

**Date:** Monday, March 27, 2006

**Time:** 9:00 a.m.

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



# AGENDA

Orange County Transportation Authority Board Meeting  
OCTA Headquarters  
First Floor - Room 154  
600 South Main Street, Orange, California  
*Monday, March 27, 2006, at 9:00 a.m.*

ACTIONS

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

## Invocation

Director Correa

## Pledge of Allegiance

Director Green

## 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.



# AGENDA

ACTIONS

## Special Matters

**1. Presentation of Resolutions of Appreciation for Employees of the Month for March 2006**

Present Orange County Transportation Authority Resolutions of Appreciation Nos. 2006-14, 2006-15, 2006-16 to Donna Jensen, Coach Operator; Toan Hoang, Maintenance; and Gail Cherry Administration, as Employees of the Month for March 2006.

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

Present Orange County Transportation Authority Resolution of Appreciation No. 2006-17 to Orange County Sheriff's Deputy David Lowenstein.

## Consent Calendar (Items 3 through 23)

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

**3. Approval of Minutes**

Of the Orange County Transportation Authority and affiliated agencies' regular meeting of March 13, 2006.

**4. Approval of Resolutions of Appreciation for Employees of the Month for March 2006**

Adopt Orange County Transportation Authority Resolutions of Appreciation Nos. 2006-14, 2006-15, 2006-16 to Donna Jensen, Coach Operator; Toan Hoang, Maintenance; and Gail Cherry Administration, as Employees of the Month for March 2006.

**5. Approval of Resolution of Appreciation to Orange County Sheriff's Department Employee of the Quarter**

Adopt Orange County Transportation Authority Resolution of Appreciation No. 2006-17 to Orange County Sheriff's Deputy David Lowenstein.



## AGENDA

ACTIONS

**6. Review of Third-Party Administration of Employee Health Benefits**

Robert A. Duffy/Richard J. Bacigalupo

***Overview***

An operational and compliance review of the third-party administration of employee health benefits by Foundation Administrative Services, Inc. has been completed by the professional firm of Benefit Plan Audit Services. The results of the audit concluded that stronger internal controls and operational improvements are needed to ensure proper safeguarding of Orange County Transportation Authority's assets.

***Recommendation***

Receive and file the Review of Third-Party Administration of Employee Health Benefits, Internal Audit Report No. 05-010.

**7. Review of Investment Activities for July through September 2005**

Robert A. Duffy/Richard J. Bacigalupo

***Overview***

The Internal Audit Department has completed a review of investment activities for the period July 1, 2005, through September 30, 2005. The review indicated that investments were generally in compliance with the Orange County Transportation Authority's debt, investment and accounting objectives, and policies and procedures. However, the Internal Audit Department did identify some repurchase agreements during the quarter where the underlying collateral used to secure the repurchase agreements did not comply with the 2005 Annual Investment Policy.

***Recommendation***

Receive and file the Review of Investment Activities for July through September 2005, Internal Audit Report No. 06-026.



## AGENDA

ACTIONS

### 8. **Chokepoint Program Status Update**

Arshad Rashedi/Paul C. Taylor

#### *Overview*

The Orange County Transportation Authority and California Department of Transportation are jointly developing concepts to alleviate localized freeway congestion areas known as chokepoints. The objective of the freeway Chokepoint Program is to develop projects that can be brought forward in the near-term as funding becomes available. A status of the program is provided.

#### *Recommendations*

- A. Authorize the Chief Executive Officer to execute a cooperative agreement with the California Department of Transportation for the Project Report/Environmental Document phase of the Orange Freeway (State Route 57) northbound widening project between Orangethorpe Avenue and Lambert Road.
- B. Approve evaluation criteria and authorize staff to proceed with issuance of Request for Proposals to procure services for the preparation of a Project Study Report for the San Diego Freeway (Interstate 405) between the San Gabriel Freeway (Interstate 605) and the Corona Del Mar Freeway (State Route 73) to advance the San Diego Freeway (Interstate 405) Major Investment Study to the next phase of development.

### 9. **Euclid Street Signal Synchronization Pilot Project Status Report**

Kurt Brotcke/Paul C. Taylor

#### *Overview*

Euclid Street, from La Habra to Fountain Valley, is proposed as an initial pilot project for expanded, inter-jurisdictional signal synchronization. A status report is provided for review.



## AGENDA

ACTIONS

9. (Continued)

***Recommendations***

- A. Authorize the Chief Executive Officer to negotiate and execute a cooperative agreement for the Euclid Street Signal Synchronization Pilot Project with the cities of La Habra, Fullerton, Anaheim, Garden Grove, Santa Ana, and Fountain Valley and the California Department of Transportation.
- B. Direct staff to return with a status report by July 2006.

10. **Amendment of Lease for Anaheim Office of the 91 Express Lanes**

Daryl Watkins/Paul C. Taylor

***Overview***

The Board of Directors has previously approved and budgeted for a new Traffic Operations Center for the 91 Express Lanes. Additional space at the 91 Express Lanes office is required.

***Recommendations***

- A. Authorize the Chief Executive Officer to negotiate and execute an amendment to the 91 Express Lanes lease for 1,307 square feet of additional office space with LBA Realty Fund Holding Company II, LLC.
- B. Amend the fiscal year 2005-06 budget in the amount of \$10,000 to fund the additional cost from the 91 Express Lanes Enterprise Fund 0036 7691-B0001-A88 for the remainder of the fiscal year.



## AGENDA

ACTIONS

### 11. Master Agreement for State Funded Transit Projects

Jennifer Bergener/Paul C. Taylor

#### *Overview*

The Orange County Transportation Authority uses State Transportation Improvement Program funds for various capital projects in Orange County. On November 28, 2005, the Board of Directors adopted the 2006 State Transportation Improvement Program. In order to access the State Transportation Improvement Program funds for the transit projects included in the program, the Orange County Transportation Authority must execute a master agreement, specific to state funded transit projects, with the California Department of Transportation.

#### *Recommendations*

- A. Authorize the Chief Executive Officer to execute the Master Agreement for State Funded Transit Projects, Agreement No. 64A0172, and all necessary program supplement agreements with the California Department of Transportation for the reimbursement of state funded transit projects.
- B. Approve the attached resolution as required by the California Department of Transportation to execute the above agreement.

### 12. Evaluation Criteria Weighting for Project Management Consultant for Metrolink Service Expansion

Abbe McClenahan/Paul C. Taylor

#### *Overview*

Staff has developed proposed evaluation criteria to initiate the competitive procurement process to retain a technically qualified firm to provide project management consulting services for the Metrolink service expansion.

#### *Recommendation*

Approve the proposed evaluation criteria specifying a weighting of 100 percent technical qualifications in accordance with procedures for architectural and engineering services which conform to both federal and state law.



## AGENDA

ACTIONS

**13. Metrolink Quarterly Update**  
Abbe McClenahan/Paul C. Taylor

**Overview**

Staff is providing a quarterly report to provide an update on the Orange County Metrolink commuter rail service and expansion including recommendations to amend the budget for weekend service to start in May 2006, procurement of rail cars, construction of the Santa Ana Second Main Track project, and funding authorization to settle Burlington Northern Santa Fe Railroad claims for capital improvements.

**Recommendations**

- A. Amend fiscal year 2005-06 budget to allocate \$215,000 of Commuter and Urban Rail Endowment funds for May 2006 start of weekend service in Orange County.
- B. Amend fiscal year 2005-06 budget to allocate \$10,613,000 towards a progress payment funded by the Congestion Mitigation and Air Quality Program and Commuter and Urban Rail Endowment fund for the purchase of 52 trailer cars and 7 cab cars.
- C. Approve additional funding in the amount of \$3,452,618 from the Commuter Urban Rail Endowment fund for the Santa Ana Second Main Track project.
- D. Amend fiscal year 2005-06 budget to allocate \$301,368 of Commuter and Urban Rail Endowment funds to provide member agency share for Burlington Northern Santa Fe Railroad capital improvements claims.

**14. Procurement Incentives to Encourage Vendors to Provide Employee Health Benefits**  
Virginia Abadessa/James S. Kenan

***THIS ITEM WAS PULLED AT COMMITTEE MARCH 22 AND WILL COME TO THE BOARD AT A LATER DATE.***





## AGENDA

### ACTIONS

15. **Collective Bargaining Agreement Between Orange County Transportation Authority and Teamsters Local 952**  
Marlene K. Heyser

***Overview***

On March 11, 2006, the Orange County Transportation Authority reached Tentative Agreement with Teamsters Local 952 for a new Collective Bargaining Agreement covering mechanics and serviceworkers.

***Recommendation***

Approve the Collective Bargaining Agreement with Teamsters Local 952 covering mechanics and serviceworkers.

16. **Medicare Participation for Employees Hired Before April 1, 1986**  
Debbie Christensen/James S. Kenan

***Overview***

Employees hired before April 1, 1986, are exempt from mandatory Medicare hospital insurance coverage. Orange County Transportation Authority may voluntarily provide Medicare Hospital Insurance coverage to such employees under Section 218 of the Social Security Act.

***Recommendation***

Authorize the Chairman of the Board of Directors to approve Resolution No. 2006-19 to request the State Social Security Administrator to include the employees covered under the Orange County Employees Retirement System in the state's master Social Security Agreement between the state and federal government.



## AGENDA

ACTIONS

### Orange County Service Authority For Freeway Emergencies Consent Calendar Matters

#### 17. Agreement for Call Box Digital Wireless Service

Iain C. Fairweather/Paul C. Taylor

##### *Overview*

As part of the Orange County Transportation Authority's Fiscal Year 2005-2006 Budget, the Board of Directors approved a call box system upgrade from analog cellular service to digital cellular service. 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-5-2927 between the Orange County Transportation Authority and Cingular Wireless, in an amount not to exceed \$60,000 per year, for a five-year period, to provide digital wireless service to support the Orange County Service Authority for Freeway Emergencies call box system.

#### 18. Evaluation Criteria Weighting for Procurement of Mobile Data Terminal Vehicle Location System

Iain C. Fairweather/Paul C. Taylor

##### *Overview*

In advance of requesting Board of Director's approval to release a Request for Proposal for a proposed Automatic Vehicle Locator/Mobile Data Terminal service for the Freeway Service Patrol, staff is submitting an evaluation criteria weighting allocation. The approved weighting allocation will be included in the materials released on CAMMNET.

##### *Recommendation*

Approve proposed evaluation criteria weighting allocation.



## AGENDA

ACTIONS

### Orange County Local Transportation Authority Consent Calendar Matters

**19. Actions to Fund Street Improvements by the City of Costa Mesa**  
Darrell E. Johnson/Paul C. Taylor

***Overview***

The City of Costa Mesa, in partnership with private organizations, has proposed street repairs in the Town Center area of Costa Mesa. The proposed improvements include restoring streets damaged due to heavy equipment movements during major improvements to San Diego Freeway (Interstate 405), a large regionally significant transitway project. The City of Costa Mesa has requested the Orange County Transportation Authority to advance \$1 million in future Measure M turnback funds and the modification of project scope of a previously approved Regional Interchange Program project to cover a portion of cost to repair damaged streets. The City of Costa Mesa is requesting an expedited action in order to complete construction by June 2006.

***Recommendations***

- A. Provide the City of Costa Mesa with a \$1 million advance payment of Measure M turnback funds from future years to be used for street purposes.
- B. Authorize the Chief Executive Officer to negotiate a revenue-neutral reimbursement agreement for return of advanced turnback funds between the City of Costa Mesa and the Orange County Transportation Authority.
- C. Modify project scope of a previously funded Measure M Regional Interchange Program project (Bristol Street at the San Diego Freeway [Interstate 405], Orange County Transportation Authority project number 95-CMSA-RIP-1041) to include repair of damaged streets (Anton Boulevard and Avenue of the Arts) and allow the City to utilize \$1 million of construction allocation to cover cost of restoring damaged streets.



## AGENDA

ACTIONS

20. **Approval of a Memorandum of Understanding for the Garden Grove Freeway (State Route 22) Project Between the Orange County Transportation Authority and the County of Orange**  
T. Rick Grebner/Stanley G. Phernambucq

### *Overview*

A Memorandum of Understanding is required with the County of Orange outlining the terms and conditions in order for the Orange County Transportation Authority to be reimbursed a portion of the total cost of the Change Order No. 9, related to the relocation of a storm drain.

### *Recommendation*

Authorize the Chief Executive Officer to execute Agreement C 5-2746 between the Orange County Transportation Authority and the County of Orange, in an amount not to exceed \$1.2 million, to address the cost reimbursement and outline the roles and responsibilities of each party in the design and relocation of a previously undisclosed 66-inch storm drain on Orange County Transportation Authority property.

## **Orange County Transit District Consent Calendar Matters**

21. **Amendment to Agreement for Test and Operation Gases for Liquefied Natural Gas Buses and Facilities**  
Al Pierce/William L. Foster

### *Overview*

On May 10, 2004, the Board of Directors approved an agreement with Cameron Welding Supply, in the amount of \$65,290, to provide test and operation gases used by the Maintenance Department for liquefied natural gas leak detection, for a one-year period with two one-year options. Cameron Welding Supply was retained in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services.



## AGENDA

ACTIONS

21. (Continued)

***Recommendation***

Authorize the Chief Executive Officer to execute Amendment No. 3 to Agreement C-3-1228 between the Orange County Transportation Authority and Cameron Welding Supply, in an amount not to exceed \$60,000, for the purchase of test and operation gases for the liquefied natural gas buses and facilities.

22. **Amendment to Agreement for Plan Check and Construction Management Services for Santa Ana Bus Base**

James J. Kramer/Stanley G. Phernambucq

***Overview***

On March 25, 2002, the Orange County Transportation Authority Board of Directors approved an agreement with MARRS Services, in the not-to-exceed amount of \$1,399,962, to provide plan check and construction management services for construction of the Santa Ana Bus Base. MARRS Services was retained in accordance with the Orange County Transportation Authority's procurement procedures for architectural and engineering services.

***Recommendation***

Authorize the Chief Executive Officer to execute Amendment No. 9 to Agreement C-1-2282 between the Orange County Transportation Authority and MARRS Services, in an amount not to exceed \$135,000, for construction management services for the Santa Ana Bus Base, and extend the contract period to December 2006.



## AGENDA

ACTIONS

23. **Second Quarter Fiscal Year 2005-06 Bus Operations Monthly Performance Measurements Report**  
James L. Cook, Jr./James S. Kenan

***Overview***

The Orange County Transportation Authority recognizes the need for improved accountability and operational performance. With this in mind, the Bus Operations Monthly Performance Measurements report was developed in accordance with executive management direction. The Bus Operations Monthly Performance Measurements Report serves as a tool to survey operational performance and as the nexus for process improvements.

***Recommendation***

Receive and file as an information item.

### Regular Calendar

#### Orange County Transportation Authority Regular Calendar Matters

24. **Fiscal Year 2006 Comprehensive Business Plan**  
William Dineen, Jr./James S. Kenan

***Overview***

The Orange County Transportation Authority's Fiscal Year 2006 Comprehensive Business Plan presents the business plan to meet the transportation needs of Orange County. The Comprehensive Business Plan provides a business-planning tool, which demonstrates a financially constrained capacity over a 20-year horizon. The Comprehensive Business Plan is designed to assist the Orange County Transportation Authority in implementing its strategic goals and objectives within the framework of sound business practices.

***Recommendation***

Approve the Fiscal Year 2006 Comprehensive Business Plan.



# AGENDA

ACTIONS

## Other Matters

**25. Chief Executive Officer's Report**

**26. Directors' Reports**

**27. 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.

**28. Closed Session**

Pursuant to Government Code Section 54956.9(b)(1).

**29. Orange County Transportation Authority Procurement Workshop**

**30. Adjournment**

The next regularly scheduled meeting of the OCTA/OCTD/OCLTA/OCSAFE/OCSAAV Board will be held at **9:00 a.m. on April 10, 2006**, at OCTA Headquarters at 600 South Main Street, First Floor - Room 154, Orange, California.





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  
March 13, 2006

## **Call to Order**

The March 13, 2006, regular meeting of the Orange County Transportation Authority and affiliated agencies was called to order at 9:00 a.m. at the Orange County Transportation Authority Headquarters, Orange, California; Chairman Brown presided over the meeting.

## **Roll Call**

Directors Present: Arthur C. Brown, Chairman  
Carolyn Cavecche, Vice Chair  
Peter Buffa  
Lou Correa  
Richard Dixon  
Michael Duvall  
Cathy Green  
Chris Norby  
Curt Pringle  
Miguel Pulido  
Susan Ritschel  
Mark Rosen  
James W. Silva  
Thomas W. Wilson  
Gregory T. Winterbottom  
Cindy Quon, Governor's Ex-Officio Member

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

Directors Absent: Bill Campbell  
Gary Monahan

## **Invocation**

Director Wilson gave the invocation.

## **Pledge of Allegiance**

Chairman Brown led the Board and audience in the Pledge of Allegiance to the Flag of the United States of America.

## **Public Comments on Agenda Items**

Chairman Brown 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. Recognition of Retirees**

Chairman Brown presented retirement certificates to Mary McMickens and Robert Adams, in recognition of their recent retirements from OCTA.

### **2. Presentation of Resolution of Appreciation to Freeway Service Patrol Driver**

Chairman Brown presented Orange County Transportation Authority Resolution of Appreciation No. 2006-13 to Service Authority for Freeway Emergencies Employee, John Meza, who is credited with having saved a child's life when he responded to an emergency radio call in February on the State Route 57 Freeway.

## **Consent Calendar (Items 3 through 15)**

Chairman Brown indicated that all matters on the Consent Calendar would be approved in one motion unless a Board Member or a member of the public requests separate action on a specific item.

No items were pulled for discussion or separate action.

## **Orange County Transportation Authority Consent Calendar Matters**

### **3. Approval of Minutes**

Motion was made by Director Wilson, seconded by Director Buffa, and declared passed by those present, to approve the minutes of the Orange County Transportation Authority and affiliated agencies' regular meeting of February 27, 2006.

**4. Approval of Resolution of Appreciation to Freeway Service Patrol Driver**

Motion was made by Director Wilson, seconded by Director Buffa, and declared passed by those present, to adopt Orange County Transportation Authority Resolution of Appreciation No. 2006-13 to Service Authority for Freeway Emergencies Employee, John Meza.

**5. State Legislative Status Report**

Motion was made by Director Wilson, seconded by Director Buffa, and declared passed by those present, to receive and file.

**6. Selection of Consultants for On-Call Architectural and Engineering Services for Facility Modifications**

Motion was made by Director Wilson, seconded by Director Buffa, and declared passed by those present, to:

- A. Select Carter & Burgess, Miralles Associates, and STV Incorporated as the top ranked firms to provide on-call architectural/engineering services for facility modifications.
- B. Authorize the Chief Executive Officer to request a cost proposal from Carter & Burgess, Miralles Associates, and STV Incorporated, and negotiate agreements for their services.
- C. Authorize the Chief Executive Officer to execute the final agreements, in an amount not to exceed \$1,900,000..

**7. Amendment to Sole Source Agreement to Chapman University for Taxable Sales Forecast**

Motion was made by Director Wilson, seconded by Director Buffa, and declared passed by those present, to authorize the Chief Executive Officer to execute Amendment No. 3 to Agreement C-3-1255 between the Orange County Transportation Authority and Chapman University, in an amount not to exceed \$27,000.

**8. Annual Investment Policy Update**

Motion was made by Director Wilson, seconded by Director Buffa, and declared passed by those present, to adopt the 2006 Annual Investment Policy.

**9. Fiscal Year 2005-06 Second Quarter Budget Status Report**

Motion was made by Director Wilson, seconded by Director Buffa, and declared passed by those present, to receive and file as an information item.

**10. Approval of Local Transportation Fund Fiscal Year 2006-07 Apportionment Estimates**

Motion was made by Director Wilson, seconded by Director Buffa, and declared passed by those present, to approve the Local Transportation Fund fiscal year 2006-07 apportionment estimates and authorize the Chief Executive Officer to advise all prospective claimants of the amounts of all area apportionments from the Orange County Local Transportation Fund for the following fiscal year.

**11. Second Quarter Fiscal Year 2005-06 Grant Status Report**

Motion was made by Director Wilson, seconded by Director Buffa, and declared passed by those present, to receive and file as an information item.

**Orange County Transit District Consent Calendar Matters**

**12. Purchase Order for Replacement of Paratransit Vehicles**

Motion was made by Director Wilson, seconded by Director Buffa, and declared passed by those present, to authorize the Chief Executive Officer to issue Purchase Order 06-74184 between the Orange County Transportation Authority and Creative Bus Sales, in an amount not to exceed \$2,135,633, for the purchase of 32 paratransit vehicles.

**13. Agreement for Selection of Consulting Firm to Conduct Radio Systems Assessment and Replacement of 500 Megahertz System**

Motion was made by Director Wilson, seconded by Director Buffa, and declared passed by those present, to authorize the Chief Executive Officer to execute Agreement C-5-2613 between the Orange County Transportation Authority and Eiger TechSystems, in an amount not to exceed \$175,000, for contracting with the consulting firm to conduct the overall radio systems assessment, explore options for the 30-year old 500 megahertz system and execution of two options, to include, development of a technical specification for a Request For Proposals and development of a plan for future communications strategy in the event of an emergency resulting in loss of communication at our primary dispatch sites.

**14. Amendment to Agreement for Landscaping Service**

Motion was made by Director Wilson, seconded by Director Buffa, and declared passed by those present, to authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement C-5-0114 between the Orange County Transportation Authority and Toyo Landscaping Company, in an amount not to exceed \$70,000, for the first option year for landscaping services.

## **15. Local Transportation Fund Claims for Fiscal Year 2006-07**

Motion was made by Director Wilson, seconded by Director Buffa, and declared passed by those present, to adopt Orange County Transportation District Resolution No. 2006-08 authorizing the filing of Local Transportation Fund claims, in the amounts of \$97,105,558, to support public transportation, and \$5,168,243, for community transit services, including operation of the Senior Mobility Program.

## **Regular Calendar**

### **16. Bus Customer Satisfaction Survey**

Ms. Jessie Quiroz, Consultant with R&R Partners, presented a verbal and PowerPoint presentation on the Bus Customer Satisfaction Survey. Ms. Quiroz went through the survey results and explained the findings.

Director Buffa inquired if this data can be compared against other transportation agencies', and Ms. Quiroz and Jose Solorio, OCTA Marketing Administrator, stated that it can be compared, and OCTA fares a bit better in that we reached the 90 percentile in customer satisfaction, while others average in the mid-80's.

Director Winterbottom asked if there is still consideration for doing away with the bus book. Chief Executive Officer, Arthur T. Leahy, responded that the bus book is expensive to produce and several options are being considered, one of which would be to charge a small fee for the book so that people do not take a bus book, then throw it away at the end of their bus trip, but rather would keep the book for future reference.

Director Duvall suggested that paid advertising be considered to off-set the cost of producing the bus book.

Director Rosen asked that staff look for corresponding statistics with other agencies where rail is available, such as Los Angeles. Director Dixon asked that staff look at the statistics from San Diego's system, as well.

Mr. Solorio stated that statistics in those agencies generally reflect bus and rail combined.

Director Pringle stated that he felt a separate survey should be considered if the intent is to find out how to motivate those who currently do not ride the bus to do so. He also noted that this survey was not directed at attracting tourism.

**16. (Continued)**

Director Norby stated that he appreciated having the PowerPoint material in his agenda packet and would appreciate PowerPoints being included in agendas in the future in order for Members to have an opportunity to study the information beforehand.

Directors Pulido and Correa stated they would appreciate if questions could be included in future surveys to learn the socio-economic background of bus riders.

Motion was made by Director Correa, seconded by Director Pulido, and declared passed by those present, to receive information for discussion and possible action as deemed appropriate by the Board.

**Other Matters**

**17. Chief Executive Officer's Report**

Chief Executive Officer, Arthur T. Leahy, informed the Board that negotiations are underway in Sacramento to put together an infrastructure bond that will be acceptable to the Governor and to be put on the June ballot.

Mr. Leahy informed the Board that Vice Chair Cavecche, Directors Buffa and Duvall and he traveled to Washington, D.C., last week to attend the American Public Transportation's Legislative Conference, and several valuable meetings were held with federal representatives.

Mr. Leahy referred to an article that appeared this date in the Los Angeles Times, referring to various bridges that need seismic retrofitting. Mr. Leahy stated that staff will look at this list and report back to the Board any plans for this work.

Mr. Leahy reported that Bill Foster, Executive Director of Bus Operations, is retiring the end of March after working for many years in public transportation. Mr. Leahy further informed Members that Stanley Phernambucq, Executive Director of Construction and Engineering, has tendered his resignation to accept another position elsewhere and will remain with OCTA through at least the end of May. Mr. Leahy stated that both departures reflected significant losses to the organization and a recruitment will be done to fill both positions.

## 18. Directors' Reports

Vice Chair Cavecche, and Directors Buffa and Duvall provided brief comments regarding the trips to Washington, D.C. last week, and an overview of the issues covered in the meetings held.

Director Correa asked those that went to Washington that in regard to the global positioning system (GPS proposal) which was mentioned in their comments, if this looks at the more accurate terms of how to tax people on use of roads, or just revenue generation? Chairman Brown responded that this has been discussed at the Southern California Association of Governments' meetings various times, and it would be revenue-generating.

Director Wilson stated that he had received a letter from Director Campbell, advising that he has asked OCTA staff to look at the process regarding short-term investment strategies employed by the portfolio managers. This item will return to the Finance and Administration Committee at a future date.

Director Pringle stated that he visited Shanghai recently and had the opportunity to observe and ride the new Maglev system installed there to cover an 18-mile route.

Director Winterbottom expressed his appreciation and gratitude to staff for setting up the open house and tour at the Customer Information Center.

## 19. Public Comments

Chairman Brown offered members of the public an opportunity at this time to address the Board of Directors regarding any items within the subject matter jurisdiction of the Board of Directors, and stated that comments would 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.

Public comments were heard from:

Patrick Kelly, Teamsters Local 952, who stated a tentative agreement has been reached on the Maintenance agreement and will come before the voting body on April 24.

John Christensen, resident of Garden Grove and Teamsters Local 952 steward, who stated he supports the tentative agreement and thanked those involved for their work on the issues.

Eric Henry, business representative, Teamsters Local 952, who expressed his appreciation for a job well done to reach a tentative agreement.

**20. Closed Session**

General Counsel, Kennard R. Smart, Jr., stated that a Closed Session would be conducted:

- A. Pursuant to Government Code Section 54957.6 to meet with Orange County Transportation Authority designated representative, Marlene Heyser, regarding collective bargaining agreement negotiations with the Teamsters Local 952 representing the Maintenance employees.

Pursuant to Government Code Section 54956.9(a) to discuss:

- B. OCTA v. Amerisourcebergen, et al.  
OCSC Case No. 04CC09849
- C. OCTA v. The City Office, et al.  
OCSC Case No. 04CC09846
- D. William J. Howard v. OCTA, et al.  
OCSC Case No. 05CC05986

General Counsel stated that he did not expect a report out of this session, and the Board Members moved to the Closed Session room to discuss these matters.

Director Winterbottom did not participate in the discussion on item A (above) and Directors Campbell, Monahan, and Norby did not participate in items A, B, C, D.

**21. Adjournment**

The meeting adjourned at 10:40 a.m. Chairman Brown announced that the next regularly scheduled meeting of the OCTA/OCTD/OCLTA/ OCSAFE/OCSSAAV Board will be held at **9:00 a.m. on March 27, 2006**, at OCTA Headquarters at 600 South Main Street, First Floor - Room 154, Orange, California.

ATTEST

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Wendy Knowles  
Clerk of the Board

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Arthur C. Brown  
OCTA Chairman







ORANGE COUNTY  
TRANSPORTATION AUTHORITY

RESOLUTION

***DONNA JENSEN***

*WHEREAS, the Orange County Transportation Authority recognizes and commends Donna Jensen; and*

*WHEREAS, be it known that Donna Jensen has been a principal player at the OCTA and has performed her responsibilities as a Coach Operator in a professional, safe, courteous and reliable manner; and*

*WHEREAS, Donna Jensen has demonstrated her integrity by maintaining an excellent work record for the last 25 years. Her dedication exemplifies the high standards set forth for Orange County Transportation Authority employees; and*

*WHEREAS, Donna Jensen has demonstrated that safety is paramount by achieving 22 years of safe driving and that courtesy to her customers ensures continued patronage for OCTA; and*

*WHEREAS, Donna Jensen's teamwork and partnership is evident as a member of the Santa Ana Base and her can-do spirit has earned the respect of her fellow Coach Operators.*

*NOW, THEREFORE, BE IT RESOLVED that the Authority does hereby declare Donna Jensen as the Orange County Transportation Authority Coach Operator Employee of the Month for March 2006; and*

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

**Dated: March 27, 2006**

\_\_\_\_\_  
Arthur C. Brown, Chairman  
Orange County Transportation Authority

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





ORANGE COUNTY  
TRANSPORTATION AUTHORITY

RESOLUTION

**TOAN HOANG**

*WHEREAS, the Orange County Transportation Authority recognizes and commends Toan Hoang; and*

*WHEREAS, be it known that Toan Hoang has been a principal player in our Maintenance Department with his innovative contributions, service and commitment; and*

*WHEREAS, Toan began his career at OCTA in December 2000, during his tenure he has become highly skilled in troubleshooting and rebuilding electronic components. These skills combined with an excellent work ethic have made Toan a valuable member of the Maintenance Department; and*

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

**NOW, THEREFORE, BE IT RESOLVED** that the Authority does hereby declare Toan Hoang as the Orange County Transportation Authority Maintenance Employee of the Month for March 2006; and

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

**Dated: March 27, 2006**

\_\_\_\_\_  
Arthur C. Brown, Chairman  
Orange County Transportation Authority

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

OCTA Resolution No. 2006-15





ORANGE COUNTY  
TRANSPORTATION AUTHORITY

RESOLUTION

GAIL CHERRY

*WHEREAS, the Orange County Transportation Authority recognizes and commends Gail Cherry; and*

*WHEREAS, be it known that Gail has performed her duties as Senior Schedule Analyst for the Service Planning and Customer Advocacy Department in an outstanding manner, demonstrating the highest level of integrity and professionalism in all her dealings with Authority staff and the public; and*

*WHEREAS, Gail's unique knowledge and understanding of the HASTUS scheduling system, schedule checking and analysis have been instrumental in achieving constant improvement in the timely delivery of critical bus service to the public; and*

*WHEREAS, Gail's knowledge, understanding and appreciation for the valuable work performed by all involved in service delivery coupled with her dedication, compassion for transit users and Coach Operators and professional execution of all tasks and responsibilities have combined to create an excellent return on the public's investment in transit service in Orange County; and*

*WHEREAS, Gail's leadership, positive attitude and eagerness to provide assistance to all epitomize the goals of the Orange County Transportation Authority's "Putting Customers First" philosophy.*

**NOW, THEREFORE, BE IT RESOLVED** that the Authority does hereby declare Gail Cherry as the Orange County Transportation Authority Administrative Employee of the Month for March 2006; and

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

**Dated:** March 27, 2006

\_\_\_\_\_  
Arthur C. Brown, Chairman  
Orange County Transportation Authority

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

OCTA Resolution No. 2006-16







ORANGE COUNTY  
TRANSPORTATION AUTHORITY

RESOLUTION

DAVID LOWENSTEIN

WHEREAS, the Orange County Transportation Authority recognizes and commends Deputy David Lowenstein; and

WHEREAS, Deputy Lowenstein has been assigned to Transit Police Services since May 2003, handling the responsibilities involved with working at Transit Police Services with enthusiasm and a strong desire to provide the best service possible to OCTA, it's employees and the patrons who utilize the transportation system; and

WHEREAS, Deputy Lowenstein displays a strong command presence and has handled numerous volatile type calls without incident; he thinks before he acts and weighs all of the options which has lead to positive results; and

WHEREAS, Deputy Lowenstein's duties include directed patrol, handling calls for service on fare evasions, disturbances, both on buses and at transit facilities, enforcement of penal code and vehicle code violations related to bus operations, he always strives to perform his duties within the guidelines of OCTA and Transit Police Services.

NOW, THEREFORE, BE IT RESOLVED that the Authority does hereby declare Deputy David Lowenstein as the Orange County Transportation Authority Transit Police Services Employee of the Quarter for March 2006; and

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

Dated: March 27, 2006

Arthur C. Brown, Chairman  
Orange County Transportation Authority

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

OCTA Resolution No. 2006-17





BOARD COMMITTEE TRANSMITTAL



**March 21, 2006**

**To:** Members of the Board of Directors  
**From:** Wendy Knowles, Clerk of the Board  
**Subject:** Review of Third-Party Administration of Employee Health Benefits

This item will be considered by the Finance and Administration Committee on March 22, 2006. Following Committee consideration of this matter, staff will provide you with a summary of the discussion and action taken by the Committee.

Please call me if you have any comments or questions concerning this correspondence. I can be reached at (714) 560-5676.





*March 22, 2006*

**To:** Finance and Administration Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Review of Third-Party Administration of Employee Health Benefits

**Overview**

An operational and compliance review of the third-party administration of employee health benefits by Foundation Administrative Services, Inc. has been completed by the professional firm of Benefit Plan Audit Services. The results of the audit concluded that stronger internal controls and operational improvements are needed to ensure proper safeguarding of Orange County Transportation Authority's assets.

**Recommendation**

Receive and file the Review of Third-Party Administration of Employee Health Benefits, Internal Audit Report No. 05-010.

**Background**

Orange County Transportation Authority (OCTA) contracts with third-party administrator Foundation Administrative Services, Inc. (FAS), formerly known as Riverside County Foundation for Medical Care, for the administration of its self-funded employee medical and dental plan. OCTA utilized Orange County Preferred Provider Organization for its preferred medical provider options, First Dental Health for its preferred dental provider options, and Symetra Financial, formerly known as Safeco Insurance, for stop loss coverage through December 31, 2005. OCTA's prescription benefit coverage was provided by PharmaCare through their contract with FAS. On October 20, 2005, the OCTA Board of Directors authorized entering into contracts changing OCTA from self-insured plans to fully insured plans. The current contract with FAS will end on June 30, 2007, and FAS is only processing the claims incurred prior to January 1, 2006. As of September 30, 2005, there were 254 OCTA employees enrolled in the health benefit plans with FAS.

***Discussion***

Internal Audit made recommendations to clarify industry standards in future similar contracts, ensure a process for auditing claims payments, date stamp claims upon receipt, implement a usual and customary fee schedule for non-Preferred Provider Organization (non-PPO) providers, ensure family deductibles are tracked accurately, segregate duties in the claims system, consider hiring a dental consultant, and clarify explanation of benefits documents. Management has or is in the process of making changes in response to the recommendations. Some recommendations will not be implemented since the contract with FAS is ending and no new claims are being processed.

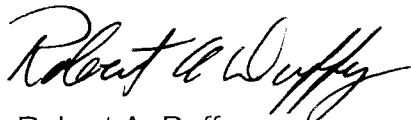
***Summary***

Based on the review, internal controls were generally adequate to ensure the safeguarding of Orange County Transportation Authority's assets. Internal Audit did offer some recommendations, which management staff indicated would be implemented.

***Attachment(s)***

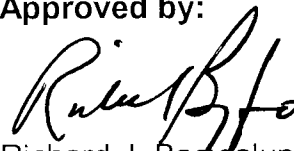
- A. Review of Third-Party Administration of Employee Health Benefits, Internal Audit Report No. 05-010
- B. Review of Third-Party Administration of Employee Health Benefits, Internal Audit Report No. 05-010, Audit Close-out Memo

**Prepared by:**



Robert A. Duffy  
Manager, Internal Audit  
(714) 560-5669

**Approved by:**



Richard J. Baicalupo  
Deputy Chief Executive Officer  
(714) 560-5901



*INTEROFFICE MEMO*

February 1, 2006

To: Jim Kenan, Executive Director  
Finance, Administration & Human Resources

From: Lisa Monteiro, Senior Internal Auditor *jm*  
Internal Audit

Subject: **Review of Third-Party Administration of Employee Health Benefits, Internal Audit Report No. 05-010**

**Conclusion**

An operational and compliance review of the third-party administration of employee health benefits by Foundation Administrative Services, Inc., formerly known as Riverside County Foundation for Medical Care, has been completed by the professional firm of Benefit Plan Audit Services. The results of the audit concluded that stronger internal controls and operational improvements are needed to ensure proper safeguarding of Orange County Transportation Authority's assets.

**Background**

Orange County Transportation Authority (OCTA) contracts with third-party administrator (TPA) Foundation Administrative Services, Inc. (FAS), formerly known as Riverside County Foundation for Medical Care, for the administration of its self-funded employee medical and dental plan. OCTA utilized Orange County Preferred Provider Organization for its preferred medical provider options, First Dental Health for its preferred dental provider options, and Safeco for stop loss coverage through December 31, 2005. Additionally, OCTA's prescription benefit coverage was provided by PharmaCare through their contract with FAS. As of September 30, 2005, there were 254 OCTA employees enrolled in the health benefit plans with FAS.

**Purpose and Scope**

The Annual Internal Audit Plan for Fiscal Year 2004-05 included an operational and compliance review of the third-party administration of employee health benefits. Internal Audit enlisted the professional firm of Benefit Plan Audit Services (BPA) to perform an operational and compliance review of FAS

for the period January 1, 2005, through September 30, 2005. The review focused primarily on internal controls, compliance, operational improvement, and cost recovery opportunities.

## **Observations and Recommendations**

### **Industry Standards for Payment and Financial Accuracy**

The audit results indicated that the level of payment and financial accuracy is unsatisfactory based on industry standards. However, the accuracy was acceptable per the terms of the performance guarantees included in the contract between OCTA and FAS.

#### **Recommendation No. 1**

OCTA management should ensure that performance standards stipulated in future contracts are reflective of the most current industry standards.

Additionally, BPA identified seven areas in which improvements to operational procedures and controls should be implemented. These areas are detailed in Section IV, Reportable Improvement Findings (RIFs), of BPA's report (see attached). Internal Audit has summarized BPA's conclusions and is making recommendations to OCTA management below.

### **Process for Auditing Claims Payments**

FAS does not have procedures in place to audit claims payments. Per FAS management, an internal auditor was hired in December 2005, and will be implementing an internal audit program.

#### **Recommendation No. 2**

OCTA management should verify FAS's implementation of an internal audit program within a reasonable time period.

### **Date Stamps for Claims**

Claims received by FAS are not individually date-stamped immediately upon receipt. Per FAS management, claims are instead batched and the date is indicated on the batch slip.

### **Recommendation No. 3**

To ensure required turnaround times for processing claims can be followed, Internal Audit recommends that FAS be required to date-stamp each claim immediately upon receipt.

### **Usual and Customary Fee Schedule**

There is no usual and customary fee schedule in place for non-participating providers. This can potentially result in non-participating providers being overpaid by the plan.

### **Recommendation No. 4**

OCTA management should consider implementing a fee schedule for non-participating providers.

### **Tracking of Family Deductibles**

The claim system used by FAS does not track family deductibles, which can result in OCTA members paying more than their required deductible. These overages are not corrected unless a member complains. Three such overpayments were noted during BPA's claims testing procedures. Per FAS management, a new claims system will be implemented in the first quarter of 2006 that will allow for the automatic identification of family deductibles.

### **Recommendation No. 5**

OCTA management should verify the proper charging of deductibles once the new claims system is implemented.

### **Segregation of Duties in the Claims System**

The FAS employee who handles system reports and capabilities has the duty of adding and changing provider addresses in the claims system. FAS management indicated that the duties were segregated subsequent to the audit and the adding and changing of provider addresses was assigned to another individual.

### **Recommendation No. 6**

Since corrective action has been implemented as of the date of this report, no recommendation is shown in this report.

### Dental Consultant

FAS does not utilize a dental consultant for advising when dental services are unnecessary or should be denied. FAS management indicated that the current claims system in use is incapable of tracking dental work.

### **Recommendation No. 7**

OCTA management should determine if it is cost-beneficial to require the use of a dental consultant. Additionally, OCTA management can require FAS to manually track dental work performed.

### Explanation of Benefits Documents

The coding for basic diagnostic benefit exhaustion in the current claims system may be confusing for members when viewing their Explanation of Benefits. Specifically, the description states that "benefits for this service have been exhausted" when these services can be paid under the extended benefit part of the plan. Per FAS management, modifications to coding in the claims system will be made upon conversion to their new claims system in the first quarter of 2006.

### **Recommendation No. 8**

OCTA management should verify the coding modification once the new claims system is implemented.

### **Management Response**

Internal Audit requests a response indicating the actions taken or planned to address the recommendations be forwarded to Lisa Monteiro, Senior Internal Auditor, by February 15, 2006. The detailed audit scope and results are included in the attached audit report.

Audit performed by: Benefit Plan Audit Services

Attachment:

Independent Consultant's Final Report on the Orange County Transportation Authority (OCTA) Claims Operational and Compliance Review of Foundation Administrative Services, Inc. (FAS), formerly known as the Riverside County Foundation for Medical Care (RCFMC)

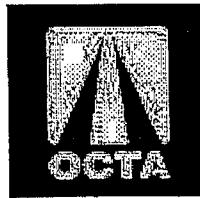
c: Rick Bacigalupo  
Lisa Arosteguy  
Debbie Christensen  
Kirk Avila  
Robert Duffy

This is a privileged and confidential document prepared for and at the request of Orange County Transportation Authority (OCTA) executive management. Any unauthorized transmission, copying, or dissemination of the information contained herein, without the express written consent of the copyright holder, is expressly prohibited. Benefit Plan Audit Services, LLC hereby grants OCTA the unrestricted right to copy and disseminate this report for internal review and for review by OCTA's external advisors, at OCTA's sole discretion.

**Independent Consultant's**

**Final Report on the**

**Orange County Transportation Authority  
(OCTA)**

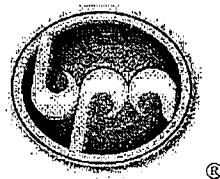


**Claims Operational and Compliance Review**

**of**

**Foundation Administrative Services, Inc. (FAS),  
formerly known as the  
Riverside County Foundation for Medical Care  
(RCFMC)**

Prepared by:



**Benefit Plan Audit Services**

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January 27, 2006

[www.beneplanaudit.com](http://www.beneplanaudit.com)





## **STIPULATIONS**

THE INFORMATION AND OPINIONS EXPRESSED IN THIS REPORT REPRESENT OUR UNDERSTANDING OF THE SYSTEMS AND PRACTICES IN PLACE AT THE TIME OF OUR REVIEW FOR THE FOUNDATION ADMINISTRATIVE SERVICES, INC. (FAS) RIVERSIDE, CA OFFICE. UNLESS INDICATED, WE BASED OUR OBSERVATIONS AND RECOMMENDATIONS CONCERNING IMPROVEMENTS NEEDED FOR THESE SYSTEMS AND PRACTICES ON MATERIALS AND INFORMATION FURNISHED TO US BY FOUNDATION ADMINISTRATIVE SERVICES, INC. MANAGEMENT. THIS REPORT IS NOT A LEGAL OPINION, AND HAS BEEN PREPARED SOLELY SO THAT THE OCTA MANAGEMENT CAN CONSIDER OUR FINDINGS AND RECOMMENDATIONS TO ADVISE THEM ON WHAT CHANGES OR CORRECTIVE ACTION, IF ANY, ARE NECESSARY.



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## **I. Executive Summary**

Benefit Plan Audit Services, LLC (BPA) performed a review of the Orange County Transportation Authority (OCTA) health claims processing, operations, and compliance provided by its third-party administrator (TPA) for its self-funded employee medical and dental plan. BPA consultants Sue Trammel and Ruth Pence performed this review at the Foundation Administrative Services, Inc. (FAS) office in Riverside, CA (formerly known as the Riverside County Foundation for Medical Care (RCFMC)) on November 14-18, 2005. In addition, BPA consultant Thomas Travers performed a review of certain procedures at the OCTA office in Orange, CA on December 9, 2005.

During the on-site review at FAS, we requested access to and were provided tours of the facility, and we performed an on-site evaluation of the claims processing procedures and controls at FAS, to make sure FAS practices do not put OCTA's money and resources at risk for unnecessary exposure. Our evaluation included reviewing and, where necessary, testing system security, segregation access for employees, claims control, refund and returned check controls, outgoing check controls, pending/denied/appealed claims review procedures, fraudulent provider identification procedures, and overpayment procedures.

Based on our review, we concluded that the level of payment and financial accuracy is unsatisfactory based on current industry standards, although the accuracy was acceptable in terms of the performance guarantees included in OCTA's administrative agreement with FAS. We believe that FAS management needs to improve their controls over claim payments.

In addition, our review of operational controls and procedures revealed a need for management attention in the following areas: Put procedures in place to audit claim payments, ensure that all claims that are inventoried are date stamped, establish usual and customary fee allowances for non-participating providers, make sure family deductibles are tracked and run reports to reimburse members whose deductibles were over applied, segregate duties for adding providers and changing provider addresses and generate reports for these changes, consider hiring a dental consultant and begin using tooth charts to track previous dental work performed, and modify the explanation codes on the member explanation of benefits (EOBs) to be less confusing to both members and providers.

We were not able to perform a trend analysis since this is our first review of the FAS office in Riverside, CA. The summarized results for this review were as follows:

<u>Report Date</u>	<u>Status</u>	<u>RIFs</u>	<u>\$Overpaid</u>	<u>\$Underpaid</u>	<u>Accuracy</u>
1/27/06	Unsatisfactory	7	\$4,079.16	\$4,058.18	97.30%



## **II. Review Purpose and Objectives**

This report communicates the results of our review of OCTA health claims processing, operations, and compliance performed by Sue Trammel and Ruth Pence at the FAS office in Riverside, CA from November 14-18, 2005. In addition, Thomas Travers performed a review of certain procedures at the OCTA office in Orange, CA on December 9, 2005. The objectives established for this review were, to the extent applicable, to review claims payments and operational procedures and controls, and:

1. To schedule the review and order appropriate reports for review.
2. To identify areas for consideration based on the results of previous reviews and to determine whether any recommendations that were made during those previous reviews have been implemented.
3. To determine if there are any OCTA management concerns which need to be addressed during the review.
4. To gain an understanding of FAS's claims system and to determine if proper and adequate controls exist to ensure that claims are properly paid and recorded.
5. To determine if controls exist which ensure the accuracy and validity of claims payments, to assess the quality and accuracy of FAS's operations against contractual and industry standards, and to identify any performance standards or other issues that should be addressed.
6. To verify proper handling for pending and denied claims.
7. To verify that contract terms are properly followed.
8. To review the TPA's claims processing procedures and controls, including system security, segregation access for employees, claims control, refund and returned check controls, outgoing check controls, pending/denied/appealed claims review procedures, fraudulent provider identification procedures, and overpayment procedures, to make sure their practices do not put OCTA's money and resources at risk for unnecessary exposure.
9. To review controls for collecting premium and updating eligibility for retiree benefits, if applicable.
10. To review areas identified in the Request for Proposals (RFP) as follows:



“A. Internal Controls review and testing:

A review of **internal controls** over health benefits administration by both FAS and OCTA, which may encompass a review and detailed testing of:

1. OCTA’s contract with FAS;
2. OCTA’s written policies and procedures over employee health benefits;
3. OCTA’s adopted Plan Documents;
4. OCTA’s Collective Bargaining Agreements for Union employees;
5. OCTA’s stop-loss coverage;
6. Controls over mandated confidentiality requirements (HIPAA);
7. Controls over eligibility and enrollment processes;
8. Controls over claims processing and payments;
9. Controls over COBRA benefits administration; and
10. SAS 70 audits that have been performed on FAS.

B. Compliance review and testing:

A review of **compliance** with State and Federal regulations over employee health benefit programs, which may encompass a review and detailed transaction testing in the areas noted in A above.

C. An operational improvement review:

An evaluation of current operating procedures to identify opportunities for **operational improvement**, which may encompass a review of:

1. The results of work performed in A and B above;
2. OCTA’s cost containment efforts over health benefits; and
3. Administrative and plan expenses.

D. An evaluation to identify opportunities for **cost recovery**, which may encompass the results of the work performed in A, B, and C above.”

11. To review the customer service function performance against industry standards, including analysis of trends or performance spikes noted on telephone system



reports that measure customer service performance issues (such as call abandonment rate, call waiting time, and the speed of answering calls). Also, to monitor selected calls to review the quality of the customer service representatives' performance, if authorized by OCTA.

12. To make sure eligibility controls and procedures are adequate, and to verify proper system set-up for information on enrollment cards.
13. To verify that adequate controls exist for support services, including the mailroom, check flow procedures, postage meter controls, and related issues.
14. To determine whether reinsurance controls and procedures are adequate to identify and report stop loss claims to the carrier timely when claims approach the specific attachment limits outlined in the contract. Also, to review the completeness of information reported (such as related pharmacy claims).
15. To review the shared savings processing function by reviewing the procedures and contracts related to fee negotiation involving non-PPO claims, including a review of how the TPA identifies, logs, and tracks these claims.
16. To review the auto-audit processing function and to identify whether it is properly identifying unbundled procedures. In addition, to review the auto-adjudication system to identify whether potential errors may exist in the program logic used to calculate benefits when auto-adjudicating the various electronic data interchange (EDI) and batch adjudication claims. Finally, to ensure appropriate individuals review exception reports for auto-adjudicated claims to prevent the release of erroneous payments.
17. To analyze the internal audit and training department functions, including a review of the content, length, and detail of the training materials and classes, to ensure they are complete. Also, to review procedures followed when processors are released out of training, to ensure adequate audit and retraining exists that prevent new processors from producing repetitive errors. Additionally, to review the methods used for reporting statistics to verify that meaningful numbers are released.
18. To review the adjustments process to ensure adjusted claims were handled properly.
19. To either review the reasonableness of the bank reconciliation procedures and controls if the TPA is responsible for maintaining any OCTA bank accounts for the payment of claims, or, if instead OCTA funds claims payments are made by



the TPA from their account, to verify that funding controls and procedures are adequate to make sure that OCTA is notified timely of deposits needed to cover claims checks written, that evidence of deposits is obtained before checks are released, and that an efficient and effective reconciliation process is in place.

20. To test the controls surrounding the Consolidated Omnibus Budget Reconciliation Act (COBRA) and the Health Insurance Portability and Accountability Act (HIPAA) activities to verify notices and certificates are issued timely, COBRA rates are billed properly, eligibility is updated on the system timely and accurately, checks are properly controlled and remitted to the clients, and documentation is complete.
21. If FAS is responsible for calculating and paying premiums on behalf of OCTA (such as stop-loss, dental, pharmacy, etc.), to determine if appropriate controls are in place to determine the accuracy of the number of eligibles for whom premiums are being paid each month, to compare the number of eligible participants as shown by the eligibility records to the premium computation, to trace the applicable premium rates to supporting documentation, and to recalculate the premium, on a test basis.
22. To verify that BPA's review work is properly documented and complete, to summarize exceptions noted and discuss them with local management at the completion of the review, and to report findings to OCTA and FAS management.



### III. Review Scope and Claims Testing Summary

We selected and reviewed a stratified random sample of 183 claims paid between January 1, 2005 and September 30, 2005. For the 183 payments reviewed, we noted 21 valued errors, or 90.70% payment accuracy, which is unsatisfactory. These errors resulted in overpayments of \$4,079.16 and underpayments of \$4,058.18, which represents a significantly unsatisfactory combined dollar payment accuracy of 97.30%. We also noted 1.00 weighted procedural errors, or 99.84% procedural accuracy, which is outstanding. See Section VII of this report for detailed information on these errors.

The above percentages represent the weighted average statistical rates based on stratified extrapolated random sampling, and we measured performance (satisfactory/unsatisfactory) based on industry standards. For your reference, BPA staff periodically survey leading firms in the benefit administration field to determine what standards are being used to measure Claims Payer performance. In doing this, we contact Consultants, CPAs, Insurance Carrier Internal Auditors, and other professionals who regularly review benefit plan disbursements. From this survey, we identify the most common performance measurements being used.

Based on our analysis, and our interpretation of trends being followed within the industry, we develop our internal performance measurements, which we use when we review our client benefit plans. The current benchmark standards we use for claim payments to compare to the actual Claims Payer performance are:

<u>Measurement</u>	<u>Acceptable Performance</u>
Financial Accuracy	99% or better
Procedural Accuracy	97% or better
Payment Accuracy	97% or better
Turnaround Time	90% processed within 10 business days
Call Abandonment Rate	3.5% or less
Speed of Answering Calls	85% or more within 30 seconds

However, we noted that the administrative contract includes performance guarantees that differ from industry standards, which FAS did meet, as follows:

- Error free claims rate greater than 90%
- Financial Accuracy Paid greater than 97%
- Administrative Accuracy Claim Coding greater than 96%





In addition to our stratified random sample of paid claims, we reviewed 25 zero dollar claims payments, and noted two underpayments (one for \$56.75, and another for \$12,889.00) totaling \$12,945.75. These errors on zero dollar claims payments were not included in our statistics. See Section VII of this report for detailed information on these findings.

Based on our review, we identified seven operational and compliance issues needing corrective action to improve controls and procedures related to OCTA's health claims. Details of our findings for these areas needing attention at FAS are included in the "Reportable Improvement Findings (RIFs)" section of this report.

Except for the seven recommendations included in this report, we found all other operations to be in order and operating within industry standards with adequate controls and procedures. All of the claims personnel are experienced, and the examiner who processes the claims for OCTA has been with FAS/RCFMC for more than 10 years. FAS holds regular meetings for training purposes. The bank account is reconciled on a monthly basis with copies of the bank statement, reconciliation, and outstanding checks being sent to the Section Manager of Benefits at OCTA. Checks are issued twice a week, on Tuesdays and Thursdays. There is a \$200,000 reserve for the daily balance. Check stock is not kept at FAS; it is with an outsourced company, ABF. FAS only has a minimal manual quantity of checks, which are kept in a locked cabinet with minimal access. FAS, which handles the claims for approximately 215 OCTA employees and their dependents, has two customer service employees to handle phone calls and appeals.

In addition, we visited the OCTA office in Orange, California on December 9, 2005 and reviewed operational controls and procedures for COBRA and HIPAA compliance that were in place on those dates, and found that they are in compliance with required filing, notification, and other procedures. Detailed logs are kept of all participants and elected plans.

We discussed the Collective Bargaining Agreements, and determined they were not relevant to the review, as the agreements expired prior to the scope of the review period. We did review the rates in effect for the only members included in the scope of the review, being "Full-Time Employee - Administrative & T.C.U." These manual rates were tested to computer data and found to be in order. Enrollment and eligibility are well controlled, and confidentiality maintained.



#### **IV. Reportable Improvement Findings (RIFs)**

During our review, we noted the following areas in which improvements to operational procedures and controls are desirable:

1. FAS currently has no procedures in place to audit claim payments, and they do not have any claims auditors or an audit department. FAS Management told us their Claims Manager left in August, 2005, and their Claims Auditor left in early November, 2005. As a result, erroneous payments and fraudulent claims can go undetected.

We recommend that FAS management put procedures in place to audit claim payments, and consider hiring a claims auditor to replace the auditor position that was recently left vacant.

**FAS Management Response:**

**FAS Management indicated that a new auditor was recently hired and reported for work on December 5, 2005, and they will be implementing an internal audit program.**

2. We noted that at least 50% of the claims we reviewed were not date stamped. The mail is picked up daily by an employee and is opened, separated, date stamped, and batched by group. Although the claims were inventoried with Julian dates, we cannot be sure of the actual date received, and the turnaround time calculations cannot be verified as accurate. We noted that after date stamping, the claims sat on a shelf in the mail room waiting to be inventoried.

FAS Management should ensure that all claims are date stamped before they are inventoried, and make sure claims are date stamped when they are opened in the mailroom.

**FAS Management Response:**

**FAS Management indicated that claims are date stamped on the date received. Claims are batched, and a batch slip is attached which indicates the received date and the number of claims in the batch. A Julian date is stamped on each claim, and the date is extracted from the batch slip. Management believes the Julian date on the claim is the accurate date received.**



3. There is no usual and customary fee schedule in place for non-participating providers. These providers are cut back to the RBRVS fee schedule the same as the participating providers for office services. If the member had no option in choosing the non-participating provider (as an inpatient), the plan pays 100% of the billed charges with no reduction or cutbacks. Since these providers can charge with no parameters, and be paid at the 100% benefit level, these providers are being overpaid.

OCTA and FAS should establish usual and customary allowances for non-participating providers.

**FAS Management Response:**

**FAS Management indicated they can apply any fee schedule adopted by the client. FAS Management also said that the implementation of a fee schedule for non-participating providers will result in a significant additional out-of-pocket expense for OCTA members.**

4. Currently, the claim system does not track family deductibles for OCTA members. The system tracks individual deductibles, but does not track the family deductible. As a result, members pay more deductible than the plan calls for. These over applied family deductibles are not adjusted and given back to the member unless the member calls to complain. The members who do not call to complain never receive their correct benefit. These calls and adjustments take valuable processing time away from examiners, resulting in lost production.

This was a larger problem before January 1, 2005, when the deductible was \$100 per person with a maximum of two per family (\$200). Thus, while the family deductible was only \$200, if the third member of the family had the deductible applied, it was usually over applied, as the system only recognized two \$100 deductibles. These deductibles were not corrected unless the member complained. On January 1, 2005, the deductible was increased to \$250 per person with a maximum of three per family (\$750), and this became less of a problem. We recommend that FAS should keep track of the family deductible manually, and input and track the deductible in the notes system online. This will not be necessary when FAS migrates to a new claim system in 2006. In addition, FAS management should run reports to identify and reimburse members who have over paid their deductible.

**FAS Management Response:**

[www.beneplanaudit.com](http://www.beneplanaudit.com)



FAS Management indicated that their new claim system will have the ability to automatically program and identify deductibles in excess of the two separate family deductibles.

5. The MIS employee who handles system reports and capabilities has the duty of adding and changing provider addresses on the claim system. Reports are not generated for these tasks. To avoid the risk for defalcation, the duties of adding, deleting, and changing provider addresses should be segregated and reports should be run and checked by supervisory personnel for propriety.

**FAS Management Response:**

FAS Management indicated that the adding of providers has now been segregated, and the change of address function was assigned to another employee.

6. FAS does not have a dental consultant to advise when dental services are unnecessary or should be denied for dental claims processed for the OCTA plan. There is no tooth chart on the claim system, and the system does not track dental work that has been previously paid. Errors can occur and benefits can be paid for unnecessary dental work.

The only way to track dental work on the current system would be manually and in the notes online. FAS indicated they will be converting from their internally-developed AS400 claims system to the GBAS (Group Benefit Administrative System, marketed by SBPA in Houston, TX) system in the first quarter of 2006, which may have the capability to track dental work.

FAS should consider keeping a manual tooth chart for the members to avoid paying for unnecessary dental work. In addition, OCTA should consider hiring a dental consultant to look at unusual or complicated dental claims for their members to avoid unnecessary dental work.

**FAS Management Response:**

FAS Management indicated they would agree to forward non-participating dental claims to a dental consultant. This may result in additional out-of-pocket expense for the employee. In addition, FAS



indicated that costs for any consultant fees would need to be paid by OCTA.

7. The EOBs that the member and provider receive when the basic diagnostic benefit is exhausted is confusing. The code the system is set up to use says "benefits for this service have been exhausted," when, in fact, these services can be paid under the extended benefit part of the plan. We noted another code which would be more understandable and less confusing to members and providers, which would be appropriate and could be programmed for diagnostic services.

The EOB gives two reason codes: 113 (Contract benefits for this service have been exhausted) and 976 (Extended benefits not paid under base coverage). Using the code 548 (Maximum base benefit, balance applied to extended benefits) would be more appropriate and less confusing to members and providers. This would only take one code, rather than two, and would not imply that the entire benefit was exhausted.

**FAS Management Response:**

FAS Management indicated that the modification to the EOB requires a programming change, which is not cost-effective at this time due to the planned conversion to the new claims system in 2006. They said that the modification to the EOB will be made upon conversion to the GBAS claim system in 2006.



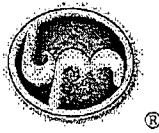
## V. Claims Review Summary Statistics

CLAIMS REVIEW SUMMARY  
 MONTHS OF: 1/1/05 – 9/30/05  
 CLIENT: OCTA  
 TPA: FAS (FORMERLY RCFMC)

ITEM	CURRENT REVIEW	SATISFACTORY/ UNSATISFACTORY
NUMBER OF CHECKS REVIEWED	183	N/A
NUMBER OF INCORRECT CHECKS WITH VALUED ERRORS	21	N/A
PAYMENT ACCURACY %- ACCEPTABLE STANDARD 97% OR MORE	90.70%	Unsatisfactory
WEIGHTED NUMBER OF PROCEDURAL ERRORS	1.00	N/A
WEIGHTED PROCEDURAL ACCURACY %- ACCEPTABLE STANDARD: 97% OR MORE	99.84%	Satisfactory
TOTAL \$ AMOUNT OF CHECKS REVIEWED	\$493,487.95	N/A
\$ OVERPAID	\$4,079.16	N/A
\$ UNDERPAID	\$4,058.18	N/A
COMBINED \$ OVERPAID/UNDERPAID	\$8,137.34	N/A
COMBINED PAYMENT ACCURACY %- ACCEPTABLE INDUSTRY STANDARD: 99% OR MORE (ACCEPTABLE STANDARD PER OCTA'S CONTRACT WITH FAS: 97% OR MORE)	97.30%	Unsatisfactory based on Industry Standards* (Satisfactory based on OCTA's Contract Requirement*)

\*We based our "Unsatisfactory" conclusion based on the industry standard of 99%, as discussed in Section III of this report. However, FAS responded as follows:

"In accordance to OCTA's Performance Measurement addressed on page 3 of 17, the performance standard ranges from 90% to 97%; thus the combined payment accuracy of 97.3% meets OCTA's Agreement Guidelines."



## VI. Statistical Detail for Extrapolation Calculations

Client: CCTA  
 Claims Payor: FAS  
 Period Reviewed: 1/1/05-9/30/05

This section shows the sum of all payments made broken down by the strata shown below:

Strata #	>=	<	# Records	(%)	Amount	(%)
1	\$0.01	\$500.00	5093	91.58%	\$557,705.46	37.80%
2	\$500.01	\$1,000.00	253	4.55%	\$175,409.17	11.89%
3	\$1,000.01	\$2,000.00	109	1.96%	\$149,617.90	10.14%
4	\$2,000.01	\$5,000.00	84	1.51%	\$253,838.54	17.20%
5	\$5,000.01	\$20,000.00	18	0.32%	\$186,185.95	12.62%
6	\$20,000.01	\$50,000.00	3	0.05%	\$82,677.72	5.60%
7	\$50,000.00	\$150,000.00	1	0.02%	\$70,009.81	4.74%
			<u>5,561</u>	<u>100.00%</u>	<u>\$1,475,444.55</u>	<u>100.00%</u>

USING THE FOLLOWING INFORMATION FOR EACH STRATA OF THE SAMPLE REVIEWED, THE SYSTEM CALCULATED THE FOLLOWING STRATIFIED EXTRAPOLATED COMBINED RESULTS:

ITEM	Strata 1	Strata 2	Strata 3	Strata 4	Strata 5	Strata 6	Strata 7	COMBINED
=====	=====	=====	=====	=====	=====	=====	=====	=====
NUMBER OF CLAIMS REQUESTED	76	28	26	34	15	3	1	183
NUMBER OF MISSING CLAIMS	0	0	0	0	0	0	0	0
NUMBER OF CLAIMS REVIEWED	76	28	26	34	15	3	1	183
# OF CLAIMS W/VALUED ERRORS	7	1	4	9	0	0	0	21
% OF CLAIMS PAID CORRECTLY	90.79%	96.43%	84.62%	73.53%	100.00%	100.00%	100.00%	90.70%
# OF WTD PROCED. ERRORS	0	1	0	0	0	0	0	1
WEIGHTED PROCED. ACCURACY %	100.00%	96.43%	100.00%	100.00%	100.00%	100.00%	100.00%	99.84%
TOTAL \$ REVIEWED	\$13,507.97	\$20,927.02	\$34,708.02	\$111,004.24	\$160,653.17	\$82,677.72	\$70,009.81	\$493,487.95
TOTAL \$ OVERPAID	\$97.20	\$0.00	\$156.16	\$178.26	\$3,647.54	\$0.00	\$0.00	\$4,079.16
AVERAGE \$ OVERPAID	\$1.28	\$0.00	\$6.01	\$5.24	\$243.17	\$0.00	\$0.00	\$2.16
EXTRAPOLATED \$ OVERPAID	\$6,513.58	\$0.00	\$654.67	\$440.41	\$4,377.05	\$0.00	\$0.00	\$11,985.80
OVERPAYMENT ERROR %	1.17%	0.00%	0.44%	0.17%	2.35%	0.00%	0.00%	0.81%
TOTAL \$ UNDERPAID	\$249.86	\$21.09	\$675.23	\$2,912.00	\$0.00	\$0.00	\$0.00	\$4,058.18
AVERAGE \$ UNDERPAID	\$3.29	\$0.75	\$33.66	\$85.65	\$0.00	\$0.00	\$0.00	\$5.00
EXTRAPOLATED \$ UNDERPAID	\$16,743.91	\$190.56	\$3,669.23	\$7,194.35	\$0.00	\$0.00	\$0.00	\$27,798.06
UNDERPAYMENT ERROR %	3.00%	0.11%	2.45%	2.83%	0.00%	0.00%	0.00%	1.88%
COMBINED \$ O/P & U/P	\$347.06	\$21.09	\$1,031.39	\$3,090.26	\$3,647.54	\$0.00	\$0.00	\$6,137.34
AVERAGE \$ O/P & U/P	\$4.57	\$0.75	\$39.67	\$90.89	\$243.17	\$0.00	\$0.00	\$7.15
EXTRAPOLATED COMBINED \$ O/P & U/P	\$23,257.59	\$190.56	\$4,323.90	\$7,634.76	\$4,377.05	\$0.00	\$0.00	\$39,783.86
OVERALL PAYMENT ACCURACY %	95.83%	99.89%	97.11%	96.99%	97.65%	100.00%	100.00%	97.30%



## VII. Claims Errors-Detail by Claim

The following errors were noted during our stratified random sample testing of 183 claims paid between January 1, 2005 and September 30, 2005:

- |     | <u>Claim #</u> | <u>Over/Underpayment</u> |  |
|-----|----------------|--------------------------|--|
| 1.  | 5103031001     | Over \$3,397.62          | Paid the incorrect room rate for an inpatient hospital bill. FAS incorrectly paid for the ICU unit inpatient room rate, when this bill was for revenue code 206 (post-ICU), which should be definitive observation step down from ICU with a lower rate. FAS Management did not agree with this error. |
| 2.* | 5224031067     | Under \$1,198.00         | Applied 20% discount without a contract or negotiation.  |
| 3.* | 5041031064     | Under \$657.00           | Applied 20% discount without a contract or negotiation.  |
| 4.* | 5087031118     | Under \$545.00           | Applied 20% discount without a contract or negotiation.  |
| 5.* | 5007031066     | Under \$388.43           | Applied 20% discount without contract or negotiation.  |
| 6.  | 5066031088     | Under \$336.00           | Paid incorrect PPO contract rate.  |
| 7.* | 5237031078     | Under \$300.00           | Applied 20% discount without contract or negotiation.  |
| 8.  | 5108031002     | Under \$204.54           | Paid incorrect RBRVS schedule allowances.  |
| 9.  | 5161031558     | Under \$186.80           | Incorrectly paid under dental maximum benefit.   |
| 10. | 5126031005     | Over \$179.92            | Paid incorrect PPO hospital contract rate.   |
| 11. | 5209031070     | Over \$178.26            | Incorrectly paid over contracted outpatient surgery rate.  |
| 12. | 5126031006     | Under \$176.00           | Paid incorrect PPO hospital contract rate.   |
| 13. | 5003031082     | Over \$156.16            | Paid incorrect PPO contract rate.  |
| 14. | 5143031069     | Over \$97.20             | Did not bundle chiropractic services.  |





	<u>Claim #</u>	<u>Over/Underpayment</u>
15.	4348031105	Over \$70.00 Paid incorrect hospital contract rate.
16.	4365031001	Under \$21.09 Paid incorrect RBRVS schedule allowances.
17.	5101031002	Under \$15.67 Underpaid accident benefit.
18.	5094031088	Under \$11.72 Incorrectly denied charges for well child care.
19.	5048031074	Under \$10.94 Paid incorrect percentage, paid at 80%, should be 85%.
20.	5004031067	Under \$3.92 Paid incorrect RBRVS schedule allowances.
21.	5010031056	Under \$3.07 Paid incorrect RBRVS schedule allowances.
22.	5083031066	Procedural (Weight 1.00) Incorrect coordination of benefits (COB) documentation on claim system.

**\*Note:** FAS disagrees with error #s 2, 3, 4, 5, and 7 below, and indicated they would like authorization from OCTA to proceed with paying the underpayments based on their application of the 20% discount savings to their clients. These errors represent \$3,088.43 in underpayments. FAS states:

“It is the Foundations internal policy to reduce non network facility claims by 20% as a cost savings to our client. Most facilities have adjusted the 20% reduction. If the facility is unwilling to adjust the 20% upon appeal the facility is supplemented to billed charges. Even though this policy was a cost savings to our client this policy was discontinued on October 1, 2005.”

We did not remove these errors, as we believe the claims were in fact underpaid, since the FAS practice was not in line with standard industry practice, and was done without obtaining written provider agreement. The most significant underpayments were due to taking a 20% discount from a non-participating provider without a contract or negotiation. We identified five underpayments for taking this discount without negotiating the discount.

FAS Management indicated they would adjust these claims if they received calls or appeals from members or providers asking for the 20% discount. If there was no communication, the 20% discount remained as paid. In the future, FAS should call and ask for a discount from the providers and obtain their agreement in writing to avoid potential conflicts, and should not rely on appeals, calls, and adjustments.



## ZERO PAYMENTS

Note: The following errors were noted on claims we tested for a separate sample of zero dollar claims payments. These errors are not included in our statistics.

- |    | <u>Claim #</u>  | <u>Over/Underpayment</u> |
|----|---|--------------------------|
| 1. | 5255031084  | Under \$12,889.00        |
|    | Incorrectly denied charges for itemized bill from LAC Harbor Hospital that does not itemize.              |                          |
| 2. | 5053031067  | Under \$56.75            |
|    | Incorrectly denied for correct provider address and never paid. Paid claims in history for same provider. |                          |

• Note: FAS disagrees with error # 1 above. This error is not included in our statistics, but represents \$12,889.00 in underpayments. FAS management originally indicated that the \$12,889.00 underpayment is now being processed for payment, and OCTA will be the secondary payor to Kaiser. FAS responded to our initial draft report stating:

“...please remove the under payment amount of \$12,889.00. The member’s primary coverage, Kaiser, paid as prime for this service. The claim and documentation was sent to (BPA).”

Based on this comment, we contacted FAS again for further documentation. Upon review, they responded:

“I have been awaiting documentation from Harbor UCLA. They were to fax me the documents by 4:00 but I have not received them. These are the facts the ... claim

- The claim was denied for itemization
- After your (review) and in our review of the claim we determined that the patient had other coverage through Kaiser
- I called the facility ... on 12/13/05 who advised me that the service was to be paid by Kaiser, the primary plan
- On 1/05/06 I spoke to (the facility) to confirm that the bill had been paid by Kaiser and if a balance is due if they had bill the plan for the remaining balance. She informed me that Kaiser had denied the claim and it was sent to collections. I asked her why it was sent to collections when the patient had secondary coverage thru OCTA. She then stated the claim had been denied by the plan (they failed to read the BOB as to the reason why the claim had been denied for itemization)
- We have requested the Kaiser denial so that the Plan can consider the claim
- Now the other issue is the facility never called for an authorization so the plan would apply the 50% penalty provision of the plan.”

Thus, based on this response from FAS, we did not remove the underpayment error, as Kaiser has not paid the claim, and OCTA will be responsible for making payment. At the time of our review, it was denied incorrectly for an itemized bill, because a county hospital (Harbor



UCLA) is not required to provide an itemized bill. Thus, OCTA will be responsible for payment, possibly with a penalty. As stated above, this error occurred on a zero dollar claims payment, which was not included in our statistics.

### CLAIMS HISTORY ERRORS

**Note:** The following errors were noted on claims that were not part of our random sample. We identified these payment errors when we reviewed related claims in history for the claims that were part of our random sample. These errors are not included in our statistics.

	<u>Claim #</u>	<u>Over/Underpayment</u>
1.	4180031057	Under \$89.00 Family deductible over applied for 2004.
2.	4027031065	Under \$67.99 Family deductible over applied for 2004.
3.	5083031066	Under \$54.39 Family deductible over applied for 2004.



## VIII. Turnaround Statistics

TURNAROUND STATISTICS  
FAS – Riverside, California  
January 1, 2005 – September 30, 2005

<u>Number of Calendar Days</u>	<u>Number of Claims</u>	Raw <u>Percentage of Total</u>
1-14	150	81.97%
15-20	13	7.10%
21-30	5	2.73%
Over 30	<u>15</u>	<u>8.20%</u>
Total	<u>183</u>	<u>100.00%</u>

FAS Management disagreed with the percentages reported above as follows:

“A report from January 1, 2005 through September 30, 2005 was generated in order to evaluate the turnaround statistics (report attached). The targeted selection of claims misrepresents the actual turnaround and the Foundation disagrees with your findings of 81.97% between 1-14 days. Attached are the actual turnaround figures during this time period which reflect 93.9 % between 1-14 days. The report is based on calendar days from the claim receipt date to the check issued date. It is interesting that the stratified random sample identified 15 claims over 30 days when the total number of claims in excess of 30 days is 22 claims during this entire period which amounts to .3% of all claims paid. These claims in excess of 30 days are claims which pend for audit, medical review or additional information.”

FAS provided the following report to support their statements above:



Orange County Transportation Authority  
Turnaround Statistics  
January 1, 2005 - September 30, 2005

Data	Jan	Feb	March	April	May	June	July	Aug	Sep	Total Claims
1-14 days	643	701	1063	727	661	726	634	796	669	6,620
Percentage	97.6%	98.6%	98.2%	93.8%	95.4%	85.2%	96.5%	95.4%	85.3%	89.07%
15-21 days	54	5	15	7	32	121	21	32	110	397
Percentage	7.7%	0.7%	1.4%	0.9%	4.6%	14.2%	3.3%	3.8%	14.3%	5.60%
22-31 days	0	0	1	1	0	4	2	2	3	13
Percentage			0.1%	0.1%		0.6%	0.3%	0.3%	0.4%	0.20%
32+days	5	5	4	1	0	1	0	4	2	22
Percentage	0.7%	0.7%	0.4%	0.2%		0.1%		0.5%	0.3%	0.30%
Totals Claims	702	711	1083	736	693	852	657	834	784	7,052

BPA Notes:

1. We are unable to attest to the accuracy of the turnaround time calculations we prepared due to the fact that at least 50% of the claims we reviewed did not have a date stamp, and we do not know how long claims sat before they were inventoried with a Julian date. The FAS chart above is based on a population of 7,052 claims, whereas our results are based on the sample we tested of 183 claims. Further, we cannot validate the turnaround time calculated by FAS, which was based on the system date, while we used the date stamp date when a date stamp was present. This difference in methodology could affect the calculation of turnaround.
2. We noted that the administrative contract includes a performance guarantee for turnaround time requiring that the percentage of claims paid "within 14 days" be greater than 90%. The contract is vague as to whether the 14 days represent calendar days or business days, so we measured turnaround time based on calendar days using raw statistics. Using this standard, FAS is not meeting the 90% guaranteed rate. If the intent is to be 14 work days, this would represent approximately 18-19 calendar days, depending upon holidays. However, we noted that only 89.07% of the claims were processed within 20 calendar days. Thus, the 90% guarantee is not being met using either a calendar or business day standard.



## **IX. Thank You/Questions**

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We thank everyone in the Foundation Administrative Services, Inc. (FAS) office in Riverside, CA (formerly known as the Riverside County Foundation for Medical Care (RCFMC)) for their help, cooperation, and hospitality during this review.


If you have any questions on this report, please contact Sue Trammel at 928-442-9151, or Ruth Pence at 770-355-6942.



INTEROFFICE MEMO

March 1, 2006

To: James S. Kenan, Executive Director  
Finance, Administration & Human Resources

From: Lisa Monteiro, Senior Internal Auditor   
Internal Audit

Subject: **Review of Third-Party Administration of Employee Health Benefits,  
Internal Audit Report No. 05-010, Audit Close-out Memo**

Internal Audit has received management's responses to the recommendations issued in Internal Audit Report No. 05-010, Review of Third-Party Administration of Employee Health Benefits. The current contract with Foundation Administrative Services, Inc. (FAS) will end on June 30, 2007, and FAS is only processing the claims incurred prior to January 1, 2006.

Internal Audit believes that the industry standards applied by the auditors as the basis for Recommendation 1 are appropriate; however, since there will be no further contracts for third-party claims administration, corrective action is not considered necessary.

Internal Audit agrees with management's response to Recommendation 4 that FAS was following the contractual requirement to apply 120% of Resource-Based Relative Value Scale (RBRVS) for non-Preferred Provider Organization (PPO) claims. However, the Internal Audit report did not make clear that FAS was not following this requirement only when the member has no option to choose the provider (such as an inpatient status). As such, management should ensure this requirement is followed for all non-PPO claims.

Management has verified that FAS has implemented corrective action regarding Recommendations 2 and 3. Additionally, Recommendations 5, 6, and 7 will not need to be implemented. A follow-up review will not need to be performed.

Attachment: Review of Third-Party Administration of Employee Health Benefits,  
Internal Audit Report No. 05-010

c: Rick Bacigalupo  
Lisa Arosteguy  
Debbie Christensen  
Kirk Avila  
Robert Duffy






*INTEROFFICE MEMO*

February 20, 2006

To: Lisa Monteiro, Senior Internal Auditor  
Internal Audit

From:  James S. Kenan, Executive Director  
Finance, Administration & Human Resources

Subject: **Review of Third-Party Administration of Employee Health Benefits, Internal Audit Report No. 05-010**

Following is the written response indicating the corrective action taken or planned to address the recommendations provided by your department.

**Recommendation No. 1**

The audit results indicated that the level of payment and financial accuracy is unsatisfactory based on industry standards. However, the accuracy was acceptable per the terms of the performance guarantees included in the contract between Orange County Transportation Authority (OCTA) and Foundation Administrative Services, Inc. (FASI).

**IA recommends** OCTA management should ensure that performance standards stipulated in future contracts are reflective of the most current industry standards.

**Response:** OCTA staff contacted Mercer Health & Benefits (Mercer), OCTA's Broker of Record, to determine what industry performance standards they are currently seeing for third party administrators (TPA). The standards provided by Mercer were at or lower than the standards stated in the agreement between OCTA and FASI. The independent consultant employed by Internal Audit is holding FASI to much higher standards. Additionally, the Board of Directors approved on November 14, 2005, to end the self-funded medical and dental plans effective December 31, 2005, and to replace these plans with insured plans provided by CIGNA and MetLife on January 1, 2006. The current contract between OCTA and FASI will end on June 30, 2007. FASI is processing the claims incurred prior to January 1, 2006. There will, therefore, be no future contracts for third party claims administration.

### **Recommendation No. 2**

FASI does not have procedures in place to audit claims payments. Per FASI management, an internal auditor was hired in December 2005 and will be implementing an internal audit program.

**IA recommends** OCTA management should verify FASI's implementation of an internal audit program within a reasonable time period.

**Response:** FASI has confirmed that a new auditor was hired in mid-December. The first phase of the internal audit program was implemented on January 1, 2006, beginning with target audits of claims in excess of a specific dollar amount. On February 1, 2006, a random audit of ten percent of OCTA claims was begun.

### **Recommendation No. 3**

Claims received by FASI are not individually date-stamped immediately upon receipt. Per FASI management, claims are instead batched and the date is indicated on the batch slip.

**IA recommends** that FASI be required to date-stamp each claim immediately upon receipt to ensure required turnaround times for processing claims can be followed.

**Response:** FASI has implemented the process of date-stamping each claim.

### **Recommendation No. 4**

There is no usual and customary fee schedule in place for non-participating providers. This can potentially result in non-participating providers being overpaid by the plan.

**IA recommends** OCTA management should consider implementing a fee schedule for non-participating providers.

**Response:** As part of the agreement between OCTA and FASI, the Scope of Work states that Administrator shall determine usual, customary and reasonable (UCR) charges for non-PPO claims by utilizing 120 percent of RBRVS. FASI has confirmed that this method of pricing non-PPO claims has been in place. Non-PPO claims are processed at 120 percent of RBRVS using the Orange County region.

### **Recommendation No. 5**

The claim system used by FASI does not track family deductibles, which can result in OCTA members paying more than their required deductible. These overages are not corrected unless a member complains. Three such overpayments were noted during BPA's claims testing procedures. Per FASI management, a new claims system will be implemented in the first quarter of 2006 that will allow for the automatic identification of family deductibles.

**IA recommends** OCTA management should verify the proper charging of deductibles once the new claims system is implemented.

**Response:** The new claims system will be implemented April 1, 2006. Since OCTA terminated its contract with FASI, OCTA will remain on the current system and not be converted to the new claims system.

### **Recommendation No. 6**

FAS does not utilize a dental consultant for advising when dental services are unnecessary or should be denied. FASI management indicated that the current claims system in use is incapable of tracking dental work.

**IA recommends** OCTA management should determine if it is cost-beneficial to require the use of a dental consultant. Additionally, OCTA management can require FASI to manually track dental work performed.

**Response:** Since OCTA has moved to an insured program, a dental consultant is not being considered by FASI. FASI will manually track dental work performed for the remainder of the contract.

### **Recommendation No. 7**

The coding for basic diagnostic benefit exhaustion in the current claims system may be confusing for members when viewing their Explanation of Benefits. Specifically, the description states that "benefits for this service have been exhausted" when these services can be paid under the extended benefit part of the plan. Per FASI management, modifications to coding in the claims system will be made upon conversion to their new claims system in the first quarter of 2006.

**IA recommends** OCTA management should verify the coding modification once the new claims system is implemented.

**Response:** The new claims system will be implemented April 1, 2006. Since OCTA terminated its contract with FASI, OCTA will remain on the current system and not be converted to the new claims system.

Cc: Rick Bacigalupo  
Lisa Arosteguy  
Debbie Christensen  
Kirk Avila  
Robert Duffy



BOARD COMMITTEE TRANSMITTAL



**March 21, 2006**

**To:** Members of the Board of Directors  
**From:** Wendy Knowles, Clerk of the Board <sup>WK</sup>  
**Subject:** Review of Investment Activities for July through September 2005

This item will be considered by the Finance and Administration Committee on March 22, 2006. Following Committee consideration of this matter, staff will provide you with a summary of the discussion and action taken by the Committee.

Please call me if you have any comments or questions concerning this correspondence. I can be reached at (714) 560-5676.



*March 22, 2006*

**To:** Finance and Administration Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Review of Investment Activities for July through September 2005

**Overview**

The Internal Audit Department has completed a review of investment activities for the period July 1, 2005, through September 30, 2005. The review indicated that investments were generally in compliance with the Orange County Transportation Authority's debt, investment and accounting objectives, and policies and procedures. However, the Internal Audit Department did identify some repurchase agreements during the quarter where the underlying collateral used to secure the repurchase agreements did not comply with the 2005 Annual Investment Policy.

**Recommendation**

Receive and file the Review of Investment Activities for July through September 2005, Internal Audit Report No. 06-026.

**Background**

According to the Treasury/Public Finance's Debt and Investment Management Manual, Internal Audit is tasked with the responsibility of conducting performance reviews of the Orange County Transportation Authority's (Authority) debt and investment activities.

The Treasury Department is responsible for management of the Authority's investment portfolio. On September 30, 2005, the investment portfolio's book value approximated \$1 billion. The portfolio consists of two managed portfolios: liquid proceeds for the Authority's daily operations, and the short term for future budgeted expenditures. External investment managers administer the short-term portfolio, and the Treasurer manages the liquid proceeds portfolio. The Authority also has funds invested in debt service reserve funds for various outstanding debt obligations. The Authority's Accounting Department is responsible for the accounting and recording of all

debt and investment transactions and the monthly reconciling of all bank accounts.

***Discussion***

The Authority's investment activities are reviewed on a quarterly basis. The objective of the reviews is to determine if the Authority is in compliance with the Authority's debt, investment and accounting objectives, and policies and procedures. The investment review for July through September 2005 indicated that the Authority's investments are generally in compliance.

However, there were some repurchase agreements during the quarter where the underlying collateral used to secure the repurchase agreements did not comply with the 2005 Annual Investment Policy due to Bank of the West's errors. Subsequently, Bank of the West has acknowledged the errors and has indicated that all investments will be in U.S. Treasury securities or cash and collateralized at the required level in accordance with the Investment Policy. The Internal Audit Department made a recommendation that the Treasury Department obtain copies of trade confirmations for repurchase agreements and review the confirmations to determine if the securities comply with the Investment Policy. Management has indicated that this recommendation has been implemented.

***Summary***


Based on the review, investments were generally in compliance with the Authority's debt, investment and accounting objectives, and policies and procedures. The Internal Audit Department made one recommendation, which management staff has indicated would be implemented.



**Attachments**

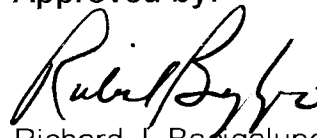
- A. Review of Investment Activities for July through September 2005, Internal Audit Report No. 06-026
- B. Reply to Review of Investment Activities for July through September 2005, Internal Audit Report No. 06-026
- C. Review of Investment Activities for July through September 2005, Internal Audit Report No. 06-026, Close-out Memo

Prepared by:



Robert A. Duffy  
Manager, Internal Audit  
(714) 560-5669

Approved by:



Richard J. Bacigalupo  
Deputy Chief Executive Officer  
(714) 560-5901



INTEROFFICE MEMO

March 7, 2006

To: Kirk Avila, Treasurer  
Finance, Administration and Human Resources

From: SN  
Serena Ng, Senior Internal Auditor  
Internal Audit

Subject: **Review of Investment Activities for July through September 2005,  
Internal Audit Report No. 06-026**

***Conclusion***

The Internal Audit Department has completed a review of investment activities for the period July 1, 2005, through September 30, 2005. In the opinion of the Internal Audit Department, it appears that the Treasury/Public Finance and Accounting and Financial Reporting Departments are generally in compliance with the Orange County Transportation Authority's debt, investment and accounting objectives, policies and procedures. However, Internal Audit did identify some repurchase agreements during the quarter where the underlying collateral used to secure the repurchase agreements did not comply with the 2005 Annual Investment Policy.

***Background***

According to the Treasury/Public Finance's Debt and Investment Management Manual, Internal Audit is tasked with the responsibility of conducting performance reviews of the Orange County Transportation Authority's (Authority's) debt and investment activities.

The Treasury Department is responsible for management of the Authority's investment portfolio. On September 30, 2005, the investment portfolio's book value approximated \$1.00 billion. The portfolio consists of two managed portfolios: liquid proceeds for the Authority's daily operations, and the short term for future budgeted expenditures. External investment managers administer the short-term portfolio, and the Treasurer manages the liquid proceeds portfolio. The Authority also has funds invested in debt service reserve funds for various outstanding debt obligations. The Authority's Accounting Department is responsible for the accounting and recording of all

debt and investment transactions and the monthly reconciling of all bank accounts.

### ***Purpose and Scope***

The objective of the audit was to determine if the Authority was in compliance with the Authority's debt, investment and accounting objectives, policies and procedures.

In conjunction with the objective, Internal Audit:

- assessed the adequacy of internal controls surrounding the Authority's investment activities;
- determined if the Authority was in compliance with the annual investment policy and government code;
- determined if investment activities were adequately supported;
- determined the propriety of investment manager and custodial bank transactions; and
- determined the appropriateness of debt service allocations on the Authority's debt issuances.

The scope of the review consisted of reviewing worksheets prepared by Accounting and Treasury, verifying investment transactions, and reviewing bank reconciliations, investment manager transactions, and custodial activities.

### ***Observations and Recommendations***

#### **Repurchase Agreements**

During the quarter, the Authority entered into an agreement with Bank of the West to invest in repurchase agreements through a repurchase sweep account process. Under the repurchase sweep, the investment balance matures the next day. The Treasury Department's agreement with the Bank of the West limits the repurchase agreements to ones collateralized by U.S. Treasuries and cash. However, there were some repurchase agreements collateralized by asset-backed securities during the quarter. Although the repurchase agreements matured the next day and the underlying asset-backed securities were rated AAA, these repurchase agreements were not compliant with the 2005 Annual Investment Policy, which describes permitted repurchase agreements as being collateralized by U.S. Treasuries, Government National Mortgage Association securities, Federal National Mortgage Association securities or Federal Home Loan Mortgage Association

securities. Additionally, the market value of the underlying collateral was 100 percent instead of the 102 percent required by the Investment Policy due to an error in Bank of the West's system. Subsequently, the Bank of the West has acknowledged the bank's error and has indicated that all investments will be in U.S. Treasury securities or cash and collateralized at the required level.

### **Recommendation No. 1**

**Internal Audit recommends** that the Treasury Department obtain copies of Trade Confirmations for repurchase agreements that are currently sent to the Accounting and Financial Reporting Department and review the confirmations to determine if the securities comply with the Investment Policy and the agreement with the bank.

### ***Summary***

Based on Internal Audit's review, the Treasury/Public Finance and Accounting and Financial Reporting Departments are generally in compliance with the Orange County Transportation Authority's debt, investment and accounting objectives, policies and procedures. However, Internal Audit did make a recommendation related to repurchase agreements.

### ***Management Response***

Internal Audit requests that a written response indicating the corrective action taken or planned to address the recommendations be forwarded to Serena Ng, Senior Internal Auditor, by March 21, 2006.

c: Rick Bacigalupo  
Jim Kenan  
Tom Wulf  
Vicki Austin  
Rodney Johnson



INTEROFFICE MEMO

March 9, 2006

To: Serena Ng, Senior Internal Auditor  
Internal Audit

From: Kirk Avila, Treasurer <sup>KA</sup>  
Finance, Administration and Human Resources

Subject: **Review of Investment Activities for July through September 2005,  
Internal Audit Report No. 06-026**

The Treasury/Public Finance Department has developed and implemented a procedure to ensure that the appropriate collateral is provided by the Bank of the West. The agreement between the OCTA and Bank of the West entitled Securities Sold Under Agreement To Repurchase Plan, details that the type of collateral to be used in a Repurchase Agreement is Treasury securities or cash.

Each Thursday, either the Treasurer or Deputy Treasurer will review all trade confirmations, currently received daily by the Accounting Department, to ensure that the appropriate collateral is provided by the bank. The collateral is required to meet both the terms of the agreement and the Annual Investment Policy.

The Bank of the West has taken corrective action to avoid any further deviations from the agreement.

c: Rick Bacigalupo  
Jim Kenan  
Tom Wulf  
Vicki Austin  
Rodney Johnson



INTEROFFICE MEMO

March 9, 2006

To: Kirk Avila, Treasurer  
Finance, Administration and Human Resources

From: <sup>SN</sup>  
Serena Ng, Senior Internal Auditor  
Internal Audit

Subject: **Review of Investment Activities for July through September  
2005, Close-out Memo**

Internal Audit has received and concurs with management's response to the recommendation issued in the Review of Investment Activities for July through September 2005, Internal Audit Report No. 06-026. Management has implemented the recommendation in the report. Internal Audit appreciates the responses and the cooperation received during the audit. Internal Audit will follow up on management's planned corrective action during subsequent quarterly treasury reviews.

Attachment: Management Response Memo

c: Rick Bacigalupo  
Jim Kenan  
Tom Wulf  
Vicki Austin  
Rodney Johnson  
Robert Duffy





BOARD COMMITTEE TRANSMITTAL

**March 27, 2006**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject** Chokepoint Program Status Update

Regional Planning and Highways Committee

March 20, 2006

**Present:** Directors, Cavecche, Correa, Dixon, Green, Monahan, Norby, Ritschel, and Rosen  
**Absent:** None

**Committee Vote**

This item was passed by all Committee Members present.

**Committee Recommendations**

- A. Authorize the Chief Executive Officer to execute a cooperative agreement with the California Department of Transportation for the Project Report/Environmental Document phase of the Orange Freeway (State Route 57) northbound widening project between Orangethorpe Avenue and Lambert Road.
- B. Approve evaluation criteria and authorize staff to proceed with issuance of Request for Proposals to procure services for the preparation of a Project Study Report for the San Diego Freeway (Interstate 405) between the San Gabriel Freeway (Interstate 605) and the Corona Del Mar Freeway (State Route 73) to advance the San Diego Freeway (Interstate 405) Major Investment Study to the next phase of development.





**March 20, 2006**

**To:** Regional Planning and Highways Committee  
**From:** <sup>LB/ATL</sup> Arthur T. Leahy, Chief Executive Officer  
**Subject:** Chokepoint Program Status Report

**Overview**

The Orange County Transportation Authority and California Department of Transportation are jointly developing concepts to alleviate localized freeway congestion areas known as chokepoints. The objective of the freeway Chokepoint Program is to develop projects that can be brought forward in the near-term as funding becomes available. A status of the program is provided.

**Recommendations**

- A. Authorize the Chief Executive Officer to execute a cooperative agreement with the California Department of Transportation for the Project Report/Environmental Document phase of the Orange Freeway (State Route 57) northbound widening project between Orangethorpe Avenue and Lambert Road.
- B. Approve evaluation criteria and authorize staff to proceed with issuance of Request for Proposals to procure services for the preparation of a Project Study Report for the San Diego Freeway (Interstate 405) between the San Gabriel Freeway (Interstate 605) and the Corona Del Mar Freeway (State Route 73) to advance the San Diego Freeway (Interstate 405) Major Investment Study to the next phase of development.

**Background**

Chokepoints are freeway locations where congestion occurs due to unusually heavy weaving or merging movements, such as backup at a freeway off-ramp that affects through traffic. The Orange County Transportation Authority (OCTA) has embarked on a program to identify such problem areas and develop solutions in conjunction with the California Department of Transportation (Caltrans). The goal of the program is to get projects ready for

funding, so solutions can be quickly implemented as funding opportunities are identified. Getting a project ready is a two-step process. Initially, various concepts are analyzed for feasibility and effectiveness; this is referred to as the Project Study Report (PSR) phase. This is followed by the Project Report/Environmental Document (PR/ED) phase, where the preferred approach is refined and cleared environmentally.

### ***Discussion***

OCTA is the lead agency on preparing the technical work on some of the projects, and Caltrans is doing the technical work on most of the projects (in coordination with OCTA). Since the last report to the Board of Directors (Board) in October 2005, there has been progress on several projects. The attached status report provides detailed information on the progress of each project under the Chokepoint Program (Attachment A). The report is organized by the following freeway corridors.

- Santa Ana/San Diego (Interstate 5)
- Interchange of Santa Ana Freeway (Interstate 5) and Costa Mesa Freeway (State Route 55)
- Costa Mesa Freeway (State Route 55)
- Orange Freeway (State Route 57)
- Riverside Freeway (State Route 91)
- San Diego Freeway (Interstate 405)

A map depicting the location of key chokepoint project areas is included for reference (Attachment B).

Since the last Chokepoint Program update, four projects have made notable progress.

#### Interstate 5 (I-5) Southbound at Camino Capistrano

The PR/ED phase of the southbound I-5 at Camino Capistrano interchange was completed on March 15, 2006, three and one half months ahead of the original schedule, July 2006. OCTA was the project lead and Caltrans provided quality assurance of all project report activities. Caltrans was also the lead agency under the California Environmental Quality Act (CEQA). Staff is working to procure services for the Plans, Specifications and Estimates (PS&E) phase by July 2006.

**I-5 Southbound at Culver Drive**

The PR/ED phase was completed on December 21, 2004. Staff has completed the procurement of consultant services and initiated the design phase which entails the production of the PS&E to prepare the project for the construction phase. Future updates will be provided by the Construction and Engineering Division staff.

**I-5 at Oso Parkway**

The PR/ED phase was completed on July 25, 2005. Staff has completed the procurement of consultant services and initiated the design phase which entails the production of the PS&E to prepare the project for the construction phase. Future updates will be provided by the Construction and Engineering Division staff.

**I-5 at Avenida Pico**

Project design has been completed. Staff expects allocation of State Transportation Improvement Program funds in July 2006. The project is scheduled to be advertised for bidding in July 2006. It is anticipated that construction will begin November 2006 and will be completed by July 2008. Caltrans will advertise, award, and administer the construction phase of the project.

**State Route 57 (SR-57)**

The PR/ED phase of the northbound widening of SR-57 between Orangethorpe Avenue to Lambert Road is on-going with scheduled completion by September 2007. The environmental document process entails gathering public input for the scoping of the project. An open house meeting is being held on March 30, 2006, from 5:00 to 7:00 p.m. at the Placentia City Hall Council Chambers to solicit public input regarding the proposed project. OCTA is the project lead, and Caltrans is providing quality assurance of all project report activities. Caltrans is also the lead agency under CEQA. A cooperative agreement between Caltrans and OCTA has been prepared for the PR/ED phase of this project (Attachment C). Staff is seeking Board approval to execute this agreement.

**State Route 91 (SR-91)**

The PR/ED phase of the Eastbound Auxiliary Lane Project between the Eastern Toll Road (State Route 241) and the Chino Hills Expressway (State Route 71) began in December 2005 and is proceeding on

schedule for completion in May 2007. OCTA is the project lead, and Caltrans is providing quality assurance of all project report activities. Caltrans is also the lead agency under CEQA. This project is being coordinated with the Riverside County Transportation Commission and Caltrans District 8.

Interstate 405 (I-405)

The PSR will soon be underway for the segment of I-405 between the San Gabriel Freeway (Interstate 605) and the Corona Del Mar Freeway (State Route 73). Staff is in the process of procuring services for the preparation of the PSR. This study will advance the I-405 Major Investment Study to the next phase of development. As part of the Request for Proposal (RFP) process, staff is requesting Board approval of the proposal evaluation criteria prior to the issuance of the RFP (Attachment D).

### **Summary**

OCTA and Caltrans continue to work together to develop a slate of ready-for-funding projects, which can ease congestion at key freeway chokepoint locations throughout Orange County. A progress report on the status of these projects is presented for review. Staff will return with an update in six months.

### **Attachments**

- A. Chokepoint Program Status Report March 2006
- B. Orange County Freeway Chokepoint Projects Map
- C. District Agreement No. 12-536
- D. Request for Proposals Evaluation Criteria

**Prepared by:**

  
Arshad Rashedi, P.E., PMP  
Section Manager  
Project Development  
(714) 560-5874

**Approved by:**

  
Paul C. Taylor, P.E.  
Executive Director  
Planning, Development and Commuter  
Services  
(714) 560-5431



## Chokepoint Program Status Report

March 2006

### San Diego Freeway/Santa Ana Freeway (Interstate 5)

Location	Description	Const. Cost	Phase	Status
Interstate 5 (I-5) southbound (SB) off-ramp at Culver Drive (OCTA)	Widen SB off-ramp to two lanes	\$1,506,000	PS&E	December 2006
I-5 SB at Oso Parkway (OCTA)	Widen SB off-ramp to two lanes and construct SB auxiliary lane	\$13,930,000	PS&E	March 2007
I-5 SB at Camino Capistrano (OCTA)	Widen SB off-ramp, widen Camino Capistrano and construct SB auxiliary lane	\$7,041,000	PR/ED	March 2006
I-5 SB at Avenida Pico (Caltrans)	Widen SB off-ramp	\$3,270,000	Construction	FY 2006-07 Start

There are currently three chokepoint projects being developed along the I-5 Freeway that are managed by the Orange County Transportation Authority (OCTA). Work on design phase (PS&E) of SB I-5 off-ramp at Culver Drive project started in February 2006 and is scheduled to be complete by December 2006. OCTA staff has hired consultant services to prepare the PS&E for this project. Caltrans is providing oversight for the design phase.

In addition, the City of Irvine and California Department of Transportation (Caltrans) are moving ahead with other improvements within the vicinity of this chokepoint project.

The limits of the City's improvements extend from the southbound I-5 ramp terminus to the intersection of Culver Drive and Escudero Drive (east of Trabuco Road). Given the overlap of OCTA's project with the City's project, for reasons of economies of cost and time and to minimize disruption to public traffic, it was agreed to combine the portion of the City's widening of the off-ramp into the OCTA project. This benefit was realized as a result of cooperative efforts with the City of Irvine. The design phase is scheduled to be completed by December 2006.

Work on the Project Report/Environmental Document (PR/ED) for the I-5 at Camino Capistrano project to add a SB I-5 auxiliary lane and widen the SB off-ramp and Camino Capistrano has been completed ahead of schedule. The PR/ED phase was completed three and a half months ahead of the scheduled July 2006 completion. Staff is working to procure services for the PS&E phase by July 2006.

The PR/ED for the SB I-5 at Oso Parkway project has been completed and an updated cost estimate has been developed. Staff has procured PS&E services and started the design phase. Staff expects to finish the design phase by March 2007.

Project design SB I-5 at Avenida Pico has been completed by Caltrans. The project is scheduled to be advertised for bidding in July 2006. Staff expects allocation of State Transportation Improvement Program (STIP) funds in July 2006. It is anticipated that construction will begin November 2006. The construction phase is scheduled to be completed by July 2008. Caltrans will advertise, award, and administer the construction phase of the project.

#### Riverside Freeway (State Route 91)

Location	Description	Const. Cost	Phase	Status
State Route 91 (SR-91) eastbound (EB) from State Route 241 (SR-241) to State Route 71 (SR-71) (OCTA)	Add EB lane and improving SR-71 connector ramps	\$63.1 M	PR/ED	PR/ED in progress scheduled completion May 2007
SR-91 westbound (WB) from the Costa Mesa Freeway (State Route 55) to Tustin Avenue (OCTA)	Extend WB auxiliary lane, ramp improvement	\$17.2 M to \$42.9 M	PSR	PSR completed August 13, 2004
SR-91 WB from SR-57 to I-5 (OCTA)	Extend WB auxiliary lane	\$9 M to \$13.4 M	PSR	PSR completed June 10, 2004
SR-91 EB/WB from SR-241 to Imperial Highway: EB from State Route 55 (SR-55) to Imperial Highway (OCTA)	Adding 1 mixed flow lane / auxiliary lane	\$37 M	PSR	PSR completed May 10, 2004

The elimination of the toll road non-compete agreement has allowed four chokepoint Project Study Reports (PSRs) to be completed for improvements along SR-91. In April 2004, the Board authorized the use of 91 Express Lanes' toll revenues to fund the PR/ED phase of the project. The PR/ED phase began in March 2005 and is scheduled for completion in May 2007.

Three additional PSRs for improvement concept along the SR-91 have been completed and are now ready for environmental clearance. The proposed improvements will enhance traffic operations and relieve peak hour congestion. Staff will explore opportunities to fund the next stages of project development, in concert with findings of the SR-91 Major Investment Study (MIS) completed in December 2005.

Santa Ana Freeway (Interstate 5)/Costa Mesa Freeway (State Route 55) Interchange and SR-57

Location	Description	Const. Cost	Phase	Status
I-5/SR-55 Interchange (OCTA)	Improve weaving and merging through interchange improvements	\$12.9 M to 42 M	PSR/PDS	Completed 10/05
State Route 57 (SR-57) northbound (NB) Orangethorpe Ave to Lambert Road (OCTA)	Adding NB through lane	\$ 122 M	PR/ED	Targeting October 07 for completion
SR-57 NB Katella Avenue to Lincoln Avenue (OCTA)	Add auxiliary lane and fully standard median	\$12 M to 21 M	PSR/PDS	PSR completed June 2003

The PSR/PDS for the I-5/SR-55 interchange to identify potential improvements for the interchange area between the Fourth Street off-ramp to the north and Newport Boulevard to the south on the I-5, and on SR-55 from Fourth Street to the north and Edinger Avenue to the south was completed October 31, 2005. The planning effort is intended to surface reasonable and feasible improvements that will become part of an overall strategy to improve the Orange County freeway system.

Coordination with Caltrans technical staff, and the cities of Tustin and Santa Ana have resulted in selection of three alternatives with minimum environmental impacts to the greatest extent feasible. The final PSR/PDS was approved by Caltrans on October 31, 2005. Staff is awaiting the completion of operational improvement study for the entire SR-55 in order to ascertain the best overall benefits of improvements before proceeding to the PR/ED phase.

Costa Mesa Freeway (State Route 55)

Caltrans recently completed two PSRs to enhance operations and ease congestion along both directions of SR-55. The PSRs recommended the addition of an auxiliary lane in each direction of the SR-55 between Dyer Road and Edinger Avenue. Both of the PSRs were completed on September 1, 2005.

Orange Freeway (State Route 57)

The PSR for two chokepoint projects along SR-57 are complete. The proposed widening of the NB SR-57 from Orangethorpe Avenue to Lambert Road PR/ED is underway with target completion of October 2007. The project proposes to add a NB mixed-flow lane, widen medians and shoulders to standard widths, as well as widen the NB off-ramps at Imperial Highway, Lambert Road, and adding northbound auxiliary lane in advance of the off-ramps.

## San Diego Freeway (Interstate 405)

The PS&E phase started in October 2004 by Caltrans for auxiliary lanes along both directions of Interstate 405 (I-405) between Magnolia Avenue and Beach Boulevard. The final design of the project is expected to be completed by March 2007. The construction phase is programmed in the STIP for the fiscal year (FY) 2007-08. The total project cost including engineering, right-of-way, and construction is \$17.2 million. The analysis of the ultimate improvement to the I-405 is addressed as part of the I-405 MIS, which was approved in February 2006.

## Caltrans Chokepoint Projects

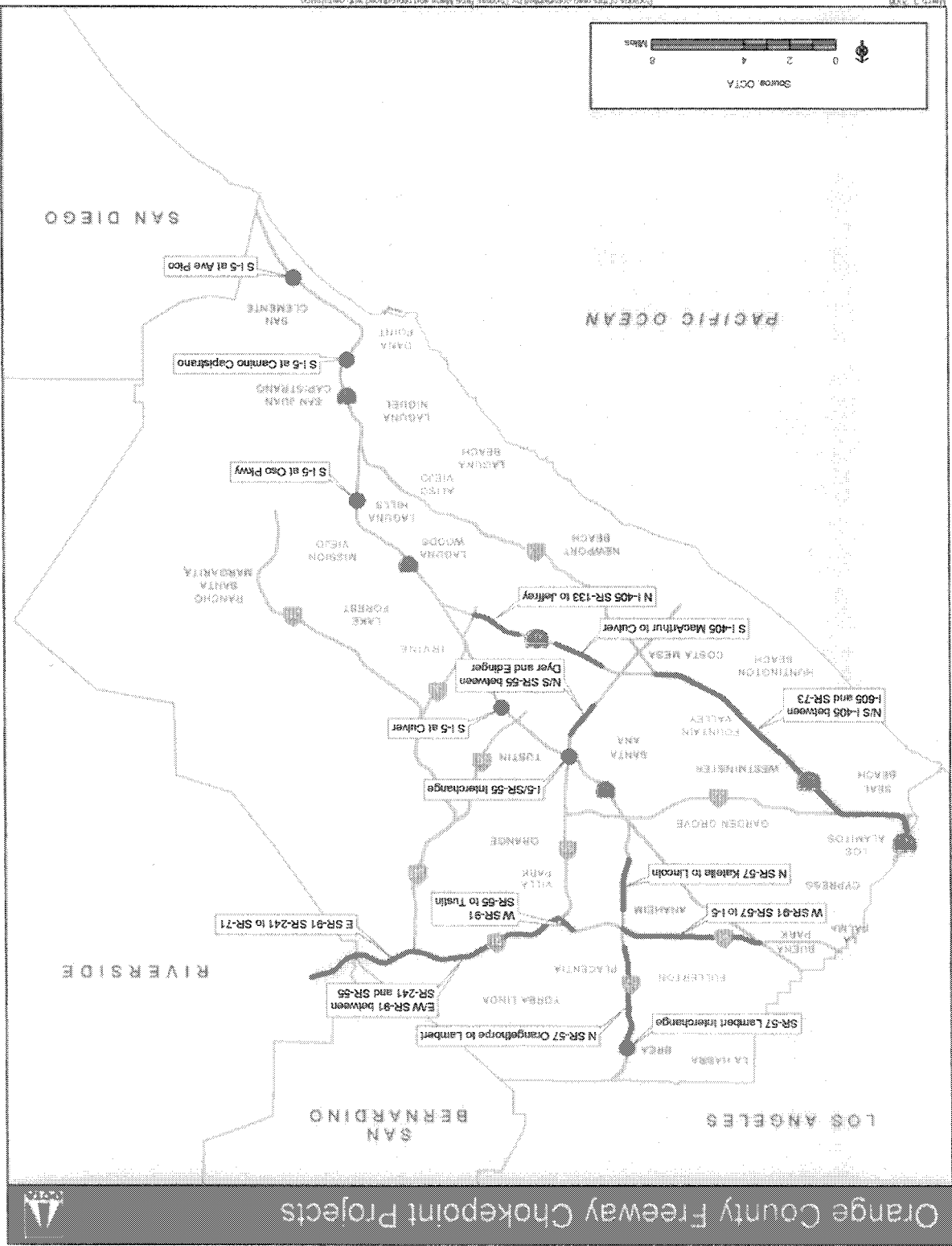
In addition to the chokepoint projects noted above, the following table highlights some of the chokepoint projects being lead by Caltrans.

Location	Improvement Concept	Status
I-5 SB at La Paz Road	The interchange reconstruction project was down scoped to a smaller project aimed at operational improvements	City of Laguna Hills is the local agency leading the PR/ED phase which is targeted to complete July 2006
I-5 NB/SB at Avery Parkway	Reconstruct under crossing/local street widening	PSR is on hold with no current activity
I-5 SB at Jamboree Road	Add auxiliary lane before off-ramp and widen off-ramp to two lanes	Construction scheduled for FY 07/08 (STIP)
I-5 NB at Jamboree Road	Widen access from Jamboree Road to NB on-ramp	PSR was approved October 2005 (SHOPP)
I-5 El Toro interchange	Add SB off-ramp, new SB on-ramp at Laguna Hills Mall	PSR on hold with no current activity
I-405 NB Irvine Center Dr. to Laguna Canyon Road.	Add second truck bypass lane from I -5 NB to I-405 NB	Construction started July 2005, to be completed December 2006 (SHOPP)
SR-57 NB Lambert-Tonner Cyn.	Truck climbing lane	PSR complete
SR-57 NB Lambert interchange	New NB on-ramp	PSR complete. City and Caltrans to discuss funding & next steps (T21 \$0.9M is insufficient)
I-405 SB Irvine Center Drive	Add 2nd auxiliary lane - SR-133 to Irvine Center	PSR complete Proposed for 2008 SHOPP
I-405 NB SR-133 to Jeffrey	Auxiliary Lane	Was advertised and bids received with low bid higher than the voted amount. Seeking supplemental funds to award project.
I-405 NB Jeffrey to Culver	Auxiliary Lane	On hold due to non-completion clause.
I-5 / SR-74 Interchange	Reconstruct interchange	In PR/ED phase to complete environmental and project approval by September 2007. City of San Juan Capistrano is the lead.



**ATTACHMENT B**

**ORANGE COUNTY FREEWAY CHOKEPOINT PROJECTS MAP**



District Agreement No. **12-536**

**12-ORA-57, KP 24.4/34.0  
Orange Freeway (SR-57)  
Widening Project  
12-0F0300  
District Agreement No. 12-536**

THIS AGREEMENT, ENTERED INTO ON (Execution Date), is between the STATE OF CALIFORNIA, acting by and through its Department of Transportation, referred to herein as STATE, and

ORANGE COUNTY TRANSPORTATION AUTHORITY, a body politic and a municipal corporation of the State of California, referred to herein as AUTHORITY.

**RECITALS**

1. The STATE and AUTHORITY pursuant to Streets and Highways Code Section 130, are authorized to enter into a Cooperative Agreement for improvements to State highways within the Authority of ORANGE COUNTY TRANSPORTATION AUTHORITY in the County of ORANGE.
2. The AUTHORITY desires State highway improvements consisting of WIDENING NORTHBOUND State Route 57 from 0.7km south SR-91 in the City of Anaheim to 0.2 km north of Lambert Road in the City of Brea, referred to herein as "PROJECT", and is willing to fund one hundred percent (100%) of all costs of the preparation of Project Report (PR) and Environmental Document (ED), except for costs of STATE's quality assurance of environmental and preliminary Engineering study activities.
3. The agreement will define the California Environmental Quality Act (CEQA) lead agency, CEQA responsible agency, and the roles and responsibility of the CEQA lead agency and CEQA responsible agency regarding environmental document, studies and reports and compliance with CEQA.
4. This Agreement supersedes any prior Memorandum of Understanding (MOU) relating to PROJECT.
5. Construction and preparation of detailed Plans, Specifications and Estimate (PS&E) of PROJECT will be the subject of a separate future Agreement.
6. The parties hereto intend to define herein the terms and conditions under which PROJECT is to be developed, designed, and financed.

**SECTION I**

**AUTHORITY AGREES:**

1. To fund one hundred percent (100%) of all the preliminary engineering costs for PROJECT.
2. To have a Project Report (PR), including all necessary environmental documentation (ED), at no cost to STATE, and to submit to STATE for STATE's review and concurrence at appropriate stages of development. The PR for PROJECT shall be signed by a Civil Engineer registered in the State of California.
3. To permit STATE to monitor and participate in the selection of personnel who will prepare the PR, conduct environmental studies and obtain approval for PROJECT, provide the right of way engineering services, and to permit STATE to oversee the performance of right of way activities. The AUTHORITY agrees to consider any request by STATE to discontinue the services of any personnel considered by STATE to be unqualified on the basis of credentials, professional expertise, failure to perform in accordance with the scope of work and/or other pertinent criteria.

4. To make written application to STATE for necessary encroachment permits authorizing entry of AUTHORITY onto the State highway right of way to perform surveying and other investigative activities required for preparation of the PR and ED.
5. To identify and locate all high and low risk underground facilities within the area of PROJECT and to protect or otherwise provide for such facilities, all in accordance with STATE's "Manual on High and Low Risk Underground Facilities Within Highway Rights of Way". AUTHORITY hereby acknowledges receipt of STATE's "Manual on High and Low Risk Underground Facilities Within Highway Rights of Way".
6. To be responsible, at AUTHORITY's expense, for the investigation of potential hazardous material sites within and outside of the existing State highway right of way that would impact PROJECT as part of the responsibility for the ED for PROJECT. If AUTHORITY encounters hazardous material or contamination within the existing State highway right of way during said investigation, AUTHORITY shall immediately notify STATE and responsible control agencies of such discovery.
7. To obtain, at AUTHORITY's expense all necessary permits and/or agreements from appropriate regulatory agencies. All mitigation, monitoring, and/or remedial action required by said permits shall constitute parts of the cost of PROJECT.
8. All aerial photography and photogrammetric mapping shall conform to STATE's latest standards.
9. A electronic (compatible with STATE software) and paper copy of the Project Report, Environmental Documents and original survey documents resulting from surveys performed for PROJECT, including original field notes, adjustment calculations, final results, and appropriate intermediate documents, shall be delivered to STATE and shall become property of STATE. For aerial mapping, survey documents to be furnished are three sets of contract prints, with one set showing control, a complete photo index - two prints and a copy of the negative, and the original aerial photography negative.
10. STATE's quality assurance activities referred to in Article I of Section II of this Agreement does not include performance of any engineering services required for PROJECT. These services are to be performed by AUTHORITY. If AUTHORITY requests STATE to perform any of these services, AUTHORITY shall reimburse STATE for such services. An Amendment to this Agreement authorizing STATE's performance of such services will be required prior to performance of any engineering work by STATE.
11. To provide, at no cost to STATE, survey and mapping services necessary to perpetuate existing land net and alignment monumentation in accordance with Sections 8771 and 8765 of the Business and Professions Code; and to permanently monument the location of all roadway alignments, realignments, and right of way acquisitions. All of the above are to be shown on a Record of Survey filed with the County Surveyor. AUTHORITY shall deliver one copy of any field notes, filed Corner Records, and the Record of Survey required for execution of the above obligation, to STATE's District 12 Survey Branch.
12. The term "oversight" has been replaced by "quality assurance activities" to conform with revised Department Policies DD-23 and DD-53.

**SECTION II**

**STATE AGREES:**

1. At no cost to AUTHORITY, to provide quality assurance activities of all work on PROJECT done by AUTHORITY, including, but not limited to, investigation of potential hazardous material sites and all right of way activities undertaken by AUTHORITY or its designee, to provide prompt reviews and approvals, as appropriate, of submittals by AUTHORITY, and to cooperate in timely processing of PROJECT.
2. Upon proper application by AUTHORITY, to issue, at no cost to AUTHORITY, an encroachment permit to AUTHORITY authorizing entry onto the State highway right of way to perform survey and other investigative activities required for preparation of the PR and ED. If AUTHORITY uses consultants rather than its own staff to perform required work, the consultants will also be required to obtain a separate encroachment permit. These permits will be issued at no cost upon proper application by the consultants.

**SECTION III**

**IT IS MUTUALLY AGREED:**

1. All obligations of STATE under the terms of this Agreement are subject to the appropriation of resources by the Legislature to STATE for the purposes of fulfilling STATE's obligations herein.
2. The parties hereto will carry out PROJECT in accordance with the Scope of Work, attached and made a part of the Agreement, which outlines the specific responsibilities of the parties hereto. The attached Scope of Work may be modified in writing in the future to reflect changes in the responsibilities of the respective parties. Such modifications shall be concurred with by AUTHORITY's Engineering and Building Director or other official designated by AUTHORITY and STATE's District Director for District 12 and become a part of this Agreement after execution of the amending document by the respective officials of the parties.
3. The Project Study Report (PSR) for PROJECT, approved on 3/10/03 is by this reference, made an express part of this Agreement.
4. The basic design features as defined in Section 3, need and purpose for PROJECT shall comply with those addressed in the approved PSR, unless modified as required for environmental compliance and/or FHWA approval of PROJECT.
5. The preparation of PR and ED for PROJECT shall be performed in accordance with STATE's standards and practices current as of the date of performance. Any exceptions to applicable design standards shall first be approved by STATE via the processes outlined in STATE's Highway Design Manual and appropriate memorandums and design bulletins published by STATE. In the event that STATE proposes and /or requires a change in design standards, implementation of new or revised design standards shall be done as part of the

work on PROJECT in accordance with STATE's current Highway Design Manual Section 82.5, "Effective Date for Implementing Revisions to Design Standards". STATE shall consult with AUTHORITY in a timely manner regarding effect of proposed and/or required changes on PROJECT.

6. AUTHORITY's share of all changes in development costs associated with modifications to the basic design features as described above shall be in the same proportion as described in this Agreement, unless mutually agreed to the contrary by STATE and AUTHORITY in a subsequent amendment to this Agreement.
7. Any hazardous material or contamination of an HM-1 category found within the existing State highway right of way during investigative studies requiring remedy or remedial action, as defined in Division 20, Chapter 6.8 et seq. of the Health and Safety Code, shall be the responsibility of STATE. Any hazardous material or contamination of an HM-1 category found within the local road right of way during investigative studies requiring the same defined remedy or remedial action shall be the responsibility of AUTHORITY. For the purpose of this Agreement, hazardous material or contamination of HM-1 category is defined as that level or type of contamination which State or Federal regulatory control agencies having jurisdiction have determined must be remediated by reason of its mere discovery, regardless of whether it is disturbed by PROJECT or not. If AUTHORITY decides to not proceed with PROJECT, STATE shall sign the HM-1 manifest and pay all costs for required remedy or remedial action within the existing State highway right of way and AUTHORITY shall sign the HM-1 manifest and pay all costs for required remedy or remedial action within the local road right of way. If AUTHORITY and STATE decide to proceed with PROJECT, STATE shall sign the HM-1 manifest and pay all costs for required remedy or remedial action within the existing State highway right of way, except that if STATE determines, in its sole judgment that STATE's cost for remedy or remedial action is increased as a result of AUTHORITY decision to proceed with PROJECT, that additional cost identified by STATE shall be deemed a part of the costs of PROJECT. AUTHORITY shall sign the HM-1 manifest and pay all costs for required remedy or remedial action within the local road right of way. STATE will exert every effort to fund the remedy or remedial action for which STATE is responsible. In the event STATE is unable to provide funding, AUTHORITY will have the option to either delay PROJECT until STATE is able to provide funding or AUTHORITY may proceed with the remedy or remedial action at AUTHORITY expense without any subsequent reimbursement by STATE.
8. The remedy or remedial action with respect to any hazardous material or contamination of an HM-2 category found within the existing State highway right of way during investigative studies shall be the responsibility of AUTHORITY, at AUTHORITY expense, if AUTHORITY decides to proceed with PROJECT. For the purposes of this Agreement, hazardous material or contamination of HM-2 category is defined as that level or type of contamination which said regulatory control agencies would have allowed to remain in place if undisturbed or otherwise protected in place should PROJECT not proceed. AUTHORITY shall sign any HM-2 storage manifest if PROJECT proceeds and HM-2 material must be removed in lieu of being treated in place. If AUTHORITY decides to not proceed with PROJECT, there will be no obligation to either AUTHORITY or STATE other than AUTHORITY duty to cover and protect HM-2 material left in place.
9. If hazardous material or contamination of either HM-1 or HM-2 category is found on new right of way to be acquired by AUTHORITY for PROJECT, AUTHORITY, as between AUTHORITY and STATE only, shall be responsible, at AUTHORITY expense, for all

required remedy or remedial action and/or protection and shall guarantee STATE that said new right of way is clean prior to transfer of title to STATE in accordance with Article 15 of Section I of this Agreement. The generator of the hazardous material or, if none can be identified or found, the present property owner, whether a private entity or a local public AUTHORITY, or AUTHORITY, as a last resort, shall sign the manifest.

10. Locations subject to remedy or remedial action and/or protection include utility relocation work required for PROJECT. Costs for remedy and remedial action and/or protection shall include, but not be limited to, the identification, treatment, protection, removal, packaging, transportation, storage, and disposal of such material.
11. The party responsible for funding any hazardous material cleanup shall be responsible for the development of the necessary remedy and/or remedial action plans and designs. Remedial actions proposed by AUTHORITY on the State highway right of way shall be pre-approved by State and shall be performed in accordance with STATE's standards and practices and those standards mandated by the Federal and State regulatory agencies.
12. A separate Cooperative Agreement will be required to cover responsibilities and funding for the detailed design engineering and construction phase of PROJECT.
13. Nothing in the provisions of this Agreement is intended to create duties or obligations to or tie third parties not parties to this Agreement or to affect the legal liability of either party to the Agreement by imposing any standard of care with respect to the development, design, construction, operation or maintenance of State highways and public facilities different from the standard of care imposed by law.
14. Neither STATE nor any officer or employee thereof is responsible for any damage or liability occurring by reason of anything done or omitted to be done by AUTHORITY under or in connection with any work, authority or jurisdiction delegated to AUTHORITY under this Agreement. It is understood and agreed that, pursuant to Government Code Section 895.4, AUTHORITY shall fully defend, indemnify and save harmless STATE and all its officers and employees from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by AUTHORITY under or in connection with any work, authority or jurisdiction delegated to AUTHORITY under this Agreement.
15. Neither STATE nor any officer or employee thereof is responsible for any damage or liability occurring by reason of anything done or omitted to be done by STATE under or in connection with any work, authority or jurisdiction delegated to STATE under this Agreement. It is understood and agreed that, pursuant to Government Code Section 895.4, AUTHORITY shall fully defend, indemnify and save harmless STATE and all its officers and employees from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by STATE under or in connection with any work, authority or jurisdiction delegated to STATE under this Agreement.
16. This Agreement may be terminated or provisions contained herein may be altered, changed, or amended by mutual consent of the parties hereto.

17. Except as otherwise provided in Article 8 above, this Agreement shall terminate upon completion of the Project Report and Environmental Document for PROJECT, or on 06/30/2009, whichever is earlier in time.

STATE OF CALIFORNIA

ORANGE COUNTY TRANSPORTATION  
AUTHORITY

Department of Transportation  
Will Kempton  
Director of Transportation

By \_\_\_\_\_  
Arthur T. Leahy  
Chief Executive Officer, OCTA

By \_\_\_\_\_  
Jim Beil  
Deputy District Director  
Project Delivery  
District 12

APPROVED AS TO FORM AND PROCEDURE

By: \_\_\_\_\_  
Attorney  
Department of Transportation

By \_\_\_\_\_  
Kennard R. Smart  
AUTHORITY, General Counsel

CERTIFIED AS TO FINANCIAL TERMS AND CONDITIONS

Approved :

Date:

By: \_\_\_\_\_  
Accounting Administrator

\_\_\_\_\_  
Paul C. Taylor  
Executive Director,  
Planning, Development and Commuter Services

CERTIFIED AS TO FUNDS



By: \_\_\_\_\_  
District Budget Manager

## **SCOPE OF WORK**

This Scope of Work outlines the specific areas of responsibility for various project development activities for the proposed widening of Northbound SR-57 between 0.7 km south of SR-91 and 0.2 km north of Lambert Road.

1. STATE will be the Lead Agency for CEQA. The Federal Highway Administration (FHWA) will be the Federal Lead Agency for NEPA. AUTHORITY will assess impacts of PROJECT on the environment and AUTHORITY will prepare the Environmental Document(s) (ED) to meet the requirements of CEQA and NEPA. The draft and final ED will require STATE's review and approval prior to public circulation. AUTHORITY will provide all data for and prepare drafts of the Draft Project Report (DPR) and the Project Report (PR). STATE will review and process the reports and request approval of PROJECT and ED by the FHWA. AUTHORITY will be responsible for the public hearing process.
2. AUTHORITY and STATE concur that the proposal is a Category 4A as defined in STATE's Project Development Procedures Manual.
3. AUTHORITY will submit drafts of environmental technical reports and individual sections of the draft environmental documents to STATE, as they are developed, for review and comment. Traffic counts and projections to be used in the various reports shall be supplied by STATE if available, or by AUTHORITY. Existing traffic data shall be furnished by AUTHORITY.
4. STATE will review, monitor, and approve all project development reports, studies, and plans, and provide all necessary implementation activities up to but not including advertising of PROJECT.
5. STATE will prepare the revised freeway agreement..
6. All phases of PROJECT, from inception through construction, whether done by AUTHORITY or STATE, will be developed in accordance with all policies, procedures, practices, and standards that STATE would normally follow.
7. Detailed steps in the project development process are attached to this Scope of Work. These Attachments are intended as a guide to STATE's and AUTHORITY's staff.

**ATTACHMENT 1  
PLANNING PHASE ACTIVITIES**

<b>PROJECT ACTIVITY</b>	<b>RESPONSIBILITY</b>	
	<b>STATE</b>	<b>AUTHORITY</b>
<b>1. ENVIRONMENTAL ANALYSIS &amp; DOCUMENT PREPARATION</b>		
Establish Project Development Team (PDT)		X
Approve PDT		X
Project Category Determination		X
Prepare Preliminary Environmental Assessment		X
Identify Preliminary Alternatives and Costs		X
Prepare and Submit Environmental Studies and Reports		X
Review and Approve Environmental Studies and Reports	X	
Prepare and Submit Draft Environmental Document (DED)		X
Review DED in District	X	
<b>2. PROJECT GEOMETRICS DEVELOPMENT</b>		
Prepare Existing Traffic Analysis		X
Prepare Future Traffic Volumes for Alternatives		X
Prepare Project Geometrics and Profiles		X
Prepare Layouts and Estimates for Alternatives		X
Prepare Operational Analysis for Alternatives		X
Review and Approve Project Geometrics and Operational Analysis	X	
<b>3. PROJECT APPROVAL</b>		
Lead AUTHORITY for Environment Compliance Certifies ED in Accordance with its Procedures	X	
Prepare Draft Project Report (DPR)		X
Finalize and Submit Project Report with Certified ED for Approval		X
Approve Project Report	X	

**ATTACHMENT 2**  
**DEFINITIONS**

Existing State Route 57 (the Orange Freeway) within the project study limits consists generally of two High Occupancy Vehicle (HOV) lanes and eight mixed-flow lanes; however, the number of lanes varies between individual segments. This freeway extends north from the interchange with interchange 5 and State Route 22 freeways near the boundary between the Cities of Santa Ana and Orange. It passes through the Cities of Orange, Anaheim, Placentia, Fullerton and Brea in Orange County, traverse through the Puente Hills and enters Los Angeles County, continuing to a junction with State Route 60 and further north to a junction with Interstate Routes 10 and 210.

State Route 57 (SR-57) is one of the principle freeways connecting Orange County with the eastern part of Los Angeles County and the adjacent portion of San Bernardino County and directly serves a number of major traffic generators including California State University at Fullerton, the Arrowhead "Pond" of Anaheim, Edison International Field of Anaheim baseball stadium, the Brea Mall Shopping Center and Craig Regional Park. The part of State Route 57 Freeway, which continues north into Los Angeles County directly, serves California State Polytechnic University at Pomona, the Lanterman State Developmental Center and Frank G. Bonelli Regional County Park.

State Route 57 originally was constructed in a series of connecting contracts built approximately thirty years ago as an eight-lane freeway. Approximately ten years ago, the median was paved and the freeway was re-stripped to provide two High Occupancy Vehicle (HOV) lanes, one in each direction. More recently, an HOV direct connector was added at the SR-57/SR-91 interchange to connect the west and north legs of the interchange in both directions. At that time the northbound mixed-flow through lanes immediately north of the SR-57/SR-91 interchange were shifted to the east.

# Request for Proposals Evaluation Criteria

For the procurement of services for Interstate 405 Project Study Report/ Project Design Support (PSR/PDS), the Authority will evaluate the offers received based on the following criteria:

- 1. Qualifications of the Firm** **30 %**

Technical experience in providing project study reports; experience working with local agencies, cities and railroads; strength and stability of the firm; strength, stability, experience and technical competence of subcontractors; assessment by client references.
- 2. Staffing and Project Organization** **35%**

Qualifications of "key personnel", especially the Project Manager, including their relevant past experience with project management and project study reports. Key personnel's level of involvement in performing related work cited in "Qualifications of the Firm" section; adequacy of labor commitment; references from past projects; logic of project organization; concurrence in the restrictions on changes in key personnel.
- 3. Work Plan** **35%**

Depth of Offeror's understanding of Authority's requirements and overall quality of work plan; logic, clarity, and specificity of work plan; appropriateness of labor distribution among the tasks; ability to meet the project deadline; reasonableness of proposed schedule; utility of suggested technical or procedural innovations.





BOARD COMMITTEE TRANSMITTAL

**March 27, 2006**

**To:** Members of the Board of Directors  
**From:** Wendy Knowles, Clerk of the Board  
**Subject:** Euclid Street Signal Synchronization Pilot Project Status Report

Regional Planning and Highways Committee

March 20, 2006

**Present:** Directors Cavecche, Correa, Dixon, Green, Monahan, Norby, Ritschel, and Rosen  
**Absent:** None

**Committee Vote**

This item was passed by all Committee Members present.

**Committee Recommendations**

- A. Authorize the Chief Executive Officer to negotiate and execute a cooperative agreement for the Euclid Street Signal Synchronization Pilot Project with the cities of La Habra, Fullerton, Anaheim, Garden Grove, Santa Ana, and Fountain Valley and the California Department of Transportation.
- B. Direct staff to return with a status report by July 2006.



**March 20, 2006**

**To:** Regional Planning and Highways Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Euclid Street Signal Synchronization Pilot Project Status Report

**Overview**

Euclid Street, from La Habra to Fountain Valley, is proposed as an initial pilot project for expanded, inter-jurisdictional signal synchronization. A status report is provided for review.

**Recommendations**

- A. Authorize the Chief Executive Officer to negotiate and execute a cooperative agreement for the Euclid Street Signal Synchronization Pilot Project with the cities of La Habra, Fullerton, Anaheim, Garden Grove, Santa Ana, and Fountain Valley and the California Department of Transportation.
- B. Direct staff to return with a status report by July 2006.

**Background**

Expanding signal synchronization is a cost-effective way to increase roadway throughput without major new construction. Signal synchronization technology provides more green lights along a series of traffic signals to improve traffic flow. When implemented, drivers in a synchronized signal corridor can often pass through a series of green lights before stopping.

In 2005, the Board of Directors (Board) directed staff to work with local agencies to recommend a potential pilot project for early demonstration of inter-jurisdictional signal synchronization. Cities in central and northern Orange County generally preferred Euclid Street as an initial pilot project for expanded, inter-jurisdictional signal synchronization. Reasons cited included generally consistent cycles, reasonably high traffic volumes, more compatible signal communications equipment, somewhat wider signal spacing than other potential streets, and a willingness to work with neighboring agencies to

demonstrate the benefits of expanded coordination efforts. The current work effort focuses on developing a cooperative agreement with involved agencies for the Euclid Street project. Funding for implementation has been proposed for fiscal year (FY) 2007. A status report on this effort is provided below.

### ***Discussion***

A necessary first step in developing the Euclid Street project is finalizing a cooperative agreement with involved agencies for expanded signal synchronization efforts. The agreement will include defining the scope of the work effort and outlining key responsibilities. These two general areas are discussed below followed by the proposed project budget for FY 2007.

#### **Scope of the Effort**

The Orange County Transportation Authority (OCTA), the California Department of Transportation (Caltrans), and the cities of La Habra, Fullerton, Anaheim, Garden Grove, Santa Ana, and Fountain Valley ("agencies") would agree to actively participate in developing and implementing the Euclid Street Signal Synchronization Pilot Project. The project is intended to underscore the benefits of interagency signal synchronization through re-timing of existing signals, agreeing on common cycle lengths, frequently monitoring performance, and rapidly responding to potential equipment failures. The project will include approximately 60 traffic signals from La Habra to Fountain Valley, and coordination efforts will focus on morning and afternoon weekday peak periods. The project will also identify potential hardware and software upgrades to directly link signal systems. These hardware and software improvements will not be implemented as part of the pilot project, but may form the basis of a future action plan for Euclid Street.

#### **Proposed Responsibilities**

Since OCTA does not have direct control over the agencies' traffic signals, OCTA would develop new coordinated signal timing plans for the agencies to implement. The new timing plans would be subject to each agencies' review, approval, and implementation. OCTA's consultant will provide on-site support to implement the timing plans as necessary.

OCTA would also prepare before and after studies, monitor the coordination system, and recommend corrections for agencies to implement. Corrections should be made by agencies within 24 hours, and OCTA's consultant would provide on-site support for timing plan changes as necessary. The agencies would agree to provide OCTA or its consultant current timing plans and that



Euclid Street signal equipment would have a high maintenance priority by the agencies during the project. The signal and detection equipment should also be in good working order immediately before and during the project.

OCTA staff is currently working with the agencies using the above strategies as a guide. An interagency agreement following these guidelines is expected by July 2006, and staff will return with a status report by July 2006. The Board recommendation authorizes the Chief Executive Officer to negotiate and execute this cooperative agreement. The goal is to implement the pilot project by June 2007.

#### Proposed Budget

The proposed FY 2007 budget includes \$500,000 for the Euclid Street project plus \$85,000 for project management services. The budget proposal builds from re-timing 60 signals, frequent monitoring for up to two years, and preparing interim reports documenting findings, recommendations, and next steps.

#### **Summary**

A status report on the Euclid Street Signal Synchronization Pilot Project is provided for review. A general approach to a future cooperative agreement is presented with a recommendation to return with a status report by July 2005.

#### **Attachment**

None.

#### **Prepared by:**



Kurt Brotcke  
Manager, Planning and Analysis  
(714) 560-5742

#### **Approved by:**



Paul C. Taylor, P.E.  
Executive Director  
Planning, Development and  
Commuter Services  
(714) 560-5431





BOARD COMMITTEE TRANSMITTAL

**March 27, 2006**

**To:** Members of the Board of Directors  
**From:** Wendy Knowles, Clerk of the Board  
**Subject:** Amendment of Lease for Anaheim Office of the 91 Express Lanes

Regional Planning and Highways Committee

March 20, 2006

**Present:** Directors Cavecche, Correa, Dixon, Green, Monahan, Norby, Ritschel, and Rosen  
**Absent:** None

**Committee Vote**

This item was passed by all Committee Members present.

**Committee Recommendations**

- A. Authorize the Chief Executive Officer to negotiate and execute an amendment to the 91 Express Lanes lease for 1,307 square feet of additional office space with LBA Realty Fund Holding Company II, LLC.
- B. Amend the fiscal year 2005-06 budget in the amount of \$10,000 to fund the additional cost from the 91 Express Lanes Enterprise Fund 0036 7691-B0001-A88 for the remainder of the fiscal year.



**March 20, 2006**

**To:** Regional Planning and Highways Committee  
**From:** *ATL*  
Arthur T. Leahy, Chief Executive Officer  
**Subject:** Amendment of Lease for Anaheim Office of the 91 Express Lanes

**Overview**

The Board of Directors has previously approved and budgeted for a new Traffic Operations Center for the 91 Express Lanes. Additional space at the 91 Express Lanes office is required.

**Recommendations**

- A. Authorize the Chief Executive Officer to negotiate and execute an amendment to the 91 Express Lanes lease for 1,307 square feet of additional office space with LBA Realty Fund Holding Company II, LLC.
- B. Amend the fiscal year 2005-06 budget in the amount of \$10,000 to fund the additional cost from the 91 Express Lanes Enterprise Fund 0036-7691-B0001-A88 for the remainder of the fiscal year.

**Background**

The Orange County Transportation Authority (OCTA) currently leases approximately 8,085 rentable square feet at 180 North Riverview Drive in Anaheim, California. The lease is held with LBA Realty Fund Holding Company II, LLC. The location is used for 91 Express Lanes project management, accounting, administration, violations processing, information systems, and traffic operation functions.

The Traffic Operations Center (TOC) is staffed 24 hours per day, 7 days per week, 365 days per year. The TOC is essential for the safety of 91 Express Lanes customers and roadway staff and is critical to ensuring free-flowing traffic. The TOC staff monitors 91 Express Lanes conditions, dispatches the Customer Assistance Patrol, performs initial license plate reviews, conducts

tours, and coordinates with the California Department of Transportation and the California Highway Patrol.

OCTA has initiated a project to replace the TOC equipment; the project is included in the current year's budget. The equipment was state-of-the-art when the 91 Express Lanes first opened; however, the equipment is now over 10 years old and no longer fully meets the needs of the 91 Express Lanes.

***Discussion***

During the initial requirements gathering sessions for the 91 Express Lanes, staff determined that there are several limitations to the current TOC.

1. The existing space is not adequate for current needs. The TOC is staffed with between one to four individuals, depending on the time of day and the day of the week. The existing TOC has working space for two individuals.
  
2. The TOC currently has 16 video monitors that display streaming video from 35 roadside cameras. At any one time, only half of the available video can be viewed or taped. Consequently, the TOC staff must switch monitors regularly to perform their duties. Moreover, there have been instances when accidents or incidents in the road were not taped because the monitors did not display the video feed from the correct camera. The proposed additional square footage will provide enough wall space to configure the monitors to view the entire roadway at one time.
  
3. The existing TOC is adjacent to the information systems server room. The video monitors are mounted in the shared wall between the two rooms. The shared wall creates an environmental problem because the monitors output heat into the air-conditioned server room. Excessive heat is a major cause of failure for computer systems.

The project team has identified 1,307 rentable square feet across the floor from the 91 Express Lanes suite available at our current base rent of \$2.45 per month per rentable square foot. Staff proposes that OCTA lease the available space and build the new TOC in the new space. This approach will mitigate the risk associated with upgrading the TOC during ongoing operations and will allow the project team to build a TOC that will meet the current and future operational needs of the 91 Express Lanes.

**Fiscal Impact**

The proposed lease amendment would require amendment of the fiscal year 2005-06 budget in the amount of \$10,000 to fund the additional cost from the 91 Express Lanes Enterprise Fund 0036-7691-B0001-A88.

**Summary**

Staff requests approval to amend the 91 Express Lanes Anaheim facility lease agreement to add 1,307 rentable square feet. The space will be used to construct a new Traffic Operations Center.

**Attachment**

None.

**Prepared by:**



Daryl Watkins  
Manager, Toll Road and Motorist Services  
(714) 560-5406

**Approved by:**



Paul C. Taylor  
Executive Director, Planning,  
Development and Commuter Services  
(714) 560-5431





BOARD COMMITTEE TRANSMITTAL

**March 27, 2006**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject** Master Agreement for State Funded Transit Projects

Regional Planning and Highways Committee

March 20, 2006

**Present:** Directors Cavecche, Correa, Dixon, Green, Monahan, Norby, Ritschel, and Rosen  
**Absent:** None

**Committee Vote**

This item was passed by all Committee Members present.

**Committee Recommendations**

- A. Authorize the Chief Executive Officer to execute the Master Agreement for State Funded Transit Projects, Agreement No. 64A0172, and all necessary program supplement agreements with the California Department of Transportation for the reimbursement of state funded transit projects.
- B. Approve the attached resolution as required by the California Department of Transportation to execute the above agreement.





**March 20, 2006**

**To:** Regional Planning and Highways Committee  
**From:** *UB K ATL* Arthur T. Leahy, Chief Executive Officer  
**Subject:** Master Agreement for State Funded Transit Projects

**Overview**

The Orange County Transportation Authority uses State Transportation Improvement Program funds for various capital projects in Orange County. On November 28, 2005, the Board of Directors adopted the 2006 State Transportation Improvement Program. In order to access the State Transportation Improvement Program funds for the transit projects included in the program, the Orange County Transportation Authority must execute a master agreement, specific to state funded transit projects, with the California Department of Transportation.

**Recommendations**

- A. Authorize the Chief Executive Officer to execute the Master Agreement for State Funded Transit Projects, Agreement No. 64A0172, and all necessary program supplement agreements with the California Department of Transportation for the reimbursement of state funded transit projects.
- B. Approve the attached resolution as required by the California Department of Transportation to execute the above agreement.

**Background**

On November 28, 2005, the Orange County Transportation Authority (OCTA) Board of Directors (Board) adopted the 2006 State Transportation Improvement Program (STIP). Included in the 2006 STIP were various capital projects throughout Orange County. These projects include freeway chokepoint improvements, soundwalls, and transit-related capital projects including the bus rapid transit (BRT) project. A complete list of the transit projects is included in Attachment A.

**Discussion**

The execution of the Master Agreement for State Funded Transit Projects, Agreement No. 64A0172, is required by the California Department of Transportation (Caltrans) in order to access the STIP funding for use on transit capital projects. This agreement must be accompanied by a certifying resolution (Attachment B) which authorizes the Chief Executive Officer to sign and execute the agreement as well as the necessary program supplement agreements. OCTA legal counsel has reviewed and approved the agreement. This agreement mirrors the previous master agreements OCTA has executed with Caltrans for local assistance projects.

The master agreement governs the general use of state funds for transit capital projects in the county. The program supplements govern the use of state funds on specific projects. A program supplement is executed for each individual project and references all provisions of the master agreement. Program supplements will be executed only for projects previously approved by the Board, consistent with the Comprehensive Funding Strategy and Policy Direction, and 2006 STIP as adopted on November 28, 2005.

**Summary**

On November 28, 2005, the Board of Directors approved the Comprehensive Funding Strategy and Policy Direction and adopted the 2006 STIP for Orange County which included transit-related capital projects. In order to access STIP funding for these projects, a fund transfer agreement must be executed between OCTA and Caltrans.

**Attachments**

- A. 2006 STIP – Transit-Related Projects
- B. Orange County Transportation Authority Resolution No. 2006-18

**Prepared by:**



Jennifer Bergener  
Section Manager, Capital Programs  
Capital Planning  
(714) 560-5462

**Approved by:**



Paul C. Taylor, P.E.  
Executive Director  
Planning, Development and Commuter  
Services  
(714) 560-5431

**2006 STIP – Transit-Related Projects**

<b>Project Name</b>	<b>Total STIP Funding</b>
Orange Metrolink Station Pedestrian Crossing	\$8,000,000
Fullerton Transportation Center Parking	\$15,700,000
Tustin Rail Station Parking Expansion	\$7,000,000
Orange County Metrolink Feasibility Study	\$4,000,000
Irvine Transportation Center Parking Expansion	\$20,000,000
Bus Rapid Transit (Study)*	\$3,573,000
Bus Rapid Transit (Capital, Infrastructure, Rolling Stock)	\$125,000,000

\*This project has received an allocation and will be ready for a program supplement with the execution of this master agreement

**ORANGE COUNTY TRANSPORTATION AUTHORITY  
RESOLUTION NO. 2006-18**

**AUTHORIZATION FOR THE EXECUTION OF A MASTER AGREEMENT AND  
PROGRAM SUPPLEMENTS FOR STATE FUNDED TRANSIT PROJECTS**

**WHEREAS**, the Orange County Transportation Authority (OCTA) may receive funding from the State of California now or sometime in the future for transit related projects; and

**WHEREAS**, substantial revisions were made to the programming and funding process for the transportation projects programmed in the State Transportation Improvement Program, by Chapter 622 (SB 45) of the Statutes of 1997; and

**WHEREAS**, the Traffic Congestion Relief Act of 2000 (the Act) was established by Chapters 91 (AB) 2928) and 92 (SB 496), as amended by SB 1662, of the statutes of 2000, and Chapter 512 (AB 1705) of the Statutes of 2001, creating the Traffic Congestion Relief Program (TCRP); and

**WHEREAS**, these statutes related to state funded transit projects require a local or regional implementing agency to execute a cooperative agreement with CALTRANS before it can be reimbursed for project expenditures.

**NOW THEREFORE, BE IT FURTHER RESOLVED** by the Board of Directors of OCTA that the fund recipient agrees to comply with all conditions and requirements set forth in this AGREEMENT and the applicable statutes, regulations and Guidelines for all state funded transit projects.

**NOW THEREFORE, BE IT FURTHER RESOLVED** that the Chief Executive Officer or his delegate be authorized to execute the Master Agreement and all Program Supplements for State funded transit projects and any Amendments thereto with the California Department of Transportation.



BOARD COMMITTEE TRANSMITTAL



**March 21, 2006**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject:** Evaluation Criteria Weighting for Project Management Consultant for Metrolink Service Expansion

This item will be considered by the Transit Planning and Operations Committee on March 23, 2006. Following Committee consideration of this matter, staff will provide you with a summary of the discussion and action taken by the Committee.

Please call me if you have any comments or questions concerning this correspondence. I can be reached at (714) 560-5676.



**March 23, 2006**

**To:** Transit Planning and Operations Committee  
**From:** Arthur T. Leahy, <sup>AL</sup> Chief Executive Officer  
**Subject:** Evaluation Criteria Weighting for Project Management Consultant for Metrolink Service Expansion

**Overview**

Staff has developed proposed evaluation criteria to initiate the competitive procurement process to retain a technically qualified firm to provide project management consulting services for the Metrolink service expansion.

**Recommendation**

Approve the proposed evaluation criteria specifying a weighting of 100 percent technical qualifications in accordance with procedures for architectural and engineering services which conform to both federal and state law.

**Background**

On November 14, 2006, the Board of Directors (Board) approved release of the Request for Proposals (RFP) for a project management consultant for the Metrolink service expansion (Expansion). Implementation of the Expansion requires project management support services to supplement one full-time position dedicated to commuter rail development. The project management consultant (PMC) for the Expansion requires highly specialized railroad expertise not available on staff or through other current consultants. Staff is further requesting approval of the evaluation criteria which will be used to evaluate proposals received in response to the RFP. The RFP will be released upon Board approval of the evaluation criteria.

**Discussion**

The PMC shall function as extension of Orange County Transportation Authority's (Authority) staff and assist Authority's project manager by providing specialized expertise as required to effectively implement the Expansion and complete all work associated with capital improvements, and station and

parking expansion through construction. The PMC shall provide extensive schedule and project controls, technical expertise on an as-needed basis, assistance in the oversight of project implementation, administration, and document control. The following is a general description of the services which will be provided by the PMC:

- Project management assistance for capital improvements
- Project management for parking design/construction
- Support of signal, trackwork, station improvements as needed
- Freight railroad, utility, city, member agency and consultant coordination
- Environmental review
- Preparation of independent cost estimates/financial plans
- Project delivery plans/schedule monitoring
- Project controls/invoice review
- Administrative support and reporting
- Contract management and development of cooperative agreements and Memorandums of Understandings with cities including review of railroad agreements
- Document Control
- Technical Assistance as needed

The proposals will be based on the following evaluation criteria:

- |                                     |            |
|-------------------------------------|------------|
| • Qualifications of the Firm        | 35 percent |
| • Staffing and Project Organization | 35 percent |
| • Work Plan                         | 30 percent |

The evaluation criteria is consistent with other criteria, including weighting developed for similar architectural and engineering services procured on behalf of the Authority.

### ***Summary***

It is requested that the Board of Directors approve the proposed evaluation criteria.



***Attachment***

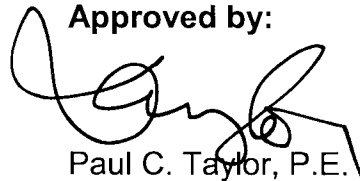
None.

**Prepared by:**



Abbe McClenahan  
Principal Transportation Analyst  
Commuter Rail Services  
(714) 560-5673

**Approved by:**



Paul C. Taylor, P.E.  
Executive Director, Planning,  
Development and Commuter Services  
(714) 560-5431



BOARD COMMITTEE TRANSMITTAL



**March 21, 2006**

**To:** Members of the Board of Directors  
**From:** Wendy Knowles, Clerk of the Board  
**Subject:** Metrolink Quarterly Update

This item will be considered by the Transit Planning and Operations Committee on March 23, 2006. Following Committee consideration of this matter, staff will provide you with a summary of the discussion and action taken by the Committee.

Please call me if you have any comments or questions concerning this correspondence. I can be reached at (714) 560-5676.



**March 23, 2006**

**To:** Transit Planning and Operations Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Metrolink Quarterly Update

**Overview**

Staff is providing a quarterly report to provide an update on the Orange County Metrolink commuter rail service and expansion including recommendations to amend the budget for weekend service to start in May 2006, procurement of rail cars, construction of the Santa Ana Second Main Track project, and funding authorization to settle Burlington Northern Santa Fe Railroad claims for capital improvements.

**Recommendations**

- A. Amend fiscal year 2005-06 budget to allocate \$215,000 of Commuter and Urban Rail Endowment funds for May 2006 start of weekend service in Orange County.
- B. Amend fiscal year 2005-06 budget to allocate \$10,613,000 towards a progress payment funded by the Congestion Mitigation and Air Quality Program and Commuter and Urban Rail Endowment fund for the purchase of 52 trailer cars and 7 cab cars.
- C. Approve additional funding in the amount of \$3,452,618 from the Commuter Urban Rail Endowment fund for the Santa Ana Second Main Track project.
- D. Amend fiscal year 2005-06 budget to allocate \$301,368 of Commuter and Urban Rail Endowment funds to provide member agency share for Burlington Northern Santa Fe Railroad capital improvements claims.

**Background**

The Southern California Regional Rail Authority (SCRRA) operates Southern California's five-county commuter rail system known as Metrolink. Metrolink is

a joint powers authority with five member agencies representing the counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura.

Three lines serve Orange County and provide a total of 44 trains daily serving ten Orange County stations located in north Anaheim, Anaheim, Fullerton, Orange, Santa Ana, Tustin, Irvine, Laguna Niguel, San Juan Capistrano, and San Clemente. The 11<sup>th</sup> station located in the City of Buena Park is currently under construction. Total ridership for the three lines serving Orange County is approximately 13,000 riders per day. The Orange County Transportation Authority (OCTA) owns 47.2 miles of the rail right-of-way in Orange County known as the Orange/Olive subdivision and operates over 68 route miles in Orange County.

On April 28, 2005, the Board of Directors (Board) approved \$5.3 million of Commuter and Urban Rail Endowment (CURE) funds for the Santa Ana Second Main Track project which includes construction of 1.8 miles of track in the City of Santa Ana. Total funding in the amount of \$23,018,885 has been secured through a combination of State Public Transportation Account funds, State Transportation Improvement Program (STIP) funds from the California Department of Transportation, and CURE funds mentioned above. The Santa Ana Second Main Track project will eliminate the last remaining single-track segment between Laguna Niguel and Fullerton and will relieve chronic congestion on the Orange County line which is vital to the overall Metrolink service expansion (Expansion) of 30-minute, 7-day service.

On November 14, 2005, the Board authorized staff to begin implementation of the Expansion through the year 2009 for 36 more Metrolink trains serving Orange County, including service every 30 minutes between Laguna Niguel/Mission Viejo and Fullerton. As part of the Expansion, two new roundtrip off-peak Inland Empire – Orange County (IEOC) trains began service between Oceanside and Riverside on January 3, 2006. In addition, weekend service is expected to start in May 2006, which will include trains on the Orange County and IEOC lines. Implementation of the 30-minute service between Laguna Niguel/Mission Viejo and Fullerton requires acquisition of additional equipment and investment in capital improvements. Increases in mid-day and weekend service are not as constrained by these elements and are therefore phased in earlier.

As part of the Expansion, the Board approved the purchase of rail cars under SCRRA's Invitation for Bid (IFB). The SCRRA's IFB included 52 cab cars and 7 trailer cars for timely delivery of rolling stock to support service.

On January 12, 2006, the Board approved acquisition of seven locomotives to support the Expansion. The locomotives are being procured through Utah Transit Authority's (UTA) Request for Proposals (RFP).

***Discussion***Weekend Service

To begin the Expansion effort, staff is currently working with SCRRA to develop Orange County weekend service expected to start in May 2006. The weekend service will include four round trip trains on the Orange County line on Saturday and Sunday. The Summerlink trains which operated last year on the IEOC line will evolve into year-round weekend service. Other member agencies are also planning to add additional weekend service, thereby transforming Metrolink from a Monday through Friday commuter service to a seven day a week service system wide. OCTA and San Bernardino Associated Governments (SANBAG) are currently in negotiation with the Los Angeles Metropolitan Transportation Authority (LACMTA) for funding their share of the weekend service. Staff is seeking Board approval to amend the fiscal year 2005-06 budget in the amount of \$215,000 of CURE funds to finance weekend service on the Orange County and IEOC lines.

Capital Projects

## Santa Ana Second Main Track

On September 9, 2005, SCRRA issued IFBs for construction of the Santa Ana Second Main Track and on February 7, 2006, received three bids. On February 24, 2006, SCRRA's Board approved award of the Santa Ana Second Main Track project to the lowest responsive and responsible bidder, FCI Constructors, Inc. in the amount of \$13,860,113 contingent upon receipt of additional funding.

The entire project including design, construction management, and construction is estimated at \$26,471,504, which exceeds the engineers estimate by \$3,452,618. The 15 percent variance is due to the difference between the engineer's estimate for construction and the low bid price. The engineer's estimate was prepared nine months ago and increases in petroleum cost and other factors, such as the market for public projects, cost for specialty materials to build the storm drain, and higher than anticipated cost for the retaining wall are contributing factors to the higher than anticipated cost. Staff is seeking Board approval to allocate CURE money to fund the remaining balance required to complete this project. Construction may begin as early as April with completion scheduled for spring of 2007.

### Buena Park Station

The pre-construction meeting for the 11<sup>th</sup> Orange County station took place on January 12, 2006, and construction began on January 23, 2006. The City of Buena Park is the lead on the project, and OCTA is providing project management oversight and funding through a cooperative agreement with the City. Construction completion and station opening is anticipated for early 2007.

### Irvine Transportation Parking Structure

OCTA and the City of Irvine entered into a cooperative agreement to contract for design services for a parking structure including 1500 spaces at the Irvine Transportation Center. Completion of design is expected in late spring of 2006. Construction is anticipated to begin in summer of 2006 with completion one year later.

### BNSF Claim

Burlington Northern and Santa Fe Railroad (BNSF) completed a signal system upgrade between Los Angeles and Riverside via Fullerton and a triple-track improvement project in the City of Commerce in the years between 1992 and 1996. This is a cost share project through a contractual arrangement between BNSF and member agencies representing the counties of Orange, Los Angeles, Riverside, and San Bernardino. The agreement provides for system improvements enhancing train operations for the corridor and financial obligations of the parties. Initially a firm fixed price was established between BNSF and the SCRRA to complete the capital improvements. The actual work exceeded the agreed upon fixed price, and in 2002, BNSF filed two claims against SCRRA for payment of these capital improvements. BNSF installed a newer upgraded signal system than initially proposed. After arbitration, BNSF agreed to settle for \$1,000,000. The member agencies have received value from the improvements and, therefore, have been advised by legal counsel to settle the claim. OCTA's member share of this cost is \$301,368.

### Grade Crossing Safety Enhancement Program

On June 13, 2005, the Board approved the implementation strategy and authorized \$10 million towards the Grade Crossing Safety Enhancement program. This program will provide for improvements to 55 grade crossings in Orange County. Grade Crossing locations are identified in Attachment A. SCRRA and OCTA signed a Memorandum of Understanding and will begin implementation of the project. SCRRA will provide design, engineering, and construction of the project through on-call consulting agreements. OCTA will provide overall program management and city coordination. A kick-off meeting between OCTA and SCRRA was conducted on February 27, 2006. A kick-off

meeting was held with the City of Orange on March 13, 2006. Staff will be contacting all cities to begin the program.

### Rolling Stock

#### Cab Cars/Trailer Cars

On November 14, 2005, OCTA's Board approved authorization to purchase 52 trailer cars and 7 cab cars, as part of the base order to support the Expansion. On February 24, 2005, SCRRA's Board approved award of a contract to Rotem Company, the lowest responsive and responsible bidder for trailer and cab cars and issuance of Notice to Proceed for the base order (87 cars) and award of options (20 cars) for a total not-to-exceed amount of \$211,982,355.

After issuance of the Notice to Proceed, SCRRA is contractually required to make progress payments based on milestones achieved in accordance with the agreement. Staff is requesting the Board approve a budget amendment to fund OCTA's share of the progress payment in the amount of \$10,613,000. Delivery of the first car is scheduled approximately 30 months from Notice To Proceed.

#### Locomotives

On December 9, 2005, the SCRRA Board voted to participate in UTA's RFP for remanufactured locomotives. The UTA RFP includes 11 locomotives for SCRRA, 7 of which are needed to support the Expansion.

UTA opened proposals on December 23, 2005, and received one proposal from Motive Power for the delivery of remanufactured locomotives. UTA is currently negotiating with Motive Power and is expected to award a contract in March 2006. OCTA's Board previously approved funding for the purchase of seven locomotives required for the Expansion. Staff will return to the Board with award update by SCRRA.

### Ridership, Rail 2 Rail Ridership

Ridership continues to show positive yearly growth. The average increase in ridership for the first six months of fiscal year 2005-06 on the Orange County line is 8.4 percent, 10.5 percent on the 91 line and 10.1 percent on the IEOC line.

Under the Amtrak-Metrolink program, Rail 2 Rail, ridership was up 7.3 percent higher in the first six months of fiscal year 2005-06 compared to the previous year for an average weekday ridership of 1,237.



Wireless Fidelity (Wi-Fi) Update

Under the supervision of the SCRRA, Parsons Transportation Group (Parsons) will commence testing of cellular signal strength throughout the 512-mile Metrolink system. The test is scheduled for commencement in mid-March, pending fabrication of custom hardware mounting equipment, and is expected to conclude by the end of April. This test will provide Parsons and SCRRA with baseline information to assess potential carriage of wireless internet access for passengers and for Metrolink's operational applications via cellular or satellite networks, enabled by Wi-Fi or similar technology on Metrolink trains.

Fiscal Impact

Funding for weekend service, the Santa Ana Second Main Track project, and BNSF capital improvement claims will be paid out of the CURE fund. Rail cars will be paid out of Congestion Mitigation and Air Quality funds, and the required 11.47 percent local match funding by CURE.

**Summary**

This quarterly report provides an update for the Metrolink commuter rail service and seeks approval to amend the budget to include; 1) \$215,000 for start up weekend service in May; 2) \$10,613,000 for rail cars; and 3) \$301,368 for BNSF capital improvements claim and lastly to fund an additional \$3,452,618 for the Santa Ana Second Main Track project.

**Attachment**

- A. OCTA Grade Crossing Study Figure 1 – Orange County Rail Crossings

**Prepared by:**

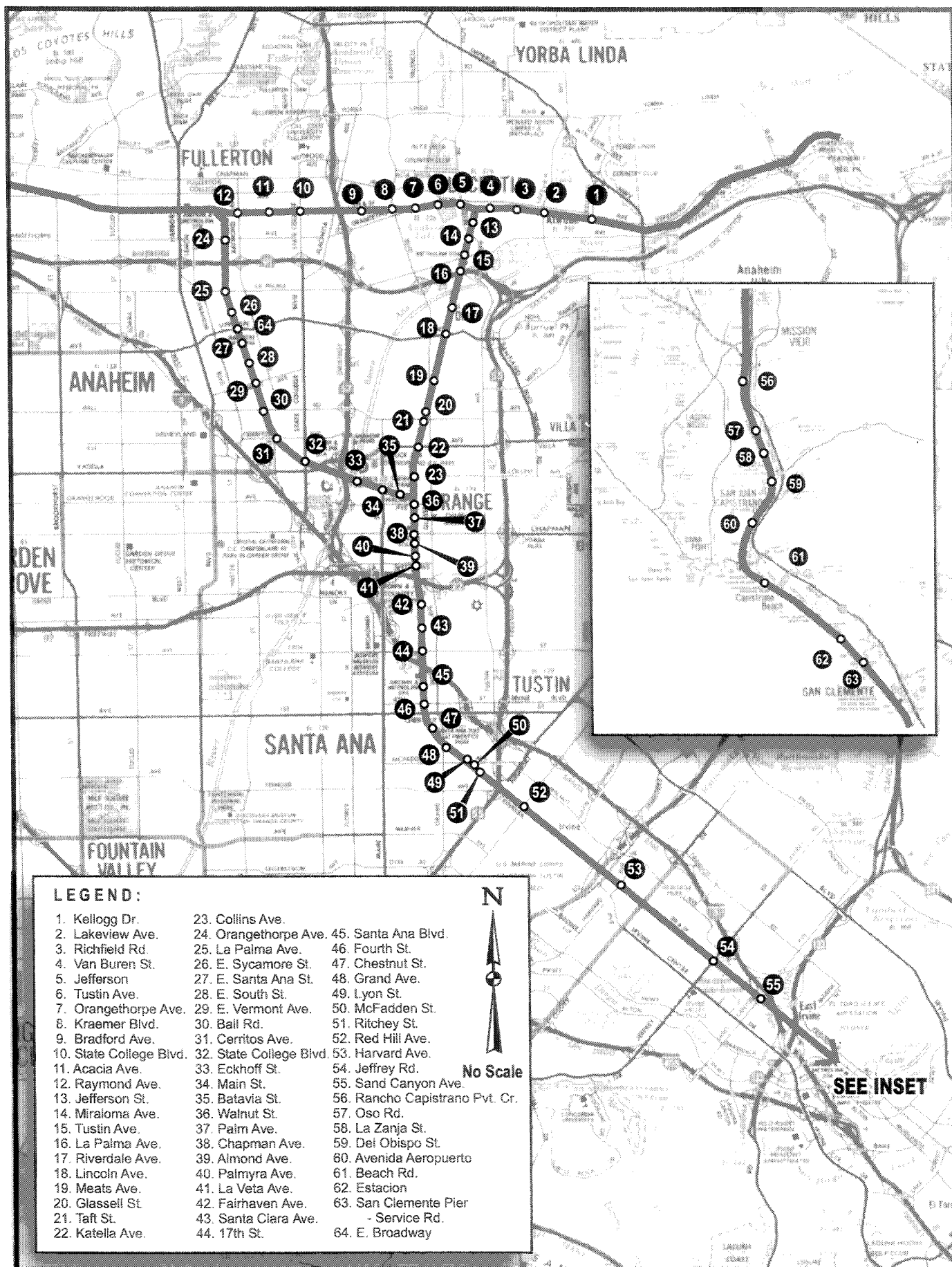


Abbe McClenahan  
Principal Transportation Analyst  
Commuter Rail Services  
(714) 560-5673

**Approved by:**



Paul C. Taylor, P.E.  
Executive Director, Planning,  
Development and Commuter Services  
(714) 560-5431



**LEGEND:**

- |                         |                        |                                |
|-------------------------|------------------------|--------------------------------|
| 1. Kellogg Dr.          | 23. Collins Ave.       | 45. Santa Ana Blvd.            |
| 2. Lakeview Ave.        | 24. Orangethorpe Ave.  | 46. Fourth St.                 |
| 3. Richfield Rd.        | 25. La Palma Ave.      | 47. Chestnut St.               |
| 4. Van Buren St.        | 26. E. Sycamore St.    | 48. Grand Ave.                 |
| 5. Jefferson            | 27. E. Santa Ana St.   | 49. Lyon St.                   |
| 6. Tustin Ave.          | 28. E. South St.       | 50. McFadden St.               |
| 7. Orangethorpe Ave.    | 29. E. Vermont Ave.    | 51. Ritchey St.                |
| 8. Kraemer Blvd.        | 30. Ball Rd.           | 52. Red Hill Ave.              |
| 9. Bradford Ave.        | 31. Cerritos Ave.      | 53. Harvard Ave.               |
| 10. State College Blvd. | 32. State College Blvd | 54. Jeffrey Rd.                |
| 11. Acacia Ave.         | 33. Eckhoff St.        | 55. Sand Canyon Ave.           |
| 12. Raymond Ave.        | 34. Main St.           | 56. Rancho Capistrano Pvt. Cr. |
| 13. Jefferson St.       | 35. Batavia St.        | 57. Osc Rd.                    |
| 14. Miraloma Ave.       | 36. Walnut St.         | 58. La Zanja St.               |
| 15. Tustin Ave.         | 37. Palm Ave.          | 59. Del Obispo St.             |
| 16. La Palma Ave.       | 38. Chapman Ave.       | 60. Avenida Aeropuerto         |
| 17. Riverdale Ave.      | 39. Almond Ave.        | 61. Beach Rd.                  |
| 18. Lincoln Ave.        | 40. Palmyra Ave.       | 62. Estacion                   |
| 19. Meats Ave.          | 41. La Veta Ave.       | 63. San Clemente Pier          |
| 20. Glassell St.        | 42. Fairhaven Ave.     | - Service Rd.                  |
| 21. Taft St.            | 43. Santa Clara Ave.   | 64. E. Broadway                |
| 22. Katella Ave.        | 44. 17th St.           |                                |



No Scale

SEE INSET

## **TREATMENT TYPES**

### **Motorist Treatments**

- 1. Crossing Geometry and Condition Treatments**
  - Increase Sight Distance
  - Improve Crossing Surface
  - Re-Apply Pavement Markings
  - Enhance Signing
- 2. Drive Around Treatments**
  - Install Raised Median
  - Install Large Pavement Buttons or Flexible Bollards
  - Install Four Quadrant Gates
- 3. Motor Vehicle on Trackway Treatments**
  - Install Additional Side Facing Flashing Light Signals (FLS)
  - Add Additional Median FLS or Railroad Cantilever
  - Replace Flashers with 12" LED Flashers
  - Upgrade Signal Preemption
  - Relocate Bus Stop
  - Install Pre-Signals

### **Pedestrian Treatments**

- 1. Installation of Sidewalk**
- 2. Delineation of Dynamic Envelope**
- 3. Pedestrian Automatic Gates**
- 4. Pedestrian Channelization**

### **Bicyclist Treatments**

## Recommended Treatments

### State College Blvd., Fullerton

Recommendations
Install 12" LED flashing lights
No. 9 located 2'6" from face of curb, relocate gates to 4'6"
Install new crossbuck northwest quad
Re-stripe stop bars
Possibly add RXR in left turn pocket of frontage road
Add W10 to eastbound approach
Extend north median
Install four-quad gates
Install sidewalk on both sides
Trim landscaping on northeast quad (sight distance constraint)
Reconstruct south median due to partially covered curb

### Acacia Ave., Fullerton

Recommendations
Upgrade flashers to 12" LED
Add W10 for westbound approach
Install four-quad gates
Move northbound RXR pavement marking closer to tracks
Relocate gates to 4'6"

### Raymond Ave., Fullerton

Recommendations
Reconstruct north and south median
Upgrade flashers to 12" LED
W10 for frontage road
Add flasher for frontage road (northeast quad)
Possible four quad gates
Extend sidewalk
Remove old cabinet southeast quad (sight distance obstruction)

### Jefferson Street, Anaheim

Recommendations
Re-stripe RR stop bars, RXR pavement marking, and lane lines and replace edge of pavement markers
Extend north median
Re-profile crossing
Roadway approach condition poor (resurface)

### Miraloma Ave., Anaheim

Recommendations
Re-stripe RR stop bars and RXR marking
Add W47 to westbound approach
Add R65 sign in case queuing extends from 4-way stop
Add R10 sign on median for driveway
Type N marker and R7 on southerly median nose

**Tustin Ave., Anaheim**

<b>Recommendations</b>
Add cantilevers for each direction
Extend west median to 100' minimum
Add R10 sign on median for driveway
Upgrade to 12" LED flashers

**La Palma Ave., Anaheim**

<b>Recommendations</b>
Add Type N and R7 to west median nose
Verify queuing from to east (preemption may be required)
Install R65 sign
Extend west median
Add sidewalk at crossing on south
Add backside flashing lights (for pedestrians) on side mounted #9A's
Move W47 to RXR pavement marking location (on light pole)
Upgrade to 12" LED flashers

**Riverdale Ave., Orange**

<b>Recommendations</b>
Widen west median
Install No 8 in median
Install flashing light aimed toward frontage road (Orange-Olive Rd)
Relocate R1 in front of #9 flashers
Move W47 and RXR closer to crossing
Add W10 to Orange-Olive Road
Extend Orange-Olive median because drive around potential
Add sidewalk on south
Add pedestrian refuge on southeast quad
Upgrade to 12" LED flashers
Per prior City efforts, review the feasibility of four quadrant gates

**Lincoln Ave., Orange**

<b>Recommendations</b>
Add R90 sign
Install cantilever because 2 + 1 lanes
Install pre-signal
Add W10 to southbound frontage road
Add sidewalk north and south
Re-stripe RXR pavement markings
Upgrade to 12" LED flashers
Per prior City efforts, review the feasibility of four quadrant gates
Provide battery backup for traffic signals

**Meats Ave., Orange**

<b>Recommendations</b>
Add Type N and R7 to east median nose
Add W10 to southbound frontage road
Re-stripe RXR for eastbound approach
Aim backside median flashers toward frontage road
Install pre-signal
Extend west median
Add sidewalk on north and south side (provide curb ramps) and extend to intersection
Resurface westbound approach
Install R64 sign
Install R90 sign
Per prior City efforts, review the feasibility of four quadrant gates
Provide battery backup for traffic signals

**Glassell Street, Orange**

<b>Recommendations</b>
Add cantilever to southbound Glassell
Add R90 sign in median and shoulder
For southbound right turn on Orange-Olive, turn lights on gate arm toward approaching traffic
Add 2 <sup>nd</sup> set of flashers on northeast quad crossing gate for southbound right turn from Orange-Olive
Install R65 sign for southbound right turn from Orange-Olive
Install W10 for southbound right turn from Orange-Olive
Install RXR pavement marking for southbound right turn from Orange-Olive and re-stripe RR stop bars for all approaches
Extend west median, driveway would be RIRO
Re-stripe RXR for northbound and southbound approach
Add sidewalk on north and south (north needs curb ramp)
Provide pedestrian storage on northeast quad
Provide 4' high fence on northeast quad to channelize pedestrians
Upgrade to 12" LED flashers
Provide battery backup for traffic signals

**Taft Street, Orange**

<b>Recommendations</b>
Install cantilever both approaches
Move gate closer to track
Re-apply Pavement Markings
Install R65 sign because of queuing
Install W10 for southbound right turn
Extend west median
Upgrade to 12" LED flashers
Per prior City efforts, review the feasibility of four quadrant gates
Provide battery backup for traffic signals

### **Katella Ave., Orange**

<b>Recommendations</b>
Add type N and R7 to east median nose
Add cantilever for 3 <sup>rd</sup> lane eastbound and westbound
Add R90 sign for queue cutter signal
Add "2 Tracks" sign to crossbuck
Install four-quad gate because of wide track area
Change W47 sign (says 3 tracks, but actually 2 tracks)
Provide pedestrian stop bar between tracks
Upgrade to 12" LED flashers
Provide battery backup for traffic signals

### **Collins Ave., Orange**

<b>Recommendations</b>
Extend north and south medians
Remove abandoned track within crossing and place bumping posts at ends of track removal
Add R10 sign within new median for potential bypass driveway
Add #8 in median for both approaches
Move #9 for eastbound traffic closer to two active tracks
Install flashers aimed at driveway or close driveway on southwest quad
Re-stripe roadway approach and RXR
Upgrade to 12" LED flashers

### **Orangethorpe Ave., Anaheim**

<b>Recommendations</b>
Re-stripe RR stop bars and RXR marking
Extend east median (requires RIRO for driveway but 2 <sup>nd</sup> driveway available further east)
Add sidewalk to south side
Trim landscaping covering W47 on eastbound approach

### **La Palma Ave., Anaheim**

<b>Recommendations</b>
Widen east and west median to 8'6" (existing 6')
Extend east median
Re-stripe RR stop bar and RXR marking. Also re-stripe lanes
Add sidewalk on north (requires extension to Pauline Street)
Replace type N and right turn in west median nose

### **E. Sycamore Street, Anaheim**

<b>Recommendations</b>
Re-stripe RXR and stop bar
Install pedestrian automatic gates on NW and SE quadrants
Extend east median
Upgrade to 12" LED flashers

**E. Santa Ana Street, Anaheim**

<b>Recommendations</b>
Re-stripe RR stop bars and RXR and repaint red curb on NE quad
Resurface roadway at crossing
Install pedestrian barricade on southeast quad (sidewalk ends and poor sight distance)

**E. South Street, Anaheim**

<b>Recommendations</b>
Install Median on east
Pedestrian sight distance poor on southwest quad, install pedestrian gate
Move eastbound W47 to RXR marking location
Pedestrian sight distance poor on northwest quad; eliminate landscaping
Upgrade to 12" LED flashers

**E. Vermont Ave., Anaheim**

<b>Recommendations</b>
Extend Medians
Move westbound motorist gate to 15' from track
Check queuing from pedestrian signal to see if preemption is needed

**Ball Road, Anaheim**

<b>Recommendations</b>
Re-stripe RR stop bars
Extend west median
Add sidewalk to south side
Verify crossing profile
Westbound W47 sign clutter (move sign closer to crossing to alleviate)
Add R7 and type N markers to median noses

**Cerritos Ave., Anaheim**

<b>Recommendations</b>
Replace rubber panels with concrete
Resurface roadway at Crossing
Re-stripe RXR and RR stop bars
Install four quad gates
Verify crossing profile
Install Median on east
Add R7 and type N markers on all existing/proposed medians



**State College Blvd., Anaheim**

<b>Recommendations</b>
Add cantilevers both directions
Re-stripe RXR and RR stop bar
Add W47 for northbound approach
Verify Howell Ave turn signal (under construction) has preemption
Add R65 sign
Modify sidewalk on northwest quad currently prevented by narrow width and utilities
Add R7 and type N to southerly median nose
Upgrade to 12" LED flashers

**Eckhoff St., Orange**

<b>Recommendations</b>
Install pedestrian barricade
Extend south median

**Main Street, Orange**

<b>Recommendations</b>
Widen medians to 8'6 minimum
Possible four quad gate
Add W47 for northbound approach
Re-stripe RR stop bars closer to track
Remove panels for unused spur
Resurface roadway at crossing
Add sidewalk to west side.
Add R7 and Type N to median noses

**Batavia Street, Orange**

<b>Recommendations</b>
Enhance sidewalk on east and west side
Reprofile crossing
Resurface roadway at crossing
Install median backside flashers
Trim landscaping northeast quad
Widen and extend medians
Add R7's and Type N's to median nose.
Upgrade to 12" LED flashers

**Walnut Ave., Orange**

<b>Recommendations</b>
Install concrete panels on two west tracks and reprofile
Extend panels on west track across sidewalk
Enhance roadway approach at crossing
Install RR stop bar at correct location
Install flashers toward northwest driveway
Install four quad gates because four track crossing (median extension would impact northeast driveway Chapman Univ. parking)
Install pedestrian gate northeast quad
Add four track sign to cross buck
Remove abandoned track within crossing
Upgrade to 12" LED flashers

**Palm Ave., Orange**

<b>Recommendations</b>
Install concrete panels
Reconstruct roadway at crossing (100, on each side)
Install proper sidewalk culvert with grated inlet basin on north side. Install sidewalk on north and south
Move railroad stop bar closer to gate
Add median islands (35' -50') due to station presence

**Chapman Ave., Orange**

<b>Recommendations</b>
Re-apply RXR markings and RR side bars
Lower existing fence at crossing to 4'
Add pedestrian gate on northwest quad
Extend west median to 75'
Speed zones study by city to re-evaluate 25 mph posted speed
Possibly relocate street lights obstructing view of 8A flashers (both sides)
Upgrade to 12" LED flashers

**Almond Ave., Orange**

<b>Recommendations</b>
Add R65 ("Do Not Stop On Tracks") Sign to EB approach
Install sidewalk on south side
Trim landscaping at NW quadrant
Conduct Benefit/Cost Analysis of Potential Closure

**Palmyra Ave., Orange**

<b>Recommendations</b>
Move westbound stop bar closer to gate
Add no parking zone to eastbound approach
Install pedestrian barricade on northwest quad
Re-surface A/C between panels
Install R65 for eastbound approach because truck driveway on northeast quad
Install sidewalk on north side

**La Veta Ave., Orange**

<b>Recommendations</b>
Install flashers toward one-way alley
Modify alley to right-in-right-out only (RIRO)
Upgrade to 12" LED flashers

**Fairhaven Ave., Santa Ana**

<b>Recommendations</b>
Possibly restrict truck traffic due to crossing profile, or add the high profile sign
Restripe RXR and stop bars
Install sidewalk on north side
Install pedestrian barricade on southeast quad and fence connecting private property fence to pedestrian barricade
Install concrete panels
Larger curb return if trucks to continue to use

**Santa Clara Ave., Santa Ana**

<b>Recommendations</b>
Install sidewalk on north and south side
Install pedestrian gate on northeast and southeast side because of poor sight distance (gate flashers will also enhance motorist visibility as existing utility poles obstruct westbound traffic approach sight distance)
Provide pedestrian refuge on southwest quad
Install R65 for westbound approach
Install four quad gate because proximity to cross street
Add signs and RXR to eastside approach
Modify curb ramp at southeast corner of Lincoln and Santa Clara.
Upgrade to 12" LED flashers

**17<sup>th</sup> St., Santa Ana**

<b>Recommendations</b>
Re-stripe railroad stop bars
Install pre-signal
Install new signs for eastside approach (existing sign damaged)
Install R90 on right shoulder
Install pedestrian gates on northeast and southeast quads because of poor sight distance
Install new panels across sidewalk
Upgrade to 12" LED flashers
Provide battery backup for traffic signals

### **Santa Ana Blvd., Santa Ana**

<b>Recommendations</b>
Re-stripe railroad stop bars and advance pavement marking (eastbound and westbound)
Install cantilever for both approaches
Conduct queuing study
Upgrade to 12" LED flashers

### **Fourth St., Santa Ana**

<b>Recommendations</b>
Install concrete panels
Install cantilever for each approach
Install mountable medians
Replace "four tracks" on signs with "two tracks"
Move northerly gate to 4'-6" not 8'
Upgrade to 12" LED flashers

### **Chestnut St., Santa Ana**

<b>Recommendations</b>
Re-stripe RXR and stop bars and move stop bars closer to gates
Verify crossing profile
Install medians and No 9's
Reconstruct roadway 100' to each side of westerly mainline.
Replace rubber panels with concrete
Install bilingual "photo enforcement" sign
Evans Roofing driveway on northwest corner is a concern. Will require property take to eliminate potential conflicts.
Upgrade to 12" LED flashers

### **Grand Ave., Santa Ana**

<b>Recommendations</b>
Re-apply railroad stop bar and RXR
Extend medians
Pedestrian sight distance concern on southwest quad. Install pedestrian gate
Install backside median flashing on north #9
Resurface road
Install R7's and Type N's on medians
Upgrade to 12" LED flashers

### **Lyon St., Santa Ana**

<b>Recommendations</b>
Re-stripe railroad stop bars and RXR
Install flashing lights aimed toward Normandy (frontage road)
Install medians to discourage gate drive around.
Relocate W47 signs to correct location
Enhance roadway surface and modify profile 100' to each side
Install "2 tracks" sign both approaches/Install "No Trespassing" sign
Add median R7, Type N
Add R10 & R17 for driveway in southwest quad
Upgrade to 12" LED flashers
Provide signal preemption

**McFadden St., Santa Ana**

<b>Recommendations</b>
Enhance (resurface) westbound approach
Reapply stop bars and RXR
Add signs to Mantle Lane (frontage road)
Relocate Bus Stop
Provide signal preemption
Install four quad gates because crossing angle and wide road
Install pedestrian channelization (fencing) on north pedestrian crossing.
Install flashers aimed at Mantle Lane
Install W47 and "2 tracks" signs in both directions/ Install "No Trespassing" sign
Make Mantle Lane right-in-right-out only (RIRO)
Reconstruct and extend medians to minimum 100' with R7 and Type N's
Upgrade to 12" LED flashers

**Ritchey St., Santa Ana**

<b>Recommendations</b>
Move northbound W47 and RXR pavement marking to appropriate location (too close).
Move southbound stop board closer to gate
Install sidewalk on east and west side of street, connecting to existing sidewalk
Install pedestrian gate on southeast quad because sign distance poor
Install median #8 because northbound flashers obstructed
Install median on north and south
Verify profile
Add "2 tracks" sign for W47 on both approaches/ Install "No Trespassing" sign
Upgrade to 12" LED flashers
Provide signal preemption

**Red Hill Ave., Tustin**

<b>Recommendations</b>
Install cantilever northbound and southbound because of 3 lanes for directions.
Add "use crosswalk" or "use bridge" sign for southbound direction on Westside of street because of Culvert
Provide T.S. preemption
Install one way sign for driveway
Verify profile
Reconstruct median curb on south side
Upgrade to 12" LED flashers
Provide battery backup for traffic signals

**Harvard Ave., Irvine**

<b>Recommendations</b>
Add supplemental "2 tracks" sign to W47 signs
Add concrete outer panels (field panels) to pedestrian crossing on east track. (south side of crossing)
Add 100' AC dikes with delineations tapered to protect north gate.

**Jeffrey Rd., Irvine**

<b>Recommendations</b>
Extend east and west medians. On west median leave cut out for pedestrian/bike path
Resurface roadway approach
Enhance pedestrian sidewalk and northeast quad
Re-stripe stop bars and RXRs
Paint median noses yellow
Install 2 tracks supplemental on W47 signs
Add cantilevers
Upgrade to 12" LED flashers

**Sand Canyon Ave., Irvine**

<b>Recommendations</b>
Re-stripe stop bar and RXR
Extend west median
Extend east median
Verify queue does not extend from intersection
Add R65 sign in median
Add sidewalk on west side
Add pedestrian sign or barrier on eastside

**Rancho Capistrano (Schuller Private Crossing)**

<b>Recommendations</b>
Add standard R65 sign
Add advance warning signs eastbound, signs southbound
Add stop bars eastbound and westbound
Add advance RXR pavement markings

**Oso Rd., San Juan Capistrano**

<b>Recommendations</b>
Add median on east and west
Provide flashers on No. 9 aimed toward pedestrian crossing on south side (southeast quad)
Add median No. 9's to slow down traffic
Remove the R1 signs
Resurface crossing at time of median construction
Upgrade to 12" LED flashers
Provide battery backup for traffic signals

**La Zanja St., San Juan Capistrano**

<b>Recommendations</b>
Add W47 eastbound and westbound
Add cantilever because 2 lane on each approach (roadway width will not accommodate median)
Provide westbound and eastbound RXR pavement marking at required distance. Existing too close, but should remain for southbound right turn traffic from Camino Capistrano.
Install R65 signs
Check queuing to see if active R65 sign is needed.
Upgrade preemption to clear track green. Existing preemption goes directly into flashing red.
Upgrade to 12" LED flashers
Provide battery backup for traffic signals

**Del Obispo St., San Juan Capistrano**

<b>Recommendations</b>
Install four-quad gates
Install pedestrian delineation of safe stopping area on northwest quad
Widen west median to 8'6" and extend

**Avenida Aeropuerto, San Juan Capistrano**

<b>Recommendations</b>
Install medians and restrict parking or length of median
Provide advance warning (yellow flashing light) when train is crossing because of limited approach sight distance
Reconstruct and resurface to fit super-elevation
Upgrade to 12" LED flashers

**Beach Rd. / Palisades, Dana Point**

<b>Recommendations</b>
Add W10 for eastbound and westbound approach
Add RXR pavement marking for WB approach and right lane, and re-apply "Wait Here" and "No Stopping" text
Add 4" raised pavement markers on south
Add backside flasher to median #8
Move gate on north west quad to 4' 6"
Install R65 on southbound approach because entrance to beach closes
Add median north of tracks
Upgrade to 12" LED flashers

**Avenida Estacion, San Clemente**

<b>Recommendations</b>
Relocate northbound stop bar and "stop" text
Add W10 to eastbound approach
Add pedestrian barricade to southwest quad
Add pedestrian gate to northeast quad because station location
Add 4" raised pavement markers on south
Provide battery backup for traffic signals
Upgrade to 12" LED flashers

**San Clemente Pier Service Road, San Clemente**

<b>Recommendations</b>
Install Sidewalk on east and west sides
Install R65 on downstream flashers (2)
Re-apply pavement marking

**East Broadway, Anaheim**

<b>Recommendations</b>
Install pedestrian automatic gate on northwest quad
Remove abandoned track and install concrete panels on others
Extend raised median on north and south
Relocate gates closer to active tracks
Upgrade to 12" LED flashers





**ITEM #14,  
“PROCUREMENT INCENTIVES TO ENCOURAGE  
VENDORS TO PROVIDE EMPLOYEE HEALTH BENEFITS”,  
WAS PULLED AT THE MARCH 22  
FINANCE AND ADMINISTRATION COMMITTEE MEETING  
AND WILL RETURN TO THE BOARD AT A LATER TIME.**





MEMO

March 21, 2006

To: Members of the Board of Directors  
From: Arthur T. Leahy, Chief Executive Officer  
Subject: **Collective Bargaining Agreement Between Orange County Transportation Authority and Teamsters Local 952**

Please be advised that a ratification vote on this tentative agreement will be held on March 24, 2006, somewhere after 6:00 p.m.

A staff report detailing the outcome of that vote will be provided to you at the Board of Directors' meeting on March 27.





**March 27, 2006**

**To:** Members of the Board of Directors  
**From:** *RB for ATL*  
Arthur T. Leahy, Chief Executive Officer  
**Subject:** Medicare Participation for Employees Hired Before April 1, 1986

**Overview**

Employees hired before April 1, 1986, are exempt from mandatory Medicare hospital insurance coverage. Orange County Transportation Authority may voluntarily provide Medicare Hospital Insurance coverage to such employees under Section 218 of the Social Security Act.

**Recommendation**

Authorize the Chairman of the Board of Directors to approve Resolution No. 2006-19 to request the State Social Security Administrator to include the employees covered under the Orange County Employees Retirement System in the state's master Social Security Agreement between the state and federal government.

**Background**

States may enter into voluntary agreements with the federal government to provide federal Social Security benefits or Medicare Hospital Insurance (Medicare) coverage to certain groups of public employees. These agreements are called Section 218 agreement, because they are authorized by Section 218 of the Social Security Act. Each state is required to designate a State Social Security Administrator (State Administrator) to interact with the Social Security Administration and maintain the Federal-State Section 218 agreement. The California Public Employees Retirement System (PERS) is the State Administrator for California.

Prior to April 1, 1986, public employees were not able to be covered for Medicare if they had membership in a retirement system unless the government agency had voluntarily requested to participate in the Section 218 Agreement between the state and the federal government. The Consolidated

Omnibus Budget Reconciliation Act of 1985 mandated that public employees hired or rehired after March 31, 1986, must be covered for the federal Medicare hospital insurance and pay Medicare taxes regardless of their membership in a retirement system. Orange County Transportation Authority (OCTA) has employees that were hired before April 1, 1986, that participate in either the Orange County Employees Retirement System (OCERS) or PERS.

On May 9, 2005, the Board of Directors (BOD) approved Resolution Nos. 2005-89 and 2005-90. These resolutions requested permission from the State Administrator to conduct a referendum.

***Discussion***

OCTA employees hired or rehired after April 1, 1986, currently contribute to the Medicare program, paying a tax of 1.45 percent of salary. OCTA also pays a tax of 1.45 percent of salary for these employees. Employees hired before April 1, 1986, cannot currently contribute to the Medicare program. The bargaining agreement between OCTA and the coach operator group requires OCTA and the coach operators to equally contribute into Medicare coverage effective April 1, 2006. It is anticipated that the bargaining agreements with the maintenance employees, and parts and revenue employees will also have language requiring Medicare coverage for those employees hired before April 1, 1986. The State Administrator has indicated that all eligible employees of the same retirement system must be included in the referendum and effective at the same time.

The current number of OCTA employees hired before April 1, 1986, is shown below along with the estimated annual cost to OCTA to provide Medicare coverage.

Employee Group	Number	OCTA's Annual Cost
Teamsters (Coach Operators)	143	\$88,191
Teamsters (Maintenance)	41	27,846
Transportation Communications Union (Parts/Revenue Clerks)	6	3,702
Administrative	88	86,149
Total	278	\$205,888

There are several steps required to voluntarily implement the Medicare program for employees hired before April 1, 1986. The procedures are based on Section 22300 through 22307 of the California Government Code, Sections 593 through 598.1 of the California Administrative Code, and Section 218(d) of the Social Security Act.

The process was commenced when Resolution Nos. 2005-89 and 2005-90 requesting authorization from the State Administrator to conduct a referendum were adopted by the BOD. The State Administrator approved the required Notice of Referendum, Statement of Information and Plan of Procedure provided by OCTA. The Notice of Referendum was distributed to eligible employees on September 1, 2005, and the referendum was conducted on December 1, 2005. A majority of the eligible members of OCERS voted in favor of Medicare coverage. There was not a majority vote in favor of Medicare coverage of the eligible members of PERS. To complete the process for the members of OCERS, a resolution and coverage agreement to formally request coverage are provided to the State Administrator. Upon the State Administrator receiving these necessary certifications from OCTA, the referendum results along with a request by the State Administrator to amend their Section 218 agreement will be given to the federal government. Once the federal government gives approval, the State Administrator will notify OCTA. Deductions will begin effective April 1, 2006, on employees who are active on the date of the federal approval.

Adoption of Resolution to Request Authorization to Conduct Referendum	May 9, 2005
Referendum	December 1, 2005
Adoption of Resolution to Formally Request Coverage	March 27, 2006
Effective Date of Contract Amendment	April 1, 2006

**Fiscal Impact**

Employees and OCTA will contribute 1.45 percent of the employee's salary. OCTA's annual cost is estimated to be \$205,888, for the employees hired before April 1, 1986. This cost will increase slightly on an annual basis due to adjustments to salary that may occur.

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***Summary***

Staff recommends approving the resolution to request permission from the State Social Security Administrator to include the employees covered under the Orange County Employees Retirement System in the state's master Social Security Agreement between the state and federal government for the employees hired before April 1, 1986.

***Attachment***

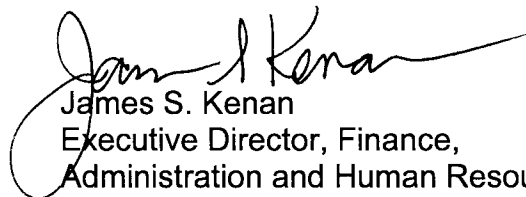
- A. OCTA Resolution No. 2006-19, Resolution (Referendum).

**Prepared by:**



Debbie Christensen  
Section Manager,  
Human Resources  
(714) 560-5811

**Approved by:**



James S. Kenan  
Executive Director, Finance,  
Administration and Human Resources  
(714) 560-5678



RESOLUTION NO. 2006-19  
(To Accompany Application and Agreement)

WHEREAS, a majority of the eligible employees of the Orange County Transportation Authority, hereinafter designated as "Public Agency", who are members of and in positions covered by the Orange County Retirement System at a referendum conducted in accordance with the provisions of Part 4, Division 5, of Title 2 of the California Government Code, Section 218 of the Federal Social Security Act, and regulations promulgated by the Board of Administration of the California Public Employees' Retirement System, hereinafter referred to as "State", voted in favor of coverage under the provisions of the Health Insurance system established by the Federal Social Security Act; and

WHEREAS, the Public Agency desires to file an application with the State and to enter into an agreement with the State to extend to such retirement system members and to other eligible employees of the Public Agency in the same coverage group, as defined in Section 218(d)(4) of the Federal Social Security Act, coverage under the said insurance system on behalf of the Public Agency; and

WHEREAS, official form "Application and Agreement, PERS-MED-32R" containing the terms and conditions under which the State will effect such inclusion has been examined by this body;

NOW, THEREFORE, BE IT RESOLVED that an Application and Agreement on said official form be executed on behalf of the Public Agency and submitted to the State to provide coverage under the California State Social Security Agreement of March 9, 1951, of all services performed by employees of the Applicant in a coverage group (as defined in Section 218(d)(4) of the Social Security Act) of the Orange County Retirement System, except the following:

1. All services excluded from coverage under the agreement by Section 218 of the Social Security Act; and
2. Services excluded by option of the Applicant as indicated in Resolution No. 2005-89 adopted at a meeting of the Board of Directors on May 9, 2005:  
  
None

Effective date of coverage of services under said agreement to be April 1, 2006; and

BE IT FURTHER RESOLVED, that Cherie Finona, Payroll Manager, P.O. Box 14184, Orange, CA 92863-1584, is hereby authorized and directed to execute said application and agreement on behalf of and as Authorized Agent of the Public Agency and to forward same to the State for acceptance and further action; and,

BE IT FURTHER RESOLVED, that authority hereafter to act as Authorized Agent, and so to conduct all negotiations, conclude all arrangements, submit all reports, and sign all agreements and instruments which may be necessary to carry out the letter and intent of the aforesaid application and agreement, in conformity with all applicable Federal and State laws, rules and regulations, is vested in the position of Payroll Manager.

ORANGE COUNTY  
TRANSPORTATION AUTHORITY

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Presiding Officer





BOARD COMMITTEE TRANSMITTAL

**March 27, 2006**

**To:** Members of the Board of Directors  
**From:** Wendy Knowles, Clerk of the Board <sup>WK</sup>  
**Subject** Agreement for Call Box Digital Wireless Service

Regional Planning and Highways Committee

March 20, 2006

**Present:** Directors Cavecche, Correa, Dixon, Green, Monahan, Norby Ritschel,  
and Rosen  
**Absent:** None

**Committee Vote**

This item was passed by all Committee Members present.

**Committee Recommendation**

Authorize the Chief Executive Officer to execute Agreement C-5-2927 between the Orange County Transportation Authority and Cingular Wireless, in an amount not to exceed \$60,000 per year, for a five-year period, to provide digital wireless service to support the Orange County Service Authority for Freeway Emergencies call box system.



**March 20, 2006**

**To:** Regional Planning and Highways Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Agreement for Call Box Digital Wireless Service

### **Overview**

As part of the Orange County Transportation Authority's Fiscal Year 2005-2006 Budget, the Board of Directors approved a call box system upgrade from analog cellular service to digital cellular service. 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-5-2927 between the Orange County Transportation Authority and Cingular Wireless, in an amount not to exceed \$60,000 per year, for a five-year period, to provide digital wireless service to support the Orange County Service Authority for Freeway Emergencies call box system.

### **Background**

The Orange County Service Authority for Freeway Emergencies (OCSAFE) is currently responsible for maintaining and servicing approximately 1200 call boxes on Orange County freeways, roadways, and toll roads. The number of call boxes will be reduced prior to June 30, 2006, in accordance with Board of Directors approval last year. The Orange County call box network currently uses analog cellular technology provided through Cingular Wireless. In August 2001, as part of Federal Register (CFR) 47, Part 22, Rule 933, cellular providers gained relief from any requirement to support analog cellular service after August 2006. In order to ensure continuity of service and comply with the federal mandate, OCSAFE will convert call box communication from analog cellular service to digital cellular service. Comarco Wireless Technology will convert the call box hardware from analog to digital under existing Contract No. C-4-1176.

**Discussion**

This procurement for digital cellular service was handled in accordance with the Orange County Transportation Authority's (Authority) procedures for professional and technical services. In addition to cost, many other factors are considered in an award for professional and technical services. Therefore, the requirement was handled as a competitive negotiated procurement. Award is recommended to the firm offering the most effective overall proposal considering such factors as staffing, prior experience with similar projects, approach to the requirement, and technical expertise in the field.

The project was advertised on January 13, 2006, and January 20, 2006, in a newspaper of general circulation and on CAMMNET. A pre-proposal meeting held on January 17, 2006, was attended by two firms.

On February 9, 2006, offers were received from Verizon Wireless and Cingular Wireless. An evaluation committee composed of staff from Toll Road and Motorist Services, Contracts Administration and Materials Management, Construction and Engineering, and LMS Consulting was established to review the two offers. The offers were evaluated on the basis of Qualification of Firm (30 percent), Staffing and Project Organization (20 percent), Work Plan (25 percent), and Cost and Price (25 percent). Based on their findings, the evaluation committee recommends the following firm for consideration of an award:

Firm and Location

Cingular Wireless  
Cerritos, California

The evaluation committee selected Cingular Wireless based on the following key factors:

1. Cingular Wireless' monthly price per box was \$6.39 compared to Verizon's monthly price per box of \$6.50. The annualized difference between the two vendors is approximately \$1,100.
2. Cingular is the current provider of analog cellular service for OCSAFE call boxes and has provided satisfactory service since 1988.
3. The evaluation committee deemed that Cingular Wireless submitted a superior proposal and made a superior presentation of its qualifications and work plan during the procurement process.

4. Four other call box agencies, those serving Los Angeles, Riverside, San Bernardino, and San Diego counties, have all recently selected Cingular Wireless to provide digital service to their call boxes.

**Fiscal Impact**

The project was approved in the Authority's Fiscal Year 2005-2006 Budget, Planning, Development and Commuter Services Division, Toll Road and Motorist Services Department, Account 0013-7612-AC310-ASN, and is funded through the Service Authority for Freeway Emergencies fund.

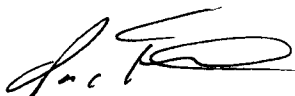
**Summary**

Based on the information provided, staff recommends award of Agreement C-5-2927 to Cingular Wireless, in an amount not to exceed \$60,000 per year, for a five-year period, to provide digital wireless service to support the call box system.

**Attachment**

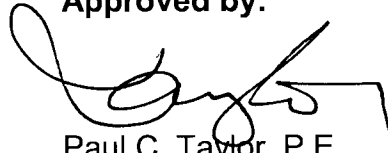
None.

**Prepared by:**



Iain C. Fairweather  
Manager, Motorist Services  
(714) 560-5858

**Approved by:**



Paul C. Taylor, P.E.  
Executive Director, Planning,  
Development and Commuter Services  
(714) 560-5431







BOARD COMMITTEE TRANSMITTAL

**March 27, 2006**

**To:** Members of the Board of Directors  
**From:** Wendy Knowles, Clerk of the Board <sup>WK</sup>  
**Subject** Evaluation Criteria Weighting for Procurement of Mobile Data Terminal Vehicle Location System

Regional Planning and Highways Committee

March 20, 2006

**Present:** Directors Cavecche, Correa, Dixon, Green, Monahan, Norby, Ritschel, and Rosen  
**Absent:** None

**Committee Vote**

This item was passed by all Committee Members present.

**Committee Recommendation**

Approve proposed evaluation criteria weighting allocation.



**March 20, 2006**

**To:** Regional Planning and Highways Committee

**From:** Arthur T. Leahy, Chief Executive Officer

**Subject:** Evaluation Criteria Weighting for Procurement of Mobile Data Terminal Vehicle Location System

### **Overview**

In advance of requesting Board of Director's approval to release a Request for Proposal for a proposed Automatic Vehicle Locator/Mobile Data Terminal service for the Freeway Service Patrol, staff is submitting an evaluation criteria weighting allocation. The approved weighting allocation will be included in the materials released on CAMMNET.

### **Recommendation**

Approve proposed evaluation criteria weighting allocation.

### **Background**

Orange County Service Authority for Freeway Emergencies (OCSAFE) provides call box and Freeway Service Patrol (FSP) services in Orange County. Four private tow companies provide FSP service under contract to OCSAFE. The FSP's primary purpose is to relieve congestion by removing stalled vehicles from freeways.

Thirty-five trucks patrol all Orange County freeways from 5:30 a.m. to 9:30 a.m. and from 3 p.m. to 7 p.m. weekdays. In addition, five trucks provide service from 10 a.m. through 2 p.m. weekdays. Services include fixing flat tires, taping hoses and an emergency gallon of gas. If a vehicle cannot be put into drivable condition within 10 minutes, it is towed off the freeway. FSP is free to motorists.

The California Highway Patrol (CHP) dispatches the trucks; CHP officers supervise the truck drivers in the field. The Automatic Vehicle Locator/Mobile Data Terminal (AVL/MDT) service has two major purposes: (1) Allow CHP officers to locate FSP trucks and monitor their movements in order to ensure

they arrive on their beats on time and stay within their assigned areas. (2) Provide a non-voice capability for tow truck drivers to report their activities in real time. CHP has only one dispatcher assigned to work with 35 tow trucks during the morning and afternoon peak periods. Radio traffic is heavy, creating long wait-times for drivers and dispatchers to communicate and limiting the amount of information that can be transmitted. Mobile Data Terminals (MDT) will allow an estimated 90 percent of dispatcher-driver communication to be done by silent, electronic means.

***Discussion***

Staff has prepared a draft Request for Proposal (RFP) for a firm to provide AVL/MDT service for FSP tow trucks. The selected firm will be required to develop, implement, operate and maintain the hardware and software needed for AVL/MDT capability and to provide that capability under a services agreement. Staff requests approval of the evaluation criteria weighting which will be used to evaluate proposals received in response to the RFP.

The proposals will be evaluated based on the following weighted criteria:

- Qualifications of the firm: 20 percent;
- Staffing and Organization: 20 percent;
- Work Plan: 35 percent;
- Cost and Price: 25 percent

Seventy-five percent of funding for the AVL/MDT service will be acquired from a Mobile Source Reduction Program grant, through the Southern California Air Quality Management District, and 25 percent is from the \$1-per-vehicle registration fee that funds call boxes and also funds a portion of FSP tow truck contract costs.

***Summary***

It is requested that the Board of Directors approve the proposed evaluation criteria.

***Attachment***

None.

**Prepared by:**



for  
Iain C. Fairweather  
Manager, Motorist Services  
(714) 560-5858

**Approved by:**



Paul C. Taylor, P.E.  
Executive Director, Planning,  
Development and Commuter Services  
(714) 560-5431





BOARD COMMITTEE TRANSMITTAL

**March 27, 2006**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject** Actions to Fund Street Improvements by the City of Costa Mesa

Regional Planning and Highways Committee

March 20, 2006

**Present:** Directors Cavecche, Correa, Dixon, Green, Monahan, Norby, Ritschel and Rosen  
**Absent:** None

**Committee Vote**

This item was passed by all Committee Members present.

Director Rosen recused himself from the discussion and voting on this item.

**Committee Recommendations**

- A. Provide the City of Costa Mesa with a \$1 million advance payment of Measure M turnback funds from future years to be used for street purposes.
- B. Authorize the Chief Executive Officer to negotiate a revenue-neutral reimbursement agreement for return of advanced turnback funds between the City of Costa Mesa and the Orange County Transportation Authority.
- C. Modify project scope of a previously funded Measure M Regional Interchange Program project (Bristol Street at the San Diego Freeway [Interstate 405], Orange County Transportation Authority project number 95-CMSA-RIP-1041) to include repair of damaged streets (Anton Boulevard and Avenue of the Arts) and allow the City to utilize \$1 million of construction allocation to cover cost of restoring damaged streets.



***Committee Request***

Director Ritschel requested that the draft reimbursement agreement on page two, Article 2 A, clarify the source of the \$2 million. The Measure M Regional Interchange Program project (Bristol Street at the Interstate 405) project scope will be modified to allow the City to utilize \$1 million and \$1 million advancement of future Measure M turnback funds.



**March 20, 2006**

**To:** Regional Planning and Highways Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Actions to Fund Street Improvements by the City of Costa Mesa

**Overview**

The City of Costa Mesa, in partnership with private organizations, has proposed street repairs in the Town Center area of Costa Mesa. The proposed improvements include restoring streets damaged due to heavy equipment movements during major improvements to San Diego Freeway (Interstate 405), a large regionally significant transitway project. The City of Costa Mesa has requested the Orange County Transportation Authority to advance \$1 million in future Measure M turnback funds and the modification of project scope of a previously approved Regional Interchange Program project to cover a portion of cost to repair damaged streets. The City of Costa Mesa is requesting an expedited action in order to complete construction by June 2006.

**Recommendations**

- A. Provide the City of Costa Mesa with a \$1 million advance payment of Measure M turnback funds from future years to be used for street purposes.
- B. Authorize the Chief Executive Officer to negotiate a revenue-neutral reimbursement agreement for return of advanced turnback funds between the City of Costa Mesa and the Orange County Transportation Authority.
- C. Modify project scope of a previously funded Measure M Regional Interchange Program project (Bristol Street at the San Diego Freeway [Interstate 405], Orange County Transportation Authority project number 95-CMSA-RIP-1041) to include repair of damaged streets (Anton Boulevard and Avenue of the Arts) and allow the City to utilize \$1 million of construction allocation to cover cost of restoring damaged streets.



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***Background***

The City of Costa Mesa, in partnership with private organizations, has proposed street rehabilitation in the Town Center area of Costa Mesa. The goal is to have street rehabilitation completed on an expedited schedule by June 2006. The proposed improvements also include repair of streets damaged due to heavy equipment movements during major improvements to the San Diego Freeway (Interstate 405), a large regionally significant transitway project.

***Discussion***

The project area in the City of Costa Mesa is generally bounded by Anton Avenue on the south, Bristol Avenue on the west, Sunflower Avenue on the north, and Avenue of the Arts on the east. An aerial map of the area depicting proposed improvements is shown in Attachment A. The Town Center area streets were used during major improvements to Interstate 405 (I-405) by project construction trucks and equipment resulting in significant additional wear and tear of pavement. The City of Costa Mesa's letters addressed to the California Department of Transportation (Caltrans) requesting repairs to damaged streets during I-405 improvements are attached (Attachments B and C). Two streets, Anton Boulevard and Avenue of the Arts, were significantly damaged because of nearly four years of heavy construction trucks and equipment movements. Caltrans has denied the request for reimbursement by the City of Costa Mesa (Attachment D).

The City of Costa Mesa has explored funding options with County of Orange and the Orange County Transportation Authority (OCTA) for the proposed expedited rehabilitation of damaged streets in the Town Center area of Costa Mesa. The total cost for the overall proposed street improvements, including streets damaged during I-405 improvements, is estimated at \$3 million. According to the City of Costa Mesa, the repair cost of damaged streets is roughly one-third of the total estimated cost of \$3 million for the proposed overall street improvements in the project area. The Costa Mesa City Council has adopted a resolution asking for \$3 million from the County of Orange and OCTA (Attachment E). Since the adoption of the City Council resolution, the request has been further defined (Attachment F) and is now proposed as follows:

- \$1 million from the County of Orange.

- 
- \$1 million advance payment from OCTA of the City's share of future Measure M turnback funds. The City of Costa Mesa will reimburse OCTA's \$1 million advance payment plus accrued interest from the City's share of future years Measure M turnback funds on or before April 1, 2011. A separate revenue-neutral reimbursement agreement between OCTA and City of Costa Mesa will be utilized for the schedule and amount of repayment of these advanced turnback funds. Additionally, the City shall make all project files available for audit upon receipt of a verbal or written request. If final project cost exceeds \$3 million dollars, OCTA is under no obligation to provide additional funding for this project.
  - Modify project scope of previously funded Measure M Regional Interchange Program (RIP) project (Bristol Street at I-405, OCTA project number 95-CMSA-RIP-1041) to include repair of damaged streets (Anton Boulevard and Avenue of the Arts) and allow the City to utilize \$1 million of previously allocated funds to cover these costs. The overall allocation of funds to the City's RIP project remains unchanged.

OCTA policy is for Measure M grants to be used for capacity enhancements. The proposed street repairs due to construction of the capacity projects were not included in the original grant but are deemed necessary at this time. This change does not affect the matching fund requirements that are part of the original grant.

### ***Summary***

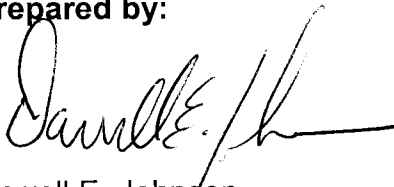
The City of Costa Mesa has requested a \$1 million advance payment of future Measure M turnback funds, modification of project scope of previously funded Measure M RIP project (Bristol Street at I-405, OCTA project number 95-CMSA-RIP-1041) to include repair of damaged streets (Anton Boulevard and Avenue of the Arts), and the transfer of \$1 million dollars from this approved RIP project to the proposed street improvements project to cover the cost of these repairs. The street improvements will be completed on an expedited schedule by June 2006, prior to dedication of the Theater and Arts District.

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***Attachments***

- A. Theater Arts District, Street & Landscape Rehabilitation – Limit of Work Exhibit
- B. City of Costa Mesa's letter addressed to Caltrans, dated August 5, 2003
- C. City of Costa Mesa's letter addressed to Caltrans, dated May 11, 2004
- D. Caltrans letter addressed to City of Costa Mesa, dated June 2, 2004
- E. City of Costa Mesa's letter addressed to OCTA Vice Chairman, Art Brown, dated January 4, 2006
- F. City of Costa Mesa's letter addressed to OCTA Chief Executive Officer, Arthur Leahy, dated January 17, 2006

**Prepared by:**



Darrell E. Johnson  
Department Manager, Programming,  
Development and Commuter Rail  
(714) 560-5343

**Approved by:**



Paul C. Taylor, P.E.  
Executive Director  
Planning, Development and  
Commuter Services  
(714) 560-5431

# THEATER ARTS DISTRICT STREET & LANDSCAPE REHABILITATION - LIMIT OF WORK EXHIBIT



- LEGEND**
- STREET REHABILITATION (CURBS & SIDEWALKS WHERE DAMAGED)
  - STREET SLURRY SEAL
  - LANDSCAPE REHABILITATION
  - LANDSCAPE FEATURE
  - DECORATIVE CROSS WALKS

THEATER ARTS DISTRICT  
STREET & LANDSCAPE REHABILITATION - LIMIT OF WORK EXHIBIT  
CITY OF LOS ANGELES, CALIFORNIA  
**TRC**



# CITY OF COSTA MESA

CALIFORNIA 92628-1200

P.O. BOX 1200

**ATTACHMENT B**

**FILE**

FROM THE OFFICE OF THE TRANSPORTATION SERVICES MANAGER

August 5, 2003

Bill Gilchrist, P.E.  
California Department of Transportation  
151 Kalmus Drive, Suite A-102  
Costa Mesa, CA 92626

**SUBJECT: AVENUE OF THE ARTS**

Dear Mr. Gilchrist:

The City of Costa Mesa appreciates your efforts to complete the planned improvements on Avenue of the Arts in the vicinity of I-405 northbound offramp, as part of I-405/SR-55 Transitway project. The City staff has visited the project site and requests the inclusion of the following to complete the project:

- The surface on Avenue of the Arts, especially in the northbound direction between the signal at the I-405 northbound offramp to approximately 60 feet south of Anton Boulevard is damaged significantly by the heavy truck traffic as part of the Transitway project construction. This segment of Avenue of the Arts should be reconstructed. Other portions of Avenue of the Arts on the southbound direction between Anton Boulevard and the new signal should be slurry-sealed.
- The recently installed curb and gutter on the east side of Avenue of the Arts north of the new signal appears to be at a higher elevation when compared to the pavement adjacent to it. This issue may cause significant problem with drainage. The City requests an investigation of this matter to assure proper drainage.
- A small segment of the new curb adjacent to the signal pole in the northeast corner of the Avenue of the Arts/I-405 offramp intersection has been damaged. This should be repaired.

Please note that the above items are in addition to the work that your staff presented at our meeting on July 30, 2003 as part of punch list items to complete the work.

Again, thank you for all your good work and please call me at 714-754-5182 or Raja Sethuraman, Associate Engineer, at 714-754-5032 if you have any questions.

Sincerely,

PETER NAGHAVI  
Transportation Services Manager

c William J. Morris, Director of Public Services  
Raja Sethuraman, Associate Engineer  
Chris Mockus, Caltrans



# **CITY OF COSTA MESA**

CALIFORNIA 92628-1200

P.O. BOX 1200

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FROM THE OFFICE OF THE TRANSPORTATION SERVICES MANAGER

May 11, 2004

Mr. Chris Mockus, P.E.  
Caltrans District 12  
3337 Michelson Drive, Suite 380  
Irvine, CA 92612-8894

**SUBJECT: I-405/SR-73 CONFLUENCE PROJECT – REMAINING ISSUES**

Dear Mr. Mockus:

At the meeting between the City of Costa Mesa staff and California Department of Transportation (Caltrans) on January 15, 2004 (meeting agenda enclosed as Attachment 1), a few remaining items within the project vicinity on City Streets were discussed. Specifically, the following items require further consideration:

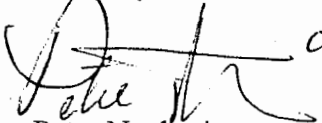
1. The I-405/SR-73 Confluence project provides for a Type 60 concrete barrier separating the I-405 Freeway southbound onramp traffic from southbound Harbor Boulevard (Attachment 2). The City has requested that this barrier be enhanced with either color or “patterned” concrete. Harbor Boulevard is a major entryway to the City of Costa Mesa. Over the past four years, Harbor Boulevard adjacent to I-405 Freeway has undergone significant deterioration due to ongoing construction activities and the motorists have been subjected to considerable delays. As the project is nearing completion, opportunities to improve the corridor should be considered to provide the public with a finished project that not only meets the intended purpose of capacity enhancement, but also improves the aesthetic features. The plain concrete barrier as proposed would be prone to graffiti, which will require considerable maintenance effort. The suggested patterned concrete similar to the finish on the adjacent tie-back wall would be more resistant to graffiti and also is more appealing to the traveling public.
2. South Coast Drive Roadway Repair: The pavement on South Coast Drive was severely damaged due to its use by project construction trucks and equipment over the past three years. During the meeting on January 15, 2004, you verbally agreed that damage was a direct result of the project and pavement would be repaired as part of the project. The City would like to insure that this work will be completed as soon as possible.
3. Avenue of the Arts Pavement: The pavement on Avenue of the Arts between Anton Boulevard and the new northbound offramp is significantly damaged. The City submitted a letter dated August 2003 (Attachment 3) and also discussed this item during the meeting of January 15, 2004. However, we have not received any communication from Caltrans on this issue.

4. Orange County Flood Control District (OCFCD) Gate at New Hampshire: The City had brought to your attention (Attachment 4) several complaints from residents about conditions at the Orange County Flood Control District (OCFCD) access gate at New Hampshire. This area was used by Caltrans and its contractors to construct improvements at Gisler Channel as well as the soundwall adjacent to southbound I-405 Freeway. The gate is completely broken and is beyond repair. Based on City's discussions with OCFCD, the gate will need to be replaced by Caltrans contractor. This is being disputed by the Caltrans Resident Engineer, Isaac Tabar. The City requests your assistance in the resolution of this issue prior to further deterioration of the area.

The City of Costa Mesa once more requests Caltrans consideration and written response regarding the above items for the needed improvements/repairs in the areas mentioned.

The City of Costa Mesa appreciates your efforts and cooperation on the major improvement projects occurring in the area. Please do not hesitate to contact me at (714) 754-5182, if you have any questions

Sincerely,



Peter Naghavi  
Manager, Transportation Services

#### Attachments

- c Cindy Quon, Director Caltrans - District 12
- Allan Roeder, City Manager
- William J. Morris, Director of Public Services
- Raja Sethuraman, Project Manager

**DEPARTMENT OF TRANSPORTATION**

DISTRICT 12  
3337 MICHELSON DRIVE  
SUITE 380  
IRVINE, CA 92612-8894  
PHONE (949) 724-2170  
FAX (949) 724-2519



*Flex your power!  
Be energy efficient!*

Date: June 2, 2004

City of Costa Mesa  
P.O. Box 1200  
Costa Mesa, CA 92628-1200

Dear Mr. Naghavi:

I have received your correspondence dated May 11, 2004 as a follow up to our meeting on January 15, 2004. I have reviewed the four items below and provide the following comments for discussions:

1. The State will review your request to enhance with either color or "patterned" concrete type 60 concrete barrier separating the I-405 Freeway southbound on-ramp traffic from southbound Harbor Boulevard which is within in State right of way. This will be an additional cost to the project. Please explain how the City of Costa Mesa will transfer funding to the project for this s proposed change.
2. During our meeting on January 15, 2004 I agreed to hold the Contractor responsible for all damage to existing facilities in accordance with the Contract. During the meeting the type and specific locations of damages were never discussed. In your follow up letter dated March 16, 2004 you indicated the damaged was deterioration of pavement on South Coast Drive caused by the contractor. This is contrary to what I recalled from the meeting when we discussed damaged to the pavement. The only area, to my knowledge, where the Contractor potential caused damaged was at the location curb and gutter was removed and shoring installed to facilitate construction of the retaining wall. In your May 11, 2004 letter you indicated that the pavement on South Coast Drive was severely damaged due to its use by project construction trucks and equipment. The State has reviewed all its records and majority of the access was from the freeway side and does not support the allegation by the City of Costa Mesa. Please provide the data the City of Costa Mesa used to determine that the current condition of the pavement and how the City of Costa Mesa determined it was due to construction traffic.
3. During the meeting on January 15, 2004 it was agreed upon the City of Costa Mesa would provided evidence/date to support its allegation that the damaged to Avenue of the Arts Pavement was caused by Construction traffic of the MOS 2 and 3 project. The State's records do not support the City of Costa Mesa allegation. The State has been waiting for the information prior to making a final determination, which was to be provided by Costa Mesa within two weeks of our meeting. As we discussed, the State will hold the Contractor responsible for all damage to existing facilities in accordance with the Contract Documents.



However, in order to enforce the Contract the State's needs substantiation to support the position damaged was caused by a Contractor.

4. The State is working with the Contractor to resolve this dispute with OCFCD and it will be done prior to further deterioration of the area.

The Department of Transportation appreciates your efforts and cooperation on this major improvement project. Please do not hesitate to contact me at (714) 724-2170 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Mockus", with a long horizontal line extending to the right.

Christopher E. Mockus, P.E.  
Office Chief, Field Construction  
Caltrans, District 12

CC: Larry Kellerman, CT  
Bill Gilchrist, CT



# CITY OF COSTA MESA

CALIFORNIA 92628-1200

P.O. BOX 1200

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FROM THE OFFICE OF THE MAYOR

January 4, 2006

Arthur C. Brown  
Vice Chairman, OCTA Board of Directors  
Orange County Transportation Authority  
c/o Arthur T. Leahy  
550 S. Main Street  
Orange, CA 92868

Subject: Orange County/Costa Mesa's Theater and Arts District Public Improvements

Dear Vice Chairman Brown:

As you are aware, the City of Costa Mesa has entered into a significant public/private partnership in establishing a Theater and Arts District (TAD) centered around the existing Orange County Performing Arts Center (OCPAC) and the new Segerstrom Center for the Arts (SCA). The cornerstone of the SCA will be the Symphony Hall, a \$200 million undertaking which is currently under construction and will be completed in September 2006.

Realizing the Countywide significance of the OCPAC and SCA, and in consideration of the impacts created by such a significant attraction, the Costa Mesa City Council has adopted the attached Resolution requesting funding from your Agency in the amount of \$3 million to assist in the improvement of the streets, medians, and parkways within the TAD. Your assistance in the rehabilitation of this area is critical in keeping Orange County as a worldwide destination for the Arts. The Resolution provides greater detail in the benefits of supporting this request.

The City of Costa Mesa thanks you for your support in keeping the TAD as a world-class facility, and looks forward to a very successful partnership with OCTA in the project. Please do not hesitate to call me if there are any questions, or if additional information is needed. Thank you again for your consideration.

Sincerely,

Allan Mansoor

Mayor

CITY OF COSTA MESA

Attachment - City of Costa Mesa Resolution

c: Orange County Board of Supervisors  
Orange County Transportation Authority Board of Directors  
Costa Mesa City Council Members  
Tom Mauk, Chief Executive Officer, County of Orange  
Art Leahy, Chief Executive Officer, OCTA  
Allan Roeder, City Manager, Costa Mesa

77 FAIR DRIVE

PHONE: (714) 754-5285 • FAX: (714) 754-5330 • TDD: (714) 754-5244 • [www.ci.costa-mesa.ca.us](http://www.ci.costa-mesa.ca.us)

RESOLUTION NO. 06-5

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, REQUESTING THE ORANGE COUNTY BOARD OF SUPERVISORS AND THE BOARD OF DIRECTORS OF THE ORANGE COUNTY TRANSPORTATION AUTHORITY TO FUND THEATRE AND ARTS DISTRICT STREET AND LANDSCAPE IMPROVEMENTS.

THE CITY COUNCIL OF THE CITY OF COSTA MESA HEREBY RESOLVES  
AS FOLLOWS:

WHEREAS; the Orange County Board of Supervisors officially recognized the establishment of the Orange County Theater District by resolution on January 27, 1998;  
and

WHEREAS, the Orange County Theater District (hereinafter referred to as the "District") is located in the heart of Orange County bounded by the I 405 Freeway, Bristol Street, Sunflower Avenue and Avenue of the Arts; and

WHEREAS, the District includes the Orange County Performing Arts Center and South Coast Repertory Theater in addition to serving as residence for numerous performing and visual arts organizations consisting of artists from throughout the County; and

WHEREAS, The District has become a center for arts education for young people from all over Orange County with more than 85 percent of all public schools and 90 percent of all Title I schools in 2003/2004 being served by one or more of the District's Arts Partners and more than 430,000 student visits in 2004/2005; and

WHEREAS, in September 2006 the District will debut its most anticipated addition with the opening of the Renee and Henry Segerstrom Symphony Hall, dedicated to offering the finest in orchestral performances; and

WHEREAS, private sector visionaries committing major financial contributions have served as the catalyst in establishing the District, including over \$250,000,000 towards the completion of the new Symphony Hall and associated area improvements; and

WHEREAS, leadership from both the private and public sector recognize the importance of their respective roles in establishing the District for the public benefit, making Orange County an innovator in creating Cultural Partnerships; and

WHEREAS, the City of Costa Mesa, one of the original partners in this effort, has acknowledged the cultural value of the area through the creation of the Costa Mesa Theater Arts District, bringing together both public and private sector resources to support the design and financing of public improvements for the District; and

WHEREAS, the effort has been very successful, resulting in streetscape improvements, landscaped public areas, roadway rehabilitation and other amenities that provide for both the convenience and the safety of the public while experiencing the various arts venues; and

WHEREAS, there remain opportunities to complete the public area improvements through financial contributions towards street rehabilitation and public landscape areas within the District; and

WHEREAS, such collaboration dates back to the area's agricultural origins and sets the County of Orange apart as a leader in recognizing the supporting role of government to the vitality of free enterprise.;

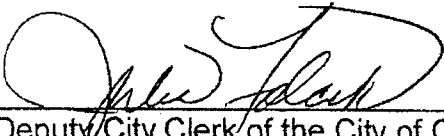
NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Costa Mesa requests that the Board of Supervisors of the County of Orange and the Board of Directors of the Orange County Transportation Authority join the Orange County Theater District partnership through a one-time contribution of \$3,000,000 to the Theater Arts District for the improvement of public areas and the unmet costs associated with the rehabilitation of both hardscape and landscape;

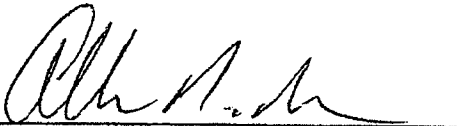
BE IT FURTHER RESOLVED, that any contribution made by the County of Orange and the Orange County Transportation Agency will be used exclusively for public area improvements only and that any and all funds expended shall be accurately accounted for and a record of such transactions be made readily available for public inspection.

BE IT FINALLY RESOLVED, that in recognition of the contribution by the County of Orange and the Orange County Transportation Authority, the Orange County Theater District will provide a focus for cultural development for generations of Orange County residents.

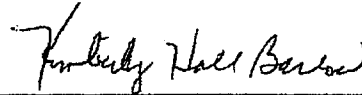
PASSED AND ADOPTED this 3<sup>rd</sup> day of January, 2006.

ATTEST:

  
Deputy City Clerk of the City of Costa Mesa

  
Mayor of the City of Costa Mesa

APPROVED AS TO FORM



\_\_\_\_\_  
City Attorney

STATE OF CALIFORNIA)  
COUNTY OF ORANGE ) ss  
CITY OF COSTA MESA )

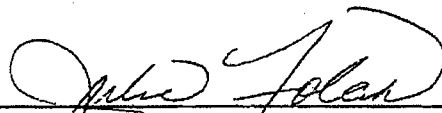
I, JULIE FOLCIK, Deputy City Clerk and ex-officio Clerk of the City Council of the City of Costa Mesa, hereby certify that the above and foregoing Resolution No. 06-5 was duly and regularly passed and adopted by the said City Council at a regular meeting thereof held on the 3<sup>rd</sup> day of January, 2006, by the following roll call vote:

AYES: Mansoor, Bever, Dixon, Monahan.

NOES: None. /

ABSENT: Foley

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City of Costa Mesa this 4<sup>th</sup> day of January, 2006.



\_\_\_\_\_  
Deputy City Clerk and ex-officio Clerk of  
the City Council of the City of Costa Mesa



# CITY OF COSTA MESA

CALIFORNIA 92628-1200

P.O. BOX 1200

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FROM THE OFFICE OF THE CITY MANAGER

January 17, 2006

Arthur T. Leahy, Chief Executive Officer  
Orange County Transportation Authority  
550 S. Main Street  
Orange, CA 92868

Subject: Orange County/Costa Mesa's Theater and Arts District Public Improvements

Dear Mr. Leahy:

As discussed at a recent meeting with the City of Costa Mesa, the County of Orange, and your agency, OCTA proposed to allocate \$2 million to street improvements planned for the Theater & Arts District (TAD) Project. It was further proposed that the City reimburse OCTA for \$1 million, of the \$2 million dollar allocation, from the City's Measure "M" Turnback revenues.

Earlier this month, a copy of the Resolution approved by the Costa Mesa City Council was mailed to you requesting funding from your agency. Enclosed is a Preliminary Agreement drafted by the City of Costa Mesa that memorializes the funding requirements of each public agency for construction of the proposed public improvements for the TAD Project. Please sign the two original signature pages of the Preliminary Agreement and return them to me. We realize the OCTA Board of Directors will need to formally approve the agreement before it is effective, and I would appreciate knowing when this item will be presented to your Directors. Your signature on the Preliminary Agreement merely indicates your receipt of the document and your intent to participate in the funding for the project. We hope to receive the signed Preliminary Agreements from OCTA and the County by March 1, 2006, in order to meet the accelerated project schedule.

Also enclosed is a draft reimbursement agreement for the \$1 million of Costa Mesa's share that will be reimbursed to OCTA. Please review the draft agreement and return it to me with your changes, if any. We need to have a final Reimbursement Agreement for approval by our City Council and your Board of Directors by the same due date listed above.

The City of Costa Mesa thanks you for your support and participation. Please do not hesitate to call me if there are any questions, or if additional information is needed.

Mr. Arthur T. Leahy  
Page 2  
January 17, 2006

Thank you again for your participation.

Sincerely,



Allan Roeder  
City Manager

/ch (WJMCorr06/TheaterArtsDist3MPrelimAgreementOCTA)

Attachment: Preliminary Agreement  
Draft Reimbursement Agreement

c: Tom Mauk, Chief Executive Officer, County of Orange  
William J. Morris, Director of Public Services  
Ernesto Munoz, City Engineer



PRELIMINARY AGREEMENT  
FOR THE DESIGN, CONSTRUCTION AND RECONSTRUCTION  
OF CERTAIN PUBLIC RIGHT OF WAY IMPROVEMENTS  
WITH THE THEATER AND ARTS DISTRICT  
OF THE CITY OF COSTA MESA

This Preliminary Agreement is entered into on \_\_\_\_\_, 2006, by and between the County of Orange ("Orange"), the Orange County Transportation Authority ("OCTA"), and the City of Costa Mesa ("City") for the purpose of funding certain public improvements in and around Costa Mesa's Theater Arts District ("TAD").

The City has entered into a public/private partnership with several private companies/organizations to improve the public right of way on several streets within the TAD, which is generally bounded by Anton Ave. on the South, Bristol Ave. on the West, Sunflower Ave. on the North, and Avenue of the Arts on the East. The City is also desirous of improving one roadway immediately adjacent to the TAD, namely, Sunflower Ave. west of Bristol St., and proposes to construct this improvement at the same time. The proposed public improvements are more specifically shown on the attached Exhibit 1 ("Project"), and are estimated to cost \$3,000,000.

The County and OCTA are desirous of also participating with the City in the mentioned public/private partnership, as a public partner, due to the regional significance of the TAD. This agreement memorializes the funding requirements of each public agency for construction of the Project.

The public partners hereby agree to the following:

- I. The County agrees to provide \$1,000,000 to the City of Costa Mesa for construction of the Project.
- II. The OCTA agrees to provide \$2,000,000 to the City for construction of the Project, with the understanding that the City will reimburse the OCTA in the amount of \$1,000,000. Said reimbursable amount will be the City's share of the public partnership. Said reimbursement will be secured by City Measure M "Turnback" funds, which the City receives and will continue to receive from OCTA on an annual basis through April 2011. The schedule and amount of repayment will be as identified in a separate agreement between the City and the OCTA. This separate agreement will provide for full repayment of the \$1,000,000 by the City on or before April 2011.
- III. The City agrees to reimburse the OCTA as provided in Section II above. The City also agrees to administer and have constructed and/or reconstructed all public improvements, as shown in Exhibit 1, in a timely manner, but no later than September of 2006.
- IV. All parties agree that the City's share of \$1,000,000 includes sufficient funds to pay for 100% the improvements listed in Exhibit 1, but are outside of the

boundaries of the TAD. These improvements will not be paid for with County or OCTA contributions to the Project.

- V. Time is of the essence. The County and the OCTA shall expeditiously initiate and complete any process required to allocate and make funds available to the City for payment of the Project. The City shall provide an accounting of all expenditures for the Project, and shall provide monthly progress/financial reports to the County and the OCTA. The County and the OCTA may at any time audit City Project files upon receipt of a verbal request to City staff.
- VI. If the final cost of the Project exceeds \$3,000,000, the County and OCTA are under no obligation to provide further funding. If the final cost of the Project is under \$3,000,000, the public agencies will meet and mutually agree on how to distribute the funds back to each agency.
- VII. All parties acknowledge that formal approval of all items contained in this Preliminary Agreement must be obtained from their respective governing Boards before becoming effective.

Preliminary Agreement Approved:

\_\_\_\_\_  
Tom Mauk, County of Orange

\_\_\_\_\_  
Date

\_\_\_\_\_  
Art Leahy, OCTA

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Allan Roeder, City of Costa Mesa

1/17/06  
Date

**DRAFT**

**REIMBURSEMENT AGREEMENT  
BETWEEN  
ORANGE COUNTY TRANSPORTATION AUTHORITY  
AND  
CITY OF COSTA MESA**

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**THIS AGREEMENT (“AGREEMENT”)**, is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2006, 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 “OCTA”) and the City of Costa Mesa (hereinafter referred to as “CITY”).

**RECITALS:**

**WHEREAS**, The CITY, in cooperation with the County of Orange (hereinafter referred to as “COUNTY”), and OCTA have mutually agreed to fund improvements in the public right-of-way within the City of Costa Mesa's Theater & Arts District “TAD”, which is generally bounded by Anton Avenue on the South, Bristol Street on the West, Sunflower Avenue on the North, and Avenue of the Arts on the East. The City is also desirous of improving one roadway immediately adjacent to the TAD, namely, Sunflower Avenue west of Bristol Street, and proposes to construct this improvement at the same time.

The proposed public improvements consist of rehabilitating and reconstructing degraded portions of pavement, sidewalks, and medians on Sunflower Avenue between Bear Street and Avenue of the Arts, on Avenue of the Arts between Sunflower Avenue and the first signal-controlled intersection south of Anton Boulevard, on Anton Boulevard between Bristol Street and Avenue of the Arts, on Bristol Street between Sunflower Avenue and Anton Boulevard, and on Park Center Drive between Sunflower Avenue and Town Center Drive. These improvements are herein referred to as the “PROJECT”.

1           **WHEREAS**, The COUNTY agrees to provide One Million Dollars (\$1,000,000) to the CITY  
2 towards design and construction of the Project. OCTA agrees to provide Two Million Dollars  
3 (\$2,000,000) to the CITY towards design and construction of the Project, with the understanding that  
4 the CITY will reimburse OCTA in the amount of \$1,000,000. Said reimbursable amount will be the  
5 CITY's share of the partnership. Said reimbursement will be secured by City Measure M "Turnback"  
6 funds, which the City receives and will continue to receive from OCTA on an annual basis through  
7 April 2011. The schedule and amount of repayment is identified in this agreement, and provides for  
8 full repayment of the \$1,000,000 by the City on or before April 2011.

9           **WHEREAS**, The City agrees to reimburse OCTA as provided above. The City also agrees to  
10 administer the PROJECT in a timely manner, but no later than September of 2006.

11           **NOW, THEREFORE**, OCTA, and the CITY mutually agree as follows:  
12

13           **ARTICLE 1. COMPLETE AGREEMENT**  
14

15           This Agreement, including all exhibits and documents incorporated herein and made  
16 applicable by reference, constitutes the complete and exclusive statement of the term(s) and  
17 condition(s) of the agreement between OCTA, and the CITY, and it supersedes all prior  
18 representations, understandings and communications. The invalidity in whole or part of any term or  
19 condition of this Agreement shall not affect the validity of other term(s) or condition(s).  
20

21           **ARTICLE 2. RESPONSIBILITIES OF OCTA**

22           OCTA agrees to the following responsibilities for the PROJECT:

23           A.       OCTA shall provide Two Million Dollars (\$2,000,000) to the City for construction of the  
24 Project, with the understanding that the City will reimburse OCTA in the amount of \$1,000,000 as  
25 the CITY's contribution. OCTA will not be obligated for any additional costs beyond this amount.  
26

**ARTICLE 3. RESPONSIBILITIES OF CITY**

CITY agrees to the following responsibilities for the PROJECT:

A. CITY shall take full responsibility to cause the design and construction of the PROJECT. CITY shall oversee and perform complete project management of the PROJECT, including but not limited to all necessary staff services, design, construction, and construction management with no assistance from OCTA. It is CITY's responsibility to provide all necessary staff and services for completion of the PROJECT.

B. CITY shall cause all related work to take place within eight months of execution of this Agreement.

CITY shall reimburse OCTA the sum of \$1,000,000 from Measure M "Turnback" allocations the CITY receives annually. Reimbursement shall be made in four (4) equal annual payments of Two Hundred and Fifty Thousand Dollars (\$250,000) each, and will begin at the time of the City's 2008 Measure M allocation. OCTA will simply deduct the annual reimbursement payment from the City's annual allocation amount until the \$1,000,000 involved in this Agreement is repaid.

**ARTICLE 7. MUTUAL RESPONSIBILITIES**

OCTA, and CITY agree to the following mutual responsibilities:

A. That the PROJECT proceed in accordance with the schedule and budget defined in this Agreement.

B. Any notices, requests or demands made between the parties pursuant to this Agreement are to be directed as follows:

**To CITY:**

City of Costa Mesa  
P.O. Box 1200, 77 Fair Drive  
Costa Mesa, CA 92628-1200

Attention: Ernesto Munoz P.E.  
City Engineer

**To OCTA:**

Orange County Transportation Authority  
550 South Main Street  
P.O. Box 14184

Orange CA 92863-1584  
Attention:

714-754-5173, 714-754-5028 fax

1  
2 C. All changes to this Agreement shall be done by written mutual consent of the parties  
3 to this Agreement.

4 D. OCTA, and CITY shall comply with all applicable federal, state, and local laws,  
5 statutes, ordinances and regulations of any governmental authority having jurisdiction of the  
6 PROJECT in the performance of this Agreement.

7 E. After receipt of reasonable notice and during regular business hours, CITY agrees to  
8 provide OCTA or agent thereof, access to books, records, payroll documents and facilities as  
9 necessary to examine, audit and inspect all accounting books, records, work data, documents and  
10 activities directly related hereto. CITY shall maintain such books, records, data and documents in  
11 accordance with generally accepted accounting principles and shall clearly identify and make such  
12 items readily accessible during performance hereunder and for a period of four (2) years from the  
13 date of PROJECT funding by OCTA to CITY.

14 **ARTICLE 8. TERM OF THE AGREEMENT**

15 This Agreement shall commence upon execution of this Agreement by all parties and shall  
16 continue in full force and effect for seventy-two months unless earlier terminated or extended as  
17 provided in this Agreement.

18 **ARTICLE 9. INDEMNIFICATION**

19 A. OCTA shall indemnify, defend and hold harmless CITY, its respective officials,  
20 officers, directors, employees, volunteer representatives, subcontractors or suppliers, member  
21 agencies and agents from and against any and all claims (including attorney's fees and reasonable  
22 expenses for litigation or settlement) for any loss or damages, bodily injuries, including death,  
23 damage to or loss of use of property, caused by negligent acts omissions or willful misconduct by  
24 OCTA, its officers, directors, employees, agents, subcontractors or suppliers in connection with or  
25 arising out of the performance of this Agreement that are asserted or claimed against CITY, its  
26 respective officers, directors, employees, agents, member agencies, subcontractors or suppliers.

B. CITY shall indemnify, defend and hold harmless OCTA, its officers, directors, employees, subcontractors or suppliers, and agents from and against any and all claims, actions, damages, liabilities and expenses (including attorney's fees and reasonable expenses for litigation or settlement) for any loss or damages, bodily injuries, including death, damage to or loss of use of property, caused by negligent acts omissions or willful misconduct by CITY and its officials, officers, directors, employees, agents, representatives, subcontractors or suppliers in connection with or arising out of the performance of this Agreement that are asserted or claimed against OCTA, its officers, directors, employees, agents, member agencies, subcontractors or suppliers.

**ARTICLE 10. FORCE MAJUERE**

Any party shall be excused from performing its obligations under this Agreement during the time and to the extent that it is prevented from performing by an unforeseeable cause beyond its control, including but not limited to: any incidence of fire, flood; acts of God; commandeering of material, products, plants or facilities by federal, state or local government; national fuel shortage; or a material act or omission by any party; when satisfactory evidence of such cause is presented to that other party, and provided further such nonperformance is unforeseeable, beyond the control and is not due to the fault or negligence of the party not performing.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed on the date first written above.

**COSTA MESA**

**ORANGE COUNTY TRANSPORTATION AUTHORITY**

By: \_\_\_\_\_  
Mayor, City of Costa Mesa

By: \_\_\_\_\_  
Arthur T. Leahy, Chief Executive Officer

ATTEST:

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Clerk of the Council

By: \_\_\_\_\_  
General Counsel

**APPROVED AS TO FORM:**

City Attorney

By: \_\_\_\_\_

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BOARD COMMITTEE TRANSMITTAL

**March 27, 2006**

**To:** Members of the Board of Directors

**From:** Wendy Knowles, Clerk of the Board

**Subject** Approval of a Memorandum of Understanding for the Garden Grove Freeway (State Route 22) Project Between the Orange County Transportation Authority and the County of Orange

Regional Planning and Highways Committee

March 20, 2006

**Present:** Directors Cavecche, Correa, Dixon, Green, Monahan, Norby, Ritschel, and Rosen

**Absent:** None

**Committee Vote**

This item was passed by all Committee Members present.

**Committee Recommendation**

Authorize the Chief Executive Officer to execute Agreement C 5-2746 between the Orange County Transportation Authority and the County of Orange, in an amount not to exceed \$1.2 million, to address the cost reimbursement and outline the roles and responsibilities of each party in the design and relocation of a previously undisclosed 66-inch storm drain on Orange County Transportation Authority property.



**March 20, 2006**

**To:** Regional Planning and Highways Committee

**From:** Arthur T. Leahy, <sup>ATL</sup> Chief Executive Officer

**Subject:** Approval of a Memorandum of Understanding for the Garden Grove Freeway (State Route 22) Project Between the Orange County Transportation Authority and the County of Orange

### **Overview**

A Memorandum of Understanding is required with the County of Orange outlining the terms and conditions in order for the Orange County Transportation Authority to be reimbursed a portion of the total cost of the Change Order No. 9, related to the relocation of a storm drain.

### **Recommendation**

Authorize the Chief Executive Officer to execute Agreement C-5-2746 between the Orange County Transportation Authority and the County of Orange, in an amount not to exceed \$1.2 million, to address the cost reimbursement and outline the roles and responsibilities of each party in the design and relocation of a previously undisclosed 66-inch storm drain on Orange County Transportation Authority property.

### **Background**

On October 11, 2001, the Orange County Transportation Authority (Authority) Board of Directors (Board) approved the implementation of the Garden Grove Freeway (State Route 22) improvements using the design-build approach. Design-build is an innovative system of contracting under which one entity performs both design and construction under one contract. In a traditional delivery scenario, these two elements are performed consecutively. In a design-build project, they are performed concurrently resulting in significant time savings.

The State Route 22 (SR-22) project is a partnership between the Authority, the California Department of Transportation (Caltrans), the Federal Highway

**Approval of a Memorandum of Understanding for the Garden Grove Freeway (State Route 22) Project Between the Orange County Transportation Authority and the County of Orange**

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**Page 2**

Administration, the joint venture design builder, Granite-Myers-Rados (GMR), and the Cities of Orange, Santa Ana, Garden Grove, Westminster, Seal Beach, and Los Alamitos. The SR-22 project begins just east of the Valley View Street interchange in Garden Grove/Westminster, and continues east to the Costa Mesa Freeway (State Route 55) interchange.

On August 23, 2004, the Board awarded the SR-22 design-build contract to GMR. The Authority has executed numerous cooperative agreements for the implementation of the SR-22 project including those between the Authority and the Cities of Santa Ana, Westminster and Orange, Caltrans, the Orange County Flood Control District, and the Department of California Highway Patrol.

***Discussion***

On August 22, 2005, the Board approved Change Order No. 9 for the removal and relocation of a portion of a 66-inch diameter storm drain owned by the County of Orange (County). In addition, the Board directed staff to seek reimbursement from the County for a portion of the cost of Change Order No. 9 by entering into an agreement between the Authority and the County. This storm drain was located along the easterly side of The City Drive, turning east along the Orange County Animal Shelter property, and discharged into the Santa Ana River. The existing storm drain was located within the County property limits, a portion of which was subsequently purchased by the Authority for widening the SR-22. The storm drain within the Authority's purchased right-of-way (ROW) was in conflict with two bridge foundations for the Orange Freeway (State Route 57) to the SR-22 connector and had to be relocated.

The 66-inch pipeline drains an area around and adjacent to the Theo Lacy jail facility. As such, this line did not appear on project plans, which are routinely available for public review to the designers. The County had taken the position that the freeway improvements necessitate the storm drain relocation, so design and funding are project implementation expenses. The Authority agreed that the relocation was a project related expense; however, lack of disclosure by the County had created a condition threatening to impact the project schedule and substantially increase relocation costs. Disclosure of this line during ROW acquisition would have been a consideration of the Authority when negotiating the final purchase price.

The Authority paid \$3,500,000 to the County for ROW required for widening of SR-22. Of this amount, \$3,238,750 was intended to off-set the loss of parking

**Approval of a Memorandum of Understanding for the Garden Grove Freeway (State Route 22) Project Between the Orange County Transportation Authority and the County of Orange**

**Page 3**

for the adjacent Orange County Animal Care Shelter allowing the County to either construct a parking garage or purchase adjacent business and pay for reasonable costs in relocating existing tenants. The County and Authority have agreed that any funds remaining from the \$3,238,750, after the purchase of the adjacent property or construction of a parking garage, would be put toward the relocation costs. Any remaining relocation costs will then be split equally between the County and the Authority.

The Authority would then be responsible for design, permit, and construction and relocation of the storm drain on the County property. Authority will submit a full account of the relocation costs and the County will make the payment to the Authority after the animal shelter parking needs are addressed but not later than November 30, 2006.

**Fiscal Impact**

Funds received from the County will be used to replenish a portion of the contingency funds expended for Change Order No. 9.

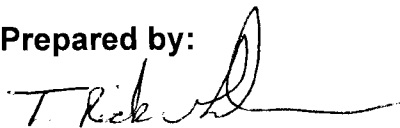
**Summary**

The Authority continues to advance the first project to be constructed in the state of California on an active freeway using the innovative design-build delivery method. Staff recommends Board approval of Agreement C-5-2746 between the Authority and the County of Orange with half the cost of the storm drain relocation to be reimbursed by the County of Orange.

**Attachment**

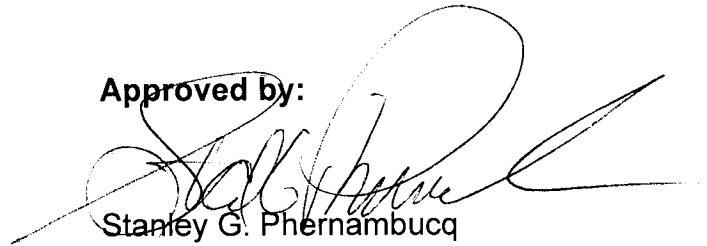
None.

**Prepared by:**



T. Rick Grebner, P.E.  
Program Manager  
(714) 560-5729

**Approved by:**



Stanley G. Phernambucq  
Executive Director,  
Construction & Engineering  
(714) 560-5440





BOARD COMMITTEE TRANSMITTAL

**March 27, 2006**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject:** Amendment to Agreement for Test and Operation Gases for Liquefied Natural Gas Buses and Facilities

Transit Planning and Operations Committee

March 9, 2006

**Present:** Directors Winterbottom, Silva, Duvall, Green, and Norby  
**Absent:** Directors Brown, and Pulido

***Committee Vote***

This item was passed by all Committee Members present.

***Committee Recommendation***

Authorize the Chief Executive Officer to execute Amendment No. 3 to Agreement C-3-1228 between the Orange County Transportation Authority and Cameron Welding Supply, in an amount not to exceed \$60,000, for the purchase of test and operation gases for the liquefied natural gas buses and facilities.



**March 9, 2006**

**To:** Transit Planning and Operations Committee  
**From:** Arthur T. Leahy, <sup>Mr</sup> Chief Executive Officer  
**Subject:** Amendment to Agreement for Test and Operation Gases for Liquefied Natural Gas Buses and Facilities

**Overview**

On May 10, 2004, the Board of Directors approved an agreement with Cameron Welding Supply, in the amount of \$65,290, to provide test and operation gases used by the Maintenance Department for liquefied natural gas leak detection, for a one-year period with two one-year options. Cameron Welding Supply was retained in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services.

**Recommendation**

Authorize the Chief Executive Officer to execute Amendment No. 3 to Agreement C-3-1228 between the Orange County Transportation Authority and Cameron Welding Supply, in an amount not to exceed \$60,000, for the purchase of test and operation gases for the liquefied natural gas buses and facilities.

**Background**

The Orange County Transportation Authority (Authority) has an agreement with Cameron Welding Supply to provide test and operation gases for the liquefied natural gas buses and facilities. The Authority is required to have functioning gaseous methane detectors that can indicate an alarm when gaseous methane is leaking in the bus or in the engine compartment of the Authority's buses which are fueled with liquefied natural gas (LNG). A specific mix of gases is required in order to setup, calibrate, and test the proper function of the leak detection sensors and systems in the event of a leak of LNG or methane gas.



***Discussion***

This procurement was originally handled in accordance with the Orange County Transportation Authority's procedures for professional and technical services. The original agreement was awarded on a competitive basis. It has become necessary to amend the agreement due to exercising the second option year.

The original agreement awarded on May 10, 2004, was in the amount of \$65,290. Amendment No. 3, in the amount of \$60,000, will increase the total agreement amount to \$196,415. (Attachment A) A decrease in the amount required for the next year is due to the reduced number of LNG vehicle tank problems allowing for fewer de-fueling requirements and a corresponding reduction in the amount of nitrogen needed.

**Fiscal Impact**

The work described in Amendment No. 3 to Agreement C-3-1228 was approved in the Authority's Fiscal Year 2006-07 Budget, Operations Division, Maintenance Department, Account 7799, and is funded through the Local Transportation Fund.

***Summary***

Staff recommends approval of Amendment No. 3, in the amount of \$60,000, to Agreement C-3-1228 with Cameron Welding Supply.

***Attachment***

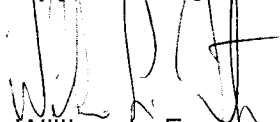
- A. Cameron Welding Supply Agreement C-3-1228 Fact Sheet

**Prepared by:**



Al Pierce  
Manager, Maintenance  
714-560-5975

**Approved by:**



William L. Foster  
General Manager, Operations  
714-560-5842

**Cameron Welding Supply  
Agreement C-3-1228 Fact Sheet**

1. May 10, 2004, Agreement C-3-1228, \$65,290, approved by Board of Directors.
  - Procurement of test and operation gases for the liquefied natural gas buses and facilities.
2. February 11, 2005, Amendment No. 1 to Agreement C-3-1228, \$1,125, approved by Purchasing Agent.
  - Additional rental of gas storage vessel.
3. May 9, 2005, Amendment No. 2 to Agreement C-3-1228, \$70,000, approved by Board of Directors.
  - First option year for the period of June 1, 2005 through May 31, 2006.
4. May 8, 2006, Amendment No. 3 to Agreement C-3-1228, \$60,000, pending approval by Board of Directors.

Total committed to Cameron Welding Supply, Agreement C-3-1228: \$196,415.





BOARD COMMITTEE TRANSMITTAL

**March 27, 2006**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject:** Amendment to Agreement for Plan Check and Construction Management Services for Santa Ana Bus Base

Transit Planning and Operations Committee

March 9, 2006

**Present:** Directors Winterbottom, Silva, Duvall, Green, and Norby  
**Absent:** Directors Brown, and Pulido

**Committee Vote**

This item was passed by all Committee Members present.

**Committee Recommendation**

Authorize the Chief Executive Officer to execute Amendment No. 9 to Agreement C-1-2282 between the Orange County Transportation Authority and MARRS Services, in an amount not to exceed \$135,000, for construction management services for the Santa Ana Bus Base, and extend the contract period to December 2006.



**March 9, 2006**

**To:** Transit Planning and Operations Committee  
**From:** Arthur T. Leahy, <sup>AW</sup> Chief Executive Officer  
**Subject:** Amendment to Agreement for Plan Check and Construction Management Services for Santa Ana Bus Base

**Overview**

On March 25, 2002, the Orange County Transportation Authority Board of Directors approved an agreement with MARRS Services, in the not-to-exceed amount of \$1,399,962, to provide plan check and construction management services for construction of the Santa Ana Bus Base. MARRS Services was retained in accordance with the Orange County Transportation Authority's procurement procedures for architectural and engineering services.

**Recommendation**

Authorize the Chief Executive Officer to execute Amendment No. 9 to Agreement C-1-2282 between the Orange County Transportation Authority and MARRS Services, in an amount not to exceed \$135,000, for construction management services for the Santa Ana Bus Base, and extend the contract period to December 2006.

**Background**

On March 25, 2002, the Orange County Transportation Authority (Authority) Board of Directors (Board) selected MARRS Services to provide independent third party plan checking services and construction management of the Santa Ana Bus Base. The original MARRS Services agreement was for \$1,399,962.

On April 28, 2003, the Board awarded the construction contract for the Santa Ana Bus Base to Swinerton Builders, in the amount of \$35,653,000. The construction agreement specified that the construction work was to be completed within 550 calendar days from the Notice to Proceed, which equated to November 26, 2004. The Santa Ana Bus Base was substantially completed on April 29, 2005, and the offsite construction work was completed on

December 20, 2005. Construction management services are required beyond the construction completion date to address anticipated construction claim issues. The construction management services agreement is a time and materials contract and available funds will be depleted in April 2006. In order to address potential construction claims, the agreement needs to be amended at this time.

***Discussion***

This procurement was originally handled in accordance with the Authority's procedures for architectural and engineering services. The original agreement was awarded on a competitive basis and was previously amended on October 24, 2005 (Attachment A). It has become necessary to amend the agreement again to address construction claims prior to project closeout.

The proposed amendment would increase the agreement by \$135,000. The total amount after approval of Amendment No. 9 will be \$1,759,962. The contract period will also be extended from June 2006, to December 31, 2006.

**Fiscal Impact**

The additional work described in Amendment No. 9 to Agreement C-1-2882 was included in the Authority's Fiscal Year 2005-06 Budget. Funds are available in Account 1722-9011, Work in Progress.

***Summary***

Based on the material provided, staff recommends approval of Amendment No. 9, in the amount of \$135,000, to Agreement C-1-2882 with MARRS Services to address anticipated construction claims on the Santa Ana Bus Base.

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***Attachment***

- A. MARRS Services Agreement C-1-2282 Fact Sheet

**Prepared by:**

  
James J. Kramer  
Principal Civil Engineer  
(714) 560-5866

**Approved by:**

  
Stanley G. Phernambucq  
Executive Director,  
Construction & Engineering  
(714) 560-5440

**MARRS Services  
Agreement C-1-2282 Fact Sheet**

1. March 25, 2002, Agreement C-1-2282, \$1,399,962, approved by Board of Directors.
  - Plan check and construction management services for the Santa Ana Base.
2. September 16, 2003, Amendment No. 1 to Agreement C-1-2282, \$0, approved by procurement administrator.
  - Administrative change only. No changes made to term or dollar amount.
3. October 13, 2003, Amendment No. 2 to Agreement C-1-2282, \$0, approved by procurement administrator.
  - Administrative change only. No changes made to term or dollar amount.
4. August 4, 2004, Amendment No. 3 to Agreement C-1-2282, \$0, approved by procurement administrator.
  - Administrative change only. No changes made to term or dollar amount.
5. November 29, 2004, Amendment No. 4 to Agreement C-1-2282, \$0, approved by procurement administrator.
  - Administrative change only. No changes made to term or dollar amount.
6. December 29, 2004, Amendment No. 5 to Agreement C-1-2282, \$0, approved by procurement administrator.
  - Extend term of agreement to April 30, 2005.
7. May 2, 2005, Amendment No. 6 to Agreement C-1-2282, \$100,000, approved by procurement administrator.
  - Extend term of agreement to September 30, 2005, and increase maximum obligation to \$1,499,962.
8. September 22, 2005, Amendment No. 7 to Agreement C-1-2282, \$0, approved by procurement administrator.
  - Extend term of agreement to December 31, 2005.
9. October 24, 2005, Amendment No. 8 to Agreement C-1-2282, \$125,000, approved by Board of Directors.
  - Extend term of agreement to June 30, 2006, and increase maximum obligation to \$1,624,962.
10. March 27, 2006, Amendment No. 9 to Agreement C-1-2282, \$135,000, pending approval by Board of Directors.
  - Extend term of agreement to December 31, 2006, and increase maximum obligation to \$1,759,962.

Total committed to MARRS Services, Agreement C-1-2282: \$1,759,962.





BOARD COMMITTEE TRANSMITTAL



**March 21, 2006**


**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject:** Second Quarter Fiscal Year 2005-06 Bus Operations Monthly Performance Measurements Report

This item will be considered by the Transit Planning and Operations Committee on March 23, 2006. Following Committee consideration of this matter, staff will provide you with a summary of the discussion and action taken by the Committee.

Please call me if you have any comments or questions concerning this correspondence. I can be reached at (714) 560-5676.



**March 23, 2006**

**To:** Transit Planning and Operations Committee  
**From:**   
Arthur T. Leahy, Chief Executive Officer  
**Subject:** Second Quarter Fiscal Year 2005-06 Bus Operations Monthly Performance Measurements Report

**Overview**

The Orange County Transportation Authority recognizes the need for improved accountability and operational performance. With this in mind, the Bus Operations Monthly Performance Measurements report was developed in accordance with executive management direction. The Bus Operations Monthly Performance Measurements Report serves as a tool to survey operational performance and as the nexus for process improvements.

**Recommendation**

Receive and file as an information item.

**Background**

In an effort to improve the operation of Orange County Transportation Authority's (OCTA) Bus Operations, staff has developed the Bus Operations Monthly Performance Measurements Report. This report is designed to allow management to monitor and evaluate how their respective business units are performing against budgeted targets.

The fiscal year (FY) 2005-06 Bus Operations Monthly Performance Measurements Report has been designed to allow management to focus on several key areas within Bus Operations and Community Transportation Services (CTS) with an emphasis on safety, reliability, efficiency, and compliance with the Americans with Disabilities Act (ADA). This performance measurement report reverberates the Chief Executive Officer's message of continuous improvement which has been communicated to all levels of management through recognition of key objectives and is aligned with the annual budget. The key objectives are linked to a broader set of performance measures that will be monitored for both Bus Operations and CTS.

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By utilizing these measurements, management will have the ability to analyze trends and to assess the effectiveness and efficiency of the overall Bus Operations program. Through this process, management can implement change to improve Bus Operations performance and deliver a more cost effective system.

The following pages will detail the seven key objectives for Bus Operations, five key objectives for CTS, and other significant measurements.

***Discussion***

For FY 2005-06, executive management has emphasized the following key objectives for Bus Operations:

**Bus Operations Key Objectives**

**Objective I - Reduce Accidents**

To provide safe and reliable service it is necessary to continue to minimize the number of accidents involving OCTA's buses and passengers. Through the second quarter of FY 2005-06, reportable accidents have increased to 808, which is 6.2 percent above the prior year total of 761. When controlling for total miles, however, the rate of vehicular accidents per 100,000 miles has actually decreased slightly (0.8 percent) over last year's mark. Bus Operations is focusing on reducing passenger falls which are not counted as vehicular accidents, and buses struck while in the loading zone – two types of accidents contributing to nearly half of all reportable accidents.

**Objective II - Increase On-time Performance**

OCTA's passengers rightfully expect that our buses will arrive on-time at locations specified in the published timetable. This is OCTA's contract with the public. Greater on-time performance will occur from more effective schedule-writing and improved operator training. This measure is produced from a sampling of schedule checks and supervisor checks. Through the second quarter, on-time performance was 85.8 percent, just above last year's mark of 85.1 percent.

**Objective III - Reduce Customer Complaints**

Coach operators are the ambassadors of OCTA and as such recognize the importance of Putting Customers First. Through the second quarter, the total

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number of complaints was 1,490 which is 19 percent below the prior year total of 1,834.

**Objective IV – 100 Percent Compliance on Calling out Stops**

The Americans with Disabilities Act mandates that operators announce stops and major connection points in buses not equipped with enunciators. Non-compliance is a major work rule violation and subject to progressive discipline. Through a sampling methodology of several types of checks, the second quarter compliance has been at 87 percent, which is below the 92 percent from last year.

**Objective V - Increase Miles Between Road Calls**

Miles between road calls is a direct measurement of the mechanical reliability of the OCTA bus fleet. The target for this measure has been increased this year from 10,000 miles to 11,000 miles between road calls. The Maintenance Department has put tremendous effort into several bus campaigns to increase the miles between road calls. Through the second quarter, their effort has paid off, reaching 11,041 miles between road calls which exceeds the target of 11,000 but slightly behind last year's mark by 3 percent. An aging fleet coupled with older buses put in service during maintenance campaigns on new buses contributes to 324 fewer miles between road calls over last year's mark.

**Objective VI - Improve Operator Pay Hour per Vehicle Hour**

This is an efficiency measurement of how well OCTA utilizes the coach operator workforce. This is a ratio of operator pay hours over vehicle hours. The goal of this measurement is to trend downward. Through the second quarter, the ratio is 1.14 to 1 which is less than last year's mark by 1 percent.

**Objective VII - Improve Maintenance Pay Hour per Vehicle Hour**

The hours paid-to-vehicle hours ratio is an efficiency measure of the cost to maintain the revenue fleet. Through the second quarter, the ratio is 0.51 to 1 which is equal to last year's mark.

**Community Transportation Services Key Objectives**

**Objective I - Increase On-Time Performance**

As Mobile Data Terminals (MDT) continue to be installed in the small bus fleet, the information needed to monitor on-time performance will become more

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readily available. The MDT project began installation in the first quarter of FY 2005-06 with the anticipated completion delayed until the third quarter of FY 2005-06. Data collection will be more reliable upon installation of all the MDT's.

**Objective II - Reduce Customer Complaints**

Coach operators are the face of OCTA to most of our customers and as such recognize the importance of Putting Customers First. This emphasis extends to operators providing contracted services. Through the second quarter of FY 2005-06, the total number of complaints was 1,289, which was 25 percent below last year's second quarter total of 1,712.

**Objective III - Increase Miles Between Road Calls**

The CTS goal for miles between road calls has been lowered from 26,000 to 25,000 for FY 2005-06. Through the second quarter, the miles between road calls have been 13,106. The small bus fleet through FY 2005-06 has experienced unanticipated maintenance issues which has kept the miles between road calls lower than the target. The 6200's, 96 of the newest cutaway vehicles, have been subject to engine, cooling system, and air conditioning problems that have required frequent servicing. The 6200's were averaging 7,500 miles between road calls through the first quarter of this year. The 6200's mileage has improved to 9,685 miles between road calls during the second quarter. The remaining fleet of cutaway vehicles average 16,350 miles between road calls.

While miles between road calls is underperforming compared to last year, progress has been made. Representatives from the engine manufacturer are on-site and working to minimize breakdowns. Staff updated the Transit Planning and Operations Committee on the status of the 6200's at the meeting on March 9, 2006.

**Objective IV - Increase Boardings per Revenue Vehicle Hour – ACCESS**

ACCESS boardings per revenue vehicle hour (RVH) through the second quarter have increased 4 percent to 1.98 passengers from the prior year level of 1.90 passengers. This increase indicates improving productivity for this service.

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**Objective V - Increase Boardings per Revenue Vehicle Hour – Special Agency**

Special Agency boardings per RVH through the second quarter have increased 19 percent to 4.75 passengers which exceeds the prior year level of 3.98 passengers. This increase indicates improving productivity for this service.

**Bus Operations: Other Measures of Interest**

With the fare change in January 2005, there has been an anticipated dip in boardings growth. Boardings have decreased by 1.3 percent or 435,004 riders through the second quarter as compared to prior year. Boardings per RVH (38.33) have also decreased by 2.3 percent as compared to prior year (39.21).

Though boardings have decreased due to the fare change, revenues have risen to \$26,162,992, an 18 percent increase over prior year. This increase in revenue has helped to offset an increase in operating costs. The second quarter operating cost of \$99.63 per RVH is 6 percent higher than the prior year cost of \$94.44. The increase in operating costs through this quarter is primarily attributable to three causes. The first is higher diesel fuel costs at \$2.19 per gallon versus the budgeted price of \$1.50. The second is the increase in the cost of liquefied natural gas (LNG) from \$0.53 to \$1.30 per gallon. The third reason is a liability expense of \$5,461,506 absorbed by Orange County Transit District.

As a ratio of revenues versus expenses, the farebox recovery reflects the changes in revenue and operating costs. The farebox recovery ratio has increased to 26 percent through the second quarter, compared to prior year of 23 percent.

**Paratransit: Other Measures of Interest**

OCTA's paratransit service is comprised of both ACCESS and Special Agency Transportation. ACCESS represents the bulk of the two services and is mandated by the ADA. In the second quarter, boardings have shown a decrease compared to the prior year. It is anticipated that the growth management strategies implemented in July 2005 should tend to flatten the rate of growth over the near term.

RVH have decreased by 5 percent or 13,541 through the second quarter as compared to prior year, while boardings have decreased by 0.3 percent or 1,767 boardings over the prior year. This has resulted in a savings of \$1,032,143, as compared to the same period last year.

The farebox recovery ratio has increased to 13 percent as compared to prior year of 10 percent.

In an effort to maintain ADA compliance, staff has been successful in achieving zero denials through December 2005.

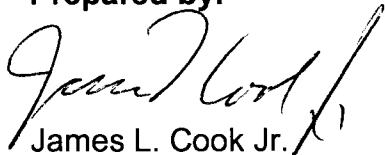
**Summary**

The performance measurements report through the second quarter of fiscal year 2005-06 represents a variety of areas that are moving in a positive direction - revenues, farebox recovery, and customer complaints. Increased effort has been focused on controlling the growth of operating costs and reducing accidents. Paratransit continues to experience a significant demand for service. As staff continues implementation of the growth management strategies, continued improvements in productivity such as the increase of boardings per revenue hour are expected. These key objectives will continue to provide focus into the functional areas of the Orange County Transportation Authority bus business.


**Attachment**

- A. Orange County Transportation Authority Monthly Performance Measurements Bus Operations December 2005.

**Prepared by:**

  
James L. Cook Jr.  
Financial Analyst  
Financial Planning & Analysis  
(714) 560-5681

**Approved by:**

  
James S. Kenan  
Executive Director, Finance  
Administration and Human Resources  
(714) 560-5678



THE ORANGE COUNTY TRANSPORTATION AUTHORITY

MONTHLY PERFORMANCE MEASUREMENTS

BUS OPERATIONS

DECEMBER 2005

IS A BOUND REPORT AND IS INCLUDED WITH THIS AGENDA.





BOARD COMMITTEE TRANSMITTAL

**March 27, 2006**

**To:** Members of the Board of Directors  
**From:** Wendy Knowles, Clerk of the Board  
**Subject:** Fiscal Year 2006 Comprehensive Business Plan

Finance and Administration Committee

March 8, 2006

**Present:** Directors Duvall, Campbell, Correa and Pringle  
**Absent:** Directors Wilson and Cavecche

**Committee Vote**

This item was passed by all Committee Members present.

**Committee Recommendation**

Approve the Fiscal Year 2006 Comprehensive Business Plan.



**March 8, 2006**

**To:** Finance and Administration Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Fiscal Year 2006 Comprehensive Business Plan

**Overview**

The Orange County Transportation Authority's Fiscal Year 2006 Comprehensive Business Plan presents the business plan to meet the transportation needs of Orange County. The Comprehensive Business Plan provides a business-planning tool, which demonstrates a financially constrained capacity over a 20-year horizon. The Comprehensive Business Plan is designed to assist the Orange County Transportation Authority in implementing its strategic goals and objectives within the framework of sound business practices.

**Recommendation**

Approve the Fiscal Year 2006 Comprehensive Business Plan.

**Background**

Through the use of financial modeling, combined with divisional input and review, a study of economic influences and programmatic needs and objectives are synthesized into a comprehensive 20-year financial planning document. This document validates service and program feasibility, anticipates a dynamic economic environment, and demonstrates the Orange County Transportation Authority's (OCTA) financial capacity to deliver on its commitments. The Comprehensive Business Plan (CBP) lays the foundation for future financial planning, including the fiscal year (FY) 2006-07 annual budget, by encouraging discussion relating to issues affecting each program.

The CBP is designed to provide a five-year strategic plan with a 20-year financial horizon for OCTA's lines of business. The CBP outlines OCTA's plans on the most effective ways to deliver its strategic initiatives and the five-year

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\$1.46 billion Comprehensive Funding Strategy as well as other important transportation programs and services.

The FY 2006 CBP is divided into six sections, each addressing a specific OCTA program or service. Each section will detail information about bus operations, Metrolink, Measure M, The 91 Express Lanes, planning and capital projects, and motorist and taxicab services.

### ***Discussion***

Each of the six program sections begins with a program overview, followed by program service plans, revenues and expenditures, and other pertinent information that varies by program.

#### **Bus Operations**

As part of a continuous effort to provide mobility and transportation solutions to Orange County residents, OCTA is making significant investments within Bus Operations, which offers a multitude of bus services covering a 455 square-mile service area. These services include fixed route, express bus, StationLink rail feeder and complementary American with Disabilities Act (ADA) paratransit bus service for Orange County commuters. The fixed route network provides bus service on 41 local lines, 14 community lines, 9 inter/intra-county express lines, and 13 StationLink rail feeder lines.

With Board approved strategic initiatives, the groundwork has been established to offer greater improvements within OCTA's transit network, thereby creating transportation alternatives for the commuters of Orange County. These improvements include: (1) expanding local bus service to 2.34 million vehicle revenue hours (VRH) by FY 2011, which is a 98 percent increase above FY 1998 service levels, (2) implementing Bus Rapid Transit (BRT) service, (3) expanding Express Bus Service, and (4) expanding StationLink rail feeder service to complement a growing Metrolink commuter rail service. The Express Bus Service provides limited-stop, freeway-based service to major employment areas in Orange County and the City of Los Angeles. BRT combines the flexibility of a bus system with some of the features that are typical of rail transit. BRT is designed to operate with signal priority allowing for faster travel times, dedicated lanes, and fewer stops. In addition, rail feeder service provides connector services for the Metrolink commuter rail system allowing Metrolink commuters to reach employment centers. These improvements are scheduled to be implemented and operational by FY 2011.

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As a provider of public fixed route transit services, OCTA is required by the ADA to provide complementary paratransit services for individuals whose disabilities prevent them from using regular transit service. In October 2004, the Board adopted a Paratransit Growth Management Plan, which included three strategies. These strategies included strict adherence to ADA requirements regarding service policies, procedures and delivery, encouraging the use of fixed route service, and fare policy changes. The three strategies are in varying stages of completion. OCTA operates paratransit services under two program elements, ACCESS and special agency. ACCESS provides demand response bus service to persons with developmental and physical disabilities as required by the federal ADA. Special Agency transportation services transports elderly persons to destinations such as nutrition programs, adult day programs, and health care providers.

#### Metrolink

The Metrolink program is a premier regional rail system operated as a joint powers authority (JPA) by the Southern California Regional Rail Authority (SCRRA). Five member agencies participate in the JPA serving the counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura. OCTA is responsible for providing the funding necessary to operate the three lines that cross Orange County. These lines include: the Orange County (OC) Line, the Inland Empire-Orange County (IEOC) Line, and the newest addition, the 91 Line, which travels between Riverside and Los Angeles via Fullerton. These routes service rail commuters between Orange, Los Angeles, San Diego, San Bernardino, and Riverside counties. The Metrolink program is financed by the Commuter Urban Rail Endowment (CURE), which was established to fund commuter rail operations. Future deposits will be funded through the commuter rail line item of the Measure M Program through FY 2011. Future capital projects will be funded through grant funds as well as Measure M commuter rail funds.

#### Measure M

The Measure M program section outlines the business initiatives related to programs, administration, and services funded through the Local Transportation Authority (LTA), the half-cent sales tax approved by Orange County voters in 1990. The Measure M program, as outlined by the Measure M Ordinance, consists of four "modes" of expenditures: freeways, regional streets and roads, local streets and roads, and transit. The goal of Measure M is to create a balanced multi-modal transportation system. With the Measure M Program well into the second half of its 20-year plan, Orange County residents are benefiting from Measure M projects. Many visible

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improvements to the transportation system in Orange County showcase the success of Measure M. Freeways and streets have been widened, intersections improved, signals coordinated to ensure smooth traffic flow, and the Metrolink has been established and grown markedly. Two Measure M freeway projects remain, the Garden Grove Freeway Design Build (State Route 22) and the Santa Ana Freeway (Interstate 5) Gateway projects. In addition to freeway projects, Measure M will continue to fund streets and roads programs, rail programs, and senior and disabled transit subsidies.

### 91 Express Lanes

The 91 Express Lanes is a four-lane, 10-mile toll facility extending from the Costa Mesa Freeway (State Route 55) on the west to the Orange/Riverside County line on the east. Authorized as one of four public-private toll road projects by the State of California Legislature in 1989 under AB 680 (Chapter 310, Statute of 1995), the lanes were built at a cost of \$135 million and opened in 1995 by the California Private Transportation Company (CPTC).

The 91 Express Lanes were acquired by OCTA in January 2003. The purchase was subject to a number of factors, including: the passage of legislation AB 1010 (Chapter 688, Statute of 2002), enabling completion of due diligence, cancellation of pending litigation involving the former operator, CPTC and OCTA coming to an agreement with Cofiroute, the owner of the toll road franchise. Since the acquisition of the toll lanes, OCTA has refinanced the taxable debt assumed as part of the lanes purchase, and has revised the toll policy for the lanes. Many improvements, primarily funded with toll revenues, are planned in the future for this corridor.

### Planning and Capital Projects

Planning for future transportation solutions is one of the challenges OCTA faces as population, housing, and employment in the county continue to grow. These demographic factors will have a significant effect on the county's freeways and streets and roads network, resulting in increased congestion and slower travel times. Fixing freeway chokepoints and investing in streets and roads are just two of the priorities OCTA is working on to improve mobility.

Planning and capital projects addresses programs included in or about to be added to the upcoming New Directions 2030 program of transportation capital projects. The New Directions 2030 is a long-range transportation strategy developed by OCTA with local jurisdictions and key stakeholders to accommodate future growth through the year 2030.

### Motorist and Taxicab Services

Motorist Services consists of three programs, the Service Authority for Freeway Emergencies (SAFE), the Service Authority for Abandoned Vehicles (SAAV), and the Orange County Taxicab Program (OCTAP). SAFE provides the Freeway Callbox System and Freeway Service Patrol, both of which are designed to assist motorists in emergency situations and reduce traffic congestion. The SAAV program assists the cities and County in removing potentially hazardous and unsightly abandoned vehicles from Orange County's streets and roads. Providing these critical services to the public reduces accidents, mitigates traffic congestion, and improves air quality by reducing auto emissions. OCTAP provides a regulatory function for taxicab services for 34 local cities and has established a uniform regional approach for this program in Orange County.

### Next Steps

To ensure OCTA's fiscal capacity to meet its program and service objectives, the Orange County economy and revenue sources are continually monitored for consistency with key CBP assumptions. A continued proactive project management and administration of OCTA's programs and services further ensure cost efficiencies and financial stability.

The successful delivery of OCTA's programs and services, as modeled in the CBP, is contingent upon the realization of several key assumptions. Any changes in these key assumptions could impact both revenues and costs. OCTA's approach to managing the most significant issues is presented below:

- Continue to monitor sales tax projections, especially for the Measure M and transit program groups, which are critically affected by changes in sales tax revenues.
- Monitor economic forecasts for Orange County, California and the nation.

### **Summary**

The Comprehensive Business Plan strives to provide the Orange County Transportation Authority Board of Directors with an effective business planning tool for assessing Orange County Transportation Authority's programs and services. The Fiscal Year 2006 Comprehensive Business Plan documents Orange County Transportation Authority's ability to deliver its programs and services as promised to the public. Annual updates to the Comprehensive



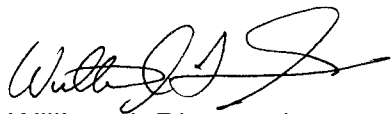
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Business Plan will be made to ensure the most up-to-date information is consistently analyzed.

**Attachment**

- A. Fiscal Year 2006 Comprehensive Business Plan

**Prepared by:**



William J. Dineen, Jr.  
Section Manager  
Financial Planning and Analysis  
(714) 560-5917

**Approved by:**



James S. Kenan  
Executive Director, Finance,  
Administration and Human Resources  
(714) 560-5678

**THE ORANGE COUNTY TRANSPORTATION AUTHORITY**

**FISCAL YEAR 2006 COMPREHENSIVE BUSINESS PLAN**

**IS A BOUND REPORT AND INCLUDED WITH THIS AGENDA.**

**Comprehensive Business Plan**  
***A 20-Year Look Ahead***  
FY 2006 thru FY 2025

Board of Directors Meeting  
March 27, 2006



# Background

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- Establishes framework and implementation plan for Board approved initiatives and \$1.46 billion Comprehensive Funding Strategy
- Provides a twenty year financially constrained business planning tool
- Establishes the targets for the Fiscal Year 2007 Annual Budget

# Comprehensive Business Plan (CBP)

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*Conveys 7 essential messages:*

1. OCTA will continue to expand Fixed Route service
2. Bus Rapid Transit (BRT) will be operational by FY 2009
3. Continue to manage the growth of ACCESS service
4. Commuter Rail Program will offer all day service by FY 2009
5. Garden Grove Freeway (SR-22) Design Build and Santa Ana Freeway (I-5) Gateway projects are fully funded
6. Demonstrates the ability to make additional capital improvements to the Riverside Freeway (SR-91)
7. Revenues from Measure M extension are not included

# Program Areas

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- Transit Operations
  - Bus Operations
    - Fixed Route
    - Paratransit
  - Metrolink
- Measure M
- 91 Express Lanes
- Planning/Capital Projects
- Motorist and Taxi Cab Services

# Fixed Route

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- Service expansion to 2.34 million Vehicle Revenue Hours (VRH) by FY 2011
  - BRT
  - South Orange County
  - Community Transit
- Express Bus

# Paratransit

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- Maintain ADA Compliance
- Continue to evaluate Growth Management Strategies
- Consider impacts to ACCESS given Fixed Route service increases



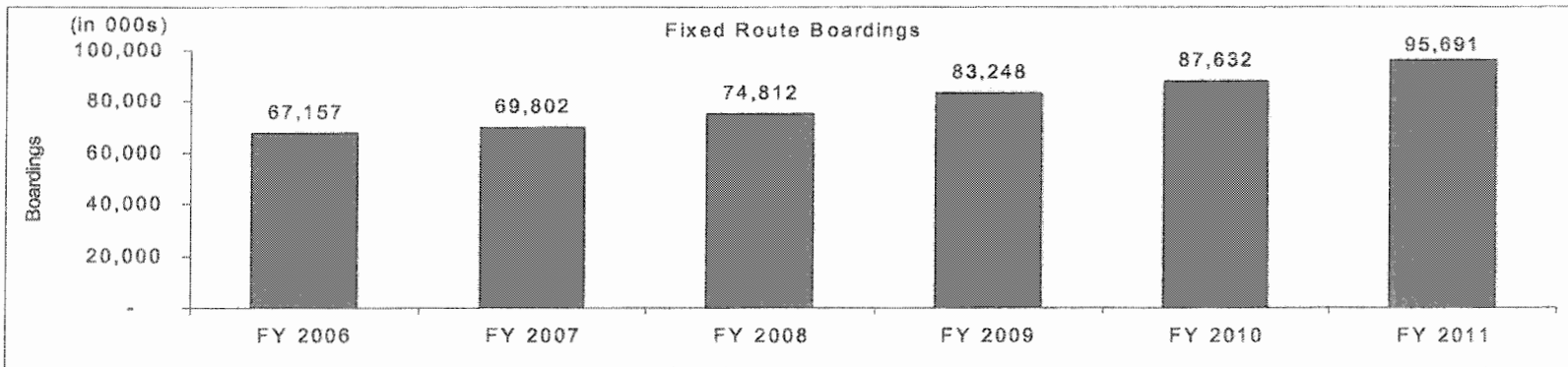
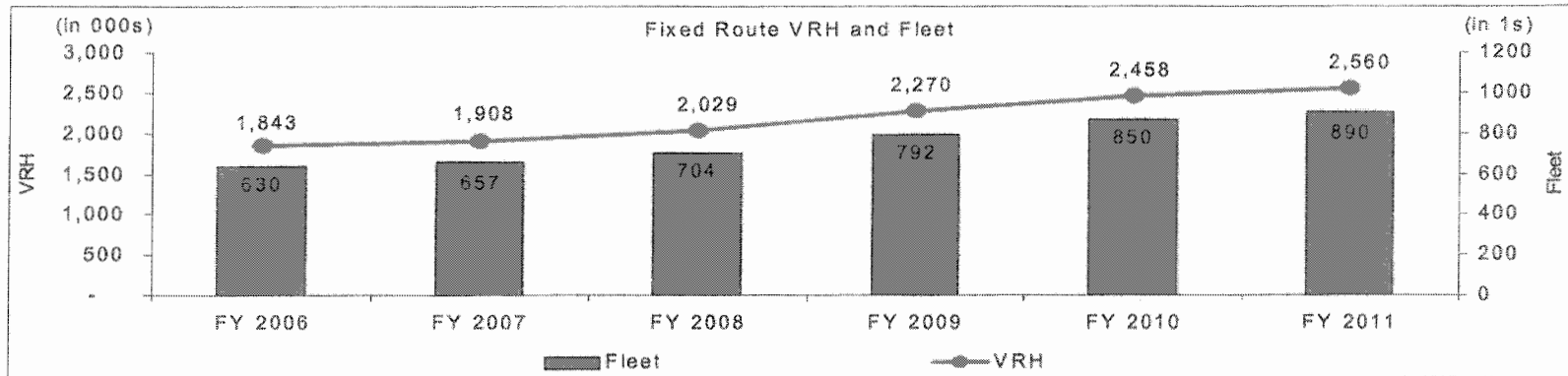
# Metrolink

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- Service expansion — all day and weekend service
- Expanded Stationlink Service
- Construct Rail Maintenance Facility

# Fixed Route

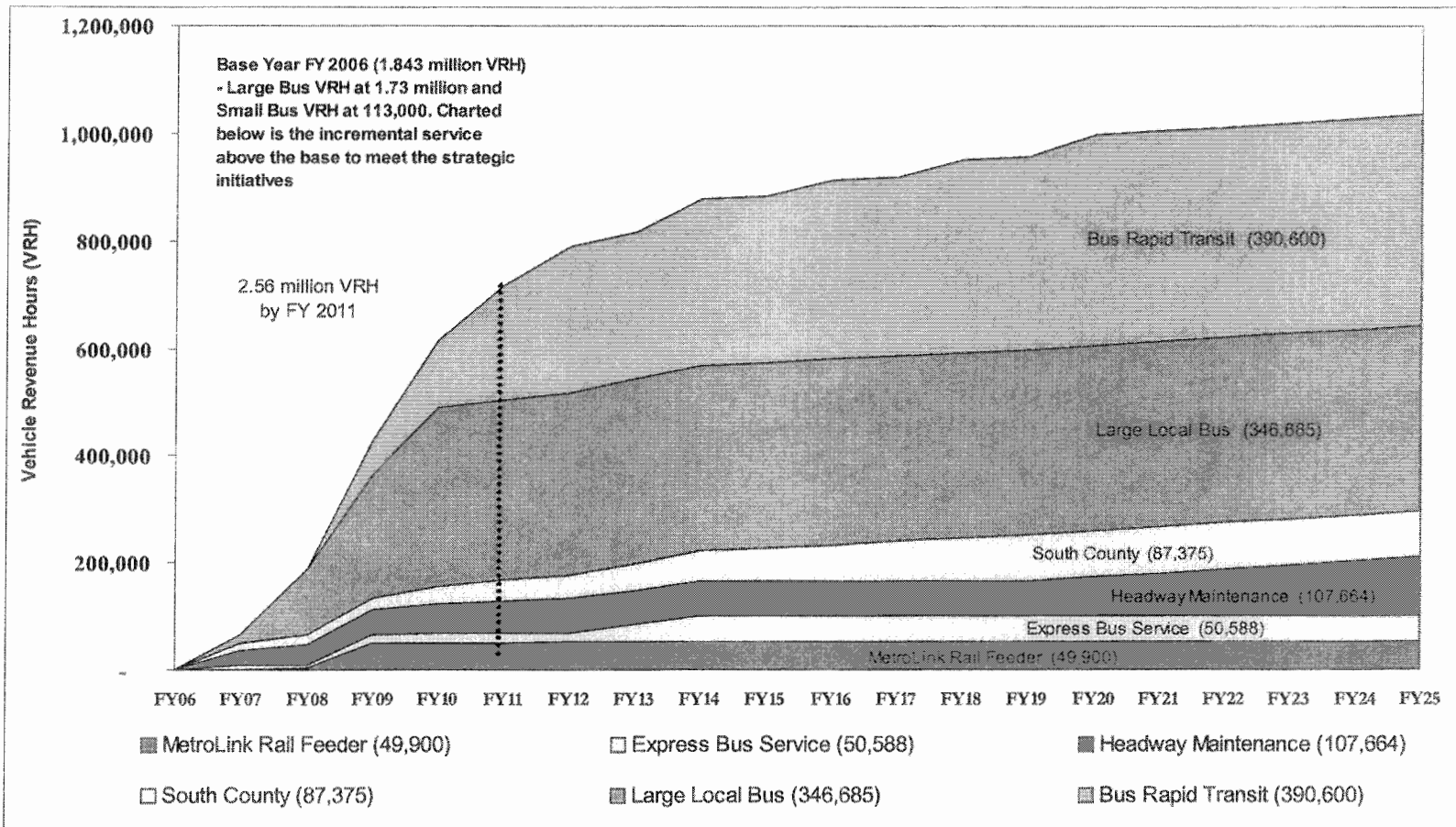
**FY 2006 thru FY 2011**



- *The BRT Fleet includes 79 vehicles and 214,000 VRH by 2011*
- *The Fixed Route Fleet and VRH include the Contracted Fixed Route (CFR) Fleet of 125 vehicles and 220,000 VRH by FY 2011*
- *The CFR fleet encompasses Small Bus Fixed Route, Express Bus Service and the Irvine Business Complex*

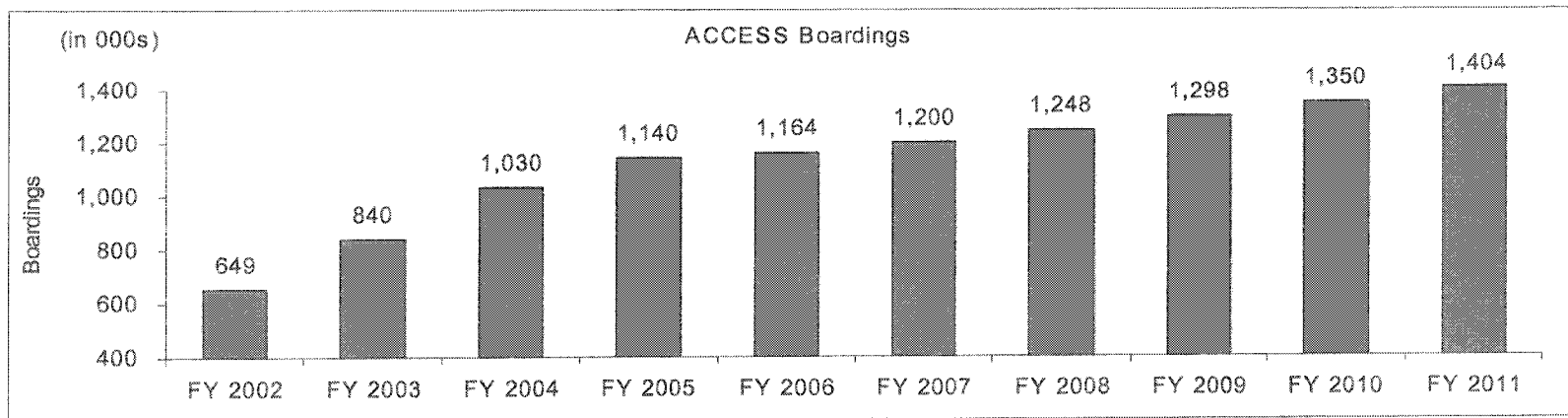
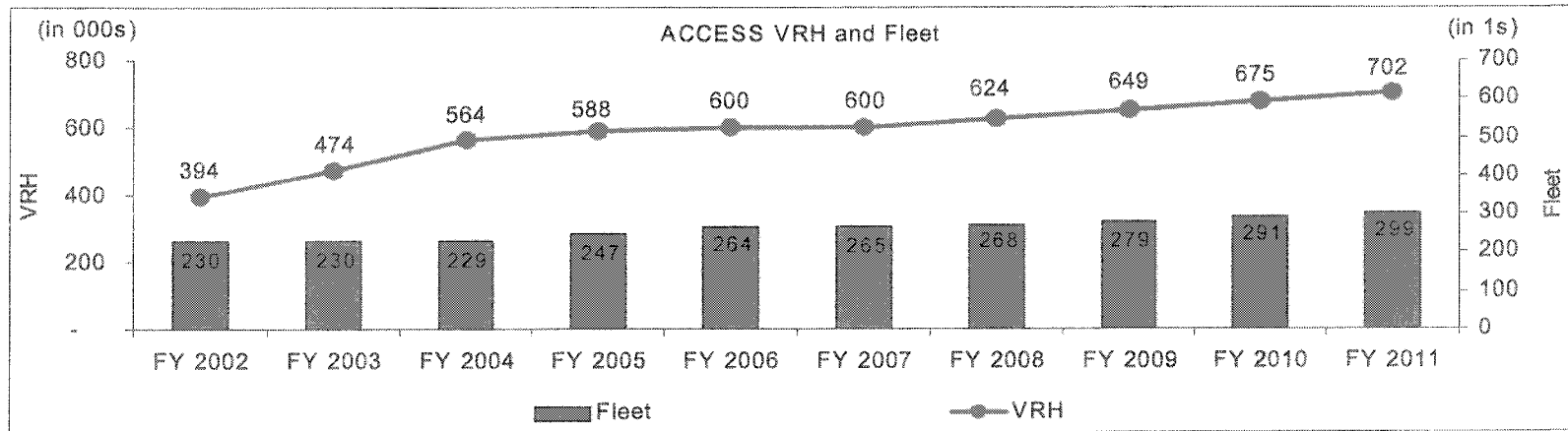
# Incremental Growth

**FY 2006 thru FY 2025**



# Paratransit

**FY 2006 thru FY 2011**



# Metrolink Initiatives

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- Implementation of Metrolink Expansion Plan:
  - Phase 1 (*FY 2006-09*)
  - Phase 2 (*FY 2010-15*)
  - Phase 3 (*FY 2016-20*)
- Beyond FY 2013, additional revenue will be required to continue service and implement Phase 3

# Measure M Initiatives

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- Freeway Projects:
  - Deliver the SR-22 Design Build Project (*late 2006*)
  - Deliver the I-5 Gateway Project (*mid 2010*)
  - Fix freeway bottlenecks
- Invest in streets and roads (*ongoing*)
- Contribution towards Metrolink Expansion

# 91 Express Lanes Initiatives

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- Completed westbound SR-91 widening from Eastern Toll Road (SR-241) to County Line and re-striped westbound SR-91 Auxiliary Lane from County Line to Chino Valley Freeway (SR-71)
- In-process
  - Modify southbound Lakeview Ave. interchange
  - Eastbound widening at truck scales
  - Eastbound widening from SR-241 to SR-71
  - Green River Road overcrossing replacement and widening
  - Metrolink service and station improvements

# Planning/Capital Projects

*FY 2006 thru FY 2011*

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- Fix freeway Choke Points - \$601.3 million
- Invest in streets and roads - \$728.7 million
- Provide BRT Service - \$125.0 million
  - Harbor Boulevard
  - Westminster Avenue/17th Street
  - Brea Mall to the Irvine Transportation Center
  - Irvine Business Complex (IBC) Shuttle



# Motorist and Taxi Services

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- Service Authority for Freeway Emergencies (SAFE)
- Service Authority for Abandoned Vehicles (SAAV)
- Orange County Taxi Administration Program (OCTAP)

# Next Steps

March 27	Approve CBP
May 8	Hold Budget Workshop
June 12	Conduct Budget Public Hearing



Revisions to Procurement Policies and Procedures

On June 7, 2004, the Executive Committee unanimously approved a motion recommending the following revisions to OCTA's Procurement Policies and Procedures.

1. Simplified acquisition procedures may be used for procurements of less than \$50,000. Finance and Administration Committee to review in six months.
2. Contract terms exceeding five years are acceptable when it makes good business sense and with Board approval.
3. Copies of Requests For Proposals (RFP) for procurements shall not be made available to Board members prior to official release.
4. Chief Executive Officer (CEO) authorized to approve public works change orders authorized by California statutes. Staff to report quarterly all approved change orders to the Board of Directors.
5. CEO authorized to approve sole source contracts, subject to a maximum amount of \$25,000. Finance and Administration Committee to review in six months.
6. Contracts with options which if exercised would aggregate a total cost requiring Board approval shall require prior Board approval. Board approval also required to exercise an option.
7. Board delegation of authority for approval and execution of contracts is to the CEO, who may delegate this authority to the Manager of Contracts and Materials Management (CAMM).
8. Interviews and technical proposals shall be considered elements of a total proposal and shall not be scored separately.
9. A proposal evaluation committee's scores and/or scoring matrix shall be included as part of the staff report provided to the appropriate Board Committee, as well as to each Board Member.
10. Recommendations for award by staff shall be presented to Board after negotiations and/or best and final offers have been requested and evaluated.
11. Procurement evaluation committees shall not be required to include a representative from an entity other than OCTA, unless another entity is a significant partner with OCTA in the procurement.

12. Involvement of Board Members in procurement activities shall be limited to major policy matters, such as determining what contract actions are significant enough for Board review, or approving procurement methods for general categories of procurements.
13. Board of Directors shall be the final administrative appeal for procurement protests.
14. CEO authorized to approve all travel, except travel outside of California by Board members shall be approved by the Board. Staff shall report travel activity to the Board.
15. Standards of conduct shall satisfy requirements of the Federal Transit Administration.

# **Procurement Workshop**

Board of Directors Meeting  
March 27, 2006



# Background

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- Purpose of the Workshop
- Board Approved Policies and Procedures
- Recent Board Changes

# Question #1

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**Should RFPs be approved by the Board prior to release?**

- *Current practice*: projects identified in annual budget require no further approval prior to release



# Question #1

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- Number of contractual documents issued in 2005
  - Agreements 403
  - Amendments 623
  - RFPs 300
  - IFBs 73

# Question #1

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*Dollar breakdown of the 403 contracts:*

- \$100,000 or less	302	(75%)
- \$100,001 to \$250,000	51	(13%)
- \$250,001 to \$500,000	19	( 5%)
- \$500,001 to \$1 million	12	( 3%)
- > \$1 million but < \$2 million	10	( 3%)
- \$2 million or more	9	( 2%)

# Question #1

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## *Recommendations*

- Require Board approval for all procurements over \$1 million prior to releasing the Request for Proposals (RFP)
- Approval to include the scope of work, evaluation criteria and weights

# Question #2

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## How are the evaluation criteria and weights determined?

- *Current practice:* procurement staff and project manager discuss and agree on criteria and weights
- *Example:* Measure M Public Education Program RFP

# Question #2

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## *Recommendations*

- Continue practice of reviewing, approving criteria and weighting by the project manager
- For projects over \$1 million, Board will review and approve

# Question #3

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## Should evaluation criteria be standardized for every project?

- *Current practice:* use 4 standard criteria
  - Qualifications of Firm
  - Staffing/Project Management
  - Work Plan/Technical Plan
  - Cost & Price (except for A&E contracts)

# Question #3

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- Review performed by Financial Planning and Analysis Department
  - Looked at 51 contracts
  - Surveyed peer area transit and public agencies

# Question #3

	Qualification	Management Approach/ Staffing	Work Plan/ Technical	Cost
A&E	25-40%	25-40%	25-40%	
Maintenance	20-25%	15-25%	25-30%	25-35%
Professional Services	20-30%	20-30%	20-30%	20-30%
Professional Services – On-Call	25-30%	25-30%	20-25%	25-30%
Technical	20-25%	20-25%	25-40%	15-25%



# Question #3

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## *Recommendations*

- Adopt the ranges shown as the preferred criteria weights
- Allow for different weights if project necessitates it with prior approval by procurement manager (projects over \$1 million should be reviewed by the Board)

# Question #4

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**How is a firm evaluated for its qualifications and past performance?**

- *Current practice:* under Qualifications category, staff looks at experience performing similar work, strength and stability of firm, and assessment of client references

# Question #4

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- Recent experience with ACCESS RFP resulted in 2 changes
  - Status of Past and Present Contracts Form
  - Vendor Performance Program

# Question #4

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## *Recommendations*

- Expand the use of Status of Past and Present Contracts Form to all RFPs
- Review firms' past performance with OCTA using the Vendor Performance Program (VPP)

# Question #5

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**Should a firm be placed on a debarred list or be disqualified from future work if in a dispute with OCTA?**

- *Current practice:* no policy or procedure exists to handle these types of situations

# Question #5

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- Federal program for debarred or suspended contractors; lengthy process to add a firm
- CEO reviews recommendation and agrees or disagrees with findings

# Question #5

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## *Recommendations*

- Develop a procedure for handling firms involved in a dispute/legal matter with OCTA
- Continue to assess past performance using VPP

# Next Steps

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- Summarize procurement workshop recommendations
- Present to Board for approval