - Station Operational	Early 2013

VI. Debt and Investments

Total Outstanding Debt Equals \$361.1 Million



	<u>Outstanding Balance</u>	<u>Maturity Date</u>
Measure M1 Debt	\$161.2 M	February 2011
Measure M2 TECP	\$25.0 M	November 2011
91 Express Lanes Debt	\$174.9 M	December 2030

Historical and Projected Measure M1 Debt Service Coverage

<i>Millions</i>	FY05	FY06	FY07	FY08	FY09	FY10	FY11
<u>Revenues</u>							
Sales Tax Revenues (1)	\$247.4	\$267.2	\$271.6	\$262.6	\$234.3	\$224.2	\$173.4
Less 14.6% Turnback	<u>-\$35.8</u>	<u>-\$38.6</u>	<u>-\$39.2</u>	<u>-\$38.0</u>	<u>-\$33.9</u>	<u>-\$32.4</u>	<u>-\$25.1</u>
Revenues Available for Debt Service (2)	<u>\$211.6</u>	<u>\$228.6</u>	<u>\$232.4</u>	<u>\$224.6</u>	<u>\$200.4</u>	<u>\$191.8</u>	<u>\$148.3</u>
<u>First Senior Bonds</u>							
Long-Term Bond Debt Service	\$29.8	\$29.8	\$29.9	\$29.8	\$29.8	\$28.7	\$28.7
<i>Debt Service Coverage Ratios</i>	7.11x	7.67x	7.78x	7.54x	6.74x	6.67x	5.14x
<u>First and Second Senior Bonds</u>							
Long-Term Bond Debt Service (3)	\$88.2	\$88.2	\$88.3	\$88.5	\$88.6	\$87.4	\$0
<i>Debt Service Coverage Ratios</i>	2.40x	2.59x	2.63x	2.54x	2.26x	2.19x	5.14x

(1) Sales Tax Revenues are defined as Sales Tax Receipts minus State Board of Equalization (SBOE) fees. Assumptions for revenue growth are -10.78% for FY 09, -4.3% for FY 10, and 3.1% for FY 11 which are based on SBOE forecasts. Measure M1 stops collection on March 31, 2011.

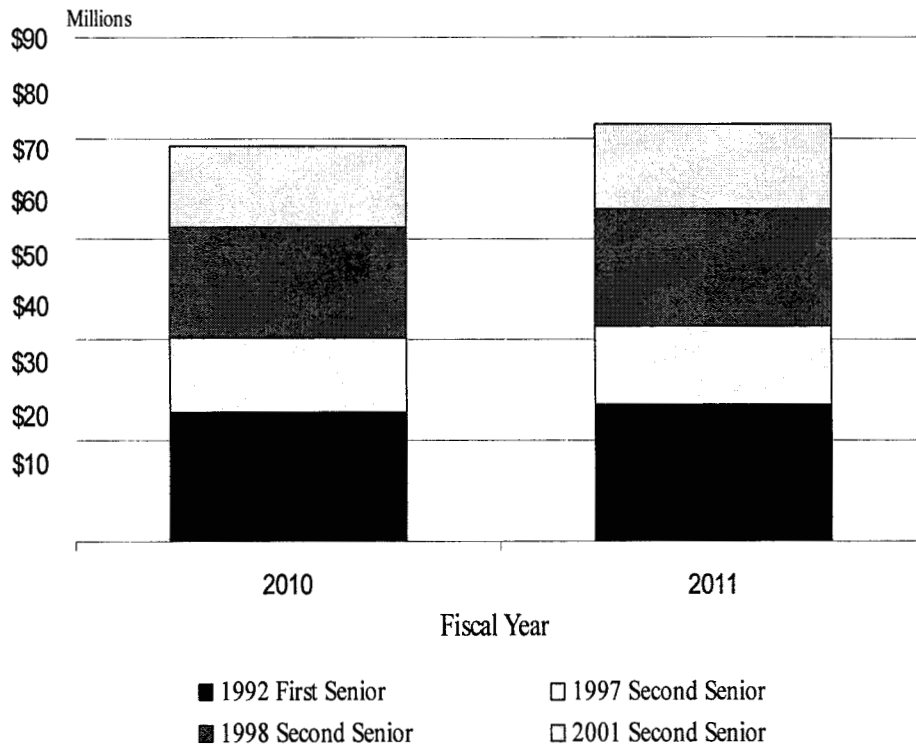
(2) Excludes investment earnings

(3) Recognizes release of debt service reserve fund equal to Second Senior Bonds debt service in final year.



Outstanding Measure M1 Debt Totals \$161.2 Million

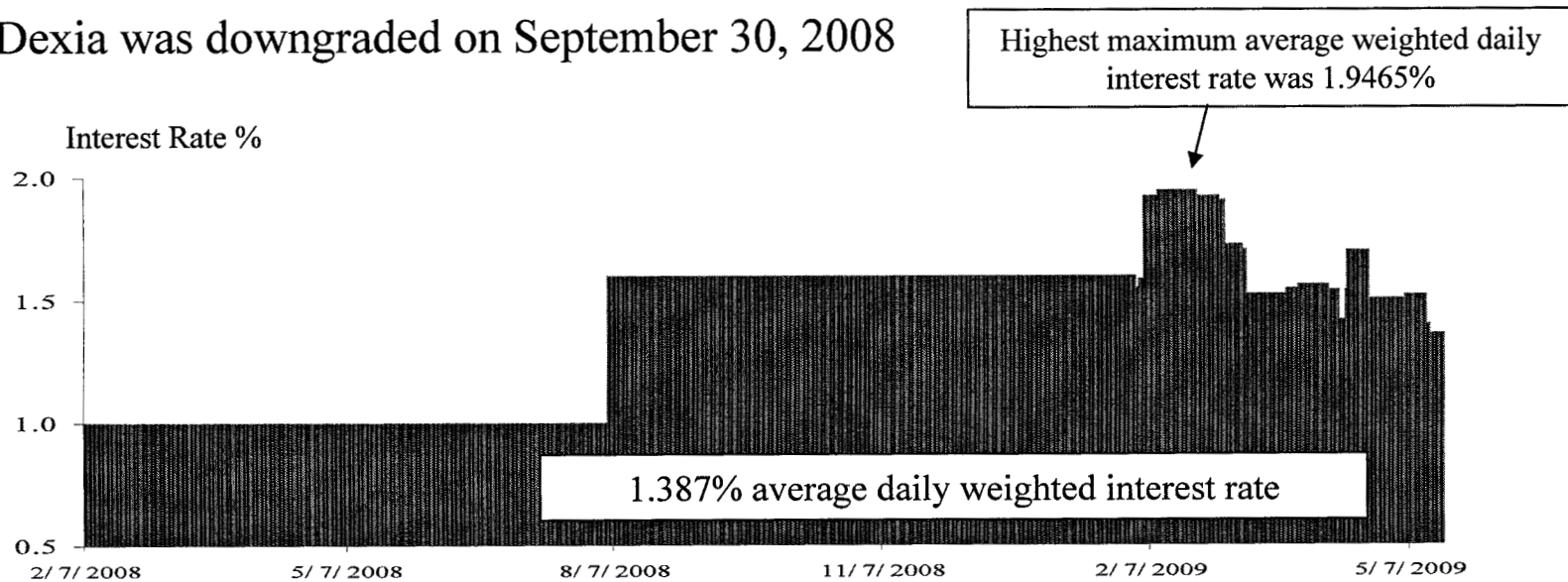
Measure M1 Principal Payments Due



Outstanding Balances	
1992 First Senior	\$52.700 M
1997 Second Senior	\$30.145 M
1998 Second Senior	\$45.385 M
2001 Second Senior	\$32.970 M

Measure M2 Early Action Plan Financing Program Update

- ▶ The Measure M2 \$400 million TECP program commenced in February 2008
- ▶ The Measure M2 TECP program is secured by a direct pay Letter of Credit (LOC) from four banks: Dexia, J.P. Morgan Chase, Bank of America and BNP Paribas
- ▶ The current Measure M2 LOC expires in November 2011
- ▶ Dexia was downgraded on September 30, 2008



Measure M2 Early Action Plan Projected Debt Service Coverage

<i>Millions</i>	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17
<u>Sales Tax Receipts (1)</u>	\$248.0	\$262.1	\$276.1	\$289.9	\$303.7	\$317.9
Less 2.5% SBOE & Oversight Audit	-\$6.2	-\$6.6	-\$6.9	-\$7.2	-\$7.6	-\$7.9
Less 2% Environmental Cleanup	-\$5.0	-\$5.2	-\$5.5	-\$5.8	-\$6.1	-\$6.4
<u>Revenues</u>						
Sales Tax Revenues	\$236.9	\$250.3	\$263.6	\$276.8	\$290.1	\$303.6
Less 18% Local Revenues	<u>-\$42.2</u>	<u>-\$44.6</u>	<u>-\$47.0</u>	<u>-\$49.3</u>	<u>-\$51.7</u>	<u>-\$54.1</u>
Revenues Available for Debt Service (2)	<u>\$194.7</u>	<u>\$205.7</u>	<u>\$216.7</u>	<u>\$227.5</u>	<u>\$238.4</u>	<u>\$249.5</u>
<u>Estimated Debt Service on M2 Bonds</u>						
Long-Term Bond Debt Service (3)	\$31.6	\$31.6	\$31.6	\$31.6	\$31.6	\$31.6
<i>Debt Service Coverage Ratios</i>	6.15x	6.50x	6.85x	7.19x	7.54x	7.89x

(1) Assumptions for Sales Tax Receipt growth are provided by the UCLA, Chapman University, and California State University at Fullerton. Measure M2 starts on April 1, 2011.

(2) Excludes investment earnings

(3) Based on a 6% rate for 30 years for the maximum stated amount of \$435,506,850 in Early Action Plan TECP Letter of Credit



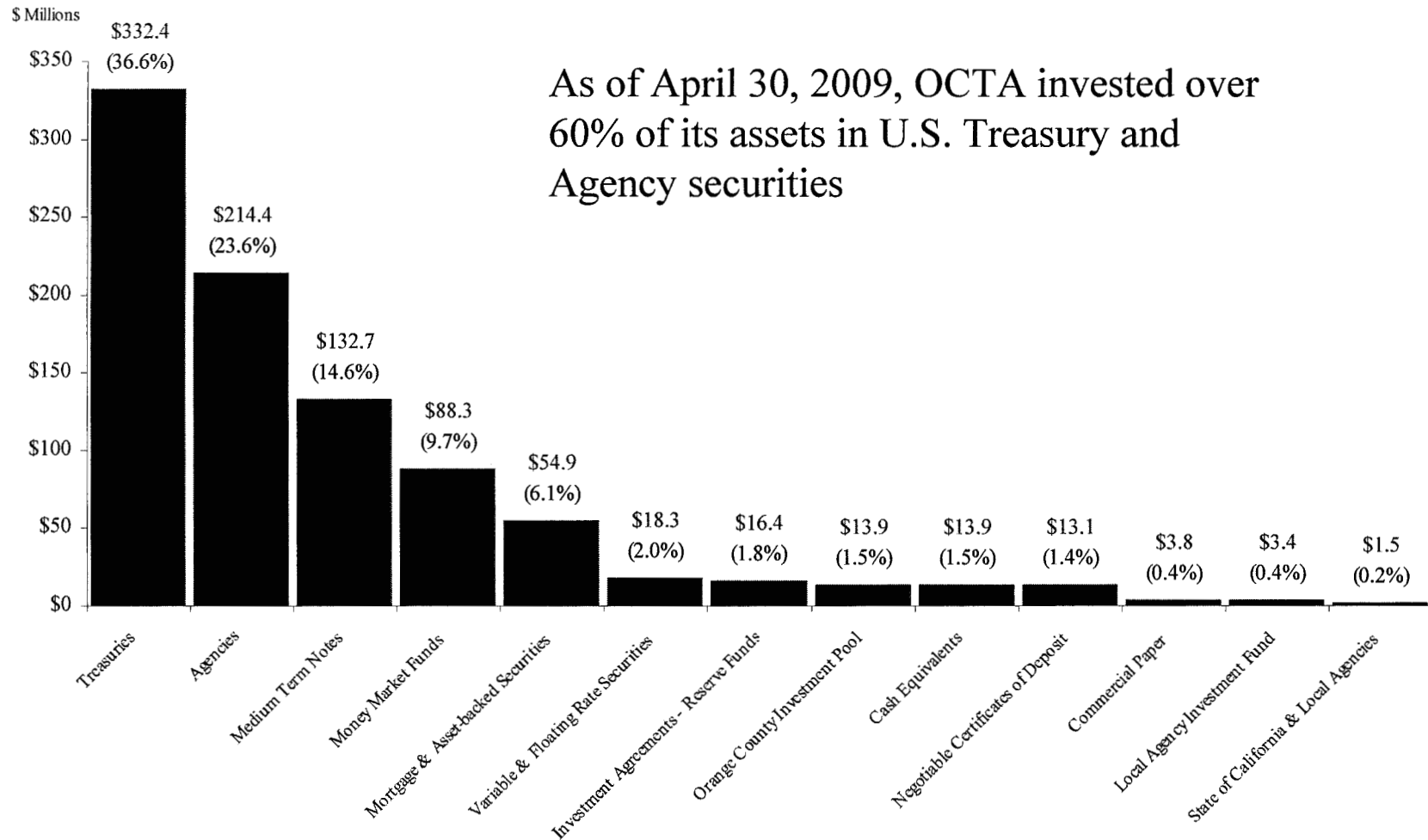
91 Express Lanes Private Placement Update

- ▶ Pursuant to the Indenture, the bonds may bear interest at a Weekly Interest Rate, an Auction Rate, a Daily Interest Rate, Flexible Interest Term Rates, a Long-Term Interest Rate or a Fixed Interest Rate
- ▶ OCTA closed a \$100 million private placement with Orange County Treasurer on December 19, 2008 that provides for a two-year Long-Term Interest Rate Period
- ▶ The private placement two-year bonds have a 3.85% interest rate
- ▶ 100% of the bonds are subject to optional tender on December 19, 2009 upon 90 days notice (September 21, 2009) by the Orange County Treasurer
- ▶ The bonds are subject to a mandatory tender for repurchase December 18, 2010
- ▶ The bonds mature on December 15, 2030

91 Express Lanes Interest Rate Swaps Update

- ▶ OCTA executed identical floating-to-fixed-rate interest rate swaps in 2003
 - \$75 million with Lehman Brothers
 - \$25 million with Bear Stearns
 - Each counterparty pays monthly; OCTA pays each February 15 and August 15
- ▶ J.P. Morgan assumed the Bear Stearns swap in 2008 and has continued to make monthly payments
- ▶ Lehman Brothers declared bankruptcy on September 15, 2008
- ▶ Lehman Brothers has not made the required monthly payments beginning October 1, 2008
- ▶ OCTA did not make February 15, 2009 payment to Lehman Brothers
- ▶ The net OCTA termination payment owed to Lehman Brothers equals \$10.5 million as of June 3, 2009

Diversified Investment Portfolio Totals \$907 Million



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BOARD COMMITTEE TRANSMITTAL

July 13, 2009

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Consultant Selection for Preparation of Plans, Specifications, and Estimate for Lane Addition on the Westbound Riverside Freeway (State Route 91)

Highways Committee Meeting of July 6, 2009

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

Committee Vote

This item was passed by all Committee Members present.

Directors Dixon and Pringle were not present to vote on this item.


Committee Recommendations

- A. Approve the selection of RBF Consulting as the top-ranked firm to prepare the plans, specifications, and estimate for a westbound lane addition on the Riverside Freeway (State Route 91) between the Santa Ana Freeway (Interstate 5) and Orange Freeway (State Route 57).
- B. Authorize the Chief Executive Officer to request a cost proposal from RBF Consulting and negotiate an agreement for services.
- C. Authorize the Chief Executive Officer to execute final Agreement No. C-9-0244, in an amount not to exceed \$4,000,000.



July 6, 2009

To: Highways Committee

From: James S. Kenan, Interim Chief Executive Officer 

Subject: Consultant Selection for Preparation of Plans, Specifications, and Estimate for Lane Addition on the Westbound Riverside Freeway (State Route 91)

Overview

On March 23, 2009, the Orange County Transportation Authority Board of Directors approved the release of a request for proposals to select a firm to prepare the plans, specifications, and estimate for a westbound lane addition on the Riverside Freeway (State Route 91) between the Santa Ana Freeway (Interstate 5) and Orange Freeway (State Route 57). Proposals were solicited in accordance with the Orange County Transportation Authority's procurement procedures for the retention of a consultant to perform architectural and engineering work.

Recommendations

- A. Approve the selection of RBF Consulting as the top-ranked firm to prepare the plans, specifications, and estimate for a westbound lane addition on the Riverside Freeway (State Route 91) between the Santa Ana Freeway (Interstate 5) and Orange Freeway (State Route 57).
- B. Authorize the Chief Executive Officer to request a cost proposal from RBF Consulting and negotiate an agreement for services.
- C. Authorize the Chief Executive Officer to execute final Agreement No. C-9-0244, in an amount not to exceed \$4,000,000.

Discussion

Proposed improvements to the Riverside Freeway (State Route 91) between the Santa Ana Freeway (Interstate 5) and the Orange Freeway (State Route 57) were included in the Renewed Measure M Program. The project report and the environmental documents are nearing completion. The plans,

specifications, and estimate (PS&E) will take the project into construction. The Orange County Transportation Authority (Authority) is seeking consultant assistance for the preparation of the PS&E for this project.

Procurement Approach

This procurement was handled in accordance with the Authority's procedures for architectural and engineering requirements which conform to both federal and state law. Proposals are evaluated without consideration of cost and are ranked in accordance with the qualifications of the firm, staffing, and the work plan. The highest-ranked firm is requested to submit a cost proposal and the final agreement is negotiated. Should negotiations fail with the highest-ranked firm, a cost proposal will be solicited from the second-ranked firm in accordance with the procurement policies previously adopted by the Authority's Board of Directors (Board).

On March 23, 2009, Request for Proposals (RFP) 9-0244 was released and sent electronically to 1,410 firms registered on CAMM NET. The project was advertised on March 27 and April 3, 2009, in a newspaper of general circulation. A pre-proposal conference was held on April 6, 2009, with 55 attendees representing 49 firms. Addendum No. 1 to RFP 9-0244 was issued to post the project related documents. Addendum No. 2 was issued to post the pre-proposal conference registration sheet. Addenda Nos. 3 and 4 were issued to post project related documents. Addendum No. 5 was issued to respond to questions.

On April 28, 2009, seven proposals were received. An evaluation committee consisting of staff from the Highway Project Delivery Department, Contracts Administration and Materials Management Department, the cities of Anaheim and Fullerton, and the California Department of Transportation met to review all proposals submitted. The proposals were evaluated based on the evaluation criteria and weights approved by the Board on March 23, 2009.

The evaluation committee reviewed all proposals and found five of the firms most qualified for the work. The five most qualified firms in alphabetical order are:

Firm and Location

AECOM
Orange, California

CH2M HILL
Santa Ana, California

Parsons Transportation Group, Inc.
Pasadena, California

RBF Consulting
Irvine, California

URS Corporation, Inc.
Santa Ana, California

On May 12, 2009, the evaluation committee interviewed the five firms. Questions were asked relative to the firms' proposed staffing, understanding of the project issues, approach to the scope of work, and proposed schedules. Based on the proposal evaluation and interviews, the following assessments were made:

Qualifications of Firm

All five firms have relevant experience in relation to the type of services required. RBF Consulting (RBF) has demonstrated relative experience that includes PS&E for the State Route 57 widening, the State Route 91 widening, as well as numerous interchanges. Parsons Transportation Group, Inc., showed good experience including the PS&E for the San Diego Freeway (Interstate 405)/Garden Grove Freeway (State Route 22) high-occupancy connector project. The CH2M HILL team provided good experience at the PS&E stage with work on the State Route 57 northbound widening and Oso Parkway at Interstate 5.

Staffing and Project Organization

All five firms proposed solid key staff that are well qualified. The RBF team demonstrated significant highway and interchange PS&E experience. The RBF team also demonstrated an understanding of the corridor. The team can

provide creative solutions to increase the traffic flow and minimize the impact on right-of-way.

Work Plan

The work plan of RBF clearly demonstrated a high degree of understanding of the scope of work and potential issues that may be encountered. The firm offered a specific approach on how to address each problem with innovative resolutions.

Recommendation

Based on the evaluation of the written proposals, the team qualifications, and information obtained from the interviews, the evaluation committee recommends the selection of RBF as the top-ranked firm. The RBF team submitted an outstanding detailed technical proposal that was responsive to all requirements of the RFP. The written technical proposal and approach to the project demonstrated a thorough understanding of the project issues.

Fiscal Impact

The project was approved in the Authority's Fiscal Year 2009-10 Budget, Development Division, Account 0017-7519-FH101-RWT, and is funded through Renewed Measure M funds.

Summary

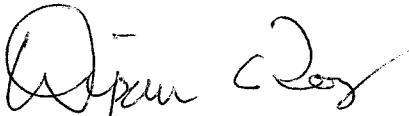
The evaluation committee met and reviewed all proposals received. Based on the proposals and interviews, the committee recommends the selection of RBF as the top-ranked firm to prepare the PS&E for the addition of a westbound lane on State Route 91 between Interstate 5 and State Route 57. Staff is requesting authorization to request a cost proposal from RBF and negotiate an agreement for an amount not to exceed \$4,000,000.

Consultant Selection for Preparation of Plans, Specifications, and Estimate for Lane Addition on the Westbound Riverside Freeway (State Route 91) **Page 5**

Attachments

- A. Plans, Specifications, and Estimate for Westbound State Route 91 Between Interstate 5 and State Route 57, Review of Proposals – RFP 9-0244
- B. Proposal Evaluation Criteria Matrix (Short-Listed Firms), RFP 9-0244 Plans, Specifications, and Estimate for Westbound State Route 91 Between Interstate 5 and State Route 57
- C. Contract History for the Past Two Years, RFP 9-0244 – Plans, Specifications, and Estimate for Westbound State Route 91 Between Interstate 5 and State Route 57

Prepared by:

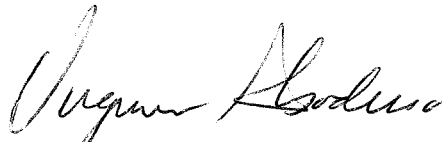


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Approved by:



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Executive Director, Development
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Virginia Abadessa
Director, Contracts Administration and
Materials Management
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Plans, Specifications, and Estimate for Westbound State Route 91 Between Interstate 5 and State Route 57

Review of Proposals - RFP 9-0244
(Presented to Highways Committee - 6/15/09)

7 proposals received, 5 firms were interviewed

Overall Ranking	Overall Score	Firm & Location	Sub-Contractors	Evaluation Committee Comments	Price
1	86	RBF Consulting Irvine, CA	T.Y. Lin International PacRim Engineering Earth Mechanics, Inc. Civil Works Engineers Overland, Pacific, and Cutler, Inc. RailPros VA Consulting	Highest ranked overall proposal. Team demonstrated an excellent understanding of the traffic flow concerns and minimizing right-of-way impacts. The work plan gave a very detailed review of the project traffic issues and provided a variety of solutions. Each team member has PS&E experience on highway and interchange projects. Outstanding proposed key staff has ample availability. Team provided in-depth answers to the interview questions.	A&E Contract In accordance with state law, selection is based on technical qualifications; the price is not an evaluation factor.
2	82	Parsons Transportation Group, Inc. Pasadena, CA	Earth Mechanics, Inc. FPL and Associates Psomas Lynn Capouya, Inc.	Second ranked proposal. Firm has a good understanding of the project area. Key staff has highway PS&E experience. Proposed an accelerated schedule. Team gave detailed responses to the questions during the interview.	
3	81	CH2M HILL Santa Ana, CA	KOA Corporation LDP Design Group LSA Associates, Inc. PBS&J Psomas RailPros, Inc. RMC Utility Specialists	Third ranked proposal. Firm has good experience with PS&E. Detailed work plan that identified traffic concerns and right-of-way issues. Good approach to involving all stakeholders early in the process. Team gave detailed response to questions during the interview. Discussed their quality assurance/quality control process in detail.	
4	80	URS Corporation, Inc. Santa Ana, CA	IDC Psomas Tatsumi Epic Land Solutions, Inc.	Fourth ranked proposal. Firm has an understanding of the many issues of the project and proposed solutions. Proposed good ideas regarding retaining walls and soundwalls. Some key staff has experience with other projects in the area. Team responded well to interview questions.	
5	77	AECOM Orange, CA	McLean & Schultz Iteris Leighton Consulting, Inc. Psomas	Fifth ranked proposal. Firm prepared the project approval/environmental document for the westbound SR-91. Good work plan that identified the issues in traffic flow and other issues. Key staff has some PS&E experience. Team responded well to interview questions.	

Evaluation Panel: (6)
OCTA:
Contracts Administration and Materials Management (1)
Highway Projects Delivery Department (2)
Outside:
California Department of Transportation (1)
City of Fullerton (1)
City of Anaheim (1)

Proposal Criteria	Weight Factor
Qualifications of Firm	25%
Staffing and Project Organization	40%
Work Plan	30%

PROPOSAL EVALUATION CRITERIA MATRIX (Short-Listed Firms) RFP 9-0244 Plans, Specifications, and Estimate for Westbound State Route 91 Between Interstate 5 and State Route 57							
Firm: RBF Consulting						Weights	Criteria Score
Evaluator Number	1	2	3	4	5	6	
Qualifications of Firm	4.0	5.0	4.0	4.0	4.0	4.0	5 21
Staffing/Project Organization	4.0	5.0	4.5	4.5	4.0	4.5	8 35
Work Plan	4.0	4.0	4.0	4.0	5.0	4.5	7 30
Overall Score	80.0	93.0	84.0	84.0	87.0	87.5	86
Firm: Parsons Transportation Group, Inc.						Weights	Criteria Score
Evaluator Number	1	2	3	4	5	6	
Qualifications of Firm	4.5	5.0	4.5	4.0	4.0	3.5	5 21
Staffing/Project Organization	4.0	4.0	3.5	4.0	3.5	4.0	8 31
Work Plan	4.5	4.0	4.5	4.5	4.5	4.0	7 30
Overall Score	86.0	85.0	82.0	83.5	79.5	77.5	82
Firm: CH2M HILL						Weights	Criteria Score
Evaluator Number	1	2	3	4	5	6	
Qualifications of Firm	4.5	5.0	4.0	4.0	4.5	4.5	5 22
Staffing/Project Organization	4.5	4.0	3.5	4.0	3.0	4.5	8 31
Work Plan	4.5	4.0	4.0	3.0	4.0	4.0	7 27
Overall Score	90.0	85.0	76.0	73.0	74.5	86.5	81
Firm: URS Corporation, Inc.						Weights	Criteria Score
Evaluator Number	1	2	3	4	5	6	
Qualifications of Firm	4.0	4.0	4.0	5.0	4.0	4.0	5 21
Staffing/Project Organization	4.0	4.0	3.5	4.0	3.0	4.0	8 30
Work Plan	4.0	4.0	4.0	4.5	4.5	4.0	7 29
Overall Score	80.0	80.0	76.0	88.5	75.5	80.0	80
Firm: AECOM						Weights	Criteria Score
Evaluator Number	1	2	3	4	5	6	
Qualifications of Firm	4.0	4.0	4.0	4.0	4.0	4.0	5 20
Staffing/Project Organization	3.5	4.0	3.5	4.0	3.5	4.0	8 30
Work Plan	4.0	4.0	4.0	3.5	4.5	3.5	7 27
Overall Score	76.0	80.0	76.0	76.5	79.5	76.5	77

CONTRACT HISTORY FOR THE PAST TWO YEARS

RFP 9-0244 - Plans, Specifications, and Estimate for Westbound State Route 91 Between Intersate 5 and State Route 57

Firm - Prime Only	Contract No.	Description	Contract Start Date	Contract End Date	Contract Amount
RBF Consulting	C-3-1385	On-Call Right of Way Engineering and Surveying Services	3/24/2004	12/31/2009	\$ 405,186
	C-5-2261	Project Report/Environmental Document for SR-57 Northbound Widening from Orangethorpe Avenue to Lambert Road	5/23/2005	2/29/2008	\$ 1,189,908
	C-5-2713	Plans, Specifications, & Estimates for I-5/Culver Drive	2/22/2006	12/31/2008	\$ 315,718
	C-6-0889	Signal timing and Synchronization at Oso Parkway/Pacific Park Drive from Aliso Viejo to Rancho Santa Margarita	2/26/2007	12/31/2008	\$ 248,272
	C-7-0052	Update SR-91 Implementation Plan 2007	2/28/2007	7/31/2007	\$ 40,000
	C-7-0887	Design Effort for the Widening of Northbound SR-57 from Orangethorpe Avenue to Yorba Linda Boulevard	2/18/2009	7/31/2014	\$ 6,100,000
	C-7-1462	Renewed Measure M Freeway Strategic Plan	4/23/2008	6/30/2009	\$ 100,000
	C-8-0427	Update SR-91 Implementation Plan 2008	3/24/2008	7/31/2008	\$ 40,000
	C-8-1371	Update SR-91 Implementation Plan 2009	3/4/2009	6/30/2009	\$ 46,500
Sub Total					\$ 8,485,584
Parsons Transportation Group, Inc	C-1-2069	Project Management Consultant for Garden Grove Freeway (State Route 22) Design/Build Project	6/18/02	3/31/2011	\$ 44,600,000
	C-6-0352	Project Study Report for I-405	12/4/2006	10/30/2008	\$ 907,846
	C8-0693	Project Report/Environmental Document for I-405	3/17/2009	5/31/2012	\$ 9,605,417
Sub Total					\$ 55,113,263
CH2M HILL	C-5-2712	PS&E for Oso Parkway at I-5	12/12/2005	12/31/2010	\$ 1,819,709
	C-7-0612	91 Express Lanes Extension/SR-241 Connector Studies	6/28/2007	6/30/2009	\$ 510,883
	C-7-1247	Design Effort for Widening the Northbound SR-57 Between Yorba Linda Boulevard to Lambert Road	2/19/2008	7/31/2014	\$ 5,759,057
	C-8-0962	Design Services for Lakeview Avenue Rail Road Grade Separation Project	3/4/2009	6/30/2009	\$ 349,593
Sub Total					\$ 8,439,242

CONTRACT HISTORY FOR THE PAST TWO YEARS

RFP 9-0244 - Plans, Specifications, and Estimate for Westbound State Route 91 Between Intersate 5 and State Route 57

URS Corporation, Inc.	C-2-0710	I-5 Far North Design Services	8/12/2002	6/30/2011	\$ 14,135,200
	C-5-1209	Strategic Transportation Study for South Orange County	10/4/2005	6/30/2009	\$ 1,380,675
	C-5-2963	SR-57 Extension Concept Study	3/17/2006	12/31/2007	\$ 99,893
	C-8-0142	Central County Major Investment Study	6/25/2008	1/31/2010	\$ 952,389
	C-8-1369	Freeway Retrofit Soundwall Project (Not yet executed)	TBD	TBD	\$ -
Sub Total					\$ 16,568,157
AECOM	C-7-0584	Project Report/Environmental Document for SR-57	6/29/2007	1/31/2010	\$ 1,360,410
	C-8-0987	Preliminary Engineering for Orangethorpe Avenue Grade Separation Project	2/6/2009	5/31/2009	\$ 404,953
Sub Total					\$ 1,765,363



BOARD COMMITTEE TRANSMITTAL

July 13, 2009

To: Members of the Board of Directors
WK

From: Wendy Knowles, Clerk of the Board

Subject: Amendments to Agreements for Preliminary Engineering, Final Design, and Construction Support Services for the Railroad Grade Separation Projects

Highways Committee Meeting of July 6, 2009

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

Absent: Director Green

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

- A. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Agreement No. C-8-0922 with HNTB Corporation, in an amount not to exceed \$1,000,000, for the completion of preliminary engineering, and upon completion of the environmental document, execute Amendment No. 3, in an amount not to exceed \$3,392,000, for completion of final design and construction support services for the Kraemer Boulevard railroad grade separation project, bringing the total contract value to a not-to-exceed amount of \$4,744,830.

- B. Authorize the Chief Executive Officer to negotiate, and upon completion of the environmental document, execute Amendment No. 2 to Agreement No. C-8-0987 with DMJM Harris/AECOM, in an amount not to exceed \$5,791,000, for the completion of final design and construction support services for the Orangethorpe Avenue railroad grade separation project, bringing the total contract value to a not-to-exceed amount of \$6,195,953.

Page Two



Committee Recommendations (continued)

- C. Authorize the Chief Executive Officer to negotiate, and upon completion of the environmental document, execute Amendment No. 2 to Agreement No. C-8-0988 with Biggs Cardosa Associates, Inc., in an amount not to exceed \$3,991,000, for the completion of final design and construction support services for the Tustin Avenue/Rose Drive railroad grade separation project, bringing the total contract value to a not-to-exceed amount of \$4,402,537.


- D. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Agreement No. C-8-0962 with CH2M HILL, in an amount not to exceed \$670,000, for the completion of preliminary engineering, and upon completion of the environmental document, execute Amendment No. 3, in an amount not to exceed \$2,524,000, for the completion of final design and construction support services for the Lakeview Avenue railroad grade separation project, bringing the total contract value to a not-to-exceed amount of \$3,543,593.


- E. Amend the Orange County Transportation Authority's Fiscal Year 2009-10 Budget by \$3,000,000.



July 6, 2009

To: Highways Committee

From:  James S. Kenan, Interim Chief Executive Officer

Subject:  Amendments to Agreements for Preliminary Engineering, Final Design, and Construction Support Services for the Railroad Grade Separation Projects

Overview

On October 27, 2008, the Board of Directors approved agreements with HNTB Corporation, DMJM Harris/AECOM, Biggs Cardosa Associates, Inc., and CH2M HILL to provide final design and construction support services for the Kraemer Boulevard, Orangethorpe Avenue, Tustin Avenue/Rose Drive, and Lakeview Avenue railroad grade separation projects, respectively. Amendments to the four agreements are necessary at this time to authorize the remaining phases of work required to complete the projects.

Recommendations

- A. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Agreement No. C-8-0922 with HNTB Corporation, in an amount not to exceed \$1,000,000, for the completion of preliminary engineering, and upon completion of the environmental document, execute Amendment No. 3, in an amount not to exceed \$3,392,000, for completion of final design and construction support services for the Kraemer Boulevard railroad grade separation project, bringing the total contract value to a not-to-exceed amount of \$4,744,830.
- B. Authorize the Chief Executive Officer to negotiate, and upon completion of the environmental document, execute Amendment No. 2 to Agreement No. C-8-0987 with DMJM Harris/AECOM, in an amount not to exceed \$5,791,000, for the completion of final design and construction support services for the Orangethorpe Avenue railroad grade separation project, bringing the total contract value to a not-to-exceed amount of \$6,195,953.
- C. Authorize the Chief Executive Officer to negotiate, and upon completion of the environmental document, execute Amendment No. 2 to

Agreement No. C-8-0988 with Biggs Cardosa Associates, Inc., in an amount not to exceed \$3,991,000, for the completion of final design and construction support services for the Tustin Avenue/Rose Drive railroad grade separation project, bringing the total contract value to a not-to-exceed amount of \$4,402,537.

- D. Authorize the Chief Executive Officer to negotiate and execute Amendment No. 2 to Agreement No. C-8-0962 with CH2M HILL, in an amount not to exceed \$670,000, for the completion of preliminary engineering, and upon completion of the environmental document, execute Amendment No. 3, in an amount not to exceed \$2,524,000, for the completion of final design and construction support services for the Lakeview Avenue railroad grade separation project, bringing the total contract value to a not-to-exceed amount of \$3,543,593.
- E. Amend the Orange County Transportation Authority's Fiscal Year 2009-10 Budget by \$3,000,000.

Discussion

On October 27, 2008, the Orange County Transportation Authority (Authority) Board of Directors (Board) authorized the negotiation and execution of agreements with HNTB Corporation, DMJM Harris/AECOM, Biggs Cardosa Associates, Inc., and CH2M HILL for professional architectural and engineering services to provide preliminary engineering, final design, and construction support services for the Kraemer Boulevard, Orangethorpe Avenue, Tustin Avenue/Rose Drive, and Lakeview Avenue railroad grade separation projects, respectively.

Initially, it was expected that the full scope of work, including preliminary design, final design, and construction support services, would be included in the original agreements with each firm. For the reasons described below, staff was able to only release a portion of the preliminary design under the original contracts issued to each firm. Staff is now requesting Board approval to negotiate and execute amendments to the agreements to authorize the remaining portion of the work needed to complete the projects.

The negotiation and authorization of the full scope of services for each contract was done in phases in order to work around a delay in the approval of the final federal environmental impact statement (EIS). The EIS, which is being prepared by the City of Placentia, was originally expected to be completed in December 2008. Due to delays in preparation and review, the final EIS document is not expected to be approved until August 2009. Federal regulations do not allow the Authority to execute an agreement for final design until the final EIS is approved.

To avoid a delay in the completion of final design, staff negotiated and authorized only the preliminary engineering phase of work under the original agreements. Federal regulations allow the preliminary engineering portion of the work to be performed prior to the approval of the EIS; however, execution of the amendments covering final design and construction support services for all four projects cannot be done until the EIS is approved, which is now expected by August 2009.

Staff is now prepared to negotiate and execute amendments to the original agreements to authorize the remaining portions of the work. The Authority's procurement policies require Board approval to amend the original agreements to include this additional work.

A single amendment will be issued to authorize the completion of preliminary engineering, final design, and construction support services on the Orangethorpe Avenue (DMJM Harris/AECOM) and Tustin Avenue/Rose Drive (Biggs Cardosa Associates) railroad grade separation projects. A single amendment is sufficient because these two projects are not anticipated to begin construction until 2013 and can wait for the final approval of the environmental document. These amendments will not be executed until the EIS is approved.

Because of the expedited delivery schedule, two amendments will be issued to complete the work on the Kraemer Boulevard (HNTB Corporation) and Lakeview Avenue (CH2M HILL) railroad grade separation projects. The first amendment will authorize additional preliminary design to continue the work on the projects and meet scheduled delivery dates. The second amendment will authorize the completion of final design and construction support services. The second amendment for final design on these two contracts will not be issued until after completion of the environmental document in accordance with federal regulations.

Because the project funding for preliminary engineering, final design, and construction support services was not encumbered as planned in the fiscal year (FY) 2008-09 budget, an additional \$3,000,000 increase needs to be rolled over to the FY 2009-10 budget to adjust this year's authorized amount.

Procurement Approach

These amendments are consistent with the information presented to the Board on October 27, 2008, regarding the work scopes and procurement of the original agreements; however, additional concurrence by the Board is required. The original agreements were awarded following competitive solicitations in accordance with the Authority's procedures for professional architectural and

engineering services, which conform to both federal and state laws. Following Board authorization on October 27, 2008, staff requested price proposals from the selected firms for preliminary engineering, and with input from the Authority's internal audit department negotiated terms of the agreements. The agreements were executed on February 6, 2009, in an aggregate amount of \$1,518,913, for the initial phase of preliminary engineering.

All four agreements were amended in April 2009 to add railroad right-of-entry requirements and to extend each agreement's initial terms to September 30, 2009.

Authority staff has prepared independent cost estimates, in an amount not to exceed \$17,368,000, for all the work to be accomplished by the six amendments now under consideration. Staff will request price proposals for each amendment from each of the four consultants, and fair and reasonable prices will then be negotiated based upon: (1) confirmation of consultant use of rates and factors previously approved by internal auditors and provided in the base contracts; and (2) technical analysis of staffing and other resources.

The procurement histories of the four agreements are shown on Attachment A (Agreement No. C-8-0922 HNTB Corporation); Attachment B (Agreement No. C-8-0987 with DMJM Harris/AECOM); Attachment C (Agreement No. C-8-0988 with Biggs Cardosa Associates, Inc.); and Attachment D (Agreement No. C-8-0962 with CH2M HILL).

Fiscal Impact

The additional work described in Amendment Nos. 2 and 3 to Agreement Nos. C-8-0922 and C-8-0962, as well as Amendment No. 2 to Agreement Nos. C-8-0987 and C-8-0988, were partially approved in the Authority's FY 2009-10 Budget, Development Division, Expense Account 0017-7519-SO202-PPJ, and are funded through Renewed Measure M. A budget amendment of \$3,000,000 to this account will be required to carry over FY 2008-09 budgeted funds to FY 2009-10.

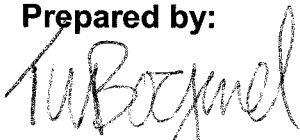
Summary

Staff recommends approval of amendments with HNTB Corporation, DMJM Harris/AECOM, Biggs Cardosa Associates, Inc., and CH2M HILL for the completion of preliminary engineering, final design, and construction support services for the Kraemer Boulevard, Orangethorpe Avenue, Tustin Avenue/Rose Drive, and Lakeview Avenue railroad grade separation projects, respectively.

Attachments

- A. HNTB Corporation, Agreement No. C-8-0922 Fact Sheet
- B. DMJM Harris/AECOM, Agreement No. C-8-0987 Fact Sheet
- C. Biggs Cardosa Associates, Inc., Agreement No. C-8-0988 Fact Sheet
- D. CH2M HILL, Agreement No. C-8-0962 Fact Sheet

Prepared by:




Tom Bogard
Director, Highway Project Delivery
714-560-5918

Approved by:



Kia Mortazavi
Executive Director, Development
714-560-5741



Virginia Abadessa
Director, Contracts Administration and
Materials Management
714-560-5623

**HNTB Corporation
Agreement No. C-8-0922 Fact Sheet**

1. October 27, 2008, Agreement No. C-8-0922, \$352,830, approved by the Board of Directors.
 - Provide preliminary engineering for the Kraemer Boulevard railroad grade separation project.
2. April 20, 2009, Amendment No. 1 to Agreement No. C-8-0922, \$0, approved by purchasing agent.
 - Provide additional insurance coverage required by Burlington Northern Santa Fe Railway to enter into its right-of-way and extend contract duration to September 30, 2009.
3. July 13, 2009, Amendment No. 2 to Agreement No. C-8-0922, not to exceed \$1,000,000, pending Board of Directors approval.
 - Completion of preliminary engineering for the Kraemer Boulevard railroad grade separation project.
4. July 13, 2009, Amendment No. 3 to Agreement No. C-8-0922, not to exceed \$3,392,000, pending Board of Directors approval.
 - Provide final design and construction support services for the Kraemer Boulevard railroad grade separation project.

Total committed to HNTB Corporation after approval of Amendments No. 2 and No. 3 to Agreement No. C-8-0922: Not to exceed \$4,744,830.

**DMJM Harris/AECOM
Agreement No. C-8-0987 Fact Sheet**

1. October 27, 2008, Agreement No. C-8-0987, \$404,953, approved by the Board of Directors.
 - Provide preliminary engineering for the Orangethorpe Avenue railroad grade separation project.
2. April 20, 2009, Amendment No. 1 to Agreement No. C-8-0987, \$0, approved by purchasing agent.
 - Provide additional insurance coverage required by Burlington Northern Santa Fe Railway to enter into its right-of-way and extend contract duration to September 30, 2009.
3. July 13, 2009, Amendment No. 2 to Agreement No. C-8-0987, not to exceed \$5,791,000, pending Board of Directors approval.
 - Provide final design and construction support services for the Orangethorpe Avenue railroad grade separation project.

Total committed to DMJM Harris/AECOM after approval of Amendment No. 2 to Agreement No. C-8-0987: Not to exceed \$6,195,953.

**Biggs Cardosa Associates, Inc.
Agreement No. C-8-0988 Fact Sheet**

1. October 27, 2008, Agreement No. C-8-0988, \$411,537, approved by the Board of Directors.
 - Provide preliminary engineering for the Tustin Avenue/Rose Drive railroad grade separation project.
2. April 20, 2009, Amendment No. 1 to Agreement No. C-8-0988, \$0, approved by purchasing agent.
 - Provide additional insurance coverage required by Burlington Northern Santa Fe Railway to enter into its right-of-way and extend contract duration to September 30, 2009.
3. July 13, 2009, Amendment No. 2 to Agreement No. C-8-0988, not to exceed \$3,991,000, pending Board of Directors approval.
 - Provide final design and construction support services for the Tustin Avenue/Rose Drive railroad grade separation project.

Total committed to Biggs Cardosa Associates, Inc., after approval of Amendment No. 2 to Agreement No. C-8-0988: Not to exceed \$4,402,537.

**CH2M HILL
Agreement No. C-8-0962 Fact Sheet**

1. October 27, 2008, Agreement No. C-8-0962, \$349,593, approved by the Board of Directors.
 - Provide preliminary engineering for the Lakeview Avenue railroad grade separation project.
2. April 20, 2009, Amendment No. 1 to Agreement No. C-8-0962, \$0, approved by purchasing agent.
 - Provide additional insurance coverage required by Burlington Northern Santa Fe Railway to enter into its right-of-way and extend contract duration to September 30, 2009.
3. July 13, 2009, Amendment No. 2 to Agreement No. C-8-0962, not to exceed \$670,000, pending Board of Directors approval.
 - Completion of preliminary engineering for the Lakeview Avenue railroad grade separation project.
4. July 13, 2009, Amendment No. 3 to Agreement No. C-8-0962, not to exceed \$2,524,000, pending Board of Directors approval.
 - Provide final design and construction support services for the Lakeview Avenue railroad grade separation project.

Total committed to CH2M Hill, after approval of Amendments No. 2 and No. 3 to Agreement No. C-8-0962: Not to exceed \$3,543,593.



BOARD COMMITTEE TRANSMITTAL

July 13, 2009

To: Members of the Board of Directors
WK
From: Wendy Knowles, Clerk of the Board
Subject: **Candidate Projects for Transportation Investment
Generating Economic Recovery Funding**

Executive Committee meeting of July 6, 2009

Present: Chairman Buffa, Vice Chairman Amante, Directors Campbell, Cavecche, Glaab, Nguyen, Norby, and Pringle
Absent: None

Committee Vote

This item was passed by all Committee Members present.


Committee Recommendations (reflects a change from staff's recommendation)

- A. Review and approve proposed projects for Transportation Investment Generating Economic Recovery funding.
- B. Direct the Chief Executive Officer to include projects as part of a statewide list for Transportation Investment Generating Economic Recovery funding.
- C. If an Orange County Transportation Authority project is not selected as part of a statewide list for Transportation Investment Generating Economic Recovery funding, direct the Chief Executive Officer to make an application to the United States Secretary of Transportation for such funding.
- D. If neither of the projects are selected for the statewide list, staff will contemplate how another project may be substituted.



July 6, 2009

To: Executive Committee

From:  James S. Kenan, Interim Chief Executive Officer

Subject: Candidate Projects for Transportation Investment Generating Economic Recovery Funding

Overview

President Obama signed the American Recovery and Reinvestment Act into law in February 2009. The Transportation Investment Generating Economic Recovery portion of the act authorizes \$1.5 billion for a discretionary grant program. The submittal deadline is September 15, 2009; however, the State of California has set an earlier deadline of July 27, 2009 for the creation of a statewide list of projects. Proposed project submittals are provided for review and approval.

Recommendations

- A. Review and approve proposed projects for Transportation Investment Generating Economic Recovery funding.
- B. Direct the Chief Executive Officer to include projects as part of a statewide list for Transportation Investment Generating Economic Recovery funding.
- C. If an Orange County Transportation Authority project is not selected as part of a statewide list for Transportation Investment Generating Economic Recovery funding, direct the Chief Executive Officer to make an application to the United States Secretary of Transportation for such funding.

Background

On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act (ARRA) into law, which enacted a \$787 billion economic recovery package that included \$48 billion for the United States Department of Transportation (USDOT).

ARRA includes the Transportation Investment Generating Economic Recovery (TIGER), a discretionary program with a statutory maximum of \$300 million per state. The USDOT recently issued a set of guidelines to potential project sponsors that included a September 15, 2009, deadline for submitting applications. While the guidelines are quite expansive regarding eligible applicants (state and local governments, transit and port authorities, etc.) as well as eligible projects (transit, intermodal, freight movement, highway, etc.), the guidelines emphasize job creation, where those jobs are created, and the construction end date for projects. According to the guidelines, priority will be given to areas, usually counties, which are "economically distressed" as defined by the Public Works and Economic Development Act of 1965 (EDA). Unfortunately, Orange County does not qualify under the EDA definition but, according to the TIGER guidelines, USDOT will consider municipalities within a county as "economically distressed," if the applicant can demonstrate that such an area meets EDA criteria. TIGER-funded projects do not require a non-federal match. A copy of the regional transportation agencies' comments on the draft guidelines are contained in Attachment A. Attachment B outlines the selection criteria to be considered by USDOT. A critical requirement is completion of construction on the selected projects by February 2012.

The TIGER program also seeks to provide additional federal funding to an existing program, the Transportation Infrastructure Finance and Innovation Act (TIFIA). Established in 1998, TIFIA is a federal credit program for eligible transportation projects of national or regional significance under which USDOT may provide direct credit or other assistance. Up to \$200 million of the \$1.5 billion available for TIGER discretionary grants may be used to pay the subsidy and administrative cost of the TIFIA program. Staff understands that commitments to TIFIA would be scored against a state's maximum share.

According to USDOT officials, the USDOT prefers regions to submit a unified application. The California Department of Transportation (Caltrans) has determined it will sponsor development of a statewide priority project list. While a statewide list will be developed and likely submitted with Governor Schwarzenegger's support, the federal guidelines do not prevent transportation agencies such as the Orange County Transportation Authority (OCTA) or local agencies from submitting individual applications. A final state list is likely to be far in excess of the \$300 million state limit. Caltrans will form a selection committee consisting of Caltrans officials and statewide transportation stakeholders which will select a final list of projects.

Discussion

Over a period of months, the Chief Executive Officers Working Group (WG), consisting of staff from the regional transportation commissions and authorities, the Southern California Association of Governments, the Ports of Los Angeles and Long Beach, the Alameda Corridor East Construction Authority, and the Alameda Corridor Transportation Authority has met to recommend an approach to the Regional Transportation CEOs' Committee (CEOs) to maximize the region's equitable share of TIGER funding.

The WG recommended, and the CEOs approved, a regionwide approach patterned after the one successfully used for the Proposition 1B Trade Corridors Improvement Fund (TCIF). At that time, the Southern California transportation authorities and commissions submitted projects as part of a regionwide list. In doing so, the region spoke as a united front, making a powerful case for TCIF funding. As a result, the region positioned itself to receive \$1.6 billion in Proposition 1B funding. The CEOs also support the region submitting its list of projects to be part of the Caltrans list.

Based on a review of the USDOT TIGER guidelines, staff is recommending the following projects for OCTA Board of Directors (Board) consideration and approval for inclusion as part of a Southern California region list of projects:

- Positive Train Control (in support of Metrolink's application)
- Laguna Niguel – San Juan Capistrano Double Track

Below are short descriptions of each project:

Positive Train Control: this project entails the development and installation of a collision avoidance system on the Southern California Regional Rail Authority (Metrolink) system. Metrolink is requesting \$38.3 million in TIGER funding and will be submitting the application for this project. The total project cost is estimated at \$201.6 million. The CEOs consider this project a priority in addition to the county-sponsored projects. The OCTA Board previously approved \$1.234 million in ARRA funds for this project. Positive train control also was approved by the Board as part of its list of federal authorization projects at its meeting on April 27, 2009. The project will create 2,000 jobs with work beginning in April 2009, and work completed using TIGER funds by March 2012.

Laguna Niguel – San Juan Capistrano Double Track: this 2.8-mile project is located within the cities of Laguna Niguel and San Juan Capistrano and will help the Metrolink Service Expansion Program and the Caltrans/Amtrak Pacific Surfliner services. The project would construct a new second track, including improvements at three at-grade crossings. Completion of the second track will accommodate the increased passenger demand. The estimated cost of the project is \$48 million and creates an estimated 480 jobs. The project is expected to begin in September 2010 and end in February 2012. This project was also approved by the OCTA Board as part of its list of federal authorization projects at its meeting on April 27, 2010.

The matrix in Attachment C delineates how each project rates when compared to TIGER selection criteria.

As stated previously, OCTA and other regional transportation agencies will submit a list of projects for inclusion on the statewide list. Failing inclusion on the list, OCTA can submit a separate application to USDOT.

Summary

Regional transportation agencies have been discussing the development of a regionwide list of projects for TIGER funding.

Attachments

- A. Letter to Secretary Ray LaHood, Office of the Secretary of Transportation, dated June 1, 2009 – OST Docket No. 2009-0115: Notice of Funding Availability for \$1.5 Billion ARRA Discretionary Program and Request for Comments on Grant Criteria
- B. \$1.5 Billion TIGER Discretionary Grants Program Outline of Solicitation and Selection Criteria
- C. Transportation Investment Generating Economic Recovery (TIGER) Project Recommendations

Prepared by:



Barry Engelberg
Manager of Regional Initiatives
(714) 560-5362

Approved by:



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



June 1, 2009



Secretary Ray LaHood
Office of the Secretary of Transportation (OST)
U. S. Department of Transportation (DOT)
Docket Management Facility (Docket No. 2009-0115)
MS-30, Room W12-140,
1200 Seventh Street, S.W.
Washington, DC 20590



RE: OST Docket No. 2009-0115: Notice of Funding Availability for \$1.5 Billion ARRA Discretionary Program and Request for Comments on Grant Criteria

Dear Secretary LaHood:

The major transportation agencies of Southern California have been working in partnership and collaboration on project development and readiness prior to enactment of the "American Recovery and Reinvestment Act of 2009 (ARRA). With enactment of ARRA, we stand ready to implement projects of national significance to support the country's economic recovery. Our regional consortium which includes the Los Angeles County Metropolitan Transportation Authority (Metro), Orange County Transportation Authority (OCTA), Riverside County Transportation Commission (RCTC), San Bernardino Associated Governments (SANBAG), Ventura County Transportation Commission (VCTC), Southern California Association of Governments (SCAG), Port of Los Angeles, Port of Long Beach, Alameda Corridor-East Construction Authority (ACE), Alameda Corridor Transportation Authority (ACTA) and Southern California Regional Rail Authority (SCRRA) applaud the U.S. Department of Transportation, and particularly the Office of the Secretary (OST) for expeditiously issuing the draft guidance, criteria, and timeline necessary to successfully implement the \$1.5 Billion "TIGER Discretionary Grants" program.

We appreciate OST's transparency and the opportunity to comment on the draft guidelines. Our agencies have worked together to review OST 2009-1115 guidelines and offer the following comments:

- **Support Proposed Schedule**-The undersigned chief executives support the proposed application process in the guidelines and find them to be realistic and reasonable (i.e. comments due June 1, 2009

applications due September 15, 2009 and grants announced no later than February 17, 2010).

- **Support Second Solicitation**-OST's decision to potentially publish an additional application solicitation is reasonable and in accordance with ARRA objectives.
- **Support Selection Criteria**-OST's inclusion of primary and secondary evaluation criteria are reasonable and achievable (long-term outcomes; jobs creation & economic stimulus; innovation & partnership; and project specific criteria).
- **Support Timeline to Complete Project(s)**-OST's inclusion of definition to complete project(s) by February 17, 2012 is reasonable and achievable. Given the national \$1.5 Billion funding level and the fact that the potential project list will likely greatly exceed available funding, only the most well documented ready-to-go projects should receive OST approval to precede.
- **Support Self Certification Process**-OST's inclusion of self-certification for federal grant application recipients will accelerate the DOT approval process (Section X).
- **Support Grant Size**-OST's guidelines specifying grants that are \$20 million to \$300 million; up to 100% of project cost; no more than 20% to any one state and equitable distribution in urban/rural communities will be challenging but the guidelines are consistent with provisions of ARRA.
- **Support the 'Cognizant Modal Administration' proposed applicant evaluation**-OST's proposed evaluation team is designed to ensure multimodal objectivity, transparency, and compliance with ARRA policy objectives.
- **OST Decision to Waive grants minimums under \$20 million needs further clarification**-Given the size of this proposed national program in relationship to the country's transportation needs, OST may be underestimating the potential large quantity of small project submittals. OST's decision to also include discretion to 'waive' the \$20 million minimum grant size for the purposes of funding 'significant' projects could be considered in second wave of application review after more clarity is included on the type of projects that are less than \$20 million but are still 'nationally significant' and provide substantial benefits (Section V) in subsequent revised guidelines. Also, if OST does exercise the \$20 million minimum grant waiver, that OST consider waiving certain environmental regulations, such as NEPA, and other regional requirements for those projects below \$20 million to streamline

delivery and accomplish the objectives of stimulus funding. In our region, we have 189 cities and this language as written could lead to a multitude of local community projects submitted to our agencies or the State. We believe that there is Congressional intent for this provision of ARRA to complement the existing Section 1301 Department program of "Projects of National and Regional Significance". We believe the Department's intent to further recognize projects of national and regional significance through these guidelines is an important federal policy commitment.

- **OST requests comments on appropriate input and output requirements, methodological standards and other characteristics of the cost benefit analysis for projects over \$100 million.** OST indicates that more detailed guidance will be issued for applicants in this category. It is recommended that the FHWA developed IDAS model, or a similar model such as the FHWA STEAM model, be used with prescriptive independent variables (e.g., discount factors, value of travel time, value of emission reductions, etc) to be provided by DOT. It is suggested that all applicants use the same model in this category. One option for OST could be to use cost-benefit values merely as a "fatal-flaw" criterion and/or for differentiating projects that have similar evaluation scores/rankings rather than the recommended "*C. Program-Specific Criteria.*" We suggest that the "*Program-Specific Criteria*" be incorporated into the (a) Long-Term Outcomes.
- **Suggest OST Clarify Guideline's Consistency with Environmental Justice Order.** The OST guidelines should incorporate direct references to the existing Presidential Executive Order (12898) and the Departmental policy (issued on April 15, 1997) relating to environmental justice. These existing federal policies are complementary to the current provisions in the OST guidelines relating to benefiting "economically distressed areas." Investments by OST should support projects, which serve, as well as benefit, "impacted communities," particularly populations suffering from transportation related air emissions and resultant public health problems. By incorporating environmental justice provisions into the final guidelines, OST will recognize project sponsors that nominate improvements, which not only enhance the nation's transportation system, but also address environmental equity issues associated with existing conditions of "impacted communities."

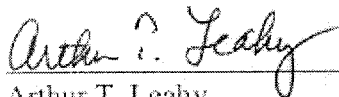
We believe the OST 2009-1115 Guidelines provide Congress with the assurance that the "TIGER Discretionary Grants" program and ARRA funds are being maximized and directed to those projects that benefit both national and local

economies. We look forward to working with OST on the submittal of our application, and the implementation of projects of national significance.

Once again, thank you for the opportunity to comment on the draft guidelines. Our Southern California consortium is excited about the availability of these new federal recovery and reinvestment funds to advance the nation's critical transportation system, while generating new economic activity and creating new jobs.

Please feel free to contact Ms. Shahrzad Amiri, who coordinates our staff's working group on OST -2009-0115 at 213-922-3061.

Sincerely,



Arthur T. Leahy
Chief Executive Officer
LACMTA



James S. Kenan
Chief Executive Officer
OCTA



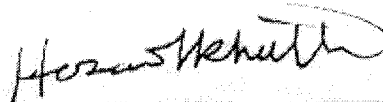
Anne Mayer
Executive Director
RCTC



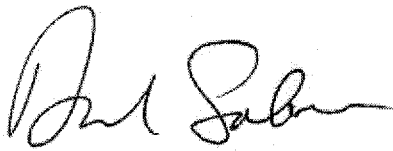
Deborah Barmack
Executive Director
SANBAG



Darren Kettle
Executive Director
VCTC



Hasan Ikhrata
Executive Director
SCAG



David Solow
Chief Executive Officer
SCRRA



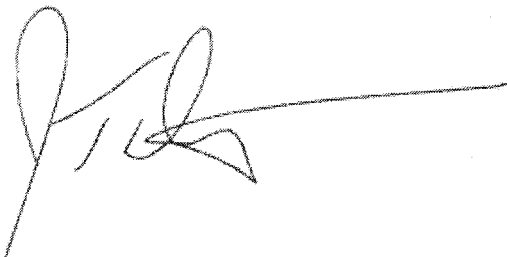
Rick Richmond
Executive Director
ACE



Geraldine Knatz
Executive Director
Port of Los Angeles



Richard Steinke
Executive Director
Port of Long Beach



John Doherty
Chief Executive Officer
Alameda Corridor Construction Authority

**\$1.5 BILLION TIGER DISCRETIONARY GRANTS PROGRAM
OUTLINE OF SOLICITATION AND SELECTION CRITERIA**

Interim Notice of Funding Availability: On Monday, May 18, 2009, the Department of Transportation published a notice of funding availability and solicitation of applications from applicants seeking funds under this program.

Public Comments: The solicitation announces the availability of funding for TIGER Discretionary Grants, project selection criteria, application requirements and the deadline for submitting applications, which is September 15, 2009. Because this is a new program, however, the solicitation also provides two weeks for comments on the proposed selection criteria and guidance for awarding TIGER Discretionary Grants. The Department will take all comments into consideration and may publish a supplemental notice revising some elements of the solicitation. Any such amendment will be published by June 17, 2009.

Eligible Applicants: Funds under this program will be awarded to State and local governments, including U.S. territories, tribal governments, transit agencies, port authorities, other political subdivisions of State or local governments, and multi-State or multi-jurisdictional applicants.

Eligible Projects: Projects that are eligible for TIGER Discretionary Grants include, but are not limited to, capital investments in: (1) highway or bridge projects; (2) public transportation projects; (3) passenger and freight rail transportation projects; and (4) port infrastructure investments, including projects that connect ports to other modes of transportation and improve the efficiency of freight movement.

Selection Criteria: TIGER Discretionary Grants will be awarded based on the following selection criteria, which incorporate the criteria specified in the Recovery Act:

- (a) **Long-Term Outcomes:** The Department will give priority to projects that have a significant impact on desirable long-term outcomes for the Nation, a metropolitan area, or a region. The following types of long-term outcomes will be given priority:
 - (i) **State of Good Repair:** Improving the condition of existing transportation facilities and systems, with particular emphasis on projects that minimize life-cycle costs.
 - (ii) **Economic Competitiveness:** Contributing to the economic competitiveness of the United States over the medium- to long-term.
 - (iii) **Livability:** Improving the quality of living and working environments and the experience for people in communities across the United States.
 - (iv) **Sustainability:** Improving energy efficiency, reducing dependence on oil, reducing greenhouse gas emissions and benefitting the environment.
 - (v) **Safety:** Improving the safety of U.S. transportation facilities and systems.
- (b) **Job Creation & Economic Stimulus:** Consistent with the purposes of the Recovery Act, the Department will give priority to projects that are expected to quickly create and preserve jobs and stimulate rapid increases in economic activity, particularly jobs and activity that benefit economically distressed areas.
- (c) **Innovation:** The Department will give priority to projects that use innovative strategies to pursue the long-term outcomes outlined above.
- (d) **Partnership:** The Department will give priority to projects that demonstrate strong collaboration among a broad range of participants and/or integration of transportation with other public service efforts.

The solicitation provides additional guidance on the selection criteria. The Department will give more weight to the Long-Term Outcomes and Jobs Creation & Economic Stimulus criteria than

to the Innovation and Partnership criteria. Projects that are unable to demonstrate a likelihood of significant long-term benefits in any of the five long-term outcomes will not proceed in the evaluation process. For the Jobs Creation & Economic Stimulus criterion, a project that is not ready to proceed quickly is less likely to be successful.

Program-Specific Criteria: The Department will use certain program-specific criteria to help differentiate between similar projects (for example, New Starts projects, or bridge replacements). To the extent two or more similar projects have similar ratings based on the selection criteria the program-specific criteria will be used to assign priority among these projects.

Distribution of Funds: The Recovery Act prohibits the award of more than 20 percent of the funds made available under this program to projects in any one State. The Recovery Act also requires that the Department take measures to ensure an equitable geographic distribution of funds and an appropriate balance in addressing the needs of urban and rural communities.

Waiver of Minimum Grant Size Requirement: The Recovery Act specifies that TIGER Discretionary Grants may be no less than \$20 million and no greater than \$300 million. However, the Department has discretion under the Recovery Act to waive the \$20 million minimum grant size requirement for significant projects in smaller cities, regions or States. Applicants for TIGER Discretionary Grants of less than \$20 million are encouraged to apply.

TIFIA: Up to \$200 million of the \$1.5 billion available for TIGER Discretionary Grants may be used to pay the subsidy and administrative costs of the TIFIA program if it would further the purposes of the TIGER Discretionary Grants program. Given the average subsidy cost of the existing TIFIA portfolio, \$200 million in TIGER TIFIA Payments could support approximately \$2 billion in Federal credit assistance. Applicants seeking TIGER TIFIA Payments should apply in accordance with all of the criteria and guidance specified for TIGER Discretionary Grant applicants and will be evaluated concurrently with all other applications.

Grant Administration: The Department expects that each TIGER Discretionary Grant will be administered by the modal administration in the Department with the most experience and/or expertise in the relevant project area. Applicable Federal laws, rules and regulations will apply to projects that receive TIGER Discretionary Grants, including all of the reporting and other requirements included in the Recovery Act.

Transportation Investment Generating Economic Recovery (TIGER) Project Recommendations

Rank	Project	State of Good Repair	Economically Competitive	Livability	Sustainability	Safety	Job Creation and Economic Stimulus	Innovation	Partnership	Pro	Con
1	Positive Train Control	yes	yes	yes	yes	yes	yes	yes	yes	<ul style="list-style-type: none"> * Regionally beneficial (multi-county) * Can be completed within time frame * Has additional funding as non required "match" 	<ul style="list-style-type: none"> * State is likely going to submit for a substantial prtion of this for federal HSR ARRA list
2	Laguna Niguel – San Juan Capistrano Double Track	N/A	yes	yes	yes	yes	yes	no	yes	<ul style="list-style-type: none"> * Can be completed within time frame * Could potentially be fully funded by TIGER 	<ul style="list-style-type: none"> * LOSSAN Corridor * Primarily used as passenger and not freight * Higher priority is given to projects with matching funds. This project has no additional funding

LOSSAN - Los Angeles - San Diego Rail Corridor
 HSR - High-speed rail
 ARRA - American Recovery and Reinvestment Act



MEMO

July 8, 2009

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: **Board Committee Transmittal for Agenda Item**


The following item is being discussed at a Committee meeting which takes place subsequent to distribution of the Board agenda. Therefore, you will be provided a transmittal following that Committee meeting (and prior to the Board meeting) informing you of Committee action taken.

Thank you.



July 9, 2009

To: Transit Committee

From:  James S. Kenan, Interim Chief Executive Officer

Subject: Cooperative Agreement with the City of Laguna Beach for Go Local Step Two Bus/Shuttle Service Planning

Overview

The Orange County Transportation Authority Board of Directors has approved 27 bus/shuttle proposals submitted under Go Local Step One to be advanced to Step Two. As part of Step Two, each bus/shuttle proposal will undergo detailed service planning. Cooperative agreements are needed to outline roles and responsibilities for the Step Two service planning effort. A cooperative agreement with the City of Laguna Beach for service planning of the city's bus/shuttle proposal is presented for review and approval.

Recommendation

Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-9-0551 between the Orange County Transportation Authority and the City of Laguna Beach to define each party's roles and responsibilities for service planning of the bus/shuttle proposal entitled "Laguna Beach Summer Arts Festival Shuttle."

Discussion

On October 27, 2008, the Orange County Transportation Authority (OCTA) Board of Directors (Board) approved 25 bus/shuttle proposals submitted under Go Local Step One to be advanced to Step Two. Two additional bus/shuttle proposals were submitted and approved for Step Two by the Board on January 12, 2009. For the Step Two service planning, OCTA will utilize a bench of consultants that were retained through a competitive procurement process. The four firms on the bench will assist OCTA staff in assessing the feasibility of the proposals by evaluating areas such as, but not limited to, potential demand and customer needs, route segment and system performance, potential impacts to existing OCTA fixed-route bus and paratransit service, boarding/revenue vehicle hours, resources, budgets, policies, and technical aspects of the proposed service.

Using OCTA's pre-selected bench of consultants is intended to ensure consistency and standardization in the evaluation process for all participating cities.

As part of Go Local Step One, cooperative agreements were executed with participating cities to specify the roles and responsibilities of the initial needs assessment phase. OCTA encouraged cities to partner with neighboring cities in an effort to develop optimal regional connections to Metrolink stations. When the cities came together as a team, a lead agency was identified as the point of contact to OCTA. Prior to initiation of the Step Two service planning work, new cooperative agreements with the lead agencies are needed as a result of the expiration of the Step One cooperative agreements and to identify any modifications to teaming arrangements.

Currently there are 13 cities/teams participating in the Go Local Step Two bus/shuttle service planning effort. For the past four months, staff has brought forward cooperative agreements with each of the lead agencies for Board consideration. The order in which the agreements are brought to the Board is dependent upon when the lead agency is scheduled to consider and approve the agreement as shown in Attachment A. To date, the Board has approved cooperative agreements with the cities of Aliso Viejo, Anaheim, Irvine, Fullerton, Lake Forest, Mission Viejo, San Clemente, and Westminster. Subsequently, the City of Laguna Beach (City) has approved the agreement and is being presented to the Board for consideration. A brief summary of the bus/shuttle proposal submitted by the City is included in Attachment B.

The general purpose and content of the Go Local Step Two cooperative agreement is to identify the roles and responsibilities of both OCTA and the City for the service planning effort. The cooperative agreement is similar for each lead agency, except for a few minor differences in language to meet city-specific requirements.

OCTA's principal responsibilities described in the cooperative agreement include:

- Procure and manage consultant support to work directly with the lead agency to develop comprehensive service plans for the bus/shuttle proposals as identified in the Go Local Step One final report.
- Participate in service planning team meetings with consultant and city/teams and provide transit planning data and support.

- Evaluate final Go Local Step Two reports summarizing service planning activities and funding plans for each of the bus/shuttle proposals that have been approved by the city council.

The City's principal responsibilities described in the cooperative agreement include:

- Work collaboratively with consultant selected by OCTA and supply all requested data necessary to support the service planning.
- Participate in the development of a comprehensive service planning report, which will be led by the consultant for each bus/shuttle proposal that addresses all the service planning activities. The report must be accompanied by a city council resolution indicating support and approving the final service planning report and funding plan for each bus/shuttle proposal.
- Provide eligible local matching funds, excluding in-kind sources, for the city's proportionate share. Consistent with previous Board action, cities are required to provide a local funding match of 10 percent of the actual service planning activities cost, up to \$100,000, for each bus/shuttle proposal.

Next Steps

Upon the Board's approval of the subject cooperative agreement, a contract task order will be issued to the bench of consultants and competitively awarded to provide service planning for the City's approved bus/shuttle proposal. Staff will return to the Board in August 2009 with additional cooperative agreements that have been approved by the participating lead agencies.

Fiscal Impact

Funding for this project is currently included in OCTA's Fiscal Year 2009-10 Budget, Account 0010-6062-T5410-3SB. This is a reimbursable agreement as cities are responsible for reimbursing OCTA 10 percent of consultant work for this phase of study.


Summary

Staff is seeking Board authorization to execute Cooperative Agreement No. C-9-0551 with the City to initiate service planning for the city's Board-approved bus/shuttle proposal.

Attachments

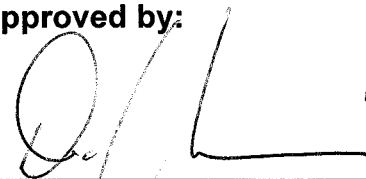
- A. Status of Go Local Step Two Bus/Shuttle Cooperative Agreements
- B. Summary of Go Local Bus/Shuttle Proposal – Lead Agency: City of Laguna Beach
- C. Cooperative Agreement No. C-9-0551 Between Orange County Transportation Authority and City of Laguna Beach for Go Local Bus/Shuttle Service Planning

Prepared by:

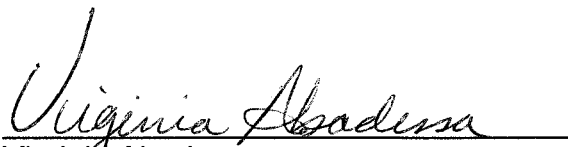


Kelly Long
Senior Transportation Analyst
(714) 560-5725

Approved by:



Darrell Johnson
Executive Director, Rail Programs
(714) 560- 5343



Virginia Abadessa
Director, Contracts Administration and
Materials Management
(714) 560-5623

Status of Go Local Step Two Bus/Shuttle Cooperative Agreements*Current as of June 19, 2009*

Lead Agency	City Confirmed Step Two Participation	City Received Cooperative Agreement	City Council/Staff Consideration	OCTA Transit Committee Consideration	OCTA Board Consideration
Aliso Viejo	√	√	3/4	3/26	4/13
Irvine	√	√	3/15	3/26	4/13
Anaheim	√	√	3/31	4/23	4/27
Lake Forest*	√	√	4/7	4/23	4/27
San Clemente	√	√	4/7	4/23	4/27
Fullerton	√	√	4/21	5/14	5/22
Mission Viejo	√	√	5/18	6/11	6/22
Westminster	√	√	5/27	6/11	6/22
Laguna Beach	√	√	6/16	7/9	7/13
Tustin	√	√		TBD**	
Buena Park	√	√		TBD**	
Brea***					

NOTES:

* City of Lake Forest is acting as lead agency for two separate bus/shuttle proposals. One on its own and the other in partnership with the City of Laguna Hills.

** Pending confirmation of city council consideration.

*** Pending lead agency's confirmation of Step Two participation.

**Summary of Go Local Bus/Shuttle Proposal
Lead Agency: City of Laguna Beach**

Approved by the Board: October 27, 2008

CITY/ TEAM	PROJECT DESCRIPTION	TARGET STATION	KEY STOPS
LAGUNA BEACH	<i>Laguna Beach Summer Arts Festival Shuttle</i> - Direct connection from Irvine Station to the Laguna Beach festival operating on weekends during summer season. This would relieve congestion along Laguna Canyon Road and would reduce the need for additional parking at the Act V parking lot in the city.	Irvine	Irvine Station Laguna Beach Summer Arts Festival (ACT V parking lot)

COOPERATIVE AGREEMENT NO. C-9-0551

BETWEEN

ORANGE COUNTY TRANSPORTATION AUTHORITY

AND

CITY OF LAGUNA BEACH

FOR

GO LOCAL BUS/SHUTTLE SERVICE PLANNING

THIS AGREEMENT, is effective as of this ___day of _____, 2009, by and between the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, California 92863-1584, a public corporation of the State of California (hereinafter referred to as "AUTHORITY"), and the City of Laguna Beach, 505 Forest Avenue, Laguna Beach, California 92651, a municipal corporation duly organized and existing under the constitution and laws of the State of California (hereinafter referred to as "CITY").

RECITALS:

WHEREAS, the AUTHORITY's Go Local Program is a four-step program to plan and implement city-initiated transit extensions to the Metrolink commuter rail line in Orange County; and

WHEREAS, AUTHORITY and CITY wish to work as partners to further develop a community-based transit vision that increases the use of Metrolink by residents, visitors and employees; and

WHEREAS, the AUTHORITY's Board of Directors directed that Step One mixed-flow bus/shuttle proposals that met the Go Local evaluation criteria would be advanced to Step Two to undergo detailed service planning; and

WHEREAS, the AUTHORITY's Board of Directors, on October 27, 2008 approved the bus/shuttle proposal dated June 27, 2008 submitted by the CITY to advance to Step Two for further study entitled "Laguna Beach Summer Arts Festival Shuttle" (hereinafter referred to as "BUS/SHUTTLE PROPOSAL") ; and

/

1 **WHEREAS**, the AUTHORITY will evaluate bus/shuttle proposals that undergo Step Two
2 detailed service planning for Step Three implementation; and

3 **WHEREAS**, the AUTHORITY has agreed to contract directly with a bench of consultants, which
4 the AUTHORITY has retained, to perform Step Two detailed service planning for the BUS/SHUTTLE
5 PROPOSAL; and

6 **WHEREAS**, this Cooperative Agreement (hereinafter referred to as "AGREEMENT") defines
7 the specific terms, conditions, and roles and responsibilities between the AUTHORITY and CITY only
8 as they may relate to the evaluation of the BUS/SHUTTLE PROPOSAL for Step Two of the
9 AUTHORITY'S Go Local Program and no other purpose; and

10 **NOW, THEREFORE**, it is mutually understood and agreed by AUTHORITY and CITY as
11 follows:

12 **ARTICLE 1. COMPLETE AGREEMENT**

13 AGREEMENT, including any exhibits and documents incorporated herein and made applicable
14 by reference, constitutes the complete and exclusive statement of the terms and conditions of the
15 Agreement between AUTHORITY and CITY concerning the BUS/SHUTTLE PROPOSAL and
16 supersedes all prior representations, understandings, and communications between the parties. The
17 above-referenced Recitals are true and correct and are incorporated by reference herein.

18 **ARTICLE 2. RESPONSIBILITIES OF AUTHORITY**

19 AUTHORITY agrees to the following responsibilities for the BUS/SHUTTLE PROPOSAL:

20 A. Procure and manage consultant of the AUTHORITY to work directly with the CITY to
21 develop comprehensive service plans for the BUS/SHUTTLE PROPOSAL to include an analysis of
22 Passenger Demands and Needs; Route Segment Performance; System Performance; Analysis of
23 Impacts to Existing Fixed Route Service, including transit centers and transfer points; Compliance with
24 American Disabilities Act (ADA) and Impacts to Paratransit Service; Boardings/Revenue Vehicle Hour
25 and Passenger Loads; Market Research and Segmentation Analysis; and Resource Requirements and
26

1 Financial Parameters, including fare type and farebox recovery estimate, operating and capital
2 costs and service cost-benefit analysis (hereinafter, referred to as SERVICE PLANNING ACTIVITIES);
3 and

4 B. Participate in service planning team meetings with CITY and consultant for
5 BUS/SHUTTLE PROPOSAL and provide AUTHORITY-generated transit planning data and transit
6 planning support where AUTHORITY deems necessary; and

7 C. Receive and evaluate final Go Local Step Two Report summarizing SERVICE
8 PLANNING ACTIVITIES and funding plans for the CITY's BUS/SHUTTLE PROPOSAL upon approval
9 by a CITY Council resolution and in anticipation of CITY's request to advance the BUS/SHUTTLE
10 PROPOSAL to Step Three of the Go Local Program; and

11 D. Invoice CITY on a quarterly basis for proportionate share, ten percent (10%), of actual
12 SERVICE PLANNING ACTIVITIES cost for the CITY's BUS/SHUTTLE PROPOSAL; and

13 E. AUTHORITY does not guarantee that the BUS/SHUTTLE PROPOSAL will be selected
14 to advance to Step Three of the Go Local Program; and

15 F. AUTHORITY shall indemnify, defend and hold harmless CITY, its officers, directors,
16 employees, and agents from and against any and all claims (including attorney's fees and reasonable
17 expenses for litigation or settlement) for any loss or damages, bodily injuries, including death, damage
18 to or loss of use of property caused by the negligent acts, omissions, or willful misconduct by
19 AUTHORITY, its officers, directors, employees, or agents in connection with or arising out of the
20 performance of this Agreement.

21 **ARTICLE 3. RESPONSIBILITIES OF CITY**

22 CITY agrees to the following responsibilities for the BUS/SHUTTLE PROPOSAL:

23 A. Work collaboratively with the AUTHORITY's consultant to perform the SERVICE
24 PLANNING ACTIVITIES for the BUS/SHUTTLE PROPOSAL; and

25 /

1 B. Supply all requested data, reports and plans to support service planning of
2 BUS/SHUTTLE PROPOSAL in a timely manner; and

3 C. Participate in service planning team meetings for BUS/SHUTTLE PROPOSAL with
4 AUTHORITY and consultant; and

5 D. Participate in the development of a comprehensive service planning report, which will be
6 led by the consultant, for the BUS/SHUTTLE PROPOSAL that addresses all the SERVICE PLANNING
7 ACTIVITIES and is accompanied by a CITY Council resolution indicating support and approving the
8 final service planning report and funding plan for the BUS/SHUTTLE PROPOSAL; and

9 E. Provide eligible local matching funds, excluding in-kind sources, for CITY's proportionate
10 share (ten percent (10%) of actual SERVICE PLANNING ACTIVITIES cost for the BUS/SHUTTLE
11 PROPOSAL); and

12 F. Pay AUTHORITY, on a quarterly basis, within 30 days of receipt of invoice for CITY's
13 proportionate share (ten percent (10%) of actual SERVICE PLANNING ACTIVITIES cost for the
14 BUS/SHUTTLE PROPOSAL); and

15 G. CITY shall indemnify, defend and hold harmless AUTHORITY, its officers, directors,
16 employees, and agents from and against any and all claims (including attorney's fees and reasonable
17 expenses for litigation or settlement) for any loss or damages, bodily injuries, including death, damage
18 to or loss of use of property caused by the negligent acts, omissions, or willful misconduct by CITY, its
19 officers, directors, employees, or agents in connection with or arising out of the performance of this
20 Agreement.

21 **ARTICLE 4. IT IS MUTUALLY UNDERSTOOD AND AGREED:**

22 All parties agree to the following mutual responsibilities regarding BUS/SHUTTLE PROPOSAL:

23 A. This Agreement shall continue in full force and effect through acceptance of final service
24 planning report for the BUS/SHUTTLE PROPOSAL or 18 months from effective date of this agreement,
25 whichever is sooner. This Agreement may only be extended upon written mutual agreement by both
26 parties.

1 B. This Agreement may be amended in writing at any time by the mutual consent of both
2 parties. No amendment shall have any force or effect unless executed in writing by both parties.

3 C. The persons executing this Agreement on behalf of the parties hereto warrant that they
4 are duly authorized to execute this Agreement on behalf of said parties and that, by so executing this
5 Agreement, the parties hereto are formally bound to the provisions of this Agreement.

6 D. All notices hereunder and communications regarding the interpretation of the terms of
7 this Agreement, or changes thereto, shall be effected by delivery of said notices in person or by
8 depositing said notices in the U.S. mail, registered, or certified mail and addressed as follows:

9 To CITY:

10 Public Works Department

11 City of Laguna Beach

12 505 Forest Avenue

13 Laguna Beach, CA 92651

14 Attention: Steve May

15 Director of Public Works

16 Telephone: (949) 497-0351

17 Email: SMay@lagunabeachcity.net

To AUTHORITY:

Orange County Transportation Authority

550 South Main Street

P. O. Box 14184

Orange, CA 92863-1584

Attention: Jennifer Bergener

Manager, Local Initiatives

Telephone: (714) 560-5462

Email: jbergener@octa.net

18 E. The headings of all sections of this Agreement are inserted solely for the convenience of
19 reference and are not part of and not intended to govern, limit, or aid in the construction or interpretation
20 of any terms or provision thereof.

21 F. The provision of this Agreement shall bind and insure to the benefit of each of the
22 parties hereto and all successors or assigns of the parties hereto.

23 G. If any term, provision, covenant, or condition of this Agreement is held to be invalid, void
24 or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the remainder to this
25 Agreement shall not be affected thereby, and each term, provision, covenant or condition of this
26 Agreement shall be valid and enforceable to the fullest extent permitted by law.

1 H. This Agreement may be executed and delivered in any number of counterparts, each of
2 which, when executed and delivered shall be deemed an original and all of which together shall
3 constitute the same agreement. Facsimile signatures will be permitted.

4 I. Neither this Agreement, nor any of a Party's rights, obligations, duties, or authority
5 hereunder may be assigned in whole or in part by either Party without the prior written consent of the
6 other Party. Any such attempt of assignment shall be deemed void and of no force and effect. Consent
7 to one assignment shall not be deemed consent to any subsequent assignment, nor the waiver of any
8 right to consent to such subsequent assignment.

9 J. Either party shall be excused from performing its obligations under this Agreement
10 during the time and to the extent that it is prevented from performing by an unforeseeable cause
11 beyond its control, including but not limited to: any incidence of fire, flood, acts of God, commandeering
12 of material, products, plants or facilities by the federal, state or local government, national fuel shortage,
13 or a material act or omission by the other party, when satisfactory evidence of such cause is presented
14 to the other party, and provided further that such nonperformance is unforeseeable, beyond the control
15 and is not due to the fault or negligence of the party not performing.

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This AGREEMENT shall be made effective upon execution by both parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement No. C-9-0551 to be executed on the date first above written.

CITY OF LAGUNA BEACH

ORANGE COUNTY TRANSPORTATION AUTHORITY

By: _____

By: _____

Kelly Boyd
Mayor

James S. Kenan
Chief Executive Officer

ATTEST:

APPROVED AS TO FORM

By: _____

By: _____

Martha Anderson
City Clerk

Kennard R. Smart, Jr.
General Counsel

APPROVED AS TO FORM:

APPROVAL RECOMMENDED:

By: _____

By: _____

City Attorney

Darrell Johnson
Executive Director, Rail Programs

Dated: _____

Dated: _____



MEMO

July 8, 2009

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: **Board Committee Transmittal for Agenda Item**


The following item is being discussed at a Committee meeting which takes place subsequent to distribution of the Board agenda. Therefore, you will be provided a transmittal following that Committee meeting (and prior to the Board meeting) informing you of Committee action taken.

Thank you.



July 9, 2009

To: Transit Committee

From:  James S. Kenan, Interim Chief Executive Officer

Subject: Cooperative Agreement with the City of Orange and the Orange Redevelopment Agency for Parking Capacity Expansion at the Orange Transportation Center

Overview

A cooperative agreement is required with the City of Orange and the Orange Redevelopment Agency to fund parking expansion site feasibility studies. Additional parking is needed at the Orange Transportation Center to meet future demands related to expanded Metrolink service.

Recommendation

Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-9-0243 between the Orange County Transportation Authority, the City of Orange, and the Orange Redevelopment Agency, in an amount not to exceed \$200,000, to define roles, responsibilities, and funding for site feasibility studies at the Orange Transportation Center.

Discussion

On November 14, 2005, the Orange County Transportation Authority (OCTA) Board of Directors (Board) adopted the Metrolink Service Expansion Program to provide expanded service between the Fullerton Transportation Center and the Laguna Niguel/Mission Viejo Metrolink Station in Orange County. Additional parking will be needed at the Orange Transportation Center (OTC) to meet current and projected demand. There are currently 295 parking spaces available at the OTC.

The City of Orange (City) and the Orange Redevelopment Agency (Agency) have done preliminary studies and have chosen two possible sites, shown in Attachment A, for a mixed-use parking structure. The City and Agency are also requesting further site feasibility studies be conducted to determine the best site or sites to build a project that will provide an additional 600 spaces for

transit use. The City will take the lead on procuring a consultant or consultants for these additional studies.

Once the parking expansion project is defined and conceptually approved by the City, Agency, and OCTA, a separate and subsequent agreement will define respective roles, responsibilities, and funding of the parties for the design and construction phase of the project.

Since the chosen sites are located in the historic OTC area, there is special concern for maintaining its historical integrity. Hence, the City is studying a mixed-use option that may have retail and/or residential uses incorporated into the parking structure. OCTA funds will only be used for studies associated with expanding the transit parking portion of the project. All costs associated exclusively with the non-transit portion of the project will be the responsibility of the City and/or the Agency.

Fiscal Impact

The project was approved in OCTA's Fiscal Year 2009-10 Budget, Rail Programs Division, Account 0010-7831-T5422-P3F and is funded through the Orange County Local Transportation Authority.

Summary

Staff is seeking authorization to enter into a cooperative agreement with the City of Orange and the Orange Redevelopment Agency to define roles, responsibilities, and funding for site feasibility studies for the construction of a mixed-use parking structure at the Orange Transportation Center. The parking structure will add approximately 600 parking stalls for transit use.

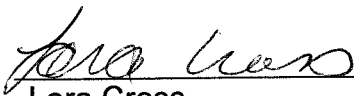
**Cooperative Agreement with the City of Orange and the
Orange Redevelopment Agency for Parking Capacity
Expansion at the Orange Transportation Center**

Page 3

Attachment

- A. Cooperative Agreement No. C-9-0243 Between Orange County Transportation Authority and City of Orange and Orange Redevelopment Agency for Parking Capacity Expansion at Orange Transportation Center

Prepared by:




Lora Cross
Project Manager
(714) 560-5788

Approved by:



Darrell Johnson
Executive Director, Rail Programs
(714) 560-5343



Virginia Abadessa
Director, Contracts Administration and
Materials Management
(714) 560-5623

COOPERATIVE AGREEMENT NO. C-9-0243

BETWEEN

ORANGE COUNTY TRANSPORTATION AUTHORITY

AND

CITY OF ORANGE AND

ORANGE REDEVELOPMENT AGENCY

FOR

PARKING CAPACITY EXPANSION AT

ORANGE TRANSPORTATION CENTER

THIS AGREEMENT (hereinafter referred to as "AGREEMENT") is effective this ____day of _____, 2009, by and between the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, California 92863-1584, a public corporation of the State of California (hereinafter referred to as "AUTHORITY") and the City of Orange, 300 Chapman, Orange, California 92863, a municipal corporation duly organized and existing under the constitution and laws of the State of California (hereinafter referred to as "CITY"); and the Orange Redevelopment Agency, a public body, corporate and politic having its address for purpose of the Agreement at 300 East Chapman Avenue, Orange, CA. 92866 (hereinafter referred to as the "AGENCY").

WITNESSETH:

WHEREAS, AUTHORITY, CITY and AGENCY desire to enter into a Cooperative Agreement to define rolls and responsibilities for the study of expanding the transit parking at the Orange Transportation Center, (hereinafter referred to as "OTC") also known as the Orange Santa Fe Depot, which is located at 194 North Atchison Street in the City of Orange, State of California ; and

WHEREAS, on November 14, 2005, AUTHORITY Board of Directors adopted the Metrolink Service Expansion Program, which authorized AUTHORITY staff to begin implementation of high-frequency rail service between the Fullerton Transportation Center and the Laguna Niguel/Mission Viejo Station in Orange County, which will serve the OTC; and

1 **WHEREAS**, the Metrolink commuter rail service expansion will require a total parking capacity
2 of no less than 900 spaces at the OTC area (hereinafter referred to "PROJECT"); and

3 **WHEREAS**, CITY has conducted preliminary parking feasibility studies for the two areas
4 generally depicted on the aerial photograph attached hereto and incorporated by reference as Exhibit 1;
5 and

6 **WHEREAS**, CITY, AGENCY and AUTHORITY agree to further develop the preliminary parking
7 feasibility studies leading to the selection of one or both of the sites depicted on Exhibit 1, and/or such
8 other or additional sites as may be determined feasible for implementation of the PROJECT; and

9 **WHEREAS**, CITY will take the lead on hiring a consultant or consultants to develop such
10 studies as described in the Scope of Work outlined in Exhibit 2 which is attached herein and
11 incorporated by reference; and

12 **WHEREAS**, once the project is defined and conceptually approved by the parties hereto, CITY,
13 AGENCY and AUTHORITY desire to enter into a separate and subsequent agreement which will define
14 the respective roles and responsibilities of the parties for the design, construction and AUTHORITY's
15 portion of the funding of the PROJECT.

16 **NOW THEREFORE**, it is mutually understood and agreed by AUTHORITY, CITY and AGENCY
17 as follows:

18 **ARTICLE 1. COMPLETE AGREEMENT**

19 A. This Agreement, including all exhibits and documents incorporated herein and made
20 applicable by reference, constitute the complete and exclusive statement of the term(s) and condition(s)
21 of this Agreement between AUTHORITY, CITY and AGENCY and supersedes all prior representations,
22 understandings and communications. The invalidity in whole or part of any term or condition of this
23 Agreement shall not affect the validity of other term(s) and condition(s) of this Agreement. The above-
24 referenced Recitals are true and correct and are incorporated by reference herein.

25 B. AUTHORITY'S failure to insist on any instance(s) of CITY or AGENCY'S performance of
26 any term(s) or condition(s) of this Agreement shall not be construed as a waiver or relinquishment of

1 AUTHORITY's right to such performance or to future performance of such term(s) or condition(s), and
2 CITY or AGENCY'S obligation in respect thereto shall continue in full force and effect. Changes to any
3 portion of this Agreement shall not be binding upon AUTHORITY except when specifically confirmed in
4 writing by an authorized representative of AUTHORITY by way of a written amendment to this
5 Agreement and issued in accordance with the provisions of this Agreement.

6 C. CITY or AGENCY'S failure to insist on any instance(s) of AUTHORITY's performance of
7 any term(s) or condition(s) of this Agreement shall not be construed as a waiver or relinquishment of
8 CITY or AGENCY'S right to such performance or to future performance of such term(s) or condition(s),
9 and AUTHORITY's obligation in respect thereto shall continue in full force and effect. Changes to any
10 portion of this Agreement shall not be binding upon CITY or AGENCY except when specifically
11 confirmed in writing by an authorized representative of CITY or AGENCY by way of a written
12 amendment to this Agreement and issued in accordance with the provisions of this Agreement.

13 **ARTICLE 2. RESPONSIBILITIES OF THE AGENCY**

14 A. Subject to AUTHORITY'S reimbursement obligation under this Agreement, AGENCY
15 shall hire a consultant (or consultants) to provide further refinement of the preliminary parking feasibility
16 studies, leading to the selection of one or both of the sites depicted on Exhibit 1, and/or such other or
17 additional sites as may be determined feasible for implementation of the PROJECT per the Scope of
18 Work.

19 B. AGENCY will work with AUTHORITY to present the preferred alternative to the public for
20 review and comment. AGENCY will provide sufficient staff to support the community outreach effort.

21 C. Following mutual agreement as to the preferred alternative between representatives of
22 the AUTHORITY, AGENCY and CITY, the AGENCY will present the preferred alternative and all
23 studies, cost estimates and reports to the Board of Directors of the Orange Redevelopment Agency for
24 review and approval.

25 D. AGENCY and CITY shall invoice AUTHORITY for costs incurred relating to the Scope of
26 Work in an amount not to exceed Two Hundred Thousand Dollars (\$200,000.00) excluding costs that

1 are exclusively associated with the private development or retail use portion of the project. The costs
2 associated with said portion of the project will be the responsibility of the CITY and/or AGENCY.

3 **ARTICLE 3. RESPONSIBILITIES OF THE CITY**

4 A. CITY will work with AUTHORITY to present the preferred alternative to the public for
5 comment. CITY will provide sufficient staff to support the community outreach effort.

6 B. Following mutual agreement as to the preferred alternative between representatives of
7 the AUTHORITY, AGENCY and CITY, CITY will present the proposed alternative and all studies, cost
8 estimates and reports to the City Council for its review and approval concurrently with that of the Board
9 of Directors of the AGENCY.

10 **ARTICLE 4. RESPONSIBILITIES OF AUTHORITY**

11 A. Subject to the proviso set forth in subparagraph "D" of Article 2, above, AUTHORITY
12 shall fund and pay to AGENCY and/or CITY the actual cost of the SCOPE of WORK incurred by
13 AGENCY and/or CITY within 30 days of submittal of invoice(s) from AGENCY and/or CITY up to an
14 aggregate amount not to exceed the sum of Two Hundred Thousand Dollars (\$200,000.00).

15 B. AUTHORITY staff will maintain active communications with CITY and AGENCY staff
16 and assist in building consensus among affected parties and members of the general public in regard to
17 the PROJECT.

18 **ARTICLE 5. TERM OF AGREEMENT**

19 This Agreement shall commence upon execution by both parties, and shall continue in full force
20 and effect through the earlier of either the completion of the Scope of Work and reimbursement of the
21 costs incurred by AGENCY and CITY under the terms of this Agreement, or February 28, 2011, unless
22 otherwise extended by all parties in writing.

23 **ARTICLE 6. INDEMNIFICATION/INSURANCE**

24 A. CITY and or AGENCY shall indemnify, defend and hold harmless the AUTHORITY, it's
25 officers, directors, employees and agents from and against any and all claims (including attorney's fees
26 and reasonable expenses for litigation and settlement) for any loss or damages, bodily injuries, damage

1 to, or loss of property caused by the negligent acts, omissions or willful misconduct by CITY and or
2 AGENCY, or their respective officers, directors, employees or agents in connection with or arising out of
3 the performance of this Agreement.

4 B. CITY and AGENCY shall each maintain adequate reserves and/or appropriate limits of
5 insurance coverage to meet their defense and indemnification obligations as set forth herein; how the
6 CITY and AGENCY satisfy these obligations shall be left to the CITY'S and AGENCY'S discretion.

7 C. AUTHORITY shall indemnify, defend and hold harmless the CITY and or AGENCY, and
8 their respective officers, directors, employees and agents from and against any and all claims (including
9 attorney's fees and reasonable expenses for litigation and settlement) for any loss or damages, bodily
10 injuries, damage to, or loss of property caused by the negligent acts, omissions or willful misconduct by
11 AUTHORITY, its officers, directors, employees or agents in connection with or arising out of the
12 performance of this Agreement.

13 D. AUTHORITY shall maintain adequate reserves and/or appropriate limits of insurance
14 coverage to meet its defense and indemnification obligations as set forth herein; how the AUTHORITY
15 satisfies these obligations shall be left to the AUTHORITY'S discretion.

16 **ARTICLE 7. IT IS MUTUALLY UNDERSTOOD AND AGREED:**

17 All parties agree to the following mutual responsibilities regarding PROJECT:

18 A. This Agreement may only be extended upon mutual written agreement by both parties.

19 B. This Agreement may be terminated by either party after giving thirty (30) days written
20 notice. Upon receipt of notice from AUTHORITY, AGENCY, and CITY shall immediately notify their
21 consultant(s) to cease work, unless the notice from AUTHORITY provides otherwise. Upon the
22 termination of this Agreement, AUTHORITY shall pay AGENCY and/or CITY for that portion of the
23 Scope of Work completed and all allowable reimbursements incurred to the date of termination in
24 compliance with this Agreement.

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1 C. This Agreement may be amended in writing at any time by the mutual consent of all
 2 three parties. No amendment shall have any force or effect unless executed in writing by all three
 3 parties.

4 D. The persons executing this Agreement on behalf of the parties hereto warrant that they
 5 are duly authorized to execute this Agreement on behalf of said parties and that, by so executing this
 6 Agreement, the parties hereto are formally bound to the provisions of this Agreement.

7 E. All notices hereunder and communications regarding the interpretation of the terms of
 8 this Agreement, or changes thereto, shall be effected by delivery of said notices in person or by
 9 depositing said notices in the U.S. mail, registered, or certified mail and addressed as follows:

To CITY:	To AUTHORITY:
City of Orange	Orange County Transportation Authority
300 East Chapman Orange, CA 92866	550 South Main Street P. O. Box 14184 Orange, CA 92863-1584
Attention: John Sibley City Manager	Attention: John Mathis Senior Contract Administrator
Tele 714/ 744-2222; Fax 714/744-5323	Tele 714/560-5478; Fax 714/562-5792
email: jsibley@cityoforange.org	email: jmathis@octa.net
To AGENCY:	
Orange Redevelopment Agency 300 East Chapman Avenue Orange, CA 92866	
Attention: Executive Director	
Tele 714/288-2580; Fax 714/288-2598	
email: jreichert@cityoforange.org	

1 F. The headings of all sections of this Agreement are inserted solely for the convenience of
2 reference and are not part of and not intended to govern, limit or aid in the construction or interpretation
3 of any terms or provision thereof.

4 G. The provision of this Agreement shall bind and inure to the benefit of each of the parties
5 hereto and all successors or assigns of the parties hereto.

6 H. If any term, provision, covenant or condition of this Agreement is held to be invalid, void
7 or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the remainder to this
8 Agreement shall not be affected thereby, and each term, provision, covenant or condition of this
9 Agreement shall be valid and enforceable to the fullest extent permitted by law.

10 I. This Agreement may be executed and delivered in any number of counterparts, each of
11 which, when executed and delivered shall be deemed an original and all of which together shall
12 constitute the same agreement. Facsimile signatures will be permitted.

13 J. Either party shall be excused from performing its obligations under this Agreement
14 during the time and to the extent that it is prevented from performing by an unforeseeable cause
15 beyond its control, including but not limited to: any incidence of fire, flood; acts of God;
16 commandeering of material, products, plants or facilities by the federal, state or local government;
17 national fuel shortage; or a material act or omission by the other party; when satisfactory evidence of
18 such cause is presented to the other party, and provided further that such nonperformance is
19 unforeseeable, beyond the control and is not due to the fault or negligence of the party not
20 performing.

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This Agreement shall be made effective upon execution of both parties.

IN WITNESS WHEREOF, the parties hereto have caused this Cooperative Agreement No. C-9-0243 to be executed on the date first above written.

CITY OF ORANGE

ORANGE COUNTY TRANSPORTATION AUTHORITY

By: _____
Carolyn V. Cavecche
Mayor

By: _____
James S. Kenan
Chief Executive Officer

ATTEST:

APPROVED AS TO FORM:

By: _____
Mary E. Murphy
City Clerk

By: _____
Kennard R. Smart, Jr.
General Counsel

APPROVED AS TO FORM:

APPROVAL RECOMMENDED:

By: _____
Theodore J. Reynolds
City Attorney

By: _____
Darrell Johnson
Executive Director, Rail Programs

Date: _____

Date: _____

[Remainder of page intentionally left blank; signatures continued on next page.]

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ORANGE REDEVELOPMENT AGENCY ATTEST:

By: _____
Carolyn V. Cavecche
Chairman

By: _____
Mary E. Murphy
Agency Clerk

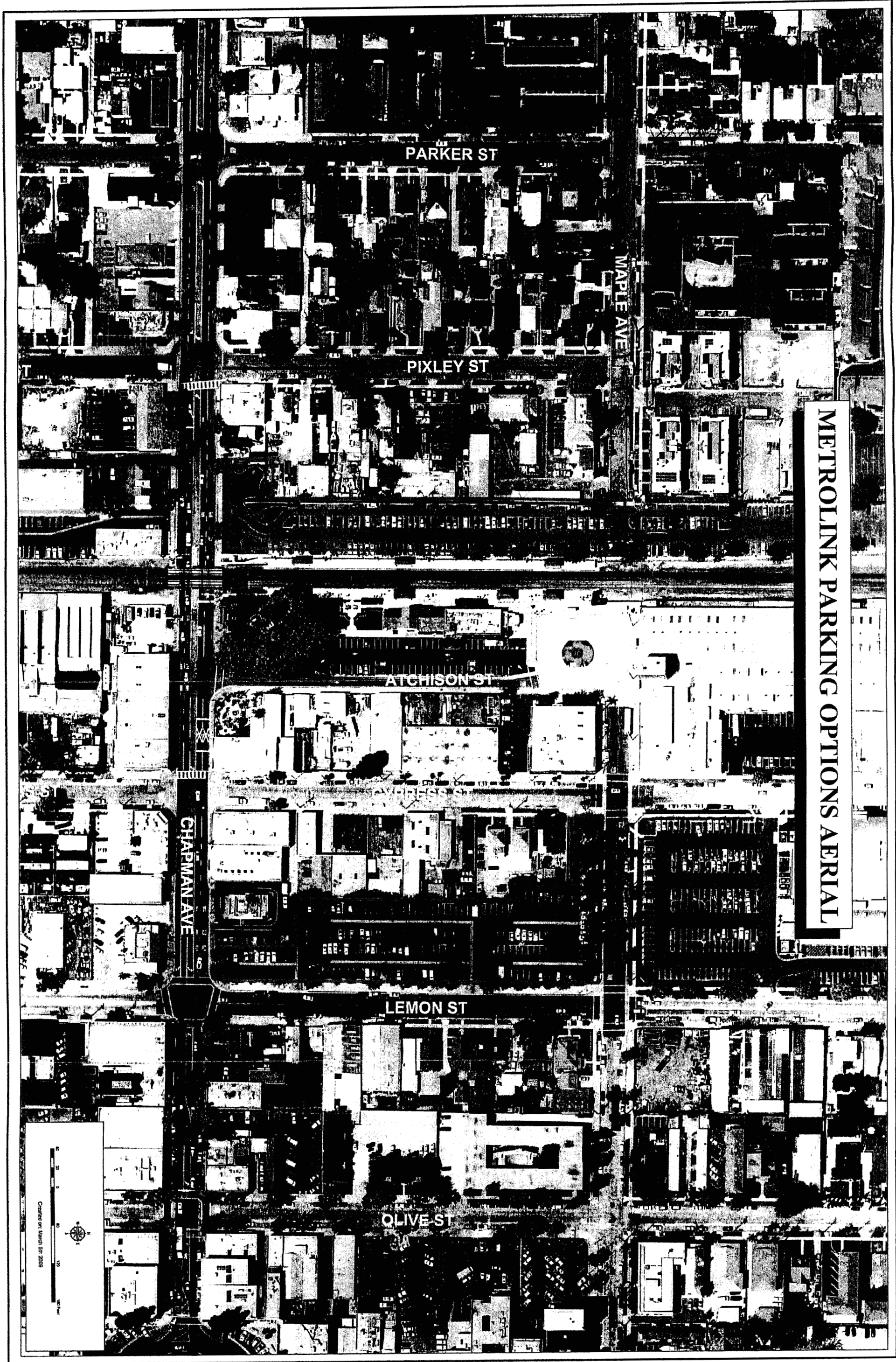
APPROVED AS TO FORM:

By: _____
Theodore J. Reynolds
Assistant General Counsel

Date: _____

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Exhibit 1
General Depiction of Potential Parking Sites



PARKER ST

PIXLEY ST

ATCHISON ST

LEMON ST

OLIVE ST

MAPLE AVE

CHAPMAN AVE

METROLINK PARKING OPTIONS AERIAL

Created on March 17, 2009



Exhibit 2

Scope of Work

The City of Orange and the Orange Redevelopment Agency wish to hire consultant (s) to conduct preliminary feasibility studies leading to the selection of one or both of the sites depicted on Exhibit 1 and/or such other or additional sites as may be determined feasible for implementation of the expansion of the transit parking in the Orange Transportation Center area. Such studies will involve, among other things, inspections, investigations, surveys, tests, the development of cost estimates, the development of consensus building and community support through community outreach, the preparation of renderings and site plans, and an analysis of the feasibility of the sites depicted in Exhibit 1 and / or alternative or additional sites.

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BOARD COMMITTEE TRANSMITTAL

July 13, 2009

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: Buy America Review

Finance and Administration Committee meeting of June 24, 2009

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

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Receive and file EIDorado National, Inc. Post-Delivery Buy America Review, Internal Audit Report No. 09-035.



June 24, 2009

To: Finance and Administration Committee
From: *JK* James S. Kenan, Interim Chief Executive Officer
Subject: Buy America Review

Overview

The Internal Audit Department has conducted a post-delivery Buy America review for an Orange County Transportation Authority agreement to purchase 20 compressed natural gas cutaway transit vehicles.

Recommendation

Receive and file EIDorado National, Inc. Post-Delivery Buy America Review, Internal Audit Report No. 09-035.

Background

On May 29, 2007, the Orange County Transportation Authority (OCTA) Board of Directors authorized the Chief Executive Officer to execute Agreement No. C-6-0554 (Agreement) with Creative Bus Sales, Inc. (CBS), in an amount not to exceed \$3,345,348. The Agreement was executed on June 29, 2007, for the purchase of 20 compressed natural gas cutaway vehicles. EIDorado National, Inc. manufactures transit vehicles purchased by OCTA through agreements with CBS.

Transit agencies are required, through Code of Federal Regulation (CFR) Title 49 Chapter VI Part 661, to verify that transit vehicle costs of at least 60 percent are of United States (US) content, in conformity with the requirements of Section 165(a) or (b)3 of the Surface Transportation Act of 1982, as amended. The regulations specify that grant recipients must conduct or contract for pre-award and post-delivery reviews of vehicle manufacturers.

Discussion

At the request of the Contracts Administration and Materials Management (CAMM) Department, the Internal Audit Department (Internal Audit) performs pre-award and post-delivery Buy America reviews (reviews) to ensure compliance with federal Buy America requirements. These reviews require that Internal Audit visit manufacturer locations, review evidence establishing that the vehicle components or subcomponents were manufactured in the US, and obtain certifications of compliance with Buy America requirements from the manufacturers. Pre-award reviews are required for all transit vehicle purchases. Post-delivery reviews are only required if manufacturers' components and subcomponents, as proposed during the procurement and pre-award review process, change.

Summary

Based on the reviews performed, vehicles purchased by OCTA comply with the domestic content requirements of the federal Buy America guidelines.

Attachment

- A. EIDorado National, Inc. Post-Delivery Buy America Review, Internal Audit Report No. 09-035

Prepared by:

Kathleen M. O'Connell
Executive Director
(714) 560-5669



INTEROFFICE MEMO

May 12, 2009

To: Ken Phipps, Acting Executive Director
Finance and Administration

From: Ricco Bonelli, Senior Internal Auditor **RTB**
Internal Audit

Subject: **Internal Audit Report No. 09-035 - Procurement of 20
Compressed Natural Gas Cutaway Vehicles, Post-Delivery
Buy America Review**

Attached hereto is Internal Audit Report No. 09-035 - Procurement of 20
Compressed Natural Gas Cutaway Vehicles, Post-Delivery Buy America
Review

Appendix: Internal Audit Report No. 09-035 - Procurement of 20
Compressed Natural Gas Cutaway Vehicles, Post-Delivery Buy
America Review

c: Virginia Abadessa
Tom Meng
Tony Chavira
Kathleen O'Connell

**Orange County Transportation Authority
Internal Audit Department**



**EIDorado National, Inc.
Post-Delivery Buy America Review**

INTERNAL AUDIT REPORT NO. 09-035

May 12, 2009



Internal Audit Team:

Kathleen M. O'Connell, CPA, Executive Director of Internal Audit
Ricco Bonelli, Senior Internal Auditor

**Orange County Transportation Authority
EIDorado National, Inc.
Post-Delivery Buy America Review
May 12, 2009**

Conclusion.....	1
Background	1
Objectives, Scope and Methodology.....	1
Post-Delivery Buy America Compliance Certification	3
Audit Certification	4
Buy America Calculation - Schedule of Verified Components.....	5

Conclusion

At the request of the Contract Administration and Materials Management (Camm) Department, the Internal Audit Department (Internal Audit) performed a Post-Delivery Buy America Review to ensure compliance with federal Buy America requirements.

Internal Audit determined that the vehicles manufactured by EIDorado National, Inc. (EIDorado) for the Orange County Transportation Authority (OCTA) contain domestically manufactured components representing costs of at least 60 percent of the cost of the vehicles, that the final assembly location is within the United States (U.S.), and the final assembly activities reported by the manufacturer qualify as final assembly.

In Internal Audit's opinion, and based upon evidence provided by the manufacturer, the vehicles purchased by OCTA and manufactured by EIDorado are in compliance with the U.S. content and assembly provisions of federal Buy America guidelines.

Background

On May 29, 2007, the OCTA Board of Directors authorized the Chief Executive Officer to execute Agreement C-6-0554 (Agreement) with Creative Bus Sales, Inc., in an amount not to exceed \$3,345,348. The Agreement was executed on June 29, 2007, for the purchase of 20 compressed natural gas cutaway vehicles.

To ensure compliance with Buy America guidelines, transit agencies are required through Code of Federal Regulations (CFR), Title 49, Chapter VI, Part 663, to verify that vehicle costs of at least 60 percent are of U.S. content, in conformity with the requirements of Section 165(a) or (b)3 of the Surface Transportation Act of 1982, as amended. The regulations specify that the grant recipient must conduct, or contract for, a post-delivery review of the vehicle manufacturer unless the recipient is satisfied that the vehicle components did not change after the pre-award review.

The regulations further stipulate that the post-delivery review must be completed before vehicle title is transferred to the recipient, or before the buses are placed into revenue service, whichever is first. A post-delivery review consists of a Buy America certification, a purchaser's requirement certification, and a Federal Motor Vehicle Safety Standards (FMVSS) certification.

Objectives, Scope and Methodology

The objective of the Post-Delivery Buy America Review was to determine whether EIDorado constructed vehicles that have a U.S. component cost of at least 60 percent

**Orange County Transportation Authority
EIDorado National, Inc.
Post-Delivery Buy America Review
May 12, 2009**

of the total cost of the vehicle, to verify that the final assembly location of the vehicles was within the U.S., and that other Buy America requirements were met.

The scope of this review considered 20 buses purchased from EIDorado through Agreement No. C-6-0554.

Internal Audit's methodology included verifying costs by agreeing selected components and subcomponents listed on the manufacturer's post-audit schedule to invoices and/or purchase orders maintained by the manufacturer in Salinas, Kansas. To determine whether the final assembly location was within the U.S., Internal Audit reviewed the final assembly location and the list of final assembly activities reported by the manufacturer.

Post-Delivery Buy America Compliance Certification

As required by Title 49 of the CFR, Part 663 – Subpart C, Orange County Transportation Authority certifies that it is satisfied that the buses received, 20 compressed natural gas cutaway vehicles from Eldorado National, Inc., meet the requirements of Section 165(b)(3) of the Surface Transportation Assistance Act of 1982, as amended. The Orange County Transportation Authority's Internal Audit Department has reviewed documentation provided by the manufacturer, which lists (1) the actual component and subcomponent parts of the buses identified by the manufacturer, country of origin, and cost; and (2) the actual location of the final assembly point for the buses, including a description of the activities that took place at the final assembly point, and the cost of final assembly.

Date:

05/12/09

Signature:

Kathleen O'Connell

Kathleen O'Connell
Executive Director, Internal Audit
Orange County Transportation Authority

Audit Certification

I certify that I have conducted a post-delivery review of the documents relating to the manufacture of the 20 compressed natural gas cutaway vehicles by EIDorado National, Inc., for the Orange County Transportation Authority of Orange, California, according to the requirements of 49 CFR 663. Based on the documentation provided to me by EIDorado National, Inc., it appears that the vehicles purchased are in conformity with the requirements of Section 165 (a) or (b) (3) of the Surface Transportation Act of 1982, as amended.

Date: May 12, 2009

Signature: RTB

Ricco Bonelli
Senior Internal Auditor, Internal Audit
Orange County Transportation Authority

Buy America Calculation - Schedule of Verified Components

**BUY AMERICA CALCULATION
SCHEDULE OF VERIFIED COMPONENTS
ELDORADO NATIONAL, INC.**

Vendor Name	Component	Percentage of Total Cost
EIDorado National, Inc.	Base Body	14.69%
General Motors Corporation	Chassis	34.95%
Romeo Rim, Inc.	Rear Bumper	0.66%
Telma Incorporated	Brake Retarder	6.33%
A&M Systems Inc. / Kasa Fab, Inc.	Door Control Assemblies	1.56%
Carrier	Air Conditioning	2.93%
Q'Straint U.S.A.	Seat Restraint System	0.81%
Ricon Corporation	Door Lift	3.07%
		<hr/> <hr/> 65.00%



BOARD COMMITTEE TRANSMITTAL

July 13, 2009

To: Members of the Board of Directors
WK
From: Wendy Knowles, Clerk of the Board
Subject: Agreement for Janitorial Services

Transit Committee Meeting of June 25, 2009

Present: Directors Brown, Dalton, Dixon, Green, Pulido, and Winterbottom
Absent: Director Nguyen

Committee Vote

This item was passed by all Committee Members present.

Directors Brown and Pulido were not present to vote on this item.

Committee Recommendation

Authorize the Chief Executive Officer to execute Agreement C-9-0259 between the Orange County Transportation Authority and Diamond Contract Services, Inc., in an amount of \$4,097,939, for janitorial services at Orange County Transportation Authority-owned facilities for a three-year period with a two-year option.



June 25, 2009

To: Transit Committee

From:  James S. Kenan, Interim Chief Executive Officer

Subject: Agreement for Janitorial Services

Overview

On March 23, 2009, the Board of Directors approved the release of Request for Proposals 9-0259 for janitorial services for all Orange County Transportation Authority-owned facilities. Offers were received in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services.

Recommendation

Authorize the Interim Chief Executive Officer to execute Agreement C-9-0259 between the Orange County Transportation Authority and Diamond Contract Services, Inc., in an amount of \$4,097,939, for janitorial services at Orange County Transportation Authority-owned facilities for a three-year period with a two-year option.

Discussion

Janitorial services will be provided at all five Orange County Transportation Authority- (Authority) owned 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.

Procurement Approach

This procurement was handled in accordance with the 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. Award is recommended to the firm offering the most effective overall proposal

considering such factors as staffing, prior experience with similar projects, and approach to the requirements.

On March 23, 2009, the Board of Directors (Board) approved the release of a request for proposals (RFP) and evaluation criteria and weights to select contractors to provide janitorial services. The RFP was issued on March 26, 2009. An electronic notice was sent to 182 firms registered on CAMM NET. In addition, notice of the RFP was advertised in the Orange County Register on March 27, 2009 and March 31, 2009. A pre-proposal conference was held on April 2, 2009, and was attended by 24 firms.

Addendum No. 1 was issued on April 7, 2009, to notify the vendors of the date and time for the job walk at each base. Addendum No. 2 was issued on April 13, 2009, to post the pre-proposal conference registration sheets, answer questions received from prospective proposers, and for administrative changes.

On April 27, 2009, 10 proposals were received. An evaluation committee comprised of Authority staff from Contracts Administration and Materials Management, Health, Safety, & Environmental Compliance, Bus Operations, Maintenance, and Facility Maintenance was established to review all proposals submitted. The proposals were evaluated based on the following Board- approved criteria and weights:

- Qualifications of the Firm 30 percent
- Staffing 15 percent
- Work Plan 30 percent
- Cost and Price 25 percent

The weighting deviated from the 25 percent norm for each criterion except for cost and price. Given the nature of the work, staffing is not as critical to the performance as is the work plan or qualifications of the firm. Therefore, the staffing criteria weighting is less than the standard 25 percent. The work plan and firm qualifications were given a higher value because it demonstrates how the proposing firm will utilize the work force to accomplish the necessary tasks and the firm's ability to show that the firm has performed similar work successfully in the past.

Included in this RFP is the optional health insurance incentive program, approved by the Board in November 2006. The incentive program allows 10 additional points added to the total score if a minimum level of health insurance coverage is provided. The incentive is voluntary and contractors are

not obligated to provide employee health insurance in order to submit an offer or be considered for contract award.

The contract is a firm-fixed price based on fixed-monthly rates for each of the 14 locations. The contract will be for a three-year term with a two-year option term effective August 1, 2009 through July 31, 2012.

Based on the initial evaluation of the proposals, five firms, Corporate Image Maintenance (Corporate), Diamond Contract Services, Inc. (Diamond), Empire Building & Environmental Services, Inc. (Empire), KBM Facility Solutions (KBM), and Uniserve Facilities Services Co. (Uniserve), had the highest rankings and were invited for interviews.

On May 11, 2009 and May 14, 2009, the evaluation committee conducted interviews with the short-listed firms. After the interviews, the evaluation committee requested a best and final offer (BAFO) from the five short-listed firms to clarify the services that will be required at Irvine Base II and Santa Ana Transit Terminal (SATT), as well as to better define the proposed health insurance coverage.

On May 18, 2009, a BAFO was received from each of the five short-listed firms. Based on the interviews and BAFO, the evaluation committee determined that Corporate, Empire, and KBM did not offer proposals that were as thorough as Diamond or Uniserve.

KBM did not provide the information on the key personnel to perform the work in the scope of work. The firm's work plan was too general and lacked details on providing the service for all locations.

Corporate proposed performance standards that were lower than the standards specified in the scope of work. Corporate also demonstrated less understanding of the Authority's requested services in the proposal, interview, and BAFO, especially for the services at SATT and Irvine Base II. The monthly labor hours proposed by Corporate are fewer than all other short-listed firms, which was determined insufficient to accomplish the level of service required in the scope of work by the evaluation committee.

Empire had good related project experience in performing the services in the scope of work. However, Empire did not provide any information regarding the quality control manager proposed in its proposal and the firm's use of a casual employment pool to cover vacancies may affect the quality of service provided.

Based on the interviews and BAFO, the evaluation committee scored Diamond the highest final ranking firm, whose proposal was most advantageous to the Authority. Uniserve had the second highest ranking.

Firm and Location

Diamond Contract Services, Inc.
Burbank, California

Uniserve Facilities Services
Los Angeles, CA

Qualifications of Firm

Both Uniserve and Diamond rated high in the area of qualifications, with Uniserve scoring 26.4 and Diamond 24.6 out of a possible 30. These two firms had extensive experience and capacity to support the work efficiently and effectively. Diamond currently provides janitorial services to the Authority, the City of Tustin, and the City and County of Los Angeles.

Staffing and Project Organization

Both Uniserve and Diamond proposed staff with the requisite experience, with Uniserve scoring 10.5 and Diamond 12.6 out of a possible 15. The key staff of Diamond has vast experience in providing janitorial services and resolving complaints in a timely and satisfied manner. The proposed project manager has over 23 years of janitorial management experience and is also certified to handle blood borne pathogens. Diamond proposed a quality control manager that has over 30 years of quality and operations management experience.

Uniserve proposed two area supervisor positions; however, the firm did not identify the supervisors or quality control manager to perform the work in the specified tasks in the firm's proposal or in the interview.

Work Plan

The work plans proposed by Uniserve and Diamond conformed to the scope of work identified in the RFP. The work plan proposed by Diamond thoroughly addressed every task in the RFP and demonstrated superior knowledge and understanding of the Authority's requirements compared to Uniserve. In the interview, Diamond presented an excellent understanding of the project requirements to successfully provide janitorial services at all 14 locations. Due

to these factors, Uniserve only scored 24.6, while Diamond scored 27 out of a possible 30.

During the interview, Uniserve did not demonstrate an understanding of the Authority's requested services, especially for the services at SATT and Irvine Base II. The firm's work plan lacked the specific details on providing the service for all locations.

The team from Diamond demonstrated an outstanding comprehension of allocating the labor hours to accomplish the requested services for each location. While the monthly labor hours proposed by Uniserve is 44 hours more than Diamond, the evaluation committee determined the proposed number of hours by Diamond were sufficient to accomplish the level of services required in the scope of work.

Cost and Price

The amount proposed is based on the monthly firm-fixed price for 14 locations, which includes five bus maintenance and operation bases, Garden Grove Annex, Garden Grove Marketing Warehouse, six transit centers, and the Fullerton Park-and-Ride facility. Diamond's proposed pricing is about 3.9 percent higher than Uniserve, thus scoring 18.4 versus Uniserve's 19 out of a possible 25.

The evaluation committee felt that the price proposed by Diamond was justified considering the level of services provided and quality of key personnel. The price proposed by Diamond is lower than the current rates Diamond is charging for this service.

Diamond is the highest final ranked firm and demonstrated superior knowledge and understanding of the Authority's requirements when compared to Uniserve, scoring 93 versus Uniserve's 91 out of a possible 100. Diamond's proposed staff has extensive janitorial management experience. Diamond's work plan addressed every task in the RFP while Uniserve's work plan was vague and lacked specificity. Based on the evaluation of the written proposals and information obtained from the interviews, it is recommended that Diamond Contract Services, Inc., be considered for award of this contract.

Fiscal Impact

The project was proposed in the Authority's Fiscal Year 2009-10 Budget, Transit Division, Maintenance Department, Account 2166-7615-D3107-2WR, and is 80 percent funded with Federal Transit Administration Formula

5307 Preventive Maintenance funds and 20 percent funded with the Local Transportation Fund.

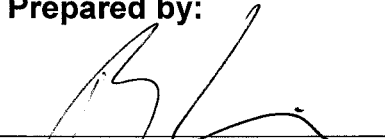
Summary

Staff recommends award of Agreement No. C-9-0259 to Diamond Contract Services, Inc., in the amount of \$4,097,939, for janitorial services.

Attachments

- A. Review of Proposals RFP 9-0259 Janitorial Services
- B. Proposal Evaluation Criteria Matrix RFP 9-0259 Janitorial Services
- C. Contract History for the Past Two Years RFP 9-0259 Janitorial Services

Prepared by:




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Approved by:



Beth McCormick
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Virginia Abadessa
Director, Contracts Administration and
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**Review of Proposals
RFP 9-0259 - Janitorial Services**

Overall Ranking	Overall Score	Firm & Location	Sub-Contractors	Evaluation Committee Comments	Pricing
1	93	Diamond Contract Services, Inc. Burbank, California	None	Highest ranked firm Firm and staff have extensive similar project experience Excellent knowledge and understanding of requirements Provided a clear and detailed work plan and approach Available and adequate resource to support project Clear demonstration of their commitment and enthusiasm Currently providing the service to the Authority and City of Tustin	<u>Yearly Rate</u> 1st year \$1,332,392 2nd year \$1,365,702 3rd year <u>\$1,399,845</u> Total \$4,097,939
2	91	Uniserve Facilities Services Los Angeles, California	None	Well established and qualified firm Firm and staff have similar project experience Good work plan and approach, yet lacked specific detail on providing janitorial services for all locations Good transition and implementation plan Did not identify the proposed two area supervisors or quality control manager in the proposal or in the interview	<u>Yearly Rate</u> 1st year \$1,281,869 2nd year \$1,313,915 3rd year <u>\$1,346,763</u> Total \$3,942,547
3	90	Corporate Image Maintenance Santa Ana, California	None	Firm and key staff have good experience with similar projects Demonstrated less understanding of requested services in the proposal and in the interview Have in-house repair capability for most equipment Lowest pricing proposed Proposed fewer labor hours than all other short-listed firms which was determined insufficient to accomplish the level of service required in the scope of work	<u>Yearly Rate</u> 1st year \$ 985,500 2nd year \$1,005,276 3rd year <u>\$1,025,400</u> Total \$3,016,176
4	90	Empire Building & Environmental Services Inc. Alhambra, California	None	Good firm with related experience to scope of work Key personnel has related project experience with similar projects Use casual employment pool to cover vacancies Competitive pricing proposed	<u>Yearly Rate</u> 1st year \$1,197,168 2nd year \$1,209,924 3rd year <u>\$1,221,960</u> Total \$3,629,052
5	80	KBM Facility Solutions San Diego, California	None	Firm and staff have requisite experience Good environmental approach to cleaning Work plan was general and lacked specificity Good training programs Will not provide health insurance benefit to full-time employees	<u>Yearly Rate</u> 1st year \$1,052,142 2nd year \$1,094,228 3rd year <u>\$1,137,997</u> Total \$3,284,367

Evaluation Panel: (5)

Contract Administration and Materials Management
Bus Operations
Health, Safety and Environmental Compliance
Facility Maintenance
Maintenance

Proposal Criteria

Qualifications of Firm
Staffing and Project Organization
Work Plan
Cost and Price
Health Benefit Incentive Points

Weight Factor

30 Percent
15 Percent
30 Percent
25 Percent
10 Points

PROPOSAL EVALUATION CRITERIA MATRIX							
RFP 9-0259 JANITORIAL SERVICES							
Firm: Diamond Contract Services, Inc.						Weights	Average Weighted Score
Evaluation Number	1	2	3	4	5		
Qualification of Firm	4.5	3.5	4.0	4.5	4.0	6	24.6
Staffing/Project Organization	4.0	4.0	4.5	4.5	4.0	3	12.6
Work Plan	4.5	4.5	4.5	4.5	4.5	6	27.0
Cost and Price	3.7	3.7	3.7	3.7	3.7	5	18.4
Sub-Total Score	84.3	78.5	83.0	86.0	81.5		82.6
Health Benefit Incentive Point (10 points)							10.0
Overall Score							93
Firm: Uniserve Facilities Services						Weights	Average Weighted Score
Evaluation Number	1	2	3	4	5		
Qualification of Firm	4.0	5.0	4.0	4.0	5.0	6	26.4
Staffing/Project Organization	3.5	4.0	3.0	4.0	3.0	3	10.5
Work Plan	4.0	4.5	4.0	4.0	4.0	6	24.6
Cost and Price	3.8	3.8	3.8	3.8	3.8	5	19.0
Sub-Total Score	77.5	88.0	76.0	79.0	82.0		80.5
Health Benefit Incentive Point (10 points)							10.0
Overall Score							91
Firm: Corporate Image Maintenance						Weights	Average Weighted Score
Evaluation Number	1	2	3	4	5		
Qualifications of Firm	4.0	4.0	4.0	4.0	4.0	6	24.0
Staffing/Project Organization	3.0	3.5	3.5	3.5	3.0	3	9.9
Work Plan	3.0	3.0	4.0	4.0	3.5	6	21.0
Cost and Price	5.0	5.0	5.0	5.0	5.0	5	25.0
Sub-Total Score	76.0	77.5	83.5	83.5	79.0		79.9
Health Benefit Incentive Point (10 points)							10.0
Overall Score							90
Firm: Empire Building & Environmental Services, Inc.						Weights	Average Weighted Score
Evaluation Number	1	2	3	4	5		
Qualifications of Firm	3.5	3.5	4.0	4.5	4.0	6	23.4
Staffing/Project Organization	3.5	3.5	4.0	4.0	3.5	3	11.1
Work Plan	4.5	4.0	4.0	4.0	4.0	6	24.6
Cost and Price	4.2	4.2	4.2	4.2	4.2	5	21.0
Sub-Total Score	79.5	76.5	81.0	84.0	79.5		80.1
Health Benefit Incentive Point (10 points)							10.0
Overall Score							90
Firm: KBM Facility Solutions						Weights	Average Weighted Score
Evaluation Number	1	2	3	4	5		
Qualification of Firm	4.0	4.0	4.0	4.0	4.5	6	24.6
Staffing/Project Organization	2.5	3.0	3.5	3.0	3.5	3	9.3
Work Plan	4.0	3.5	4.0	4.0	4.0	6	23.4
Cost and Price	4.5	4.5	4.5	4.5	4.5	5	22.5
Sub-Total Score	79.0	77.5	82.0	80.5	85.0		79.8
Health Benefit Incentive Point (10 points)							0.0
Overall Score							80

Scores for the non-short-listed firms ranged from 68.7 to 47.1

CONTRACT HISTORY FOR THE PAST TWO YEARS
RFP 9-0259
Janitorial Services

Firm - Prime Only	Contract No.	Description	Contract Start Date	Contract Completion Date	Contract Amount
Diamond Contract Services, Inc.	C-6-0868	Janitorial Services	5/14/2007	7/31/2009	\$ 2,712,500
Subtotal					\$ 2,712,500
Corporate Image Maintenance	C-6-0854	Bus Cleaning Services	5/1/2007	4/30/2010	\$ 1,050,000
Subtotal					\$ 1,050,000
Empire Building & Environmental Services, Inc.	None	No Contracts Awarded	NA	NA	\$0
Subtotal					\$0
KBM Facility Solutions	None	No Contracts Awarded	NA	NA	\$0
Subtotal					\$0
Uniserve Facilities Services Co.	None	No Contracts Awarded	NA	NA	\$0
Sub Total					\$0



MEMO

July 8, 2009

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: **Board Committee Transmittal for Agenda Item**


The following item is being discussed at a Committee meeting which takes place subsequent to distribution of the Board agenda. Therefore, you will be provided a transmittal following that Committee meeting (and prior to the Board meeting) informing you of Committee action taken.

Thank you.



July 9, 2009

To: Transit Committee

From: James S. Kenan, Interim Chief Executive Officer 

Subject: Agreement for Installation of Worker's Fall Protection System at the Anaheim, Garden Grove, and Santa Ana Bus Bases

Overview

The Orange County Transportation Authority needs to install a worker's fall protection system at the Anaheim, Garden Grove, and the Santa Ana bus bases for the safety of bus mechanics. The project is ready for construction and the Board of Directors' authorization is required.

Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-9-0397 between the Orange County Transportation Authority and L.H. Engineering Company, Inc., the lowest responsive, responsible bidder, in an amount not to exceed \$670,000, for the installation of a worker's fall protection system at the Anaheim, Garden Grove, and Santa Ana bus bases.

Discussion

The Orange County Transit District, predecessor to the Orange County Transportation Authority (Authority), completed construction of the Anaheim Bus Base in 1983, the Garden Grove Bus Base in 1977, and the Santa Ana Bus Base in 2005. A worker's fall protection system is required for bus service mechanics to work on a bus roof when servicing or repairing the compressed natural gas bus fleet. The worker's fall protection system will prevent serious injury to bus mechanics that may accidentally fall from the bus roof.

On November 2007, the Authority executed a contract task order with STV, Inc., to provide design and construction support services for the installation of a worker's fall protection system at the Anaheim, Garden Grove, and Santa Ana bus bases.

The project consists of installing a dual cable life safety line in each of the bus service repair bays, as required by the State of California Division of Occupational

Safety and Health, and relocation of associated overhead utilities at each bus base. The worker's fall protection system includes installation of a horizontal cable supported and secured at each end by a steel support frame, which is fastened to the maintenance building's structural steel frame. A bus service mechanic wearing a full body harness, with a self retracting lifeline connected to the cable, will be able to work safely and unrestricted along the entire roof of the bus. In the event of an accidental fall, the self retracting lifeline will automatically lock and arrest the falling worker.

Procurement Approach

This procurement was 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.

Invitation for Bids No. 9-0397, was released on April 16, 2009, and posted on CAMM NET with an electronic notification being sent to 897 firms. The project was advertised on April 17 and April 21, 2009, in a newspaper of general circulation. A pre-bid conference was held on April 23, 2009, and was attended by 14 firms. Addendum No. 1 was issued to post pre-bid attendee sheets, Addendum No. 2 was issued to answer questions that were received, and Addendum No. 3 was issued to respond to clarification to questions. On May 11, 2009, six bids were received.

All bids were reviewed by staff from the Rail Programs Division and the Contracts Administration and Materials Management Department to ensure compliance with the terms and conditions, specifications, and drawings. Based on the evaluation of the bids received, the three lowest responsive, responsible bidders for the installation of a worker's fall protection are identified below. State law requires award to the lowest responsive, responsible bidder.

<u>Firm and Location</u>	<u>Bid Price</u>
L.H. Engineering Company, Inc. Anaheim, California	\$670,000
Horizons Construction Company International, Inc. Anaheim, California	\$674,300
Adams Mallory Construction Company, Inc. Placentia, California	\$716,223

The engineer's estimate for this project is \$725,000. Staff recommends award of the installation of a worker's fall protection system contract to L.H. Engineering Company, Inc., the lowest responsive, responsible bidder, in an amount not to exceed \$670,000.

Fiscal Impact

The project was approved in the Authority's Fiscal Year 2009-10 Budget, Rail Programs, Account 1722-9022-D3120-FY9, and will be 100 percent funded through the American Recovery and Reinvestment Act of 2009 as approved by the Authority's Board of Directors in March 2009.

Summary

Based on the information provided, staff recommends award of Agreement No. C-9-0397 to L.H. Engineering Company, Inc., in an amount not to exceed \$670,000, for the installation of a worker's fall protection system at the Anaheim, Garden Grove, and Santa Ana bus bases.

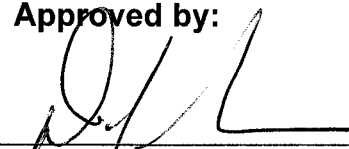
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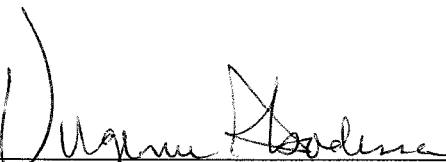
None.

Prepared by:


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Approved by:


Darrell Johnson
Executive Director, Rail Programs
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Virginia Abadessa
Director, Contracts Administration and
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MEMO

July 8, 2009

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: **Board Committee Transmittal for Agenda Item**

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Thank you.



July 9, 2009

To: Transit Committee

From: *JK* James S. Kenan, Interim Chief Executive Officer

Subject: Agreement for Replacement of Bus Vehicle Lifts at the Anaheim, Garden Grove, and Irvine Sand Canyon Bus Bases

Overview

The Orange County Transportation Authority needs to replace the bus vehicle lifts in the steam clean area at the Anaheim, Garden Grove, and Irvine Sand Canyon bus bases. The project is ready for construction and the Board of Directors' approval is requested to execute the agreement.

Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-9-0212 between the Orange County Transportation Authority and Dalke & Sons Construction, Inc., the lowest responsive, responsible bidder, in an amount not to exceed \$699,800, for the replacement of bus vehicle lifts in the steam clean areas at the Anaheim, Garden Grove, and Irvine Sand Canyon bus bases.

Discussion

The Orange County Transit District, predecessor to the Orange County Transportation Authority (Authority), completed construction of the Anaheim Bus Base in 1983, the Garden Grove Bus Base in 1977, and the Irvine Sand Canyon Bus Base in 1981. The bus vehicle lifts at the Anaheim and Irvine Sand Canyon bus bases were installed during the original construction of the bases. The bus vehicle lifts at the Garden Grove Bus Base were replaced in 1995. These bus vehicle lifts are utilized to assist in the cleaning of the bus engine, battery, and undercarriage areas with high-pressure water. On April 17, 2008, the Authority executed a contract task order with STV, Inc., to provide design and construction support services for the replacement of the bus vehicle lifts at the Anaheim, Garden Grove, and Irvine Sand Canyon bus bases.

The project consists of removing the existing bus vehicle lifts in the steam clean area and installing new bus vehicle lifts, including the electrical,

mechanical, plumbing, and control systems at the Anaheim, Garden Grove, and Irvine Sand Canyon bus bases. The existing bus vehicle lifts are in poor condition, requiring frequent and extensive repairs, and therefore need to be replaced to reduce maintenance costs and aid in vehicle inspections.

Procurement Approach

This procurement was 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.

Invitation for Bids No. 9-0212 was released on February 5, 2009, and posted on CAMM NET with an electronic notification being sent to 1103 firms. The project was advertised on February 7 and February 12, 2009, in a newspaper of general circulation. A pre-bid conference was held on February 13, 2009, and was attended by nine firms. Addenda Nos. 1 and 2 were issued to post minor administrative issues. Addendum No. 3 was issued to post responses to questions, to amend the specifications, and to identify two approved equals. Addenda Nos. 4 and 5 were issued to post administrative changes. Addendum No. 6 was issued to advise bidders that revised drawings were available. On April 10, 2009, seven bids were received.

All bids were reviewed by staff from the Rail Programs Division and the Contracts Administration and Materials Management Department to ensure compliance with the terms and conditions, specifications, and drawings. Upon the evaluation of the bids received, listed below are the three lowest responsive, responsible bidders for the replacement of the bus vehicle lifts at the Anaheim, Garden Grove, and Irvine Sand Canyon bus bases. State law requires award to the lowest responsive, responsible bidder.

<u>Firm and Location</u>	<u>Bid Price</u>
Dalke & Sons Construction, Inc. Riverside, California	\$699,800
Peterson Hydraulics, Inc. Gardena, California	\$738,245
Fleming Environmental, Inc. Buena Park, California	\$750,916

The engineer's estimate for this project is \$676,912. The recommended firm's bid is within 3 percent of the engineer's estimate and therefore considered fair and reasonable. Staff recommends award of the bus vehicle lift contract to Dalke & Sons Construction, Inc., the lowest responsive, responsible bidder, in an amount not to exceed \$699,800.

Fiscal Impact

The project was approved in the Authority's Fiscal Year 2009-10 Budget, Rail Programs, Account 1722-9022-D3120-KWH, and will be funded through Section 5307 formula funds, in the amount of \$559,840, with the local 20 percent match of \$139,960, funded through the Orange County Transit District.

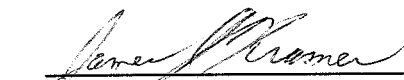
Summary

Based on the information provided, staff recommends award of Agreement No. C-9-0212 to Dalke & Sons Construction, Inc., in an amount not to exceed \$699,800, for the replacement of bus vehicle lifts at the Anaheim, Garden Grove, and Irvine Sand Canyon bus bases.

Attachment

None.

Prepared by:



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Approved by:



Darrell Johnson
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BOARD COMMITTEE TRANSMITTAL

July 13, 2009

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Bus Service Reduction Update

Transit Committee Meeting of June 25, 2009

Present: Directors Brown, Dalton, Dixon, Green, Pulido, and Winterbottom
Absent: Director Nguyen

Committee Vote

This item was passed by all Committee Members present.


Director Pulido was not present to vote on this item.

Committee Recommendation (reflects change from staff recommendation)

Direct staff to prepare recommendations for the remainder of the necessary bus service reductions with the March 2010 Service Change program and include a revised Attachment D (i.e. Proposed Bus Service Reduction Program June 2009 – March 2010).



June 25, 2009

To: Transit Committee
From:  James S. Kenan, Interim Chief Executive Officer
Subject: Bus Service Reduction Update

Overview

At the June 8, 2009, Board of Directors meeting, alternatives were presented for the bus service reductions required with the September 2009 Service Change program. At that time, the Board of Directors adopted a preferred strategy to make the necessary reductions in September 2009 and directed staff to return in 30 days with a proposed strategy to make the remainder of the necessary bus service reductions.

Recommendation

Direct staff to make the remainder of the necessary bus service reductions with the March 2010 Service Change program.

Discussion

In March 2009, the Board of Directors (Board) took action and directed staff to prepare plans to reduce service to meet a projected annual operating revenue shortfall, at that time estimated to be approximately \$33 million. It was estimated that approximately 400,000 annual revenue vehicle hours (RVH) of service, or approximately 22 percent of the total annual RVH, needed to be reduced. The Board was presented with various strategies for making these reductions. The strategy that was preferred and adopted by the Board was to make the necessary reductions over the course of the next year with each service change, in 100,000 annual RVH increments. The first of these four increments of 100,000 annual RVH was presented at the June 8, 2009, Board meeting for consideration.

After analysis of system ridership and utilization, and an extensive public input process, staff developed a service reduction proposal involving 29 bus routes that would meet the targeted 100,000 annual RVH reduction scheduled for September 2009. This proposal included reducing frequency of service,

reducing the span of service, elimination of route segments, selected trip reductions, and the elimination of the Owl service. There was extensive public comment regarding the reduction in the span of service and concerns expressed by major employers within the County regarding the elimination of Owl service. In response to these concerns, an alternate motion was made and adopted by the Board to continue Owl service through December 31, 2009, and to remove any planned reductions in weekday span of service that impact eight or more customers.

As a result of these changes to the staff proposal, six fewer routes will have changes to span of service. Routes 21, 24, and 37 will have no change, and routes 62, 91, and 187 will only have changes to selected trips (Attachment A). With this change, there are eight weekday routes that will have span of service reduction (Attachment B). These changes, in addition to leaving Owl service in place, still yield the targeted reduction of 100,000 RVH. The original staff proposal was to reduce about 104,078 annual RVH or approximately \$8.85 million on an annual basis. The Board-adopted alternative will reduce about 100,040 annual RVH and reduce costs by approximately \$8.5 million. This will require a work force reduction of approximately 60 coach operators, 10 mechanics, and 5 service workers.

The Board also directed staff to return with an analysis of the feasibility of making the remainder of the planned service reduction at one time, in conjunction with the December 2009 Service Change program. There was consensus on the Board that this approach may be advantageous to customers, as the changes would be made once, and it would provide full disclosure of all planned changes and allow customers to better plan trips and make other arrangements when necessary.

A one-time reduction in service versus an incremental approach is also favored by staff; however, it would be very difficult to meet the schedule to accomplish this by December. The lead time required for a service change is approximately 26 weeks. The first critical date would be the public hearing, which would need to be held at the July 27, 2009, Board meeting. The long lead time required for this process and the magnitude of the work required to reduce 300,000 annual RVH at the December service change does not allow ample time for the analysis required.

As an alternate approach, staff recommends making the remaining planned 300,000 RVH reduction with the March 2010 Service Change. This would allow staff the time required to analyze the impacts of the combined 233,000 RVH reductions made in December 2008, March, June, and September 2009, and to conduct additional analysis for future reductions. This schedule would

provide time to conduct a broader based analysis of the future impacts of the planned transit elements of Renewed Measure M (M2), such as Go Local and community circulators, and conduct a more thorough analysis of service demand and identify areas where duplicative services may exist. This may be particularly helpful in areas that do not currently have a high level of service such as south county. In addition, this would allow time to conduct outreach to employers that may be impacted by the service reductions and explore the possibility of expanding the vanpool program.

Should the Board chose this option, a public hearing would be required in October 2009. A service reduction of this magnitude will require that staff continue to use already employed strategies such as reducing frequency of service, reducing span of service, and discontinuation of lower utilized route segments. It will also require that staff employ more severe methods, such as discontinuation of some services during mid-day hours, and cancellation of some services on the weekend as well as some complete route cancellations. The process will be very difficult and additional time for public, staff, and Board review of service reduction proposals would be beneficial. Staff has developed a tentative schedule for key Board dates and the public input process (Attachment D).

Deferring the service reduction until March 2010 is cost neutral. Under this scenario, the reduction planned for December 2009 would be delayed, but the reduction planned for June 2010 would be accelerated to March 2010. This schedule would also defer any additional lay-offs of bargaining unit or administrative staff until the service change in March. This will allow for three additional months of staff attrition and could reduce the necessity to layoff nearly 20 bargaining unit employees. It is anticipated that the 300,000 RVH service reduction will require a work force reduction of approximately 190 coach operators, 28 mechanics, and 16 service workers. The estimated annualized savings of this reduction is \$25.5 million.

During this same time period, negotiations with the Teamsters Local 952 will begin, as the contract for the coach operators expires April 30, 2010. Increased flexibility in rules that govern this agreement could ultimately reduce operating costs and preserve more service and jobs in the future. Staff will be discussing these issues with the Board in the coming months.

As recently reported, the revenue forecast continues to decline and additional service reductions or other cost saving or revenue enhancement measures may be necessary. Staff believes the reductions currently planned will be sufficient at this time and further analysis of the impact of the reductions is necessary. Other measures must be considered such as a fare increase, other

factors impacting revenue, administrative staff reductions, contracting service, and use of operating facilities.

Summary

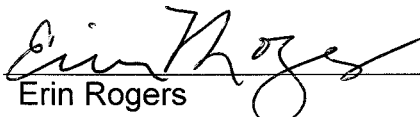
Based on the information provided, staff recommends the remainder of the planned bus service reductions be made with the March 2010 Service Change program.


Attachments

- A. Span Trips (First and/or Last Trips of the Day) to be Maintained
- B. Span Trips (First and/or Last Trips of the Day) to be Eliminated
- C. September 2009 Service Program Estimated Resource and Passenger Impacts Comparison of Options with Approved Option C
- D. Proposed Bus Service Reduction Program June 2009 – March 2010

Prepared by:

Approved by:


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Span Trips (First and/or Last Trips of the day) to be Maintained

LINE	ROUTE LOCATION	DAY OF WEEK	PROPOSED CHANGE	PASSENGER IMPACT
21	Fullerton to Huntington Beach via Valley View Boulevard	Weekday	Delete 8:10 p.m. Southbound (span)	11
24	Fullerton To Orange via Malvern Avenue/Chapman Avenue/Tustin Avenue	Weekday	Delete 5:00 a.m. Eastbound (span)	10
24			Delete 4:55 a.m. Westbound (span)	9
24			Delete 5:25 a.m. Westbound (span)	14
37	La Habra to Fountain Valley via Euclid Street	Weekday	Delete 10:00 p.m. Northbound (span)	8
37			Delete 10:24 p.m. Southbound (span)	12
62	Huntington Beach to Santa Ana via Goldenwest Street/Hazard Avenue/ Civic Center Drive	Weekday	Delete 5:30 a.m. Eastbound (span)	14
62			Delete 8:20 p.m. Eastbound (span)	10
62			Delete 7:20 p.m. Westbound (span)	16
91	Laguna Hills to San Clemente via Paseo de Valencia/	Weekday	Delete 10:08 p.m. Northbound (span)	8 *
91	Camino Capistrano/Del Obispo Street		Delete 10:13 p.m. Southbound (span)	9 *
187	Laguna Hills to Dana Point via El Toro Road/Aliso Creek Road/Niguel Road	Weekday	Delete 5:40 a.m. Northbound (span)	11

* More recent data (April 2009) shows these trips carried 21 and 17 passengers respectively.

Span Trips (First and/or Last Trips of the day) to be Eliminated

LINE	ROUTE LOCATION	DAY OF WEEK	PROPOSED CHANGE	PASSENGER IMPACT
26	La Habra to Yorba Linda via Imperial Highway	Weekday	Delete 951pm Eastbound (long) (span)	8
26			Delete 505am Westbound (short) (span)	6
38	Lakewood to Anaheim Hills via Del Amo Boulevard/ La Palma Avenue	Weekday	Delete 333am Eastbound (short) (span)	5
38			Delete 404am Eastbound (short) (span)	6
38			Delete 1230am Westbound (short) (span)	5
62	Huntington Beach to Santa Ana via Goldenwest Street/ Hazard Avenue /Civic Center Drive	Weekday	Delete 720pm Eastbound (span)	7
62			Delete 5:25 a.m. Westbound (span)	5
62			Delete 8:20 p.m. Westbound (span)	8
76	Huntington Beach to Newport Beach via Talbert Road/ MacArthur Boulevard	Weekday	10:12 p.m. Westbound (span)	6
83	Anaheim to Laguna Hills via 5 Freeway/Main Street	Weekday	Delete 11:10 p.m. Northbound (span)	2
83			Delete 11:11 p.m. Southbound (span)	5
85	Mission Viejo to Dana Point via Marguerite Parkway/ Crown Valley Parkway	Weekday	Delete 5:06 a.m. Northbound (span)	3
85			Delete 5:31 a.m. Northbound (span)	5
85			Delete 8:31 p.m. Northbound (span)	7
85			Delete 9:16 p.m. Northbound (span)	5
85			Delete 10:08 p.m. Northbound (span)	5
85			Delete 5:00 a.m. Southbound (span)	4
85			Delete 10:18 p.m. Southbound (span)	4
187	Laguna Hills to Dana Point via El Toro Road/ Aliso Creek Road/Niguel Road	Weekday	Delete 5:30 a.m. Southbound (span)	5
721	Fullerton to Los Angeles Express via 110 Freeway/91 Freeway	Weekday	Delete 5:00 a.m. Northbound (span)	4
721			Delete 6:00 a.m. Southbound (span)	4

SEPTEMBER 2009 SERVICE PROGRAM

Estimated Resource and Passenger Impacts

LINE	ROUTE LOCATION	DAY OF WEEK	ANNUAL			DESCRIPTION OF CHANGE	WEEKDAY RIDERS IMPACTED	SATURDAY RIDERS IMPACTED	SUNDAY RIDERS IMPACTED	NOTES	LINE
			WEEKDAY REVENUE VEHICLE HOURS	SATURDAY REVENUE VEHICLE HOURS	SUNDAY REVENUE VEHICLE HOURS						
20	La Habra to Yorba Linda via Imperial	Weekday	2,920			Headway 60" to 95"	404			Approximately 404 daily riders will see frequency reduced from 60" to 95"	20
26	Fullerton to Yorba Linda via Commonwealth/YL Blvd	Weekday	197			Delete 534am Eastbound (short) (not span)	6			Approximately 6 daily riders will need to take an earlier or later trip	26
26			197			Delete 951pm Eastbound (long) (span)	8			Approximately 8 daily riders will need to take an earlier trip	26
26			197			Delete 505am Westbound (short) (span)	6			Approximately 6 daily riders will need to take a later trip	26
29	Brea to Huntington Bch via Beach Blvd	Weekday	13,637			Peak headway from 15" to 20"	9,600			Approximately 9600 daily riders will see frequency reduced from 15" to 20"	29
29		Saturday		780		Headway 15" to 18" all day		6,500		Approximately 6500 daily riders will see frequency reduced from 15" to 18"	29
29		Sunday			390	Headway 15" to 18" all day			4,300	Approximately 4300 daily riders will see frequency reduced from 15" to 18"	29
33	Fullerton to Huntington Bch via Magnolia St	Saturday		307		Headway 60" to 65" all day		1,200		Approximately 1200 daily riders will see frequency reduced from 60" to 65"	33
33		Sunday			345	Headway 60" to 65" all day			1,200	Approximately 1200 daily riders will see frequency reduced from 60" to 65"	33
38	Lakewood to Anaheim Hills via Del Amo/La Palma	Weekday	4,391			Peak headway from 8" to 15"	2,800			Approximately 2800 daily riders will see frequency reduced from 8" to 15"	38
38			255			Delete 333am Eastbound (short) (span)	5			Approximately 5 daily riders will need to take a later trip	38
38			255			Delete 404am Eastbound (short) (span)	6			Approximately 6 daily riders will need to take a later trip	38
38			255			Delete 1020pm Eastbound (long) (not span)	14			Approximately 14 daily riders will need to take an earlier trip	38
38			255			Delete 1230am Westbound (short) (span)	5			Approximately 5 daily riders will need to take an earlier trip	38
38		Saturday		645		Headway 30" to 45" all day		2,900		Approximately 2900 daily riders will see frequency reduced from 30" to 45"	38
38		Sunday			719	Headway 30" to 45" all day			2,400	Approximately 2400 daily riders will see frequency reduced from 30" to 45"	38
43	La Habra to Costa Mesa via Whittier/Harbor Blvds	Weekday	10,792			Peak headway from 10" to 15"	1,800			Approximately 1800 daily riders will see frequency reduced from 10" to 15"	43
43		Saturday		2,718		Headway from 20/15 to 25/18		12,300		Approximately 12300 daily riders will see frequency reduced by 3" to 5"	43
43		Sunday			1,826	Headway 15" to 18" all day			9,600	Approximately 9600 daily riders will see frequency reduced by 3"	43
46	Los Alamitos to Orange via Ball/Taft	Sunday			71	659pm Eastbound (span)			10	Approximately 10 daily riders will need to take an earlier trip	46
50	Long Beach to Orange via Katella Ave	Weekday	4,457			Short Line	6,700			Approximately 6700 daily riders may have to adjust their trip times by 30"	50
50		Saturday		548		Short Line		4,300		Approximately 4300 daily riders may have to adjust their trip times by 30"	50
50		Sunday			611	Short Line			3,700	Approximately 3700 daily riders may have to adjust their trip times by 30"	50
51	Santa Ana to Costa Mesa via Flower St	Saturday		316		Headway 40" to 60" all day		725		Approximately 725 daily riders will see frequency reduced from 40" to 60"	51
51		Sunday			315	Headway 40" to 60" all day			637	Approximately 637 daily riders will see frequency reduced from 40" to 60"	51
54	Garden Grove to Orange via Chapman Ave	Weekday	5,605			Peak Headway 15" to 20"	1,005			Approximately 1005 daily riders will see frequency reduced from 15" to 20"	54
54		Saturday		255		Delete 957pm Eastbound (span)		6		Approximately 6 daily riders will need to take an earlier trip	54
54				649		Headway 30" to 35" all day			460	Approximately 460 daily riders will see frequency reduced from 30" to 35"	54
54		Sunday			680	Headway 30" to 40" all day			429	Approximately 429 daily riders will see frequency reduced from 30" to 40"	54
55	Santa Ana to Newport Bch via Standard/Bristol/Fairview/17th	Weekday	3,685			Headway 15 to 18, 20 to 22, 30 to 35, 45 to 60	2,500			Approximately 2500 daily riders will see frequency reduced by 2" to 15"	55
56	Garden Grove to Orange via Garden Grove Blvd	Weekday	3,251			Short Line	2,640			Approximately 2640 daily riders may have to adjust their trip times by 30"	56
56			255			Delete 431am Eastbound (short) (span)	8			Approximately 8 daily riders will need to take a later trip	56
56			255			Delete 1037pm Eastbound (long) (span)	3			Approximately 3 daily riders will need to take an earlier trip	56
56			255			Delete 1012pm Westbound (long) (span)	8			Approximately 8 daily riders will need to take an earlier trip	56
59	Brea to Irvine via Kraemer/Glassell/Grand/Von Karman Av	Saturday		763		Headway 60" to 75" all day		263		Approximately 263 daily riders will see frequency reduced from 60" to 75"	59
59		Sunday			679	Headway 60" to 75" all day			178	Approximately 178 daily riders will see frequency reduced from 60" to 75"	59
62	Huntington Bch to Santa Ana via Goldenwest/Hazard/Civic Ctr	Weekday	3,176			Headway 35" to 50" all day/Delete 6 trips:	348			Approximately 348 daily riders will see frequency reduced from 35" to 50"	62
62			263			Delete 720pm Eastbound (span)	7			Approximately 7 daily riders will need to take an earlier trip	62
62			263			Delete 525am Westbound (span)	5			Approximately 5 daily riders will need to take a later trip	62
62			263			Delete 820pm Westbound (span)	8			Approximately 8 daily riders will need to take an earlier trip	62
71	Yorba Linda to Balboa via Tustin/Red Hill/Newport Blvd	Sunday			265	Headway 45" to 60" all day			689	Approximately 689 daily riders will see frequency reduced from 45" to 60"	71
72	Sunset Bch to Tustin via Warner Av	Saturday		541		Headway 45" to 60" all day		1,050		Approximately 1050 daily riders will see frequency reduced from 45" to 60"	72
74	Fountain Valley to Irvine via Segerstrom/Dyer/Barranca Pkwy	Weekday	4,361			Operate Peak Hours Only - 6 Round Trips	128			Approximately 128 daily riders will be limited to service in the peak hours only	74
76	Huntington Bch to Newport Bch via Talbert/MacArthur Blvd	Weekday	275			1012pm Westbound (span)	6			Approximately 6 daily riders will need to take an earlier trip	76
76		Saturday		546		Headway 60" to 90" all day		453		Approximately 453 daily riders will see frequency reduced from 60" to 90"	76
76		Sunday			492	Headway 60" to 90" all day			257	Approximately 257 daily riders will see frequency reduced from 60" to 90"	76
82	Foothill Rch to Laguna Niguel via Port/Santa Mrgta/Anton/Crwn Vly	Saturday		359		Headway 60" to 100" all day			376	Approximately 376 daily riders will see frequency reduced from 60" to 100"	82
82		Sunday			400	Headway 60" to 100" all day			287	Approximately 287 daily riders will see frequency reduced from 60" to 100"	82
83	Anaheim to Laguna Hills via 5 Fwy/Main St	Weekday	4,444			Headway stretch by 5" all day/ Delete 3 trips:	3,270			Approximately 3270 daily riders will see frequency reduced by Approximately 5" all day	83
83			255			Delete 535am Northbound (short) (not span)	5			Approximately 5 daily riders will need to take an earlier or later trip	83
83			255			Delete 1110pm Northbound (span)	2			Approximately 2 daily riders will need to take an earlier trip	83
83			255			Delete 1111pm Southbound (span)	5			Approximately 5 daily riders will need to take an earlier trip	83
83		Saturday		76		Delete 630pm Northbound (not span)		14		Approximately 14 daily riders will need to take an earlier or later trip	83
83				76		Delete 1150pm Northbound (span)		11		Approximately 11 daily riders will need to take an earlier trip	83
83				76		j Southbound (not span)		9		Approximately 9 daily riders will need to take an earlier or later trip	83
83				76		Delete 825pm Southbound (not span)		9		Approximately 9 daily riders will need to take an earlier or later trip	83
83		Sunday			181	Headway 30" to 45" midday/ Delete 3 trips:			3,270	Approximately 3270 daily riders will see frequency reduced from 30" to 45"	83
83					58	Delete 630am Northbound (span)			7	Approximately 7 daily riders will need to take a later trip	83
83					58	Delete 1050pm Northbound (span)			8	Approximately 8 daily riders will need to take an earlier trip	83
83					58	Delete 1150pm Northbound (span)			1	Approximately 1 daily rider will need to take an earlier trip	83

LINE	ROUTE LOCATION	DAY OF WEEK	WEEKDAY REVENUE VEHICLE HOURS	SATURDAY REVENUE VEHICLE HOURS	SUNDAY REVENUE VEHICLE HOURS	DESCRIPTION OF CHANGE	WEEKDAY RIDERS IMPACTED	SATURDAY RIDERS IMPACTED	SUNDAY RIDERS IMPACTED	NOTES	LINE
85	Mission Viejo to Dana Point via Marguerite/Crown Valley Pkwy	Weekday	1,521			Headway 30" to 35" all day/ Delete 9 trips:	1,550			Approximately 1550 daily riders will see frequency reduced from 30" to 35"	85
85			255			Delete 506am Northbound (span)	3			Approximately 3 daily riders will need to take a later trip	85
85			255			Delete 531am Northbound (span)	5			Approximately 5 daily riders will need to take a later trip	85
85			255			Delete 831pm Northbound (span)	7			Approximately 7 daily riders will need to take an earlier trip	85
85			255			Delete 916pm Northbound (span)	5			Approximately 5 daily riders will need to take an earlier trip	85
85			255			Delete 1008pm Northbound (span)	5			Approximately 5 daily riders will need to take an earlier trip	85
85			255			Delete 500am Southbound (span)	4			Approximately 4 daily riders will need to take a later trip	85
85			255			Delete 647pm Southbound (not span)	7			Approximately 7 daily riders will need to take an earlier or later trip	85
85			255			Delete 848pm Southbound (not span)	8			Approximately 8 daily riders will need to take an earlier or later trip	85
85			255			Delete 1018pm Southbound (span)	4			Approximately 4 daily riders will need to take an earlier trip	85
85		Saturday		564		Delete Headway 45" to 60" all day		732		Approximately 732 daily riders will see frequency reduced from 45" to 60"	85
85		Sunday			629	Delete Headway 45" to 60" all day			473	Approximately 473 daily riders will see frequency reduced from 45" to 60"	85
87	Rancho Santa Margarita to Laguna Niguel via Alicia	Weekday	3,042			Headway 45" to 80" all day	680			Approximately 680 daily riders will see frequency reduced from 45" to 80"	87
89	Mission Viejo to Laguna Bch via El Toro/Laguna Cyn Rd	Weekday	2,660			Headway 30" to 40" all day	2,590			Approximately 2590 daily riders will see frequency reduced from 30" to 40"	89
89		Saturday		491		Headway 30" to 45" all day		1,670		Approximately 1670 daily riders will see frequency reduced from 30" to 45"	89
89		Sunday			548	Headway 30" to 45" all day			1,350	Approximately 1350 daily riders will see frequency reduced from 30" to 45"	89
91	Laguna Hills to San Clemente via Pd Valencia/Camino Cap/Obispo	Weekday	803			Headway 30" to 45"	5,400			Approximately 5400 daily riders will see frequency reduced from 30" to 35"	91
91			255			Delete 522am Northbound (not span)	6			Approximately 6 daily riders will need to take an earlier or later trip	91
91			255			Delete 231pm Northbound (not span)	7			Approximately 7 daily riders will need to take an earlier or later trip	91
91			255			Delete 250pm Southbound (not span)	7			Approximately 7 daily riders will need to take an earlier or later trip	91
145	Santa Ana to Costa Mesa via Raitt/Greenville/Fairview St	Sunday			627	Headway 45" to 60" all day			257	Approximately 257 daily riders will see frequency reduced from 45" to 60"	145
177	Foothill Rch to Laguna Hills via Lake Forest/Muirlands/Los Alisos	Saturday		214		Headway 45" to 90" all day		421		Approximately 421 daily riders will see frequency reduced from 45" to 90"	177
177		Sunday			239	Headway 45" to 90" all day			317	Approximately 317 daily riders will see frequency reduced from 45" to 90"	177
178	Huntington Bch to Irvine via Adams/Birch/Campus Dr	Weekday	1,964			Headway 30" to 45" am and pm peaks	950			Approximately 950 daily riders will see frequency reduced from 30" to 45"	178
178		Saturday		46		Delete 432pm Eastbound (span)		9		Approximately 9 daily riders will need to take an earlier trip	178
178				46		Delete 517pm Eastbound (span)		6		Approximately 6 daily riders will need to take an earlier trip	178
178				46		Delete 820am Westbound (span)		7		Approximately 7 daily riders will need to take a later trip	178
178				46		Delete 435pm Westbound (span)		2		Approximately 2 daily riders will need to take an earlier trip	178
178				46		Delete 520pm Westbound (span)		6		Approximately 6 daily riders will need to take an earlier trip	178
187	Huntington Bch to Irvine via El Toro/Aliso Creek/Niguel	Weekday	408			Delete 530am Southbound (span)	5			Approximately 5 daily riders will need to take a later trip	187
721	Fullerton to Los Angeles Express via 110 Fwy/91 Fwy	Weekday	2,239			Delete 500am Northbound (span)	4			Approximately 4 daily riders will need to take a later trip	721
721						Delete 600am Southbound (span)	4			Approximately 4 daily riders will need to take a later trip	721
Estimated Annual Revenue Vehicle Hours Saved:			80,620	10,229	9,191	Estimated Passengers Impacted:	42,553	33,429	29,370		

**Proposed Bus Service Reduction Program
June 2009 - March 2010**

Description	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
I. Recommend Plan Approach										
- Finance & Administration Committee (Discussion)	6/24									
- Transit Committee (Regular)	6/25									
- Board Meeting (Regular)		7/13								
II. Update Revenue Forecasts, Discuss Assumptions										
- Finance & Administration (Discussion)	6/24									
- Transit Committee (Discussion)	6/25									
III. Analyze Approaches, Options										
Review baseline bus, ACCESS, Go Local, M2 transit, vanpool										
- Executive Committee (Discussion)			8/3							
- Transit Committee (Discussion)			8/13							
- Board of Directors (Discussion)			8/24							
IV. Share Draft Options										
Discuss reduction strategies, revenue assumptions, ACCESS, public hearing schedule										
- Finance & Administration (Discussion)				9/9						
- Transit Committee (Discussion)				9/10						
- Board of Directors (Discussion)				9/14						
V. Implement Outreach, Conduct Public Hearing (s)										
- Executive Committee (Discussion - Outreach Update)					10/5					
- Transit Committee (Discussion - Outreach Update)					10/8					
- Finance & Administration (Regular Item on Fare Increase Proposal)					10/14					
- Finance & Administration (Discussion - Outreach Update)					10/14					
- Legislative & Communications (Discussion)					10/15					
- Transit Committee (Regular Item on Service Reduction Proposal)					10/22					
- Board of Directors (Special - Public Hearing Fares)					10/26					
- Board of Directors (Special - Public Hearing Service Reductions)					10/26					
VI. Board Approval Service Reductions, Fares, Adopt Plan										
- F&A (Discussion)						11/11				
- Transit Committee (Regular)						11/12				
- Board of Directors (Regular)						11/23				
VII. Service Planning Work, Public Information Updates										
Construct schedule updates, run cutting, rostering, posting, bidding, public information updates										
VIII. Implement Service Change (March 14, 2010)										



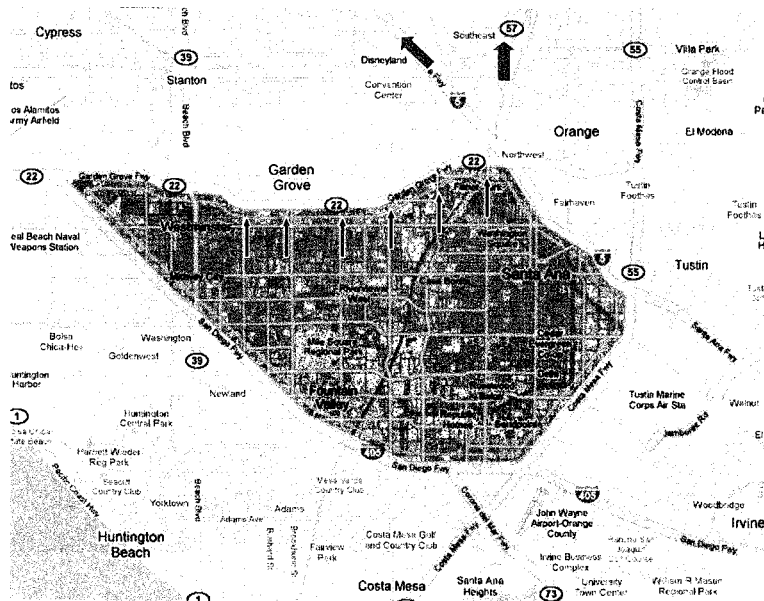
Address Congestion on the Garden Grove Freeway (State Route 22) Collector Distributor Road

Prepared by: California Department of Transportation
Divisions of Operations and Planning

Presented by: James Pinheiro

Orange County Transportation Board of Directors Meeting July 13, 2009

The Challenge



Horseshoe Connector



3

Existing CD Road Channelization



- ◆ Separates Horseshoe traffic from mainline
- ◆ Minimizes traffic impacts from close ramp spacing
- ◆ Controls surface water



4



Project Study

Challenges

- ◆ Current demand on Horseshoe connector exceeds capacity
- ◆ Closely spaced local interchanges increase congestion

Purpose of study

- ◆ Evaluate options to reduce existing congestion



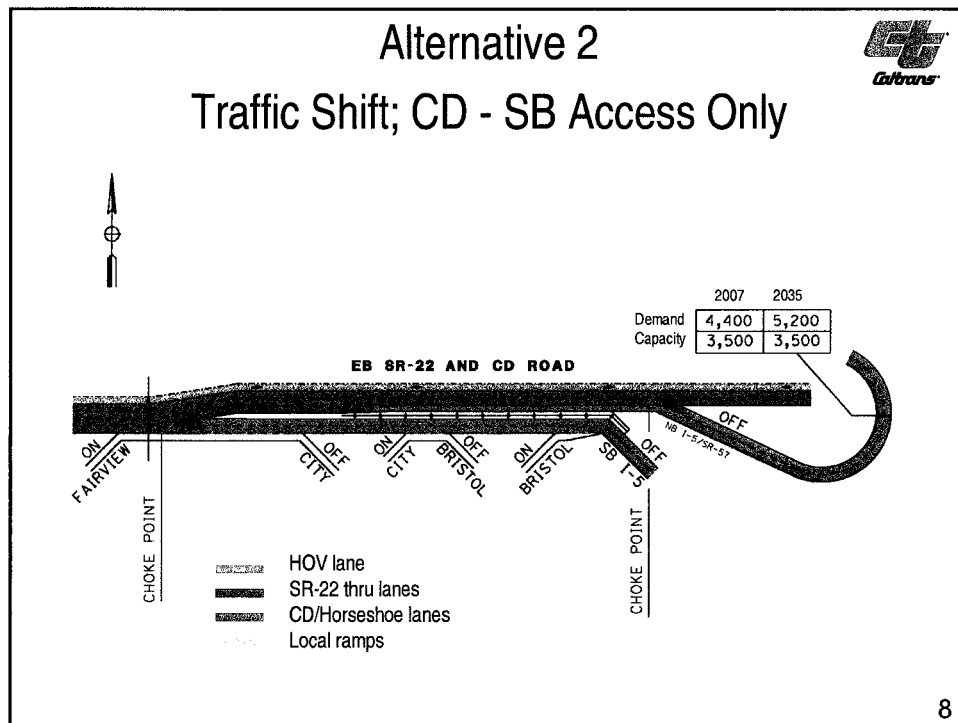
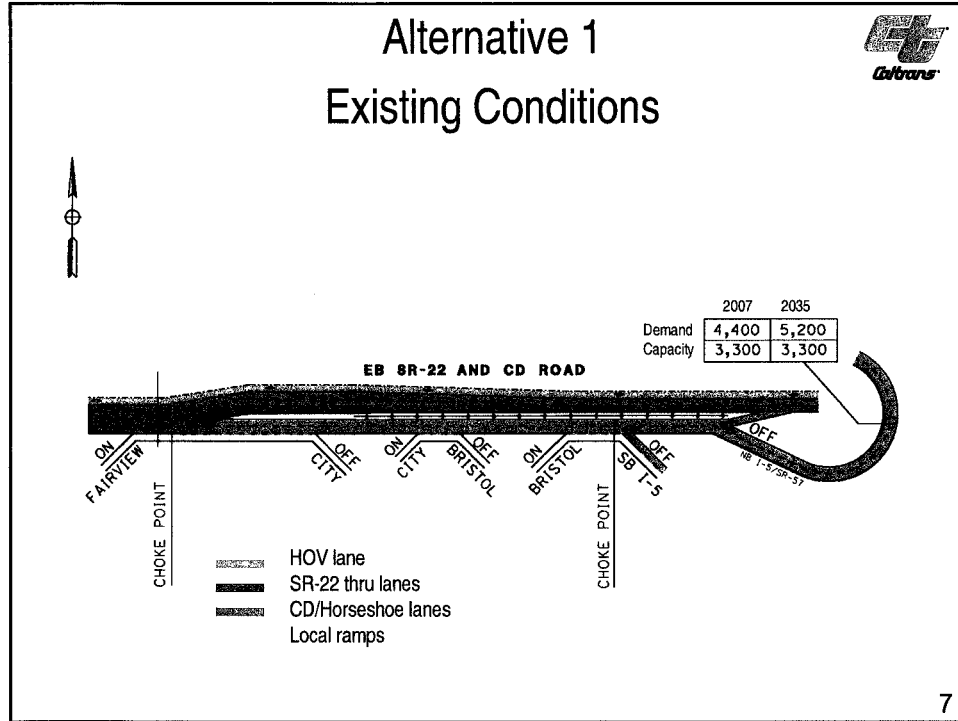
Study Alternatives

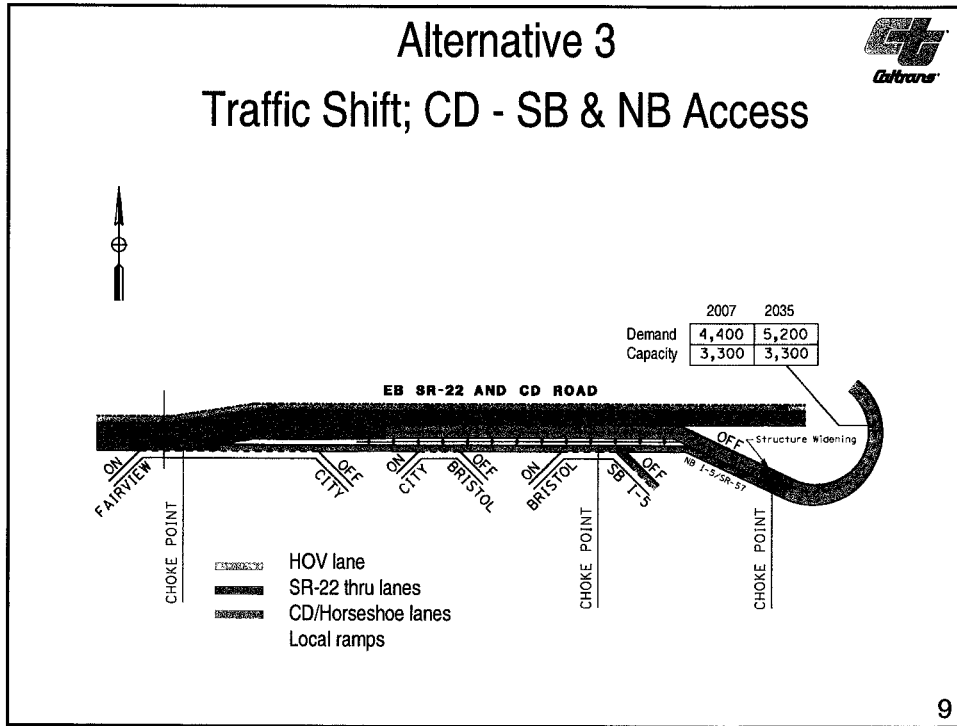
Operational Improvements

- ◆ Lower cost, no additional right of way
- ◆ Alternatives 1, 2, & 3

Major Interchange Reconstruction

- ◆ Higher cost, may require right of way
- ◆ Alternative 4



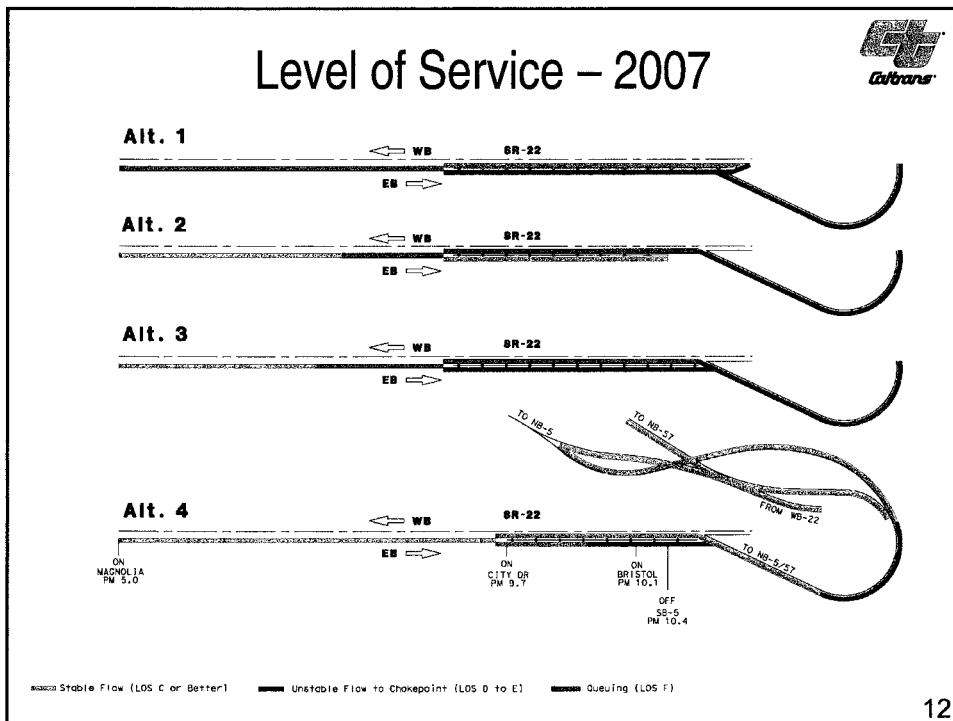
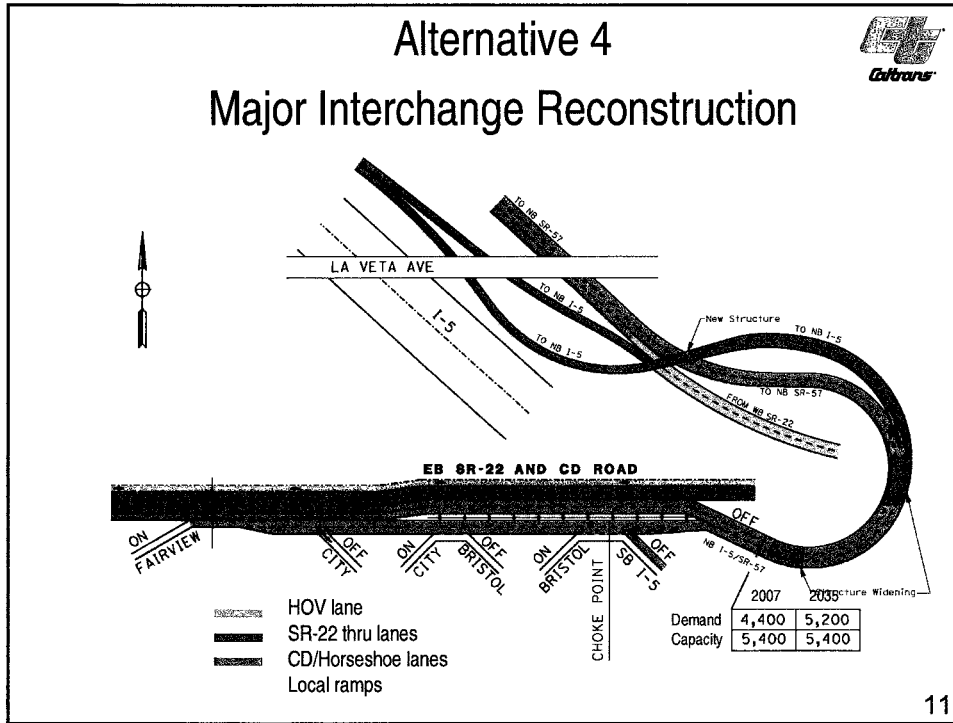


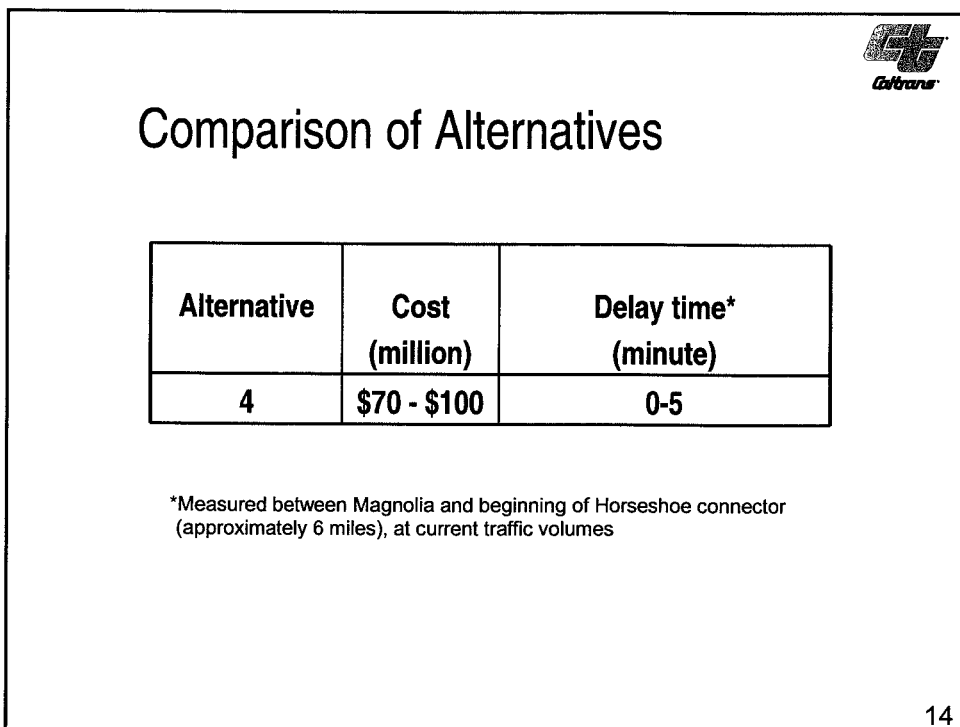
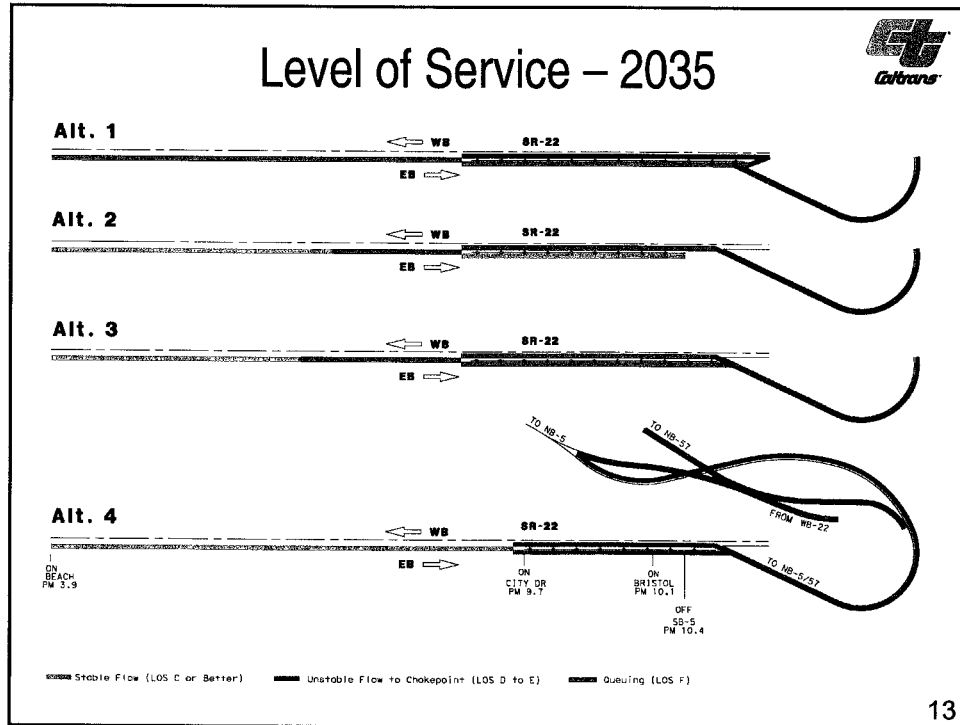
Comparison of Alternatives

Alternative	Cost (million)	Delay time* (minute)
1	\$0	19
2	\$20 - \$25	13
3	\$15 - \$20	15

*Measured between Magnolia and beginning of Horseshoe connector (approximately 6 miles), at current traffic volumes

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Conclusion:

- ◆ Lower cost operational improvements provide little congestion relief
- ◆ Higher cost major interchange reconstruction needed to address current and future demand

Next Step:

- ◆ Include consideration of major interchange reconstruction in the Central County MIS