

**Date:** Monday, September 12, 2005

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

**Where:** Orange County Transportation Authority Headquarters  
600 South Main Street, First Floor - Conference Room 154  
Orange, California 92863-1584



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## AGENDA

### REVISED

Orange County Transportation Authority Board Meeting  
OCTA Headquarters, First Floor - Room 154  
600 South Main Street, Orange, California  
*Monday, September 12, 2005, 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 Wilson

### Pledge of Allegiance

Director Ritschel

### 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

There are no Special Matter items.

## Consent Calendar (Items 1 through 16)

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

### Orange County Transportation Authority Consent Calendar Matters

#### 1. Approval of Minutes

Of the Orange County Transportation Authority and affiliated agencies' regular meeting of August 22, 2005.

#### 2. Approval of Travel Authorization

Approval of travel is requested for Chairman Bill Campbell for September 26-27, 2005, to Dallas, Texas, to attend the American Public Transportation Association's Annual Meeting and Expo.

#### 3. Fixed Asset Accounting and Administration Review

Robert A. Duffy/Richard J. Bacigalupo

##### *Overview*

The Internal Audit Department has completed a focused review of controls over fixed asset accounting and administration. The controls were found to be generally adequate. Four recommendations were made to strengthen internal controls and make operations more efficient. Management staff has indicated the recommendations contained in the report have been or are in the process of being implemented.

##### *Recommendation*

Receive and file the Review of Fixed Asset Accounting & Administration, Internal Audit Report No. 05-034.



## AGENDA

ACTIONS

4. **Annual Transportation Development Act Audits for Fiscal Year 2003-04 - Status Report**

Robert A. Duffy/Richard J. Bacigalupo

**Overview**

The results of the Transportation Development Act Audits for Fiscal Year 2003-04 conducted by Conrad and Associates, L.L.P. were provided to the Finance and Administration Committee on April 27, 2005. An update on recommendations made in the audits is being provided.

**Recommendation**

Receive and file the Transportation Development Act Audits for Fiscal Year 2003-04 Status Report as of August 24, 2005.

5. **Review of Bus Operations, Company Equipment Assigned**

Robert A. Duffy/Richard J. Bacigalupo

**Overview**

The Internal Audit Department has completed a focused review of controls over Company Equipment Assigned in the Bus Operations area. The controls were found to be generally adequate. Six recommendations were made to strengthen internal controls and make operations more efficient. Management staff has indicated the recommendations contained in the report have been or are in the process of being implemented.

**Recommendation**

Receive and file the Review of Bus Operations, Company Equipment Assigned (CEA), Internal Audit Report No. 05-033.



## AGENDA

ACTIONS

6. **Review of Investment Activities for January through March 2005**  
Robert A. Duffy/Richard J. Bacigalupo

***Overview***

The Internal Audit Department has completed a review of investment activities for the period January 1, 2005, through March 31, 2005. The review indicated that investments were in compliance with the Orange County Transportation Authority's debt, investment and accounting objectives, and policies and procedures.

***Recommendation***

Receive and file the Review of Investment Activities for January through March 2005, Internal Audit Report No. 05-029.

7. **Amendment to Agreement for the San Diego Freeway (Interstate 405) Major Investment Study**  
Kurt Brotcke/Paul C. Taylor

***Overview***

In June 2003, the Board of Directors approved an agreement with Parsons Transportation Group to conduct the San Diego Freeway (Interstate 405) Major Investment Study. A contract amendment is requested for additional work related to the project alternatives.

***Recommendation***

Authorize the Chief Executive Officer to execute Amendment No. 2 to Agreement C-3-0234, between the Orange County Transportation Authority and Parsons Transportation Group, in an amount not to exceed \$40,000, for additional work related to the final project alternatives.



## AGENDA

ACTIONS

8. **Customer Relations Service Quality Report for Fourth Quarter Fiscal Year 2004-05**

Adam Raley/Ellen S. Burton

***Overview***

The Customer Relations Service Quality Report is submitted to the Orange County Transportation Authority Board of Directors on a quarterly basis. The report provides a statistical analysis of customer communications received during the quarter, as well as details proactive activities undertaken by staff to improve service to customers.

***Recommendation***

Receive information for discussion and possible action as deemed appropriate by the Board.

9. **Excess Workers' Compensation Insurance Policy**

Debbie Christensen/James S. Kenan

***Overview***

The Orange County Transportation Authority currently has a purchase order with the ACE American Insurance Company, for an Excess Workers' Compensation Insurance and Employer's Liability Policy. This policy expires September 30, 2005.

***Recommendation***

Authorize the Chief Executive Officer to issue a purchase order with the ACE American Insurance Company, in an amount not to exceed \$700,000, for excess workers' compensation insurance and employer's liability coverages.



## AGENDA

ACTIONS

10. **Award of Construction Contract for Americans with Disabilities Act Bus Stop Modifications (Phase 3, Construction Package 5)**  
Dipak Roy/Stanley G. Phernambucq

***Overview***

As part of the Orange County Transportation Authority's Fiscal Year 2005-06 Budget, the Board approved construction of Americans with Disabilities Act improvements at the Orange County Transportation Authority's bus stops countywide. Bids were received in accordance with the Orange County Transportation Authority's public works procurement procedures. Board approval is requested to execute an agreement.

***Recommendation***

Authorize the Chief Executive Officer to execute Agreement C-5-2450, between the Orange County Transportation Authority and L.H. Engineering Co., Inc., the lowest responsive, responsible bidder, in an amount not to exceed \$837,000, for Americans with Disabilities Act Bus Stop Modifications in the Cities of Orange and Santa Ana.

11. **Fourth Quarter Fiscal Year 2004-05 Procurement Report**  
Linda L. Hunter/James S. Kenan

***Overview***

The Fourth Quarter Procurement Report provides an update of the procurement activities for the fiscal year 2004-05, from July 1, 2004, through June 30, 2005. This report focuses on total dollars procured by each Orange County Transportation Authority division.

***Recommendation***

Receive and file as an information item.



## AGENDA

ACTIONS

12. **Fourth Quarter Fiscal Year 2004-05 Bus Operations Monthly Performance Measurements Report**  
James L. Cook, Jr./James S. Kenan

***Overview***

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.

13. **Fourth Quarter Fiscal Year 2004-05 Grant Status Report**  
Linda M. Gould/James S. Kenan

***Overview***

The Quarterly Grant Status Report summarizes grant activities for information purposes for the Orange County Transportation Authority Board of Directors. This report focuses on significant grant activity for the period of April through June 2005. The Quarterly Grant Status Report summarizes future grant applications, pending grant applications, executed grant awards, current grant agreements and closed-out grant agreements.

***Recommendation***

Receive and file as an information item.





## AGENDA

ACTIONS

**14. Fiscal Year 2004-05 Year-End Budget Status Report**  
Rene I. Vega/James S. Kenan

***Overview***

The Orange County Transportation Authority's staff has implemented the fiscal year 2004-05 budget. This report summarizes the material variances between the budget plan and actual revenues and expenses.

***Recommendation***

Receive and file as an information item.

**15. Amendment to Cooperative Agreement for Construction of the Buena Park Intermodal Facility**  
Dipak Roy/Stanley G. Phernambucq

***Overview***

On January 31, 2001, the Orange County Transportation Authority's Board of Directors approved a cooperative agreement with the City of Buena Park, in the amount of \$1,942,990. The cooperative agreement establishes the roles, responsibilities, funding, and process for the construction of the Buena Park Intermodal Facility. An amendment is requested to increase the funding for the facility and to add a construction contingency.

***Recommendations***

- A. Authorize the Chief Executive Officer to execute Amendment No. 2 to Cooperative Agreement C-0-1150 with the City of Buena Park, in an amount not to exceed \$3,500,000, to provide additional funding for construction of an intermodal facility.
- B. Approve the use of \$3,500,000 of Congestion, Mitigation and Air Quality funds.
- C. Authorize staff to process any necessary amendments to the Federal Transportation Improvement Program as necessary to support the above actions.



## AGENDA

ACTIONS

16. **Santa Ana Freeway (Interstate 5) Far North Project Cooperative Agreement with City of La Mirada and Project Update**  
Charles Guess/Stanley G. Phernambucq

***Overview***

The Orange County Transportation Authority proposes to enter into a cooperative agreement with the City of La Mirada for implementation of the Santa Ana Freeway (Interstate 5) Far North Project. The project update is provided for Board information.

***Recommendations***

- A. Authorize the Chief Executive Officer to execute Cooperative Agreement C-5-2667 between the Orange County Transportation Authority and the City of La Mirada, in an amount not to exceed \$350,000, for construction implementation of the Santa Ana Freeway (Interstate 5) Far North Project.
- B. Receive and file project update on the schedule and budget as an information item.

## Regular Calendar

### Orange County Transit District Regular Calendar Matters

17. **Integrated Transportation Communication System: Proposed Response to Grand Jury Report**  
David Simpson/William L. Foster

***Overview***

In September 1997 the Orange County Transportation Authority entered into a \$12.6 million contract with Orbital Sciences for replacement of its existing analog bus communication system with a modern digital system. Due to various project management issues, integrating the system has been a lengthy process, however, the system is now working and meets industry and federal guidelines. In May of this year, the Orange County Grand Jury issued a report on the communication system. A third party evaluation of the communication system and proposed response to the Grand Jury report is submitted for committee review.



## AGENDA

ACTIONS

### 17. (Continued)

#### *Recommendations (Reflects Change from Staff Recommendation)*

- A. Receive and file Third Party Evaluation Report: Review of the Orange County Transportation Authority Integrated Transportation Communications System.
- B. Review and approve response to Orange County Grand Jury report on Orange County Transportation Authority bus communication system.

The letter of response has been changed to allow for the Chief Executive Officer to sign.

### Other Matters

#### 18. Assistance to Katrina Victims

#### 19. Countywide Traffic Signal Synchronization Update Kurt Brotcke/Paul C. Taylor

#### 20. Chief Executive Officer's Report

#### 21. Directors' Reports

#### 22. 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.

#### 23. Closed Session

- A. Pursuant to Government Code Section 54956.9(a) to discuss the case of Ahmad Kourehchian v. OCTA; OCSC No. 04CC02826.
- B. Pursuant to Government Code Section 54956.9(c).



## AGENDA

ACTIONS

### 24. Adjournment

The next regularly scheduled meeting of the OCTA/OCTD/OCLTA/OCSAFE/OCSSAAV Board will be held at **9:00 a.m. on October 14, 2005**, at OCTA Headquarters at 600 South Main Street, First Floor - Room 154 Orange, California.

**(NOTE: THE NEXT BOARD MEETING,  
PREVIOUSLY SCHEDULED FOR  
SEPTEMBER 30, HAS BEEN CANCELED)**



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  
August 22, 2005

## **Call to Order**

The August 22, 2005, 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 Campbell presided over the meeting.

## **Roll Call**

Directors Present: Bill Campbell, Chairman  
Arthur C. Brown, Vice Chairman  
Carolyn Cavecche  
Lou Correa  
Richard Dixon  
Michael Duvall  
Cathy Green  
Gary Monahan  
Chris Norby  
Curt Pringle  
Susan Ritschel  
Mark Rosen  
James W. Silva  
Thomas W. Wilson  
Gregory T. Winterbottom  
Jim Biel, Caltrans, attending for Director Quon

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: Miguel Pulido  
Cindy Quon, Governor's Ex-Officio Member

## **Invocation**

Chairman Campbell gave the invocation.

## **Pledge of Allegiance**

Director Rosen 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 Campbell 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 Calendar**

### **1. Recognition for Thirty-Year Safe Driving Awards**

Chairman Campbell presented checks to Jack Jacobus and Frederick Davis for achieving a thirty-year safe driving record with OCTA.

### **2. Presentation of Resolutions of Appreciation for Employees of the Month for August 2005**

Chairman Campbell presented Orange County Transportation Authority Resolutions of Appreciation Nos. 2005-106, 2005-107, 2005-108, respectively, to Coach Operator Rajendra Patel, Anders Holst of Maintenance, and Gracie Davis, of Administration, as Employees of the Month for August 2005.

## **Consent Calendar (Items 3 through 19)**

Chairman Campbell advised that 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.

Director Norby pulled Items 6 and 8; Director Cavecche pulled Item 16, and Directors Pringle and Winterbottom pulled Item 18.

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

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

Motion was made by Vice Chairman Brown, seconded by Director Green, and declared passed by those present, to approve the minutes of the Orange County Transportation Authority and affiliated agencies' regular meeting of August 8, 2005.

Director Correa was not present to vote on this item.

### **4. Approval of Resolutions of Appreciation for Employees of the Month of August 2005**

Motion was made by Vice Chairman Brown, seconded by Director Green, and declared passed by those present, to approve Orange County Transportation Authority Resolutions of Appreciation Nos. 2005-106, 2005-107, 2005-108, respectively, to Coach Operator Rajendra Patel, Anders Holst of Maintenance, and Gracie Davis, of Administration, as Employees of the Month for August 2005.

Director Correa was not present to vote on this item.

### **5. Annual Internal Audit Plan for Fiscal Year 2004-05 Fourth Quarter Update**

Motion was made by Vice Chairman Brown, seconded by Director Green, and declared passed by those present, to approve the revised Annual Internal Audit Plan for Fiscal Year 2004-05.

Director Correa was not present to vote on this item.

### **6. Annual Internal Audit Plan for Fiscal Year 2005-06**

Director Norby pulled this item for comment, and stated he would like a copy of the latest audit.

Director Monahan requested a copy of the nine on-call firms listed in the audit.

Motion was made by Director Norby, seconded by Director Winterbottom, declared passed by those present, to:

- A. Approve the Annual Internal Audit Plan for Fiscal Year 2005-06.
- B. Direct staff to report back on a quarterly basis to the Finance and Administration Committee on audit plan progress.

Director Correa was not present to vote on this item.



**7. Third Party Administration Workers' Compensation Review, Internal Audit Report No. 05-016**

Motion was made by Vice Chairman Brown, seconded by Director Green, and declared passed by those present, to receive and file the Third Party Administration Workers' Compensation Review, Internal Audit Report No. 05-016.

Director Correa was not present to vote on this item.

**8. Combined Transportation Funding Program Semi-Annual Review**

Director Norby pulled this item for discussion, and agrees with the letter that has now been provided as a result of action at Committee. Director Norby stated he feels elected-to-elected communication is particularly important for issues such as this.

Chief Executive Officer (CEO), Arthur T. Leahy, stated this money is awarded on a competitive basis. He stated that if a city can change the money from the project for which it competed effectively to a different project, that may create other issues.

Director Green stated she has learned several reasons why a city may not apply for these funds and would like more discussion on this funding program at a future Regional Planning and Highways Committee.

Chairman Campbell stated there appears to be two topics to address in that discussion: a) how OCTA staff is working with the cities on this program, and b) can cities move projects around after an award is made.

Motion was made by Director Norby, seconded by Director Dixon, and declared passed by those present, to:

- A. Approve the staff recommended adjustments to the Combined Transportation Funding Programs projects.
- B. Direct staff to work with the Technical Advisory Committee to revise the Combined Transportation Funding Program Guidelines to ensure a timely closeout of the Measure M program.
- C. Authorize the Chairman of the Board to correspond with all mayors and city council members, positively encouraging each city to move forward on projects and offering Orange County Transportation Authority's support in project delivery.

**9. Amendment to the Master Plan of Arterial Highways in East Orange**

Motion was made by Vice Chairman Brown, seconded by Director Green, and declared passed by those present, to approve amendment of the Master Plan of Arterial Highways to incorporate the changes described below, subject to amendment of the City of Orange General Plan to incorporate identified changes.

Director Correa was not present to vote on this item.

**10. Grand Jury Report on 91 Express Lanes**

Motion was made by Vice Chairman Brown, seconded by Director Green, and declared passed by those present, to provide comment on proposed response to the Orange County Grand Jury findings and recommendations.

Director Correa was not present to vote on this item.

**11. Amendment to Agreements for On-Call Commuter Rail Support Services**

Motion was made by Vice Chairman Brown, seconded by Director Green, and declared passed by those present, to authorize the Chief Executive Officer to execute an amendment to Agreements C-4-0893, C-4-0894, and C-4-0552 between the Orange County Transportation Authority and Booz Allen Hamilton, IBI Group and STV Incorporated, in an amount not to exceed \$300,000, for on-call commuter rail support services.

Director Correa was not present to vote on this item.

**12. Special Needs in Transit Advisory Committee**

Motion was made by Vice Chairman Brown, seconded by Director Green, and declared passed by those present, to receive and file the 2005 Orange County Transportation Authority Special Needs in Transit Advisory Committee appointments and direct staff to notify all appointees.

Director Correa was not present to vote on this item.

**13. Measure M Quarterly Progress Report**

Motion was made by Vice Chairman Brown, seconded by Director Green, and declared passed by those present, to receive and file as an information item.

Director Correa was not present to vote on this item.

**14. Garden Grove Freeway (State Route 22) Design-Build Project - Construction Contract Change Order No. 9**

Motion was made by Vice Chairman Brown, seconded by Director Green, and declared passed by those present, to:

- A. Authorize the Chief Executive Officer to execute Contract Change Order No. 9 to Agreement C-3-0663 with Granite-Myers-Rados, in an amount not to exceed \$1.2 million, for removal and relocation of a previously undisclosed storm sewer pipe.
- B. Direct staff to seek reimbursement from the County of Orange for a portion of the cost of Change Order No. 9.

Director Correa was not present to vote on this item.

**15. Approval of Fiscal Year 2004-05 Local Transportation Fund Claim for Laguna Beach Public Transportation Services**

Motion was made by Vice Chairman Brown, seconded by Director Green, and declared passed by those present, to approve the Laguna Beach Municipal Transit Lines Fiscal Year 2004-05 Local Transportation Fund Claim for public transportation services in the amount of \$2,276,453, (\$926,453, claim plus \$1,350,000, payment from reserve), and authorize the Chief Executive Officer of the Orange County Transportation Authority to issue allocation/disbursement instructions to the Orange County Auditor-Controller in the amount of the claim.

Director Correa was not present to vote on this item.

**Orange County Transit District Consent Calendar Matters**

**16. Amendment to Agreement for Provision of ACCESS and Contracted Fixed Route Service**

Director Cavecche pulled this item for comment, and stated that this agreement and process has not been going very smoothly. She wanted to be on record in that she understands the difficulties on this process; however, she would hope this is the last amendment to this contract, and looks forward to the completion of this process. She also noted a wrong date on the transmittal, which should read 2006.

CEO, Arthur T. Leahy, agreed this has been a very complex situation and stated that there was a protest on this contract, and to deal with that situation effectively required this amendment. He stated it is staff's goal to come to the Board with a clean recommendation and a clean procurement. Given that vendors were allowed to propose in many different ways, this was a more complicated process.

**16. (Continued)**

Director Correa stated that if these additional amendments are needed to ensure the job being done right, that is understandable and the correct way to handle it.

Chairman Campbell indicated that it was the Board's direction to "be creative" on how to address this service need, and to explore all alternatives, which contributed to the complexities and the process taking longer.

CEO, Arthur T. Leahy, stated that issues, options, and questions were raised by the vendors, and in an attempt to provide clear answers in the end, more time was needed.

Director Cavecche stated that she was one of the Members who encouraged the creativity in this process, and is looking forward to the possibilities of this.

Motion was made by Director Cavecche, seconded by Director Winterbottom, and declared passed by those present, to authorize the Chief Executive Officer to execute Amendment No. 6 to Agreement C-4-0301 between the Orange County Transportation Authority and Laidlaw Transit Services, Inc., in an amount not to exceed \$8,639,000, for provision of ACCESS and Contracted Fixed Route Services through February 28, 2005.

**17. Amendment to Agreement for Community Transportation Services Radio Maintenance**

Motion was made by Vice Chairman Brown, seconded by Director Green, and declared passed by those present, to authorize the Chief Executive Officer to execute Amendment No. 4 to Agreement C-3-0025 between the Orange County Transportation Authority and Clear Path Wireless, Inc., to exercise the second option year in an amount not to exceed \$40,000, for mobile radio maintenance.

Director Correa was not present to vote on this item.

**18. Transfer of Title of Surplus Paratransit Vehicles**

Directors Pringle and Winterbottom pulled this item for discussion.

Director Winterbottom stated that this is one of the best projects begun several years ago, in that it gives agencies throughout the County an opportunity to receive OCTA's retired vehicles, which are in excellent operating order. OCTA also gives the recipient of the vehicles the opportunity to review with the Authority how to do maintenance, how to get insurance, etc.

**18. (Continued)**

Director Pringle inquired as to the process and when non-profit organizations should submit applications and to whom. He also inquired regarding the various tiers that are set up for consideration of receiving vehicles.

Dana Wiemiller, Acting Manager, CTS and ACCESS Services, provided an explanation of each Tier and for what purpose the vehicles within each Tier organization are utilized.

Director Pringle asked if there is a restriction on ownership requiring these groups to maintain and use the vehicles for those purposes for a period of time. Ms. Wiemiller stated that they are requested to use the vehicle for a period of at least one year.

Director Pringle inquired as to who evaluates the applications, and Ms. Wiemiller stated it is an internal group compiled of members of Community Transportation Services and Community Relations.

Director Pringle asked when non-profit organizations should submit applications, and Ms. Wiemiller responded that information is kept on the OCTA website year-round, and that includes a section where an organization can register their interest so that they can be contacted with more information. The transfers are typically done on an annual basis, depending on when vehicles become available. Director Pringle stated he feels this should be well-publicized and perhaps notify all the cities each year.

Motion was made by Director Pringle, seconded by Director Winterbottom, and declared passed by those present, to authorize the Chief Executive Officer to transfer title of 20, 17-passenger, retired paratransit vehicles to local non-profit organizations.

**19. Amendment to Agreement for Bus Cleaning and Environmental Control Services**

Motion was made by Vice Chairman Brown, seconded by Director Green, and declared passed by those present, to authorize the Chief Executive Officer to execute Amendment No. 4 to Agreement C-3-0577 between the Orange County Transportation Authority and Corporate Image Maintenance, in an amount not to exceed \$500,000, for bus cleaning and environmental control services.

Director Correa was not present to vote on this item.

## Regular Calendar

### Orange County Transportation Authority Regular Calendar Matters

#### 20. Measure M Research: Focus Groups and Polling

Monte Ward, Director of Special Projects, presented this item for the Board and highlighted the research done for an extension, the five focus groups which met, and explained that 1500 high-propensity voters were polled. Cross-tabs from that polling were provided to Members.

Director Duvall stated that he feels it is imperative to get the business community involved and on-board wherever possible for support of this extension.

Director Correa requested that swing voters be addressed thoroughly by staff and ensure they have enough material provided to them so they can make an informed decision.

Director Pringle stated that there should be a focus on awareness of where resources have been spent over the past years from Measure M monies.

Director Green stated it is very important to display Measure M signage wherever possible and requested her city counterparts to pull any items on their City agendas from Consent to emphasize the importance of this effort.

Director Rosen voiced his concern that Hispanics and Asians may be under-tested on the polling, and staff responded that this is due to high-propensity voters being the focus of this polling.

Motion was made by Vice Chairman Brown, seconded by Director Correa, and declared passed by those present, to:

- A. Receive and file the report on Measure M focus groups from Discovery Data Inc.
- B. Receive and file the report on the Measure M voter opinion poll from J. Moore Methods.
- C. Direct the Chief Executive Officer to seek an addendum to Agreement C-5-2298 with the firm of J. Moore Methods to conduct an Orange County voter opinion poll and increase the contract by an amount not-to-exceed \$60,000 for a total not-to-exceed \$135,000.

## 21. 2006 Long-Range Transportation Plan Revised Environmental Impact Report Alternatives

Kia Mortazavi, Director of Strategic Planning, provided a PowerPoint presentation and hand-out and went over the Long-Range Transportation Plan goals and alternatives. He stated the plan would be finalized in April 2006.

Director Pringle further stated/inquired:

- √ If reversible lanes on the State Route (SR) 91 toll lanes are being considered, and Mr. Mortazavi responded that the extended lane will be evaluated in terms of being a reversible lane.
- √ If consideration was being given to the present 91 toll lanes, and asked that those details be articulated either within Tier II or Tier III to have reversible lanes on the 91 toll lanes as something that is specifically called out.
- √ He understands that direct connectors are part of the Transportation Corridors Agencies (TCA) Plan presently, and Mr. Mortazavi answered that additional capacity is part of the 91 Riverside/Orange County alternatives and are being analyzed.
- √ Asked for clarification if the direct connectors on the 241 to the SR-91 are part of a present plan that would be at a level of Tier II, or is it a unplanned potential in the Tier III category.

Chairman Campbell responded that from the TCA's point of view, it is scheduled right now for beginning implementation in 2015, and there is money being programmed for it, from the TCA's side. The Chairman also stated that from the engineering side, the other widenings must occur on the SR-91 and on the Riverside County side before they would go forward with that.

Director Pringle then stated/inquired:

- √ That staff clarify to say "north of the SR-91", for construction of a new Fairmont interchange.
- √ Regarding "Implement Orange County portion of a new corridor from Riverside County", one of the challenges is to have that put in as part of a 91 project, because it would not be a 91 project. He inquired if it is possible to add "new freeway (or roadway) development" and have that new corridor referenced in Tier III.

**21. (Continued)**

- √ Under grade crossings, presently under every scenario, there are existing programs underway along the Burlington Northern/Southern Pacific (BNSF) in terms of grade separations. He inquired if that should be listed as a Tier I project.
- √ He feels there is concern in South County with the southern extension on the LOSSAN. He would like something articulated in Tier III that there needs to be additional improvements on the North County BNSF line in additional rail capacity and other elements that need to be addressed.
- √ He would like to see the long-term planning on the Alameda Corridor East across North County included. Under rail, he would recommend improvements on the North County Corridor, North County BNSF Corridor.
- √ In terms of traffic signalization, he did not believe that was the only element of a Smart Street and he asked if the Smart Street components should be presented solely in a traffic signalization type means, or are they articulated elsewhere in the plan?

Mr. Mortazavi responded that staff will articulate those working with the Technical Advisory Committee. Director Pringle then inquired if within the grid system, should this be listed as local projects or additional local roadways as the expansion of Smart Street projects, or would it solely be the traffic signalization? Mr. Mortazavi stated that both signal coordination and Smart Streets are listed.

Director Correa stated that in the transit systems poll, it seems that people are very interested in having mass transit, but do not yet have the vision. CEO, Arthur T. Leahy, responded that from the focus groups and from the polling, they may say “there is no transit system in Orange County.”

Director Correa said that he would very much like staff to continue to develop this vision as he does not feel it is the responsibility of the constituency to come up with a transit plan.

CEO, Arthur T. Leahy, stated that polling work will be done over the next month on transit, as this proves to be one of the thornier elements of Measure M. Parallel to that will be the post-CenterLine discussions that will be coming through the Transit Planning and Operations Committee in October.



**21. (Continued)**

Chairman Campbell commented that it is for extensions of transportation sales tax, it is appropriate to have an Environmental Impact Report to support that activity, and this report could also be used for that purpose if the Board ultimately decides to recommend putting this on the ballot. Mr. Mortazavi stated that is correct.

Motion was made by Director Winterbottom, seconded by Director Correa, and declared passed by those present, to approve the revised Long-Range Transportation Plan alternatives to be analyzed for inclusion in the Draft Program Environmental Impact Report, along with the corrections/suggestions by Director Pringle.

**22. Riverside County-Orange County Major Investment Study Reduced Set of Alternatives**

Paul Taylor, Executive Director, Planning, Development, and Commuter Services, provided a verbal report on this set of the strategic alternatives to the Major Investment Study (MIS).

Director Pringle stated that he was concerned for taking any alternatives off the table at this point, and expressed that he would like to keep an elevated system (in regard to the SR-91) in the list of considerations.

Director Dixon stated that he had several questions relating to this issue:

- √ Regarding Corridor A, he had concerns with the letter from the railroad which indicates potentially having roads on their lines and inquired if they have ruled out with regard to having something in some of their right-of-ways paralleling. Mr. Taylor responded that this remains on the table.
- √ Regarding Corridor B, he inquired if the Portola connector was off the table, if there is consideration being given to the order of items being worked on. Mr. Taylor responded that Portola is not under consideration and that can be put in writing. It is staff's intent to work through in a reiterative process the various options among the corridors so that staff comes to the Board with a strategy that will explain the results if a certain choice is made and the order in which to proceed.
- √ Regarding Corridor D, he noticed that 35 ADT's (measures of average daily traffic) were listed, although he believes it should be 12 along Ortega Highway. He would like this changed to 23 ADT's to show the additional ones gained by the Corridor.

## 22. (Continued)

He also stated that while Ortega Highway needs to be considered from a safety perspective, but feels that from a commuter perspective, he would requested data on the impact of those additional 23 ADTs on the Interstate 15 going south from Cajalco and what the impact of those on the Interstate 5 (I-5) north. He was told that before Corridor D will be looked at being planned, serious completion of the 241 would be given in order that there would be minimal impact on the I-5 going north.

Mr. Taylor responded that is correct.

- √ Regarding the Joint Powers Authority (JPA), Director Dixon stated that he had voiced concern of the broad language that the JPA had in the draft.
- √ Director Dixon further stated in regard to the monies that are supposed to be distributed to the JPA, have there been discussions on trying to tack on a nexus between the water district and transportation dollars being spent.
- √ Director Dixon stated that in regard to membership on the JPA, he is comfortable that Portola Parkway is not on Corridor B, he still feels it is important in terms of membership that the two directly impacted communities be represented as Members.

Chairman Campbell stated he had attended a meeting last week regarding the JPA with various other individuals and the conclusion of that meeting was that the OCTA and Riverside County Transportation Commission would prefer to have a multi-agency agreement as opposed to a JPA. This would be structured similar to the way that the Major Investment Study, and it would be limited strictly to geotechnical studies.

There was discussion of the allocation of funds and it is not quite determined, but clearly, it was stated that there must be for the local match a portion of the funding that Metropolitan Water District (MWD) would be responsible for; the portion was not decided upon. Further, there was the issue that if the borings go deeper than needed for a transportation tunnel, to provide information to MWD, an arrangement in which they would pay that differential because the Federal Highway Transportation Agency would not allow for funding to be used in that fashion.

The MWD is going to draft a multi-agency language based upon OCTA providing them a copy of the State Route 91 Major Investment Study. It was made clear to them that it should be more narrowly defined, as well as no start date until after January 1.

## **22. (Continued)**

Director Dixon stated that if a JPA is eventually formed, he feels that Lake Forest and Irvine should be members.

Director Cavecche stated that the term Corridor A and the 91 were being used interchangeably, and her understanding was that Corridor A only refers to north of the 91 in the area, and the 91 is a separate corridor.

Mr. Taylor stated that is technically correct, and an elevated structure on the 91 is still be looked at.

Director Duvall voiced his support for an elevated structure to be considered for the 91 in relation to the situation with railroads and right-of-ways.

Motion was made by Vice Chairman Brown, seconded by Director Dixon, and declared passed by those present, to:

- A. Direct staff to proceed with detailed analysis of the three build alternatives and work with the consulting team to address the follow-up issues identified.
- B. Direct staff to withdraw surface-only alignments for Corridor B-Corona to Irvine from further consideration.
- C. Direct staff to withdraw Corridor C-Lake Elsinore to Irvine alignments from further consideration.

This motion includes consideration of an elevated corridor over the State Route 91.

## **Other Matters**

### **23. Chief Executive Officer's Goals for 2005**

CEO, Arthur T. Leahy, provided the Board with an update on these goals. He informed the Board that on Goal 18, setting the operator ratio of 25 percent, year-to-date, the Authority is at 23.7 percent, which is slightly lower.

He also stated that another goal was to increase farebox revenue by 15 and a half percent; the Authority is currently at 14.9 percent.

Mr. Leahy stated that Goal 10, Peralta Hills Soundwall, due in October, is completed. On Goal 19, the goal was at 10,000 miles between road failures on the bus fleet; the Authority is at approximately 11,400 miles at this time.

## **24. Chief Executive Officer's Report**

CEO, Arthur T. Leahy, informed the Board that the California Transportation Commission approved state funds for a number of Orange County projects, including \$60 million for the I-5 North, as well as some funds for the Buena Park/Manchester Boulevard median improvement. Also approved was \$86 million for triple-tracking from Fullerton to the City of Commerce.

Mr. Leahy advised the Board he would be on vacation beginning Tuesday until September 1, and Richard J. Bacigalupo will be acting CEO.

## **25. Directors' Reports**

Director Norby inquired on the status of filling the Public Member position on the Board, and Chairman Campbell informed the Board that the ad hoc committee to review applications would meet later this date. His hope is that the ad hoc committee will come away with four applicants to propose to the Executive Committee, which will meet in early September. Those candidates would be interviewed at that time, then a recommendation will come before the full Board.

Director Pringle requested that staff look into the issue of WiFi accessibility on a variety of transit systems.

Director Correa congratulated Director Pringle on his efforts to make the City of Anaheim wireless in those areas where possible. He also requested that he be informed of the Public Member selection process and how the decision was made relative to all candidates. Chairman Campbell indicated that would be his intention.

Director Ritschel requested an update on the soundwall program for a future meeting.

Vice Chairman Brown stated that the Senior Mobility Program also benefits from the transfer of surplus buses which are being retired. This frees up ACCESS buses for other more cost-effective purposes.

Director Dixon inquired when the South County MIS is going to begin, and Chairman Campbell responded that it is deferred until the decision on the route selection is made for the 241 south.

Jim Biel (sitting in for Director Quon at this meeting) informed the Board that the Dana Point relinquishment has been recorded officially with the County, and is officially the City's property now. He stated that the recent Federal Authorization bill included language that essentially erased the Federal Highways' opposition to the Susan Street off-ramp in Costa Mesa.

**26. Public Comments**

Mr. Ian Telfer, member of the public, addressed the Board and stated his displeasure with the Board's recommendation to accept the Richter report and the Board's response to the Grand Jury.

**27. Closed Session**

A Closed Session was not held at this meeting.

**28. Adjournment**

The meeting was adjourned at 10:25 a.m. Vice Chairman Brown announced that the next regularly scheduled meeting of the OCTA/OCTD/OCLTA/OCSAFE/OCSAAV Board will be held at **9:00 a.m. on September 12, 2005**, 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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Bill Campbell  
OCTA Chairman



**OUT-OF-STATE TRAVEL**

Board Member Only - Travel Authorization/Request For Payment



Attach copy of the **Travel Worksheet, Registration Forms**, and other pertinent documentation for this claim.  
Travel **will not** be processed until all information is received.

**CONFERENCE/SEMINAR INFORMATION**

**Name:** Chairman Bill Campbell      **Job Title:** Chairman  
**Department:** Executive Division      **Destination:** Dallas/ Fort Worth, TX  
**Program Name:** 2005 American Public Transportation Association (APTA) Annual Meeting & Expo

**Description/Justification:** Attend APTA Annual Meeting to interface with other transit agency professionals and share ideas on subjects that affect the transit industry. Attend and participate in presentations and seminars about new developments and opportunities with the transit industry.

**COMMENTS**

Other: Airport Parking and Ground Transportation

<b>Conference/Seminar Date:</b> 9/25/05	<b>Departure Date:</b> 9/26/05	<input type="checkbox"/> Mail <input type="checkbox"/> Hand Carry
<b>Payment Due Date:</b>	<b>Return Date:</b> 9/27/05	<b>Course Hours:</b>

<b>ESTIMATED EXPENDITURES</b>	
<b>Transportation</b>	\$373.90
<b>Meals</b>	\$100.00
<b>Lodging</b>	\$189.00
<b>Registration</b>	\$595.00
<b>Other</b>	\$50.00
<b>Total</b>	\$1,307.90

**APPROVALS**

Please Initial:

*Boftel*  
 Finance

*9/16/05*  
 Date

Please Provide Signature:

Clerk of the Board

Date

**ACCOUNTING CODES**

<b>Org. Key:</b> 1120	<b>Object:</b> 7655	<b>Job Key:</b> A0001	<b>JL:</b> BIV
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<b>Ref #:</b> 2006-52	<b>Board Date:</b> September 12, 2005	<b>T/A #:</b>
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BOARD COMMITTEE TRANSMITTAL

**September 12, 2005**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject** Fixed Asset Accounting and Administration Review

Finance and Administration Committee

August 24, 2005

**Present:** Directors Wilson, Duvall, Campbell, Correa, Cavecche, and Ritschel  
**Absent:** None

**Committee Vote**

This item was passed by all Committee Members present.

Committee Members Correa and Silva were not present to vote on this item.

**Committee Recommendation**

Receive and file the Review of Fixed Asset Accounting & Administration, Internal Audit Report No. 05-034.



**August 24, 2005**

**To:** Finance and Administration Committee  
**From:** Arthur T. Leahy, <sup>ATL</sup> Chief Executive Officer  
**Subject:** Fixed Asset Accounting and Administration Review

**Overview**

The Internal Audit Department has completed a focused review of controls over fixed asset accounting and administration. The controls were found to be generally adequate. Four recommendations were made to strengthen internal controls and make operations more efficient. Management staff has indicated the recommendations contained in the report have been or are in the process of being implemented.

**Recommendation**

Receive and file the Review of Fixed Asset Accounting & Administration, Internal Audit Report No. 05-034.

**Background**

General Accounting is responsible for recording and reconciling fixed asset activity, maintaining depreciation schedules, assigning and distributing asset tags, and processing asset retirements and transfers. General Accounting uses the Truly Relational Integrated Application Developer (TRIAD) subsystem of Integrated Financial & Administrative Solution (IFAS) for tracking fixed assets.

General Services is responsible for coordinating the annual physical inventory, overseeing the fixed asset custodians, and tracking movement of assets. Each department manager is accountable for all assets within his/her department as to physical control, proper use, and adequate maintenance. Asset custodians coordinate physical inventory in their department, apply fixed asset tags and record asset serial numbers and locations on the Fixed Asset Tag forms, initiate the asset retirement and transfer processes, and investigate missing, stolen, damaged, and destroyed assets.

Contracts Administration and Materials Management (CAMM) is responsible for receiving requests for new purchases and preparing purchase orders, processing surplus and scrap items, and verifying insurance requirements in coordination with Risk Management.

As of April 30, 2005, the book value of the Orange County Transportation Authority (OCTA)'s fixed assets approximated \$335 million. OCTA's proposed capital budget for fiscal year 2005-06 includes fixed asset purchases of approximately \$104 million.

### ***Discussion***

Internal Audit performed a review of fixed asset accounting and expanded the scope to include fixed asset administration, which includes the General Services, Financial Planning & Analysis, and CAMM departments. The audit involved assessing the adequacy of fixed asset policies and procedures in place and internal controls surrounding the fixed asset accounting and administration function. These objectives were attained through inquiry, analysis, and transaction testing.

Internal Audit made recommendations to formalize and publish existing policies and procedures as one comprehensive document, show unit cost and quantity in capital/fixed asset budget justifications, instruct asset custodians to follow-up with assets no longer in use or deemed obsolete or uneconomical to repair during the annual physical inventory, and include the written procedures for sales and transfers of Federal Transit Administration-funded assets in General Accounting's desktop procedures. Management has implemented changes or is in the process of making changes in response to the recommendations.

### ***Summary***

Based on the review, the controls over fixed asset accounting and administration are adequate to ensure the safeguarding of OCTA assets. Internal Audit did offer some recommendations, which management staff indicated have been implemented or are in the process of being implemented.

**Attachments**

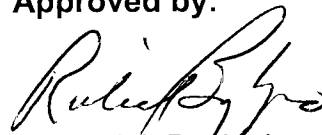
- A. Review of Fixed Asset Accounting & Administration Internal Audit Report No. 05-034
- B. Internal Audit Report No. 05-034 Response
- C. Close-Out Memo for Review of Fixed Asset Accounting & Administration

**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

July 21, 2005

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

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

Subject: **Review of Fixed Asset Accounting & Administration**  
**Internal Audit Report No. 05-034**

***Conclusion***

The Internal Audit Department has completed a focused review of Fixed Asset Accounting and Administration. In Internal Audit's opinion, it appears that the controls over Fixed Asset Accounting and Administration are, in general, adequate to ensure the safeguarding of Orange County Transportation Authority's assets. However, Internal Audit is recommending improvements that will strengthen internal controls and make operations more efficient.

***Background***

General Accounting is responsible for recording and reconciling fixed asset activity, maintaining depreciation schedules, assigning and distributing asset tags, and processing asset retirements and transfers. General Accounting uses the Truly Relational Integrated Application Developer (TRIAD) subsystem of Integrated Financial & Administrative Solution (IFAS) for tracking fixed assets.

General Services is responsible for coordinating the annual physical inventory, overseeing the fixed asset custodians, and tracking movement of assets. Each department manager is accountable for all assets within his/her department as to physical control, proper use, and adequate maintenance. Asset custodians coordinate physical inventory in their department, apply fixed asset tags and record asset serial numbers and locations on the Fixed Asset Tag forms, initiate the asset retirement and transfer processes, and investigate missing, stolen, damaged, and destroyed assets.

CAMM is responsible for receiving requests for new purchases and preparing purchase orders, processing surplus and scrap items, and verifying insurance requirements in coordination with Risk Management.

As of April 30, 2005, the book value of the Orange County Transportation Authority (OCTA)'s fixed assets approximated \$335 million. OCTA's proposed capital budget for fiscal year 2005-06 includes fixed asset purchases of approximately \$104 million.

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

The Internal Audit Plan for Fiscal Year 2004-05 included a review in the General Accounting area to evaluate internal controls and operating efficiencies. Internal Audit performed a review of Fixed Asset Accounting and expanded the scope to include Fixed Asset Administration, which includes the General Services, Financial Planning & Analysis, and CAMM departments. The audit involved assessing the adequacy of Fixed Asset policies and procedures in place and internal controls surrounding the Fixed Asset Accounting and Administration function. These objectives were attained through inquiry, analysis, and transaction testing, specifically to verify the following:

- only valid items are capitalized;
- proper authorization is attained and established procedures are followed for fixed asset purchases and disposals;
- duties are properly segregated between purchasing, receiving, and recording;
- fixed assets are properly tracked and monitored;
- fixed assets are appropriately recorded and reconciled; and
- depreciation on fixed assets is appropriately calculated and applied.

The audit scope generally covered activity taking place between July 1, 2004, and the date of this report.

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

#### **Universal Policies and Procedures**

Although the General Services and General Accounting departments coordinate with each other on policies and procedures over fixed assets, one universal set of policies and procedures regarding fixed assets has not been implemented. The departments each have their own written policies and procedures.

#### **Recommendation No. 1 – General Accounting & General Services**

Consideration should be given to integrating the capitalization policy that is currently being drafted by General Accounting into the Fixed Asset Management Policy that was drafted by General Services, and

formally adopt and publish the policy as one comprehensive document that is applicable to all departments.

### **Capital Budgeting Process**

Items having a per-unit cost under OCTA's capitalization threshold of \$5,000 have sometimes been bundled together as one line item in OCTA's Capital Budget.

### **Recommendation No. 2 – Financial Planning & Analysis**

To avoid confusion over whether a budgeted item should be expensed or capitalized, the Approved Budget, Supplemental Data: Capital/Fixed Asset Justifications should show an area for unit cost and quantity.

### **Controls over Fully-Depreciated Assets**

It appears that asset custodians are not consistently keeping track of the status of fixed assets under their purview that may need to be disposed of. Specifically, during our testing of 10 randomly selected fully-depreciated fixed assets out of a total of 767, we noted the following two assets are not in use and have not been disposed of:

1. The Risk Management Information System purchased on August 19, 1992, for \$10,000 was confirmed by the asset's custodian in the Information Systems Department to be in an idle state. The asset has not been used for a number of years and has been disabled, but has not been disposed of.
2. A Twin P Lift Model 16000 L6 (S) purchased on April 19, 1978, for \$5,703.16 was confirmed by the asset's custodian in the Maintenance Department to be in an idle state.

### **Recommendation No. 3 – General Services**

Subsequent to fieldwork, Internal Audit was informed that the assets noted above have purposely not been disposed of for specific reasons. However, the asset custodians did not have this information available during fieldwork. Therefore, it is recommended that during the training sessions for the annual physical inventory, the asset custodians be instructed to take note of assets that are no longer in use or deemed obsolete or uneconomical to repair, and to consult with appropriate management regarding disposal or other disposition of these assets.

### **Disposal of Federal Transit Administration-Funded Assets**

FTA Circular 5010.1C requires OCTA to remit to the Federal Transit Administration (FTA) the greater of the Federal portion of the market value or

the net sales proceeds of a disposed FTA-funded asset over \$5,000 in value. An agreement was reached between the OCTA and the FTA whereby the funds can instead be transferred into a special cash account to be used for similar expenditures. However, the written procedures detailing this process are not included with the Fixed Asset Desktop Procedures.

#### **Recommendation No. 4 – General Accounting**

To ensure that proper accounting procedures are followed to comply with FTA policies, the written procedures for moving the appropriate funds into the special cash account for sales and transfers of FTA-funded fixed assets should be included with the Fixed Asset Desktop Procedures.

#### **Insurance Requirements on Fixed Assets**

Under Section F of OCTA's Procurement Policies and Procedures Manual, CAMM must request a memo from Risk Management approving insurance certificates for certain procurements. However, CAMM only provides the insurance certificate to Risk Management for review and approval if it differs from the insurance requirements as stated in the RFP.

Before this report was issued, the Procurement Policies and Procedures Manual was updated to reflect actual practices regarding review of insurance requirements. Therefore, a management response is not required.

#### ***Management Response***

Internal Audit requests a response indicating the actions taken or planned to address the recommendations be forwarded by the respective department manager to Lisa Monteiro, Senior Internal Auditor, by August 4, 2005.

Audit performed by: Lisa Monteiro, In-Charge Auditor  
Maria Robledo

c: Rick Bacigalupo  
Ken Phipps  
Tom Wulf  
Vicki Austin  
Dave Waldram  
Andy Offelie  
Virginia Abadessa  
Rich Smith  
Robert Duffy






INTEROFFICE MEMO

August 10, 2005

To: Lisa Monteiro, Senior Internal Auditor

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

Subject: **Internal Audit Report No. 05-034 Response**

Recommendation No. 1 – General Accounting & General Services

We concur with the recommendation that General Accounting and General Services create a single universal policy regarding OCTA's fixed assets. This initiative is currently in progress with an expected completion date of September 30, 2005.

Recommendation No. 2 – Financial Planning & Analysis

We concur with the recommendation that estimated unit cost and quantity is included in budget document for items that are anticipated to be capitalized. Additionally, Financial Planning & Analysis invited General Accounting to participate in the most recent budget process to ensure that only items meeting OCTA's capitalization guidelines were budgeted as capital items.

Recommendation No. 3 – General Services

We concur with the recommendation to include additional training for asset custodians regarding assets that are being retained although they are no longer being used.

Recommendation No. 4 – General Accounting

We concur with the recommendation to update the Fixed Asset Desktop Procedure to include procedures regarding the disposal of FTA funded assets valued over \$5,000. The update has been completed.

Thank you for your recommendations. Your input is a greatly appreciated component of our ongoing effort to improve processes and strengthen internal controls.



INTEROFFICE MEMO

August 11, 2005

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

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

Subject: **Close-out Memo for Review of Fixed Asset Accounting & Administration**

Internal Audit has received and concurs with management's responses to the four recommendations issued in the Review of Fixed Asset Accounting & Administration – Internal Audit Report No. 05-034. Management has already implemented one of the recommendations and is in the process of implementing the other recommendations. We will conduct a follow-up review on the status of management's planned corrective actions in six months.

Attachment: Internal Audit Report No. 05-034 Response

c: Rick Bacigalupo  
Ken Phipps  
Tom Wulf  
Vicki Austin  
Dave Waldram  
Andy Oftelie  
Virginia Abadessa  
Rich Smith  
Robert Duffy





BOARD COMMITTEE TRANSMITTAL

**September 12, 2005**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject:** Annual Transportation Development Act Audits for Fiscal Year 2003-04 - Status Report

Finance and Administration Committee

August 24, 2005

**Present:** Directors Wilson, Duvall, Campbell, Correa, Cavecche, and Ritschel  
**Absent:** None

**Committee Vote**

This item was passed by all Committee Members present.

Committee Members Correa and Silva were not present to vote on this item.

**Committee Recommendation**

Receive and file the Transportation Development Act Audits for Fiscal Year 2003-04 Status Report as of August 24, 2005.



**August 24, 2005**

**To:** Finance and Administration Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Annual Transportation Development Act Audits for Fiscal Year 2003-04 – Status Report

**Overview**

The results of the Transportation Development Act Audits for Fiscal Year 2003-04 conducted by Conrad and Associates, L.L.P. were provided to the Finance and Administration Committee on April 27, 2005. An update on recommendations made in the audits is being provided.

**Recommendations**

Receive and file the Transportation Development Act Audits for Fiscal Year 2003-04 Status Report as of August 24, 2005.

**Background**

In April 2005, at the time when the Transportation Development Act Audits for Fiscal Year 2004-05 were presented to the Finance and Administration Committee, the Committee requested an update within six months regarding the audit recommendations. This status report provides the update on those recommendations.

Pursuant to Sections 6663 and 6751 of the California Code of Regulations, the audits for Article 3, Pedestrian and Bicycle Facilities Program were conducted for the fiscal year ending June 30, 2004, and the audits for Articles 4 and 4.5 Funds for the Transit and Paratransit Operating and Capital Programs were conducted for the fiscal year ending June 30, 2004, by Conrad and Associates, L.L.P. (Conrad).

The Transportation Development Act (TDA) provides as a source of funding for public transportation the Local Transportation Fund (LTF), which came into existence in 1972. The LTF revenues are derived from ¼ cent of the retail sales tax. The ¼ cent is returned by the State Board of Equalization to each county according to the amount of tax collected in that county.

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Since July 1, 1988, the Orange County Transportation Authority (OCTA) has assumed responsibility for administering the TDA's various components under the LTF, which includes: Article 3, Bicycle and Pedestrian Facilities program; Article 4, Operating and Capital program; and Article 4.5, Paratransit Operating and Capital program, under Chapter 4 of the State of California's Public Utilities Code (PUC). An important aspect of this responsibility is to ensure that the LTF allocated and dispersed funds were used in accordance with applicable TDA rules and regulations and OCTA policies and procedures.

### ***Discussion***

The results of the TDA audits for Fiscal Year (FY) 2003-04 conducted by Conrad were provided to the Finance and Administration Committee on April 27, 2005.

In general, the audits found that the entities used the LTF funds allocated and dispersed to them in accordance with applicable TDA rules and regulations, and OCTA policies and procedures. There were instances of non-compliance with a specific TDA regulation, and Conrad made recommendations for improvement in internal controls to ensure that TDA funds are expended in accordance with TDA rules and regulations and OCTA policies and procedures. All recommendations made have now been implemented, are in the process of being implemented, or have otherwise been resolved. Please see the attached Transportation Development Act Audits for Fiscal Year 2003-04 Status Report as of August 24, 2005.

The status of all recommendations made in the TDA audits for FY 2003-04 will be verified during the TDA audits for FY 2004-05, which are scheduled to take place between August and October 2005. Additionally, OCTA staff continuously works with the agencies on making improvements.

### ***Summary***

The audits for Article 3, Pedestrian and Bicycle Facilities Program were conducted for the fiscal year ending June 30, 2004, and the audits for Articles 4 and 4.5 Funds for the Transit and Paratransit Operating and Capital Programs were conducted for the fiscal year ending June 30, 2004, by Conrad and Associates, L.L.P. All recommendations made have been implemented, are in the process of being implemented, or have otherwise been resolved. The individual audit reports for FY 2003-04 are on file in the Clerk of the Board's office.

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**Attachment**

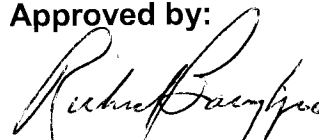
- A. Transportation Development Act Audits for Fiscal Year 2003-04 Status Report as of August 24, 2005

**Prepared by:**



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

**Approved by:**



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

**TRANSPORTATION DEVELOPMENT ACT AUDITS FOR FISCAL YEAR 2003-04  
STATUS REPORT AS OF AUGUST 24, 2005**

<b>AGENCY</b>	<b>PASS-THRU AGENCY</b>	<b>ARTICLE</b>	<b>FINDINGS</b>	<b>DISPOSITION OF RECOMMENDATIONS MADE</b>
City of Placentia	n/a	Article 3	1	<b>RESOLVED.</b> Article 3 funding to the City has ended. The City calculated interest income on unused TDA funds, and the total was paid back to OCTA in December 2004.
City of Santa Ana	n/a	Article 3	3	<b>RESOLVED.</b> Article 3 funding to the City has ended. There are no unused TDA funds remaining. The City noted that should they receive Article 3 funding in the future, the funds will be accounted for in a separate fund.
Korean American Association of Orange County (KAAOC)	City of Garden Grove	Article 4.5	1, 2, 6	<b>IN PROCESS OF IMPLEMENTING IMPROVEMENTS.</b> OCTA's CTS and Internal Audit departments have had several meetings with the KAAOC on how to implement improvements to address the findings. The KAAOC is in process of implementing these improvements, and CTS continues to work closely with KAAOC on these issues.
Vietnamese Community of Orange County (VNCOC)	City of Santa Ana	Article 4.5	2, 5	<b>IN PROCESS OF IMPLEMENTING IMPROVEMENTS.</b> The City of Santa Ana is taking on a more active role in oversight of the VNCOC, and both the City and OCTA's CTS Department is working closely with the VNCOC to implement the necessary improvements. The VNCOC has identified other costs they can allocate as part of their local match, and the City is advising the VNCOC on how to provide adequate supporting documentation.
City of Laguna Woods	n/a	Article 4.5	4	<b>IMPROVEMENTS IMPLEMENTED.</b> The City plans to properly account for unused taxi vouchers as deferred revenue until used. Also, they are utilizing aspreadsheets that tracks usage of taxi vouchers.
City of San Clemente	n/a	Article 4.5	1	<b>IMPROVEMENTS IMPLEMENTED.</b> The City has developed a method to calculate interest income earned on TDA funds.

**FINDINGS:**

- 1.) Noncompliance - Interest income was not allocated to TDA funds.
- 2.) Noncompliance - Required local match of 20% was not met.
- 3.) Reportable Condition - TDA funds were not accounted for either in a separate fund or segregated within a fund that accounts for other monies as well.
- 4.) Reportable Condition - The agency needs to maintain adequate documentation for taxi vouchers.
- 5.) Reportable Condition - The agency needs to ensure expenditures are adequately supported.
- 6.) The audit of Article 4.5 funds at the Korean American Association of Orange County (passed thru the City of Garden Grove) also reported the following findings:
  - a. Noncompliance/Reportable Condition/Material Weakness - The association did not maintain records for in-kind contributions.
  - b. Reportable Condition/Material Weakness - The association does not have documentation to support related party loans.
  - c. Reportable Condition/Material Weakness - The association needs to segregate incompatible duties.
  - d. Reportable Condition/Material Weakness - The association needs to strengthen its cash disbursement procedures.







BOARD COMMITTEE TRANSMITTAL

**September 12, 2005**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject** Review of Bus Operations, Company Equipment Assigned

Finance and Administration Committee

August 24, 2005

**Present:** Directors Wilson, Duvall, Campbell, Correa, Cavecche, and Ritschel  
**Absent:** None

**Committee Vote**

This item was passed by all Committee Members present.

Committee Members Correa and Silva were not present to vote on this item.

**Committee Recommendation**

Receive and file the Review of Bus Operations, Company Equipment Assigned (CEA), Internal Audit Report No. 05-033.



**August 24, 2005**

**To:** Finance and Administration Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Review of Bus Operations, Company Equipment Assigned

**Overview**

The Internal Audit Department has completed a focused review of controls over Company Equipment Assigned in the Bus Operations area. The controls were found to be generally adequate. Six recommendations were made to strengthen internal controls and make operations more efficient. Management staff has indicated the recommendations contained in the report have been or are in the process of being implemented.

**Recommendation**

Receive and file the Review of Bus Operations, Company Equipment Assigned (CEA), Internal Audit Report No. 05-033.

**Background**

In February 2004, the Orange County Transportation Authority (OCTA) entered into a 48-month agreement with Enterprise Fleet Services (Enterprise) to lease 99 Toyota Prius vehicles. Ninety of these vehicles are assigned to the bases and used as Company Equipment Assigned (CEA). As of May 2005, 31 vehicles were assigned to Santa Ana Base, 28 to Garden Grove Base, and 31 to Anaheim Base. The remaining nine vehicles were assigned as guaranteed ride vehicles or for designated users.

Fixed Route Operations is responsible for the overall administration of the CEA vehicles assigned to the bases, including the establishment of policies and procedures over the vehicles. Each base has a designated employee in charge of the vehicles at their base. Service Planning & Customer Advocacy determines the minimum number of CEA vehicles required at each base by linking the vehicles to the work runs. Maintenance processes vehicle assignments to the bases and is responsible for fueling and washing the

vehicles. All other vehicle maintenance is performed by Enterprise, in accordance with the lease agreement.

***Discussion***

Internal Audit performed a review of CEA vehicles to assess the adequacy of CEA vehicles policies and procedures in place and the adequacy of internal controls surrounding the CEA vehicles, including general administration, scheduling, and maintenance. These objectives were attained through inquiry, analysis, and transaction testing.

Internal Audit made recommendations to formalize and publish universal policies and procedures and related forms, ensure that unoccupied CEA vehicles are locked at all times, improve procedures over CEA vehicle check-in and check-out, implement a retention policy over signature cards, and perform nightly CEA vehicle inspections and physical inventory. Management has implemented changes or is in the process of making changes in response to the recommendations.

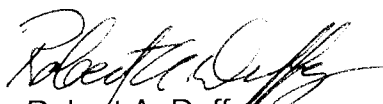
***Summary***

Based on the review, the controls over the administration of CEA vehicles are adequate to ensure the safeguarding of OCTA assets. Internal Audit did offer some recommendations, which management staff indicated have been implemented or are in the process of being implemented.

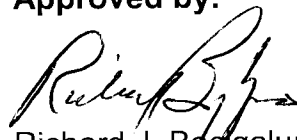
***Attachments***

- A. Review of Bus Operations, Company Equipment Assigned (CEA) – Internal Audit Report No. 05-033
- B. Response to Company Equipment Assigned (CEA) Internal Audit Report No. 05-033
- C. Close-Out Memo for Review of Bus Operations, Company Equipment Assigned

**Prepared by:**

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

**Approved by:**

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



INTEROFFICE MEMO

July 13, 2005

To: Bill Foster, Executive Director  
Bus Operations

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

Subject: **Review of Bus Operations, Company Equipment Assigned (CEA) - Internal Audit Report No. 05-033**

***Conclusion***

The Internal Audit Department has completed a focused review of Company Equipment Assigned in the Bus Operations area. In Internal Audit's opinion, it appears that the controls over Company Equipment Assigned vehicles are, in general, adequate to ensure the safeguarding of Orange County Transportation Authority's assets. However, Internal Audit is recommending improvements that will strengthen internal controls and make operations more efficient.

***Background***

In February 2004, the Orange County Transportation Authority (OCTA) entered into a 48-month agreement with Enterprise Fleet Services (Enterprise) to lease 99 Toyota Prius vehicles. Ninety of these vehicles are assigned to the bases and used as Company Equipment Assigned (CEA). As of May 2005, 31 vehicles were assigned to Santa Ana Base, 28 to Garden Grove Base, and 31 to Anaheim Base. The remaining nine vehicles were assigned as guaranteed ride vehicles or for designated users.

Fixed Route Operations is responsible for the overall administration of the CEA vehicles assigned to the bases, including the establishment of policies and procedures over the vehicles. Each base has a designated employee in charge of the vehicles at their base. Service Planning & Customer Advocacy determines the minimum number of CEA vehicles required at each base by linking the vehicles to the work runs. Maintenance processes vehicle assignments to the bases and is responsible for fueling and washing the vehicles. All other vehicle maintenance is performed by Enterprise, in accordance with the lease agreement.

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

The Internal Audit Plan for Fiscal Year 2004-05 included a review in the Bus Operations area to evaluate internal controls and operating efficiencies. Internal Audit performed a review of CEA vehicles to assess the adequacy of CEA vehicles policies and procedures in place and the adequacy of internal controls surrounding the CEA vehicles, including general administration, scheduling, and maintenance. These objectives were attained through inquiry, analysis, and transaction testing, specifically to verify the following:

- uniform policies and procedures on the administration, scheduling and maintenance of CEA cars exist, and are followed, for all bases;
- OCTA is in compliance with applicable contracts;
- proper oversight is administered over the various functions;
- duties are properly segregated between functions; and
- CEA cars are properly secured, tracked, and monitored.

The audit scope generally covered activity taking place between July 1, 2004, and June 30, 2005. The CEA vehicle administration at Irvine Base was relocated to Santa Ana Base during the course of the fieldwork.

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

#### **Universal Policies and Procedures**

Universal policies and procedures covering the administration of the CEA vehicles are not in place; each base prepared and uses its own procedures.

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

Universal policies and procedures regarding the administration of the CEA vehicles should be formalized and published. The policies and procedures should cover all aspects of CEA vehicle administration, including specific instructions for assignment, maintenance, security, and driver requirements. Additionally, all recommendations on this report related to policies and procedures should be considered for inclusion in the universal policies and procedures to be written.

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

Standardized templates should be prepared and mandated for forms used in the administration of the CEA vehicles, such as the signature cards and maintenance inspection sheets, for use by all bases.

### **Anaheim Base – CEA Vehicle Administration**

During the review of general procedures for CEA vehicles at the Anaheim Base, the following was noted:

1. CEA vehicles are not specifically assigned to coach operators and independently logged.
2. CEA vehicle clipboards and the attached vehicle keys are kept in an unsecured rack just outside the Window Dispatcher.

During the course of fieldwork, Anaheim Base changed their procedures to where they now use the ACORS Dispatch Record to record assignment of CEA vehicles and the clipboards are now kept under the control of the Window Dispatcher. Therefore, a management response is not required.

### **Anaheim and Irvine Bases – Physical Security**

CEA vehicles are not consistently kept locked in the parking lots at the Anaheim and Irvine bases. Specifically, during physical inspection of the CEA vehicles on the morning of March 31, 2005, Internal Audit spot-checked a few of the CEA vehicle doors at each base and determined that none were locked.

#### **Recommendation No. 3**

Since the ignition keys to the CEA cars are kept inside the vehicles, a formal universal policy should be implemented that requires CEA vehicle doors to be kept locked at all times. Additionally, both a nightly and a morning inventory should be performed on the CEA vehicles that include procedures for verification of locked doors for all CEA vehicles.

### **CEA Vehicle Daily Activity**

During sample testing of one day's worth of CEA vehicle activity, various inconsistencies between the recorded CEA vehicle assignments and the signature cards were noted. Inconsistencies noted include missing signature cards at two bases and one base's use of signature cards that fail to distinguish between drivers checking in and drivers checking out. Details of all inconsistencies have been provided to management in a separate document.

#### **Recommendation No. 4**

A universal signature card form that distinguishes between vehicles being signed out and vehicles being returned should be used by all

bases. Additionally, consider requiring the Window Dispatcher to verify that each clipboard being returned has signatures for both check-in and check-out.

#### **Recommendation No. 5**

All signature cards should be kept in a controlled area for a specified retention period.

#### **Daily In-House Maintenance Procedures**

The bases have different policies and procedures over physical inspection, inventory, and fueling of the CEA vehicles. Specifically, the following was noted:

1. The Garden Grove and Anaheim bases inspect their CEA vehicles nightly for cleanliness and damage, while Irvine Base does so on a weekly basis;
2. Anaheim Base inventories the CEA vehicles on a nightly basis, while the other bases do not inventory the CEA vehicles at all;
3. All the bases differ on their established threshold for the gas tank level that requires the refueling of the CEA vehicles.

#### **Recommendation No. 6**

To ensure that any problems with the CEA vehicles are resolved promptly, require all the bases to perform a nightly inspection of the CEA vehicles that includes physical inspection for damages and cleanliness, inventory of vehicles, and fueling as necessary.

#### **Management Response**

Internal Audit requests a response indicating the actions taken or planned to address our recommendations be forwarded to Lisa Monteiro, Senior Internal Auditor, by July 27, 2005.

c: Richard Bacigalupo  
Diane Kiernan  
Eva Cosby  
Scott Graham  
Al Pierce  
Scott Holmes





INTEROFFICE MEMO

July 22, 2005

To: Lisa Monteiro, Senior Internal Auditor, Internal Audit  
From: William L. Foster, General Manager, Operations  
Subject: Response to Company Equipment Assigned (CEA) Internal Audit Report No. 05-033

This is in response to Internal Audit's recommendations regarding control over CEA vehicles.

**Recommendation No.1**

The Bus Operations Division agrees with the recommendation. A policy and process for administration of CEA vehicles will be developed by August 15, 2005.

**Recommendation No. 2**

The Bus Operations Division agrees with the recommendation. A standard signature card and maintenance inspection sheet will become part of the policy as stated in recommendation no. 1.

**Recommendation No. 3**

The Bus Operations Division agrees with the comment. The vehicles are required to be locked when not in use; the policy will be enforced. The Maintenance Department performs CEA vehicle inventory each night between 1:00 a.m. and 2:00 a.m.

**Recommendation No. 4**

The Bus Operations Division agrees with the recommendation. Signature card and vehicle tracking process will be defined in the policy per recommendation no. 1.

**Recommendation No. 5**

The Bus Operations Division agrees with the recommendation. Signature card retention will be defined in the policy per recommendation no. 1.

**Recommendation No. 6**

The Bus Operations Division agrees with the recommendation. Vehicle inspections for damage, cleanliness, fuel and inventory are performed each night by Maintenance.



INTEROFFICE MEMO

July 27, 2005

To: William L. Foster, General Manager  
Operations

From: Lisa Monteiro, Sr. Internal Auditor  
Internal Audit

A handwritten signature in black ink, appearing to read "Lisa Monteiro", is written over the printed name in the "From:" field.

Subject: **Close-out Memo for Review of Bus Operations, Company  
Equipment Assigned (CEA)**

Internal Audit has received and concurs with management's responses to the recommendations issued in the Review of Bus Operations, Company Equipment Assigned (CEA) – Internal Audit Report No. 05-033. Management has agreed to implement some recommendations, and is in the process of implementing the other recommendations. We will conduct a follow-up review on the status of management's planned corrective actions in six months.

Attachment: Response to Company Equipment Assigned (CEA) Internal Audit Report No. 05-033

c: Richard Bacigalupo  
Al Pierce  
Scott Holmes





BOARD COMMITTEE TRANSMITTAL

**September 12, 2005**

**To:** Members of the Board of Directors  
*WK*  
**From:** Wendy Knowles, Clerk of the Board  
**Subject** Review of Investment Activities for January through March 2005

Finance and Administration Committee

August 24, 2005

Present: Directors Wilson, Duvall, Campbell, Correa, Cavecche, and Ritschel  
Absent: None

**Committee Vote**

This item was passed by all Committee Members present.

Committee Members Correa and Silva were not present to vote on this item.

**Committee Recommendation**

Receive and file the Review of Investment Activities for January through March 2005, Internal Audit Report No. 05-029.



**August 24, 2005**

**To:** Finance and Administration Committee  
**From:** Arthur T. Leahy, <sup>ATL</sup> Chief Executive Officer  
**Subject:** Review of Investment Activities for January through March 2005

**Overview**

The Internal Audit Department has completed a review of investment activities for the period January 1, 2005, through March 31, 2005. The review indicated that investments were in compliance with the Orange County Transportation Authority's debt, investment and accounting objectives, and policies and procedures.

**Recommendation**

Receive and file the Review of Investment Activities for January through March 2005, Internal Audit Report No. 05-029.

**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 March 31, 2005, the investment portfolio's book value approximated \$1.06 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.

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**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 January through March 2005 indicated that the Authority's investments are in compliance.

**Summary**

Based on the review, investments were in compliance with the Authority's debt, investment and accounting objectives, and policies and procedures.

**Attachment**

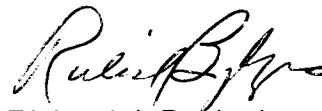
- A. Review of Investment Activities for January through March 2005, Internal Audit Report No. 05-029

**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

August 1, 2005

To: Kirk Avila, Treasurer  
From: <sup>SN</sup> Serena Ng, Internal Auditor  
Subject: **Review of Investment Activities for January through March 2005,  
Internal Audit Report No. 05-029**

***Conclusion***

The Internal Audit Department has completed a review of investment activities for the period January 1, 2005, through March 31, 2005. In the opinion of the Internal Audit Department, it appears that both the Treasury/Public Finance and Accounting and Financial Reporting Departments are in compliance with the Orange County Transportation Authority's debt, investment and accounting objectives, policies and procedures.

***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 March 31, 2005, the investment portfolio's book value approximated \$1.06 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.

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





**September 12, 2005**

**To:** Members of the Board of Directors  
**From:** Arthur T. Leahy, Chief Executive Officer <sup>ATC/WK</sup>  
**Subject:** Amendment to Agreement for the San Diego Freeway (Interstate 405) Major Investment Study

**Overview**

In June 2003, the Board of Directors approved an agreement with Parsons Transportation Group to conduct the San Diego Freeway (Interstate 405) Major Investment Study. A contract amendment is requested for additional work related to the project alternatives.

**Recommendation**

Authorize the Chief Executive Officer to execute Amendment No. 2 to Agreement C-3-0234, between the Orange County Transportation Authority and Parsons Transportation Group, in an amount not to exceed \$40,000, for additional work related to the final project alternatives.

**Background**

In fall 2003, the Orange County Transportation Authority (OCTA) launched the San Diego Freeway (Interstate 405) Major Investment Study (MIS) in response to the Board of Directors' (Board) direction to develop an improvement plan for Interstate 405 (I-405). The study will produce a long-term transportation plan addressing the 13.5-mile section of the I-405 corridor from the Corona Del Mar Freeway (State Route 73) to the San Gabriel Freeway (Interstate 605).

The final alternatives are under development now and recommendations for a preferred strategy will be presented to the Board by October 2005. The scope of the original MIS project has changed given recent direction, and a contract amendment is requested to allow completion of this work.

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***Discussion***

The original agreement was awarded on a competitive basis for an amount not to exceed \$1,127,617. In May 2005, the maximum obligation in the agreement increased to \$1,227,617 (Amendment No. 1). That additional work included new renderings, plans, graphics, new open houses, updated cost estimates, and new alternatives resulting from policy direction provided in late February 2005 by the Interstate 405 MIS Policy Working Group (PWG).

In June 2005, the PWG reviewed the results of that work and provided further direction to the consultant and staff to refine the alternatives and return in August 2005 with the results. This requested contract amendment relates to the PWG requests made in June 2005 and subsequent refinements to the final alternatives.

For this amendment, the consultant will: (1) evaluate the impacts associated with Bus Rapid Transit stations in the freeway median; (2) develop new conceptual designs of and cross sections within the Westminster portion of the I-405 MIS corridor; (3) prepare meeting materials and summary minutes for additional meetings with the California Department of Transportation; (4) prepare initial and final tables of right-of-way acquisitions by municipality; (5) prepare meeting materials, agenda, and minutes for PWG meetings; and (6) include appropriate modified alternatives within the Final Report.

**Fiscal Impact**

This additional work is estimated to not exceed \$40,000 and brings the maximum cumulative obligation to \$1,267,617. Budget authority for this additional work is included in OCTA's Fiscal Year 2005-06 Budget within the Strategic Planning Division.

***Summary***

Staff recommends approval of Amendment No. 2 to Agreement C-3-0234 with Parsons Transportation Group, in an amount not to exceed \$40,000, for additional work on the I-405 MIS.

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**Attachment**

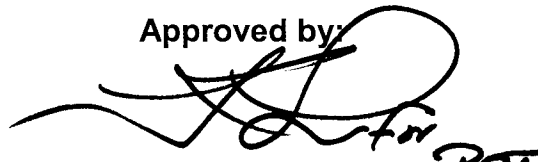
- A. Parsons Transportation Group Agreement C-3-0234 Fact Sheet

Prepared by:



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

Approved by:



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



BOARD COMMITTEE TRANSMITTAL



**September 12, 2005**

**To:** Members of the Board of Directors

**From:** Wendy Knowles, Clerk of the Board

**Subject:** Customer Relations Service Quality Report for Fourth Quarter Fiscal Year 2004-05

This item will be considered by the Transit Planning and Operations Committee on September 8, 2005. 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.



**September 8, 2005**

**To:** Transit Planning and Operations Committee  
**From:** Arthur T. Leahy, Chief Executive Officer *ATL/EL*  
**Subject:** Customer Relations Service Quality Report for Fourth Quarter Fiscal Year 2004-05

**Overview**

The Customer Relations Service Quality Report is submitted to the Orange County Transportation Authority Board of Directors on a quarterly basis. The report provides a statistical analysis of customer communications received during the quarter, as well as details proactive activities undertaken by staff to improve service to customers.

**Recommendation**

Receive information for discussion and possible action as deemed appropriate by the Board.

**Background**

The Customer Relations Department is responsible for identifying and resolving service quality issues through the use of proactive and responsive methods. Customer Relations disseminates information to customers concerning Orange County Transportation Authority (OCTA) services and policies and serves as the channel through which customers' opinions about those services and policies are transmitted to OCTA.

**Discussion**

Responsibilities within the Customer Relations Department are varied. Communications from customers are input into a database, and staff interacts closely with numerous departments to obtain resolution to customers' concerns. Customer Relations participates in monthly meetings with both Fixed Route Operations and Community Transportation Services (CTS), as well as with the contractor responsible for providing ACCESS service, to ensure customer concerns are heard and problems are resolved. Staff also interacts closely with Scheduling and Logistics to accommodate the needs of



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riders. Other functions of the department include: oversight of the Customer Information Center (CIC); sale of bus passes and ACCESS coupons to the public via mail, phone, online, and at the OCTA Store; addressing customer service issues at 91 Express Lanes team meetings, as well as resolving complaints from customers about toll violations received on the 91 Express Lanes; oversight of the OCTA Store; production of Riders' Alerts to notify customers of changes to bus routes and schedules; production of the "Between the Lines" company newsletter; updating the internal Information Boards; visiting new vendors selling OCTA fare media; oversight of the Special Needs in Transit Advisory Committee; and the issuance of Reduced Fare Identification Cards to seniors and persons with disabilities. Below is an outline of Customer Relations activity during the period of April 1 through June 30, 2005.

- **Pass Sales and Reduced Fare Identification Cards**

During the quarter, staff from the Customer Relations Department began meeting with Alta Resources which will be handling the Pass Sales and Reduced Fare Identification (RFID) Card responsibilities beginning in fiscal year 2005-06. Alta Resources staff was trained on the types of passes sold, recording transactions in the computer system, processing the RFID cards for seniors and disabled, etc.

- **San Diego Freeway (Interstate 405) Widening**

Customer Relations received, processed and responded to numerous letters from Westminster residents concerned about the proposed widening of Interstate 405 (I-405) and the taking of residential property. Residents were assured that OCTA is still evaluating several proposed alternatives and that any widening of the freeway would not occur for some time.

- **Riders' Alerts**

Staff continued to meet during the quarter to discuss ways of streamlining and simplifying the production of Riders' Alerts which are used to inform customers about any detours or schedule adjustments on the bus routes. Input was obtained from Operations, Scheduling and Field staff as well as from line captains.

- **Between the Lines Company Newsletter**

Customer Relations assumed responsibility for production of the company newsletter, *Between the Lines*, at the beginning of 2004. During this quarter, it was decided that this responsibility would be transitioned to the

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Marketing Department to ensure consistent messages are being sent to employees and customers. Customer Relations met with Marketing to begin transitioning production of the Between the Lines newsletter.

- **Operation Teamwork**

A Customer Relations staff member taught the Customer Relations module of a new training program for coach operators at the Garden Grove bus division. The "Operation Teamwork" program is designed to identify and correct coach operator behaviors that are not in line with the OCTA values of safety, courtesy, and reliability.

- **Same-Day Taxi Service Reservation Training**

Customer Relations participated with CTS and ACCESS Eligibility staff in a training session detailing a pilot taxi program that provides service beyond the paratransit requirements of the Americans with Disabilities Act (ADA). This program is intended to provide ACCESS eligible riders with an alternative transportation choice.

- **OCTA Store**

During this quarter, sales at the OCTA Store totaled \$135,812 versus the \$126,127 in sales during the previous quarter. Two-hundred-sixty-two new accounts for the 91 Express Lanes were established during the quarter, compared to 230 in the third quarter.

- **Pass Sales**

During the quarter, the Pass Sales section of the Customer Relations Department sold \$474,887 in passes, compared to the \$421,385 sold last quarter.

#### **Communications from Customers**

During the quarter, communications from customers were received in the form of telephone calls (9,823), emails (620), and letters (89), for a total of 10,532 communications on a variety of topics.

#### **Fixed Route Operations**

During this quarter, there were 16,832,580 fixed route boardings. Based on the customer communications received, there were 5.07 complaints per

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100,000 boardings, which is within the Operations Division's goal of 6 complaints per 100,000 boardings.

Continuing key issues for fixed route service include:

1. Pass-bys

A total of 168 complaints were received from passengers who reported being passed by OCTA buses. This is 19 less than the 187 received last quarter.

2. Driver Judgment (any questionable decision, action, or omission on the part of a coach operator)

There were 138 complaints received about the judgment displayed by OCTA coach operators, versus the 133 complaints received last quarter.

3. Buses Behind Schedule

There were 113 complaints about coach operators running late, which is ten less than the 123 complaints received in the previous quarter.

**Contracted Fixed Route Service and ACCESS Service**

During the quarter, there were 575,074 contracted service boardings. Of these boardings, 305,319 were on ACCESS service, while 269,755 were on contracted fixed route. Based on communications received from customers, there were 11.58 complaints for every 10,000 boardings. These figures remain within performance standards established in the contract with the provider, Laidlaw Transit, Inc.

Continuing key issues for contracted service include:

1. Vehicles Not Arriving

Customer Relations received 168 complaints from riders about contracted vehicles not arriving to pick them up, compared to the 158 complaints reported in the previous quarter. Seven of the complaints were for contracted fixed routes, while 161 were from ACCESS riders.

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2. Vehicles Running Behind Schedule

There were 105 complaints about contracted drivers running late, versus 127 in the previous quarter. Eleven of these complaints were for Laidlaw-operated fixed route service and 94 were about ACCESS rides.

3. Driver Judgment (any questionable decision, action, or omission on the part of the Contracted Service driver)

Seventy-seven complaints were received from riders about the judgment displayed by contracted drivers, compared to the 73 received last quarter. Sixty-nine of these complaints were reported by ACCESS riders and eight from riders of Laidlaw-operated fixed route service.

***Summary***

During the quarter, both OCTA and Laidlaw continued to address service quality issues by initiating various measures intended to improve customer service.


Customer comments for the fourth quarter of the fiscal year, as well as a comparison with other quarters, are shown in the attachments following this report.

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***Attachments***

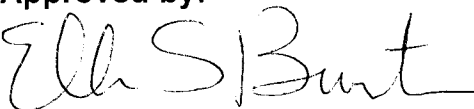
- A. Customer Relations Most Frequently Reported Customer Comments
- B. Fixed Route Operations Complaints
- C. Contracted Service Complaints
- D. Total Compliments, Complaints, and Comments
- E. OCTA Store Revenue 2004/2005
- F. Pass Sales Section Monthly Sales Totals/Pass-By-Mail, Telephone, On-Line Orders

**Prepared by:**



Adam D. Raley  
Senior Customer Relations  
Specialist  
(714) 560-5510

**Approved by:**



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

# CUSTOMER RELATIONS

## Most Frequently Reported Customer Comments

### Types of Communications Received

Month	# of Calls	# of Emails	# of Letters	Total
Jul-04	3014	197	31	3242
Aug-04	2926	162	27	3115
Sep-04	3604	160	30	3794
Oct-04	3421	167	35	3623
Nov-04	2044	161	27	2232
Dec-04	2940	171	32	3143
Jan-05	3031	171	16	3218
Feb-05	2854	204	11	3069
Mar-05	3363	156	35	3554
Apr-05	3944	204	12	4160
May-05	3088	215	10	3313
Jun-05	2886	200	67	3153

### Pass Sales Totals

# of Calls	# Transactions	Sales Totals
1667	1580	\$98,999.32
1911	721	\$111,468.50
2338	1912	\$121,720.36
1952	1911	\$117,148.55
1709	1872	\$106,560.55
2075	1613	\$92,358.75
2559	2075	\$139,600.70
1904	2021	\$119,842.75
1961	2229	\$161,941.80
2299	1925	\$141,028.95
1859	2287	\$157,691.15
1871	2450	\$176,166.80

**Pass By:** The coach operator drove by a designated stop and did not pick up one or more waiting customers.

Month	Current	Previous YR	% Change	Current Fiscal YTD	Previous Fiscal YTD	% YTD Change	Complaints per 100,000 Boardings	Top Routes ( ) Indicates total comments per route.
Jul-04	67	68	-1%	67	68	-1%	1.19	1(7); 57(6);43/42/60(5); 29(4)
Aug-04	61	67	-9%	128	135	-5%	1.07	71/53(5); 1/29/57(4)
Sep-04	69	69	0%	191	204	-6%	1.2	43(12); 29(7); 57/70(6); 60(5)
Oct-04	81	79	3%	272	283	-4%	1.44	60(12); 57(10); 70(5); 29/47/64(4)
Nov-04	48	47	2%	320	330	-3%	0.88	43(5); 60(4); 1/29/42/47/55/59(3)
Dec-04	55	80	-31%	375	410	-9%	1.05	29(7); 57(5); 1/60(4); 43/53/59(3)
Jan-05	52	49	6%	427	459	-7%	1.07	59/60(6); 38(5); 29/43/50(4)
Feb-05	68	59	15%	495	519	-5%	1.46	60(7); 57(5); 1/37/55(4)
Mar-05	74	71	4%	569	589	-3%	1.3	55(5); 29/35/47/60(4)
Apr-05	61	79	-23%	630	668	-6%	1	50(7); 57(6); 1/60(4); 43/55/71(3)
May-05	54	71	-24%	684	739	-7%	0.96	29(8); 43(6); 50/60(4); 47/71(3)
Jun-05	49	79	-38%	733	830	-12%	0.88	60(5); 50(4); 1/29/54/57/64/71(3)
Base 4	20	32	-38%					
Base 6	11	28	-61%					
Base 7	18	19	-5%					

**Judgment:** An inappropriate or unprofessional decision, action, or omission on the part of the coach operator.

Month	Current	Previous YR	% Change	Current Fiscal YTD	Previous Fiscal YTD	% YTD Change	Complaints per 100,000 Boardings	Top Routes ( ) Indicates total comments per route.
Jul-04	51	64	-20%	51	64	-20%	0.9	60(6); 42(5); 66(4); 71/72/462(3)
Aug-04	46	40	15%	97	104	-7%	0.81	43(7); 50(4); 38/47/53/71/87(3)
Sep-04	34	49	-31%	131	153	-14%	0.59	43/60(5); 29(4); 38(3); 35/46/53/54/57(2)
Oct-04	52	57	-9%	183	210	-13%	0.92	57(6); 42(4); 43/46/60(3)
Nov-04	47	36	31%	230	246	-7%	0.86	55(5); 29/47/54(4); 43/57(3)
Dec-04	45	40	13%	275	280	-2%	0.86	29(11); 47(4); 46/53/57(3)
Jan-05	35	23	52%	310	303	2%	0.72	57(5); 43(4); 42(3)
Feb-05	44	31	42%	354	334	6%	0.96	60/66/91(3)
Mar-05	54	29	86%	408	363	12%	0.95	43(8); 53(5); 59(4); 29/42/50/55/71(3)
Apr-05	47	60	-22%	455	423	8%	0.84	50/60(5); 29/43/55(4); 42(3)
May-05	51	40	28%	506	463	9%	0.9	29/50/59/60/70(4); 26/42/55/57(3)
Jun-05	35	37	-5%	541	500	8%	0.63	29(3); 25/37/38/42/43/46/64/79(2)
Base 4	11	11	0%					
Base 6	13	18	-28%					
Base 7	11	8	38%					

**Behind Schedule:** The coach operator arrives at or departs from a time check-point more than 15 minutes behind the scheduled time.

Month	Current	Previous YR	% Change	Current Fiscal YTD	Previous Fiscal YTD	% YTD Change	Complaints per 100,000 Boardings	Top Routes ( ) Indicates total comments per route.
Jul-04	47	45	4%	47	45	4%	0.83	71(10); 43(9); 30/38(4); 29/47/57(3)
Aug-04	38	40	-5%	85	85	0%	0.67	29(6); 57/71(5)43(4)
Sep-04	55	64	-14%	140	149	-6%	0.96	24(13); 43(8); 47(5); 71(4); 29/76/757(3)
Oct-04	69	57	21%	209	206	1%	1.22	47(9); 24(6); 29/43/50(5)
Nov-04	41	29	41%	250	235	6%	0.75	24/57(6); 47(5); 43(3)
Dec-04	36	46	-22%	286	281	2%	0.69	29(9); 50(6); 53(4); 47(3)
Jan-05	35	26	35%	321	307	5%	0.72	25/57/60(4); 91(3)
Feb-05	36	40	-10%	357	347	3%	0.77	47(10); 24, 57(3)
Mar-05	42	45	-7%	399	392	2%	0.74	43/47(5); 59(4); 599/50/57/71(3)
Apr-05	36	49	-27%	435	441	-1%	0.64	43/29(6); 57(4); 60/70(3)35/47/50/59(2)
May-05	39	62	-37%	474	503	-6%	0.69	29/59(5); 70(4); 60/71(3); 35/37/79(2)
Jun-05	35	48	-27%	509	551	-8%	0.63	29(4); 37/79(3); 21/25/42/47/53/55/57(2)
Base 4	13	14	-7%					
Base 6	10	19	-47%					
Base 7	12	15	-20%					

**Driving Techniques:** Any poor driving skills or vehicle code infractions reported by passengers and motorists.

Month	Current	Previous YR	% Change	Current Fiscal YTD	Previous Fiscal YTD	% YTD Change	Complaints per 100,000 Boardings	Top Routes ( ) Indicates total comments per route.
Jul-04	38	41	-7%	38	41	-7%	0.67	29/38/42/43/47(3); 26/33/60/71/85(2)
Aug-04	39	38	3%	77	79	-3%	0.69	29(6); 57(4); 46/60(3)
Sep-04	37	33	12%	114	112	2%	0.64	47(6); 43(4); 29/37(3); 42/60(2)
Oct-04	49	48	2%	163	160	2%	0.87	42(5); 71(4); 29/35/43/57/205(3)
Nov-04	25	38	-34%	188	198	-5%	0.46	1/42/43/71/721(2);
Dec-04	44	44	0%	232	242	-4%	0.84	43(7); 60(3); 20/29/47/50/55/70(2)
Jan-05	36	31	16%	268	273	-2%	0.74	43(6); 35/57(4); 53/54(2)
Feb-05	46	28	64%	314	301	4%	0.99	54(4); 47/53/60/178(3)
Mar-05	44	33	33%	358	334	7%	0.78	43(7); 70/89/721(3)
Apr-05	48	50	-4%	406	384	6%	0.86	43(7); 60(5); 1/57(4); 70(3)
May-05	35	41	-15%	441	425	4%	0.62	1(5); 43/53/56/60(3); 38/47/50/57(2)
Jun-05	33	33	0%	474	458	3%	0.59	64(5); 60(4); 53(3); 24/57/91(2)
Base 4	15	12	25%					
Base 6	10	15	-33%					
Base 7	8	6	33%					

**Discourtesy:** Any rude or offensive remark or behavior on the part of the coach operator, even when upholding policy.

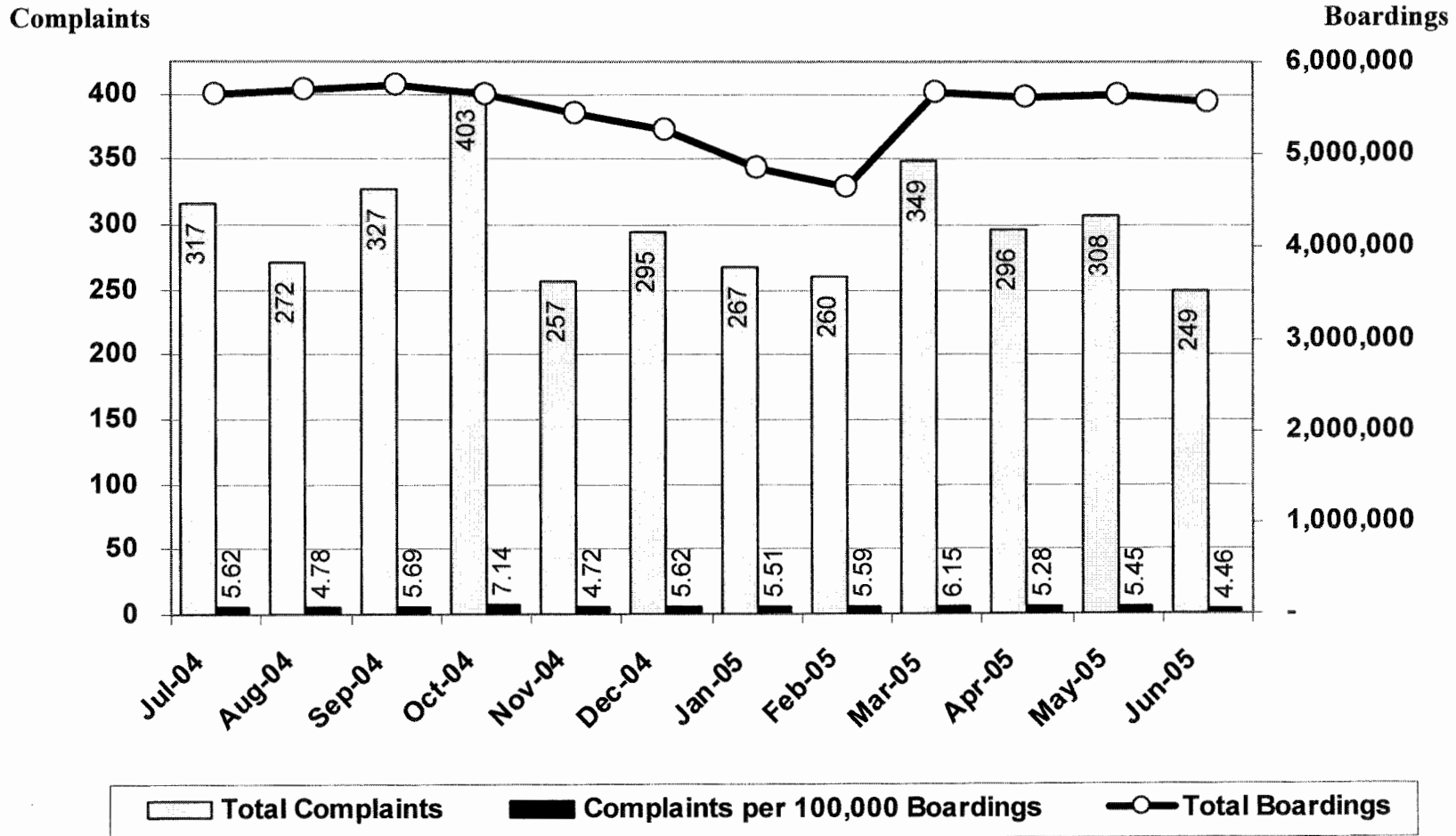
Month	Current	Previous YR	% Change	Current Fiscal YTD	Previous Fiscal YTD	% YTD Change	Complaints per 100,000 Boardings	Top Routes ( ) Indicates total comments per route.
Jul-04	27	24	13%	27	24	13%	0.48	29(4); 43/47/53/57/64(2)
Aug-04	21	31	-32%	48	55	-13%	0.37	29/57/60(4); 55(2)
Sep-04	34	35	-3%	82	90	-9%	0.59	1/29/47/53/55(3); 43/56/57/64/85(2)
Oct-04	22	25	-12%	104	115	-10%	0.39	54(4); 53(3); 46/57/60(2)
Nov-04	31	29	7%	135	144	-6%	0.57	43(5); 38/42(3)
Dec-04	29	36	-19%	164	180	-9%	0.55	38/46/53/57/47/59(2)
Jan-05	39	25	56%	203	205	-1%	0.81	43(5); 29/30/57/60/64(3)
Feb-05	22	28	-21%	225	233	-3%	0.47	29(3); 30/86(2)
Mar-05	41	34	21%	266	267	0%	0.72	43/57/60(4); 64/71(3)
Apr-05	32	33	-3%	298	300	-1%	0.57	29(4); 71(3); 38/43/47/50/55/60(2)
May-05	34	38	-11%	332	338	-2%	0.6	47(4); 29/64(3); 38/42/43/46/55/60/76(2)
Jun-05	29	44	-34%	361	382	-5%	0.52	43(4); 38(3); 25/29/50/53/59/60(2)
Base 4	9	22	-59%					
Base 6	10	17	-41%					
Base 7	10	5	100%					



**No Show:** When a scheduled bus does not arrive at a stop before the next scheduled bus arrives, or if the last scheduled bus of the day does not arrive.

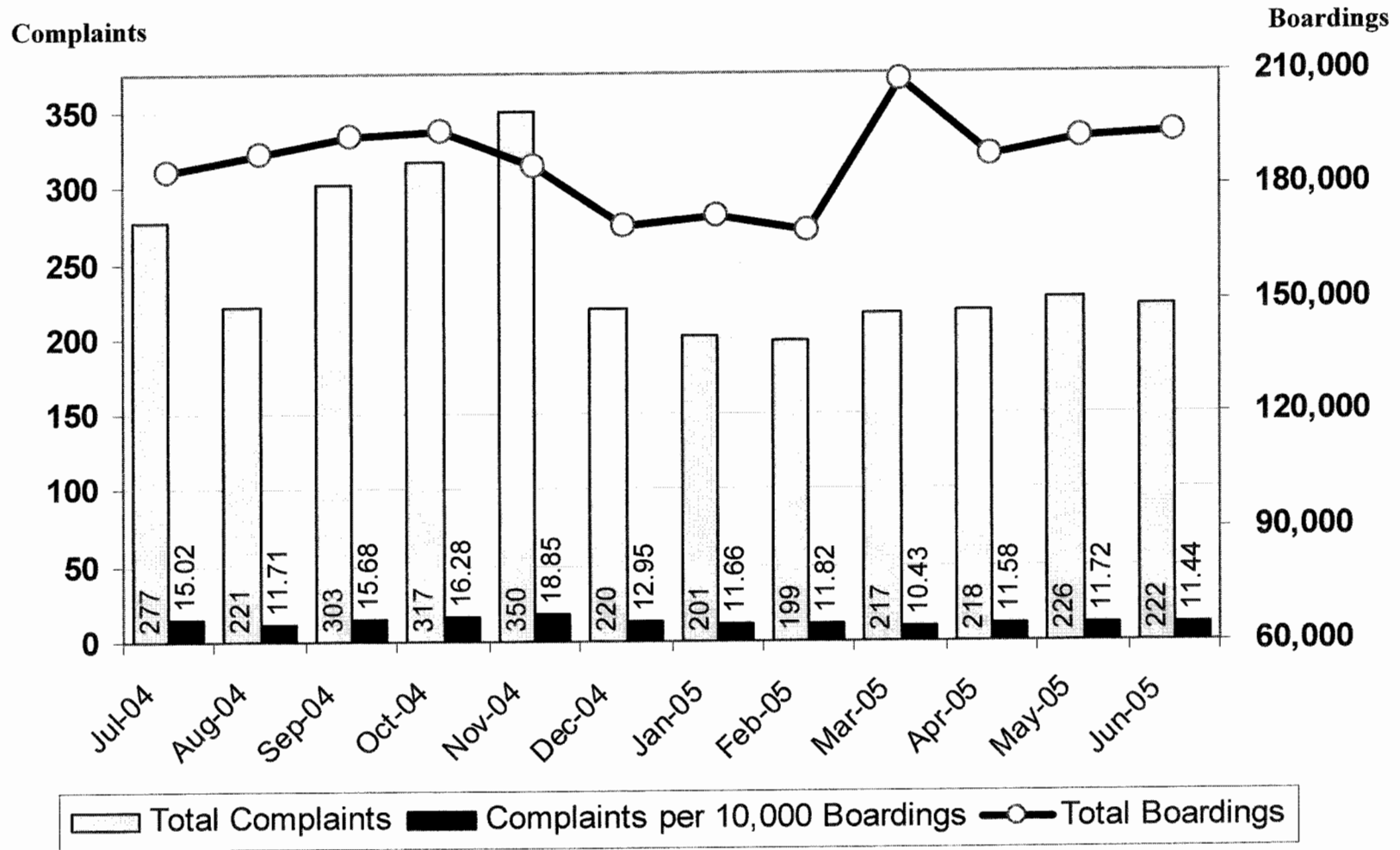
Month	Current	Previous YR	% Change	Current Fiscal YTD	Previous Fiscal YTD	% YTD Change	Complaints per 100,000 Boardings	Top Routes ( ) Indicates total comments per route.
Jul-04	12	14	-14%	12	14	-14%	0.21	29(4); 462(2)
Aug-04	12	23	-48%	24	27	-11%	0.21	59(4); 46(3); 53(2)
Sep-04	22	21	5%	46	58	-21%	0.38	60(4); 29(3); 43/51/54/71(2)
Oct-04	13	31	-58%	59	89	-34%	0.23	24(3)
Nov-04	10	7	43%	69	96	-28%	0.18	43(2)
Dec-04	15	20	-25%	84	116	-28%	0.29	43(3); 29/37/55(2)
Jan-05	14	14	0%	98	130	-25%	0.29	25/35/47(2)
Feb-05	12	5	140%	110	135	-19%	0.26	24/447/60/70(2)
Mar-05	15	13	15%	125	148	-16%	0.26	50(4); 57(2)
Apr-05	5	24	-79%	130	172	-24%	0.09	1/25/43/76/82(1)
May-05	20	28	-29%	150	200	-25%	0.35	26(3); 37/47/70/79/211(2)
Jun-05	6	18	-67%	156	218	-28%	0.11	59(2); 24/55/82/91(1)
Base 4	2	6	-67%					
Base 6	1	9	-89%					
Base 7	3	3	0%					

# Fixed Route Operations Complaints



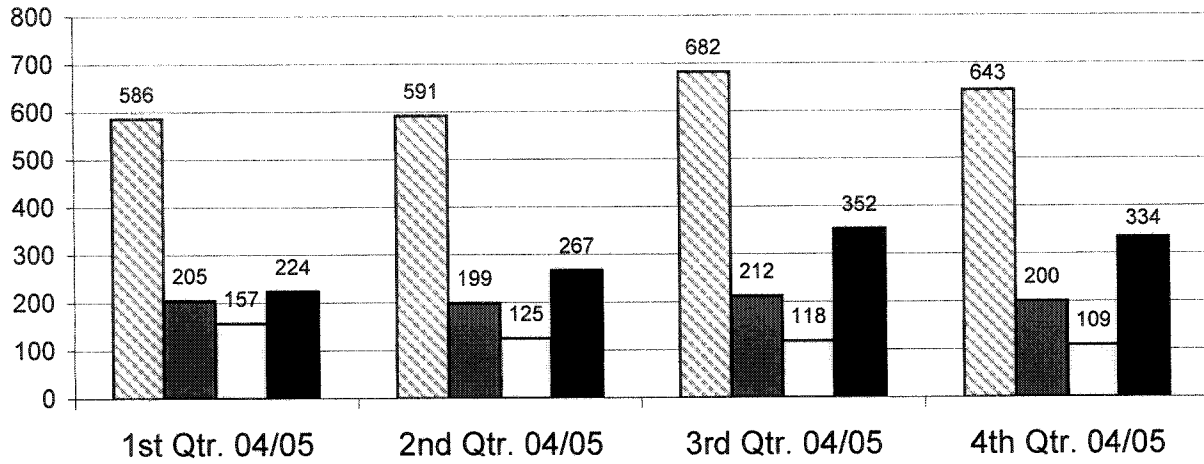
ATTACHMENT B

# Contracted Service Complaints

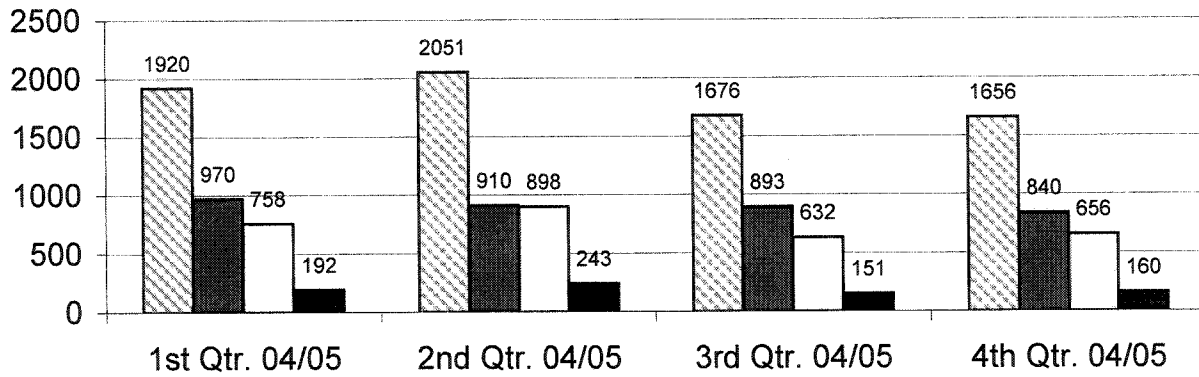


ATTACHMENT C

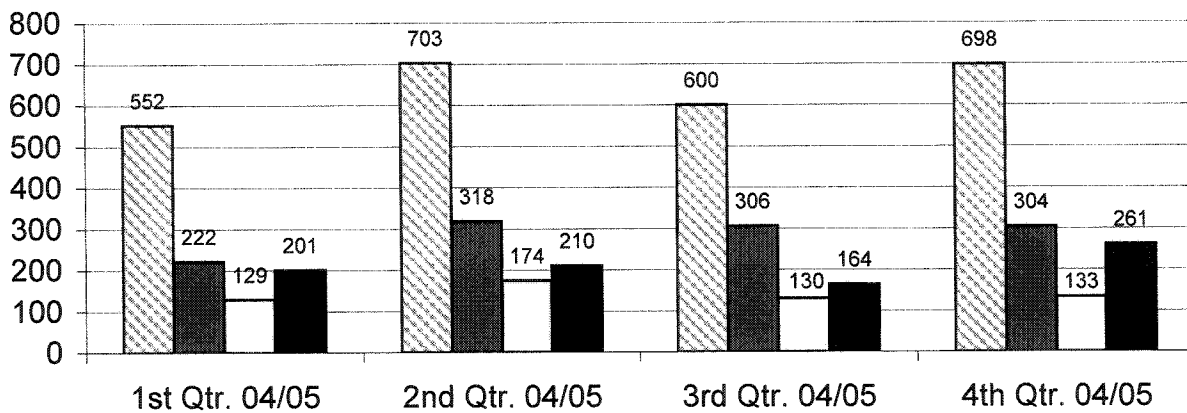
### Total Compliments



### Total Complaints

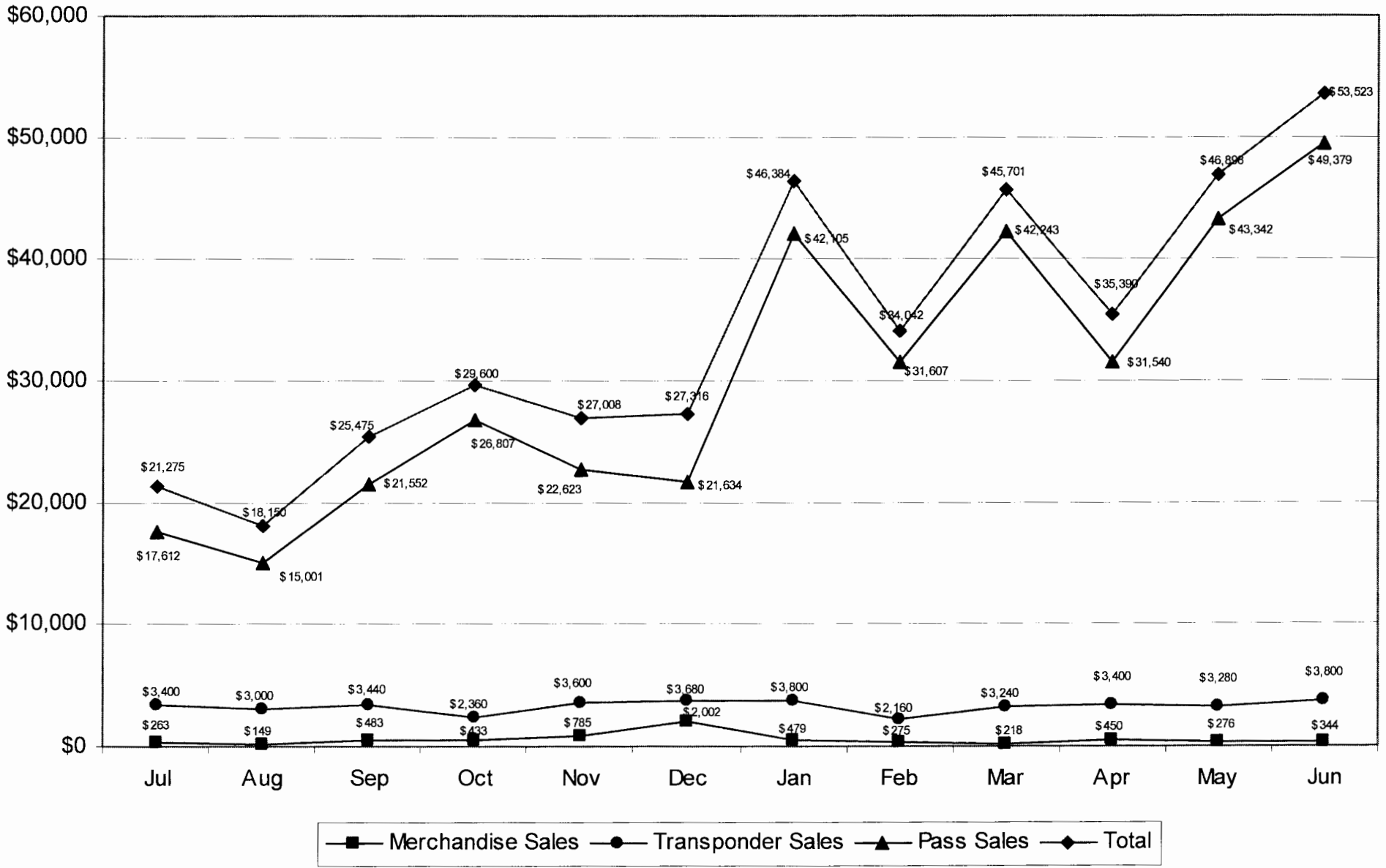


### Total Comments



Total
  Fixed Route Operations
  Contracted Service
  Other

## OCTA Store Revenue 2004/2005



**Pass Sales Section Monthly Sales Totals  
Pass-By-Mail, Telephone, On-Line Orders**

PASS TYPE	Jan-05	Feb-05	Mar-05	Apr-05	May-05	Jun-05
	QUANTITY SOLD	QUANTITY SOLD	QUANTITY SOLD	QUANTITY SOLD	QUANTITY SOLD	QUANTITY SOLD
Senior/Disabled Pass	363	601	671	607	599	674
Student Pass	12	0	0	0	0	0
Regular Pass	483	489	607	624	581	624
Youth Pass	223	699	689	690	519	218
Summer Youth Pass	0	0	0	0	328	785
Regular PP Day Pass	7,610	4,557	8,082	4,207	8,624	11,109
Sr/Disabled PP Day Pass	1,225	721	626	1,355	990	1,610
7-Day pass	8	8	51	15	67	23
7-Day Sr/Dis pass	1	5	0	4	4	4
15-Day Pass	39	23	33	20	44	25
15-Day Pass	4	8	8	8	5	4
ACCESS Coupons	2,902	2,303	3,177	2,879	2,651	2,679
Door-to-Door Cpns	129	107	325	139	290	117
Express Pass	38	33	57	45	45	46
Beach Train Tickets	0	0	0	0	0	0
RFID Duplicates	223	51	66	23	25	19
Number of Transactions	2,075	2,021	2,229	1,925	2,287	2,450
On-line Sales <small>(Included in Sales Totals below)</small>	\$15,055.50	\$21,077.50	\$24,290.40	\$22,811.50	\$26,026.00	\$33,881.50
<b>Sales Totals</b>	<b>\$139,600.70</b>	<b>\$ 119,842.75</b>	<b>\$161,941.80</b>	<b>\$141,028.95</b>	<b>\$157,691.15</b>	<b>\$176,166.80</b>

Prior Year Monthly Sales	Jun-04
Senior/Disabled Pass	573
Student Pass	24
Regular Pass	973
Summer Youth Pass	812
7-Day pass	14
7-Day Sr/Dis pass	7
15-Day Pass	22
15-Day Pass	3
Regular PP Day Pass	5,752
Sr/Disabled PP Day Pass	925
ACCESS Coupons	3,303
Door-to-Door Cpns	406
Express Pass	30
RFID Duplicates	71
Number of Transactions	2,343
<b>Sales Totals</b>	<b>\$151,209.85</b>





**September 12, 2005**

**To:** Members of the Board of Directors  
**From:** Arthur T. Leahy, Chief Executive Officer <sup>ATL/wk</sup>  
**Subject:** Excess Workers' Compensation Insurance Policy

**Overview**

The Orange County Transportation Authority currently has a purchase order with the ACE American Insurance Company, for an Excess Workers' Compensation Insurance and Employer's Liability Policy. This policy expires September 30, 2005.

**Recommendation**

Authorize the Chief Executive Officer to issue a purchase order with the ACE American Insurance Company, in an amount not to exceed \$700,000, for excess workers' compensation insurance and employer's liability coverages.

**Background**

Employers are required by Section 3700 of the California Labor Code to secure payment of workers' compensation benefits by being insured or self-insured with the approval of the Director of the Industrial Relations Department. Orange County Transportation Authority (OCTA) has been self-insured since 1977.

OCTA purchases excess workers' compensation insurance to provide coverage for major losses. The excess insurance company provides statutory workers' compensation liability coverage above the self-insured retention (SIR) level. OCTA is currently self-insured up to a retention level of \$1 million per workers' compensation claim or occurrence with the ACE American Insurance Company (ACE). The excess insurance carrier reimburses OCTA for amounts that exceed the SIR level of \$1 million. An insurer may limit their liability for this coverage above the SIR level with a cap on the dollar amount, with the employer then being responsible for claim costs exceeding that dollar limit. OCTA's current policy does not include a cap, therefore, the excess insurance carrier is responsible for all costs above the SIR of \$1 million.



Employer's liability is an additional coverage provided by excess insurance carriers as part of the standard excess policy. The employer's liability coverage includes the costs for defending OCTA in a lawsuit that may result in punitive damages, but excludes any award of damages. For example, if OCTA was charged with a serious and willful action that caused injury to an employee, the employer's liability coverage would pay for the cost of legal defense of the charge. This coverage is usually quoted with a maximum set dollar amount that the reinsurer will reimburse OCTA. The current employer's liability coverage policy limit through ACE is \$1 million. OCTA has not had to use this coverage.

With the recent decrease in OCTA's claims experience and California employers beginning to see the impact of prior years' legislation, OCTA staff formulated a strategy on this renewal to reduce the SIR level from \$1 million to \$750,000, and also to reduce the current premium rate so as to provide the best financial protection at the lowest cost to OCTA. OCTA's Broker of Record, Marsh Risk and Insurance Services (Marsh), was provided this strategy to convey to the insurance market.

### ***Discussion***

This procurement was handled by Marsh, OCTA's Broker of Record. Marsh contacted six companies for a quote on excess workers' compensation insurance coverage. These companies are Wexford, Midwest Employers, Insurance Corporation of Hanover, American International Group (AIG), ACE American Insurance Company and Safety National.

Wexford declined to quote as they are not currently underwriting transit agencies. Midwest Employers also declined to quote as they were only able to provide a quote with a cap on their liability at \$10 million.

Quotes were received from Insurance Corporation of Hanover, AIG, ACE and Safety National (Attachment A). Insurance Corporation of Hanover and Safety National each placed a cap of \$25 million on their liability above the SIR. The quotes provided by AIG and ACE included no cap, therefore, offering coverage to the statutory limits.

OCTA's current policy with ACE has an aggregate SIR of \$1 million per claim or occurrence and coverage to statutory limits with a rate of \$0.8251 per \$100 of payroll. The quotes provided by AIG included SIR levels of \$1 million and \$750,000, with AIG quoting rates of 22 percent and 13 percent respectively, over the proposed rates by ACE.

ACE provided a quote for a SIR level of \$1 million and coverage to statutory limits with a rate of \$0.7419 per \$100 of payroll. This is a 10 percent reduction in premium versus the current policy. ACE also provided a quote for a SIR level of \$750,000, and coverage to statutory limits with a rate of \$1.0014 per \$100 of payroll. This represents a premium increase of 21 percent over the current policy. OCTA staff aggressively negotiated with ACE to reduce the SIR level to \$750,000, and to reduce the premium, however, ACE was unable to secure an agreement with a reinsurer at a lower cost which would have enabled them to lower the premium quote to OCTA at the SIR level of \$750,000. Therefore, due to the current market conditions, the quote received from ACE for the same SIR level of \$1 million as currently in place is the most competitive.

Marsh has no market service agreements and no longer collects contingent commissions. Marsh has disclosed that the commission on the current policy with ACE is 10 percent or \$71,118. The proposed commission for the new policy with ACE will also be 10 percent or \$65,726.

#### Fiscal Impact

Funds in the amount of \$825,400, are budgeted for this purchase order in fiscal year 2005-06 Internal Service Fund Account 0041. Funds of \$42,743, will be requested for fiscal year 2006-07 to cover any premium owing after the year-end policy audit.

#### **Summary**

Orange County Transportation Authority directed Marsh Risk and Insurance Services to market and place an excess workers' compensation insurance policy and four quotes were received. Based on the quotes received, staff recommends that it is the best interest of Orange County Transportation Authority to insure with ACE American Insurance Company for an Excess Workers' Compensation Insurance and Employer's Liability Policy with a self-insured retention level of \$1 million, with statutory workers' compensation coverage and \$1 million employer's liability coverage for the period of October 1, 2005, through September 30, 2006, at a rate of \$0.7419 per \$100 of payroll.

This policy with ACE American Insurance Company provides the best coverage as well as the greatest financial protection to Orange County Transportation Authority at the lowest cost.

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**Attachment**

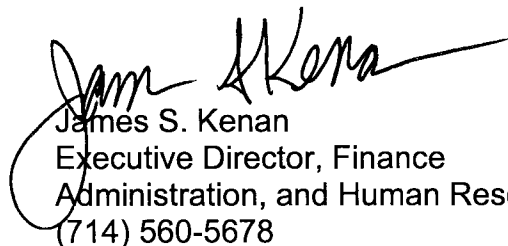
- A. Excess Workers' Compensation Insurance Renewal Summary.

**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

EXCESS WORKERS' COMPENSATION INSURANCE RENEWAL SUMMARY

Carrier	Current Program ACE American Ins. Co.	ACE American Ins. Co.	Ins Corp. of Hannover	AIG	Safety National
AM Best Rating	A+ XV	A+ XV	A XV	A+ X	A IX
<b>\$750,000 Self Insured Retention Level</b>					
WC Limit Each Accident		Statutory	\$25,000,000	Statutory	
EL Limit Each Accident		\$1,000,000	\$1,000,000	\$1,000,000	
Rate per \$100 of Payroll		1.0014	0.9576	1.1288	
CIGA Surcharge (2% of annual premium)		\$17,741	\$16,968	\$20,000	
Minimum Premium		\$887,055	\$848,387	\$1,000,000	
<b>\$1,000,000 Self Insured Retention Level</b>					
WC Limit Each Accident	Statutory	Statutory	\$25,000,000	Statutory	\$25,000,000
EL Limit Each Accident	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Rate per \$100 of Payroll	0.8251	0.7419	0.629	0.903	0.385
CIGA Surcharge (2% of annual premium)	\$14,224	\$13,145	\$11,544	\$16,000	\$6,821
Minimum Premium	\$711,184	\$657,257	\$577,226	\$800,000	\$341,056



BOARD COMMITTEE TRANSMITTAL



**September 12, 2005**

**To:** Members of the Board of Directors

**From:** Wendy Knowles, Clerk of the Board

**Subject:** Award of Construction Contract for Americans with Disabilities Act Bus Stop Modifications (Phase 3, Construction Package 5)

This item will be considered by the Transit Planning and Operations Committee on September 8, 2005. 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.



**September 8, 2005**

**To:** Transit Planning and Operations Committee  
**From:** *ATL*  
Arthur T. Leahy, Chief Executive Officer  
**Subject:** Award of Construction Contract for Americans with Disabilities Act Bus Stop Modifications (Phase 3, Construction Package 5)

**Overview**

As part of the Orange County Transportation Authority's Fiscal Year 2005-06 Budget, the Board approved construction of Americans with Disabilities Act improvements at the Orange County Transportation Authority's bus stops countywide. Bids were received in accordance with the Orange County Transportation Authority's public works procurement procedures. Board approval is requested to execute an agreement.

**Recommendation**

Authorize the Chief Executive Officer to execute Agreement C-5-2450, between the Orange County Transportation Authority and L.H. Engineering Co., Inc., the lowest responsive, responsible bidder, in an amount not to exceed \$837,000, for Americans with Disabilities Act Bus Stop Modifications in the Cities of Orange and Santa Ana.

**Background**

The Orange County Transportation Authority (Authority) established a goal of making all bus stops accessible to persons with disabilities as required by the Americans with Disabilities Act (ADA). The Bus Stop Accessibility Program (BSAP) was established to address ADA deficiencies present at bus stops throughout the County. A 1996 study found that a majority of Orange County's more than 6,000 bus stops required improvements to comply with federal access standards. The Board of Directors dedicated the use of the Transportation Development Act (TDA) Article 3 funds to bring the Authority's bus stops into compliance. The modifications include constructing wheelchair ramps at the intersections, adding sidewalks, and removing or relocating obstructions, such as shelters, benches, signs, and landscaping.

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During the first phase of the BSAP, bus stop improvements were performed by local agencies. In total, over \$2.4 million was allocated to cities to improve accessibility to approximately 1,750 bus stops. Of the 1,750 stops, 1,335 required construction improvements.

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

The third phase of the BSAP is underway and engineering design is nearly complete for the remaining stops. Invitation for Bids (IFB) are planned to be issued incrementally for the remaining construction packages. A total of 12 packages are anticipated to be issued in Phase 3. This approach will allow the construction of ADA bus stop improvements to occur sooner and will provide more contracting opportunities with the Authority. This phase will address the remaining 3,000 stops in the County with an estimated cost of \$7.5 million. Phase 3, Construction Package 5 will improve 88 intersections in the Cities of Orange and Santa Ana. Completion of Phase 3 is intended to bring all bus stops into ADA compliance.

### ***Discussion***

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

On July 13, 2005, IFB 5-2450 was released and posted on CAMMNet and an electronic notification was sent to 384 firms. The project was advertised on July 15 and July 18, 2005, in a newspaper of general circulation. A pre-bid conference was held on July 20, 2005, and was attended by four firms. Addendum No. 1 was issued on July 21, 2005, to address administrative issues. On August 17, 2005, three bids were received. Bids were reviewed by staff from Construction & Engineering and Contracts Administration and Materials Management to ensure compliance with the terms and conditions, specifications,



**Award of Construction Contract for Americans with Disabilities Act Bus Stop Modifications (Phase 3, Construction Package 5)**

and drawings. Listed below are the three lowest bids received. State law requires award to the lowest responsive, responsible bidder.

<u>Firm and Location</u>	<u>Bid Price</u>
L.H. Engineering Co., Inc. Anaheim, California	\$837,000
C.J. Construction, Inc. Whittier, California	\$897,230
Olivas Valdez, Inc. Covina, California	\$1,367,367

The Authority's Disadvantaged Business Enterprise goal of 15 percent was met by L.H. Engineering Co Inc., the lowest responsive, responsible bidder.

**Fiscal Impact**

This project was approved in the Authority's Fiscal Year 2005-06 Construction & Engineering Budget, Account 0051-9084-A4201-L99, and is funded by BSAP Program Funds through Federal Transit Transportation Equity Act, TDA Article 3, and Grant CA-90-4349, the Fiscal Year 2006 Formula Grant.


**Summary**

Staff is requesting approval of Agreement C-5-2450, in the amount of \$837,000, with L.H. Engineering Co. Inc., the lowest responsive, responsible bidder, for construction of ADA Bus Stop Modifications (Phase 3, Construction Package 5) in the Cities of Orange and Santa Ana.

**Attachment**

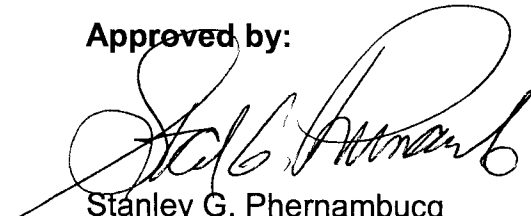
None.

**Prepared by:**



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

**Approved by:**



Stanley G. Phernambucq  
Executive Director,  
Construction & Engineering  
(714) 560-5440





BOARD COMMITTEE TRANSMITTAL

**September 12, 2005**

**To:** Members of the Board of Directors  
*WK*  
**From:** Wendy Knowles, Clerk of the Board  
**Subject** Fourth Quarter Fiscal Year 2004-05 Procurement Report

Finance and Administration Committee

August 24, 2005

**Present:** Directors Wilson, Duvall, Campbell, Correa, Cavecche, and Ritschel  
**Absent:** None

**Committee Vote**

This item was passed by all Committee Members present.

Committee Member Silva was not present to vote on this item.

**Committee Recommendation**

Receive and file as an information item.



**August 24, 2005**

**To:** Finance and Administration Committee  
**From:** Arthur T. Leahy, <sup>ML</sup> Chief Executive Officer  
**Subject:** Fourth Quarter Fiscal Year 2004-05 Procurement Report

**Overview**

The Fourth Quarter Procurement Report provides an update of the procurement activities for the fiscal year 2004-05, from July 1, 2004, through June 30, 2005. This report focuses on total dollars procured by each Orange County Transportation Authority division.

**Recommendation**

Receive and file as an information item.

**Background**

Staff has prepared a cumulative summary of all signed contracts and purchase orders completed July 1, 2004 through June 30, 2005, (Attachment A and Attachment B). The report represents both fixed assets and professional services that the Orange County Transportation Authority (OCTA) executed against authorized line items approved in the fiscal year (FY) 2004-05 budget.

**Discussion**

Through the fourth quarter of FY 2004-05, OCTA has procured 62 fixed assets valued at \$425,656,967. The total value of all budgeted fixed assets equates to \$467,069,214. These assets represent 91 percent of the total fixed asset budget.

The remaining fixed assets were either cancelled because of project changes or re-budgeted in the FY 2005-06 budget. Some of the re-budgeted items include, articulated bus repair bays at the Garden Grove Base, automated coach operator reporting system re-engineering project, two brake check systems, the Riverside Freeway (State Route 91) Lane Equipment Upgrade,

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the Irvine Base maintenance building modifications, and underground storage tank modifications.

The largest procurements during this quarter were 20 engine replacements for the 7300 series buses at a value of \$1,147,024, and for the Peralta Hills Soundwall construction project valued at \$1,355,339.

The professional services budget for the FY 2004-05 is valued at \$96,755,074. OCTA has procured 221 professional services at a cost of \$27,157,662, this represents 28 percent of the total budget.

Some professional services were re-budgeted or cancelled also this year because of project changes. Those that have been re-budgeted in the FY 2005-06 budget include soil remediation services for the bases and the implementation of the OCTA Action Plan aimed at improving the delivery of local streets and roads projects. The southbound Santa Ana Freeway (Interstate 5) off ramps at Oso Parkway and Culver Drive, the Interstate 5 South Corridor Major Investment Study, bus rapid transit signal priority design, Commuter Rail capital project feasibility study, and the State Route 91/Costa Mesa Freeway (State Route 55) project definition study.

The two largest professional services procured during the fourth quarter were for the development of a project report and environment documents to widen the northbound Orange Freeway (State Route 57) from Orangethorpe Avenue to Lambert Road. This project is valued at \$1,168,108. The other was a preliminary engineering and environmental impact report for the Garfield/Gisler Bridge, over the Santa Ana River valued at \$434,399.

### **Summary**

This report provides an update of the procurement activities for the fiscal year 2004-05, from July 1, 2004, through June 30, 2005. Staff recommends this report be received and filed as an information item.

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**Attachments**

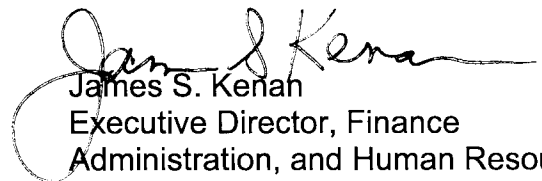
- A. Fourth Quarter Fixed Assets, Purchased by Line Item, July 1, 2004 through June 30, 2005.
- B. Fourth Quarter Professional Services, Purchased by Line Item, July 1, 2004 through June 30, 2005.

**Prepared by:**



Linda Hunter  
Senior Financial Analyst  
CMM  
(714) 560-5625

**Approved by:**



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

**FOURTH QUARTER FIXED ASSETS**  
**Purchased by Line Item**  
**July 1, 2004 through June 30, 2005**

	Description of Line Item	Line Item Total	Amount Purchased
<b>FINANCE, ADMINISTRATION, AND HR DIVISION</b>			
INFORMATION SYSTEMS TECHNICAL SERVICES	TELECOMMUNICATIONS SYSTEMS UPGRADE	\$70,000	\$45,196
INFORMATION SYSTEMS TECHNICAL SERVICES	DATA CENTER HARDWARE/SOFTWARE	52,857	52,482
INFORMATION SYSTEMS TECHNICAL SERVICES	DISK ARRAY	159,643	159,643
INFORMATION SYSTEMS TECHNICAL SERVICES	HEWLETT PARCKARD PROLIANT SERVERS	57,500	54,393
INFORMATION SYSTEMS TRANSIT ASSETS	TELEPHONE SYSTEM - SANTA ANA BASE	174,963	174,963
GENERAL SERVICES	MICROFILM CAMERA	15,000	11,565
MATERIALS MGMT ADMIN	NARROW ISLE FORKLIFT	34,000	31,980
ACCOUNTING TRANSIT ASSETS	PAYROLL SOFTWARE-POST IMPLEMENTATION SUPPORT	460,208	460,208
	<b>DIVISION TOTAL</b>	<b>\$1,024,171</b>	<b>\$990,431</b>
<b>EXTERNAL AFFAIRS DIVISION</b>			
MARKETING & CUSTOMER RELATIONS	WEB SERVER	\$15,000	\$10,208
	<b>DIVISION TOTAL</b>	<b>\$15,000</b>	<b>\$10,208</b>
<b>TRANSPORTATION SYSTEMS DEVELOPMENT DIVISION</b>			
LOCAL TRANSPORTATION AUTHORITY	FREEWAY SERVICE PATROL TOW SERVICES FOR 22 FREEWAY	\$500,000	\$500,000
LOCAL TRANSPORTATION AUTHORITY	SR-22 DESIGN/BUILD PROJECT HIGHWAY PATROL	500,000	350,000
LOCAL TRANSPORTATION AUTHORITY	SR-22 DESIGN/BUILD PROJECT POLICE & TRAFFIC ENGINEERING	250,000	250,000
LOCAL TRANSPORTATION AUTHORITY	PACIFIC ELECTRIC RIGHT-OF-WAY LANDSCAPE CONSTRUCTION	75,000	66,852
LOCAL TRANSPORTATION AUTHORITY	SANTA ANA FREEWAY FAR NORTH RIGHT-OF-WAY ACQUISITION	19,955,000	15,000,000
LOCAL TRANSPORTATION AUTHORITY	SANTA ANA FREEWAY FAR NORTH RIGHT-OF-WAY UTILITIES	1,500,000	1,000,000
LOCAL TRANSPORTATION AUTHORITY	PERALTA HILLS SOUNDWALL CONSTRUCTION	2,290,000	1,355,339
LOCAL TRANSPORTATION AUTHORITY	I-405/SR-55 MOS 2&3 CALTRANS CONSTR. MGMT	645,000	645,000
LOCAL TRANSPORTATION AUTHORITY	I-405/SR-55 MOS 2&3 CONSTRUCTION MGMT	1,300,000	690,000
LOCAL TRANSPORTATION AUTHORITY	SANTA ANA FREEWAY FAR NORTH CONSTRUCTION MANAGEMENT	200,000	200,000
LOCAL TRANSPORTATION AUTHORITY	PERALTA HILLS SOUNDWALL CONSTRUCTION	300,000	271,810
LOCAL TRANSPORTATION AUTHORITY	SR-55, 17TH ST LANDSCAPE CONSTR. MGMT	25,000	25,000
LOCAL TRANSPORTATION AUTHORITY	GARDEN GROVE FREEWAY HOV LANE DESIGN/BUILD PROJECT	395,081,000	395,080,284
ENGINEERING	CONSTRUCTION MGMT - SANTA ANA BASE	550,000	105,000
ENGINEERING	SANTA ANA BASE CONSTRUCTION - CHANGE ORDERS	2,000,000	1,363,497
ENGINEERING	TESTING AND INSPECTION - SANTA ANA BASE	400,000	71,677
ENGINEERING	AMERICANS DISABILITIES ACT MODIFICATIONS ALL BASES	125,000	84,556
ENGINEERING	EXHAUST & LNG GAS DETECTION SYSTEM AT SANTA ANA TRANSIT TERMINAL & LAGUNA HILLS TRANSPORTATION CENTER	1,000,000	586,000
ENGINEERING	LNG MODS-ANAHEIM & GG BASES - CONTRACT CHANGE ORDERS	50,000	17,090
ENGINEERING	LNG VENT SYSTEM - CONTRACT CHANGE ORDERS	15,168	15,168
ENGINEERING	ROOF REPLACEMENT - ANAHEIM BASE	352,519	352,519
SAN DIEGO FREEWAY / COSTA MESA FREEWAY TRANSIT WAY CAPITAL PROJECT	SAN DIEGO FREEWAY/COSTA MESA FREEWAY- MINIMUM OPERATING SEGME	140,000	140,000
	<b>DIVISION TOTAL</b>	<b>\$427,253,687</b>	<b>\$418,169,792</b>
<b>PLANNING DEVELOPMENT AND COMMUTER SERVICES DIVISION</b>			
RIVERSIDE FREEWAY TOLL ROAD	ANAHEIM LEASEHOLD IMPROVEMENTS	\$300,000	\$185,275
	<b>DIVISION TOTAL</b>	<b>\$300,000</b>	<b>\$185,275</b>
<b>OPERATIONS DIVISION</b>			
COMM TRANSIT SERVICES-ADMIN	FIRE DETECTORS ON NATURAL GAS BUSES	\$579,251	\$579,251
COMM TRANSIT SERVICES-ADMIN	TRAPEZE SOFTWARE	19,695	19,695
CENTRAL COMMUNICATIONS	AREA RADIO COVERAGE TESTING	300,000	283,521
CENTRAL COMMUNICATIONS	CONSULTING INTEGRATED TRANSP COMMUNICATION SYSTEM PROJECT	207,500	57,500
TRANSIT OPERATIONS-TRANSIT TECHNICAL SERVICE	CUMMINS NATURAL GAS ENGINE	30,000	25,000
TRANSIT OPERATIONS-TRANSIT TECHNICAL SERVICE	ENGINE REPLACEMENT	1,165,500	1,147,023
TRANSIT OPERATIONS-TRANSIT TECHNICAL SERVICE	INSTRUMENTATION	25,000	22,404
TRANSIT OPERATIONS-TRANSIT TECHNICAL SERVICE	NABI/LNG FUEL SYSTEM DEVELOPMENT	25,000	12,114
TRANSIT OPERATIONS-TRANSIT TECHNICAL SERVICE	OPTICAL FIRE DETECTORS FOR 7200/7300 SERIES	248,240	248,239
TRANSIT OPERATIONS-TRANSIT TECHNICAL SERVICE	REPLACEMENT ENGINES FOR 7200 SERIES BUSES	100,000	94,000
TRANSIT OPERATIONS-TRANSIT TECHNICAL SERVICE	TEST/TRANSITION OF LNG NOZZLE & RECEPTACLE	175,000	148,500
TRANSIT OPERATIONS-TRANSIT TECHNICAL SERVICE	TRAVEL FOR 96 PARATRANSIT BUSES	75,000	75,000
TRANSIT OPERATIONS-TRANSIT TECHNICAL SERVICE	WINDOW FILM TESTING- GRAFFITI ABATEMENT	100,000	35,884
TRANSIT SECURITY	FULL SIZED SHERIFF SEDANS	70,000	52,430
TRAINING & DEVELOPMENT - BUS OPERATIONS	VIGILVANGUARD DRIVER TRAINING SYSTEM	53,875	53,875
TRAINING & DEVELOPMENT - BUS MAINTENANCE	THERMO KING HVAC TRAINER	26,000	21,426
FACILITIES MAINTENANCE	SECURITY UPGRADE	994,840	495,609
FACILITIES MAINTENANCE	SOLAR LIGHT FOR NIGHT OWL SERVICE	175,000	174,000

**FOURTH QUARTER FIXED ASSETS**  
**Purchased by Line Item**  
**July 1, 2004 through June 30, 2005**

	<b>Description of Line Item</b>	<b>Line Item Total</b>	<b>Amount Purchased</b>
FACILITIES MAINTENANCE	15HP AIR COMPRESSOR	8,000	6,675
FACILITIES MAINTENANCE	VACUUM PUMP & MASPECTROMETER	150,000	149,126
FACILITIES MAINTENANCE	PAN & TILT CAMERA ISSUES	1,500	1,500
MAINTENANCE RESOURCE MANAGEMENT	ELECTRIC CARTS	44,000	40,080
MAINTENANCE RESOURCE MANAGEMENT	FIELD OPERATIONS SEDANS	140,000	103,964
MAINTENANCE RESOURCE MANAGEMENT	FORKLIFT, YARD EQUIPMENT	150,000	100,753
MAINTENANCE SANTA ANA ADMIN	FURNITURE, FIXTURES & EQUIPMENT	125,000	100,000
MAINTENANCE SANTA ANA ADMIN	COMPUTER WORK STATIONS	69,792	22,519
MAINTENANCE - IRVINE	A/C REFRIDGERANT RECOVERY SYSTEM	14,000	11,190
MAINTENANCE - IRVINE	TIRE BALANCER	14,240	14,240
MAINTENANCE - IRVINE	TIRE CHANGE MACHINE	10,920	10,919
TRANSIT DEVELOPMENT CAPITAL PROJECT	AMERICANS W/DISABILITIES ACT-BUS STOP MODIFICATIONS	2,701,500	2,194,824
	<b>DIVISION TOTAL</b>	<b>\$7,798,853</b>	<b>\$6,301,261</b>
	<b>GRAND TOTAL</b>	<b>\$436,391,711</b>	<b>\$425,656,967</b>
	<b>TOTAL FIXED ASSET BUDGET FOR FISCAL YEAR 2004/05</b>	<b>\$467,069,214</b>	
	<b>BUDGET REMAINING:</b>	<b>\$41,412,247</b>	
	<b>PERCENT OF ANNUAL BUDGET SPENT TO DATE:</b>		<b>91%</b>

62 records listed.



**FOURTH QUARTER PROFESSIONAL SERVICES  
Purchased by Line Item  
July 1, 2004 through June 30, 2005**

**ATTACHMENT B**

	<b>Description of Line Item</b>	<b>Purchased Line Item Total</b>	<b>Amount Purchased</b>
<b>EXECUTIVE DIRECTOR DIVISION</b>			
CLERK OF THE BOARD	COURT REPORTING SERVICES	\$5,000	\$4,985
CLERK OF THE BOARD	PROFESSIONAL FRAMING SERVICES	3,000	2,653
CLERK OF THE BOARD	PUBLICATION OF PUBLIC NOTICES	5,000	2,508
INTERNAL AUDIT	GENERAL AUDITING SERVICES	325,000	46,500
GOVERNMENT RELATIONS	STATE LOBBYIST CONTRACT	339,984	339,984
FEDERAL GOVERNMENT RELATIONS	WASHINGTON LOBBYIST	525,000	525,000
SAFETY AND ENVIRONMENTAL COMPLIANCE	HEALTH AND WELLNESS	20,921	16,921
SAFETY AND ENVIRONMENTAL COMPLIANCE	OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION COMPLIANCE	32,500	15,821
SAFETY AND ENVIRONMENTAL COMPLIANCE	WELLNESS PROGRAM	16,579	7,128
SAFETY AND ENVIRONMENTAL COMPLIANCE	WELLNESS PROGRAM	20,000	3,238
ORANGE COUNTY TRANSIT DISTRICT - SAFETY	BUS WASH CLARIFIER REGULATORY UPDATE	30,000	4,965
ORANGE COUNTY TRANSIT DISTRICT - SAFETY	COACH OPERATOR ERGONOMICS TRAINING	39,725	33,150
ORANGE COUNTY TRANSIT DISTRICT - SAFETY	COACH OPERATOR HEALTH PROMOTIONS	10,000	6,540
ORANGE COUNTY TRANSIT DISTRICT - SAFETY	FITNESS CENTER STAFFING	90,000	87,000
ORANGE COUNTY TRANSIT DISTRICT - SAFETY	OPERATIONS SAFETY PROMOTIONS	15,000	3,834
	<b>DIVISION TOTAL</b>	<b>\$1,477,709</b>	<b>\$1,100,228</b>
<b>FINANCE, ADMINISTRATION, AND HUMAN RESOURCES DIVISION</b>			
EXECUTIVE DIRECTOR FINANCE, ADMINISTRATION AND HUMAN RESOURCES	MANAGEMENT STUDIES	\$25,000	\$2,000
TREASURY	INVESTMENT ADVISORY	12,000	12,000
ACCOUNTING & FINANCIAL REPORTING	COMMERCIAL BANKING SERVICES	100,000	48,692
CENTRAL COUNTING FACILITY	ARMORED CAR SERVICE	265,000	66,450
CENTRAL COUNTING FACILITY	COIN PROCESSING/COUNTING	275,000	115,000
FINANCIAL PLANNING & ANALYSIS	ECONOMIC ADVISORY SERVICES	24,000	24,000
FINANCIAL PLANNING & ANALYSIS	PERFORMANCE MEASUREMENTS CONSULTING	15,000	15,000
CONTRACTS ADMIN & MATERIALS MANAGEMENT	PUBLIC WORKS/LABOR COMPLIANCE CONSULTANT	85,000	85,000
CONTRACTS ADMIN & MATERIALS MANAGEMENT	ONLINE PUBLIC WORKS BIDDING SERVICE	7,500	7,500
CONTRACTS ADMIN & MATERIALS MANAGEMENT	SMALL BUSINESS CONFERENCE & VENDOR FAIR	152,334	152,334
CONTRACTS ADMIN & MATERIALS MANAGEMENT	VENDOR OUTREACH PROGRAMS	20,000	150
CONTRACTS ADMIN & MATERIALS MANAGEMENT	TEAMBUILDING CONSULTANT	10,000	10,000
CONTRACTS ADMIN & MATERIALS MANAGEMENT	CUSTOMER SERVICE STUDY CONSULTANT	50,000	48,557
CONTRACTS ADMIN & MATERIALS MANAGEMENT	REDESIGN PROCUREMENT POLICY AND PROCEDURE MANUAL	10,000	10,000
MATERIALS MANAGEMENT ADMIN	FREIGHT TRANSPORT SERVICES	36,168	36,168
INFORMATION SYSTEMS ADMINISTRATION	BALANCED SCORECARD AUDIT	10,000	10,000
INFORMATION SYSTEMS ADMINISTRATION	MAPS PROGRAMMING SUPPORT	50,000	50,000
INFORMATION SYSTEMS ADMINISTRATION	MAPS REPLACEMENT ASSISTANCE	140,000	140,000
INFORMATION SYSTEMS ADMINISTRATION	TECHNOLOGY ADVISORY SERVICES	20,000	18,054
INFORMATION SYSTEMS APPLICATION DEVELOPMENT	ORACLE/SPECIALIZED CONSULTING	185,000	150,000
INFORMATION SYSTEMS APPLICATION DEVELOPMENT	OUTSOURCED DEVELOPMENT SERVICES	530,000	440,000
INFORMATION SYSTEMS APPLICATION DEVELOPMENT	TECHNICAL CONSULTING SUPPORT	30,000	30,000
INFORMATION SYSTEMS TECHNICAL SERVICES	DISASTER RECOVERY "HOT SITE" SERVICES	50,000	50,000
INFORMATION SYSTEMS TECHNICAL SERVICES	OUTSOURCED COMPUTER OPERATOR	75,000	75,000
INFORMATION SYSTEMS TECHNICAL SERVICES	SECURITY AUDIT	45,000	37,494
BUSINESS SUPPORT SERVICES	END USER COMPUTER SOFTWARE TRAINING	42,000	11,045
BUSINESS SUPPORT SERVICES	OPERATIONAL PROJECT MANAGEMENT SERVICES	50,000	2,600
BUSINESS SUPPORT SERVICES	OUTSOURCED DESKTOP TECHNICIAN	95,000	95,000
BUSINESS SUPPORT SERVICES	TECHNICAL RESOURCE SUPPORT FOR PROJECTS	185,895	185,462
GENERAL SERVICES	OFFICE EQUIPMENT / RELOCATION SERVICES	12,000	12,000
GENERAL SERVICES	REAL ESTATE SERVICE	50,000	50,000
INTERNAL SERVICE FUND - PUBLIC LIABILITY & PROPERTY DAMAGE	INSURANCE BROKER FEE	50,000	45,000

**FOURTH QUARTER PROFESSIONAL SERVICES**

**Purchased by Line Item  
July 1, 2004 through June 30, 2005**

	<b>Description of Line Item</b>	<b>Purchased Line Item Total</b>	<b>Amount Purchased</b>
INTERNAL SERVICE FUND - WORKERS COMP	THIRD PARTY ADMIN - SELF-INSURED WORKER'S COMP	242,500	122,000
INTERNAL SERVICE FUND - HEALTH (ADMIN)	THIRD PARTY ADMIN - SELF-FUNDED MED/DENTAL PLN	120,000	105,000
INTERNAL SERVICE FUND - HEALTH (ADMIN)	HEALTH CARE BROKERAGE SERVICES	180,000	180,000
INTERNAL SERVICE FUND - HEALTH (COACH)	ADMIN FEE FOR VISION SERVICE PLAN	31,000	30,000
TRAINING & DEVELOPMENT - ADMINISTRATION	CAREER DEVELOPMENT	18,000	15,800
TRAINING & DEVELOPMENT - ADMINISTRATION	CONFLICT RESOLUTION AND COMMUNICATION SKILLS	14,000	10,018
TRAINING & DEVELOPMENT - ADMINISTRATION	LEADERSHIP TRAINING - ADMIN	30,000	14,000
TRAINING & DEVELOPMENT - ADMINISTRATION	LEADERSHIP TRAINING - OPERATIONS	25,800	23,160
TRAINING & DEVELOPMENT - ADMINISTRATION	MANAGEMENT FORUM	4,500	3,100
TRAINING & DEVELOPMENT - ADMINISTRATION	OPERATIONS TRAINING	6,500	6,000
TRAINING & DEVELOPMENT - ADMINISTRATION	TIME MANAGEMENT AND EFFICIENCY TRAINING	6,000	5,708
TRAINING & DEVELOPMENT - ADMINISTRATION	CONSULTANT SERVICES	9,000	3,000
TRAINING & DEVELOPMENT - RIDESHARE	ANNUAL VEHICLE RIDERSHIP SURVEYS	6,000	6,000
TRAINING & DEVELOPMENT - RIDESHARE	COMMUTER CLUB SYSTEM SUPPORT & MAINT	2,000	600
COMPENSATION & EMPLOYMENT	COMPENSATION CONSULTING SERVICES	25,000	25,000
COMPENSATION & EMPLOYMENT	COMPENSATION STUDY	15,000	15,000
RISK MANAGEMENT	ACCIDENT RECONSTRUCTION	5,000	5,000
RISK MANAGEMENT	INVESTIGATIVE SERVICES	5,500	5,500
RISK MANAGEMENT	PROPERTY DAMAGE APPRAISERS	3,000	2,500
EMPLOYMENT AND DIVERSITY	PRE-EMPLOYMENT BACKGROUND CHECKS	60,000	60,000
BENEFITS	DEPARTMENT OF MOTOR VEHICLES MEDICAL RECERTIFICATIONS/ DRUG TESTING / PHYSICALS	105,000	105,000
	<b>DIVISION TOTAL</b>	<b>\$3,620,697</b>	<b>\$2,776,892</b>
<b>LABOR RELATIONS / CIVIL RIGHTS DIVISION</b>			
EXECUTIVE DIRECTOR LABOR RELATIONS/CIVIL RIGHTS	CONSULTANT - LABOR RELATIONS TRAINING	\$6,000	\$6,000
EXECUTIVE DIRECTOR LABOR RELATIONS/CIVIL RIGHTS	DISADVANTAGE BUSINESS ENTERPRISE VENDOR CERTIFICATION AND COMPLIANCE	100,000	99,069
EXECUTIVE DIRECTOR LABOR RELATIONS/CIVIL RIGHTS	EMPLOYEE & LABOR RELATIONS CONSULTANT	28,950	28,950
EXECUTIVE DIRECTOR LABOR RELATIONS/CIVIL RIGHTS	FRAUD INVESTIGATION	4,000	4,000
EXECUTIVE DIRECTOR LABOR RELATIONS/CIVIL RIGHTS	NEGOTIATION MEETINGS	10,000	783
LABOR RELATIONS	COURT REPORTING SERVICES	3,500	1,750
	<b>DIVISION TOTAL</b>	<b>\$152,450</b>	<b>\$140,552</b>
<b>TRANSPORTATION SYSTEMS DEVELOPMENT DIVISION</b>			
LOCAL TRANSPORTATION AUTHORITY	ENVIRONMENTAL SERVICES	\$425,000	\$310,714
LOCAL TRANSPORTATION AUTHORITY	I-5 FAR NORTH RIGHT OF WAY SUPPORT SERVICES	1,655,000	1,500,000
LOCAL TRANSPORTATION AUTHORITY	COMBINED TRANSPORTATION FUNDING PROGRAMS APPLICATION REVIEWS	50,000	50,000
LOCAL TRANSPORTATION AUTHORITY	COMBINED TRANSPORTATION FUNDING PROGRAMS PAYMENT REQUEST REVIEWS	75,000	75,000
LOCAL TRANSPORTATION AUTHORITY	FINANCIAL ADVISOR	120,000	120,000
LOCAL TRANSPORTATION AUTHORITY	GEOGRAPHIC INFORMATION SYSTEM TECHNICAL STAFF SUPPORT	115,000	115,000
LOCAL TRANSPORTATION AUTHORITY	GROWTH AND CONGESTION MANAGEMENT PROGRAM TRAFFIC COUNTS	350,000	296,960
LOCAL TRANSPORTATION AUTHORITY	HEAVY DUTY TRUCK MODEL	70,000	70,000
LOCAL TRANSPORTATION AUTHORITY	I-5 FAR NORTH DESIGN	3,440,000	108,000
LOCAL TRANSPORTATION AUTHORITY	MEASURE M ELIGIBILITY REVIEWS	25,000	22,500
LOCAL TRANSPORTATION AUTHORITY	MASTER PLAN OF ARTERIAL HIGHWAYS STUDIES	91,671	91,671
LOCAL TRANSPORTATION AUTHORITY	PAVEMENT REHAB NEEDS/MEANS ASSESSMENT	75,000	74,300
LOCAL TRANSPORTATION AUTHORITY	PROGRAMMING DATABASE	85,000	67,669
LOCAL TRANSPORTATION AUTHORITY	SMART STREET ENGINEERING FEASIBILITY STUDY	500,000	90,050
LOCAL TRANSPORTATION AUTHORITY	SR-22 DESIGN/BUILD PROJECT MANAGEMENT SERVICES	9,000,000	139,514
LOCAL TRANSPORTATION AUTHORITY	SR-22 DESIGN/BUILD PUBLIC AWARENESS CAMPAIGN	350,000	90,000
LOCAL TRANSPORTATION AUTHORITY	ADVOCACY SERVICES TO SECURE FULL FUNDING GRANTS	150,000	80,000
LOCAL TRANSPORTATION AUTHORITY	TRANSPORTATION MODELING SUPPORT	410,000	408,636
LOCAL TRANSPORTATION AUTHORITY	COLOR COPIES	10,000	10,000
LOCAL TRANSPORTATION AUTHORITY	GRAPHIC DESIGN	80,000	43,500
LOCAL TRANSPORTATION AUTHORITY	GRAPHIC DESIGN SERVICES	40,000	15,000
LOCAL TRANSPORTATION AUTHORITY	MAILHOUSE FOR MM ANNUAL RPT & COLLATERAL	30,000	16,000
LOCAL TRANSPORTATION AUTHORITY	PHOTOGRAPHERS	20,000	13,000
LOCAL TRANSPORTATION AUTHORITY	TRANSLATION	2,000	2,000
LOCAL TRANSPORTATION AUTHORITY	TRANSLATION	2,500	2,500

**FOURTH QUARTER PROFESSIONAL SERVICES**  
**Purchased by Line Item**  
**July 1, 2004 through June 30, 2005**

	Description of Line Item	Purchased Line Item Total	Amount Purchased
LOCAL TRANSPORTATION AUTHORITY	MAINTENANCE OF OCTA-OWNED EXCESS LAND-ANAHEIM, ORANGE,	95,000	95,000
LOCAL TRANSPORTATION AUTHORITY	BUENA PARK PRELIMINARY ENGINEERING AND ENVIRONMENTAL REPORT	752,000	434,399
CENTERLINE	RIGHT OF WAY ENVIRONMENTAL SERVICES	1,250,000	500,000
CENTERLINE	CENTERLINE EXTENDED PRELIMINARY ENGINEERING	4,650,000	2,250,000
CENTERLINE	FEDERAL TRANSIT ADMINISTRATION COMPLIANCE	30,000	29,820
CENTERLINE	PROJECT MANAGEMENT	1,555,000	1,555,000
CENTERLINE	FINAL ENVIRONMENTAL IMPACT STUDY	300,000	100,000
CENTERLINE	GEOGRAPHIC INFORMATION SYSTEM TECHNICAL SUPPORT STAFF	50,000	50,000
CENTERLINE	OUTREACH SUPPORT	475,000	50,000
CENTERLINE	VIDEOGRAPHY	50,000	50,000
CENTERLINE	COLOR COPIES	5,000	5,000
CENTERLINE	COLOR COPIES AND MOUNTING	10,000	2,000
CENTERLINE	GRAPHIC DESIGN	60,000	50,000
CENTERLINE	PHOTOGRAPHERS	40,000	5,000
CENTERLINE	TRANSLATION	3,000	3,000
CURE ORANGE COUNTY//INLAND EMPIRE	RIGHT-OF-WAY FILE AUDIT REVIEW SERVICES	150,000	2,500
CURE ORANGE COUNTY//INLAND EMPIRE	COMMUTER RAIL SUPPORT	300,000	300,000
CURE ORANGE COUNTY//INLAND EMPIRE	ENGINEERING SUPPORT SERVICES	210,000	210,000
ENGINEERING	PACIFIC ELECTRIC ROW MAINT	100,000	29,800
ENGINEERING	AMERICANS WITH DISABILITIES ACT - BUS STOP MODIFICATIONS		
ENGINEERING	PHASE III - DESIGN CONTRACT CHANGE ORDERS	125,000	81,297
ENGINEERING	CONTAMINATED SOIL REMEDIATION	60,000	300
ENGINEERING	ARCHITECTURAL/ENGINEERING DESIGN SERVICES	400,000	50,000
ENGINEERING	TESTING AND INSPECTION SERVICES	60,000	30,000
SAN DIEGO FREEWAY / COSTA MESA FREEWAY TRANSIT WAY CAPITAL PROJECT	BRIDGE REPAIR SERVICES	60,000	60,000
	<b>DIVISION TOTAL</b>	<b>\$27,961,171</b>	<b>\$9,755,130</b>
<b>PLANNING, DEVELOPMENT AND COMMUTER SERVICES</b>			
SERVICE AUTHORITY FOR FREEWAY EMERGENCIES	ADMINISTRATIVE AND SAFE CONSULTANT	\$100,000	\$75,000
SERVICE AUTHORITY FOR FREEWAY EMERGENCIES	FREEWAY SERVICE PATROL TRUCK SERVICES	3,300,000	3,300,000
SERVICE AUTHORITY FOR ABANDONED VEHICLES	TECHNICAL SUPPORT CONSULTANT	50,000	25,000
RIVERSIDE FREEWAY TOLL ROAD	OC STORE STAFF	15,500	15,500
RIVERSIDE FREEWAY TOLL ROAD	GENERAL COUNSEL ADVICE-TOLL ROAD ISSUES	150,000	20,079
RIVERSIDE FREEWAY TOLL ROAD	GENERAL AUDITING SERVICES	50,000	15,000
RIVERSIDE FREEWAY TOLL ROAD	91 AUX LANE ENVIRONMENTAL / PRELIMINARY ENGINEERING / PROJECT MANAGEMENT	2,500,000	1,664,419
RIVERSIDE FREEWAY TOLL ROAD	FINANCIAL ADVISORY CONSULTANT SERVICES	24,000	24,000
RIVERSIDE FREEWAY TOLL ROAD	CONSULTANT FOR OPERATIONAL AND TECHNICAL SUPPORT	150,000	150,000
RIVERSIDE FREEWAY TOLL ROAD	CONSULTANT FOR TRAFFIC AND REVENUE STUDY/ANALYSIS	200,000	200,000
RIVERSIDE FREEWAY TOLL ROAD	ENGINEERING TECH SUPPORT AND PROJECT MANAGEMENT	100,000	99,995
RIVERSIDE FREEWAY TOLL ROAD	PAVEMENT MANAGEMENT REPORT	40,000	22,798
RIVERSIDE FREEWAY TOLL ROAD	PROJECT MANAGEMENT SERVICES	50,000	50,000
RIVERSIDE FREEWAY TOLL ROAD	GRAPHIC DESIGN/COPYWRITING	30,000	21,470
RIVERSIDE FREEWAY TOLL ROAD	TRAFFIC ANALYSIS	20,000	20,000
CAPITAL PLANNING & GRANT MGMT	REGIONAL FUNDING PROGRAM MANAGEMENT SUPPORT	50,000	37,015
LONG RANGE PLANNING	LONG RANGE TRANSPORTATION MASTER PLAN	200,000	200,000
LONG RANGE PLANNING	TECHNICAL AND COORDINATION SUPPORT	215,000	214,800
LONG RANGE PLANNING	TOLL ROAD CAPACITY EVALUATION	200,000	147,000
PROJECT PLANNING	I-405 MIS OUTREACH - CARRYOVER	60,000	15,000
PROJECT PLANNING	N ORANGE COUNTY PROJECT DEFINITION STUDY	15,000	14,700
PROJECT PLANNING	N ORANGE COUNTY TRANSIT PROJ DEFINITION	279,191	259,456
PROJECT PLANNING	INTERSTATE (I) AT OSO PARKWAY ENGINEERING AND ENVIRONMENTAL SERVICES	63,809	63,809
PROJECT PLANNING	I-405 CORRIDOR MAJOR INVESTMENT STUDY	100,000	100,000
PROJECT PLANNING	BIO-ENVIRONMENTAL SURVEYS	47,000	47,000
PROJECT DEVELOPMENT	CHOCHECKPOINT PROGRAM SUPPORT SERVICES	145,000	145,000
PROJECT DEVELOPMENT	ORANGE FREEWAY (SR-57) PROJECT REPORT	1,200,000	1,168,108
PROJECT DEVELOPMENT	SOUNDWALL PROGRAM NOISE BARRIER SCOPING SUMMARY	150,000	145,738
PROJECT DEVELOPMENT	COUNTY CORRIDOR STUDY PHASE - ADDITIONAL WORK	10,000	10,000

**FOURTH QUARTER PROFESSIONAL SERVICES**  
**Purchased by Line Item**  
**July 1, 2004 through June 30, 2005**

	Description of Line Item	Purchased Line Item Total	Amount Purchased
TRANSIT PLAN/TRANSIT ASST	GEOGRAPHIC INFORMATION SYSTEM TECHNICAL STAFF SUPPORT	185,000	115,000
	<b>DIVISION TOTAL</b>	<b>\$9,699,500</b>	<b>\$8,385,887</b>
<b>EXTERNAL AFFAIRS DIVISION</b>			
EXECUTIVE DIRECTOR OF EXTERNAL AFFAIRS	ORGANIZATIONAL ASSESSMENT OF EXTERNAL AFFAIRS DIVISION	\$75,000	\$75,000
MEDIA RELATIONS	AUDIO VISUAL REPORTING SERVICES	7,500	7,500
MEDIA RELATIONS	CLIPPING SERVICE	6,000	6,000
MEDIA RELATIONS	MEDIA TRAINING	50,000	50,000
MEDIA RELATIONS	TV REPORTING SERVICE	30,000	23,000
ORANGE COUNTY UNIFIED TRANS TRUST	MARKETING OUTREACH	590,000	583,393
MARKETING AND CUSTOMER RELATIONS	DESIGN OCTA ANNUAL REPORT	25,000	24,990
MARKETING AND CUSTOMER RELATIONS	NEW RESIDENT PROGRAM	55,000	45,000
MARKETING AND CUSTOMER RELATIONS	VIDEOGRAPHY	1,177	250
MARKETING AND CUSTOMER RELATIONS	COLOR COPIES AND MOUNTING	8,000	8,000
MARKETING AND CUSTOMER RELATIONS	GRAPHIC DESIGN SERVICE	79,000	55,000
MARKETING AND CUSTOMER RELATIONS	PHOTOGRAPHERS	8,000	8,000
MARKETING AND CUSTOMER RELATIONS	TIMES IN EDUCATION	30,000	19,500
MARKETING AND CUSTOMER RELATIONS	TRANSLATION SERVICE	4,000	4,000
MARKETING AND CUSTOMER RELATIONS	WEBSITE DEVELOPEMENT	20,000	20,000
CUSTOMER RELATIONS	MAILHOUSE - BETWEEN THE LINES NEWSLETTER	5,000	5,000
OCTD CUSTOMER RELATIONS	CUSTOMER INFORMATION CENTER	1,300,000	1,300,000
OCTD CUSTOMER RELATIONS	MESSENGER SERVICE	4,500	404
OCTD CUSTOMER RELATIONS	REDUCED FARE ID SYSTEM	35,000	9,000
MARKETING AND CUSTOMER RELATIONS	TRANSIT MARKETING & OUTREACH	65,000	40,000
MARKETING AND CUSTOMER RELATIONS	TRANSIT MARKETING PROGRAM	425,000	425,000
MARKETING AND CUSTOMER RELATIONS	BUS BOOK GRAPHIC DESIGN SERVICE	300,000	300,000
MARKETING AND CUSTOMER RELATIONS	COLOR COPYING & MOUNTING	35,000	32,478
MARKETING AND CUSTOMER RELATIONS	FILM & TYPESETTING	5,000	275
MARKETING AND CUSTOMER RELATIONS	GRAPHIC DESIGN SERVICE	49,500	48,500
MARKETING AND CUSTOMER RELATIONS	MURAL APPLICATION SERVICES	84,000	34,000
MARKETING AND CUSTOMER RELATIONS	PHOTO CATALOGING	30,000	30,000
MARKETING AND CUSTOMER RELATIONS	PHOTOGRAPHERS	20,000	10,000
MARKETING AND CUSTOMER RELATIONS	TAPE DUPLICATION	10,500	10,500
MARKETING AND CUSTOMER RELATIONS	TRANSLATION	4,000	4,000
MARKETING AND CUSTOMER RELATIONS	WEBSITE DEVELOPEMENT	30,000	30,000
MARKETING AND CUSTOMER RELATIONS	PUBLIC TRANSIT MARKETING OUTREACH PROGRAM	99,955	99,955
MARKETING AND CUSTOMER RELATIONS	EMPLOYER OUTREACH CONSULTANT	50,000	50,000
RIDESHARE	DATABASE MANAGEMENT	70,000	70,000
RIDESHARE	DATA ENTRY SERVICE	9,000	8,430
RIDESHARE	GRAPHIC DESIGN	10,000	10,000
RIDESHARE	MOUNTING AND COLOR COPIES	2,000	905
RIDESHARE	PHOTOGRAPHY	1,000	1,000
PUBLIC COMMUNICATIONS	OCTA SPECIAL EVENTS/COMMUNITY EVENTS	10,000	1,000
PUBLIC COMMUNICATIONS	PUBLIC OPINION POLL	50,000	40,000
PUBLIC COMMUNICATIONS	VIDEO SERVICE	25,000	25,000
PUBLIC COMMUNICATIONS	COLOR COPIES	5,123	5,123
PUBLIC COMMUNICATIONS	GRAPHIC DESIGN	61,000	59,000
PUBLIC COMMUNICATIONS	MAILHOUSE SERVICE	8,000	7,000
PUBLIC COMMUNICATIONS	PHOTOGRAPHY	7,500	7,500
PUBLIC COMMUNICATIONS	TRANSLATION	10,000	10,000
	<b>DIVISION TOTAL</b>	<b>\$3,809,755</b>	<b>\$3,603,703</b>
<b>OPERATIONS DIVISION</b>			
EXECUTIVE DIRECTOR TRANSIT OPERATIONS	AMERICAN PASSENGER COUNTING DATA MINING	\$69,400	\$19,400
TRANSIT OPERATIONS -TRANSIT TECH SERVICE	PROFESSIONAL FLEET TECHNICAL SUPPORT	53,000	52,995
BUS OPERATIONS ADMIN	UNDERCOVER INVESTIGATORS / EVALUATORS	90,000	85,600
SCHEDULES & OPERATIONS PLANNING	MANUAL RIDECHECK DATA COLLECTION	244,675	122,337
COMMUNITY TRANSPORTATION SERVICES	LOST & FOUND DEPT	63,000	62,976
COMMUNITY TRANSPORTATION SERVICES	ACCESS - AMERICANS WITH DISABILITIES ACT CERTIFICATIONS	510,000	510,000
COMMUNITY TRANSPORTATION SERVICES	ACCESS - PERFORMANCE MONITORING	112,000	106,169
COMMUNITY TRANSPORTATION SERVICES	ACCESS - TRAPEZE MAP UPGRADE	15,000	15,000

**FOURTH QUARTER PROFESSIONAL SERVICES  
Purchased by Line Item  
July 1, 2004 through June 30, 2005**

	<u>Description of Line Item</u>	<b>Purchased Line Item Total</b>	<b>Amount Purchased</b>
COMMUNITY TRANSPORTATION SERVICES	ADULT DAY HEALTH CARE TRANSPORTATION PLAN	60,000	59,970
COMMUNITY TRANSPORTATION SERVICES	METROWHEELS ON BOARD MONITORING	50,772	50,737
COMMUNITY TRANSPORTATION SERVICES	WORKPLAN DEVELOPMENT AND IMPLEMENTATION	15,000	15,000
COMMUNITY TRANSPORTATION SERVICES	MAIL HOUSE - POSTAGE AND STUFFING	50,000	825
FACILITIES MAINTENANCE	EMERGENCY SERVICES	25,000	25,000
FACILITIES MAINTENANCE	HAZARDOUS WASTE DISPOSAL SERVICES	141,600	97,200
FACILITIES MAINTENANCE	LAMINATING SERVICES	5,000	5,000
FACILITIES MAINTENANCE	LANDSCAPING SERVICES	26,802	21,100
FACILITIES MAINTENANCE	PEST CONTROL SERVICES	10,000	10,000
FACILITIES MAINTENANCE	RUBBISH COLLECTION SERVICES	65,000	51,000
FACILITIES MAINTENANCE	TREE PRUNING SERVICES	25,000	25,000
FACILITIES MAINTENANCE	UNDERGROUND TANK TESTING	50,000	50,000
FACILITIES MAINTENANCE	WASTE OIL REMOVAL SERVICES	1,725	1,725
FACILITIES MAINTENANCE	PREVENTATIVE MAINTENANCE PROCEDURES	8,235	8,235
	<b>DIVISION TOTAL</b>	<b>\$1,691,209</b>	<b>\$1,395,269</b>
	<b>GRAND TOTAL</b>	<b>\$48,412,491</b>	<b>\$27,157,662</b>
	 <b>TOTAL PROFESSIONAL SERVICES BUDGET FOR FISCAL YEAR 2004/05</b>	 <b>\$96,755,074</b>	
	<b>BUDGET REMAINING:</b>	<b>\$69,597,412</b>	
	<b>PERCENT OF ANNUAL BUDGET SPENT TO DATE:</b>	 <b>28%</b>	





BOARD COMMITTEE TRANSMITTAL

**September 12, 2005**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject** Fourth Quarter Fiscal Year 2004-05 Bus Operations Monthly Performance Measurements Report

Finance and Administration Committee

August 24, 2005

**Present:** Directors Wilson, Duvall, Campbell, Correa, Cavecche, and Ritschel  
**Absent:** None

**Committee Vote**

This item was passed by all Committee Members present.

Committee Members Correa and Silva were not present to vote on this item.

**Committee Recommendation**

Receive and file as an information item.



**August 24, 2005**

**To:** Finance and Administration Committee  
**From:** Arthur T. Leahy, <sup>ATL</sup> Chief Executive Officer  
**Subject:** Fourth Quarter Fiscal Year 2004-05 Bus Operations Monthly Performance Measurements Report

**Overview**

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) 2004-05 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 FY 2004-05 budget. The key objectives are linked to a broader set of



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performance measures that will be monitored for both Bus Operations and CTS.

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.

***Discussion***

For FY 2004-05, executive management has emphasized the following key objectives for Bus Operations:

**Bus Operations Key Objectives**

**Objective I - Reduce Accidents**

To provide a safe and reliable service it is necessary to continue to minimize the number of accidents involving OCTA's buses or passengers. In this endeavor, data gathered from accidents will be analyzed to provide directions for improvement in training, communications, as well as physical improvements to bus stops. Through the fourth quarter FY 2004-05, accidents for Bus Operations have been reduced to 1,557, which is 5.8 percent below target and last year's total of 1,654.

**Objective II - Increase On-time Performance**

OCTA's passengers rightfully expect that OCTA 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 fourth quarter, the on-time percentage for the system was 85 percent, meeting the target of 85 percent. Each base manager is reviewing the monthly information to pinpoint on-time problems by individual line. A plan is then developed to assist the coach operators and provide timely data that can be used by the scheduling section to make adjustments.

**Objective III - Reduce Customer Complaints**

The coach operators are the ambassadors of OCTA and as such recognize the importance of a "Customer First" attitude. Through the fourth quarter, the total number of complaints was 3,457 which is 11.4 percent below the target of 3,903.

**Objective IV – 100 Percent Compliance on Calling out Stops**

To remain in compliance with the ADA federal legislation, coach operators are required to make announcements along the line unless an automatic annunciator is in operation, as on newer buses. Through a sampling methodology of several types of checks, the fourth quarter compliance has been at 94 percent. To improve performance, operators observed not calling out stops will be counseled.

**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 9,000 miles to 10,000 miles between road calls. The Maintenance Department has put tremendous effort into several bus campaigns to increase the miles between road calls and through the fourth quarter, their effort has paid off, reaching 11,367 miles between road calls which exceeds the FY 2004-05 target of 10,000 by 13.6 percent.

**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 and through the fourth quarter, the ratio is 1.15 to 1 which is less than the FY 2004-05 target of 1.18 to 1 ratio by 2.6 percent.

**Objective VII - Improve Maintenance Pay Hour per Vehicle Hour**

This is a Maintenance Department efficiency measurement of the cost in hours to maintain the OCTA bus fleet. This is a ratio of maintenance pay hours over vehicle hours. The goal of this measurement is to trend downward. Through the fourth quarter, the ratio is 0.53 to 1 which is less than the FY 2004-05 target of 0.62 to 1 ratio by 17 percent.

**Community Transportation Services Key Objectives**

**Objective I - Increase On-Time Performance**

As mobile data terminals continue to be installed in the small bus fleet, the information needed to monitor on-time performance will become more readily available. This project has begun in the fourth quarter of FY 2004-05 with the pilot installation and will continue to finish the entire fleet by the second quarter of FY 2005-06.

**Objective II - Reduce Complaints**

Through the fourth quarter of FY 2004-05, complaints have been higher by 5.5 percent at 2,995 versus prior year of 2,838. This increase of complaints is indicative of changes from the Growth Management Study, fare changes, and an increased number of passengers.

**Objective III - Increase Miles Between Road Calls**

The CTS goal for miles between road calls has also been raised from 29,000 to 30,000. The miles between road calls through the fourth quarter have been 23,134. The small bus fleet through FY 2004-05 has experienced unanticipated maintenance issues which has kept the miles between road calls lower than the target. The CTS maintenance field administrator will work with the contractor to address these issues as well as adjust the target for FY 2005-06.

**Objective IV - Increase Boardings per Revenue Vehicle Hours – ACCESS**

Boardings per revenue vehicle hour (RVH) through the fourth quarter have increased to 1.94 passengers from prior year of 1.82 passengers. This figure indicates increasing productivity for this service and an excellent indicator for FY 2005-06.

**Objective V - Increase Boardings per Revenue Vehicle Hours – Special Agency**

Boardings per RVH through the fourth quarter have decreased 1 percent to 4.3 passengers which is slightly under prior year of 4.34 passengers. The number of passengers being serviced and the hours are 25 percent lower compared with FY 2003-04. These reductions have resulted from the change in contractor

and service delivery method, as well as passengers transitioning into the Senior Mobility Program.

**Bus Operations: Other Measures of Interest**

In contrast with other transit properties, OCTA has been fortunate to continue expanding bus service. Through careful service planning, scheduling, and improving operating efficiencies, OCTA has been able to increase RVH by 1.4 percent or 23,698, through the fourth quarter this year compared to last year.

With the fare change in January 2005, there has been an anticipated dip in boardings growth. Boardings have decreased by 1 percent or 648,081 riders through the fourth quarter compared to the performance for last year. Boardings per RVH (38.22) have also decreased by 2.3 percent compared to last year (39.13). This decrease in ridership has been less than previously anticipated.

Though boardings have decreased due to the fare change, revenues have risen to \$47,605,978, a 9.1 percent increase over last year. This increase in revenue has helped to offset the increase in operating costs. The year end operating cost of \$97.80 per RVH is 9.1 percent higher than the prior year cost of \$89.60. The leading causes for this variance are increases in pension costs (\$1.35), diesel fuel (\$1.27), workers compensation (\$1.03), and health care (\$0.72).

As a product of expenses versus revenue the farebox recovery ratio reflects the changes in operating costs and revenue.. The farebox recovery ratio has increased since the fare change to 24.55 percent through the fourth quarter, though this increase is still 3.1 percent less than the budget (25.34 percent) and 2.1 percent less than prior year (25.08 percent).

**Maintenance: Other Measures of Interest**

The Maintenance Department has the challenging task of keeping an active fleet of 563 vehicles maintained and ready for service on a 24-hour, 7-day per week schedule.

As diesel fuel and maintenance parts prices have increased, there has been a commensurate increase in the maintenance cost per mile through the fourth quarter to \$0.55, compared to prior year of \$0.47, an increase of 17 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 required by the ADA. RVH and boardings continue to grow compared to last year, but at a slightly lower rate. Recommendations developed during the Growth Management Study will be implemented July 1, 2005. It is anticipated that these changes will further reduce the rate of growth.

RVH have increased by 4.5 percent or 25,470, through the fourth quarter as compared to last year, while boardings have increased by 11 percent or 123,635, boardings over last year.

The farebox recovery ratio has shown a decrease of 1.9 percent to 11.17 percent as compared to 11.39 percent for the same period last year.

In an effort to maintain ADA compliance, staff has been successful in achieving zero denials through June 2005.

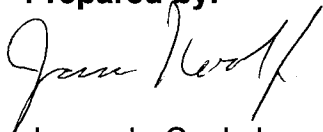
***Summary***

The performance measurements report through the fourth quarter of FY 2004-05 represents a variety of areas that are moving in a positive direction, such as expanding local bus service along with increased revenues and improved farebox recovery. The coach operator workforce is more productive and fixed route customer complaints are down. Increased effort must be focused on controlling the growth of operating costs. Paratransit continues to experience a significant demand for service. As staff continues implementation of the Growth Management Study recommendations, there will be continued improvements in productivity such as the increase of boardings per revenue hour. 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 June 2005.

**Prepared by:**



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Financial Planning & Analysis  
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**Approved by:**



James S. Kenan  
Executive Director, Finance  
Administration and Human Resources  
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**THE ORANGE COUNTY TRANSPORTATION AUTHORITY**

**MONTHLY PERFORMANCE MEASUREMENTS**

**BUS OPERATIONS REPORT FOR JUNE 2005**

**IS A BOUND REPORT AND INCLUDED WITH THIS AGENDA.**







**Item 13.**

**BOARD COMMITTEE TRANSMITTAL**

**September 12, 2005**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject** Fourth Quarter Fiscal Year 2004-05 Grant Status Report

Finance and Administration Committee

August 24, 2005

**Present:** Directors Wilson, Duvall, Campbell, Correa, Cavecche, and Ritschel  
**Absent:** None

***Committee Vote***

This item was passed by all Committee Members present.

Committee Member Silva was not present to vote on this item.

***Committee Recommendation***

Receive and file as an information item.



**August 24, 2005**

**To:** Finance and Administration Committee  
**From:** Arthur T. Leahy, <sup>AL</sup> Chief Executive Officer  
**Subject:** Fourth Quarter Fiscal Year 2004-05 Grant Status Report

**Overview**

The Quarterly Grant Status Report summarizes grant activities for information purposes for the Orange County Transportation Authority Board of Directors. This report focuses on significant grant activity for the period of April through June 2005. The Quarterly Grant Status Report summarizes future grant applications, pending grant applications, executed grant awards, current grant agreements and closed-out grant agreements.

**Recommendation**

Receive and file as an information item.

**Background**

The Orange County Transportation Authority's (OCTA) long-term, proactive planning approach ensures the effective utilization of limited capital resources and improved operating effectiveness. One critical aspect of this proactive planning approach is to strategically seek and obtain federal, state, and local grant funding.

**Discussion**

The ongoing grant activities are categorized by future grant applications, pending grant applications, executed grant awards, current grant agreements and closed-out grant agreements.

### Future Grant Applications

The OCTA has four future grant applications under development or in the application process, which are enumerated and summarized below (Attachment A).

The Federal Transit Administration (FTA) Section 5307 Capital Formula Grant Program: the OCTA staff submits one Section 5307 Capital Formula Grant per federal fiscal year.

The fiscal year (FY) 2004-05 Section 5307 Capital Formula Grant application is complete and pending the approval of a request to transfer Congestion Mitigation and Air Quality (CMAQ) funds. The grant is expected to be submitted by the end of July 2005 and awarded within the following 3 months. This grant application consists of \$88.9 million in federal capital and operating assistance for the OCTA's fixed route and paratransit operations and for Metrolink rolling stock purchases. The \$88.9 million is comprised of \$53.4 million of Section 5307 funds, of which, \$10 million is carryover from the FY 2003-04 Section 5307 apportionment and \$35.5 million in transferred CMAQ funds (Metrolink Rolling Stock (\$35 million) and Rideshare Services (\$0.5 million)).

The Federal Transit Administration Section 5309 Discretionary Capital Grant Program: the OCTA staff submits one unified Section 5309 Discretionary Capital Grant application per federal fiscal year.

The FY 2004-05 Section 5309 Discretionary Capital Grant application is under development with an expected submittal by the end of August 2005, and anticipated award within three months. The consolidated capital grant application requests federal funds of \$5,315,906, for Bus Rapid Transit (\$2,184,466), Inter-County Express Bus (\$1,067,961), Fare Collection System (\$970,974), the City of Anaheim (\$485,437, (FY 2003-04) and \$291,534, (FY 2004-05)) and Transit Center Improvements (\$315,534). This grant may also include the City of Costa Mesa grant for \$247,507.

### The City of Costa Mesa

- Staff is currently working to reprogram \$247,507, in federal grant funds, which were originally allocated to the City of Costa Mesa via the 2002 federal appropriations. On July 7, 2004, the city declined the funds since the project was considered ineligible under the Section 5309 program. Staff is awaiting confirmation from the Appropriations Committee that the funds have been reprogrammed to support OCTA's bus transit system.

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2005 Transit Security Grant Program: Department of Homeland Security (DHS)

- Staff is working cooperatively with the Governor's Office of Homeland Security and the Los Angeles County Metropolitan Transit Agency (LACMTA) to secure funds made available through the intracity bus allocation of the 2005 Transit Security Grant Program. A total of \$2,175,000, was allocated to LACMTA and OCTA to protect the regional bus transit system. Another \$4,800,000, was allocated to Southern California Regional Rail Authority and LACMTA rail systems. A Program Narrative was submitted on May 3, 2005. Applications along with regional transit security strategy is being developed jointly between agencies for submittal to DHS in August 2005.

Federal Emergency Management Agency (FEMA)

- On March 21, 2005, staff submitted a Request for Public Assistance to the Governor's Office of Emergency Services to secure up to \$64,000, to reimburse emergency repair work needed as a result of severe winter storm damage. The repair work was completed in January 2005 during the construction of the Santa Ana Bus Maintenance and Operations Base. Under FEMA guidelines, repairs during project construction are considered ineligible and consequently, the grant request was denied.

Pending Grant Applications

The OCTA has six pending grant applications awaiting approval (Attachment B).

State Interregional Transportation Improvement Program (STIP)

- An application for \$186,525, is pending to conduct a car-sharing demonstration project at the Anaheim, Orange, and Tustin Metrolink Stations in an effort to improve mobility on the Riverside Freeway (State Route 91). The grant was submitted in May 2003 and is still in process at California Department of Transportation (Caltrans) pending state budget issues.

Urban Area Security Initiative Funds: Department of Homeland Security

- Staff is working to secure up to \$1.45 million for the FY 2005-06 allocation of the Urban Area Security Initiative funds. The funds were obligated to the Cities of Santa Ana, Anaheim, and the Orange County Sheriffs Department who have sub-allocated a portion of their grant awards for transportation security. The grant funds would be used to protect nine critical overpass structures throughout the County where

freeway and railways systems intersect. The proposal would reduce the vulnerability of the structures to terrorist attack, by limiting access through fencing and by adding explosive blast protection. The proposal is in keeping with current threat and vulnerability assessments and would bring the Orange County transportation system closer to the level of protection desired by the DHS.

#### Caltrans Division of Transportation Planning (State Highway Account)

- A grant application requesting \$50,000, in community-based transportation planning funds was submitted on October 15, 2004, to update the Orange County Commuter Bikeways Strategic Plan. Funding was denied on June 23, 2005.
- A grant application requesting \$80,000, in environmental justice planning funds was submitted on October 15, 2004, to create a transportation plan for the Regional Center of Orange County (RCOC). Funding was denied on June 23, 2005.
- A grant application requesting \$250,000, in environmental justice planning funds was submitted on October 15, 2004, to augment existing funding for the regional goods movement study. Project partners include the LACMTA, Riverside County Transportation Commission, San Bernardino Associated Governments, Ventura County Transportation Commission, and the Southern California Association of Governments (SCAG). A 10 percent local match is required, which is being shared between several project partners.

#### 2005 Easter Seals Project Action Program

- On June 10, 2005, staff submitted a proposal requesting up to \$100,000, to support the implementation of a Road to Driving Wellness Program in Orange County, which is a volunteer-based program that promotes driver safety among seniors. Easter Seals Project Action (ESPA) is a grant program administered by Easter Seals and funded through FTA to promote cooperation between transportation providers and people with disabilities. The proposal is currently in review and award notifications are expected September 2005.

#### Federal Railroad Administration (FRA)

- A Statement of Interest requesting \$4,970,500, is pending to conduct a diesel multiple unit demonstration in Orange County. The Statement of Interest was submitted in April 2004. The Federal Railroad Administration is still evaluating proposals.

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Value Pricing Pilot Program

- On March 15, 2005, staff submitted a proposal for the Federal Highway Administration's (FHWA) Value Pricing Pilot Program (VPPP). The proposal requested \$1.19 million in VPPP grant funds for research and potential deployment of OCTA's Performance Monitoring and Pricing Pilot Project (PMAP<sup>3</sup>) to explore the benefits of dynamic pricing, and if favorable, employ associated monitoring equipment for the 91 Express Lanes. The proposal includes a 25 percent local match from toll revenue funds. Award notification is anticipated by August 2005.

Executed Grant Awards

The OCTA staff executed two grant awards in the current quarter.

FTA Section 5313(b) Transit Planning and Research Program

- Staff has secured up to \$300,000, in FTA Section 5313(b) planning funds to conduct a commuter rail needs assessment at 18 commuter rail stations located along the three Metrolink lines in Orange County. The study will assess demand for parking, transit feeder service, and transit-oriented development. The grant was submitted in September 2004, and a notification of award was received June 23, 2005.

Urban Area Security Initiative Funds: Department of Homeland Security

- Staff has secured up to \$250,000, in FY 2004-05 Urban Area Security Initiative (UASI) and State Homeland Security Grant (SHSG) funds. A proposal submitted January 17, 2005, introduced a pilot project that would install security video detection surveillance equipment at critical freeways under crossing bridges. The Orange County Sheriffs Department and the Cities of Santa Ana and Anaheim were awarded the UASI and SHSG funds, and have sub-allocated a portion towards transportation security. The cameras will be monitored at the Caltrans District 12 Traffic Management Center (TMC) by the California Highway Patrol. The grant award is pending the development of grant transfer agreements between the agencies. Board approval to enter agreements and move forward with the pilot project is scheduled in August 2005.

Current Grant Agreements

The OCTA has current capital and discretionary grant agreements (Attachment C).

Capital Formula Grants: OCTA receives an annual formula capital grant from the FTA. There are four active formula capital grants, totaling \$356.8 million. A total of \$263.5 million of these grants have been expended or obligated for procurement, leaving a remaining and available balance of \$93.3 million. Of the \$93.3 million available balance, \$79.9 million represents future year's procurement of alternative fuel buses for the expansion and replacement of our current fixed route fleet.

Capital Discretionary Grants: There are five active discretionary capital grants, totaling \$17.3 million. A total of \$9.9 million of these grants has been expended or obligated for procurement, leaving a remaining and available balance of \$7.4 million.

OCTA has current other discretionary grants (Attachment D).

Other Discretionary Grants: OCTA receives a variety of discretionary grants from sources such as SCAG, South Coast Air Quality Management District (SCAQMD), Mobile Source Air Pollution Reduction Committee (MSRC), FHWA, CMAQ, Traffic Congestion Relief Program (TCRP), Caltrans and the State Highway Fund. Due to the state budget crisis, the TCRP funds have been consistently suspended and consequently influence the funding resources for the Garden Grove Freeway (State Route 22) Project. The remaining and available balance on these discretionary grants is \$138.2 million. These funds will be received on a reimbursement of eligible expense basis.

#### Closed-out Grant Agreements

A 2002-03 grant for \$30,000, which funded two liquefied natural gas vacuum pumping systems with SCAQMD, was closed-out in the current quarter.

#### **Summary**

This report provides an update of the grant funded activities for the fourth quarter of fiscal year 2004-05, April through June 2005. Staff recommends this report be received and filed as an information item.

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**Attachments**

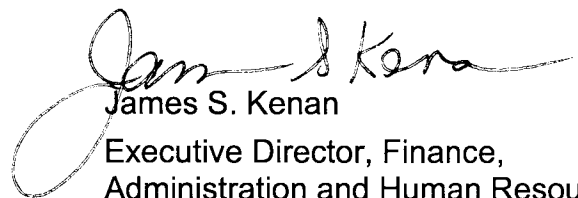
- A. Quarterly Grant Status Report, April through June 2005, Future Grant Applications.
- B. Quarterly Grant Status Report, April through June 2005, Pending Grant Applications.
- C. Quarterly Grant Status Report, April through June 2005, Current Formula and Discretionary Grants.
- D. Quarterly Grant Status Report, April through June 2005, Current Other Discretionary Grants.
- E. Quarterly Grant Status Report, April through June 2005, Current Operating Assistance Grants.
- F. Quarterly Grant Status Report, April through June 2005, Federal Transit Administration Capital Grant Index.

**Prepared by:**



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**Quarterly Grant Status Report  
April through June 2005  
Future Grant Applications**

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**FTA Section 5307 - Urbanized Area Formula Capital Grant Program**

Formula grants funded by the Transportation Equity Act for the 21st Century (TEA-21).

Funds are generally used to purchase revenue vehicles, vehicle and facility modifications and bus related equipment.

GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	GRANT AMOUNT	EST. SUBMITTAL DATE	EST. APPROVAL DATE	STATUS
FY 2004-2005	\$ 88,865,097	\$ 40,248,427	\$ 129,113,524	July 2005	September 2005	Under Development
<b>Formula Grants Sub-Total</b>	<b>\$ 88,865,097</b>	<b>\$ 40,248,427</b>	<b>\$ 129,113,524</b>			

Note: Funding requested in this application includes 3/12 of the funds available from the Section 5307 FY 2003-2004 apportionment, which are considered carryover by the FTA.

**FTA Section 5309 (c) - Bus and Bus Related Facilities Program**

Discretionary grants funded by the Transportation Equity Act for the 21st Century (TEA-21).

Grants provide capital funds for projects that improve efficiency and coordination of transportation systems.

GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	EST. SUBMITTAL DATE	EST. APPROVAL DATE	STATUS
FY 2003-04 Bus Rapid Transit	\$ 2,184,466	\$ 447,421	\$ 2,631,887	August 2005	November 2005	Under Development
FY 2003-04 Inter-County Express Bus	1,067,961	218,739	1,286,700	August 2005	November 2005	Under Development
FY 2003-04 Fare Collection System	970,974	242,744	1,213,718	August 2005	November 2005	Under Development
FY 2001-02 City of Costa Mesa	247,507	61,877	309,384	TBD	TBD	Seeking Scope of Work change via the Federal Fiscal Year 2005 Budget
FY 2003-04 Anaheim Resort Transit	485,437	99,427	584,864	August 2005	November 2005	Under Development
FY 2003-04 Transit Center Improvements	315,534	78,884	394,418	August 2005	November 2005	Under Development
FY 2004-05 Anaheim Resort Transit	291,534	72,884	364,418	August 2005	November 2005	Under Development
<b>Discretionary Grants Sub-Total</b>	<b>\$ 5,563,413</b>	<b>\$ 1,221,974</b>	<b>\$ 6,785,387</b>			

**U.S. Department of Homeland Security**

These grants are to be used for the protection of the Orange County's transportation system and the hardening of OCTA's critical facilities.

GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	EST. SUBMITTAL DATE	EST. APPROVAL DATE	STATUS
FY 2004-05 Homeland Security Grant Program	TBD	\$ -	\$ -	August 2005	TBD	Under Development
<b>Discretionary Grants Sub-Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>			

<b>Future Grants Total</b>	<b>\$ 94,428,510</b>	<b>\$ 41,470,401</b>	<b>\$ 135,898,911</b>			
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**Quarterly Grant Status Report  
April through June 2005  
Pending Grant Applications**

<b>State Interregional Transportation Improvement Program (STIP)</b>						
<b>Demonstration car-sharing program at the Anaheim, Orange, and Tustin Metrolink stations.</b>						
GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	SUBMITTAL DATE	EST. APPROVAL DATE	STATUS
FY 2003-04 Demonstration car-sharing program	\$ 186,525	\$ -	\$ 186,525	May 2003	October 2007	Pending Approval
<b>Discretionary Grants Sub-Total</b>	<b>\$ 186,525</b>	<b>\$ -</b>	<b>\$ 186,525</b>			
<b>U.S. Department of Homeland Security</b>						
<b>These grants are to be used for the protection of the Orange County's transportation system and the hardening of OCTA's critical facilities.</b>						
GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	SUBMITTAL DATE	EST. APPROVAL DATE	STATUS
FY 2004-05 Homeland Security Grant Program	1,445,000	-	1,445,000	February 2005	August 2005	Pending Approval
<b>Discretionary Grants Sub-Total</b>	<b>\$ 1,445,000</b>	<b>\$ -</b>	<b>\$ 1,445,000</b>			
<b>Environmental Justice Planning Grant Program</b>						
<b>California State Highway Account - Orange County Commuter Bikeways Strategic Plan Update, Developing a Transportation Plan for the Regional Centers of Orange County and Creating Balance between Goods Movement and Impacts on Local Communities.</b>						
GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	SUBMITTAL DATE	EST. APPROVAL DATE	STATUS
FY 2004-05 Creating Balance between Goods Movement	250,000	30,000	280,000	October 2004	June 2005	Pending Approval
<b>Discretionary Grants Sub-Total</b>	<b>\$ 250,000</b>	<b>\$ 30,000</b>	<b>\$ 280,000</b>			
<b>Easter Seals Project Action Program</b>						
<b>Demonstration car-sharing program at the Anaheim, Orange, and Tustin Metrolink stations.</b>						
FY 2004-05 Driving to Wellness Program	\$ 100,000	\$ -	\$ 100,000	May 2003	October 2007	Pending Approval
<b>Discretionary Grants Sub-Total</b>	<b>\$ 100,000</b>	<b>\$ -</b>	<b>\$ 100,000</b>			
<b>Federal Railroad Administration (FRA) - Compliant Diesel Multiple Unit (DMU) Statement of Interest</b>						
GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	SUBMITTAL DATE	EST. APPROVAL DATE	STATUS
FY 2003-04 Compliant DMU	\$ 4,970,500	\$ 4,970,500	\$ 9,941,000	April 2004	April 2006	Pending Approval
<b>Discretionary Grants Sub-Total</b>	<b>\$ 4,970,500</b>	<b>\$ 4,970,500</b>	<b>\$ 9,941,000</b>			
<b>Federal Highway Administration Grant Program (FHWA)</b>						
<b>Value Pricing Pilot Program (VPP) to fund the research and potential deployment of OCTA's Performance Monitoring and Pricing Project.</b>						
FY 2004-05 Value Pricing Pilot Program	\$ 1,190,000	\$ 395,000	\$ 1,585,000	March 2005	July 2005	Pending Approval
<b>Discretionary Grants Sub-Total</b>	<b>\$ 1,190,000</b>	<b>\$ 395,000</b>	<b>\$ 1,585,000</b>			
<b>Pending Grants Sub-Total</b>	<b>\$ 8,142,025</b>	<b>\$ 5,395,500</b>	<b>\$ 13,537,525</b>			

**Quarterly Grant Status Report  
April through June 2005  
Current Formula & Discretionary Grants**

**ATTACHMENT C**

**FTA SECTION 5307, 5309 AND 5313 GRANT FUNDS**

**FTA Section 5307 - Urbanized Area Formula Capital Grant Program**

Formula grants funded by the Transportation Equity Act for the 21st Century (TEA-21).

Funds are generally used to purchase revenue vehicles, vehicle and facility modifications and bus related equipment.

CURRENT GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	EXPENDED TO DATE	UNLIQUIDATED OBLIGATIONS	REMAINING BALANCE
FY 2003-04 **	\$ 49,120,278	\$ 10,068,543	\$ 59,188,821	\$ 43,116,122	\$ 2,997,607	\$ 13,075,092
FY 2001-03 *	131,076,208	25,003,175	156,079,383	142,318,949	4,939,679	8,820,755
FY 2000-01	30,138,775	7,474,532	37,613,307	19,906,888	628,920	17,077,499
FY 1999-00	85,949,714	17,992,719	103,942,433	43,495,790	-	60,446,643
<b>Formula Grants Total</b>	<b>\$ 296,284,975</b>	<b>\$ 60,538,969</b>	<b>\$ 356,823,944</b>	<b>\$ 248,837,749</b>	<b>\$ 8,566,206</b>	<b>\$ 99,419,989</b>

Note: The Remaining Balance reflects funds in an Approved Grant waiting for the procurement contract.

\* The FY 2001-03 Section 5307 Grant is a consolidated FY 2001-02 and FY 2002-03 mega grant.

\*\* The FY 2003-04 Section 5307 Grant is "ONLY" 9/12 of the amount available because the extension of TEA-21 expired June 30, 2004.

**FTA Section 5309 - Discretionary Capital Grant Program**

Discretionary grants funded by the Transportation Equity Act for the 21st Century (TEA-21).

Grants provide capital funds for projects that improve efficiency and coordination of transportation systems.

CURRENT GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	EXPENDED TO DATE	UNLIQUIDATED OBLIGATIONS	REMAINING BALANCE
FY 2001-03 City of Anaheim	\$ 986,854	\$ 202,127	\$ 1,188,981	\$ -	\$ -	\$ 1,188,981
FY 2000-02 Cities of Anaheim and Brea and Santa Ana Bus Base	1,930,671	469,249	2,399,920	1,654,951	40,516	704,453
FY 2001-03 New Starts - CenterLine PE	4,437,739	1,109,435	5,547,174	5,547,174	-	-
FY 2000-01 ITC Transitway	2,481,380	620,345	3,101,725	-	-	3,101,725
FY 1999-00 Buses/Intermodal Fac.	4,103,680	928,299	5,031,979	2,603,241	-	2,428,738
<b>Discretionary Grants Total</b>	<b>\$ 13,940,324</b>	<b>\$ 3,329,455</b>	<b>\$ 17,269,779</b>	<b>\$ 9,805,366</b>	<b>\$ 40,516</b>	<b>\$ 7,423,897</b>

Note: The above grant amounts include FTA amount and OCTA local match but exclude operating assistance.

**Quarterly Grant Status Report  
April through June 2005  
Current Other Discretionary Grants**

<b>DISCRETIONARY ALLOCATIONS</b>					
<b>South Coast Air Quality Management District Grant Program (SCAQMD) and Mobile Source Air Pollution Reduction Review Committee (MSRC)</b> Provides grants for the purchase of clean fuel revenue vehicles and other activities to reduce mobile source emissions.					
<b>CURRENT GRANT</b>	<b>STATE GRANT AMOUNT</b>	<b>LOCAL SHARE AMOUNT</b>	<b>TOTAL GRANT AMOUNT</b>	<b>REMAINING BALANCE</b>	<b>PROJECT STATUS</b>
FY 2004-05 Contract # TBD	\$ 603,500	-	603,500	\$ 603,500	The grant was awarded in February 2005 for \$150,000 to purchase and install 71 catalyzed diesel particulate filter systems in an effort to retrofit certain diesel-fueled buses. In subsequent action in June 2005, the MSRC Board increased the amount of the award to \$603,500. Contract to be executed.
FY 2004-05 Contract # TBD	75,563	-	75,563	75,563	This grant provides \$75,563 to fund the modernization of an obsolete LNG displacement pump. Grant was submitted in September 2004 and awarded in January 2005. Contract to be executed.
FY 2004-05 Contract # TBD	200,000	-	200,000	200,000	Funds the purchase up to 25 buses that are equipped with an advanced natural gas fueling system. The grant was submitted in September 2004 and awarded in January 2005. Contract to be executed.
2001-02 Mobile Source Air Pollution Reduction Committee (MSRC) Contract #AB2766/02003	10,000	-	10,000	10,000	This grant funds 21 LNG Buses at \$13,642 each. The funds were awarded in November 2001. On May 27, 2004, the MSRC denied OCTA's request to use the funds for LNG facility modifications. The MSRC has allowed the OCTA to retain \$10,000 for LNG facility modifications. On September 22, 2004, the OCTA requested a contract for \$10,000 to cost-share ventilation improvements at the Anaheim Bus Base. The OCTA request is pending at AQMD.
2002-03 Mobile Source Air Pollution Reduction Committee (MSRC) Contract #MS03041	1,360,000	-	1,360,000	1,360,000	This grant funds 68 LNG Buses at \$20,000 each. On June 1, 2004, OCTA executed a contract with MSRC with an expiration date of 2008. A pending decision on fuel technology may change the decision on whether or not to use these funds.
2002-03 Mobile Source Air Pollution Reduction Committee (MSRC) Contract #MS03059	375,000	-	375,000	145,916	These grant funds are being used for the expansion of the OCTA's Freeway Service Patrol Program (FSP). A total of five new freeway service patrol beats have been established which, will operate from 10:00 a.m. until 2:00 p.m.. The grant was approved by AQMD on June 6, 2003. The OCTA executed the agreement on December 23, 2003.
2002-03 Mobile Source Air Pollution Reduction Committee (MSRC) Contract #MS04006	405,000	-	405,000	405,000	Funds 10 gasoline/electric hybrid buses at \$40,000 each plus \$5,000 for mechanical training. Contract signed by OCTA on August 24, 2004. Contract was executed on November 9, 2004. Vehicles have arrived on property and are going through acceptance.
2002-03 South Coast Air Quality Management District (SCAQMD) Contract # TBD	1,000,000	-	1,000,000	1,000,000	Funds the expansion of the LNG fueling infrastructure at the Garden Grove and Anaheim facilities. Funds were awarded in October 2002. OCTA submitted a request to AQMD on August 12, 2004, requesting to use the funds for LNG fuel tank upgrades. AQMD staff responded on September 29, 2004, agreeing to the scope change and also agreeing to allow funds to be used for new alternative fuel refueling infrastructure. The AQMD Board concurred with staff recommendation on December 3, 2004. Awaiting contract.

**Quarterly Grant Status Report  
April through June 2005  
Current Other Discretionary Grants**

DISCRETIONARY ALLOCATIONS					
<b>Federal Highway Administration Grant Program (FHWA)</b>					
Funds the development, implementation and deployment of Intelligent Transportation Systems (ITS) and Transit Enhancement Activities (TEA) for the PE ROW.					
CURRENT GRANT	GRANT AMOUNT	SHARE AMOUNT	GRANT AMOUNT	REMAINING BALANCE	PROJECT STATUS
FY 2003-04 Southern California Goods Movement Study	300,000	500,000	800,000	800,000	SCAG awarded the Partnership Planning Grant for the Goods Movement Study on November 29, 2004. A Memorandum of Understanding (MOU) is being drafted with acceptance anticipated in the near future.
<b>Traffic Congestion Relief Program (TCRP)</b>					
Governor's TCRP State funding for the SR-22 Project Advanced Planning Study					
FY 2002	\$ 394,269	\$ -	\$ 394,269	\$ -	The advanced Planning Study for the SR-22 Project is complete and the final reimbursement was received on 1/15/2003.
Governor's TCRP State funding for the SR-22 Project Planning, Construction, Construction Management, ROW					
FY 2002	\$ 180,100,000	\$ -	\$ 180,100,000	\$ 132,845,808	In August 2004, OCTA requested \$123.7 million of TCRP funds but the request has not been approved due to the State not yet allocating the funds. This \$123.7 million short-fall will be back-filled with Measure M funds. OCTA is anticipating receiving these funds in the future. To date, OCTA has been allocated \$66.0 million with \$9.6 million allocated to Caltrans for environmental and Quality Assurance and Quality Control (QA/QC) activities. Reimbursements received to date total \$47.2 million against the following phases: Phase 2 (Preliminary Design and detailed Plans, Specifications and Estimates (PS&E)) @ \$13.6 million and Phase 3 (Right of Way) @ \$22.0 million, and Phase 4 (Initial Mobilization for Construction) @ \$12.5 million.. Staff has submitted a reimbursement for \$9 million for the following: Phase 2 @ \$0.9 million.
<b>FY 2002 Environmental Justice Planning Grant Program</b>					
California State Highway Account - Adult Day Health Care Center Transportation Plan					
FY 2004	\$ 50,000	\$ 20,000	\$ 70,000	\$ 67,511	To develop a comprehensive transportation plan for Adult Day Health Care Centers (ADHC) in Orange County. ADHC Centers account for approximately 1/3 of all trips taken on ACCESS. The plan will develop recommendations on other more cost-effective transportation programs for the 22 ADHC Centers in Orange County. There is a \$10,000 match each from OCTA and the Office on Aging (OOA). A contract was let to Medical Transportation Inc., on January 27, 2005.
<b>U.S. Department of Homeland Security</b>					
These grants are to be used for the protection of the Orange County's transportation system and the hardening of OCTA's critical facilities.					
FY 2003-04 Homeland Security Grant Program	\$ 250,000	\$ -	\$ 250,000	\$ 250,000	Funding to install security video detection surveillance system equipment at three critical freeway under crossing bridges.
<b>FTA Section 5313 (b) - Transit Planning Grant Program</b>					
Caltrans is the Federal Grant Recipient					
FY 2004	\$ 50,000	\$ 12,000	\$ 62,000	\$ 62,000	Funds shall be utilized for statewide planning and other technical assistance activities, planning support for non-urbanized areas, research, development and demonstration projects, fellowships for training in the public transportation field, and human resource development.
FY 2003-04	300,000	38,868	338,868	338,868	Funding to conduct a commuter rail needs assessment at 18 commuter rail stations located along the three Metrolink lines in Orange County. The study will assis demand for parking, transit feeder service, and transit oriented development.
<b>Total</b>	<b>\$ 185,473,332</b>	<b>\$ 570,868</b>	<b>\$ 186,044,200</b>	<b>\$ 138,164,166</b>	

**Quarterly Grant Status Report  
April through June 2005  
Current Operating Assistance Grants**

**FTA SECTION 5307 GRANT FUNDS**

**FTA Section 5307 - Urbanized Area Formula Capital Grant Program**

**Note: Operating Assistance Only**

<b>CURRENT GRANT</b>	<b>FEDERAL GRANT AMOUNT</b>	<b>LOCAL SHARE AMOUNT</b>	<b>TOTAL GRANT AMOUNT</b>	<b>FTA DATE PAID</b>
FY 2003-04 *	\$ 3,010,031	\$ 15,503,544	\$ 18,513,575	Aug. 30, 2004
FY 2001-03 *	6,966,007	37,562,925	44,528,932	Aug. 21, 2003
FY 2000-01 *	3,155,000	16,411,495	19,566,495	March 8, 2002
FY 1999-00 *	2,889,244	13,818,506	16,707,750	Sept. 29, 2000
<b>Formula Grants Sub-Total</b>	<b>\$ 16,020,282</b>	<b>\$ 83,296,470</b>	<b>\$ 99,316,752</b>	

Note: \* Includes ADA Paratransit Operating Assistance "ONLY"

**Quarterly Grant Status Report  
April through June 2005  
FTA Capital Grant Index**

(thru June 30, '05)

GRANT NO.	DESCRIPTION	OBLIG. DATE	GRANT BUDGET	UNLIQUIDATED OBLIGATIONS	TOTAL OUTLAYS	TOTAL COMMIT/COSTS	REMAINING BALANCE	PERCENT COMPLETE	ANTICIPATED CLOSE-OUT
CA-03-0561	Bus Procurement/Intermodal Fac.	9/21/2000	5,031,979	-	2,603,241	2,603,241	2,428,738	51.73%	April '06
CA-03-0585	ITC Transitway Improvements	9/26/2001	3,101,725	-	-	-	3,101,725	0.00%	July '06
CA-03-0599	New Starts - CenterLine PE	9/6/2002	5,547,174	-	5,547,174	5,547,174	-	100.00%	October '09
CA-03-0626	Cities of Anaheim and Brea	8/25/2003	2,399,920	40,516	1,654,951	1,695,467	704,453	68.96%	March '08
CA-03-0685	Cities of Anaheim and Brea	8/25/2004	1,188,981	-	-	-	1,188,981	0.00%	July '06
CA-90-X962	Program of Projects	9/25/2000	103,942,433	-	43,495,790	43,495,790	60,446,643	41.85%	March '07
CA-90-Y048	Program of Projects	3/4/2002	37,613,307	628,920	19,906,888	20,535,808	17,077,499	52.93%	March '08
CA-90-Y163	Program of Projects	8/14/2003	156,079,383	4,939,679	142,318,949	147,258,628	8,820,755	91.18%	March '08
CA-90-Y237	Program of Projects	8/19/2004	59,188,821	2,997,607	43,116,122	46,113,729	13,075,092	72.85%	March '08
	<b>TOTALS</b>		<b>\$374,093,723</b>	<b>\$ 8,606,722</b>	<b>\$258,643,115</b>	<b>\$ 267,249,837</b>	<b>\$ 106,843,886</b>	<b>69.14%</b>	







**September 12, 2005**

**To:** Members of the Board of Directors  
**From:** Arthur T. Leahy, Chief Executive Officer <sup>ATL/WK</sup>  
**Subject:** Fiscal Year 2004-05 Year End Budget Status Report

**Overview**

The Orange County Transportation Authority's staff has implemented the fiscal year 2004-05 budget. This report summarizes the material variances between the budget plan and actual revenues and expenses.

**Recommendation**

Receive and file as an information item.

**Background**

The Board of Directors (Board) approved the Orange County Transportation Authority (OCTA) Fiscal Year (FY) 2004-05 Budget on June 14, 2004. The approved budget itemizes the anticipated revenues and expenses necessary to meet OCTA's transportation programs and service commitments. The OCTA budget is comprised of individual budgets for each of OCTA's funds, including: the General Fund; three enterprise funds (Orange County Transit District (OCTD), Orange County Taxicab Administration Program (OCTAP), and Riverside Freeway (State Route 91) Toll Road), seven special revenue funds; three capital project funds; one debt service fund; six trust funds; and five internal service funds.

The approved revenue budget is \$613.3 million comprised of \$572.1 million in current year revenues and \$41.2 million in use of reserves. The approved expenditure budget is \$613.3 million with \$603.1 million of current year expenditures and \$10.2 million of designations. This report will analyze the variance between the current year budget and year-to-date actuals for both revenues and expenditures.

During the fiscal year, the Board approved nine budget amendments (revenue and expense). The amendments added requirements to the budget plan that were unanticipated in the budget development process.

A summary of each amendment follows:

In Thousands		Total
	Approved Budget	\$ 613,316,310
Date	Amendment Description	
16-Aug-04	Garden Grove Freeway Design-Build contract	395,081,000
23-Aug-04	Installation of Optical Fire Detectors in Liquefied Natural Gas Buses	579,251
13-Sep-04	Payroll System Consulting	250,000
15-Oct-04	Santa Ana Pedestrian Bridge, Project Management and Preliminary Engineering Consultant Services for CenterLine, Telecommunications Systems for Santa Ana Bus Base and Passenger Information System for San Juan Capistrano Train Station	5,844,963
22-Nov-04	Mid-Year Amendment	998,721
13-Dec-04	Project Manager for Local Programs	48,000
28-Mar-05	Paratransit Vehicle Service Hours and Diesel cost increase	3,083,246
9-May-05	Santa Ana Second Main Track Project	5,300,000
9-May-05	Laguna Niguel/Mission Viejo Station Improvements	30,000
<b>Total Amendments</b>		<b>\$ 411,215,181</b>
<b>Total Amended Budget</b>		<b>\$ 1,024,531,491</b>

***Discussion***

Staff monitors and analyzes current year revenues and expenditures versus the amended budget. This report will provide budget-to-actual explanations for material variances.

**Staffing**

A staffing plan of 1,900 full-time equivalent (FTE) positions was approved in the FY 2004-05 budget. During the fiscal year, the Board approved two amendments that added a net of eight positions to the staffing plan. The adjusted full year staffing plan total is now 1,908 FTEs. The average budgeted positions through the end of June 2005 are 1,893.1 At year end, the vacancy

rate for OCTA was 1.8 percent. A breakdown of the vacancy rate by job category is indicated in the table below.

Full-Time Equivalent Average Vacancy Rate

	Amended	Actual	Vacancy Rate
Coach Operators	1,113.9	1,109.5	-0.4%
Mechanics and Service Workers	256.0	253.1	-1.1%
Revenue/Parts Clerks and Facilities Maintenance	45.0	44.3	-1.7%
Union Subtotal	1,414.9	1,406.9	-0.6%
Transit Operations Support	202.0	196.4	-2.8%
Non-Transit Operations Admin Support	276.2	256.3	-7.2%
Administrative subtotal	478.2	452.8	-5.3%
Total Authority	1,893.1	1,859.6	-1.8%

Revenue Summary

During the fiscal year, OCTA augmented its revenue budget by \$134.9 million with additional funding and \$276.2 million with reserve funds. As the table below indicates, the amended current year revenue budget for FY 2004-05 is \$1,024.5 million. This report focuses on variances between budgeted and actual year-to-date revenues and expenditures for the year-end.

FY 2004-05 Amended Revenue Budget

In Thousands

	Revenues		
	Current Year	Reserves	Total
Approved Budget	\$ 572,104	\$ 41,212	\$ 613,316
Amendments	129,600	281,615	\$ 411,215
Total Amended Budget	\$ 701,704	\$ 322,827	\$ 1,024,531

Year-to-date revenue of \$610.8 million are 12.9 percent under year end amended budget of \$701.7 million. Variances at the summary object level are presented below.

Fourth Quarter Revenue Summary				
In Thousands				
Sources	Amended Budget	Actuals	Variance *	%
Federal Grants	139,453	43,445	(96,008)	-68.8%
Interest Income	37,693	24,084	(13,609)	-36.1%
Miscellaneous	5,529	3,560	(1,968)	-35.6%
State Grants	2,503	1,930	(573)	-22.9%
Department of Motor Vehicles Fees Revenue	4,716	4,007	(709)	-15.0%
Fees & Fines	178	153	(25)	-13.9%
Farebox Revenue	45,609	45,254	(355)	-0.8%
Gas Tax Exchange	23,000	23,000	-	0.0%
Advertising Revenue	9,400	9,400	-	0.0%
Sales Tax Revenue	362,820	372,269	9,449	2.6%
Property Tax Revenue	8,219	8,473	254	3.1%
Toll Road Revenue	30,310	36,231	5,921	19.5%
Other Financial Assistance	31,083	37,547	6,464	20.8%
Rental Income	1,190	1,481	290	24.4%
<b>Total Revenues</b>	<b>\$ 701,704</b>	<b>\$ 610,835</b>	<b>\$ (90,869)</b>	<b>-12.9%</b>

\* (under) / over

Federal Grants and Other Financial Assistance

Revenues in both of the following categories are received on a reimbursement basis. Revenues budgeted here can be received in future years rather than the year in which they are reflected in the budget. In addition, reimbursements budgeted in a prior year can be received in the current year. This will lead to a variance between budgeted revenues and actual cash receipts primarily due to revenues not being recorded in the same period as encumbrances. Revenues received include reimbursements from the Federal Transit Administration (FTA), California Department of Transportation (Caltrans), cities, and other agencies.

Federal Grants: Year end revenues of \$43.4 million were \$96 million or 68.8 percent lower than the amended budget of \$139.5 million. The \$96 million variance is primarily due to the revenues related to the Garden Grove Freeway (State Route 22) project. Specifically, \$101.2 million of Congestion Mitigation and Air Quality (CMAQ) dollars are expected to be received on a reimbursement basis through FY 2007. A total of \$16 million of CMAQ dollars has been received for the State Route 22 (SR-22) project. Furthermore OCTA has received reimbursement for OCTA's Santa Ana Bus Base construction (\$11.5 million) which was procured in FY 2003-04 and (\$4.4 million) for paratransit vans procured in FY 2002-03.

Interest Income: Year end actuals of \$24.1 million are 36.1 percent below the budget of \$37.7 million for the same period. The reason for this variance is because interest rates earned on investments were lower than the anticipated budgeted rate, 2.5 versus 3.5 percent.

Sales Tax Revenue: Year end actuals of \$372.3 million are 2.6 percent above the budget of \$362.8 million for the same period. Actual sales tax receipts were higher than the Chapman Forecast.

Toll Road: Year end actuals of \$36.2 million are 19.5 percent greater than the amended budget of \$30.3 million. One main driver of toll revenues is the 13.6 percent increase in full toll lane trips and 3+ lane trips. This equates to \$20.7 million in toll road revenue an increase of \$1.9 million over the amended budget. In addition, OCTA is receiving \$2.4 million more in revenue from the interoperating agreement with the Transportation Corridor Agencies (TCA). OCTA also received an additional \$1.1 million for non-toll revenue above the budgeted amount of \$3.1 million.

Other Financial Assistance: Year-to-date actuals of \$37.5 million are \$6.5 million more than the amended budget of \$31 million. The amended budget is comprised primarily of \$12.5 million of Traffic Congestion Relief Program (TCRP) money and reimbursements of \$15.9 million from local cities related to the SR -22 project. In addition, the amended budget includes the State Transit Improvement Program (STIP) revenues for the Santa Ana Freeway (Interstate 5) Chokepoint projects and the Rideshare program for a combined amount of \$2.7 million. This money was originally budgeted as revenue in FY 2002-03. The bulk of the actual revenues received for the year are related to the SR-22 project (\$34.8 million) which are recorded on a reimbursement basis.

Expense Summary

During FY 2004-05, the expenditure budget was increased by \$411.2 million to accommodate the award of the SR-22 Design-Build contract, increase in paratransit vehicle service hours and diesel costs, and other current year activities. As the table below indicates, the amended current year expenditure budget is \$1,024.5 million. The following section focuses on variances between the amended budget and year-to-date expenses.

In Thousands	Expenditures		
	Current Year	Designations	Total
Approved Budget	\$ 603,112	\$ 10,204	\$ 613,316
Amendments	411,215	-	411,215
Total Amended Budget	\$ 1,014,327	\$ 10,204	\$ 1,024,531

Year-end expenditure actuals of \$881 million represent a 13.1 percent under-run to the amended budget of \$1,014.3 million. Variances at the object summary level are presented in table form on the next page.

Fourth Quarter Expenditure Summary				
In Thousands				
	Amended Budget	Actuals	Variance *	%
<b>Salaries and Benefits</b>				
Salaries	\$ 82,252	\$ 83,152	\$ 900	1.1%
Compensated Absences	10,019	10,097	77	0.8%
<b>Total Salaries</b>	<b>92,272</b>	<b>93,249</b>	<b>978</b>	<b>1.1%</b>
Other Benefits	3,806	3,256	(550)	-14.5%
Insurances	1,589	1,905	315	19.8%
Pensions	12,806	14,062	1,256	9.8%
<b>Total Benefits</b>	<b>18,201</b>	<b>19,222</b>	<b>1,022</b>	<b>5.6%</b>
<b>Total Salaries &amp; Benefits</b>	<b>110,473</b>	<b>112,472</b>	<b>1,999</b>	<b>1.8%</b>
<b>Services and Supplies</b>				
Contributions to Other Agencies	131,859	77,760	(54,099)	-41.0%
Professional Services	66,956	42,370	(24,586)	-36.7%
Contract Transportation	41,669	35,206	(6,463)	-15.5%
Debt Service	100,286	99,471	(815)	-2.0%
Insurance Claims Expense	28,622	26,717	(1,905)	-6.7%
Office Expense	4,623	3,021	(1,602)	-34.7%
Outside Services	33,254	32,363	(891)	-2.7%
Miscellaneous Expense	1,342	1,094	(249)	-18.5%
Advertising Fees	797	584	(213)	-26.7%
Utilities	2,102	1,955	(148)	-7.0%
Tires & Tubes	1,362	1,214	(147)	-10.8%
Travel, Training, Mileage	536	485	(51)	-9.5%
Leases	4,585	4,583	(2)	0.0%
Taxes	768	905	137	17.9%
Other Materials & Supplies	1,615	1,851	236	14.6%
Maintenance Expense	7,874	8,683	809	10.3%
Insurance	-	1,033	1,033	0.0%
Fuels & Lubricants	8,534	10,855	2,321	27.2%
<b>Total Services &amp; Supplies</b>	<b>436,785</b>	<b>350,149</b>	<b>(86,636)</b>	<b>-19.8%</b>
<b>Capital and Fixed Assets</b>				
Construction in Progress	30,646	8,073	(22,573)	-73.7%
Capital Expense-Local Funding	19,963	6,144	(13,819)	-69.2%
Work In Process	416,356	404,061	(12,295)	-3.0%
Capital Expense-Grant Funding	105	67	(38)	-36.3%
<b>Total Capital and Fixed Assets</b>	<b>467,069</b>	<b>418,345</b>	<b>(48,725)</b>	<b>-10.4%</b>
<b>Total All Expenses</b>	<b>\$ 1,014,327</b>	<b>\$ 880,965</b>	<b>\$ (133,361)</b>	<b>-13.1%</b>

Salaries and Benefits: Year-end actuals of \$112.5 million are 1.8 percent or \$2 million over the amended budget of \$110.5 million. The reason for this variance is due to coach operator overtime (\$1.8 million) and administrative overtime costs (\$1.4 million) coming in over budget. However, these costs are being offset by under-runs in both regular coach operators salaries (\$0.7 million) and regular administrative salaries (\$1.7 million). Furthermore, coach operators received a lump sum retro pay (\$0.8 million) as a result of their newly

negotiated contract. In addition, the second part of this variance can be attributed to pension costs which came in at \$1.3 million over budget.

**Services and Supplies:** Year-end services and supplies actuals of \$350.1 million are 19.8 percent below the amended budget of \$436.8 million. The main contributors to this under-run were contributions to other agencies (\$54.1 million), professional services (\$24.6 million), contract transportation (\$6.4 million), debt service (\$0.8 million), insurance claims expense (\$1.9 million), and office expense (\$1.6 million). Detailed explanations for each of these categories are provided below.

**Contributions to Other Agencies:** The Measure M Combined Transportation Funding Program and turnback program comprise 69 percent of the "Contributions to Other Agencies" (40 percent and 29 percent respectively). Under-runs in this category total \$54 million or 41 percent, due to cities not requesting reimbursements at the rate OCTA has anticipated. The OCTA Board approved an amendment to the FY 2004-05 budget to provide assistance to cities in claiming these funds to complete these projects.

**Professional Services:** Year-end actuals of \$42.4 million were under the amended budget of \$66.9 million by \$24.6 million. The under-run is primarily due to the Interstate 5 (I-5) North right-of-way (ROW) acquisition being delayed (\$4.9 million) due to ground water issues. In addition, \$9 million for SR-22 project management services ran under budget by \$5.2 million. Another factor is the lower than anticipated expenses to date in preliminary engineering of The CenterLine Project (\$6.3 million) which as of February 14, 2005, was placed on "pause" status. Since The CenterLine Project was placed on pause, the only contract that has been issued is in the amount of \$0.4 million to study alternatives.

**Contract Transportation:** Year-end actuals of \$35.2 million were under the amended budget of \$41.7 million by 15.5 percent. The variance is primarily due to the invoice processing being three months in arrears. The unbilled Laidlaw contract invoices for the last three months are estimated at \$7.5 million. This amount will be accrued as part of the final audited figures.

**Debt Service:** Year-end actuals of \$99.5 million were under the amended budget of \$100.3 million by 2 percent. This interest expense is specifically tied to advancement of funds from the Commuter Rail Endowment Fund (CURE) to the SR-91. The initial interest expense to be repaid to the CURE was budgeted at a rate of 4.5 percent however, the actual rate was adjusted down to 1.46 percent causing the under-run.



Insurance Claims: Year-end actuals of \$26.7 million are 6.7 percent less than the amended budget of \$28.6 million. There was a \$2.1 million under-run in health care costs which contributed to the overall variance. The under-run was the result of moving coach operators from a more costly health care program into the Labor Alliance Health care plan. In addition, newly hired operators are required to utilize the less expensive Kaiser Health Maintenance Organization (HMO) plan for their first year of employment as opposed to using the Health-Net Preferred Provider Organization (PPO) plan. These changes have allowed OCTA to recognize a cost savings.

Workers' Compensation claims have also steadily decreased leading to \$2.1 million under run with actuals of \$6.2 million versus a budget of \$8.5 million. These costs savings net of one large claim and other insurance expenses results in a \$1.9 million under run.

Office Expense: Year end actuals of \$3 million were under the amended budget of \$4.6 million by 34.7 percent. The under-run is primarily due to postage, printing, office supplies, and software/hardware expenses (\$1.6 million) throughout the OCTA being expended at a lower than anticipated rate. This variance can also be attributed to the current pause status of The CenterLine Project.

Fuels and Lubricants: Year end actuals of \$10.9 million were over the amended budget of \$8.5 million by 27.2 percent. The over-run is due to the increase in diesel fuel costs (\$2.2 million). The budget cost was \$1.05 per gallon versus the actual \$1.59 per gallon. In addition, liquefied natural gas (LNG) costs (\$0.2 million) were higher than expected due to more miles being run than budgeted.

#### Capital and Fixed Assets Summary

During the fiscal year, capital and fixed asset actuals of \$418.3 million were 10.4 percent below the amended budget of \$467 million.

Construction in Progress - has a variance of \$22.5 million or 73.7 percent, which is comprised of \$21.5 million for the I-5 Far North project which was delayed until next fiscal year due to ground water issues.

Capital Expense – Local Funding has a variance of \$13.8 million or 69.2 percent. The variance is the result of several projects being delayed such as the articulated bus repair bays for the Garden Grove Base (\$3 million), maintenance building modification for the Irvine Base (\$1 million), and underground storage tank modifications for all bases (\$1.1 million), the hybrid

bus procurements in combination with other revenue vehicle improvements of (\$3.9 million) have been delayed until next year.

Work In Process - The \$12.3 million variance is due to the Santa Ana Base change orders, which were lower than anticipated and resulted in a \$1.4 million variance. In addition, \$10.9 million of the variance was the result of less right-of-way utilities/acquisitions being completed this fiscal year due to the long legal process involved.

**Fund Level Analysis**

A fund level analysis as well as fund level financial schedules for the General Fund, Local Transportation Authority Fund, Orange County Transit District Fund, 91 Express Lanes Fund, and the Internal Services Funds are included as Attachments A and B.

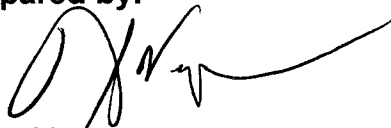
**Summary**

This summary report of budget-to-actuals provides information for the year end fiscal year 2004-05 activities of the Orange County Transportation Authority. Year end revenues are 12.9 percent lower than the amended revenue budget, while the expenditures are 13.1 percent below budgeted levels during this same period. Staff recommends this report be received and filed as an information item by the Finance and Administration Committee.

**Attachments**

- A. Fund Level Analysis.
- B. Fund Level Financial Schedules.

**Prepared by:**



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**Fund Level Analysis**

**General Fund – Revenue and Expense Summary**

Year-to-date revenues of \$2.3 million are 25.1 percent below the amended budget of \$3.1 million. Year-to-date expenditures of \$43.3 million are 6.8 percent under the amended budget of \$46.4 million.

Note: Expenses in the General Fund are greater than revenues but the majority of the expense is allocated out to the other funds.

**General Fund - Variance Analysis – Revenues**

State Grants: Revenue in this category is received on a reimbursement basis. Revenues budgeted here can be received in future years rather than the year in which they are reflected in the budget. On the other hand, reimbursements budgeted in prior years can be received in the current year. This will lead to a variance between budgeted revenues and actual cash receipts primarily due to revenues not being recorded in the same period as encumbrances. As a result, year-to-date revenue of \$1.9 million is 22.9 percent below the year-to-date amended budget of \$2.5 million.

**General Fund – Variance Analysis – Expenses**

Salaries and Benefits: Year-to-date expenditures of \$24.1 million are 1.7 percent less than the amended budget of \$24.5 million. Salaries are \$0.7 million under budget due to vacancies being greater than budgeted. However, this under-run is partially offset by an over-run in pension costs (\$0.4 million).

Services and Supplies: During the fiscal year, actuals of \$18.9 million are 12.5 percent less than the amended budget of \$21.6 million for the same period. Major variances are explained below.

Professional Services: Year-to-date expenditures of \$9 million are 21.1 percent less than the amended budget of \$11.5 million. The variance is primarily due to the delay of the following projects: the comprehensive major investment studies on the Orange Freeway (State Route 57) extension (\$1.2 million) and the Riverside Freeway (State Route 91). The Santa Ana Freeway (Interstate 5) Project Definition Study (\$0.5 million) has been postponed until next fiscal year with an expanded scope of work. Furthermore, the North Orange County Transit Project Definition Study (\$0.5 million) has been cancelled.

Office Expense: Year-to-date actuals of \$1.2 million are 27.9 percent less than the amended budget of \$1.7 million. This is due to combined under-runs in postage, office supplies and equipment, PC workstations/hardware and software purchases of \$0.5 million.

### **Local Transportation Authority (LTA) Fund – Revenue and Expense Summary**

Year-to-date revenues of \$314.8 million are 19.4 percent below the amended budget of \$390.7 million. Year-to-date expenditures of \$471.9 million are 14.7 percent under amended budget of \$553 million.

### **Local Transportation Authority Fund - Variance Analysis – Revenues**

Federal Capital Assistance Grants: \$101.2 million in Congestion Mitigation & Air Quality (CMAQ) dollars have been allocated to help fund the Garden Grove Freeway (State Route 22) project. Of this \$101.2 million, \$16.2 million has been received in Fiscal Year (FY) 2005. The remaining amount of revenue will be received on a reimbursement basis in proceeding years.

Interest Income: Interest income for the LTA fund is received in the General Fund and redistributed to LTA in accordance with the average daily cash balance in the fund. Year-to-date actuals of \$11.4 million are 25.2 percent less than the amended budget of \$15.3 million. This variance is primarily due to the fact that the actual interest rate of 2.5 percent being lower than the budgeted interest rate of 3.5 percent.

Taxes/Fees: In the LTA fund, the taxes/fees category solely records the half cent Measure M sales tax. Year-to-date actuals of \$249.4 million are higher than the budgeted amount of \$245.5 million by 1.6 percent. This variance is due to higher consumer spending than what was budgeted using the Chapman University Forecast. As a result of this increased activity, Orange County Transportation Authority (OCTA) benefits with higher sales tax revenue.

Other Financial Assistance: Revenue in this category is received on a reimbursement basis. Revenues budgeted here can be received in future years rather than the year in which they are reflected in the budget. On the other hand, reimbursements budgeted in prior years can be received in the current year. This will lead to a variance between budgeted revenues and actual cash receipts primarily due to revenues not being recorded in the same period as encumbrances. Year-to-date actuals of \$36.6 million is primarily comprised of Traffic Congestion Relief Program (TCRP) money that was previously budgeted in FY 2002-03 (\$33.1million) for the State Route 22 (SR-22) project.

## **Local Transportation Authority Fund – Variance Analysis – Expenses**

Total Services and Supplies: Year-to-date actuals of \$63.3 million are 43.6 percent less than the amended budget of \$112.2 million. Variance analysis for each category is presented below.

Contributions to Other Agencies: Year-to-date actuals of \$46.8 million are 45.5 percent less than the amended budget of \$85.8 million. This is due to a delay in processing payments for the Combined Transportation Funding Program (CTFP).

Professional Services: Year-to-date actuals of \$15.3 million are 39.5 percent less than the amended budget of \$25.2 million. This is due to a delay with the Interstate 5 (I-5) Far North project (\$3 million) because of ground water issues. In addition, the court case with the City of Garden Grove has caused a delay in the improvement of the SR-22. This delay has resulted in the project management services cost (\$3.8 million) being less than what was budgeted (\$9 million). This under-run has continued through year-end.

Total Capital Expenditures: Year-to-date actuals of \$408.7 million are 7.3 percent less than the amended budget of \$440.8 million.

Construction in Progress: Year-to-date actuals of \$6.2 million are 77.2 percent below the amended budget of \$27.3 million. This is due to the delay of the right-of-way land acquisition and construction management for the I-5 Far North project (\$19.3 million).

Work in Process: Year-to-date actuals of \$402.5 million are 2.6 percent below the amended budget of \$413.4 million. This variance is due to under-runs in right-of-way land acquisition (\$9.5 million) and right-of-way utilities cost (\$1.8 million), both for the SR-22. Again, this is due to the delayed start of the project because of the court case with the City of Garden Grove.

## **Orange County Transit District (OCTD) Fund – Revenue and Expense Summary**

Year-to-date revenues of \$114 million are 4.9 percent below the amended budget of \$119.8 million. Year-to-date expenditures of \$167.3 million are 9.4 percent under the amended budget of \$184.6 million.

## **Orange County Transit District Fund - Variance Analysis – Revenues**

Federal Operating Grants: Since revenues in this category are received on a reimbursement basis, revenues budgeted here are often times received in future years rather than the year in which they are reflected in the budget. This will lead to a variance between budgeted revenues and actual cash receipts. Year-to-date actuals of \$0.3 million are 93.8 percent below the amended budget of

\$4.1 million. This variance is due to not utilizing paratransit operating assistance under Section 5307 of the federal grants program until FY 2005-06 due to the one year contract extension with Laidlaw.

Interest Income: Interest income for the OCTD fund is received in the General Fund and redistributed to OCTD in accordance with the daily average cash balance in the fund. Year-to-date actuals of \$4.4 million are 31.4 percent lower than the amended budget of \$6.4 million. The variance is due to the budgeted interest rate (3.5 percent) being higher than the actual interest rate (2.5 percent) earned.

Federal Capital Grants: Please refer to the explanation above for Federal Operating Grants. Year-to-date actuals of \$21.9 million are 2.8 percent lower than the amended budget of \$22.5 million. These actuals reflect the Federal Transit Administration (FTA) Section 5307 Capital Assistance reimbursements for the costs associated with the Santa Ana Base, procurement of paratransit vehicles and engine replacements.

#### **Orange County Transit District Fund – Variance Analysis – Expenses**

Total Salaries and Benefits: Year-to-date actuals of \$88.2 million are 2.8 percent more than the amended budget of \$85.8 million. Salaries are over \$1.7 million, due mainly to overtime (\$3.2 million). However, this variance is offset with regular coach operator and administrative salaries which have under run the budget by \$1.5 million. Other items which are contributing to the over run in Salaries and Benefits includes: pensions (\$0.9 million), insurances (\$0.2 million), and compensated absences (\$0.2 million).

Total Services and Supplies: Year-to-date actuals of \$73.2 million are 6.3 percent less than the amended budget of \$78.1 million. Detailed variance analysis is presented below.

Contract Transportation: Year-to-date actuals of \$29.9 million are 17.6 percent lower than the amended budget of \$36.3 million. The under-run is due to invoice processing which is three month in arrears from the contractor. The total invoice amount for April through June 2005 is estimated at \$7.5 million which would account for the year-to-date variance. However, this amount will be accrued as part of the final audited figures.

Contributions to other Agencies: Year-to-date actuals of \$0.3 million are 83.6 percent lower than the amended budget of \$2 million. This variance will be corrected via a journal entry. Actuals should be \$1.4 million, which reflect the payments to cities for the Senior mobility program and the payment to Laguna Beach Municipal Transit Lines in lieu of the city applying for federal operating assistance and claiming State Transit Assistance funds.

Professional Services: Year-to-date actuals of \$4.2 million are 10.7 percent less than the amended budget of \$4.7 million. This is primarily due to the under-runs in the Customer Information Center cost (\$0.2 million) and in professional evaluation and determination of Americans with Disability Act (ADA) eligibility for OCTA's ACCESS service (\$0.3 million).

Fuels and Lubricants: Year-to-date actuals of \$10.9 million are over the amended budget of \$8.5 million by 27.2 percent. The over-run is due to the increase in diesel fuel costs (\$2.2 million). The budgeted cost was \$1.05 per gallon versus the actual \$1.59 per gallon. In addition, liquefied natural gas costs (LNG fuel, \$0.2 million) are higher than expected due to more miles being run than anticipated.

Total Capital Expenditures: Year-to-date actuals of \$5.9 million are 71.5 percent less than the amended budget of \$20.7 million. This variance is due to construction of ADA bus stop modifications not being encumbered but in process (\$1.0 million), building improvements such as the articulated bus repair bays for the Garden Grove base (\$3 million), maintenance building modification for the Irvine base (\$1 million), and underground storage tank modification for all the bases (\$1.1 million), which have been delayed or cancelled until fiscal year 2006. In addition, a total of \$3.9 million of revenue vehicles/and enhancements have not yet been procured.

## **91 Express Lanes Fund – Revenue and Expense Summary**

Year-to-date revenues of \$37.8 million are 21.9 percent above the amended budget of \$31 million. Year-to-date expenditures of \$24.2 million are 19.6 percent under the amended budget of \$30 million.

## **91 Express Lanes Fund - Variance Analysis – Revenues**

Toll Road: Year-to-date actuals of \$30.2 million are 15.4 percent greater than the amended budget of \$26.2 million. This variance is due to an increase of 13.6 percent in traffic volume (\$1.9 million) and more revenue from the interoperating agreement with the Transportation Corridor Agencies (TCA) for tollroad revenue. OCTA bills the TCA for TCA customers who use the State Route 91( SR-91) toll road (\$2.4 million).

Miscellaneous Toll Road: Year-to-date actuals of \$6.1 million are 48.8 percent greater than the amended budget of \$4.1 million. This is primarily due to the increase in the monthly minimum fee income account (\$1.2 million) and Violation Processing Fees (\$0.5 million).

## **91 Express Lanes Fund – Variance Analysis – Expenses**

**Total Services and Supplies:** Year-to-date actuals of \$22.5 million are 20 percent less than the amended budget of \$28.2 million. Variance analysis is presented below.

**Outside Services:** Year-to-date actuals of \$1.5 million are 60.6 percent lower year-to-date than the amended budget of \$3.9 million. This is because the maintenance upgrade of the toll lanes budgeted in September is being delayed until Fiscal Year 2005-2006 (\$2.4 million).

**Professional Services:** Year-to-date actuals of \$3.8 million are 28.9 percent less than the amended budget of \$5.3 million. This is due to lower spending on 91 Auxiliary Environmental/Preliminary Engineering (\$1.1 million) and legal services (\$0.4 million).

**Total Capital Expenditures:** Year-to-date actuals of \$1.6 million are 12.9 percent less than the amended budget of \$1.9 million. This results from the actual cost per transponder (\$23) being less than what was budgeted (\$27.6), which leads to a variance of \$0.2 million. The remaining variance of \$0.1 million is an outcome from the OCTA purchasing 6,000 fewer transponders than originally anticipated.

## **Internal Service Funds – Revenue and Expense Summary**

Year-to-date revenues of \$27.8 million are 3.7 percent below the amended budget of \$28.8 million. Year-to-date expenditures of \$27.2 million are 6.2 percent under the amended budget of \$28.9 million.

## **Internal Service Funds - Variance Analysis – Revenues**

**Charges for Services:** Year-to-date actuals of \$26.3 million are 2.6 percent less than the amended budget of \$27 million. The variance is due to workers' compensation (\$0.2 million) and employee contributions to health care (\$1.5 million) revenue that has been lower than anticipated. This variance is partially offset by an over run of \$1 million in Physical Liability and Property Damage.

**Interest Income:** Year-to-date actuals of \$1.1 million are 30.9 percent less than the amended budget of \$1.6 million. The primary reason for this variance is because interest rate being earned on investments (2.5 percent) is lower than the budgeted rate (3.5 percent).



## **Internal Service Funds – Variance Analysis – Expenses**

**Total Services and Supplies:** Year-to-date expenditures of \$27.2 million are 6.2 percent less than the amended budget of \$28.9 million. Variance analysis is presented below.

**Insurance Claims:** Year-to-date actuals of \$26.4 million are 6.3 percent less than the amended budget of \$28.2 million. This is due to lower workers' compensation claim expenses of \$7.2 million versus \$9.4 million that was budgeted.

**This attachment (Third Party Evaluation Report) is very large and has been provided previously.**

**In an effort to reduce large reports sent to you more than once, another copy will be provided by request only prior to the Board meeting.**

**Thank you.**

**Fund Level Financial Schedules**

**General Fund  
Revenues and Expenses**

*In Thousands*

Description	Budget	Actual	Variance	%
State Grants	2,503	1,930	(573)	-22.9%
Interest Income	367	132	(235)	-64.1%
Fees and Fines	158	142	(15)	-9.5%
Federal Capital Grants	-	-	-	0.0%
Federal Operating Grants	-	-	-	0.0%
Miscellaneous	107	143	36	33.5%
<b>Total Revenues</b>	<b>3,135</b>	<b>2,347</b>	<b>(788)</b>	<b>-25.1%</b>
Salaries-Regular Employees	16,702	15,960	(742)	-4.4%
Compensated Absences	2,202	2,030	(172)	-7.8%
Other Benefits	1,157	1,124	(33)	-2.9%
Extra Help Employees	664	690	26	3.9%
Insurances	373	490	116	31.2%
Pensions	3,380	3,778	399	11.8%
<b>Total Salaries &amp; Benefits</b>	<b>24,479</b>	<b>24,072</b>	<b>(406)</b>	<b>-1.7%</b>
Professional Services	11,457	9,038	(2,418)	-21.1%
Office Expense	1,728	1,246	(482)	-27.9%
Miscellaneous Expense	528	368	(160)	-30.2%
Utilities	761	674	(87)	-11.4%
Travel, Training, and Mileage	339	314	(25)	-7.4%
Other Materials and Supplies	148	125	(22)	-15.0%
Maintenace Expense	10	3	(7)	-73.3%
Advertising Fees	293	344	51	17.3%
Leases	3,464	3,586	122	3.5%
Outside Services	2,807	2,931	124	4.4%
Contributions to other Agencies	26	240	214	823.5%
<b>Total Services &amp; Supplies</b>	<b>21,560</b>	<b>18,870</b>	<b>(2,690)</b>	<b>-12.5%</b>
Capital Expense-Locally Funded	370	317	(53)	-14.2%
<b>Expenses</b>	<b>46,409</b>	<b>43,260</b>	<b>(3,149)</b>	<b>-6.8%</b>

\*(under) / over

**Local Transportation Authority Fund (Measure M)  
Revenues and Expenses**

*In Thousands*

Description	Budget	Actual	Variance	%
Federal Capital Assistance Grants	101,200	16,244	(84,956)	-83.9%
Interest Income	15,263	11,416	(3,847)	-25.2%
Rental Income	309	185	(125)	-40.3%
Miscellaneous	5	-	(5)	-100.0%
Sale Capital Assets	-	1,012	1,012	100.0%
Taxes/Fees	245,548	249,409	3,862	1.6%
Other Financial Assistance	28,400	36,569	8,169	28.8%
<b>Total Revenues</b>	<b>390,725</b>	<b>314,835</b>	<b>(75,890)</b>	<b>-19.4%</b>
Contributions to Other Agencies	85,750	46,769	(38,981)	-45.5%
Professional Services	25,210	15,265	(9,946)	-39.5%
Outside Services	319	214	(105)	-32.8%
Office Expense	245	215	(29)	-11.9%
Travel, Training, and Mileage	0	2	2	516.5%
Advertising Fees	11	15	4	36.8%
Utilities	-	23	23	100.0%
Miscellaneous Expense	3	27	24	801.1%
Debt Service	636	722	86	13.5%
<b>Total Services &amp; Supplies</b>	<b>112,174</b>	<b>63,253</b>	<b>(48,921)</b>	<b>-43.6%</b>
Construction in Progress	27,279	6,226	(21,053)	-77.2%
Work in Process	413,406	402,550	(10,856)	-2.6%
Capital Exp-Locally Funded	-	(169)	(169)	0.0%
Capital Exp-Grant Funded	105	67	(38)	-36.3%
<b>Total Capital</b>	<b>440,790</b>	<b>408,674</b>	<b>(32,116)</b>	<b>-7.3%</b>
<b>Total Expenses</b>	<b>552,964</b>	<b>471,927</b>	<b>(81,037)</b>	<b>-14.7%</b>
*(under) / over				

## Orange County Transit District Fund Revenues and Expenses

*In Thousands*

Description	Budget	Actual	Variance	%
Federal Operating Grants	4,134	256	(3,878)	-93.8%
Interest Income	6,350	4,353	(1,996)	-31.4%
Federal Capital Grants	22,520	21,899	(620)	-2.8%
Farebox Revenue	45,383	45,052	(331)	-0.7%
Insurance Recoveries	202	175	(27)	-13.3%
Advertising Revenue	9,626	9,601	(24)	-0.3%
Miscellaneous	75	176	101	134.8%
Other Financial Assistance	23,005	23,239	234	1.0%
Taxes/Fees	8,219	8,473	254	3.1%
Rental Income	327	740	412	126.0%
<b>Total Revenues</b>	<b>119,840</b>	<b>113,966</b>	<b>(5,874)</b>	<b>-4.9%</b>
Other Benefits	2,645	2,123	(522)	-19.7%
Extra Help Employees	866	821	(45)	-5.2%
Insurances	1,213	1,411	198	16.3%
Compensated Absences	7,800	8,048	248	3.2%
Pensions	9,399	10,260	861	9.2%
Salaries-Regular Employees	63,875	65,573	1,698	2.7%
<b>Total Salaries &amp; Benefits</b>	<b>85,798</b>	<b>88,236</b>	<b>2,438</b>	<b>2.8%</b>
Contract Transportation	36,271	29,869	(6,402)	-17.6%
Contributions to other Agencies	1,976	325	(1,651)	-83.6%
Professional Services	4,679	4,176	(503)	-10.7%
Office Expense	1,472	1,003	(469)	-31.9%
Tires and Tubes	1,362	1,214	(147)	-10.8%
Advertising Fees	231	106	(126)	-54.4%
Outside Services	11,237	11,138	(99)	-0.9%
Miscellaneous Expense	313	267	(47)	-14.9%
Debt Service	302	258	(43)	-14.3%
Travel, Training, and Mileage	140	148	8	5.9%
Utilities	873	890	17	2.0%
Leases	721	740	19	2.6%
Taxes	708	821	113	15.9%
Other Materials and Supplies	1,422	1,679	257	18.1%
Maintenace Expense	7,864	8,679	815	10.4%
Insurance	-	1,033	1,033	100.0%
Fuels and Lubricants	8,534	10,855	2,320	27.2%
<b>Total Services &amp; Supplies</b>	<b>78,104</b>	<b>73,199</b>	<b>(4,905)</b>	<b>-6.3%</b>
Capital Exp-Locally Funded	17,734	4,375	(13,358)	-75.3%
Work in Process	2,950	1,511	(1,439)	-48.8%
Construction in Progress	-	-	-	0.0%
<b>Total Capital</b>	<b>20,684</b>	<b>5,887</b>	<b>(14,797)</b>	<b>-71.5%</b>
<b>Expenses</b>	<b>184,586</b>	<b>167,321</b>	<b>(17,265)</b>	<b>-9.4%</b>

\*(under) / over

## 91 Express Lanes Revenues and Expenses

*In Thousands*

Description	Budget	Actual	Variance	%
Rental Income	3	14	12	399.8%
Interest Income	710	1,443	732	103.1%
Miscellaneous Toll Road Revenue	4,124	6,136	2,013	48.8%
Toll Road Revenue	26,190	30,229	4,039	15.4%
<b>Total Revenues</b>	<b>31,027</b>	<b>37,822</b>	<b>6,795</b>	<b>21.9%</b>
Outside Services	3,858	1,522	(2,336)	-60.6%
Professional Services	5,291	3,764	(1,527)	-28.9%
Debt Service	11,131	10,273	(858)	-7.7%
Office Expense	918	537	(381)	-41.5%
Leases	399	253	(146)	-36.6%
Advertising Fees	245	119	(126)	-51.3%
Insurance Claims Expense	460	339	(121)	-26.4%
Contract Transportation	5,398	5,337	(61)	-1.1%
Utilities	267	228	(39)	-14.5%
Miscellaneous Expense	209	173	(36)	-17.2%
Travel, Training, and Mileage	11	5	(6)	-56.6%
<b>Total Services &amp; Supplies</b>	<b>28,186</b>	<b>22,549</b>	<b>(5,637)</b>	<b>-20.0%</b>
Capital Exp-Locally Funded	1,859	1,620	(239)	-12.9%
Work in Process	-	-	-	0.0%
<b>Total Capital</b>	<b>1,859</b>	<b>1,620</b>	<b>(239)</b>	<b>-12.9%</b>
<b>Expenses</b>	<b>30,045</b>	<b>24,169</b>	<b>(5,876)</b>	<b>-19.6%</b>

\*(under) / over

## Internal Service Funds Revenues and Expenses

*In Thousands*

Description	Budget	Actual	Variance	%
Charges for Services	27,010	26,294	(716)	-2.6%
Interest Income	1,641	1,134	(506)	-30.9%
Insurance Recoveries	195	335	140	71.9%
<b>Total Revenues</b>	<b>28,846</b>	<b>27,764</b>	<b>(1,082)</b>	<b>-3.7%</b>
Insurance Claims Expense	28,162	26,375	(1,787)	-6.3%
Outside Services	50	41	(9)	-17.5%
Professional Services	660	652	(8)	-1.2%
Insurance	-	-	-	0.0%
Miscellaneous Expense	4	4	1	26.5%
Taxes	60	82	22	37.3%
<b>Total Services and Supplies Expenses</b>	<b>28,935</b>	<b>27,154</b>	<b>(1,781)</b>	<b>-6.2%</b>

\*(under) / over





BOARD COMMITTEE TRANSMITTAL



**September 12, 2005**

**To:** Members of the Board of Directors  
**From:** Wendy Knowles, Clerk of the Board  
**Subject:** Amendment to Cooperative Agreement for Construction of the Buena Park Intermodal Facility

This item will be considered by the Transit Planning and Operations Committee on September 8, 2005. 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.



**September 8, 2005**

**To:** Transit Planning and Operations Committee  
**From:** *Arthur V. Leany* *ATL*  
Arthur V. Leany, Chief Executive Officer  
**Subject:** Amendment to Cooperative Agreement for Construction of the Buena Park Intermodal Facility

**Overview**

On January 31, 2001, the Orange County Transportation Authority's Board of Directors approved a cooperative agreement with the City of Buena Park, in the amount of \$1,942,990. The cooperative agreement establishes the roles, responsibilities, funding, and process for the construction of the Buena Park Intermodal Facility. An amendment is requested to increase the funding for the facility and to add a construction contingency.

**Recommendations**

- A. Authorize the Chief Executive Officer to execute Amendment No. 2 to Cooperative Agreement C-0-1150 with the City of Buena Park, in an amount not to exceed \$3,500,000, to provide additional funding for construction of an intermodal facility.
- B. Approve the use of \$3,500,000 of Congestion, Mitigation and Air Quality funds.
- C. Authorize staff to process any necessary amendments to the Federal Transportation Improvement Program as necessary to support the above actions.

**Background**

The Buena Park Intermodal Facility (BPIF) encompasses a 3.5 acre site located at Lakeknoll Drive and Dale Avenue in the City of Buena Park (City). This is the last station in the Metrolink Orange County Line to be built and will provide commuters with convenient rail to bus connections. Station facilities to be constructed include platforms, a pedestrian overpass, elevator and stairs, waiting area canopies and benches, ticket vending machines, "kiss-and-ride"

plaza area, surface parking for approximately 300 vehicles, restrooms, equipment rooms, landscaping, and an irrigation system.

On December 9, 2004, the Orange County Transportation Authority (Authority) Board of Directors (Board) authorized the execution of Amendment No. 1 to increase the Authority's funding commitment and extend the time period to December 31, 2006. The additional funds included in Amendment No. 1 were based on the available funding at the time. The Buena Park City Council approved Amendment No. 1 on June 28, 2005.

**Discussion**

The original agreement, approved on January 31, 2001, was in the amount of \$1,942,990. This agreement has been previously amended (Attachment A). The total cooperative agreement amount after approval of Amendment No. 2 will be \$9,526,990.

Amendment No. 2 is needed to increase the total funding for the BPIF. The City recently opened bids for the construction of the station. The bids came in above the current funding amount of \$7,063,990, which includes the Authority's contribution of \$6,026,990, and the City's contribution of \$1,037,000. The updated construction estimate is as follows:

**PROBABLE COSTS**

Construction Bid	\$ 8,980,890
5 Percent Contingency	\$ 450,000
Burlington Northern Santa Fe	\$ 320,000
Southern California Regional Rail Authority	\$ 205,000
Construction Support	\$ 200,000
Construction Survey & Materials Testing	\$ 150,000
Miscellaneous	\$ 258,100

TOTAL \$ 10,563,990

The cooperative agreement amount after approval of Amendment No. 2 (\$9,526,990), when added to the City's contribution of \$1,037,000 will equal \$10,563,990.

Authority staff reviewed the bids and the information provided by the City and determined that the construction bids were reasonable. Based on the bids received, there is a \$3,500,000 shortfall, including a 5 percent contingency in the project budget. Staff recommends the use of previously transferred Congestion, Mitigation and Air Quality (CMAQ) funding to fully fund the project.

These CMAQ funds were transferred from Federal Highway Administration to Federal Transportation Administration for final design on The CenterLine Light Rail Project. Because of this transfer of funds, the funding must now be used for a transit related project. Use of these funds would create no net impact to the current budget and could be replaced at a later time with a future year CMAQ apportionment, should it become necessary.

**Fiscal Impact**

The additional work described in Amendment No. 2 can be accommodated in the Authority's Fiscal Year 2005-06 Construction & Engineering Budget, Account 0010 7831/T3301 3SA, Contributions to Other Agencies, and is initially funded with Local Transportation Authority funds with subsequent reimbursement through CMAQ funds.

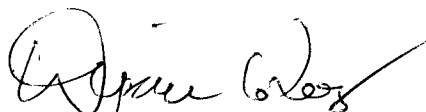
**Summary**

An amendment to the cooperative agreement between the City of Buena Park and the Authority for the construction of the Buena Park Intermodal Facility is being proposed. This amendment will increase the cooperative agreement amount to \$9,526,990.

**Attachment**

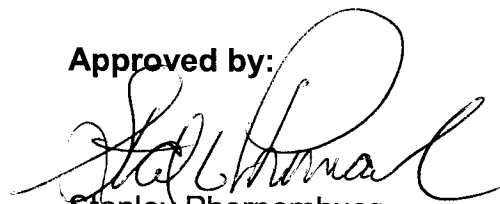
- A. City of Buena Park Agreement C-0-1150 Fact Sheet

**Prepared by:**



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

**Approved by:**



Stanley Phernambucq  
Executive Director,  
Construction & Engineering  
(714) 560-5440

## ATTACHMENT A

### **City of Buena Park Agreement C-0-1150 Fact Sheet**

1. On January 31, 2001, Agreement C-0-1150, for \$1,942,990, was approved by the Board of Directors.
  - This was to begin design for the construction of the intermodal commuter rail facility with Federal Transit Administration, Section 5309 Capital Grants funds.
2. On December 9, 2004, Amendment No. 1 to Agreement C-0-1150, for a total of \$6,026,990 was approved by the Board of Directors.
  - Identified various funding sources for the construction of the intermodal commuter rail facility.
  - Extended the term of the agreement to December 31, 2006.

Amendment No. 2 to Agreement C-0-1150, for \$3,500,000, pending approval by Board of Directors.

- This amendment will cover the increased bid price and costs associated with Burlington Northern Santa Fe and the Southern California Regional Rail Authority.

Total committed to the City of Buena Park, Agreement C-0-1150 will be \$9,526,990.





BOARD COMMITTEE TRANSMITTAL

**September 12, 2005**

**To:** Members of the Board of Directors  
**From:** <sup>WIK</sup> Wendy Knowles, Clerk of the Board  
**Subject** Santa Ana Freeway (Interstate 5) Far North Project Cooperative Agreement with City of La Mirada and Project Update

Regional Planning and Highways Committee

August 15, 2005

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

**Committee Vote**

This item was passed by all Committee Members present.

**Committee Recommendations**

- A. Authorize the Chief Executive Officer to execute Cooperative Agreement C-5-2667 between the Orange County Transportation Authority and the City of La Mirada, in an amount not to exceed \$350,000, for construction implementation of the Santa Ana Freeway (Interstate 5) Far North Project.
- B. Receive and file project update on the schedule and budget as an information item.



**August 15, 2005**

**To:** Regional Planning and Highways Committee

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

**Subject:** Santa Ana Freeway (Interstate 5) Far North Project Cooperative Agreement with City of La Mirada and Project Update

### **Overview**

The Orange County Transportation Authority proposes to enter into a cooperative agreement with the City of La Mirada for implementation of the Santa Ana Freeway (Interstate 5) Far North Project. The project update is provided for Board information.

### **Recommendations**

- A. Authorize the Chief Executive Officer to execute Cooperative Agreement C-5-2667 between the Orange County Transportation Authority and the City of La Mirada, in an amount not to exceed \$350,000, for construction implementation of the Santa Ana Freeway (Interstate 5) Far North Project.
- B. Receive and file project update on the schedule and budget as an information item.

### **Background**

Recognizing the importance of improving the transportation network through Orange County, the Santa Ana Freeway (Interstate 5) is a cornerstone of the Orange County Transportation Authority's (Authority) Measure M Freeway Improvement Program. The last phase to improve Interstate 5 (I-5) is the two-mile section from just north of the Riverside Freeway (State Route 91) to the Orange/Los Angeles County line, including the termination/transition point within the City of La Mirada (City). This project is known as the I-5 Far North Project. Improvements impacting the City include the termination/transition point for an additional general purpose lane and High Occupancy Vehicle lane in each direction. The Artesia Boulevard undercrossing will also be widened.



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***Discussion***

Implementation of detours for the I-5 Far North Project's four-year construction program will impact city roadways. Accordingly, the Authority has been coordinating with the City to identify specific responsibilities for the duration of the project. The Authority has generated a cooperative agreement with the City where the Authority will reimburse the City an approximate amount of \$350,000. The key elements of this expenditure are as follows: mitigation for city street pavements impacted by project related detours; actual costs for traffic engineering services to address traffic impacts; and police services actual costs for traffic management.

The Authority will implement a public awareness campaign during construction that advises local businesses, residents, elected officials, motorists, and media of construction status, street detours, and ramp and freeway closures.

The City will collaborate and cooperate with the Authority and the California Department of Transportation (Caltrans) staff, consultants, and contractors during design and construction of the project, including the Transportation Management Plan (TMP) mitigation measures and pavement repairs designed and constructed in accordance with the TMP for detours required to address traffic impacts during construction. The City will also provide traffic engineering and police services as requested by Authority.

**Schedule and Budget**

The current project schedule is as follows:

Advertise project for construction	September 2005
Award construction contract	December 2005
Begin project construction	January 2006
Complete construction	December 2009

The project estimate at completion is as follows:

Preliminary engineering and environmental document	\$ 1,066,000
Preparation of plans specifications and estimate	\$ 16,931,000
Right-of-way capital and support	\$ 49,650,000
Construction and construction management	<u>\$183,370,000</u>

Total: **\$251,017,000**

**Santa Ana Freeway (Interstate 5) Far North Project  
Cooperative Agreement with City of La Mirada and  
Project Update**

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**Page 3**

The approved funding for this project is \$251 million, with approximately 29 percent state funds and 71 percent Measure M funds. Since the last estimate presented to the Board in March 2005, Caltrans updated construction estimate (July 2005) has increased by approximately \$8 million due to the dynamic and fluid conditions of cost increases from recently bid construction projects. Once bids are received in December 2005, staff will prepare and update the budget and funding strategy for the Board's consideration.

**Fiscal Impact**

This project is included in the Authority's Fiscal Year 2005-06 Budget. Funds for this agreement are in Account 0010-9084/F1610-AP8 and 0010-9084/F1610-9Y2, and are funded through Measure M.

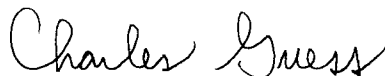
**Summary**

Staff requests Board approval for the Chief Executive Officer to execute a cooperative agreement between the Authority and the City of La Mirada (C-5-2667) for construction of the I-5 Far North Project.

**Attachment**

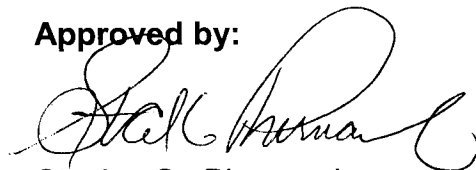
None.

**Prepared by:**



Charles Guess, P.E.  
Program Manager  
(714) 560-5775

**Approved by:**



Stanley G. Phernambucq  
Executive Director,  
Construction and Engineering  
(714) 560-5440





BOARD COMMITTEE TRANSMITTAL

**September 12, 2005**

**To:** Members of the Board of Directors  
**From:** Wendy Knowles, Clerk of the Board  
**Subject** Integrated Transportation Communication System: Proposed Response to Grand Jury Report

Transit Planning and Operations Committee

August 11, 2005

**Present:** Directors Winterbottom, Silva, Dixon, Duvall and Green  
**Absent:** Directors Brown and Pulido

**Committee Vote**

This item was passed by all Committee Members present.

**Committee Recommendations (Reflects Change from Staff Recommendation)**

- A. Receive and file Third Party Evaluation Report: Review of the Orange County Transportation Authority Integrated Transportation Communications System.
- B. Review and approve response to Orange County Grand Jury report on Orange County Transportation Authority bus communication system.

The letter of response has been changed to allow for the Chief Executive Officer to sign.

 **DRAFT**

**ATTACHMENT B**

**Proposed Response to Orange County Grand Jury Report  
OCTA Bus Communications System**

September 12, 2005

Honorable Fredrick P. Horn  
Presiding Judge of the Superior Court  
700 Civic Center Drive  
Santa Ana, CA 92701

**SUBJECT: Orange County Grand Jury Report: OCTA Bus  
Communications System**

Dear Judge Horn,

On behalf of the Orange County Transportation Authority (OCTA) Board of Directors, this is the response to the Orange County Grand Jury's May 31, 2005, report reviewing the OCTA bus communications system known as the Integrated Transportation Communication System (ITCS). We appreciate the observations and suggestions offered. The information provided will assist us in ensuring that OCTA continues to offer outstanding bus service for Orange County.

Since the Grand Jury's initial communications to OCTA on this matter in fall 2004, we have been listening. In December 2004, members of the Environmental and Transportation Subcommittee of the Grand Jury suggested OCTA hire an independent evaluator of the system. OCTA did this. The result was a June 2005 report by a nationally recognized communications firm headed by Dr. Henry L. Richter, Ph.D. / Professional Engineer (PE). The attached Richter Group report concludes that OCTA's current system is reliable and meets industry and federal guidelines. The report documents numerous improvements made to the system and OCTA's management processes and serves as the basis for many of our responses.

**FINDINGS**

**5.1 Inadequate project management**

**OCTA agrees in part with this finding.** It is noted that beginning in 2001, OCTA management acknowledged that project management was inadequate. Over the past four years, management has taken a number of corrective actions to ensure successful implementation of the project.

Project management challenges existed on several fronts. For example, the original project manager lacked the technical expertise to understand the underlying technology of this complicated system. In addition, as well as serving as ITCS project manager, this individual had other full time responsibilities.

Following OCTA's change in executive management in 2001, a project review was undertaken and an audit of the project conducted. This resulted in a change in the overall approach to project management. The new method was to establish a team approach to project management (versus a single project manager) that included Executive, Maintenance, User Group and Information Systems (IS) teams. A contract compliance officer and legal counsel augment the team. The Richter Group report validates the team approach to project management.

- Automatic passenger counter was added and deleted in a matter of months

**OCTA disagrees with this finding.** As discussed in the exit interview with members of the Grand Jury, the ITCS contract was amended on November 13, 2000 to add the installation of automatic passenger counting systems on 75 buses in the OCTA's fleet. This requirement was never removed from the contract requirements. OCTA currently has 75 buses that are equipped with the automatic passenger counting system. This system is fully functional and utilized by OCTA on a regular basis.

- Original project manager was required to oversee this project in addition to his other duties.

**OCTA agrees with this finding.** OCTA management has acknowledged that the original project manager may have been overburdened by his other duties to the detriment of the ITCS project. Management has taken steps to ensure that this situation does not occur in the future by dedicating a full time project manager to all large-scale technical projects.

- It took five years of problems with the contract before an audit was performed.

**OCTA agrees in part with this finding.** Not all of the project hardware was delivered, installed, and in use on the date the contract was executed in September 1997. Immediately following the execution of the contract and the notice to proceed, the contractor began to design the system. The actual system hardware was not installed and operational until early 2000. This was approximately two years prior to the audit. It is correct that a significant amount of time went by before an audit was conducted. We believe this was due to reluctance on the part of the project manager to communicate deficiencies with management in a timely manner. The audit report ordered by OCTA's Chief Executive Officer flagged communication issues and brought about a change in the approach to project management.

## **5.2 Unreliable system**

**OCTA disagrees with this finding.** OCTA management made a decision to investigate thoroughly the allegations of a non-reliable system. To that end, in early 2005, OCTA retained an independent expert – the Richter Group -- to review the overall communications system and assess whether or not it performed within federal guidelines and to industry standards. The review also analyzed the system's capacity to grow as the bus fleet grows and provided an assessment and recommendations for ongoing maintenance and training.

The Richter Group spent three months reviewing the technical specifications of the system, testing and assessing performance. It included interviewing coach operators, radio communications personnel, maintenance staff, project team members and management.

On June 20, 2005, the Richter Group issued its final report detailing the findings of its exhaustive review of the system. The report states that the "system meets specifications, and is at the forefront of a combined voice-and-data technology. This system meets recently established Federal Guidelines for Transit Systems, and compares favorably with other new transit systems, such as RTD Denver." Further, the system is "adequate, is reliable, meets specifications, and has growth potential." It concluded, "At this time, there are no major technical deficiencies that would indicate a degraded or partially functioning system."

The Richter Group report also cited the fact that the ITCS project was, in the beginning, troubled. It initially lacked proper project management and did not address ongoing maintenance. However, the report noted that the replacement project team corrected the deficiencies of the past and the system has been tested and deemed reliable.

For example, in Spring 2005, the Richter Group conducted specific testing where a text message was sent to 195 buses at the same time. The results of the test indicated that at no time did system congestion occur. During the data test, normal voice traffic, data messaging, and Automatic Vehicle Locator were operational across all vehicles in service at that time.

### **5.3 System maintenance is inadequate**

**OCTA agrees in part with this finding.** OCTA agrees with the Grand Jury's finding that during the implementation of the ITCS, project preventative maintenance was inadequate and gave rise to several failures prior to acceptance of the system.

In late August 2004, when the project was nearing final testing, it was determined by the project team that preventative maintenance was lacking and was a cause of several major deficiencies with the system. At that time, management decided that it was in OCTA's best interest to strengthen these functions and retained the services of former County of Orange's chief communications engineer to assist in the maintenance of the system. In addition, to provide further technical depth, OCTA's internal IS group was trained to support the system. Finally, OCTA has undertaken a training program with the support of Orbital Sciences to address system maintenance and support.

The Richter Group report emphasized the need for an established, regular maintenance program for the system. Working in conjunction with Orbital Sciences, OCTA staff has recommended a regular, scheduled communications system maintenance program be incorporated into OCTA's regular bus maintenance programs. A recommendation to procure needed maintenance training was approved by the OCTA Board of Directors on July 25, 2005. The target date for full implementation for this action will be September 30, 2005. In addition, within the next 60 days, OCTA expects to hire a dedicated radio frequency engineer who will play a vital role in ongoing maintenance of the ITCS system.



**5.4 System users excluded from problem resolution**

**OCTA disagrees with this finding.** OCTA's communications system team made it a priority that not only central communications personnel, but also coach operators, line captains and field supervisors were included in problem resolution and system compliance testing.

**RECOMMENDATIONS**

**6.1 Project managers should be dedicated solely to the project and have system expertise.**

**OCTA agrees with the recommended action.** OCTA has determined that on future complex technical procurements, a technically competent, dedicated project manager will be assigned. Further, based on recommendations in the Richter Group report, OCTA will create project management teams to plan and implement such projects.

**6.2 Internal audit should monitor contract implementation to ensure payment follows performance.**

**The recommended action has been implemented.** Following the issuance of the internal audit report on this project in 2002, guidelines were established to review significant contracts within the first year of the contract with additional reviews conducted, as considered necessary, throughout the term of the contract.

**6.3 Hire an independent consultant to analyze the system and make recommendations for improvement.**

**The recommended action has been implemented.** In March 2005, OCTA retained the services of Dr. Henry L. Richter, Ph.D. / PE and his consulting group to investigate and evaluate OCTA's ITCS system. One outcome of this study is a plan to conduct a system-wide analysis of all vehicle communications systems in FY 2005/2006.

**6.4 Implement the recommendations of the independent consultant to improve the system.**

**The recommended action has been implemented.** OCTA received the final Richter Group report on June 20, 2005, and numerous recommendations have already been implemented. In addition, other recommendations will be implemented on an ongoing basis.

**6.5 Continue training of technicians as planned, and consider hiring an independent firm with knowledge of the system to perform maintenance.**

**The recommended action will be implemented.** The system provider Orbital Sciences and M/A-COM, will provide system and maintenance training. A recommendation to expend approximately \$80,000 on this training was approved by the OCTA Board of Directors on July 25, 2005.

Due to the proprietary nature of the technology, hiring an independent firm to perform system maintenance is not feasible or cost effective and OCTA is training its own personnel in operations and maintenance of the system.

**6.6 Include system users in meetings where the system is being analyzed and recommendations are being made.**

**The recommended action has been implemented.** From the outset of the procurement of this project, system users have been involved in the analysis, implementation and testing of the system. OCTA will expand this practice to utilize system users as a resource of information and ideas for the maintenance and any potential upgrade of the system.

**6.7 Take steps to correct the perception by some users that reporting system problems could hurt their OCTA careers.**

**The recommended action has been implemented.** OCTA is committed to open communication and recognizes the need for continual improvement. OCTA's Chief Executive Officer has communicated to executive and management staff his desire for creating an environment where all employees feel free to bring issues and problems to the attention of management. In the future, this perspective will be underscored through additional internal communications such as articles in the employee

newsletter and communications via e-mail. The message will be to encourage employees to surface issues and provide suggestions to improve delivery of OCTA projects and services.

### **Conclusion**

On behalf of the OCTA Board of Directors, I want to thank the Orange County Grand Jury for its report on the OCTA bus communication system. OCTA continually strives to provide outstanding bus service for Orange County and wants to be a national model for the industry. Constructive feedback can only help in this endeavor.

Should you have any questions, or require additional follow up on this matter, please do not hesitate to contact me directly at (714) 560-5584.

Sincerely,

Arthur T. Leahy  
Chief Executive Officer

ATL:dgs

Attachment



**August 11, 2005**

**To:** Transit Planning and Operations Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Integrated Transportation Communication System: Proposed Response to Grand Jury Report

### **Overview**

In September 1997 the Orange County Transportation Authority entered into a \$12.6 million contract with Orbital Sciences for replacement of its existing analog bus communication system with a modern digital system. Due to various project management issues, integrating the system has been a lengthy process; however, the system is now working and meets industry and federal guidelines. In May of this year, the Orange County Grand Jury issued a report on the communication system. A third party evaluation of the communication system and Proposed Response to the Grand Jury report is submitted for committee review.

### **Recommendations**

- A. Receive and file Third Party Evaluation Report: Review of the Orange County Transportation Authority Integrated Transportation Communications System.
- B. Review and approve response to Orange County Grand Jury report on Orange County Transportation Authority bus communication system.

### **Background**

The Orange County Transportation Authority (OCTA) owns and operates an advanced 800 megahertz digital radio system designed to provide voice and data communications between the fixed route bus fleet and central communications dispatch.

Implementation of the radio system met with project management challenges along the way. Since June 2003, issues associated with the implementation of the OCTA bus communication system have been discussed at eight Transit Planning and Operations Committee meetings, five in closed session. Project

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management issues were recognized by executive staff and steps have been taken to address these issues. Additional recommendations contained in a third party analysis of the system are currently under review.

Over time, the project management challenges gained media interest, ultimately leading to inquiries from the Orange County Grand Jury. The Chief Executive Officer and OCTA staff met with the Environmental and Transportation Subcommittee of the Grand Jury on three occasions beginning in the fall 2004. One such meeting included a tour of the Central Communications facility in Garden Grove. Additionally, several requests for information were made to OCTA staff and interviews were conducted by individual jurors with coach operators, central communication personnel and other individuals who work with the communication system.

In March 2005, an independent review of the bus communication system was undertaken by the OCTA to determine if the existing system met industry as well as federal guidelines. On June 20, 2005, the Richter Group, a highly respected and well known communications consulting firm, issued its final report (Attachment A) detailing the findings of its extensive review of the system. The Richter Group concluded that the "system meets specifications, and is at the forefront of a combined voice-and-data technology." This system meets recently established federal guidelines for transit systems, and compares favorably with other new transit systems, such as the Regional Transit District, Denver. Further, that the system is "adequate, is reliable, meets specifications, and had growth potential." Finally, "at this time, there are no major technical deficiencies that would indicate a degraded or partially functioning system."

### ***Discussion***

Primarily due to project management challenges, the successful implementation of modern digital system transit communication system has been an arduous endeavor. Despite a difficult journey, today the OCTA bus system has a working communication system that meets industry and federal guidelines.

This matter was included as a part of the agenda for the OCTA Board of Directors meeting on July 11, 2005. Prior to presentation or consideration of the matter, the Board of Directors requested the Transit Planning and Operations Committee to consider the matter and to recommend actions for consideration by the Board of Directors.

The OCTA Board must respond to all findings and recommendations contained in the recently released Orange County Grand Jury report within 90 days of

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public issuance or by September 7, 2005. The Richter Group's evaluation of the communication system supports the Proposed Response to the Grand Jury (Attachment B). The Proposed Response to the Grand Jury, as included in the agenda materials for the Board of Directors on July 11, 2005, has been revised regarding future training and past maintenance of the system.

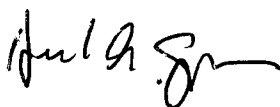
**Summary**

Issues with the implementation and management of the bus communication system project have been discussed with the Transit Planning and Operations Committee over the last two years. An independent third party assessment of the bus communication system was conducted and the key findings of that comprehensive review were that the radio system purchased by OCTA is reliable and the OCTA received a system that meets specifications. The findings of the third party evaluation serve as the basis of OCTA's response to the Orange County Grand Jury's report on the communication system.

**Attachments**

- A. Third Party Evaluation Report: Review of the OCTA Integrated Transportation Communications System
- B. Proposed Response to Orange County Grand Jury Report: OCTA Bus Communications System

**Prepared by:**



David G. Simpson  
Manager, Local Government Relations  
(714) 560-5570

**Approved by:**



William L. Foster  
Executive Director, Bus Operations  
(714) 560-5842

THIRD-PARTY EVALUATION REPORT REVIEW OF THE  
ORANGE COUNTY TRANSIT AUTHORITY  
INTEGRATED TRANSPORTATION COMMUNICATIONS SYSTEM

JUNE 2005

IS A BOUND REPORT AND ON FILE IN THE

CLERK OF THE BOARD'S OFFICE

## **ATTACHMENT B**

### **Proposed Response to Orange County Grand Jury Report OCTA Bus Communications System**

August 22, 2005

Honorable Fredrick P. Horn  
Presiding Judge of the Superior Court  
700 Civic Center Drive  
Santa Ana, CA 92701

**SUBJECT: Orange County Grand Jury Report: OCTA Bus  
Communications System**

Dear Judge Horn,

On behalf of the Orange County Transportation Authority (OCTA) Board of Directors, this is the response to the Orange County Grand Jury's May 31, 2005, report reviewing the OCTA bus communications system known as the Integrated Transportation Communication System (ITCS). We appreciate the observations and suggestions offered. The information provided will assist us in ensuring that OCTA continues to offer outstanding bus service for Orange County.

Since the Grand Jury's initial communications to OCTA on this matter in fall 2004, we have been listening. In December 2004, members of the Environmental and Transportation Subcommittee of the Grand Jury suggested OCTA hire an independent evaluator of the system. OCTA did this. The result was a June 2005 report by a nationally recognized communications firm headed by Dr. Henry L. Richter, Ph.D. / Professional Engineer (PE). The attached Richter Group report concludes that OCTA's current system is reliable and meets industry and federal guidelines. The report documents numerous improvements made to the system and OCTA's management processes and serves as the basis for many of our responses.

#### **FINDINGS**

##### **5.1 Inadequate project management**

**OCTA agrees in part with this finding.** It is noted that beginning in 2001, OCTA management acknowledged that project management was inadequate. Over the past four years, management has taken a number of corrective actions to ensure successful implementation of the project.



Project management challenges existed on several fronts. For example, the original project manager lacked the technical expertise to understand the underlying technology of this complicated system. In addition, as well as serving as ITCS project manager, this individual had other full time responsibilities.

Following OCTA's change in executive management in 2001, a project review was undertaken and an audit of the project conducted. This resulted in a change in the overall approach to project management. The new method was to establish a team approach to project management (versus a single project manager) that included Executive, Maintenance, User Group and Information Systems (IS) teams. A contract compliance officer and legal counsel augment the team. The Richter Group report validates the team approach to project management.

- Automatic passenger counter was added and deleted in a matter of months

**OCTA disagrees with this finding.** As discussed in the exit interview with members of the Grand Jury, the ITCS contract was amended on November 13, 2000 to add the installation of automatic passenger counting systems on 75 buses in the OCTA's fleet. This requirement was never removed from the contract requirements. OCTA currently has 75 buses that are equipped with the automatic passenger counting system. This system is fully functional and utilized by OCTA on a regular basis.

- Original project manager was required to oversee this project in addition to his other duties.

**OCTA agrees with this finding.** OCTA management has acknowledged that the original project manager may have been overburdened by his other duties to the detriment of the ITCS project. Management has taken steps to ensure that this situation does not occur in the future by dedicating a full time project manager to all large-scale technical projects.

- It took five years of problems with the contract before an audit was performed.

**OCTA agrees in part with this finding.** Not all of the project hardware was delivered, installed, and in use on the date the contract was executed in

September 1997. Immediately following the execution of the contract and the notice to proceed, the contractor began to design the system. The actual system hardware was not installed and operational until early 2000. This was approximately two years prior to the audit. It is correct that a significant amount of time went by before an audit was conducted. We believe this was due to reluctance on the part of the project manager to communicate deficiencies with management in a timely manner. The audit report ordered by OCTA's Chief Executive Officer flagged communication issues and brought about a change in the approach to project management.

## **5.2 Unreliable system**

**OCTA disagrees with this finding.** OCTA management made a decision to investigate thoroughly the allegations of a non-reliable system. To that end, in early 2005, OCTA retained an independent expert – the Richter Group -- to review the overall communications system and assess whether or not it performed within federal guidelines and to industry standards. The review also analyzed the system's capacity to grow as the bus fleet grows and provided an assessment and recommendations for ongoing maintenance and training.

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replacement project team corrected the deficiencies of the past and the system has been tested and deemed reliable.

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**OCTA agrees in part with this finding.** OCTA agrees with the Grand Jury's finding that during the implementation of the ITCS, project preventative maintenance was inadequate and gave rise to several failures prior to acceptance of the system.

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**RECOMMENDATIONS**

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**6.6 Include system users in meetings where the system is being analyzed and recommendations are being made.**

**The recommended action has been implemented.** From the outset of the procurement of this project, system users have been involved in the analysis, implementation and testing of the system. OCTA will expand this practice to utilize system users as a resource of information and ideas for the maintenance and any potential upgrade of the system.

**6.7 Take steps to correct the perception by some users that reporting system problems could hurt their OCTA careers.**

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**Conclusion**

Orange County Grand Jury  
Bus Communications System Report  
August 22, 2005  
Page 7

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Should you have any questions, or require additional follow up on this matter, please do not hesitate to contact Arthur T. Leahy, Chief Executive Officer, at (714) 560-5584.

Sincerely,

Bill Campbell  
Chairman

BC:dgs  
Attachment