



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

Agenda

JOINT MEETING OF THE EXECUTIVE COMMITTEE

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

June 17, 2010

Executive Conference Room
(Immediately following the Audit Oversight Committee Meeting)

ACTION RECOMMENDED

A. ROLL CALL

B. APPROVAL OF MINUTES - May 20, 2010

Approve

C. COMMITTEE DISCUSSION ITEMS

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

Possible
Action

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

Possible
Action

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

E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA

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.

Possible
Action



F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS

G. PUBLIC COMMENTS

H. NEXT MEETING DATE: July 8, 2010

I. ADJOURNMENT

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

DRAFT MINUTES

May 20, 2010

MTS
1255 Imperial Avenue, Suite 1000, San Diego

A. ROLL CALL

Chairman Mathis called the Executive Committee meeting to order at 9:00 a.m. A roll call sheet listing Executive Committee member attendance is attached.

B. APPROVAL OF MINUTES

Mr. Roberts moved for approval of the minutes of the May 6, 2010, MTS Executive Committee meeting. Mr. Selby seconded the motion, and the vote was 4 to 0 in favor.

C. COMMITTEE DISCUSSION ITEMS

1. MTS: Trolley Rehabilitation Project Update (Wayne Terry and John Haggerty of SANDAG)

John Haggerty of San Diego Association of Governments (SANDAG) gave the Executive Committee an update on the proposed Green Line extension stations as well as proposed station upgrades for the Blue Line. Stations south of Old Town to the 12th & Imperial Transit Center will be extended and modified.

The design elements of the proposed stations take into account the architectural elements in the station's vicinity. The proposed stations from Washington to County Center/Little Italy include architectural features that mirror existing buildings in the area, such as refined concrete columns and a sleek and modern vaulted cantilever. The proposed Seaport Village station has a sleek rustic black beam supporting a modern vaulted metal shelter. The Convention Center station proposes to use the existing theme of the Convention Center itself using the same design elements and materials. The Gaslamp station modification has a unique and rustic look to it with a decorative cantilever and filigree work to mirror the design features of the existing Gaslamp signage located above Fifth Avenue. The 12th & Imperial Transit Center will utilize the grey and red color scheme that is used in the area with a modern yet rustic design element. The station name signage will be consistent at each station and will be easy to see so that those who are not familiar with the area will be able to locate their desired stop. A summary of Green Line extension costs show the stations ranging from \$66,000 to \$124,000.

Mr. Haggerty provided an update on the Blue Line station design approach. Stations from Barrio Logan and south to Beyer Boulevard will be updated. Light rail transit stations will undergo a uniform design and will include standard elements; site furnishings, lighting, wayfinding, landscape palette, shelters, and platform pavement.

Two different design concepts (Concept A and Concept B) for the new transit center shelters, accommodating busses on one side of the shelter and light rail vehicles on the other side of the shelter, were proposed to the Executive Committee. Design Concept A has a split-shelter roof equally exposed. Design Concept B has a split roof with one level slightly elevated; however, this roof split could pose more maintenance issues. The notion behind both design concepts is to give the station platform an open feeling while providing patrons shade and shelter from the elements. The Executive Committee gave its consensus for design Concept B.

Mr. Jablonski commented that he would like the Executive Committee to provide feedback so that the design team could move forward on to the final design phase. He mentioned that in the past, the Executive Committee has provided great input in the designing of stations and would like that tradition to continue with the Green and Blue Line station designs.

Mr. Roberts expressed his preference for the open station concept and feels that it is a good design because customers' visibility has been taken into consideration. He mentioned that psychologically, customers will feel more secure because they can see their surroundings without blockage. He likes the Gaslamp station design because it seems to fit in well with the existing character. Mr. Roberts also feels that the station signage will make the stop readily identifiable to riders. Mr. Roberts did comment that the proposed Seaport Village station could make more of a statement. The design left something to be desired, and he felt that more could be done to play off the features of the area, such as a nautical theme.

Mr. Rindone commented that he appreciates staff's attention to the signage and feels that three signs at each station should function well for our visiting patrons. He mentioned that the design team was very attentive at applying input previously given by the Executive Committee.

Action Taken

No action was taken. The Trolley Rehabilitation Project will be presented to the full Board at the next Board meeting scheduled for May 27, 2010.

D. REVIEW OF DRAFT MAY 27, 2010, JOINT BOARD AGENDA (Taken Out of Order)

Recommended Consent Items

6. MTS: Radio Communication Support Services - Contract Award
Action would authorize the CEO to execute MTS Doc. No. L0947.0-10 with Day Wireless Systems for radio communication support services for a five-year period.

7. MTS: Investment Report - March 2010
Action would receive a report for information.
8. MTS: Motorola Regional Transit Management System - Contract Amendment
Action would: (1) ratify MTS Doc. No. G0867.9-03 with Motorola as executed by the CEO at a cost of \$25,466.51; (2) authorize the CEO to execute MTS Doc. No. G0867.10-03 to the Motorola Regional Transit Management System (RTMS) contract to fund the Service Support Agreement; and (3) authorize the CEO to execute MTS Doc. No. G0868.5-03 with North County Transit District (NCTD) for a Fund Transfer Agreement.
9. SDTC: Leased Bus Tires and Related Services - Contract Award
Action would authorize the CEO to execute MTS Doc. No. B0530.0-10 with Goodyear Tire and Rubber Company to lease bus tires on a tire-mile basis, including all related tire services. The resulting contract would be for a three-year base period with 2 one-year options.

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.

2. MTS: FY 2011 Operating Budget (Larry Marinesi)

Larry Marinesi, Budget Manager of MTS, gave a PowerPoint presentation beginning with a fiscal year 2010 budget recap. He stated that the original projected shortfall was \$19.7 million, which was driven by the TransNet/TDA reduction of \$14.4 million. He stated \$13.6 million in one-time funds have been used to balance the FY 2010 budget. He reviewed the use of one-time funds, service reductions and the refinancing of the POB with a Dexia loan. Mr. Marinesi mentioned that the projected reserve balance as of June 30, 2010, is \$21.7 million equating to 10% of the operating budget. He stated that MTS is on target to achieve a balanced amended budget.

Mr. Marinesi recapped the fiscal year 2011 budget. He explained that as of March 2010, SANDAG is projecting a 1.87% increase in sales tax revenue, which equates to a \$768,000 increase in subsidy revenue. He added that due to the recovering economy, it is anticipated that there will be a growth in ridership of 1.9%. He reviewed projections for advertising, service reductions, interest expense reductions due to the variable POB refinance, and preliminary energy assumptions that resulted in a preliminary projected shortfall of \$10.1 million. At that time, the Board provided direction to use \$8.2 million from capital improvement project (CIP) monies that resulted in a \$1.9 million shortfall.

Budgetary assumptions have been refined and present a balanced budget. Mr. Marinesi stated that the updated assumptions include \$861,000 in revenue enhancements, primarily in passenger revenues, and \$1.1 million in cost reductions, primarily driven by updates in CNG costs. He stated that the updated assumptions total \$1.9 million and

budget adjustments total \$10.1million, which was previously projected as the operating deficit. These adjustments result in a balanced budget for FY 2011.

Mr. Marinesi reviewed the details of the fiscal year 2011 budget stating that fare revenues are projected to be 3.3% higher, and other operating revenues are projected to drop by \$226,000 primarily due to advertising revenues and interest income reductions. He stated that on the subsidy side, federal dollars are projected to drop by \$5.9 million because ARRA funds will not be received in fiscal year 2011. He stated that TDA and TransNet are increasing by \$768,000 in the upcoming fiscal year. The reserve balance is projected to be \$22 million by the end of fiscal year 2011, and no reserves will be used for the upcoming fiscal year. He stated that the total decrease in revenue is projected to be \$11.5 million compared to fiscal year 2010.

Mr. Marinesi stated that fiscal year 2011 expenses are projected to total \$219 million, which is a \$11.5 million, or 5%, reduction over fiscal year 2010. He pointed out that the fiscal year 2011 energy costs have been reduced by \$3.7 million primarily driven by a reduction of compressed natural gas. The cost per therm is projected to decrease by \$0.349 or -27% due to a facility maintenance negotiated procurement and a reduction in San Diego Gas and Electric's transportation costs. He added that there is a \$700,000 savings in traction power through the Direct Access Electricity program.

Mr. Marinesi presented graphs that project the average cost of CNG to be \$0.94, diesel at \$2.60, and gasoline at \$2.80. He also reviewed the cost per penny of fuel stating that if the CNG price per term increased by a penny, the impact would be \$74,000 on operations on an annual basis. He also reviewed the budgeted cost per mile and the historical energy rates for the past four fiscal years.

Mr. Marinesi stated that the fiscal year 2011 budget is balanced. He reviewed the total combined revenues that are projected to decrease by \$11.5 million and total expenses projected to decrease by \$11.5 million. He provided projected revenue statistics, including revenue miles and hours, total miles and hours, and passenger boarding.

Mr. Marinesi provided a five-year financial forecast through fiscal year 2015. He pointed out that in fiscal year 2011, one-time funds of \$8.2 million were used to balance the budget. He stated that in future years, the one-time funds are not recurring sources of funding, which presents fiscal operational concerns in the upcoming four fiscal years. Operating deficits are projected between \$11 million and \$15.6 million over the upcoming four fiscal years.

Mr. Marinesi reviewed next steps for the fiscal year 2011 budget.

5/27/10	Finance Workshop – MTS Board
6/10/10	MTS Public Hearing and Board Adoption
6/18/10	SANDAG Transportation Committee
	Transit Operating Budget Approval

Mr. Jablonski mentioned that he attended the California Transit Association Legislative Spring Conference yesterday in Sacramento, and the majority of the discussion was regarding the state budget. On a positive note, the transportation gas tax swap from

sales to excise tax was not raised under the Governor's May revise. There is a fair amount of feeling that the funds will continue to be maintained through the budget process this year, but there is no guarantee for future years.

Action Taken

Mr. Rindone moved to receive a report. Mr. Selby seconded the motion, and the vote was 5 to 0 in favor.

3. MTS: Internal Revenue Service (IRS) Payroll Audit Findings (Tiffany Lorenzen and Linda Musengo)

Cliff Telfer, Chief Financial Officer of MTS, explained that MTS received a letter earlier in the year from the Internal Revenue Service (IRS) stating that it was going to conduct a payroll audit for the 2008 tax year. At this point, MTS has not received a final letter of the findings from the IRS audit, but issues that were raised orally from the field agent are being addressed.

Linda Musengo, Finance Manager of MTS, reported that one extremely surprising aspect of the audit is that the IRS has carved out an exception for public officials and those Board members are classified as employees. Ms. Musengo recently checked the instructions and information for 1099 filings and confirmed that board of directors' fees for corporate boards continue to be regarded as 1099 compensation, so there will be no withholding issues involved. The IRS representative indicated that there were agencies up and down the state of California that have been "dinged" for the same thing. Ms. Musengo specifically questioned the IRS representative on the issue stating that MTS Board members are elected by their municipalities and counties then appointed to our Board, and the representative clarified to her that whether a Board member is appointed or elected does not alter the situation.

Ms. Musengo explained that the amount of money in terms of liability tax is small, but that a change in procedures will need to occur if we decide to move forward with this decision. She also mentioned that other local agencies will be watching MTS to see how we handle the issue as we will be setting precedent. Ms. Musengo stated that we will be receiving a contract agreement from the IRS that stipulates that from now on, MTS will regard all Board members as employees. In return, the IRS will not sue MTS for any back taxes for the years 2009 and 2010; however, MTS will be required to pay back tax for the tax year 2008 (as that was the audit year).

Mr. Jablonski mentioned that General Counsel is looking into this issue, and MTS will seek a second opinion from a tax specialist. MTS will also be contacting other transit authorities and additional public boards before a decision is made on our response to the IRS. Mr. Jablonski also wanted the minutes to reflect that SANDAG is still researching this issue. Also of note is that Los Angeles County Metropolitan Transit Authority is undergoing a similar audit and we are awaiting the outcome of its audit findings.

Action Taken

No Action Taken.

The Executive Committee convened to Closed Session at 10:18 a.m.

4. MTS: CLOSED SESSION – CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to California Government Code Section 54956.8
Property: 1313 National Avenue, San Diego, California (Assessor Parcel No. 535-612-01); 1344 National Avenue, San Diego, California (Assessor Parcel No. 535-613-04)
Agency Negotiators: Tiffany Lorenzen, General Counsel; Tim Allison, Manager of Real Estate Assets
Negotiating Parties: George Davis Trust; ISD Triangle LLC
Under Negotiation: Price and Terms of Payment

The Executive Committee reconvened to Open Session at 10:34 a.m.

Oral Report of Final Actions Taken in Closed Session

Mr. Paul Jablonski, CEO, reported the following: the executive committee received a report, and direction was given to staff.

E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA

Sharon Cooney, Director of Government Affairs of MTS reported that the SNADAG Transportation Committee is recommending that the Board of Directors approve the implementation of the proposed pilot limited express transit service from the Murphy Canyon military housing area to Naval Base San Diego for a period of one year beginning in fall 2010. She also reported that the Transportation Committee is recommending that the Board of Directors allocate \$16 million of TransNet funding for the Interstate 805 Corridor Project and that new deadlines be set moving the open-to-the-public date to May 2011. The delay is a result of procuring the technology for lane-keeping as busses will ride on the shoulder.

Ms. Cooney reported that as part of the Blue Line Improvement Project, the Port District has asked MTS to help with the installation of fiber-optic cable, and there will be a budget transfer to provide funding for the additional work. Ms. Cooney also mentioned that the Transportation Development Act Productivity Improvement Program is conducting an annual productivity review to ensure that MTS is making performance improvements.

F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS

There were no Committee member communications.

G. PUBLIC COMMENTS

There were no public comments.

H. NEXT MEETING DATE

The next Executive Committee meeting is scheduled for Thursday, June 3, 2010, at 9:00 a.m. in the Executive Committee Conference Room.

I. ADJOURNMENT

Chairman Mathis adjourned the meeting at 10:34 a.m.

Chairman

Attachment: Roll Call Sheet

**EXECUTIVE COMMITTEE
METROPOLITAN TRANSIT SYSTEM**

ROLL CALL

MEETING OF (DATE) May 20, 2010

CALL TO ORDER (TIME) 9:00 AM

RECESS _____

RECONVENE _____

CLOSED SESSION 10:18 AM

RECONVENE 10:34 AM

ADJOURN 10:35 AM

BOARD MEMBER (Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
LIGHTNER <input checked="" type="checkbox"/> (Young) <input type="checkbox"/>		10:32 AM
MATHIS <input checked="" type="checkbox"/>		
Imperial Beach Rotated to Chula Vista		
RINDONE (VC) <input checked="" type="checkbox"/> (Young - CPT) <input type="checkbox"/>	9:03 AM	
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: Valerie Vizkeleti

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL: 



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

DRAFT

Agenda

JOINT MEETING OF THE BOARD OF DIRECTORS

for the

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

June 24, 2010

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.

ACTION RECOMMENDED

1. Roll Call
2. Approval of Minutes - June 10, 2010
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.

Approve

Please turn off cell phones and pagers
during the meeting

1255 Imperial Avenue, Suite 1000, San Diego, CA 92101-7490 • (619) 231-1466 • www.sdmts.com

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

CONSENT ITEMS

- | | | |
|----|---|---------|
| 6. | <u>MTS: Proposed Revisions to MTS Policy No. 44 - Travel Expense Policy</u>
Action would approve the proposed revisions to MTS Policy No. 44 - Travel Expense Policy. | Approve |
| 7. | <u>MTS: Light Rail Vehicle (LRV) Tire Kits - Contract Award</u>
Action would authorize the CEO to execute MTS Doc. No. L0949.0-10 with UTC/RAS Corporation for light rail vehicle (LRV) tire kits for a five-year period. | Approve |
| 8. | <u>MTS: Exercise Tire Run-Out with Michelin North America, Inc. for Leased Bus Tires - Contract Amendment</u>
Action would authorize the CEO to execute MTS Doc. No. B05-001.2 with Michelin North America, Inc. to exercise the run-out option to cover payments for the remaining useful life of Michelin tires currently installed on buses at the Imperial Avenue and Kearny Mesa Divisions. The total duration of this run-out period would not exceed 36 months. | Approve |
| 9. | <u>MTS: Crane Truck Equipment Vehicle - Contract Award</u>
Action would authorize the CEO to execute MTS Doc. No. L0969.0-10 with Altec Industries to purchase one crane truck vehicle. | Approve |

CLOSED SESSION

- | | | |
|-----|---|-----------------|
| 24. | a. <u>MTS: CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS</u> Pursuant to California Government Code Section 54956.8; <u>Property</u> : Palomar Street and Palm Avenue Transit Stations (Assessor Parcel Nos. 622-081-27 and 628-050-60); <u>Agency Negotiators</u> : Tiffany Lorenzen, General Counsel; Tim Allison, Manager of Real Estate Assets; <u>Negotiating Parties</u> : BLT Family Housing, LLC; <u>Under Negotiation</u> : Price and Terms of Payment | Possible Action |
| | b. <u>MTS: CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS</u> Pursuant to California Government Code Section 54956.8; <u>Property</u> : Assessor Parcel Nos. 547-200-51, 52, and 53, San Diego, California, 220 47th Street; <u>Agency Negotiators</u> : Tiffany Lorenzen, General Counsel; Tim Allison, Manager of Real Estate Assets; Gerald Trimble, Keyser-Marston Associates, Inc.; <u>Negotiating Parties</u> : Creekside Holdings, Ltd., a Utah Limited Partnership; Wasatch Advantage Group, LLC; San Diego Housing Commission; <u>Under Negotiation</u> : Price and Terms of Payment | Possible Action |

Oral Report of Final Actions Taken in Closed Session

NOTICED PUBLIC HEARINGS

- | | | |
|-----|---|-----------------|
| 25. | <u>MTS: Administrative Hearing - Clean Energy (Claire Spielberg)</u>
Action would hear a protest by Clean Energy regarding MTS's Request for Proposals for compressed natural gas (CNG) fueling facility upgrades and maintenance. | Possible Action |
|-----|---|-----------------|

DISCUSSION ITEMS

- | | | |
|-----|---|---------|
| 30. | <u>SDTI Security Services - Contract Award (Bill Burke)</u>
Action would authorize the CEO to execute MTS Doc. No. G1299.0-10 with Heritage Security Services/Transit Systems Security for security patrol services for a 4-year base period with two 1-year options (for a total of 6 years). | Approve |
|-----|---|---------|

REPORT ITEMS

- | | | |
|-----|---|-------------|
| 45. | <u>MTS: Rock 'N Roll Marathon (Tom Doogan and Jim Byrne)</u>
Action would receive a report for information. | Receive |
| 60. | <u>Chairman's Report</u> | Information |
| 61. | <u>Audit Oversight Committee Chairman's Report</u> | Information |
| 62. | <u>Chief Executive Officer's Report</u> | Information |
| 63. | <u>Board Member Communications</u> | |
| 64. | <u>Additional Public Comments Not on the Agenda</u>
If the limit of 5 speakers is exceeded under No. 3 (Public Comments) on this agenda, additional speakers will be taken at this time. If you have a report to present, please furnish a copy to the Clerk of the Board. Subjects of previous hearings or agenda items may not again be addressed under Public Comments. | |
| 65. | <u>Next Meeting Date:</u> July 15, 2010 | |
| 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.

ADM 110.2

June 24, 2010

**Draft for
Executive Committee
Review Date: 6/17/10**

SUBJECT:

MTS: PROPOSED REVISIONS TO MTS POLICY NO. 44 - TRAVEL EXPENSE
POLICY

RECOMMENDATION:

That the Board of Directors approve the proposed revisions to MTS Policy No. 44 –
Travel Expense Policy (Attachment A).

Budget Impact

None.

DISCUSSION:

MTS's current travel expense policy only permits the Chief Financial Officer to sign
expense reports for MTS Board members. During a recent internal audit, MTS's outside
auditors recommended revising the policy by adding the Chief Executive Officer and
General Counsel as additional signatories.

Therefore, staff is requesting Board approval of the proposed revisions to MTS's Policy
No. 44 – Travel Expense Policy (Attachment A).

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

Paul G. Jablonski
Chief Executive Officer

Key Staff Contact: Tom Lynch, 619.557.4538, tom.lynch@sdmts.com

JUNE24-10.6.POLICY 44 TRAVEL EXPENSE.TLYNCH.doc

Attachment: A. Proposed Revisions to MTS Policy No. 44

1255 Imperial Avenue, Suite 1000, San Diego, CA 92101-7490 • (619) 231-1466 • www.sdmts.com

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





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

Policies and Procedures

No. 44

SUBJECT:

Board Approval: 7/19/07

MTS TRAVEL EXPENSE POLICY

PURPOSE:

To establish guidelines for MTS employees and Board members who have been approved to travel on behalf of MTS.

POLICY:

- 44.1 Agencies. This policy applies to all MTS agencies including MTS, San Diego Transit, San Diego Trolley, Inc., and San Diego Vintage Trolley, Inc.
- 44.2 Travel Request. Persons requesting that MTS pay for travel must request advance approval. This is done via a "Travel Request Form" (attached). The form must be completed and approved at least two weeks prior to the trip. The department manager or director can approve requests up to \$500. Travel requests from \$500 to \$1,500 can be approved by the Chief Operating Officer(s), Chief Financial Officer, or General Counsel. All amounts over \$1,500 must be approved by the Chief Executive Officer. The top-level approver will route the form back to the Finance Department for payment of advances and/or matching with expense reports upon return. All Board member and employee travel shall be consistent with Policy No. 29, "Attendance at Transit-Related Conferences." The approved form will be returned to the traveler prior to departure. Travel reservations will be made by the individual traveler, the Clerk of the Board for Board of Director travel, or such person as designated by the Chief Operating Officers or Chief Executive Officer.
- 44.3 Expense Report. The Expense Report portion of the form will be used to record actual trip expenses. The Expense Report must be completed within one week from the return date. The department manager or director must indicate approval of the submitted expenses (Chief Executive Officer approval for director travel, Chief Executive Officer, General Counsel, or Chief Financial Officer approval for Board of Director travel, and General Counsel approval of Chief Executive Officer travel). The form should then be forwarded to the Finance Department for processing, with a personal check attached for any funds due to

MTS. Failure to submit expense reports within this time frame may result in not being reimbursed or collection actions taken if money is owed to MTS. Extensions may be granted by the Chief Executive Officer.

All expenses should be itemized, including items MTS may have paid for in advance (e.g., airfare, conference registration) so that the report provides a complete record of all expenses. It is the traveler's responsibility to submit a completed report in order to receive prompt reimbursement.

- 44.4 Receipts. Itemized receipts for expenditures must be attached to the Expense Report for all expenses where a receipt is practically attainable (mandatory, unless a written satisfactory explanation is provided for expenses in excess of \$10). Such written explanations may be subjected to approval by the Chief Executive Officer. Hotel charges must be evidenced by an itemized hotel bill. A credit card receipt is not sufficient.
- 44.5 Travel Advances. The Travel Request Form will serve as the basis for travel advances. Travel advances will be distributed one week prior to the departure date. Costs incurred prior to departure may be reimbursed immediately; i.e., conference registration or airfare. Any travel advance shall not exceed the total estimated amount of per diem meal expenses less any items paid by MTS.
- 44.6 The following expenditure guidelines should be observed as upper limits unless particular circumstances reasonably dictate otherwise:
- a. Upper Limits. Upper limits for meals, hotels, and similar costs will be updated, approved by the Chief Executive Officer, and published annually.
 - b. Air Travel. Air travel is to be coach class for the most direct route. Travelers are encouraged to take advantage of the minimum 14-day advance ticket pricing. MTS will also cover the cost if it is more cost effective (i.e., difference in airfare as compared to the additional cost for hotel and meals) to include a Saturday stay; travelers should consider this option when practical.
 - c. Personal Auto Use. In the event that a private auto is used for the trip, mileage will be paid in accordance with the current IRS Mileage Reimbursement Rates (see attachment). Maximum reimbursement shall not exceed the cost of a comparable coach airfare to the same location.
 - d. Ground Transportation. In using surface transportation, the most practical alternative must be utilized. Such transportation would be used for travel to the airport and reasonable business-related trips at the location. Employees and Board members are encouraged to utilize public transportation where available.
 - e. Parking. MTS will reimburse the lesser of the parking cost for a personal auto left at the airport or the cost of a shuttle service or cab to and from the airport.

- f. Personal Travel. A traveler may wish to combine MTS-related travel with personal travel or with family members provided it does not exceed the cost equivalent to a single-person trip. Under no circumstances will MTS advance payments to cover such personal travel.
- g. Rental Car. Use of rental cars must be preapproved. In the event a rental car is required, MTS will only reimburse for the least expensive compact-size vehicle. MTS will not reimburse for rental car insurance coverage due to the fact that employees are included under MTS's General Automobile insurance coverage.
- h. Meals (While in Travel Status). Meals, including tip, shall generally average no more than the maximum rate approved and published annually. Alcohol consumed with a meal is not reimbursable. The amount per day applies to each 24-hour day of travel. Partial days would be prorated accordingly. Exceptions to the maximum rates must be approved by the Chief Executive Officer or General Counsel.
- i. Business Meal. Reasonable business (involving outside persons or when necessary to conduct MTS-related business) meals are permitted. All such meals must be itemized with justification on the Expense Report to determine eligibility for reimbursement.
- j. Hotel. Travelers will be reimbursed for the cost of a moderate and reasonably priced single-occupancy hotel room. Travelers should request the "government rate" when making hotel reservations. The maximum reimbursement is limited to the rate approved and published annually. Hotel stays in high-cost cities shall be approved by the Chief Executive Officer. These maximum limits may be waived if the traveler is staying at a hotel where a conference is being held. Baggage-handling service fees are reimbursable at standard rates.
- k. Other Business-Related Expenses. Other business-related expenses while traveling, such as supplies, equipment rental, reprographics, facsimiles, and other documented business-related expenses may be reimbursed when traveling on MTS business and used for MTS purposes.
- l. Travel Outside of the U.S. Reimbursement for travel to a foreign country will be calculated at the average exchange rate during the trip. All reimbursement for any Value Added Taxes charged for hotel accommodations must be returned to MTS.
- m. Telephone Calls (While in Travel Status). Reimbursements for telephone calls are permitted provided that such calls are directly related to MTS business. Travelers are required to provide an itemized list of all calls detailing the person(s) called and the reason for the call(s) for which reimbursement is requested. Personal calls are permitted up to a maximum of \$10 per day. Calls charged to personal calling cards may be submitted for reimbursement no later than 30 days from the time that the Travel Expense Report has been submitted.
- n. Registration. Travelers requesting to attend a conference or training that requires registration should do so in sufficient time to take advantage of any discounts.

- o. Conferences. Conference luncheons, special banquets, or other set-price official affairs that exceed the actual cost listed under meals may be reimbursed if they are necessary to the attendance of the conference and must be authorized in advance with the submission of the Travel Request Form. Conference luncheons hosted by vendors doing business with MTS may not be attended by employees if the value of the luncheon or banquet exceeds \$50.00.
- p. Cancellation Penalties. In the event that registration, airfare, hotel deposit, or any other such items that require prepayment are paid and the traveler is unable to attend and the prepayment is nonrefundable, then the traveler would be responsible for reimbursing MTS for the full cost unless the inability to attend is for valid business reasons, medical conditions, or personal emergencies, as approved by the Chief Executive Officer for employees or by the Executive Committee for Board members.
- q. Nonallowable Expenses. MTS will not provide any reimbursement for personal entertainment expenses, alcoholic beverages, travel expenses for family members, movies in hotels, personal items, charitable contributions, air travel insurance, or any other expenses not deemed necessary for business purposes.

MTS will not provide reimbursement for expenses incurred for the purpose of attending political events. An event shall be considered "political" if it is held for the purpose of supporting, opposing, or raising money to support or oppose any candidate, ballot measure, or political party.

MTS will not provide any reimbursement for expenses incurred with any private club that discriminates on the basis of race, gender, religion, sexual orientation, or other invidious criteria in its membership policy.

Exceptions to these guidelines must be approved by the Chief Executive Officer for employees and by the Executive Committee for Board members.

- 44.7 Within-Area Expenses. The form entitled "Expense Report (Within Area Expenses)" (see attachment) must be used to record any potential eligible expenses.

- a. Submittal of Form. Travelers must submit this form together with receipts on a monthly basis when (a) requesting reimbursement, or (b) reporting MTS credit card charges. This report applies to expenses incurred within the San Diego County area only.
- b. Eligible Expenses. Eligible expenses must be related to and necessary for carrying out MTS business. They may include, but not be limited to, phone calls on warrant checks, business meals or meetings, mileage, parking, or other miscellaneous out-of-pocket expenses related to MTS business. The Director of Finance or Chief Executive Officer may, in their judgment, disallow any extraordinary or inappropriate expenses. Whenever possible, travel should be by public transportation. If it is impractical to use public transit, an MTS vehicle or private auto should be used.

- c. Description and Purpose. The report should describe the item or the destination (if mileage) and the purpose. The traveler should indicate to which project code each item should be charged.
 - d. Approvals. All necessary approvals must be obtained in advance and the form submitted to the Finance and Administration Department.
- 44.8 Overtime. No overtime pay shall be earned while an employee is in an out-of-town travel status. Travel status is defined as the time an employee begins and completes the authorized business-related travel.

POLICY.44.TRAVEL EXPENSE POLICY

Attachments: Travel Request Form
Expense Report
Expense Report - Within Area Expenses Form
2010 Reimbursement Rates

Original Policy approved on 8/12/93.
Policy amended on 10/27/94.
Policy revised on 4/29/04.
Policy revised on 1/26/06.
Policy revised on 7/19/07.

JUNE24-10.6.AttA.POLICY 44.TRAVEL EXPENSE.TLYNCH.doc

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

TRAVEL REQUEST FORM

<div style="display: flex; justify-content: space-around; align-items: center;"> <div>MTS <input type="checkbox"/></div> <div>SDTC <input type="checkbox"/></div> <div>SDTI <input type="checkbox"/></div> </div>				Request Date	
Name				Title	
Department				Dept Number	Costs to be Charged To <small>(Cost Center/Project #)</small>
Meeting Name/Purpose					
Destination		Mode of Travel	Date of Departure		Date of Return
Estimated Expenses					
					Amount
Transportation (Air/Train/Car)					_____
Shuttles/Taxis/Parking					_____
Lodging	Days	Rate	_____		
Meals	Days	Rate	_____		
Other - List					_____
Other - List					_____
Total Estimated Expenses					_____
Less Amount To be Paid Directly by MTS					_____
Maximum Amount to be Paid by Traveler					_____
Total Advance Requested					_____
		Approvals			
		Department Manager/Director _____			
		Finance _____			
		CEO/COO/CFO/COUNSEL _____			
Revised August 2005					

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

EXPENSE REPORT

MTS <input style="width: 40px;" type="text"/>	SDTC <input style="width: 40px;" type="text"/>	SDTI <input style="width: 40px;" type="text"/>	Report Date _____
Name _____			Title _____
Department _____		Dept Number _____	Costs to be Charged To (Cost Center/Project #) _____
Meeting Name/Purpose _____			

		DAY #1	DAY #2	DAY #3	DAY #4	DAY #5	Total
Dates							
Location (City, State)							
Transportation							
Shuttles/Taxis/Parking							
Lodging							
Meals	Breakfast						
	Lunch						
	Dinner						
Other _____							
Other _____							

- 1 Must be filed within one week after completing trip
- 2 Attach Receipts for all purchases over \$10.
Explain all items over \$10 not having receipts.
- 3 Include related trip items paid separately by MTS; mark with an Asterisk

I certify that the above report is correct

Signed _____

Approved _____

Total Expenses	_____
Less MTS Paid Items	_____
Subtotal	_____
Less Cash Advanced	_____
Amount Due Traveler (MTS)	_____

Revised August 2005



FINANCE & ADMINISTRATION USE ONLY	I certify that the expenses reported are correct:
PEID _____	Sign: _____
Batch ID _____	Approved by: _____
Due Date _____	_____ Department Director
Post Date _____	_____ Director of Finance
Description _____	_____ CEO

[illegible]

A-8

[illegible]

Instructions:

1. Employees must submit this form when requesting reimbursement. This report applies to expenses incurred within the San Diego metropolitan area only.
2. Eligible expenses must be related to and necessary for carrying out MTDB business. They may include, but not be limited to, phone calls on warrant checks, business meals or meetings, parking, or other miscellaneous out-of-pocket expenses related to MTDB business. The Director of Finance or General Manager may, in their judgment, disallow any extraordinary or inappropriate expenses. Attach receipts for all out-of-pocket expenses.
3. Briefly describe the item or the destination, if mileage, the purpose, and the project code. For example:

Date	Project Code	Description	Purpose	Telephone	Mileage/ Parking	Meals/ Mtps.	Other
1/1/00	100	City of La Mesa-20 miles	Mtg. with Mayor		\$8.00	-	-
1/1/00	20426-01-01	APTA Luncheon	Near FTA Adm. speak		\$ -	\$10.00	-

5. Obtain all necessary approvals and submit form to Finance & Administration department at least once a month.

*Attach receipts for all out-of-pocket expenses.



1255 Imperial Ave, Ste 1000
San Diego, CA 92101-7490
619/231-1466
FAX 619/234-3407

ANNUAL TRAVEL COST RATES

Calendar Year 2010

Hotel Maximum

Small/Medium US Cities	\$	170.00
Large US Cities/International	\$	220.00

Average Daily Meal Maximum

Small/Medium US Cities	\$	65.00
Large US Cities/International	\$	80.00

Mileage Reimbursement Rate

As set by the IRS, effective January 1, 2010 - per mile	\$.50
--	----	-----

Notes

1. These are maximum rates. Rates must be reasonable and necessary under the circumstances and will customarily be lower.
2. Small/Medium US Cities are defined for this rate structure as those with less than 1 million persons in the metropolitan area.

Large US Cities are defined for this rate structure as those with more than 1 million persons in the metropolitan area.
3. The Mileage Rate is directly tied to the rate set by the IRS and will be revised more frequently than annually if done so by the IRS.



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.



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

CIP 11167

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

June 24, 2010

**Draft for
Executive Committee
Review Date: 6/17/10**

SUBJECT:

MTS: LIGHT RAIL VEHICLE (LRV) TIRE KITS – CONTRACT AWARD

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L0949.0-10 (in substantially the same format as Attachment A) with UTC/RAS Corporation for light rail vehicle (LRV) tire kits for a five-year period.

Budget Impact

The contract would be for a five-year period with a total cost not to exceed \$2,580,689.70. The entire expenditure would be funded by CIP 11167-0200.

DISCUSSION:

MTS Policy No. 52 governing procurement of goods and services requires a formal competitive bid process for procurements exceeding \$100,000.

MTS's goal is to purchase an estimated 1,470 LRV tire kits for a five-year period. This agreement would provide LRV tire kits for Siemens' U-2, SD 100, and S70 models.

On March 18, 2010, MTS solicited an Invitation for Bids (IFB) for Light Rail Vehicle (LRV) Tire Kits for a five-year period. On May 5, 2010, MTS received three bids (see Bid Summary - Attachment B). UTC/RAS Corporation was the lowest responsive, responsible bidder for the five-year period at \$2,580,689.70; therefore, pursuant to MTS policy, staff recommends award of the contract to UTC/RAS Corporation.

Paul C. Jablonski
Chief Executive Officer

Staff Contact: Lee Summerlott, 619.595.4904, lee.summerlott@sdmts.com.

JUNE24-10.7.LRV TIRE KITS.KBENSON.doc

Attachments: A. Draft MTS Doc. No. L0949.0-10
B. Bid Summary

DRAFT

Att. A, AI 7, 6/24/10

STANDARD PROCUREMENT AGREEMENT

L0949.0-10

CONTRACT NUMBER

CIP 11167

FILE NUMBER(S)

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

Name: UTC/RAS Corporation Address: 501 Highland Avenue

Form of Business: Corporation Morton, PA 19070
(Corporation, partnership, sole proprietor, etc.)

Telephone: 610.328.1100

Authorized person to sign contracts: Steven J. Persson President
Name Title

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

Provide light rail vehicle (LRV) tire kits as stipulated in MTS's Invitation for Bids, including Addenda, Responses to Approved Equals/Clarifications; and in accordance with the Standard Procurement Agreement, including the Standard Conditions for Procurement, Federal Requirements, MTS's Safety Program, and Bid Proposal (hereinafter "Contract Documents"). If there are any inconsistencies between the Contract Documents, the following order of precedence will govern the interpretation of this contract.

1. Invitation for Bids, Addenda, Responses to Approved Equals/Clarifications, MTS Safety Program, and Bid Proposal.
2. Standard Procurement Agreement, including the Standard Conditions Procurement, and Federal Requirements.

This Contract shall be effective 7/1/10 through 6/30/15.

Total amount of this contract shall not exceed \$ 2,580,689.70.

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

AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
\$547,284.38	CIP 11167-0200	2011
\$522,789.53	CIP 11167-0200	2012
\$517,315.05	CIP 11167-0200	2013
\$500,350.05	CIP 11167-0200	2014
\$492,950.70	CIP 11167-0200	2015

Total = \$2,580.689.70

By: _____ Date
Chief Financial Officer

(___ total pages, each bearing contract number)

JUNE24-10.7.AttA.L0949.0-10.LRV TIRE KITS.KBENSON.doc

**BID SUMMARY
LRV TIRE KITS**

CONTRACT YEARS	UTC/RAS	Siemens	Penn Machine Company
Contract Year One (1) July 1, 2010 – June 30, 2011:	\$547,284.38	\$657,459.00	\$658,535.63
Contract Year Two (2) July 1, 2011 – June 30, 2012:	\$522,789.53	\$656,428.05	\$657,426.38
Contract Year Three (3) July 1, 2012 – June 30, 2013:	\$517,315.05	\$667,396.58	\$668,355.75
Contract Year Four (4) July 1, 2013 – June 30, 2014:	\$500,350.05	\$664,519.05	\$665,419.50
Contract Year Five (5) July 1, 2014 – June 30, 2015:	\$492,950.70	\$658,946.70	\$659,808.00
GRAND TOTAL (BASIS OF AWARD):	\$2,580,689.70	\$3,304,749.38	\$3,309,545.25



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

OPS 960.6

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

June 24, 2010

**Draft for
Executive Committee
Review Date: 6/17/10**

SUBJECT:

MTS: EXERCISE TIRE RUN-OUT WITH MICHELIN NORTH AMERICA, INC. FOR
LEASED BUS TIRES - CONTRACT AMENDMENT

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc No. B05-001.2 (in substantially the same format as Attachment A) with Michelin North America, Inc. to exercise the run-out option to cover payments for the remaining useful life of Michelin tires currently installed on buses at the Imperial Avenue and Kearny Mesa Divisions. The total duration of this run-out period would not exceed 36 months.

Budget Impact

The expenditures would come out of the San Diego Transit Corporation (SDTC) operating budget (Project Code 315-54410) for a total amount not to exceed \$259,162.09.

DISCUSSION:

For the past five years, Michelin North America, Inc. has been providing leased bus tires and related services for the buses located at the Imperial Avenue and Kearny Mesa Divisions. On June 30, 2010, the contract with Michelin North America, Inc. will expire, and the leased bus tires and related services will be taken over by Goodyear Tire and Rubber Company.

1255 Imperial Avenue, Suite 1000, San Diego, CA 92101-7490 • (619) 231-1466 • www.sdmts.com

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



Currently, there are approximately 1,572 Michelin tires installed and in circulation on MTS buses. Based on current tire mileage on the Michelin tires, MTS staff anticipates that the remaining useful life on all of the Michelin tires will be exhausted over 36 months. During this run-out period, as Michelin tires become unusable, they will be replaced by Goodyear tires. The run-out provision in the contract is an industry-wide practice, and both companies have agreed to work together for a seamless and successful transition. The overall cost impact of this action would be mitigated since the costs that would have been paid to Goodyear on the new contract would instead be paid to Michelin until the tire run-out period is completed.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: John Miller, 619.557.4580, john.miller@sdmts.com

JUNE24-10.8.MICHELIN TIRES RUN OUT.JMILLER.doc

Attachment: A. MTS Doc. No. B05-001.2

DRAFT

June 24, 2010

MTS Doc. No. B05-001.2

Ms. Patricia Strickland
Business Development Manager
Michelin North America, Inc.
One Parkway South
Greenville, SC 29615

Dear Ms. Strickland:

Subject: AMENDMENT NO. 2 TO MTS DOC. NO.B05-001; LEASED BUS TIRES AND RELATED SERVICES

This document shall serve as Amendment No. 2 to our agreement for tire-leasing services.

SCOPE OF WORK

The purpose of this amendment is to exercise the run-out option as stipulated in paragraph 8, "Invoice and Payment," and paragraph 11, "Termination," of the contract general and technical requirements.

This Amendment shall consist of the following:

MTS elects to continue using all Michelin tires that are in MTS's possession at the current contract rate until all Michelin tires have exhausted their useful life and are removed from service.

<u>Tire Size</u>	<u>Quantity</u>	<u>Run-Out Mileage (Est.)</u>	<u>Tire Rate</u>	<u>Total</u>
305/70R22.5	784 Each	16,610,313.42 Miles	\$0.00785	\$130,390.96
275/70R22.5	1,018 Each	17,884,879.28 Miles	\$0.00720	<u>\$128,771.13</u> \$259,162.09

SCHEDULE

The total duration of this run-out period shall not exceed 36 months (July 1, 2010 – June 30, 2013).

PAYMENT

As a result of this amendment, the total contract award amount has increased by \$259,162.09 (from \$3,884,894.18 to \$4,144,056.27).

Letter to Ms. Patricia Strickland
Page 2 of 2
June 24, 2010

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

Patricia Strickland
Michelin North America, Inc.

Date: _____

JUNE24-10.8.Atta.B05-001.2.
MICHELIN BUS TIRES.JMILLER.doc



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.

CIP 11224

**Draft for
Executive Committee
Review Date: 6/17/10**

June 24, 2010

SUBJECT:

MTS: CRANE TRUCK EQUIPMENT VEHICLE – CONTRACT AWARD

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L0969.0-10 (in substantially the same format as Attachment A) with Altec Industries to purchase one crane truck vehicle.

Budget Impact

This project would be federally funded under CIP 11224 (Catenary Inspection/Work Platform Truck) for a total of \$264,938.00.

DISCUSSION:

On September 10, 2009, the National Joint Powers Alliance (NJPA) awarded a contract to Altec Industries for landscaping and grounds-related equipment, accessories, and supplies. NJPA is a governmental agency under the enabling authority outlined in the Minnesota Statute 123A.21, which allows cooperative procurement services to its members from government, education, and nonprofit agencies nationwide and to piggyback onto its contracts.

NJPA advertised and competitively solicited this contract to more than six equipment manufacturing companies as an Invitation for Bids (IFB) under IFB No. 081209. Altec Industries was the single responsive bid and was awarded a contract for the crane truck equipment vehicle.



San Diego Trolley, Inc.'s (SDTI's) existing crane truck does not meet the 2010 California Emissions Standards and cannot cost effectively be modified to meet those standards since the cost to modify this crane truck is comparable to buying a new vehicle. After reviewing the base price offered on the NJPA contract and pricing for the option items, it was determined that Altec Industries' price is fair and reasonable (see Price Analysis – Attachment B).

In order to meet the new Environmental Protection Agency standards, staff is requesting Board approval of MTS Doc. No. L0969.0-10 to piggyback on the NJPA Contract No. 081209-ALT to purchase one new crane truck vehicle with hi-rail equipment from Altec Industries for a total contract amount of \$264,938.00.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Fred Byle, 619.595.4937, fred.byle@sdmts.com

JUN24-10.CRANETRUCK.FBYLE.doc

Attachments: A. Draft MTS Doc. No. L0969.0-10
B. Price Analysis

STANDARD PROCUREMENT AGREEMENT

DRAFT

L0969.0-10
 CONTRACT NUMBER
 CIP 11224
 FILE NUMBER(S)

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

Name: Altec Industries, Inc.Address: 325 Industrial Way

Form of Business: Corporation
 (Corporation, partnership, sole proprietor, etc.)

Dixon, CA 95620Telephone: 916-799-0658

Authorized person to sign contracts: Mark Baer Senior Account Manager
 Name Title

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

Provide one (1) crane truck equipment vehicle, Altec AC26-103B mounted on International 7400 Chassis, per MTS specifications, including hi-rail equipment, piggybacking on the National Joint Powers Alliance (NJPA) No. 081209-ALT, including all terms and conditions of the contract; and in accordance with the Standard Procurement Agreement, including the Standard Conditions Procurement, Federal Requirements, Safety Department's Standard Operating Procedures (SAF 016-03), and Altec Industries' revised quote received May 28, 2010.

Price includes equipment vehicle with hi-rail, California sales tax 8.75%, "exempt" license, California tire fee, delivery, and industry-standard manufacturer's warranty (12 months or 12,000 miles parts and labor) at \$264,938.00. Payment terms shall be net 30 days from invoice date. Delivery of the crane truck equipment vehicle shall be within 210-270 days upon receipt of purchase order/contract.

Vehicle shall be delivered to: **San Diego Trolley, Inc. (SDTI)** Attn: Fred Byle (619) 595-4937
 1341 Commercial Street
 San Diego, CA 92113

The registered owner will be: **San Diego Metropolitan Transit System (MTS)**
 1255 Imperial Avenue, Suite 1000
 San Diego, CA 92101

Total expenditures for this contract shall not exceed **\$264,938**. This contract is subject to a financial assistance agreement between MTS and the U.S. Department of Transportation.

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

AMOUNT ENCUMBERED

BUDGET ITEM

FISCAL YEAR

\$264,938.00

CIP 11224

11

By:

Chief Financial Officer

Date

JUNE24-10.9.AttA.L0969.0-10.
ALTEC CRANE TRUCK.MYNIGUEZ.doc

ALTEC INDUSTRIES, INC.
NJPA Contract #: 081209-ALT
ORDER PRICE REVIEW



Quoted for: San Diego Trolley
Customer Contact: Fred Byle / Marco Yniguez

QUOTE # 21

Quoted by: Tom Williams 760 250 2599 or Chet Borden 205 307 2007 Date: 5/28/10

REFERENCE ALTEC MODEL: AC26-103B

Base Price

\$196,274

Per Altec Commercial Standard Specifications plus Options listed below

(A.) NJPA PRICE LIST OPTIONS

1	Delivery Cost to Customer (2250 miles at \$1.70)	\$3,825
3	95' Sheave Height in lieu of 103'	-\$1,757

(B.) OPEN MARKET ITEMS

1	AC23-95B Lower pedestal to meet San Diego Trolley on rail max height under 14'	-\$3,956
2	Custom Engineering	
3	180 Degree Rotation in lieu of 370 Degree. Hydraulic limits switches.	
4	Delete Front Bumper Outrigger	-\$1,818
5	Control Stations are to be Standard in lieu of Walk Thourgh	
6	90 Gallon Reservoir On Side Of Frame in lieu of Behind Cab (\$760 at 20%)	\$950
7	Hydraulic Reservoir is to include: Two sight gauges, thermometer, and filter (\$125 at 20%)	\$156
8	12K Single Speed Winch in lieu of Standard 12K Two Speed Winch	-\$499
9	Primary & Auxilary Out & Down Outriggers in lieu of One Primary A-Frame Outrigger (\$7000 at 20%)	\$8,750
10	Two (2) Foot Throttles Installed One at each Control Stations (\$356 at 20%)	\$445
11	Radio Remote System (\$3,298 at 20%)	\$4,123
12	350 FT. of 9/16 in. Rotation resistant wire rope and non-swivel load ball and hook lieu of standard (\$713 at 20%)	\$891
13	Single Sheave Load Block, 2/3 part (\$1,320 at 20%)	\$1,650
14	Delete Standard 35,000 BTU Cooler	-\$143
15	Delete Pintle Hook with pull plate	-\$120
16	Delete One Plywood Pad and Pad Holder	-\$41
17	Custom Body in Lieu of Standard (\$4,772 at 20%)	\$5,965
18	Horizontal Storage Box, 48"L x 24"W x 24"H (\$512 at 20%)	\$640
19	Pull Out Underbody Drawer (\$1024 at 20%)	\$1,280
20	Grip Strut Steps Installed on CS of ICC Bumper (\$76 at 20%)	\$95
21	Three (3) H-Shaped Pole Racks (\$680 at 20%)	\$850
22	Eight (8) Recessed D-Ring Tie Downs (\$188 at 20%)	\$235
23	Stake Side Surrounding Perimeter of Flatbed (\$1074 at 20%)	\$1,343
24	Underride Protection (\$100 at 20%)	\$125
25	Amber Strobe Light with Guard (\$60 at 20%)	\$75
26	PTO Hour Meter, Round, With 10,000 Hour Display (\$50 at 20%)	\$63
27	Two (2) Rotating Work Lights (\$230 at 20%)	\$288
28	Flatbed to be painted with Martex Treadplate (\$250 at 20%)	\$313
29	Custom International 7400 SFA in lieu of 7500 due to Hi-Rail install	-\$7,630

TOTAL FOR UNIT AND CHASSIS: \$212,372

DMF HiRail System Installed (\$25,000 at 20%) \$31,250

TOTAL: \$243,622

Sales Tax 8.75%: \$21,317

Grand Total: \$264,938

****Pricing valid for 45 days****

NOTES

PAINT COLOR: White to match chassis, unless otherwise specified

WARRANTY: 12 months parts and labor, 90 days travel charges. 3 year structural on mounted equipment. Standard chassis warranty - International.

TO ORDER: To order, please contact Chet Borden.

CHASSIS: Per Altec Commercial Standards

DELIVERY: No later than **210 - 270** days ARO, FOB Conus Destination

TERMS: Net 30 days, Govt Credit Card Accepted (surcharge may apply)

FET TAX: If chassis is over 33K GVWR, a 12 % FET will be applied unless exempt

SALES TAX: Not included and will be added at the time of invoicing based on customer location.



Purchasing Department
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101
619.231.1466 FAX 619.696.7084

Att. B, AI 9, 6/24/10

PRICE ANALYSIS

MTS DOC. NO. L0969.0-10 CRANE TRUCK EQUIPMENT VEHICLES AC26-103B

ALTEC INDUSTRIES Inc.

NJPA contract #: 081209 ALT

Model AC26-103B Dated 5/28/10

Price \$212,372.00

ALTEC INDUSTRIES INC.

GSA CONTRACT # GS-30F-1028G

Model AC26-103B Dated 12/22/09

Price \$221,915.00

ALTEC INDUSTRIES INC.

Quotation Number 45323-1 City of Phoenix

Model AC26-103B Dated 9/15/08

Price \$221,334.00

ALTEC INDUSTRIES INC.

Quotation Number 55626-4 Florida Keys Electric Coop

Model AC26-103B Dated 5/28/10

Price \$241,555.00

MANITOWOC CRANES – NATIONAL CRANE

Model 995H

Price Analysis/Comparison Dated 6/08/10

Price \$267,000.00

(NOTE: Pricing excludes CA sales tax 8.75 % and Hi-Rail equipment)

Based on the comparison of the NJPA pricing from Altec Industries and Manitowoc Cranes – National Cranes, and other quotes obtain by MTS, and GSA Price List (Contract #GS-30F-1028G) for the base crane truck above, staff has determined that Altec's pricing is fair and reasonable.

PRICE COMPARSION ON HI-RAIL EQUIPMENT AND INSTALLATION

ALTEC INDUSTRIES Inc.

NJPA contract #: 081209 ALT

DMF Rail gear – RW1630

Price \$31,250.00

Dion International per MTS Doc. No.L0874.0-09

LRV Hi-Rail Vehicle DMF Rail gear – RW1420

Price \$26,000.00

Based on comparison of the technical specification for the above hi-rail equipment, staff has determined that Altec's pricing is fair and reasonable.

JUNE24-10.9 AttB.CRANE TRUCK PRICE ANALYSIS.MYNIGUEZ.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 Lamon Grove, City of National City, City of Poway, City of San Diego, City of Santee, and the County of San Diego