



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

## Agenda

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

January 12, 2012

Executive Conference Room  
9:00 a.m.

#### ACTION RECOMMENDED

- |    |  |                   |
|----|--|-------------------|
| A. | ROLL CALL  |                   |
| B. | APPROVAL OF MINUTES - December 1, 2011   | Approve           |
| C. | COMMITTEE DISCUSSION ITEMS   |                   |
| 1. | <u>Appointment of San Diego Association of Governments Transportation Committee Representative and Alternate (Sharon Cooney)</u><br>Action would take nominations from the floor and elect and appoint a representative and an alternate from the MTS Board to serve on the San Diego Association of Governments (SANDAG) Transportation Committee for the 2012 calendar year. | Elect/<br>Appoint |
| 2. | <u>Trolley Rehabilitation Project Update (Wayne Terry and John Haggerty of SANDAG)</u><br>Action would receive a report for information and provide comments.  | Receive           |
| 3. | <u>Compensation Study Results and Revised Salary Ranges (Jeff Stumbo)</u><br>Action would forward a recommendation to the Board of Directors to: (1) receive a report from The Epler Company; and (2) approve the proposed MTS Salary Ranges.  | Approve           |
| 4. | <u>Number Not Used</u>   |                   |

**Please SILENCE  
electronics  
during the meeting**

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



C. COMMITTEE DISCUSSION ITEMS (Continued)

- |    |  |                    |
|----|--|--------------------|
| 5. | <p>CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant to California Government Code Section 54956.8<br/><u>Property:</u> 2551 Commercial Street, San Diego, California (Assessor Parcel Nos. 535-670-43, 44, 45, and 46)<br/><u>Agency Negotiators:</u> Paul Jablonski, Chief Executive Officer; Karen Landers, General Counsel; and Tim Allison, Manager of Real Estate Assets<br/><u>Negotiating Parties:</u> Elisha Revocable Living Trust<br/><u>Under Negotiation:</u> Price and Terms of Payment</p>  | Possible<br>Action |
| 6. | <p>CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant to California Government Code Section 54956.8<br/><u>Property:</u> Imperial Avenue Division, 100 16th Street (Assessor Parcel Nos. 535-386-01, 535-386-02, and 535-603-02)<br/><u>Agency Negotiators:</u> Paul Jablonski, Chief Executive Officer; Karen Landers, General Counsel; Sharon Cooney, Chief of Staff; and Tim Allison, Manager of Real Estate Assets<br/><u>Negotiating Parties:</u> City of San Diego and Centre City Development Corporation<br/><u>Under Negotiation:</u> Price and Terms of Payment</p> | Possible<br>Action |
| 7. | <p>CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant to California Government Code Section 54956.8<br/><u>Property:</u> 8547 Cuyamaca Street and 9805 Prospect Avenue, Santee, California (Assessor Parcel Nos. 384-190-44 and 74)<br/><u>Agency Negotiators:</u> Paul Jablonski, Chief Executive Officer; Karen Landers, General Counsel; and Tim Allison, Manager of Real Estate Assets<br/><u>Negotiating Parties:</u> Keith Anderson; D&amp;M Holdings; and Western Real Estate Investments, LLC<br/><u>Under Negotiation:</u> Price and Terms of Payment</p>            | Possible<br>Action |
| 8. | <p>CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant to California Government Code Section 54956.8<br/><u>Property:</u> 5159 Baltimore Drive (Assessor Parcel No. 470-050-16)<br/><u>Agency Negotiators:</u> Paul Jablonski, Chief Executive Officer; Karen Landers, General Counsel; and Tim Allison, Manager of Real Estate Assets<br/><u>Negotiating Parties:</u> G8 Development, Inc.<br/><u>Under Negotiation:</u> Price and Terms of Payment</p>   | Possible<br>Action |

D. REVIEW OF DRAFT JANUARY 19, 2012, JOINT BOARD AGENDA

- |    |  |                    |
|----|--|--------------------|
| E. | <p><u>REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA</u><br/>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.</p> | Possible<br>Action |
|----|--|--------------------|

- F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS
- G. PUBLIC COMMENTS
- H. NEXT MEETING DATE: February 9, 2012
- 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)  
1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101

December 1, 2011

A. ROLL CALL

Chairman Mathis called the Executive Committee meeting to order at 9 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 October 20, 2011 MTS Executive Committee meeting. Mr. Young seconded the motion and the vote was 4 to 0 in favor.

C. COMMITTEE DISCUSSION ITEMS

1. Third-Party Outlet Sales of Compass Card Fare Media (Sharon Cooney)

Sharon Cooney, Chief of Staff, presented a Power Point titled Third Party Outlet Sales of Compass Fare Media. She stated that currently Compass Card Pass Sales can be purchased at the Transit Store, Trolley ticket vending machines (TVM), Vons stores, other third party outlets, or through SANDAG. She reported average monthly Compass passes by venue and by sales. She reported that total pass sales from January to September 2011 are 558,393 passes or \$19,429,331.

Ms. Cooney stated that SANDAG contracted with Vons Supermarkets to sell Compass Fare Media for a 2 year contract. She reported that Vons has been a good partner during the roll out of Compass. She explained that Vons has expressed an interest in renewing only with changes in the terms. She reviewed the proposed Vons terms.

Ms. Cooney reported that SANDAG issued an RFP in August for a third-party sales outlet and only Albertsons Southern California submitted a proposal. She reviewed the Albertsons proposal. She reported that SANDAG is moving forward with the contract with Albertsons. Pass Sales at Vons will end January 5 and Pass sales at Albertsons will begin January 20. She explained the next steps.

Paul Jablonski stated that MTS is very supportive of SANDAG choosing Albertsons. Mr. Roberts asked if this is exclusive. Mr. Jablonski stated that there are gaps and SANDAG and MTS are working on that; Compass Card Pass Sales can still be purchased at the Transit Store, Trolley ticket vending machines (TVM), other third party outlets, or through SANDAG. Mr. Young requested that the policy remains to find ways to make it comprehensive. Mr. Jablonski responded that MTS will continue to work on the gaps.

Action Taken:

Mr. Roberts moved to receive a report on third-party outlets selling Compass Card fare media. Mr. Ovrom seconded the motion and the vote was 5-0 in favor.

3. Passenger Communications Through Texting and Social Media (Devin Braun) (Taken Out of Order)

Devin Braun, Senior Transportation Planner, presented a Power Point on passenger communications through texting and social media. He explained why MTS and customers use social media. He stated how social media can get customers engage. He reported that four staff members respond to the social media and spend about 2-4 hours a week doing so. He reported that during the blackout on September 9, Twitter was one of the only ways to reach MTS customers.

Mr. Braun provided a background on GOMTS. He stated that GOMTS is MTS real-time arrival and alert texting system. MIS Sciences provides the actual service. He reported that 90% of MTS customers have a cell phone, the customer sends a 5-digit stop number to MTS short code, GOMTS (46687) and receives an immediate response with real-time or schedules arrivals. He stated that 50% of buses have real-time; the other 50% will be online within a few years. The cost is approximately \$0.04 per outgoing message.

Mr. Braun explained how sending a message and receiving a response works on the cell phone. He reported that 4500 bus stops have the GOMTS stop numbers and bus stop blades and all stops will be done this Friday. GOMTS stop numbers are also on trolley timetable display boards.

Mr. Braun reported on how MTS has implemented the GOMTS with Beta, how to get new users via marketing, and how GOMTS can set up contest, alerts, and advertising. He also provided tips on tweeting.

The Executive Committee engaged in discussion regarding other agencies connecting to MTS services, automatic response, sig alerts, and an app to refill the Compass Card.

Action Taken:

Mr. Minto moved to receive a report for information. Mr. Roberts seconded the motion and the vote was 5 to 0 in favor.

4. Cart, Stroller, and Cargo Requirements (Claire Spielberg) (Taken Out of Order)

Claire Spielberg, Chief Operating Officer, provided an overview on how the project came about. She introduced Jeff Codling, Contract Services Administrator who presented a Power Point on the cart, stroller, and cargo rules and procedures. He provided the findings on carts vs. wheelchair on Routes 3 and 929. He reported that the number of carts, strollers, and cargo is substantially higher versus wheelchairs. MTS surveyed 100 drivers and reported the same issue. During this time MTS started to receive complaints about wheelchair customer pass-ups due to capacity and carts and strollers as trip hazards. He provided several slides showing riders with different types of cargo, strollers, carts, etc.

Mr. Codling stated that on June 23, 2011, the MTS Accessible Services Advisory Committee (ASAC) had a discussion and provided feedback on the proposed rules. He explained the Title 13, Sec 1216c of the California Code of Regulations which states that "*In no event shall aisles, doors, steps, or emergency exits be blocked.*" He explained the overview of the MTS Cart, Stroller, and Cargo Rules. He provided a slideshow of the designated seating for riders with carts or strollers. He reported that there is no change to the existing Bike Policy

and the exceptions for riders with disabilities will be accommodated as required by the American with Disabilities Act (ADA) and Route 992 (Airport Shuttle). He stated that the rules will help with capacity and that MTS is ahead of the other agencies.

Mr. Minto thanked staff for the report.

Action Taken:

Mr. Roberts moved to forward a recommendation to the Board of Directors to approve new cart, stroller, and cargo requirements for transit riders under existing MTS "Rules for Riding" language. Mr. Minto seconded the motion and the vote was 4 to 0 in favor.

2. Trolley Rehabilitation Project Update (Wayne Terry and John Haggerty of SANDAG) (Taken Out of Order)

John Haggerty of the San Diego Association of Governments (SANDAG) gave an update on the trolley rehabilitation project. Mr. Haggerty reported that the new budget from \$455.2 million to \$552 million has been approved by SANDAG, ITOC, and MTS. Mr. Haggerty talked about the updated schedule of construction for the various projects and the milestones associated with each project. He discussed the project status for design elements and construction elements. He provided an update on the Green Line Extension Stations at 12<sup>th</sup> & Imperial (Bayside Platform), Washington Street, America Plaza, and the C Street Double Crossover. He discussed the C Street construction weekend closures. He stated that MTS will continue the community outreach. He provided an update on the Orange Line Stations at Encanto/62<sup>nd</sup> Street and 47<sup>th</sup> Street. Wayne Terry, Chief Operating Officer provided the project status on the vehicle production, delivery, in revenue service, and production at the plant.

Action Taken:

Mr. Ovrom moved to receive a report for information and provide comments. Mr. Minto seconded the motion and the vote was 4 to 0 in favor.

D. REVIEW OF DRAFT DECEMBER 8, 2011, JOINT BOARD AGENDA *(Taken Out of Order)*

6. Bus Operator Uniforms Contract - Exercise Contract Option Years One and Two

Action would: (1) ratify MTS Doc. No. B0509.1-09 with Kingsbury Uniforms, Inc. for the addition of union patches for men's and women's polo shirts; (2) ratify MTS Doc. No. B0509.2-09 with Kingsbury Uniforms, Inc. for the addition/replacement of men's and women's polo shirts and oxfords uniform styles to better quality uniform garments at no additional cost to MTS; (3) ratify MTS Doc. No. B0509.3-09 with Kingsbury Uniforms, Inc. to give bus operators the option to buy a garrison belt; and (4) authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0509.4-09 with Kingsbury Uniforms, Inc. to exercise option years one and two for bus operator uniforms.

7. Federal Transit Administration 5311 Program of Projects

Action would approve Resolution No. 11-18 authorizing the use of \$234,837 of Federal Transit Administration (FTA) Section 5311 funds for operating assistance in nonurbanized areas.

8. Finalized Internal Audit Report on SDTC Revenue Management

Action would receive an internal audit report on San Diego Transit Corporation's (SDTC's) Revenue Management.

9. Siemens Light Rail Vehicle (LRV) Procurement - Contract Amendment

Action would authorize the CEO to execute MTS Doc. No. L0914.7-10, which would authorize Siemens to: (1) add an instructor's plug receptacle to the 57 LRVs being purchased; (2) add a front-end fender to the 57 LRVs; and (3) adjust the sales tax rate paid under the agreement.

10. Investment Report - October 2011

Action would receive a report for information.

11. Legal Services - Contract Award

Action would authorize the CEO or appropriate staff persons to execute contracts on an as-needed basis to attorneys and firms from the prequalified list for MTS and its subsidiaries.

12. Federal Transit Administration 5316 Grant Applications

Action would adopt Resolution No. 11-17 authorizing the CEO to submit Job Access and Reverse Commute (JARC) applications for fiscal years 2012 and 2013 for Federal Transit Administration (FTA) Section 5316 funding.

13. Taxicab Advisory Committee Member Election Results

Action would ratify the appointment of two new members of the Taxicab Committee as stated in the results of the Taxicab Advisory Committee (TAC) member election.

14. Discontinuance of Route 830 - Murphy Canyon Premium Express

Action would approve the discontinuance of Route 830.

15. Insurance Brokerage and Consultation Services - Contract Amendment

Action would authorize the CEO to enter into MTS Doc. No. G1035.2-07 with BB&T John Burnham Insurance Services to extend the existing insurance brokerage and consultation services contract (MTS Doc. No. G1035.1-07) for an additional six-month period.

16. State Transit Assistance (STA) Claims

Action would adopt Resolution No. 11-19 approving fiscal year (FY) 2012 State Transit Assistance (STA) claims.

Recommended Consent Items

There was no additional discussion of the recommended Consent Items.

E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA *(Taken Out of Order)*

There was no SANDAG Transportation Committee agenda discussion.

F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS *(Taken Out of Order)*

There was no Committee Member Communications and Other Business discussion.

G. PUBLIC COMMENTS *(Taken Out of Order)*

There was no Public Comment.

5. CLOSED SESSION - Conference With Legal Counsel Anticipated Litigation/Significant Exposure to Litigation Pursuant to California Government Code Section 54956.9(b) (One Potential Case) *(Taken Out of Order)*

**The Executive Committee reconvened to Open Session at 10:50 a.m.**

Oral Report of Final Actions Taken in Closed Session

Karen Landers, MTS General Counsel, reported the following:

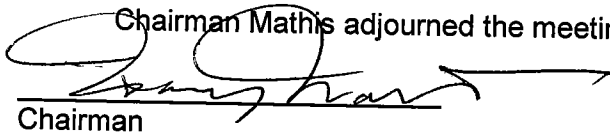
The Committee received a report.

H. NEXT MEETING DATE

The next Executive Committee meeting is scheduled for January 12, 2012, at 9:00 a.m. in the Executive Committee Conference Room.

I. ADJOURNMENT

Chairman Mathis adjourned the meeting at 10:51 a.m.



Chairman

Attachment: A. Roll Call Sheet



**EXECUTIVE COMMITTEE  
METROPOLITAN TRANSIT SYSTEM**

ROLL CALL

MEETING OF (DATE) December 1, 2011

CALL TO ORDER (TIME) 9:00 a.m.

RECESS \_\_\_\_\_

RECONVENE \_\_\_\_\_

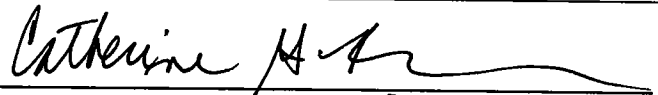
CLOSED SESSION 10:30 a.m.

RECONVENE 10:50 a.m.

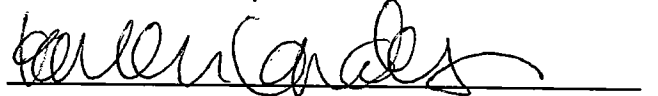
ADJOURN 10:51 a.m.

BOARD MEMBER (Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
YOUNG <input checked="" type="checkbox"/> (Lightner) <input type="checkbox"/>		10:02 a.m.
MATHIS <input checked="" type="checkbox"/>		
OVROM <input checked="" type="checkbox"/> (Janney) <input type="checkbox"/>		
ROBERTS <input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>		
MINTO <input checked="" type="checkbox"/> (Cunningham) <input type="checkbox"/>	9:02 a.m.	
Transportation Committee Rep Slot (Mathis)		

SIGNED BY OFFICE OF THE CLERK OF THE BOARD:



CONFIRMED BY OFFICE OF THE GENERAL COUNSEL:





1255 Imperial Avenue, Suite 1000  
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## Agenda

Item No. C1

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

January 12, 2012

#### SUBJECT:

APPOINTMENT OF SAN DIEGO ASSOCIATION OF GOVERNMENTS  
TRANSPORTATION COMMITTEE REPRESENTATIVE AND ALTERNATE  
(SHARON COONEY)

#### RECOMMENDATION:

That the Executive Committee take nominations from the floor and elect and appoint a representative and an alternate from the MTS Board to serve on the San Diego Association of Governments (SANDAG) Transportation Committee for the 2012 calendar year.

#### Budget Impact

None.

#### DISCUSSION:

MTS Board Policy No. 22 specifies:

*On or before its first meeting in January, the Executive Committee shall appoint one of its members to serve as the representative and one of its members to serve as the alternate to the San Diego Association of Governments (SANDAG) Transportation Committee to serve for a term of one year. In the event that the Executive Committee feels a member of the Board who does not serve on the Executive Committee is their preferred representative or alternate for the SANDAG Transportation Committee, the Executive Committee shall have the ability to select the representative or alternate from the full Board. In that instance, the*




*SANDAG Transportation Committee representative, or the alternate in his or her absence, shall attend the Executive Committee meetings as a voting member.*

The most recent SANDAG Transportation Committee representative was Harry Mathis, and the alternate was Al Ovrom.

The nomination and election procedures pursuant to Robert's Rules of Order are as follows:

1. The Chairman of the Executive Committee opens the agenda item.
2. The Chairman requests nominations from the floor. Nominations do not require a second.
3. The Chairman closes the nominations.
4. The Chairman asks for any Executive Committee discussion.
5. The Chairman calls for the vote on each candidate in the order in which they were received. The vote continues until a candidate is elected.



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [sharon.cooney@sdmts.com](mailto:sharon.cooney@sdmts.com)

JAN12-12.C1.ELECT SANDAG REP.SCOONEY.doc



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## Agenda Item No. C2

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

January 12, 2012

#### SUBJECT:

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

#### RECOMMENDATION:

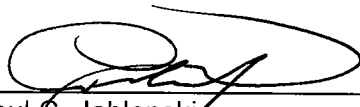
That the Executive Committee receive a report for information and provide comments.

#### Budget Impact

None.

#### DISCUSSION:

Activities to rehabilitate and retrofit the trolley system for low-floor-car operations are underway. Design of the stations is progressing, and Blue Line catenary replacement work has been completed. Green Line and Orange Line Station retrofits have begun, and signal and track work is underway. New low-floor vehicles continue to arrive from the manufacturer. MTS and San Diego Association of Governments (SANDAG) staffs will provide the Executive Committee with an update on the project.

  
Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Wayne Terry, 619.595.4906, [wayne.terry@sdmts.com](mailto:wayne.terry@sdmts.com)

JAN12-12.C2.TROLLEY REHAB.TERRY

# MTS Executive Committee

## Blue and Orange Line Improvement Corridor

Update  
January 12, 2012

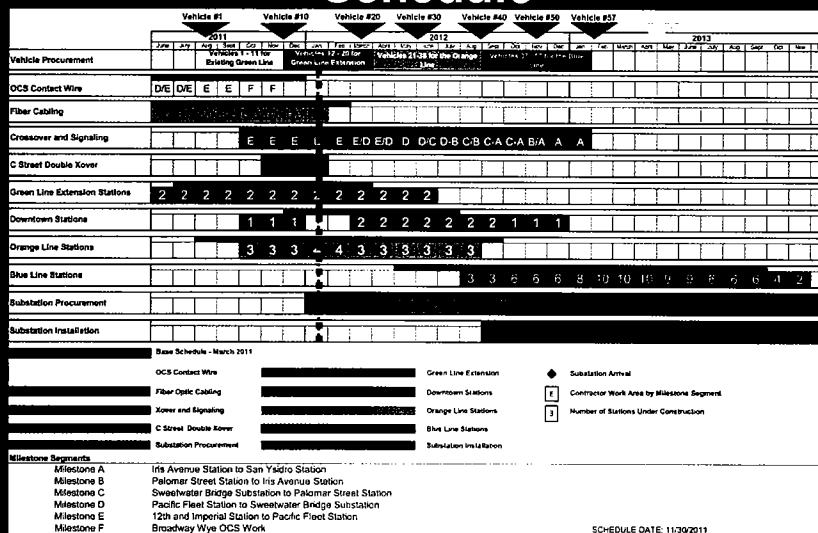
Blue & Orange Line Improvement



SANDAG

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# MTS Executive Committee Schedule



Blue & Orange Line Improvement



SANDAG

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## MTS Executive Committee Project Status

- **Design 2009 – 2012**
  - Traction Power Substation Installation 95%
  - Rail Rehabilitation Pending
    - 90 lb Rail Replacement
    - Tie Replacement
    - Track Replacement
- **Construction 2010 – 2014 (Work Completed)**
  - Blue Line Contact Wire
  - Euclid Avenue Grade Crossing

  
Blue & Orange Line Improvement



**SANDAG**

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## MTS Executive Committee Project Status

- **Construction 2010 – 2014 (Work In Progress)**
  - Fiber Optic 95% Select Electric (local)
  - America Plaza Station 90% ABC (local)
  - C Street Crossover 90% HMS (local)
  - 32<sup>nd</sup> & Commercial Trackwork 80% Herzog
  - Civic Center Station Trackwork 40% HMS (local)
  - Orange Line Stations 20% WCG (local)
  - Green Line Extension Stations 20% Wier, HMS and ABC (all local)
  - Crossovers & Signaling 15% JV HMS/WCG (local)
  - Downtown Stations Apparent Low Bidder – HMS (local)
  - Traction Power Substations Notice of Intent to Award (Siemens)
  - Blue Line Station Improvement To Be Advertised

  
Blue & Orange Line Improvement



**SANDAG**

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## MTS Executive Committee Green Line Extension Stations



12<sup>th</sup> & Imperial Station (Bayside Platform)

- Phase 1 – Substantially Complete
- Phase 2 – In Progress

Blue & Orange Line Improvement



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## MTS Executive Committee Green Line Extension Stations



Washington Street Station  
Platform Under Construction

Blue & Orange Line Improvement

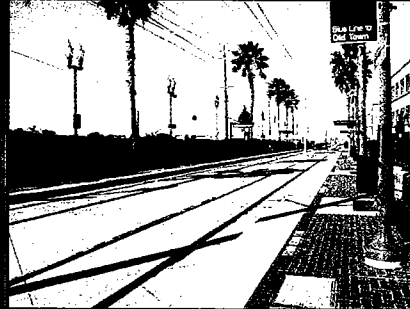


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## MTS Executive Committee Green Line Extension Stations



Washington Street Station  
Platform Re-opened November 23

Blue & Orange Line Improvement

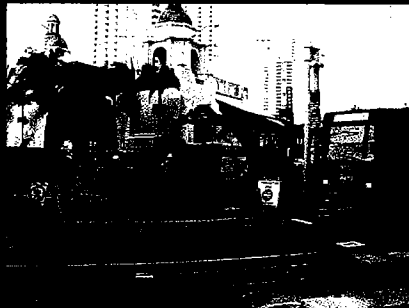


SANDAG

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## MTS Executive Committee America Plaza Station



Pedestrian "Pop-out" on Kettner Blvd.



Final Improvements at Station Platform

Construction Started – October 22, 2011  
Platform Reopened - December 19, 2011

Blue & Orange Line Improvement



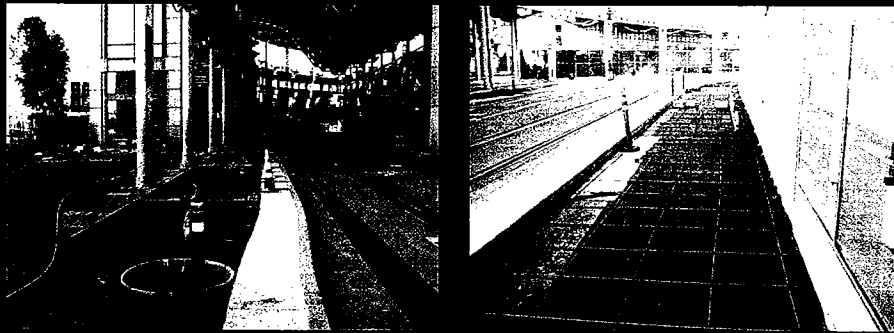
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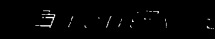


## MTS Executive Committee America Plaza Station



Station Platform Under Construction

Construction Started – October 22, 2011  
Platform Reopened - December 19, 2011

  
Blue & Orange Line Improvement

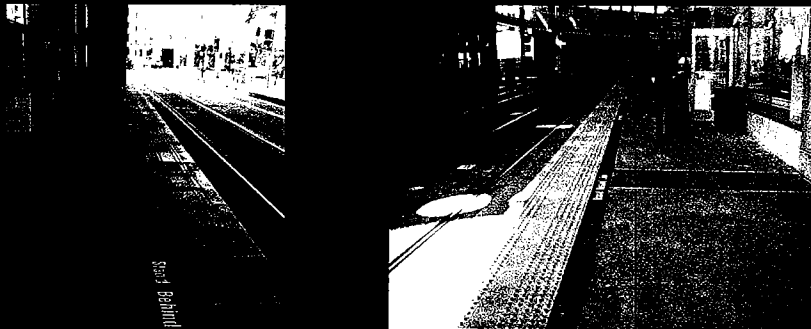




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## MTS Executive Committee America Plaza Station



New Tactile Warning Paver and Platform Paving

Construction Started – October 22, 2011  
Platform Reopened - December 19, 2011

  
Blue & Orange Line Improvement







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MTS Executive Committee  
**C Street Double Crossover**




Demolition for Double Crossover Trackwork

Trackwork on C Street and India Street

Construction Started October 22, 2011  
Will Be Completed January 22, 2012

Blue & Orange Line Improvement





SANDAG

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MTS Executive Committee  
**C Street Double Crossover**



Installation of the Double Crossover

Construction Started October 22, 2011  
Will Be Completed January 22, 2012

Blue & Orange Line Improvement






SANDAG

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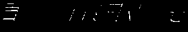
MTS Executive Committee  
**C Street Double Crossover**





Completed Double Crossover

Grade Crossing Improvements

Construction Started October 22, 2011  
Will Be Completed January 22, 2012

 Blue & Orange Line Improvement



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MTS Executive Committee  
**Civic Center Station Trackwork**



Trackway Paving Removed

Construction Started October 22, 2011  
Will Be Completed January 22, 2012

 Blue & Orange Line Improvement




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MTS Executive Committee

## BLUE LINE CROSSOVERS & SIGNALING PROJECT

 Blue & Orange Line Improvement



**SANDAG**

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
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## MTS Executive Committee Blue Line Crossovers & Signaling



Drainage and Grade Crossing Improvements

Beardsley Street Grade Crossings Near Harbor Drive

 Blue & Orange Line Improvement



**SANDAG**

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## MTS Executive Committee Blue Line Crossovers & Signaling



Crossover Installation



Crossover Improvement

Blue & Orange Line Improvement



SANDAG

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## MTS Executive Committee

## ORANGE LINE STATIONS

Blue & Orange Line Improvement

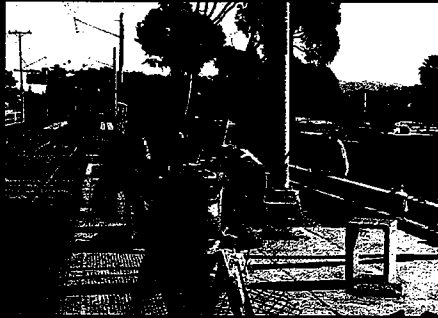


SANDAG

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## MTS Executive Committee Orange Line



Platform Improvements In Progress

47<sup>th</sup> Street Station

Blue & Orange Line Improvement

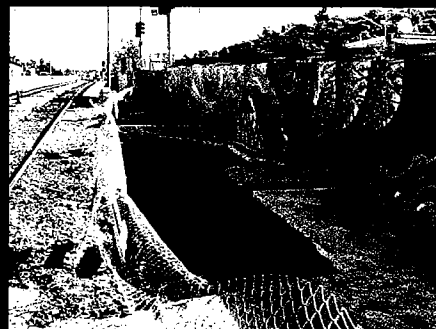


SANDAG

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## MTS Executive Committee Orange Line Stations



Platform Improvements In Progress – Trenching for Conduits and Shelter Foundations

Encanto / 62<sup>nd</sup> Street Station

Blue & Orange Line Improvement

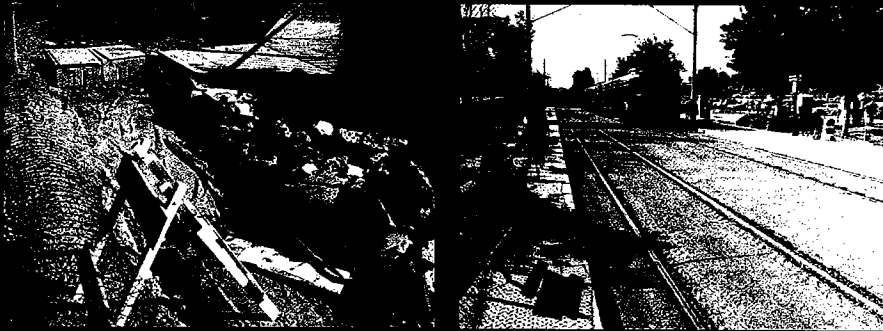


SANDAG

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## MTS Executive Committee Orange Line Stations



Platform Improvements In Progress – Trenching for Conduits

### Massachusetts Station

Blue & Orange Line Improvement



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## MTS Executive Committee Orange Line Stations



Track Replacement Complete

### 32<sup>nd</sup> Street Station Track Replacement

Blue & Orange Line Improvement



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## MTS Executive Committee Orange Line Stations



Track Replacement Complete

### Euclid Trackwork and Grade Crossing

Blue & Orange Line Improvement



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## MTS Executive Committee Light Rail Vehicle Procurement Status

- **Production Timeframe: 2010 to 2013**
  - Production Status: 30%
  - Delivered: 13
  - In Revenue Service: 10
  - In Production at the Plant: 7



Blue & Orange Line Improvement



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24

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1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
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## Agenda Item No. C3

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

January 12, 2012

#### SUBJECT:

COMPENSATION STUDY RESULTS AND REVISED SALARY RANGES  
(JEFF STUMBO)

#### RECOMMENDATION:

That the Executive Committee forward a recommendation to the Board of Directors to:

1. receive a report from The Epler Company; and
2. approve the proposed MTS Salary Ranges (Attachment B).

#### Budget Impact

The adjusted salary ranges are projected to increase FY 12 costs and employee-leave liabilities by \$94,892 (0.35%), which is within the FY 12 budget:

\$48,491 in salary,  
\$26,643 in pension costs and payroll taxes  
\$19,758 in leave liability  
\$98,892

#### DISCUSSION:

Salary ranges for nonrepresented employees have not been analyzed in depth since January 2005 when the Board unified the previously separate salary ranges for MTS, San Diego Transit Corporation (SDTC), and San Diego Trolley, Inc. (SDTI) as part of Senate Bill 1703 and the consolidation with the San Diego Association of Governments (SANDAG). At that time, the Board recognized that this structure would be refined over the years. Since then, many changes have occurred at MTS—positions and

responsibilities have been restructured, titles and reporting relationships have been modified, and over 20% of management positions have been frozen or eliminated.

MTS's enabling legislation requires the Board to adopt an annual budget and "fix the compensation of its officers and employees." (Pub. Util. Code § 120105(c).) This is done through the annual budget approval process with the personnel budget line item and periodic Board approval of the salary ranges. The legislation also requires the Board to adopt an Administrative Code that prescribes the powers and duties of board officers, the method of appointment of board employees, the organization of employees into specific business units, and other issues related to day-to-day administration of MTS. (Pub. Util. Code § 120105(d).) The Board adopted an Administrative Code meeting this requirement in 1977. The Administrative Code was last amended in 2005 as part of the consolidation/transition process. The Administrative Code grants authority to the Chief Executive Officer (CEO) to "set the employment terms, conditions, and benefits" for all MTS, SDTC, and SDTI employees. This includes the authority to classify each position and designate the appropriate salary range. The CEO is authorized to revise the classification plan, and the designated salary range for an individual position on an as-needed basis "subject to the limitations in the approved budget." In practice, this authority has been exercised by reclassifying positions upward or downward as appropriate as long as the cost impact of the move did not have a negative budget impact on the personnel line item. The designated minimum and maximum compensation amounts for each salary range (Ranges 1 to 15) have been reserved for Board approval.

#### MTS Compensation Policy – Pay-for-Performance

MTS is a pay-for-performance agency. Pay increases for nonrepresented employees are determined by their performance, as appraised by their immediate supervisor in their annual performance evaluation. Every year, each nonrepresented employee receives a comprehensive performance appraisal that evaluates between 15 and 19 characteristics, such as leadership, job knowledge, motivation, etc. Supervisors also outline their employees' achievements, areas of strength, areas for improvement, and set a development plan and future goals for the employee during the evaluation process. When the budget allows, eligible employees receive a merit increase based on their performance.

On an annual basis, the MTS Board approves a personnel line item that may or may not include funding for merit increases. At the conclusion of an employee's performance appraisal, the supervisor may recommend a merit increase, which must be approved by their supervisor as a check and balance. The FY 12 merit pool is 2.5%. For FY 11, the merit pool was 2%. FY 10, there was no merit pool. For FY 12, some employees will receive more than 2.5% and some will receive less depending upon their performance.

MTS's enabling legislation specifies that the Board determines the annual budget and the salary ranges of its employees and officers. When employees' salaries reach the top of their range, they receive their merit increase or adjustment as a lump-sum payment. For example, if an employee is \$500 below the top of their range and they receive a merit increase of \$1,000, they would receive a \$500 base pay increase and a \$500 lump sum payment. In future years, they would not be eligible for increases in their base pay.

The performance-based merit increase is the primary mechanism by which to increase the compensation of nonrepresented employees, unless they are promoted or their responsibilities change significantly. Nonrepresented employees do not receive step increases, cost-of-living adjustments (COLAs) were eliminated in 2005, and the Performance Incentive Bonus Program has been frozen since 2008. Nonrepresented employees also receive no automatic increases to salary based on longevity or time in any grade. Accordingly, it is important that MTS have appropriate salary ranges in order to remain competitive in the local and national labor markets and to avoid salary compression with the employees they supervise.

### Salary Survey

In January 2011, staff outlined their concerns to the Executive Committee that the current salary ranges were outdated and sought direction on how best to address the issue. The consensus was that a comprehensive external study was needed in order to examine and potentially modify Agency's salary ranges. In June 2011, through a competitive bidding process, staff retained The Epler Company, a local company and one of California's foremost firms specializing in public-sector and nonprofit compensation, to perform the following scope of work:

1. Conduct an industry-specific survey of 36 unique transportation positions.
2. Analyze job descriptions to evaluate compensation for all other administrative positions (approximately 110).
3. Create appropriate salary ranges based on the results of 1 and 2.
4. Insert all nonrepresented positions (approximately 143) within the revised salary ranges based on generally accepted compensation principles.

Based on the survey's results, staff is proposing that the Executive Committee recommend that the Board approve new salary ranges outlined in Attachment B (Proposed Salary Ranges).

If the proposed salary ranges are approved, 16 nonrepresented employees (mostly front-line supervisors) would receive a pay increase to bring their salary to the minimum of their position's new salary range. Considering that the employees these front-line supervisors supervise are eligible for overtime and their supervisors are not, their front-line supervisors currently earn less pay than many of their subordinates while working longer hours with greater responsibility. This pay disparity makes it particularly difficult to recruit bus operators and other represented employees into supervisory positions.

The following table outlines the proposed salary increases.

<b>Positions Below Proposed Range Minimum</b>				
<b>Title</b>	<b>Range Number</b>	<b>Current Salary</b>	<b>Proposed Range Minimum</b>	<b>Salary Increase</b>
Communications Designer III	7	43,930	47,531	3,602
Benefits & Compensation Analyst	7	45,011	47,531	2,520
Telephone Information Supervisor	7	47,024	47,531	507
Service Operations Supervisor	8	48,057	53,356	5,299
Service Operations Supervisor	8	48,797	53,356	4,559
Communications / Operations Supervisor	8	49,050	53,356	4,306
Service Operations Supervisor	8	49,899	53,356	3,457
Service Operations Supervisor	8	49,920	53,356	3,436
Service Operations Supervisor	8	49,920	53,356	3,436
Communications / Operations Supervisor	8	50,003	53,356	3,353
Service Operations Supervisor	8	50,378	53,356	2,978
Communications / Operations Supervisor	8	50,960	53,356	2,396
Communications / Operations Supervisor	8	51,064	53,356	2,292
Communications / Operations Supervisor	8	51,168	53,356	2,188
Communications / Operations Supervisor	8	52,354	53,356	1,002
Communications / Operations Supervisor	8	53,019	53,356	337
Track Supervisor	9	59,779	61,093	1,313
Contract Services Administrator	11	79,768	80,093	325
<b>Total Salary Cost</b>				<b>47,309</b>

#### Outdated Salary Structure - Costly Turnover

MTS's salary structure is outdated in terms of accurately reflecting the value of positions in the external market and/or internal equity, which has ultimately precipitated costly turnover. In fact, the foremost issue driving the compensation study and ultimate recommendation that the salary ranges be modified is that other employers continue to aggressively recruit and, in many cases, hire away key staff members. MTS has lost many employees with unique and specialized skills who are difficult to replace, and we are extremely vulnerable to losing more. For example, in the last several years, MTS Rail alone has lost 10 supervisor-level employees, 10 electromechanics, and 4 train operators to some transit systems, including Charlotte, Los Angeles, Seattle, and North San Diego County. These specialized employees are difficult and costly to replace, and many were being groomed to be future leaders in their departments.

MTS has also lost key staff in other parts of its operations, such as programmers, a network operations manager, a server systems specialist, a superintendent of LRV Maintenance, a project accountant, and several others. Exit interviews reveal that compensation was a key factor in the majority of these employees' decision to leave.

The cost to recruit replacements, which for some positions can exceed \$20,000 in advertising and placement fees alone, largely offsets the cost of the proposed salary ranges. For example, for two particularly difficult positions to fill in 2011, MTS paid over \$65,000 in advertising and placement fees. Moreover, the additional time and effort necessary to train new employees so they can be as productive as their predecessors is also costly.

### Summary

Board approval of the proposed range changes would:

1. Ensure salary ranges reflect the duties and responsibilities of staff;
2. More closely align MTS salary ranges with those of comparable employers and the employers who aggressively recruit our staff;
3. Help management attract and retain quality employees.

### Recommendation

That the Executive Committee forward a recommendation to the Board of Directors to:

1. receive a report from The Epler Company; and
2. approve the proposed MTS Salary Ranges (Attachment B);

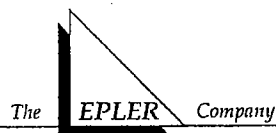


Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Jeff Stumbo, 619.557.4509, [Jeff.Stumbo@sdmts.com](mailto:Jeff.Stumbo@sdmts.com)

JAN12-12.C3.SALARY RANGES.JSTUMBO.doc

Attachments: A. The Epler Company Bio and Consultant Qualifications  
B. Proposed MTS Salary Ranges (**EC Only**)



## **OUR FIRM'S QUALIFICATIONS AND INDIVIDUAL CONSULTANTS' EXPERIENCE**

Headquartered in San Diego, The Epler Company, founded in 1971, is a woman-owned, privately held California Corporation. The Company has grown to become one of the larger independent consulting and actuarial firms in Southern California and currently employs 16 individuals. From our office in San Diego County, we provide services to clients throughout the United States. Our services include assisting with defined benefit and defined contribution plans, retiree medical studies, comprehensive compensation planning, survey analysis, executive compensation planning, regulatory compliance and employee communications. The Company is located at 450 B Street, Suite 750, San Diego, CA 92101, telephone number (619) 239-0831. Our web site is [www.eplercompany.com](http://www.eplercompany.com). Jane Barry, President/CEO is sole owner. Lin Ball is Vice President and Secretary of the Corporation.

### **Proposed Project Team**

#### **Lin Ball, BS, MBA, CCP, CBP, GRP, RHU – Senior Technical Advisor**

30+ years' compensation and benefits experience.

Instructor at UCSD, Brandman University, SDSU and WorldatWork.

Certified Compensation Professional (CCP), Certified Benefits Professional (CBP), and Global Remuneration Professional (GRP) from World at Work.

Registered Health Underwriter (RHU)

#### **Barbara Craven, CCP, CBP – Project Manager**

12+ years' compensation and benefits experience.

HR certificate from UCSD.

Certified Compensation Professional (CCP) and Certified Benefits Professional (CBP) from WorldatWork.

## **Biographies of Project Team**

### **Lin J. Ball - Vice President, Senior Technical Advisor**

Ms. Ball has over thirty years of experience as a compensation and benefits specialist, including eight years as a human resource generalist. Prior to joining The Epler Company in 1988, Ms. Ball was Director of Compensation and Benefits for a major electronics manufacturing company in San Diego for ten years. Her responsibilities included the management and development of all compensation and benefit programs for over 5,000 employees.

Ms. Ball has experience in the development of total rewards strategies, compensation and benefits surveys, job analysis, job descriptions, job evaluation, merit increase systems, incentive programs, flexible benefits and the evaluation and development of managed care plans.

Ms. Ball is a graduate of Cal State University at Northridge with a BS in Business Administration and a MBA from National University with an emphasis in Industrial Relations. She is a Registered Health Underwriter, a Certified Compensation Professional, Certified Benefits Professional and Global Remuneration Professional. Ms. Ball serves on the faculty at WorlDatWork, UCSD, SDSU and Brandman University where she teaches compensation and benefit courses.

### **Barbara Craven, Senior Consultant, Project Manager**

Ms. Craven has over twelve years of compensation and benefits background in addition to over fifteen years of customer service and sales experience in a variety of industries.

Ms. Craven has experience in all phases of total rewards including the development of compensation and benefits surveys, job analysis and job descriptions, job evaluation, merit increase systems, incentive programs, performance evaluation and flexible benefits. In addition, Ms. Craven manages the annual salary and benefits surveys conducted by our Firm for various industries.

Ms. Craven has a Human Resources Certificate from University of California, San Diego and serves on the Boards of the Compensation and Benefits Association of San Diego and the North County Personnel Association. She has received her Certified Compensation Professional (CCP) and Certified Benefits Professional (CBP) certifications from WorlDatWork.

# **COMPENSATION STUDY FOR MTS NON-REPRESENTED POSITIONS**

**PRESENTED JANUARY 12, 2012  
BY THE EPLER COMPANY**

1

## **ABOUT THE EPLER COMPANY**

- Founded in 1971 in San Diego
- One of the largest independent actuarial consulting and compensation firms in Southern California employing 17 individuals
- Private, woman-owned business
- Well-known and highly regarded services in specialty areas: retirement, compensation & employee benefits
- Extensive public-sector and non profit experience as well as private industry
- Over 125 public sector and school district clients for actuarial services
- Over 30 public sector and non profit clients for compensation services

2



## **PROJECT TEAM**

### **Lin Ball, Vice President**

- Over 30 years experience in compensation and employee benefits
- Certified Compensation Professional (CCP) Certified Benefits Professional (CBP) and Global Remuneration Professional (GRP) from WorldatWork
- Teaches compensation and total rewards courses at UCSD, SDSU, Brandman and WorldatWork
- At Epler for 24 years

### **Barbara Craven, Sr. Consultant**

- Over 12 years experience in compensation and employee benefits
- CCP and CBP from WorldatWork
- Certificate in Human Resources from UCSD
- Project Manager of salary and benefits surveys for Epler
- Serves on Boards of local Human Resources organizations

3

## **SCOPE OF PROJECT**

- Review the compensation strategy
- Conduct a salary survey analysis for 126 of 143 positions (88%), using custom survey data & published survey data
- Review current rates of pay to determine competitiveness of base pay and salary ranges
- Using the salary survey data and internal equity, develop a new unified salary structure
- Slot all positions into proposed salary ranges
- Present findings to MTS Board of Directors

4

## **COMPENSATION STRATEGY**

- Met with management to discuss reasons for study, employee turnover and goals of salary program going forward
- Determined competitive labor market to be transit agencies for industry specific positions and general industry for others which includes public agencies/non profit/private
- Determined pay should be “at market”

5

## **SURVEY ANALYSIS METHODOLOGY**

- Determined appropriate surveys to use based on Compensation Strategy
- 3 surveys identified: 1 custom survey and 2 published surveys
- Used current job descriptions to determine best job matches to surveys
- Met with HR Management to confirm appropriate jobs matches to survey data

6

## **SURVEY METHODOLOGY**

- **Developed a custom survey for 36 unique transportation positions. Obtained data from 11 transit agencies**

Charlotte	Santa Clara
King County	Utah
NCTD	Los Angeles
Orange County	San Francisco
Denver	Portland
Sacramento	

7

## **SURVEY METHODOLOGY**

- **Utilized 2011 San Diego Salary & Benefits Survey (San Diego county private, publicly traded, government, & non-profit entities)**
- **Utilized 2011 Economic Research Institute Database (national data private, public, & non-profit entities)**

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## **SURVEY METHODOLOGY**

- Analyzed survey data for comparison to current rates of pay and salary grades & ranges
- Based on survey data, developed new salary ranges to meet current and future employment needs
- Slotted all positions into new ranges based upon market data and their relationships to one another, complexity of duties, level of responsibility, and needs of the Agency

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## **SALARY RANGES DEFINED**

Each range has a minimum, midpoint and maximum

Minimum - the minimum amount the position should pay, according to market

Midpoint - the rate for a fully performing & fully qualified employee in that job

Maximum - the maximum amount of pay that should be paid for the position

Minimum                      Midpoint                      Maximum



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## PROPOSED RANGES

	<u>Proposed</u>	<u>Current</u>
Number of Grades	15	22
Minimum to Maximum	50% to 60%	Approx. 60%
Midpoint to Midpoint	15%	varies from 4% to 10%
Position Maximums Reduced	31	
Position Maximums Increased	108	
Position Minimums Reduced	13	
Position Minimums Increased	126	

11

## PROJECT FINDINGS

- Overall, the Agency's actual salaries are minus 5.9% to market
- 85% of positions are at market\*
- 11% of positions are more than 10% below market\*
- First line supervisors significantly below market
- IT positions significantly below market

Based on the survey data, determined the salary ranges needed to be revised.

*\*Considered at market if within plus or minus 10% of the survey data*

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## **RECOMMENDATIONS**

- Adopt newly developed salary ranges and slotting of positions
- Employees below proposed minimums should be adjusted
- Review salary ranges annually for possible adjustments and inequities based on market data
- Every 3-5 years conduct complete compensation analysis to ensure ongoing competitiveness.

13

## **BOARD APPROVAL REQUESTED**

- Receive report from The Epler Company
- Approve the proposed MTS Salary Ranges

14



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## Agenda

Item No. C4

MEETING OF THE EXECUTIVE COMMITTEE  
for the  
Metropolitan Transit System

January 12, 2012

# This number not used.



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DRAFT

## Agenda

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

January 19, 2012

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 (ALDs) 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 - December 8, 2011
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. Elect Vice Chair, Chair Pro Tem, and Committee Appointments (Sharon Cooney) Elect  
Action would: (1) elect a Vice Chair and a Chair Pro Tem for 2012; and (2) consider the nominating slate proposed by the Ad Hoc Nominating Committee for the appointment of representatives to MTS committees for 2012 and vote to appoint representatives to those committees.

Please SILENCE electronics  
during the meeting



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



## CONSENT ITEMS

- |     |  |         |
|-----|--|---------|
| 6.  | <u>Investment Report - November 2011</u><br>Action would receive a report for information.   | Receive |
| 7.  | <u>Audit Report - The Transit Store</u><br>Action would receive an internal audit report on The Transit Store.   | Receive |
| 8.  | <u>Traction Power Substations for the San Diego Trolley, Inc. System - Contract Award</u><br>Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L1032.0-12 with Siemens Industry, Inc. to procure 17 traction power substations with an option to purchase up to 17 additional traction power substations for the San Diego Trolley, Inc. (SDTI) system. | Approve |
| 9.  | <u>Best Best &amp; Krieger Legal Services - Contract Award</u><br>Action would authorize the CEO to execute MTS Doc. No. G1422.0-12 with Best Best & Krieger, LLP for legal services.  | Approve |
| 10. | <u>Law Offices of Mark H. Barber Legal Services – Contract Award</u><br>Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1426.0-12 with Law Offices of Mark H. Barber for legal services.   | Approve |
| 11. | <u>Law Offices of Michael E. Ripley Legal Services - Contract Award</u><br>Action would authorize the CEO to execute MTS Doc. No. G1428.0-12 with Law Offices of Michael E. Ripley for legal services.   | Approve |
| 12. | <u>Paul, Plevin, Sullivan &amp; Connaughton, LLP Legal Services - Contract Award</u><br>Action would authorize the CEO to execute MTS Doc. No. G1430.0-12 with Paul, Plevin, Sullivan & Connaughton, LLP for legal services.   | Approve |
| 13. | <u>Ryan, Mercaldo, &amp; Worthington, LLP Legal Services - Contract Award</u><br>Action would authorize the CEO to execute MTS Doc. No. G1432.0-12 with Ryan, Mercaldo & Worthington, LLP for legal services.  | Approve |
| 14. | <u>Wheatley, Bingham, &amp; Baker LLP Legal Services - Contract Award</u><br>Action would authorize the CEO to execute MTS Doc. No. G1434.0-12 with Wheatley Bingham & Baker, LLP for legal services.  | Approve |
| 15. | <u>Janitorial Services for MTS Buses and Light Rail Vehicle Fleet - Contract Amendment</u><br>Action would authorize the CEO to execute MTS Doc. No. G1387.1-11 with NMS Management, Inc. (NMS) to add a daily terminal cleaner at the San Ysidro Transit Center and add two 1-year options to the contract.   | Approve |

## CLOSED SESSION

24. a. CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS Possible  
Pursuant to California Government Code Section 54956.8 Action  
Property: 2551 Commercial Street, San Diego, California (Assessor Parcel Nos. 535-  
670-43, 44, 45, and 46)  
Agency Negotiators: Paul Jablonski, Chief Executive Officer; Karen Landers,  
General Counsel; and Tim Allison, Manager of Real Estate Assets  
Negotiating Parties: Elisha Revocable Living Trust  
Under Negotiation: Price and Terms of Payment  
  
Oral Report of Final Actions Taken in Closed Session

## NOTICED PUBLIC HEARINGS

25. None.

## DISCUSSION ITEMS

30. Compensation Study Results and Revised Salary Ranges (Jeff Stumbo) Approve  
Action would: (1) receive a report from The Epler Company; and (2) approve the  
proposed MTS Salary Ranges.
31. 2012 State and Federal Legislative Programs (Sharon Cooney) Approve  
Action would approve staff recommendations for 2012 state and federal legislative  
programs.
32. Fare Ordinance Amendment (Mark Thomsen and Sharon Cooney) Approve  
Action would: (1) read the title of Ordinance No. 4, An Ordinance Establishing a  
Metropolitan Transit System Fare-Pricing Schedule, Ordinance No. 2, an Ordinance  
Requiring Proof of Fare Payment By Passengers Using the San Diego Trolley and  
Ordinance No. 13, an Ordinance Regarding Prohibited Conduct Onboard Transit  
Vehicles and Prohibited Actions on or About a Transit Facility, Trolley Station, or Bus  
Stop; (2) waive further readings of the ordinance; and (3) direct publication of an  
ordinance summary.

## REPORT ITEMS

45. November Budget Report (Mike Thompson) Receive  
Action would receive a report for information.

- |     |   |             |
|-----|---|-------------|
| 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><br>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> February 16, 2012   |             |
| 66. | <u>Adjournment</u>  |             |



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## Agenda Item No. 6

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

January 19, 2012

**Draft for  
Executive Committee  
Review Date: 1/12/12**

#### SUBJECT:

INVESTMENT REPORT – NOVEMBER 2011

#### RECOMMENDATION:

That the Board of Directors receive a report for information.

#### Budget Impact


None.

#### DISCUSSION:

Attachment A comprises a report of MTS investments as of November 2011. The combined total of all investments has decreased from \$200.8 million to \$180.6 million during November. This \$20 million decrease is due to expenditures for capital asset acquisitions and a scheduled principal payment on the Pension Obligation Bonds.

The first column provides details about investments restricted for capital improvement projects and debt service—the majority of which are related to the 1995 lease and leaseback transactions. The funds restricted for debt service are structured investments with fixed returns that will not vary with market fluctuations if held to maturity. These investments are held in trust and will not be liquidated in advance of the scheduled maturities. The second column (unrestricted investments) reports the working capital for MTS operations allowing for employee payroll and vendors' goods and services.

During November, there were no transfers to or from MTS temporary investment accounts.



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Tom Lynch, 619.557.4538, [tom.lynch@sdmts.com](mailto:tom.lynch@sdmts.com)

JAN19-12.6.INVESTMT RPT NOVEMBER.LMUSENGO.doc

Attachment: A. Investment Report for November 2011

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

**San Diego Metropolitan Transit System  
Investment Report  
November 30, 2011**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>	<b>Average rate of return</b>
Cash and Cash Equivalents				
Bank of America - concentration sweep account	\$ 10,836,129	\$ 1,034,073	\$ 11,870,202	0.00%
Total Cash and Cash Equivalents	<u>10,836,129</u>	<u>1,034,073</u>	<u>11,870,202</u>	
Cash - Restricted for Capital Support				
US Bank - retention trust account	3,429,736	-	3,429,736	N/A *
Local Agency Investment Fund (LAIF) Proposition 1B TSGP grant funds	<u>5,503,136</u>	<u>-</u>	<u>5,503,136</u>	0.40%
Total Cash - Restricted for Capital Support	<u>8,932,873</u>	<u>-</u>	<u>8,932,873</u>	
Investments - Working Capital				
Local Agency Investment Fund (LAIF)	-	38,450,082	38,450,082	0.40%
San Diego County Investment Pool	<u>-</u>	<u>690,602</u>	<u>690,602</u>	
Total Investments - Working Capital	<u>-</u>	<u>39,140,684</u>	<u>39,140,684</u>	
Investments - Restricted for Debt Service				
US Bank - Treasury Strips - market value (Par value \$39,474,000)	38,627,074	-	38,627,074	
Rabobank - Payment Undertaking Agreement	<u>82,053,636</u>	<u>-</u>	<u>82,053,636</u>	7.69%
Total Investments Restricted for Debt Service	<u>120,680,709</u>	<u>-</u>	<u>120,680,709</u>	
 Total cash and investments	 <u><u>\$ 140,449,711</u></u>	 <u><u>\$ 40,174,757</u></u>	 <u><u>\$ 180,624,468</u></u>	

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



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San Diego, CA 92101-7490  
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## Agenda Item No. 7

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

1/19/2012

**Draft for  
Executive Committee  
Review Date: 1/12/12**

#### SUBJECT:

AUDIT REPORT - THE TRANSIT STORE

#### RECOMMENDATION:

That the Board of Directors receive an internal audit report on The Transit Store.


#### Budget Impact

None.

#### DISCUSSION:

During August 2011, the MTS Internal Auditor performed a review of The Transit Store's procedures and internal controls. As a result of this review, eight findings and recommendations were made for Management's consideration. Management has reviewed the recommendations and is taking action to address the issues identified.

Based on the sensitive nature of some of the findings, certain information has been ~~redacted~~ from the audit report for public disclosure.



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Daniel Madzelan; 619.595.4920; [Daniel.Madzelan@sdmts.com](mailto:Daniel.Madzelan@sdmts.com)

JAN19-12.7.THE TRANSIT STORE AUDIT RPT.DMAZELAN.doc

Attachment: A. Audit Report (Redacted Version Only for Public Disclosure)

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



## Memorandum

DATE: 9/28/2011  
TO: Olivette Coleman  
Erin Dunn  
FROM: Daniel Madzellan  
SUBJECT: Audit Report – Transit Store

Contents of the audit report have been  
**REDACTED FOR  
PUBLIC DISCLOSURE**

### EXECUTIVE SUMMARY:

#### Audit Objectives and Scope:

Audit objectives were to evaluate compliance with current operating procedures, determine the overall effectiveness of existing controls, and explore opportunities for improving controls. The initial scope focused on five (5) areas: 1) Operating Policies and Procedures (Control Environment); 2) Cash/Fare Media Handling; 3) Inventory (Fare Media) Management; 4) Monthly Reporting/Reconciliations; and 5) Store Security, which included limited reviews of Lost and Found Operations.

Testing concentrated primarily on operations occurring in June 2011, however, there was testing performed on previous month's activities. Observations of store activities occurred during August.

During fieldwork, Sr. Management requested Audit review operating procedures at the transit store regarding processing applications for reduced fares (Senior, Disabled, and Medical/Medicare). Testing of these control activities focused primarily on events from July and August. NOTE: Audit initially excluded this process from its scope of work, as Audit intended to review the entire process of issuing reduced fares at a later date.

#### Audit Results:

In general, the store's operating procedures were well designed and operating as intended. There were no reportable findings in two of our testing areas; Inventory (Fare Media) Management and Monthly Reporting/Reconciliations. The audit did identify internal control procedures that store management needs to address, as well as opportunities to strengthen existing procedures. Audit findings summarized as follows:

#### High Priority Findings:

- No findings considered high priority.

#### Medium Priority Findings:

- Control Environment – Standard Operating Procedures (SOPs): Evidence does not indicate frequent reviews, or updates, of SOPs.
- Reduced Fares – Consistency and Completeness of Processing Applications: Tested population, predominantly short form applications, revealed applications forms were not completed as designed.



### **Low Priority Findings:**

- Control Environment – Management Reviews: Evidence presented did not sufficiently support required random audits of store clerk's register floats [REDACTED] occurring in accordance with policy. Additionally, there were minor differences between the store's SOPs and those documented within the Financial Procedural Manual.
- Cash/Fare Media Handling – Segregation of Duties Concern: One clerk who has responsibilities for processing sales and preparing daily sales reports has also been preparing the daily bank deposit. This is primarily due to staffing constraints.
- Cash/Fare Media Handling – Differences in Processing and Reporting Transactional Events: Evidence reviewed identified differences amongst clerks in processing check voucher overage transactions, as well as differences in preparing system generated closing reports. NOTE: Management implemented procedural changes to address this finding during the audit.
- Cash/Fare Media Handling – Reconciling Transactional Reports: Evidence reviewed identified variances between daily transaction shift reports (system generated) and Clerk Daily Summary Reports with respect to compass card fees. The format of the Clerk Daily Summary Report did not facilitate active monitoring of these transactional events. NOTE: Management implemented procedural changes to address this finding during the audit.
- Cash/Fare Media Handling – Over/Under Reporting: While well monitored, evidence reviewed did not sufficiently demonstrate evidence of investigation by store clerks into the causes of reported over/unders. Additionally, evidence reviewed clearly indicated management's efforts to reduce the frequency and dollar amounts of over/under events. However, current thresholds addressing over/unders, as documented in the SOPs, are not consistent with management's efforts.
- Cash/Fare Media Handling – Petty Cash and other Operating Funds: The store supervisor controls the petty cash and other operating funds managed by the store. There is currently not a well-documented review process of these funds by the store supervisor's direct manager to ensure compliance with current operating procedures.

Subsequent pages of this report contain details of audit findings and management action plans, additional audit observations, as well as definitions of Audit Priority Findings.

### **Background Information:**

The store is located at 102 Broadway in downtown San Diego. Staff consists of one supervisor and four full-time clerks. The store does plan to hire one additional employee (assistant supervisor) in the upcoming months. Store hours are Monday through Friday from 9 a.m. to 5 p.m. The San Diego Association of Governments (SANDAG) consigns fare media to the store. Customers pay for media and merchandise by cash, check, federal vouchers, credit and debit cards, or purchase orders. [REDACTED]

[REDACTED]. The store is also responsible for the managing lost articles for San Diego Transit and Trolley. Historically, there are approximately 8,000 lost articles processed in a year.

Beginning in July 2011, the store reports into the Finance/Accounting department of MTS. The store previously reported to the Passenger Services Department of San Diego Transit Corporation (SDTC).

### **Report Distribution:**

Paul Jablonski, Cliff Telfer, Sharon Cooney, and Karen Landers – MTS



## **AUDIT FINDINGS AND MANAGEMENT ACTION PLANS:**

### **Finding/Observation:**

Control Environment – Standard Operating Procedures (SOPs):

Evidence does not indicate frequent reviews, or updates, of SOPs. As such, current control activities are not fully reflected within SOPs. This can create the situation of internal control systems losing their effectiveness over time, thereby increasing the likelihood of risk events occurring.

### **Finding Priority Rating:**

Medium Priority Finding

### **Audit Recommendation:**

1) Update the current version of the transit store SOPs. The updated SOPs should reflect all new procedures implemented by management prior to the audit, such as handling voucher overages, as well as all procedural changes management implements as a result of this audit.

Management should consider specifically addressing document retention policies as part of the SOP updates. While MTS has a document retention policy, it is advisable to develop specific retention policies for transit store operations where appropriate.

2) Going forward, consistent with current Accounting/Finance procedures, SOPs should be reviewed annually. Correspondingly, there should be sufficient documentary evidence to support the reviews occurring.

Audit is willing to assist store management in a consultative role to review the design of any new or modified control procedures.

### **Management Response/Action Plan:**

Management will update the current version of the SOPs, including the addition of a document retention policy. It will then be updated on an annual basis by the Assistant Supervisor, a new position filled in October.

### **Management Estimated Action Plan Completion Date:**

In accordance with the Finance Procedures Manual, the annual update will be completed by April 30.

**Finding/Observation:****Reduced Fares – Consistency and Completeness of Processing Applications:**

Audit made a haphazard sample of twenty (20) short form reduced fare applications reviewing for completeness. The completeness review consisted of validating the application for: 1) The reason for reduced fare; 2) Whether the application was for a New or a Replacement Card; 3) Store clerks completed the Office Use section of the application; and 4) Whether the customer signed and dated their application. Audit did not identify any applications completed consistent with the design and intent of the current application format.

The majority (70%) of the applications did not include the signature and date of the customer. Audit also observed instances where the reason for the reduced fares was not identified, the type of card (new or replacement) was not identified, proof substantiating reduced fare eligibility not documented on the application, and staff initials missing on the Office Use Section indicating who processed the application.

Audit also reviewed long form applications by testing forty-five (45) individual forms for completeness and accuracy, as well as through analytical reviews of the reduced fare database. Based on that testing, Audit identified seven (7) discrepancies. Provided the sample was representative of the entire population of completed applications (667), Audit projected an additional fifteen (15) forms might also be processed inconsistent with operating procedures.

**Finding Priority Rating:**

Medium Priority Finding

**Audit Recommendation:**

- 1) Clarify and re-communicate Company procedures for processing short and long form applications for reduced fares. This should focus on ensuring customer's sign and date the form, as well as completing the Office Use Section in its entirety.
- 2) Implement a monitoring control, whereby samples of applications are reviewed by store management to ensure compliance with processing reduced fare applications.
- 3) Any revisions to operating procedures, such as implementing additional monitoring controls, should be reflected in revised SOPs.

**Management Response/Action Plan:**

Management issued a memorandum to the store clerks on 10/6/11 emphasizing the importance of completeness and consistency regarding these forms. Management will document random sampling to monitor compliance with objectives and requirements stated in the memorandum.

**Management Estimated Action Plan Completion Date:**

Completed October 6, 2011

**Finding/Observation:****Control Environment – Performing Management Reviews:**

There was evidence to support random audits of inventory (fare media) being performed in accordance with the SOP (twice a month at random). There was only sufficient evidence to support the counting of the opening cash register balances of [REDACTED] occurring once in the month of June. Audit also observed the Financial Procedural Manual indicated this particular process is to occur approximately once a month. Thus, there is inconsistency between the SOP and the Financial Procedural Manual, which should be reconciled.

While the new control procedure of requiring clerks to enter in their opening balances into the shift report serves as a mitigating control in verifying clerks are properly opening their register with [REDACTED], Audit believes management's independent review procedures should continue.

**Finding Priority Rating:**

Low Priority Finding

**Audit Recommendation:**

Audit recommends re-writing the procedure to allow either the Store Supervisor or the Assistant Supervisor to perform this procedure.

The current method of reporting and documenting this procedure is reasonable; however, management may elect to establish a separate electronic form solely for tracking compliance with this procedure.

**Management Response/Action Plan:**

The Supervisor currently performs random counts several times a month during the reconciliation process. Management will comply with audits request and institute one random count a month in addition to the other counts. The SOPs have been updated to read once a month and management will design an electronic form to document compliance with required inventory audits.

**Management Estimated Action Plan Completion Date:**

The estimated completion date is 12/31/2011.

**Finding/Observation:****Cash/Fare Media Handling – Segregation of Duties:**

During the store observation, as well as evidenced by store closing reports, there are instances when the senior sales clerk prepares the daily bank deposit. This individual is also responsible for processing sales during the normal course of store operations. Anytime an individual is both responsible for operations, in this case processing sales/preparing sales reporting, and recording keeping for the same activity, in this case preparing the bank deposit, there is an increased risk of misappropriation of assets.

NOTE: Audit found no evidence of any misappropriation of assets based on our testing population. Audit also recognizes current process is primarily the result of staffing limitations.

**Finding Priority Rating:**

Low Priority Finding: While Audit believes this finding does meet the definition of a medium priority finding, we reported as Low based on circumstances, as outlined above, regarding the observation.

**Audit Recommendation:**

Audit recommends when the new assistant supervisor is hired, he or she, or the store supervisor perform the preparation of the daily deposit slip. This would mitigate the segregation of duty concern. Until that time, Audit recommends limiting the occurrences of the senior sales clerk preparing the bank deposit.

**Management Response/Action Plan:**

Once the assistant supervisor has been trained, only the supervisor and assistant supervisor will prepare bank deposits. When the assistant supervisor has daily sales activity, the supervisor will complete the deposit to increase control of assets.

**Management Estimated Action Plan Completion Date:**

The new position has been filled with a start date of November 14. By January 2012, the supervisor or assistant supervisor will be responsible for preparing the bank deposit.

**Finding/Observation:****Cash/Fare Media Handling – Differences in Processing and Reporting Transactional Events:**

Audit observed differences between clerks in processing check voucher overage transactions, as well as in preparing system generated register closing shift reports. A check voucher overage transaction, a result of system limitations, occurs when a payment voucher presented by a customer is greater than the fare media they actually purchase. Audit observed certain clerks reporting these events as cash transactions and others reporting these events as check transactions.

Audit also observed some clerks fully populating all data fields in the register closing shift reports, while other clerks did not populate all data fields. For example, certain clerks would include their opening register balance of [REDACTED] in this report, while others excluded this data. This resulted in shift reports indicating significant short balances, which were not actually occurring.

Neither finding had any financial impact; events simply impact the presentation and classification of transactions within daily reporting.

Store management has already taken corrective actions on these observations to ensure consistent processing of transactions, as well as requiring all data fields be populated in the register closing shift report. Audit reviewed the new procedures, and based on the limited sample concluded the new procedures implemented are well designed and working as intended.

**Finding Priority Rating:**

Low Priority Finding

**Audit Recommendation:**

Since management has already taken corrective actions, Audit recommends continuing to monitor these new procedures to ensure they continue to work as intended and that clerks continue to comply with new procedures. Additionally, new procedures should be reflected in updated SOPs.

**Management Response/Action Plan:**

Due to the system limitations, as of May 26, 2011, store management implemented a work around for inputting overages from voucher checks. The procedure was re-communicated in August, and again in October. Effective August 8, 2011, Transit Store clerks were instructed to enter [REDACTED] at opening login for their starting cash balance. Management will continue monitoring both procedures to ensure all clerks are in compliance, as well as update the SOPs.

**Management Estimated Action Plan Completion Date:**

Completed

**Finding/Observation:****Cash/Fare Media Handling – Reconciling Transactional Reports:**

While attempting to reconcile reported activity on the Daily Transaction Shift Reports (system generated) and the Clerk's Daily Summary Report (manually prepared), Audit observed that compass card initiation and card fees were not always reconciling to compass cards reported as sold on the Clerk's Daily Summary Report. Audit is unsure as to the cause, as there was no consistent pattern in the differences within our sample population (nine days of activity). The evidence reviewed indicated more cards/fees were processed (collected) then actual cards sold. The dollar difference considered inconsequential (\$14) when factoring out an apparent anomaly.

Store management has taken corrective actions by re-designing the Clerk's Daily Summary Report to specifically analyze these transactions and fees. Audit believes the new format of the clerk's summary report is well designed and should assist management in tracking these events.

**Finding Priority Rating:**

Low Priority Finding

**Audit Recommendation:**

Since management has already taken corrective action, Audit recommends continuing to monitor these transactions and attempt to establish the root cause of these differences, provided they continue.

**Management Response/Action Plan:**

The re-designed Clerk's Daily Summary Report was implemented August 11, 2011. Although we have seen a decrease in differences, variances still exist. Management will continue to monitor, as well as reach out to SANDAG and Cubic for possible causes.

**Management Estimated Action Plan Completion Date:**

Completed

**Finding/Observation:****Cash/Fare Media Handling – Over/Under Reporting:**

Accounting management implemented a new over/under tracking report in May 2010. The new report is well designed and working as intended, as reported over/unders in total dollars has significantly decreased.

While the amounts of over/unders have significantly decreased, occurrences of over/unders are still frequent events. Based on closing paperwork reviewed, as well as management's tracking report, there is not well documented evidence transit store employees attempt to identify the potential causes of reported over/unders.

During a store observation, Audit was able to witness investigations taking place. Audit also observed Accounting personnel attempting to identify and reconcile over/unders as part of their reviews of sales reporting. Additionally, Audit was independently able to identify some of the causes of reported over/unders using daily paperwork files submitted.

**Finding Priority Rating:**

Low Priority Finding

**Audit Recommendation:**

Management should consider inserting a section in the Clerk's Daily Summary Report to allow for explanations of over/unders. Store management could then establish a dollar threshold where explanations are required to be documented if they exceed management's threshold. Implementing such a process would provide more tangible evidence that store personnel are investigation or attempting to resolve over/unders reported.

Audit would also recommend management revisit the thresholds with Union Management regarding what constitutes a reported incident. Incident threshold are currently set at \$75 per single day and \$350 in a month for an individual. It is highly unlikely an individual will exceed these thresholds.

In Audit' opinion, the thresholds are far too high. Management's has taken considerable effort to improve the control environment by reducing the total dollars and total occurrences of over/under reported. These thresholds are inconsistent with management's efforts.

**Management Response/Action Plan:**

Management will insert a section on the Clerk's Daily Summary to further document daily variances

Management strongly agrees the current thresholds limit management's ability to establish an appropriate control environment.

**Management Estimated Action Plan Completion Date:**

The revised daily reports will be implemented by November 30, 2011. In early 2012, management will revisit the current thresholds listed in the SOPS's with Union Management.

**Finding/Observation:****Cash/Fare Media Handling – Petty Cash and other Operating Funds:**

The store currently has petty cash fund of [REDACTED]. The store also has two reimbursement funds, one for trolley and one for transit. The store supervisor routinely audited the petty cash fund ensuring the required balance was maintained. Likewise, the store supervisor routinely audited the reimbursement funds. The funds are stored in secure lockboxes and store supervisor controls the keys to the lockboxes. Audit found the controls to be well designed and operating as intended.

**Finding Priority Rating:**

Low Priority Finding

**Audit Recommendation:**

[REDACTED]

there should be a control to ensure someone other than the store supervisor audits these funds. As such, Audit recommends an additional procedure of having the funds audited at least quarterly, preferably monthly, by the Store Supervisor's direct manager. This will provide additional assurance the funds are properly managed and operating as intended. If implemented, this process should be included in the SOPs, and there should be documentary evidence to verify reviews occurred.

**Management Response/Action Plan:**

Per Audit's request, the Senior Accountant will audit petty cash quarterly. Upon completion, Sr. Accountant will sign off on current log to serve as evidence of review.

**Management Estimated Action Plan Completion Date:**

Completed October 10, 2011



## OTHER AUDIT OBSERVATIONS:

### Security Observation – [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED]  
[REDACTED]

### Security Observation – [REDACTED]

[REDACTED]  
[REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

### General Observation – System Limitations and Workarounds:

As previously discussed, there are system limitations with the Cubic TOT software. As a result of these system limitations, some of which were subject to audit, store management is required to develop workaround procedures in order to process certain transactions. These system limitations also require the transit store to utilize a second operating system called Keystroke, the old legacy system for the store. Keystroke is primarily used for processing credit card sales over the phone, since the TOT does not allow credit card numbers to be manually entered, and certain customers need the ability to pay over the phone. Keystroke is also utilized in processing sales via purchase orders.

Anytime there are workarounds as a result of system limitations there is an increase in likelihood of a risk event occurring. Running two separate sales systems inherently creates operational inefficiencies, which also can increase the likelihood of a risk events occurring. The cost to modify the TOT system is extremely high, and therefore is not a viable alternative at this point in time.

- Based on discussions with management and testing performed during the course of the review, Audit did conclude procedures designed to address system limitations are well designed and working as intended.

## AUDIT FINDINGS RATINGS DEFINITIONS:

High Priority Finding	<p>Immediate management attention is required. This is a serious internal control that if not mitigated could lead to:</p> <ul style="list-style-type: none"><li>• Significant financial losses;</li><li>• Serious violation of corporate strategies, policies, or values,</li><li>• Reputational damage</li><li>• Significant adverse regulatory impact (loss of operating licenses, material fines).</li></ul>
Medium Priority Finding	<p>Timely management attention is required. This is an internal control that if not mitigated could lead to:</p> <ul style="list-style-type: none"><li>• Financial losses,</li><li>• Loss of control, non-compliance with departmental policies or procedures,</li><li>• Adverse regulatory impact.</li></ul>
Low Priority Finding	<p>Routine management attention is warranted. This is an internal control or risk issue which may lead to improvement in the quality or efficiencies of the organization or process.</p>

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## Agenda Item No. 8

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

January 19, 2012

**Draft for  
Executive Committee  
Review Date: 1/12/12**

#### SUBJECT:

TRACTION POWER SUBSTATIONS FOR THE SAN DIEGO TROLLEY, INC. SYSTEM  
- CONTRACT AWARD

#### RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer to execute MTS Doc. No. L1032.0-12 with Siemens Industry, Inc. to procure 17 traction power substations with an option to purchase up to 17 additional traction power substations for the San Diego Trolley Inc. (SDTI) system (in substantially the same form as Attachment A).

#### Budget Impact

Funding would come from the San Diego Association of Governments (SANDAG) Capital Improvement Project (CIP) 1210040 in the amount of \$24,896,533.74.

#### DISCUSSION:

MTS Policy No. 52 governing procurement of goods and services requires a formal competitive bid process for procurements exceeding \$100,000. On September 30, 2011, MTS issued an Invitation for Bids (IFB) to interested parties, which was advertised in multiple newspaper publications for maximum exposure and competition. Three responsive bids were received in response to the solicitation on December 21, 2011 (see Bid Summary – Attachment B). Siemens Industry, Inc. was the lowest responsive, responsible bidder for the procurement of traction power substations. Staff reviewed all bids and compared the costs to the engineers estimate. Staff found a 30 percent cost savings and determined that Siemens Industry, Inc.'s pricing is fair and reasonable. Therefore, staff is requesting Board approval of MTS Doc. No. L1032.0-12 for an amount not to exceed \$24,896,533.74.



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contacts: Thang Q. Nguyen, 619.557.4560, [Thang.Nguyen@sdmts.com](mailto:Thang.Nguyen@sdmts.com)  
Marco Yniguez, 619.557.4576, [Marco.Yniguez@sdmts.com](mailto:Marco.Yniguez@sdmts.com)

Attachments: A. Draft Agreement for Siemens Industry, Inc.  
B. Bid Summary

## STANDARD PROCUREMENT AGREEMENT

L1032.0-12  
 CONTRACT NUMBER  
 OPS 970.4  
 FILE NUMBER(S)

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2012, 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: Siemens Industry, Inc. Address: 300 Oswego Pointe Drive, Suite 106

Form of Business: Corporation Lake Oswego, OR 97034

(Corporation, partnership, sole proprietor, etc.)

Telephone: 503.675.3600

Authorized person to sign contracts: Steffen Goeller Vice President  
 Name Title

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

Provide San Diego Trolley Inc. with 17 traction power substations with an option to purchase up to 17 additional traction power substations, as set forth in the Scope of Work (attached as Exhibit A), the bid forms (attached as Exhibit B), Terms and Conditions (attached as Exhibit C), and Federal Requirements (attached Exhibit D) (hereinafter "Contract Documents").

This contract shall be for five-year period effective February 1, 2012, through January 31, 2017.

The total amount of this contract shall not exceed \$24,896,533.74.

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
\$24,896,533.74	12817-0800	2012

By: \_\_\_\_\_  
 Chief Financial Officer Date

(\_\_\_ total pages, each bearing contract number)

SA-SERVICES REVISED (REV 05-09)



Att. B, AI 8, 1/19/12

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## BID SUMMARY

MTS IFB NO. L1032.0-12  
TRACTION POWER SUBSTATION

COMPANY NAME	BID AMOUNT
SIEMENS INDUSTRY, INC. *	\$24,896,533.74
POWELL ELECTRICAL SYSTEMS, INC.	\$37,662,337.05
MYERS CONTROLLED POWER, LLC	\$41,644,169.41

\* Lowest responsive, responsible bidder



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



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## Agenda Item No. 9

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

January 19, 2012

**Draft for  
Executive Committee  
Review Date: 1/12/12**

#### SUBJECT:

BEST BEST & KRIEGER LEGAL SERVICES – CONTRACT AWARD

#### RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1422.0-12 (in substantially the same form as Attachment A) with Best Best & Krieger, LLP for legal services.

#### Budget Impact

Not to exceed \$135,000 for Best Best & Krieger, LLP. The budget for this action is anticipated to be covered in fiscal year 2012/2013.

#### DISCUSSION:

On December 8, 2011, the Board approved a list of qualified attorneys for legal services in excess of 20 different areas of law for use by MTS, San Diego Trolley, Inc. (SDTI), and San Diego Transit Corporation (SDTC) (hereinafter referred to as the Agencies). Thereafter, MTS intended to selectively contract with approved firms 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. The firm of Best Best & Krieger, LLP has multiple legal matters that are ongoing. Some cases potentially may proceed to trial, and the total cost of their legal services will exceed the CEO's authority.



Best Best & Krieger, LLP and firm attorneys have successfully represented and defended the Agencies in a number of environmental, eminent domain, and condemnation matters. During calendar year 2011, Best Best & Krieger, LLP represented MTS in multiple legal matters. Invoices for current and future assigned matters are calculated to reach the estimated proposed contracted amount within the following 12-month period.

The CEO has approved contracts up to the \$100,000 authority level. Staff is requesting Board approval of MTS Doc. No. G1422.0-12 with Best Best & Krieger, LLP for legal services.



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: James Dow, 619.557.4562, [jim.dow@sdmts.com](mailto:jim.dow@sdmts.com)

JAN19-12.LEGAL SVCS.BEST BEST & KRIEGER.JDOW

Attachment: A. MTS Doc. No. G1422.0-12

## STANDARD SERVICES AGREEMENT

G1422.0-12  
 CONTRACT NUMBER  
 LEG 491 (PC 50633)  
 FILE NUMBER(S)

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2012, 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: Best Best & Krieger, LLP

Address: 655 West Broadway, 15<sup>th</sup> Floor

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

San Diego, CA 92101-8493

Email: bruce.beach@bbklaw.com

Phone: 619.525.1300

Fax: 619.233.6188

Authorized person to sign contracts: Bruce W. Beach  
 Name

Equity Partner  
 Title

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

Provide general legal advice and services for all areas of MTS operation in accordance with the Standard Services Agreement, Standard Conditions Services, Request for Proposals for Legal Services, Attorney Service Guidelines, and MTS Travel Policy No. 44. Billing rates shall be in accordance with the MTS-approved Contractor Cost Proposal.

This contract shall remain in effect through December 31, 2017. The total cost of this agreement shall not exceed \$135,000, without the express written consent of MTS.

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
\$135,000		2012

By: \_\_\_\_\_  
 Chief Financial Officer

Date

(\_\_\_ total pages, each bearing contract number)

SA-SERVICES REVISED (REV 12-11)





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

## Agenda Item No. 10

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

January 19, 2012

**Draft for  
Executive Committee  
Review Date: 1/12/12**

#### SUBJECT:

LAW OFFICES OF MARK H. BARBER LEGAL SERVICES – CONTRACT AWARD

#### RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1426.0-12 (in substantially the same form as Attachment A) with Law Offices of Mark H. Barber for legal services.

#### Budget Impact

Not to exceed \$140,000 for Law Offices of Mark H. Barber. The budget for this action is anticipated to be covered in fiscal year 2012/2013.

#### DISCUSSION:

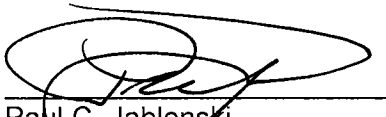
On December 8, 2011, the Board approved a list of qualified attorneys for legal services in excess of 20 different areas of law for use by MTS, San Diego Trolley, Inc. (SDTI), and San Diego Transit Corporation (SDTC) (hereinafter referred to as the Agencies). Thereafter, MTS intended to selectively contract with approved firms 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. The firm of Law Offices of Mark H. Barber has multiple legal matters that are ongoing. Some cases potentially may proceed to trial, and the total cost of their legal services will exceed the CEO's authority.



Law Offices of Mark H. Barber and firm attorney Mark Barber have successfully represented and defended the Agencies in a number of workers' compensation matters. During calendar year 2011, Mark H. Barber (Law Offices of) represented MTS in over 26 different legal matters. Invoices for current and future assigned matters are calculated to reach the estimated proposed contracted amount within the following 12-month period.

The CEO has approved contracts up to the \$100,000 authority level. Staff is requesting Board approval of MTS Doc. No. G1426.0-12 with Law Offices of Mark H. Barber for legal services.

  
Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: James Dow, 619.557.4562, [jim.dow@sdmts.com](mailto:jim.dow@sdmts.com)

JAN19-12.10.MARK BARBER LEGAL SVCS.JDOW.doc

Attachment: A. MTS Doc. No. G1426.0-12

# DRAFT

Att. A, AI 10, 1/19/12

## STANDARD SERVICES AGREEMENT

G1426.0-12  
CONTRACT NUMBER  
LEG 491 (PC 50633)  
FILE NUMBER(S)

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2012, 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: Mark H. Barber (Law Offices of) Address: 2727 Camino del Rio South, Suite 220

Form of Business: Corporation San Diego, CA 92108  
(Corporation, partnership, sole proprietor, etc.)

Email: mbarber@mbarberlaw.com Phone: 619.688.0750 Fax: 619.688.0752

Authorized person to sign contracts: Mark H. Barber Managing Attorney/Owner  
Name Title

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

Provide legal services as directed by the General Counsel regarding workers' compensation and in accordance with the Standard Services Agreement, Standard Conditions Services, Request for Proposals for Legal Services, Attorney Service Guidelines, and MTS Travel Policy No. 44. Billing rates shall be in accordance with the MTS approved Contractor Cost Proposal.

This contract shall remain in effect through December 31, 2017. The total cost of this Agreement shall not exceed \$140,000 without the express written consent of MTS.

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
\$140,000		2012

By: \_\_\_\_\_ Date  
Chief Financial Officer

(\_\_\_\_ total pages, each bearing contract number)

SA-SERVICES REVISED (REV 12-11)



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## Agenda Item No. 11

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

January 19, 2012

**Draft for  
Executive Committee  
Review Date: 1/12/12**

#### SUBJECT:

LAW OFFICES OF MICHAEL E. RIPLEY LEGAL SERVICES – CONTRACT AWARD

#### RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1428.0-12 (in substantially the same form as Attachment A) with Law Offices of Michael E. Ripley for legal services.

#### Budget Impact

Not to exceed \$110,000 for Law Offices of Michael E. Ripley. The budget for this action is anticipated to be covered in fiscal year 2012 and 2013.

#### DISCUSSION:

On December 8, 2011, the Board approved a list of qualified attorneys for legal services in excess of 20 different areas of law for use by MTS, San Diego Trolley, Inc. (SDTI), and San Diego Transit Corporation (SDTC) (hereinafter referred to as the Agencies). Thereafter, MTS intended to selectively contract with approved firms 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. The firm of Law Offices of Michael E. Ripley has multiple legal matters that are ongoing. Some cases potentially may proceed to trial, and the total cost of their legal services will exceed the CEO's authority.



Law Offices of Michael E. Ripley and firm attorney Michael Ripley have successfully represented and defended the Agencies in a number of tort liability matters. During calendar year 2011, Law Offices of Michael E. Ripley represented MTS in over 20 different legal matters. Invoices for current and future assigned matters are calculated to reach the estimated proposed contracted amount within the following 12-month period.

The CEO has approved contracts up to the \$100,000 authority level. Staff is requesting Board approval of MTS Doc. No. G1428.0-12 with Law Offices of Michael E. Ripley for legal services.



Paul G. Jablonski  
Chief Executive Officer

Key Staff Contact: James Dow, 619.557.4562, [jim.dow@sdmts.com](mailto:jim.dow@sdmts.com)

JAN19-12.11.MICHAEL E RIPLEY LEGAL SVCS.JDOW.doc

Attachment: A. MTS Doc. No. G1428.0-12

# DRAFT

Att. A, AI 11, 1/19/12

## STANDARD SERVICES AGREEMENT

G1428.0-12  
CONTRACT NUMBER  
LEG 491 (PC 50633)  
FILE NUMBER(S)

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2012, 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: Michael E. Ripley Address: 12520 High Bluff Drive, Suite 110

Form of Business: Sole Proprietor San Diego, CA 92130  
(Corporation, partnership, sole proprietor, etc.)

Email: mripleyesq@aol.com Phone: 858.792.1300 Fax: 858.793.1235

Authorized person to sign contracts: Michael E. Ripley Attorney/Proprietor  
Name Title

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

Provide legal services as directed by the General Counsel regarding general legal liability and in accordance with the Standard Services Agreement, Standard Conditions Services, Request for Proposals for Legal Services, Attorney Service Guidelines, and MTS Travel Policy No. 44. Billing rates shall be in accordance with the MTS approved Contractor Cost Proposal.

This contract shall remain in effect through December 31, 2017. The total cost of this Agreement shall not exceed \$110,000 without the express written consent of MTS.

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
\$110,000		2012

By: \_\_\_\_\_ Date  
Chief Financial Officer

(\_\_\_ total pages, each bearing contract number)

SA-SERVICES REVISED (REV 12-11)



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

## Agenda Item No. 12

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

January 19, 2012

**Draft for  
Executive Committee  
Review Date: 1/12/12**

#### SUBJECT:

PAUL, PLEVIN, SULLIVAN & CONNAUGHTON, LLP LEGAL SERVICES – CONTRACT  
AWARD

#### RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1430.0-12 (in substantially the same form as Attachment A) with Paul, Plevin, Sullivan & Connaughton, LLP for legal services.

#### Budget Impact

Not to exceed \$200,000 for Paul, Plevin, Sullivan & Connaughton, LLP. The budget for this action is anticipated to be covered in fiscal year 2012 and 2013.

#### DISCUSSION:

On December 8, 2011, the Board approved a list of qualified attorneys for legal services in excess of 20 different areas of law for use by MTS, San Diego Trolley, Inc. (SDTI), and San Diego Transit Corporation (SDTC) (hereinafter referred to as the Agencies). Thereafter, MTS intended to selectively contract with approved firms 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. The firm of Paul, Plevin, Sullivan & Connaughton, LLP has multiple legal matters that are ongoing. Some cases potentially may proceed to trial, and the total cost of their legal services will exceed the CEO's authority.



Paul, Plevin, Sullivan & Connaughton, LLP and firm attorney J. Rod Betts have successfully represented and defended the Agencies in a number of employment liability matters. During calendar year 2011, Paul, Plevin, Sullivan & Connaughton, LLP represented MTS in multiple different legal matters. Invoices for current and future assigned matters are calculated to reach the estimated proposed contracted amount within the following 12-month period.

The CEO has approved contracts up to the \$100,000 authority level. Staff is requesting Board approval of MTS Doc. No. G1430.0-12 with Paul, Plevin, Sullivan & Connaughton, LLP for legal services.



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: James Dow, 619.557.4562, [jim.dow@sdmts.com](mailto:jim.dow@sdmts.com)

JAN19-12.LEGAL SVCS.PAUL PLEVIN SULLIVAN & CONNAUGHTON.JDOW

Attachment: A. MTS Doc. No. G1430.0-12



# DRAFT

Att. A, AI 12, 1/19/12

## STANDARD SERVICES AGREEMENT

G1430.0-12  
CONTRACT NUMBER  
LEG 491 (PC 50633)  
FILE NUMBER(S)

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2012, 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: Paul, Plevin, Sullivan & Connaughton, LLP Address: 401 B Street, Tenth Floor

Form of Business: Partnership San Diego, CA 92101  
(Corporation, partnership, sole proprietor, etc.)

Email: rbetts@paulplevin.com Phone: 619.243.1560 Fax: 619.615.0700

Authorized person to sign contracts: J. Rod Betts Partner  
Name Title

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

Provide general legal advice and services for labor and employment, ADA, civil rights and public entity law in accordance with Standard Services Agreement, Standard Conditions Services, Request for Proposals for Legal Services, Attorney Service Guidelines, and MTS Travel Policy No. 44. Billing rates shall be in accordance with the MTS-approved Contractor Cost Proposal.

This contract shall remain in effect through December 31, 2017. The total cost of this agreement shall not exceed \$200,000, without the express written consent of MTS.

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
\$200,000		2012

By: \_\_\_\_\_  
Chief Financial Officer Date

(\_\_\_ total pages, each bearing contract number)

SA-SERVICES REVISED (REV 12-11)



1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
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## Agenda Item No. 13

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

January 19, 2012

**Draft for  
Executive Committee  
Review Date: 1/12/12**

#### SUBJECT:

RYAN, MERCALDO & WORTHINGTON, LLP LEGAL SERVICES – CONTRACT  
AWARD

#### RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1432.0-12 (in substantially the same form as Attachment A) with Ryan, Mercaldo & Worthington, LLP for legal services.

#### Budget Impact

Not to exceed \$180,000 for Ryan, Mercaldo & Worthington, LLP. The budget for this action is anticipated to be covered in fiscal year 2012/2013.

#### DISCUSSION:

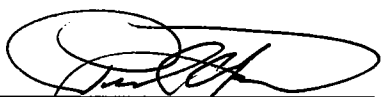
On December 8, 2011, the Board approved a list of qualified attorneys for legal services in excess of 20 different areas of law for use by MTS, San Diego Trolley, Inc. (SDTI), and San Diego Transit Corporation (SDTC) (hereinafter referred to as the Agencies). Thereafter, MTS intended to selectively contract with approved firms 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. The firm of Ryan, Mercaldo & Worthington has multiple legal matters that are ongoing. Some cases potentially may proceed to trial, and the total cost of their legal services will exceed the CEO's authority.



Ryan, Mercaldo & Worthington, LLP and firm attorneys Norm Ryan and Tim White have successfully represented and defended the Agencies in a number of tort liability matters. During calendar year 2011, Ryan, Mercaldo & Worthington represented MTS in over 12 different legal matters. Invoices for current and future assigned matters are calculated to reach the estimated proposed contracted amount within the following 12-month period.

The CEO has approved contracts up to the \$100,000 authority level. Staff is requesting Board approval of MTS Doc. No. G1432.0-12 with Ryan, Mercaldo & Worthington, LLP for legal services.



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: James Dow, 619.557.4562, [jim.dow@sdmts.com](mailto:jim.dow@sdmts.com)

JAN19-12.13.RYAN MERCALDO WORTHINGTON LEGAL SVCS.JDOW.doc

Attachment: A. MTS Doc. No. G1432.0-12

# DRAFT

Att. A, AI 13, 1/19/12

## STANDARD SERVICES AGREEMENT

G1432.0-12  
CONTRACT NUMBER  
LEG 491 (PC 50633)  
FILE NUMBER(S)

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2012, 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: Ryan Mercaldo & Worthington, LLP

Address: 3636 Nobel Drive, Suite 200

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

San Diego, CA 92122-1063

Email: nryan@rmwfirm.com

Phone: 858.455.8700

Fax: 858.455.8701

Authorized person to sign contracts: Norman A. Ryan  
Name

Managing Partner  
Title

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

Provide general legal advice and services for general legal liability, labor and employment, construction and insurance law in accordance with Standard Services Agreement, Standard Conditions Services, Request for Proposals for Legal Services, Attorney Service Guidelines, and MTS Travel Policy No. 44. Billing rates shall be in accordance with the MTS-approved Contractor Cost Proposal.

This contract shall remain in effect through December 31, 2017. The total cost of this agreement shall not exceed \$180,000, without the express written consent of MTS.

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
\$180,000		2012/13

By: \_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Date

(\_\_\_\_ total pages, each bearing contract number)

SA-SERVICES REVISED (REV 12-11)



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

## Agenda Item No. 14

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

January 19, 2012

**Draft for  
Executive Committee  
Review Date: 1/12/12**

#### SUBJECT:

WHEATLEY BINGHAM & BAKER LLP LEGAL SERVICES – CONTRACT AWARD

#### RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1434.0-12 (in substantially the same form as Attachment A) with Wheatley Bingham & Baker, LLP for legal services.

#### Budget Impact

Not to exceed \$315,000 for Wheatley Bingham & Baker, LLP. The budget for this action is anticipated to be covered in fiscal year 2012/2013.

#### DISCUSSION:

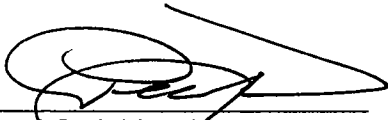
On December 8, 2011, the Board approved a list of qualified attorneys for legal services in excess of 20 different areas of law for use by MTS, San Diego Trolley, Inc. (SDTI), and San Diego Transit Corporation (SDTC) (hereinafter referred to as the Agencies). Thereafter, MTS intended to selectively contract with approved firms 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. The firm of Wheatley Bingham & Baker has multiple legal matters that are ongoing. Some cases potentially may proceed to trial, and the total cost of their legal services will exceed the CEO's authority.



Wheatley Bingham & Baker, LLP and firm attorney Roger Bingham have successfully represented and defended the Agencies in a number of tort liability matters. During calendar year 2011, Wheatley Bingham & Baker represented MTS in over 13 different legal matters. Invoices for current and future assigned matters are calculated to reach the estimated proposed contracted amount within the following 12-month period.

The CEO has approved contracts up to the \$100,000 authority level. Staff is requesting Board approval of MTS Doc. No. G1434.0-12 with Wheatley Bingham & Baker, LLP for legal services.



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: James Dow, 619.557.4562, [jim.dow@sdmts.com](mailto:jim.dow@sdmts.com)

JAN19-12.14.WHEATLEY BINGHAM BAKER LEGAL SVCS.JDOW.doc

Attachment: A. MTS Doc. No. G1434.0-12

# DRAFT

Att. A, AI 14, 1/19/12

## STANDARD SERVICES AGREEMENT

G1434.0-12  
CONTRACT NUMBER  
LEG 491 (PC 50633)  
FILE NUMBER(S)

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2012, 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: Wheatley Bingham & Baker, LLP

Address: 1201 Camino Del Mar, Suite 201

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

Del Mar, CA 92014-2569

Email: rpb@rbinghamlaw.com

Phone: 858.350.0504

Fax: 858.350.0506

Authorized person to sign contracts: Roger P. Bingham  
Name

Partner  
Title

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

Provide general legal advice and services for general legal liability, ADA, and civil rights law in accordance with the Standard Services Agreement, Standard Conditions Services, Request for Proposals for Legal Services, Attorney Service Guidelines, and MTS Travel Policy No. 44. Billing rates shall be in accordance with the MTS-approved Contractor Cost Proposal.

This contract shall remain in effect through December 31, 2017. The total cost of this agreement shall not exceed \$315,000, without the express written consent of MTS.

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
\$315,000		2012/13

By: \_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_ Date

(\_\_\_\_ total pages, each bearing contract number)

SA-SERVICES REVISED (REV 12-11)



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## Agenda Item No. 15

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

January 19, 2012

**Draft for  
Executive Committee  
Review Date: 1/12/12**

#### SUBJECT:

JANITORIAL SERVICES FOR MTS BUSES AND LIGHT RAIL VEHICLE FLEET –  
CONTRACT AMENDMENT

#### RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1387.1-11 (in substantially the same format as Attachment A) with NMS Management, Inc. (NMS) to add a daily terminal cleaner at the San Ysidro Transit Center and add two 1-year options to the contract.

#### Budget Impact

The cost of adding (1) a daily terminal cleaner five days per week, and (2) two 1-year options is detailed below. The total contract amount—including all options and amendments—would be \$6,019,091.08.

BASE YEARS 1 – 3	Daily Cost	Extended Cost
Jan. 30, 2012 – Sept. 30, 2012 = 175 Service Days	\$98.00	\$17,150.00
Oct. 1, 2012 – Sept. 30, 2013 = 260 Service Days	\$98.98	\$25,734.80
Oct. 1, 2013 – Sept. 30, 2014 = 260 Service Days	\$98.98	<u>\$25,734.80</u>
Total Base Period Change:		\$68,619.60
OPTION YEARS 1 & 2		
Oct. 1, 2014 – Sept. 30, 2015 = 260 Service Days	\$99.96	\$25,989.60
Oct. 1, 2015 – Sept. 30, 2016 = 260 Service Days	\$99.96	<u>\$25,989.60</u>
Total Option Years Change:		\$51,979.20
Grand Total Change:		<b>\$120,598.80</b>

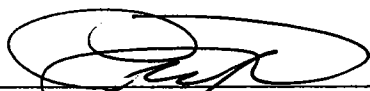


## DISCUSSION:

This contract amendment is requested in order to restore the daily terminal cleaner assigned to the San Ysidro Transit Center, which was previously removed due to budgetary constraints and mistakenly not reinstated during the new contract procurement process. Daily terminal cleaners are currently staffed at the Old Town and 12<sup>th</sup> & Imperial Transit Stations.

The purpose of the daily terminal cleaner is to board LRVs during their extended stops between runs at a transit station and quickly remove loose trash (e.g. newspapers, cups, bottles, etc.) and wipe up excessive spills. The daily terminal cleaner would be stationed at the San Ysidro Transit Center 5 days per week approximately between the hours of 8:30 a.m. and 5:00 p.m. beginning on January 30, 2012.

This contract amendment would provide for further coverage in order to maintain clean trolleys for the benefit of the MTS ridership.



---

Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Lee Summerlott, 619.595.4904, [Lee.Summerlott@sdmts.com](mailto:Lee.Summerlott@sdmts.com)

JAN19-12.15.NMS JANITORIAL SVCS G1387.1-11.SREED.doc

Attachment: A. Draft MTS Doc. No. G1387.1-11

# DRAFT

January 19, 2012

MTS Doc. No. G1387.1-11

Mr. David Guaderrama  
 President/CEO  
 NMS Management, Inc.  
 155 West 35<sup>th</sup> Street, Suite D  
 National City, CA 91950

Dear Mr. Guaderrama:

Subject: AMENDMENT NO. 1 TO MTS DOC. NO. G1387.0-11- JANITORIAL SERVICES FOR  
 MTS BUILDINGS AND LIGHT RAIL VEHICLE FLEET

This document shall serve as Amendment No. 1 to MTS Doc. No. G1387.0-11 for Janitorial Services for MTS Buildings and Light Rail Vehicle Fleet. The following language shall be added to Exhibit A, Section B.2.7, "Cleaning LRVs at Terminal Stations" as follows:

*The Contractor shall furnish one (1) person at San Ysidro Transit Center to clean LRVs as they layover from 8:30 a.m. to 5:00 p.m. five (5) days per week.*

## Effective Dates:

The effective dates of these services are listed below.

<u>Base Years 1 – 3</u>	<u>Daily Cost</u>	<u>Extended Cost</u>
<i>Jan. 30, 2012 – Sept. 30, 2012 = 175 Service Days</i>	<i>\$98.00</i>	<i>\$17,150.00</i>
<i>Oct. 1, 2012 – Sept. 30, 2013 = 260 Service Days</i>	<i>\$98.98</i>	<i>\$25,734.80</i>
<i>Oct. 1, 2013 – Sept. 30, 2014 = 260 Service Days</i>	<i>\$98.98</i>	<i>\$25,734.80</i>
<b>Total Base Period Change</b>		<b>\$68,619.60</b>
<u>Option Years 1 &amp; 2</u>		
<i>Oct. 1, 2014 – Sept. 30, 2015 = 260 Service Days</i>	<i>\$99.96</i>	<i>\$25,989.60</i>
<i>Oct. 1, 2015 – Sept. 30, 2016 = 260 Service Days</i>	<i>\$99.96</i>	<i>\$25,989.60</i>
<b>Total Option Years Change</b>		<b>\$51,979.20</b>

As a result of this Amendment, the total contract price has increased by \$68,619.60 from \$3,520,497.92 to \$3,589,117.52 for the three-year base period and increased by \$51,979.20 from \$2,377,994.36 to \$2,429,973.56 for the two 1-year options if exercised by MTS via written contract amendment.

Mr. Guaderrama  
January 19, 2012  
Page 2

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

Sincerely,

Agreed:

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Paul C. Jablonski  
Chief Executive Officer

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David Guaderrama, President  
NMS Management, Inc.

Date: \_\_\_\_\_