



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

Agenda

MEETING OF THE METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

October 11, 2012

Executive Conference Room
9:00 a.m.

ACTION RECOMMENDED

- A. ROLL CALL
- B. APPROVAL OF MINUTES - September 13, 2012 Approve
- C. COMMITTEE DISCUSSION ITEMS
 - 1. Trolley Renewal Project Update (Wayne Terry and John Haggerty of SANDAG) Receive
Action would receive a report for information.
 - 2. East County Bus Maintenance Facility Project Update (Claire Spielberg) Receive
Action would receive a report for information on the East County Bus Maintenance Facility.
- D. REVIEW OF DRAFT OCTOBER 18, 2012, BOARD AGENDA
- E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA Possible
Review of SANDAG Transportation Committee Agenda and discussion regarding any Action
items pertaining to MTS, San Diego Transit Corporation, or San Diego Trolley, Inc.
Relevant excerpts will be provided during the meeting.
- F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS
- G. PUBLIC COMMENTS
- H. NEXT MEETING DATE: November 8, 2012
- I. ADJOURNMENT

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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.

MEETING OF THE EXECUTIVE COMMITTEE FOR THE
METROPOLITAN TRANSIT SYSTEM (MTS)
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

September 13, 2012

DRAFT
MINUTES

A. ROLL CALL

Chairman Mathis called the Executive Committee meeting to order at 9:02 a.m. A roll call sheet listing Executive Committee member attendance is attached.

B. APPROVAL OF MINUTES

Mr. Minto moved for approval of the minutes of the July 12, 2012, MTS Executive Committee meeting. Mr. Ovrom seconded the motion, and the vote was 3 to 0 in favor with Mr. Roberts and Mr. Young absent.

C. COMMITTEE DISCUSSION ITEMS

1. Trolley Renewal Project Update

John Haggerty of the San Diego Association of Governments (SANDAG) gave the Executive Committee an update on the Trolley Renewal Project. He provided an update of the station construction schedule for the Blue and Orange Line Improvement Corridor and provided a layout of the trolley stations that have been completed, are under construction, and planned construction. He talked about the budget and total expended dollars stating that 33% of the total budget has been expended. Mr. Haggerty talked about the project status in terms of design, construction, work completed, and work in progress. He provided before-and-after photographs of station improvements at the 12th & Imperial Station, Washington Street Station, Gaslamp Quarter Station, Convention Center Station, Santa Fe Depot Station, Middletown Station, Seaport Village Station, and the County Center/Little Italy Station.

Mr. Haggerty talked about the work taking place at Orange Line stations. He provided before-and-after photographs of station improvements at the 47th Street Station, Encanto/62nd Street Station, Massachusetts Avenue Station, Lemon Grove Depot Station, La Mesa Boulevard Station, 25th & Commercial Station, 32nd Street & Commercial Station, and the Spring Street Station. He showed pictures of the platform improvements in progress at the Lemon Grove Depot Station, Euclid Avenue Station, and 25th & Commercial Station. He also showed pictures of the platform work being done at the Civic Center Station, Park & Market Station, 5th Avenue Station, and the City College Station.

Wayne Terry, Chief Operating Officer of Rail, stated that 42 new light rail vehicles have been delivered from the Siemens plant at this time with 8 currently in production.

Denis Desmond, Manager of Planning, talked about the service changes that were implemented on September 2, 2012. He discussed the preparations, outreach efforts, challenges that occurred as well as the next steps.

Public Comments

Clive Richard – Mr. Richard stated that the trolley renewal work and new operating plan is quite an accomplishment, and he was able to make the trolley-to-bus connection smoothly.

Action Taken

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

2. Proposed Revisions to MTS Policy No. 42 – Transit Service Evaluation and Adjustment

Denis Desmond presented proposed changes to Policy No. 42 regarding Transit Service Evaluation and Adjustment. He explained that Policy No. 42 is the Board-adopted road map for evaluating service, and that the Board had last reviewed and approved the policy in 2007. He explained the two primary areas needing updating; performance indicators and Title VI requirements.

Mr. Desmond stated that there are 21 difference performance indicators and explained the four major indicator recommendations; total passengers, average weekday passengers, missed trips, frequency at major transfer points, and explained the reason the recommendations were being updated. He talked about the recommended changes based on Title VI analysis and explained that any of the changes that would require a Title VI analysis will be presented to the MTS Board of Directors before a final implementation decision is made.

Action Taken

Mr. Minto moved to forward a recommendation to the Board of Directors to approve the proposed revisions to MTS Policy No. 42 – Transit Service Evaluation and Adjustment. Mr. Ovrom seconded the motion, and the vote was 5 to 0 in favor.

3. Disadvantaged Business Enterprise (DBE) Goal

Karen Landers, General Counsel, provided a report to the Committee regarding the agency Disadvantaged Business Enterprise (DBE) goal. She explained the requirements for the DBE program and the 2-step, goal-setting methodology. She explained the history of MTS DBE participation for the triennial period and stated that the new triennial DBE goal for the Federal Fiscal Year 2013 to 2015, is 4.1%.

Action Taken

Mr. Minto moved to forward a recommendation to the Board of Directors to adopt a 4.1% goal for DBE-participation in federally funded contracts over the Federal Fiscal Year (FFY) 2013 to FFY 2015 triennial period. Mr. Ovrom seconded the motion, and the vote was 5 to 0 in favor.

4. California Public Employees' Pension Reform Act of 2013 (PEPRA)

Karen Landers presented information regarding the California Public Employees' Pension Reform Act of 2013 (PEPRA) that becomes effective January 1, 2013. She explained that reform measures included in the law affect all agencies that participate in the California Public Employees' Retirement System, including MTS. She provided highlights of the bill that would have an effect on MTS. She explained that there is a reduced benefit formula of 2% at 62 (includes 1% at 52 and 2.5% at 67); currently MTS has the formula of 2.7% at 55, and SDTI is 2.0% at 55. Ms. Landers explained that there will be a new maximum compensation for calculating pension benefits and new limits on pensionable compensation. She then talked about what "normal cost" is and employees will contribute 50% of total annual normal cost. She stated that final compensation for new employees will be calculated using the highest annual compensation over a consecutive 36-month period versus 12-month period that is currently in place. She covered assigning pension liability for employees hired from other PERS agencies, health benefit vesting, and the prohibiting of purchasing airtime to gain service credit. She explained that much of the new legislation needs to be interpreted and thus the full impact of the legislation is still unclear.

Action Taken

Mr. Minto moved to receive a report for information and provide comments. Mr. Roberts seconded the motion, and the vote was 4 to 0 in favor with Mr. Young absent.

5. Los Angeles-San Diego-San Luis Obispo Rail Corridor Agency (LOSSAN) Update

Sharon Cooney gave the Committee information regarding recently approved legislation for the Los Angeles-San Diego-San Luis Obispo Rail Corridor Agency (LOSSAN). She explained that Senate Bill 1225 (Padilla) is awaiting the Governor's signature and permits the transfer of the management authority of the Pacific Surfliner intercity passenger rail service from the California Department of Transportation (Caltrans) to a LOSSAN member agency. She explained that the interagency transfer agreement may be entered into on or after June 30, 2014, but not later than June 30, 2015. She stated that the state must fund the service for at least 3 years at levels equal to those at the time of the agreement.

Ms. Cooney explained that the draft amendments to the LOSSAN joint powers agreement (JPA) adds Riverside County Transportation Commission as a voting member agency and 10 votes will be spread among the member agencies. She explained the dynamics of the new voting structure and the nuances of the new managing agency.

Action Taken

Mr. Roberts moved to receive a report for information and provide comments and direction regarding the next steps in response to LOSSAN actions and Senate Bill 1225. Mr. Minto seconded the motion, and the vote was 4 to 0 in favor with Mr. Young absent.

The Executive Committee convened to Closed Session at 11:16 a.m. (Taken Out of Order)

6. **CLOSED SESSION – CONFERENCE WITH REAL PROPERTY NEGOTIATORS
PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54956.8**

Property: The San Diego and Arizona Eastern Railway Company (SD&AE) Desert Line from approximate Mile Post 60 to approximate Mile Post 130 (Division to Plaster City) in San Diego and Imperial Counties

Agency Negotiators: Karen Landers, General Counsel; Tim Allison, Manager of Real Estate Assets; and Paul Jablonski, Chief Executive Officer

Negotiating Parties: San Diego and Imperial Valley Railroad (SDIY) and Pacific Imperial Railroad, Inc. (PIR)

Under Negotiation: Price and Terms of Payment for Assigned Operating Rights

7. **CLOSED SESSION – CONFERENCE WITH LABOR NEGOTIATORS**

Pursuant to California Government Code section 54957.6

Agency-Designated Representative: Jeff Stumbo

Employee Organization: Amalgamated Transit Union, Local 1309

8. **CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL ANTICIPATED LITIGATION Pursuant to California Government Code section 54956.9(b) (One Potential Case)**

The Executive Committee reconvened to Open Session at 11:57 a.m.

Oral Report of Final Actions Taken in Closed Session

Karen Landers, General Counsel, reported the following:

6. The Committee received a report for information.
7. The Committee moved to forward a staff recommendation to the Board of Directors.
8. The Committee received a report for information.

D. **REVIEW OF DRAFT SEPTEMBER 20, 2012, BOARD AGENDA**

Recommended Consent Items

6. Investment Report - June 2012

Action would receive a report for information.

7. Compass Card Back-Office Implementation and Commissions on Fare Media - Amendment to MOU with SANDAG and NCTD

Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1248.3-09 amending the Memorandum of Understanding (MOU) between the San Diego Association of Governments (SANDAG) and North County Transit District (NCTD) regarding Compass Card back-office implementation and commissions on fare media.

8. State Transit Assistance (STA) Claims

Action would adopt Resolution No. 12-12 approving fiscal year (FY) 2013 State Transit Assistance (STA) claims.

9. Job Order Contract Work Order for San Miguel Grade-Crossing Renewal Project

Action would authorize the CEO to execute Job Order Contract (JOC) No. 11183 (under Work Order No. MTSJOC1582-02) with Herzog Contracting Corporation to perform work under MTS Doc. No. PWL134.0-12 for the San Miguel Grade-Crossing Renewal Project on the Orange Line.

10. General Engineering Contracts - Various

Action would authorize the CEO to execute General Engineering On-Call Services contracts piggybacking on contracts between the San Diego Association of Governments (SANDAG) and Parsons Brinckerhoff, Kimley-Horn Associates, Inc., Pacific Railway Enterprises, PGH Wong Engineering, Inc., and RailPros, Inc.

11. High-Speed Circuit Breaker Replacement and Installation - Contract Award

Action would authorize the CEO to execute MTS Doc. No. L1052.0-12 with Siemens Transportation Systems, Inc. (Siemens) to furnish and install high-speed circuit breakers on MTS's fleet of 52 SD 100 light rail vehicles (LRVs).

12. Replacement Bus Radios for MTS Paratransit and Rural Bus Fleets

Action would authorize the CEO to purchase 92 new 5300 ES Mobile Radios for the MTS Access and Rural bus fleets.

13. Platform Card Interface Devices (PCIDs) for Trolley Renewal Project

Action would authorize the CEO to execute MTS Doc. No. L1111.0-13 as a sole-source contract with Cubic Transportation System for the procurement of Platform Card Interface Devices (PCIDs) and associated PCID spare parts to support the additional fare equipment requirements called for in the Trolley Renewal Project's station design specifications.

14. Transmissions and In-Frame Engine Overhaul Services - Contract Award

Action would authorize the CEO to: (1) execute MTS Doc. No. B0574.0-12 with Cummins Cal Pacific, LLC for the provision of transmission and in-frame engine overhaul services for Group I (In-Frame Engine Overhauls) for a three-year base period with two 1-year options; and (2) exercise each option year at the CEO's discretion.

15. Engineering Support Services for the Mission Valley East Orange Line Signal Print Verification Project

Action would authorize the CEO to execute Work Order No. 13.01 to MTS Document No. G1494.0-13 with Pacific Railway Enterprises, Inc.

16. Janitorial Services for MTS LRV Fleet - Additional Services

Action would: (1) ratify MTS Doc. No. G1387.2-11 dated September 30, 2011, with NMS Management for janitorial and light rail vehicle (LRV) cleaning services, which was previously executed pursuant to the CEO's authority; and (2) authorize the CEO to execute MTS Doc. No. G1387.3-11 for LRV cleaning services through September 30, 2016.

17. Disadvantaged Business Enterprise (DBE) Goal

Action would adopt a 4.1% goal for DBE-participation in federally funded contracts over the Federal Fiscal Year (FFY) 2013 to FFY 2015 triennial period.

18. SD 100 Complete Gearbox Assemblies for Light Rail Vehicles - Contract Award

Action would authorize the CEO to execute MTS Doc. No. L1053.0-12 with Hi-Tec Enterprises (Hi-Tec) to furnish complete gearbox assemblies for MTS's fleet of 52 SD 100 LRVs.

19. Proposed Revisions to Policy No. 42 - Transit Service Evaluation and Adjustment

Action would approve the proposed revisions to MTS Policy No. 42 - Transit Service Evaluation and Adjustment.

20. LiveScan Authorization

Action would approve Resolution No. 12-13 authorizing staff to execute a request to the California Department of Justice to become a contributing agency for LiveScan fingerprinting.

21. San Diego Trolley Building B Roof Replacement

Action would authorize the CEO to execute Work Order No. MTSJOC1337-12 with Southland Electric (MTS Doc. No. PWL132.0-11) for repairs to San Diego Trolley, Inc.'s (SDTI's) Building B.

There was no additional discussion of the recommended Consent Items.

E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA

There was no SANDAG Transportation Committee agenda discussion.

F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS

There was no Committee Member Communications and Other Business discussion.

G. PUBLIC COMMENTS

There were no Public Comments.

H. NEXT MEETING DATE

The next Executive Committee meeting is scheduled for October 11, 2012, at 9:00 a.m. in the Executive Committee Conference Room.

I. ADJOURNMENT

Chairman Mathis adjourned the meeting at 11:57 a.m.

Chairman

Attachment: A. Roll Call Sheet

H:\Minutes - Executive Committee, Board, And Committees\MINUTES - Executive Committee 9-13-12 DRAFT.Docx

**EXECUTIVE COMMITTEE
METROPOLITAN TRANSIT SYSTEM**

ROLL CALL

MEETING OF (DATE) September 13, 2012

CALL TO ORDER (TIME) 9:02 AM

RECESS _____

RECONVENE _____

CLOSED SESSION 11:16 AM

RECONVENE 11:56 AM

ADJOURN 11:57 AM

BOARD MEMBER (Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
YOUNG ☒ (Gloria) ☐	9:17 AM	10:15 AM
MATHIS ☒		
OVROM ☒ (Bragg) ☐		
ROBERTS ☒ (Cox) ☐	9:11 AM	
MINTO ☒ (Cunningham) ☐		
Transportation Committee Rep Slot (Mathis)		

SIGNED BY THE CLERK OF THE BOARD: Valerie Vizkelete

CONFIRMED BY THE GENERAL COUNSEL: [Signature]



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Agenda Item No. C1

MEETING OF THE METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

October 11, 2012

SUBJECT:

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

RECOMMENDATION:

That the Executive Committee receive a report for information.

Budget Impact

None.

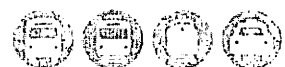
DISCUSSION:

The Trolley Renewal Project is a system-wide rehabilitation and upgrade of the existing Trolley system. The project includes the purchase of new low-floor vehicles, the rehabilitation and retrofit of stations and transit centers throughout the system, new crossovers and upgraded signaling, replacement of the overhead catenary wire, track work and rail replacement, slope repair, and traction power substation replacement and rehabilitation. Construction and infrastructure work is currently underway in downtown San Diego and on the Orange and Blue Lines. Staff will provide an update on the construction project.

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

Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, Sharon.Cooney@sdmts.com





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Agenda Item No. C2

MEETING OF THE METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

October 11, 2012

SUBJECT:

EAST COUNTY BUS MAINTENANCE FACILITY PROJECT UPDATE
(CLAIRE SPIELBERG)

RECOMMENDATION:

That the Executive Committee receive a report for information on the East County Bus Maintenance Facility.

Budget Impact

None at this time. Capital for the existing projects is covered by various federal, state, and local capital grants.

DISCUSSION:

East County Bus Maintenance Facility Expansion Project

The East County Bus Maintenance Facility is currently located in the El Cajon Industrial Park near Johnson Avenue and Vernon Way. MTS contracts with Veolia Transportation to operate 56 diesel-powered MTS-provided buses and 26 Veolia-owned commuter express buses from this facility. The San Diego Association of Governments (SANDAG) has executed a task order with Parsons Brinckerhoff and Kimley-Horn and Associates to prepare plans, specifications, and estimates for moving forward to redevelop the site. Staff from MTS and Parsons Brinckerhoff will provide a presentation updating the project status.

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

Paul G. Jablonski
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, Sharon.Cooney@sdmts.com





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619.231.1466 FAX 619.234.3407

DRAFT

Agenda

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 18, 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 two 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 - September 20, 2012
3. Public Comments - Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion items. If you have a report to present, please give your copies to the Clerk of the Board.

Approve

Please SILENCE electronics
during the meeting



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CONSENT ITEMS

- | | | |
|-----|--|--------------------|
| 6. | <u>State Lobbying Services Contract - Exercise Contract Option Year Two</u>
Action would: (1) ratify MTS Doc. No. G1204.1-09 with Smith Watts & Company LLC for continued state lobbying services; and (2) authorize the CEO to execute MTS Doc. No. G1204.2-09 with Smith Watts & Company LLC to exercise option year two for state lobbying services. | Ratify/
Approve |
| 7. | <u>Compass Card Risk Follow-up - Audit Report</u>
Action would receive an internal audit report on Compass Card risk follow-up for information. | Receive |
| 8. | <u>LRV Warranty Operations - Audit Report</u>
Action would receive an internal audit consultative report on light rail vehicle (LRV) warranty operations | Receive |
| 9. | <u>Follow-up Audit Reports - Status Updates</u>
Action would receive internal audit reports as a status update on follow-up reviews. | Receive |
| 10. | <u>Vehicle Advertising Services</u>
Action would authorize the CEO to execute MTS Doc. No. G1140.2-08 with Michael-Allen & Associates for vehicle advertising services. | Approve |
| 11. | <u>Hazardous Materials Disposal Services - Contract Award</u>
Action would authorize the CEO to execute MTS Doc. No. G1474.0-12 with Environmental Logistics, Inc. for a five-year period to provide hazardous materials disposal services to San Diego Transit Corporation (SDTC) and San Diego Trolley, Inc. (SDTI). | Approve |
| 12. | <u>Reallocated Transportation Development Act Funds for the La Mesa Village Trolley Access Improvements Project</u>
Action would approve the use of Transportation Development Act (TDA) Article 4 funds currently held by the City of La Mesa for MTS's La Mesa Village Trolley Access Improvements Project. | Approve |
| 13. | <u>Increased Authorization for Legal Services - Law Offices of Michael Ripley</u>
Action would authorize the CEO to execute MTS Doc. No. G1428.1-12 with the Law Offices of Michael Ripley for current and future legal expenses throughout the remainder of FY 2013. | Approve |
| 14. | <u>Federal Transit Administration 5316 Grant Applications</u>
Action would adopt Resolution No. 12-14 authorizing the CEO to submit applications for federal fiscal year 2012 Job Access and Reverse Commute (JARC) funding. | Adopt |
| 15. | <u>Transmissions and In-Frame Engine Overhaul Services – Contract Award</u>
Action would authorize the CEO to: (1) execute MTS Doc. No. B0592.0-13 with Harbor Diesel and Equipment, Inc. for the provision of transmission and in-frame engine overhaul services for Group II-Transmission Rebuilds for a three-year base period with 2 one-year options; and (2) exercise each option year at his discretion. | Approve |

CONSENT ITEMS - Continued

- | | | |
|-----|---|--------------------|
| 16. | <u>Federal Legislative Representation</u>
Action would: (1) ratify the Chief Executive Officer's (CEO) approval of Amendment No. 4 to Task Order 5 of the San Diego Association of Governments' (SANDAG's) contract with Blank Rome Government Relations, LLP (MTS Doc. No. G0980.5-06/ Ref. SANDAG Contract No. 5000276), which assigned the remainder of the contract to Peyser Associates, LLC; and (2) authorize the CEO to execute Task Order 6 and Amendment No. 5 of the triagency contract with Peyser Associates, LLC effective November 1, 2012. | Ratify/
Approve |
|-----|---|--------------------|

CLOSED SESSION

- | | | |
|-----|--|--|
| 24. | <p>a. CLOSED SESSION - CONFERENCE WITH LABOR NEGOTIATORS
Pursuant to California Government Code section 54957.6
<u>Agency-Designated Representative</u> - Jeff Stumbo
<u>Employee Organization</u> - International Brotherhood of Electrical Workers, Local 465 (IBEW)</p> <p>b. CLOSED SESSION - CONFERENCE WITH LABOR NEGOTIATORS
Pursuant to California Government Code section 54957.6
<u>Agency-Designated Representative</u> - Jeff Stumbo
<u>Employee Organization</u> - Amalgamated Transit Union (ATU), Local 1309</p> <p>c. CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL EXISTING LITIGATION PURSUANT to California Government Code Section 54956.9(a):
<u>Norma Calloway v. MTS</u> (SDSC Case Nos. 0414096, 0212699, and 10289196)</p> <p><u>Oral Report of Final Actions Taken in Closed Session</u></p> | <p>Possible
Action</p> <p>Possible
Action</p> <p>Possible
Action</p> |
|-----|--|--|

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS

- | | | |
|-----|--|---|
| 30. | <u>An Ordinance Amending Ordinance No. 5, An Ordinance Relating to the Enforcement Authorities of Code Compliance Inspectors, Assistant Code Compliance Supervisors, the Code Compliance Inspection Supervisor, and Taxicab Inspectors I & II, and An Ordinance Amending Ordinance No. 11, An Ordinance Providing for the Licensing and the Regulating of Transportation Services Within the City By the Adoption of a Uniform Paratransit Ordinance (Karen Landers)</u>
Action would: (1) read the title of Ordinance No. 5, An Ordinance Relating to the Enforcement Authorities of Code Compliance Inspectors, Assistant Code Compliance Supervisors, the Code Compliance Inspection Supervisor, and Taxicab Inspectors I & II and Ordinance No. 11, 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; (3) introduce the ordinances for further consideration at the next Board meeting on November 15; and (4) direct publication of an ordinance summary. | Read/
Waive/
Introduce/
Direct |
|-----|--|---|

REPORT ITEMS

- | | | |
|-----|---|-------------|
| 45. | <u>Annual Performance Monitoring Report (Devin Braun)</u>
Action would receive a report for information. | Receive |
| 46. | <u>Annual Rail Operations Report (Wayne Terry)</u>
Action would receive a report for information. | Receive |
| 47. | <u>Annual Bus Operations Report (Claire Spielberg)</u>
Action would receive a report for information. | Receive |
| 48. | <u>Security Report (Bill Burke)</u>
Action would receive a report for information. | Receive |
| 49. | <u>East County Bus Maintenance Facility Project Update (Claire Spielberg)</u>
Action would receive a report for information. | Receive |
| 50. | <u>Operations Budget Status Report for August 2012 (Mike Thompson)</u>
Action would receive a report for information. | Receive |
| 60. | <u>Chairman's Report</u> | Information |
| 61. | <u>Audit Oversight Committee Chairman's Report</u> | Information |
| 62. | <u>Chief Executive Officer's Report</u> | Information |
| 63. | <u>Board Member Communications</u> | |
| 64. | <u>Additional Public Comments Not on the Agenda</u>
If the limit of 5 speakers is exceeded under No. 3 (Public Comments) on this agenda, additional speakers will be taken at this time. If you have a report to present, please furnish a copy to the Clerk of the Board. Subjects of previous hearings or agenda items may not again be addressed under Public Comments. | |
| 65. | <u>Next Meeting Date:</u> November 15, 2012 | |
| 66. | <u>Adjournment</u> | |



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Agenda Item No. 6

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 18, 2012

**Draft for
Executive Committee
Review Date: 10/11/12**

SUBJECT:

STATE LOBBYING SERVICES CONTRACT - EXERCISE CONTRACT OPTION YEAR TWO

RECOMMENDATION:

That the Board of Directors:

1. ratify MTS Doc. No. G1204.1-09 (Attachment A) with Smith Watts & Company LLC for continued state lobbying services; and
2. authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1204.2-09 (in substantially the same format as Attachment B) with Smith Watts & Company LLC to exercise option year two for state lobbying services.

Budget Impact

The cost of the contract would be shared evenly by MTS and North County Transit District (NCTD), and MTS's share of the final option year would be \$34,800. The cost for state representative services is budgeted under the FY 13 budget (50902 - MTS and 53116 - NCTD).

DISCUSSION:

MTS Contract No. G1204.0-09 was awarded in November of 2008 to Smith Watts & Company LLC for a three-year base period and 2 one-year options to provide state legislative representative services.



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Amendment No. 1

In December 2011, the CEO executed a contract amendment to exercise Option Year 1 with Smith Watts & Company, LLC for an amount of \$69,600. This Amendment was necessary for MTS to continue receiving state legislative representative services.

Amendment No. 2

Staff is requesting Board approval for the execution of contract Amendment No. 2 with Smith Watts & Company, LLC to exercise Option Year 2. This amendment is necessary in order for MTS to continue receiving state legislative representative services.

The adjusted amount of the entire contract, including these amendments, would be \$348,000.

Therefore, staff recommends:

1. ratification of MTS Doc. No. G1204.1-09 (Attachment A) with Smith Watts & Company, LLC for continued state legislative representative services; and
2. authorization for the Chief Executive Officer (CEO) to execute MTS Doc. No. G1204.2-09 (in substantially the same format as Attachment B) with Smith Watts & Company, LLC to exercise option year two for state legislative representative services.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, sharon.cooney@sdmts.com

Attachments: A. MTS Doc. No. G1204.1-09
B. MTS Doc. No. G1204.2-09



Metropolitan Transit System

Att. A, AI 6, 10/18/12

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



December 13, 2011

MTS Doc. No. G1204.1-09
LEG 470

Mr. Mark Watts
Project Manager
Smith, Watts & Company
980 9th Street, Suite 2000
Sacramento, CA 95814

ORIGINAL

Dear Mr. Watts:

Subject: AMENDMENT NO. 1 TO MTS DOC. NO. G1204.1-09; LOBBYING SERVICES,
OPTION YEAR 1

This letter will serve as Amendment No. 1 to the above-referenced contract for the Lobbying Services as listed below.

SCOPE OF SERVICES

Pursuant to the Scope of Work of MTS Doc. No. G1204.0-09, the San Diego Metropolitan Transit System (MTS) shall exercise Option Year One (1), in the amount of \$69,600.

Smith, Watts & Company agrees to continue to provide Lobbying Services with the terms and conditions as stated in MTS Doc. G1204.0-09.

SCHEDULE

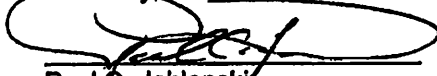
The Option Year 1 period of performance shall be January 1, 2012 through December 31, 2012.

PAYMENT

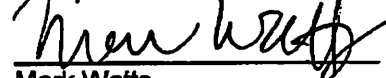
Payment shall be based upon the agreed upon contract costs not to exceed \$69,600 without prior written approval from MTS. The total value of this contract including this amendment shall not exceed \$278,400.

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

Sincerely,


Paul C. Jablonski
Chief Executive Officer

Accepted


Mark Watts
Smith, Watts & Company, LLC

Contract Support -SOVERTON 12-13-11
CL -G1204.1-09 SMITH-WATTS&CO MLAWRENCE

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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.



DRAFT

October 18, 2012

MTS Doc. No. G1204.2-09
LEG 470

Mr. Mark Watts
Smith Watts & Company, LLC
Project Manager
1111 L Street
Sacramento, CA 95814

Dear Mr. Watts:

Subject: AMENDMENT NO. 2 TO MTS DOC. NO. G1204.0-09; STATE LOBBYING SERVICES

This shall serve as Amendment No. 2 to our agreement for the state lobbying services as further described below.

STATEMENT OF WORK

Pursuant to the Scope of Work within MTS Doc. No. G1204.0-09, the San Diego Metropolitan Transit System (MTS) shall exercise Option Year Two in the amount of \$69,600.

Smith Watts & Company, LLC agrees to continue to provide state lobbying services in accordance with the terms and conditions as stated in MTS Doc. No. G1204.0-09.

SCHEDULE

The Option Year Two period of performance shall be effective January 1, 2013, through December 31, 2013.

PAYMENT

Payment shall be based upon the agreed-upon contract costs not to exceed \$69,600 without prior written approval from MTS. The total value of this contract including this amendment shall not exceed \$348,000.

Please sign and return the copy marked "original" to the Contracts Specialist at MTS. All other terms and conditions shall remain the same and in effect. Retain the other copy for your records.

Sincerely,

Agreed:

Paul C. Jablonski
Chief Executive Officer

Mark Watts
Smith Watts & Company, LLC

SEPT2012 G1204.2-09.SMITHWATTS&CO.doc

Date: _____

cc: S. Cooney, B. Hennessey (NCTD), V. Berman (NCTD), C. Aquino, Procurement File



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Agenda Item No. 7

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 18, 2012

**Draft for
Executive Committee
Review Date: 10/11/12**

SUBJECT:

COMPASS CARD RISK FOLLOW UP – AUDIT REPORT

RECOMMENDATION:

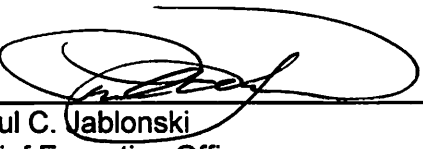
That the Board of Directors receive an internal audit report on Compass Card risk follow-up for information.

Budget Impact

None.

DISCUSSION:

During June/July 2012, the MTS Internal Auditor performed a follow-up review of the Compass Card Risk Assessment report issued in October 2010. As a result of this review, one minor additional recommendation was made for Management's consideration. Management has reviewed the recommendation and is taking action to address the reported issue.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Karen Landers, 619.557.4512, Karen.Landers@sdmts.com

Attachment: A. Follow-Up Audit Report – Compass Card Risk Assessment (MTS)





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

Att. A, AI 7, 10/18/12

Memorandum

DATE: 7/20/2012
TO: Paul Jablonski
FROM: Daniel Madzellan
SUBJECT: Follow Up Audit Report – Compass Cards Risk Assessment (MTS)

EXECUTIVE SUMMARY:

Audit performed a follow up review of a previous audit report issued October 2010 titled Compass Card Risk Assessment. The report focused on business risks regarding Compass Cards from operations controlled and managed by SANDAG, as well as internal MTS operational controls. This report communicates follow up results in relation to operations controlled by MTS.

There were four findings and recommendations regarding MTS operations, recommendations were as follows:

1. MTS should establish an SOP for employee Compass Cards to ensure that all cards are collected and cancelled when an employee terminates employment.
2. The MTS Rail Division and the Transit Store should establish an inventory record of Compass Cards and ensure that all card numbers are accounted for properly. Written standard operations procedures (SOP) should also be developed to ensure that procedures are followed consistently.
3. In order to further reduce the risk of credit card charge-backs, MTS should consider options such as "velocity checks," not accepting credit cards after a certain time of day or even accepting only debit cards at TVMs.
4. Serious consideration should be given to restricting or eliminating the use of the fare box short fare key. If a decision is made to continue use of the key, strong controls should be in place over the use of the key, including daily monitoring of short-fare reports. This is critical in the event that MTS transitions to selling day passes on Compass Cards. Under no circumstances, should bus operators ever be given Compass Cards for distribution to customers.

In accordance with Audit policies and procedures, follow up reviews consist of:

1. Verifying management actions plans, in relation to reported findings, were implemented;
2. Determining if the action plans were operating as designed and intended; and
3. Evaluating if residual risks remaining are at acceptable levels.



Based on testing performed, action plans in relation to recommendations #2, 3, and 4 referenced above were implemented and working as designed and intended. Thus, Audit concluded any residual risks with these findings were currently at acceptable levels.

With respect to the first recommendation action plans were not implemented as documented within the previous audit report. Accordingly, Audit re-assessed the risks associated with the finding. The risk was that employees issued Compass Cards who have subsequently ended their employment with MTS could receive free services until the card expires if not deactivated or collected. Evidence reviewed indicated the risk was still in existence; however there was no evidence indicating MTS had incurred any losses associated with employee issued Compass Cards. As such, risks regarding employee Compass Cards considered insignificant at this time. Audit did make minor recommendations, focusing on consistency of requesting employee Compass Cards, as well as evaluating additional monitoring regarding deactivation of cards to ensure risks remain insignificant.

Previous findings, recommendations, management responses, follow up results, and other audit observations are discussed in further detail below.

Report Distribution:

Bill Burke, Sharon Cooney, Karen Landers, Jeff Stumbo, and Cliff Telfer - MTS
Claire Spielberg - SDTC
Wayne Terry - SDTI

Finding #1: Employee Compass Cards:

Several MTS employees have Compass Cards. The risk exists that unauthorized individuals could use these cards, especially since most employees use their MTS IDs when riding the system. An SOP should be established at MTS that ensures that all Compass Cards are collected and cancelled when these employees terminate employment.

Recommendation:

MTS should establish an SOP for employee Compass Cards to ensure that all cards are collected and cancelled when an employee terminates employment.

Human Resources Department Response:

The Human Resources Department has added "Compass Card Deactivation" to its "Separation of Employment" checklist.

Follow Up Results:

Audit inquired with Human Resources if the corrective action occurred. Human Resources indicated they were unaware of the recommendation or issue communicated in the report, thus the corrective action was not implemented as stated. Audit observed the initial report was not distributed to any members of Human Resources. Audit re-assessed the risk exposure as "several" is a subjective term and previous working papers were not available for review.

Audit spoke with members of Finance and the Planning Department to try and quantify the risk exposure. Planning communicated that all members of Planning and Marketing received employee Compass Cards in an initial batch issuance. Inquiry evidence indicated members of these departments still have active employee Compass Cards. The issuance allowed for members of these departments to test the functionality of Compass Cards in the field before rolling out the product to customers. Subsequent to the initial batch, Planning initiated a process of recruiting volunteers from other departments to assist with the testing. Planning provided Audit a listing of those employees, along with the card numbers. There were a total of fifty-four (54) employees who volunteered to assist with the testing.

Audit provided the listing to the Asst. Finance Manager, who determined the date last used for each employee card, as well as the expiration date. All cards issued to the volunteer employees are set to expire in November 2013. The evidence indicated only twenty (20) employees had card usage history; the remaining thirty-four (34) employees had no usage history. Audit provided this listing to Human Resources to identify those employees who were no longer active employees so their cards could be deactivated. There were a total of fifteen (15) employees identified as terminated who needed to have their cards deactivated.

NOTE: Evidence indicated there were no losses incurred by MTS; only one terminated employees had a usage history and the last date occurred prior to their employment ending.

Audit discovered that MTS Security issues employee Compass Cards to members of the Code Compliance Inspection (CCI) division for use in normal operations. There are approximately forty-two (42) members of CCI have Compass Cards. The Security Crime Analyst currently manages the process of issuance and deactivation. Audit also discovered SDTI Revenue issues employee Compass Cards, presently there are twenty-eight (28) individuals with cards.

In discussion with Security Crime Analyst, when an employee needs a card, she requests from HR a copy of the employee's photo taken for their MTS ID badge. She forwards the photo to the Transit Store Manager. SANDAG is the only entity that can load ERP onto a Compass Card; the Transit Store does not have this ability. Thus, the Transit Store Manager imports and loads the photo on an ADU compass card, along with the employee name and

ID number. The Transit Store Manager then sends the card to SANDAG to add the Employee Fare Product (EFP) to the card. SANDAG returns the card to the Transit Store, who in turn remits the card to Security.

In discussion with SDTI Revenue Manager, he works directly with SANDAG to secure employee Compass Cards for members of his department. He sends a photo, not specifically the photo taken by HR for issuing an MTS ID Badge, and requested cards from SANDAG. Cards are created and returned to the Revenue Manager for distribution to his employees. SDTI Revenue Manager provided to Audit a listing of those employees.

The EFP on Compass Cards are issued for 5 years. Also, SANDAG is the only entity with the ability to deactivate a Compass Card. Audit is not aware of other individual departments that issue Compass Cards to employees as standard operating procedures.

Follow Up Recommendations:

1) There are twenty (20) active employees who were issued employee Compass Cards as part of the volunteer testing program and have no usage history on their cards. Management should consider requesting SANDAG to deactivate these cards at this time. That would leave only eighteen (18) employees with active cards from the volunteer population that would require monitoring until the cards are set to expire in November 2013. Management might also consider terminating these cards as well.

2) While Audit does believe there was merit to the previous recommendation of developing an SOP for issuing employee Compass Cards, evidence obtained and analyzed during the course of the follow up did not indicate any significant risks with current operation practices, which are presently decentralized.

However, as noted above, the two departments who issued employee Compass Cards have different procedures in requesting/obtaining employee Compass Cards. Security obtains the employee photo on record from HR and forwards the information to the Transit Store. SDTI Revenue makes their requests directly to SANDAG using a self-generated photo. In consultation with the Asst. Finance Manager, SANDAG has the ability to upload photos onto Compass Cards. Thus, forwarding requests to the Transit Store is an unnecessary procedure.

Therefore, for consistency, Audit would recommend that both Security and SDTI Revenue request employee photos from HR for use on employee Compass Cards. Once received from HR, Security and SDTI Revenue can forward their requests directly to SANDAG's Call Center Manager to secure the cards. The employee name, employee ID number, and picture are requirements for issuance.

With respect to termination of employee Compass Cards, administration of that process is currently the responsibility of the Department Managers. If an employee is terminated, Department Managers are responsible for contacting SANDAG to deactivate the card since SANDAG is the only entity with the ability to disable a card. Evidence reviewed indicated this process was working as designed and intended.

However, as a potential additional monitoring control regarding terminations, going forward the Asst. Finance Manager could request from SANDAG a listing of MTS employees with employee Compass Cards and confirm the employment status with HR on either an annual or a semi-annual basis. If an employee has been terminated the Asst. Finance Manager could request the card to be de-activated. Since the Asst. Finance Manager is not involved in the issuance process such a procedure could help ensure Department Managers are properly managing the termination process.

Management Response:

1) HR Management concluded that disabling employee cards with no usage history would be the best course of action. Accordingly, the Asst. Finance Manager will provide SANDAG Call Center Manager the names and card numbers of these employees and request disabling of these cards.

2) Security and SDTI Revenue agree to continue to administer employee Compass Cards for their respective departments following the recommended process flows.

Asst. Finance Manager will work with SANDAG's Call Center Manager on developing reporting that could facilitate additional independent monitoring controls. If a report and related monitoring controls can be implemented in an effective and efficient manner, an assessment regarding the frequency of performing the process will be determined.

NOTE: Security's involvement in the administration of Compass Cards for their employees was primarily a work around process since at the initiation of Compass Cards SANDAG couldn't print the cards and Human Resources had no involvement. In their opinion, having a centralized process with Human Resources responsible for the issuance and termination would be the best practice.

Audit agrees that centralization of the process is a viable alternative. However, as noted above there were no losses or significant risk events associated with current process. If issuing employee Compass Cards expands beyond two primary departments or future operating events necessitates the need for a process change, Management should consider centralizing the approach under a specific process owner.

Finding #2: Inventory Controls in the Rail Division and the Transit Store

Currently, cards are not subject to numerical control when received from SANDAG. SANDAG did not have the capability of sending the cards to MTS in numerical sequence, which has resulted in the risk of cards being lost.

SANDAG has commenced sending MTS a new sequence of Compass Cards in numerical order, which will give MTS the opportunity to implement an inventory control record over the cards. Inventory records of card numbers should be established at BOTH the Rail Division and The Transit Store immediately. Any missing cards can then be identified and cancelled.

Recommendations:

The MTS Rail Division and The Transit Store should establish an inventory record of Compass Cards and ensure that all cards are accounted for properly. A written SOP should also be developed so that procedures are followed consistently.

Transit Store Response:

We agree. Now that new cards will arrive in numerical order as they are received from SANDAG, The Transit Store will maintain a proper inventory of the cards. The SOP will be updated to reflect the implementation of this process.

Follow Up Results: Transit Store:

Audit obtained a copy of the most updated version of the Transit Store's SOP. Counting of fare media, which includes Compass Cards, was included in the SOP. Full physical counts of fare media occurs on a monthly basis.

An audit of the Transit Store performed in August 2011 revealed fare media inventory controls were operating as designed and intended. To follow up on this specific action item, Audit obtained fare media count history reporting from more recent time periods and verified the controls were still working as designed and intended.

Consistent with the previous audit, no exceptions or reportable issues were identified. Audit therefore concluded controls are working as designed and intended; and any residual risk related to fare media are presently at acceptable levels.

MTS Rail Division (SDTI) Response:

The Rail Division has established an SOP governing numerical control over Compass Cards and is controlling the supply of Compass Cards numerically.

Follow Up Audit Results: SDTI Revenue:

During an audit of SDTI Revenue Management in October 2011 Audit learned that all SOPs were in the processes of being analyzed and revised. As part of that process, SOP #102.61 – Smart Card Inventory was updated and re-issued on 10/25/11. Audit verbally confirmed with SDTI Revenue Manager there were no changes to the SOP from the 10/25 issuance date.

Under the revised SOP, smart card inventory physical counts are performed quarterly. Audit requested and obtained supporting documentation to verify compliance with this procedure. Inventory counts were conducted in October 2011, February 2012, and June 2012. Based on review of physical count documentation, inventory was properly accounted for in accordance with SOP requirements.

Based on evidence reviewed, no exceptions or reportable issues were identified. Audit concluded controls are working as designed and intended; and any residual risk related to Compass Cards are presently at acceptable levels.

Other Audit Observations:

Audit spoke with SDTI Revenue Manager regarding the upcoming launch of day passes on Compass Cards, which, at the time of the audit, were only available at the San Ysidro Border Station. There are inherent risks with this change, for example managing significantly more inventory of compass cards as part of the roll out and preventing stock outs of cards in TVMs.

Based on discussions of risks with SDTI Revenue Manager, Audit concluded management had developed reasonable control procedures to minimize the potential impacts the new process might pose on continued operations. However, it will be important for management to track, monitor, and communicate results of operations across the organization to ensure any foreseen issues that might arise from this new process are resolved timely.

Finding #3: Credit Card Charge-Backs

Currently, MTS TVMs accept both credit and debit cards for fare payment. Because ID is not required at the TVMs, some stolen credit cards have been used to purchase fare media. The risk of fraud is not the same for debit cards since a PIN number is required. Losses have been averaging \$2,000 to 3,000 per month. The MTS Finance Department monitors credit card usage and often rejects cards that appear suspicious due to high-dollar amount purchases. Further controls over this area should be considered.

Recommendation:

In order to further reduce the risk of credit card charge-backs, MTS should consider options, such as “velocity checks,” i.e.; monitoring the number of times a card is used, not accepting credit cards after a certain time of day, or even accepting only debit cards at TVMs.

Management Response:

MTS management agrees with the recommendation and is considering the use of velocity checks to monitor credit card use.

Follow Up Audit Results:

Audit spoke with Asst. Finance Manager, who indicated velocity checks were considered, but that project management, both from SANDAG and MTS elected not to implement such monitoring controls. The decision not to implement such controls was due to the nature of some MTS customers' needs to load multiple cards, for example social service agencies. The parameters would hinder routine customers from making valid purchases. Instead, credit card reports are reviewed daily and temporary hotlists placed on suspicious transactions.

Audit requested a copy of current reporting utilized by Finance/Accounting to track, monitor, and investigate credit card charge backs.

NOTE: Seven months of data was not included on the report as a result of the network infrastructure failure. Accordingly, analysis was limited to data that was recovered and available.

As noted previously, charge backs were averaging between \$2-3K per month. While there were still months where chargeback were between the \$2-3K monthly ranges, the data provided indicated a general declining trend in the total amount of credit card charge backs, including months where chargebacks were below the \$2K range floor.

Audit also performed reviews of the formulas within the Excel report to verify the accuracy of the compiled data related to chargebacks. Audit did not identify any potential errors or omissions with the current reporting, thus Audit concluded the reporting to be reliable. Further, Audit concluded the categories for summarizing and reporting was relevant and useful to management.

Based on the evidence reviewed, the risks associated with credit card chargebacks has not increased since the time of the last review. Current management reporting considered sufficient, relevant, and reliable as a means to monitor and track chargebacks. As such, Auditor concluded controls are working as designed and intended.

Finding #4: Control Over Bus Fare boxes:

The fare box short fare key is still used by bus operators to facilitate instances where customers have short fares. As a result, continuous monitoring of daily short-fare reports is required to ensure that this practice is not being abused. When and if MTS transitions to putting day passes onto Compass Cards, the risk of abuse of the override key will decrease. In LAMTA, fraud occurred when a number of individuals used the bus short fare key to load numerous day passes onto Smart Cards without payment, and the cards were later sold on the street. Thousands of Smart Cards were distributed to bus operators without adequate controls or review of control reports, and thousands of dollars were lost.

In order to prevent a similar occurrence at MTS, controls over the use of the short fare key and the distribution of Compass Cards is essential.

Recommendations

Serious consideration should be given to restricting or eliminating the use of the fare box short fare keys. If a decision is made to continue use of the short fare key, strong controls should be in place, including daily monitoring of short-fare reports, which is critical in the event that MTS transitions to selling day passes on Compass Cards.

In no event should bus operators be given Compass Cards for distribution to customers.

Management Response:

MTS management agrees with the recommendations and is considering restricting or eliminating the use of the fare box short fare key.

MTS management agrees that in no circumstance will bus operators be given Compass Cards for distribution to customers.

Follow Up Audit Results:

Audit spoke with SDTC Revenue Manager concerning these issues. Consistent with information and testing during an audit performed September 2011, there are valid business reasons for allowing bus operators to utilize the fare box short fare functionality. Thus, use of this functionality was not eliminated.

One recommendation from the audit in September 2011 was to change the process for tracking and reporting short fares issued by bus operators. The recommendation was to convert hummingbird system reporting into excel and use excel pivot table functionality to group and monitor issuances of short fares by individual operator. Management agreed with the recommendation and implemented and performed the revised procedures on short fares on a weekly basis.

Audit requested from SDTC Revenue Management their reporting for a one month period. Below is a summary of the short fare information provided, as well as the short fare information calculated during the September 2011 audit.

Previous Audit Results - Short Fares Not Properly Communicated:**Two Week Period (8/21/11 through 9/3/11)**

Total Short Fares	Total Fare Cost	Total Fare Collected	Total Short – Uncollected	Total Revenues during Period	Percentage of Loss
618.0	\$2,695.20	\$844.32	\$1,850.88	\$443,935.00	.42%

New Tracking and Reporting Results – Short Fares Not Properly Communicated:**One Month Period (4/8/12 through 5/5/12)**

Total Short Fares	Total Fare Cost	Total Fare Collected	Total Short – Uncollected	Total Revenues during Period	Percentage of Loss
694.0	\$2,718.45	\$979.73	\$1,738.72	\$808,884.00	.21%

The one month totals from April 2012 are nearly identical to the two week period from August 2011. Data indicates the new process for tracking and monitoring has reduced the frequency of short issued not properly communicated to operations, as well as reduced the percentage of loss associated with short fares issued. As such, evidence indicates the control procedures are working as designed and intended.

Audit also confirmed with SDTC Revenue Manager that it is still standard operating procedures to not allow bus operators to have access to and distribute compass cards to passengers. However, Revenue Manager did indicate there has been discussion within SDTC Management to change this procedure when day passes are sold on Compass Cards. Audit and Revenue Manager discussed the risk impacts, both financial and operational, of changing this procedure as part of the new Compass Card operations. Audit concluded Management was appropriately evaluating the risks and controls necessary to address identified risks should bus operators handle/distribute Compass Cards.

Finally, Audit and Revenue Manager discussed the fare-box configuration setup once day passes are sold on Compass Cards and the impacts on monitoring of such events. Based on those discussions, Audit concluded the configuration setup for bus fare-boxes, as presently designed, should allow for continued monitoring of short fares in the present format, which in turn should help ensure risks associated with short fares remain at acceptable levels for MTS as an organization.



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San Diego, CA 92101-7490
(619) 231-1466 • FAX (619) 234-3407

Agenda Item No. 8

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 18, 2012

**Draft for
Executive Committee
Review Date: 10/11/12**

SUBJECT:

LRV WARRANTY OPERATIONS – AUDIT REPORT

RECOMMENDATION:

That the Board of Directors receive an internal audit consultative report on light rail vehicle (LRV) warranty operations.

Budget Impact

None.

DISCUSSION:

During June 2012, the MTS Internal Auditor performed a consultative review of LRV warranty operations. As a result of this review, three recommendations were made for Management's consideration. Management has reviewed the recommendation and is taking action to address them.

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

Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Karen Landers, 619.557.4512, Karen.Landers@sdmts.com

Attachment: A. Memo *LRV Warranty Operations – Consultative Review*





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

Att. A, AI 8, 10/18/12

Memorandum

DATE: 6/27/2012
TO: Lee Summerlott, Andy Goddard Jr, and Melissa Bickham
FROM: Daniel Madzellan
SUBJECT: LRV Warranty Operations – Consultative Review

Background:

Audit held meetings with management across all operations to develop the FY12 Audit Plan. SDTI LRV Maintenance Management communicated there was a risk regarding warranty operations, specifically tracking and monitoring warranty activities with the purchase of the new S70 low floor rail vehicles. As such, Audit allocated 80 hours in their FY12 audit plan for reviewing warranty operations in a consultative capacity. In accordance with Internal Auditing Professional Practices consulting reviews require the nature and scope of the review be agreed upon with the client; with the objective of adding value and improving the organization's governance, risk management and control processes without the auditor assuming management responsibilities.

The primary concern is the current application (Ellipse) used by LRV Maintenance for managing rail cars does not have the reporting functionality to easily facilitate tracking and monitoring of warranty related operations. Thus, there are risks of incurring costs that go un-remedied by Siemens, the manufacturer, based on stated contractual terms.

MTS is planning on implementing a new Enterprise Resource Planning (ERP) system. LRV Maintenance personnel have been involved in the planning efforts for the ERP system, providing IT personnel the requirements necessary from a new ERP system to better perform warranty related operations. However, implementation of a new ERP system is not going to take place in the near term. Therefore LRV Maintenance Management designed and developed a process for tracking warranty operations until implementation of a long term solution is available.

Review Objectives and Scope:

The objectives of the review were 1) understand the current procedures in place to track potential warranty claims related to the S70 vehicles, 2) the effectiveness and efficiency of the controls, and 3) any residual risks that may remain given current operating procedures.

Audit met with members of LRV Management to discuss the current operations and determine the scope of the review. The current process starts with creating a manual work order form when issues (troubles) with the vehicles are discovered. Based on the trouble reported, a member of LRV Maintenance or a member of Siemens maintenance team is assigned the task of resolving the reported trouble. Maintenance personnel inspect the vehicle for the trouble reported and complete the work order with results of their inspections. The results include how the trouble was resolved and the time/materials necessary to remediate the trouble. The information from the manual work order is then input into the Ellipse System and maintenance personnel file the work order into the vehicle's history folder. The final step is entering the information into an Excel spreadsheet for tracking and

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monitoring of all work history performed on S70 vehicles. As noted above, Excel is used as Ellipse does not have the reporting capabilities to extract the data into a format readily designed for tracking and monitoring activities by vehicles.

Based on the current procedures, Audit proposed and Management agreed to the following scope of work, which consisted of inquiry and examination.

1. Vouching Work Order Transactions: Process is designed to test the validity of the tracking spreadsheet by reviewing the transaction flow backwards; beginning by selecting a record from the tracking spreadsheet and verifying all the previous steps in the process were properly performed.
2. Tracing Work Order Transactions: Process is designed to test completeness of the tracking spreadsheet by starting with the initial source document/record that created the record and verifying all steps in the process were completed (entering work order into Ellipse and into the Excel spreadsheet).
3. Perform analytical reviews of the data to determine if there were methods to simplify or improve the overall effectiveness and efficient of operations.

LRV Management provided Audit a copy of the S70 Warranty/Trouble Tracking Excel report on 5/22/12. Audit noted there were two worksheets, one for tracking Flats (7 work orders), and one for tracking all other work orders (362 in total) for a total of 369 work orders related to S70 vehicles.

For vouching, Audit elected to perform non-statistical integer sampling. As noted, there were a total of 362 work orders not classified as Flats. Audit tested twenty (20) work orders, which Audit determined should be a representative sample of the entire population. Audit selected every 18th work order from the total population. Audit also tested each work order included in the Flats worksheet. Thus, total population tested via vouching was 27.

For tracing testing, Audit obtained the actual vehicle maintenance history folders and randomly selected twenty (20) work orders for review based on the population distribution of work orders by individual rail car. Selection methodology should likewise be a representative sample of all work orders in the population. As a result, 47 actual work orders, or a roughly 13% of the population were subject to review as part of the audit testing procedures.

TESTING RESULTS:

Vouching Testing (Validity):

Sample population did not reveal any material or significant differences between data recorded in warranty tracking worksheet, the data within the Ellipse system, and the trouble/resolution of the issues documented within the manual work order prepared by maintenance personnel.

Tracing Testing (Completeness):

Sample population did not reveal any material or significant differences between the troubles/resolutions documented on the initial work orders, the data subsequently entered into Ellipse, or data ultimately recorded in the in warranty tracking worksheet.

Conclusion:

The overall evidence supports the validity of data within the warranty/trouble tracking worksheet as well as the completeness of the warranty tracking spreadsheet. Audit did identify potential improvements LRV Management should consider implementing that could improve the overall validity and completeness aspects of the tracking spreadsheet. Additionally, evidence also suggested the need to investigate potential alternatives to the current procedures.

RECOMMENDATIONS FOR MANAGEMENT CONSIDERATION – CURRENT PROCEDURES

1) Include a column in the tracking worksheet to specify if a work order is warranty related.

Audit observed completed work orders specifically indicated that the trouble and work performed were under warranty. The comment section within Ellipse also specifically communicated the work order was warranty related. However the tracking spreadsheet did not clearly indicated that the work order was under warranty.

As such, Audit would recommend adding a column to the current tracking spreadsheet indicating whether the work order is under warranty based on contractual provisions. When LRV Management meets with Siemens personnel to discuss and identify work orders under warranty having this information clearly visible on the tracking spreadsheet would help facilitate more timely reviews of the data by excluding work orders that are clearly not under warranty (i.e. repair etched windows).

2) Monitor reported time (both LRV personnel and Siemens personnel) to ensure all time is captured.

Based on sample selected for vouching testing, Audit observed that two (2) work orders of the sample of twenty-seven (27) had no time reported, by either LRV or Siemens personnel. In both cases the resolution indicated the trouble as previously repaired. Audit observed that there was no time reported on the actual work orders, thus there was not any time information data available to transfer to the tracking worksheet.

This was inconsistent with Audit's expectations, as resolution of a work order should include some reported time. Audit filtered the Excel tracking worksheet and determined there were thirty-seven (37) work orders with no time reported. The majority of those work orders likewise identified the resolution as previously repaired.

Audit would recommend that Management monitor the time reported for work orders and if there are work orders with no reported time, Management should develop a reasonable estimate of time corresponding to the work order. The estimate should be based on historical data regarding the nature of the trouble and the resolution. This should help ensure all work orders potentially under warranty are capturing some amount of time in order to resolve the trouble communicated.

MANAGEMENT RESPONSES to RECOMMENDATIONS:

1) Include a column in the tracking worksheet to specify if a work order is warranty related.

- A column header, WARRANTY-Y/N, was added to the tracking worksheet and is populated as work order information is entered.

2) Monitor reported time (both LRV personnel and Siemens personnel) to ensure all time is captured

- Clerical staff will route all trouble reports received, which are missing any of the repair action criteria, back to the appropriate supervisory staff so that the pertinent information can be entered on the paperwork and subsequently in the ERP and warranty tracking workbook.

ALTERNATIVE PROCEDURES FOR CONSIDERATION:

While the evidence reviewed does indicate the current procedures are producing valid and complete results regarding trouble/warranty related operations with the S70 low floor cars, the current procedures are extremely labor intensive, which increases the inherent risk that warranty related costs might not be captured and properly remedied by Siemens.

Going forward, once all sixty-five (65) low floor cars are in operation, tracking all work orders using the current methodology will likely be inefficient, as it will take a large amount of time to input all trouble work orders into both the Ellipse System and the Excel tracking spreadsheet. As there is not a viable way to compare the Ellipse

System and the tracking spreadsheet, there are risks of warranty related work orders not being reflected in the tracking spreadsheet. Further, as the volume of work order transactions increase with the volume of low floor cars the risk of human error in the data input likewise increases.

Given a new ERP system is not likely to be in place in the near term and the inherent risks with the current procedures going forward, exploring potential standalone warranty software packages that can be integrated into existing applications (Ellipse) is an alternative worth investigating. This would require collaboration between LRV Management and the IT Department, specifically IT applications personnel, to develop an RFP listing the requirements and specifications a standalone warranty software package would necessitate. From there a cost/benefit analysis should take place, so that a decision on whether procuring such software and integrating into existing application systems is in the best interest of the organization.

MANAGEMENT RESPONSE:

One of the known deficiencies of our ERP, Ellipse is its lack of a feasible warranty tracking system as currently configured. Therefore, our primary warranty tracking mechanism by default is an Excel workbook. In the long term, mining accurate data from this source could be challenging.

The level of user input and monitoring required to flag the major and sub components of sixty-five (65) LRVs , track contractor and MTS warranty labor hours and enter and analyze repair actions (all parallel with Ellipse), fosters an environment ripe with the potential for human errors and oversights. Ultimately, the crux is that monies owed to MTS may not be recouped.

A possible solution is a standalone warranty tracking system; this could be a leaned out version of a complete ERP. The I.T. Department could weigh in more exhaustively on the feasibility of implementation of such a system as any module would likely union at some level with Ellipse

Report Distribution:

Paul Jablonski, Cliff Telfer, Stevan White, and Karen Landers – MTS
Wayne Terry – SDTI



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

Agenda Item No. 9

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 18, 2012

**Draft for
Executive Committee
Review Date: 10/11/12**

SUBJECT:

FOLLOW-UP AUDIT REPORTS – STATUS UPDATES

RECOMMENDATION:

That the Board of Directors receive an internal audit reports as a status update on follow-up reviews.

Budget Impact

None.

DISCUSSION:

The MTS Internal Auditor completed follow-up reviews on three audits performed during FY 12:

1. The Transit Store
2. San Diego Transit Corporation (SDTC) Revenue Management
3. San Diego Trolley, Inc. (SDTI) Revenue Management

Based on testing procedures, there was only one unremediated finding within SDTI Revenue Management operations. While progress has been made in remediating the previously reported issue, there are still actions required by Management to fully resolve the finding.

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: Karen Landers, 619.557.4512, Karen.Landers@sdmts.com

Attachment: A. Follow-up Audit Updates (Redacted Version for Public)





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Att. A, AI 9, 10/18/12

Memorandum

DATE: 8/28/2012
TO: Paul Jablonski
Karen Landers
FROM: Daniel Madzellan
SUBJECT: Follow Up Reviews – Status Updates

Contents of the audit report have been redacted for public disclosure.

SUMMARY:

Internal Audit performed follow up reviews on the following audits performed during FY 2012.

1. Transit Store
2. SDTC Revenue Management
3. SDTI Revenue Management

In accordance with Department policies and procedures, Audit performed a follow up review to address the following:

1. Verify management actions plans, in relation to reported findings, were implemented;
2. Determine if the action plans were operating as designed and intended; and
3. Evaluate if residual risks remaining are at acceptable levels.

Below are the results of the follow up reviews.

FOLLOW UP RESULTS & CONCLUSIONS: TRANSIT STORE

There were eight (8) reported findings from the FY12 audit; two (2) were classified as medium priority and the remaining six (6) were classified as low priority.

Based on testing performed, which consisted of inquiry and examination of documentary evidence, Management implemented corrective action plans addressing the reported findings and those controls were operating as designed and intended. As such, Audit considered any residual risks associated with the specific operations at acceptable levels.



FOLLOW UP RESULTS & CONCLUSIONS: SDTC REVENUE MANAGEMENT

There were three (3) reported findings from the FY12 audit; one (1) medium priority and the remaining two (2) were classified as low priority.

Based on testing performed, which consisted of inquiry and examination of documentary evidence, Management implemented corrective action plans addressing the reported findings and those controls were operating as designed and intended. As such, Audit considered any residual risks associated with the specific operations at acceptable levels.

FOLLOW UP RESULTS & CONCLUSIONS: SDTI REVENUE MANAGEMENT

There were seven (7) reported findings; one (1) classified as medium priority and the remaining six (6) were low priority findings.

Audit's review consisted of inquiry and examination of documentary evidence. With minor one exception, low priority finding regarding Preventative Maintenance – Off-Site Security Alarms, Management implemented their corrective action plans regarding the reported findings and those controls were operating as designed and intended. As such, Audit considered any residual risks associated with the specific operations at acceptable levels.

The finding concerning Preventative Maintenance – Off-Site Security Alarms is discussed in further detail below. Based on evidence, progress has been made in remediating the finding, but there are still operations requiring further Management action. The priority rating remained unchanged as low.

OPEN LOW PRIORITY FINDING:

Preventative Maintenance – [REDACTED]:

[REDACTED]

[REDACTED]

[REDACTED]

Audit Recommendation:

[REDACTED]

[REDACTED]

Management Response/Action Plan:

[REDACTED]

[REDACTED]

Follow Up Results:

[REDACTED]

[REDACTED]

Additional Recommendations:

No further recommendations at this time; Audit will continue to monitor the remediation of the issue until system is designed and operating as intended.



Metropolitan Transit System

1255 Imperial Avenue, Suite 1000
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619.231.1466 FAX 619.234.3407

Agenda Item No. 10

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 18, 2012

Draft for

Executive Committee

Review Date: 10/11/12

SUBJECT:

VEHICLE ADVERTISING SERVICES

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1140.2-08 (in substantially the same format as Attachment A) with Michael-Allen & Associates for vehicle advertising services.

Budget Impact

Extension of MTS Doc. No. G1140.0-08 with Michael-Allen & Associates would result in a revenue contract for MTS. The net revenue estimated for the five-year extension period would be \$2.25 million.

DISCUSSION:

The original contract with Michael-Allen & Associates was executed in March 2008 to sell exterior and interior advertising on buses and trolleys, including wraps. The three-year contract generated \$2.5 million in revenue for MTS over the base period of the contract. Options 1 and 2 were exercised simultaneously in 2011, and the revenue generated over those option years totaled \$1.6 million (including the projection through the final option year). The final option year is set to expire on February 28, 2013.

Currently, only 212 of MTS's fixed-route buses are available for advertising out of a total fleet size of 589 vehicles (36%). This number of bus availability has dropped by approximately 26% since FY 2009. As all new buses will contain the new MTS paint scheme and be unavailable for advertising, this inventory will continue to diminish and is expected to be completely exhausted by FY 2017.



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.

Staff has also researched the market for vehicle advertising services and has determined that the terms of the existing agreement are more favorable for MTS than anything else in the external marketplace. MTS is currently receiving 75% of the total gross revenues with Michael-Allen & Associates receiving 25% commission for their revenue-generating services. To provide perspective, competitors in the negotiated procurement for advertising services four and half years ago had the MTS revenue share ranging from 57.7% - 65.0% with a larger bus share of the fleet allowing bus advertising.

Due to the diminishing vehicle inventory and the external market assessment, staff recommends that MTS extend the exiting contract with Michael-Allen & Associates for an additional five years at which point the vehicle inventory would be exhausted. This extension could result in additional revenues totaling \$2.25 million.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, Sharon.Cooney@sdmts.com

Attachment: A. Comparison to Budget

DRAFT

October 18, 2012

MTS Doc. No. G1140.2-08
PC 50901

Mr. James Cox
Vice President
Michael-Allen Associates
10636 Scripps Summit Court, Suite 124
San Diego, CA 92131

Dear Mr. Cox:

Subject: AMENDMENT NO. 2 TO MTS DOC. NO. G1140.0-08; VEHICLE ADVERTISING SERVICES

This shall serve as Amendment No. 2 to our agreement for Vehicle Advertising Services as further described below.

STATEMENT OF WORK

Continue to provide vehicle advertising on the interiors and exteriors of MTS buses and light rail vehicles in accordance with the terms and conditions of MTS Doc. No. G1140.0-08.

SCHEDULE

This amendment shall extend the current contract for an additional five years with an effective date beginning March 1, 2013, through February 28, 2018.

PAYMENT

Payment will be in accordance to the current terms of the existing contract with MTS receiving 75% of total gross revenues and Michael-Allen & Associates receiving 25% commission for its revenue-generating services.

Please sign and return the copy marked "Original" to the Contracts Specialist at MTS. All other terms and conditions shall remain the same and in effect. Retain the other copy for your records.

Sincerely,

Agreed:

Paul C. Jablonski
Chief Executive Officer

James Cox - President
Michael-Allen Associates

Date: _____

cc: Larry Marinesi, Cliff Telfer, Rob Schupp, Andrew Conriquez, Procurement File



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San Diego, CA 92101-7490
(619) 231-1466 • FAX (619) 234-3407

Agenda Item No. 11

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 18, 2012

Draft for

Executive Committee

Review Date: 10/11/12

SUBJECT:

HAZARDOUS MATERIALS DISPOSAL SERVICES - CONTRACT AWARD

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1474.0-12 (in substantially the same format as Attachment A) with Environmental Logistics, Inc. for a five-year period to provide hazardous materials disposal services to San Diego Transit Corporation (SDTC) and San Diego Trolley, Inc. (SDTI).

Budget Impact

The five-year contract period would begin November 1, 2012, and end October 31, 2017. The funds would be budgeted under SDTC's and SDTI's operating maintenance funds, which include federal and local funds. Funding for the total cost would not exceed \$147,981.00.

DISCUSSION:

MTS Policy No. 52 governing procurement of goods and services requires a formal competitive bid process for procurements exceeding \$100,000. On June 27, 2012, MTS issued an Invitation for Bids (IFB) to interested parties to provide hazardous material disposal services for SDTC and SDTI for a five-year period. A total of five sealed bids were received and publicly opened on August 29, 2012 (see Bid Summary - Attachment B); four bids were responsive and one bid was deemed nonresponsive. Bids submitted were based on estimated quantities by material type and frequency of pick-up. Actual quantity of hazardous materials requiring removal may be more or less than what is anticipated dependent upon need. Environmental Logistics, Inc. was the lowest responsive, responsible bidder for the five-year period, therefore; pursuant to MTS policy, staff recommends award of the contract to Environmental Logistics, Inc. in the amount of \$147,981.00.

Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, Sharon.Cooney@sdmts.com

Attachments: A. Draft MTS Doc. No. G1474.0-12; -and- B. Bid Summary

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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.



DRAFT

**STANDARD SERVICES AGREEMENT
FOR
HAZARDOUS MATERIAL DISPOSAL SERVICES**

G1474.0-12 CONTRACT NUMBER
 FILE/PO 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 hereinafter referred to as "Contractor":

Name: Environmental Logistics, Inc. Address: 8715 Miramar Place

Form of Business: Corporation San Diego, CA 92121
(Corporation, Partnership, Sole Proprietor, etc.)

Telephone: 619-654-3509

Authorized person to sign contracts: Scott Manuel Operations Manager
Name Title

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

Hazardous materials disposal services as specified in the Scope of Work and Environmental Logistics' Bid dated August 24, 2012, in accordance with the MTS Standard Services Agreement, including the Standard Conditions Services and the Federal Requirements.

The term of the contract shall be for a five-year period effective November 1, 2012, through October 31, 2017. The total contract amount shall not exceed \$147,981.00.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM		CONTRACTOR AUTHORIZATION
By: _____ Paul C. Jablonski, Chief Executive Officer		Firm: _____
Approved as to form:		By: _____ Signature
By: _____ Office of General Counsel		Title: _____
AMOUNT ENCUMBERED \$147,981.00	BUDGET ITEM 331/332/350/360/380-53710	FISCAL YEAR FY 13-18

By: _____
Chief Financial Officer

(_____ total pages, each bearing contract number)



Metropolitan Transit System

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

Att. B, AI 11, 10/18/12

BID SUMMARY

MTS IFB NO. G1474.0-12 Hazardous Material Disposal Services

COMPANY NAME	BID AMOUNT
Environmental Logistics, Inc.* 8715 Miramar Place San Diego, CA 92121	\$ 147,981.00
Advanced Chemical Transport, Inc. 2213 Meyers Avenue Escondido, CA 92029	\$ 203,752.00
Pacific Trans Environmental Services, Inc. 1452 North Johnson Avenue El Cajon, CA 92020	\$ 220,071.79
United Pumping Service, Inc. 14000 E. Valley Blvd. City of Industry, CA 91746	\$ 250,058.55
Asbury Environmental Services (AES)** 1300 South Sante Fe Ave Compton, CA 90221	\$ 263,067.81

* Lowest responsive, responsible bidder

** Non-responsive bidder

B-1





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

October 18, 2012

**Draft for
Executive Committee
Review Date: 10/11/12**

SUBJECT:

REALLOCATED TRANSPORTATION DEVELOPMENT ACT FUNDS FOR THE
LA MESA VILLAGE TROLLEY ACCESS IMPROVEMENTS PROJECT

RECOMMENDATION:

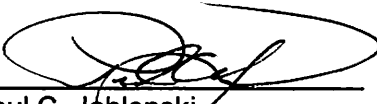
That the Board of Directors approve the use of Transportation Development Act (TDA) Article 4 funds currently held by the City of La Mesa for MTS's La Mesa Village Trolley Access Improvements Project.

Budget Impact

Approximately \$210,000 in TDA Article 4 funds is currently held by the City of La Mesa and was previously designated for the City's Dial-A-Ride Program. Approval of the use of these funds for the La Mesa Village Trolley Access Improvements Project would have no impact on MTS's operating or capital budgets. MTS, as the administering agency of transit-related TDA, is just approving the reallocation of the funds, and this action would have no impact on the MTS budget.

DISCUSSION:

On September 24, 2012, MTS received a request from the City of La Mesa for the use of approximately \$210,000 of the TDA Article 4 funds that were previously designated for the City's Dial-A-Ride Program, which has been discontinued. The City of La Mesa would like to reallocate the entire cash balance toward MTS's Capital Improvement Project—La Mesa Village Trolley Access Improvement Project—which would represent an additional \$210,000 to the existing project budget of \$420,000. MTS, as the administering agency of transit related TDA, is just approving the reallocation of the funds, and this action will have no impact on the MTS budget.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, Sharon.Cooney@sdmts.com





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San Diego, CA 92101-7490
(619) 231-1466 • FAX (619) 234-3407

Agenda Item No. 13

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 18, 2012

**Draft for
Executive Committee
Review Date: 10/11/12**

SUBJECT:

INCREASED AUTHORIZATION FOR LEGAL SERVICES – LAW OFFICES OF
MICHAEL RIPLEY

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1428.1-12 (in substantially the same format as Attachment A) with the Law Offices of Michael Ripley for current and future legal expenses throughout the remainder of FY 2013.

Budget Impact

This contract amendment would increase the full contract value with the Law Offices of Michael Ripley from \$110,000 to \$230,000. The recommended \$120,000 contract increase has been programmed in the FY 2013 budget.

DISCUSSION:

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.

On December 8, 2011, the Board established a panel of qualified law firms to assist MTS, San Diego Trolley, Inc. (SDTI), and San Diego Transit Corporation (SDTC) with various legal matters on an as-needed basis. Thereafter, MTS began contracting with 16 of the approved law firms for designated amounts depending on current and anticipated needs.



An initial contract was established with the Law Offices of Michael Ripley on February 23, 2012, in the amount of \$110,000. There is currently \$19,317 remaining of the initial contract amount for legal services paid through August 31, 2012. Michael Ripley has successfully represented and defended MTS, San Diego Transit Corporation (SDTC), and San Diego Trolley, Inc. (SDTI) in numerous tort liability matters over the past several years. Over the past year, Mr. Ripley has handled a total of 13 tort liability cases for the agencies—one of which went to trial.

Staff is requesting Board approval of MTS Doc. No. G1428.1-12 (Attachment A) with the Law Offices of Michael Ripley for legal services and ratification of prior contracts/ amendments entered into under the CEO's authority.


Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, Sharon.Cooney@sdmts.com

Attachment: A. Draft MTS Doc. No. G1428.1-12

DRAFT

October 18, 2012

MTS Doc. No. G1428.1-12
LEG 491 (PC 50633)

Mr. Michael Ripley
Attorney/Proprietor
Law Offices of Michael E. Ripley
12520 High Bluff Dr., Suite 110
San Diego, CA 92130

Dear Mr. Ripley:

Subject: AMENDMENT NO. 1 TO MTS DOC. NO. G1428.0-12; LEGAL SERVICES – GENERAL
AND TORT LIABILITY

This shall serve as Amendment No. 1 to our agreement for the legal services as further described below.

STATEMENT OF WORK

Pursuant to the Scope of Work in MTS RFP No. G1389.0-11, Michael E. Ripley agrees to continue to represent and defend MTS, San Diego Transit Corporation (SDTC), and San Diego Trolley, Inc. (SDTI) in tort liability matters in accordance with the terms and conditions as stated on MTS Doc No. G1428.0-12.

SCHEDULE

There is no change to the term of this agreement.

PAYMENT

This contract amendment shall authorize additional costs not to exceed \$120,000 for legal services. The total value of this contract including this amendment shall be in the amount of \$230,000. This amount shall not be exceeded without written approval from MTS.

Please sign and return the copy marked "original" to the Contracts Specialist at MTS. All other terms and conditions shall remain the same and in effect. Retain the other copy for your records.

Sincerely,

Agreed:

Paul C. Jablonski
Chief Executive Officer

Michael E. Ripley, Attorney/Proprietor
Law Offices of Michael E. Ripley

Date: _____

cc: S. Lockwood, K. Landers, C. Aquino, Procurement File



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San Diego, CA 92101-7490
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Agenda Item No. 14

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 18, 2012

**Draft for
Executive Committee
Review Date: 10/11/12**

SUBJECT:

FEDERAL TRANSIT ADMINISTRATION 5316 GRANT APPLICATIONS

RECOMMENDATION:

That the Board of Directors adopt Resolution No. 12-14 (Attachment A) authorizing the Chief Executive Officer (CEO) to submit applications for federal fiscal year 2012 Job Access and Reverse Commute (JARC) funding.

Budget Impact

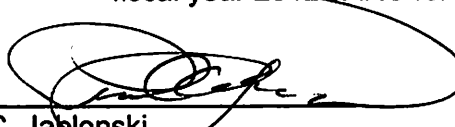
None at this time.

DISCUSSION:

The FTA provides funds for operating assistance to agencies providing transportation through the Section 5316 Job Access and Reverse Commute Program. These funds come directly to the region but are to be apportioned by the metropolitan planning organization through a competitive grant application process. The San Diego Association of Governments (SANDAG) is currently accepting applications for the available funding for federal fiscal year 2012.

Recommendation

FTA requirements include submission of a resolution by the Board of Directors authorizing MTS to submit the grant application. Therefore, staff recommends that the Board approve Resolution No. 12-14 (Attachment A) authorizing the CEO to submit applications for federal fiscal year 2012 JARC for a total amount up to \$1,200,000.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, Sharon.Cooney@sdmts.com

Attachment: A. Resolution No. 12-14

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SAN DIEGO METROPOLITAN TRANSIT SYSTEM

RESOLUTION NO. 12-14

A Resolution Authorizing the Filing of an Application for
Job Access Reverse Commute Program funds through the
San Diego Association of Governments for Operation of Fixed-Bus Service
Routes, Committing the Necessary Local Match for the
Project(s), and Stating the Assurance of the
San Diego Metropolitan Transit System to Complete the Project

WHEREAS, the San Diego Association of Governments (SANDAG) is making available funds for the Job Access and Reverse Commute Program (JARC) through a competitive process for federal fiscal year 2012; and

WHEREAS, the San Diego Metropolitan Transit System (MTS) wishes to receive up to \$1,200,000 in Job Access Reverse Commute Program funds for the following project(s): operation of fixed-bus service Routes 905, 929, 932, 955, 960, 967, and 968; and

WHEREAS, MTS understands that the Job Access Reverse Commute Program funding is fixed at the programmed amount, and therefore any cost increase cannot be expected to be funded through the Job Access Reverse Commute Program; and

WHEREAS, MTS understands that projects funded through the Job Access Reverse Commute Program require matching funds to be provided by the project sponsor;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED by the Metropolitan Transit System Board of Directors that MTS is authorized to submit an application to the SANDAG for Job Access Reverse Commute funding in the amount up to \$1,200,000 for operation of fixed-bus service Routes 905, 929, 932, 955, 960, 967, and 968; and

BE IT FURTHER RESOLVED that if an award is made by SANDAG to fund the operation of fixed-bus service Routes 905, 929, 932, 955, 960, 967, and 968, the Board of Directors commits to fund 50% of each route's subsidy, which is the grant's required proportion, and authorizes the MTS Chief Executive Officer, or designated representative, to file and execute any actions necessary on behalf of Metropolitan Transit System with the SANDAG to accept the grant funding and execute a grant agreement.

1. General Counsel, or designated representative, is authorized to execute and file all assurances or any other documents required by the SANDAG.
2. The Chief Financial Officer, or designated representative, is authorized to provide additional information as the SANDAG may require in connection with the application for Section 5316 projects.

PASSED AND ADOPTED, by the Board of Directors this ____ day of _____ 2012 by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

Chairperson
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

Clerk of the Board
San Diego Metropolitan Transit System

Office of the General Counsel
San Diego Metropolitan Transit System



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

Agenda Item No. 15

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 18, 2012

Draft for

Executive Committee

Review Date: 10/11/12

SUBJECT:

TRANSMISSIONS AND IN-FRAME ENGINE OVERHAUL SERVICES – CONTRACT
AWARD

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to:

1. execute MTS Doc. No. B0592.0-13 (in substantially the same format as Attachment A) with Harbor Diesel and Equipment, Inc. for the provision of transmission and in-frame engine overhaul services for Group II-Transmission Rebuilds for a three-year base period with 2 one-year options; and
2. exercise each option year at his discretion.

Budget Impact

The three-year base contract would total \$457,204.80, and the two 1-year options would total \$304,803.20. The total contract amount would not exceed \$762,008.00.

The funding for this contract would be allocated under the MTS Bus Maintenance operation budget (312/322/801/820/926-53810), which uses 80 percent federal and 20 percent local funds.

DISCUSSION:

An Invitation for Bids (IFB) for the provision of transmissions and in-frame engine overhaul services was issued on March 1, 2012. Bids were opened on July 26, 2012, and a single response was received from Harbor Diesel and Equipment, Inc. Since this was a single bid, a meeting was held for clarification, and a best and final offer was requested. Upon receipt of Harbor Diesel and Equipment, Inc.'s new bid, the evaluation



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.

team determined that the pricing was fair and reasonable; therefore, staff is recommending that MTS Doc. No. B0592.0-13 (Attachment A) be awarded to Harbor Diesel and Equipment, Inc. to provide rebuilt transmission services on the Group II-Transmission Rebuilds for three years with 2 one-year options effective November 1, 2012.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, Sharon.Cooney@sdmts.com

Attachments: A. Draft MTS Doc. No. B0592.0-13
B. Bid Summary

ATTACHMENT A

DRAFTSTANDARD SERVICE AGREEMENT
FOR
REBUILT TRANSMISSIONSB0592.0-13
CONTRACT NUMBEROPS 960.6
FILE/PO 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 hereinafter referred to as "Contractor":

Name: Harbor Diesel and Equipment Inc.Address: 537 W. Anaheim St.Form of Business: Corporation
(Corporation, Partnership, Sole Proprietor, etc.)Long Beach, CA 90813Telephone: 562-591-5665Authorized person to sign contracts: Mike Zupanovich
NamePresident
Title

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

In-Frame Engine Overhauls as specified in the Technical Specifications (attached as Exhibit A), the Contractor's Revised Bid (attached as Exhibit B), the Standard Conditions Procurement (attached as Exhibit C), and the Federal Requirements (attached as Exhibit D).

This contract shall be for three (3) year base period with two [2] 1-year options. Total amount for the base period shall is \$457,204.80, which shall be effective November 1, 2012 through October 31, 2015. Total amount for the two option years is \$304,803.20, which shall be effective November 1, 2015 through October 31, 2017.

The total amount of this contract shall not exceed \$762,008.00 for the 3-year base period and 2 option years, including all applicable sales taxes which is subject to increase with the California Sales and Income Tax Increase Initiative (November 2012).

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

AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
<u>\$762,008.00</u>	<u>312/322/801/820/926-53810</u>	<u>FY 13-FY 15</u>

By: _____
Chief Financial Officer

(_____ total pages, each bearing contract number)

GRAND TOTALS - GROUP II (Transmission Rebuilds)	Harbor Diesel and Equipment
Total Year 1 (11/1/12 - 9/30/13):	\$ 152,401.60
Total Year 2 (11/1/13 - 9/30/14):	\$ 152,401.60
Total Year 3 (11/1/14 - 9/30/15):	\$ 152,401.60
Sub-Total Base Years (CA sales tax included):	\$ 457,204.80
Total Year 4 - Opt. Yr. 1: (11/1/15 - 9/30/16):	\$ 152,401.60
Total Year 5 - Opt. Yr. 2 (11/1/16 - 9/30/17):	\$ 152,401.60
GRAND TOTALS-CA SALES TAX INCLUDED - GROUP II:	\$ 762,008.00

Group II - Harbor Diesel and Equipment \$ **762,008.00**

GRAND TOTAL OF CONTRACT: \$ **762,008.00**



1255 Imperial Avenue, Suite 1000
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(619) 231-1466 • FAX (619) 234-3407

Agenda Item No. 16

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 18, 2012

**Draft for
Executive Committee
Review Date: 10/11/12**

SUBJECT:

FEDERAL LEGISLATIVE REPRESENTATION

RECOMMENDATION:

That the Board of Directors:

1. ratify the Chief Executive Officer's (CEO) approval of Amendment No. 4 to Task Order 5 of the San Diego Association of Governments' (SANDAG's) contract with Blank Rome Government Relations, LLP (MTS Doc. No. G0980.5-06/ Ref. SANDAG Contract No. 5000276), which assigned the remainder of the contract to Peyser Associates, LLC; and
2. authorize the CEO to execute Task Order 6 (Attachment A) and Amendment No. 5 (Attachment B) of the triagency contract with Peyser Associates, LLC effective November 1, 2012.

Budget Impact

The assignment of the contract has no budgetary impact. The MTS costs for the 30-month extension of the contract are as follows:

11/1/12 through 10/31/13 =	\$38,824.20
11/1/13 through 10/31/14 =	\$38,824.20
11/1/14 through 4/30/15 =	<u>\$19,412.10</u>
Total =	\$97,060.50

Fiscal year 2013 costs are contained within the current year budget.



DISCUSSION:

As part of the consolidation of the region's transportation agencies, SANDAG initiated a joint procurement for federal legislative services in 2005. The purpose of the joint procurement was to enhance the federal advocacy efforts of North County Transit District (NCTD), SANDAG, and MTS. The MTS Board approved funding for a contract with the chosen firm, Blank Rome Government Relations, LLP (Peter Peyser, Principal), on October 27, 2005.

The original contract with Blank Rome included a one-year base contract with four option years, all of which were exercised. Subsequently, SANDAG, with the concurrence of MTS and NCTD, amended the contract to add two more years to the contract. The existing contract authorization expires on November 1, 2012.

In 2012, Peter Peyser indicated that he was leaving Blank Rome to create Peyser Associates, LLC. Mr. Peyser has been the principal on SANDAG's account since 2005 and has provided assistance in a number of areas, including reauthorization of the surface transportation act, the region's navigation of the New Starts process for its proposed extension of the Trolley, alternative fuel tax credits, and various regulatory matters. Since the region's contract with Blank Rome was handled entirely by Mr. Peyser and Beth Boehlert who accompanied him to the new firm, all three agencies agreed that the remainder of the contract should be assigned to Peyser Associates. This assignment was done in accordance with Section VI of the Agreement, "Assignment and Subcontracting," and was agreed to by Blank Rome. The MTS CEO agreed to the assignment under a previous action.

Retention of Peyser Associates for an additional 30-month period is being recommended to maintain continuity of representation during this critical period in gaining federal funding for the next extension of the Trolley. The federal New Starts process is complex and lengthy, and local agencies benefit from having strong representation in Washington to advocate on their behalf. Staff agrees that retention of Peyser Associates is in the best interest of advancing the Mid-Coast Trolley Extension Project (a TransNet Early Action Project) and will provide MTS with strong advocacy support in Washington at a favorable fixed price. The monthly cost to MTS would remain the same as the current fiscal year for the 30-month period.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, Sharon.Cooney@sdmts.com

Attachments: A. Task Order Number 6 (Ref: SANDAG Contract No. 5000276)
B. Amendment No. 5 (Ref. SANDAG Contract No. 5000276)

**AGREEMENT FOR SERVICES BETWEEN
THE SAN DIEGO ASSOCIATION OF GOVERNMENTS
AND
PEYSER ASSOCIATES LLC**

**TASK ORDER NUMBER 6,
SANDAG AGREEMENT NUMBER 5000276, OWP 7300400**

-
1. Under the Agreement between the San Diego Association of Governments ("SANDAG"), North County Transit District ("NCTD"), Metropolitan Transit System ("MTS") (hereinafter collectively referred to as the "Entities") and Peyser Associates LLC ("Consultant"), Original Agreement dated November 1, 2005, and Assignment of Agreement to Peyser Associates LLC dated August 31, 2012, and effective September 1, 2012, Consultant is responsible for providing services and deliverables described in the Scope of Work attached as Exhibit A to the Agreement. All of the terms of said Agreement are hereby incorporated herein by reference.
 2. Task Order 6 authorizes Consultant to continue to perform work on the Federal Legislative Representation Services (hereinafter referred to as the "Project") according to the terms of the Agreement.
 3. Consultant shall be paid an amount not to exceed \$388,241.40 for work performed on the Project pursuant to this Task Order and detailed in Exhibit B to this Task Order.
 4. The term of performance for this Task Order is November 1, 2012 thru April 30, 2015. The Entities shall not pay for services rendered by Consultant on this Task Order after April 30, 2015.
 5. This Task Order 6 may be executed and delivered by email or facsimile signature and an email or facsimile signature shall be treated as an original. This Task Order may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

The persons below executed this Task Order effective this _____ day of October, 2012.

SANDAG

PEYSER ASSOCIATES LLC

GARY L. GALLEGOS
Executive Director or
Designated Deligee

PETER A. PEYSER, JR.
Principal

APPROVED AS TO FORM AND LEGALITY

Legal Counsel for SANDAG

NCTD

MATTHEW O. TUCKER
NCTD Executive Director

APPROVED AS TO FORM AND LEGALITY

Legal Counsel for NCTD

MTS

PAUL C. JABLONSKI
MTS Chief Executive Officer

APPROVED AS TO FORM AND LEGALITY

MTS General Counsel

Attachment: Exhibit B – Fee Schedule

**EXHIBIT B TO TASK ORDER 6
FEE SCHEDULE**

Year	Monthly	Annual Fee	Terms and Conditions
11/01/2012 - 10/31/2013	\$12,941.38	\$155,296.56	Flat Fee
11/01/2013 - 10/31/2014	\$12,941.38	\$155,296.56	Flat Fee
11/01/2014 - 04/30/2015	\$12,941.38	\$77,648.28	Flat Fee
Total		\$388,241.40	

**Amendment No. 5
to SANDAG Agreement No. 5000276**

I. Amendment Summary

Contract No.: 5000276							
Amendment No: 5							
Consultant: Peyser Associates LLC							
Work Description: Federal Legislative Representation Services							
A. This Amendment Only (Revisions)			B. Original Agreement		D. Revised (Total) Amended Agreement		
Revisions to:			Amount: \$760,000.00		% Over Original Amount: 91.95%		
			End Date: 10/31/2006				
☐ Terms & Conditions	☐ Terms & Conditions (T&C)	C. Current Agreement*					
☐ Scope	☐ Scope of Work (SOW)						
☒ Max. Amt.	Amount:	\$388,241.40	Amount: \$1,070,593.20		Amount: \$ 1,458,834.60		
☒ Exp. Date	End Date:	05/31/2015	End Date: 10/31/2012		End Date: 04/30/2015		

* This includes original agreement and all previously approved amendments

II. Standard Provisions

- A. Under the Agreement 5000276 and any previous amendments thereto (referred to herein as "Agreement") between San Diego Association of Governments ("SANDAG"), North County Transit District (NCTD), and Metropolitan Transit System (MTS) (hereinafter collectively referred to as the "Entities") and Peyser Associates LLC (referred to herein as "Consultant"), Consultant provides Work Description, as shown in Article I, to SANDAG.
- B. Consultant shall remain bound to the terms of the Agreement, except to the extent the terms of this Amendment conflict with the Agreement or any previous amendments, in which case this Amendment shall supersede. Nothing in this Amendment relieves the Consultant of its obligation to perform as required by the Agreement or any previous amendments unless expressly stated herein.

III. Agreement Revisions (See Article I.A – Amendment Summary)**A. Scope of Work**

There shall be no change to the scope of the Agreement.

B. Costs

- SANDAG and Consultant agree that the maximum amount of the Agreement shall be revised. The revised maximum amount is summarized in Article I.A. The payment amounts for this Amendment are shown in Attachment B to this Amendment.
- The total amount payable under this Agreement shall not exceed the amount shown in Article I.D., which includes both the Agreement and this Amendment's revision.

C. Schedule of Services/Milestones/Deliverables

SANDAG and Consultant agree that the termination date and/or schedule of this Agreement shall be revised and the termination date identified as "End Date" in Article I.D, shall be the termination date. Consultant shall not be paid for work performed after the termination date.

IV. Signatures

This Amendment may be executed and delivered by facsimile signature and a facsimile signature shall be treated as an original. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Amendment.

IN WITNESS WHEREOF, this Amendment has been executed under the provisions of the Agreement between the Entities and Consultant. By signing below, the parties hereto agree that all terms and conditions of this Amendment, the Agreement, and any previous amendments shall be in full force and effect.

The persons below assert that they are authorized to execute this Amendment and have executed it effective as of this _____ day of October 2012.

SAN DIEGO ASSOCIATION OF GOVERNMENTS

PEYSER ASSOCIATES LLC

GARY L. GALLEGOS
OR DESIGNATED DELIGEE
Executive Director

Date

PETER A. PEYSER JR.
Principal

Date

Approved as to form and legality:

SANDAG Office of General Counsel

Date

North County Transit District

Approved as to form and legality

MATTHEW O. TUCKER
NCTD Executive Director

Date

NCTD Legal Counsel

Date

Metropolitan Transit System

Approved as to form and legality

PAUL C. JABLOSKI
MTS Chief Executive Officer

Date

MTS General Counsel

Date

Attachments:

- ☐ Scope of Work (Attachment A)
☒ Payments (Attachment B)
☐ Schedule (Attachment C)
☐ No Attachments

**ATTACHMENT B TO
AMENDMENT NO. 5 TO
SANDAG AGREEMENT NO. 5000276**

Year	Monthly	Annual Fee	Terms and Conditions
11/01/2012 - 10/31/2013	\$12,941.38	\$155,296.56	Flat Fee
11/01/2013 - 10/31/2014	\$12,941.38	\$155,296.56	Flat Fee
11/01/2014 - 04/30/2015	\$12,941.38	\$77,648.28	Flat Fee
Total		\$388,241.40	