



1255 Imperial Avenue, Suite 1000
 San Diego, CA 92101-7490
 619.231.1466 FAX 619.234.3407

Agenda

JOINT MEETING OF THE EXECUTIVE COMMITTEE

for the
 Metropolitan Transit System
 San Diego Transit Corporation, and
 San Diego Trolley, Inc.

July 8, 2010

Executive Conference Room
 9:00 a.m.

ACTION RECOMMENDED

- A. ROLL CALL
- B. APPROVAL OF MINUTES - June 17, 2010 Approve
- C. COMMITTEE DISCUSSION ITEMS
 - 1. MTS: Blue Line Rehabilitation and Outreach Schedule (Rob Schupp) Receive
 Action would receive a report for information.
 - 2. MTS: Trolley Rehabilitation Project Update (Wayne Terry and John Haggerty of SANDAG) Possible Action
 Action would receive a report for information and provide comments.
 - 3. MTS: Procurement, Integration, and Installation of Onboard Video Surveillance Systems for MTS Buses (Claire Spielberg and John Miller) Approve
 Action would forward a recommendation to the Board of Directors to authorize the CEO to award MTS Doc. No. B0521.0-09 to Apollo Video Technology to procure, integrate, and install onboard video surveillance systems (OBVSS) on MTS buses. The contract would be completed in two phases and would also include three 1-year options for additional OBVSS.
 - 4. MTS: Fiscal Year 2011 Revised Capital Improvement (CIP) Program (Larry Marinesi) Approve
 Action would: (1) approve the adjusted fiscal year 2011 Capital Improvement Program (CIP) with the revised federal and nonfederal funding levels; and (2) forward a recommendation to the San Diego Association of Governments (SANDAG) Board of Directors to approve the amendment of the Regional Transportation Improvement Program (RTIP) in accordance with the fiscal year 2011 CIP recommendations.



- 5. MTS: CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(a) Possible Action
Metropolitan Transit System v. San Diego State University (Case No. 37-2007-00083692-CU-WM-CTL)

- D. REVIEW OF DRAFT JULY 15, 2010, JOINT BOARD AGENDA

- E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA Possible Action
Review of SANDAG Transportation Committee Agenda and discussion regarding any items pertaining to MTS, San Diego Transit Corporation, or San Diego Trolley, Inc. Relevant excerpts will be provided during the meeting.

- F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS

- G. PUBLIC COMMENTS

- H. NEXT MEETING DATE: August 12, 2010

- I. ADJOURNMENT

JOINT MEETING OF THE EXECUTIVE COMMITTEE FOR THE
METROPOLITAN TRANSIT SYSTEM (MTS),
SAN DIEGO TRANSIT CORPORATION (SDTC), AND
SAN DIEGO TROLLEY, INC. (SDTI)

DRAFT MINUTES

June 17, 2010

MTS
1255 Imperial Avenue, Suite 1000, San Diego

A. ROLL CALL

Chairman Mathis called the Executive Committee meeting to order at 9:48 a.m. A roll call sheet listing Executive Committee member attendance is attached.

B. APPROVAL OF MINUTES

Ms. Lightner moved for approval of the minutes of the May 20, 2010, MTS Executive Committee meeting. Mr. Roberts seconded the motion, and the vote was 5 to 0 in favor.

C. COMMITTEE DISCUSSION ITEMS

REQUEST TO ADD CLOSED SESSION AGENDA ITEM

Ms. Tiffany Lorenzen, MTS General Counsel, state that Government Code Section 54954.2 discusses the provisions under the Brown Act for discussing matters that are not on the agenda. Subsection b says that the legislative body may take action on an item of business not appearing on the posted agenda under any of the following conditions stated below. Prior to discussing any items pursuant to the subdivision, the legislative body shall publicly identify the item. Subsection 2 specifies upon a determination by a 2/3 vote of the members of the legislative body present at the meeting, or if less than 2/3 of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted as specified in Subdivision a.

Ms. Tiffany Lorenzen, MTS General Counsel, explained that she and the CEO, Mr. Jablonski, received critical information on Wednesday, June 16, 2010, regarding the following litigation:

Metropolitan Transit System v. San Diego State University (appeal of Case No. 37-2007-00083692-CU-WM-CTL)

Ms. Lorenzen recommended the Executive Committee take a vote in order to add this item to the discussion of Closed Session. Mr. Roberts made a motion to add the item to Closed Session discussion. Mr. Rindone seconded the motion, and the vote was 5 to 0 in favor.

The Executive Committee convened to Closed Session at 9:50 a.m.

1. MTS: CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to California Government Code Section 54956.8
Property: Palomar Street and Palm Avenue Transit Stations (Assessor Parcel Nos. 622-081-27 and 628-050-60)
Agency Negotiators: Tiffany Lorenzen, General Counsel; Tim Allison, Manager of Real Estate Assets
Negotiating Parties: BLT Family Housing, LLC
Under Negotiation: Price and Terms of Payment

2. MTS: CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to California Government Code Section 54956.8
Property: Assessor Parcel Nos. 547-200-51, 52, and 53, San Diego, California, 220 47th Street
Agency Negotiators: Tiffany Lorenzen, General Counsel; Tim Allison, Manager of Real Estate Assets; Gerald Trimble, Keyser-Marston Associates, Inc.
Negotiating Parties: Creekside Holdings, Ltd., a Utah Limited Partnership; Wasatch Advantage Group, LLC; San Diego Housing Commission
Under Negotiation: Price and Terms of Payment

3. MTS: CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
Pursuant to California Government Code Section 54956.9(a)
Metropolitan Transit System v. San Diego State University (Case No. 37-2007-00083692-CU-WM-CTL)

The Executive Committee reconvened to open session at 11:24 a.m.

Oral Report of Final Actions Taken in Closed Session

Ms. Tiffany Lorenzen, MTS General Counsel, reported the following:

1. The Committee received a report and gave direction to staff.
2. The Committee received a report and gave direction to staff.
3. The Committee received a report and gave direction to General Counsel and CEO.

D. REVIEW OF DRAFT JUNE 24, 2010, JOINT BOARD AGENDA

Recommended Consent Items

6. MTS: Proposed Revisions to MTS Policy No. 44 - Travel Expense Policy

Action would approve the proposed revisions to MTS Policy No. 44 - Travel Expense Policy.

7. MTS: Crane Truck Equipment Vehicle - Contract Award

Action would authorize the CEO to execute MTS Doc. No. L0969.0-10 with Altec Industries to purchase one crane truck vehicle.

8. MTS: Exercise Tire Run-Out with Michelin North America, Inc. for Leased Bus Tires - Contract Amendment

Action would authorize the CEO to execute MTS Doc. No. B05-001.2 with Michelin North America, Inc. to exercise the run-out option to cover payments for the remaining useful life of Michelin tires currently installed on buses at the Imperial Avenue and Kearny Mesa Divisions. The total duration of this run-out period would not exceed 36 months.

9. MTS: Assignment of Contract for San Diego Association of Governments' On-Call General Transportation Planning Services (Kimley-Horn and Associates, Inc.)

Action would authorize the CEO to execute MTS Doc. No. G1327.0-10 with Kimley-Horn and Associates (KHA) as part of the San Diego Association of Governments' (SANDAG's) On-Call General Transportation Planning Service Agreement, which was established as a jobs-order contract with MTS. The execution of this agreement would allow MTS to use KHA on an as-needed basis for all planning and engineering-related activities.

10. MTS: Assignment of Contract for San Diego Association of Governments' On-Call General Transportation Planning Services (PB America's Inc.)

Action would authorize the CEO to execute MTS Doc. No. G1328.0-10 with Parsons Brinckerhoff America's Inc. (PB) as part of the San Diego Association of Governments' (SANDAG's) On-Call General Transportation Planning Service Agreement, which was established as a jobs-order contract with MTS. The execution of this agreement would allow MTS to use PB on an as-needed basis for all planning and engineering-related activities.

11. MTS: Trolley Ticket Vending Machine (TVM) Procurement - Memorandum of Understanding

Action would authorize the CEO to: (1) execute a Memorandum of Understanding (MOU) with the San Diego Association of Governments (SANDAG) for procurement of additional Ticket Vending Machines (TVMs); and (2) transfer funds from Capital Improvement Project (CIP) 11276 (SDTI Ticket Vending Machines) to SANDAG.

Recommended Consent Items

There was no additional discussion of the recommended Consent Items.

Recommended Board Discussion Items

There was no discussion of recommended Discussion Items.

E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA

Ms. Sharon Cooney, Director of Government Affairs, reported that the Blue and Orange Trolley Line Corridor Update is on the June 18, 2010, agenda for the Transportation Committee.

F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS

There were no Committee Member communications.

G. PUBLIC COMMENTS

There were no public comments.

H. NEXT MEETING DATE

The next Executive Committee meeting is scheduled for Thursday, July 8, 2010, at 9:00 a.m. in the Executive Committee Conference Room.

I. ADJOURNMENT

Chairman Mathis adjourned the meeting at 11:27 a.m.

Chairman

Attachment: A. Roll Call Sheet

**EXECUTIVE COMMITTEE
METROPOLITAN TRANSIT SYSTEM**

ROLL CALL

MEETING OF (DATE) June 17, 2010

CALL TO ORDER (TIME) 9:48 AM

RECESS _____

RECONVENE _____

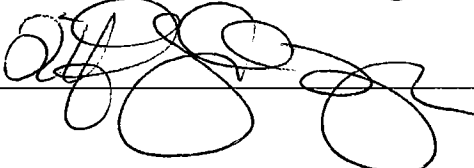
CLOSED SESSION 9:50 AM

RECONVENE 11:24 AM

ADJOURN 11:27 AM

BOARD MEMBER (Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
LIGHTNER <input checked="" type="checkbox"/> (Young) <input type="checkbox"/>		10:34 AM
MATHIS <input checked="" type="checkbox"/>		
Imperial Beach Rotated to Chula Vista		
RINDONE (VC) <input checked="" type="checkbox"/> (Young - CPT) <input type="checkbox"/>		
ROBERTS <input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>		10:30 AM
SELBY <input checked="" type="checkbox"/> (Ryan) <input type="checkbox"/>		
Transportation Committee Rep Slot (Mathis)		

SIGNED BY OFFICE OF THE CLERK OF THE BOARD: Valerie Vizkeleti

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL: 



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Agenda

Item No. C1

JOINT MEETING OF THE EXECUTIVE COMMITTEE
for the
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

OPS 970.2

July 8, 2010

SUBJECT:

MTS: BLUE LINE REHABILITATION AND OUTREACH SCHEDULE (ROB SCHUPP)

RECOMMENDATION:

That the Executive Committee receive a report for information.

Budget Impact

None.

DISCUSSION:

Blue Line rehabilitation work is scheduled to begin in late August commencing the construction that will necessitate weekend closures of portions of Blue Line service on weekends for the next several years. This report will outline the tentative schedule of construction activity and the communication tactics that will be implemented prior to the construction start and throughout the project to ensure that as many MTS customers as possible are aware of the project in advance.

A handwritten signature in black ink, appearing to read "Paul C. Jablonski", is written over a horizontal line.

Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Rob Schupp, 619.557.4511, rob.schupp@sdmts.com

JULY8-10.C1.BLUE LINE REHAB
& OUTREACH.RSCHUPP.doc

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Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc., San Diego and Arizona Eastern Railway Company (nonprofit public benefit corporations), and San Diego Vintage Trolley, Inc., a 501(c)(3) nonprofit corporation, in cooperation with Chula Vista Transit. MTS is the taxicab administrator for seven cities. MTS member agencies include the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, Santee, and the County of San Diego.





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Agenda

Item No. C2

JOINT MEETING OF THE EXECUTIVE COMMITTEE
for the
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

OPS 970.2

July 8, 2010

SUBJECT:

MTS: TROLLEY REHABILITATION PROJECT UPDATE (WAYNE TERRY AND JOHN HAGGERTY OF SANDAG)

RECOMMENDATION:

That the Executive Committee receive a report for information and provide comments.

Budget Impact

None.

DISCUSSION:

The San Diego Association of Governments (SANDAG) is continuing to provide project management and design services for the program of projects to upgrade the Blue Line rail infrastructure and prepare the entire trolley system for low-floor vehicle operations. The design and construction is proceeding rapidly in stages.

The program will include reconstruction of stations from Washington Street to San Ysidro on the Blue Line and downtown to La Mesa on the Orange Line to provide the eight-inch-high platforms needed for the new low-floor vehicles. Design for the reconstruction of all of the Blue and Orange Line stations to accommodate low-floor vehicles is underway, and staff will provide an update on this work.

Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Wayne Terry, 619.595.4906, wayne.terry@sdmts.com

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Agenda

Item No. C3

JOINT MEETING OF THE EXECUTIVE COMMITTEE
for the
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

CIP 11184

July 8, 2010

SUBJECT:

MTS: PROCUREMENT, INTEGRATION, AND INSTALLATION OF ONBOARD VIDEO SURVEILLANCE SYSTEMS FOR MTS BUSES (CLAIRE SPIELBERG AND JOHN MILLER)

RECOMMENDATION:

That the Executive Committee forward a recommendation to the Board of Directors to authorize the Chief Executive Officer (CEO) to award MTS Doc. No. B0521.0-09 (in substantially the same format as Attachment A) to Apollo Video Technology to procure, integrate, and install onboard video surveillance systems (OBVSS) on MTS buses. The contract would be completed in two phases and would also include three 1-year options for additional OBVSS.

Budget Impact

The cost of the base contract for Phases I and II, including California sales tax, would not exceed \$1,841,275.37. The cost of the three option years, including California sales tax, would not exceed \$2,516,226.71. The total cost of the contract including the three 1-year options would be \$4,357,502.08.

Funding for this project is allocated under Capital Improvement Program (CIP) 11184.



DISCUSSION:

MTS recognizes that onboard safety for passengers and operators can be enhanced by digitally recorded video documentation of activities inside and outside of the vehicles. As an approach to risk management in investigating onboard accidents and injuries, MTS plans to purchase, install, and integrate an onboard video surveillance system on all of its fleets. All OBVSS will be capable of wireless downloading of video and health reports to a single garage management network. Only model year 2000 or newer transit buses will be outfitted with OBVSS.

To ensure proper installation and to accommodate the availability of funding, this project was divided into two phases with three 1-year options.

PHASES

Phase I

Phase I is considered the test phase. It would include the purchase and installation of four complete OBVSS to be installed on four 40-foot buses. Acceptance of Phase I would consist of 45 consecutive calendar days of continuous operations without any system failures.

Phase II

Phase II would not begin until acceptance of Phase I systems. Phase II would include the purchase and installation of up to 244 OBVSS on 35-foot, 40-foot, and 60-foot buses from the Imperial Avenue Division (IAD) and Kearny Mesa Division (KMD) fleets. Phase II would also include the installation and induction of a garage management network that would be capable of receiving automatic wireless downloading of video from the IAD and KMD fleets to a single server located at IAD.

OPTIONS

This project would include three 1-year options exercisable at MTS's discretion for additional OBVSS. The total options, if exercised, would be for up to 300 OBVSS.

1. Option year one would include the installation of up to 100 OBVSS on 40-foot buses from the South Bay Maintenance Facility (SBMF) fleet. Included in option year one would be the installation and induction of a garage management network that would be capable of receiving automatic wireless downloading of video from the SBMF, East County, and Chula Vista fleets to a single server located at SBMF.
2. Option year two would include the installation of up to 100 OBVSS on a combination of 29-, 30-, 32-, 35-, and 40-foot buses for the SBMF, East County, and Chula Vista fleets.

3. Option year three would include the installation of up to 100 OBVSS on a combination of 29-, 30-, 32-, 35-, 40-, 45-, and 60-foot buses. Option year three would accommodate the remaining buses within the MTS fleets needing OBVSS.

PROCUREMENT HISTORY

On October 8, 2009, MTS issued a Request for Proposals (RFP) for Mobile Onboard Video Surveillance Systems (OBVSS) to 44 companies determined by MTS staff capable of performing the requirements of the procurement.

On January 13, 2010, a total of six proposals were received in response to the RFP (MTS Doc. No. B0521.0-09) from the following proposers:

- Apollo Video Technology
- Transit Marketing Group
- March Networks
- System Development Integration
- Johnson Controls
- Henry Brothers Electronics

A compliant review of the proposals was conducted by the MTS Procurement Department to ensure that all required forms and submittals were included in the proposals. Based on this review, each proposal was determined to be in compliance with the submittal requirements of the RFP and would be considered for further evaluation.

On January 29, 2010, the Evaluation Panel convened to discuss specific strengths and weaknesses of the proposals received. Each Evaluation Panel member was given an opportunity to talk about each firm's proposal and provide supporting justification and rationale on their evaluation remarks and scoring decisions.

At the conclusion of this meeting, the Evaluation Panel determined that four of the proposers were within the competitive range. This determination was based on proposers that offered an approach that stood a reasonable chance of being selected for award (provided that clarifications to specific technical issues, costs, ambiguities, or minor weaknesses in their proposal could be rectified).

After the initial proposal evaluations, the following proposers were still considered to be within the competitive range and would be considered for further evaluation:

- Apollo Video Technology
- Transit Marketing Group
- March Networks
- System Development Integration

The four firms identified above were called in for oral presentations and interviews the week of March 22, 2010. The Evaluation Panel discussed specific topics related to each firm's proposal and their proposed approach. Some of the discussion topics included the following:

- GPS mapping capabilities
- System backend software functionality
- Proposed work plan and implementation of Phases I and II and option years
- Wireless downloading capabilities and functionality of centrally managed access points
- Video recording and vehicles ability to wake up after shutdown
- X, Y, and Z inertia access sensor
- Deviations to technical requirements
- Equipment and licensing/software costs

On April 1, 2010, the Evaluation Panel met to deliberate, discuss, and come to a consensus on which direction MTS would take with each proposer based on their proposed solutions and the knowledge gained from discussions with each firm. In order to make this determination, the Evaluation Panel went over each firm's technical proposal and the responses given during interview/discussions. At the conclusion of the meeting, the contracting officer issued each firm within the competitive range a letter requesting revised proposals and interim pricing.

On May, 7, 2010, revised proposals and interim pricing were received from all four firms prior to the deadline for submitting revised proposals. The following workday, the contracting officer issued copies of the revised proposals to members of the Evaluation Panel.

On May 19, 2010, the Evaluation Panel reconvened to discuss the specific strengths and weaknesses of the revised proposals received. Again, each Evaluation Panel member was given an opportunity to talk about each firm's revised proposal and provide supporting justification and rationale on their interpretation of the revised proposals. The agenda at this meeting included the following topics of discussion.

- Strengths and weaknesses of each firms' revised proposal
- Identification and discussion of remaining areas of risk/issues
- Evaluation of cost and price proposals
- Elimination of proposers from the competitive range
- Determinations of dates and times for negotiations

The Evaluation Panel's findings from the revised proposals determined that Apollo Video Technology and Transit Marketing Group would remain in the

competitive range. The other two firms, March Networks and Systems Development Integration, would be eliminated from the competitive range and would no longer be considered for award. This determination was based on the following:

- March Networks' price proposal was substantially higher than the other proposed prices. The additional costs did not merit the benefit MTS would receive by paying a premium price. The chances of March Networks lowering its price to be in line with other price proposals was unrealistic.
- Systems Development Integration failed to meet the minimum technical requirements of the RFP.

The week of May 24, 2010, the Evaluation Panel held negotiations with Apollo Video Technology and Transit Marketing Group. Discussions with each firm included:

- Quality of equipment being proposed and related costs
- Direct labor support and related costs
- Warranty
- Software and licensing costs
- Proprietary equipment and software
- Built-in obsolescence of equipment and software

At the conclusion of the negotiations, each proposer was informed of the Evaluation Panel's pricing concerns and notified of areas where their proposed equipment or installation costs should be reduced.

On June 11, 2010, Apollo Video Technology and Transit Marketing Group submitted their Best and Final Offer (BAFO) prior to the deadline for submitting BAFOs.

Based on the Evaluation Panel's assessment of all evaluation factors, including revised technical proposals, discussions with proposers, and final negotiations, the following determinations were made:

Average Technical Score (50 points possible)

Apollo Video Technology	= 41.8 points
Transit Marketing Group	= 39.3 points

Best and Final Offer (50 points possible)

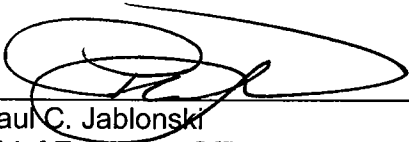
Apollo Video Technology	= 50 points	(\$4,357,502.08)
Transit Marketing Group	= 40.5 points	(\$5,380,502.52)

Revised Proposal Overall Score (100 points possible)

Apollo Video Technology	= 91.8 points
Transit Marketing Group	= 79.8 points

Based on the evaluations of each firm's technical proposal, past performance, discussions, negotiations, and evaluation of price, MTS staff has determined that Apollo Video Technology submitted a proposed approach that Evaluation Panel presents the most advantageous method of fulfilling MTS's need. Apollo Video Technology received the highest technical rating by the evaluation panel and submitted the lowest overall price.

Staff is recommending award of MTS Doc. No. B0521.0-09 (in substantially the same format as Attachment A) to Apollo Video Technology. MTS staff has determined that the offer received from Apollo Video Technology Evaluation Panel presented the most advantageous offer and is of the best value to MTS.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contacts: Claire Spielberg, (619) 238-0100, Ext. 6400, claire.spielberg@sdmts.com
Ray Thompson, (619) 238-0100, Ext. 6504, ray.thompson@sdmts.com
John Miller, (619) 557.4580, john.miller@sdmts.com

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Attachments: A. Draft MTS Doc. No. B0521.0-09
B. Apollo's BAFO Pricing Summary

STANDARD PROCUREMENT AGREEMENT

B0521.0-09
CONTRACT NUMBER
CIP 11184
FILE NUMBER(S)

THIS AGREEMENT is entered into this _____ day of _____ 2010, in the State of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following contractor, hereinafter referred to as "Contractor":

Name: Apollo Video Technology Address: 14148 NE 190th Street

Form of Business: Corporation Woodville, WA 97807-8437
(Corporation, partnership, sole proprietor, etc.)

Telephone: 425-483-7100

Authorized person to sign contracts: Rodell Notbohm General Manager
Name Title

The attached Standard Conditions are part of this agreement. The Contractor agrees to furnish to MTS services and materials, as follows:

Provide mobile onboard video surveillance systems (video system) for MTS buses as stipulated in MTS's Request for Proposals (RFP) MTS Doc. No. B0521.0-09, including Addenda, Responses to Approved Equals/Clarifications; and in accordance with the Standard Procurement Agreement, including the Standard Conditions Procurement, Federal Requirements, MTS's Safety Program Standard Operating Procedures (SAF016-03), and Apollo Video Technology's proposal (hereinafter "Contract Document"). If there are any inconsistencies between the Contract Documents, the following order of precedence will govern the interpretation of this contract:

1. MTS's Mobile Onboard Video Surveillance System Request for Proposals (MTS Doc. No. B0521.0-09), Addenda, Responses to Approved Equals/Clarifications, MTS Safety Program, and Contractor's proposal.
2. Standard Procurement Agreement, including the Standard Conditions Procurement and Federal Requirements.

This contract shall remain in effect during successful performance/completion of Phases I and II, and the three 1-year options exercisable at MTS's discretion. Compensation will be per the negotiated fixed rates as stipulated in Apollo Video Technology's Best and Final Offer. The total expenditures under this contract to include Phases I and II, and all option years shall not exceed **\$4,357,502.08.**

SAN DIEGO METROPOLITAN TRANSIT SYSTEM	CONTRACTOR AUTHORIZATION
By: _____ Chief Executive Officer Approved as to form: By: _____ Office of General Counsel	Firm: _____ By: _____ Signature Title: _____

AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
\$4,357,502.08	CIP 11184	FY 10

By: _____ Date _____
Chief Financial Officer
(____ total pages, each bearing contract number) PA-SERVICES REVISED (REV 05-09)

REVISED BID SUMMARY
 MOBILE ON-BOARD VIDEO SURVEILLANCE SYSTEM RFP

		Apollo Video Technology		
Line #	Item Description - PHASE I "TESTING PHASE"	QTY*	Unit Price	Total
1.1	EXISTING OBVSS MATERIALS: The contractor shall furnish all new materials, supplies and equipment required to upgrade and integrate the OBVSS in accordance with the requirements outlined in the RFP on two (2) 40' buses. (taxable)	2	\$ 4,140.00	\$ 8,280.00
1.2	EXISTING OBVSS LABOR, INSTALLATION AND WARRANTY: Labor, Installation and (24) Month Warranty for two (2) 40' buses with existing camera systems. The (24) month warranty shall only apply to contractor provided equipment and installation. (non-taxable)	2	\$ 1,017.00	\$ 2,034.00
2.1	NEW OBVSS MATERIALS: The contractor shall furnish all new materials, supplies and equipment needed to provide MTS a fully functional OBVSS in accordance with the requirements outlined in the RFP on two (2) 40' buses. (taxable)	2	\$ 6,050.50	\$ 12,101.00
2.2	NEW OBVSS LABOR, INSTALLATION AND WARRANTY: Labor, Installation 2% Performance Bond and (24) Month Warranty for two (2) 40' buses. (non-taxable)	2	\$ 1,540.97	\$ 3,081.94
		8.75% CA Sales Tax (Item #'s 1.1 and 2.1)		\$ 1,783.34
		Total Amount (PHASE I)		\$ 27,280.28

Line	Item Description - PHASE II	QTY*	Unit Price	Total
3.1	EXISTING OBVSS MATERIALS 40' BUSES: All materials and supplies for up to (152) each 40' buses with existing camera system. (taxable)	150	\$ 4,140.00	\$ 621,000.00
3.2	EXISTING OBVSS LABOR, INSTALLATION AND WARRANTY 40' BUSES: Labor, Installation and (24) month warranty for up to (150) buses with existing camera systems. The (24) month warranty shall only apply to new contractor provided equipment and installation. (non-taxable)	150	\$ 1,017.00	\$ 152,550.00
3.3	**OPTIONAL (24) MONTH WARRANTY FOR EXISTING OBVSS 40' BUSES: (24) month warranty on the existing equipment and installation for up to (152) buses. (non-taxable)	152	\$ 299.00	\$ 45,448.00
3.4	**OPTIONAL (12) MONTH EXTENDED WARRANTY FOR NEW OBVSS EQUIPMENT AND INSTALLATION: Additional (12) month warranty period on contractor provided equipment and installation (line # 1.2, 2.2 and 3.2) for up to (154) buses after expiration of the (24) month warranty period. (non-taxable)	154	\$ 231.00	\$ 35,574.00
4.1	NEW OBVSS MATERIALS FOR 35' or 40' BUSES: The contractor shall furnish all new materials, supplies and equipment needed to provide MTS a fully functional OBVSS in accordance with the requirements outlined in the RFP for up to (53) buses. (taxable)	53	\$ 5,917.00	\$ 313,601.00
4.2	NEW OBVSS LABOR, INSTALLATION AND WARRANTY FOR 35' or 40' BUSES: Labor, Installation and (24) Month Warranty for up to (53) buses. (non-taxable)	53	\$ 1,238.00	\$ 65,614.00
4.3	**OPTIONAL (12) MONTH EXTENDED WARRANTY FOR 35' or 40' BUSES: Additional (12) month warranty period for up to (53) buses after expiration of (24) month base warranty period. (non-taxable)	53	\$ 231.00	\$ 12,243.00
5.1	NEW OBVSS MATERIALS 60' BUSES: The contractor shall furnish all new materials, supplies and equipment needed to provide MTS a fully functional OBVSS in accordance with requirements outlined in the RFP for up to (39) buses. (taxable)	39	\$ 7,286.00	\$ 284,154.00
5.2	NEW OBVSS LABOR, INSTALLATION AND WARRANTY 60' BUSES: Labor, Installation and (24) Month Warranty for up to (39) buses. (non-taxable)	39	\$ 1,386.00	\$ 54,054.00
5.3	**OPTIONAL (12) MONTH EXTENDED WARRANTY FOR 60' BUSES: Additional (12) month warranty period for up to (39) buses after expiration of (24) month base warranty period. (non-taxable)	39	\$ 231.00	\$ 9,009.00
6.1	GARAGE MANAGEMENT NETWORK (IAD): All materials and supplies. (taxable)	1	\$ 67,967.00	\$ 67,967.00
6.2	GARAGE MANAGEMENT NETWORK (IAD): Labor, Installation and (24) Month Warranty. (non-taxable)	1	\$ 5,400.00	\$ 5,400.00
6.3	**OPTIONAL (12) MONTH EXTENDED WARRANTY FOR GARAGE MANAGEMENT NETWORK (IAD): Additional (12) month warranty after expiration of (24) month base warranty period. (non-taxable)	1	\$ 1,432.00	\$ 1,432.00
7.1	TRAINING/BONDING: OBVSS Garage Management Network Onsite Training and 2% Performance Bond. (non-taxable)	1	\$ 33,360.92	\$ 33,360.92
		8.75% CA Sales Tax (Item #'s 3.1, 4.1, 5.1, 5.1 and 6.1)		\$ 112,588.18
		Total Amount (PHASE II)		\$ 1,813,995.10

REVISED BID SUMMARY
MOBILE ON-BOARD VIDEO SURVEILLANCE SYSTEM RFP

6/29/2010

Line #		Item Description – OPTION YEAR ONE	QTY*	Unit Price	Total
1.1		NEW OBVSS MATERIALS FOR 35' or 40' BUSES: The contractor shall furnish all new materials, supplies and equipment needed to provide MTS a fully functional OBVSS in accordance with the requirements outlined in the RFP for up to (100) buses. (taxable)	100	\$ 5,917.00	\$ 591,700.00
1.2		NEW OBVSS LABOR FOR 35' or 40' BUSES: Labor, Installation and (24) Month Warranty for up to (100) buses. (non-taxable)	100	\$ 1,238.00	\$ 123,800.00
1.3		**OPTIONAL (12) MONTH EXTENDED WARRANTY FOR 35' or 40' BUSES: Additional (12) month warranty period for up to (100) buses after expiration of (24) month base warranty period. (non-taxable)	100	\$ 231.00	\$ 23,100.00
2.1		GARAGE MANAGEMENT NETWORK (SBMF): All materials and supplies. (taxable)	1	\$ 50,092.00	\$ 50,092.00
2.2		GARAGE MANAGEMENT NETWORK (SBMF): Labor, Installation and (24) Month Warranty. (non-taxable)	1	\$ 5,400.00	\$ 5,400.00
2.3		**OPTIONAL (12) MONTH EXTENDED WARRANTY FOR GARAGE MANAGEMENT NETWORK SBMF: Additional (12) month warranty period after expiration of (24) month base warranty period. (non-taxable)	1	\$ 1,432.00	\$ 1,432.00
3.1		TRAINING/BONDING: OBVSS Garage Management Network Onsite Training and 2% Performance Bond. (non-taxable)	1	\$ 15,910.48	\$ 15,910.48
		8.75% CA Sales Tax (Item #'s 1.1, and 2.1)		\$	\$ 56,156.80
		Total Amount (OPTION YEAR ONE)			\$ 867,591.28

Line #		Item Description – OPTION YEAR TWO	QTY*	Unit Price	Total
1.1		NEW OBVSS MATERIALS FOR 29' 30' or 32' BUSES: The contractor shall furnish all new materials, supplies and equipment needed to provide MTS a fully functional OBVSS in accordance with the requirements outlined in the RFP for up to (13) buses. (taxable)	13	\$ 5,917.00	\$ 76,921.00
1.2		NEW OBVSS LABOR FOR 29' 30' or 32' BUSES: Labor, Installation and (24) Month Warranty for up to (13) buses. (non-taxable)	13	\$ 1,238.00	\$ 16,094.00
1.3		**OPTIONAL (12) MONTH EXTENDED WARRANTY FOR 29' 30' or 32' BUSES: Additional (12) month warranty period for up to (13) buses after expiration of (24) month base warranty period. (non-taxable)	13	\$ 231.00	\$ 3,003.00
2.1		NEW OBVSS MATERIALS FOR 35' or 40' BUSES: The contractor shall furnish all new materials, supplies and equipment needed to provide MTS a fully functional OBVSS in accordance with the requirements outlined in the RFP for up to (87) buses. (taxable)	87	\$ 5,917.00	\$ 514,779.00
2.2		NEW OBVSS LABOR FOR 35' or 40' BUSES: Labor, Installation and (24) Month Warranty for up to (87) buses. (non-taxable)	87	\$ 1,238.00	\$ 107,706.00
2.3		**OPTIONAL (12) MONTH EXTENDED WARRANTY FOR 35' or 40' BUSES: Additional (12) month warranty period for up to (87) buses after expiration of (24) month base warranty period. (non-taxable)	87	\$ 231.00	\$ 20,097.00
		8.75% CA Sales Tax (Item #'s 1.1, and 2.1)		\$	\$ 51,773.75
		2% Performance Bond		\$	\$ 14,772.00
		Total Amount (OPTION YEAR TWO)			\$ 805,145.75

REVISED BID SUMMARY
 MOBILE ON-BOARD VIDEO SURVEILLANCE SYSTEM RFP

6/29/2010

Line	Item Description - OPTION YEAR THREE	QTY*	Unit Price	Total	Apollo Video Technology
1.1	NEW OBVSS MATERIALS FOR 29' 30" or 32' BUSES: The contractor shall furnish all new materials, supplies and equipment needed to provide MTS a fully functional OBVSS in accordance with the requirements outlined in the RFP for up to (10) buses. (taxable)	10	\$ 5,917.00	\$ 59,170.00	
1.2	NEW OBVSS LABOR FOR 29' 30" or 32' BUSES: Labor, Installation and (24) Month Warranty for up to (10) buses. (non-taxable)	10	\$ 1,238.00	\$ 12,380.00	
1.3	**OPTIONAL (12) MONTH EXTENDED WARRANTY FOR 29' 30" or 32' BUSES: Additional (12) month warranty period for up to (10) buses after expiration of (24) month base warranty period. (non-taxable)	10	\$ 231.00	\$ 2,310.00	
2.1	NEW OBVSS MATERIALS FOR 35' or 40' BUSES: The contractor shall furnish all new materials, supplies and equipment needed to provide MTS a fully functional OBVSS in accordance with the requirements outlined in the RFP for up to (41) buses. (taxable)	41	\$ 5,917.00	\$ 242,597.00	
2.2	NEW OBVSS LABOR FOR 35' or 40' BUSES: Labor, Installation and (24) Month Warranty for up to (41) buses. (non-taxable)	41	\$ 1,238.00	\$ 50,758.00	
2.3	**OPTIONAL (12) MONTH EXTENDED WARRANTY FOR 35' or 40' BUSES: Additional (12) month warranty period for up to (41) buses after expiration of (24) month base warranty period. (non-taxable)	41	\$ 231.00	\$ 9,471.00	
3.1	NEW OBVSS MATERIALS FOR 45' BUSES: The contractor shall furnish all new materials, supplies and equipment needed to provide MTS a fully functional OBVSS in accordance with the requirements outlined in the RFP for up to (26) buses. (taxable)	26	\$ 5,917.00	\$ 153,842.00	
3.2	NEW OBVSS LABOR FOR 45' BUSES: Labor, Installation and (24) Month Warranty for up to (26) buses. (non-taxable)	26	\$ 1,238.00	\$ 32,188.00	
3.3	**OPTIONAL (12) MONTH EXTENDED WARRANTY FOR 45' BUSES: Additional (12) month warranty period for up to (26) buses after expiration of (24) month base warranty period. (non-taxable)	26	\$ 231.00	\$ 6,006.00	
4.1	NEW OBVSS MATERIALS 60' BUSES: The contractor shall furnish all new materials, supplies and equipment needed to provide MTS a fully functional OBVSS in accordance with the requirements outlined in the RFP for up to (23) buses. (taxable)	23	\$ 7,286.00	\$ 167,578.00	
4.2	NEW OBVSS LABOR 60' BUSES: Labor, Installation and (24) Month Warranty for up to (23) buses. (non-taxable)	23	\$ 1,386.00	\$ 31,878.00	
4.3	**OPTIONAL (12) MONTH EXTENDED WARRANTY FOR 60' BUSES: Additional (12) month warranty period for up to (23) buses after expiration of (24) month base warranty period. (non-taxable)	23	\$ 231.00	\$ 5,313.00	
				8.75% CA Sales Tax (Item #'s 1.1, 2.1, 3.1, and 4.1)	\$ 54,528.86
				2% Performance Bond	\$ 15,469.82
Total Amount (OPTION YEAR THREE)					\$ 843,489.68

CONTRACT YEAR		Apollo Video Technology
PHASE I TOTAL:		\$ 27,280.28
PHASE II TOTAL		\$ 1,813,995.10
CONTRACT BASE PERIOD SUBTOTAL:		\$ 1,841,275.37
OPTION YEAR 1 TOTAL:		\$ 867,591.28
OPTION YEAR 2 TOTAL:		\$ 805,145.75
OPTION YEAR 3 TOTAL:		\$ 843,489.68
GRAND TOTAL FOR 5 YEAR CONTRACT: (Base Period + 3 Option Years)		\$ 4,357,502.09



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Agenda

Item No. C4

JOINT MEETING OF THE BOARD OF DIRECTORS
for the
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

FIN 340

July 8, 2010

SUBJECT:

MTS: FISCAL YEAR 2011 REVISED CAPITAL IMPROVEMENT (CIP) PROGRAM
(LARRY MARINESI)

RECOMMENDATION:

That the Board of Directors

1. approve the adjusted fiscal year 2011 Capital Improvement Program (CIP) with the revised federal (Attachment A) and nonfederal funding levels (Attachment B); and
2. forward a recommendation to the San Diego Association of Governments (SANDAG) Board of Directors to approve the amendment of the Regional Transportation Improvement Program (RTIP) in accordance with the fiscal year 2011 CIP recommendations.

Budget Impact

Decreases in original funding combined with the addition of newly available funding will provide for a net increase of \$19.1 million to the CIP.

DISCUSSION:

On Friday, May 14, 2010, MTS received notification from the U.S. Department of Homeland Security that it would be providing additional funding for security-related projects. The federal fiscal year 2010 allocation would help to fund fiber-optics and closed-circuit televisions onboard buses to enhance MTS's emergency management.



This development has resulted in a \$3.8 million addition to the FY 11 CIP. In addition, on June 9, 2010, MTS received \$2.7 million from the California Emergency Management Agency for the LRV Onboard CCTV Project.

On May 17, SANDAG staff notified MTS of the decrease of \$2.4 million in federal fiscal year 2010 formula funds. The revised allocation for the MTS Section 5307 program is \$38.7 million, which would be matched with \$8.7 million in local funds. This program would provide an estimated \$47.4 rather than the \$50.1 million originally estimated. The revised Section 5309 funds allocation is now \$13.8 million and would be matched with \$3.4 million in local funds. This program would provide \$17.2 million rather than the \$17 million originally estimated.

The newly adjusted federal fiscal year 2010 Federal Register amounts also provided for the allocation of \$800,000 for bus and bus-related equipment, which will be matched with \$200,000 in local funds. This newly apportioned earmark is intended to fund capital related to the Regional Transportation Management System (RTMS). The RTMS is intended to support radio and dispatch equipment needs throughout the system.

Generally, the allocation of funds from the FTA requires that grantees provide a 20 percent local match for each project submitted. However, on May 26, 2010, MTS staff received notification that the Federal Highway Administration (FHWA) has implemented the use of Transportation Development Credits (TDC) as a form of local match for some FTA projects. Because the TDC provides a credit toward a project's local share, it allows grantees to fund these capital projects with 100% federal funds within the current year's formula funds allocation. Although this program does not increase the amount of funding received, it does provide for greater funding flexibility within the CIP.

In an effort to locate additional funding for the previously approved FY 11 capital, staff submitted a proposal to the California Energy Commission. On May 17, MTS received confirmation that \$186,148 of the requested amount had been granted as part of the California Energy Commission's Alternative and Renewable Fuel and Vehicle Technology Program. This grant award will be matched with local funds of \$47,000 for a total of \$233,150 to be used for the CNG Station Improvements Project.

During the May 28, 2010 SANDAG Board of Directors meeting, SANDAG approved the allocation of the remaining \$10.1 million in TransNet 1 funds to MTS for items related to the Mission Valley East Light Rail Transit Project and MTS operations. The allocation provides \$2.2 million to fund remaining capital expenses related to the Mission Valley East Light Rail Transit Project and \$7.9 million to fund operations. As a result of the remaining amount of TransNet 1 funds being allocated to operations, the MTS Board of Directors approved the shift of \$7.9 million of Transportation Development Act (TDA) funding into the CIP on June 10, 2010.

In addition, staff has identified \$3,387,020 from previously budgeted capital projects to offset the decrease in federal formula funds and meet newly identified FY 11 capital needs.

Under the newly revised budget and newly identified capital needs, the allocation of capital projects has been adjusted. The capital projects list (Attachment B) represents the revised five-year, unconstrained needs for MTS operators. The federal and nonfederal funding adjustments resulted in a total of \$55.6 million available (after preventative maintenance and SANDAG planning studies) to be used for the CIP. Forty-five percent or \$23 million of that amount has been dedicated to previously approved land and facility projects. The remaining amount of funding is allocated based on need.

The table below is a summary of the revised funding recommendations, the major categories that are proposed to be funded, and the percentage of total available funding based on FY 11 capital needs.

FY 11 Capital Project Categories	Funding	% of Total
Land & Facility Projects	\$ 23,883	43%
LRV Components (Tires, Body Rehab, Other)	\$ 7,160	13%
Major Facility & Construction Projects	\$ 6,682	12%
Other Equipment & Installations (LRV & Bus)	\$ 5,657	10%
Security Projects	\$ 7,715	14%
Rail Infrastructure	\$ 2,667	5%
CNG Revenue Vehicles	\$ 1,351	2%
Miscellaneous Operating Capital	\$ 500	1%
Total Project Funding Available	\$ 55,615	100.0%



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Larry Marinesi, 619.557.4542, larry.marinesi@sdmts.com

JULY8-10.C4.FY 11 CIP.LFOWLER.doc

Attachments: A. Fiscal Year 2011 Detailed Federal CIP
B. Fiscal Year 2011 Detailed Nonfederal CIP

Fiscal Year 2011 Detailed CIP Funding

Funding Description	Grant	FY11	FY12	FY13	FY14	FY15
FFY10-5307 Funding Estimate		38,697	40,245	41,855	43,529	45,270
TDA Local Match (5307) 20%	TDA	8,707	9,055	9,417	9,794	10,186
FFY10-5309 Rail Mod Funding Estimate		13,792	14,343	14,917	15,514	16,134
TDA Local Match (5309) 20%	TDA	3,448	3,586	3,729	3,878	4,034
FFY09- 5307 Carry forward		3,441				
TDA Local Match (5307) 20%	TDA	860				
FFY09- 5309 Carry forward		1,598				
TDA Local Match (5309) 20%	TDA	400				
FFY10 RTMS Earmark	BUSP-029	800				
TDA Local Match (Earmark) 20%		200				
FFY09 TSGP (LRV Station CCTV)		398				
FFY09 TSGP (Bus On Board CCTV)		498				
FFY10 TSGP (Fiber optics)		3,382				
FFY10 TSGP (Bus On Board CCTV)		500				
FFY10 CEC award for CNG upgrades	PON-09-006	186				
TDA Local Match (CEC grant) 20%		47				
Transnet 1		2,200				
TDA		7,900				
FY09 CNG Rebate Overage		238				
Project Transfer- MTS #11199 (2007)	CA-90-Y474	51				
Project Transfer- MTS #11199 (2008)	CA-05-0220	107				
Project Transfer- MTS #11199 (2009)	CA-05-0233	21				
Project Transfer- MTS #11199 (2009)	CA-05-Y677	392				
Project Transfer- MTS #11199	TDA	143				
Project Transfer- MTS #11192	CA-90-Y474	280				
Project Transfer- MTS #11192	TDA	70				
Project Transfer- MTS #11163	CA-90-Y474	9				
Project Transfer- MTS #11163	TDA	2				
Project Transfer- SANDAG #11147	CA-90-Y350	66				
Project Transfer- MTS #11239- no match	CA-90-Y677	931				
Project Transfer- MTS #11237	Earmarks (2)	778				
Project Transfer- MTS #11237	Y677	113				
Project Transfer- MTS #11237	Y748	200				
Project Transfer- MTS #11237	TDA	279				
Project Transfer- MTS #11272	Y748	800				
Project Transfer- MTS #11272	TDA	200				
Project Transfer- MTS #11219	STA	168				
Project Transfer- MTS #11200	TDA	476				
Project Transfer- MTS #11272	Y748	2,194				
Project Transfer- MTS #11272	TDA	549				
Prop 1B (FY09-10 California TSGP)		2,700				
Prop1B		-	16,400	16,400	16,400	16,400
TDA swap for ADA federal funds		3,870	4,024	4,185	4,353	4,527
SANDAG Planning Study		(705)	(733)	(763)	(793)	(825)
Preventive Maintenance- Federal, no match req		(3,870)	(4,024)	(4,185)	(4,353)	(4,527)
Preventive Maintenance- Fed+Match		(41,500)	(41,500)	(41,500)	(41,500)	(41,500)
Available Funding for FY 11 Capital Program		55,615	41,395	44,055	46,821	49,698

Fiscal Year 2011 Detailed CIP

Project Number	Project Description	Thru FY10	FY11 funded	FY11 Unfunded	FY12	FY13	FY14	FY15	BUDGET FY11 -FY15
11303	ADA Land & Facility Purchase	-	19,200	-	-	-	-	-	19,200
11288	Security Fiber optics (orange & green line)	-	3,382	-	-	-	-	-	3,382
11280	MTS CMG Station Improvements- IAD, KMD, SB	575	3,233	2,100	-	-	-	-	5,333
11271	LRV On Board CCTV	-	2,700	-	-	-	-	-	2,700
10426	Mission Valley East	503,931	2,200	-	-	-	-	-	2,200
1048500	SBMF Acquisition & Expansion	11,037	1,817	3,050	32,000	1,000	-	-	37,867
11309	New Wheel Truing Machine/ Wheel scan	-	1,800	-	-	-	-	-	1,800
1142100	Substation Rehabilitation (Substation Standardization)	3,618	1,600	-	-	-	-	-	1,600
11276	SDTI Ticket Vending Equipment- multi yr contract	500	1,375	-	869	-	-	-	2,244
11306	Para-Transit Vehicles	7,811	1,351	-	7,482	-	7,482	-	16,315
11184	Bus Video Cameras & Back office	4,128	1,236	-	-	-	-	-	1,236
11214	LRV HVAC Overhaul- multi yr contract	2,229	1,200	-	-	-	-	-	1,200
11290	South Bay Radio, Dispatch equipmnt,AVL,& APC's	-	1,000	3,500	-	-	-	-	4,500
11307	NEW IT System	102	1,000	-	901	-	-	-	1,901
NEW	Substation SCADA design CTC integration (MVW/Orange)	-	1,000	-	-	-	-	-	1,000
1129200	Overhead Catenary System Standardization (Head spans)	400	975	-	-	-	-	-	975
1049600	East County Facility Redevelopment (Constr)	1,428	972	-	12,198	20,948	17,948	-	52,065
11304	Buffer/ Coupler Overhaul (SD-100)	-	960	-	520	520	-	-	2,000
1128600	LRV Carwash -Construction	150	850	-	-	-	-	-	850
11167	LRV Tires- multi yr contract	2,117	750	-	750	750	750	750	3,750
11224	Bucket/Crane/Platform	1	665	-	-	-	-	-	665
11302	SD-100 Main Breaker Replacement	-	650	-	-	-	-	-	650
11200	Misc. Capital Non Federal	1,730	500	-	500	500	500	500	2,500
11251	Gearbox Overhaul- multi yr. contract	2,000	500	-	500	-	-	-	1,000
11254	LRV Brake Overhaul	975	450	-	800	800	800	800	3,650
11286	IAD Bus Wash Replacement- Design	-	450	-	-	-	-	-	450
11287	Body Hoist Overhaul (C4&C5)	-	400	-	-	-	-	-	400
11223	LRV Station CCTV Components (Phase 2)	2,094	398	-	-	-	-	-	398
1128000	High Voltage Breaker Replacement	320	350	-	-	-	-	-	350
11289	SDTC Service Trucks (3-F450's)	-	335	-	-	650	-	-	985
11206	Rail Profile grinding (continued)- multi yr contract	1,323	325	-	325	325	325	325	1,625
11275	SD100 Traction Motor Disconnects	275	275	-	-	-	-	-	275
11216	LRV Electronic Components- multi yr contract	730	250	-	-	-	-	-	250
11183	System Cross Ties & Ballast- multi yr contract	990	225	-	280	280	280	280	1,345

Project Number	Project Description	Thru FY10	FY11 funded	FY11 Unfunded	FV12	FY13	FY14	FY15	BUDGET FY11 -FY15
NEW	IAD HVAC and Roof Repairs-Design	-	209	-	-	-	-	-	209
NEW	Direct fixation track repair on Fletcher bridge	-	200	-	-	-	-	-	200
1128100	Mainline drainage- Palm to Hill in El Cajon	260	143	-	-	-	-	-	143
NEW	Spring Street Transit Center- retaining wall and platform repair	-	128	-	-	-	-	-	128
11299	Escalator and Elevator Capital expenses	-	125	-	128	130	133	135	651
11301	Building A- A/C and heating replacement	-	125	-	500	-	-	-	625
11300	Transit Center Signage Project	-	100	-	100	100	-	-	300
1128300	ADA Station Improvement- Old Town handrail / fence repair	589	98	-	-	-	-	-	98
11294	Building A- roll up door replacement	-	50	-	-	-	-	-	50
11295	Fiber Optic Test Equipment	-	25	-	-	-	-	-	25
11296	Radio Communications Recorder	-	19	-	-	-	-	-	19
11297	Multifunction Color Copier	-	13	-	-	-	-	-	13
11298	Multifunction Welder	-	7	-	-	-	-	-	7
	MTS Solar Panel Installations	-	-	4,175	-	-	-	-	4,175
	Para-Transit Automatic Vehicle Locator, Mobile Data Terminal & Camera	-	-	1,863	-	-	-	-	1,863
	Blue line bridge repairs- Chollas Creek, 8th St., Beyer.	-	-	950	-	-	-	-	950
	Rio Vista station- Retaining wall and platform repair	-	-	510	-	-	-	-	510
	Bus Replacement	-	-	-	22,500	22,500	22,500	22,500	90,000
	Blue Line	43,442	-	-	33,179	37,179	39,179	32,179	141,717
	CVT 40-Foot Full-size Buses (15,10)	5,102	-	-	6,375	4,250	-	-	10,625
	Electronic Message Board Replacement	-	-	-	3,200	-	-	-	3,200
	Destination Sign, Comm., GPS(SD-100)	-	-	-	1,900	-	-	-	1,900
	Regional Communication System Radio Replacement (178)	-	-	-	1,355	-	-	-	1,355
	Inverters	-	-	-	1,300	1,300	-	-	2,600
	Chopper (propulsion container) Overhaul	-	-	-	1,250	1,250	1,250	1,250	5,000
	Grade crossing replacement	-	-	-	1,200	1,200	1,200	1,200	4,800
	Crane Truck	-	-	-	750	-	-	-	750
	Back Hoe & Trailer	-	-	-	700	-	-	-	700
	Signal drawing update	-	-	-	500	-	-	-	500
	Yard switch Mods	-	-	-	400	1,500	-	-	1,900
	Power Yard Switch automation/ replacement design	-	-	-	400	-	-	-	400
	New Train Operator Seats	-	-	-	370	-	-	-	370
	Sanding/Shop	-	-	-	350	-	-	-	350
	Office Space	-	-	-	200	-	-	-	200
	Parking lot pavement	-	-	-	150	150	150	-	450
	Switch Frog procurement	-	-	-	120	-	-	-	120
	Station cleaning equipment	-	-	-	80	80	-	-	160
	Wood Chipper	-	-	-	80	-	-	-	80

Project Number	Project Description	Thru FY10	FY11 funded	FY11 Unfunded	FY12	FY13	FY14	FY15	BUDGET FY11 -FY15
	Gas lamp permanent ticket booth	-	-	-	25	-	-	-	25
	Old Town Permanent Ticket Booth	-	-	-	25	-	-	-	25
	Ticket Trailer Rehab	-	-	-	15	-	-	-	15
TOTAL		597,856	55,615	16,148	134,276	95,412	92,496	59,920	453,867



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DRAFT

Agenda

JOINT MEETING OF THE BOARD OF DIRECTORS

for the
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

July 15, 2010

9:00 a.m.

James R. Mills Building
Board Meeting Room, 10th Floor
1255 Imperial Avenue, San Diego

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ACTION
RECOMMENDED

1. Roll Call
2. Approval of Minutes - June 24, 2010 Approve
3. Public Comments - Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion items. If you have a report to present, please give your copies to the Clerk of the Board.

Please turn off cell phones and pagers
during the meeting

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Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc., San Diego and Arizona Eastern Railway Company (nonprofit public benefit corporations), and San Diego Vintage Trolley, Inc., a 501(c)(3) nonprofit corporation, in cooperation with Chula Vista Transit. MTS is the taxicab administrator for seven cities. MTS member agencies include the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, Santee, and the County of San Diego.



CONSENT ITEMS

6. MTS: Investment Report - April 2010 Receive
Action would receive a report for information.
7. MTS: State Transit Assistance (STA) Claims Approve
Action would adopt Resolution No. 10-20 approving fiscal year (FY) 2010 STA claims.
8. MTS: Proposed 2010/2011 Internal Audit Plan Approve
Action would approve the proposed 2010/2011 Internal Audit Plan.
9. MTS: Resolution of Designated Individual/Position Authorized to Act on Behalf of Metropolitan Transit System Adopt
Action would adopt Resolution 10-16 to approve the Manager of Risk and Loss Prevention to act on matters relating to California State Association of Counties (CSAC) Excess Insurance Authority.
10. MTS: Investment Report - May 2010 Receive
Action would receive a report for information.
11. MTS: Internal Audit Report - Contract Services Receive
Action would receive a report for information.
12. MTS: Internal Audit Report - Human Resources Receive
Action would receive a report for information.
13. MTS: Fiscal Year 2011 Revised Transportation Development Act (TDA) 4.0 Capital Claim Adopt
Action would adopt Resolution No. 10-19 approving the revised fiscal year (FY) 2011 Transportation Development Act (TDA) Article 4.0 claim.
14. MTS: Transit System Safety, Security, and Disaster Response Account Program Approve
Action would approve Resolution No. 10-17 authorizing the CEO to submit applications for funds provided by the Transit System Safety, Security, and Disaster Response Account (TSSSDRA) Program.
15. MTS: Amendments to the Joint Exercise of Powers Agreement and the Bylaws of the Los Angeles-San Diego-San Luis Obispo (LOSSAN) Rail Corridor Member Agency Approve
Action would approve the proposed amendments to the LOSSAN Joint Exercise of Powers Agreement and Bylaws.

CLOSED SESSION

24. a. SDTI: CLOSED SESSION - CONFERENCE WITH LABOR NEGOTIATORS Pursuant to California Government Code Section 54957.6
Agency-Designated Representative - Jeff Stumbo
Employee Organization - International Brotherhood of Electrical Workers Local 465 Possible Action
- b. MTS: CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant To California Government Code Section 54956.8;
Properties: 7490 and 7550 Copley Park Place, San Diego, California (Assessor Parcel Nos. 356-410-08 and 356-410-09);
Agency Negotiators: Tiffany Lorenzen, General Counsel; and Tim Allison, Manager of Real Estate Assets;
Negotiating Parties: RV Investment CA, LLC, RV Investment CA, LLC II;
Under Negotiation: Price and Terms of Payment Possible Action
- c. MTS: CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(a) Metropolitan Transit System v. San Diego State University (Case No. 37-2007-00083692-CU-WM-CTL) Possible Action

Oral Report of Final Actions Taken in Closed Session

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS

30. MTS: Credit Agreement (Tom Lynch) Approve
Action would approve Resolution No. 10-18 authorizing the CEO to execute a credit agreement with Bank of America for \$20 million and any other ancillary documents necessary to complete the transaction.
31. MTS: Procurement, Integration, and Installation of Onboard Video Surveillance Systems for MTS Buses (Claire Spielberg) Approve
Action would authorize the CEO to award MTS Doc. No. B0521.0-09 to Apollo Video Technology to procure, integrate, and install onboard video surveillance systems (video systems) on MTS buses. The contract would be completed in two phases and would also include three 1-year options for additional video systems.

- | | | |
|-----|--|---------|
| 32. | <u>SDTI: Closed-Circuit Video System for San Diego Trolley Stations - Contract Award (Russ Desai and Marco Yniguez)</u>
Action would authorize the CEO to execute MTS Doc. No. PWL125.0-10 with Electro Specialty Systems, Inc. for the procurement and installation of a closed-circuit video system for San Diego Trolley, Inc. (SDTI) stations. | Approve |
| 33. | <u>MTS: Siemens Light Rail Vehicle (LRV) Procurement - Contract Amendment (Tiffany Lorenzen and Wayne Terry)</u>
Action would: (1) authorize the CEO to execute MTS Doc. No. L0914.2-10 Revised identifying the list of spare parts, special tools, and training to be provided by Siemens; (2) authorize the CEO to execute MTS Doc. No. L0914.4-10 (train-to-wayside communications); and (3) increase the total budget for the procurement of low-floor vehicles from \$228,168,000 to \$232,000,000 and amend the SANDAG LRV procurement MOU. | Approve |
| 34. | <u>MTS: Salary Range Adjustments (Jeff Stumbo)</u>
Action would approve the revised salary ranges for management employees. | Approve |

REPORT ITEMS

- | | | |
|-----|---|-------------|
| 45. | <u>MTS: Operations Budget Status Report for May 2010 (Mike Thompson)</u>
Action would receive a report for information. | Receive |
| 60. | <u>Chairman's Report</u> | Information |
| 61. | <u>Audit Oversight Committee Chairman's Report</u> | Information |
| 62. | <u>Chief Executive Officer's Report</u> | Information |
| 63. | <u>Board Member Communications</u> | |
| 64. | <u>Additional Public Comments Not on the Agenda</u>
If the limit of 5 speakers is exceeded under No. 3 (Public Comments) on this agenda, additional speakers will be taken at this time. If you have a report to present, please furnish a copy to the Clerk of the Board. Subjects of previous hearings or agenda items may not again be addressed under Public Comments. | |
| 65. | <u>Next Meeting Date:</u> August 19, 2010 | |
| 66. | <u>Adjournment</u> | |



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Agenda

Item No. 6

JOINT MEETING OF THE BOARD OF DIRECTORS
for the
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

FIN 305

**Draft for
Executive Committee
Review Date: 7/8/10**

July 15, 2010

SUBJECT:

MTS: INVESTMENT REPORT – APRIL 2010

RECOMMENDATION:

That the Board of Directors receive a report for information.

Budget Impact

None.

DISCUSSION:

Attachment A comprises the report of MTS investments as of April 2010. The first column provides details about investments restricted for capital improvement projects and debt service, the majority of which are related to the 1995 lease and leaseback transactions. The balance in restricted cash and investments has increased by \$45 million due to receipt of TransNet funding related to future capital asset acquisitions. The funds restricted for debt service are structured investments with fixed returns that will not vary with market fluctuations if held to maturity. These investments are held in trust and will not be liquidated in advance of the scheduled maturities.

The second column (unrestricted investments) reports the working capital for MTS operations for employee payroll and vendors' goods and services. The balance in unrestricted cash and equivalents has increased by \$3.6 million in April due to normal variability in the timing of grant receipts and vendor payments.


Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Linda Musengo, 619.557.4531, linda.musengo@sdmts.com

JULY15-10.6.APRIL INVESTMT RPT.LMUSENGO.doc

Attachment: A. April Investment Report

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Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc., San Diego and Arizona Eastern Railway Company (nonprofit public benefit corporations), and San Diego Vintage Trolley, Inc., a 501(c)(3) nonprofit corporation, in cooperation with Chula Vista Transit. MTS is the taxicab administrator for seven cities. MTS member agencies include the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, Santee, and the County of San Diego.



**San Diego Metropolitan Transit System
Investment Report
April 30, 2010**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>	Average rate of return
Cash and Cash Equivalents				
Bank of America - concentration sweep account	\$ 1,209,485	\$ 36,436,126	\$ 37,645,611	0.00%
Total Cash and Cash Equivalents	<u>1,209,485</u>	<u>36,436,126</u>	<u>37,645,611</u>	
Cash - Restricted for Capital Support				
US Bank - retention trust account	205,200		205,200	N/A *
Local Agency Investment Fund (LAIF) Proposition 1B TSGP grant funds	<u>2,687,156</u>		<u>2,687,156</u>	59.00%
Total Cash - Restricted for Capital Support	<u>2,892,356</u>	<u>-</u>	<u>2,892,356</u>	
Investments - Working Capital				
Local Agency Investment Fund (LAIF) Bank of New York	<u>44,631,000</u>	<u>3,457,314</u>	<u>48,088,314</u>	0.55%
Total Investments - Working Capital	<u>44,631,000</u>	<u>3,457,314</u>	<u>48,088,314</u>	
Investments - Restricted for Debt Service				
US Bank - Treasury Strips - market value (Par value \$39,474,000)	34,601,020	-	34,601,020	
Rabobank - Payment Undertaking Agreement	<u>84,951,545</u>	<u>-</u>	<u>84,951,545</u>	7.69%
Total Investments Restricted for Debt Service	<u>119,552,565</u>	<u>-</u>	<u>119,552,565</u>	
Total cash and investments	<u>\$ 168,285,406</u>	<u>\$ 39,893,440</u>	<u>\$ 208,178,846</u>	

N/A* - Per trust agreements, interest earned on retention account is allocated to trust beneficiary (contractor)



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Agenda

Item No. 7

JOINT MEETING OF THE BOARD OF DIRECTORS
for the
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

FIN 340.2

July 15, 2010

**Draft for
Executive Committee
Review Date: 7/8/10**

SUBJECT:

MTS: STATE TRANSIT ASSISTANCE (STA) CLAIMS

RECOMMENDATION:

That the Board of Directors adopt Resolution No. 10-20 (Attachment A) approving fiscal year (FY) 2010 STA claims.

Budget Impact

None.

DISCUSSION:

Attachment A reflects the detailed breakdown of the claim.

STA Claims \$18,806,783

Discretionary STA funds are distributed to MTS on the basis of population. Formula STA funds are distributed to San Diego Transit Corporation (SDTC), San Diego Trolley, Inc. (SDTI), MTS Contract Services, and other operators on the basis of revenue generated.

State law and MTS Policy No. 20 "Allocation of State Transit Assistance Funds" require that priority consideration be given to STA claims for the following purposes:

- to enhance existing public transportation services;
- to meet priority regional, county, or areawide public transportation needs; and



- to offset reductions in federal operating assistance and unanticipated increases in fuel costs.

Periodic Review of Expenditures

The San Diego Association of Governments (SANDAG) requires each operator to submit at least quarterly operating reports to SANDAG staff for review. These reports allow SANDAG, local jurisdictions, and operators to track STA expenditures during the course of the fiscal year with appropriate budget and operational adjustments made as necessary. In certain instances, it may be necessary to revise the original STA claims.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Nancy Dall, 619.557.4537, nancy.dall@sdmts.com

JULY15-10.7.STA CLAIMS.NDALL.doc

Attachment: A. MTS Resolution No. 10-20

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

RESOLUTION NO. 10-20

Resolution Approving the MTS Area Revised FY 2010 STA Claim

WHEREAS, California Public Utilities Code Sections 99313.3 and 99313.6 established a State Transit Assistance (STA) fund and grants the Metropolitan Transit System (MTS) authority to allocate monies from this fund; and

and WHEREAS, MTS Policy No. 20 established procedures for allocating these STA funds;

WHEREAS, MTS, San Diego Transit Corporation (SDTC), San Diego Trolley, Inc. (SDTI), MTS Contracted Services, and Chula Vista, (claimants), qualify for STA monies under the provision of Public Utilities Code Section 99260 et seq.; and

WHEREAS, the sum of the claimants' allocations of STA and Transportation Development Act (TDA) funds do not exceed the amounts they are eligible to receive during the fiscal year; and

WHEREAS, the claimants are receiving the maximum of allowable amounts from the local transportation fund; and

WHEREAS, the San Diego Association of Governments (SANDAG) has determined the claimants have participated in efforts to define transit productivity recommendations and have made a reasonable effort toward implementing these recommendations in FY 2010; and

WHEREAS, the claimants are operating in conformance with MTS Policy No. 17, "Transportation Development Act Rules and Regulations;" and

WHEREAS, the claimants' proposed expenditures of STA monies are in conformance with the *Regional Transportation Plan* and *Transportation Improvement Program*; and

WHEREAS, priority consideration has been given to claims to offset reductions in federal operating assistance and the unanticipated increase in the cost of fuel, to enhance existing public transportation services and to meet high-priority, areawide public transportation needs; and

WHEREAS, the claims are consistent with the requirements of Public Utilities Code Section 99314.5, California Administrative Code Section 6754, and MTS Policy No. 20; and

WHEREAS, the claimants are not precluded by any contract or administrative code entered into on or after June 28, 1979, from employing part-time drivers or from contracting with common carriers or persons operating under a franchise or license; and

WHEREAS, no full-time employee of the claimants on June 28, 1979, has had his or her employment terminated or regular hours of employment reduced, excluding drivers or contracting with common carriers; NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED that the MTS Board does hereby direct and empower MTS staff to prepare and transmit allocation instructions

to the County Auditor to disburse to MTS the FY 2010 STA amount totaling \$18,806,783 as shown in the FY 10 STA Claims Summary (attached) to this resolution.

PASSED AND ADOPTED by the Board this _____ day of _____ 2010, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

Chairman
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

Office of the Clerk of the Board
San Diego Metropolitan Transit System

Office of the General Counsel
San Diego Metropolitan Transit System

Attachment: MTS FY 2010 STA Claim Summary

JULY15-10.7.AttA.RESO 10-20.
STA CLAIMS.NDALL.doc

**San Diego Metropolitan Transit System
FY 2010 STA Claim Summary**

FY 2010 Allocation from the State Controller	\$18,806,783
Requested Payment - July 2010	\$18,806,783
Remaining Balance due to MTS	\$ -



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Agenda

Item No. 8

JOINT MEETING OF THE BOARD OF DIRECTORS
for the
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

LEG 492

**Draft for
Executive Committee
Review Date: 7/8/10**

July 15, 2010

SUBJECT:

MTS: PROPOSED 2010/2011 INTERNAL AUDIT PLAN

RECOMMENDATION:

That the Board approve the proposed 2010/2011 Internal Audit Plan (Attachment A).

Budget Impact

None.

Audit Oversight Committee Recommendation

At its meeting on June 17, 2010, the Audit Oversight Committee recommended forwarding this item to the Board of Directors for approval.

DISCUSSION:

The MTS Internal Auditor has proposed a 2010/2011 work plan consisting of 9 internal audit projects plus an allowance of 400 hours for completion of various management and Board requests. The estimated time required to complete each project is shown on the attached audit plan (Attachment A). Each agency process to be reviewed is listed as well as the estimated business risks associated with each process.

Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Mark Abbey, 619.557.4573, mark.abbey@sdmts.com

JULY15-10.8.PROSED INTERNAL AUDIT PLAN.MABBEY.doc

Attachment: A. Proposed 2010/2011 Internal Audit Plan Summary

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Proposed 2010/2011 Internal Audit Plan Summary

GOALS, OBJECTIVES, AND ACTIVITIES

GOAL 1: Strengthen the Board's and its subsidiaries' performance and accountability to the public in managing resources and achieving outcomes

Objective 1: Improve performance levels and outcomes for the Board and its subsidiaries

Risk:

Misappropriation, waste, or loss (evaluate controls)

Misappropriation, waste, or loss (evaluate controls)

Bodily harm to customers or employees

Regulatory noncompliance and possible loss of funding.

Misappropriation, waste, or loss (evaluate controls)

Misappropriation, waste, or loss (evaluate controls)

Misappropriation, waste or loss of collected revenue (evaluate controls)

Misappropriation, waste or loss of collected revenue (evaluate controls)

Misappropriation, waste, or loss (evaluate controls)

Objective 2: Improve the public's ability to hold the Board and its subsidiaries accountable

Follow-up on all MTS and subsidiary audit and audit-related projects conducted in FY 10 and evaluate the quality and timeliness of action

GOAL 2: Improve the auditing and consulting capabilities of the internal audit function

Objective 1: Improve staff knowledge and skills

Identify opportunities for improvement and obtain appropriate training

Objective 2: Improve customer satisfaction and internal audit reputation through delivering high-quality and timely services

Prioritize special requests and conduct special projects

AGENCY - PROCESS	GROSS RISK ASSESSMENT	NUMBER TASK HOURS
------------------	-----------------------	-------------------

Risk Management - TPA Disbursements	Medium	80
SDTI - Storeroom	High	160
SDTC - Training	Medium	120
California Air Resources Board Follow-up Review	Medium	40
Compass Card Controls	High	240
Transit Store Controls	High	120
SDTI - Revenue Collection	Extreme	160
SDTC - Revenue Collection	Extreme	160
Absenteeism-Sick Leave Review	High	120

Total: 1,200

160

Total: 160

80

400

TOTAL AUDIT HOURS: 1,840



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Agenda

Item No. 9

JOINT MEETING OF THE BOARD OF DIRECTORS
for the
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

LEG 491

**Draft for
Executive Committee
Review Date: 7/8/10**

July 15, 2010

SUBJECT:

MTS: RESOLUTION OF DESIGNATED INDIVIDUAL/POSITION AUTHORIZED TO ACT ON BEHALF OF METROPOLITAN TRANSIT SYSTEM

RECOMMENDATION:

That the Board of Directors adopt Resolution 10-16 (Attachment A) to approve the Manager of Risk and Loss Prevention to act on matters relating to California State Association of Counties (CSAC) Excess Insurance Authority.

Budget Impact

None at this time. Any purchase of insurance shall follow MTS's policy on procurement of goods and services. The proposed resolution would not change or alter MTS's policy on signature authority.

DISCUSSION:

MTS's property insurance policies are obtained through CSAC, which is a joint purchase group of all but a handful of California counties created for the purpose of obtaining insurance at a reduced cost. MTS has participated in this group purchase program since 1993. Primary contact has been within the MTS Risk Department.

In order for CSAC Excess Insurance Authority to update its records, the governing board for each public entity member needs to designate an individual or position that is authorized to officially act on behalf and enter into agreements with the authority.

Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: James Dow, 619.557.4562, jim.dow@sdmts.com

Attachment: A. Resolution No. 10-16

JULY15-10.9.RESO 10-16.DESIGNATE RISK MATTERS.JDOW.doc

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SAN DIEGO METROPOLITAN TRANSIT SYSTEM

RESOLUTION NO. 10-16

Resolution Delegating Authority to Act on Behalf of San Diego Metropolitan Transit System

WHEREAS, the California State Association of Counties (CSAC) Excess Insurance Authority (Authority) has determined that it is necessary for each member of the Authority to delegate to a person[s] or position[s] authority to act on the member's behalf in matters relating to the member and the Authority; and

WHEREAS, except as to those actions that must be approved by the San Diego Metropolitan Transit System, such delegation of authority is necessary in order to carry out the purposes and functions of the Authority with its members; and

WHEREAS, in order to ensure a person[s] or position[s] is delegated with authority to act on the member's behalf in matters relating to the member and the Authority, action by the member's governing body is necessary;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED that MTS does hereby authorize and appoint the Manager of Risk and Loss Prevention to act in all matters relating to the member (MTS) and the Authority.

PASSED AND ADOPTED, by the Board of Directors this _____ day of _____ 2010 by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

Chairperson
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

Clerk of the Board
San Diego Metropolitan Transit System

Office of the General Counsel
San Diego Metropolitan Transit System



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Agenda

Item No. 10

JOINT MEETING OF THE BOARD OF DIRECTORS
for the
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

FIN 305

**Draft for
Executive Committee
Review Date: 7/8/10**

July 15, 2010

SUBJECT:

MTS: INVESTMENT REPORT – MAY 2010

RECOMMENDATION:

That the Board of Directors receive a report for information.

Budget Impact

None.

DISCUSSION:

Attachment A comprises the report of MTS investments as of May 31, 2010. The first column provides details about investments restricted for capital improvement projects and debt service—the majority of which are related to the 1995 lease and leaseback transactions. The balance in restricted cash and investments has decreased by \$42,000,000 due to expenditures related to acquisition of trolley cars. The funds restricted for debt service are structured investments with fixed returns that will not vary with market fluctuations if held to maturity. These investments are held in trust and will not be liquidated in advance of the scheduled maturities.

The second column (unrestricted investments) reports the working capital for MTS operations for employee payroll and vendors' goods and services. The balance in unrestricted cash and equivalents has increased by \$1.7 million in May due to variability in the timing of grant receipts and vendor payments.

Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Linda Musengo, 619.557.4531, [linda.musengo.@sdmts.com](mailto:linda.musengo@sdmts.com)

JULY15-10.10.MAY INVESTMT RPT.LMUSENGO.doc

Attachment: A. May Investment Report

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**San Diego Metropolitan Transit System
Investment Report
May 31, 2010**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>	Average rate of return
Cash and Cash Equivalents				
Bank of America - concentration sweep account	\$ 1,209,485	\$ 17,536,553	\$ 18,746,038	0.00%
Total Cash and Cash Equivalents	<u>1,209,485</u>	<u>17,536,553</u>	<u>18,746,038</u>	
Cash - Restricted for Capital Support				
US Bank - retention trust account	2,257,200		2,257,200	N/A *
Local Agency Investment Fund (LAIF) Proposition 1B TSGP grant funds	2,544,156		2,544,156	0.56%
Total Cash - Restricted for Capital Support	<u>4,801,356</u>	<u>-</u>	<u>4,801,356</u>	
Investments - Working Capital				
Local Agency Investment Fund (LAIF)		24,088,314	24,088,314	0.56%
Bank of New York				
Total Investments - Working Capital	<u>-</u>	<u>24,088,314</u>	<u>24,088,314</u>	
Investments - Restricted for Debt Service				
US Bank - Treasury Strips - market value (Par value \$39,474,000)	35,247,675	-	35,247,675	
Rabobank - Payment Undertaking Agreement	84,951,545	-	84,951,545	7.69%
Total Investments Restricted for Debt Service	<u>120,199,220</u>	<u>-</u>	<u>120,199,220</u>	
Total cash and investments	<u><u>\$ 126,210,061</u></u>	<u><u>\$ 41,624,867</u></u>	<u><u>\$ 167,834,928</u></u>	

N/A* - Per trust agreements, interest earned on retention account is allocated to trust beneficiary (contractor)



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Agenda

Item No. 11

JOINT MEETING OF THE BOARD OF DIRECTORS
for the
Metropolitan Transit System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

LEG 492

**Draft for
Executive Committee
Review Date: 7/8/10**

July 15, 2010

SUBJECT:

MTS: INTERNAL AUDIT REPORT - CONTRACT SERVICES

RECOMMENDATION:

That the Board of Directors receive a report for information.

Budget Impact

None.

DISCUSSION:

During May 2010, the MTS Internal Auditor performed a review of the internal controls over the contract services management process. As a result of this review, eight recommendations were made for management's consideration. Management has reviewed the recommendations and is taking action to address the issues noted.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Mark Abbey, 619.557.4573, mark.abbey@sdmts.com

JULY15-10.11.AUDIT RPT CONTRACT SVCS.MABBEY.doc

Attachment: A. Audit Report – Contract Services



