



1255 Imperial Avenue, #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.

March 5, 2009

Executive Conference Room
9:00 a.m.

**ACTION
RECOMMENDED**

- A. ROLL CALL
- B. APPROVAL OF MINUTES - February 12, 2009 Approve
- C. COMMITTEE DISCUSSION ITEMS
1. MTS: Light Rail Network Short- and Long-Term Operating Plans Receive
Action would receive a report on proposed changes to the light rail transit (LRT) system to improve efficiency in the short-term and to accommodate a viable long-term operating plan.
2. MTS: Booz Allen Hamilton Consultant's Report - Low-Floor Capability Assessment and LRV Recommendations Receive
Action would receive a report for information.
3. MTS: FY 2010 Budget Development Possible Action
Action would receive a report on the FY 2010 operating budget development.
- D. REVIEW OF DRAFT JOINT BOARD AGENDA FOR MARCH 12, 2009
- 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.

Please turn off cell phones and pagers
during the meeting



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

- F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS
- G. PUBLIC COMMENTS
- H. NEXT MEETING DATE: March 19, 2009
- I. ADJOURNMENT

DRAFT

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

February 12, 2009

MTS
1255 Imperial Avenue, Suite 1000, San Diego

MINUTES

A. ROLL CALL

Chairman Mathis called the meeting to order at 9:03 a.m. A roll call sheet listing Executive Committee member attendance is attached.

B. APPROVAL OF MINUTES

Mr. Rindone moved approval of the minutes of the January 8, 2009, Executive Committee meeting. Mr. McLean seconded the motion, and the vote was 6 to 0 in favor.

C. COMMITTEE DISCUSSION ITEMS

1. MTS: Natural Gas Hedge Program (FIN 300)

Mr. Cliff Telfer, MTS Chief Financial Officer (CFO), introduced Mike McDonald and Sharon McDonald of McDonald partners and explained that they were hired to review MTS's options for participating in a natural gas hedging program to help stabilize its budget. He explained that the expense for compressed natural gas (CNG) comprises 5 percent of MTS's operating budget and that 76 percent of MTS's buses are powered by CNG fuel with very volatile prices.

Mr. McDonald reviewed MTS's exposure to fuel price volatility and the goals of a hedge program. He explained that the goals of MTS's program would be to stabilize the budget without adverse operational impact and with minimal administrative burden and acceptable risk exposure. He stated that the program should also have a competitive implementation process. He provided an overview of SDG&E's Core Aggregate Transfer (CAT) Program, hedging options, recommended hedging strategies, factors influencing the success of the hedge, and implementation steps.

Mr. McDonald also reviewed the pros and cons of various hedging strategies and recommended the Commodity Swap strategy, which has a flexible term and quantity (set monthly), is very efficient, has minimal administrative burden, has sufficient providers to ensure competitive pricing, and meets the goal of achieving budget stability. He added that a properly drafted contract would eliminate any margin requirements. He then reviewed the mechanics of executing a Commodity Swap and stated that the risk associated with volume is very low because MTS's usage of CNG is pretty consistent.

Mr. McDonald advised the Committee that MTS should adopt a hedge policy to guide staff in executing these actions and added that the policy should give authority to the CEO and CFO to execute these swaps because of the need for immediate action in response to quickly changing prices.

In response to a question from Chairman Mathis, MTS CEO Mr. Jablonski stated that Finance and Procurement staff would handle the administrative duties associated with this program. He added that the consultant would be more involved at the beginning of this process and less later on in the process. He also advised Chairman Mathis that because the term and quantity of this swap vehicle are set monthly, MTS would be able to quickly adjust these factors in response to service-level fluctuations.

In response to a question from Ms. Lightner, Mr. Telfer explained that MTS's expense for CNG fuel increases by \$80,000 for each one-cent increase in the price of CNG. In response to a question from Mr. Roberts, Ms. McDonald stated that MTS could use this program to purchase all or a portion of its CNG fuel. Mr. Roberts expressed concern that MTS might find itself paying above-market prices for CNG fuel. Mr. McDonald pointed out that the goal of the program is to stabilize the budget, and Mr. Jablonski stated that, under the recommended swap option, MTS can go back to buying on the spot market at any time. Mr. Telfer pointed out that this will enable MTS to protect itself from drastic upswings in CNG prices. Mr. McDonald advised Mr. Roberts that there is not a direct relationship between CNG and LNG fuel.

In response to a question from Ms. Lightner, Mr. McDonald stated that he recommends doing the swap for a one-year period. He added that additional complexities would arise if MTS decided to do a program for a longer period of time.

Mr. Jablonski stated that this would be a good year to try this program as it doesn't appear that CNG fuel prices will be dropping. He stated that if they did drop, it would not be a significant drop and would have minimal impact on MTS's budget. He added that the program is flexible enough to respond to changing fuel prices to MTS's advantage. Mr. Jablonski reported that McDonald Partners developed the hedging program currently being used by the Los Angeles County Metropolitan Transportation Authority.

Action Taken

Mr. Rindone moved to forward a recommendation to the Board of Directors to approve the (1) Natural Gas Hedge Program; (2) Core Aggregate Transfer (CTA) Program; and (3) Natural Gas Hedge policy, including the designation of the CEO and Chief Financial Officer as the administrators of the policy and authorize administrators to execute hedges in accordance with this policy; and (4) direct staff to report to the Executive Committee any significant activities related to this program. Mr. McLean seconded the motion, and the vote was 6 to 0 in favor.

5. **MTS: Report on Sales Tax Revenue Projections** (FIN 340)
(Taken Out of Order)

Mr. Marney Cox, SANDAG Chief Economist, projected a two percent growth rate in sales tax revenues for FY 2010. Mr. Jablonski reported that the County of San Diego is projecting a one percent drop and referred to the County's letter regarding this matter, which was placed at the table prior to the start of the meeting. He added that the Budget Development Committee and staff have decided to adopt an assumption for the FY 2010 budget of zero percent growth for sales tax revenues. He added that sales tax revenues plus TransNet funding comprises 40 percent of MTS's revenue.

Mr. Cox reviewed a number of charts showing various indicators that he used to arrive at his projection for sales tax growth. These charts reflected information on retail sales, employment, job growth, unemployment, disinflation, cost of construction, home pricing trends, housing reverse-wealth effect, public debt, federal funds rates, U.S. money supply, borrowing from the Federal Reserve, venture capital funds, and population growth.

Mr. Cox pointed out that San Diego tends to be first into any recession and first to show signs of recovery. He added that San Diego is starting to show signs of recovery. He also stated that the money in the economic stimulus package is equal to the amount of money in the economy now. In response to a question from Mr. Roberts, Mr. Cox stated that his margin of error.

Mr. Jablonski reported that if MTS assumes no increase in sales tax revenues, it will face a \$14 million shortfall in its FY 2010 budget, and if a two-percent increase in sales tax revenues is assumed, then the shortfall becomes \$12 million. He added that if MTS increases pass prices by \$2.00, it will be able to keep an additional eight buses in service.

Action Taken

Chairman Mathis moved to receive a report regarding FY 2010 local sales tax projections. Mr. Rindone seconded the motion, and the vote was 6 to 0 in favor.

3. **MTS: Compass Card Implementation** (CIP 11457)
(Taken Out of Order)

Mr. James Dreisbach-Towle, SANDAG Program Analyst, reported that software issues have been identified in connection with on-bus card readers for the Compass Card program. He reported that these issues apply only to the standalone units on contract buses and are in the process of being corrected. He reported that software patches have been installed on ten buses, which are now being tested before the remainder of the patches are installed. He added that the testing should be completed by the end of next week. He also reported that difficulties were encountered with the tap on and tap off requirement as it related to certain monthly passes. He reported that the tap off requirement has been dropped for all of these passes, and a Cubic software engineer has been designated to

review MTS business rules to ensure that they are compatible with the Compass Card. He added that this engineer is also responsible for reviewing all of the devices associated with this program.

Mr. Dreisbach-Towle advised Mr. Roberts that MTS, SANDAG, and North County Transit Marketing Departments have developed more than 100 pieces of educational materials for this program, which will be distributed to the public as phases of this program are introduced. Mr. Jablonski assured Mr. Roberts that MTS will be flexible with its customers during the introduction of the Compass Card and as customers are getting accustomed to this new program. He stated that security officers will carry reminder cards that can be handed out to customers to remind them to tap on and off.

Public Comment

Clive Richard: Mr. Richard stated that a bus rider recently told him that he was asked by a bus driver to get off the bus when the validator on the bus could not read his Compass Card. Mr. Richard stated that not all MTS employees have gotten the message that MTS is being flexible with its customers regarding the Compass Card implementation.

Action Taken

Mr. Roberts moved to receive a report on development and implementation of the Compass Card fare system. Mr. McLean seconded the motion, and the vote was 6 to 0 in favor.

2. MTS: El Cajon Transit Demolition Project Status – Memorandum of Understanding (MOU) Expiration/New Proposal (CIP 11217)

Mr. Wayne Terry, Chief Operating Officer – Trolley, reviewed the history of the original plan to demolish the building located at the El Cajon Transit Center. He showed visuals of the center, the building, and the required repairs that would have to be made if the building were not demolished. He also reported that the annual maintenance cost was approximately \$37,200. He then reported that the contractors' bid for demolishing this building (\$294,000) was more than double the engineer's estimate of \$120,000. He then reviewed the terms of the agreement with Kobey Corporation/BriceHouse Starboard LLC that was developed as an alternative to demolishing the building. He also reviewed the proposed facility improvements, all to be done without cost to MTS. He reported that MTS will actually save \$114,000 for the initial five-year term of the lease. He added that liquidated damages of \$5,000 per month would be due from MTS should it enter into a development agreement for this site prior to the end of the lease. He stated that these costs could be absorbed by the developer. Mr. Jablonski stated that there is a minimal chance that any development opportunities for this site will be realized prior to the end of the lease.

In response to a question from Ms. Lightner, Mr. Jablonski stated that MTS has facilities personnel and supervisors who are in this area maintaining the platform.

He stated that they will monitor maintenance efforts in this building to ensure they are adequate.

Action Taken

Mr. Rindone moved to (1) authorize the CEO to execute a letter (Attachment A of the agenda item) to SANDAG to let the MOU (MTS Doc. No. L0862.0-09) between SANDAG and MTS (for construction and construction management services) expire on March 31, 2009, and request that SANDAG return the remaining funds to MTS Capital Improvement Project 11217 (Blue and Orange Line Station Improvements); and (2) authorize the CEO to execute a multiyear contract (Attachment B of the agenda item) with The Kobey Corporation, in partnership with BriceHouse Starboard LLC (the Partnership), to provide the structural capital improvement necessary to house, maintain, and manage an on-site convenience store, including accessible public restroom facilities. Mr. McLean seconded the motion, and the vote was 6 to 0 in favor.

4. MTS: Economic Stimulus Update (AG 210)

Ms. Sharon Cooney, Director of Government Affairs, reported that the Conference Committee has submitted a 150-page economic stimulus bill to the House of Representatives for a vote on Friday or Saturday. She estimated that the bills originally approved by the House and Senate would result in funding for MTS of \$70 million or \$46 million, respectively, and broke down how that funding would be allocated between 5307 Urbanized Area, 5309 Rail Mod, and 5311 Rural funding programs. She added that funding would be distributed based on current formulas designated by Safetea-Lu.

Ms. Cooney advised the Committee that reconciliation still needs to be completed, and the Federal Transit Administration (FTA) will be developing administration guidelines. She also reported that the bill requires that funding recipients quickly report the projects for which the funding would be used and that recipients spend the funding within 2½ to 3 years. Ms. Cooney then reviewed the preliminary list of projects that MTS staff identified for this purpose. Ms. Tiffany Lorenzen, General Counsel, reported that the Chief Deputy Counsel of the FTA said that there would be no changes in FTA regulations. Ms. Cooney also reported that no local match is required in connection with the use of this funding, and the funding must be spent on new projects.

Mr. Jablonski stated that all projects on the list are things that MTS really needs to do and can be "shovel ready" in a short time frame. He added that more detail on the Blue Line improvements would be presented at an upcoming Board meeting. He added that it is also possible to use this funding to purchase buses or light-rail vehicles. He added that, by exercising an option with Utah, light-rail vehicles could be ordered within 30 days and would arrive in January 2011.

Public Comment

Clive Richard: Mr. Richard stated that he was glad to see that staff was preparing for the receipt of this funding.

Action Taken

Mr. McLean moved to receive an update on federal economic stimulus legislation and staff's efforts to prepare for possible implications for the agency. Mr. Selby seconded the motion, and the vote was 6 to 0 in favor.

G. PUBLIC COMMENTS
(Taken Out of Order)

Clive Richard: Mr. Richard stated that he was glad that MTS is informing the public that service changes are imminent due to dropping funding levels.

The Executive Committee convened to Closed Session at 11:01 a.m..

6. **MTS: CLOSED SESSION – PUBLIC EMPLOYEE PERFORMANCE EVALUATION (CHIEF EXECUTIVE OFFICER)** Pursuant to California Government Code Section 54957

The Executive Committee reconvened to Open Session at 11:32 a.m.

Oral Report of Final Actions Taken in Closed Session

Ms. Tiffany Lorenzen, MTS General Counsel, reported the following: Agenda Item C6: The Committee received a report and moved to forward a recommendation to the Board as follows: That Mr. Jablonski's performance was excellent this past year, but due to budget issues and the current fiscal emergency, the Executive Committee recommendation was for no salary increase and no bonus.

D. REVIEW OF DRAFT February 19, 2009, BOARD AGENDA

Mr. Rindone reminded everyone that there would be an 8:00 a.m. Finance Workshop prior to the Board meeting on February 19.

Recommended Consent Items

6. **MTS: Mission Valley East Legal Services – Contract Amendment** (CIP 10426.12)

Recommend that the Board of Directors authorize the CEO to execute MTS Doc. No. M6655.9-07 (in substantially the same form as Attachment A of the agenda item) with Hecht, Solberg, Robinson, Goldberg, and Bagley, LLP for legal services on the Mission Valley East Light Rail Transit Project.

7. **MTS: San Diego and Arizona Eastern (SD&AE) Railway Company Quarterly Reports and Ratification of Actions Taken by the SD&AE Railway Company Board of Directors at its February 3, 2009, Meeting** (SDAE 710)

Recommend that the Board of Directors (1) receive the San Diego and Imperial Valley Railroad, Pacific Southwest Railway Museum Association, and Carrizo

Gorge Railway, Inc. quarterly reports (Attachment A of the agenda item); (2) ratify actions taken by the San Diego and Arizona Eastern Railway Company Board of Directors at its meeting on February 3, 2009 (Attachment A of the Agenda Item); and; and (3) authorize Carrizo to decrease its insurance requirements from \$50 million to \$10 million as it is not currently operating freight in the U.S. (Insurance requirements would increase accordingly upon resumption of U.S. freight operations.)

8. SDTI: Neleco, Inc. "Superlube" Rail Lubricant – Contract Amendment (Option Year Two (OPS 970.6)

Recommend that the Board of Directors authorize the CEO to execute SDTI Doc. No. C.O.018.2-05 (Attachment A of the agenda item) with Neleco, Inc. to exercise option year two to provide Synco SuperLube Rail Lubricant.

9. MTS: Increased Authorization for Legal Services – Law Offices of Michael E. Ripley (LEG 491)

Recommend that the Board of Directors authorize the CEO to execute MTS Doc. No. G1080.3-07 (in substantially the same form as Attachment A of the agenda item) with the Law Offices of Michael E. Ripley for legal services and ratify prior amendments entered into under the CEO's authority.

10. SDTI: Copier Lease – Contract Award (OPS 970.6)

Recommend that the Board of Directors authorize the CEO to award a contract (MTS Doc. No. L0856.0-09) to Canon Business Solutions (in substantially the same format as Attachment A) to lease 12 copiers to support administrative functions throughout SDTI for a period not to exceed five years.

11. MTS: Federal Transit Administration 5311 Program of Pojects (OPS 950.7)

Recommend that the Board of Directors approve Resolution No. 09-8 (Attachment A of the agenda item) authorizing the use of \$256,744 of Federal Transit Administration Section 5311 funds for operating assistance in nonurbanized areas.

12. MTS: Lease with U.S. Navy for Regional Transit Management System Repeater Site on Mount Soledad (OPS 901)

Recommend that the Board of Directors authorize the CEO to execute a five-year lease (Attachment A of the agenda item) with three 5-year options with the U.S. Navy for its Regional Transit Management System repeater site on Mount Soledad.

13. MTS: Office of Homeland Security Grant Applications (AG 210.9)

Recommend that the Board of Directors approve Resolution 09-9 (Attachment A of the agenda item) authorizing the CEO to submit applications for fiscal year 2008-2009 California Transit Security Grant Program – State Transit Assistance Agencies funding.

14. MTS: Fiscal Year 2010 Capital Improvement Program Revision (FIN 340)

Recommend that the Board of Directors (1) approve the fiscal year 2010 Capital Improvement Program with the amended federal and nonfederal funding levels (Attachment A of the agenda item). As the federal appropriation figures are finalized and/or other project funding sources become available, allow the Chief Executive Officer (CEO) to identify and adjust projects for the adjusted funding levels (any adjustments in excess of \$500,000 would be brought to the Board's attention); (2) forward a recommendation to the SANDAG Board of Directors to approve the submittal of the adjusted federal Section 5307 and 5309 applications for the MTS fiscal year 2010 CIP (shown in Attachment A of the agenda item) now that federal appropriations have been finalized; and (3) forward a recommendation to the SANDAG Board of Directors to approve the amendment of the Regional Transportation Improvement Program in accordance with the fiscal year 2010 CIP recommendations.

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

Chairman Mathis reported that the next Transportation Committee meeting will be held February 20, 2009, and no agenda has yet been issued.

F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS

There were no Committee Member communications.

H. NEXT MEETING DATE:

The next meeting is scheduled for Thursday, March 5, 2009, at 9:00 a.m., in the Executive Conference Room.

I. ADJOURNMENT

Chairman Mathis adjourned the meeting at 11:33 a.m.

Chairman

Attachment: A. Roll Call Sheet

gail.williams/minutes

**EXECUTIVE COMMITTEE
METROPOLITAN TRANSIT SYSTEM**

ROLL CALL

MEETING OF (DATE) 2/12/09

CALL TO ORDER (TIME) 9:03 a.m.

RECESS _____

RECONVENE _____

CLOSED SESSION 11:01 a.m.

RECONVENE 11:32 a.m.

ADJOURN 11:33 a.m.

| BOARD MEMBER (Alternate) | PRESENT (TIME ARRIVED) | ABSENT (TIME LEFT) |
|--|---------------------------|-----------------------|
| LIGHTNER <input checked="" type="checkbox"/> (Young) <input type="checkbox"/> | | |
| MATHIS <input checked="" type="checkbox"/> | | |
| MCLEAN <input checked="" type="checkbox"/> (Rindone) <input type="checkbox"/> | | |
| RINDONE (VC) <input checked="" type="checkbox"/> (McLean - CPT) <input type="checkbox"/> | | |
| ROBERTS <input checked="" type="checkbox"/> (Cox) <input type="checkbox"/> | | |
| SELBY <input checked="" type="checkbox"/> (Ryan) <input type="checkbox"/> | | |
| Transportation Committee Rep Slot (Mathis) | | |

SIGNED BY OFFICE OF THE CLERK OF THE BOARD

Gail Williams

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

[Signature]



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

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

March 5, 2009

SUBJECT:

MTS: LIGHT RAIL NETWORK SHORT- AND LONG-TERM OPERATING PLANS

RECOMMENDATION:

That the Executive Committee receive a report on proposed changes to the light rail transit (LRT) system to improve efficiency in the short-term and accommodate a viable long-term operating plan.

Budget Impact

None.

DISCUSSION:

The ability to expand low-floor access, accommodate the Mid-Coast LRT Project, and maintain a highly efficient and convenient light rail network requires changes to existing operations. As the next phase of low-floor accommodation progresses, reconfiguration of the existing operating lines would allow a more effective utilization of a mixed fleet of high- and low-floor cars, specifically the existing 90-foot cars that are incompatible with downtown Center City station block lengths.

Background

In conjunction with the opening of the Mission Valley East extension in 2005, MTS procured 11 90-foot S70 LRVs from Siemens Transportation Systems to begin a



transition to low-floor access on the system. An operating plan was developed based on projected ridership and resources available at that time. As low-floor access is expanded and integration of the Mid-Coast LRT is considered, the existing operating plan contains obstacles and inefficiencies that need to be addressed.

Background

After the opening of the South Line in 1981, the MTS rail system experienced nine extensions to develop a regional LRT network. While these extensions were designed under the concept of a long-term regional plan, in most cases, the actual operating plans were not determined until after construction was initiated and were forced to fit within the constraints of the infrastructure provided.

Operating Plan Development

An effective LRT operating plan is driven by limitations of fixed infrastructure, schedule-driven parameters, and the travel patterns and capacity requirements to meet passenger expectations.

Current physical constraints within the San Diego LRT system include the Cuyamaca Street single-track segment in Santee, downtown Center City station block lengths, and train layover capabilities at terminal stations. Other physical characteristics that exist (but can be more readily mitigated) include traction power capacity, railroad block signal spacing, station platform elevation, and fleet size and composition.

Schedule-driven elements include travel time between key transfer points and terminals, minimum train layover requirements at terminals, and train spacing and sequencing in areas of shared line operations. The existing operating plan was developed around these limitations but is also constrained by the number of low-floor cars and the station platforms modified to accommodate them.

Travel patterns and capacity requirements to meet passenger expectations are demonstrated by the current need for Red Line special event service for most events in downtown San Diego or the occasional evening or weekend morning downtown shuttle service to balance the frequency of the Bayside corridor (Orange Line) with Blue Line service north to Old Town. Without these overlays, the key ridership corridor between Mission Valley and the Convention Center and PETCO Park and the Gaslamp Quarter would require multiple train transfers and extended travel time substantially decreasing the appeal of LRT service. System efficiency could also be maximized through effective transfer points and terminals so that train size and schedules could be balanced against the experiences and needs of each line segment.

Short-Term Operating Plan

Incorporation of the Mid-Coast LRT into the existing operating plan would create several issues, including over-served corridors, extensive transfer requirements for passengers, and/or inadequate infrastructure at the Old Town Transit Center that would degrade the effectiveness and efficiency of system operations. Additionally, the ability to continue special events service overlays for the downtown area and/or Qualcomm Stadium events would become substantially limited if not inoperable.

Implementation of this short-term operating plan would generate immediate benefits in system operating efficiencies and provide a foundation that will readily incorporate the Mid-Coast LRT project in the future. The three existing operating lines would be configured to minimize travel time for basic passenger travel patterns, reduce the need for multiple transfers, eliminate the need for a unique operating line for all but the most uncharacteristic events, and maximize fleet efficiency.

- Green Line – Imperial Terminal to Santee

Extending the Green Line from Old Town to the Imperial Terminal would provide a timed transfer with Blue Line trains allowing passengers traveling between the South Bay and areas north to circumvent the slower travel time within the Center City area. Timed transfers with the Orange Line at the Santa Fe Depot would provide connecting service to C Street. Service efficiencies would result from greater flexibility to add or cut cars based on ridership demand and reduce unproductive costs associated with train and employee deadhead operations between the maintenance facility and Old Town. Red Line special events service for moderate-sized events would be covered by scheduled service with the ability to overlay service between the Imperial Avenue terminal and Qualcomm Stadium on an as-needed basis. The expansion of the Green Line also provides greater utilization of the existing 90-foot S70 LRV.

- Orange Line – Santa Fe Depot to East County

The Orange Line would operate between Santa Fe Depot and East County.

At the Santa Fe Depot:

- Orange Line trains would utilize the southern end of an expanded southbound platform with bidirectional, timed transfers with Green Line trains;
- southbound Green Line trains would utilize the north end of the shared platform; and
- northbound Green Line trains would use the opposite platform.

At America Plaza:

- Orange Line trains would utilize the eastbound platform for bidirectional traffic.

In East County:

- Orange Line trains would terminate prior to Gillespie Field; however, improved transfer connectivity would be provided with Green Line trains to/from Santee.

- Blue Line – America Plaza to San Ysidro

The Blue Line, which is a corridor that has maintained high ridership levels since the inception of service, would operate between America Plaza and San Ysidro. Bidirectional timed transfers would be made with Green and Orange Line trains at the 12th & Imperial Transit Center. At America Plaza, all Blue Line trains would utilize the westbound platform as a terminal stop. With passengers traveling between South Bay and destinations north transferring at Imperial, Blue Line trains would enhance their passenger capacity in the downtown corridor to accommodate future growth requirements and mitigate the need for increased frequency or consist size within this zone.

- Silver Line/Restored PCC Operations

The capability to operate restored PCC cars in an eastbound loop around the Convention Center and downtown corridors on weekends or other nonpeak service hours is retained within this operating plan.

LRV Fleet Requirements

The LRV fleet requirements for this operating plan would include three less cars and one less train than current peak-period service levels, which would provide a cost savings in procurement, maintenance, and operating expenses. Two fewer cars are required for weekends and base periods and could be utilized as necessary to enhance passenger capacity for special events during these periods.

Santa Fe Depot/America Plaza Infrastructure Enhancements

The following enhancements would be required at the Santa Fe Depot and America Plaza Stations to accommodate this operation:

- The Santa Fe Depot platform area would be shifted south toward Broadway with the southbound platform expanded to accommodate two LRT trains (Orange and southbound Green Line).
- Minor signaling improvements would be made at the Broadway Wye and Santa Fe Depot platforms to accommodate the bidirectional operations of Orange Line trains into the Santa Fe Depot platform.
- Installation of a double crossover on C Street between India and Columbia, including powered switch machines, switch indicators, and track occupancy detection at the America Plaza Station.

East County Terminal for Orange Line

Ridership levels do not justify continued two-line operations east of El Cajon. With minor modifications to existing signaling equipment, the East County terminus for the Orange Line would be the Arnele Avenue Station. Bidirectional, timed transfers with Green Line trains are provided at El Cajon Transit Center during peak and base periods to mitigate single-line service beyond this point.

Any future redevelopment at the El Cajon Transit Center should include a third track to allow an East County terminal layover without obstructing through-service trains, which is a feature that would further optimize the flexibility of system operations and performance, including special events service.

Integration of Mid-Coast LRT

Preliminary studies indicate the need for the Mid-Coast LRT to extend into the downtown area to be viable and attractive. Integrating this southern terminal into the Santa Fe Depot station would accentuate this location as the rail hub in San Diego serving Amtrak, the Coaster, and each of the LRT operating lines (Blue Line across the street at America Plaza).

Accommodating the additional LRT line would require reconfiguration of existing Coaster tracks and platforms. The LRT tracks would be configured to connect the new track on the west side of the existing platforms, which would allow southbound Green Line trains to operate through the station unimpeded. Mid-Coast trains would terminate on the shared platform with the Orange Line and then depart northbound via a track connection on the eastward (northbound) main track.

This final configuration would:

- allow a passenger to travel anywhere within the LRT network with no more than one transfer required;
- integrate the system with no additional train traffic on C Street or across the Broadway San Diego crossing;
- reduce traffic signal preemption at Kettner Boulevard and Broadway by 60 percent when compared against current activations;
- maximize flexibility to adjust consist sizes and train frequencies for each corridor to match passenger travel patterns and needs; and
- provide timed transfers between Green Line, Orange Line, and Mid-Coast trains at Santa Fe Depot and Blue Line service at America Plaza. These transfers, combined with those at the 12th & Imperial Transit Center are the highest ranked and maintained through all train headway patterns (7½-, 15-, and 30-minute peak service).



Paul C. Jablonski
Chief Executive Officer

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

MAR12-09.C1.LIGHTRAIL OP PLANS.WTERRY.doc



Metropolitan Transit System

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

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

March 5, 2009

SUBJECT:

MTS: BOOZ ALLEN HAMILTON CONSULTANT'S REPORT – LOW-FLOOR
CAPABILITY ASSESSMENT AND LRV RECOMMENDATIONS

RECOMMENDATION:

That the Executive Committee receive a report for information.

Budget Impact

None.

DISCUSSION:

The consulting firm of Booz Allen Hamilton (BAH) was contracted by the San Diego Association of Governments to evaluate light rail vehicle (LRV) procurement alternatives, integration, and compatibility with the MTS fleet and infrastructure improvements involved in achieving low-floor technology system wide. The review evaluated load factors, determined optimal car lengths, and compared costs associated with existing and newly designed LRVs. This exercise was designed to assist MTS in developing LRV procurement strategies and rehabilitation alternatives for an aging fleet as well as to identify station and wayside infrastructure improvements required to accommodate low-floor technology on older portions of the system.

EXISTING FLEET

MTS-Rail currently uses three series of Siemens-built LRVs:

1. 71 U-2 Models: All of these vehicles were purchased between 1980 and 1989, and many are rapidly approaching retirement age. Parts and component availability to support fleet maintenance of these older cars is a challenge, and

5270

some maintenance-critical parts are no longer available. This is a high-mileage fleet—LRV No. 1004 has the highest miles at 1.8 million, and the fleet has an average in excess of 1.2 million miles.

2. 52 SD 100 Models: Procured in 1993, the SD 100s should be considered for retirement in 2028.
3. 11 S70 Models: Procured in 2005, the S70s should be considered for retirement in 2040. The S70 is a low-floor LRV procured for the Mission Valley East Line segment. It measures 90 feet in length and due to its low-floor configuration, it is used only on the Green Line where the station platforms are eight inches high and can accommodate the onboard Americans with Disabilities Act (ADA) ramp. At this time, the S70 is not compatible with the six-inch platform height at most Blue and Orange Line stations nor is it able to operate in a mixed train consist with the U-2 LRV; however, it is compatible with the SD 100.

REVIEW OF AVAILABLE LOW-FLOOR LRVS

BAH evaluated available low-floor products in order to address the procurement of service-proven, state-of-the-art LRVS. MTS initiated this effort with BAH in October 2007 and provided the Utah Transit Authority (UTA) an opportunity to attend a Vehicle Manufacturers Symposium involving Siemens, CAF, Bombardier, AnsaldoBreda, and Kinkisharyo who presented on both European 100% low-floor and North American 70% low-floor LRVS. After much consideration, it was agreed that European 100% low-floor LRVS are not a good fit for application at MTS due to:

1. The high cost of “Americanization” and required maintenance facility modifications.
2. California Public Utilities Commission (CPUC) compression strength requirements. Modifications to achieve this would be expensive and difficult to implement.
3. NFPA 130 requirements for smoke, flames, and toxicity are not met.
4. Buy America and/or other Federal Transit Administration (FTA) commercial requirements are not met.

Therefore, the evaluation focused on North American 70% low-floor vehicles. Also appraised were system constraints relative to platform height and vehicle length in excess of 82 feet, which prevents operation of 3-car train sets in the downtown Center City area due to station block lengths of 240 feet.

The selected vehicle should have a maximum operating speed of 50 to 55 miles per hour, be California Public Utilities Code- (CPUC)-compliant with 2g compression strength, and have a passenger seating capacity similar to the current fleet. While there is no industry standard length, nearly all of the low-floor LRVS in North America range from 90 feet to 97 feet. These vehicles are similar or identical to the Siemens S70 employed in the MTS fleet. There are no 82-foot LRVS currently in operation with the exception of:

- AnsaldoBreda (Boston): At 74 feet, it is too short. It seats only 44 passengers and does not meet the CPUC compression strength requirement with only 1.67g.

- Skoda Streetcar (Portland, Seattle, and Washington, DC): Although it meets the compression strength requirement at 2.27g, it has a maximum speed of 44 miles per hour, seats only 30 passengers, and is too short (66 feet).

CONCLUSIONS AND RECOMMENDATIONS

Vehicle Types

The Siemens S70 Ultra Short (S70US), as recently bid by UTA, is comparable in length to the U-2 and SD 100 LRVs. This vehicle is a shorter version of the S70 with a reduced cab and center section. It would blend with the existing fleet and require no further modifications to support maintenance activities. It would blend into mixed-consist operations with the SD 100 and allow three-car train sets in the downtown area. MTS maintains an option on the UTA order, and it is recommended that at least a portion of this option is exercised.

Interestingly, LTK Engineering Services provided MTS with a report in March 2000 on the "analysis of low-floor LRV alternatives," which recommended the procurement of 11 80-foot 70% low-floor LRVs for the Mission Valley East Line extension. Unfortunately at the time, 90-foot (or longer) LRVs were all that was available on the market.

Procurement Strategy

It is recommended that decisions relative to the procurement process be made based on a combination of budget and accessibility. Therefore, the following low-floor LRV system operating options are offered for consideration:

- Option 1: Purchase 30 New Low-Floor LRVs (Attachment A)

Option 1 would provide the standard 20% maintenance ratio for each car model and assume an eight-inch platform curb at Blue and Green Line stations. Configuration of all base-period and weekend trains on the Blue Line is made of an SD 100 between two S70US LRVs. All base-period and weekend trains on the Orange Line would consist of SD 100s, and the Green Line would use S70 and S70US LRVs. During peak periods, "Tripper" trains on the Blue Line would be made of U-2 LRVs, while the Green Line would add an SD 100 LRV in the middle of the consist when necessary. Three U-2 train consists would be on standby for use during car failures and/or other system recovery requirements or as necessary to augment special events service.

- Option 2: Purchase 39 New Low-Floor LRVs (Attachment B)

Option 2 would provide the standard 20% maintenance ratio for each car model and assume an eight-inch platform curb at all stations. Configuration of all base-period and weekend trains on the Blue Line is made of an SD 100 between two S70US LRVs. All base-period and weekend trains on the Orange Line would be made of one S70US and one SD 100, while all base-period and weekend trains on the Green Line would be S70 or S70US LRVs. During peak periods on the Blue Line, five U-2 and two SD 100 "Tripper" trains would be added. On the Orange and Green Lines, additional SD 100 cars would be added as needed during peak periods. Three U-2 train consists would be on standby for use during car failures and/or other system recovery requirements or as necessary to augment special events service.

- Option 3: Purchase 47 New Low-Floor LRVs (Attachment C)

Option 3 would provide the standard 20% maintenance ratio for each car model and assume an eight-inch platform curb at all stations. Configuration of all base-period and weekend trains on the Blue Line is made of an SD 100 between two S70US LRVs. On the Orange Line, up to five base-period and weekend trains would be 100% low-floor consists with the remaining trains (eight total) being a mixed consist of one S70US and one SD 100; all base-period and weekend trains on the Green Line would be either S70 or S70US LRVs. During peak periods on the Blue Line, three U-2 and four SD 100 "Tripper" trains would be added. On the Orange and Green Lines, an additional SD 100 LRV would be added to train consists as needed during peak periods. Three U-2 train consists would be on standby for use during car failures and/or other system recovery requirements or as necessary to augment special events service.

- Option 4: Purchase 57 New Low-Floor LRVs (Attachment D)

Option 4 would provide the standard 20% maintenance ratio for each car model and assume an eight-inch platform curb at all stations. Configuration of all base-period and weekend trains on the Blue Line is made of an SD 100 between two S70US. Base-period and weekend trains on the Orange Line would operate up to 87% (7 of 8) low-floor with the remaining train(s) consisting of one S70US and one SD 100. All base-period and weekend trains on the Green Line would be either S70 or S70US. During peak periods on the Blue Line, seven "Tripper" trains would operate with an S70US between two SD 100 LRVs. On the Orange and Green Lines, an additional SD 100 LRV would be added to train consists as needed during peak periods. Three U-2 train consists would be on standby for use during car failures and/or other system recovery requirements or as necessary to augment special events service.

Station Platform Modifications

The optimal consist for all line segments is a three-car train set where all cars are approximately 80 feet in length. The exception being that the 90-foot S70 compatibility would be mitigated by the extension of the Green Line via the Bayside corridor to the Imperial Avenue terminal.

Phase One

MTS should initiate a capital improvement project (CIP) to raise station platform heights to meet the eight-inch ADA requirement and to support operation of low-floor LRVs through the downtown Center City corridor. The following station modifications are necessary:

1. Modify Imperial Avenue Transfer, City College, Fifth Avenue, and Civic Center Stations with a two-inch tile overlay.
2. Lower track way at Park & Market Station by two inches.
3. America Plaza Station requires either a gradual two-inch platform rise for door set positioning (not entire platform) or installation of a new rail measuring two inches shorter in height, which would require significant concrete work in the existing trackway.

Phase Two

Based on the low-floor LRV procurement option selected, MTS may consider expanding the CIP to include platform height modifications at all Orange Line stations to meet ADA requirements and to accommodate low-floor LRVs. The following station modifications would be necessary:

1. Modify 25th & Commercial, 32nd & Commercial, 62nd Street, Massachusetts Avenue, Lemon Grove, Spring Street, and La Mesa Blvd. stations with a two-inch tile overlay.
2. Euclid Avenue and 47th Street Stations are at grade and would require installation of an eight-inch platform.

U-2 LRV Rehabilitation Program

By the anticipated date that a new order of LRVs will be delivered, 24 of the 30 oldest U-2 LRVs will be nearing their retirement age. Six U-2 LRVs from this group would be retained to backfill for vehicles receiving rehabilitation; afterward, retirement of those vehicles should be considered. Other rail properties under contract for similar work reveal that once the rehabilitation program is in full sequence, 1 to 1½ vehicles could be completed per month. The mechanical and electrical components considered for replacement during the rehabilitation are the camshaft controller, coupler and draft gear, resistor banks, axles and bogie frames, HVAC system, train line wiring (low and high voltage), and the door control unit.

The number of U-2 LRVs scheduled to receive a selective overhaul is contingent on the adopted procurement option and determined by the requirement to support regularly scheduled service. Therefore, based on the option selected, the number of U-2s requiring rehabilitation would be:

- Option 1: 21 U-2 LRVs
- Option 2: 15 U-2 LRVs
- Option 3: 9 U-2 LRVs
- Option 4: 0 U-2 LRVs






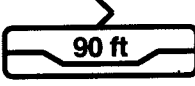
Paul C. Jablonski
Chief Executive Officer

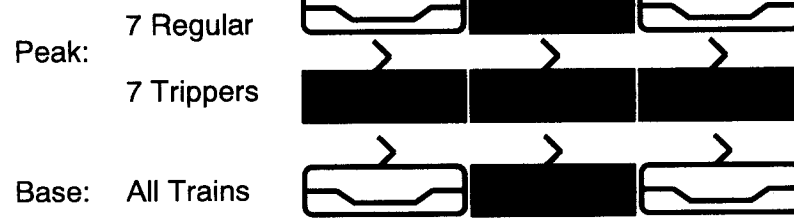
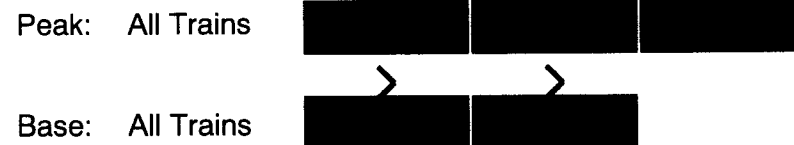
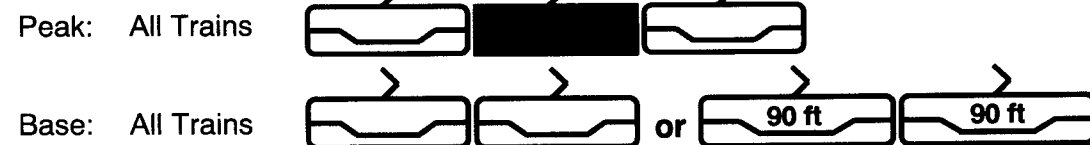
Key Staff Contact: Wayne Terry, 619.595.4906, wayne.terry@sdmts.com

MAR5-09.C2.BOOZALLEN RPT LRVs.WTERRY.doc

Attachments: A. Option 1: Purchase 30 New Low-Floor LRVs
B. Option 2: Purchase 39 New Low-Floor LRVs
C. Option 3: Purchase 47 New Low-Floor LRVs
D. Option 4: Purchase 57 New Low-Floor LRVs
E. Executive Summary

OPTION 1: Purchase 30 New Low-Floor LRVs (Replaces 33 U2 LRVs)

| | | | | |
|-------------------------------------|---|---|--|---|
| <u>LRV Fleet (131 CARS):</u> |  |  |  |  |
| Car Model: | U2 LRV | SD-100 LRV | 80 Ft S70 | 90 Ft S70 |
| Revenue: | 30 cars | 43 cars | 25 cars | 9 cars |
| Maintenance: | 8 cars | 9 cars | 5 cars | 2 cars |
| Fleet Size: | 38 cars | 52 cars | 30 cars | 11 cars |

Weekday Train Service:**BLUE LINE:****ORANGE LINE:****GREEN LINE:****GAP TRAINS:**

Purchase of 30 new Low-Floor LRVs will provide for the following fleet utilization with a standard twenty percent maintenance ratio for each car model. This operating assumption is based on eight inch platform curbs at all Blue Line and Green Line stations:




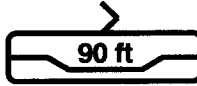
Blue Line – All weekday base period and weekend trains would have an SD-100 car in the center with new low-floor cars at each end. Peak Service 'Tripper' trains would be built with U2 model LRVs.

Orange Line – All trains would have SD-100 cars.


Green Line – All base period and weekend trains would be 100% low-floor consists, either existing ninety-foot cars or new eighty-foot versions. To the extent a third car is necessary due to peak service levels or special events, an SD-100 car would be inserted into the middle of the consist.

Gap Trains – Three U2 consists would be placed in service as necessary due to car failures or other system recovery requirements, or as necessary to supplement regular peak service during events.

OPTION 2: Purchase 39 New Low-Floor LRVs (Replaces 42 U2 LRVs)

| | | | | |
|------------------------------|---|---|--|---|
| LRV Fleet (131 CARS): |  |  |  |  |
| Car Model: | U2 LRV | SD-100 LRV | 80 Ft S70 | 90 Ft S70 |
| Revenue: | 24 cars | 42 cars | 33 cars | 9 cars |
| Maintenance: | 5 cars | 10 cars | 6 cars | 2 cars |
| Fleet Size: | 29 cars | 52 cars | 39 cars | 11 cars |

Weekday Train Service:**BLUE LINE:**

Peak: 7 Regular   

5/2 Trippers    or   

Base: All Trains   

ORANGE LINE:

Peak: All Trains   

Base: All Trains  

GREEN LINE:

Peak: All Trains   

Base: All Trains   or  

GAP TRAINS:

3 Sets:   

Purchase of 39 new Low-Floor LRVs will provide for the following fleet utilization with a standard twenty percent maintenance ratio for each car model. This operating assumption is based on eight-inch platform curbs at all LRT stations:



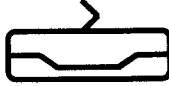
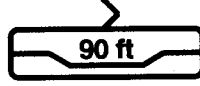
Blue Line – All base period and weekend trains would have an SD-100 car in the center with new low-floor cars at each end. Five Peak Service “Tripper” trains would be built with U2 model LRVs, two with SD-100 model LRVs.

Orange Line – All base period and weekend trains would be a mixed consist of one new low-floor car and one SD-100 car. Add cars required for peak periods would be an additional SD-100 car.

Green Line – All base period and weekend trains would be 100% low-floor consists, either existing ninety-foot cars or new eighty-foot versions. An SD-100 car would be inserted into the middle of the consist for peak periods or special events.

Gap Trains – Three U2 consists would be placed in service as necessary due to car failures or other system recovery requirements, or as necessary to supplement regular peak service during events.

OPTION 3: Purchase 47 New Low-Floor LRVs (Replaces 50 U2 LRVs)

| | | | | |
|------------------------------|---|---|--|---|
| LRV Fleet (131 CARS): |  |  |  |  |
| Car Model: | U2 LRV | SD-100 LRV | 80 Ft S70 | 90 Ft S70 |
| Revenue: | 18 cars | 41 cars | 39 cars | 9 cars |
| Maintenance: | 3 cars | 11 cars | 8 cars | 2 cars |
| Fleet Size: | 21 cars | 52 cars | 47 cars | 11 cars |

Weekday Train Service:**BLUE LINE:**

Peak: 7 Regular



Peak:

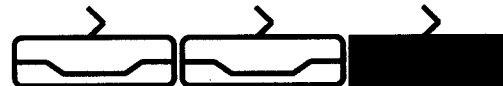
3/4 Trippers



Base: All Trains

**ORANGE LINE:**

Peak: All Trains



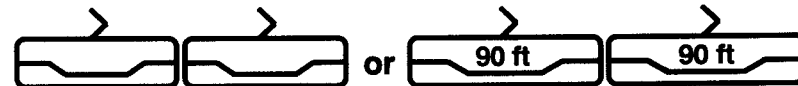
Base: All Trains

**GREEN LINE:**

Peak: All Trains



Base: All Trains

**GAP TRAINS:**

3 Sets:



Purchase of 47 new Low-Floor LRVs will provide for the following fleet utilization with a standard twenty percent maintenance requirement for each car model. This operating assumption is based on eight inch platform curbs at all LRT stations:





Blue Line – All base period and weekend trains would have an SD-100 car in the center with new low-floor cars at each end. Three Peak Service “Tripper” trains would be built with U2 model LRVs, four with SD-100 model LRVs.

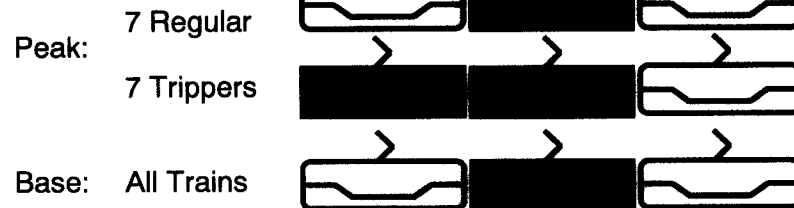
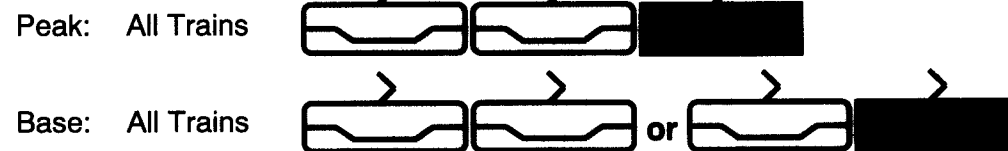
Orange Line – Up to five base period and weekend trains would be 100% low-floor consists, with remaining trains (of eight total trains) a mixed consist of one new low-floor car and one SD-100 car. Add cars required for peak periods would be an additional SD-100 car.

Green Line – All base period and weekend trains would be 100% low-floor consists, either existing ninety-foot cars or new eighty-foot versions. To the extent a third car is necessary due to peak service levels or special events, an SD-100 car would be inserted into the middle of the consist.

Gap Trains – Three U2 consists would be placed in service as necessary due to car failures or other system recovery requirements, or as necessary to supplement regular peak service during events.

OPTION 4: Purchase 57 New Low-Floor LRVs (Replaces 60 U2 LRVs)**LRV Fleet (131 CARS):**

| |  |  |  |  |
|--------------------|---|---|--|---|
| Car Model: | U2 LRV | SD-100 LRV | 80 Ft S70 | 90 Ft S70 |
| Revenue: | 9 cars | 42 cars | 47 cars | 9 cars |
| Maintenance: | 2 cars | 10 cars | 10 cars | 2 cars |
| Fleet Size: | 11 cars | 52 cars | 57 cars | 11 cars |

Weekday Train Service:**BLUE LINE:****ORANGE LINE:****GREEN LINE:****GAP TRAINS:**

Purchase of 57 new Low-Floor LRVs will provide for the following fleet utilization with a standard twenty percent maintenance ratio for each car model. This operating assumption is based on eight-inch platform curbs at all LRT stations:

Blue Line – All weekday base period and weekend trains would have an SD-100 car in the center with new low-floor cars at each end. Seven Peak Service “Tripper” trains would be built with two SD-100 model LRVs and one new low-floor LRV.

Orange Line – Up to seven of the eight trains would be 100% low-floor, with remaining train(s) a mixed consist of one new low-floor car and one SD-100 car. Add cars required for peak periods would be an additional SD-100 car.

Green Line – All base period and weekend trains would be 100% low-floor consists, either existing ninety-foot cars or new eighty-foot versions. To the extent a third car is necessary due to peak service levels or special events, an SD-100 car would be inserted into the middle of the consist.

Gap Trains – Three U2 consists would be placed in service as necessary due to car failures or other system recovery requirements, or as necessary to supplement regular peak service during events.

EXECUTIVE SUMMARY

Purpose

The 'Low Floor Capability Assessment and LRV Recommendation' study by Booz Allen Hamilton (BAH), under the direction of Kimley-Horn and Associates, evaluated the rehabilitation and procurement options for modernization of the San Diego Trolley, Inc. (SDTI) Light Rail Vehicle (LRV) fleet. The study includes an analysis of procurement and integration of new Light Rail Vehicles into the MTS Trolley system as well as strategies for both rehabilitation and/or replacement of specific older Siemens U2 LRVs in the fleet.

Objectives

In order to evaluate the potential options for modernizing the SDTI fleet through procurement and/or rehabilitation, the following objectives were established:

- Improve boarding times through better access for patrons, in particular those with mobility impairments or using mobility aids
- Improve train capacity
- Improve reliability through reduction of average fleet age and rehabilitation of older U2 models
- Identification of a new LRV compatible with current MTS system and infrastructure
- Limiting the number of LRV models to be maintained
- Identify cost effective combinations for purchase of new LRVs, and/or rehabilitation of existing LRVs

Background

The current MTS fleet is comprised of 134 Siemens Transportation Systems LRVs composed of 123 high floor LRVs (71 U2s, 52 SD-100s) and 11 Low Floor LRVs (S70s). Vehicle data is listed in Table ES-1.

| Table ES-1 – MTS Fleet | | | | | |
|------------------------|----------------|------------|------------|-----------------|-------------|
| Quantity | Date Received | Car Length | Floor Type | Mobility Access | Age (Years) |
| 14 - U2 | November, 1980 | 82 | high floor | on-board lift | 29 |
| 10 - U2 | November, 1982 | 82 | high floor | on-board lift | 27 |
| 6 - U2 | January, 1986 | 82 | high floor | on-board lift | 23 |
| 20 - U2 | May, 1989 | 82 | high floor | on-board lift | 20 |
| 21 - U2 | July, 1990 | 82 | high floor | on-board lift | 19 |
| 52 - SD100 | October, 1993 | 82 | high floor | on-board lift | 16 |
| 11 - S70 | July 2005 | 91 | low floor | bridge plate | 4 |

Peak hour revenue schedule requires up to 51 vehicles on the Blue Line and 29 on the Orange Line. Currently, up to 14 vehicles are required on the Green Line during peak hour, but MTS is projecting the need to expand to 3 car trains which will require up to 21 vehicles on the Green Line. In addition to the regularly scheduled service, three gap trains, 9 additional vehicles, are needed to fill in for any breakdowns or extended delays. Typical for light rail operators, MTS maintains 20% spares for

scheduled and nonscheduled maintenance and repair, making the minimum fleet size 132 vehicles. MTS also runs added trains for special event service to venues on the system, which can tax the available fleet.

With the current LRV fleet mix, MTS faces many challenges including:

- 1) Inability to interchange vehicle types to build trains (consists). The U2 vehicle is not compatible with the SD100 or S70, limiting flexibility to build and dispatch trains.
- 2) Increasing maintenance on the oldest U2 vehicles which have been in service now between 19 and 29 years. The U2s are well maintained, but the oldest cars require overhaul or replacement of the power, drive and control systems. Other components are also wearing out, and spare parts are out or going out of production.
- 3) City block lengths in downtown San Diego limit train length to three U2 or SD100 vehicles (~245'). Other stations in the MTS system accommodate for four U2 or SD100 vehicles.
- 4) The S70s LRVs are currently limited to the Green Line because the Blue and Orange line platforms do not accommodate compliant wheelchair boarding to the S70. In addition, the longer S70 would be limited to two car trains in downtown San Diego.
- 5) Mobility assisted lift boardings impact system-wide reliability, especially in cases of multiple lift boardings using the high floor vehicle mounted lifts on the U2s and SD-100s.

To improve service reliability and accessibility, MTS has established a system-wide objective of moving to low floor LRVs with an initial goal of operating at least one low floor car per train in all scheduled service.

Results and Recommendations

With the need for MTS to modernize its aging LRV fleet and improve reliability through reducing on-board lift operations, the study evaluated both the existing fleet and future procurement options over the next five to ten years. Various LRV consist configurations were considered, including the use of MTS' existing LRVs and new vehicle procurement. The analysis considered the impacts of operating trains longer than the current three car trains of approximately 245 feet, as well as feasibility, capacity and boarding time impacts.

New Vehicle Procurement

After evaluating current and future operations, physical constraints and reviewing the available vehicles on the market, the study recommends procurement of new Low Floor LRVs (LFLRVs) limited to approximately 82 feet in length with an ADA compliant extendable bridge plate for reasons listed below:

- Results in best fit with existing operations and current vehicle fleet
- Provides the best fit and flexibility for future system and LRV fleet expansion
- Meets the MTS goal for improved boarding times and ease of access
- Requires the least amount of station, wayside, yard and shop improvements
- Currently available from at least one vehicle builder (Siemens). MTS has an option in a procurement by the Utah Transit Authority (UTA) to order up to 110 Ultra-Short (81 feet and 5 inches) S70 LFLRVs, at an approximate cost (without escalation) of \$3.6 million per vehicle.

Other new vehicle configurations examined included long low and high floor vehicles, as well as extra long vehicles. Each was rejected because of a range of constraints in the existing system made these options cost prohibitive and operationally restrictive. The primary constraints are restricted downtown



station lengths, curved platforms, limits to platform height on shared freight track, and the configuration of existing yards and shops.

Fleet Evaluation

After considering accessibility, infrastructure constraints, train configurations, market availability of new LFLRVs and U2 rehabilitation alternatives, seven options for fleet modernization were developed and analyzed. The study, which provides for a consistent fleet size of 134 vehicles, resulted in three recommendations, Study Option 3, Study Option 3A and Study Option 4. Table ES-2 summarizes the seven studied options.

| Table ES-2 – Summary of Operations Impact for Analysis Options | | | | | |
|--|---|----------------------------|--|---------------|--|
| # | Actions | Resulting LFLRV proportion | Resulting Fleet Composition | Net Cost, \$m | Comments |
| 1 | Replace 24 U2 Rehab 47 U2 | 26% low floor | 47 - U2 52 -SD100 11 - S70 24 - NEW | \$116.8 | Low Floor Service not provided on all trains. |
| 2 | Replace 30 U2 Rehab 41 U2 Replace S70s | 31% low floor | 41 - U2 52 -SD100 41 - NEW | \$157.9 | Low Floor Service not provided on all trains. |
| 3 | Replace 50 U2 Rehab 21 U2 | 46% low floor | 21 - U2 52 -SD100 11 - S70 50 - NEW | \$204.9 | Two U2 consists would be required during Peak Service. |
| 3A | Replace 60 U2 Rehab 14 U2 | 53% low floor | 14 - U2 52 -SD100 11 - S70 60 - NEW | \$238.9 | U2 used only for Gap Trains and Special Events. |
| 4 | Replace all U2 cars | 61% low floor | 52 -SD100 11 - S70 71 - NEW | \$276.1 | Fleet makeup remains consistent at 3 vehicle types. |
| 5 | Replace all U2s and S70s | 61% low floor | 52 -SD100 82 - NEW | \$296.8 | Would require sale of S70s at a loss. |
| 6 | Replace all existing cars | 100% low floor | 134 -NEW | \$460.0 | Would require sale of serviceable S70s and SD100s. |

* Recommended Alternatives

Basis of Cost Estimates

- All Costs are stated in 2008 dollars.
- Rehabilitation of the U2 fleet was estimated at \$0.5m per vehicle.

- The assumed cost of a new vehicle is \$3.6m, plus 8% for training, testing and commissioning (\$3.89m total).
- The resale market value of the S70 fleet is assumed to be \$2m per car.
- The resale market value of the SD100 is assumed to be \$750k.
- No residual value is assumed for the U2 fleet.
- No infrastructure costs are considered in this part of the analysis.

RECOMMENDED OPTIONS

Options 3A and 4 meet the minimum service requirement of one LFLRV in each peak hour train, including the projected expansion to 3 car trains on the Green Line. Option 3 meets the minimum service requirement of one LFLRV in each peak hour train in today's operating conditions. However, with the expansion to 3 vehicle trains on Green Line, Option 3 would require at least 2 trains in peak hour service without low floor capabilities. Option 4 has the advantage of reducing to three the number of vehicle types in the fleet providing for lower costs of fleet maintenance and reduced parts inventories.

Four options are not recommended because they do not meet MTS' objectives and are as follows:

- Study Options 1 & 2 do not provide a sufficient number of low floor vehicles to assure low floor service on every peak train.
- Study Option 5 would include selling the 11 S70 LFLRVs bought for Mission Valley East. This option is not recommended because of cost, and it would result in the sale at a loss of the new S70 LF cars.
- Study Option 6 replaces the entire fleet. This option is not recommended because of cost, and it includes the sale of serviceable SD 100s and S70s.

RECOMMENDATION HIGHLIGHTS

Study Option 3A First Ranked Option – Lowest cost for full low floor peak service

1. Retire the 60 oldest or poorest condition U2s
2. Procure 60, 82-foot LFLRVs. The study recommends exercising the option for Ultra-Short S70 LFLRVs off the UTA procurement.
3. Perform selective systems overhaul on the remaining 11 U2s and use these vehicles for special event and gap service.

Benefits

- 53% of the fleet would be LFLRVs, which would assure regular and peak service trains have at least one low floor vehicle with a 20% spare ratio (22 additional vehicles). Gap and special event trains may be U2 only trains, without low floor boarding.
- Fleet age is reduced.
- Modernizes the remaining U2 fleet with new maintainable systems and parts.

Concerns

- Modernized U2s would still not be capable of coupling with the other vehicles in the fleet limiting its use.
- The fleet would include four different vehicle types to operate and maintain
- If UTA option is used, delivery may be delayed until UTA receives all or most of its vehicles.

Study Option 4 Second Ranked Option – Preferred fleet composition for full low floor peak service

1. Retires all U2s
2. Procures 71, 82' LFLRVS. The study recommends exercising the option for Ultra-Short S70 LFLRVs off the UTA procurement.

Benefits

- Completely interchangeable fleet
- Keeps the vehicle types in the fleet to three, reducing maintenance costs and parts inventory
- 61% of the fleet would be low floor and would assure all trains have at least one low floor vehicle.
- Fleet age is greatly reduced

Concerns

- Higher cost than Option 3A with no operational benefit
- If the UTA option is used, delivery may be delayed until UTA receives all or most of its vehicles.

Study Option 3 Third Ranked Option – Minimum fleet composition for full low floor regular non-peak service

1. Retire the 50 oldest or poorest condition U2s
2. Procure 50, 82-foot LFLRVS. The study recommends exercising the option for Ultra-Short S70 LFLRVs off the UTA procurement.
3. Perform selective systems overhaul on the remaining 21 U2s.

Benefits

- 46% of the fleet would be LFLRVs, which would assure regular and peak service trains in the current operating conditions have at least one low floor vehicle with an 18% spare ratio (19 additional vehicles). Gap and special event trains may be U2 only trains, without low floor boarding.
- Fleet age is reduced.
- Modernizes the remaining U2 fleet with new maintainable systems and parts

Concerns

- With the projected expansion to 3 vehicle trains on the Green Line, up to 2 U2 consists would be required during Peak Service on the Blue Line, without low floor boarding.
- Modernized U2s would still not be capable of coupling with the other vehicles in the fleet limiting its use.
- The fleet would include four different vehicle types to operate and maintain
- If UTA option is used, delivery may be delayed until UTA receives all or most of its vehicles.



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

Agenda

Item No. C3

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

FIN 310

March 5, 2009

SUBJECT:

MTS: FY 2010 BUDGET DEVELOPMENT

RECOMMENDATION:

That the Executive Committee receive a report on the FY 2010 operating budget development.

Budget Impact

None at this time.

DISCUSSION:

MTS FY 2010 Operating Budget

On Friday, February 27, 2008, staff will meet with the Budget Development Committee (BDC) regarding the updated FY 2010 operating budget forecasts and will discuss various initiatives regarding operating budget closure. Staff will review BDC direction to staff at the Executive Committee before the report is presented to the MTS Board of Directors on Thursday, March 12, 2009.

Paul C. Jablonski
Chief Executive Officer

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

MAR5-09.C3.FY2010BUDGETDEV.LMARINESI.doc



Metropolitan Transit System (MTS) is comprised of the Metropolitan Transit Development Board (MTDB) a California public agency, San Diego Transit Corp., and San Diego Trolley, Inc., in cooperation with Chula Vista Transit and National City Transit. MTS is Taxicab Administrator for eight cities. MTDB is owner of the San Diego and Arizona Eastern Railway Company. MTDB Member Agencies include: City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, and the County of San Diego.



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

DRAFT

Agenda

**** JOINT MEETING AND FINANCE WORKSHOP ****

JOINT MEETING OF THE BOARD OF DIRECTORS

for the

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

March 12, 2009

» » 9:00 a.m. « «

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

This information will be made available in alternative formats upon request. To request an agenda in an alternative format, please call the Clerk of the Board at least five working days prior to the meeting to ensure availability. Assistive Listening Devices (ADLs) are available from the Clerk of the Board/Assistant Clerk of the Board prior to the meeting and are to be returned at the end of the meeting.

FINANCE WORKSHOP - 9:00 a.m.

**ACTION
RECOMMENDED**

1. Roll Call
2. MTS: Fiscal Year 2010 Budget Development
Action would receive a report on the FY 2010 draft budget.
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.
4. Adjournment

Receive

**Please turn off cell phones and pagers
during the meeting**



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

BOARD MEETING - Meeting will begin when the Finance Workshop ends.

5. a. Roll Call
- b. Approval of Minutes - February 19, 2009 Approve
- c. 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 furnish a copy to the Clerk of the Board.

CONSENT ITEMS

6. MTS: Broadway Wye Signals, Switches, and Catenary Upgrade Design - Work Order Approve
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1127.0-08, Work Order No. 08-20 with General Engineering Consultant (GEC) Bureau Veritas for designing signal, track switches, and catenary system improvements at the Broadway Wye in downtown San Diego.
7. MTS: America Plaza CCTV Equipment Upgrade – Contract Award Approve
Action would authorize the CEO to execute MTS Doc. No. PWL112.0-09 with Electro Specialty Systems, Inc. for procurement and installation of America Plaza Trolley Station closed-circuit television (CCTV) equipment upgrades.
8. MTS: Increased Authorization for Legal Services - Law Offices of Wheatley Bingham & Baker Approve
Action would authorize the CEO to execute MTS Doc. No. G1111.6-07 with the Law Offices of Wheatley Bingham & Baker for legal services and ratify prior amendments entered into under the CEO's authority.
9. MTS: Increased Authorization for Legal Services - McDougal Love Eckis Smith Boehmer & Foley, APC Approve/Ratify
Action would authorize the CEO to execute MTS Doc. No. G1067.5-07 with McDougal Love Eckis Smith Boehmer & Foley, APC for legal services and ratify prior amendments entered into under the CEO's authority.
10. MTS: Regional Scheduling System - Contract Amendments Approve/Ratify
Action would: (1) ratify MTS Doc. No. G0856.11-03 with GIRO, Inc. as executed by the CEO for regional scheduling system modifications; and (2) authorize the CEO to execute MTS Doc. No. G0856.12-03 with GIRO, Inc. for the addition of the HASTOP module.
11. MTS: Excess Liability Insurance Renewal Ratify
Action would ratify and confirm the placement of the liability insurance policy (limits of \$75 million less a \$2 million self-insurance retention) at an annual cost of approximately \$1,891,823 effective March 1, 2009, through March 1, 2010.

- | | | |
|-----|---|---------|
| 12. | <u>MTS: Contract Assignments for On-Call Engineering Services</u> Action would authorize the CEO to execute assignments of contracts from the San Diego Association of Governments (SANDAG) for on-call engineering services with David Evans and Associates, Inc. and Kimley-Horn and Associates. | Approve |
| 13. | <u>MTS: Bay Marina Drive Widening Impacts to Cleveland Avenue Crossing</u> Action would authorize the CEO to execute Amendment No. 2 to MTS Doc. No. S200-06-291 to cover impacts to the Coronado Branch and future obligations of the City of National City relating to the redevelopment of the area west of Interstate 5 at Bay Marina Drive. | Approve |

CLOSED SESSION

- | | | |
|------|---|-----------------|
| 24a. | 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 465 | Possible Action |
| 24b. | MTS: CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(a): <u>Balfour Beatty/Ortiz v. Metropolitan Transit System</u> (San Diego Superior Court Case No. GIC 868963) | Possible Action |

Oral Report of Final Actions Taken in Closed Session

NOTICED PUBLIC HEARINGS

- | | | |
|-----|---|---------|
| 25. | <u>MTS: Service Adjustments</u> Action would: (1) conduct a public hearing on recommended service adjustments in light of alternatives, such as fare adjustments; (2) adopt MTS Resolution No. 09-12, "Findings in Support of Exemption Under the California Environmental Quality Act Related to Budget-Related Service Adjustments," and (3) respond to suggestions made by the public and take action (if any) at the next regularly scheduled Board meeting on March 26. | Approve |
|-----|---|---------|

DISCUSSION ITEMS

- | | | |
|-----|--|-----------------|
| 30. | <u>MTS: Light Rail Network: Short- and Long-Term Operating Plans</u> Action would receive a report on proposed changes to the light rail transit (LRT) system to improve efficiency in the short-term and to accommodate a viable long-term operating plan. | Possible Action |
| 31. | <u>MTS: Booz Allen Hamilton Consultant's Report - Low-Floor Capability Assessment and LRV Recommendations</u> Action would receive a report for information. | Possible Action |

- | | | |
|-----|--|---------|
| 32. | <u>MTS: The ARC of San Diego Bus Cleaning - Sole Source Award</u> Action would authorize the CEO to approve a three-year contract with two one-year options with ARC of San Diego for the deep cleaning of the interiors of SDTC buses. | Approve |
|-----|--|---------|

REPORT ITEMS

None.

- | | | |
|-----|---|-------------|
| 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> March 26, 2009 | |
| 66. | <u>Adjournment</u> | |



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

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.

March 12, 2009

CIP 11255

**Draft for
Executive Committee
Review Date: 3/5/09**

SUBJECT:

MTS: BROADWAY WYE SIGNALS, SWITCHES, AND CATENARY UPGRADE
DESIGN - WORK ORDER

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1127.0-08, Work Order No. 08-20 (Attachment A) with General Engineering Consultant (GEC) Bureau Veritas for designing signal, track switches, and catenary system improvements at the Broadway Wye in downtown San Diego.

Budget Impact

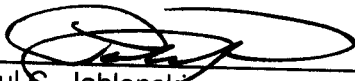
The total cost of \$149,611 for MTS Doc. No. G1127.0-08 Work Order No. 08-20 would come from FY 2009 Capital Improvement Project (CIP) 11255-0600 (Broadway Wye Switch Machines).

DISCUSSION:

Broadway Wye is one of the two most critical track junctions in San Diego's trolley system operations wherein all inbound and outbound Blue Line and Orange Line trains diverge and converge. In addition, all Green Line trains use the Broadway Wye junction to go from the Yard to Old Town to begin regular revenue service. The Broadway Wye junction also includes one of the busiest street grade crossings, one of the tightest track curves on the trolley main line, and interfaces with the Coaster and Burlington Northern Santa Fe/San Diego and Imperial Valley Railroad freight crossing control.

The existing electric and hydraulic switch machines that allow trains to diverge and converge are old, very worn, and outdated. The catenary contact wire through the sharp curve is worn and in need of replacement, and signal system upgrades are needed that would extend signal protection from Santa Fe Depot to County Center Station. Any problems with malfunctioning switches, tracks, catenaries, or signal systems in this area greatly impact train operations on both Blue and Orange Lines and some Green Lines.

In 2009, staff requested and received approval for capital funds to design improvements to Broadway Wye switches, signals, and catenary systems. To start the process, Bureau Veritas was asked to review and provide design scope and fees for improvements to the Broadway Wye switches, signals, and catenary system. Attachment A is the proposed work order describing the scope of work and fees. Hourly rates for the GEC engineering services are fixed per competitively bid contract. Staff has reviewed the hours for the tasks and found them to be reasonable; therefore, staff recommends approval of MTS Doc. No. G1127.0-08 Work Order No. 08-20 to Bureau Veritas for Broadway Wye improvements.



Paul G. Jablonski
Chief Executive Officer

Key Staff Contact: Russ Desai, 619.595.4908, rdesai@sdti.sdmts.com

MAR12-09.6.BROADWAYWYEWORORDER.RDESAI.doc

Attachment: A. MTS Doc. No. G1127.0-08 Work Order No. 08-20

DRAFT

March 12, 2009

MTS Doc. No. G1127.0-08

Work Order No. 08.20

CIP 11255

Mr. Philip R. Kern
Program Manager
Bureau Veritas
11590 West Bernardo Court, Suite 100
San Diego, CA 92127-1624

Dear Mr. Kern:

Subject: MTS DOC. NO. G1127.0-08, WORK ORDER NO. 08.20, GENERAL ENGINEERING SERVICES FOR METROPOLITAN TRANSIT SYSTEM BROADWAY WYE SWITCH REPLACEMENT PROJECT

This letter will serve as our agreement for professional services under the General Engineering Consultant Agreement, as further described below.

SCOPE OF SERVICES

Provide engineering services to develop design plans and specifications for the replacement of six existing switches, including signaling and catenary system modifications, located in the Broadway Wye portion of the downtown trolley system, in accordance with the attached Scope of Services (Exhibit I).

SCHEDULE

The Scope of Services, as described above, shall extend through December 31, 2009.

PAYMENT

Payment shall be based on actual costs, not to exceed \$149,611.00 without prior authorization.

If you agree with the above, please sign below and return the document marked "original" to the Contracts Specialist at MTS. All other terms and conditions shall remain the same and in effect. The other copy is for your records.

Sincerely,

Accepted:

Paul C. Jablonski
Chief Executive Officer

Philip R. Kern
Bureau Veritas

MAR12-09.6.AttA.BROADWAYWYE.RDESAI.doc

Date: _____

Attachment: Exhibit I

EXHIBIT I
SCOPE OF SERVICES
ENGINEERING SERVICES
FOR
METROPOLITAN TRANSIT SYSTEM
BROADWAY WYE SWITCH REPLACEMENT PROJECT
SAN DIEGO, CA
MTS DOC. NO. G1127.0-08, WORK ORDER NO. 08.20

DESCRIPTION

There are six switches located in the Broadway Wye, in downtown San Diego, three hydraulic and three electric-powered, which are outdated and causing operational issues. The Metropolitan Transit System (MTS) is proposing that all six of the existing switch machines, rods, and switch ties be removed and replaced with powered US&S M23A/ECC switches having current technology for better and more efficient operations. Also, modifications will be required to the signaling system and audio circuits to accommodate the new switches and provide operational consistency.

In addition, some components of the existing catenary system, in this same area, are worn, such as the contact wire, and are not functioning properly. MTS is proposing that the contact wire be replaced or positioning modified to reduce or prevent roll and other components be redesigned.

The area between the Broadway Wye and the City Center/Little Italy Station is dark; therefore, an assessment of the area and design for indicators and signaling for three aspects of north and south movements through the Broadway Wye up to station 0045 in City Center needs to be performed

Under this work order, the General Engineering Consultant (GEC) will provide engineering services for the design and preparation of contract documents (plans, special provisions and cost estimates) for replacement of all six switches, signaling modifications to accommodate new switches, including new housing for circuitry and catenary system improvements.

TASKS

Prepare design plans and specifications for Broadway Wye switch replacements and other modifications including the following tasks:

1. Research as-built plans and CADD files for existing configuration of the switches and control and audio circuitry. Meet with MTS project manager, SDTI Operations, and Maintenance of Way staff to confirm final scope of work, design criteria, and constraints.
2. Perform field reconnaissance to photograph and verify existing conditions at the site.
3. Perform a field assessment of the dark area between Broadway Wye and station 0045 in City Center for determining indicators and signaling for three aspects (to be included in package

as a construction additive alternate). Assessment to include whether existing signaling cabinet should be extended or use microlock components.

4. For the three pairs of switches, prepare a base map for the location of each pair utilizing drawings from previously designed projects within the same area.
5. Prepare construction plans, special provisions, and estimates for the work. The plan set will consist of the following:
 - a. Title Sheet
 - b. Notes, Legend, Index, and Vicinity Map
 - c. Switch Layout Plans (switch layout and track work details for tie and ballast replacement, if needed) at 1" = 40' scale
 - d. Signaling System Plans (ABS layout, assembly, and details) at 1" = 40' scale
 - e. Catenary System Plans (components, and details) at 1" = 40' scale
 - f. Staging plans and set pairs for operation
 - g. Construction Detail Sheets
 - h. Signaling and Indicator System plans for construction additive alternate work at 1" = 40' Scale
 - i. Construction Detail Sheets for construction additive alternate work

Specifications will be limited to preparation of special provisions commencing with Section 10 – General Construction Requirements. All designs shall conform to the MTDB LRT Design Criteria, AREMA Manual of Railway Engineering, and the AREMA Communication and Signal Manual.

Construction cost estimate will be based on unit rates from historic and current cost data from MTS construction projects.

6. Make submittals at 65%, 95%, and final stages according to the requirements of Section VII of the LRT Design Criteria and Appendix B of the MTDB Design Manual. Attend (3) design review meetings and incorporate comments into contract documents.
7. Provide design management services, including attendance at regular progress meetings (5), design review meetings (3), update of project schedules, management of subconsultants, budget monitoring, preparation of exhibits, contract administration, design supervision, and coordination.

ITEMS TO BE PROVIDED BY MTS

1. Available electronic files in AutoCAD format for the affected stations.
2. Record drawings for Broadway Wye affected area.
3. Specifications for turn-out tie special track work (ref. Blue Line Switch Machine Upgrade).

4. Partial design of catenary system improvements.
5. As-builts for audio circuits.

CLARIFICATIONS AND EXCLUSIONS

1. Design support during construction is excluded unless otherwise noted.
2. Environmental reviews, assessments, or reports are excluded.
3. Utility potholing and locating services are excluded.
4. Hazardous materials and groundwater monitoring work are excluded.
5. Traffic signal modification plans and traffic control plans are excluded.
6. Traffic, encroachment, and environmental permits are excluded.
7. No right-of-way acquisition is proposed.
8. CPUC and FTA processing and permits are excluded.
9. Settlement monitoring and studies are hereby excluded.
10. Design of modifications to surrounding roadway is excluded.
11. Coordination with SDG&E is excluded.
12. Preparation of traffic control plans is excluded.
13. Advance procurement of equipment is excluded.
14. Surface improvements outside of ballasted track area are excluded.

PROJECT SCHEDULE

1. Submit 65% complete design documents (65% schematic drawings and cost estimate) no later than 60 working days after receipt of Notice to Proceed.
2. Submit 95% complete design documents (95% complete plans, special provisions, and final cost estimate) no later than 20 working days after receipt of 65% design review comments from MTS.
3. Submit final contract plans, special provisions, and engineer's estimate of probable construction cost no later than 20 working days after receipt of 95% design review comments from MTS.

DELIVERABLES

1. Five copies of each percent plans and specification submittal.
2. Five copies of each percent cost estimate submittal.
3. A detailed project schedule will be submitted prior to commencing work.



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

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.

March 12, 2009

CIP 11201

**Draft for
Executive Committee
Review Date: 3/5/09**

SUBJECT:

MTS: AMERICA PLAZA CCTV EQUIPMENT UPGRADE – CONTRACT AWARD

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWL112.0-09 (in substantially the same form as Attachment A) with Electro Specialty Systems, Inc. for procurement and installation of America Plaza Trolley Station closed-circuit television (CCTV) equipment upgrades.

Budget Impact

The funding for the America Plaza Trolley Station CCTV Project is allocated under a Transportation Safety Administration Grant (FY 09 Capital Improvement Program [CIP] No. 11201-0800) in the amount of \$114,516.17.

DISCUSSION:

MTS Policy No. 52 governing procurement of goods and services requires a formal competitive bid process for procurements exceeding \$100,000. The U.S. Department of Homeland Security has provided San Diego Trolley, Inc. (SDTI) with funding to improve the America Plaza Trolley Station. This project would consist of furnishing, installing, replacing, programming, licensing, integrating, testing, and commissioning 13 cameras (including the addition of one new megapixel camera and associated equipment), software, conduit, boxes, wire, and required appurtenances to upgrade the existing CCTV at the America Plaza and Museum buildings, trolley platform, equipment rooms, server rooms, SDTI electric room, and MTS's Building A control and server rooms.



An Invitation for Bids (MTS Doc. No. PWL112.0-09) was issued on January 8, 2009, to interested parties for the American Plaza CCTV upgrade project. On February 9, 2009, three bids were received in response to the Invitation for Bids (see Bid Summary, Attachment B). The project was advertised for maximum exposure and competition.

Staff recommends award of the contract to Electro Specialty Systems, Inc., the lowest responsive, responsible bidder.


Paul C. Jablonski
Chief Executive Officer

Key Staff Contacts: Russ Desai, 619.595.4908, Rushikesh.Desai@sdti.sdmts.com
Marco Yniguez, 619.557.4576, Marco.Yniguez@sdmts.com

MAR12-09.7.AM PLAZA CCTV UPGRADE.MYNIGUEZ.doc

Attachments: A. Draft Agreement for Electro Specialty Systems
B. Bid Summary

DRAFT

Att. A, AI 7, 3/12/09

STANDARD PROCUREMENT AGREEMENT

PWL112.0-09
CONTRACT NUMBER
CIP 11201
FILE NUMBER(S)

THIS AGREEMENT is entered into this _____ day of _____ 2009, in the State of California by and between San Diego Metropolitan Transit System, a California public agency, and the following contractor, hereinafter referred to as "Contractor":

Name: Electro Specialty Systems Address: 9474 Chesapeake Drive

Form of Business: Incorporated Suite 903, San Diego, CA 92123
(Corporation, partnership, sole proprietor, etc.)

Telephone: (858) 571-7746

Authorized person to sign contracts: David R. Reed V.P. Business Development
Name Title

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

To furnish and install all components and equipment as needed to successfully integrate, commission, and upgrade the existing closed-circuit television (CCTV) system at the San Diego Trolley, Inc. (SDTI) America Plaza Station, Museum, and Central Control, including the addition of the optional new megapixel camera system as stipulated in the Invitation for Bids (IFB) MTS Doc. No. PWL112.0-09. The contractor shall pay prevailing wages as required by the California Labor Code and the Federal Davis-Bacon Act, and in accordance with the Standard Procurement Agreement, Standard Conditions Procurement, Transportation Security Administration (TSA) Requirements, and the MTS Safety Department Standard Operating Procedures (SAF016-03). The following order of precedence will govern the interpretation of this contract:

1. The Invitation for Bids.
2. The upgrade to the existing CCTV system at the SDTI America Plaza Station, Museum, and Central Control Scope of Work.
3. The Electro Specialty System Bid dated February 9, 2009.
4. The Standard Procurement Agreement, including Standard Conditions Procurement and TSA Requirements.

The delivery, installation, testing, and acceptance for this project will be completed within sixty (60) calendar days from the date of the Notice to Proceed. Total contract expenditure shall not exceed \$114,516.17. Price includes all material, labor, and sales tax. Payment terms shall be net thirty (30) days from invoice approval date.

| SAN DIEGO METROPOLITAN TRANSIT SYSTEM | | CONTRACTOR AUTHORIZATION | |
|--|-------------|--------------------------|--|
| By: _____ Chief Executive Officer | | Firm: _____ | |
| Approved as to form: | | By: _____ Signature | |
| By: _____ Office of General Counsel | | Title: _____ | |
| AMOUNT ENCUMBERED | BUDGET ITEM | FISCAL YEAR | |
| \$114,516.17 | 11201-0800 | 2009 | |

By: _____ Chief Financial Officer Date _____

(____ total pages, each bearing contract number)

MAR12-09.7.A1A.ELECTRO SPEC CCTV CONTRACT.MYNIGUEZ.doc

BID SUMMARY

**AMERICA PLAZA CCTV UPGRADE
GRAND TOTALS
MTS DOC. NO. PWL112.0-09**

| | *Electro Specialty Systems | Redrock Security & Cabling, Inc. | Audio Assoc. of San Diego |
|-------------------------------------|---|---|--------------------------------------|
| <u>GRAND TOTALS</u> | | | |
| Base Equipment | \$71,223.99 | \$76,674.52 | \$108,796.79 |
| Option Equipment | \$17,868.18 | \$26,630.41 | \$64,350.46 |
| Base Labor | \$24,208.00 | \$53,100.00 | \$79,435.00 |
| Option Equipment Labor | \$1,216.00 | \$3,000.00 | \$3,400.00 |
| GRAND TOTAL (BASIS OF AWARD) | \$114,516.17 | \$159,404.94 | \$255,982.25 |

***Lowest Responsive and Reasonable Bidder: Electro Specialty Systems**



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

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 491 (PC 50633)

March 12, 2009

**Draft for
Executive Committee
Review Date: 3/5/09**

SUBJECT:

MTS: INCREASED AUTHORIZATION FOR LEGAL SERVICES – LAW OFFICES OF
WHEATLEY BINGHAM & BAKER

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1111.6-07 (in substantially the same format as Attachment A) with the Law Offices of Wheatley Bingham & Baker for legal services and ratify prior amendments entered into under the CEO's authority.

Budget Impact

Not to exceed \$80,000 for the Law Offices of Wheatley Bingham & Baker. The recommended amounts should be contained within the fiscal year 2009 budget.

DISCUSSION:

On January 18, 2007, the Board approved a list of qualified attorneys for general liability and workers' compensation for use by MTS, San Diego Trolley, Inc. (SDTI), and San Diego Transit Corporation (SDTC) (hereinafter referred to as the Agencies) staffs on an as-needed basis. Thereafter, MTS began to contract with approved attorneys for various amounts depending upon current and anticipated needs.

Pursuant to Board Policy No. 52 (Procurement of Goods and Services), the CEO may enter into contracts with service providers for up to \$100,000. The Board must approve all agreements in excess of \$100,000. All attorneys listed have multiple cases that are



Metropolitan Transit System (MTS) is comprised of the Metropolitan Transit Development Board (MTDB) a California public agency, San Diego Transit Corp., and San Diego Trolley, Inc., in cooperation with Chula Vista Transit and National City Transit. MTS is Taxicab Administrator for eight cities. MTDB is owner of the San Diego and Arizona Eastern Railway Company. MTDB Member Agencies include: City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, and the County of San Diego.

scheduled to proceed to trial, and the total cost of their legal services will exceed the CEO's authority.

Wheatley Bingham & Baker are currently under contract with the Agencies for \$410,000. Attorney Roger Bingham has successfully defended the Agencies in a number of tort liability matters. Pending invoices for recent and current services are anticipated to exceed current contract authority due to legal defense costs.

The CEO has approved contracts up to the \$100,000 authority level. Staff is requesting Board approval of MTS Doc. No. G1111.6-07 with Wheatley Bingham & Baker for legal services and ratification of prior contracts/amendments entered into under the CEO's authority.



Paul C. Jablonski
Chief Executive Officer

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

MAR12-09.8.LEGALSVCS WHEATLEY.JDOW.doc

Attachment: A. MTS Doc. No. G1111.6-07

DRAFT

March 12, 2009

MTS Doc. No. G1111.6-07
LEG 491 (PC 50633)

Mr. Roger Bingham
Wheatley Bingham & Baker
1201 Camino Del Mar, Suite 201
Del Mar, CA 92014-2569

Dear Mr. Bingham:

SUBJECT: AMENDMENT NO. 6 TO MTS DOC. NO. G1111.0-07: LEGAL SERVICES – GENERAL
LIABILITY

This letter will serve as Amendment No. 6 to MTS Doc. No. G1111.0-07. This contract amendment authorizes additional costs not to exceed \$80,000 for professional services. The total value of this contract including this amendment is \$490,000. Additional authorization is contingent upon MTS approval.

If you agree with the above, please sign below, and return the document marked "Original" to the Contracts Specialist at MTS. The other copy is for your records.

Sincerely,

Accepted:

Paul C. Jablonski
Chief Executive Officer

Roger Bingham
Wheatley Bingham & Baker

MAR12-09.8.AttA.LEGALSVCS
WHEATLEY.JDOW.doc

Date: _____



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

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.

March 12, 2009

LEG 491 (PC 50633)

**Draft for
Executive Committee
Review Date: 3/5/09**

SUBJECT:

MTS: INCREASED AUTHORIZATION FOR LEGAL SERVICES - MCDUGAL LOVE
ECKIS SMITH BOEHMER & FOLEY, APC

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1067.5-07 (in substantially the same format as Attachment A) with McDougal Love Eckis Smith Boehmer & Foley, APC for legal services and ratify prior amendments entered into under the CEO's authority.

Budget Impact

Not to exceed \$55,000 for McDougal Love Eckis Smith Boehmer & Foley, APC.
Recommended amounts should be contained within the FY 2009 budget.

DISCUSSION:

On January 18, 2007, the Board approved a list of qualified attorneys for general liability and workers' compensation for use by MTS, San Diego Trolley, Inc. (SDTI), and San Diego Transit Corporation (SDTC) (hereinafter referred to as the Agencies) staffs on an as-needed basis. Thereafter, MTS began to contract with approved attorneys for various amounts depending upon current and anticipated needs.

Pursuant to Board Policy No. 52 (Procurement of Goods and Services), the CEO may enter into contracts with service providers for up to \$100,000. The Board must approve all agreements in excess of \$100,000. All attorneys listed have multiple cases that are

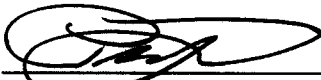


Metropolitan Transit System (MTS) is comprised of the Metropolitan Transit Development Board (MTDB) a California public agency, San Diego Transit Corp., and San Diego Trolley, Inc., in cooperation with Chula Vista Transit and National City Transit. MTS is Taxicab Administrator for eight cities. MTDB is owner of the San Diego and Arizona Eastern Railway Company. MTDB Member Agencies include: City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, and the County of San Diego.

scheduled to proceed to trial, and the total cost of their legal services will exceed the CEO's authority.

McDougal Love Eckis Smith Boehmer & Foley, APC are currently under contract with the Agencies for \$230,000. Attorney Steven Boehmer has successfully defended the Agencies in a number of tort liability matters. Pending invoices for recent and current services are anticipated to exceed current contract authority due to legal defense costs.

The CEO has approved contracts up to the \$100,000 authority level. Staff is requesting Board approval of MTS Doc. No. G1067.5-07 with McDougal Love Eckis Smith Boehmer & Foley, APC, for legal services and ratification of prior contracts/amendments entered into under the CEO's authority.



Paul G. Jablonski
Chief Executive Officer

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

MAR12-09.9.LEGALSVCS MCDOUGAL ET AL.JDOW.doc

Attachment: A. MTS Doc. No. G1067.5-07

DRAFT

March 12, 2009

MTS Doc. No. G1067.5-07
LEG 491 (PC 50633)

Mr. Steven E. Boehmer
McDougal Love Eckis Smith Boehmer & Foley, APC
460 North Magnolia Avenue, PO Drawer 1466
El Cajon, CA 92020-1466

Dear Mr. Boehmer:

Subject: AMENDMENT NO. 5 TO MTS DOC. NO. G1067.0-07: LEGAL SERVICES – GENERAL
LIABILITY

This letter will serve as Amendment No. 5 to MTS Doc. No. G1067.0-07. This contract amendment authorizes additional costs not to exceed \$55,000 for professional services. The total value of this contract, including this amendment, is \$285,000. Additional authorization is contingent upon MTS approval.

If you agree with the above, please sign below, and return the document marked "Original" to the Contracts Specialist at MTS. The other copy is for your records.

Sincerely,

Accepted:

Paul C. Jablonski
Chief Executive Officer

Steven E. Boehmer
McDougal Love Eckis Smith Boehmer & Foley, APC

CL-G1067 5-07 MCDUGALLOVEECKIS
SMITHBOEHMERFOLEY JDOW.doc

Date: _____



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

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.

March 12, 2009

CIP 10940

**Draft for
Executive Committee
Review Date: 3/5/09**

SUBJECT:

MTS: REGIONAL SCHEDULING SYSTEM – CONTRACT AMENDMENTS

RECOMMENDATION:

That the Board of Directors:

1. ratify MTS Doc. No. G0856.11-03 (Attachment A) with GIRO, Inc. as executed by the Chief Executive Officer (CEO) for regional scheduling system modifications; and
2. authorize the CEO to execute MTS Doc. No. G0856.12-03 (Attachment B) with GIRO, Inc. for the addition of the HASTOP module.

Budget Impact

The cost of Amendment No. 11 was budgeted in the FY 09 planning budget account No. 50451-53114. The cost of Amendment No. 12 is \$79,035. MTS has received a Job Access and Reverse Commute (JARC) Program grant in the amount of \$62,832 with a local match of \$16,203. Through a cost-sharing agreement with North County Transit District (NCTD), MTS would pay 79.46% (\$12,875), and NCTD would pay 20.54% (\$3,328) of the local match. MTS's portion of the local match would come from the approved FY 10 CIP.

DISCUSSION:

Background Information

The Regional Scheduling System (RSS) is a regional fixed-bus route and rail-scheduling system. The system provides the regional transit agencies with the necessary tools to

build efficient timetables and vehicle and crew schedules for bus and rail operations. It also supports operator bid processing and aids the physical dispatching of bus drivers and train operators.

Amendment No. 11

In November 2008, the CEO executed a contract amendment with GIRO, Inc. for an amount not to exceed \$62,700. This amendment was necessary for a modification to implement software modifications to reflect changes in Collective Bargaining Rostering Rules.

Amendment No. 12

Amendment No. 12 is necessary for the addition of the HASTOP module to allow for the automatic production of stop posters in a variety of user-selectable formats.

The adjusted amount of the contract, including these amendments, is \$2,352,449 with an MTS cost share of \$1,991,208 and an NCTD cost share of \$361,241.

Conclusion

Staff recommends Board approval and ratification of the amendments as stated above.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Daniel Bossert, 619.238.0100, Ext. 6445, Daniel.Bossert@sdmts.com

Attachments: A. MTS Doc. No. G0856.11-03
B. MTS Doc. No. G0856.12-03



R E C U 1 4 NOV, 2008

Att.A, AI 10,
3/12/09

1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
(619) 231-1466 • FAX (619) 234-3407

ORIGINAL

November 3, 2008

MTS Doc. No. G0856.11-03
CIP 50451

Mr. Daniel Dubuc
Administration Director
GIRO, Inc.
75 Rue du Port-Royal East, Suite 500
Montreal (Quebec)
CANADA H3L 3T1

Dear Mr. Dubuc:

Subject: AMENDMENT NO. 11 TO MTS DOC. NO. G0856.0-03; TO REGIONAL SCHEDULING SYSTEM

This shall serve as our Amendment No. 11 to the above referenced document and in response to GIRO, INCS. (GIRO's) cost proposal dated October 28, 2008, with the break out below.

SCOPE OF SERVICES

MTS Planning requires a modification to support workweek rostering of 4 days on and 3 days off or 4/3 workweeks in the Regional Scheduling System (RSS) HASTUS which changes to the following modules: *HASTUS-Vehicle*, *Minibus*, *HASTUS-Crew*, *CrewOpt*, *HASTUS-Roster*, and *HASTUS-DDAM*.

SCHEDULE

The workweek rostering shall be fully implemented by April 15, 2009, for use in April's 2009 route shake ups and bid rostering.

ACCEPTANCE

The criteria for final "Acceptance" of the modification are as follows:

- Supports the new route group definitions for *Minibus*.
- Supports MTS parameters, duty types, and rules to allow 4/3 duties.
- Supports cost function customization for *CrewOpt* and *Roster* optimization to support the 4/3 workweeks in accordance with MTS work rules.
- Supports MTS bid role definition to allow 4/3 workweeks bidding process.
- New windows are clearly legible when viewed from a projector for the Shakeup monitor.
- Supports vacation board bidding process to allow selecting 4/3 workweeks, while supporting the addition of a new extra board on one of the days off to produce 5/2 week for vacation board operators.
- Supports the vacation shifting process for the 4/3 workweeks.
- Supports the *Operation* type and weekly payroll calculation on overtime and guarantee for 4/3 workweeks.
- Adapt the *Operation* type payroll calculation for sick and vacation for 4/3.

Mr. Daniel Dubuc
November 3, 2008
Page 2

PAYMENT

The total cost of this amendment is \$62,700 and will be paid as follows: 25% on Acceptance of the specifications; and 75% on Acceptance of the customized software based on criteria for acceptance identified above.

The following table lists the contract actions to date:

| <u>Action</u> | <u>Total</u> |
|------------------------|---------------|
| Initial Contract | 1,834,275 |
| Amendment 1 | 0 |
| Amendment 2 | 13,200 |
| Amendment 3 | 56,272 |
| Amendment 4 | 56,881 |
| Amendment 5 | 0 |
| Amendment 6 | 15,290 |
| Amendment 7 | 60,363 |
| Amendment 8 | 47,363 |
| Amendment 9 | 9,000 |
| Amendment 10 | 118,069 |
| <u>Amendment 11</u> | <u>62,700</u> |
| Amended Contract Total | \$2,273,413 |

The total cost of the contract, including this amendment, shall not exceed \$2,273,413. All other terms and conditions of the contract remain unchanged.

If you agree with the above, please sign below and return the document marked "Original" to the Contract Specialist at MTS. Retain the other copy for your records.

Sincerely,

Accepted:


Paul C. Jablonski
Chief Executive Officer


Daniel Dubuc
GIRO, Inc.

CBROWN-CL
CL-G0856.11-03.GIRO.DBOSSERT

Date: Nov. 17, 2008

Attachment A: Cost Proposal



Cost Proposal

October 28, 2008

Mrs. Chiachi Rumbolo
ITS Project Coordinator
San Diego Association of Government
401 B Street, Suite 800
San Diego, CA 92101
USA

Subject: Amended *HASTUS* customization proposal for 4/3 scheduling and ops rules

Dear Mrs. Rumbolo:

Further to our proposal letter dated October 7th, 2008 GIRO Inc. is pleased to submit to San Diego Association of Governments (SANDAG) and San Diego Metropolitan Transit System (MTS) the enclosed amended proposal for the modification of your current *HASTUS* version 2004 installation to support workweek rostering of 4 days on and 3 days off or 4/3 workweeks. This proposal takes into account the requirements recently discussed between MTS and GIRO personnel.

GIRO proposes to develop, test, and implement several site-specific customizations in SANDAG's *HASTUS* 2004. The following modules will be impacted: *HASTUS-Vehicle*, *Minibus*, *HASTUS-Crew*, *CrewOpt*, *HASTUS-Roster*, and *HASTUS-DDAM*.

Proposed work and services

GIRO proposes to develop, install, and test the customizations in support of 4/3 workweek rostering. The proposed GIRO services include the following:

- Produce *Scheduling* and *Operations* specifications for the customization.
- Configuration of the relevant variables and adjustments as needed.
- Development and installation of new parameters required and customization of existing parameters.
- Pre-delivery testing.
- On-site visit for scheduling training on the *CrewOpt* and *Roster* modules for the production of optimized 4/3 workweeks.

.../2

75, rue de Port-Royal Est
Bureau 500
Montréal (Québec)
Canada H3L 3T1

☎ +1 514 383 0404
☎ +1 514 383 4971
🌐 www.giro.ca
✉ info@giro.ca

- Documentation and teleconference for training on daily operations customizations related to the *Bid* and *DDAM* modules.
- Implementation support.

The proposed customizations include the following:

- Support new route group definitions for *Minibus*.
- Adapt MTS parameters, duty types, and rules to allow 4/3 duties.
- Cost function customization for *CrewOpt* and *Roster* optimization to support the creation of 4/3 workweeks in accordance with MTS work rules.
- Adapt MTS bid role definition to allow 4/3 workweeks bidding process.
- Produce new windows for the Shakeup monitor.
- Adapt the vacation board bidding process to allow selecting 4/3 workweeks, while supporting the addition of a new XB on one of the days off to produce 5/2 week for vacation board operators.
- Adapt the vacation shifting process for the 4/3 workweeks.
- Adapt the *Operation* type and weekly payroll calculation on overtime and guarantee for 4/3 workweeks.
- Adapt the *Operation* type payroll calculation for sick and vacation for 4/3.

Cost information

Cost information for this proposal is provided in Table 1.

| Services | Scheduling | Operations |
|--|------------|------------|
| Specifications | \$ 2,500 | \$ 6,250 |
| Customizations and configurations | \$ 7,500 | \$28,000 |
| Training visit (4 days) and preparation | \$ 7,500 | N/A |
| Documentation and conference call training | N/A | \$ 3,750 |
| Implementation support | \$ 2,000 | \$ 3,000 |
| Travel Expenses (<i>note 1</i>) | \$ 2,200 | N/A |
| Sub-total | \$21,700 | \$41,000 |
| Total (<i>note 2</i>) | | |

Table 1 – Cost information (2008 rates).

Note 1: Travel expenses are based on one on-site visit for training delivery by a GIRO employee. Optionally, training may be conducted at GIRO premises in Montreal: GIRO would not charge travel expenses. However, travel and living expenses for San Diego personnel would be borne by San Diego's SANDAG/MTS.

Note 2: All cost information in Table 1 is based on year 2008 rates. In the event that the purchase order is received after December 20, 2008, rates would increase by 4%.

Project planning

Work would start in Montréal after receiving your formal order in the form of a Purchase Order. The project will require customization of the application code in SANDAG's *HASTUS* version, testing, and delivery.

Assuming your formal order is received at GIRO before the end of 2008, the project timelines outlined in Table 2 would apply.

| Activities | Timelines |
|--|--|
| 1 – Scheduling (Configuration, customization, tuning, testing) | January 5 to February 16, 2009 |
| 2 – Roster Training | To be determined – Between February 16 and March 27, 2009. |
| 3 – Operations (Configuration, customization, testing) | February 17 to April 15, 2009. |

Table 2 – Proposed project timelines.

Cost

The total cost of this project, including the required work, services, and expenses outlined above is \$62,700.

Conditions

This proposal is for a fixed cost contract. Costs are expressed in US dollars, and exclude any applicable taxes or duties, for which SANDAG would be responsible. Implementation of the proposed customizations will have no impact on the cost of the Maintenance and Support Contract. The proposed payment schedule is the following:

- 25% on acceptance of the specifications; and
- 75% on acceptance of the customized software.

This proposal is valid for 90 days, with a caveat on rates indicated in the Cost Information section.

Request you inform GIRO of your concurrence with this amended proposal. We look forward to working with you and members of SANDAG and MTS on the proposed customizations to your current *HASTUS* installation.

Yours truly,

Francois Carignan
Senior Account Manager

FC:HT

CC: Mr. Daniel Bossert, MTS
Mr. Steve Tomkiel, MTS
Mrs. Liette Belliveau, GIRO
Mrs. Lyne Sénécal, GIRO

GIRO-SANDAG-PROP-TCOST-LET-20081007_1.doc



DRAFT

Att. B, AI 10, 3/12/09

March 12, 2009

MTS Doc. No. G0856.12-03
CIP 10940

Mr. Daniel Dubuc
Administration Director
GIRO, Inc.
75 Rue du Port-Royal East, Suite 500
Montreal (Quebec)
CANADA H3L 3T1

Dear Mr. Dubuc:

Subject: AMENDMENT NO. 12 TO MTS DOC. NO. G0856.0-03 FOR THE REGIONAL SCHEDULING SYSTEM

This shall serve as Amendment No. 12 to MTS Doc. No. G0856.0-03 in response to the GIRO, Inc. proposal for HASTOP module implementation dated January 22, 2009, and as further described below.

SCOPE OF SERVICES

The addition of the HASTOP module to the Regional Scheduling System (RSS) as outlined in the attached proposal dated January 22, 2009.

SCHEDULE

All work related to the implementation of the new HASTOP module shall be completed within five (5) months of the signature of this Amendment.

PAYMENT

The total cost of the HASTOP module is \$79,035. The payment milestones are as follows:

| PERCENT | MILESTONE | PAYMENT |
|---------|---------------------------------|-----------|
| 30% | Schedule/Specification Approval | 23,710.50 |
| 50% | Delivery/Preacceptance | 39,517.50 |
| 20% | Final Acceptance | 15,807.00 |

DRAFT

Att. B, AI 10, 3/12/09

The following table lists contract actions to date:

| ACTION | TOTAL |
|------------------------|-------------|
| Initial Contract | \$1,834,275 |
| Amendment No. 1 | \$0 |
| Amendment No. 2 | \$13,200 |
| Amendment No. 3 | \$56,272 |
| Amendment No. 4 | \$56,881 |
| Amendment No. 5 | \$0 |
| Amendment No. 6 | \$15,290 |
| Amendment No. 7 | \$60,363 |
| Amendment No. 8 | \$47,364 |
| Amendment No. 9 | \$9,000 |
| Amendment No. 10 | \$118,069 |
| Amendment No. 11 | \$62,700 |
| Amendment No. 12 | \$79,035 |
| Amended Contract Total | \$2,352,449 |

The total cost of this amendment shall not exceed \$79,035 without prior written approval from MTS. The total cost of the contract, including this amendment, shall not exceed \$2,352,449.

All other conditions remain unchanged. If you agree with the above, please sign below, and return the document marked "Original" to the Contracts Specialist at MTS. The other copy is for your records.

Sincerely,

Agreed:

Paul C. Jablonski
Chief Executive Officer

Daniel Dubuc
GIRO, Inc.

MAR12-09.10.AttB.GIRO RSS AMD NO 3.DBOSSERT.doc

Date: _____

Attachment: GIRO Proposal Dated 1/22/09



January 22, 2009

Mr. Devin Braun
Senior Transportation Planner
Metropolitan Transit System
1255 Imperial Ave, Suite 1000
San Diego, CA 92101
USA

Subject: Updated proposal for *HASTOP* addition to current *HASTUS* suite

Dear Mr. Braun:

As requested, GIRO Inc. is pleased to submit to SANDAG this updated proposal for addition of the *HASTOP* module to your current *HASTUS* suite.

The *HASTOP* module allows the automatic production of stop posters in a variety of user-selectable formats. Stop-specific posters showing passing times and applicable notes for each bus stop can be printed, or alternatively, stop passing time data can be exported to an external publishing application via an interface. Times at each stop are computed from scheduling data using run time information and stop-to-stop distances stored in the *HASTUS* database. Stop poster and interface output formats are defined in a configuration file named *HASTOP.INI*. It is also possible to define the poster format individually for each stop; this is useful at busy intersections or transfer points where more information can be better displayed using a specific format.

Scope of work

To estimate the extent of services and expenses, the following elements are taken into account:

- Project management: Work required by the Project Manager to organize and supervise the project team, and prepare status reports as required.
- Specifications defining precisely how *HASTOP* will be configured.
- Configuration, where relevant variables are initialized and adjustments are made as needed.

.../2

75, rue de Port-Royal Est
Bureau 500
Montréal (Québec)
Canada H3L 3T1

☎ +1 514 383 0404
📠 +1 514 383 4971
🌐 www.giro.ca
✉ info@giro.ca

- Testing prior to delivery where tests are conducted using a representative set of San Diego data.
- Training sessions where your staff will be taught how to use the new module and its features. Training is planned on-site with your *HASTUS* installation and uses a hands-on methodology. This proposal includes two days training.
- Implementation support: Time our staff will spend answering functional questions and advising users on how to use the application most effectively in your context.

Cost Information

The optional *HASTOP* module is subject to a license fee. The license fee is based on the current peak number of vehicles which is assumed to be 700, as currently specified in your *HASTUS* license. A 20% discount on license fees for *HASTOP* is applicable, as outlined in Table 1, because this is an addition to the base scheduling modules currently installed. An optional twelve-month warranty is shown in the pricing structure.

The *HASTOP* license fee quoted herein is based on 2009 rates. In the event of a subsequent upgrade of the full *HASTUS* suite to version 2010 or 2011, the *HASTOP* portion of the upgrade would not be subject to a license charge.

A summary of applicable costs is outlined in Table 1. The work and services item includes 10 days for minor modifications and adaptations of the generic stop posters. Additional costs would be incurred if more extensive modifications are required.

| Description | <i>HASTOP</i> |
|--|---------------|
| License (700 peak vehicles) | \$41,625 |
| Discount on license fee | (\$ 8,325) |
| Work and services | \$41,935 |
| Optional extended warranty (12 months) | \$ 2,894 |
| Expenses | \$ 3,800 |
| Total | \$81,929 |

Table 1 – *HASTOP* addition (2009)

The number of users within SANDAG has no impact on *HASTUS* license fees. GIRO does not levy interfacing license fees for data export to external systems.

Project planning

Work would start in Montréal approximately four weeks after receiving your formal approval with the signed amended license. It is estimated that a period of four months would be required to complete the project after formal approval is received.

Prior to using *HASTOP* in a "production" context, it is essential that all public stop locations be precisely identified (localized) on the *Geo* map and that all *HASTUS* route definitions include relevant stop sequences.

Conditions

This proposal is for a fixed cost contract. Costs are expressed in US dollars; exclude any applicable taxes or duties, for which SANDAG would be responsible. They are based on 2009 pricing and are valid for 120 days. Your current *HASTUS* license would be amended to include the new *HASTOP* module.

The proposed payment schedule is as follows: 50% at contract signature and 50% upon acceptance. These percentages apply to the total cost of the *HASTOP* module addition.

System acceptance

A single acceptance milestone has been planned for *HASTOP*. Acceptance is reached when SANDAG provides confirmation of acceptance or no later than fourteen days following completion of work and delivery of software, whichever occurs first.

Maintenance

The cost of the Maintenance and Support Agreement will be revised at the end of the warranty period to reflect the addition of *HASTOP*. For year 2010, the addition of the proposed *HASTOP* module would result in an increase of the yearly cost of the maintenance agreement of approximately \$3,858.

We hope this proposal will be to your satisfaction. Please let us know when you wish to proceed with the addition of *HASTOP*, GIRO will then forward the *HASTUS* License Amendment for signature. Do not hesitate to contact the undersigned if you have questions or require additional information. We look forward to the opportunity of working with you and members of SANDAG and its divisions on this enhancement to your current *HASTUS* installation.

Yours truly,

François Carignan
Senior Account Manager
francois.carignan@giro.ca

FC/TS

GIRO-SDI-PROP-TCC6T-LET-20070920-1.doc



San Diego, CA 92101-7490
619.231.1466, FAX 619.234.3407

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 491 (PC 50633)

March 12, 2009

**Draft for
Executive Committee
Review Date: 3/5/09**

SUBJECT:

MTS: EXCESS LIABILITY INSURANCE RENEWAL

RECOMMENDATION:

That the Board of Directors ratify and confirm the placement of the liability insurance policy (limits of \$75 million less a \$2 million self-insurance retention) at an annual cost of approximately \$1,891,823 effective March 1, 2009, through March 1, 2010.

Budget Impact

The proposed premium, including taxes and fees, would be approximately \$1,796,529. The total premium for excess liability insurance coverage, including terrorism coverage and excess workers' compensation, represents a 5 percent decrease (\$95,294). The specific allocation among MTS, San Diego Transit Corporation (SDTC), San Diego Trolley, Inc. (SDTI), and San Diego and Arizona Eastern (SD&AE) Railway Company would be based on the underwriting exposure. Costs associated with the excess insurance policies are allocated across two fiscal years. For fiscal year 2008, staff estimates that SDTI, SDTC, and MTS will be within budget. No budget adjustment is proposed at this time. Fiscal year 2010 budgets are being developed, and funds should be designated and included within them.

The approximate annual breakdown between agencies is noted within the table below.

| COMBINED TOTAL EXCESS INSURANCE PREMIUMS | | | | | |
|--|-----------|----------|-----------|-----------|-------------|
| Estimated Annual Budget Impact | | | | | |
| Agency | MTS | SD&AE | SDTC | SDTI | TOTAL |
| Excess Insurance Costs | \$265,771 | \$33,887 | \$736,972 | \$759,899 | \$1,796,529 |
| | 14.8% | 1.9% | 41.0% | 42.3% | |

DISCUSSION:

MTS, SDTC, SDTI, and SD&AE jointly purchase commercial insurance in order to finance large catastrophic awards for bodily injury and other damage claims. Existing policies will expire on March 1, 2009, with limits up to \$75 million, including \$2 million in self-insurance retention per general liability loss occurrence. MTS's insurance broker, BB&T-John Burnham Insurance Services, has contacted interested insurance companies to obtain the best coverage for a tolerable premium. This report outlines the proposal for renewing MTS's liability insurance and staff's recommendations.

Current Program

MTS currently has excess liability coverage contained in five layers of insurance limits from various insurance companies. These layers provide for a total general liability limit of \$75 million. These policies contain coverage for war or warlike action, including specific forms of terrorism. The cost of these policies, including taxes and fees, is approximately \$1,891,823.

Proposed Program

The proposed liability program is anticipated to include four policy layers and would carry self-insurance retention of \$2 million for general liability and public entity excess liability. The self-insurance retention for workers' compensation was required to be lowered to \$1 million. Additional coverage to include terrorism is being proposed. All of this coverage would provide full limits up to \$75 million at an annual cost of approximately \$1,796,529. Terrorism coverage has become critical due to the potential of a catastrophic loss from the occurrence of one event. The need to obtain terrorism coverage rests with the importance of avoiding the broadly worded terrorism exclusion.

The total premium for excess liability insurance coverage, including terrorism coverage and excess workers' compensation, represents a 5 percent decrease (\$95,294) from the previous year.

An underlying policy just for workers' compensation has been retained for the limits between \$1 million and \$2 million. This policy will offer the required policy outline form for which the layers above will follow in coverage format. The premium coverage cost for this policy is approximately \$240,546, which represents a zero percent rate change. This premium has been incorporated in the total recommended insurance cost request.

RENEWAL ISSUES

Underwriting Base

Some of the factors influencing the premium rates are payroll for excess workers' compensation and construction costs, car miles, and revenue miles. Calculated in for the policy period was a modest payroll adjustment decrease. Overall annual passenger counts and revenue miles submitted were marginally changed.

Insurance Market

A favorable competitive market remains opened up due to open competition between insurance carriers that have experienced negative ratings with AM Best. The current proposal does not include any of the AIG family of insurance companies.



Paul C. Jablonski
Chief Executive Officer

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

MAR12-09.11.LIABILITYINSRENEW.JDOW.doc

Attachment: A. MTS 2009 Excess Insurance Proposal



Presented by:

JOHN STARICH, ARM, CIC
Senior Vice President

and

SHERRY ENANO, CISR
Account Manager

METROPOLITAN TRANSIT SYSTEM

EXCESS LIABILITY AND WORKERS' COMPENSATION INSURANCE PROPOSAL

MARCH 1, 2009

BB&T INSURANCE SERVICES OF ORANGE COUNTY, 680 LANGSDORF DRIVE, FULLERTON, CA
BB&T — KNIGHT INSURANCE SERVICES, 535 N BRAND BLVD., 10TH & 11TH FLOORS, GLENDALE, CA
BB&T INSURANCE SERVICES OF ORANGE COUNTY, 2415 CAMPUS DRIVE, STE 200, IRVINE, CA
BB&T — TANNER INSURANCE SERVICES, 4480 WILLOW ROAD, PLEASANTON, CA
BB&T INSURANCE SERVICES OF CALIFORNIA INC, 1891 E ROSEVILLE PARKWAY, STE 180, ROSEVILLE, CA
BB&T — JOHN BURNHAM INSURANCE SERVICES, 750 B STREET, STE 2400, SAN DIEGO, CA
BB&T INSURANCE SERVICES OF CALIFORNIA INC., 10100 TRINITY PARKWAY, STE 300, STOCKTON, CA



TABLE OF CONTENTS

| | |
|---------------|---|
| I. | Special Notations |
| II. | Notification of Important Changes Relating to Terrorism Risk Insurance Act |
| III. | Servicing Personnel |
| IV. | Schedule of Named Insureds |
| V. | Excess Workers' Compensation |
| VI. | Excess Liability – First Layer |
| VII. | Excess Liability – Second Layer |
| VIII. | Excess Liability – Third Layer |
| IX. | Excess Liability – Fourth Layer |
| X. | Premium Comparison |
| XI. | Marketing Summary |
| XII. | Client Acceptance |
| XIII. | Client Acceptance estimated premium, taxes and fees summary |
| XIV. | Proposed Insurers/Placement Authorization |
| XV. | Additional BB&T Insurance Services Products |
| XVI. | Compensation Disclosure |
| XVII. | Provider Security Standards |
| XVIII. | Introduction to MyWave |

SPECIAL NOTATIONS

I**MPORTANT:** *This proposal of insurance is intended to be only a brief outline of coverages to be afforded. It is not intended to replace actual contract language. The policies themselves must be read for specific details of coverages, extensions, limitations, and exclusions, as well as conditions which, as an insured, you would need to comply with in the event of a loss.*

℞

Coverage recommendations and premiums are reflective of information (payrolls, locations, operations, products data, financial data, loss experience, etc.) provided to us and supplied to the carriers and could vary before or after inception date of the policy, subject to the carriers' final review. Premiums contained in this proposal are valid for 30 days unless extended by the carrier.

℞

The first named insured listed will be responsible for handling all communications, including but not limited to, payment of premium, request for policy changes and loss information, and receipt of cancellation notices.

℞

There is no coverage for any current or past joint venture, partnership, or corporation that is not shown as a named insured. Please notify us immediately of any entity changes.

℞

This proposal does not constitute an insurance binder, nor does it convey any type of interest, therein. Once coverage is ordered, evidence of coverage will be issued.

℞

If you need clarification of any terms, conditions, limitations, or exclusions contained in this proposal or checklist, please contact our office.

℞

Higher liability limits of coverage than those contained in this proposal may be available. We recommend that you consider increasing your liability limits to minimize the risk of being underinsured in the event of a large claim filed against you.

℞



NOTIFICATION OF IMPORTANT CHANGES RELATING TO TERRORISM RISK INSURANCE ACT

As you may be aware, President Bush recently signed legislation enacting a seven-year extension of the Terrorism Risk Insurance Act (TRIA) until December 31, 2014. There are several important changes that we would like to make you aware of.

A. Change in Definition of "Act of Terrorism"

Prior to the enactment of the extension legislation, TRIA applied only to acts of terrorism committed by an individual or individuals "acting on behalf of any foreign person or foreign interest." This restriction has been removed such that the Secretary of Treasury may also certify acts of terrorism commonly described as "domestic terrorism." Because your policy may contain a limitation or exclusion relating to "certified acts of terrorism" and/or "other acts of terrorism" or "non-certified acts of terrorism" this change in the law may impact coverage under your policy. You should review your insurance policy and note the revised certification criteria under TRIA (as described below).

B. Revised Definition of Act of Terrorism under TRIA

TRIA defines "act of terrorism" as any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States:

1. To be an act of terrorism;
2. To be a violent act or an act that is dangerous to human life, property or infrastructure;
3. To have resulted in damage within the United States, or outside of the United States in the case of an air carrier (as defined in section 40102 of Title 49, United States Code) or a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), or the premises of a United States mission; and
4. To have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

C. Clarification of Operation of \$100 Billion Cap on AH Insurer and Federal Obligations

If aggregate insured losses attributable to terrorist acts certified under TRIA exceed \$100 billion in a Program Year (January 1 through December 31) and an insurer has met its deductible under the program, that insurer shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of Treasury.

D. Change in the Recoupment of the Federal Share of Insured Losses

Should there be a terrorist act certified under TRIA, Treasury must recoup 133% of the amount of its payments under the program (limited to \$27.5 billion minus the amount insurers retain in that calendar year as a result of the insurer deductible and co-share) through policyholder surcharges:

1. For an act of terrorism occurring prior to 2011, the collection must be completed by September 30, 2012;
2. For an act of terrorism occurring during 2011, the collection must be 35% completed by September 30, 2012 with the balance collected by September 30, 2017; and
3. For a later event, the collection must be completed by September 30, 2017.

No act may be certified as an act of terrorism if the act is committed as part of the course of a war declared by Congress (except for workers' compensation) or if losses resulting from the act, in the aggregate for insurance subject to TRIA, do not exceed \$5,000,000.

The information above is a summary only. The United States Treasury maintains a copy of the act relevant regulations and other materials. The Web site for the Terrorism Risk Insurance Program is located at www.treas.gov under the Office of Financial Institutions, which is part of the Domestic Finance Section. You can also visit the National Association of Insurance Commissioners' website at www.naic.org and use the NAIC Search Tool for more information on the Terrorism Risk Insurance Program Reauthorization Act of 2007.

Insurers will continue to replace existing TRIA disclosure notices with notices that contain current information regarding the federal program. For mid-term policies effective prior to December 26, 2007 little action is required as those policies are in compliance with prior legislation. For policies effective December 26th and later, insurers will continue to provide disclosure notices. At BB&T Insurance Services of California, Inc., we will continue to work with our insurance carriers to minimize disruption or confusion to our policyholders as this transition into the extension period proceeds. Please call your BB&T Insurance Services of California, Inc. representative if you have questions.

SERVICING PERSONNEL**IMPORTANT PHONE NUMBERS & E-MAIL:*****Senior Vice President:***

Direct Line:

John Starich

619.525.2803

Fax Number:

888.328.1310

E-mail:

JStarich@BBandT.com

Account Manager:

Direct Line:

Sherry Enano

619.525.2863

Fax Number:

888.328.1310

E-mail:

SEnano@BBandT.com

Claims Manager:

Direct Line:

Denise Johnson

619.525.2832

Fax Number:

888.328.1270

E-mail:

DJohnson@BBandT.com

Loss Control Consultant:

Direct Line:

Kathleen Goggin

714.578.7344

Cell Line:

714.626.7639

E-mail:

KGoggin@BBandT.com

ADDRESSES/TELEPHONES:

750 B Street, Suite 2400

PO Box 129077

San Diego, CA 92101-2476

San Diego, CA 92112-9077

Main Office Number:

619.231.1010

Main Facsimile:

619.236.9134



SCHEDULE OF NAMED INSURED

- Metropolitan Transit System (MTS)
- San Diego Metropolitan Transit Development Board (MTDB)
- San Diego Trolley, Inc. (SDTI)
- San Diego & Arizona Eastern Railway (SD&AE)
- San Diego Transit Corporation (SDTC)
- San Diego Vintage Trolley

EXCESS WORKERS' COMPENSATION

Carrier: ACE American Insurance Company

A.M. Best Rating: A+ XV (admitted)

Policy Term: March 1, 2009 to March 1, 2010

Coverage and Limits:

| | |
|----------------------------------|--|
| WORKERS' COMPENSATION | STATUTORY Each Accident STATUTORY Each Employee for Disease |
| EMPLOYER'S LIABILITY: | \$ 2,000,000 Each Accident \$ 2,000,000 Each Employee for Disease |
| Self-Insured Retention: | \$ 1,000,000 Each Accident \$ 1,000,000 Each Employee for Disease |
| Covered State: | California |
| Terrorism: | Included in premium |
| Rate: | \$ 0.3787 per \$100 Payroll (Second year of two-year rate agreement) |
| Estimated Annual Payroll: | \$ 63,512,787 (reduced from \$64,084,315) |
| Endorsements: | ACE Specific Excess WC and EL policy CKE-1167 Loss and Expense Adjustment Endorsement – ALAE included Endorsement CK-12887b Disclosure Notice of Terrorism Insurance Coverage TRIA 11b ACE Producer Compensation Practices & Policies WC990342 Communicable Disease Coverage WC990348 US Treasury Dept's Office of Foreign Assets and Control Notice ILP0010104 |

EXCESS WORKERS COMPENSATION***Endorsements (cont.):***

Notification of Premium Adjustment WC990444
Trade or Economic Sanctions Endorsement WC990773
Voluntary Compensation Schedule CKE18768a
Name and Address Amendatory Endorsement CK-1836a
Cap on Losses from Certified Acts of Terrorism WC990459A
Applicable State Amendatory Endorsements

Binding Conditions:

- * ACE shall have the right but not the duty to have ACE USA Claims or, at our discretion, a designated vendor of ACE, audit the claims handling process within 60 days after binding coverage. ACE is not obligated to share the results of their claims audit as part of a condition for binding coverage.
- * ACE USA will not be required to supply system generated loss information under their program.
- * You must supply loss data in a form that meets the ACE Excess WC submission requirements as documented under their program.
- * You must adhere to the notification requirements as documented under their program.
- * You must notify ACE of any new, additional or replacement aircraft (owned or leased) within 30 days of acquisition.

Premium:

\$ 240,546 Minimum & Deposit. 25%
Minimum Earned Premium

The net premium is due 20 days from inception.
Failure to remit by that date, will normally result in Notice of Cancellation



EXCESS LIABILITY – FIRST LAYER

Carrier: Everest National Insurance Company

A.M. Best Rating: A+ XV (admitted)

Policy Term: March 1, 2009 to March 1, 2010

Coverage: Special Excess Liability for Public Entities covered excess of a Retained Limit or Scheduled Underlying insurance.

Limits:

Aggregate Limits

\$ 10,000,000 "Products-Completed Operations Hazard" Aggregate

\$ 10,000,000 "Employment Practices Liability Wrongful Acts" Aggregate

\$ 10,000,000 Employee Benefit Liability Aggregate

Per "Occurrence or "Wrongful Act" or Employee Benefit Wrongful Act" Limit

\$ 10,000,000 Any one "occurrence", "wrongful act" or "employee benefit wrongful act" or series of continuous, repeated, or related "occurrences", "wrongful acts" or "employee benefit wrongful acts" in excess of your "retained limit"

Per "Employment Practice Liability Wrongful Act" Limit

\$ 10,000,000 Any one "employment practice liability wrongful act" or series of continuous, repeated, or related "employment practice liability wrongful act" in excess of your "retained limit"

Inclusive of Loss Adjustment Expenses and Costs



EXCESS LIABILITY – FIRST LAYER

Self-Insured Retention: \$ 2,000,000 Any one “occurrence”, “wrongful act” or “employee benefit wrongful act” or series of continuous, repeated, or related “occurrences”, “wrongful acts” or “employee benefit wrongful acts”

 \$ 2,000,000 Any one “employment practice liability wrongful act” or series of continuous, repeated, or related “employment practice liability wrongful act”

Terrorism: Premium is included (\$15,648)

Rate: Flat

Endorsements: Public Entity Excess Liability Declarations
California Changes – Cancellation and Nonrenewal
Common Policy Conditions
Nuclear Energy Liability Exclusion
Pollution Exclusion “Blended” 72 Hour form as per current coverage (Manuscript)
Earlier Notice of Cancellation – 90 days
Delete Transit Exclusion (Manuscript)
Reimbursement of Defense costs EPLI
Delete UN/UIM Exclusion (Manuscript)
Named Insured Endorsement
Pollution Changes
Addendum to Declarations
Certified Acts and Other Acts of Terrorism Coverage Above Retained Limit; Cap on Losses
Additional Insured, per current coverage: *San Diego Unified Port District; California State University-SDSU as respects Mission Valley East Line; Executive Complex, LP Jamison as respects leased property (The Transit Store)*

EXCESS LIABILITY – FIRST LAYER

Premium: \$ 798,055 Minimum & Deposit. 25%
Minimum Earned Premium. 100 Minimum &
Deposit Premium.

The net premium is due 20 days from inception.
Failure to remit by that date, will normally result in Notice of
Cancellation



EXCESS LIABILITY – SECOND LAYER

Carrier: Endurance American Specialty Insurance Company

A.M. Best Rating: A XV (non-admitted)

Policy Term: March 1, 2009 to March 1, 2010

Coverage: Following Form Excess Liability

Limits: \$ 15,000,000 Each Occurrence
\$ 15,000,000 Annual Aggregate, Where Applicable

Inclusive of Loss Adjustment Expenses and Costs

Excess Of: \$ 10,000,000 Underlying limit excess of
\$ 2,000,000 Each Occurrence SIR

Inclusive of Loss Adjustment Expenses and Costs

Terrorism: Included in premium (\$14,500)

Rate: Flat

Endorsements:

A. EXCLUSIONS: Asbestos
Nuclear Energy
Silica
War
Certified Acts of Terrorism and Other Acts of Terrorism

B. OTHER ATTACHMENTS: Following Form Pollution Exclusion – Time Element 3/40
Policyholder Notice Applicable to TRIA
Defense & Expense Amendatory Endorsement
OFAC Advisory Notice
Service of Suit Clause

* Lexington layer (\$10MM xs \$10MM) has been included in the Endurance Layer (which was the 3rd layer, \$5MM xs \$20MM, on expiring policy.)



EXCESS LIABILITY – SECOND LAYER

Binding Conditions:

- * Signed TRIA form.
- * Signed D-1 form.

Premium:

| | | |
|---------------|--------------------|----------------------------|
| \$ 350,000.00 | Minimum & Deposit. | 25% Minimum Earned Premium |
| 10,500.00 | State Tax | |
| <u>787.50</u> | Stamping Fee | |
| \$ 361,287.50 | | |

The net premium is due 20 days from inception.

Failure to remit by that date, will normally result in Notice of Cancellation



Att. A, AI 11, 3/12/09

BB&T Insurance Services of California, Inc.

**EXCESS LIABILITY – SECOND LAYER
TRIA AND D-1 FORMS (FOR SIGNATURE)**



Endurance

Name of Applicant: San Diego Transit Corporation
San Diego Metropolitan Transit Development Board

Insurance Company: Endurance American Specialty Insurance Company

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act, as reauthorized and amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism, as defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury - in concurrence with the Secretary of State, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THIS FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS REAUTHORIZED AND AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Acceptance or Rejection of Terrorism Insurance Coverage

- ☐ I hereby elect to purchase Terrorism coverage for certified acts of terrorism for a prospective premium of
- ☐ I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

Policyholder Signature

Date

NOTICE:

Att. A, AI 11, 3/12/09

- 1. THE INSURANCE POLICY THAT YOU ARE APPLYING TO PURCHASE IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED “NONADMITTED” OR “SURPLUS LINE” INSURERS.**
- 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.**
- 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. CALIFORNIA MAINTAINS A LIST OF ELIGIBLE SURPLUS LINE INSURERS APPROVED BY THE INSURANCE COMMISSIONER. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: www.insurance.ca.gov.**
- 5. FOR ADDITIONAL INFORMATION ABOUT THE INSURER YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR “SURPLUS LINE” BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE, AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357.**
- 6. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER’S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.”**

Date: _____ A-16
Insured: _____



EXCESS LIABILITY – THIRD LAYER

Carrier: Steadfast Insurance Company

A.M. Best Rating: A XV (non-admitted)

Policy Term: March 1, 2009 to March 1, 2010

Coverage: Following Form Excess Liability.
Form #STF-RRP-D-102-A (12/94)

Limits: \$ 30,000,000 Each Occurrence
\$ 60,000,000 Policy Aggregate

Inclusive of Loss Adjustment Expenses and Costs

Excess Of: \$ 25,000,000 Underlying limit excess of
\$ 2,000,000 Each Occurrence SIR

Inclusive of Loss Adjustment Expenses and Costs

Terrorism: Included in premium (\$26,477)

Rate: Flat

Endorsements:

A. EXCLUSIONS: Punitive Damages
Wrap-ups or OCIP
Professional E&O
Securities & Financial E&O
Fungus / Mold
Earth Movement/ Subsidence
Financial Institutions
Joint Venture
War
Patrol Access

EXCESS LIABILITY – THIRD LAYER**B. OTHER ATTACHMENTS**

25% Minimum Earned
Service of Suit
Terrorism Retained Amounts Endorsement
Electronic Data Liability Amendment Endorsement
90 Day NOC except for non-pay; amend to "Pay on Behalf"

Binding Conditions:

* Signed D-1 form.

Premium:

\$ 291,248.00 Minimum & Deposit. 25% Minimum Earned
Premium. 100% Minimum & Deposit Premium.
No Flat Cancellations.
8,737.44 State Tax
655.31 Stamp Fee
\$ 300,640.75

The net premium is due 20 days from inception.
Failure to remit by that date, will normally result in Notice of
Cancellation

**EXCESS LIABILITY – THIRD LAYER
D-1 FORM (FOR SIGNATURE)**

NOTICE:

Att. A, AI 11, 3/12/09

- 1. THE INSURANCE POLICY THAT YOU ARE APPLYING TO PURCHASE IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED “NONADMITTED” OR “SURPLUS LINE” INSURERS.**
- 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.**
- 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. CALIFORNIA MAINTAINS A LIST OF ELIGIBLE SURPLUS LINE INSURERS APPROVED BY THE INSURANCE COMMISSIONER. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: www.insurance.ca.gov.**
- 5. FOR ADDITIONAL INFORMATION ABOUT THE INSURER YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR “SURPLUS LINE” BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE, AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357.**
- 6. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER’S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.”**

Date: _____ A-20
Insured: _____



EXCESS LIABILITY – FOURTH LAYER

Carrier: AXIS Surplus Insurance Company

A.M. Best Rating: A XV (non-admitted)

Policy Term: March 1, 2009 to March 1, 2010

Coverage: Following Form Excess Liability.

Limits: \$ 18,000,000 Each Occurrence
\$ 18,000,000 Annual Aggregate, Where Applicable

Inclusive of Loss Adjustment Expenses and Costs

Excess Of: \$ 55,000,000 Underlying limit excess of
\$ 2,000,000 Each Occurrence SIR

Inclusive of Loss Adjustment Expenses and Costs

Terrorism: Included in premium (\$4,500)

Rate: Flat (except for acquisitions)

Endorsements: Contractors
California Disclosure Notice
Minimum Earned Premium
Deletion of Pollution Exclusion – Amendatory Endt.
Service of Suit
SOS – CA
SLN – CA
Auto No-Fault & Similar Laws Exclusion
Professional Liability Exclusion
Lead Exclusion
Silica Exclusion
Violation of Statutes that Govern E-mails, Fax or Phone Calls
Exclusion

EXCESS LIABILITY – FOURTH LAYER***Binding Conditions:***

- * Signed TRIA form.
- * Signed D-1 form

Premium:

| | | | |
|----|---------------|------------------------|---------------------------------|
| \$ | 93,000.00 | Minimum & Deposit. | 25% Minimum Earned |
| | | Premium. | 100% Minimum & Deposit Premium. |
| | | No Flat Cancellations. | |
| | 2,790.00 | State Tax | |
| | <u>209.25</u> | Stamping Fee | |
| \$ | 95,999.25 | | |

The net premium is due 20 days from inception.

Failure to remit by that date, will normally result in Notice of Cancellation



Att. A, AI 11, 3/12/09

BB&T Insurance Services of California, Inc.

**EXCESS LIABILITY – FOURTH LAYER
D-1 FORM (FOR SIGNATURE)**

NOTICE:

Att. A, AI 11, 3/12/09

- 1. THE INSURANCE POLICY THAT YOU ARE APPLYING TO PURCHASE IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED “NONADMITTED” OR “SURPLUS LINE” INSURERS.**
- 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.**
- 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. CALIFORNIA MAINTAINS A LIST OF ELIGIBLE SURPLUS LINE INSURERS APPROVED BY THE INSURANCE COMMISSIONER. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: www.insurance.ca.gov.**
- 5. FOR ADDITIONAL INFORMATION ABOUT THE INSURER YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR “SURPLUS LINE” BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE, AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357.**
- 6. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER’S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.”**

Date: _____ A-24
Insured: _____

PREMIUM COMPARISON

Insurance Renewal Comparison

3/1/2008 - 3/1/2009

3/1/2009 - 3/1/2010

First Layer Excess Liability

| | |
|---|--------------------------|
| Everest National Insurance Company | |
| \$ 10,000,000 | Each Occurrence |
| \$ 10,000,000 | Aggregate |
| \$ 2,000,000 | Retention Per Occurrence |
| FLAT rate | |
| \$ 845,000.00 | Total Premium |

First Layer Excess Liability

| | |
|---|--------------------------|
| Everest National Insurance Company | |
| \$ 10,000,000 | Each Occurrence |
| \$ 10,000,000 | Aggregate |
| \$ 2,000,000 | Retention Per Occurrence |
| FLAT rate | |
| \$ 798,055.00 | Total Premium |

Second Layer Excess Liability

| | |
|------------------------------------|---------------------------------------|
| Lexington Insurance Company | |
| \$ 10,000,000 | Each Occurrence |
| \$ 10,000,000 | Aggregate |
| Excess Of \$10M/\$10M; \$2M SIR | |
| FLAT rate | |
| \$ 293,086.41 | Total Premium (includes taxes & fees) |

*Lexington layer has been included in the
Endurance American Specialty Insurance layer*

Third Layer Excess Liability

| | |
|---|---------------------------------------|
| Endurance American Specialty Insurance Co. | |
| \$ 5,000,000 | Each Occurrence |
| \$ 5,000,000 | Aggregate |
| Excess Of \$20M; \$2M SIR | |
| FLAT rate | |
| \$ 97,663.90 | Total Premium (includes taxes & fees) |

Second Layer Excess Liability

| | |
|---|---------------------------------------|
| Endurance American Specialty Insurance Co. | |
| \$ 15,000,000 | Each Occurrence |
| \$ 15,000,000 | Aggregate |
| Excess Of \$10M; \$2M SIR | |
| FLAT rate | |
| \$ 361,287.50 | Total Premium (includes taxes & fees) |

Fourth Layer Excess Liability

| | |
|------------------------------------|---------------------------------------|
| Steadfast Insurance Company | |
| \$ 30,000,000 | Each Occurrence |
| \$ 60,000,000 | Aggregate |
| Excess Of \$25M; \$2M SIR | |
| FLAT rate | |
| \$ 308,034.37 | Total Premium (includes taxes & fees) |

Third Layer Excess Liability

| | |
|------------------------------------|---------------------------------------|
| Steadfast Insurance Company | |
| \$ 30,000,000 | Each Occurrence |
| \$ 60,000,000 | Aggregate |
| Excess Of \$25M; \$2M SIR | |
| FLAT rate | |
| \$ 300,640.75 | Total Premium (includes taxes & fees) |

Fifth Layer Excess Liability

| | |
|---|---------------------------------------|
| Starr Excess Liability Insurance Company, Ltd. | |
| \$ 18,000,000 | Each Occurrence |
| \$ 18,000,000 | Aggregate |
| Excess Of \$55M; \$2M SIR | |
| FLAT rate | |
| \$ 105,187.50 | Total Premium (includes taxes & fees) |

Fourth Layer Excess Liability

| | |
|---------------------------------------|---------------------------------------|
| AXIS Surplus Insurance Company | |
| \$ 18,000,000 | Each Occurrence |
| \$ 18,000,000 | Aggregate |
| Excess Of \$55M; \$2M SIR | |
| FLAT rate | |
| \$ 95,999.25 | Total Premium (includes taxes & fees) |

Workers Compensation Excess Liability

| | |
|---------------------------------------|-----------------------------------|
| ACE American Insurance Company | |
| Statutory Workers Comp Limit | |
| Statutory Communicable Disease Limit | |
| 0.3787 rate per \$100 Payroll | |
| \$ 64,084,315 | *Estimated Annual Payroll |
| \$ 242,710.00 | Total Premium (includes CIGA Fee) |

| | |
|---------------------------------------|-----------------------------------|
| ACE American Insurance Company | |
| Statutory Workers Comp Limit | |
| Statutory Communicable Disease Limit | |
| 0.3787 rate per \$100 Payroll | |
| \$ 63,512,787 | *Estimated Annual Payroll |
| \$ 240,546.00 | Total Premium (includes CIGA Fee) |

*Payroll reduced by 0.8918%

PREMIUM COMPARISON

Pure Premium Summary Comparison

| | <u>3/1/2008 - 3/1/2009</u> | <u>3/1/2009 - 3/1/2010</u> | <u>Increase/Decrease</u> |
|-------------------------|----------------------------|----------------------------|--------------------------|
| 1st Layer XS Liability | \$845,000.00 | \$798,095.00 | -5.6% |
| *2nd Layer XS Liability | \$284,205.00 | \$350,000.00 | -7.7% |
| *3rd Layer XS Liability | \$94,841.00 | | |
| 4th Layer XS Liability | \$298,700.00 | \$291,248.00 | -2.5% |
| 5th Layer XS Liability | \$102,000.00 | \$93,000.00 | -8.8% |
| Excess XS Layer Comp | \$242,710.00 | \$240,546.00 | -0.9% |
| Total | \$1,867,456.00 | \$1,772,849.00 | -5.1% |

Premium Comparison Including Taxes and Fees

| | <u>3/1/2008 - 3/1/2009</u> | <u>3/1/2009 - 3/1/2010</u> | <u>Increase/Decrease</u> |
|-------------------------|----------------------------|----------------------------|--------------------------|
| 1st Layer XS Liability | \$845,000.00 | \$798,095.00 | -5.6% |
| *2nd Layer XS Liability | \$293,086.41 | \$361,287.50 | -7.5% |
| *3rd Layer XS Liability | \$97,663.90 | | |
| 4th Layer XS Liability | \$306,054.37 | \$300,540.75 | -1.8% |
| 5th Layer XS Liability | \$105,187.50 | \$95,999.25 | -8.7% |
| Excess XS Layer Comp | \$242,710.00 | \$240,546.00 | -0.9% |
| Total | \$1,891,682.18 | \$1,796,528.50 | -5.0% |

*2nd layer decrease reflects 08/09 2nd & 3rd layer total compared to 09/10 2nd layer.



MARKETING SUMMARY

| Carrier | Status |
|---|---|
| AIG Excess Liability Insurance Company, Ltd. Non-Admitted (A XV) | <u>\$18MM excess \$55MM. \$2MM SIR (4th Layer)</u> \$102,000.00 premium + \$3,060.00 state tax + \$229.50 surplus lines tax = \$105,289.50 |



CLIENT ACCEPTANCE

I. COVERAGES/LIMITS:

- A. We do hereby accept underwriters' offer of coverages and limits as outlined in BB&T – John Burnham Insurance Services proposal dated March 1, 2009, except as noted below:
- B. Further, we do hereby acknowledge our understanding that the referenced proposal is not intended to alter, amend, or otherwise change actual policy language. Actual policy terms, conditions, limitations, and exclusions will prevail in all circumstances.

II. TERMS: The following terms are understood and agreed to:

- A. PAYMENT IN FULL: All premiums are due and payable on the inception date of the policies referenced. Premiums will be considered past due and policies subject to cancellation 30 days after inception.
- B. FINANCE/INSTALLMENT OPTION: Premium financing/installments are generally available upon request. Deposit premiums are due and payable on the inception date of the policies. Policy cancellation provisions apply to finance/installment options as referenced above.
- C. AUDITS: Various elements of the proposed insurance program are subject to annual audit. Resulting "additional premium" charges are due and payable upon receipt of invoices. "Return premiums" will be applied to outstanding balances. If there are no outstanding items, a refund check will be issued.

Insured's Signature

Printed Name & Title

Date

Named Insured: **METROPOLITAN TRANSIT SYSTEM**

CLIENT ACCEPTANCE ESTIMATED PREMIUM, TAXES AND FEES SUMMARY

Policy Term: March 1, 2009 to March 1, 2010

| Coverage | Insurer | AM Best Rating | Estimated Premium | Insurer or Intermediary Fee | Estimated Taxes | Broker Fee | Total |
|---------------------------------|------------------------------------|----------------------|----------------------|-----------------------------------|--------------------|------------|---------------|
| Excess Workers Comp | ACE American Ins Co. | A+ XV | \$ 240,546.00 | | | | \$ 240,546.00 |
| 1 st Layer Excess | Everest National Ins Co. | A+ XV | \$ 798,055.00 | | | | \$ 798,055.00 |
| 2 nd Layer Excess | Endurance American Specialty | A XV | \$ 350,000.00 | | \$ 11,287.50 | | \$ 361,287.50 |
| 3 rd Layer Excess | Steadfast Ins Co | A XV | \$ 291,248.00 | | \$ 9,392.75 | | \$ 300,640.75 |
| 4 th Layer Excess | AXIS Surplus Ins Co | A XV | \$ 93,000.00 | | \$ 2,999.25 | | \$ 95,999.25 |

Estimated Total \$1,796,528.50

This is a convenient premium exhibit, not a legal contract. This is provided to facilitate your understanding of the insurance program requested.
Note, the estimated premiums may be subject to audit based on actual exposures to loss.

ACCEPTED BY: _____

_____ Date

NAME OF INSURED: METROPOLITAN TRANSIT SYSTEM

Premium Payment Terms:

Minimum and/or Fully Earned Premium and Fees May Apply:
(Refer to individual coverage page(s) for details)

Binding Conditions:
(Refer to individual coverage page(s) for details)

Subjectivities:
(Refer to individual coverage page(s) for details)

PROPOSED INSURERS/PLACEMENT AUTHORIZATION

| <u>Policy Type</u> | <u>Insurance Company</u> | <u>A.M Best Rating</u> | <u>Admitted</u> |
|------------------------------|---------------------------------|------------------------|-----------------|
| 1 st Layer Excess | Everest National Ins Co | A+ XV | Yes |
| 2 nd Layer Excess | Endurance American Spec. Ins Co | A XV | No |
| 3 rd Layer Excess | Steadfast Ins Co | A XV | No |
| 4 th Layer Excess | AXIS Surplus Insurance Company | A XV | No |
| Excess Work Comp | ACE American Ins Co | A+ XV | Yes |

A.M. BEST'S RATINGS

Assigned to insurers which meet Best's standards for the quantitative and qualitative analysis of the company's financial condition and operating performance. For further information, see the Best's Guide to Ratings.

Secure Ratings

A++, A+Superior
A, A-Excellent
B++, B+Very Good
B, B-Fair

Vulnerable Ratings

C++, C+Marginal
C, C-Weak
DPoor
ERegulatory
FIn Liquidation
SRating Suspended

Rating Modifiers

gGroup
pPooled
rReinsured
uUnder Review

Guide to Best's Financial Size Categories (in \$Millions of Reported Policyholders' Surplus & Conditional Reserve Funds)

| | | |
|--------------------|-------------------------|------------------------------|
| FSC I.....Up to 1 | FSC VI.....25 to 50 | FSC XI750 to 1,000 |
| FSC II.....1 to 2 | FSC VII.....50 to 100 | FSC XII1,000 to 1,250 |
| FSC III.....2 to 5 | FSC VIII.....100 to 250 | FSC XIII1,250 to 1,500 |
| FSC IV.....5 to 10 | FSC IX.....250 to 500 | FSC XIV1,500 to 2,000 |
| FSC V.....10 to 25 | FSC X.....500 to 750 | FSC XV2,000 or greater |

Not Rated Categories (NR) (Companies not assigned a Best's Rating or FPR are assigned to one of the five NRT categories which identifies the primary reason a rating opinion was not assigned to the company.)

NR-1.....Insufficient Data
NR-2.....Insufficient Size and/or Operation Experience
NR-3.....Rating Procedure Inapplicable

NR-4.....Company Request
NR-5.....Not Formally Followed

NON-ADMITTED CARRIERS

Insurance policies issued by insurers that are not licensed by the State of California are called "Non-Admitted" or "Surplus Lines" insurers. These insurers are not subject to the financial solvency regulation and enforcement which applies to California licensed insurers. These insurers do not participate in any of the insurance guarantee funds created by California law. Therefore, these funds will not pay your claims or protect your assets if the insurer becomes insolvent and is unable to make payments as promised.

Signature is required when purchasing coverage from either a non-admitted insurer, non-rated insurer or an insurer rated less than A- by the A.M. Best Company.

I understand the explanations above and approve the use of the above insurers and hereby authorize and their representatives to complete the placement of my insurance with this company.

Signed By: _____

Title: _____

Date: _____

Name of Company: METROPOLITAN TRANSIT SYSTEM



ADDITIONAL BB&T INSURANCE SERVICES PRODUCTS

Life Insurance-

Our life insurance professionals can provide any and all product solutions for your individual needs, ie term, whole, universal, variable, etc., as well as retirement and estate planning expertise. For immediate interest in life insurance please contact our Life Sales Center @ 800-474-1471.

Employee Benefits-

Our EB Department provides various coverage options to employers with employees from 2-5000+. Benefits may include medical, dental, vision, life, AD&D, flexible spending accounts, section 125 plans, etc. There are many ways to provide benefits to you and your staff and these professionals will assist your planning.

Long Term Care-

Nursing home expenses can be very costly. This coverage provides funding for that possibility in the future. This product allows your funding today for future needs.

Individual Health Insurance-

We can provide various types of individual health/medical insurance coverage through our health insurance sales center @ 800-348-7228.

Personal Insurance-

Our Personal Lines division can provide coverage for homes, primary and secondary, autos, motorcycles, boats, jet skis, and ATV's. Individual items such as art, jewelry, furs, guns and silver can also be covered. We also offer umbrella liability protection to provide coverage over and above underlying protection from homeowner's, auto and other personal policies. Please let us know if you would like a personal lines representative to contact you.

COMPENSATION DISCLOSURE

BB&T Insurance Services, Inc.

BB&T Insurance Services of California, Inc.

Compensation Statement

Our principal remuneration for the placement and service of your insurance policy(ies) will be by commission (a proportion of the premium paid that is allowed to us by the insurance company(ies)) and/or a mutually agreed fee.

You should be aware that we may receive additional income from the following sources:

- **Interest or Investment Income** earned on insurance premiums,
- **Expense Allowances or Reimbursements** from insurance companies and other vendors for (a) educational and professional development programs; (b) managing and administering certain binding authorities and other similar facilities, including claims which may arise, and (c) attendance at insurance company meetings and events; all of which we believe enable us to provide more efficient service and competitive terms to those clients for whom we consider the use of such facilities appropriate.
- **Contingent Commission** (sometimes referred to as "profit sharing") which can be based on profitability, premium volume and/or growth. If any part of your account is on a fee basis, we will not accept contingent commissions related to your account.

If you have questions or desire additional information about remuneration and other income, please contact your Agent who will put you in touch with our Senior Insurance Compliance Officer for assistance. If any part of your insurance program is placed through any BB&T-owned sister companies (including wholesale insurance broker CRC Insurance Services, Inc.; Florida domiciled insurance company, American Coastal Insurance Company; managing general underwriter AmRisc, LP; insurance premium finance company, Prime Rate Premium Finance Corporation, Inc.; or BB&T Assurance Company, Ltd.) disclosure of that income will also be included.

06/07 ed



PROVIDER SECURITY STANDARDS

BB&T Insurance Services, Inc. Provider Security Standards

The following is a brief summary of the measures that we have taken as your agent/broker to review and report to you objectively on the financial security of your insuring companies. Information is included on A.M. Best Company, our primary security rating source, and the internal policies and standards, which we have established to address this important issue for our customers.

BB&T Insurance Services Market Security Review- BB&T Insurance Services has established and continues to maintain an internal "Market Security Review Committee" composed of senior management representatives from the Finance, Marketing, Branch, Wholesale and Administrative Divisions of the company. This committee's purpose is to develop and implement a policy, procedure, and standard for the financial security of all insurers, intermediaries, and associations used by BB&T Insurance Services.

This committee meets periodically to review the current listing of all companies, intermediaries and associations, which are actively used by BB&T Insurance Services. It will also act on any pending requests received from throughout the agency to have new providers activated, and to inactivate any providers that do not meet current BB&T Insurance Services standards.

BB&T Insurance Services, Inc. Provider Classifications:

"Approved Provider" – Any provider whose Best's rating is "A- V" or higher. The Best's rating of an "approved" provider will be included on all BB&T Insurance binders and proposals delivered to clients or prospects.

"Acceptable Provider" - Any provider whose Best's rating is "B V" or higher, but below "A-V." The Best's rating of an "acceptable" provider will be included on all BB&T Insurance binders and proposals delivered to clients or prospects.

In addition, these providers which have been reviewed by the BB&T Insurance Services Market Security Review Committee and the applicable client, may be considered acceptable security based on other factors. The client may be required to sign a form of disclaimer or acknowledgement of receipt of this information.

PROVIDER SECURITY STANDARDS

“Restricted Provider” – Any domestic insurance provider whose Best’s rating is “B+ V” or lower, or which has no Best’s rating and has not been given an exception by the BB&T Insurance Services Market Security Review Committee. These providers will be accessible only upon presentation of a hold harmless letter after a request for the provider has been submitted to the committee. The Best’s rating of any “restricted” provider (if available) will be included on all BB&T Insurance Services binders and proposals delivered to clients or prospects.

“Prohibited Provider” – All other providers not mentioned in one of the paragraphs above. These providers will not be set up for active use in the BB&T Insurance Services management system at any time, for any reason.

History - A.M. Best Company was incorporated in 1899 as the first rating agency in the world to offer reliable information on the financial condition of U.S. insurance companies. The **Best’s Rating Guide** was first published in 1900, and has since become a cornerstone of the security review process by continuously evaluating the financial integrity of over 4,100 insurance companies. In 1984, the first edition of the **Best’s International Rating Guide** was published, reporting on the claims-paying ability of over 950 international insurers.

The information used by Best’s to rate insurance carriers is provided by the companies themselves as a part of their normal filings with the National Association of Insurance Commissioners, those states in which the company is licensed, the SEC and/or with its shareholders. Rating reviews are performed annually on each insurance company and on an interim basis as conditions dictate.

Best’s Rating System – The Best’s rating system is designed to evaluate a wide range of objective and subjective factors that affect the overall performance of an insurance company (not applicable to associations or intermediaries). These factors deal with the company’s financial strength, its operational performance, and its ability to meet its financial obligations to policyholders, as follows:

- | | |
|--|--|
| *Profitability | *Spread of risk |
| *Quality of reinsurance program | *Leverage/Capitalization |
| *Quality and diversification of assets | *Liquidity |
| *Adequacy of policy loss reserves | *Adequacy of policyholder’s surplus |
| *Capital structure | * Management experience and objectives |

PROVIDER SECURITY STANDARDS

Best's Rating Symbols – A typical Best's rating is composed of two parts. The **"Security"** portion provides an alphabetical indication of the quality of the security provided by a company to its policyholders. This rating is further defined in three categories, "Secure", "Vulnerable", or "Not Assigned". The **"Financial Size"** (FSC) portion of the Best's rating uses Roman numerals to rank companies based on the dollar amount of their policyholder's surplus and contingent reserve funds.

While comparative rankings for security or financial size by themselves may not adequately portray the complete financial health of a company, the combination of the two has proven to be reliable in predicting the ability of a company to meet its claims obligations in a timely manner, both now and in the near future. The actual rating symbols used by Best and their meanings are:

| | | |
|-----------------------------|-----------|-------------------|
| "Secure" Ratings | A++ or A+ | Superior |
| | A or A- | Excellent |
| | B++ or B+ | Very Good |
| "Vulnerable" Ratings | B or B- | Adequate |
| | C++ or C+ | Fair |
| | C or C- | Marginal |
| | D | Very Vulnerable |
| | E | Under Supervision |
| | F | In Liquidation |

"Not Assigned" Ratings - NA-1 through NA-11, indicating conditions such as inadequacy of size (to justify a rating), inapplicable rating procedure, incomplete financial information, significant change in rating, insufficient operating experience, or a suspended rating.

Financial Size Categories

| | | | |
|-----|--------------------------|------|-------------------------------|
| I | Under \$1,000,000 | VIII | 100,000,000 – 250,000,000 |
| II | 1,000,000 - 2,000,000 | IX | 250,000,000 – 500,000,000 |
| III | 2,000,000 - 5,000,000 | X | 500,000,000 – 750,000,000 |
| IV | 5,000,000 - 10,000,000 | XI | 750,000,000 – 1,000,000,000 |
| V | 10,000,000 - 25,000,000 | XII | 1,000,000,000 - 1,250,000,000 |
| VI | 25,000,000 - 50,000,000 | XIII | 1,250,000,000 – 1,500,000,000 |
| VII | 50,000,000 - 100,000,000 | XIV | 1,500,000,000 – 2,000,000,000 |
| | | XV | Over \$2,000,000,000 |

7-07 Edition

INTRODUCTION TO MYWAVE

MyWave™ Portal

Click+Connect+Communicate

Welcome to a whole new way of working — MyWave is your personalized Web site that allows you to effortlessly click, connect, and communicate with

BB&T - John Burnham Insurance Services.

It's designed to offer you time-saving tools and resources that build convenience into managing your everyday work tasks. Whether you want to collaborate with our agency online, quickly access timely news, information, and resources, or connect with over 100,000 peers in your industry, this is the place to be. It's easily accessible, hardworking, and just one of the many value-added services available to you when you partner with us.



"The Community section allows us to easily find out what other companies are doing in a variety of situations. I can get answers quickly from other colleagues in the industry; the Community has become my personal sounding board."

Trevor, MyWave Portal User, Northeast

Collaboration Center

- Our two-way document posting capabilities allow a seamless exchange of information sharing and collaboration
- Users can download and share documents, make updates, and track a document's history — simplifying updates to reports, worksheets, questionnaires, and policies
- Saves time by allowing you to manage team projects and streamline everyday work tasks

Survey Benchmarking

- Participate in benefit plan and/or P&C program surveys
- Allows you to determine how your plans and programs compare to other employers across the U.S.

Community

- Through MyWave Community, you have access to a vast and knowledgeable network of colleagues from across the country
- Share information and resources via the Community's interactive forum that allows you to post questions to your peers, provide insight into other users' questions, and allows you to track responses based on topics or individual questions
- Community topics include Compensation, Employee Relations, HR Development, HR Management Topics, Recruitment, Risk Management, and Other



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

Agenda

Item No. 12

JOINT MEETING OF THE BOARD OF DIRECTORS for the

ADM 122.2

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

March 12, 2009

**Draft for
Executive Committee
Review Date: 3/5/09**

SUBJECT:

MTS: CONTRACT ASSIGNMENTS FOR ON-CALL ENGINEERING SERVICES

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute assignments of contracts (Attachment A) from the San Diego Association of Governments (SANDAG) for on-call engineering services with David Evans and Associates, Inc. and Kimley-Horn and Associates.

Budget Impact

Funding for these contract services is approved by the MTS Board on an annual basis within MTS, San Diego Transit Corporation, and San Diego Trolley, Inc. (hereinafter "the Agencies") operating budgets. The total authorization would be \$1,250,000.

DISCUSSION:

SANDAG has entered into agreements with engineering firms to provide on-call services to support the capital program and to support MTS and other agencies as needed. The solicitation used by SANDAG for these services included language permitting assignment of a portion of the contracts to MTS.

Previous MTS contracts for these types of services have expired or are near expiration with the intent to use the assignment provisions from the SANDAG solicitation process. The assignment of the on-call contracts would supply MTS with engineering and right-of-way services for various efforts to support the MTS capital program and other noncapital needs.

The contracts to be assigned are listed in the following table:

| SANDAG CONTRACT NO. | CONSULTANTS | ASSIGNED VALUE |
|---------------------|-------------------------------|----------------|
| 5000924 | Kimley-Horn and Associates | \$500,000 |
| 5000931 | David Evans & Associates, Inc | \$750,000 |

Attachment A is a draft of the proposed Assignment of Contract agreement for the David Evans and Associates, Inc. and Kimley-Horn & Associates contracts.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Tim Allison, 619.595.4903, tim.allison@sdmts.com

MAR12-09.12.ON-CALL ENG SVCS.TALLISON.doc

Attachment: A. Proposed Assignment of Contract Agreements

MTS Doc. No. _____

Project Number: Various

SANDAG Contract Number: 5000931

ASSIGNMENT OF CONTRACT FOR
SAN DIEGO ASSOCIATION OF GOVERNMENTS (SANDAG)
GENERAL ENGINEERING ON-CALL SERVICES
(DAVID EVANS & ASSOCIATES, INC.)

THIS ASSIGNMENT AND ASSUMPTION OF CONTRACT FOR GENERAL ENGINEERING ON-CALL SERVICES, hereinafter "Assignment," is made and entered into on this _____ day of March 2009, between the San Diego Association of Governments (SANDAG), a public agency (hereinafter "Assignor"), the Metropolitan Transit System (MTS), a public agency (hereinafter "Assignee"), and David Evans and Associates, Incorporated (Consultant).

WHEREAS, Assignor entered into a General Engineering On-Call Services Contract with Consultant on July 1, 2008, for Contract Number 5000931; and

WHEREAS, when Assignor procured the General Engineering On-Call Services that are the subject of this Assignment, the solicitation included language permitting assignment to Assignee of a portion of Contract Number 5000931;

NOW, THEREFORE, the parties agree as follows.

1. Assignor hereby assigns, transfers, and sets over unto Assignee a portion of Assignor's interest in its contract for General Engineering On-Call Services, Contract Number 5000931, for a total assignment value of \$750,000, a copy of which is incorporated herein by reference.
2. Assignee hereby: (i) accepts the partial assignment of Assignor's interest in the General Engineering On-Call Services Contract; (ii) assumes the relevant portion of Assignor's obligations under the Contract arising from and after July 1, 2008; and (iii) agrees to fully and faithfully perform each and every term and condition of Assignor under the General Engineering On-Call Services Contract, arising from and after July 1, 2008, for task or work orders issued by Assignee.
3. Assignor makes no warranty, representation, guarantee, covenant, or averment of any nature whatsoever concerning SANDAG Contract Number 5000931.
4. Notwithstanding the foregoing, neither Assignor nor Consultant shall be deemed by virtue of this Assignment to have waived any rights that it may have against the other party at law or in equity for liabilities arising under the unassigned portion of SANDAG Contract Number 5000931.
5. Should any suit be commenced to enforce, protect, or establish any right or remedy of any of the terms and conditions of this Assignment, the prevailing party shall be entitled to have and recover from the losing party reasonable attorney fees and costs of suit.
6. All task or work orders issued by Assignee shall be labeled with a letter or other distinct numbering designation that clearly distinguishes the documents from Task Orders issued by Assignor to Contractor.

DRAFT

7. Assignee shall execute all task and work orders in accordance with the Master Memorandum of Understanding, SANDAG Contract Number 5000710.
8. SANDAG retains the right to audit MTS's task orders issued from this assignment.
9. This Assignment may be executed and delivered by facsimile signature, and a facsimile signature shall be treated as an original. This Assignment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Assignment.

THE EFFECTIVE DATE OF THIS ASSIGNMENT IS on or after March 15, 2009.

IN WITNESS WHEREOF, Assignor, Assignee, and Contractor have caused this Assignment to be executed and delivered as of the date first set forth above.

SAN DIEGO ASSOCIATION OF GOVERNMENTS

By: _____
Jack Boda
Director of Mobility Management and Project Implementation

Approved as to form:

By: _____
Office of General Counsel

METROPOLITAN TRANSIT SYSTEM

By: _____
Paul C. Jablonski
Chief Executive Officer

Approved as to form:

By: _____
Office of General Counsel

Contractor hereby consents to the assignment of \$750,000 of SANDAG Contract Number 5000931 from SANDAG to MTS. Consent granted on this 15 of March 2009.

David Evans and Associates, Incorporated

By: _____
Siegfried Fassmann, Project Manager

ASSIGNMENT OF CONTRACT FOR
SAN DIEGO ASSOCIATION OF GOVERNMENTS (SANDAG)
GENERAL ENGINEERING ON-CALL SERVICES
(KIMLEY-HORN & ASSOCIATES, INC.)

THIS ASSIGNMENT AND ASSUMPTION OF CONTRACT FOR GENERAL ENGINEERING ON-CALL SERVICES, hereinafter "Assignment," is made and entered into on this _____ day of March 2009, between the San Diego Association of Governments (SANDAG), a public agency (hereinafter "Assignor"), the Metropolitan Transit System (MTS), a public agency (hereinafter "Assignee"), and Kimley-Horn & Associates, Incorporated (Consultant).

WHEREAS, Assignor entered into a General Engineering On-Call Services Contract with Consultant on July 15, 2008, for Contract Number 5000924; and

WHEREAS, when Assignor procured the General Engineering On-Call Services that are the subject of this Assignment, the solicitation included language permitting assignment to Assignee of a portion of Contract Number 5000924;

NOW, THEREFORE, the parties agree as follows.

10. Assignor hereby assigns, transfers, and sets over unto Assignee a portion of Assignor's interest in its contract for General Engineering On-Call Services, Contract Number 5000924, for a total assignment value of \$500,000, a copy of which is incorporated herein by reference.
11. Assignee hereby: (i) accepts the partial assignment of Assignor's interest in the General Engineering On-Call Services Contract; (ii) assumes the relevant portion of Assignor's obligations under the Contract arising from and after July 15, 2008; and (iii) agrees to fully and faithfully perform each and every term and condition of Assignor under the General Engineering On-Call Services Contract, arising from and after July 15, 2008, for task or work orders issued by Assignee.
12. Assignor makes no warranty, representation, guarantee, covenant, or averment of any nature whatsoever concerning SANDAG Contract Number 5000924.
13. Notwithstanding the foregoing, neither Assignor nor Consultant shall be deemed by virtue of this Assignment to have waived any rights that it may have against the other party at law or in equity for liabilities arising under the unassigned portion of SANDAG Contract Number 5000924.
14. Should any suit be commenced to enforce, protect, or establish any right or remedy of any of the terms and conditions of this Assignment, the prevailing party shall be entitled to have and recover from the losing party reasonable attorney fees and costs of suit.
15. All task or work orders issued by Assignee shall be labeled with a letter or other distinct numbering designation that clearly distinguishes the documents from Task Orders issued by Assignor to Contractor.

DRAFT

16. Assignee shall execute all task and work orders in accordance with the Master Memorandum of Understanding, SANDAG Contract Number 5000710.
17. SANDAG retains the right to audit MTS's task orders issued from this assignment.
18. This Assignment may be executed and delivered by facsimile signature and a facsimile signature shall be treated as an original. This Assignment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Assignment.

THE EFFECTIVE DATE OF THIS ASSIGNMENT IS on or after March ____, 2009.

IN WITNESS WHEREOF, Assignor, Assignee, and Contractor have caused this Assignment to be executed and delivered as of the date first set forth above.

SAN DIEGO ASSOCIATION OF GOVERNMENTS

By: _____
Jack Boda
Director of Mobility Management and Project Implementation

Approved as to form:

By: _____
Office of General Counsel

METROPOLITAN TRANSIT SYSTEM

By: _____
Paul C. Jablonski
Chief Executive Officer

Approved as to form:

By: _____
Office of General Counsel

Contractor hereby consents to the assignment of \$500,000 of SANDAG Contract Number 5000924 from SANDAG to MTS. Consent granted on this _____ of March 2009.

Kimley-Horn & Associates, Incorporated

By: _____
Dennis Landaal, Project Manager



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

Agenda

Item No. 13

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

SDAE 710

March 12, 2009

**Draft for
Executive Committee
Review Date: 3/5/09**

SUBJECT:

MTS: BAY MARINA DRIVE WIDENING IMPACTS TO CLEVELAND AVENUE
CROSSING

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute Amendment No. 2 to MTS Document No. S200-06-291 (Attachment A) to cover impacts to the Coronado Branch and future obligations of the City of National City relating to the redevelopment of the area west of Interstate 5 at Bay Marina Drive.

SD&AE Board Recommendation

The San Diego and Arizona Eastern (SD&AE) Railway Company Board of Directors recommended forwarding this item to the MTS Board for approval.

Budget Impact

The City of National City's cost to reconstruct the crossing could be between \$100,000 and \$200,000. San Diego and Arizona Eastern (SD&AE) Railway Company would save any potential costs to maintain the crossing if the crossing infrastructure is removed.

DISCUSSION:

The City of National City, MTS, and SD&AE have entered into MTS Document No. S200-06-291 as amended to cover impacts to the Coronado Branch and future obligations of the City of National City relating to the redevelopment of the area west of Interstate 5 at Bay Marina Drive.

The City of National City has asked for consideration of removing the rails, ties, and crossing equipment at Cleveland Avenue as part of its project to widen Bay Marina Drive. In exchange, the City of National City would commit to pay for the reconstruction of the intersection rail improvements and railroad signals in the future if the Coronado Branch is put back in service.

In addition, the SD&AE Board had approved the construction of a private drainage structure on Marina Way at the entrance to the hotel project to the south of Bay Marina Drive as part of a license issued to Marina Gateway Development. The City of National City intends to construct this facility now instead of the developer. SD&AE would amend the existing license to remove this improvement and create a new license issued to the City of National City to cover this installation.

At its meeting of February 3, 2009, the SD&AE Board of Directors approved forwarding staff' recommendation to the MTS Board to amend the MOU with the condition that staff research possible impacts to the current status of the Coronado Branch that may come about from the Surface Transportation Board if this work was done to remove the crossing infrastructure. Staff has determined that this action would not jeopardize the current status of the line because there would be a commitment and obligation to reconstruct the crossing if SD&AE elects to put this section of the branch line back in service. The draft amendment as attached (Attachment A).



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Tim Allison, 619.595.4903, tim.allison@sdmts.com

MAR12-09.13.BAYMARINAWIDENIMPACTS.TALLISON.doc

Attachment: A. Draft Amendment No. 2 to MTS Doc. No. S200-06-291

AMENDMENT NO. 2

MEMORANDUM OF UNDERSTANDING

BETWEEN THE

SAN DIEGO METROPOLITAN TRANSIT SYSTEM,
SAN DIEGO AND ARIZONA EASTERN (SD&AE) RAILWAY COMPANY,
CITY OF NATIONAL CITY,
AND
COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF NATIONAL CITY

This second amendment to the Memorandum of Understanding (MOU) is made and entered into by and between the San Diego Metropolitan Transit System (MTS), a California public agency established under the Public Utilities Code, the San Diego and Arizona Eastern (SD&AE) Railway Company, a public benefit corporation whose sole member is MTS, the City of National City (City), and the Community Development Commission of the City of National City (CDC) (collectively the "Parties").

Whereas, the Parties wish to amend the MOU known as MTS Document Number S200-06-291, including any amendments thereto, to further document the Parties' understanding and responsibilities with respect to the redevelopment of properties in National City.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Paragraph 9 is modified as follows:

9. HARBOR DRIVE RAIL CROSSING

City shall remove paving to top of rail elevation, if requested by SD&AE, if and when the rail lines crossing Harbor Drive are put back into service upon 30 days' written notice. City shall complete the removal of the paving no later than 90 days following the 30 days' written notice. Failure to remove the paving within this time period will result in the imposition of liquidated damages in the amount of \$50 for every day the project is not completed within the aforementioned time schedule. The terms of paragraphs 2 and 3 are incorporated herein.

2. Paragraph 11 is to be added as follows:

11. CLEVELAND AVENUE – BAY MARINA DRIVE

City requests and Railroad hereby approves the removal of the crossing improvements at the intersection of Cleveland Avenue and Bay Marina Drive as depicted on "Exhibit C."

City expressly acknowledges that Railroad shall have the sole and exclusive discretion to order for the City to rebuild this crossing to current standards such that any form of railroad or transportation operations could be conducted by Railroad, MTS or SD&AE. City shall commence work on rebuilding the crossing within 30 days of receiving a written notice from MTS and shall complete the rebuilding within 90 days. The improvements necessary to rebuild the crossing shall include, but are not limited to, rails, ties, track way, crossing panels, railway signaling equipment, and ancillary improvements. Failure to rebuild the crossing within 90 days will result in the imposition of liquidated damages at the rate of

\$50 for each day that the intersection is not rebuilt within the aforementioned time schedule.

All other terms and conditions of the original MOU and any amendments thereto shall remain the same. IN WITNESS WHEREOF, the parties have caused this Amendment to the Memorandum of Understanding to be executed by their duly authorized representatives on this ____ day of _____ 2009.

METROPOLITAN TRANSIT SYSTEM

CITY OF NATIONAL CITY

By: _____
Paul C. Jablonski
Chief Executive Officer

By: _____
Ron Morrison
Mayor

Approved as to form:

By: _____
Tiffany Lorenzen
MTS General Counsel

COMMUNITY DEVELOPMENT
COMMISSION OF THE CITY OF
NATIONAL CITY, a public body,
corporate and politic:

By: _____
Ron Morrison, Mayor

SAN DIEGO AND ARIZONA EASTERN
RAILWAY COMPANY

Approved as to form:

By: _____
Paul C. Jablonski
President

By: _____
George H. Eiser III
Legal Counsel

Approved as to form:

By: _____
Tiffany Lorenzen
Of Counsel