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12-02-16P03:06 RCVD

Agenda

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 8, 2016

9:00 a.m.

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

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ACTION RECOMMENDED

1. Roll Call
2. Approval of Minutes - November 10, 2016 Approve
3. Public Comments - Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion items. If you have a report to present, please give your copies to the Clerk of the Board.

Please SILENCE electronics
during the meeting

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Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc. and San Diego and Arizona Eastern Railway Company (nonprofit public benefit corporations). MTS is the taxicab administrator for seven cities.

MTS member agencies include the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, Santee, and the County of San Diego.



CONSENT ITEMS

- | | | |
|-----|---|-------------|
| 6. | <u>On-Call Tree Trimming and Removal Services for the San Diego Trolley - Contract Award</u>
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWL199.0-16 with Singh Group, Inc., a Disadvantaged Business Enterprise (DBE), for on-call tree trimming and removal services for a three (3) year period. | Approve |
| 7. | <u>Proposed Revisions to San Diego Metropolitan Transit System (MTS) Board Policy No. 41, "Signature Authority", and Repeal of MTS Board Policy No. 4, "Construction Contract Change Orders"</u>
Action would: (1) Approve the proposed revisions to MTS Board Policy No. 41, "Signature Authority"; and (2) Repeal MTS Board Policy No. 4, "Construction Contract Change Orders". | Approve |
| 8. | <u>MTS Sale of 2007 45' Bluebird Express Commuter Bus to Transdev Services, Inc.</u>
Action would authorize the negotiated sale of MTS Vehicle No. 8511 (2007 45' Bluebird Express, VIN # 1BAGRBFA07W100519) to Transdev Services, Inc. | Approve |
| 9. | <u>Approval of Route 950 Major Service Changes</u>
Action would approve making permanent the pilot major expansion of Route 950 service that began in January 2016. | Approve |
| 10. | <u>Architectural and Engineering (A&E) On-Call Services - Master Agreements Award</u>
Action would authorize the Chief Executive Officer (CEO) to execute MTS A&E On-Call master agreements with HDR Engineering, HNTB, Kimley Horn & Associates, Jacobs Engineering, Hatch Mott MacDonald, Dokken Engineering, Pacific Railway Enterprises, Nasland, and Global Signals Group following successful negotiations with each firm for the provision of On-Call A&E services for a five-year agreement. | Approve |
| 11. | <u>Disadvantaged Business Enterprise (DBE) and Labor Compliance Consulting Services - Contract Award</u>
Action would authorize the Chief Executive Officer (CEO) to execute the following contracts for DBE and Labor Compliance Consulting Services for a five (5) year period: (1) MTS Doc. No. G1964.0-17 with GCAP Services, Inc. (certified DBE firm) for the DBE Consulting Services; and (2) MTS Doc. No. G1965.0-17 with Gafcon, Inc. for the Labor Compliance Consulting Services. | Approve |
| 12. | <u>Investment Report - October 2016</u> | Information |
| 13. | <u>S70 and SD100 Printed Circuit Boards - Sole Source Purchase Order</u>
Action would authorize the Chief Executive Officer (CEO) to issue a purchase order to Siemens Transportation Systems Corporation (Siemens), on a sole source basis, for the purchase of printed circuit boards and related items. | Approve |
| 14. | <u>Transit Smart Cards - Contract Award</u>
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1926.0-16 with Paragon Magnadata, Inc. for the provision of Transit Smart Cards for three (3) base years with two (2) 1-year options, exercisable at MTS's sole discretion. | Approve |

CLOSED SESSION

24. a. CLOSED SESSION - CONFERENCE WITH LABOR NEGOTIATORS Pursuant to California Government Code Section 54957.6
Agency: San Diego Trolley, Inc. (SDTI)
Employee Organization: Public Transit Employees Association (Representing SDTI Train Operators, Electromechanics, Servicers and Clerical Staff)
Agency-Designated Representative: Jeff Stumbo Possible Action
- b. CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(d)(1) Paul Roberts v. San Diego Metropolitan Transit System San Diego Superior Court Case No. 37-2016-00007000-CU-PA-CTL Possible Action

Oral Report of Final Actions Taken in Closed Session

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS

30. Fare Collection Update and Whitepaper (Sharon Cooney) Possible Action
Action would receive a report and provide direction.

REPORT ITEMS

45. Operations Budget Status Report for October 2016 (Mike Thompson) Information
46. Transit Optimization Plan (TOP) Update (Denis Desmond) Information
60. Chairman's Report Information
61. Chief Executive Officer's Report Information
62. Board Member Communications
63. Additional Public Comments Not on the Agenda
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.
64. Next Meeting Date: January 19, 2016
65. Adjournment

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

MINUTES

November 10, 2016

[Clerk's note: Except where noted, public, staff and board member comments are paraphrased].

1. Roll Call

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

2. Approval of Minutes

Mr. Cunningham moved to approve the minutes of the October 13, 2016, MTS Board of Directors meeting. Ms. Rios seconded the motion, and the vote was 11 to 0 in favor with Messrs. Gloria, Minto, Roberts and Ms. Salas absent.

3. Public Comments

Chris Olson – Mr. Olson presented the Board with a petition (attached in final meeting packet) to move the Pacific Beach Farmers Market on Tuesday afternoons from its current location on Bayard Street to a two block section on Garnet Avenue. He stated that previous requests to move the Farmers Market were denied due to rerouting of two bus routes and traffic rerouting. Mr. Olson said that the community would like to have the Farmers Market on Garnet Avenue to utilize a larger area for expansion and be located on the main street of the community. He also offered to hand out public transportation information to the public at the Farmers Market to encourage people to ride public transportation.

Sara Berns – Ms. Berns stated that she is the Executive Director of Discover Pacific Beach, which manages the business improvement district and also hosts the Tuesday Farmers Market. She asked the Board to consider their request to move the Farmers Market to Garnet Avenue as a critical component of the revitalization plan of Pacific Beach. Ms. Berns stated that moving the Farmers Market to Garnet Avenue will help to increase foot traffic in a high retail area of Pacific Beach. She noted that the increased foot traffic can bring more business to the struggling small local shops.

Kristen Victor – Ms. Victor stated that she is a Board Member of the Pacific Beach Town Council. She stated that the community has been working to come up with ideas for a first mile/last mile solution for transit riders. Ms. Victor said that the community wants to utilize Garnet Avenue as a safe street for pedestrians and bicyclists. She noted that moving the Farmers Market to Garnet Avenue on Tuesdays will help the community better experience a non-car environment. Ms. Victor said that other cities have done similar things to increase pedestrian and bicyclist use and those cities have seen an improvement in their retail businesses as well as increased safety. Garnet Avenue was reported as the 8th most dangerous street in San Diego and the community wants to find ways to reduce the amount of cars and increase the amount of pedestrians.

Mike Aguirre – [Verbatim Transcription] I am here to ask you to look into the need to replace Mr. Jablonski, because he has engaged in a pattern of discrimination, one, and two, he has failed to file your tax non-profit for San Diego Trolley since 2009. Every non-profit is required to file non-profit reports with the Attorney General of the State of California. Before Mr. Jablonski got here you did file those reports. The non-profit, let's say the California Independent System Operator, which is an arm of the state, they file theirs every year. Mr. Jablonski has created a system of discrimination. I will be talking about that in a different forum. But I want to bring to your attention the need to look into whether Mr. Jablonski is systematically discriminating. And I say that to you before we take what we have found to the enforcement agencies that are responsible for investigating discrimination. As you know, public agencies are required to comply with the responsibilities under the anti-discrimination laws. And as you know, many of the people that work for the San Diego Trolley, Inc. are minorities. Those minorities are not being treated equal to how other employees are throughout the County of San Diego and City of San Diego. I'm not making this request lightly. As you probably know, I have a very strong feeling that all public officials should meet their responsibilities under the law, and when you see that somebody like Mr. Jablonski has failed to do so, it is incumbent upon you to at least look at it. And I ask you to consider hiring an independent investigative team with a lawyer to look into Mr. Jablonski's practices, which I will discuss in greater detail when I address this in item 24. Thank you.

Ms. Zapf commented that she provided the Board with a letter (attached in final meeting packet) regarding the request to move the Pacific Beach Farmers Market to Garnet Avenue. She asked for MTS to work with herself and the community to find a way to successfully move the Farmers Market, which would create a positive impact on the Pacific Beach community.

4. Appointment of Ad Hoc Nominating Committee for Recommending Appointments to MTS Committees for 2017 (Sharon Cooney)

Chairman Mathis made a recommendation to nominate himself, Vice Chair Roberts, Board Member Bragg and Board Member Cole to the Ad Hoc Nominating Committee.

Action Taken

Ms. Rios moved to appoint Chairman Mathis, Vice Chair Roberts, Board Member Bragg and Board Member Cole as the Ad Hoc Nominating Committee to make recommendations to the Board with respect to the appointment of the Board to serve as Vice-Chair, Chair Pro-Tem and on MTS and non-MTS committees for 2017. Mr. McClellan seconded the motion, and the vote was 9 to 0 in favor with Mr. Gloria and Mr. Minto absent and Chairman Mathis, Vice Chair Roberts, Ms. Bragg and Ms. Cole abstaining.

CONSENT ITEMS

6. San Diego and Arizona Eastern (SD&AE) Railway Company Quarterly Reports and Ratification of Actions Taken by the SD&AE Board of Directors at its Meeting on October 11, 2016
Action would: (1) receive the San Diego and Imperial Valley Railroad (SD&IV), Pacific Southwest Railway Museum Association (Museum), and Pacific Imperial Railroad, Inc. (PIR) quarterly reports for information; and (2) ratify actions taken by the SD&AE Board at its quarterly meeting on October 11, 2016.

7. Investment Report – September 2016
8. Light Rail Vehicle (LRV) Remote Diagnostics System and Public Address System Integration with Variable Message Sign System - Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1966.0-17, a Sole Source agreement, with Davra Networks (Davra), for the integration of the remote diagnostics and telematics information and the public address (PA) system, with the variable message sign (VMS) system located at each of the trolley stations.
9. Authorization to Increase Legal Service Contract with Tyson & Mendes, LLP to Pay Projected Expenses
Action would authorize the Chief Executive Officer (CEO) to approve increasing the Tyson & Mendes, LLP contract by \$200,000 to cover anticipated legal expenses.
10. Work Order Contract Approval for Beech and Middletown Trackwork and Signaling Preliminary Engineering
Action would authorize the Chief Executive Officer (CEO) to execute Work Order 13.05 to MTS Doc. No. G1494.0-13 with Pacific Railway Enterprises, Inc. to perform Design Engineering Services for the Beech and Middletown Double Crossover project.
11. HASTUS Timekeeping Implementation for Non Driving Employees
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1883.1-16 with GIRO, Inc., for the purchase of additional licensing for Roster and Daily Crew with SignIn/SignOut and FMLA; and the options to exercise Employee Performance Management (EPM) and SelfService modules for non-driving employees.
12. Janitorial Services for San Diego Trolley, Inc. (SDTI) & San Diego Transit Corporation (SDTC) Buildings and Light Rail Vehicle (LRV) Fleet - Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1931.0-16 with NMS Management, Inc. (NMS), a Disadvantaged Business Enterprise (DBE), for the provision of janitorial services for SDTI & SDTC buildings and the LRV fleet for three (3) base years with three (3) 1-year options, exercisable at MTS's sole discretion.
13. Centralized Train Control System Maintenance Services
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G0930.17-04.29.2 with San Diego Association of Governments (SANDAG), for the provision of preventative maintenance services on software and equipment for the Centralized Train Control (CTC) System.
14. Additional Funding for the Catenary Improvements to the Orange Line from 12th & Imperial to Main Street El Cajon, Broadway Wye
Action would authorize the Chief Executive Officer (CEO) to approve additional funding of \$2,950,000 for the installation of catch cable for Orange Line and Broadway Wye.
15. Proposed Revisions to MTS Board Policy No. 59, "Natural Gas and Energy Commodity Hedge Policy"
Action would approve the proposed revisions to MTS Board Policy No. 59, "Natural Gas and Energy Commodity Hedge Policy".

16. Trust Fund Administrator Position
Action would authorize the Chief Executive Officer (CEO) to add one (1) Trust Fund Administrator position to the FY17 budget, increasing the total Full Time Equivalent (FTE) position from 0 to 1.
17. SD8 Procurement Project - Funding Transfer
Action would approve the transfer of \$4,550,000 from the SD100 Light Rail Vehicle (LRV) Replacement project (MTS CIP No. 20020027) to the SD8 Procurement project (MTS CIP No. 20021029).
18. Proposed Revisions to MTS Board Policy No. 22
Action would approve the proposed revisions to MTS Board Policy No. 22, "Rules of Procedure for the San Diego Metropolitan Transit System (MTS) Board of Directors" related to the Audit Oversight Committee (Section 22.9).
19. Construction Support Services for Roadway Worker Protection Safety Training
Action would ratify previous actions and authorize the Chief Executive Officer (CEO) to execute Work Order No. 11.04.03 to MTS Doc. No. G1386.0-11 with PGH Wong Engineering, Inc.
20. Cubic Corporation: Fare System Software Upgrades
Action would authorize the Chief Executive Officer (CEO) to issue a purchase order to Cubic Transportation Systems, Inc. (Cubic), on a sole source basis, for the provision of professional services to program fare system software upgrades in an amount not to exceed \$350,000.

BOARD MEMBER COMMENTS

Mr. Alvarez requested to pull consent agenda item numbers 12, 17 and 20 for further discussion. Mr. McClellan requested to pull consent agenda item number 11 for discussion. Chairman Mathis stated that he will take a vote on the remaining consent items and then discuss the pulled consent items.

Action on Recommended Consent Items, Excluding Consent Items 11, 12, 17 & 20

Mr. Alvarez moved to approve Consent Agenda Item Nos. 6 – 20, excluding Nos. 11, 12, 17 & 20. Mr. McWhirter seconded the motion, and the vote was 13 to 0 in favor with Mr. Gloria and Mr. Minto absent.

DISCUSSION – CONSENT AGENDA ITEM NO. 11

Mr. McClellan made a suggestion for staff to look into using hand scanners for employees to check-in and check-out of work. He stated that his business used that method in the past and it was successful. This method ensured that employees' hours were logged correctly since the scanner had to read their personal hand/finger prints instead of a password login method.

DISCUSSION – CONSENT AGENDA ITEM NO. 12

Mr. Alvarez inquired about the previous contract holder and whether or not there were any enhanced scopes or services added to this contract. Andy Goddard, Superintendent of LRV Maintenance, replied that NMS Management, Inc. was the previous contractor and was also

awarded the current contract. He stated that there was a slight enhancement to the scope of work which included cleaning for the upholstered seating. He said that the remainder of the scope stayed relatively the same.

DISCUSSION – CONSENT AGENDA ITEM NO. 17

Mr. Alvarez inquired about the new SD8 LRV fleet and asked if the vehicles will be easily accessible for bicycles and wheelchairs. Mr. Jablonski replied that the center sections of these vehicles will be new and will be reconfigured with peripheral seating which will widen out the standing room for people with bicycles or wheelchairs. He noted that there will not be a loss of seating with the new peripheral seats versus the front and back facing seats.

DISCUSSION – CONSENT AGENDA ITEM NO. 20

Mr. Alvarez inquired if the fare system software updates were an expected expense to the program. Mr. Jablonski replied that this expense is related to updating the software for Webtix, which is the software for the public to load their compass cards online. The update will include enhanced software to improve credit card security.

Action on Consent Item Nos. 11, 12, 17 & 20

Mr. Alvarez moved to approve Consent Agenda Item Nos. 11, 12, 17 & 20. Mr. McWhirter seconded the motion, and the vote was 13 to 0 in favor with Mr. Gloria and Mr. Minto absent.

CLOSED SESSION – PUBLIC COMMENTS

Mike Aguirre – [Verbatim Transcription] Trolley head Jablonski pays himself over \$358,000 yearly, but he refuses to pay overtime to trolley workers who work more than eight hours a day. He cuts health and vacation benefits by mislabeling full time workers as part time. He places those hoping to be supervisors in a suspended animation status called auxiliary supervisors. Trolley workers have worked under their latest collective bargaining agreement since 2012. Under its terms, the contract rolled over for additional years after each December if a new contract was not made. After the PTEA was certified, Jablonski refused to honor the contract's roll over terms. Jablonski now claims the contract that he treated in force and effect for two years expired in 2014. Meanwhile, Jablonski took a 3.5 pay increase to pay for the past two years and more in deferred compensation. PTEA proposed Jablonski give current and retroactive pay increases of 9.75%, pay overtime after eight hours of work, treat workers who work full time as full time workers, reform the auxiliary supervisor system, and collect dues for PTEA. He refused all of those and made us go out and have to collect signatures even though we are a closed agency shop, we had to go out and collect signatures from all the members, because he refused to collect our dues. Now, for the IBEW, while they were supporting what Jablonski wanted in a contract, he collected their dues every month, and he paid them. He paid the union representatives \$20,000 a month so that they would then support his contract. And when the workers said hey, no, we need to have fairness here, he said no, I'm not going to do that, so I'm going to defund you. That's what he's done. Now I know that some of you may know that I oppose public employees who rip off the system. Like for example, when Mr. Mathis was with the city, he voted to increase benefits and decrease contributions and he voted for compensation for himself and other councilmembers that allowed them to give themselves retroactive pension increases 3.5%. People are retiring millionaires at the City of San Diego.

There is almost no pension to speak of for trolley workers. It is appalling that the people that are primarily minorities, work eight hours a day and don't get overtime. Week after week after week they work full time, but they're not given full time status so they don't have to pay in vacation pay. (Chairman Mathis: your three minutes are up sir.) Okay let me just close by saying this, we want to help make MTS the very best it can be. We don't want to ask for anything unreasonable. We are committed, and this is what we told Jablonski's coordinator, we're committed to working with you. And Mr. Mathis is pulling the plug here very aggressively, but I want to tell you that's not the right way to open up a dialogue with people that are trying to work with you. And this kind of closed... (Chairman Mathis: Mr. Aguirre, your time is up). Thank you Councilmember Mathis, former Councilmember Mathis for your courtesy this morning in recognition to the fact that I was the City Attorney of San Diego, I really appreciate the fact that you have the dignity of giving that courtesy to me. Thank you very much everyone. (Chairman Mathis: you're welcome sir).

Nate Fairmen – Mr. Fairmen stated that he is the business manager for IBEW Local 465. He commented that he had the privilege and honor to attend the apprenticeship graduation for the journeyman mechanics the previous day. He said that the apprenticeship program is a great program which was implemented by MTS partnered with the IBEW about 12 years ago. Mr. Fairmen stated that he is not going to make a public comment about the PTEA. He stated that the IBEW used to represent the 170 employees at San Diego Trolley and they hope to represent them again one day.

Juan Gonzalez – Mr. Gonzalez stated that he is the President of the PTEA. He commented that they are looking forward to working with MTS to improve training, working conditions and working environment at San Diego Trolley. Mr. Gonzalez said that he was disappointed when he first started working for San Diego Trolley and that's why the employees voted in the new union, PTEA, in order to make the San Diego Trolley the best system in the country.

Joshua Stolz – Mr. Stolz stated that he is the Vice President of the PTEA. He commented that there are many weeks that he works overtime. He said that his family is a single-income household and there are days when he has to call out of work for doctor's appointments and he loses money every time he calls out. He stated that there are family issues that will take precedent over work and the employees should not lose out on overtime pay when doing so. Mr. Stolz stated that they are looking forward to working with MTS on finalizing a contract.

Kiko Diaz – Mr. Diaz stated that he is the IBEW Local 465 business representative. He commented that while he doesn't agree with what the PTEA did, he wishes them good luck. He also thanked MTS for the relationship that they built with the IBEW. Mr. Diaz stated that contrary to what Mr. Aguirre said, the IBEW does not get paid to keep quiet, but they get paid dues which in turn go back to the employees they represent. Lastly, he commented that between 2008 and 2013, when many other companies were laying off employees and reducing benefits, there were no layoffs under the IBEW Local 465.

Mr. Jablonski commented that the issues discussed today relative to the labor contract will be addressed in closed session. He stated that he and the Board highly value the work, commitment and dedication that everybody in the organization does. He noted that MTS's trolley system is well respected and won the award as the best system in the country and that is because we have great employees. Mr. Jablonski stated that all they have wanted is to get a raise into the hands of the employees and we will continue to work together to do that.

CLOSED SESSION

24. Closed Session Items

The Board convened to Closed Session at 9:35 a.m.

- a. CLOSED SESSION - CONFERENCE WITH LABOR NEGOTIATORS Pursuant to California Government Code Section 54957.6
Agency: San Diego Trolley, Inc. (SDTI)
Employee Organization: Public Transit Employees Association (Representing SDTI Train Operators, Electromechanics, Servicers and Clerical Staff)
Agency-Designated Representative: Jeff Stumbo

The Board reconvened to Open Session at 10:12 a.m.

Oral Report of Final Actions Taken in Closed Session

Karen Landers, General Counsel, reported the following:

- a. The Board received a briefing and gave direction to staff.

NOTICED PUBLIC HEARINGS

25. Public Hearing for Route 950 Major Service Changes (Denis Desmond)

Denis Desmond, Manager of Planning, provided a report on the Route 950. The Route 950 is nonstop service between the Otay Mesa border and Iris Avenue Transit Center. He stated that the Route 950 was implemented in 2013 to supplement the local Route 905 service. Since 2013, there has been a very high demand for Route 950 and more trips have been incrementally added over the past three years to accommodate the heavy loads. In January 2016, a pilot of expanded service was implemented to accommodate the high demand. Mr. Desmond stated that the pilot was successful and continues to grow in use. He noted that Board Policy 42 requires a public hearing, Title VI analysis, and Board approval for major changes to be made permanent. Mr. Desmond stated that the Board agenda packet includes the Title VI analysis, which is a federally required analysis to make sure that any major change that MTS implements does not have a disparate impact on minority populations or a disproportionate burden on low income populations. He noted that the analysis shows that it does not have either. In the packet, there are also maps which show the demographics of low-income and minority populations. He noted that the Board received an email handout from a supporter of the changes to Route 950. Mr. Desmond also presented graphs detailing the increase in ridership for the Route 905 and 950. Lastly, he reviewed the Route 950 timeline and reviewed today's action to conduct the hearing, receive testimony and provide direction.

Mr. Alvarez stated that the Otay community and business community appreciates this service. He inquired about the Otay Mesa transit station and how it will be configured in order to accommodate space for the increase in riders. Mr. Desmond replied that SANDAG is building a new Otay Mesa Transit Center which will be larger to accommodate the increase in riders. The new transit center is set to open in 2018.

Action Taken

Mr. McWhirter moved to: (1) Receive public testimony; and (2) Provide direction to staff for any changes prior to approval at a later Board of Directors meeting. Ms. Bragg seconded the motion and the vote was 13 to 0 in favor with Mr. Gloria and Mr. Minto absent.

DISCUSSION ITEMS:

30. Fiscal Year 2016 Comprehensive Annual Financial Report (CAFR) (Erin Dunn and Larry Marinesi; Kenneth Pun and Gary Caporicci of The Pun Group)

Ernie Ewin, Chairman of the Audit Oversight Committee (AOC), introduced the discussion of the CAFR. He noted that there are questions that will be asked at the end of the presentation. Erin Dunn, Controller, introduced Ken Pun and Gary Caporicci of The Pun Group to provide a presentation on the CAFR. Mr. Pun discussed the management responsibilities, auditors' responsibilities and the approach to the audit. The Pun Group's audit approach included detailed planning; risk based review of internal controls over systems and compliance; validation of account balances; and review of financial statements and the issuance of the audit report opinion. Mr. Pun discussed the implementation of the new ERP system, SAP Account Software. He stated that they tested the new system and found no issues. Mr. Pun discussed the IT controls review and stated that they used an IT Specialist to review MTS's IT policy and security. He discussed the recommendations from the result of the IT controls review. Mr. Pun reviewed the financial statements including the summary statements of net position; summary statements of revenues, expenses and changes in net position; and summary statements of cash flows.

Mr. Alvarez inquired about the potential security weaknesses in the fare system ticket vending machines and their recommendation. Mr. Pun replied that the Microsoft 2000 version is currently phasing out on a lot of systems and their recommendation is to upgrade that software to a newer and more compatible system. Mr. Alvarez asked about the recommendations on a going forward basis. Mr. Pun replied that the recommendations from a previous year will be reviewed the following year to ensure that there has been action to move forward on those recommendations. Mr. Jablonski stated the issue of the fare collection system is well known by staff. He said that the current system is about 14 years old and staff is coming back to the Board in December with a discussion about the future of MTS's fare collection system. He stated that staff is looking into possibly updating the current system or going out for a completely new system. Mr. Alvarez inquired what level of risk the auditors would assign in the fare system technology. Mr. Pun replied that it is low risk.

Mr. Caporicci continued the presentation and discussed the key pension and OPEB information including net pension liability; pension expenses; and other postemployment benefits plan. Mr. Caporicci reviewed the audit results and stated that they had an unmodified opinion including the following: financial statements are fairly presented in all material respects; significant accounting policies have been consistently applied; estimates are reasonable; and disclosures are properly reflected in the financial statements. Lastly, he discussed the upcoming changes to GASB and the current technical agenda projects.

Mr. Ewin commented that the Board has had an opportunity to read the letters from management and the auditors. He stated that he hopes these letters will raise thoughts and questions for going forward.

Mr. McClellan asked if the return percentage of 7.0% is low enough. Mr. Caporicci replied that his opinion is that the return percentage should be approximately 6.0%; however the pension liabilities are long term and not next year payments, so there is time to adjust in the future. Mr. Marinesi commented that this was addressed at the Budget Development Committee earlier in the year where the recommendation was to decrease from 7.5% to 7.0%. He stated that staff will continue to look at this number on an annual basis. Mr. Marinesi stated that in January, the actuarial evaluation report and the pension investment results will be presented to the Executive Committee and the Board.

Mr. Ewin noted that MTS received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for the 10th consecutive year.

Mr. Cunningham stated that the Board's responsibility is to make sure that this audit was done with full compliance by MTS. Mr. Cunningham asked Mr. Pun if during the audit they were given full access to any MTS employee that they needed to talk to for purposes of preparing their audit. Mr. Pun replied yes. Mr. Cunningham asked if they were ever denied access to any employee that they needed to talk to for preparing for the audit. Mr. Pun replied no. Mr. Cunningham asked if they were given full access to any or all documents including accounting ledgers or any documentation that they needed for purposes of preparing the audit. Mr. Pun replied yes. Mr. Cunningham asked if they were ever denied any documents that they asked to see by any MTS employees. Mr. Pun replied no. Mr. Cunningham asked if they found anything other than what they stated here this morning that they felt were not consistent with the best practices of accounting as it applies to MTS. Mr. Pun replied no.

Action Taken

Mr. Cunningham moved to receive the Fiscal Year (FY) 2016 Comprehensive Annual Financial Report (CAFR). Mr. McClellan seconded the motion, and the vote was 13 to 0 in favor with Mr. Gloria and Mr. Minto absent.

31. Fiscal Year 2016 Final Budget Comparison (Mike Thompson)

Mike Thompson, Director of Financial Planning and Analysis, provided a presentation on the Fiscal Year 2016 final budget comparison. He reviewed the results of the operating revenues, operating expenses and subsidies. Mr. Thompson stated that the Budget Development Committee met to discuss what to do with the remaining excess revenues from Fiscal Year 2016. He noted that in order to reach MTS's contingency reserve balance of 12.5%, an additional \$4.3 million was needed, which left \$4.7 million in revenues to be programmed elsewhere. The recommendation from the Budget Development Committee was to add \$4.3 million to the contingency reserve balance; add \$2.7 million to the fare collection system upgrades capital project; and carry-over \$2.0 million for the Fiscal Year 2017 operating budget.

Action Taken

Mr. Gastil moved to: (1) add \$4.3 million to the contingency reserve balance; (2) add \$2.7 million to the fare collection system upgrades capital project; and (3) carry-over \$2.0 million for the Fiscal Year 2017 operating budget.. Mr. Woiwode seconded the motion, and the vote was 12 to 0 in favor with Mr. Gloria, Mr. Minto and Ms. Salas absent.

REPORT ITEMS

45. Operations Budget Status Report for August 2016 (Mike Thompson)

Mr. Thompson discussed the operations budget status report for August 2016. He reviewed the total operating revenues; total operating expenses; and total operating variance. Mr. Thompson also reviewed ongoing concerns including sales tax subsidy revenue, State of California budget, passenger levels, and energy prices.

Action Taken

No action taken. Informational item only.

46. Year End Operations Report (Denis Desmond, Bill Spraul & Wayne Terry)

Mr. Desmond began the year end operations report. He reviewed the results for annual total passengers; ridership; passengers per revenue hour; on-time performance; mean distance between failures; preventable accidents per 100,000 miles; complaints per 100,000 passengers; and farebox recovery.

Wayne Terry, Chief Operating Officer – Rail, provided a presentation on the Fiscal Year 2016 year-end review for the Rail Division. He discussed the following results related to Rail contracts, projects and updates: Master Concessionaire Services contract; ticket vending machine transactions between failures; Fiscal Year 2016 event statistics; Alvarado Creek flooding; Grossmont Station flooding; Alvarado Creek clean-out; sink hole rehabilitation; railroad bridge 2.72 repair; 69th Street grade crossing; Morena/Linda Vista Station rehabilitation; Seaward Traction Power Substation ivy installation; SD100 LRV coupler replacement; station monument sign installation; next train arrival signs; Courthouse Trolley Station; San Ysidro Yard improvements; Mid-Coast extension; approval of the FFGA for the Mid-Coast extension project; LRV vehicle purchase; status of decommissioned U-2 LRVs; U-2 LRV vehicle deliver to TSA; PCC 531 recommission project; and enhanced signage for accident prevention.

David Bagley, System Safety Manager, provided the Rail System Safety report for Fiscal Year 2016. He discussed the following information: rail accidents per month; MTS comparison to other systems; safety data acquisition and analysis; MAP 21 Safety Management Systems (SMS) implementation requirements; vision for safety culture; SMS components and sub-components; new hire rail safety training; Department of Transportation TSI training; 3-year agency preparedness training program; MTS staff teaching on national level; CPR AED training; FEMA independent study courses; County Office of Emergency Services table top exercises; multi-threat response training; San Diego Regional table top exercise participants; emergency responder training; and heavy rescue training.

Bill Spraul, Chief Operating Officer – Transit Services, provided a report on the Fiscal Year 2016 Transit Services highlights. Mr. Spraul reviewed the following results: service quality highlights; safety program; safety and security; fleet technology highlights; East Count Bus Operations and Maintenance Facility; new Transit Store; new solar shelters; new pylons; new benches; installation of Real-Time Management System (RTMS) – Computer Aided Dispatch (CAD)/Automatic Vehicle Location (AVL) systems; installation of Automatic Vehicle Annunciators; and the incorporation of SuperLoop into RAPID service.

Ms. Cole inquired how staff is addressing the issue that riders are not riding the system as often due to time and convenience factors. Mr. Desmond commented that staff is currently conducting the Transit Optimization Plan (TOP) which will help guide staff to make necessary changes to address these issues.

Ms. Bragg requested for a list of the new bus shelters to be sent to each of the Board Members.

Mr. Cunningham commented on how it's great to hear how proud staff is of their respective employees and their work. He said this statement is very well received by the Board and he appreciates everyone's hard work.

Ms. Zapf commented that it is great to see and hear all of the hard work that MTS has done over the past year.

Mr. Jablonski noted that the Board will begin to receive more comprehensive reports on safety in their future meetings due to new requirements at the federal level to reinforce safety first.

Action Taken

No action taken. Informational item only.

60. Chairman's Report

Chairman Mathis stated that he was proud to attend the apprentice graduation program at the Kearny Mesa Division yesterday.

61. Chief Executive Officer's Report

Mr. Jablonski reported the following business travel: on October 26th, he traveled to Diamond Bar for a meeting with the California Air Resources Board for a transit subcommittee meeting; and on October 28th, he traveled to Washington D.C. for a TOPS Committee meeting, which is fully paid for by that outside committee.

62. Board Member Communications

There were no Board Member Communications.

63. Additional Public Comments on Items Not on the Agenda

Roger Andersen – Mr. Andersen made a suggestion to move the terminus for the Route 1 bus to Mercy Hospital. He also suggested for the Route 7 bus to end its service at 2:30am for the


service industry riders. He also commented that staff should look into raising the age for the senior discount pass. Chairman Mathis responded that unfortunately, the age for the senior discount pass was set by the TransNet tax and cannot be changed.

64. Next Meeting Date

The next regularly scheduled Board meeting is December 8, 2016.

65. Adjournment

Chairman Mathis adjourned the meeting at 11:55 a.m.



Chairperson
San Diego Metropolitan Transit System

Filed by:

Approved as to form:



Clerk of the Board
San Diego Metropolitan Transit System



General Counsel
San Diego Metropolitan Transit System

Attachment: Roll Call Sheet

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS
ROLL CALL

MEETING OF (DATE): November 10, 2016

CALL TO ORDER (TIME): 9:02 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:35 a.m.

RECONVENE: 10:12 a.m.

PUBLIC HEARING: 10:13 a.m.

RECONVENE: 10:22 a.m.

ORDINANCES ADOPTED: _____

ADJOURN: 11:55 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ALVAREZ	<input checked="" type="checkbox"/> (Cate) <input type="checkbox"/>	9:02 a.m.	11:07 a.m.
BRAGG	<input checked="" type="checkbox"/> (Spriggs) <input type="checkbox"/>	9:02 a.m.	11:55 a.m.
COLE	<input checked="" type="checkbox"/> (Cate) <input type="checkbox"/>	9:02 a.m.	11:55 a.m.
CUNNINGHAM	<input checked="" type="checkbox"/> (Mullin) <input type="checkbox"/>	9:02 a.m.	11:55 a.m.
GASTIL	<input checked="" type="checkbox"/> (Jones) <input type="checkbox"/>	9:02 a.m.	11:55 a.m.
GLORIA	<input type="checkbox"/> (Cate) <input type="checkbox"/>		
MATHIS	<input checked="" type="checkbox"/>	9:02 a.m.	11:55 a.m.
MCCLELLAN	<input checked="" type="checkbox"/> (Ambrose) <input type="checkbox"/>	9:02 a.m.	11:55 a.m.
MCWHIRTER	<input checked="" type="checkbox"/> (Arapostathis) <input type="checkbox"/>	9:02 a.m.	11:55 a.m.
MINTO	<input type="checkbox"/> (McNelis) <input type="checkbox"/>		
RIOS	<input checked="" type="checkbox"/> (Sotelo-Solis) <input type="checkbox"/>	9:02 a.m.	11:20 a.m.
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:07 a.m.	11:22 a.m.
SALAS	<input checked="" type="checkbox"/> (Miesen) <input type="checkbox"/>	9:05 a.m.	10:56 a.m.
WOIWODE	<input checked="" type="checkbox"/> (Sandke) <input type="checkbox"/>	9:02 a.m.	11:55 a.m.
ZAPF	<input checked="" type="checkbox"/> (Cate) <input type="checkbox"/>	9:02 a.m.	11:55 a.m.

SIGNED BY THE CLERK OF THE BOARD: Julia Tuer

CONFIRMED BY THE GENERAL COUNSEL: Paul Cook



AGENDA ITEM NO.

3

REQUEST TO SPEAK FORM

ORDER REQUEST RECEIVED

1

**PLEASE SUBMIT THIS COMPLETED FORM (AND YOUR WRITTEN STATEMENT)
TO THE CLERK OF THE BOARD PRIOR TO DISCUSSION OF YOUR ITEM**

1. INSTRUCTIONS

This Request to Speak form must be filled out and submitted in advance of the discussion of your item to the Clerk of the Board (please attach any written statement to this form). Communications on hearings and agenda items are generally limited to three minutes per person unless the Board authorizes additional time; however, the Chairperson may limit comment to one or two minutes each if there are multiple requests to speak on a particular item. General public comments on items not on the agenda are limited to three minutes. Please be brief and to the point. No yielding of time is allowed. Subjects of previous hearings or agenda items may not again be addressed under General Public Comments.

(PLEASE PRINT)

DATE			
Name	Richard Lujan		
Address	8214 Redcrest PL		
Telephone	(619) 647 9395		
Organization Represented			
Subject of Your Remarks	Bus stops + Trolley		
Regarding Agenda Item No.			
Your Comments Present a Position of:	<input type="checkbox"/>	SUPPORT	<input type="checkbox"/> OPPOSITION

2. TESTIMONY AT NOTICED PUBLIC HEARINGS

At Public Hearings of the Board, persons wishing to speak shall be permitted to address the Board on any issue relevant to the subject of the Hearing.

3. DISCUSSION OF AGENDA ITEMS

The Chairman may permit any member of the public to address the Board on any issue relevant to a particular agenda item.

4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

Public comment on matters not on the agenda will be limited to five speakers with three minutes each, under the Public Comment Agenda Item. Additional speakers will be heard at the end of the Board's Agenda.

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giving time to speaker #1

AGENDA ITEM NO.

3

REQUEST TO SPEAK FORM

ORDER REQUEST RECEIVED

2

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(PLEASE PRINT)

DATE	12-8-16			
Name	Angelina Lujan			
Address	8214 Redcrest PL			
Telephone	619-200-3435			
Organization Represented	Lomita Vill			
Subject of Your Remarks				
Regarding Agenda Item No.				
Your Comments Present a Position of:	<input type="checkbox"/>	<input type="checkbox"/>	SUPPORT	<input type="checkbox"/> OPPOSITION

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NOT PRESENT

AGENDA ITEM NO.

3

REQUEST TO SPEAK FORM

ORDER REQUEST RECEIVED

3

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(PLEASE PRINT)

DATE	12-8-16				
Name	M. AGUIRRE (Mike Aguirre)				
Address					
Telephone					
Organization Represented					
Subject of Your Remarks					
Regarding Agenda Item No.					
Your Comments Present a Position of:	<input type="checkbox"/>	<input type="checkbox"/>	SUPPORT	<input type="checkbox"/>	OPPOSITION

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AGENDA ITEM NO.

 3**REQUEST TO SPEAK FORM**

ORDER REQUEST RECEIVED



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(PLEASE PRINT)

DATE	12-8-2016		
Name	Chris Olson		
Address	953 Reed Ave		
Telephone	858 336 9605		
Organization Represented	Pacific Beach		
Subject of Your Remarks	Farmers Market		
Regarding Agenda Item No.	Ø		
Your Comments Present a Position of:	<input type="checkbox"/>	SUPPORT	<input type="checkbox"/> OPPOSITION

2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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REQUEST TO SPEAK FORM

ORDER REQUEST RECEIVED

5

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(PLEASE PRINT)

DATE	12/8/14		
Name	Gretchen Newsom, IBEW 569		
Address	9515 Vantage Ave		
Telephone	619-206-4453		
Organization Represented	IBEW 569		
Subject of Your Remarks	Public Safety		
Regarding Agenda Item No.	Public Comment		
Your Comments Present a Position of:	N/A	SUPPORT	N/A OPPOSITION

2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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Local Union 569 San Diego



INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
4545 Viewridge Avenue, Suite 100 San Diego, CA 92123-5615 (858) 569-8900

December 8, 2016

Chairman Harry Mathis and Boardmembers
Metropolitan Transit System (MTS)
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490

Dear Chairman Mathis and MTS Boardmembers:

On behalf of IBEW Local Union 569 and our 3,300 electrical workers, power professionals, and working families of San Diego and Imperial Counties, I write to alert you to electrical hazards and public safety concerns that my staff have uncovered related to the installation of MTS bus shelters.

In 1999, Brian Williams died from electrocution while sitting in a lit MTS bus shelter at 6th Avenue and Market, and the MTS Board was outraged and sought to make sure that this never happened again. Unfortunately, this could very well happen again as we have uncovered evidence that new MTS bus shelters are being installed by workers that are not California State Certified Electricians.

It appears MTS awarded a contract to Clear Channel for the installation of new electrified bus shelters whereby MTS would not pay for these public facilities, but Clear Channel would pay for the installation and in return receive advertising rights to the bus shelters. This is an example of a private-public partnership that puts our communities at risk.

When we reached out to MTS staff to alert you of our findings of faulty craftsmanship (see attached photos) – which included live wires easily accessible to the public, amongst many other hazards – IBEW 569 staff were told to take it up this matter with your contract awardee Clear Channel, who then demurred from acknowledging these hazards and ensuring that this electrical work would be done by skilled, trained, and certified electricians.

MTS needs to take on oversight and accountability for its bus shelters, rather than shirking these duties and our public safety for the sake of saving a buck and putting lives at risk.

We want the public protected and for this electrical work to be done by trained and certified professionals. Please find attached some of the evidence we have compiled that puts our community members at risk. We desire to discuss this matter further and call upon the MTS Board to immediately to look into this matter and ensure these electrified bus shelters are installed by California State Certified Electricians.

Please follow up with Gretchen Newsom on my staff to schedule a debriefing meeting; she is reachable at 858-569-8900 or gnewsom@ibew569.org.

Thank you for your time and attention to this public safety matter.

Sincerely,

Nicholas J. Segura, Jr.
Business Manager
IBEW 569

NJS:dkm
opeiu#537, afl-cio, clc



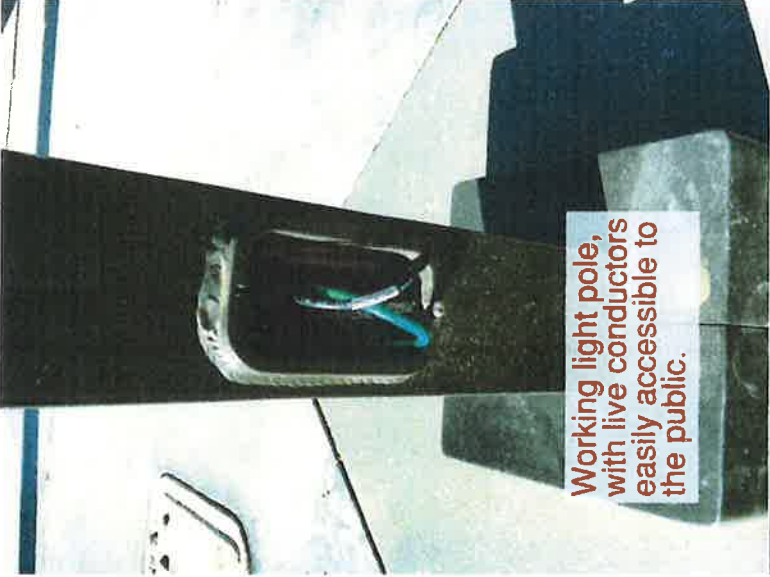
Iris Transit
Station where
photos were
taken
September
27th, 2016.



Location of old bus shelter left easily accessible and unsafe.



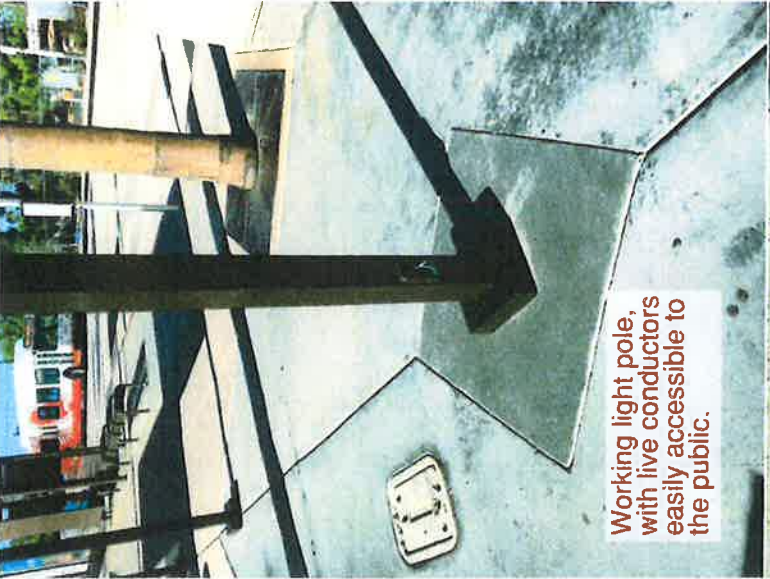
Live conductors were simply taped and stuffed into conduit at ground level and left accessible by the public



Working light pole, with live conductors easily accessible to the public.



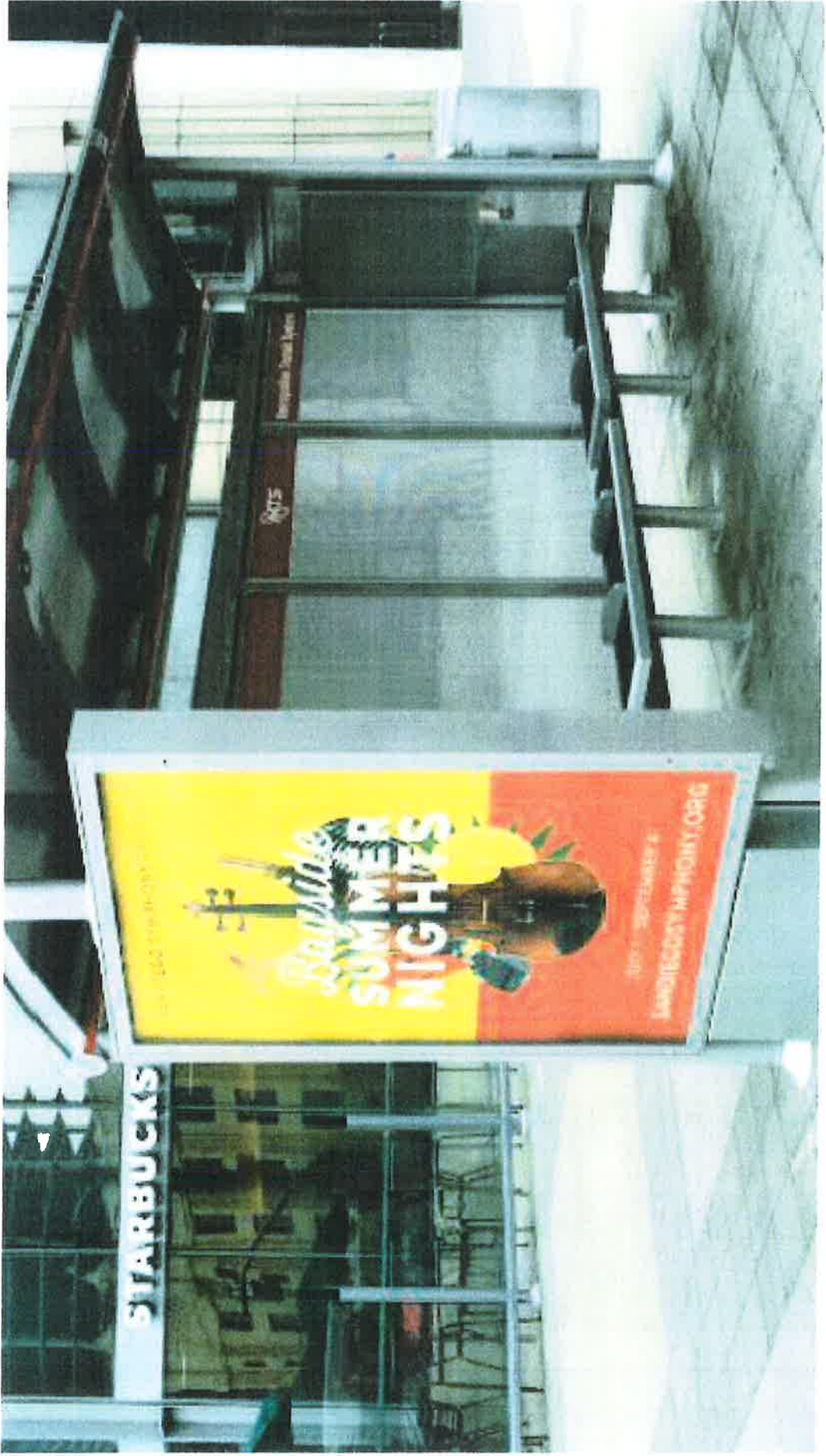
Conduits were not cut flush to the ground, creating a hazard.



Working light pole, with live conductors easily accessible to the public.



Work is not being done "in a neat and workmanlike manner," (per the National Electric Code)



Lynn Minor

From: Mike Daney <Mike.Daney@sdmts.com>
Sent: Tuesday, November 08, 2016 3:51 PM
To: Lynn Minor
Cc: Ricardo Ochoa (rochoa@union-attorneys.org); Joel Basore; Tiedeman, Rick (RickTiedeman@clearchannel.com); Fedorka, Sharon (SharonFedorka@clearchannel.com)
Subject: RE: MTS Bus Shelters

Follow Up Flag: Flag for follow up
Flag Status: Flagged

Lynn,

I appreciate your patience on this matter. MTS does not hold a standing contract for the installation of the shelters you are referencing below and therefore no public dollars are being spent by MTS on the installation. Installation agreements and efforts are being processed directly between ClearChannel their installer base on their own terms and conditions.

MTS' agreement with ClearChannel is specific to advertising revenues, not shelter installations.

Please feel free to contact ClearChannel directly for more information on installation agreements.

Sincerely,

Michael B Daney
Manager of South Bay &
East County Operations
(Contracted Operations, BRT and Passenger Facilities)
100 16th Street
San Diego, CA 92101-7490
Phone: 619.595.7035
Fax: (619)398.9502
Email: mike.daney@sdmts.com

From: Lynn Minor [mailto:LMinor@ibew569.org]
Sent: Monday, November 07, 2016 3:37 PM
To: Mike Daney
Cc: Ricardo Ochoa (rochoa@union-attorneys.org); Joel Basore
Subject: RE: MTS Bus Shelters

Hello Mike,

It has been over a month and I have not heard back from you. Pursuant to the California Public Records Act, Government Code Section 6250, et, seq and Labor Code Section 1776(e), I am requesting the following documents:

- DIR Project Number
- Bid Result
- Award Notice
- Sub-contractor List
- Bid Documentation
- Inspector's Daily Reports
- General Contractor's Daily Reports
- Certification for any electrical apprentices employed on this project

- Proof of compliance with California State Electrical Certification for all electricians working on this project
- Project Schedule including location addresses
- Certified Payroll Reports from 8/1/16 through 11/13/16 for all electrical, solar, and related work.

Please send the requested information to my office, via e-mail or at the address listed below. If you have any questions regarding this matter feel free to contact me. I look forward to your prompt response.

Lynn Minor
Compliance Officer
Business Representative
IBEW 569

4545 Viewridge Ave, Ste 101
San Diego, CA 92123
Ofc 858-569-8900 x122
Cel 619-869-5569

From: Mike Daney [<mailto:Mike.Daney@sdmts.com>]

Sent: Thursday, September 29, 2016 3:49 PM

To: Lynn Minor <LMinor@ibew569.org>; Beverly Neff <beverly.neff@sdmts.com>

Cc: Joel Basore <jbasore@ibew569.org>; Tiedeman, Rick <RickTiedeman@clearchannel.com>; Fedorka, Sharon <SharonFedorka@clearchannel.com>

Subject: RE: MTS Bus Shelters

Lynn,

We are looking into your request and will get back to you with details as quickly as possible,

Thank you,

Michael B Daney
Manager of South Bay &
East County Operations
(Contracted Operations, BRT and Passenger Facilities)
100 16th Street
San Diego, CA 92101-7490
Phone: 619.595.7035
Fax: (619)398.9502
Email: mike.daney@sdmts.com

From: Lynn Minor [<mailto:LMinor@ibew569.org>]

Sent: Wednesday, September 28, 2016 2:45 PM

To: Beverly Neff

Cc: Joel Basore; Mike Daney; Tiedeman, Rick; Fedorka, Sharon

Subject: MTS Bus Shelters

Beverly,

Since MTS was the awarding body on the Bus Shelter Replacement project I am requesting from you the DIR project ID number, Bid Documentation, and Certified Payroll reports for August 2016 and September 2016. Please provide these documents in accordance with California Labor Code. Thank you for your cooperation.

Lynn Minor
Compliance Officer
Business Representative

IBEW 569

4545 Viewridge Ave, Ste 101
San Diego, CA 92123
Ofc 858-569-8900 x122
Cel 619-869-5569

From: Fedorka, Sharon [<mailto:SharonFedorka@clearchannel.com>]

Sent: Wednesday, September 28, 2016 6:22 AM

To: Lynn Minor <LMinor@ibew569.org>

Cc: Joel Basore <jbasure@ibew569.org>; Mike Daney <Mike.Daney@sdmts.com>; Beverly Neff <beverly.neff@sdmts.com>; Tiedeman, Rick <RickTiedeman@clearchannel.com>

Subject: RE: N D Electrical Construction

Lynn,

Thank you for your concern, Safety is always first and foremost with Clear Channel Outdoor.

Sharon



Sharon Fedorka

Operations Superintendent San Diego

9660 Granite Ridge Drive
San Diego, CA 92123

O 858.715.3617

sharonfedorka@clearchanneloutdoor.com

From: Lynn Minor [<mailto:LMinor@ibew569.org>]

Sent: Tuesday, September 27, 2016 11:50 AM

To: Fedorka, Sharon

Cc: Joel Basore; Mike Daney; Beverly Neff

Subject: RE: N D Electrical Construction

Sharon,

I drove out to one of the transit stations where some of the shelters had been removed, I am very concerned about the safety of the public as there were multiple hazards left behind. (Covers not replaced on light poles, wires simply cut off and stuffed into conduit that wasn't cut flush to the ground, etc.) I am also concerned this work is not being performed by state certified electricians. Who is responsible for insuring the shelters are being replaced in a safe manner?

Lynn Minor

Compliance Officer

Business Representative

IBEW 569

4545 Viewridge Ave, Ste 101
San Diego, CA 92123
Ofc 858-569-8900 x122
Cel 619-869-5569

From: Beverly Neff [<mailto:beverly.neff@sdmts.com>]

Sent: Friday, September 23, 2016 11:24 AM

To: Lynn Minor <LMinor@ibew569.org>

Cc: Joel Basore <jbasure@ibew569.org>; Fedorka, Sharon (SharonFedorka@clearchannel.com) <SharonFedorka@clearchannel.com>; Mike Daney <Mike.Daney@sdmts.com>
Subject: RE: N D Electrical Construction

Lynn,

Yes, Clear Channel has responded to MTS and assured us they will have the necessary licensed professionals on each job. The job on the day referenced below was canceled due to the lack of an electrician. Going forward, please contact Sharon Fedorka (cc'd) who manages the ND Construction contract.

Thanks,
Beverly Neff

From: Lynn Minor [<mailto:LMinor@ibew569.org>]
Sent: Friday, September 23, 2016 11:11 AM
To: Beverly Neff
Cc: Joel Basore
Subject: FW: N D Electrical Construction

Good morning Beverly,

My name is Lynn Minor, with IBEW local 569. Joel brought this issue to my attention, and I am writing to touch base with you on this matter. I am following up on this matter and was wondering if you have heard from Clear Channel. Also I was wondering what protocols are in place to ensure the safety of the workers and the public. Please let me know who exactly is contracted to do the work on these shelter replacements. Thank you.

Lynn Minor
Compliance Officer
Business Representative
IBEW 569
4545 Viewridge Ave, Ste 101
San Diego, CA 92123
Ofc 858-569-8900 x122
Cel 619-869-5569

From: Joel Basore
To: Lynn Minor <LMinor@ibew569.org>
Subject: FW: N D Electrical Construction

Hi Lynn,

This is the MTS pdf and the communication so far with MTS

http://docs.sandiego.gov/councilcomm_agendas_attach/2014/Infra_140514_6.pdf

Joel Basore
Business/Member Development Agent
IBEW 569
4545 VIEWRIDGE AVE., STE 100
SAN DIEGO, CA 92123
OFC (858) 569-8900 x121
CEL (619) 832-9757



From: Beverly Neff [<mailto:beverly.neff@sdmts.com>]
Sent: Thursday, September 15, 2016 1:35 PM
To: Joel Basore
Subject: RE: N D Electrical Construction

Joel,

I appreciate you bringing this to my attention. I included your message in the email I just sent to Clear Channel. I will follow up with you when I receive their response.

Thanks,

Beverly Neff

Supervisor of Passenger Facilities
San Diego Metropolitan Transit System
100 16th Street • San Diego, CA 92101
☎ (619) 595-7037
📠 (619) 398-9502
✉ beverly.neff@sdmts.com



From: Joel Basore [<mailto:jbasore@ibew569.org>]
Sent: Thursday, September 15, 2016 12:15 PM
To: Beverly Neff
Subject: N D Electrical Construction

Greetings Beverly,

I am an agent with the International Brotherhood of Electrical Workers, Local 569, here in San Diego. I came upon a couple of men working on replacing a MTS bus stop shelter at Fairmount and University this morning. The company performing the work was N D Electrical Construction. The shelter in question has electricity for a lighted sign. When I arrived the lead worker, Dan Martin, of ND, had the cover off of a hand hole near a streetlight near the bus top. He appeared to be trying to disconnect power to the shelter. He said his classification was laborer, not electrician. I am very concerned that this work, on electrified shelters, is being done by laborers.

I would like to try to work with you to make sure that this work is being done in a manner consistent with the National Electrical Code, especially since the general public, and the riders of MTS more specifically, could be affected by deficient work. The State of California requires this type work be performed by a Certified Electrician. I look forward to hearing from you soon.

Regards,

Joel Basore
Business/Member Development
IBEW 569
4545 Viewridge Ave, Ste 101
San Diego, CA 92123
Ofc 858-569-8900
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SAN DIEGO, CA — Metal bus stop shelters throughout San Diego County will be off limits for public transit riders until authorities determine what caused the electrocution of a man who was waiting for a bus in the downtown Gaslamp District.

"We should try to figure out why did this happen, and let's make sure it never happens again," said Councilman Juan Vargas, who demanded Tuesday that the 475 shelters be closed. "If someone's going to sit down on either a park bench or a city bus bench, they need to know it's safe."

"He was shaking, smoke was pouring out of him ... He was being cooked alive."

Brian Williams, 20, of San Diego was electrocuted Sunday night while sitting on a metal bench at the lighted bus shelter in the city's downtown tourist district.

Glenn Newman, who by chance is an electrician, tried to pry Wilson loose from the metal grate, but the estimated 5,000-volt current was too great.

"I thought it was a car on fire so I ran to see if I could help, and I saw him," said Newman, who was visibly distraught when recalling the accident. "He was up against the fence, he was shaking, smoke was pouring out of him. He was being electrocuted. He was being cooked alive."

Newman shouted at people standing nearby to give him a stick or something to pry Wilson loose, but he said no one did anything for more than five minutes.

Firefighters used a wooden pole to free the man; later city electricians turned off the power supply.

Newman began kicking the back of the bus enclosure as someone ran down the street to flag down a police officer, who called firefighters. Firefighters used a wooden pole to free the man and city electricians later turned off the power supply around the enclosure.

Officials with the San Diego Metropolitan Transit Development agency said their investigation into the death will be handed by Phoenix-based Outdoor Systems Advertising and its subcontractors. The company is responsible for installing and maintaining San Diego's bus shelters for the past eight years.

Outdoor Systems Advertising, one of the largest transit shelter providers in the country, began shutting off electricity to bus stop shelters Tuesday. Each one will be inspected by a team of engineers by Wednesday.

One of the engineers hired by the company investigated a similar accident in Dade County, Fla., in October in which a 12-year-old boy died. That accident was attributed to shoddy workmanship by an unlicensed electrician employed by a county contractor. The worker and company officials are awaiting trial on criminal charges.

San Diego officials are also conducting their own investigation.

Neither the San Diego transportation agency nor city officials could cite any independent electrical inspections ever being performed on any of the 475 shelters.

"For \$50 worth of parts, whoever owns it could have saved this guy's life."

Newman, a civilian electrician employed by the California Air National Guard, said he briefly examined the electrical system at the shelter and found it lacked a circuit breaker that would have cut off the current immediately after a short.

"For \$50 worth of parts, whoever owns it could have saved this guy's life," Newman said.

The city's preliminary analysis confirms Newman's observation, Deputy City Manager George Loveland said.

"My understanding is it was fused but didn't have a ground-fault interrupter that you or I have in our house," he said. "It's a switch, a breaker that shuts power off when there's a short circuit."

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Electrocution at ..

A deadly circuit | Probe of **electrocution** at bus shelter shows safety existed only on

Chet Barfield
STAFF WRITER

24-Oct-1999 Sunday

The 911 dispatcher was stunned by the call at 8:29 p.m. that Sunday, Aug. 8: A man was slumped in an electrically sizzling bus shelter downtown, "and the back of his head's on fire."

"I'm sorry, his head is on fire?" the dispatcher asked. "A man's head?"

Later that night, a 57-year-old woman sat watching the 11 o'clock news. She felt sorry for "one hurt mother," not knowing the pain would be hers.

In one of the most bizarre and horrific accidents in San Diego's history, a 20-year-old man had been **electrocuted** by high-voltage current coursing through a metal bus shelter at Sixth Avenue and Market Street.

Although Brian Keith Williams died instantly, he was stuck there, burning, for more than seven minutes before firefighters could pry him loose and begin lifesaving efforts.

Within 11 days, experts figured out how it happened. But not why.

A two-month investigation by the Union-Tribune reveals that safety provisions existed only on paper. There was little or no enforcement to make sure they were followed.

Two similar **electrocutions** have occurred in other states in the past 12 years. The most recent, a year ago, killed a 12-year-old Miami boy and prompted manslaughter charges.

San Diego police see the Williams case as an accident, not a crime.

But the city, the transit authority and private companies involved with the shelter program face potential multimillion-dollar damages in a pending wrongful-death lawsuit they knew would be filed.

All passed the buck. The city said the shelters belong to the Metropolitan Transit Development Board. The transit agency deferred to its contractor, Outdoor Systems Inc.

Outdoor pointed to its installation and maintenance subcontractor, RAL Construction. RAL said it farmed out electrical work and hinted that the city had a role in shelter hookups.

But amid the finger-pointing emerged a fatal flaw: None of the system's 475

shelters, which are lighted with power drawn from street lamps or traffic signals, had ever undergone electrical inspections.

Electrical engineers hired to probe the accident blamed it on a botched installation that lacked a basic safeguard — a \$10 grounding rod, the absence of which would have been obvious to any trained eye.

Two other blatant mistakes were found. The transformer, a small box that converts 5,000 volts to 120, was rated for 6.6 amps; the street-light system was 20.

Also, the hole dug for the transformer under the sidewalk was too shallow. Wires were bent 90 degrees, which wore off their insulation.

But underlying these technical details is a story of a more fundamental breakdown.

Essential controls were lacking to prevent the 5,000-volt short that charred flesh off the bones of an aimless young man.

Only now are they being put into place.

In dozens of interviews and thousands of pages of documents, the Union-Tribune found:

Contracts revised to delete requirements for city permits and inspections.

Edicts that electrical hookups were to be done properly, but no process of assuring they would be.

A chain of delegated responsibility, from the city to the transit board to private contractors, with each assuming the next in line was taking care of basic electrical safety.

The last link in this chain is a defunct San Diego company, Performance Electric, identified by Outdoor Systems as the sub-subcontractor that hooked up the Sixth and Market shelter in July 1993.

Performance's sole proprietor, Steven P. Scruggs, now works in the electrical department of a Home Depot store.

Scruggs, 55, declined to be interviewed. He had not been subpoenaed as one of the 100 "John Does" in the lawsuit the Williams family filed Sept. 10.

All Scruggs would say, at work in his orange apron, was that if he searched his records he might find who did the Sixth and Market installation. He added that it could be difficult because he hired hundreds of workers.

Were they qualified? Until a new law was signed by the governor two weeks ago, California required no testing, licensing or certification of electrical workers.

The International Brotherhood of Electrical Workers backed the licensing bill. The union issued a statement the day it was signed, saying it would "help prevent electrical accidents such as the bus stop electrocution . . . in downtown San Diego."

The electrocution of Brian Williams.

No one knows where Williams was going that night. He didn't own a car; he took the bus or trolley everywhere. The grandmother who raised him thinks he might have been heading back to Encanto to get some belongings.

She had given him \$200 that morning to rent a room downtown. The two were moving out of their two-bedroom apartment.

Until she found a new place, Margaret Williams planned to stay at the El Cajon home of the 99-year-old invalid she nurses five days a week. Brian wanted to be on his own for a while.

Margaret had raised Brian from infancy. His mother, her daughter, is in a Texas prison on a robbery conviction. Brian's older brother is behind bars, too. His father is long gone.

Williams played football as a youth. School records show he dropped out of San Diego High School as a sophomore with poor grades.

He had no job. He watched TV or hung out with friends or the latest of several girlfriends. Margaret Williams said she gave him money twice a month "to keep him from bad things."

But bad things happened.

Williams was shot in the left arm and leg last year. He told his grandmother the drive-by shooting was unprovoked, the work of strangers.

When he died, he had a moderate dose of cocaine in his blood, 0.2 micrograms per milliliter, medical examiners said.

The electricity ravaged his body -- huge wounds were burned in his skull, shoulder and buttocks -- but it was mercifully quick. The current instantly stopped his heart and short-circuited every nerve, a coroner's investigator said.

That is of little consolation to Margaret Williams.

"I've lost a piece of my heart that can never mend," she said. "He was my everything."

She didn't find out for two days that the victim on the news that night was the grandson she calls a son.

"Brian was stuck to that bench. He was on fire," she said. "I'm hearing about my child and he's burning? That hurts.

"I have to live with that the rest of my life. I picture him sitting there on that bench like a ball of light . . . all because they were too lazy."

San Diego is one of scores of cities nationwide with privately contracted bus shelters. They're a popular amenity because they don't cost public coffers a cent; they're run by companies that make money selling ads.

The city and the transit board pondered such programs throughout the 1980s. In 1989, the transit agency signed on with a large company, Gannett Outdoor of Southern California. The agency was to receive \$150,000 a year for administrative costs.

The shelters started going up in 1991.

Five years later, Gannett Outdoor was bought by the nation's largest outdoor advertising company, Outdoor Systems. The Phoenix-based giant reported \$706 million in net revenue last year.

Outdoor took over Gannett's contract with the transit board, acquiring the 300-plus shelters erected by then in the San Diego area. It kept Gannett's subcontractor, RAL Construction, to continue new installations and maintenance.

Meanwhile, the city and the transit board had a contract of their own, authorizing the transit agency to tap into city circuits.

Early drafts of this "memorandum of understanding" called for city oversight. A 16-page 1988 draft had an entire section on permits.

"Transit shelters shall not be installed without there first being issued by the city an encroachment, excavation or other required permit," it stated.

By 1992, the agreement was distilled to 1 1/2 pages with no mention of permits. Shelters were to be "electrically protected with the designated fuse size and be properly grounded."

City officials say the joint memorandum put the transit agency in charge of the shelters.

"Part of the requirement of the responsible agency is to assure (the work) is done in a safe manner," said George Loveland, deputy city manager. "We were assuming that it was."

Tom Trainor, deputy director of the city permit-issuing Office of Planning and Development Review, didn't make the decision to remove the permitting requirement, but he thinks it was done for a simple reason: Permits cost money.

"Our guys don't work for free," he said.

City inspections would have cost \$50 to \$80 per shelter, Trainor said.

The transit agency thought it didn't need city inspections. Its agreement with Gannett/Outdoor required the contractor to "familiarize itself with applicable building, public works and electrical codes and at all times comply with said codes."

Transit agency officials also hired a consultant in 1992. William C. Brown's \$34,000 contract directed him, among other things, to "ensure that shelters are installed per the approved drawings."

But his other 15 responsibilities ranged from preparing bus schedule displays to researching right-of-way records.

Interviewed after the accident, Brown -- now the transit board's trolley facilities administrator -- said he had nothing to do with reviewing electrical hookups.

"I never got involved with that," he said. "I was working mainly with the bus stops . . . assisting with the signage, the poles."

Brown reported to Roy Meenes, an associate transit operations specialist identified by documents as the agency's point man for the shelter program.

Meenes and other transit board officials declined comment after the lawsuit was filed, referring inquiries to general counsel Jack Limber.

"Everybody was led to believe that the work would be done properly and in fact was being done properly," Limber said.

RAL officials have refused comment since the company was named in the suit, and Outdoor Systems is speaking only through its corporate spokesman, Tom Wisz.

Outdoor Systems thought the wiring was being installed safely because that was required under the existing contracts among the transit agency, Gannett and RAL. Wisz said Outdoor simply stepped into Gannett's shoes in 1996.

"There was a maintenance-inspection program that was in place," he said. "RAL was the subcontractor in charge of the maintenance and inspection of the shelters."

Outdoor had no reason to suspect any problem with the Sixth and Market shelter, which was installed three years before the company took over, Wisz said.

"From Day One, apparently, that transformer was not properly grounded," he said.

However, documents reveal there was an unexplained electrical repair at the site just five months before the accident.

In the reams of shelter record lists examined by the Union-Tribune, one small, cryptic notation stands out. It's on an Outdoor Systems "electrical status report" dated March 16, 1999.

Under a column labeled "electrical attachment point/repair," the Sixth and Market shelter is marked "REP.3/99" -- an abbreviation with obvious connotations.

Limber said transit officials don't know what that repair may have involved. The Outdoor Systems spokesman said his company is now looking into it.

Another looming question concerns the condition of other sites, including dozens connected to high voltage. Was Sixth and Market the only one not grounded?

The answer may never be known, said a city electrical supervisor brought out of recent retirement to look into the accident.

Ernie Shaffer, former electrical superintendent for the city's Transportation Department, said he examined all 32 high-voltage sites between Aug. 20 and 23, but by then all wires had been removed.

The transit board had ordered the shelters de-electrified after the accident. But Shaffer said he was surprised to find the wiring pulled.

The city expert found several sites lacked grounding rods, but he said the safety stopgap could have been established another way, with wires "tied

back into the city's grounding system."

Shaffer said city crews did not work on shelter electrical installations, despite RAL's early hints that they did and several unspecified references to "city hookups" in the transit agency files.

"It was their circuit, their system," Shaffer said of the transit agency. "Their only involvement with us was that they took power from us."

Who did what may be clarified if the lawsuit goes to trial, but few expect it will. Would the defendants really want a jury to see photos of a victim's body so grotesque that the Williams family's lawyer, John Houts, keeps them in a locked box so his secretary won't see them and get sick?

City Attorney Casey Gwinn says the city won't settle because it is not responsible for the accident.

Officials say the **electrocution** of Brian Williams has prompted fundamental changes in the way bus shelters will be connected and installed from now on. None will be hooked to high-voltage circuits; they'll run either on low voltage or solar power.

And all work will be inspected twice, by engineers of the transit agency and the city.

"We want to assure all of our contractors and their subcontractors . . . that they'll be having somebody looking over their shoulder," said transit board counsel Limber.

Outdoor Systems is also changing its procedures. All installations will be independently checked, and existing shelters throughout the company's nationwide market are being re-examined. So far, no problems like those at Sixth and Market have been found, the spokesman said.

Meanwhile, two transit board members, San Diego Councilman Juan Vargas and county Supervisor Ron Roberts, issued a call this month for San Diego's shelters to be lighted with solar power.

The transit agency and RAL contemplated solar conversions more than two years ago. Memos showed six shelters slated for testing in April 1997, but nothing after that.

"I've been told by our staff it was never implemented by Outdoor Systems," Limber said. "I suspect it was a money issue, but I shouldn't say that. I don't know."

The new safety procedures won't do much for Brian Williams' family.

His 62-year-old great-aunt, Lula Williams, admits her nephew had faults. But she loved him, she says, and still lies awake nights thinking about his death.

The aunt, a retired nursing assistant, is not a plaintiff in the lawsuit. If there's a settlement, she doesn't know whether she'd get any of it.

Lula Williams says that's not what matters.


"Money," she said, "ain't going to bring him back."

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MTS Installs First of 600 New Bus Shelters Slated for San Diego Communities

MTS Installs First of 600 New Bus Shelters Slated for San Diego Communities

Tuesday, August 9, 2016

More than 1,800 new bus benches also ready for installation

San Diego, Calif. – The San Diego Metropolitan Transit System (MTS) is continuing to upgrade the region's transit system with the installation of 600 new bus shelters and more than 1,800 benches in communities throughout San Diego. The upgrades come after major capital investments in new bus facilities in the South Bay and East County (\$54 million) and a 5-year reconstruction of the Trolley system (\$660 million).

"This is another step toward modernizing San Diego's transit system. We've made progress on a number of fronts, and new bus shelters and benches are a big part of enhancing the customer experience," said MTS Chief Executive Officer Paul Jablonski.



Tolar Manufacturing, based out of Corona, California, will manufacture both products. All bus benches will be replaced within the next 12 months and will cost \$1.5 million.

Shelter installation will take five years and cost \$6.4 million. MTS currently has 450 shelters, so the improvement project will not only replace existing shelters, but include up to 150 additional shelters for passengers. Shelter amenities include:

- Solar and LED lighting systems
- Modern design, look and feel
- Dual purpose receptacles for trash and recycling

- 5-foot custom aluminum benches
- Large, easy-to-read display cases for system maps and timetables
- Custom roof design preventing rain runoff from the shelter's front and side openings shelter

The first 50 shelters will be installed in the following communities:

- City Heights/College Area – 8 new shelters
- Pacific Beach – 8 new shelters
- Downtown San Diego (Gaslamp Quarter, East Village, Broadway Corridor) – 16 new shelters
- Southeast San Diego – 9 new shelters
- San Ysidro/Otay Mesa – 8 new shelters
- Clairemont – 1 new shelter

MTS operates 95 bus routes and three Trolley lines on 53 miles of double-tracked railway. Every weekday more than 300,000 passenger trips are taken on MTS bus and Trolley services. MTS set a new record in FY 2015 with 96.7 million riders. For more information on how you can use public transportation and save money, go to www.sdmts.com.

Photo: One of the first new MTS bus shelters installed at the corner of Kettner Blvd. and W. Broadway in downtown San Diego

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Source URL: <https://www.sdmts.com/inside-mts/news-release/mts-installs-first-600-new-bus-shelters-slanted-san-diego-communities>

REQUEST FOR COUNCIL ACTION CITY OF SAN DIEGO				CERTIFICATE NUMBER (FOR COMPTROLLER'S USE ONLY) N/A	
TO: CITY COUNCIL		FROM (ORIGINATING DEPARTMENT): Transportation&Storm Water Dept		DATE: 3/24/2014	
SUBJECT: Second Amendment to MOU with MTS for Bus Shelter and Bus Bench Advertising					
PRIMARY CONTACT (NAME, PHONE): Stephen Celniker, 619-533-3611, MS 609			SECONDARY CONTACT (NAME, PHONE): Linda Marabian, 619-533-3082, MS 609		
COMPLETE FOR ACCOUNTING PURPOSES					
FUND					
FUNCTIONAL AREA					
COST CENTER					
GENERAL LEDGER ACCT					
WBS OR INTERNAL ORDER					
CAPITAL PROJECT No.					
AMOUNT	0.00	0.00	0.00	0.00	0.00
FUND					
FUNCTIONAL AREA					
COST CENTER					
GENERAL LEDGER ACCT					
WBS OR INTERNAL ORDER					
CAPITAL PROJECT No.					
AMOUNT	0.00	0.00	0.00	0.00	0.00
COST SUMMARY (IF APPLICABLE):					
ROUTING AND APPROVALS					
CONTRIBUTORS/REVIEWERS:		APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED	
Equal Opportunity Contracting		ORIG DEPT.	McFadden, Kris	04/21/2014	
Liaison Office		CFO			
Environmental Analysis		DEPUTY CHIEF			
Financial Management		COO			
Comptroller		CITY ATTORNEY			
		COUNCIL PRESIDENTS OFFICE			
PREPARATION OF:		<input checked="" type="checkbox"/> RESOLUTIONS	<input type="checkbox"/> ORDINANCE(S)	<input type="checkbox"/> AGREEMENT(S)	<input type="checkbox"/> DEED(S)
Authorizing the Mayor to enter into a Second Amendment to a Memorandum of Understanding with the San Diego Metropolitan Transit System for the purpose of extending until December 31, 2024 the agreement for advertising on bus shelters and bus benches at bus stops on City streets.					
STAFF RECOMMENDATIONS: Adopt the resolution					
SPECIAL CONDITIONS (REFER TO A.R. 3.20 FOR INFORMATION ON COMPLETING THIS SECTION)					

COUNCIL DISTRICT(S):	Citywide
COMMUNITY AREA(S):	Citywide
ENVIRONMENTAL IMPACT:	This activity is not a "Project" and is therefore not subject to State CEQA Guidelines Section 15060(c)(3).
CITY CLERK INSTRUCTIONS:	Please send copies of the executed resolutions to Stephen Celniker at MS 609.

COUNCIL ACTION
EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO

DATE: 3/24/2014

ORIGINATING DEPARTMENT: Transportation&Storm Water Dept

SUBJECT: Second Amendment to MOU with MTS for Bus Shelter and Bus Bench Advertising

COUNCIL DISTRICT(S): Citywide

CONTACT/PHONE NUMBER: Stephen Celniker/619-533-3611, MS 609

DESCRIPTIVE SUMMARY OF ITEM:

This action authorizes an extension until December 31, 2024 of a Memorandum of Understanding (MOU) with the San Diego Metropolitan Transit System (MTS) for advertising on bus shelters and bus benches at bus stops on City streets. The existing MOU was approved by the City Council on July 29, 2008. The First Amendment, approved on June 27, 2013, extended the MOU until June 30, 2014.

STAFF RECOMMENDATION:

Adopt the resolution

EXECUTIVE SUMMARY OF ITEM BACKGROUND:

MTS places and maintains shelters and benches for the benefit of passengers waiting at bus stops on public streets. Most of the shelters and benches have advertising panels which provide revenue. MTS's primary use of the revenue is for procuring and maintaining the shelters and benches. When there is surplus revenue, MTS uses it to fund transit programs and shares a portion with the City to be used only for capital improvements in the vicinity of bus stops.

Per an MOU adopted in 2008, the City's annual share of revenue from bus shelters has been fixed at \$69,600, which is based on 10% of MTS's revenue derived from shelters within the City limits. For advertising on bus benches, the arrangement is that the City's annual share is 50% of the net revenue, which has ranged from \$25,104 to \$52,738 based on market conditions.

The five-year MOU adopted in 2008 expired on June 30, 2013, and by a First Amendment adopted last year was extended for a sixth year until June 30, 2014. The terms of the First Amendment were the same as the 2008 MOU. The sixth and final payment to the City under the current arrangement will be on August 15, 2014 (FY 2015 revenue).

The proposed Second Amendment makes changes to the arrangement involving bus shelters. It includes a new advertising contractor, new shelters, and changes to the revenue sharing arrangement with the City.

MTS will change its shelter contractor from CBS Outdoor to Clear Channel and will be guaranteed \$950,000 of revenue from shelter advertising per year. Because the existing shelters are about 25 years old and past their service life, MTS proposes to purchase 500 new shelters to be placed throughout the MTS area. MTS proposes to use the entirety of their revenue from shelter advertising for the next five to seven years to cover the cost of procuring the new shelters. Thus, the City would not see revenue from shelters for five to seven fiscal years beginning with FY 2016.

Upon completion of the shelter procurement, MTS will again share revenue with the City under the previous formula (10% of annual revenue derived within the City limits). MTS's current forecasts based on estimated costs are that they will complete paying for the procurement in the middle of the sixth year, and provide the City with a partial payment of \$40,696 in for FY 2021. Under that forecast, full payments of an estimated \$84,783 would be provided for years seven through ten (FY 2022 through FY 2025). These are forecasts based on expected purchase and installation costs of 500 shelters. Costs may vary and per Agreement MTS may need up to seven years to finish paying for the shelter procurement and not begin revenue sharing until year eight (FY 2023).

Regarding benches, MTS's contract with Coast United will expire on January 31, 2015. The existing terms of revenue sharing with the City will remain in effect until then. Terms of City-MTS revenue sharing are subject to negotiation and a subsequent MOU amendment.

FISCAL CONSIDERATIONS:

The City's revenue from advertising on bus shelters has been \$69,600 for fiscal years 2010 through 2014, with one more payment due on August 15, 2014 for FY 2015. The City's share will go to zero for at least five years and up to seven years starting with FY 2016. The beginning of revenue sharing will depend on MTS shelter procurement costs. Their current forecasts indicate a partial payment of \$40,696 for FY 2021, and then \$84,783 annually for FY 2022-2025. However, revenue sharing may not begin until FY 2023. Regarding advertising on bus benches, the City's revenue share which has ranged from \$25,104 to \$52,738, will be unchanged by this action but subject to a future amendment.

EQUAL OPPORTUNITY CONTRACTING INFORMATION (IF APPLICABLE):

This agreement is not subject to the City's Equal Opportunity Contracting (San Diego Ordinance No. 18173, Section 22.2701 through 22.2708).

This agreement is subject to the City's Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517).

PREVIOUS COUNCIL and/or COMMITTEE ACTION (describe any changes made to the item from what was presented at committee):

The MOU was adopted by City Council Resolution R-303026 on July 26, 2008. The First Amendment was adopted by City Council Resolution R-308296 on June 27, 2013.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

None.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Transit passengers will benefit from new shelters and benches placed at bus stops as a result of this action.

McFadden, Kris

Originating Department

Deputy Chief/Chief Operating Officer



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

Policies and Procedures

No. 21

SUBJECT:

Board Approval: 12/10/09

MTS REVENUE-GENERATING DISPLAY ADVERTISING, CONCESSIONS, AND
MERCHANDISE

PURPOSE:

To establish a policy and guidelines concerning a revenue-generating advertising, concessions, and merchandise program encompassing trolley stations, MTS property and facilities, and selected printed materials.

Advertising on bus shelters and benches within the public rights-of-way shall be governed by the applicable policies of the applicable jurisdiction. The City of San Diego policy is included as Attachment A to this policy.

BACKGROUND:

Public transit operators and administration agencies have historically utilized advertising, concessions, and merchandising programs to supplement operational and capital funds. A sound advertising and concessions program can be a viable, alternative income source while maintaining aesthetic standards and promoting transit use.

POLICY:

It is the policy of the Metropolitan Transit System (MTS) that advertising spaces on MTS property, which includes buses, light rail vehicles, and related transportation facilities, shall constitute a nonpublic forum.

The following guidelines will be reviewed annually to reflect the current policies of the MTS Board of Directors and to reflect changes in the trends of social and economic acceptance and appropriateness of various forms of advertising and concessions.

21.1 Advertising - General

21.1.1 The subject matter for all advertising materials displayed on MTS property shall be limited to speech which proposes a commercial transaction as its primary purpose.



- a. Acceptable advertising must promote for sale, lease, or other financial benefit a product, service, event, or other property interest in primarily a commercial manner for primarily a commercial purpose.
- 21.1.2 Safety, aesthetic considerations, rider convenience, and information needs will take precedence over revenue generation.
- 21.1.3 Quantity, quality, and placement of all advertising will be controlled by and subject to the specific approval of MTS.
- 21.1.4 MTS reserves the right to reject any advertisement that does not meet the Board's standards as set forth in this policy. Before any advertisement is rejected, it shall be referred to the Chief Executive Officer and General Counsel for MTS for appropriate action and a final decision.
- 21.1.5 The advertising program will serve the needs of local as well as national advertisers and encourage the promotion of public transit. Local advertisers will be guided by the appropriate transit agency staff in promoting specific routes/lines serving their areas.
- 21.1.6 No advertisement will be permitted that:
- a. appears to make a personal attack on any individual or upon any company, product, or institution; or falsely disparages any service or product or is defamatory in any respect;
 - b. might be interpreted to be offensive to any religious, ethnic, racial, or political group;
 - c. directly or indirectly refers to religion;
 - d. is of a political or electoral nature, as determined by MTS;
 - e. might be interpreted as condoning any type of criminal act or which might be considered as derogatory toward any aspect of the law enforcement profession;
 - f. portrays acts of violence, murder, sedition, terrorism, vandalism, or other acts of violence against persons, animals, or institutions; or
 - g. depicts nudity or portions of nudity that would be considered as offensive, distasteful, pornographic, or erotic, is obscene, or advertises adult entertainment. The rule of "public acceptance" should be used in such cases; i.e., if the advertisement has already gained public acceptance, then it may be considered as acceptable to MTS.

- h. depicts, suggests, or refers to alcohol, tobacco, or firearms, which includes promoting or offering in commerce the sale or use of alcohol, tobacco or firearms, or firearms-related products.
 - i. might be interpreted as condoning any type of discrimination; or
 - j. might be interpreted as condoning or soliciting any unlawful act or conduct; or
 - k. contains profane language and/or appearance or suggestion of profane language.
- 21.1.7 No advertisement will be permitted that is in conflict with any applicable federal, state, or local law, statute, or ordinance.
- 21.1.8 No advertisement will be permitted that contains false or grossly misleading information.
- 21.1.9 MTS reserves the right to allow exceptions to the policy if MTS determines that application of the policy as written would likely be unconstitutional in any particular situation.
- 21.1.10 Upon written demand by the Chief Executive Officer of MTS on stated grounds that shall be reasonable and upon review by General Counsel of MTS, any advertisement or other display deemed to be noncompliant with this policy will be removed. No refund shall be made for the time such objectionable material was on display.
- 21.1.11 Advertising treatments will not impede vehicular or pedestrian traffic, will not restrict the visibility of directional/traffic signs and informational material, and will not encroach on necessary sight lines (e.g., driver/operator view of waiting patrons) nor present any other safety risks or hazards.
- 21.1.12 Advertising industry standard sizes will be used for all advertising treatments.
- 21.1.13 Advertising treatments will be maintained in "like-new" condition. Damage to the advertisement or its housing will be corrected within forty-eight (48) hours.

21.2 Advertising - Light Rail Vehicles and Buses

- 21.2.1 For light rail vehicles (LRVs) and buses, a maximum of 10 percent of the full fleet may carry full-bus advertising formats rather than conventional advertising formats. Vehicle fronts must remain "unwrapped" with standard paint schemes and materials.
- 21.2.2 Transit information material may be placed inside LRVs and buses at the discretion of the operating corporation's Chief Executive Officer. Such information can include, in accordance with this policy, the promotion of

regularly scheduled public transit routes that will serve major community events open to the public with no admission charge. The subject matter and proposed advertisement regarding such event must comply with the provisions set forth under section 21.1 of this policy.

21.2.3 At the request of a recognized public entity and with the approval of the Chief Executive Officer, LRVs and buses may carry notices of events that are served by regularly scheduled transit routes and open to the public for an entrance or other fee in accordance with this policy and under the following conditions only:

- The subject matter and proposed advertisement of the noticed event must comply with the provisions set forth under section 21.1 of this policy.
- Such notices shall be limited to no more than once per month.
- More than one event may be shown on the same notice.
- The listing order within the monthly notice will be by event dates. Should more than one event start on the same date, alphabetical ranking will then be used.
- Notices will be produced in English and Spanish.
- The production costs of each notice (including translation, typesetting, camera work, and printing) will be reimbursed by the participating public entity/event. If more than one public entity/event is involved, costs will be divided equally among all participants.

21.2.4 Metropolitan Transit System advertising would be excluded from the 10 percent cap on full-bus advertising formats.

21.2.5 Super King and Mural formats are approved for acceptable use on buses. The size specification for the Super King is 226 inches x 30 inches and is placed between the front and rear wheel wells on the street side of the bus. Murals are defined as encompassing the space under the vehicle passenger windows on each side of the bus and extending from the front of the bus to just past the rear wheel well. These advertising formats will not be subject to the 10 percent cap assigned to full-bus wraps.

21.3 Advertising - Transit Centers, Major Transit Points, Stations, and Stops

21.3.1 Advertising treatments (housing) will be designed to complement the architecture of the transit centers/stations and the flavor of the surrounding community. MTS plan specifications will be followed wherever applicable. Advertising treatments will be designed, constructed, and placed in accordance with all applicable local, state, and federal standards.

21.3.2 Any unsold transit center, major transit points, and station display advertising space will be allocated for graphics and/or other nonrevenue-producing functions approved by the MTS Board. At least one full display panel per transit center and station will be reserved exclusively for transit-related items.

21.4 Advertising - Printed Materials

21.4.1 Advertising space may be allowed in printed materials (e.g., timetables, maps, and informational brochures) at the discretion of the Chief Executive Officer.

21.4.2 Advertising space may be allowed on the reverse side of regional passes, tickets, and transfers at the discretion of the Chief Executive Officer.

21.4.3 No advertising space shall supersede necessary transit information and/or regulations.

21.4.4 At the discretion of the Chief Executive Officer, MTS may allocate space in printed materials to inform transit customers about private entities actively participating in transit services, e.g., pass and ticket-sales outlets.

21.5 Concessions

21.5.1 Concession formats, quantity, and placement will be approved and controlled by the MTS Board.

21.5.2 Contracts for any concession format or related development will be awarded in accordance with existing MTS policies.

21.5.3 During hours of business, concessionaires will provide the public with transit information materials as directed and supplied by MTS or its designated representative.

21.5.4 Concession treatments/structures will be designed to complement the architecture of the transit centers/stations and the flavor of the surrounding community. MTS plan specifications will be followed wherever applicable. Concession treatments/structures will be designed, constructed, and placed in accordance with all applicable local, state, and federal standards.

21.5.5 Concession treatments/structures will not impede vehicular or pedestrian traffic, will not restrict the visibility of directional signs and informational materials, and will not encroach on necessary sight lines.

21.5.6 Concessionaire contracts will include remittance to MTS on a monthly basis and shall include a flat rate, plus percentage of gross revenue, as approved by the MTS Board.

21.5.7 Any and all concession on-site signing and displays will be in accordance with existing MTS policies and subject to approval of the Chief Executive Officer.

21.6 Merchandise

21.6.1 Any and all system-related merchandise will be of the highest available quality and project a positive transit image.

21.6.2 Merchandise licensing agreements and royalty payments will be made in accordance with existing MTS policies.

21.7 Revenue

21.7.1 All revenue received from any form of advertising shall be accrued according to MTS policy and allocated during the annual budget process.

21.8 Contractor Services

21.8.1 MTS may engage contractor(s) services for the development, implementation, management, and maintenance of advertising, concessions, and/or merchandise programs in conformance with existing Board policies and in the best interests of MTS.

LTresc/SChamp/JGarde
DEC10-09.12.AttA.POLICY 21.ABOEKAMP.doc
12/10/09

Attachment A – City of San Diego Advertising Policy

Original Policy approved on 5/9/83.

Policy revised on 6/6/85.

Policy revised on 7/9/87.

Policy revised on 6/23/88.

Policy revised on 3/22/90.

Policy revised on 3/14/91.

Policy revised on 4/9/92.

Policy revised on 5/12/94.

Policy revised on 8/11/94.

Policy revised on 6/22/95.

Policy revised on 3/27/97.

Policy revised on 6/11/98.

Policy revised on 2/22/01

Policy revised on 2/26/04.

Policy revised on 12/10/09.

ATTACHMENT A
MTS POLICY NO. 21
CITY OF SAN DIEGO
ADVERTISING POLICY

Subject:

ADVERTISING ON BUS STOP SHELTERS AND BENCHES

Background:

The City of San Diego (City) entered into a Memorandum of Understanding (MOU) with the Metropolitan Transit Development Board (MTS), adopted July 25, 1988, and amended February 25, 1991, and June 21, 1999, authorizing MTS to install bus stop shelters and bus benches in public rights-of-way in the City. Pursuant to the MOU, MTS contracted with third parties for the construction, installation, and maintenance of the bus stop shelters and benches. In exchange, MTS's contractors receive the proceeds from the sale of advertising space on the shelters and benches.

MTS regulated the content of the advertising placed on the bus stop shelters and benches according to its Policies and Procedures No. 21. After advertising containing a religious message was removed pursuant to that policy, valid concerns were raised that the policy may violate due process and first amendment rights governing public speech.

Purpose:

It is the intent of the City Council to establish a policy governing advertising on bus stop shelters and benches in the public rights-of-way within the City that will be included by amendment in the MOU between the City and MTS, and administered by MTS.

It is the further intent of the City Council to prohibit advertising on bus stop shelters and benches of alcoholic beverages, tobacco products, and firearms in recognition of the fact that many public transit patrons are minors, that possession of these products by minors is illegal and dangerous, and that advertising is a persuasive medium for encouraging the use of these products by minors.

This policy applies only to advertising space located in designated areas on bus stop shelters and benches, as described in the MOU between the City and MTS.

Policy:

Advertising on Bus Stop Shelters and Benches:

1. In its agreement with its advertising contractors, MTS shall reserve the right to reject any advertisement, commercial or noncommercial, which does not meet the standards set forth in this policy.
2. All advertising posted on bus stop shelters and benches must conform to the following criteria:

- A. Defamatory Advertising. No advertising will be permitted that falsely disparages any person, product, or company, or that is likely to damage the reputation of any person, product, or company.
 - B. Advertising Condoning Criminal Conduct. No advertising will be permitted that is likely to incite or produce imminent unlawful activity.
 - C. Obscene Advertising. No advertising will be permitted that contains obscene matter or matter harmful to minors, as defined in California Penal Code Sections 311 and 313.
 - D. False Advertising. No advertisement will be permitted that contains false or grossly misleading information.
 - E. Alcohol, Tobacco, and Firearms. No advertisement will be permitted that promotes the sale of alcoholic beverages, tobacco or tobacco products, or firearms.
 - F. Existing Laws. All advertisements must conform to applicable federal, state, and local laws.
3. The City may make demand upon the Chief Executive Officer of MTS for the removal of any advertisement, commercial or noncommercial, that does not conform to this policy. Such demand shall be in writing and shall state reasonable grounds for the demand. MTS shall consider and act upon the demand in accordance with this policy.

SGreen/SChamp/JGarde
POLICY.21.REV GENERATE DISPLAY
AD CONCESSIONS & MERCHANDISE
7/13/06



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

Agenda Item No. 30

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 24, 2013

SUBJECT:

BUS SHELTER ADVERTISING - CONTRACT AWARD (ROB SCHUPP)

RECOMMENDATION:

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

1. execute MTS Doc. No. B0596.0-13 (in substantially the same format as Attachment A) with Clear Channel Outdoor, Inc., as a revenue contract for bus shelter advertising services for a five-year base period with 5 one-year option terms (for a total of 10 years); and
2. exercise each option year at the CEO's discretion.

Budget Impact

This would be a revenue-generating contract. MTS's revenue would be based upon an annual minimum guarantee and annual percentage share between Clear Channel Outdoor and MTS. Based on the revenue proposal, this contract would generate a minimum of \$950,000 per year over the term of the contract. This would be gross revenue and would not include the cost of procuring shelters, the carrying cost of capital for shelters, or the administration of the shelter program.

DISCUSSION:

This contract for bus shelter installation, maintenance and advertising is the first step in MTS's two-step plan to replace the 444 MTS-maintained shelters (322 advertising and 122 non-advertising) throughout the MTS transit system. Under this two-step process, MTS will purchase up to 500 new shelters, replacing the existing 20+ year old shelters and also potentially installing new shelters at stops where they are needed in the

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

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



system. The new shelters are projected to cost approximately \$7 million. The procurement process for new shelters will be complete in 2014. The revenue from the contract before the Board today will help fund this shelter replacement project.

This procurement differs from the current contract in which the shelter maintenance and advertising service provider purchased the shelters, owned the shelters, maintained the shelters and sold advertising. For the first 20 years of the existing contract, MTS was compensated only for administrative costs. Over the five-year extension that began in 2008, MTS was paid \$800,000 per year.

MTS anticipates that using its capital to purchase the shelters will earn more revenue over the life of the shelters.

RFP Process

MTS Policy No. 52 governing procurement of services requires a formal competitive-bidding process for procurements exceeding \$100,000. In the event that the circumstances dictate other than the competitive bid process, a written statement by staff is required setting forth the reasons for not pursuing all or part of any of the processes.

A Request for Proposals (RFP) was issued on June 2, 2013, for bus shelter advertising services. The services include advertising, installation, maintenance, and repair of MTS bus shelters.

On August 16, 2013, proposals were received from CBS Outdoor and Clear Channel Outdoor in response to the RFP. A selection committee consisting of representatives from various MTS departments met and rated the proposals based upon the following criteria:

- | | | |
|----|--|-----|
| 1. | Qualifications and Experience of the Firm and Management Team | 25% |
| 2. | Work Plan: Purchase, Installation, Advertising and Maintenance | 25% |
| 3. | Cost and Revenue Payment/Financial Benefit | 50% |

Based upon on the evaluation panel's analysis of the aforementioned criteria, MTS staff determined that Clear Channel Outdoor Inc.'s proposal represented the best overall value to MTS while meeting the requirements set forth in the RFP.



Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Draft MTS Doc. No. B0596.0-13 (without exhibits)

DRAFT

STANDARD SERVICES AGREEMENT

B0596.0-13
CONTRACT NUMBER

FILE NUMBER(S)

THIS AGREEMENT is entered into this _____ day of _____, 2013, 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: Clear Channel Outdoor, LLC. Address: 19230 Harborage Way
 Form of Business: Corporation Torrance CA 90501
 (Corporation, partnership, sole proprietor, etc.)
 Telephone: 310-755-7200

Authorized person to sign contracts: John Duong VP of Real Estate & Public Affairs
 Name Title

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

Provide Bus Shelter Advertising, including maintenance, repair and installation as set forth in the MTS Scope of Work (attached as Exhibit A), Clear Channel Outdoor, LLC., Best and Final Offer (BAFO) dated 10/10/13 (attached as Exhibit B), Revenue Summary (attached as Exhibit C) in accordance with the Standard Services Agreement, including Standard Conditions Services (attached as Exhibit D).

The contract term is for up to a 10 year period (5-year base with five 1-year options exercisable at MTS' sole discretion). Base period shall be effective January 1, 2014 through December 31, 2018 and Option Years 1 through 5 shall be effective January 1, 2019 through December 31, 2023. Monthly revenue payment shall be paid directly to MTS, which is due on or before the 30th day following each calendar month.

The total revenue for this contract is estimated at \$4,750,000 for the base period and \$4,750,000 for the option years for a total of \$9,500,000.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM		CONTRACTOR AUTHORIZATION
By: _____ Chief Executive Officer		Firm: _____
Approved as to form:		By: _____ Signature
By: _____ Office of General Counsel		Title: _____
AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
\$4,750,000 – Base Period		
\$4,750,000 – Option Years 1-5		
\$9,500,000 – Total Est. Revenue	911-42310	FY14-23

By: _____ Date _____
 Chief Financial Officer

(____ total pages, each bearing contract number)



DOCUMENT/CONTRACT LOG SHEET

Failure to complete appropriate sections will cause a delay in contract processing.
PLEASE USE INK IF FILLING IN BY HAND (BLACK OR BLUE)

General Information

Firm/Agency/Contractor Name & Address:

Clear Channel Outdoor, LLC.

19320 Harbortate Way

Torrance, CA 90501

John Duong, VP of Real Estate/Pub.
Affairs

310-755-7263

☒ Corporation ☐ Partnership
☐ Public Agency ☐ Sole Proprietor
☐ Other ☐ Local Vendor

Vendor No.:

☒ FAS ☐ Ellipse

Type of Funds to be Used (Check all that apply):

☐ Local ☐ State ☐ Federal

Document/Contract Purpose:

Budget Line Item(s)/Project/WBS No.

Amount

Revenue contract for Bus Shelter Advertising Contract#
B0596.0-13 for up to 10-years (5 base years with 5 one-
year options).

911-42310

\$4,750,000 (base period estimated
revenue)

Base Contract Term: 1 / 1 / 14 to 12 / 31 / 18

Option Years: OY1: 1/1/19 OY2: 1/1/20 OY3: 1/1/21 OY4: 1/1/22 OY5: 1/1/22

CONTRACT TYPE: ☐ Construction (C) ☒ Services (S) ☐ Goods/Commod. (P) ☐ Specialty (L) ☐ Sole Source/Other (N)

DBE / SBE / MBE / WBE / DVBE Firm: YES NO If "YES", attach "MTS Contractor and Subcontractor Designation Form" to Log Sheet (base contract only)

Insurance

Monitored by:

MTS

Insur. Consult.

N/A

Less than 100k

☒

100k or more

Procurement justification attached:

☒

Project Manager: Rob Schupp

Contracting Officer: Andrew Contriquez

Routing Review/Approval

1. Proj. Mgr. Date: 10/18/13
2. Director Date: 10/21/13
3. Proc. Mgr. Date: 10/24/13
4. Typist Date: 10/25/13
5. Finance Date: 10/25/13
6. Counsel Date: 10/29/13
7. CEO Date: 10/29/13

Document Mail-out

Date Mailed: 10/30/13
Special Handling: overnightedMailed By: MP
Database Entry: ☒

Doc Name in Global: B0596.0-13 CLEAR CHANNEL. BUS SHELTER ADV

Executed Document

Date: 12-9-13

Completion Date: 12/31/18

Distributions:

Project Mgr

☒

Finance

☐

Read

☐

Chron

☐

Other cc:

Comments:

10: Overnighted P.1 11/14/13
Mon overnighted for 11/22/13

Sent Fed Ex to AZ 12-8-13



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

STANDARD SERVICES AGREEMENT

B0596.0-13
CONTRACT NUMBER
OPS 850.3
FILE NUMBER(S)

THIS AGREEMENT is entered into this _____ day of _____, 2013, 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: Clear Channel Outdoor, LLC, Inc.

Address: 19230 Harbortgate Way

Form of Business: Corporation
(Corporation, Partnership, Sole Proprietor, etc.)

Torrance CA 90501

Telephone: (310) 755-7200

Authorized person to sign contracts:

Bryan Parker
Name

EVP

Title

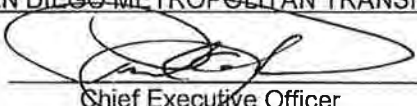

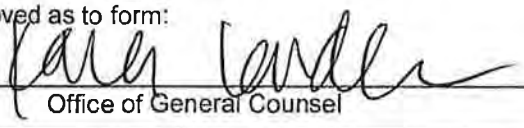
The attached Standard Conditions are part of this agreement. The Contractor agrees to furnish to MTS services, as follows:

Provide Bus Shelter Advertising, including bus shelter maintenance, repair and installation as set forth in the MTS Scope of Work (attached as Exhibit A), Clear Channel Outdoor, LLC., Best and Final Offer (BAFO) dated 10/10/13 and Associated Clarification Letter dated 10/22/13 (attached as Exhibit B), Revenue Summary (attached as Exhibit C) in accordance with the Standard Services Agreement, including Standard Conditions Services (attached as Exhibit D).

MTS shall purchase new bus shelters as set forth in the MTS Scope of Work (Section 1.5).

The contract term is for up to a 10 year period (5-year base with five 1-year options exercisable at MTS' sole discretion). Base period shall be effective January 1, 2014 through December 31, 2018 and Option Years 1 through 5 shall be effective January 1, 2019 through December 31, 2023. Monthly revenue payment shall be paid directly to MTS, which is due on or before the 30th day following each calendar month.

The total revenue for this contract is estimated at \$4,750,000 for the base period and \$4,750,000 for the option years for a total of \$9,500,000.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM		CONTRACTOR AUTHORIZATION
By: 		Firm: <u>Clear Channel Outdoor Inc.</u>
Approved as to form:		By: 
By: 		Title: <u>EVP</u>
Office of General Counsel		
AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
\$4,750,000 – Base Period		
\$4,750,000 – Option Years 1-5		
\$9,500,000 – Total Est. Revenue	911-42310	2014-2023
By: 		Date: <u>12/2/2013</u>
Chief Financial Officer		

(38 total pages, each bearing contract number)

LMARQUIS-SA
SA-B0596.0-13 CLRCHNLOTDR ACONRIQUEZ
10/25/13



EXHIBIT A

B.1 SCOPE OF WORK/TECHNICAL SPECIFICATION FOR SERVICES

NOTE: Technical deviations have been accepted that affect Exhibit A.
See Sections 2, 9.1, and 10.1.1

B.1 GENERAL OVERVIEW

The San Diego Metropolitan Transit System (MTS), hereinafter referred to as "MTS," is soliciting proposals from qualified parties for the operation, maintenance and sale of advertising space of a coordinated street furniture program located in the public right of way within selected cities within the MTS service territory. Street furniture includes bus shelters and trash receptacles.

MTS has approximately 444 bus shelters within its service territory. Of those, 322 include advertising panels with two visible faces. These are Tolar bus shelters. MTS will assume ownership of these shelters beginning January 1, 2014. The maintenance and repair of these shelters will become the responsibility of the successful proposer, which will also assume the placement of advertising on all inventory.

Additionally, MTS is considering the replacement of all shelters and may expand its shelter inventory to 500 units over the length of the contract. MTS may either require the successful bidder to purchase new shelter inventory, or it may utilize its own capital to purchase the shelters over three to five years.

As part of the response to the RFP, MTS requires proposers to include the following:

- The cost Annual maintenance and repair costs
- Per unit removal and installation costs associated with the replacement of old shelters with new, to be completed over a maximum time period of five years
- The costs associated with purchasing shelters amortized over a 15-year term
- Advertising revenue to MTS

Proposers must provide Price and Cost Proposals on the above requirements.

The coordinated street furniture program for MTS shall improve the quality of shelters for MTS customers, maintain the shelters to the highest of standards, improve and maintain safe pedestrian through ways, comply with all Americans with Disability Act requirements, and provide MTS a significant revenue source through the placement of advertising.

This request for proposal seeks to engage a business partner to install, maintain, and repair MTS bus shelters from accidental, intentional, and environmental damage including providing MTS with a stable revenue source from the sale of ad spaces. An additional requirement may include the purchase of new shelters based on the description provided Section 1.5.1 of this document.

B.2 MTS BACKGROUND

MTS operates more than 90 fixed routes in the greater San Diego area. There are about 275,000 trips taken each day aboard MTS buses and trolleys. Approximately 60 percent of these trips are on buses. The vast majority of MTS services are within the urban core of San Diego County.

MTS currently has, or is in negotiations for, Memorandums of Understanding to locate shelters in the City of San Diego, City of National City and shelters in the City of La Mesa, City of Santee, City of Lemon Grove and City of Imperial Beach. These agreements allow the placement of transit amenities in the public rights-of-way in their respective jurisdictions. Attachment C shows the number of shelters with and without advertising in each city. Additionally, the number of shelters with and without advertising has been broken out for the communities within the City of San Diego.

MTS replace 500 bus shelters and has provided a description of the shelter types in the Scope of Work under Section 1.5.1. MTS will evaluate whether to purchase the shelters directly or include the purchase as an option under this contract.

The Memorandums of Understanding have no percentage requirements for non-advertising shelters; only that advertising panels cannot be located in residential neighborhoods or adjacent to parks.

Currently, bus shelter services are provided by CBS Outdoor. CBS Outdoor has been a partner with MTS in this effort since 1988. Within the MTS service territory, CBS Outdoor maintains 322 advertising shelters and 122 non-advertising shelters. CBS Outdoor maintains all amenities, removes and replaces amenities as directed by MTS, and provide revenue to MTS through the sale of advertising.

The 90 fixed bus routes operate on major thoroughfares in the San Diego region, providing advertisers with maximum visibility and high-volume impressions. Advertising programs for shelters have proven to be cost effective for both national and local advertisers. For a complete listing of the region's traffic counts, please refer to the following site:

http://www.sandag.org/resources/demographics_and_other_data/transportation/adtv/index.asp

Areas served by MTS include the beach communities of La Jolla, Pacific Beach, Mission Beach, Ocean Beach, Coronado and Imperial Beach. It also has a major presence Downtown San Diego, UC San Diego, San Diego State University, University of San Diego, all community colleges, the International border with Mexico, Balboa Park, Mission Bay, Mission Valley and more. A Regional Transit Map is included as **Attachment B**.

MTS also serves major venues such as Petco Park (home of the San Diego Padres) and operates transit facilities at all major malls, including Westfield University Town Center, Fashion Valley, Westfield Mission Valley, Westfield Parkway Plaza, Westfield Horton Plaza and Westfield Plaza Bonita. MTS Bus also connects to MTS Trolley, a 53-mile light-rail system serving the San Diego region, as well as commuter rail services.

More than 3 million people live in the region and San Diego has a diverse population. Advertising on MTS assets reaches Hispanic, various Asian and African-American communities.

The region of San Diego has a small number of billboards, making its out-of-home advertising opportunities on shelters an extremely valuable commodity.

B.3 GENERAL OBJECTIVES OF MTS TRANSIT BUS STOP AMENITIES AND ADVERTISING CONTRACT

1. Install and repair all MTS bus shelters.
 - a. MTS will own all existing shelters in this contract.
 - b. During this contract, MTS will be replacing its older bus shelters with new shelters.
 - c. Successful proposer shall maintain shelters and sell advertising and pay compensation to MTS for bus shelter advertising (a list of shelters and their locations is included in **Attachment C**).
 - d. Existing shelters shall be repaired and/or replaced in a timely fashion according to a schedule specified by the responder and agreed upon by MTS. An evaluation criterion will be the proposer's replacement schedule.
 - e. Installation of new shelters shall be provided by the proposer at an annual rate of up to 100 per year.
2. Maintain all shelter furniture to the highest standards. Maintenance schedules will be an evaluation criterion.

3. Sell advertising on shelters to maximize revenue to MTS. Responders' revenue-sharing proposal will be an evaluation criterion. Advertising shall be in the form of traditional 4x6-foot posters and electronic advertising in select locations.
4. Enhance advertising opportunities, including electronic displays that also allow MTS to communicate passenger updates and general MTS marketing messages as well as to maximize advertising revenue.
5. Provide to MTS space within the bus shelters to post Customer Information panels. Proposers should consider providing to MTS a service to place updated information as many as three times a year (January, June, and September).
6. Provide to MTS unsold space for MTS advertising.
7. It is anticipated that the contractor will establish a local office to handle all aspects of the shelter contract, including maintenance and advertising sales.

B.4 SCOPE OF WORK: BUS SHELTERS

1. MAINTENANCE SERVICE REQUIREMENTS

During the engagement period, MTS expects the Contractor will provide the following services using its own assets and resources. The MTS will provide neither the equipment nor the supplies to contractor. Supplies provided should include applicable sales tax.

1.1 Shelter Cleaning and Replacement

Transit shelters shall be maintained in a "like new" condition throughout the life of this Agreement and such maintenance service shall include, but not be limited to, refurbishing, recondition, and if necessary, replacing worn or damaged transit shelters.

- 1.1.1 Shelter Cleaning will be performed a minimum of twice a week at all locations. A specified number of stops, up to 30% of all locations, will require cleaning 3-4 times a week.
- 1.1.2 Common Area Platform Sweeping: all common area platforms, to include all cement floor surface so that after sweeping the platforms that area is free of spills, trash, visible litter, dust and debris. No dirt shall be left in corners, or behind walls (where applicable).
- 1.1.3 Disinfectants and Chemical solutions: disinfectants used to clean surface areas and to remove stickers, gum and graffiti should be environmentally-friendly and should not damage surface area.
- 1.1.4 Trash Removal: All trash containers shall be emptied and wiped down with disinfectant. Plastic trash liners shall be replaced with proper fitting liners. The contractor is responsible for trash removal for each service location and its transport to an authorized disposal site.
- 1.1.5 High Power Pressure Wash: On a monthly basis, or more often as needed, the Contractor shall be responsible for removing caked mud, stains, dirt, etc. from all bus stop grounds, structure, and MTS site property by power washing each station, including but not limited to platform, walls, curbs, structure, seats, trash bins, wind screen panels, canopy panels, and display sign kiosk. NOTE: Plexiglas Acrylic advertising kiosk viewing panels are not to be power washed.

- 1.1.5.1 Water pressure and temperature for all power washing shall not exceed 1000 psi and 135 degrees Fahrenheit.
 - 1.1.5.2 Contractor will be responsible for operating in accordance with the San Diego Municipal Code 43.03 Wash Water Regulations for mobile businesses, see the following link; <http://www.sandiego.gov/thinkblue/pdf/mobilebusinessbrochure.pdf>.
 - 1.1.6 Graffiti Removal: The contractor shall remove all graffiti, no later than 24 hours after vandalism occurred, from all surfaces located within the bus stop area. These surfaces include but are not limited to: bus shelters, canopies, advertising kiosk, trash container, glass windscreens, ceiling panels, seating, pedestrian rails, walls, frame, signs, and light poles. A visible inspection of these surfaces shall be part of the contractor's daily duties.
 - 1.1.7 Daily log: the contractor shall maintain a daily log (electronically and hand written) for each bus stop certifying scheduled services were performed. The daily log shall include a check list of scheduled duties and the date and time services were performed. In addition, the daily log shall include space for reporting site discrepancies that were found during site inspection. Discrepancies reported shall include, at a minimum, vandalism, graffiti, that was removed and the location it was found. Burnt out light fixtures, broken and unserviceable equipment shall be reported to MTS upon discovery and should be included in the daily log. The daily log shall be provided on a monthly basis along with the monthly compensation.
 - 1.1.8 Shelter Replacement: Transit shelters shall be repaired or replaced within forty-eight (48) hours of notification to MTS and Contractor of any damage, vandalism or graffiti found on or around any transit shelter. If the damage or vandalism is of an emergency, offensive or hazardous nature, or if the transit shelter is destroyed, the contractor will repair, replace or remove the same within twenty-four (24) hours. All bus shelter replacements, repairs, and spare parts shall be provided at Contractors expense.
- 1.2 Electrical Maintenance
- 1.2.1 Replacement of bulbs, led lighting, or led light-ropes; verification of levels of lighting; and if solar powered, the maintenance of panels and batteries; the maintenance and adjustment of light timers or photoelectric sensors as needed to maintain a fully lighted passenger waiting area.
 - 1.2.2 On an annual basis the contractor will be responsible for inspecting the integrity/condition of electrical wiring, operation of lamps, ballast, and conduit and pull boxes. In addition, Contractor will confirm ground resistance test at 25 OHMS or less at each station on all station structures (including, but not limited to, shelters, free standing ad panels, electrified bus stop poles and other powered equipment or amenity) and report their results to MTS. MTS will provide a sample report. Contractor must have the ability to turn off all electrically powered station amenities if resistance test results exceed maximum permissible limits.
 - 1.2.3 Ensure there are no exposed electrical wires. Secure or repair any that may be found.
 - 1.2.4 Check bonding of circuit breakers box to shelter frame and ad shelter frame.

- 1.2.5 Check bond supply neutral circuit breaker box or ballasts.
- 1.2.6 Manually test operation of circuit breaker/ disconnect switch and inspect for integrity / condition.
- 1.2.7 Document all the results of all electrical tests and report the same to MTS. **Attachment D** (MTS will provide a sample acceptable documentation and reporting format to Contractor as part of the Notice to Proceed.)

1.3 Paint and Hardware

- 1.3.1 The testing for loose or missing bolts and mountings and their repair or reinstallation; remount loose amenities; replace if missing.
- 1.3.2 Replace ad and public information display Plexiglas as a result of natural wear and tear, vandalism, etchings, graffiti or other damage regardless of its origin.
- 1.3.3 MTS will conduct ongoing field checks for these facilities by way of its Bus Operators, Supervisors and Contract Management Staff. Reports on all findings that require specific attention per the details of this contract will be provided to the contractor through a work order to be submitted via email or fax.

1.4 Emergency Services

- 1.4.1 Contractor shall provide a telephone number(s) which will be answered 24 hours per day in the event MTS representative(s) must contact the Contractor to request emergency services.
- 1.4.2 Proposer will respond to all emergency removal requests within three (3) hours of the request.
- 1.4.3 Emergency removal, containment and disposal of biohazard debris (as applicable). MTS will not be held liable for any improperly handled or disposed biohazard materials.
- 1.4.5 Proposer will respond and complete all related tasks within three (3) hours of notification by MTS staff unless approved otherwise in writing by MTS. The contractor will also take the necessary steps to sanitize contaminated sites.

1.5 Installation Service Requirements

MTS plans to purchase up to 500 new bus shelters in the two years of the Shelter Advertising and Maintenance contract term. Following is a general description of the bus shelters that MTS plans to purchase. This description can be used to help determine installation and maintenance costs as required in this document.

- 1.5.1 Shelters shall be of varying lengths and constructed of extruded aluminum material which shall be shapes extruded in a manner to minimize visible welds but protect structural integrity of the shelter. All aluminum shall be 6063 T-5 or greater unless noted and fabricated by AWS certified welders, with super durable backed powder coat finish process which shall include at minimum product sandblast, washing, pre-treat and top coat in a color approved by MTS. Shelters shall consist of four bolt-on posts with adjustable leveling shoes allowing for a grade variation of up to 12". Expansion anchors shall be used to make the attachment. No piers or poured in place anchors are acceptable. The shelters shall include perforated metal backs and sides. The MTS logo will be included in metal

perforations on back panels. Roofing will be opaque roofing panes of either flat-angled or barrel design. There will be an attached two-sided media display panel at the industry standard size of approximately 4'W and 6' H. The advertising panel will include two side-swing and gasketed doors with a continuous piano hinge and tamper resistant fasteners to secure the doors. The illumination of the media display kiosk and the shelter roof shall be through the use of LED fixtures (hard wire and solar options accepted as long as the solar option allows for a minimum of 6 hours illumination in the media display kiosk after dusk and dusk to dawn roof illumination). The shelter will include a minimum 2 seat bench with no back and anti-vagrant bars and be installed in a manner to ensure protection of the required ADA wheelchair space, a 22"W and 33"H customer information insert panel with an acrylic face and a permanent (attached to sidewalk) trash receptacle. Examples of the designs that incorporate the above description include: Tolar Signature with Radius Roof, Tolar Sunset Signature with Radius Roof, the Tolar Euro with integrated gutter, DayTech Vangarde, DayTech Vista or any other comparable design by qualified transit shelter manufacturers.

1.6 Delivery and Storage

1.6.1 Successful contractor shall have a facility in which to accept and store new shelters upon delivery.

1.6.2 Successful contractor shall inspect new shelter components to ensure that manufacturing standards are met.

1.7 Removal of Existing Shelters and Installation of New Shelters, Relocation and New Installations

Currently, MTS has 444 shelters in its inventory. With few exceptions, all of these existing shelters will be removed and replaced with no change in location. Existing shelters are of similar design to the new shelters in that they are four-post bolt on shelters with or without advertising panels.

MTS may also indicate where existing shelters shall be removed but replaced at an alternative close by location. The number of these locations is anticipated to be no more than 25 locations.

MTS may also indicate new locations for the installation of new shelters unrelated to locations of existing shelters. MTS anticipates the need for up to 50 new locations over the term of the contract.

In all cases, successful bidders shall be responsible for the removal and disposal of the existing shelters and, where necessary, repair sidewalk conditions.

Upon award of contract, MTS will provide a priority list of those shelters to be removed and replaced, alternative locations for new shelters close to existing locations, and new locations unrelated.

1.8 Permits

1.8.1 The successful proposer shall be solely responsible for identifying the need and for obtaining permits necessary for the replacement of existing shelters with new shelters or the installation of shelters at new locations. Successful contract shall be responsible for complying with all building, public works and electrical codes.

1.9 Location Drawings

- 1.9.1 For all shelter relocations and new shelter locations, the successful contractor shall provide to MTS location drawings containing a representation of the proposed shelter site covering the area from the property line to the curb and provide all necessary dimensions, including shelter length and width, setbacks from curb, and distance from behind the shelter to the edge of sidewalk. The drawings should also identify adjacent buildings.

1.10 Installation Requirements

- 1.10.1 Successful contractor shall be required to remove and install new shelters within 30 days of receipt of shelters and/or all necessary permits. MTS expects new shelters to be manufactured and delivered at a rate of 10 shelters per week, although delivery of all 500 shelters may be allocated in a two-year period.

1.11 Electrification of Shelters

- 1.11.1 The successful contractor shall install and maintain electrical service and illumination for all shelters. All electrical service lines in the shelter site shall be underground, and shall originate from a point-of-service designed by MTS or San Diego Gas & Electric. Electrical service to every shelter must be maintained in working order at all times.
- 1.11.2 An unknown number of shelters may rely solely on solar panels for power. The successful bidder shall include a cost analysis for four scenarios: 1) No shelters with solar panels; 2) 25% of shelters having solar panels; 3) 50% of shelters having solar panels, and 4) 75% of shelters having solar panels.

2. LIQUIDATED DAMAGES

Liquidated damages shall be assessed at the MTS Project Manager's discretion for tasks not performed or performed insufficiently. MTS will notify the Contractor when it is determined that tasks are not being performed as contracted. The Contractor will be required to perform the tasks within three (3) hours of notification or be subject to liquidated damages due to a failure to perform. **Failure to not perform all commercially reasonable standards within the timeframe provided shall be considered a failure to perform. However, MTS and Contractor shall determine which circumstances are applicable to liquidated damages.** The liquidated damages shall be 125% of the Contractor's fees in order to compensate MTS for additional fees of hiring another contractor and related administrative functions. In addition, the Contractor's invoice will be audited to ensure services were not invoiced that were not provided in that month. MTS will notify the Contractor of impending liquidated damages. Liquidated damages will be deducted from the Contractors monthly invoice.

Rates

The rates for liquidated damages are based on expenses which MTS would reasonably expect to incur if required to contract with another company not familiar with the tasks. The liquidated damage of 125% of the contractor's line item price is based on the difference in price between the contracted price and non-contracted price, plus administrative expenses.

Appeal Process

If the Contractor feels liquidated damages are being imposed unjustly the Contractor can file an appeal with the MTS Project Manager within seven (7) days of the MTS notification of impending liquidated damages. The letter must provide details of the situation and why the Contractor feels the liquidated damages are unjust. The MTS Project Manager shall review the situation and if necessary, meet with the Contractor to provide an opportunity to state their reasons why liquidated damages should not be assessed. The MTS Project Manager shall render a written decision to the Contractor.

If the Contractor feels the decision is not acceptable and the situation warrants further consideration, appeal reconsideration may be filed in writing with the MTS Manager of Procurement within seven (7) days of receiving the Project Managers written decision. The MTS Manager of Procurement shall review the reconsideration and a final determination shall be made in writing. The decision of the MTS Manager of Procurement shall be final. No other appeals shall be heard for this particular incident.

During the appeal process, the Contractor shall continue to diligently perform per the requirements of the contract including those in dispute.

3. MITIGATION OF ADVERSE ENVIRONMENTAL EFFECTS

Should adverse environmental effects arise from the performance of this contract, the Contractor agrees to take all reasonable steps to minimize such effects pursuant to 49 U.S.C. app. § 1610, other applicable statutes, and the procedures set forth in 23 C.F.R. Part 771 and 49 C.F.R. Part 622.

4. UNAUTHORIZED WORK

Any services not required by the terms of the Contract that are performed without written authority from MTS will be considered as unauthorized and at the sole expense of the Contractor.

Services so performed will not be paid for and no extension in the period of performance shall be granted on account thereof.

5. INSPECTION OF SERVICES AND ACCEPTANCE

5.1 MTS' Right to Inspect

5.1.1 MTS reserves the right to inspect all and every part of the services at any time during the performance and after completion, as it may see fit.

5.1.2 If the services or any part thereof have not been performed in accordance with the Contract, the Contractor will be notified, in writing, that such services are rejected.

5.1.3 MTS is not under obligation to hold any inspections. However, neither the inspection of the services, nor the lack thereof, shall relieve the Contractor of its responsibility for performing and providing the services in accordance with the terms of this Contract.

5.2 Corrective Action Required

5.2.1 Contractor shall take the necessary corrective action to assure compliance with the terms of the Contract and all other legal requirements.

5.2.2 Such corrective actions shall be implemented expeditiously. Time is of the Essence.

5.3 Notice of Final Acceptance

5.3.1 Contractor's fulfillment of this contract shall be accepted only after MTS or its designated representative has given written notice of final acceptance.

5.3.2 Payment, whether in whole or in part, shall not be construed to be acceptance of services.

6. PRODUCT LIABILITY

In the absence of specific manufacturer warranties for items installed or applied in the provision of maintenance and repair services by the Contractor, the Contractor shall assume responsibility for the safe and proper performance of such items.

7. MODIFICATIONS TO THE SCOPE OF WORK

7.1 MTS may, from time to time, make changes to the scope of work under the Contract, through a Contract amendment process.

7.2 Any amendment issued shall not modify the overall purpose of the Contract.

7.3 At any time during the term of the Contract, MTS may order Additional Services to be performed by the Contractor by an amendment signed by the Chief Executive Officer.

7.3.1 Additional Services are defined as those services that were not contained in the original scope of work and are determined by the MTS to be necessary, and where a reasonable relationship to the services originally required exists.

7.3.2 Contractor shall not be entitled to make any changes in the services or perform any Additional Services unless so authorized, in advance, by a written amendment signed by the MTS Chief Executive Officer.

7.3.3 Contractor and MTS hereby agree and acknowledge that execution of any future amendment constitutes a mutual accord and satisfaction as to the work covered thereby. Contractor specifically waives and releases any and all claims; rights or interest; including, but not limited to, those for impact; disruption; loss of efficiency; "ripple"; other extraordinary; or consequential costs, arising directly or indirectly out of the work described in the amendment except as specifically included herein.

7.4 Authorization of Additional Work

7.4.1 Authorization to make changes to the Scope of Work under the Contract shall be completed through a written amendment.

7.4.2 For the purposes of this contract, temporary work ordered for special occasions that is not meant to affect the overall purpose and intent of this contract will be issued by MTS under a separate contract or purchase order, whichever applies. Any such additional work will be under the terms and conditions of that contract or purchase order, but may reference portions of this contract.

7.5 Price Adjustments

- 7.5.1 Any change in the contract that causes an increase or decrease in cost to MTS, or the time required for the performance of the contract, must be approved as prescribed herein. An equitable adjustment in the compensation and schedule will be made as may be necessary.
- 7.5.2 Contractor shall be liable for all costs resulting from, or for satisfactorily correcting, any and all unauthorized changes not properly ordered by written modification to the contract.
- 7.5.3 Except as otherwise expressly provided in the Contract, when costs are a factor in any determination of a contract price adjustment, such costs shall be in accordance with the applicable cost principles of Subpart 31.2 of the Federal Acquisition Regulations (FAR) in effect at the onset of the Contract.

8. CONTRACT OPTION YEARS AND ADDITIONAL SERVICES

MTS will have the unilateral right in the contract by which, for a specified time, it may purchase additional services under the resultant contract, or may elect to extend the term of the contract. MTS may exercise its options individually, all at once, or not at all.

8.1 Should the MTS decide to exercise its options the conditions below will apply:

- 8.1.1 Any options that were requested by MTS and/or contained in the Contractor's original proposal must have been evaluated prior to contract award.
- 8.1.2 Contractor, at the time MTS determines the need to exercise any options, must have been performing under the Contract to the MTS' satisfaction, with no reported defaults or recorded complaints arising out of poor performance.
- 8.1.3 Since Contractor's proposed pricing for the option years and additional services are considered in evaluating the Contractor's original proposal and form the basis for awarding the contract, Contractor shall be bound by the proposal pricing for additional services and/or option years, unless otherwise provided for in the resultant Agreement.
- 8.2 MTS will provide a minimum of thirty days' written notice to the Contractor of MTS' intent to exercise any contract. MTS may issue its notice of intent to exercise any option at any time during the contract term. The minimum time for the written notice may be waived by mutual agreement.

9. INADEQUATE SERVICES

The rights and remedies of MTS provided herein are not exclusive and are in addition to any other rights and remedies provided under the contract or by law.

- 9.1 Should Contractor fail, neglect, or refuse to perform all of the requirements in this contract, its amendments, modifications, and accepted portions of the Contractor's proposal in the time and manner required **which will be ten days from a notice to cure date**, MTS will have the right to take any combination, or all, of the following actions without limitation to MTS' other rights:

- 9.1.1 Terminate the Contract for Contractor Default.

9.1.2 Cancel any portions of the contract and affect any remedy MTS deems necessary to fulfill the requirements of the canceled portions of the contract.

9.1.3 Procure such Services necessary to meet the contract requirements at Proposer's expense.

10. DELAYS IN CONTRACT PERFORMANCE

10.1 Extension of Time

10.1.1 MTS **shall** grant an extension of time based on the following circumstances **that are beyond the control of the Contractor and subject to MTS approval**, but only if such circumstances directly cause delays related to the performance of the contract:

- a) An act or neglect of MTS;
- b) An act or neglect of a third party;
- c) Separate Contractor employed by MTS;
- d) Changes ordered in the work;
- e) Labor dispute;
- f) Fire;
- g) Unusual delay in deliveries;
- h) Unavoidable casualties;
- i) Other causes beyond Contractor's control;
- j) Delay authorized by MTS pending arbitration; and
- k) Other causes which MTS determines may justify delay.

10.1.2 Any extension in time based on the preceding, for completion of the work, shall be extended by change order for a period commensurate with such delay.

10.1.3 Any extension in time will not extend the gross duration of the contract, but is only for the period of performance window that is within the duration of the contract.

10.2 No Damage for Delays

10.2.1 Contractor hereby expressly acknowledges and agrees that Contractor waives any and all claims, and/or rights, for damages or relief from MTS for any delays in prosecution and completion of the work as a result of any action or inaction of MTS with the following exceptions:

- a) MTS caused the delay and it was so long in duration or was of such a nature, that it was not within the contemplation of the parties when the contract was awarded;
- b) MTS deliberately intended to delay Contractor; or
- c) MTS acted in bad faith.

10.2.2 Contractor shall not be subject to any claim for liquidated damages by MTS for the period of delay, which meets those conditions.

10.3 Obligation to Continue Work

10.3.1 Contractor, in the event of any dispute or controversy with MTS over any matter whatsoever, shall not cause any delay or cessation in or of Contractor's work, but shall proceed under the contract with the performance of the work required thereby.

10.3.2 Contractor shall include in their documents, with any and all levels of tier Subcontractors, the following:

10.3.3 Subcontractor, in the event of any dispute or controversy with Contractor or any other Subcontractor over any matter whatsoever, shall not cause any delay or cessation in or for subcontract's work or the work of any other subcontract or of Contractor but shall proceed under that subcontract agreement with the performance of the work required thereby.

10.4 Suspension of Work by MTS

10.4.1 MTS may, without cause, order Contractor, in writing, to suspend, delay, or interrupt the work in whole or in part for such period of time as MTS may determine.

10.4.2 An adjustment shall be made for increases in the cost of performance of the contract, including profit on the increased cost of performance caused by suspension, delay or interruption.

10.4.3 No adjustment shall be made to the extent that:

- a) Performance is, was or would have been so suspended, delayed or interrupted by another cause for which Contractor is responsible;
- b) Force Majeure;
- c) An equitable adjustment was made under another provision of this contract.

10.4.4 Adjustments made in the cost of performance may have a mutually agreed fixed or percentage fee. Any such petitions for adjustments are subject to audit, Federal Cost Principles, and any other provision of this contract.

11. MANAGEMENT REPORTS

11.1 Implementation Schedule

The Contractor shall provide a schedule to include:

11.2 Maintenance Schedule as described in section B.4

11.3 Monthly Advertising Sales Report

11.3.1 Gross dollar sales per shelter location

11.3.2 Commissions per shelter location

11.3.3 Net revenue to MTS per shelter location

11.3.4 Cumulative total dollars for above category for all shelters on a year-to-date basis.

B.5 BUS SHELTER ADVERTISING

The Contractor shall have the right to solicit and sell advertising to be installed on MTS bus shelters and have the right to negotiate the advertising rates. Advertising shall include standard 4x6-foot posters and electronic displays at select locations to be agreed upon by MTS and the proposer.

The Contractor shall adhere to generally accepted principles of advertising in relation to good taste and truth in advertising. No advertising which is considered objectionable and offensive in its content or method of presentation shall be displayed.

The Contractor is solely responsible for all design, development, production, redesign, and installation of advertising but MTS shall have final approval of contents. Proposers are encouraged

to review MTS Policy 21 MTS Revenue-Generating Display Advertising, Concessions, and Merchandise for Revenue-Generating Display Advertising (see **Attachment A** for guidance).

All advertising shall be in accordance with MTS Policy 21 for Revenue-Generating Display Advertising.

B.6 CONTRACT TERMS

OPTION 1: CONTRACTOR PURCHASES SHELTERS

If MTS elects to have the proposer purchase the shelters, this contract will be for up to a 20-year period (15-year base with five 1-year options, exercisable at MTS' sole discretion). Proposers are required to submit its revenue payment proposal for all fifteen (15) years or its proposal may be deemed non-responsive.

BASE PERIOD:

- Year One (1):	January 1, 2014 – December 31, 2014
- Year Two (2):	January 1, 2015 – December 31, 2015
- Year Three (3):	January 1, 2016 – December 31, 2016
- Year Four (4):	January 1, 2017 – December 31, 2017
- Year Five (5):	January 1, 2018 – December 31, 2018
- Year Six (6)	January 1, 2019 – December 31, 2019
- Year Seven (7)	January 1, 2020 – December 31, 2020
- Year Eight (8)	January 1, 2021 – December 31, 2021
- Year Nine (9)	January 1, 2022 – December 31, 2022
- Year Ten (10)	January 1, 2023 – December 31, 2023
- Year Eleven (11)	January 1, 2024 – December 31, 2024
- Year Twelve (12)	January 1, 2025 – December 31, 2025
- Year Thirteen (13)	January 1, 2026 – December 31, 2026
- Year Fourteen (14)	January 1, 2027 – December 31, 2027
- Year Fifteen (15)	January 1, 2028 – December 31, 2028

OPTION YEARS:

- Year Sixteen (16) – Option Year 1:	January 1, 2029 – December 31, 2029
- Year Seventeen (17) – Option Year 2:	January 1, 2030 – December 31, 2030
- Year Eighteen (18) – Option Year 3:	January 1, 2031 – December 31, 2031
- Year Nineteen (19) – Option Year 4:	January 1, 2032 – December 31, 2032
- Year Twenty (20) – Option Year 5:	January 1, 2033 – December 31, 2033

OPTION 2: MTS PURCHASES SHELTERS

If MTS does not elect to purchase shelters under this contract, the contract term will be for up to a 10 year term (five year base plus five one-year options exercisable at MTS' sole discretion).

BASE PERIOD:

- Year One (1):	January 1, 2014 – December 31, 2014
- Year Two (2):	January 1, 2015 – December 31, 2015
- Year Three (3):	January 1, 2016 – December 31, 2016
- Year Four (4):	January 1, 2017 – December 31, 2017
- Year Five (5):	January 1, 2018 – December 31, 2018

OPTION YEARS

- Year Six (6)	January 1, 2019 – December 31, 2019
- Year Seven (7)	January 1, 2020 – December 31, 2020
- Year Eight (8)	January 1, 2021 – December 31, 2021
- Year Nine (9)	January 1, 2022 – December 31, 2022
- Year Ten (10)	January 1, 2023 – December 31, 2023

B.7 REVENUE PROPOSAL

MTS anticipates receiving the maximum revenue possible. Proposers are to provide the percentage revenue split in the form of a commission on gross sales and/or annual guaranteed minimum payments proposed to MTS. MTS considers gross sales as the amount received by the Contractor from the advertiser. No costs associated with the selling, printing, posting or maintenance of the advertisement shall be deducted. Percentage splits and minimum guarantees should be provided for each shelter purchase scenario (purchased by MTS vs. purchased by proposer).

Required elements of Revenue Proposal

Proposer may develop its own pricing sheet methodology to determine expenses, revenues and revenue payments to MTS. The pricing worksheet must include the following:

1. Per unit shelter procurement costs.
2. Annual amortization costs, amortized over the 15-year contract base period and assuming the purchase of 100 shelters in each of the first five years of the contract.
3. Estimate of the per unit installation costs, including the removal of existing shelters and repair to existing conditions (for MTS evaluation purposes only).
4. Per unit maintenance cost estimate (for MTS evaluation only).
5. New revenue to MTS for either Option 1 or Option 2 based on current number of shelters (322 ad shelters and 122 non-ad shelters) in years one through five) and 500 shelters in years six through the end of the term. Net revenue should be provided in terms of a percentage of gross and/or an annual guarantee.

Proposers should also include a worksheet that will demonstrate how it will detail the revenue generated from each shelter location on a monthly report. This report shall be provided to MTS no later than 15 days following each calendar month.

The Contractor shall pay MTS revenue generated based on the mutually agreed proposed rate stated in the Contractor's Revenue Payment Proposal or final agreement. Revenue payments will be paid directly to MTS on a monthly basis on or before the thirtieth (30th) day following each calendar month.

Payment shall be made in the form of a commission check for bus shelter advertising. Commission checks should be made payable to MTS and mailed to:

San Diego Metropolitan Transit System (MTS)
Attn: Accounting Department
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

NOTE: ALL PROPOSERS MUST COMPLETE PROPOSAL FORMS AS PROVIDED, FAILURE TO DO SO WILL DEEM THE PROPOSAL NON-RESPONSIVE.

EXHIBIT B



October 10, 2013

Andrew Conriquez
Contract Officer
San Diego Metropolitan Transit System
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490

RE: MTS Bus Shelter Advertising, MTS Doc. No. B0596.0-13, Clear Channel's Response to Request for Best and Final Offer.

Dear Mr. Conriquez:

Thank you for your October 1, 2013 letter seeking further clarifications on our RFP response and presentation as well as requesting from Clear Channel Outdoor's (CCO), our "Best and Final Offer."

Please find below, our clarifications to the following items:

- A. Storage for Shelter Parts** – (i) We currently store shelter parts at our Torrance office and warehouse facility (19320 Harborage Way, Torrance, CA 90501) to service over 1,800 shelter locations in Los Angeles and Orange Counties. Our company-owned property is approximately 4 acres large, housing an approximately 70,000-square-foot office and warehouse building, along with an enclosed/secured work and storage "yard." Because the Torrance facility is also our primary receiving center, we envision continuing to utilize it as the main storage facility for shelter parts. (ii) That said, we also have a San Diego facility (9660 Granite Ridge Drive, San Diego, CA 92108) that houses Clear Channel's radio and outdoor operations. We currently use the San Diego facility to temporarily store billboard vinyls used to rotate amongst our billboard sites. Our operations crews do conduct weekly and often time more frequent trips between the Torrance and San Diego offices to exchange and supply trucks, crane trucks, parts and other equipment – and we foresee this readied delivery system to facilitate the supply of shelter parts between our Torrance and San Diego offices to support the MTS bus shelter operations. (iii) Furthermore, as is with our current bus shelter operations practice, our subcontractors are also provided with a supply of frequently-used parts so they could conduct repairs/replace in the field as part of their scheduled maintenance/service visits. In short, we have options and existing logistical mechanism in place to ensure timely replacements of part for the MTS bus shelters when needed.
- B. Transition Plan** – The transition plan consists of two components – (i) managing existing advertisers' needs and relations (sales), and (ii) ensuring that there is no lapse in services (operations). On managing existing advertiser's relations, we request that MTS assists in securing the list of advertisers from the incumbent operator. Should that not be timely secured, CCO will conduct a field survey to collect data on existing advertisers. CCO will then request MTS to provide an introductory letter to advertisers regarding the change in bus shelter operator. CCO will then reach out to the existing advertisers and/or the respective advertising agencies to facilitate contract renewals, etc. CCO will assist MTS in the preparations of the necessary materials in this process.

Mr. Andrew Contreras

October 10, 2013

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With regards to the operations component of the transition, CCO would like to have sufficient lead time to work with MTS staff, and to conduct a field survey and to inventory the condition of each shelter in the streets. This assessment process will help provide CCO and MTS staff a baseline report on the existing condition of the shelters. Should CCO be awarded the RFP, we would immediately engage our subcontractor and MTS staff with a kick-off meeting to establish and/or to re-confirm operational procedures, service routes, communication protocols, etc., as we gear up to assume full operational services by January 1, 2014.

C. **Contract Termination** – MTS requests clarifications on whether CCO has terminated a similar bus shelter contract. To our present knowledge, the Southern California Division has not terminated a bus shelter contract in which there is remaining term. MTS may be interested in a situation where we did request a reduction on the guaranteed payment to a particular municipality. In that case, there were two sets of dynamics that forced us to seek some relief on the guaranteed payment. First, we were not immune to the drastic down turn in the economy during the 2007-2009 time periods, whereby our contract was executed while the economy was at its peak. Secondly, this particular service contract provides that we service roughly 135 bus shelters with advertising panel, and an additional 550 non-advertising bus benches – totaling nearly 700 bus stops that require scheduled maintenance, trash receptacle pick-ups, and other services. While we were experiencing a declining advertising demand on the 135 bus shelters, we had to provide full operational services at nearly 700 bus stops. Logically, the economics in the above condition could not be supported and thus this particular City understood and granted CCO relief in the form of payment reduction made to the city. That said, we are confident that this City is beyond satisfactory in our level of service to the community.


Revenue Proposal: We are revising our revenue proposal to reflect an increase in the annual percentage revenue share portion to MTS from 52.50% to 55.00%, versus a minimum annual guarantee (MAG) of \$950,000, whichever is greater. The 55% percentage revenue share applies annually, from year 1 to year 10 as reflected in the original proposal.

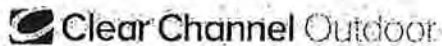
We hope the above provides some clarity to the remaining questions from MTS. Please do not hesitate to contact us should you have further questions and/or requiring explanations to the above response. We very much appreciate the opportunity to participate in this process.

Thank you again for your review and consideration of Clear Channel's proposal.

Sincerely,

CLEAR CHANNEL OUTDOOR, INC.


John Q. Duong,
Vice President
Real Estate & Public Affairs



October 22, 2013

Andrew Conriquez
Contract Officer
San Diego Metropolitan Transit System
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490

RE: MTS Bus Shelter Advertising, MTS Doc. No. B0596.0-13. Clarification to the Percentage Revenue.

Dear Mr. Conriquez:

You had asked us to help clarify the revenue proposal in our Best and Final Offer response dated October 10, 2013. To recap, we had revised our revenue offer to reflect a minimum annual guarantee (MAG) of \$950,000.00 per annum *or* a percentage revenue share of 55%, *whichever is greater*. The MAG amount is payable to MTS on a monthly basis while the percentage revenue is reconciled annually. Should the percentage amount gauged against the gross revenue (less advertising agency commission) exceeds the MAG amount, then MTS would be paid the difference between the MAG and the product of the percentage share times the gross revenue.

As an example, should gross revenue (less agency commission) for a certain year-end totals to \$2 million, then the percentage revenue at 55% would result in a \$1.1 million in payment to MTS. However, given that \$950,000.00 would have already been paid out in annual minimum payment, MTS under this scenario is owed an additional \$150,000.00 (\$1,100,000.00 minus \$950,000.00) of the percentage share.

Likewise, for example should gross revenue for a certain year-end totals to \$1.5 million, then the percentage revenue based on a 55% revenue share would be \$825,000.00. Given that the MAG payment of \$950,000.00 is already a greater amount than the revenue share amount of \$825,000.00, MTS would not be paid any additional revenue share payment under this scenario.

We hope the above sample scenarios help clarify the intent of the revenue proposal involving the calculation on when the percentage revenue share would be applied. Please do not hesitate to let us know should you have any additional questions.

We look forward to working with you and the MTS team.

Sincerely,

CLEAR CHANNEL OUTDOOR, INC.


John Q. Duong
Vice President, Real Estate & Public Affairs
Southern California Division

Clear Channel Outdoor
19320 Harbortate Way, Los Angeles, CA 90501
Call 310.755.7263 / Fax 310.755.7353 / Visit ClearChannelOutdoor.com / Follow @CCOutdoor

EXHIBIT C

Exhibit C
Revenue Summary
Bus Shelter Advertising
MTS Doc. No. B0596.0-13

Contract Base Years	Clear Channel Outdoor	
	Minimum Annual Gurantee (MAG)	Percentage Revenue Share
Base Year 1	\$ 950,000	55.00%
Base Year 2	\$ 950,000	55.00%
Base Year 3	\$ 950,000	55.00%
Base Year 4	\$ 950,000	55.00%
Base Year 5	\$ 950,000	55.00%

Option Years	Minimum Annual Gurantee (MAG)	Percentage Revenue Share
Option Year 1	\$ 950,000	55.00%
Option Year 2	\$ 950,000	55.00%
Option Year 3	\$ 950,000	55.00%
Option Year 4	\$ 950,000	55.00%
Option Year 5	\$ 950,000	55.00%
Total 10 Year Term	\$ 9,500,000	

Note: Revenue is based on an miminum annual guarantee or percentage share of gross sales.

EXHIBIT D

STANDARD CONDITIONS SERVICES

1. INDEPENDENT CONTRACTOR

Contractor hereby declares that it is engaged in an independent business and agrees that in the performance of this Agreement it shall act as an independent contractor and not as an employee of MTS. Contractor has and hereby retains full control of all the employment, compensation, and discharge of all employees of Contractor assisting in its performance hereunder. Contractor shall be fully responsible for all matters relating to payment of its employees, including compliance with Social Security, withholding tax, and all other laws and regulations governing such matters. Contractor shall be responsible for its own acts and those of its agents and employees during the term of this Agreement. MTS shall be responsible for its own acts and those of its agents and employees during the term of this Agreement. Except as otherwise specifically provided, as an independent contractor, Contractor is solely responsible for determining the means and methods of performing the services described in the scope of work. Contractor shall perform the work contemplated with resources available within its own organization.

2. INSURANCE

Contractor will include the contract number on all insurance-related correspondence, i.e., the insurance certificate itself.

All policies required shall be issued by companies who are licensed or approved to do business in the State of California and hold a current policyholder's alphabetic and financial-size category rating of not less than A-VI, in accordance with A.M. Best.

MTS utilizes the services of a third party insurance monitoring company. As a condition of contract award, Contractor shall submit any required insurance certificates and relevant endorsements to the third party monitoring company of MTS' choosing.

A. COVERAGE REQUIRED - ALL CONTRACTS

(1) Liability

- (a) Commercial General Liability At all times during this contract and, with respect to Products and Completed Operations Liability, for twelve (12) months following the acceptance of the work by MTS, Contractor agrees to maintain Commercial General Liability Insurance utilizing Insurance Services Office (ISO) coverage form CG0001, edition date 10/01 or later, or an equivalent form and with insurance companies acceptable to MTS. The coverage shall contain no restricting or exclusionary endorsements with respect to the performing of services described in the scope of work.

All such liability policies shall name in the endorsement, as their interests may appear, San Diego Metropolitan Transit System (MTS), San Diego Trolley, Inc. (SDTI), San Diego and Arizona Eastern Railway (SD&AE)

and San Diego Transit Corporation (SDTC), their directors, officers, agents, and employees as additional insureds.

- (b) Automobile Liability At all times during this contract, Contractor agrees to maintain Automobile Liability Insurance for bodily injury and property damage including coverage for all owned, nonowned, and hired vehicles.
- (c) Workers' Compensation/Employer Liability At all times during this contract, Contractor agrees to maintain Workers' Compensation and Employers' Liability Insurance in compliance with the applicable statutory requirements. Contractor waives any rights of subrogation against MTS, SDTI, SD&AE, and SDTC, and the policy form must permit and accept such waiver.

B. ADDITIONAL COVERAGES REQUIRED (AS INDICATED)

☐ (1) Owner-Provided Builder's Risk
PROVIDED

MTS will provide Builder's Risk Insurance on a special form basis, excluding the perils of earthquake and flood, at a limit of not less than the full replacement value of the work and covering the work and all materials and equipment to be incorporated therein, including property in transit elsewhere, and insuring the interests of the Contractor, subcontractors, materialmen, and MTS, SDTI, SD&AE, SDTC, MTS's contractor for design, and MTS's contractor for construction management. However, Contractor is responsible for the portion of any loss that is within the deductible amount of this Builder's Risk Insurance, which is currently at \$50,000 but is subject to change.

☐ (2) Railroad Protective or Equivalent
REQUIRED

Any exclusions relating to performance of operations within the vicinity of any railroad, bridge, trestle, track, roadbed, tunnel, underpass, or crossing must be deleted. Option: purchase separate Railroad Protective Liability Policy as required.

☐ (3) Professional Liability
REQUIRED

At all times during this contract, and for twelve (12) months following acceptance of work by owner, Contractor agrees to maintain Professional Liability Insurance with respect to services or operations under this Agreement.

☐ (4) Pollution Legal Liability
REQUIRED

At all times during this contract, and for twenty four (24) months following, Contractor agrees to maintain Pollution Legal Liability Insurance with respect to

services or operations under this Agreement. The extended discovery period must be no less than twenty four (24) months.

☐ (5) Contractor Equipment
REQUIRED

At all times during this contract, Contractor agrees to maintain Contractor's Equipment Insurance on a special form basis covering equipment owned, leased, or used by Contractor. Contractor waives any rights of subrogation against MTS, SDTI, SD&AE, and SDTC, and the policy form must permit and accept such waiver. Contractor hereby releases and holds harmless MTS for any loss or damage to its equipment.

☐ (6) Installation Floater
REQUIRED

At all times during this contract, Contractor agrees to maintain Installation Floater Insurance on a special form basis covering property owned or provided by Contractor. Contractor waives any rights of subrogation against MTS, SDTI, SD&AE and SDTC, and the policy form must permit and accept such waiver. Contractor hereby releases and holds harmless these entities for any loss or damage to its property.

☐ (7) Garage Keeper's Legal Liability & Automobile Portion
REQUIRED

At all times during this contract, Contractor agrees to maintain Garage Keeper's Legal Liability as well Automobile Portion which covers the risk of loss or damage to MTS vehicles while in the care, custody or control of Contractor. Automobile portion shall cover the Contractor in the event of a vehicle accident while they are driving a MTS vehicle, which results in a third party claim of physical damage or bodily injury.

☐ (8) Construction Work Agreements
REQUIRED

- (a) Contractor agrees to utilize ISO coverage forms CG2010, 10/85 or ISO coverage forms CG2010 and CG2037, or equivalent forms, to comply with the additional Insured requirement stated in section 2.A.(1)(b).
- (b) Contractor agrees to provide a Designated Project Aggregate Limit Endorsement (per project aggregate) utilizing form CG2503 or equivalent Form.

☐ (9) Crime Fidelity Insurance
REQUIRED

At all times during this contract, Contractor agrees to maintain Crime Fidelity Insurance with respect to services or operations under this agreement. The coverage should include the following:

- Employee dishonesty/theft
- Theft, disappearance and destruction on the premises
- Theft, disappearance and destruction while in transit
- Forgery/alteration

☐ (10) Umbrella or Excess Liability (if required to meet liability limits above)

REQUIRED

Contractor agrees that any Umbrella or Excess Liability Policy utilized to provide the required limits of liability shall contain coverage at least as broad as that provided by the General Liability Policy, and be written for a term concurrent with the General Liability Policy.

☒ (11) Primary and Non-Contributory Insurance

REQUIRED

Contractor agrees that all general liability coverages required under this insurance section are PRIMARY and that any insurance of MTS, SDTI, SD&AE and SDTC shall be excess and noncontributory (endorsement required).

C. MINIMUM POLICY LIMITS REQUIRED

	Limits
Commercial General Liability (Per Occurrence):	<u>\$1,000,000</u>
(General Aggregate)	<u>\$2,000,000</u>
(Completed Operations & Products Aggregate)	<u>\$2,000,000</u>
Automobile Liability: (Combined Single Limit)	<u>\$1,000,000</u>
Worker's Compensation:	<u>Statutory Limits</u>
Employer's Liability per Accident /or Disease:	<u>\$1,000,000</u>

Additional Coverages (as indicated under Section B, Additional Coverages Required):

<input type="checkbox"/> B (1) Builder's Risk	<u>Replacement Cost</u>
<input type="checkbox"/> B (2) Railroad Protective	<u>\$</u>
<input type="checkbox"/> B (3) Professional Liability	<u>\$</u>
<input type="checkbox"/> B (4) Pollution Liability	<u>\$</u>
<input type="checkbox"/> B (5) Contractor Equipment	<u>Replacement Cost</u>
<input type="checkbox"/> B (6) Installation Floater	<u>Replacement Cost</u>
<input type="checkbox"/> B (7) Garage Keeper's Legal Liability (Combined Single Limit (CSL) Per Occurrence)	<u>\$</u>
<input type="checkbox"/> B (8) Construction Work Agreements	<u>\$</u>
<input type="checkbox"/> B (9) Crime Fidelity Insurance	<u>\$</u>



B (10) Umbrella or Excess Liability
(if required to meet liability limits above)

\$ _____

D. NOTICE OF POLICY CHANGES

Contractor shall not materially amend or cancel the insurance policy and coverage required by this Agreement without providing MTS with at least thirty (30) days prior written notice. Contractor shall notify MTS within ten (10) days of insurer-initiated material amendments or cancellations to the insurance coverage required by this Agreement. Under no circumstances shall these notice provisions be deemed a waiver of the insurance requirements set for herein. Any material changes in or cancellation of the insurance policy on file with MTS pursuant to Section 2(E) will result in an immediate stop work order until proof of substitute coverage meeting the requirements of this Agreement is provided to MTS. In the alternative, in MTS' sole discretion, MTS retains the right to declare Contractor in default and immediately terminate this Agreement if the insurance coverage required by this Section 2 is cancelled, otherwise lapses or fails to meet the coverage limits at any time, and for any duration, during the term of this Agreement.

E. EVIDENCE REQUIRED

Within ten (10) working days following receipt of notice that a contract has been awarded, Contractor shall have provided the MTS Contracts Specialist with satisfactory certification by a qualified representative of the Insurer(s) that Contractor's insurance complies with all provisions in this insurance section.

F. SPECIAL PROVISIONS

The foregoing requirements as to the types and limits of insurance coverage to be maintained by Contractor, and any approval of said insurance by MTS, SDTI, SD&AE and SDTC, or their insurance Contractor(s) are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Contractor pursuant to this Agreement, including but not limited to the provisions concerning indemnification.

MTS reserves the right to withhold payments to Contractor in the event of material noncompliance with the insurance requirements outlined above.

3. TERMINATION OF AGREEMENT

A. TERMINATION FOR CONVENIENCE

Performance under this agreement may be terminated by MTS in accordance with this clause in whole or, from time-to-time, in part, whenever MTS shall elect. Any such termination shall be effected by delivery to Contractor of a Notice of Termination specifying the extent to which performance under this agreement is terminated, and the date upon which such termination becomes effective. Upon receipt of any such notice, Contractor shall, unless the notice requires otherwise:

- (1) immediately discontinue performance on the date and to the extent specified in the notice;
- (2) place no further orders for materials other than as may be necessarily required for completion of such portion of the agreement that is not terminated;
- (3) promptly make every reasonable effort to either obtain cancellation on terms satisfactory to MTS of all orders to Contractor's suppliers to the extent they relate to the performance of that portion terminated, or upon MTS concurrence assign to MTS those orders; and
- (4) assist MTS, upon request, in the maintenance, protection and disposition of property acquired by MTS under this agreement. MTS shall reimburse Contractor for reasonable costs incurred in connection with disposition of property.

If claimed in writing within thirty (30) calendar days after Notice of Termination, MTS will pay to Contractor an equitable adjustment to include (without duplication of any item):

- (1) all amounts due and not previously paid to Contractor for goods completed in accordance with this agreement prior to such notice;
- (2) a reasonable amount for any goods and materials then in production; provided that no such adjustment be made in favor of Contractor with respect to any goods which are Contractor's standard stock;
- (3) costs of settling and paying supplier's claim arising out of the canceled orders; and
- (4) a reasonable profit for costs incurred in the performance of that portion terminated; provided, however, that if it appears that Contractor would have sustained a loss on the entire agreement had it been completed, no profit shall be included.

The total sum to be paid to Contractor under this clause, shall not exceed the total order price as reduced by the amount of payments otherwise made, and as further reduced by the order price of that portion not terminated, and will not include any consideration for loss of anticipated profits on the terminated portion all claims for which seller agrees to waive.

B. TERMINATION FOR DEFAULT

In case of Contractor breach or failure to perform, MTS reserves the right to terminate the contract for default. MTS may award the contract to the next lowest responsive, responsible Proposer, solicit new bids, or pursue any other remedy authorized by law.

In addition to any remedy authorized by law, money due to the Contractor under and by virtue of contract, as shall be considered necessary by MTS, may be retained by MTS until disposition has been made of such suits or claims for damages. The retention of money due to the Contractor shall be subject to the following:

- (1) MTS will give the Contractor ten (10) days notice of its intention to retain funds from any partial payment, which may become due to the Contractor prior to

acceptance by MTS of the contract. Retention of funds from any payment made after acceptance may be made without such prior notice to the Contractor.

- (2) No retention of additional amounts out of partial payments will be made if the amount to be retained does not exceed the amount being withheld from partial payments.
- (3) If MTS has retained funds, and it is subsequently determined that MTS is not entitled to be indemnified and saved harmless by the Contractor in connection with the matter for which such retention was made, MTS shall be liable for interest earned on the amount retained for the period of such retention.

MTS may terminate the contract by serving a notice of termination on the Contractor. Notice shall set forth the manner in which the Contractor is in default, and provide the Contractor with ten (10) day's time to cure the default to the satisfaction of MTS. This cure period may be adjusted if the parties so agree in writing. If MTS determines after the cure period that the default is not cured, MTS will issue a "show cause" letter to the Contractor requesting from the Contractor reasons why this contract should not be terminated. If MTS does not find that the Contractor has demonstrated sufficient reason for its failure to cure, the contract shall be deemed terminated. The Contractor shall only be paid the contract price for supplies received and accepted, or services performed in accordance with the manner set forth in the contract. If MTS determines that the Contractor had an excusable reason for not performing such as a strike, fire, flood, or other events, which are not the fault of, or beyond the control of the Contractor, MTS may allow the Contractor to continue work or terminate the contract for convenience.

4. INDEMNITY

As between MTS and Contractor, Contractor is deemed to assume responsibility and liability for, and Contractor shall indemnify and hold harmless, MTS, SDTI, SDTC, SD&AE, and any and all of its directors, officers, agents or employees from and against any and all claims, loss, damage, charge, or expense, whether direct or indirect, which MTS, SDTI, SDTC, SD&AE, or such directors, officers, agents or employees may be put or subjected, by reason of any damage, loss, or injury of any kind or nature whatever to persons or property caused by or resulting from or in connection with any negligent act or action, or any neglect, omission, or failure to act when under a duty to act on the part of Contractor or any of its officers, agents, servants, employees or subcontractors in its or their performance under this Agreement. In addition to any other remedy authorized by law, so much of the money due Contractor under this Agreement as shall be considered necessary by MTS may be retained for any such claims above for which Contractor is obligated to, but has refused to provide such indemnification.

5. ASSIGNABILITY

- (a) By MTS. This contract is assignable, in whole or in part, to any other government agency, including the North County Transit District and/or the San Diego Association of Governments and/or the Metropolitan Transit System. The party wishing to exercise the assignment (also known as a "piggyback") shall perform an independent cost estimate to determine fair and reasonable pricing, and shall enter into its own contract with the

vendor based upon the terms and conditions of this Request for Proposal. Any assignment or piggyback shall comply with Federal Transit Administration (FTA) requirements if applicable. MTS shall have no responsibility or liability for any such assignment or piggyback.

- (b) By Contractor. Any attempt by Contractor to assign, subcontract, or transfer all or part of this Agreement shall be void and unenforceable without MTS' prior written consent; which consent shall not be unreasonably withheld. Any such consent shall not relieve Contractor from full and direct responsibility for all services performed prior to the date of assigning, subcontracting, or transferring this Agreement.

6. SUBCONTRACTORS

Any contract in excess of \$25,000, entered into as a result of this contract, shall contain all of the provisions stipulated in this contract to be applicable to subcontractors, including, but not limited to, provisions pertaining to costs, records, and payment methods.

7. NOTICES

All notices or other communications to either party by the other shall be deemed given when made in writing and deposited in the United States Post Office, addressed as follows:

To MTS:

San Diego Metropolitan Transit System (MTS)
Attention: Chief Executive Officer
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490

To Contractor:

As shown on front page.

8. CONSIDERATION PAID

Contractor shall pay MTS its percentage revenue split as set forth in the Contractor's Proposal in an amount estimated to be \$4,750,000 for the base period and \$4,750,000 for the option years, for a minimum revenue of \$9,500,000 over the duration of the agreement or fifty-five (55%) percent annual percentage revenue share whichever is greater. Revenue payments will be paid directly to MTS on a monthly basis on or before the thirtieth (30th) day following each calendar month (refer to Section B.7 of the Scope).

9. EQUAL EMPLOYMENT OPPORTUNITY PROGRAM

MTS's Equal Employment Opportunity Program for Contractors, MTS Policy No. 25, is part of this Agreement (a copy can be obtained from MTS's Clerk of the Board). A Certificate of

Compliance and a Workforce Report form signed by the Contractor is a condition for the award of this contract.

Each Contractor who provides MTS labor, equipment, materials and services of \$50,000 or more per year with fifty (50) or more employees shall have, maintain, and submit an Equal Employment Opportunity (EEO) Plan to the Director of Human Resources and Labor Relations for MTS each year of the contract, and a Workforce Utilization Report on or before January 1 and July 1 for each year of the contract.

The objective of this plan is to assure that the Contractor will not discriminate against any employee or applicant for employment because of race, color, creed, sex, disability, age, or national origin. The Contractor agrees to take action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, sex, disability, age, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

With respect to construction activities, the Contractor shall comply with all applicable EEO requirements of U.S. Department of Labor (U.S. DOL) regulations, "Office of Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 C.F.R. Parts 60 et seq., (which implement Executive Order No. 11246, "Equal Employment Opportunity," as amended by Executive Order No. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," 42 U.S.C. § 2000e), and any federal statutes, executive orders, regulations and federal policies that may in the future affect construction activities undertaken in the course of the Project.

10. COST PRINCIPLES

The Contractor agrees that the Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, shall be used to determine the allowability of individual items of cost.

The Contractor also agrees to comply with federal procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to state and local governments.

Any costs for which payment has been made to the Contractor that are determined by subsequent audit to be unallowable under 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, or 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to state and local governments, are subject to repayment by the Contractor to MTS.

11. NOTICE OF POTENTIAL CLAIM FOR OUT-OF-SCOPE WORK

The Contractor shall not be entitled to additional compensation for out-of-scope work unless he has given MTS a written notice of potential claim for any such work. The written notice of potential claim shall set forth the reasons for which the Contractor believes additional

compensation will or may be due, the nature of the out-of-scope work involved, and, insofar as possible, the amount of the potential claim. The notice must be given to MTS prior to the time Contractor shall have performed the work, if based on an act or failure to act by MTS or in all other cases within fifteen (15) days after the happening of the event, thing, occurrence, or other cause, giving rise to the potential claim.

It is the intention of this section that any claim for out-of-scope work be brought to the attention of MTS at the earliest possible time in order that matters related to any such work can be settled in a prompt manner. The Contractor hereby agrees that he shall have no right to additional compensation for any claim for out-of-scope work for which no written notice of potential claim as herein required was filed.

12. LITIGATION EXPENSES

Should litigation be necessary to enforce any term or provision of this Agreement, or to collect any portion of the amount payable under this Agreement, then all litigation and collection expenses, witness fees, court costs, and attorney's fees shall be paid to the prevailing party.

13. EXCLUSIVE USE

The services hereunder are provided for the exclusive use of MTS and such services, data, recommendations, proposals, reports, design criteria, and similar information provided by Contractor, are not to be used or relied upon by other parties except as authorized by MTS.

14. DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION (*applies to federally funded contracts only*)

This project is subject to Title 49, Code of Federal Regulations part 26 (49 C.F.R. 26), entitled "Participation by Disadvantaged Business Enterprises (DBEs) in Department of Transportation Financial Assistance Programs." MTS' DBE program has an aspirational goal of 4.1% participation by certified DBE's over the Fiscal years 2013 to 2015 time period.

In order to help MTS achieve its federally mandated overall DBE goal, MTS encourages the participation of DBEs as defined in 49 C.F.R. 26 in the performance of contracts financed, in whole or in part, with federal funds. Contractor is also encouraged to use services offered by financial institutions owned and controlled by DBEs. The Contractor shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of subcontracts.

In order to ascertain whether its overall DBE goal is being achieved, MTS is tracking DBE participation on all federal-aid contracts. Therefore, all successful proposers are required to report the DBE status of all participants after award of any contract. If only a portion of any contract will be performed by a certified DBE, then the portion of work performed and associated contract price shall also be reported. If the proposed prime contractor is not a certified DBE, MTS encourages the proposer to outreach to DBEs for subcontracting opportunities on this project. There is no specific DBE goal for this project; participation of DBEs is not a condition of execution of this Agreement.

Contractor shall be fully informed in respect to the requirements of the DBE regulations. The DBE regulations in their entirety are incorporated herein by this reference (see 49 USC 26; 49 CFR 26). Contractor's attention is directed to the following matters:

- A. A DBE must be a small business concern as defined pursuant to Section 3 of U.S. Small Business Act and relevant regulations promulgated pursuant thereto.
- B. A DBE may participate as a prime contractor, subcontractor, joint-venture partner with a prime or subcontractor, vendor of materials or supplies, or as a trucking company.
- C. A DBE joint-venture partner must be responsible for specific contract items of work or clearly defined portions thereof. Responsibility means actually performing, managing, and supervising the work with its own forces. The DBE joint venture partner must share in the capital contribution, control, management, risks, and profits of the joint venture commensurate with its ownership interest.
- D. A DBE must perform a commercially useful function; i.e., must be responsible for the execution of a distinct element of the work and must carry out its responsibility by actually performing, managing, and supervising the work.
- E. DBEs must be certified by the California Unified Certification Program (CUCP). Listings of DBEs certified by the CUCP are available from the following sources:
 - 1. Caltrans' "Civil Rights" Web site at: <http://www.dot.ca.gov/hq/bep>.
 - 2. Caltrans' DBE Directory This Directory may be obtained from the Department of Transportation, Material Operations Branch, Publication Distribution Unit, 1900 Royal Oaks Drive, Sacramento, California 95815, Telephone: (916) 445-3520.
- F. When reporting DBE participation, the Contractor may count the cost of materials or supplies purchased from DBEs as follows:
 - 1. If the materials or supplies are obtained from a DBE manufacturer, 100 percent of the cost of the materials or supplies. A DBE manufacturer is a firm that operates or maintains a factory or establishment that produces, on the premises, the materials, supplies, articles, or equipment required under the contract and of the general character described by the specifications.
 - 2. If the materials or supplies are purchased from a DBE regular dealer, count 60 percent (60%) of the cost of the materials or supplies. A DBE regular dealer is a firm that owns, operates, or maintains a store, warehouse, or other establishment in which the materials, supplies, articles or equipment of the general character described by the specifications and required under the contract are bought, kept in stock, and regularly sold or leased to the public in the usual course of business. To be a DBE regular dealer, the firm must be an established, regular business that engages, as its principal business and under its own name, in the purchase and sale or lease of the products in question. A person may be a DBE regular dealer in such bulk items as petroleum products, steel, cement, gravel, stone, or asphalt without owning, operating, or maintaining a place of business as provided in this paragraph if the person both owns and operates distribution equipment for the products. Any supplementing of regular

dealers' own distribution equipment shall be by a long-term lease agreement and not on an ad hoc or contract-by-contract basis. Packagers, brokers, manufacturers' representatives, or other persons who arrange or expedite transactions are not DBE regular dealers within the meaning of this paragraph.

3. If the DBE is neither a manufacturer nor a regular dealer, count only the entire amount of fees or commissions charged for assistance in the procurement of the materials and supplies, or fees or transportation charges for the delivery of materials or supplies required on a job site, provided the fees are reasonable and not excessive as compared with fees charged for similar services.
4. Materials or supplies purchased from a DBE, which is neither a manufacturer nor a regular dealer, will be limited to the entire amount of fees or commissions charged for assistance in the procurement of the materials and supplies, or fees or transportation charges for the delivery of materials or supplies required on the job site, provided the fees are reasonable and not excessive as compared with fees charged for similar services.

G. When reporting DBE participation, the Contractor may count the participation of DBE trucking companies as follows:

1. The DBE must be responsible for the management and supervision of the entire trucking operation for which it is responsible on a particular contract.
2. The DBE must itself own and operate at least one (1) fully licensed, insured, and operational truck used on the contract.
3. The DBE receives credit for the total value of the transportation services it provides on the contract using trucks it owns, insures, and operates using drivers it employs.
4. The DBE may lease trucks from another DBE firm, including an owner-operator who is certified as a DBE. The DBE who leases trucks from another DBE receives credit for the total value of the transportation services the lessee DBE provides on the contract.
5. The DBE may also lease trucks from a non-DBE firm, including an owner-operator. The DBE who leases trucks from a non-DBE is entitled to credit only for the fee or commission it receives as a result of the lease arrangement. The DBE does not receive credit for the total value of the transportation services provided by the lessee, since these services are not provided by a DBE.
6. For the purposes of paragraph 14(G), a lease must indicate that the DBE has exclusive use of and control over the truck. This does not preclude the leased truck from working for others during the term of the lease with the consent of the DBE, so long as the lease gives the DBE absolute priority for use of the leased truck. Leased trucks must display the name and identification number of the DBE.

7. Prior to the fifteenth of each month, the Contractor shall submit documentation to MTS showing the amount paid to DBE trucking companies. The Contractor shall also obtain and submit documentation to MTS showing the amount paid by DBE trucking companies to all firms, including owner-operators, for the leasing of trucks. If the DBE leases trucks from a non-DBE, the Contractor may count only the fee or commission the DBE receives as a result of the lease arrangement. The Contractor shall also submit to MTS documentation showing the truck number, name of owner, California Highway Patrol CA number, and if applicable, the DBE certification number of the truck owner for all trucks used during that month.

If a DBE subcontractor is decertified during the life of the project, the decertified subcontractor shall notify the Contractor in writing with the date of decertification. If a subcontractor becomes a certified DBE during the life of the project, the subcontractor shall notify the Contractor in writing with the date of certification. The Contractor shall furnish the written documentation to the Engineer.

15. PROMPT PAYMENT

No retainage will be held by the agency from progress payments due to the prime contractor. Any retainage kept by the prime contractor or by a subcontractor must be paid in full to the earning subcontractor in thirty (30) days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment may take place only for good cause and with MTS's prior written approval. Any violation of these provisions shall subject the violating contractor or subcontractor to the penalties, sanctions, and remedies specific in Section 7108.5 of the California Business and Professions Code. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies otherwise, available to the prime contractor, or subcontractor in the event of a dispute involving late payment, or nonpayment by the contractor, or deficient subcontractor's performance, or noncompliance by a subcontractor. This clause applies to both DBE and non-DBE subcontractors.

16. RECORDS RETENTION

The Contractor shall maintain all books, documents, papers, accounting records, and other evidence pertaining to the performance of the contract including, but not limited to, the costs of administering the contract. The Contractor shall make such materials available at its respective office at all reasonable times during the Agreement and for three (3) years from the date of final payment under the contract. MTS, the state, the State Auditor, or any duly authorized representative of the federal government shall have access to any books, records, and documents of the Contractor that are pertinent to the contract for audit examination, excerpts, and transactions, and copies thereof shall be furnished if requested.

17. OWNERSHIP OF DOCUMENTS

Tracings, plans, specifications, and maps prepared or obtained under the terms of this Agreement shall be delivered to and become the property of MTS. Basic survey notes and

sketches, charts, computations, and other data prepared or obtained under this Agreement shall be made available, upon request, to MTS without restriction or limitation on its use.

18. TIME

The Contractor acknowledges that timely performance is an important element of this Agreement. Accordingly, the Contractor shall put forth its best professional effort to complete its services in accordance with the agreed-upon schedule.

19. ENTIRE AGREEMENT

This Agreement is the entire agreement of the parties and no attempted modification shall be binding unless in writing and signed by MTS and the Contractor. All questions pertaining to the validity and interpretation of this Agreement shall be determined in accordance with the laws of California applicable to contracts made to be performed within the state.

20. NONDISCRIMINATION BY CONTRACTOR

The Contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Contractor shall carry out applicable requirements of 49 CFR, Part 26 in the award and administration of DOT-assisted contracts. Failure by the Contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy, as MTS deems appropriate.

21. DISPUTES, CLAIMS, AND RESOLUTION

MTS and the Contractor agree that every effort shall be made to resolve any dispute arising under this Agreement informally through their designated representatives. If the informal efforts are unsuccessful, then either party may request mediation by submitting a written request signed by an officer with the authority to bind the Contractor or MTS. Within five (5) business days of the request of any party, the parties shall mutually agree on the person or alternative dispute resolution agency to conduct the mediation. If the parties are unable to agree on the person or alternative dispute resolution agency to conduct the mediation, the initiating party may arrange for the office of the American Arbitration Association in downtown San Diego, California, to perform the mediation. The initiating party shall then schedule the mediation so that it is conducted within fifteen (15) business days of the mediator's appointment. The costs of the mediation and fees of the mediator, if any, shall be borne by the requesting party. Any dispute not resolved through the mediation may proceed to litigation in a court of competent jurisdiction in the County of San Diego, State of California, unless the parties agree in writing to submit the dispute to binding arbitration.

Should the Contractor suffer any injury or damage to person or property because of any alleged act or omission of MTS, or if any of Contractor's employees, agents, or others for whose acts the Contractor is legally liable suffers any injury or damages to person or property because of any alleged act or omission of MTS, a written claim for damages shall be filed with the MTS

Office of General Counsel in accordance with the provisions of California Government Code section 800 et seq.

The duties and obligations imposed by this Agreement and the rights and remedies available hereunder shall be in addition to and not a limitation of any duties, obligations, rights, and remedies otherwise imposed or available by law. No action or failure to act by MTS or Contractor shall constitute a waiver of any right or duty afforded any of them under this Agreement, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach thereunder except as may be specifically agreed to in writing.

22. DUTY TO CLARIFY OBVIOUS AMBIGUITY

The Contractor is required to seek clarification of any obvious ambiguity contained in the contract documents. Failure to do so will result in an interpretation of the ambiguous provision favorable to MTS should a dispute later arise concerning that provision.

23. PREVAILING WAGE

Work to be performed by Contractor in accordance with this Contract may be a "public work" under Labor Code § 1720, et seq. If Contractor will receive federal funds, this Contract may also be subject to the payment of prevailing wages pursuant to the Davis-Bacon Act, 40 U.S.C. § 3141 et seq., and other federal laws. It is the sole responsibility of Contractor to ensure that all workers who perform work pursuant to this Contract are paid the correct rate of prevailing wages.

When working on a federally funded project, Contractor shall ensure that all workers entitled to the payment of prevailing wages receive the higher of the applicable State or federal prevailing wage.

MTS has obtained from the Director of the California Department of Industrial Relations general prevailing wage determinations for the locality in which work is being performed. These determinations are on file and available at MTS' offices located 1255 Imperial Avenue, Suite 1000, San Diego, California 92101, and are available from the Department of Industrial Relations on the internet at www.dir.ca.gov. Federal prevailing wage rates are available from the U.S. Department of Labor on the internet at www.access.gpo.gov.

24. ROYALTIES AND PATENT FEES

The Contractor shall pay all royalties and patent fees, and shall defend all suits and claims for infringements of any patent rights, and shall hold MTS harmless from loss on account thereof. If however, the Contractor has information that the procedures or articles specified are an infringement of a patent, the Contractor shall be responsible for any loss unless said information is promptly given to MTS by Contractor.

25. PATENT RIGHTS

A. General.

If any invention, improvement, or discovery of MTS, or any of its third party contractors, is conceived or first actually reduced to practice in the course of, or under this Project, and that invention, improvement, or discovery is patentable under the laws of the United States of America or any foreign country, MTS is required to notify FTA immediately and provide a detailed report.

B. Federal Rights.

Unless the Federal Government later makes a contrary determination in writing, the rights and responsibilities of MTS, third party contractor, subrecipient and the Federal Government pertaining to that invention, improvement, or discovery will be determined in accordance with applicable federal laws, regulations, including any waiver thereof. Unless the Federal Government later makes a contrary determination in writing, MTS, irrespective of its status or the status of any subrecipient or any third party contractor at any tier (i.e., a large business, small business, state government or state instrumentality, local government, nonprofit organization, institution of higher education, individual, etc.), MTS shall transmit to FTA those rights due the Federal Government in any invention resulting from that third party contract described in U.S. Department of Commerce regulations, "Rights to Inventions Made by Nonprofit Organizations and Small Business firms Under Government Grants, Contracts, and cooperative Agreements," 37 C.F.R. Part 401.

26. ACCESS REQUIREMENTS FOR PERSONS WITH DISABILITIES

The Contractor shall comply with all applicable requirements of the Americans with Disabilities Act of 1990 (ADA), 42 U.S.C. §§ 12101 et seq.; section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 794; 49 U.S.C. § 5301(d); and the following federal regulations including any amendments thereto:

- A. U.S. DOT regulations, "Transportation Services for Individuals with Disabilities (ADA)," 49 C.F.R. Part 37;
- B. U.S. DOT regulations, "Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance," 49 C.F.R. Part 27;
- C. U.S. DOT regulations, "Americans with Disabilities (ADA) Accessibility Specifications for Transportation Vehicles," 49 C.F.R. Part 38;
- D. U.S. DOJ regulations, "Nondiscrimination on the Basis of Disability in State and Local Government Services," 28 C.F.R. Part 35;
- E. U.S. DOJ regulations, "Nondiscrimination on the Basis of Disability by Public Accommodations and in Commercial Facilities," 28 C.F.R. Part 36;
- F. U.S. GSA regulations, "Accommodations for the Physically Handicapped," 41 C.F.R. Subpart 101-19;

- G. U.S. Equal Employment Opportunity Commission, "Regulations to Implement the Equal Employment Provisions of the Americans with Disabilities Act," 29 C.F.R. Part 1630;
- H. U.S. Federal Communications Commission regulations, "Telecommunications Relay Services and Related Customer Premises Equipment for the Hearing and Speech Disabled," 47 C.F.R. Part 64, Subpart F;
- I. FTA Regulations, "Transportation for Elderly and Handicapped Persons," 49 C.F.R. Part 609; and
- J. Any implementing requirements FTA may issue.

27. METRIC SYSTEM

As required by U.S. DOT or FTA, Contractor agrees to use the metric system of measurement in its Project activities, in accordance with the Metric Conversion Act, as amended by the Omnibus Trade and Competitiveness Act, 15 U.S.C. §§ 205a *et seq.*; Executive Order No. 12770, "Metric Usage in Federal Government Programs," 15 U.S.C. §§ 205a note; and any U.S. DOT or FTA regulations, guidelines, and policies. To the extent practicable and feasible, Contractor agrees to accept products and services with dimensions expressed in the metric system of measurement.

28. SUBSTANCE ABUSE

Pursuant to the rules and regulations of the Department of Transportation, Contractor will be required to comply with all applicable drug and alcohol testing requirements, including the amendments to 49 C.F.R. parts 655.

As a condition of this Contract, the following are the Contractor's Drug and Alcohol Testing Obligations:

- A. Contractors Certification: Contractor certifies that it will comply with all applicable drug and alcohol testing requirements provided by law, including, but not limited to, the drug and alcohol testing requirements set forth in the Department of Transportation's regulations.
- B. Indemnification of MTS: Contractor agrees to indemnify, defend and hold harmless MTS, SDTI and SDTC, and their directors, employees and agents from and against any loss, damage, expense and liability that MTS, SDTI or SDTC, may incur as a result of Contractor's failure to comply with any applicable drug and alcohol testing obligations.
- C. Survival of MTS' Indemnification Rights: The rights and obligations contained in "B" (Indemnification of MTS) will survive any termination or expiration of this Agreement.
- D. Failure to comply with Drug and Alcohol Testing Obligations May Result in Termination of Contract: If, at any time during the period of this Agreement, Contractor fails to comply with any applicable drug and alcohol testing

requirements, MTS will consider such failure a material breach of this Agreement, and MTS may terminate this Agreement immediately.

29. IDENTIFICATION OF PERSONNEL/SECURITY

MTS shall provide Contractor personnel who enter upon MTS property with "Contractor Identification Badges." All personnel shall display these badges prominently upon their persons while on MTS properties. MTS will allow only properly certified personnel of the Contractor on its properties. MTS shall have the right to require the Contractor to conduct background checks on its employees and to remove from MTS properties an employee MTS considers incompetent, careless, or who constitutes a security risk or safety hazard. The Contractor's personnel must have appropriate documentation, as determined by the Contract Administrator, to gain access to MTS properties. The Contract Administrator will advise the Contractor in writing of necessary documentation and identification required to gain access to MTS properties based upon the Federal Department of Homeland Security threat level in effect from time-to-time, and subject to any additional security requirements mandated by the Federal Department of Homeland Security, the Federal Transit Administration, or any other federal or state agency.

30. NONWAIVER

Failure of MTS to insist upon strict performance of any of the terms and conditions hereof, or failure or delay to exercise any rights or remedies provided herein, or by law, or to properly notify Contractor in the event of breach, or the acceptance of payment for any goods hereunder, or review of design, shall not release Contractor from any of the warranties or obligations of this agreement, and shall not be deemed a waiver of any right of MTS to insist regardless when shipped, received, or accepted or as to any prior or subsequent default hereunder, nor shall any revision of this agreement by MTS operate as a waiver of any of the terms hereof. A requirement that a Contractor's document be submitted for or subject to "authorization to proceed," "approval," "acceptance," "review," "comment," or combinations of such words or words of like import shall mean, unless the context clearly indicates otherwise, that Contractor shall, before implementing the information in the document, submit the document, obtain resolution of any comments, and obtain written authorization from MTS to proceed, and shall mean that a complete check will be performed. Authorization to proceed shall not constitute acceptance or approval of design details, calculations, analyses, test methods, or materials developed or selected by Contractor and shall not relieve Contractor from full compliance with contractual obligations.

TYPIST ID
SA-SERVICES REVISED (REV 6-13)
DATE

Attachments: Certificate of Compliance

CERTIFICATE OF COMPLIANCE
WITH MTS EQUAL OPPORTUNITY PROGRAMS AND DBE CONTRACTOR INFORMATION FORM

I hereby certify that, in performing under contract(s) or purchase order(s) awarded by the San Diego Metropolitan Transit System (MTS), I will comply with the provisions of MTS Equal Employment Opportunity Program, and rules and regulations adopted pursuant thereto, Title VI of the Civil Rights Act of 1964, the California Fair Employment Practices Act, and any other applicable federal and state laws and regulations relating to equal employment opportunity, including laws and regulations hereinafter enacted.

DBE subcontractor participants are listed below, the successful bidder must execute and return this form even if no DBE participation will be reported:

Company Name and Address	Description of Work	Dollar Amount

If 100% of item is not to be performed or furnished by DBE, describe exact portion of item to be performed or furnished by DBE. I agree to make a good-faith effort to meet the goals of this plan as part of my contractual obligations to MTS.

Date: _____

Firm: Clear Channel Outdoor, Inc.

By: _____

Signature
Title: EVP

DOCKET SUPPORTING INFORMATION
CITY OF SAN DIEGO

DATE:

EQUAL OPPORTUNITY CONTRACTING PROGRAM EVALUATION

April 24, 2014

SUBJECT: Second Amendment to MOU with MTS for Bus Shelter and Bus Bench Advertising

GENERAL CONTRACT INFORMATION

Recommended Agency: Metropolitan Transit System (MTS – Public Entity)

Amount of this Action: N/A

Funding Source: N/A

Goal: N/A

SUBCONTRACTOR PARTICIPATION

There is no subcontractor participation identified with this action. Any future subcontracting activity will be subject to Agency requirements.

EQUAL EMPLOYMENT OPPORTUNITY COMPLIANCE

Equal Opportunity: Required.

Metropolitan Transit System (MTS) is a Public Entity and, is therefore exempt from the Work Force Report analysis. See San Diego Municipal Code section 22.2703(b).

This agreement is not subject to the City's Equal Opportunity Contracting (San Diego Ordinance No. 18173, Section 22.2701 through 22.2708). This agreement is subject to the City's Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517).

ADDITIONAL COMMENTS

This action authorizes an extension until December 31, 2024 of a Memorandum of Understanding (MOU) with the San Diego Metropolitan Transit System (MTS) for advertising on bus shelters and bus benches at bus stops on City streets. The existing MOU was approved by the City Council on July 29, 2008. The First Amendment, approved on June 27, 2013, extended the MOU until June 30, 2014.

Their current forecasts indicate a partial revenue payment of \$40,696 for FY 2021, and then \$84,783 annually for FY 2022-2025 from advertising on bus shelters.

KM

AMENDMENT NO. 2 TO MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF SAN DIEGO
AND THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
REGARDING BUS SHELTER AND BUS BENCH ADVERTISING

This Amendment No. 2, dated _____, 2014, is entered into by and between the CITY OF SAN DIEGO, a municipal corporation, herein called "CITY," and the SAN DIEGO METROPOLITAN TRANSIT SYSTEM, a public entity, herein called "MTS".

RECITALS

WHEREAS, MTS and CITY entered into an agreement, MTS Doc. No. G1124.0-08 and City Doc. No. RR-304026 ("Bus Shelter Advertising MOU"), to set forth the terms and conditions of CITY's participation in MTS's bus shelter advertising program;

WHEREAS, MTS and CITY executed Amendment No. 1 to the Bus Shelter Advertising MOU (MTS Doc. No. G1124.1-08) for a one year extension, through June 30, 2014;

WHEREAS, MTS is undertaking a new transit shelter program, in two parts. Part 1 is the execution of a new ten-year contract with Clear Channel Outdoor for installation, maintenance and advertising at transit shelters throughout MTS's jurisdiction. Part 2 is a procurement of up to 500 new transit shelters to replace the 444 existing shelters and install up to 56 new transit shelters at bus stop locations throughout MTS' jurisdiction.

WHEREAS, in 2012-2013, the San Diego Association of Governments replaced 13 MTS transit shelters including advertising panels with updated shelter structures to benefit the Super Loop bus routes operated and maintained by MTS.

WHEREAS, the revenue generated from the MTS contract with Clear Channel Outdoor is intended to first fund the purchase of the new transit shelters.

WHEREAS, after funding the new transit shelter procurement, any additional revenue generated by the MTS contract with Clear Channel Outdoor will be divided and spent as designated in this Amendment No. 2.

WHEREAS, MTS's bus bench advertising contract does not expire until February 1, 2015 and the terms of advertising and revenue share for bus bench advertisements shall remain unchanged.

AGREEMENT

1. The terms and conditions of MTS Doc. No. G1124.0-08 shall remain unchanged, except as follows:

SECTION 1. C Location Criteria for Transit Shelters and Bus Benches is revised to read:

Transit shelters and bus benches with advertising will be permitted only in commercially, industrially or multi-family zoned areas in the City of San Diego and will not be permitted in

single family residentially zoned areas without the specific written authorization of the CITY. Transit shelters and bus benches without advertising will be permitted in single family residentially zoned areas.

SECTION 1. L (i) Revenue to MTS – Transit Shelters is replaced with the following:

i. Transit Shelters. MTS may derive revenue from the sale of advertising on its transit shelters within the CITY's public right-of-way. MTS will administer the transit shelter program, including procuring new transit shelters and hiring a contractor to replace the existing shelters at bus stops located within MTS's jurisdiction. MTS has entered into a 10 year contract (5 year base and 5 one-year options) with Clear Channel Outdoor, beginning January 1, 2014. MTS intends to complete a procurement for new transit shelters by the end of 2014.

MTS and CITY agree to use the revenue generated from the Clear Channel Outdoor contract to fund the transit shelter procurement. Depending on the cost of the shelters, it is estimated that the first five to seven years of revenue from the contract will be dedicated to the transit shelter procurement project.

After all expenses related to the transit shelter procurement have been paid for, MTS agrees to pay to CITY, in quarterly installments, ten percent of all additional revenue generated for advertising at shelters located on CITY right-of-way. CITY agrees to program all revenue received under this agreement into its Capital Improvement Program for the following fiscal year. All revenue received under this Agreement by CITY shall be spent on the installation of concrete bus pads, Americans with Disabilities Act improvements or other transit improvements mutually agreed upon by the parties at or near bus stop locations selected by and located in the CITY.

At the time of execution of this amendment, eighty-nine percent (based upon 301 of the 338 shelters with advertising located in within the CITY) of the shelter revenue is attributed to transit shelters located in the CITY.

SECTION 1. L (2) Advertising Policy:

Attached to this Amendment No. 2 is the current, effective version of MTS Policy No. 21 titled "MTS REVENUE-GENERATING DISPLAY ADVERTISING, CONCESSIONS, AND MERCHANDISE."

SECTION 1. L (8) Notices is revised to read:

No notice, request, demand, instruction, or other document to be given hereunder to any party shall be effective for any purpose unless personally delivered to the person at the appropriate address set forth below (in which event, such notice shall be deemed effective upon such delivery) or delivered by first class mail, as follows:

To the CITY:

Mayor
City of San Diego

To MTS:

Chief Executive Officer
San Diego Metropolitan Transit System

202 C Street
San Diego, California 92101

1255 Imperial Avenue, Suite 1000
San Diego, California 92101

Notices so mailed shall be deemed to have been given forty-eight (48) hours after the deposit of same in any United States Post Office mailbox. The addresses and addressees, for the purpose of this paragraph, may be changed by giving written notice of such change in the manner provided herein for giving notice. Unless and until such written notice of change is received, the last address and addressee stated by written notice, or provided herein if no such written notice of change has been received, shall be deemed effective.

SECTION 1. L (15) Term is revised to read:

This Amendment No. 2 shall be effective upon approval. MTS shall have the right to administer its transit shelter program through December 31, 2023. MTS shall have the right to administer its bus bench program through February 1, 2015. Upon execution of a new bus bench advertising contract by MTS, a subsequent amendment to this agreement shall be negotiated between MTS and CITY. MTS's obligation to make payments to the CITY and CITY's obligation to program and expend those funds shall terminate on December 31, 2024.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM CITY OF SAN DIEGO

Paul C. Jablonski
Chief Executive Officer

By: _____
Title: _____

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Karen Landers
General Counsel

San Diego City Attorneys' Office

MOU with MTS for Bus Stop Advertising

Infrastructure Committee



**TRANSPORTATION
& STORM WATER**

MTS Bus Shelter and Bus Bench Program

- Shelters and benches at bus stops for the comfort of bus transit passengers
- Most shelters and benches have an advertising panels
- Revenue primarily for procurement and maintenance
- Surplus revenue: MTS uses the funding for additional public transit programs, sends share to City
- City share: for City crews to make capital improvements near bus stops

Previous Arrangement for Shelters

- Shelters originally purchased in 1988
- Past their service life
- CBS Outdoor was advertising vendor
- MTS annual revenue of \$800,000
- Five-year MOU adopted in 2008, City annual revenue share of \$69,600
- First Amendment adopted last year extended arrangement for one year

Proposed 2nd Amendment

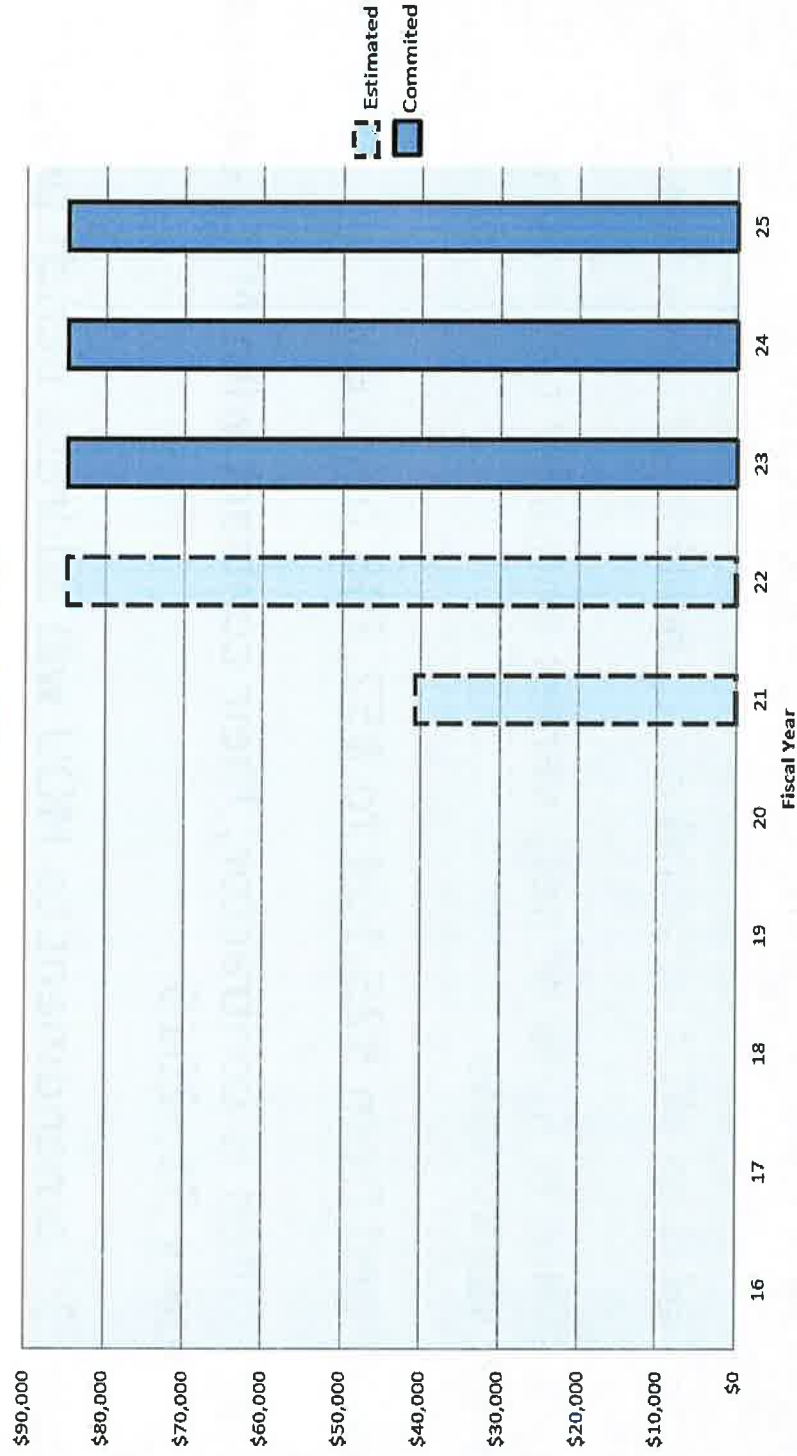
- Clear Channel will be new advertising vendor for shelters, replacing CBS Outdoor
- MTS annual revenue from Clear Channel will be \$950,000 for ten years
- Procurement of new shelters will use all revenue for first 5 to 7 years
- Revenue sharing with City will return when procurement is paid; maybe year 6, definitely by year 8
- City's annual share estimated at \$84,743

New Shelter



City Revenue Share

City Revenue from Shelter Revenue
Second Amendment to MOU



Arrangement for Bench

- Originally a City program dating back to 1975
- Transferred to MTS in 2000 on condition of revenue sharing
- City's share is 50% of net; varies annually based on market conditions
- Has ranged from \$25,104 to \$52,738 per year
- Coast United is contractor; their contract with MTS expires on January 31, 2015
- Future 3rd amendment to MOU will address bench program

City Use of Revenue Since 2008

- Concrete bus pads and other small capital improvements at bus stops
- All work is by City staff
- About 30 pads have been installed with about 20 more coming within the next year
- Other funding sources also provide for concrete bus pads (City public works and utility projects, developer exactions, SANDAG projects)

Recommendation

- Approve 2nd Amendment to MOU with MTS

Questions?

COPY

MTS Doc. No. G1124.0-08
AG 250

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF SAN DIEGO
AND
THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM

THIS AGREEMENT is entered into by and between THE CITY OF SAN DIEGO, a municipal corporation, herein called "CITY," and the SAN DIEGO METROPOLITAN TRANSIT SYSTEM, a public entity, herein called "MTS."

WHEREAS, MTS and the CITY have for the last 16 years operated a successful transit shelter and bus bench advertising and maintenance program; and

WHEREAS, MTS desires to install new transit shelters of the highest possible quality and aesthetic appeal and maintain transit shelters that are already in place in keeping with the image of the CITY; and

WHEREAS, MTS desires to install and/or maintain its transit shelters to provide a higher level of service to all patrons; and

WHEREAS, MTS will require all transit shelters to meet Americans with Disabilities Act requirements;

WHEREAS, MTS will endeavor to include new technologies, such as next-bus information and solar power, into the shelter design; and

WHEREAS, MTS plans to incorporate "showcase" transit shelters with electronic advertising in high-visibility areas within the CITY; and

WHEREAS, public funding is unavailable for the construction and maintenance of transit shelters; and

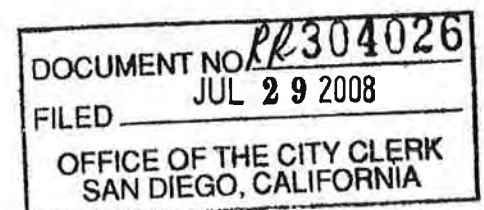
WHEREAS, MTS will utilize any advertising revenue generated over the length of this MOU to operate, maintain and enhance transit services within the City of San Diego;

WHEREAS, MTS will provide the City an annual update on the installation of new shelters within the City;

WHEREAS, MTS proposes to enter into an agreement, such as this one, with each of the other cities within its service territory wishing to participate in the new transit shelter program; and

WHEREAS, Section 3D of City Council Policy No. 600-34 calls for the CITY to maximize transit-operating efficiency and to maintain a reasonable high farebox recovery rate in order to minimize the need for other sources of funding; and

WHEREAS, the transit shelter program would provide a significant improvement in the area's transit system potentially increasing ridership without incurring any public costs; NOW, THEREFORE, be it ordained that the CITY and MTS agree as follows:



1. The CITY Council hereby grants to MTS for a period of five (5) years the exclusive authority to install, or cause to be installed, bus benches and transit shelters within the public rights-of-way in the CITY contingent upon the following:

A. Maximum Number of Transit Shelters

No more than six hundred and ninety (690) transit shelters shall be permitted in the CITY. Any additional transit shelters that MTS proposes to install shall require prior approval from the CITY.

B. Maximum Number of Bus Benches

No more than two thousand five hundred (2,500) bus benches shall be permitted in the city. Any additional bus benches that MTS proposes to install shall require prior approval from the CITY.

C. Location Criteria for Transit Shelters and Bus Benches

Transit shelters and bus benches with advertising will be permitted only in commercially or industrially zoned areas in the City of San Diego and will not be permitted in single family residentially zoned areas without the specific written authorization of the CITY. Transit shelters and bus benches without advertising will be permitted in single family residentially zoned areas.

D. Standard Signage and Advertising

Standard size for poster ads within transit shelters is four (4) feet in width and six (6) feet in height. Showcase transit shelters in the CITY right-of-way may also include electronic advertising including, but not limited to, electronic message boards and video displays. All such signage and/or electronic advertising shall comply with Section 2, Advertising Policy, below.

E. Installation of Transit Shelters or Bus Benches

MTS will develop a list of existing locations of all bus benches and transit shelters and provide the list to the CITY. All new installations shall conform to the terms of this Agreement. The CITY shall have the right to approve or deny the installation of any bus bench or transit shelter.

F. Removal of Transit Shelters or Bus Benches

The CITY shall have the authority to cause a transit shelter or bus bench to be removed or relocated from any location at no cost to the CITY, upon making written demand to MTS for such removal.

G. Maintenance

Through its contractor, MTS shall be responsible for providing ongoing maintenance for every bus bench or transit shelter that is installed under this agreement. Transit shelters and bus benches shall be repaired or replaced upon notification to MTS of any damage, vandalism, or graffiti on any MTS transit shelter or bench. Through its subcontractor, MTS will repair, replace, or remove damage, vandalism, or graffiti within forty-eight (48)

hours of notification or such longer period as may be needed in order to reasonably complete the repairs. If the transit shelter or bus bench is destroyed, it shall be removed within twenty-four (24) hours of notification and shall be replaced within thirty (30) days. In conjunction with such removal, the curbs and sidewalk, if affected by the removal, shall be restored to a safe, finished condition.

H. Notices

MTS shall use its best efforts to notify the underlying property owners, as indicated on the most recent tax assessor's rolls, and building occupants that a new transit shelter or bus bench with or without advertising is proposed to be installed within 100 feet of their property in the public right-of-way prior to any transit shelter installation. Such notice will not be required if a shelter or bus bench currently exists and is simply being replaced by a new shelter or bus bench unless it is significantly modified.

I. Permits

All new transit shelters will require an encroachment, excavation, or other permit from the CITY. MTS's contractor will be required to comply with all rules, regulations, and laws of the CITY and any applicable state or federal laws. Permit fees shall be paid by MTS's contractor for each permit issued. All permit applications for new shelters shall require proof of notification of the proposed transit shelter installation to adjacent property owners and tenants.

J. Electrification

MTS's contractor will secure all electrical permits necessary for the installation of new shelters. MTS's contractor shall assume all costs associated with lighting and powering transit shelters.

K. Private Shelters and Benches

i. Notwithstanding that the CITY has granted to MTS the exclusive authority to install bus benches and transit shelters within the public right-of-way in the CITY of San Diego, MTS agrees to allow the CITY to authorize others to place transit shelters, benches and appurtenances in the public right-of-way conditioned upon those shelters, benches, and appurtenances being placed in such locations as the CITY and MTS may agree to from time to time.

1. Process. Private entities authorized to install transit shelters, benches, and appurtenances pursuant to this amendment will be required to provide the design, construction, and maintenance for the shelter and bench. Installation will be permitted through a CITY encroachment permit process. The location of the shelters or benches shall conform to the MTS Design Standard Guidelines. MTS will provide the plan review for comment, but will not be responsible or liable for design, construction, or maintenance of the transit shelters or benches that are not installed as part of its existing shelter or bench contract.
2. Indemnity. The CITY undertakes and agrees to defend, indemnify, and hold harmless MTS and any and all of MTS's officers, agents, employees, assigns, and successors in interest from and against all suits and causes

of action, claims, losses, demands, and expenses including, but not limited to: attorney's fees and costs of litigation, damage or liability of any nature whatsoever for death or injury to any person including CITY employees and agents, or damage or destruction of any property of either party hereto or any third person in any section on the part of the CITY or its permitted private entities whether or not contributed to by an act or omission whether passive, active, or otherwise except for the sole negligence of MTS or any of MTS's officers, agents, and employees, in which case MTS shall hold the CITY harmless.

3. Advertising. Advertising on the CITY's shelters or benches shall be solely for the purpose of announcing events of noncommercial nature taking place at an adjacent public facility owned or operated by the private entity authorized to install the shelter or bench and shall not be used for posting schedules of public meetings at the facility. Advertising space shall not be leased to any third party. Acknowledgement of sponsorship shall be permitted, and if desired, it shall be displayed in such a way as to not be visible and legible from passing automobiles. All advertising posted on the shelters and benches must conform to the advertising criteria set forth in Section 2 of this agreement. MTS may make demand upon the CITY for the removal of any advertisement that does not conform to the aforementioned advertising criteria. Such demand shall be in writing and shall state reasonable grounds for the demand. The CITY shall consider and act upon the demand in accordance with those advertising criteria. Advertising display panels shall be configured in such a way to be similar to MTS's shelters and benches. Advertising display panels shall be no greater in size than those used in MTS's shelters and benches, and one advertising panel in each shelter shall be reserved for MTS's use for the purpose of posting transit information.

4. Insurance. The CITY shall require any permitted private entity to maintain insurance to same extent required of MTS pursuant to this Memorandum of Understanding.

L. Revenue to MTS

- i. Transit Shelters. MTS may derive revenue from the sale of advertising on its transit shelters within the CITY's public right-of-way. MTS will administer the transit shelter program. Eighty-seven percent (based upon 292 of the 334 shelters with advertising located within the CITY representing 87% of the total advertising revenue) of 10 percent of the \$4 million paid to MTS by CBS Outdoor (\$348,000) shall be payable to the CITY in five installments (\$69,600 each) on 8/15/09, 8/15/10, 8/15/11, 8/15/12, and 8/15/13. In addition, 10 percent of the net advertising revenue payable to MTS for any new advertising on transit shelters (including advertising added to shelters that currently have no advertising, or any new shelters) installed in the CITY right-of-way shall be payable to the CITY by MTS in five installments on the payment dates set forth above. Net revenue shall mean revenue received by MTS from CBS after any capital costs for installation of the advertising panels and/or new shelters has been paid in full. The CITY shall program all revenue received under this Agreement for transit shelter advertising into its Capital Improvement Program for the following fiscal year (i.e. money received on August 15, 2009, shall be

programmed for the fiscal year 2011). All revenue received under this Agreement shall be spent on the installation of concrete bus pads (or other transit improvements mutually agreed upon by the parties) at bus stop locations selected by and located in the CITY. All revenue received under this Agreement shall be spent on or before June 30, 2014.

- ii. Bus Benches. MTS may derive revenue from the sale of advertising on its bus benches. MTS will administer the bus bench program. MTS shall be entitled to recover all costs to administer the bus bench program. Remaining revenues from the bus bench program (after payment of MTS's administrative costs) shall be divided equally between the CITY and MTS and payable to the CITY by MTS in five installments on the payment dates set forth above. The CITY shall program all revenue received under this Agreement from bus bench advertising into its Capital Improvement Program for the following fiscal year (i.e. money received on August 15, 2009, shall be programmed for the fiscal year 2011). All revenue received under this Agreement shall be spent on the installation of concrete bus pads (or other transit improvements mutually agreed upon by the parties) at bus stop locations selected by and located in the CITY. All revenue received under this Agreement shall be spent on or before June 30, 2014.

2. Advertising Policy

A. Standards

In its agreements with its advertising contractors, MTS shall reserve the right to reject any advertisement that does not meet the standards set forth in MTS Policy No. 21, which includes the CITY's advertising policy. A copy of MTS Policy No. 21 is attached hereto and incorporated into this agreement.

B. Removal

The CITY may request that MTS exercise its right to remove any advertisement, commercial, or noncommercial that does not conform to MTS Policy No. 21. Such demand shall be in writing and state reasonable grounds for the demand. MTS shall consider and act upon the demand in accordance with the policy.

3. Hold Harmless

MTS undertakes and agrees to defend, indemnify, and hold harmless the CITY and any and all of the CITY's officers, agents, employees, assigns, and successors in interest from and against all suits and causes of actions, claims, loss, demands, expenses, including, but not limited to, attorneys' fees and costs of litigation, damage or liability, or any nature whatsoever, for death or injury to any person, including MTS's employees and agents, or damage or destruction to any property of either party hereto or third person in any manner arising by reason of or incident to the performance of this agreement on the part of MTS, except for active negligence of the CITY or any of the City's officers, agents, contractors or employees, in which case the CITY shall hold MTS harmless and MTS shall have no obligation to defend and indemnify the CITY or its officers, agents, employees, assigns or successors.

4. Termination of this Agreement

The CITY may terminate this Agreement if MTS or its contractor materially breaches the terms and conditions set forth herein, and the CITY shall owe no payment to MTS or its contractor. In the event the CITY terminates this Agreement, the CITY may require MTS to remove every transit shelter and/or bus bench in the public rights-of-way. The City may terminate this Agreement without cause, by serving upon MTS written notice of termination of this Agreement three hundred sixty five (365) days in advance of said date of termination, and the CITY shall pay MTS the current value for every transit shelter or bus bench in the public right-of-way.

The method of calculating the current value of a transit shelter or bus bench will be as follows:

$$\text{CURRENT VALUE} = \left[\frac{\text{Transit Shelter/Bus Bench Unit Price}}{\text{Depreciation Period (in months)}} \right] \left[\text{Depreciation Period (in months)} - \text{Months in Service} \right]$$

For purposes of calculating the current value the transit shelter or bus bench:

- the unit price shall be the unit price listed in the contractor's financial plan submitted with the bid documents plus the installation costs of the bus bench or transit shelter;
- the depreciation period for transit shelters and bus benches will be ninety-six (96) months; and
- the number of months in service will be calculated from the date the transit shelter or bus bench is placed in service to the date of termination.

5. Insurance

During the term of the agreement, MTS shall require its contractor to maintain the following levels and types of insurance:

- A. Comprehensive general liability insurance for bodily injury (including death) and property damage, which provides total limits of not less than two million five hundred thousand dollars (\$2,500,000.00) combined single limit per occurrence. Coverages included shall be:
- i. Premises and operations;
 - ii. Contractual liability expressly, including liability assumed under this agreement, with deletion of the exclusion as to performance of operations within the vicinity of any railroad bridge, trestle, track, roadbed, tunnel, underpass, and crossway;
 - iii. Personal injury liability;
 - iv. Independent contractors; and
 - v. Cross-liability clause providing that the insurance applies separately to each insured except with respect to the limits of liability.

Such insurance shall include the following endorsement (copies of which shall be provided):

1. Inclusion of the CITY, its officers, agents, and employees as additional insureds with respect to activities, services, or operations under this agreement;
 2. Inclusion of MTS, and its subsidiaries, its officers, agents, and employees as additional insureds with respect to activities, services, or operations under this agreement; and
 3. Stipulation that the contractor's insurance is primary insurance and that no insurance of the CITY or MTS will be called upon to contribute to a loss.
- B. Comprehensive automobile liability insurance for bodily injury (including death) and property damage, which provides total limits of not less two million five hundred thousand dollars (\$2,500,000.00) combined single limit per occurrence applicable to all owned, nonowned, and hired vehicles.
- C. Statutory workers' compensation coverage including a broad form all states endorsement; employer's liability insurance for not less than one million dollars (\$1,000,000.00) per occurrence for all individuals engaged in services or operations to implement this agreement, including an insurer's waiver of subrogation in favor of the CITY, their directors, officers, representatives, agents, and employees.
- D. MTS shall also provide CITY with satisfactory evidence of self-insurance that meets or exceeds the types and levels of insurance outlined above.

6. Condition Precedent

Certificates of insurance, satisfactory to the CITY, evidencing all coverages above shall be furnished to the CITY before commencing any operations under this agreement with complete copies of policies to be delivered to CITY upon its request.

7. Approval

Approval of the insurance by the CITY shall not relieve or decrease the liability of MTS.

8. Notices

No notice, request, demand, instruction, or other document to be given hereunder to any party shall be effective for any purpose unless personally delivered to the person at the appropriate address set forth below (in which event, such notice shall be deemed effective only upon such delivery) or delivered by certified mail, return receipt requested, as follows:

To The CITY:
Jerry Sanders
Mayor
City of San Diego
202 C Street

To MTS:
Paul C. Jablonski
Chief Executive Officer
Metropolitan Transit System
1255 Imperial Avenue, Suite 1000

Notices so mailed shall be deemed to have been given forty-eight (48) hours after the deposit of same in any United States Post Office mailbox. The addresses and addressees, for the purpose of this paragraph, may be changed by giving written notice of such change in the manner herein provided for giving notice. Unless and until such written notice of change is received, the last address and addressee stated by written notice, or provided herein if no such written notice of change has been received, shall be deemed effective.

9. Time

It is agreed that time is of the essence in this agreement.

10. Attorneys' Fees

If legal action be commenced to enforce or to declare the effect of any provisions of the agreement, the court as part of its judgment shall award reasonable attorneys' fees and costs to the prevailing party.

11. No Waiver

The waiver by one (1) party of the performance of any covenant, condition, or promise shall not invalidate this agreement nor shall it be considered a waiver by such party of any other covenant, condition, or promise hereunder. The waiver by either or both parties of the time for performing any act shall not constitute a waiver of the time for performing any other act or identical act required to be performed at a later time. The exercise of any remedy provided by law and the provisions of this agreement for any remedy shall not exclude other consistent remedies unless they are expressly excluded.

12. Severance

If any provision of this agreement is found to be unenforceable, the remainder of the provisions shall continue to be given full force and effect.

13. Amendments

No change in or addition to this agreement or any part hereof shall be valid unless in writing and properly authorized by the CITY and MTS.

14. Computation of Periods

All periods of time referred to in this agreement shall include all Saturdays, Sundays, and state or national holidays, unless the period of time specifies business days, provided that if the date or last date to perform any act or give any notice with respect to the Agreement shall fall on a Saturday, Sunday, or state or national holiday, such act or notice may be timely performed or given on the next succeeding day that is not a Saturday, Sunday, or state or national holiday.

15. Term

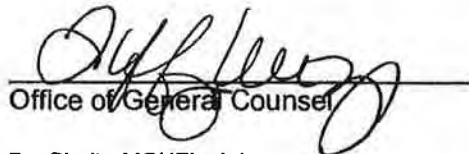
This Memorandum of Understanding shall commence upon approval. MTS shall have the right to administer its transit shelter and bus bench programs through June 30, 2013. MTS's obligation to make payments to the CITY and the CITY's obligation to program and expend those funds shall terminate on June 30, 2014.

Dated this 29th day of July, 2008.

METROPOLITAN TRANSIT SYSTEM


Paul C. Jablonski
Chief Executive Officer

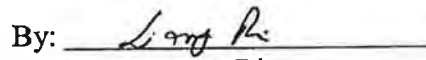
APPROVED AS TO FORM


Office of General Counsel

BusShelterMOUFinal.doc

Attachment: MTS Policy No. 21

CITY OF SAN DIEGO

By: 
Tammy Rimes
Purchasing & Contracting
Assistant Director

APPROVED AS TO FORM


San Diego City Attorneys' Office



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

Policies and Procedures No. 21

SUBJECT:

Board Approval: 2/26/04

MTS REVENUE-GENERATING DISPLAY ADVERTISING, CONCESSIONS, AND MERCHANDISE

PURPOSE:

To establish a policy and guidelines concerning a revenue-generating advertising, concessions, and merchandise program encompassing trolley stations, MTS property and facilities, and selected printed materials.

Advertising on bus shelters and benches within the public rights-of-way shall be governed by the applicable policies of the applicable jurisdiction. The City of San Diego policy is included as Attachment A to this policy.

BACKGROUND:

Public transit operators and administration agencies have historically utilized advertising, concessions, and merchandising programs to supplement operational and capital funds. A sound advertising and concessions program can be a viable, alternative income source while maintaining aesthetic standards and promoting transit use.

POLICY:

The following guidelines will be reviewed annually to reflect the current policies of the MTS Board of Directors and to reflect changes in the trends of social and economic acceptance and appropriateness of various forms of advertising and concessions.

21.1 Advertising - General

- 21.1.1 Safety, aesthetic considerations, rider convenience, and information needs will take precedence over revenue generation.
- 21.1.2 Quantity, quality, and placement of all advertising will be controlled by and subject to the specific approval of MTS.
- 21.1.3 MTS reserves the right to reject any advertisement, commercial or noncommercial, which does not meet the Board's standards as set forth



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

in this policy. Before any advertisement is rejected, it shall be referred to the Chief Executive Officer and General Counsel for MTS for appropriate action and a final decision.

21.1.4 The advertising program will serve the needs of local as well as national advertisers and encourage the promotion of public transit. Local advertisers will be guided by the appropriate transit agency staff in promoting specific routes/lines serving their areas.

21.1.5 No advertisement will be permitted that:

- a. appears to make a personal attack on any individual or upon any company, product, or institution; or falsely disparages any service or product or is defamatory in any respect;
- b. might be interpreted to be offensive to any religious, ethnic, racial, or political group;
- c. might be interpreted as condoning any type of criminal act or which might be considered as derogatory toward any aspect of the law enforcement profession;
- d. portrays acts of violence, murder, sedition, terror, vandalism, or other acts of violence against persons or institutions; or
- e. depicts nudity or portions of nudity that would be considered as offensive, distasteful, pornographic, or erotic, is obscene, or advertises adult entertainment. The rule of "public acceptance" should be used in such cases; i.e., if the advertisement has already gained public acceptance, then it may be considered as acceptable to MTS.
- f. might be interpreted as condoning any type of discrimination; or
- g. might be interpreted as condoning or soliciting any unlawful act or conduct.

21.1.6 No advertisement will be permitted that is in conflict with any applicable federal, state, or local law, statute, or ordinance.

21.1.7 No advertisement will be permitted that contains false or grossly misleading information.

21.1.8 No liquor, tobacco, religious, political, or firearms advertisements will be permitted.

21.1.9 Upon written demand by the Chief Executive Officer of MTS on stated grounds that shall be reasonable and upon review by General Counsel of MTS, any advertisement or other display deemed to be objectionable will be removed. No refund shall be made for the time such objectionable material was on display.

- 21.1.10 Advertising treatments will not impede vehicular or pedestrian traffic, will not restrict the visibility of directional/traffic signs and informational material, and will not encroach on necessary sight lines (e.g., driver/operator view of waiting patrons) nor present any other safety risks or hazards.
- 21.1.11 Advertising industry standard sizes will be used for all advertising treatments.
- 21.1.12 Advertising treatments will be maintained in "like-new" condition. Damage to the advertisement or its housing will be corrected within forty-eight (48) hours.

21.2 Advertising - Light Rail Vehicles and Buses

- 21.2.1 Light rail vehicles (LRVs) will not carry commercial advertising. Buses may continue the practice of having interior and exterior advertising.
- 21.2.2 For buses, a maximum of 10 percent of the full fleet may carry full-bus advertising formats rather than conventional advertising formats. Vehicle fronts must remain "unwrapped" with standard paint schemes and materials. The San Diego Transit Executive Committee, serving as the advertising design review committee, shall review and approve all full-bus advertisements in advance of installation.
- 21.2.3 Transit information material may be placed inside LRVs and buses at the discretion of the operating corporation's Chief Executive Officer. Such information can include, in accordance with this policy, the promotion of regularly scheduled public transit routes that will serve major community events open to the public with no admission charge.
- 21.2.4 At the request of a recognized public entity and with the approval of the individual operating corporation's Chief Executive Officer, LRVs and buses may carry notices of events that are served by regularly scheduled transit routes and open to the public for an entrance or other fee in accordance with this policy and under the following conditions only:
- Such notices shall be limited to no more than once per month.
 - More than one event may be shown on the same notice.
 - The listing order within the monthly notice will be by event dates. Should more than one event start on the same date, alphabetical ranking will then be used.
 - Notices will be produced in English and Spanish.
 - The production costs of each notice (including translation, typesetting, camera work, and printing) will be reimbursed by the

participating public entity/event. If more than one public entity/event is involved, costs will be divided equally among all participants.

21.2.5 Metropolitan Transit System advertising would be excluded from the 10 percent cap on full-bus advertising formats.

21.2.6 Super King and Mural formats are approved for acceptable use on buses. The size specification for the Super King is 226 inches x 30 inches and is placed between the front and rear wheel wells on the street side of the bus. Murals are defined as encompassing the space under the vehicle passenger windows on each side of the bus and extending from the front of the bus to just past the rear wheel well. These advertising formats will not be subject to the 10 percent cap assigned to full-bus wraps.

21.3 Advertising - Transit Centers, Major Transit Points, Stations, and Stops

21.3.1 Advertising treatments (housings) will be designed to complement the architecture of the transit centers/stations and the flavor of the surrounding community. MTS plan specifications will be followed wherever applicable. Advertising treatments will be designed, constructed, and placed in accordance with all applicable local, state, and federal standards.

21.3.2 Any unsold transit center, major transit points, and station display advertising space will be allocated for graphics and/or other nonrevenue-producing functions approved by the MTS Board. At least one full display panel per transit center and station will be reserved exclusively for transit-related items.

21.4 Advertising - Printed Materials

21.4.1 Advertising space may be allowed in printed materials (e.g., timetables, maps, and informational brochures) at the discretion of the operating corporation's Chief Executive Officer.

21.4.2 Advertising space may be allowed on the reverse side of regional passes, tickets, and transfers at the discretion of the MTS Chief Executive Officer.

21.4.3 No advertising space shall supersede necessary transit information and/or regulations.

21.4.4 At the discretion of the respective Chief Executive Officer, MTS and operating corporations may allocate space in printed materials to inform transit customers about private entities actively participating in transit services, e.g., pass and ticket-sales outlets.

21.5 Concessions

21.5.1 Concession formats, quantity, and placement will be approved and controlled by the MTS Board.

21.5.2 Acceptable concession formats are: pay telephones, automatic teller machines (ATMs), child-care facilities, and kiosks/shops for the sale of prepaid transit fares, transit-related merchandise, and rider convenience items approved by the MTS Board. Any additional concession formats are subject to Board approval.

21.5.3 Contracts for any concession format or related development will be awarded in accordance with existing MTS policies.

21.5.4 During hours of business, concessionaires will provide the public with transit information materials as directed and supplied by MTS or its designated representative.

21.5.5 Concession treatments/structures will be designed to complement the architecture of the transit centers/stations and the flavor of the surrounding community. MTS plan specifications will be followed wherever applicable. Concession treatments/structures will be designed, constructed, and placed in accordance with all applicable local, state, and federal standards.

21.5.6 Concession treatments/structures will not impede vehicular or pedestrian traffic, will not restrict the visibility of directional signs and informational materials, and will not encroach on necessary sight lines.

21.5.7 Concessionaire contracts will include remittance to MTS or its designated operating corporation. Said remittance will be made monthly and include a flat rate, plus percentage of gross revenue, as approved by the MTS Board.

21.5.8 Any and all concession on-site signing and displays will be in accordance with existing MTS policies and subject to approval of the MTS Chief Executive Officer.

21.6 Merchandise

21.6.1 Any and all system-related merchandise will be of the highest available quality and project a positive transit image.

21.6.2 Merchandise licensing agreements and royalty payments will be made in accordance with existing MTS policies.

21.7 Revenue

21.7.1 Except as otherwise provided, revenue from advertising in transit centers, major transit points, stations, and stops shall accrue to MTS.

21.7.2 Revenue received by each corporation for vehicle and printed material advertising, concessions, and merchandise will be retained by the

respective corporation and used to offset the need for public subsidy. Revenue received from electronic message boards located at San Diego Trolley stations will be retained by San Diego Trolley.

21.7.3 Revenue received from advertising on the reverse side of regional passes, tickets, and transfers shall be utilized as reimbursement to the MTS "Transfers, Tickets, Passes" line item.

21.7.4 In lieu of revenue, MTS may elect to accept an equivalent value of goods and/or services, including, but not limited to, capital improvements, information services, and site maintenance.

21.8 Contractor Services

21.8.1 MTS may engage contractor(s) services for the development, implementation, management, and maintenance of advertising, concessions, and/or merchandise programs in conformance with existing Board policies and in the best interests of MTS.

LTresc/SChamp/JGarde
POLICY.21.REV GENERATE DISPLAY AD CONCESSIONS & MERCHANDISE
7/13/06

Attachment A – City of San Diego Advertising Policy

Original Policy approved on 5/9/83.

Policy revised on 6/6/85.

Policy revised on 7/9/87.

Policy revised on 6/23/88.

Policy revised on 3/22/90.

Policy revised on 3/14/91.

Policy revised on 4/9/92.

Policy revised on 5/12/94.

Policy revised on 8/11/94.

Policy revised on 6/22/95.

Policy revised on 3/27/97.

Policy revised on 6/11/98.

Policy revised on 2/22/01

Policy revised on 2/26/04.

ATTACHMENT A

MTS POLICY NO. 21

CITY OF SAN DIEGO
ADVERTISING POLICY

Subject:

ADVERTISING ON BUS STOP SHELTERS AND BENCHES

Background:

The City of San Diego (City) entered into a Memorandum of Understanding (MOU) with the Metropolitan Transit Development Board (MTS), adopted July 25, 1988, and amended February 25, 1991, and June 21, 1999, authorizing MTS to install bus stop shelters and bus benches in public rights-of-way in the City. Pursuant to the MOU, MTS contracted with third parties for the construction, installation, and maintenance of the bus stop shelters and benches. In exchange, MTS's contractors receive the proceeds from the sale of advertising space on the shelters and benches.

MTS regulated the content of the advertising placed on the bus stop shelters and benches according to its Policies and Procedures No. 21. After advertising containing a religious message was removed pursuant to that policy, valid concerns were raised that the policy may violate due process and first amendment rights governing public speech.

Purpose:

It is the intent of the City Council to establish a policy governing advertising on bus stop shelters and benches in the public rights-of-way within the City that will be included by amendment in the MOU between the City and MTS, and administered by MTS.

It is the further intent of the City Council to prohibit advertising on bus stop shelters and benches of alcoholic beverages, tobacco products, and firearms in recognition of the fact that many public transit patrons are minors, that possession of these products by minors is illegal and dangerous, and that advertising is a persuasive medium for encouraging the use of these products by minors.

This policy applies only to advertising space located in designated areas on bus stop shelters and benches, as described in the MOU between the City and MTS.

Policy:

Advertising on Bus Stop Shelters and Benches:

1. In its agreement with its advertising contractors, MTS shall reserve the right to reject any advertisement, commercial or noncommercial, which does not meet the standards set forth in this policy.
2. All advertising posted on bus stop shelters and benches must conform to the following criteria:
 - A. Defamatory Advertising. No advertising will be permitted that falsely disparages any person, product, or company, or that is likely to damage the reputation of any person, product, or company.
 - B. Advertising Condoning Criminal Conduct. No advertising will be permitted that is likely to incite or produce imminent unlawful activity.
 - C. Obscene Advertising. No advertising will be permitted that contains obscene matter or matter harmful to minors, as defined in California Penal Code Sections 311 and 313.
 - D. False Advertising. No advertisement will be permitted that contains false or grossly misleading information.
 - E. Alcohol, Tobacco, and Firearms. No advertisement will be permitted that promotes the sale of alcoholic beverages, tobacco or tobacco products, or firearms.
 - F. Existing Laws. All advertisements must conform to applicable federal, state, and local laws.
3. The City may make demand upon the Chief Executive Officer of MTS for the removal of any advertisement, commercial or noncommercial, that does not conform to this policy. Such demand shall be in writing and shall state reasonable grounds for the demand. MTS shall consider and act upon the demand in accordance with this policy.

SGreen/SChamp/JGarde
POLICY.21.REV GENERATE DISPLAY
AD CONCESSIONS & MERCHANDISE
7/13/06

RESOLUTION NUMBER R- 304026

DATE OF FINAL PASSAGE AUG 08 2008

A RESOLUTION AUTHORIZING AN MOU WITH
METROPOLITAN TRANSIT SYSTEM FOR TRANSIT
SHELTERS AND BENCHES.

BE IT RESOLVED, by the Council of the City of San Diego that the Mayor is authorized to enter into a Memorandum of Understanding with the San Diego Metropolitan Transit System (MTS) for transit shelters and bus benches in the public right-of-way effective August 1, 2008 through June 30, 2013.

BE IT FURTHER RESOLVED, that existing Memorandum of Understanding approved by Resolution R-277415 in 1991, and all subsequent amendments are terminated.

BE IT FURTHER RESOLVED, that this activity is exempt from California Environmental Quality Act [CEQA] pursuant to State CEQA Guidelines Section 15060(c)(3).

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By



Ryan Kohut
Deputy City Attorney

RK:sc
07/21/08
Aud.Cert.: N/A
Or.Dept:E&CP
R-2009-106

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUL 29 2008.

ELIZABETH S. MALAND
City Clerk

By *Sara Richards*
Deputy City Clerk

Approved: 8.6.08
(date)

JSL
JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor

Passed by the Council of The City of San Diego on July 29, 2008, by the following vote:

YEAS: PETERS, FAULCONER, ATKINS, YOUNG, MADAFFER, &
HUESO.
NAYS: MAIENSCHIEIN & FRYE.
NOT PRESENT: NONE.
RECUSED: NONE.

AUTHENTICATED BY:

JERRY SANDERS

Mayor of The City of San Diego, California

ELIZABETH S. MALAND

City Clerk of The City of San Diego, California

(Seal)

By: GIL SANCHEZ, Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of
RESOLUTION NO. R-304026, approved by the Mayor of The City of San Diego,
California on August 6, 2008.

ELIZABETH S. MALAND

City Clerk of The City of San Diego, California

(SEAL)

By:  Deputy

DEPUTY CLERK

OFFICE OF THE CITY CLERK
CITY OF SAN DIEGO

DUPLICATE

MTS Doc. No. G1124.1-08

AMENDMENT NO. 1 TO MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF SAN DIEGO
AND THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM

This Amendment No. 1, dated JUL 23 2013, is entered into by and between the CITY OF SAN DIEGO, a municipal corporation, herein called "CITY," and the SAN DIEGO METROPOLITAN TRANSIT SYSTEM, a public entity, herein called "MTS."

RECITALS

WHEREAS, MTS and CITY entered into an agreement, MTS Doc. No. G1124.0-08 and CITY Doc. No. RR-304026 ("Bus Shelter Advertising MOU"), to set forth the terms and conditions of CITY's participation in MTS's bus shelter advertising program; and

WHEREAS, MTS and CITY desire to extend the Bus Shelter Advertising MOU for a one-year period, through June 13, 2014.

AGREEMENT

MTS and CITY agree as follows:

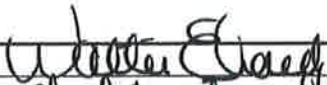
1. The CITY's point of contact for Notice in Section 8 of the Bus Shelter Advertising MOU shall be changed to reflect the current CITY Mayor, Bob Filner.
2. Section 15 of the Bus Shelter Advertising MOU shall be replaced with the following:

This Memorandum of Understanding shall commence upon approval. MTS shall have the right to administer its transit shelter and bus bench programs through June 30, 2014. MTS's obligation to make payments to the CITY and the CITY's obligation to program and expend those funds shall terminate on June 30, 2015.

3. All other terms and conditions shall remain the same.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM CITY OF SAN DIEGO


Paul C. Jablonski
Chief Executive Officer

By: 
Title: Chief Operating Officer

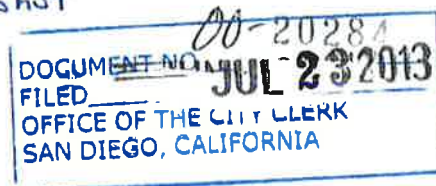
APPROVED AS TO FORM:

APPROVED AS TO FORM:


Karen Landers
General Counsel

 9/18/2013
San Diego City Attorneys' Office
Ryan Kahut

0-20284



50
MONDAY, 7/30/13
(O-2013-106)

ORDINANCE NUMBER O- **20284** (NEW SERIES)

DATE OF FINAL PASSAGE AUG 05 2013

AN ORDINANCE OF THE COUNCIL OF THE CITY OF
SAN DIEGO AUTHORIZING THE EXECUTION OF THE
FIRST AMENDMENT TO THE MEMORANDUM OF
UNDERSTANDING WITH METROPOLITAN TRANSIT
SYSTEM FOR THE INTSTALLATION OF ADVERTISING ON
TRANSIT SHELTERS AND BENCHES.

WHEREAS, on July 29, 2008, the City Council adopted the existing Memorandum of
Understanding (MOU) between the City and the Metropolitan Transit System (MTS); and

WHEREAS, this First Amendment to the prior MOU will extend the term of the prior
agreement until June 13, 2014; NOW, THEREFORE,

BE IT ORDAINED, by the Council of the City of San Diego, as follows:


Section 1. That the Mayor is hereby authorized and directed to execute, for and on behalf
of said City, the First Amendment to the MOU with MTS under the terms and conditions set
forth in the First Amendment on file in the Office of the City Clerk as Document No.

OO- **20284** together with any reasonably necessary modifications or amendments thereto
which do not increase project scope or cost and which the Mayor shall deem necessary from time
to time in order to carry out the purposes and intent of this project and agreement.

Section 2. That a full reading of this ordinance is dispensed with prior to its passage, a
written or printed copy having been made available to the City Council and the public prior to
the day of its passage.

Section 3. That this ordinance shall take effect and be in force on the thirtieth day from
and after its final passage.

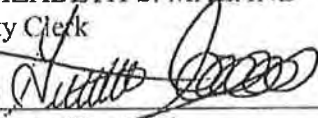
APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Ryan P. Kohut
Deputy City Attorney

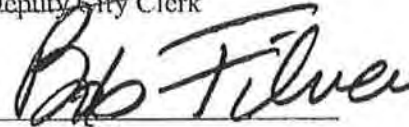
RPK:cfq
6/24/2013
Or.Dept:Transportation & Storm Water Dept.
Document Number: 586565

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of JUL 30 2013

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 8/2/13
(date)


BOB FILNER, Mayor

Vetoed: _____
(date)

BOB FILNER, Mayor

This ordinance is effective August 5, 2013, which represents the day this ordinance was returned to the Office of the City Clerk with the Mayor's signature of approval.

Passed by the Council of The City of San Diego on JUL 30 2013, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Sherri Lightner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kevin Faulconer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Todd Gloria	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Myrtle Cole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage AUG 05 2013

AUTHENTICATED BY:

BOB FILNER
Mayor of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By , Deputy

I HEREBY CERTIFY that the foregoing ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on

JUL 15 2013

, and on AUG 05 2013

~~I FURTHER CERTIFY that said ordinance was read in full prior to its final passage.~~

I FURTHER CERTIFY that the reading of said ordinance in full was dispensed with by a vote of not less than a majority of the members elected to the Council, and that there was available for the consideration of each member of the Council and the public prior to the day of its passage a written or printed copy of said ordinance.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By , Deputy

Office of the City Clerk, San Diego, California

Ordinance Number O- 20284

Passed by the Council of The City of San Diego on July 23, 2013 by the following vote:

YEAS: **LIGHTNER, FAULCONER, GLORIA, COLE, KERSEY,**
SHERMAN, ALVAREZ, EMERALD.
NAYS: **NONE.**
NOT PRESENT: **ZAPF,**
RECUSED: **NONE.**
VACANT: **NONE.**

AUTHENTICATED BY:


BOB FILNER

Mayor of The City of San Diego, California

ELIZABETH S. MALAND

City Clerk of The City of San Diego, California

(Seal)

By:  Deputy

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of ORDINANCE NO. O - 20284 (New Series) of The City of San Diego, California.

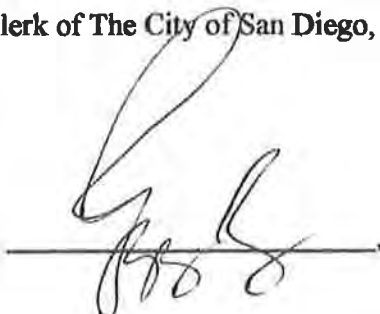
I FURTHER CERTIFY that said ordinance was passed on the day of its introduction, to wit, on August 5, 2013.

I FURTHER CERTIFY that the reading of said ordinance in full was dispensed with by a vote of not less than a majority of the members elected to the Council, and that there was available for the consideration of each member of the Council and the public prior to the day of its passage a written or printed copy of said ordinance.

ELIZABETH S. MALAND

City Clerk of The City of San Diego, California

(SEAL)

By:  Deputy



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

Agenda Item No. 6

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 8, 2016

SUBJECT:

ON-CALL TREE TRIMMING AND REMOVAL SERVICES FOR THE SAN DIEGO
TROLLEY - CONTRACT AWARD

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWL199.0-16 (in substantially the same format as Attachment A) with Singh Group Inc., a Disadvantaged Business Enterprise (DBE), for on-call tree trimming and removal services for a three (3) year period.

Budget Impact

The value of this agreement will not exceed \$144,000.00. The project will be funded through operating budget accounts 380016-571140 and 370016-571140.

DISCUSSION:

Annual services for tree trimming, maintenance, removal and replacement are required to provide the best possible tree care at MTS Stations and along the MTS right-of-way (ROW). Proper tree maintenance enhances the aesthetics of MTS properties and provides a safer environment for Rail Operations as utility line clearance is performed in conjunction with routine or non-routine trimming activities.

MTS Policy No. 52, "Procurement of Goods and Services", requires a formal competitive process for procurements of goods and services exceeding \$100,000.

On August 31, 2016, MTS issued an Invitation for Bids (IFB) for on-call tree trimming and removal services. Five bids were received by the due date of September 26, 2016.



One bid, Anton's Service, was deemed non-responsive for failing to submit a completed bid package. The Bidders and their respective bids are as follows:

BIDDER NAME	TOTAL AMOUNT
A Plus Tree, Inc.	\$439,350.00
Anton's Service, Inc. Non-responsive	\$278,400.00
Atlas Environmental Services, Inc.	\$164,400.00
<i>Singh Group, Inc.</i>	<i>\$144,000.00</i>
West Coast Arborists, Inc.	\$153,600.00

After conducting price reasonableness analyses and reviewing all bids received for responsiveness and responsibility, staff determined that Singh Group, Inc. presented the lowest responsive and responsible bid. The contract is not to exceed \$144,000 over a three-year period.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute MTS Doc. No. PWL199.0-16 (in substantially the same format as Attachment A) with Singh Group Inc., a Disadvantaged Business Enterprise (DBE), for a three (3) year period for on-call tree trimming and removal services.



Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Draft MTS Doc. No. PWL199.0-16

STANDARD SERVICES AGREEMENT

DRAFT

PWL199.0-16
 CONTRACT NUMBER
 OPS 960.2
 FILE NUMBER(S)

THIS AGREEMENT is entered into this _____ day of _____ 2016, in the state of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following contractor, hereinafter referred to as "Contractor":

Name: Singh Group, Inc. Address: 1308 Descanso Avenue
 Form of Business: Corporation San Marcos, CA 92069
 (Corporation, partnership, sole proprietor, etc.)
 Telephone: 760-213-5462

Authorized person to sign contracts: Adolph Singh President
 Name Title

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

Provide on-call tree trimming and removal services for San Diego Trolley Stations and right-of-way provided, as specified in the Scope of Work (attached as Exhibit A), the Bid (attached as Exhibit B), and in accordance with the Standard Conditions Services Agreement, including the Standard Conditions Services (attached as Exhibit C), and the Federal Requirements (attached as Exhibits D).

The contract term is for three (3) years. The total contract cost shall not exceed \$144,000.

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

AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
\$144,000.00	380016/370016	17-22

By: _____ Date
 Chief Financial Officer



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

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 8, 2016

SUBJECT:

PROPOSED REVISIONS TO SAN DIEGO METROPOLITAN TRANSIT SYSTEM (MTS) BOARD POLICY NO. 41, "SIGNATURE AUTHORITY", AND REPEAL OF MTS BOARD POLICY NO. 4, "CONSTRUCTION CONTRACT CHANGE ORDERS"

RECOMMENDATION:

That the Board of Directors:

- 1) Approve the proposed revisions to MTS Board Policy No. 41, "Signature Authority" (Attachment A); and
- 2) Repeal MTS Board Policy No. 4, "Construction Contract Change Orders" (Attachment B).

Budget Impact

None.

DISCUSSION:

MTS Board Policy No. 41 establishes the authority of certain MTS staff and the Board of Directors to approve and execute expense procurements, revenue contracts, grants, memorandums of understanding, cost recovery agreements and real property transfer documents.

In October 2015, MTS made revisions to this Policy in preparation of SAP. As of January 2016, SAP has been fully implemented. The following proposed revisions reflect MTS's current processes within SAP.

1. Removing the Term Procurement Initiation Forms: Prior to SAP, MTS used both Purchase Requisition Forms and Purchase Initiation Forms to initiate procurements of goods and/or services, with minor differences between each. These forms have been combined and formatted electronically within SAP. It is now only referred to as a Purchase Requisition;



2. Sales/Use Tax and Freight: The proposed revisions would state that the signature authority for the approval and payment of freight/shipping and sales/other taxes is described within MTS Board Policy No. 63, Payments for Freight/Shipping or Sales/Other Taxes Policy;
3. Purchase Requisitions for Inventory Items: The proposed revisions would state that the signature authority to approve Purchase Requisitions for inventory items is described within MTS Board Policy No. 64, Inventory Controls and Signature Authority;
4. Micro Purchase Threshold: The Federal Transit Administration has increased the micro-purchase threshold from \$3,000 to \$3,500. On June 9, 2016, MTS updated Board Policy No. 52, Procurement of Goods and Services, to comply with this new threshold. To ensure consistency within this Policy, the proposed revisions will increase the Manager/Supervisor signature authority from \$3,000 to \$3,500 for Purchase Requisitions (Section 41.2), Expense Contracts (Section 41.4.1) and Payment of Invoices not associated with Contracts (Section 41.6.1).
5. Punch-Out Catalog Transactions: A Punch-Out Catalog is a mechanism within SAP that communicates directly with a supplier's online catalog. Instead of having to manually enter an item's description into a Purchase Requisition, the Punch-Out Catalog electronically enters this information into a Purchase Requisition, straight from a supplier's online catalog. The Materials Manager will use the Punch-Out Catalog to purchase needed materials, components and spare parts that are not available in MTS Storerooms and not provided for within MTS's Inventory List. The Materials Manager will have the authority to approve these Purchase Requisitions and execute the associated stand-alone purchase orders for these goods so long as valued at \$3,500 or below;
6. Signature Authority for Stand-Alone Purchase Orders: Once a Purchase Requisition for the procurement of goods and/or service is approved per Section 41.2 of MTS Board Policy No. 41, the Procurement Manager or his/her designee will have the authority to execute stand-alone purchase orders so long as the value of the stand-alone purchase order does not exceed the value of the approved Purchase Requisition. The Chief Executive Officer will implement internal policies and protocols to identify which procurements for goods and/or services are appropriate for the use of a purchase order process as opposed to requiring a formal contract subject to heightened review and approval;
7. Purchase Card Transactions: Authorized signatures for Purchase Card transactions are Directors, Chief Operating Officer – Bus/Rail, Chief Financial Officer and Chief Executive Officer. All approval levels must be contained within and be consistent with MTS's internal Purchase Card Policy;
8. Change Orders: Currently, MTS Board Policy No. 4 "Construction Contract Change Orders" establishes the approval authority of change orders. This is

an outdated Policy, as it requires various approvals by San Diego Association of Governments (SANDAG) Engineers for MTS construction change orders. Staff recommends that MTS Board Policy No. 4 be repealed and the approval authority for change orders be moved to MTS Board Policy No. 41 "Signature Authority". Change orders costing \$100,000 or less may be approved by the Chief Executive Officer. Change orders costing more than \$100,000 may be approved by the Board of Directors. Any change order costing more than \$100,000 that requires immediate approval due to: an emergency involving public safety; liability to MTS; unacceptable delay to the project; or substantial cost increase, shall receive immediate concurrence from the Chief Executive Officer and report such action to the Board of Directors at its next meeting;

9. Payment of Invoices – Prior to SAP, MTS used Requests for Payments or Payment Voucher Forms to start the approval process for the payment of invoices. With the implementation of SAP, MTS will have separate approval processes for the payment of invoices that are associated with a contract (e.g. formal contracts, stand-alone purchase orders) than those for the payment of invoices that are not associated with a contract (e.g. employee reimbursements, payroll deductions and claim payments). The Chief Executive Officer will implement internal policies and protocols to process the payment of invoices associated with a contract. For payment of invoices not associated with a contract, the approval process will require various signatures depending on the dollar value, as listed in Section 41.6.1 of MTS Board Policy No. 41; and
10. Electronic Signature: Currently the Chief Executive Officer has the authority to provide the electronic approval for the Board of Directors within SAP. The proposed revisions would also allow the Chief Executive Officer's designee to perform this function.



Paul C. Jablonski
Chief Executive Officer

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

Attachments: A. Proposed Revisions to Policy No. 41 (red-line version)
B. Repealed MTS Board Policy No. 4



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

Policies and Procedures

No. 41

Board Approval:

| 40/29/2015 12/8/2016

SUBJECT:

SIGNATURE AUTHORITY

PURPOSE:

The purpose of this policy is to establish the authority granted by the Board of Directors to the Chief Executive Officer, and to provide the Chief Executive Officer with the authority to delegate functions under his or her control to MTS staff. It also establishes guidelines and procedures for authorized signatories relating to check processing (including wire transfers) and San Diego Metropolitan Transit System (MTS) documents (purchase requisitions, contracts, agreements, payment vouchers, deeds, grants, etc.). The policies below relate to MTS, San Diego Transit Corporation (SDTC), and San Diego Trolley, Inc. (SDTI). Throughout this policy, the agencies are collectively referred to as MTS.

BACKGROUND:

From time to time, various third parties and agencies seek to verify that individual MTS staff members have the authority to execute documents on behalf of MTS.

MTS maintains a number of checking accounts in various approved financial institutions. To ensure adequate internal controls, signing of checks and execution of wire transfers are restricted to authorized personnel only. This policy establishes guidelines and procedures for obtaining appropriate approval.

In addition, this policy establishes guidelines and procedures for delegating authority to execute MTS documents, including contracts and agreements, on behalf of the Chief Executive Officer in his or her absence.

POLICY:

41.1 Authorized Signatories for Disbursements

A disbursement is the final authorization to pay a third party through either a check, warrant, wire transfer/Electronic Funds Transfer (EFT), Automated



Clearing House (ACH) or other similar payment mechanism. Authorized signatures for disbursements are: the Finance Manager, Controller, Director of Financial Planning and Analysis, Chief Operating Officer – Bus/Rail, Chief Financial Officer, Chief of Staff, General Counsel, and Chief Executive Officer.

One signature is required for disbursements under \$2,000. This signature can be a facsimile signature. Two signatures are required for all disbursements over \$2,000. One of these can be a facsimile signature. A listing of all facsimile checks must be reviewed and approved by an authorized signer. For disbursements over \$10,000, the second signature SHALL NOT BE the Finance Manager, Controller, or Director of Financial Planning and Analysis. Disbursements over \$25,000 require that one of the signatures be that of the Chief of Staff, General Counsel, Chief Financial Officer, or Chief Executive Officer.

The listing below summarizes the above as to effective levels of signing authority:

Finance Manager	To	\$ 10,000
Controller	To	\$ 10,000
Director of Financial Planning & Analysis	To	\$ 10,000
Chief Operating Officer – Bus/Rail	To	\$ 25,000
Chief Financial Officer	Over	\$ 25,000
Chief of Staff	Over	\$ 25,000
General Counsel	Over	\$ 25,000
Chief Executive Officer	Over	\$ 25,000

41.2 Purchase Requisitions and Procurement Initiation Forms

~~Purchase Requisitions and Procurement Initiation Forms~~ initiate the potential procurement of goods and/or services. ~~Purchase Requisitions and Procurement Initiation Forms~~ define the need for goods and/or services; budget for the goods and/or services; and assign staff time and resources to initiate the procurement of such goods and/or services. ~~Purchase Requisitions and Procurement Initiation Forms~~ do not constitute a commitment or contractual relationship with a Vendor.

Authorized signatures for ~~Purchase Requisitions and Procurement Initiation Forms~~ are Supervisors, Managers, Directors, Chief Operating Officer – Bus/Rail, Chief Financial Officer, Chief of Staff, General Counsel, and Chief Executive Officer.

Manager/Supervisor	To	\$ 3,000 <u>500</u>
Directors	To	\$ 5,000
Chief Operating Officer – Bus/Rail	To	\$ 50,000
Chief Financial Officer	To	\$ 50,000
Chief of Staff	To	\$ 50,000
General Counsel	To	\$ 50,000
Chief Executive Officer	Over	\$ 50,000

~~Upon implementation of the SAP system, the Purchase Requisition and Procurement Initiation Form will be combined and formatted electronically within SAP. The above approval levels (Section 41.2) will continue to be applicable.~~

41.2.1 Purchase Requisitions for Inventory Items. The signature authority to approve Purchase Requisitions for inventory items is described within MTS Board Policy No. 64, Inventory Controls and Signature Authority.

41.3 Purchase Orders under Existing Contract

Upon completion of the procurement process (i.e. Board of Directors or staff approval of a formal contract pursuant to Section 41.4 of this Policy), the Procurement Manager may execute and transmit Purchase Orders to the vendor to properly manage the funding of multiple year contracts.

41.4 Authorized Signatories on Contracts and Documents

Authorized signatures for Contracts and Documents are Supervisors, Managers, Directors, Chief Operating Officer – Bus/Rail, Chief Financial Officer, Chief of Staff, General Counsel, and Chief Executive Officer.

41.4.1 Expense Contracts. Expense contracts are contracts that require MTS to expend funds in return for goods or services. Expense contracts can be issued using various procurement forms, including but not limited to: a formal contract; ~~stand-alone punch-out catalog purchase orders; and a Vendor Agreement Form,~~ and purchases by payment card. All approval levels must be contained within and be consistent with overall Board of Directors approval levels. The approval levels are as follows:

<u>Materials Manager/Supervisor (Punch-Out Catalog Payment Cards Only)</u>		To
	\$	3,000 <u>500</u>
<u>Purchase Orders Only)</u>		
Procurement Manager, Senior Procurement Specialist or Principal Contracts Administrator	To	\$ 3,000 <u>500</u>
Directors	To	\$ 5,000
Chief Operating Officer – Bus/Rail	To	\$ 50,000
Chief Financial Officer	To	\$ 50,000
Chief of Staff	To	\$ 50,000
General Counsel	To	\$ 50,000
Chief Executive Officer	Up To	\$ 100,000
Board of Directors	Over	\$ 100,000

41.4.1.12 Stand-Alone Purchase Orders. ~~Upon implementation of the SAP system, the above approval levels (Section 41.4.1) will continue to be applicable. Execution of stand-alone purchase orders will be streamlined and processed electronically within SAP. Once a Purchase Requisition for the procurement of goods and/or service is approved per Section 41.2 of this Policy or through Board of Directors action, the Procurement Manager or his/her designee will have the authority to execute stand-alone purchase orders so long as the value of the stand-alone purchase order does not exceed the value of the approved Purchase Requisition.~~

The Chief Executive Officer will implement internal policies and protocols to identify which procurements for goods and/or services are appropriate for the use of a stand-alone purchase order process as opposed to requiring a formal ~~written contract~~ subject to heightened review and approval.

41.4.3 Purchase Card. Authorized signatures for Purchase Card transactions are Directors, Chief Operating Officer – Bus/Rail, Chief Financial Officer and Chief Executive Officer. All approvals of Purchase Card transactions must be consistent with MTS's internal Purchase Card Policy.

41.4.4 Change Orders. A contract change order is a change within the original scope of the contract. Contract change orders costing \$100,000 or less may be approved by the Chief Executive Officer. Contract change orders costing more than \$100,000 may be approved by the Board of Directors. Any change order costing more than \$100,000 that requires immediate approval due to: an emergency involving public safety; liability to MTS; unacceptable delay to the project; or substantial cost increase, shall receive immediate concurrence from the Chief Executive Officer and report such action to the Board of Directors at its next meeting.

41.4.52 Revenue Contracts. Revenue contracts are contracts that result in payments to MTS for goods, services or real property interests. Examples include group/employer sales contracts (monthly passes/fare revenue), advertising, special event licenses, property leases, right of entry permits or licenses, easements and grant deeds. All revenue contracts may be approved by the Chief Executive Officer. Long-term concession contracts (e.g. bus shelter advertising, naming rights, trolley station concessions) and the sale of real property rights (e.g. easement or fee simple interest) valued over \$100,000 shall be approved by the Board of Directors.

41.4.63 Grants and Memorandums of Understanding. Grants and related documents necessary to obtain local, state and federal funding may be approved by the Chief Executive Officer, Chief Financial Officer, Chief of Staff or General Counsel. Memorandums of Understanding or other agreements documenting an agreed process or program, but not requiring a specific expenditure of MTS funds, may be approved by the Chief Executive Officer. Memorandums of Understanding or other agreements that materially alter the risk or liability MTS has agreed to/is legally obligated to bear, shall be approved by the Board of Directors.

41.4.74 Cost Recovery Agreements. Agreements to undertake certain activities, but which are fully funded by another entity, may be approved by the Chief Executive Officer. Examples include agreements with SANDAG-San Diego Association of Governments establishing the cost-recovery process for TransNet-funded transit programs or agreements with North County Transit District to pay its fair share of Regional Fare System (Compass Card) costs.

41.4.85 Real Property Transfer Documents. Subject to the approval limits set forth in this Policy, the Chief Executive Officer is authorized to sign all real property transfer documents, including but not limited to, permits, rights of entry,

licenses, leases, deeds, easements, escrow instructions, and certificates of acceptance.

41.4.6-9 Capital Asset Transfer Documents. Capital Assets may include but are not limited to: revenue vehicles; non-revenue vehicles; equipment; information technology; and furniture. Transfer documentation for Capital Assets may be signed by staff as authorized within MTS Board Policy No. 33, Capital Asset Disposal.

41.5 Changes in Terms and Conditions

Any requested revision to MTS's Terms and Conditions or to accept a Vendor's Terms and Conditions must be approved by the General Counsel.

41.6 Authorized Signatories of Request for Payment of Invoices/Payment Vouchers

41.6.1 Payment of Invoices not associated with Contracts. Payment of invoices not associated with contracts includes, but is not limited to, employee reimbursements, payroll deductions, utility payments, insurance payments, purchase card transactions and claim payments. Authorized signatures for Request for Payment of these invoices /Payment Vouchers are Supervisors, Managers, Directors, Chief Operating Officer – Bus/Rail, Chief Financial Officer, Chief of Staff, General Counsel, and Chief Executive Officer.

All approval levels must be contained within and be consistent with overall Board of Directors approval levels. The approval levels are as follows:

Manager/Supervisor	To	\$ 3,000
Directors	To	\$ 5,000
Chief Operating Officer – Bus/Rail	To	\$ 50,000
Chief Financial Officer	To	\$ 50,000
Chief of Staff	To	\$ 50,000
General Counsel	To	\$ 50,000
Chief Executive Officer	Over	\$ 50,000

41.6.2 Payment of Invoices associated with Contracts. Payment of invoices associated with contracts, includes, but is not limited to, formal contracts, stand-alone purchase orders and punch-out catalog purchase orders. Upon implementation of the SAP system, the Request for Payment/Payment Vouchers process will no longer be applicable for certain payments. The Chief Executive Officer will implement internal policies and protocols to ensure that upon receiving an invoice, staff determines whether the proper rate, price and quantity is being charged before payment is processed within SAP. Once payment is processed, the disbursement must then be approved as required by Section 41.1 of this Policy.

41.7 Authorized Signatories for Freight/Shipping and Sales/Other Taxes

The signature authority for the approval and payment of freight/shipping and sales/other taxes is described within MTS Board Policy No. 63, Payments for Freight/Shipping or Sales/Other Taxes Policy.

41.7—8 Authorized Signatories for Absences

In the Chief Executive Officer's absence, General Counsel, Chief of Staff, Chief Financial Officer or the Chief Executive Officer's designee is authorized to execute all checks, purchase requisitions, contracts, and documents as necessary, subject to any limits set or instructions -given by the Chief Executive Officer.

In the Procurement Manager's absence, the Chief Financial Officer, the General Counsel, the Director of Financial Planning and Analysis, or the Controller is authorized to execute Expense Contracts falling within the Procurement Manager's signature authority.

In the Clerk of the Board's absence, the Assistant Clerk of the Board is authorized to execute documents as may be required to certify actions of the Board of Directors.

41.89 Electronic Signature

Any signature authorized within this Policy may be provided electronically through an automated system (e.g. SAP system).

Upon receipt of approval from the Board of Directors for any Expense Contract over \$100,000, the Chief Executive Officer or his or her designee shall have the authority to provide the electronic approval within an automated system for the Board of Directors when applicable.

This original Policy was adopted on 2/13/1992.

Policy revised on 8/11/1994.

Policy revised on 1/29/2004.

Policy revised on 2/23/2006.

Policy revised on 11/18/2010.

Policy revised on 11/14/2013.

Policy revised on 03/20/2014.

Policy revised on 10/29/2015

Policy revised on 12/8/2016.



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

Policies and Procedures No. 4

SUBJECT:

Board Approval: 1/29/04

CONSTRUCTION CONTRACT CHANGE ORDERS

PURPOSE:

The purpose of this policy is to establish the parameters and conditions for change orders on construction contracts.

BACKGROUND:

Recognizing that circumstances or needs may vary from time to time as warranted by unforeseen field conditions, design refinements, or Board direction, it is anticipated that changes to contracts may be required. All changes shall be reduced to writing and shall clearly define the reason for the change and its probable impact on the contract. Changes may be requested by either the contractor or MTS.

POLICY:

- 4.1 It is the policy of MTS that all construction contracts may be amended by a suitable change order. The contract change orders shall be processed in accordance with the flow chart (attached).
- 4.2 In general, contract change orders (CCOs) costing \$100,000 or less may be approved by the Chief Executive Officer (CEO). CCOs costing \$25,000 or less may be approved by the San Diego Association of Governments (SANDAG) Director of Engineering and Construction. CCOs costing \$10,000 or less may be approved by the SANDAG Construction Engineer, and CCOs costing \$5,000 or less may be approved by the SANDAG Resident Engineer within the terms listed in 4.3, below. The Board may approve CCOs costing more than \$100,000 after review of a detailed report by staff that describes the cost and time implications as well as other pertinent information relating to the change.



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

- 4.3 The CEO, the Director of Engineering and Construction, the Construction Engineer, and the Resident Engineer are delegated the following authority:
- 4.3.1 Chief Executive Officer. To approve any change order resulting in a net increase of \$100,000 or less that is required to complete the work as intended, except that no change order is to be approved if, in view of other known obligations, the Board-adopted light rail transit (LRT) project funding limits could be exceeded.
 - 4.3.2 Director of Engineering and Construction. To approve any change order resulting in a net increase of \$25,000 or less that is required to complete the work as intended, except that no change order is to be approved if, in view of other known obligations, the Board-adopted LRT project funding limits could be exceeded.
 - 4.3.3 Construction Engineer. To approve any change order resulting in a net increase of \$10,000 or less that is required to complete the work as intended, except that no change order is to be approved if, in view of other known obligations, the Board-adopted LRT project funding limits could be exceeded.
 - 4.3.4 Resident Engineer. To approve any change order resulting in a net increase of \$5,000 or less that is required to complete the work as intended, except that no change order is to be approved if, in view of other known obligations, the Board-adopted LRT project funding limits could be exceeded.
 - 4.3.5 To refer to the Board of Directors any proposed changes to work on an ongoing construction contract costing more than \$100,000. The actual contract change order will be attached to the agenda item requesting approval.
 - 4.3.6 To approve any added work on an ongoing construction contract that requires immediate approval because of an emergency involving safety to the public or liability to MTS and costs more than \$100,000, after receiving immediate concurrence of the Chairperson of the Board, or Vice Chairperson in the absence of the Chairperson, and to report such action to the full Board at the next Board meeting.
 - 4.3.7 A report with all authorized CCOs will be submitted to the MTS Board on a monthly basis.
 - 4.3.8 For changes in excess of \$1 million, the Executive Committee would determine whether a change review panel should be formed to evaluate the desirability of the change. The panel, if deemed necessary, will be comprised of one construction industry representative, key SANDAG design and construction staff, outside-agency staff (if needed), and/or members of the Executive Committee.

- 4.4 The term "emergency" shall be deemed to refer to a sudden or unforeseen event which creates or could result in a dangerous condition necessitating immediate expenditure of public funds to protect life, health, or property.
- 4.5 Except in an emergency, or in the case of a justifiable sole source procurement, a change order shall not be awarded without competitive bidding where the amount of such change order exceeds 25 percent of the price of the original or altered contract or the change order is out of the original contract scope.
- 4.6 That the Executive Committee of the Board or, if not practical, the Chairperson of the Board or the Vice Chairperson in the absence of the Chairperson, be authorized to approve contract change orders exceeding \$100,000 when waiting for Board approval could potentially delay the project or increase the cost of the change. In such an instance, the CEO shall notify the Board of the Executive Committee's action or Chairperson/Vice Chairperson as appropriate.
- 4.7 All change orders that impact or potentially impact Board-adopted policies shall be brought before the Board for decision.
- 4.8 All change orders which utilize federal funds shall conform to the Code of Federal Regulations, Volume 49, Part 18, and Federal Transit Administration Circular 4220.1 and any successors thereof.

Sgreen/SChamp/JGarde
POLICY.4.CCOs
7/10/06

Attachment: Generalized Process for Acting on CCOs

Original Policy approved on 9/11/78.

Policy revised on 10/29/79.

Policy revised on 7/28/80.

Policy revised on 5/18/81.

Policy revised on 2/7/84.

Policy revised on 10/13/88.

Policy revised on 11/9/89.

Policy revised on 7/26/90.

Policy revised on 6/10/93.

Policy revised on 6/9/94.

Policy revised on 12/8/94.

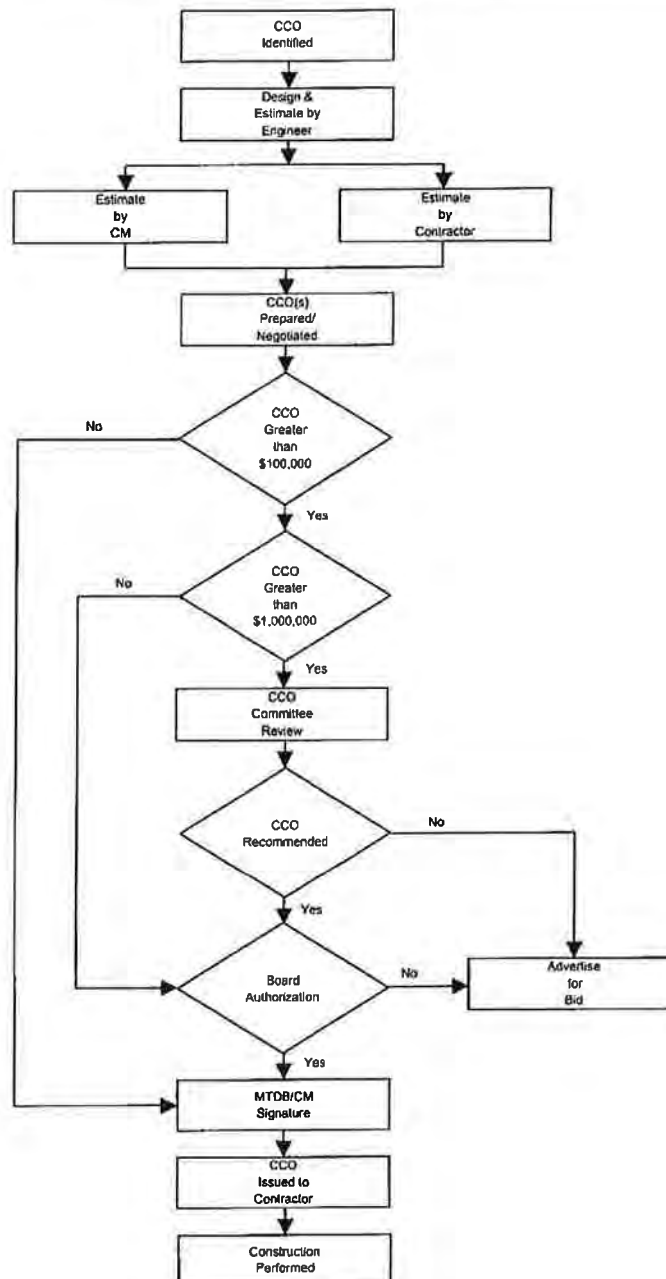
Policy revised on 4/13/94.

Policy revised on 3/14/96.

Policy revised/renumbered on 1/29/04.

Policy repealed on 12/8/16.

Generalized Process for Acting On Contract Change Orders (CCO's)





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Agenda Item No. 8

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 8, 2016

SUBJECT:

MTS SALE OF 2007 45' BLUEBIRD EXPRESS COMMUTER BUS TO TRANSDEV SERVICES, INC.

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the negotiated sale of MTS Vehicle No. 8511 (2007 45' Bluebird Express, VIN # 1BAGRBFA07W100519) to Transdev Services, Inc.

Budget Impact

Proceeds from the sale of the MTS vehicle will be recorded to the MTS revenue account 901010-440200.

DISCUSSION:

On September 7, 2016, Bus No. 8511 caught fire on the SR163 highway. MTS staff determined that the vehicle was totaled and would not be cost effective to repair. The bus, owned by MTS, is operated by Transdev Services, Inc. (Transdev) as part of MTS's fixed-route bus services contract. Under the Transdev contract, Transdev is responsible for maintaining and operating the vehicles. Transdev is responsible for repairing any MTS vehicles damaged during Transdev's operations.

Transdev obtained an appraisal of the Fair Market Value (FMV) of the vehicle in its condition prior to being destroyed by the fire. The appraisal was performed by Bus Appraisal Solutions who estimated the FMV at \$25,400.

Board Policy No. 33 states that "capital assets with an individual value in excess of \$10,000 or an aggregate value in excess of \$25,000 may be disposed of on a negotiated sale basis provided a finding by the MTS Board of Directors by a two-thirds vote that special circumstances exist that make it in the best interest of the Board." In accordance with Board Policy No. 33, alternatives to the proposed negotiated sale would include a competitive sale or internet auction. Given the current state of the vehicle, the highest



return would be realized by a negotiated sale price based on the value of the vehicle prior to the fire damage. A sale of the vehicle to Transdev would make MTS whole for the loss of this vehicle from the fixed route fleet, resolving the outstanding property damage claim with Transdev.

Therefore, MTS staff recommends that the MTS Board of Directors authorize the negotiated sale of MTS Vehicle No. 8511 (2007 45' Bluebird Express, VIN # 1BAGRBFA07W100519) to Transdev Services, Inc.



Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Vehicle Appraisal

Transmittal Letter

Desktop Appraisal



900 Ranch Rd. Copper Canyon, TX 76226 ♦ Phone 503-883-6300 ♦ Fax 503-883-7100

October 26, 2016

Eric Lunda
Corporate Risk Management Department
Transdev - Illinois
720 East Butterfield Road Suite #300
Lombard, IL 60148

**RE: Desktop Appraisal of One (1) 2007 BlueBird XCEL 102 VIN# 1BAGRBFA07W100519.
Claim number VI-898779.**

Dear Mr. Lunda;

In accordance with your request, we have completed a desktop appraisal of the above referenced vehicles. The purpose of this report is to estimate the adjusted Retail, Fair Market Value of the subject unit. We understand that this appraisal will be used for financial, and lender negotiations, as well as insurance purposes in your ongoing fleet management.

The attached report is a **Complete Appraisal** presented in a **Self-Contained Report** format. It is intended to comply with the requirements of the *Uniform Standards of Professional Appraisal Practice (USPAP)*, specifically **Standards Rule 8-2**, as adopted by the Appraisal Foundation. The appraisal contains all of the recognized appraisal methods and the techniques that contribute to a proper valuation of the subject property.

This report is subject to specific assumptions and limiting conditions, as noted throughout the report attached hereto. The use and interpretation of this report, without a thorough appreciation and understanding of these assumptions and limiting conditions, would likely lead to erroneous conclusions.

This transmittal letter and the accompanying text, and any schedules and attachments, constitute Bus Appraisal Solutions (BAS) entire report, and should be read in their entirety.

Possession of this report does not imply right of publication, nor use for any purpose by any other than the person to whom it is addressed, without the written consent of the authors.



Transmittal Letter

Desktop Appraisal

No third parties may rely upon this appraisal for any purpose whatsoever, including the provision of financing for the acquisition of the subject property. This appraisal was prepared specifically for our client, to whom this appraisal was addressed.

Bus Appraisal Solutions (BAS) its officers, and its employees have no interest or contemplated future interest in the items appraised. The fee for this report is not contingent upon the values expressed, nor is any guarantee or liability to be assumed or implied.

Bus Appraisal Solutions has made no investigation of and assumes no responsibility for title to the items appraised.

Please feel free to call us at 503-883-7010 should you have any questions.

Respectfully Submitted,

Dave Mendenhall
President
Bus Appraisal Solutions
503-883-7010
davem@bussolutions.com



Executive Summary

Desktop Appraisal

Appraisal Details

Company Name	Transdev Services, Inc.
Effective Date	September 31, 2016
Date of Loss	September 07, 2016
VIN#	1BAGRBFA07W100519
Property Appraised	Fee Simple

Value Summary

Value

Retail Value	\$37,000
Adjusted Retail Value	\$32,900
Fair Market Value/ True Cash Value	\$25,400

Sales Timeframe

FMV

OLV

Orderly Liquidation Sale

N/A

N/A

Key Contacts

Name	Contact
Dave Mendenhall President	(503) 883-7010 davem@bussolutions.com
Richard Hill Director of Asset Management	(503) 883-7008 rhill@bussolutions.com

Key Factors:

▪ **Appraisal Methodologies** – At the request of the client, Bus Appraisal Solutions (BAS) utilized three appraisal methodologies in our fleet modeling process: Retail (RV), Adjusted Retail (ARV), Fair Market/True Cash Value (FMV/TCV).

▪ **Inspection Basics** – BAS performed a thorough inspection of all documentation provided in regards to the above unit. BAS employees reviewed the submitted maintenance records, mechanical condition, and age of the unit (where applicable), and then include the findings in our condition reports and valuation models.

Appraisal assignment – BAS was hired to establish the value of the subject unit one day prior to the loss on September 07, 2016.

We were not hired to evaluate if the unit should be totaled or repaired but rather to establish the value of the unit as defined by the policy at the time of loss.

No other opinions have been rendered in this appraisal.



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Scope of Report

Desktop Appraisal

The scope of this appraisal assignment includes the necessary research and analysis to prepare a report in accordance with the intended use and the *Uniform Standards of Professional Appraisal Practice* of the Appraisal Foundation. For this report, this involved the following steps:

1. The subject unit has not been inspected. However information was provided to determine the units current condition including invoices for the original build and interior updates if available, photos of the interior and exterior of the unit and componets.
2. The value models have been developed by (BAS) and are based on values found in the March 2016 edition of **The Official Bus Blue Book™**, which is the official "Blue Book" for the bus and coach industry and was the most current edition as of the date of loss for the unit in this appraisal.
3. Mileage was provided by the operator.
4. In developing the values in this report, industry sources such as brokers, dealers, manufacturers, operators and owners were consulted along with our own data files about the bus industry and the subject units.
5. After assembling and analyzing the data defined in the scope of the appraisal, a final estimate of market value was made.



Preliminary Data

Desktop Appraisal

Identification of the Property

The subject property consists of One (1) 2007 Blue Bird XCEL 102 VIN: 1BAGRBFA07W100519.

While the unit is a Blue Bird, the vin does not decode a specific model. BAS assumes no responsibility for the accuracy of the information provide. This appraisal reflects values for a standard configured 2007 Blue Bird XCEL 102.

Purpose of the Appraisal

The purpose of this appraisal is to estimate the Retail, Fair Market/True Cash Value, of the subject property on an "as is" basis one day prior to the date of loss above.

Function of the Appraisal

The function and intended use of this appraisal is to provide a clear and concise valuation of the property, in order to aid in ongoing portfolio management.

Prohibitive Influences

This appraisal assignment was not based on a requested minimum valuation or a specific valuation, and the employment of (BAS) is not conditioned on producing a specific value or a value within a given range.

Value Definitions

Definition of Fair Market Value/True Cash Value

This appraisal has been based on the following definition of Fair Market Value/True Cash Value as approved by the American Society of Appraisers:

Fair Market Value/True Cash Value is the amount expressed, in terms of money that may reasonably be expected for property in exchange between a willing buyer and a willing seller with equality to both, neither under a compulsion to buy or sell and both fully aware of all relevant facts.

Competency Disclosure

The appraisers completing this report have substantial experience in the valuation of this property type or have taken the appropriate steps to familiarize themselves with the valuation issues and techniques relevant to this appraisal problem; therefore, we are competent to complete this appraisal assignment.

Property Rights Appraised

The subject property is being appraised as a fee simple estate.



Fleet list**Desktop Appraisal**

Fleet Number	Make	Model	Year	VIN	PAX	Engine	TCM	Transmission
8511	BlueBird	XCEL 102	102	1BAGRBFA07W100519	57	Cummins ISX	300,661	Allison 2400



Introduction to the Appraisal

Desktop Appraisal

The following appraisal models were developed and prepared by the staff of Bus Appraisal Solutions and represent findings from the physical inspection of this fleet, information provided by the client and/or operator, and information from a number of like transactions. This report is as accurate as possible based on our inspection and the information provided. Assumptions are outlined in the body of the appraisal.

It should be noted that no person involved in the appraisal has any current interest in the equipment that is the subject of this appraisal, nor anticipates any future interest in terms or purchasing or acquiring said equipment. The appraisal models are based on values published in the March 2016 edition of **The Official Bus Blue Book™**.



The Appraisal Approach

Desktop Appraisal

Appraisal methodology employs three approaches for determining value: the Income Approach, the Cost Approach and the Market Approach (also known as the Sales Comparison Approach). The applicability of each approach varies depending upon the nature of the particular appraisal problem. All three approaches were considered in forming an opinion of the value of the subject property.

Income Approach

In its simplest form, the Income Approach is the present worth of the future benefits (income) of ownership. It is not usually applied to individual items of equipment since it is difficult, if not impossible, to identify individual income streams. However, it is possible to value the aggregation of assets which generate income for the business. This collection of assets is commonly known as the business enterprise and consists of all assets of the business – working capital and fixed and intangible assets. In this appraisal approach, the business enterprise is valued on the basis of its future income potential.

Cost Approach

The Cost Approach is based on the principle that a prudent purchaser would not pay more for a property than the cost of reproducing a similar property. The Cost Approach measures value by determining the current cost of an asset and deducting for the various elements of depreciation, physical deterioration and functional and economic obsolescence.

Market Approach

The Market Approach (also known as the Sales Comparison Approach) is based on the premise that a prudent buyer would pay no more for a property than the price of obtaining a substitute property of equal utility. The Market Approach is that approach to value where recent sales and offering prices of similar property are analyzed to arrive at an indication of the most probable selling price of the property being appraised.

Approach(es) Applied in this Appraisal

The Income Approach is not applicable to this particular appraisal. The Market Approach was utilized.

The Cost Approach is particularly useful for newer asset properties and special-purpose properties

The unit in this appraisal is valued utilizing the Market (or Sales Comparison) Approach. This is easily the most useful appraisal approach for vehicles such as automobiles, trucks and buses. **The Official Bus Blue Book**, is compiled based on data from actual recordable sales transactions, occurring within a reasonably recent time frame, of like make/model/year units. Therefore, the values in this publication are reflective of actual market value.

Explanation of Terms

Desktop Appraisal

The following explanation details the factors that are taken into consideration as Bus Appraisal Solutions develops its appraisal models:

RETAIL VALUE

The low and high retail values in **The Official Bus Blue Book™** reflect a range of values based on actual recordable sales during the previous six-month period. The high retail values typically represent Dealer to Operator transactions with units in sale ready condition. Generally this means that all components are in good working order, including the exterior and interior body of the bus. The glass is free of cracks and fog, and the interior is clean. There are good seat covers and sidewalls. The flooring is in good condition. The bus is prepped with white paint and black trim, ready to put on the new buyer's paint schemes and letterings.

ADJUSTED RETAIL VALUE

The Adjusted Retail Value is determined by adding to or subtracting from the Retail Value for optional equipment and component mileage.

SALE READY COST

To determine the Sale Ready Cost, we use the totals from other transactions and then determine the average cost to put the average unit in sale-ready condition. These items include the cost of paint, the cost of purchasing the lease tires (if applicable) and the cost of any general repair. In addition, we consider the findings of last physical inspection.

FAIR MARKET VALUE/TRUE CASH VALUE

After the Sale Ready Cost has been deducted from the Adjusted Retail Value, we reach what we consider to be a Fair Market Value/True Cash Value (FMV/TCV). This is the amount that may reasonably be expected for property in exchange between a willing buyer and a willing seller with equality to both, neither under a compulsion to buy or sell and both fully aware of all relevant facts. This is the value for a single unit in "as-is, where-is" condition.



Appraisal Model**Desktop Appraisal**

Fleet Number	Make	Model	Year	VIN	PAX	Engine	TCM	Transmission	Retail Value	Adjusted Retail Value	Fair Market Value/ True Cash Value
8511	BlueBird	XCEL 102	102	1BAGRBFA07W100519	57	Cummins ISX	300,661	Allison 2400	\$37,000	\$32,900	\$25,400
									\$37,000	\$32,900	\$25,400



Assumptions and Limiting Conditions

Desktop Appraisal

This appraisal report is subject to the following *general assumptions and limiting conditions*:

The valuation estimate and market or feasibility conclusions apply only to the property specifically identified and described in this report.

It is assumed that all information known to the client and relative to the valuation has been accurately furnished. Any undisclosed or inaccurate information could significantly affect this valuation.

No responsibility, beyond reason, is assumed for matters of a legal nature, whether existing or pending.

Information identified as being furnished or prepared by others is believed to be reliable, but no responsibility for its accuracy is assumed.

The appraisers, by reason of this appraisal, are not required to give testimony as an expert witness in any legal hearing or before any court of law unless justly and fairly compensated for such services.

Neither all nor part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or the firm with which they are connected) will be reproduced for dissemination to the public through any means of communication without the prior consent and written approval of Bus Appraisal Solutions (BAS).

This appraisal is based on the condition of local and national economies, purchasing power of money, and financing rates prevailing at the effective date of value.

Possession of this report does not imply right of publication, nor use for any purpose by any other than the person to whom it is addressed, without the written consent of the authors.

No third parties may rely upon this appraisal for any purpose whatsoever, including the provision of financing for the acquisition of the subject property. This appraisal was prepared specifically for our client, to whom this appraisal was addressed.



Special Assumptions

Desktop Appraisal

Following are the *special assumptions* which pertain to this specific appraisal:

1. This appraisal assumes that the information provided by the client and/or owner/operator of the subject vehicles is accurate, and any inaccuracies may result in a change in value.
2. (BAS) has relied on third party information as to the existence, location and condition of the subject vehicle. Therefore, we issue no warranty or other form of assurance regarding its accuracy.
3. The valuation assumes that the subject vehicle was in good working condition and possessed all components for safe and legal operation. It also assumes that the vehicle has not been significantly altered from the original configuration at the time of delivery.
4. Information was provided regarding optional equipment on the units. Where known, options are considered in our valuation. Additional options could result in a change in value.
5. Information was provided regarding engine and transmission configurations and mileages on these components. Should actual component mileage be significantly higher or lower than that provided, this could result in a change in value.
6. It is our understanding that the tires on the unit in this appraisal are owned and not leased. This has been taken into consideration when estimating Sale Ready Costs for the unit in the appraisal.
7. The values for the unit in this appraisal are based on the values published in the March 2016 edition of **The Official Bus Blue Book™**, which is the official "Blue Book" of the bus and coach industry and was the most current edition as of the date of loss.
8. The information in this report is the result of analysis and evaluation of numerous sources of industry information including, but not limited to, industry associations, government data, manufacturers' data, personal contacts and relationships, and trade publications. Every effort has been made to ensure that the information and data are as accurate as possible. Opinions expressed in this report are the opinion of (BAS) and are based upon our knowledge and experience in the industry.
9. (BAS)'s liability on any claim for damages arising out of this agreement or the appraisal shall be limited to direct damages and shall not exceed the amounts paid by client to (BAS) for the appraisal under this agreement. In no event shall (BAS) be liable for indirect, exemplary, incidental or consequential damages arising from this agreement, even if (BAS) has been advised of the possibility or likelihood of such damages.



Certification

Desktop Appraisal

We certify that to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and is our personal, impartial and unbiased professional analyses, opinions and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of a value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan and the employment of Bus Appraisal Solutions, LLC are not conditioned upon the appraiser producing a specific value or a value within a given range.
- The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* as stated by the Appraisal Foundation.

Prepared by

Dave Mendenhall

President

Bus Appraisal Solutions, LLC

503-883-7010

davem@bussolutions.com



Addendums

Desktop Appraisal

ADDENDUMS



Professional BIO**Desktop Appraisal**

PROFESSIONAL BIO of
DAVE W MENDENHALL
900 Ranch RD
Copper Canyon, TX 76226
503-883-7000

PROFILE

Over 30 years of experience in the bus transportation industry, including 2 years with ABC Companies, 2 years with Bus Brokers, 15 years with Bus Book Publishing, Inc. I am currently with Bus Solutions, LLC, Bus Appraisal Solutions, and Solutions Management Group. Experience in a wide variety of business areas including the following:

- *Sales of new and used buses*
- *Sales management*
- *Marketing*
- *Appraisals*
- *Financing*
- *Leasing*
- *Corporation development*
- *Publications development*
- *P&L responsibilities*
- *Consulting to various industry vendors and suppliers*
- *Maintenance*
- *Driving*
- *Keynote speaker to American Society of Appraisers regarding valuation techniques for bus and coach equipment, United Bus Association, Buscon, Trailways annual meetings*
- *Maintaining external business relationships*
- *Reporting of consolidated results to Board of Directors*



Professional BIO**Desktop Appraisal****SUMMARY OF PROFESSIONAL EXPERIENCE****Bus Appraisal Solutions – Copper Canyon, TX – 2010 - Present****President**

- *Provide historical and residual value analysis*
- *Largest independent bus appraisal company in North America*
- *Developed industry specific appraisal models*
- *Leading valuation consulting company providing a number of consulting services to industry organizations such as CitiCorp, Bank of Montreal, Boeing Financial, GE Capital, BankAmerica, US Bancorp, Fleet Capital, Motor Coach Industries, ABC Companies, Prevost Car, Carrier Transcold and many others.*
- *Expert witness*

Bus Solutions, LLC – Copper Canyon, TX – 2002 - Present**President**

- *Publisher of four industry publications:*
 - *Bus Weekly – “classified ads” for the bus industry, distributed weekly*
 - *Bus Direct Pages – buyer’s guide for bus and coach industry*
 - *The Official Bus Blue Book – valuation guide for used bus equipment*
 - *The Official School Bus Blue Book – valuation guide for used school bus equipment*

Solutions Management Group- Copper Canyon, TX - 2010 – Present**President**

- *Think tank of retired C.E.O.’s and professionals from all aspects of the Bus Industry.*
- *Solutions Management Group, LLC provides quality consulting to manufacturers, financial management firms, insurance companies, and a variety of vendors and suppliers, serving a variety of industry specific needs.*
- *Provides quality marketing referrals to key industry vendors.*

Bus Book Publishing, Inc. – McMinnville, OR – 1986-2002

Founder, President and CEO - *Published six critical industry publications; bus appraisal and consulting division providing many key consulting and appraisal services.*

ABC Bus, Inc. – Faribault, MN – 1984-1985

National Bus Sales and Service Representative - *Sales involving purchases of leased, new and used coaches, procured customer financing and leasing packages, and Coach Appraisals.*



Corporate Background

Desktop Appraisal



Corporate Office (Dallas / Ft. Worth - Metroplex)

900 Ranch Road, Copper Canyon, TX 76226 ♦ Phone 503-883-7000 ♦ Fax 503-883-7100

Corporate Background

For the past 30 years, Bus Solutions, LLC, Solutions Management Group, LLC, Bus Appraisal Solutions, LLC and their predecessor company, Bus Book Publishing, Inc. has been a leader and innovator in the transportation industry, specializing in all four segments of the bus industry.

Recognizing the need for a single reliable valuation source for used buses, David Mendenhall founded Bus Book Publishing in 1987. The first issue of The Official Bus Book Market Report™ was published that first year. This book was the first and is currently the only valuation source in the bus and coach industry for used bus pricing. The Official Bus Book Market Report™ is a semiannual publication that is a compilation of national average sales prices reflecting actual sales transactions throughout North America during the previous six-month period. Considered to be the "Blue Book" for the bus and coach industry, it is accepted by every major lender and insurance company in the industry and covers the intercity, shuttle and transit market segments.

In 1995, we introduced The Official School Bus Resale Guide™. Published annually, this "school bus blue book" provides the industry with wholesale and retail values for nearly all bodies and chassis of used school buses produced in the United States and Canada over the last fifteen years. This valuation guide has also become an invaluable resource for school bus lenders, insurers, dealers and operators throughout North America.

Bus Solutions, LLC and its affiliated companies has been nationally recognized as the industry leader in the field of bus valuations, appraisals and damage reporting. We are the only independent appraisal company that specializes in bus and coach valuations. We are also an industry leader in transportation market studies, with special emphasis on the bus industry.

Over the years Bus Solutions, LLC has provided many industry professionals with targeted industry research and market data and research to guide them through market launchers and other endeavors.

We are not in the business of selling, leasing or buying bus equipment; we provide impartial assessments to our clients with the same trust as a fiduciary, without any conflict of interest or self-dealing. To further protect our clients, we prepare our appraisals with the same criteria and standards as those established by the American Society of Appraisers. Bus Solutions, LLC valuation models are accepted and used by financing and appraisal companies throughout North America, including members of the American Society of Appraisers. Bus Solutions has set the trends and developed the techniques that have become the industry standards for equipment valuations.

Our customers extend throughout the United States, Canada, Mexico and Europe. Some of our clientele are listed below:



Corporate Background

Desktop Appraisal

Advantage Funding	Huntington National Bank
AIG	ICON Capital
Amegy Bank	Internal Revenue Service
American Equipment Leasing	IStar Financial
ATEL Equipment	JP Morgan
Banc One Leasing	Lakeside Capital
Bank North Leasing	LaSalle National Equipment
Bank Of America San Francisco	Lincolnshire
Bank of Montreal (BMO)	M&T Bank
BankAmerica Leasing	Madison Capital
Boeing Capital Corporation	Manufacturers Lease Plan, Inc.
BTMU Capital	Marquette Equipment Finance
Cargill Leasing	Midland Loan Service
Carrier Transport AC	Money Financial Group
Catalyst Capital	National Interstate Insurance
Center Capital	Newcourt Credit
Charabanc	Orix Credit Alliance
Chase – Bank One	PNC
Chesapeake Leasing	Randolph Bank
CitiCapital	Royal Bank of Scotland
CitiCorp, ITT Capital Finance	RVI Insurance
Cole Taylor Bank	Sallie Mae
Comerica Bank	Siemens Financial
Crossroads Equipment Leasing	Signature Financial
Dallas Central Appraisal District	SouthTrust Bank
Debis Financial Services	SunTrust
Edson Financial	TD Bank
Equilease Financial	Tennessee Commerce Bank
Fenway Partners	Textron Financial
First International Bank	The CIT Group
First National Capital	U.S. Bancorp Leasing
Fleet Capital	U.S. Bank Corporation Banking Division
GATX Leasing	VERITAS Financial Partners
GE Commercial Finance – Atlanta	Volvo Commercial Finance
GE Corporate Finance	Wachovia
GE Structured Finance	Welder Health and Fitness
GL Simpson Insurance	Wells Fargo Equipment Finance
Greenwich Capital	Wichita Commercial Bank
	Numerous Law firms - Expert Witness



Corporate Background

Desktop Appraisal

We have also provided value information to the Internal Revenue Service and the Federal Transit Administration. In addition, we served as the consulting firm on a majority of the Greyhound lease returns entering the secondary market from 1991-1995.



The following is a detailed list of publications that Dave Mendenhall and the staff of Bus Solutions, LLC have published over the years.

The Official Bus Blue Book™

The Official Bus Blue Book™ is a complete used bus valuation guide. The book gives you benchmark pricing on thousands of used coaches throughout North America and Canada. In addition, the publication has great historical value providing information regarding both manufacturing dates and specifications. **The Official Bus Blue Book™** is geared towards companies and individuals directly related to the Bus and Coach Industry.

Dealers, insurance companies, lending institutions, operators and anyone needing to determine exposure and evaluate or appraise coaches have all found that **The Official Bus Blue Book™** is a powerful source of used bus information.

The writers and gatherers of the data that go into **The Official Bus Blue Book™** publication have over 60 years combined experience in the bus and coach industry with 30 years of experience directly relating to this type of publication.

Bus Solutions, LLC is continuing the tradition started back in 1987, by providing professionals like you with accurate used bus pricing information.

This Official School Bus Blue Book™

This Official School Bus Blue Book™ is a complete used school bus valuation guide. Bus Solutions, LLC has been providing professionals with accurate used school bus pricing information for more than twenty years. The book gives you benchmark pricing on thousands of used school buses throughout North America and Canada. In addition, the publication has great historical value providing information regarding both manufacturing dates and specifications.

Bus Weekly™

Bus Weekly™ Email is a classifieds publication listing used equipment, products, services and specials to industry decision makers via email throughout North America and Canada. **Bus Weekly™ Email** is delivered - FREE OF CHARGE - to thousands of in-boxes every Tuesday morning.

Buyers will find **Bus Weekly™ Email** an indispensable information source for industry related purchasing. The weekly email publication gives users one-click-access to both the downloadable publication and our extensive archive of past editions.

Sellers can advertise in both the web based version and the email based version by purchasing banner space. Call our sales reps for more information.

Dave's Hot Tips™

Dave's Hot Tips™ is a periodic blog post regarding variety of topics such as bus values, bus appraisals, and management tips. It also includes such topics as bus equipment, the market place, preserving the value of your assets and various other important and bits of helpful information.



Publications

Desktop Appraisal

Bus Industry Annual Report

Bus Industry Annual Report, a complete market analysis of all four segments of the North American Bus and Coach Market. This publication is no longer in print.

The Bus Pages

The Bus Pages is considered to be the official buyers guide and directory for the bus, coach and limousine industries. This publication ceased publishing in 2004.

Bus Direct Pages – Online

Bus Direct Pages – Online was considered to be the industry's largest on-line buyer's guide and search engine. This publication is no longer available.

Rapidsell

Rapidsell, was the predecessor to Bus Weekly. The Rapidsell fax publication was the first industry publication ever to be delivered weekly. As many as 7,500 fax machines received Rapidesell which was chalked full of equipment for sale weekly and equipment wanted ads. This publication was replaced in 2002 by Bus Weekly.





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Agenda Item No. 9

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 8, 2016

SUBJECT:

APPROVAL OF ROUTE 950 MAJOR SERVICE CHANGES

RECOMMENDATION:

That the Board of Directors approve making permanent the pilot major expansion of Route 950 service that began in January 2016.

Budget Impact

This change requires an increase of approximately \$101,000 in annual operating subsidy, which is already budgeted in the Fiscal Year 2017 operating budget.

DISCUSSION:

A trial major expansion of Express Route 950 was implemented in January 2016, adding nonstop trips between the Otay Mesa Port of Entry and the Iris Avenue Transit Center throughout the weekday, plus new all-day weekend service. Response to this new service had been overwhelmingly positive, with ridership now over a thousand passengers on an average weekday. Route 950 performance is the highest among all express routes, at 62 passengers per revenue hour. Staff is recommending making these trial changes permanent.

MTS Board Policy 42 requires that new and significantly expanded services be implemented on a trial basis. In order to make these changes permanent, the Board must approve them following a major service change process that includes a public hearing and Title VI analysis. A noticed public hearing was held at the MTS Board of Directors meeting on November 10, 2016, at which time public testimony was received and the results of a Title VI analysis were presented. The Title VI analysis did not reveal any adverse impacts on low-income and/or minority communities.



Following the public hearing, the MTS Board of Directors voted unanimously to forward the staff recommendation for final approval at a later meeting without any changes. Approval of the recommendation today will make the current service levels permanent.


Paul C. Jablonski
Chief Executive Officer

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Agenda Item No. 10

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 8, 2016

SUBJECT:

ARCHITECTURAL AND ENGINEERING (A&E) ON-CALL SERVICES – MASTER AGREEMENTS AWARD

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS A&E On-Call master agreements with HDR Engineering, HNTB, Kimley Horn & Associates, Jacobs Engineering, Hatch Mott MacDonald, Dokken Engineering, Pacific Railway Enterprises, Nasland, and Global Signals Group (Attachment A and Attachment B) following successful negotiations with each firm for the provision of On-Call A&E services for a five-year agreement.

Budget Impact

The total aggregate value of the nine (9) Master Agreements will not exceed \$15,000,000.00, without prior authorization from the Board. Funding and budget allocations shall be controlled and monitored per Work Order issued under the separate Master Agreements.

DISCUSSION:

MTS seeks multiple A&E On-Call Master Agreements in order to support various infrastructure projects for MTS Bus Operations, Rail Operations, planning, and real estate departments.

MTS Policy No. 52, "Procurement of Goods and Services", governs the procurement of Architectural, Landscape Architectural, Engineering, Environmental, Land Surveying Services and Construction Project Management Services and requires a formal competitive process for acquisitions exceeding \$100,000. The policy requires MTS to award the contracts to the most highly rated offeror(s), in accordance with the Cal. Gov. Code §§ 4525 et seq. and the Brooks Act, if federally funded.



On January 12, 2016, SANDAG led and issued a joint procurement with MTS for On-Call A&E services by requesting Statements of Qualifications (RFSQ) from firms with expertise in a variety of A&E design and related consulting services. MTS took the opportunity to enter into a joint solicitation with SANDAG to more efficiently procure A&E related services as well as utilize the economies of scale with the intent to provide MTS with its own A&E related design service Master Agreements for future MTS projects.

An Independent Cost Estimate (ICE) was prepared by SANDAG and MTS (Agencies) resulting in an estimated expenditure amount of \$315 million aggregate (\$300 million for SANDAG and \$15 million for MTS) over a five-year period. Factors that were considered when developing the estimate were staff's need for ongoing design related services for future projects, including the MTS Rail Yard Expansion, New Fare Collection System, and Traction Power Substations. Also, staff requires ongoing services for real estate and operational issues which require specialized expertise. MTS's estimate included historical usage of consulting services under previous A&E related agreements.

Fourteen (14) Statements of Qualifications were received on March 8, 2016 and were broken into three (3) different group sizes:

Large Firms	
1	CH2M
2	HDR Engineering
3	HNTB
4	Jacobs Engineering
5	Kimley Horn & Associates
6	Parsons Brinkerhoff
7	PGH Wong

Medium Firms	
1	Dokken Engineering
2	Hatch Mott MacDonald
3	Axiom Corporation

Small Firms	
1	Global Signals Group
2	Nasland
3	Pacific Railway Enterprises
4	Athalye

All firms were deemed responsive and responsible by SANDAG as the lead facilitator of the joint RFSQ procurement between the Agencies.

A selection committee, consisting of representatives from MTS Rail Operations, Bus Operations, and SANDAG, met for initial evaluations and scored the RFSQ's based on the below criteria, including evaluation of Firms Disadvantaged Business Enterprise (DBE) and SB Utilization Plans in accordance with Federal requirements outlined in the Code of Federal Regulations (C.F.R.) Title 49 Part 26 for DBE Goal Certification and Good Faith Efforts:

Project Team	25%
Education & Experience of the Project Manager / Other Key Personnel	15%
Project Experience	10%
Role of Key Personnel	10%
Project Approach & Controls	20%
Local Presence	10%
DBE and SB Utilization Plan	10%
	Total 100%

After the initial selection committee evaluation, ten (10) firms were deemed to be most qualified and highest ranked within their respective groups and four (4) firms were removed from the final evaluation process.

Parson Brinckerhoff, CH2M, PGH Wong in the Large Group, and Athalye in the Small Group did not proceed to the final evaluation process as a result of the selection committees' determination that the firms submitted qualifications that were not within the competitive range in regard to the other firms who submitted for the opportunity.

The remaining ten (10) firms, identified below, were asked to interview for a second and final evaluation.

Large Firms		Medium Firms		Small Firms	
1	HDR Engineering	1	Hatch Mott MacDonald	1	Global Signals Group
2	Kimley Horn & Associates	2	Dokken Engineering	2	Nasland
3	HNTB	3	Axiom Corporation	3	Pacific Railway Enterprises
4	Jacobs Engineering				

The selection committee interviewed and ranked the ten (10) remaining firms on the following criteria:

Project Team	25%
Firms Capabilities	15%
Project Understanding and Approach	10%
Interview Questions	10%
References	20%
Local Presence	10%
DBE and SB Utilization Plan	10%
	Total 100%

Following SANDAG's facilitated final interviews, the selection committee deemed nine (9) firms to be most qualified and highest ranked within their respective groups and removed Axiom as a result of the selection committees' determination that the firm was not within the competitive range in regard to the other firms who submitted for the opportunity.

On June 16, 2016, following the completion of all interviews and final rankings, a recommendation to enter into negotiations with the nine (9) most qualified firms was provided by SANDAG and approved by MTS.

MTS entered into negotiations, pursuant to the Federal Brooks Act and the State of California Government code §§ 4525 et seq., which governs negotiations for A&E related services, with the highest ranked firm first in order to establish fair and reasonable indirect rates and profit for future Work Order Agreements under an MTS Master Agreement.

Additionally, MTS found it to be in the agency's best interest to create a single comprehensive List of Qualified Firms for use at MTS to ensure the agency maintains greater flexibility for work order assignments for ongoing and future operational and design needs at MTS. The final listing is as follows:

FINAL - LIST OF QUALIFIED FIRMS
HDR Engineering
HNTB
Kimley Horn & Associates
Jacobs Engineering
Hatch Mott MacDonald
Dokken Engineering
Pacific Railway Enterprises
Nasland
Global Signals Group

MTS Procurement staff is currently finalizing negotiations with each selected firm related to final contract rates and other items. Today's proposed action would authorize the CEO to complete the negotiations and execute a master on-call agreement with each of the nine (9) firms. In the event the final stages of negotiation resulted in an impasse, the CEO would also have the authority to decline to execute an agreement with one or more of the identified firms.

Following conclusion of successful negotiations with each of the nine (9) firms, MTS intends to enter into master agreements and, as direct work is identified per a specific service area (see Attachment A and Attachment B), issue work orders and/or individual project specific agreements to the firms on the resulting On-Call list. Work orders and/or individual project specific agreements will include such items as a statement of work, period of performance, pricing, deliverable(s), schedule, DBE considerations, and any other essential commitments and provisions that support MTS operations and future design needs. Individual work orders or other assignments to firms on the On-Call list will be processed according to the Signature Authority amounts included in Board Policy No. 41.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute MTS A&E On-Call master agreements with HDR Engineering, HNTB, Kimley Horn & Associates, Jacobs Engineering, Hatch Mott MacDonald, Dokken Engineering, Pacific Railway Enterprises, Nasland, and Global Signals Group, following successful negotiations with each firm for the provision of On-Call A&E services.



Paul C. Jablonski
Chief Executive Officer

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

Attachments: A. Proposed List of Qualified Prime Architectural & Engineering Firms
B. Subconsultant Legend

ATTACHMENT A - Request for Statement of Qualifications (RFSQ)

SANDAG Doc. No. 5007809

MTS Doc. No. G1945.0-16

PROPOSED LIST OF QUALIFIED PRIME ARCHITECTURAL & ENGINEERING FIRMS

	HDR ENGINEERING		
	Service Area	Services provided by Prime	Services provided by Subconsultant
1	Transit Guideway Design	X	X 1
2	Railroad Track Design	X	X 2
3	Transit and Railroad Station Design	X	X 1
4	Transit and Railroad System Engineering Design	X	X 2,3,4
5	Transit and Railroad Train Signaling Design		X 2,3,4
6	Transit and Railroad Traction Power Design	X	X 5
7	Transit & Railroad Maintenance & Operations Facilities Design	X	X 6
8	Transit and Railroad Vehicle Design	X	X 7
9	FTA New Starts & Other Transit Analysis	X	X 1
10	Highway Design	X	X 8
11	Local Street, Bikeway, Walkway Design	X	X 1, 8
12	Architecture/Building Design/ Interior Design	X	X 1
13	Design Support During Construction	X	
14	Environmental Documents		X 9, 10
15	Structures	X	X 1, 2
16	Right-of-Way Engineering		X 2, 8, 11, 12
HDR ENGINEERING – Cont.			
17	Traffic Design	X	X 1, 8
18	Traffic Electrical	X	X 2, 8
19	Utilities	X	X 1, 8
20	Constructability Reviews & Plan Checking	X	X 1, 2

21	Biological Services	X	X 9, 10
22	Habitat Restoration Design and Maintenance	X	X 1, 10, 13
23	Geotechnical & Geology Studies	X	X 1, 14, 15
24	Community Impact Analysis, Land Use, & Growth Studies	X	X 9, 10
25	Cultural Resources	X	X 9
26	Archeology	X	X 16
27	Paleontology Studies		X 9, 16
28	Environmental Compliance	X	X 9, 10
29	Permits/Notices	X	X 10
30	Hydraulics and Hydrology	X	X 8
31	Landscape Architecture & Irrigation Design	X	X 1, 8
32	Air Quality Studies	X	X 1, 10
33	Visual/Aesthetics	X	X 10
34	Hazardous Waste Studies	X	X 1, 14
35	Noise and vibration Studies	X	X 1, 9
36	Section 4(f) Evaluations	X	X 9, 10
37	Wildlife Movement Studies	X	X 9, 10
38	Regional Monitoring and Management Studies	X	X 9
39	Greenhouse Gases Studies	X	X 10

	HNTB
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	Service Area	Services provided by Prime	Services provided by Subconsultant
1	Transit Guideway Design	X	
2	Railroad Track Design	X	
3	Transit and Railroad Station Design	X	X 44
4	Transit and Railroad System Engineering Design	X	X 3
5	Transit and Railroad Train Signaling Design	X	X 3
6	Transit and Railroad Traction Power Design	X	
7	Transit & Railroad Maintenance & Operations Facilities Design	X	X 6, 33
8	Transit and Railroad Vehicle Design		X 45
9	FTA New Starts & Other Transit Analysis	X	X 46, 47
10	Highway Design		
11	Local Street, Bikeway, Walkway Design	X	X 48, 49
12	Architecture/Building Design/ Interior Design	X	X 6, 33
13	Design Support During Construction	X	
14	Environmental Documents		X 20
15	Structures	X	
16	Right-of-Way Engineering		X 19, 37, 50
17	Traffic Design	X	X 49, 47
18	Traffic Electrical	X	X 49, 47
19	Utilities	X	X 30
20	Constructability Reviews & Plan Checking	X	
21	Biological Services		
22	Habitat Restoration Design and Maintenance		X 20
23	Geotechnical & Geology Studies		X 15, 51
HNTB – Cont.			
24	Community Impact Analysis, Land Use, & Growth Studies		X 20
25	Cultural Resources		
26	Archeology		

27	Paleontology Studies		
28	Environmental Compliance		X 20
29	Permits/Notices		X 20
30	Hydraulics and Hydrology	X	X 52
31	Landscape Architecture & Irrigation Design		X 48
32	Air Quality Studies		X 20
33	Visual/Aesthetics		X 20
34	Hazardous Waste Studies		X 15
35	Noise and vibration Studies		X 20
36	Section 4(f) Evaluations		
37	Wildlife Movement Studies		
38	Regional Monitoring and Management Studies		
39	Greenhouse Gases Studies		

KIMLEY HORN & ASSOCIATES			
	Service Area	Services provided by Prime	Services provided by Subconsultant
1	Transit Guideway Design	X	X 27
2	Railroad Track Design	X	X 27, 5
3	Transit and Railroad Station Design	X	X 27
4	Transit and Railroad System Engineering Design	X	X 5, 27
5	Transit and Railroad Train Signaling Design		X 3, 5, 27
6	Transit and Railroad Traction Power Design		X 5, 27
7	Transit & Railroad Maintenance & Operations Facilities Design	X	X 5, 27, 28
8	Transit and Railroad Vehicle Design		X 27
9	FTA New Starts & Other Transit Analysis	X	X 27
10	Highway Design	X	X 27
11	Local Street, Bikeway, Walkway Design	X	X 27
12	Architecture/Building Design/ Interior Design		X 28
13	Design Support During Construction	X	X 3, 5, 27, 29
14	Environmental Documents		X 20, 27
15	Structures		X 27, 29
16	Right-of-Way Engineering	X	X 12, 19
17	Traffic Design	X	
18	Traffic Electrical	X	
19	Utilities	X	X 30
20	Constructability Reviews & Plan Checking	X	X 3, 5, 27, 29
21	Biological Services		X 20
22	Habitat Restoration Design and Maintenance		X 20
23	Geotechnical & Geology Studies		X 14
24	Community Impact Analysis, Land Use, & Growth Studies	X	X 20
25	Cultural Resources	X	X 20
KIMLEY HORN & ASSOCIATES – Cont.			

26	Archeology		
27	Paleontology Studies		
28	Environmental Compliance	X	X 20
29	Permits/Notices	X	X 20
30	Hydraulics and Hydrology	X	X 27
31	Landscape Architecture & Irrigation Design	X	X 27
32	Air Quality Studies		X 20
33	Visual/Aesthetics	X	X 27
34	Hazardous Waste Studies		X 14
35	Noise and vibration Studies		X 20
36	Section 4(f) Evaluations		
37	Wildlife Movement Studies		
38	Regional Monitoring and Management Studies		
39	Greenhouse Gases Studies		X 20

PACIFIC RAIL ENTERPRISES			
	Service Area	Services provided by Prime	Services provided by Subconsultant
1	Transit Guideway Design		X 38
2	Railroad Track Design		X 25, 38, 39
3	Transit and Railroad Station Design		X 25
4	Transit and Railroad System Engineering Design	X	
5	Transit and Railroad Train Signaling Design	X	
6	Transit and Railroad Traction Power Design		X 40
7	Transit & Railroad Maintenance & Operations Facilities Design		X 40
8	Transit and Railroad Vehicle Design	X	
9	FTA New Starts & Other Transit Analysis		
10	Highway Design		
11	Local Street, Bikeway, Walkway Design		
12	Architecture/Building Design/ Interior Design		X 25
13	Design Support During Construction	X	X 25, 38, 39 , 40, 41, 42, 43
14	Environmental Documents		X 42
15	Structures		
16	Right-of-Way Engineering		X 43
17	Traffic Design		X 41
18	Traffic Electrical		X 41
19	Utilities		X 25, 29
20	Constructability Reviews & Plan Checking		
21	Biological Services		
22	Habitat Restoration Design and Maintenance		
23	Geotechnical & Geology Studies		
24	Community Impact Analysis, Land Use, & Growth Studies		
25	Cultural Resources		
26	Archeology		

PACIFIC RAIL ENTERPRISES – Cont.			
27	Paleontology Studies		
28	Environmental Compliance		
29	Permits/Notices		
30	Hydraulics and Hydrology		
31	Landscape Architecture & Irrigation Design		
32	Air Quality Studies		
33	Visual/Aesthetics		
34	Hazardous Waste Studies		
35	Noise and vibration Studies		
36	Section 4(f) Evaluations		
37	Wildlife Movement Studies		
38	Regional Monitoring and Management Studies		
39	Greenhouse Gases Studies		

	DOKKEN		
	Service Area	Services provided by Prime	Services provided by Subconsultant
1	Transit Guideway Design	X	X 53, 54
2	Railroad Track Design		X 53, 55
3	Transit and Railroad Station Design	X	X 53, 54, 55, 23
4	Transit and Railroad System Engineering Design		X 53
5	Transit and Railroad Train Signaling Design		X 53
6	Transit and Railroad Traction Power Design		X 53, 56
7	Transit & Railroad Maintenance & Operations Facilities Design		X 53, 55, 56, 57
8	Transit and Railroad Vehicle Design		X 53
9	FTA New Starts & Other Transit Analysis		X 53, 55, 54
10	Highway Design	X	X 53, 58, 59
11	Local Street, Bikeway, Walkway Design	X	X 53, 60, 61, 58
12	Architecture/Building Design/ Interior Design		X 56, 57
13	Design Support During Construction	X	X 53, 23, 60, 57
14	Environmental Documents	X	X 23, 32, 59
15	Structures	X	X 53, 60, 62
16	Right-of-Way Engineering	X	X 19
17	Traffic Design	X	X 53, 54, 60, 61, 58, 59
18	Traffic Electrical	X	X 53, 54, 56, 61, 59
19	Utilities	X	X 53, 56, 58, 62, 30, 63
20	Constructability Reviews & Plan Checking	X	X 53, 58, 59
21	Biological Services	X	X 64
22	Habitat Restoration Design and Maintenance	X	X 23, 32, 59
23	Geotechnical & Geology Studies		X 62, 65, 51, 14
24	Community Impact Analysis, Land Use, & Growth Studies	X	X 23, 59
25	Cultural Resources	X	X 64
26	Archeology	X	
27	Paleontology Studies		X 16

DOKKEN – Cont.			
28	Environmental Compliance	X	
29	Permits/Notices	X	X 32
30	Hydraulics and Hydrology	X	X 53, 56, 58
31	Landscape Architecture & Irrigation Design		X 23, 56,
32	Air Quality Studies	X	X 66
33	Visual/Aesthetics	X	X 23
34	Hazardous Waste Studies	X	X 62, 67, 14
35	Noise and vibration Studies	X	X 66
36	Section 4(f) Evaluations	X	
37	Wildlife Movement Studies	X	X 64
38	Regional Monitoring and Management Studies	X	X 64
39	Greenhouse Gases Studies	X	X 66

HATCH MOTT MACDONALD			
	Service Area	Services provided by Prime	Services provided by Subconsultant
1	Transit Guideway Design	X	X 17
2	Railroad Track Design	X	
3	Transit and Railroad Station Design	X	X 18
4	Transit and Railroad System Engineering Design	X	
5	Transit and Railroad Train Signaling Design	X	
6	Transit and Railroad Traction Power Design	X	
7	Transit & Railroad Maintenance & Operations Facilities Design	X	
8	Transit and Railroad Vehicle Design	X	
9	FTA New Starts & Other Transit Analysis	X	
10	Highway Design		X 17
11	Local Street, Bikeway, Walkway Design		X 17
12	Architecture/Building Design/ Interior Design		X 18
13	Design Support During Construction	X	X 14, 17, 18 ,19, 20, 21
14	Environmental Documents		X 20
15	Structures	X	X 17
16	Right-of-Way Engineering		X 12
17	Traffic Design		X 17
18	Traffic Electrical		X 17
19	Utilities	X	
20	Constructability Reviews & Plan Checking	X	X 17, 18
21	Biological Services		X 20
22	Habitat Restoration Design and Maintenance		X 20
23	Geotechnical & Geology Studies		X 14, 22
24	Community Impact Analysis, Land Use, & Growth Studies		X 20
25	Cultural Resources		X 20
26	Archeology		X 20
27	Paleontology Studies		X 21

HATCH MOTT MACDONALD – Cont.			
28	Environmental Compliance		X 20
29	Permits/Notices		X 20
30	Hydraulics and Hydrology		X 17
31	Landscape Architecture & Irrigation Design		X 23
32	Air Quality Studies		X 20
33	Visual/Aesthetics		X 18
34	Hazardous Waste Studies		X 14
35	Noise and vibration Studies		X 24
36	Section 4(f) Evaluations		X 20
37	Wildlife Movement Studies		X 20
38	Regional Monitoring and Management Studies		X 20
39	Greenhouse Gases Studies		X 19

	NASLAND		
	Service Area	Services provided by Prime	Services provided by Subconsultant
1	Transit Guideway Design		X 25
2	Railroad Track Design		X 25
3	Transit and Railroad Station Design		X 25
4	Transit and Railroad System Engineering Design		X 1
5	Transit and Railroad Train Signaling Design		X 1
6	Transit and Railroad Traction Power Design		X 1
7	Transit & Railroad Maintenance & Operations Facilities Design		X 25
8	Transit and Railroad Vehicle Design		X 1
9	FTA New Starts & Other Transit Analysis		
10	Highway Design		
11	Local Street, Bikeway, Walkway Design	X	
12	Architecture/Building Design/ Interior Design		X 26
13	Design Support During Construction		
14	Environmental Documents		
15	Structures		
16	Right-of-Way Engineering	X	
17	Traffic Design		
18	Traffic Electrical		
19	Utilities	X	
20	Constructability Reviews & Plan Checking		
21	Biological Services		
22	Habitat Restoration Design and Maintenance		
23	Geotechnical & Geology Studies		
24	Community Impact Analysis, Land Use, & Growth Studies		
25	Cultural Resources		

NASLAND – Cont.			
26	Archeology		
27	Paleontology Studies		
28	Environmental Compliance		
29	Permits/Notices		
30	Hydraulics and Hydrology	X	
31	Landscape Architecture & Irrigation Design		
32	Air Quality Studies		
33	Visual/Aesthetics		
34	Hazardous Waste Studies		
35	Noise and vibration Studies		
36	Section 4(f) Evaluations		
37	Wildlife Movement Studies		
38	Regional Monitoring and Management Studies		
39	Greenhouse Gases Studies		

JACOBS			
	Service Area	Services provided by Prime	Services provided by Subconsultant
1	Transit Guideway Design	X	X 31
2	Railroad Track Design	X	X 31
3	Transit and Railroad Station Design	X	X 31
4	Transit and Railroad System Engineering Design		X 32
5	Transit and Railroad Train Signaling Design	X	X 3
6	Transit and Railroad Traction Power Design	X	X 3
7	Transit & Railroad Maintenance & Operations Facilities Design	X	X 32, 33
8	Transit and Railroad Vehicle Design	X	
9	FTA New Starts & Other Transit Analysis	X	X 32, 33
10	Highway Design	X	X 31, 34
11	Local Street, Bikeway, Walkway Design	X	X 31, 33, 34
12	Architecture/Building Design/ Interior Design	X	X 31, 33
13	Design Support During Construction	X	
14	Environmental Documents	X	
15	Structures	X	
16	Right-of-Way Engineering	X	
17	Traffic Design	X	X 33, 34
18	Traffic Electrical		X 34
19	Utilities	X	
20	Constructability Reviews & Plan Checking	X	
21	Biological Services	X	
22	Habitat Restoration Design and Maintenance	X	
23	Geotechnical & Geology Studies		X 35
24	Community Impact Analysis, Land Use, & Growth Studies		X 32, 33
25	Cultural Resources		X 36
26	Archeology		X 36

JACOBS – Cont.			
27	Paleontology Studies		X 36
28	Environmental Compliance	X	
29	Permits/Notices	X	
30	Hydraulics and Hydrology	X	
31	Landscape Architecture & Irrigation Design		X 37
32	Air Quality Studies	X	
33	Visual/Aesthetics		X 33
34	Hazardous Waste Studies	X	
35	Noise and vibration Studies	X	
36	Section 4(f) Evaluations	X	
37	Wildlife Movement Studies	X	
38	Regional Monitoring and Management Studies		X 32, 33
39	Greenhouse Gases Studies	X	X 32

	GLOBAL SIGNALS		
	Service Area	Services provided by Prime	Services provided by Subconsultant
1	Transit Guideway Design		X 25
2	Railroad Track Design		X 25
3	Transit and Railroad Station Design		X 25
4	Transit and Railroad System Engineering Design	X	
5	Transit and Railroad Train Signaling Design	X	
6	Transit and Railroad Traction Power Design		
7	Transit & Railroad Maintenance & Operations Facilities Design		X 25
8	Transit and Railroad Vehicle Design		
9	FTA New Starts & Other Transit Analysis		
10	Highway Design		
11	Local Street, Bikeway, Walkway Design		
12	Architecture/Building Design/ Interior Design		X 25
13	Design Support During Construction	X	X 25
14	Environmental Documents		X 25
15	Structures		
16	Right-of-Way Engineering		X 25
17	Traffic Design		X 25
18	Traffic Electrical		
19	Utilities		X 25
20	Constructability Reviews & Plan Checking	X	
21	Biological Services		
22	Habitat Restoration Design and Maintenance		
23	Geotechnical & Geology Studies		
24	Community Impact Analysis, Land Use, & Growth Studies		
25	Cultural Resources		
26	Archeology		
27	Paleontology Studies		

GLOBAL SIGNALS – Cont.			
28	Environmental Compliance		
29	Permits/Notices		
30	Hydraulics and Hydrology		
31	Landscape Architecture & Irrigation Design		
32	Air Quality Studies		
33	Visual/Aesthetics		
34	Hazardous Waste Studies		
35	Noise and vibration Studies		
36	Section 4(f) Evaluations		
37	Wildlife Movement Studies		
38	Regional Monitoring and Management Studies		
39	Greenhouse Gases Studies		

ATTACHMENT B - Request for Statement of Qualifications (RFSQ)
SANDAG Doc. No. 5007809 - MTS Doc. No. G1945.0-16

SUBCONSULTANT LEGEND - ARCHITECTURAL & ENGINEERING FIRMS

SUBCONSULTANT LEGEND			
Identifies DBEs/SBEs			
1	A&E Bench	34	VRPA Technologies*
2	Railpros, Inc.	35	SCST Inc.
3	Pacific Railway Enterprises, Inc*	36	Petra Resource Management
4	Global Signals Group Inc.	37	Project Design Consultants
5	Gannett Fleming Transit and Rail Systems	38	JMDiaz Inc. *
6	Maintenance Design Group, LLC	39	Rail Surveyors and Engineers*
7	SNC-Lavalin Rail & Transit	40	Burns Engineering Inc.
8	Rick Engineering Company	41	STC Traffic Inc.
9	LSA Associates Inc.	42	BRG Consulting Inc.
10	ESA Associates	43	Epic Land Solutions
11	Bender Rosenthal Inc.	44	Manuel Oncina Architects Inc. *
12	Wiggans Group Inc. *	45	TSR Engineering
13	Schaefer Ecological Solutions*	46	Resource Systems Group
14	Ninyo & Moore	47	CHS Consulting Group*
15	Leighton Consulting Inc.	48	KTU+A
16	Cogstone Resource Management Inc. *	49	FPL and Associates*
17	Dokken Engineering	50	Overland, Pacific & Cutler
18	McLean & Schultz	51	Earth Mechanics Inc. *
19	Aguirre & Associates*	52	West Consultants*
20	Helix Environmental Planning*	53	Hatch Mott MacDonald
21	Paleo Solutions*	54	Fehr & Peers
22	Allied Geotechnical Engineers Inc. *	55	TranSystems
23	Estrada Land Planning Inc. *	56	Lopez Engineering*
24	Acoustic Strategies Inc.	57	FMG Architects*
25	HDR Inc.	58	San Dieguito Engineering*
26	Safdie Rabines Architects	59	Chen Ryan Associates*
27	Parsons Brinckerhoff Inc.	60	Nasland
28	RNL Design	61	Linscott , Law, & Greenspan Engineers
29	Kleinfelder	62	Southern California Soil & Testing
30	PCG Utility Consultants*	63	Butsko Utility Design
31	CJ Roberts*	64	GPA Consulting*
32	AECOM	65	Geocon Inc.
33	IBI Group	66	Entech Consulting Group
		67	The Bodhi Group*



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Agenda Item No. 11

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 8, 2016

SUBJECT:

DISADVANTAGED BUSINESS ENTERPRISE (DBE) AND LABOR COMPLIANCE
CONSULTING SERVICES – CONTRACT AWARD

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute the following contracts for DBE and Labor Compliance Consulting Services for a five (5) year period:

- 1) MTS Doc. No. G1964.0-17 (in substantially the same format as Attachment A) with GCAP Services, Inc. (certified DBE firm) for the DBE Consulting Services; and
- 2) MTS Doc. No. G1965.0-17 (in substantially the same format as Attachment B) with Gafcon, Inc. for the Labor Compliance Consulting Services.

Budget Impact

The total estimated cost of this agreement would not exceed \$365,000 (\$40,000 for DBE Consulting and \$325,000 for Labor Compliance), which will be funded under the current operating budgets reflected below:

A. DBE CONSULTING		
Contract Term	Est. Annual Cost	Funding
Year 1: 1/1/17 to 12/31/17	\$ 5,000	121010-571110 (Legal)
Year 2: 1/1/18 to 12/31/18	\$12,500	
Year 3: 1/1/19 to 12/31/19	\$ 5,000	
Year 4: 1/1/20 to 12/31/20	\$ 5,000	
Year 5: 1/1/21 to 12/31/21	\$12,500	
Total:	\$40,000	



B. LABOR COMPLIANCE CONSULTING		
Contract Term	Est. Annual Cost	Funding
Year 1: 1/1/17 to 12/31/17	\$65,000	641010-571250 (Procurement)
Year 2: 1/1/18 to 12/31/18	\$65,000	
Year 3: 1/1/19 to 12/31/19	\$65,000	
Year 4: 1/1/20 to 12/31/20	\$65,000	
Year 5: 1/1/21 to 12/31/21	\$65,000	
Total:	\$325,000	
Grand Total:		\$365,000

DISCUSSION:

In March 2016, the San Diego Association of Governments (SANDAG) conducted a joint procurement with MTS for DBE and Labor Compliance Consulting Services. The purpose of the joint procurement was to:

1. Support the Agencies' DBE and Small Business Programs – Since MTS is a recipient of FTA funds, MTS must comply with Department of Transportation (DOT) DBE Regulations. A DBE Consultant can support MTS in complying with DOT DBE Regulations in the following ways: setting overall three year DBE goals on its expense procurements, increasing DBE and small business participation on its federally funded contracts, assisting with semi-annual reporting requirements, determining when a DBE is providing a commercially useful function and other services as deemed necessary; and
2. Support the Agencies' Labor Compliance Programs - ensure that MTS consultants and contractors working on public works projects are in compliance with prevailing wage, certified payroll, monitoring of work sites and other services as deemed necessary.

A total of five (5) proposals were received in April 2016. An Evaluation Committee consisting of representatives from SANDAG and MTS evaluated, scored and ranked the proposals. Three (3) firms were deemed to be within the competitive range and were invited to enter into negotiations.

1. Armand Resource Group, Inc.
2. Gafcon, Inc.
3. GCAP Services, Inc.

Based on the final ranking, the Committee recommended award to GCAP Services, Inc. for DBE Consulting Services and Gafcon, Inc. for Labor Compliance Consulting Services, which was approved by the SANDAG Board of Directors in August 2016. The selected consultants will provide DBE and Labor Compliance consulting services on an as needed basis and in accordance to the published scope of work.

Therefore, MTS staff is requesting that the Board of Directors authorize the CEO to execute the following contracts for DBE and Labor Compliance Consulting Services for a five (5) year period:

- 1) MTS Doc. No. G1964.0-17 (in substantially the same format as Attachment A) with GCAP Services, Inc. (certified DBE firm) for the DBE Consulting Services; and
- 2) MTS Doc. No. G1965.0-17 (in substantially the same format as Attachment B) with Gafcon, Inc. for the Labor Compliance Consulting Services.


Paul C. Jablonski
Chief Executive Officer

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

Attachments: A. MTS Doc. No. G1964.0-17 – GCAP
B. MTS. Doc. No. G1965.0-17 – Gafcon

STANDARD SERVICES AGREEMENT

DRAFT

G1964.0-17
 CONTRACT NUMBER
 LEGAL
 FILE NUMBER(S)

THIS AGREEMENT is entered into this _____ day of _____ 2017, in the state of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following contractor, hereinafter referred to as "Contractor":

Name: GCAP Services, Inc. Address: 3525 Hyland Avenue, Suite 260
Costa Mesa, CA 92626
 Form of Business: Corporation
 (Corporation, partnership, sole proprietor, etc.)
 Telephone: 714.800.1795 ext. 12

Authorized person to sign contracts: Edward Salcedo, Jr. President
 Name Title

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

Provide Disadvantage Business Enterprise (DBE) Program Consulting Services as required by MTS (Ref: SANDAG RFP #5004680), GCAP's Proposal (attached as Exhibit A), in accordance with the Standard Services Agreement, including Standard Conditions Services (attached as Exhibit B).

The contract term is for five (5) year period effective January 1, 2016 through December 31, 2021. Payment terms shall be net 30 days from invoice date.

The total contract cost shall not exceed \$40,000.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CONTRACTOR AUTHORIZATION

By: _____
 Chief Executive Officer

Approved as to form:

By: _____
 Office of General Counsel

Firm: _____

By: _____
 Signature

Title: _____

AMOUNT ENCUMBERED

BUDGET ITEM

FISCAL YEAR

\$40,000

121010-571110

16-21

By: _____
 Chief Financial Officer

Date

STANDARD SERVICES AGREEMENT

G1965.0-17
CONTRACT NUMBER

DRAFT

FILE NUMBER(S)

THIS AGREEMENT is entered into this _____ day of _____, 2017, in the state of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following contractor, hereinafter referred to as "Contractor":

Name: Gafcon, Inc. Address: 5960 Cornerstone Court West, Ste. 100
 Form of Business: Corporation San Diego, CA 92121
 (Corporation, partnership, sole proprietor, etc.)
 Telephone: 858.875.0010

Authorized person to sign contracts: Robin Duveen Chief Operating Officer
 Name Title

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

Provide Labor Compliance Program Consulting Services as required by MTS (Ref: SANDAG RFP No. 5004680), Gafcon's Proposal (attached as Exhibit A), in accordance with the Standard Services Agreement, including Standard Conditions Services (attached as Exhibit B).

The contract term is for five (5) year period effective January 1, 2017, through December 31, 2021. Payment terms shall be net 30 days from invoice date.

The total contract cost shall not exceed \$325,000.

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

AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
\$325,000	641010-571250	16-21

By: _____ Date
 Chief Financial Officer



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Agenda Item No. 12

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 8, 2016

SUBJECT:

INVESTMENT REPORT – OCTOBER 2016

INFORMATIONAL ONLY

Budget Impact

None.

DISCUSSION:

Attachment A comprises a report of the San Diego Metropolitan Transit System (MTS) investments as of October 31, 2016. The combined total of all investments has increased month to month from \$121.1 million to \$133.0 million. This \$11.9 million increase is attributable to \$10.7 million in Federal Transit Administration (FTA) funds, \$7.2 million in State Transit Assistance (STA) funds, partially offset by \$4.4 million in capital expenditures, as well as normal timing differences in other payments and receipts.

The first column provides details about investments restricted for capital improvement projects.

The second column, unrestricted investments, reports the working capital for MTS operations allowing payments for employee payroll and vendors' goods and services.



Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Investment Report for October 2016



**San Diego Metropolitan Transit System
Investment Report
October 31, 2016**

	Restricted	Unrestricted	Total	Average rate of return
Cash and Cash Equivalents				
JP Morgan Chase - concentration account	-	36,107,310	36,107,310	0.00%
Total Cash and Cash Equivalents	-	36,107,310	36,107,310	
Cash - Restricted for Capital Support				
San Diego County Investment Pool				
Proposition 1B TSGP grant funds	7,162,544	-	7,162,544	
Total Cash - Restricted for Capital Support	7,162,544	-	7,162,544	
Investments - Working Capital				
Local Agency Investment Fund (LAIF)	13,588,808	76,126,602	89,715,410	0.654%
Total Investments - Working Capital	13,588,808	76,126,602	89,715,410	
Total cash and investments	\$ 20,751,352	\$ 112,233,912	\$ 132,985,264	



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Agenda Item No. 13

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 8, 2016

SUBJECT:

S70 AND SD100 PRINTED CIRCUIT BOARDS - SOLE SOURCE PURCHASE ORDER

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to issue a purchase order to Siemens Transportation Systems Corporation (Siemens), on a sole source basis, for the purchase of printed circuit boards and related items.

Budget Impact

The total value of this agreement will not exceed \$276,070.68, inclusive of freight charges and California sales tax. Funding will be from the Fiscal Year (FY) 2017 Light Rail Vehicle (LRV) Maintenance operating budget account 350016-545100.

DISCUSSION:

San Diego Trolley, Inc. (SDTI) requires the purchase of printed circuit boards (PCB) and related items for the S70 and SD100 vehicles. This critical electronic component decides the acceleration/de-acceleration rates and speed of the vehicle, and as such these components are considered safety critical. Substitutions increase risk of damage to equipment, injury to employees or passengers and potential loss of life. The commissioning and subsequent safety certification of the vehicles was performed with this equipment on board, and any deviation from the original design would require extensive and expensive re-testing and safety certification of the system and approval by California Public Utilities Commission.

Siemens Industry, Inc. is the sole-source representative for these components in North America. Siemens offers the UTEX program to support the need for replacement propulsion PCBs throughout the transit industry. This program has pricing for



repair/return, core exchange, and purchase outright. In order to ensure fair and equal pricing throughout the North American transit market, they have established standard pricing for these components. The aftermarket pricing provided to MTS for unit exchange and repair return are less than or equal to those quoted to all other transit agency or government entity end users.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to issue a purchase order to Siemens, on a sole source basis, for the purchase of PCBs and related items. Parts are used on an as-needed basis as repairs are completed and stock room inventory levels are depleted. This one time purchase is necessary to accommodate current, immediate repair needs.



Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. UTEX List

ATTACHMENT A

S70 AND SD100 PRINTED CIRCUIT BOARDS (PCB)

UTEX List

Item Description	Quantity Requested	Unit Price	Extended Price
BRAKE RESISTOR SD8	2	\$ 7,029.00	\$ 14,058.00
J000, FAN MODULE,BLOWR SUB,30TE,1HE,SD7	2	\$ 2,052.00	\$ 4,104.00
VOLTAGE TRANSDUCER QPSW,SD8	2	\$ 625.00	\$ 1,250.00
J000,FAN SUB-ASSEMBLY,SD8	2	\$ 2,134.00	\$ 4,268.00
PCB,C019, CENTRAL PROCESSOR,SD8	2	\$ 11,788.00	\$ 23,576.00
PCB G031, RS485,SD7	2	\$ 11,503.00	\$ 23,006.00
DC/DC,POWER SUPPLY.16.8-47V IN,24V,SD8	8	\$ 962.00	\$ 7,696.00
G047,PCS 24V-110V/5V/±15V 50W,SD8	2	\$ 2,364.00	\$ 4,728.00
PCB,C003,TCN GATEWAY,VCU,SD7/SD8	2	\$ 8,539.00	\$ 17,078.00
PCB,G047 5V±15V,VCU,SD7	4	\$ 2,364.00	\$ 9,456.00
PCB,C031,MVB32,VCU,SD7	4	\$ 4,980.00	\$ 19,920.00
PCB CNTRL SYSTEMS MONITOR,SD100	6	\$ 4,980.00	\$ 29,880.00
PCB G103,INPUT TEMP CONVERTER,SD100	2	\$ 7,510.00	\$ 15,020.00
PCB C157,POWER START-UP UNIT,SD100	1	\$ 14,987.00	\$ 14,987.00
PCB,C047, INPUT CONVRTR BINARY 24V, SD7	2	\$ 3,270.00	\$ 6,540.00
C039, EM1 CARRIER W ACAN,SD8	2	\$ 6,845.00	\$ 13,690.00
PCB,C055, MULTIFUNCTIONAL I/O,SD8	2	\$ 5,887.00	\$ 11,774.00
PCB,G063, ADAPTER CONVERTER,SD8	2	\$ 1,029.00	\$ 2,058.00
PCB,G039, BINARY OUTPUT 24-36V/2A,SD8	2	\$ 3,141.00	\$ 6,282.00
G031, INPUT CONVERTER BINARY 24V,SD8	2	\$ 3,270.00	\$ 6,540.00
PCB,C055, OUTPUT CONTACTOR DRIVE,SD7	2	\$ 3,480.00	\$ 6,960.00
PCB,G039, CONVERTER,SD7	2	\$ 1,029.00	\$ 2,058.00
PCB G087,INPUT/OUTPUT ANALOG,SD100	3	\$ 3,564.00	\$ 10,692.00
SUBTOTAL			\$ 255,621.00
TAX (8%)			\$ 20,449.68
GRAND TOTAL			\$ 276,070.68



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Agenda Item No. 14

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 8, 2016

SUBJECT:

TRANSIT SMART CARDS – CONTRACT AWARD

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1926.0-16 (in substantially the same format as Attachment A) with Paragon Magnadata, Inc. for the provision of Transit Smart Cards for three (3) base years with two (2) 1-year options, exercisable at MTS's sole discretion.

Budget Impact

The total cost of this contract will not exceed \$2,411,478.00, and is broken down as follows:

➤ Year 1 (1/1/17 – 12/31/17)	\$482,295.60
➤ Year 2 (1/1/18 – 12/31/18)	\$482,295.60
➤ Year 3 (1/1/189 – 12/31/19)	\$482,295.60
➤ Year 4, (Option Yr. 1) (1/1/20 – 12/31/20)	\$482,295.60
➤ Year 5, (Option Yr. 2) (1/1/21 – 12/31/21)	\$482,295.60
Total:	\$2,411,478.00

The annual costs are based on estimated usage quantities of transit cards. In addition, MTS received pricing on an approved equal chip that could represent savings of approximately \$250,000 over the five year term. The project will be funded through the Compass Card Regional Budget (530010-575160 / 531010-575160).

DISCUSSION:

MTS's current fare collection system requires passes to be electronically loaded on a transit smart card. Traditional extended use smart cards are currently sold at MTS Ticket Vending Machines throughout the region, the MTS Transit Store, and third-party outlet



locations. In addition to the extended use card, MTS currently provides limited use smart cards that are pre-loaded with 1-day passes to local government, non-profit, and other social service agencies. The region currently uses 1.2 million transit smart cards annually across 14 different card graphics. MTS has been conducting individual procurements for reorders of each card graphic on an as needed basis. In order to streamline the reordering process, MTS is seeking a multi-year contract with a single card provider.

In addition, MTS initially requested proposals based on the Cubic approved NXP internal card chip. However, during the RFP process, MTS was made aware of an Infineon internal card chip, which is currently being used at other transit agencies operating on similar Cubic software platforms. Switching all transit smart cards to the Infineon chip could represent savings of approximately \$250,000 over the five year term. At this time, the Infineon chip has not been tested on MTS' Cubic software platform, so while pricing for this chip is included in the contract, the contract award is based off of the NXP chip.

MTS Policy 52, "Procurement of Goods and Services", requires a formal competitive process for procurements and services exceeding \$100,000.

On July 22, 2016, MTS issued a Request for Proposals for transit smart cards. Four proposals were received by the due date of September 7, 2016 from the following firms:

1. ASK-intTag, LLC
2. Electronic Data Magnetix, Inc.
3. Paragon Magnadata Inc.
4. SSS Hot Off the Press

All four proposals were deemed responsive and responsible and were evaluated by a committee comprised of representatives from the Finance and Revenue departments.

On September 20, 2016, the proposals were evaluated on the following:

1. Qualifications of the firm or individual	20%
2. Work Plan	40%
3. Cost and Price	40%
Total	100%

The following table illustrates the initial scores and ranking of each:

PROPOSER NAME	TOTAL AVG. TECH. SCORE	COST SCORE	TOTAL AVG SCORE Total Possible: 100	RANKING
ASK-intTag, LLC	44.00	34.52	78.52	1
Paragon Magnadata Inc.	48.00	30.45	78.45	2
Electronic Data Magnetix	37.33	40.00	77.33	3
SSS Hot off the Press	21.33	39.68	61.01	4

The top three scored firms were considered to be within the competitive range and advanced to the next step of the evaluation process which included interviews and

requests for revised proposals. The evaluation committee's scoring of the revised proposals and information gathered during the interviews was as follows:

PROPOSER NAME	TOTAL AVG. TECH. SCORE	AVG. COST SCORE	TOTAL AVG SCORE Total Possible:100	RANKING
Paragon Magnadata Inc.	48.00	37.23	85.23	1
ASK-intTag, LLC	44.00	35.73	79.73	2
Electronic Data Magnetics	34.67	39.37	74.04	3

After receipt and evaluation of the revised proposals, the three firms remained within the competitive range and the evaluation committee requested best and final offer proposals from all three firms.

The final scoring was as follows:

PROPOSER NAME	TOTAL AVG. TECH. SCORE	AVG. COST SCORE	TOTAL AVG SCORE Total Possible:100	RANKING
Paragon Magnadata Inc.	48.00	39.40	87.40	1
ASK-intTag, LLC	44.00	34.81	78.81	2
Electronic Data Magnetics	34.67	38.44	73.11	3

Based upon consideration of both technical and cost factors, the evaluation team determined that Paragon Magnadata presented the best overall value to MTS.

Therefore, staff recommends that Board of Directors authorize the CEO to execute MTS Doc. No. G1926.0-16 (in substantially the same format as Attachment A) with Paragon Magnadata Inc., for the provision of transit smart cards for three (3) base years with two (2) 1-year options, exercisable at MTS's sole discretion.



Paul G. Jablonski
Chief Executive Officer

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

Attachment: A. Draft MTS Doc. No. G1926.0-16
B. Cost Breakdown

DRAFT

G1926.0-16
CONTRACT NUMBER

FILE/PO NUMBER(S)

**STANDARD SERVICES AGREEMENT
FOR
TRANSIT SMART CARDS**

THIS AGREEMENT is entered into this 1st day of January 2017, 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: Paragon Magnadata Inc. Address: 15 Pine Fork Drive

Form of Business: Corporation Toms River, NJ 08755
(Corporation, partnership, sole proprietor, etc.)

Telephone: (732) 505-0401

Telephone: (732)505-0401 Email Address: joebmagusa@comcast.net

Authorized person to sign contracts: Joseph Bonano Vice President
Name Title

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

Provide transit cards as specified in the Scope of Work (attached as Exhibit A), the Proposal (attached as Exhibit B), and in accordance with the Standard Procurement Agreement, including the Standard Conditions Procurement (attached as Exhibit C).

The contract term is for up to a three (3)-year base period and two (2) 1-year option terms, exercisable at MTS's sole discretion, for a total of five years. Base period shall be effective January 1, 2017 through December 31, 2019, and option years shall be effective January 1, 2020 through December 31, 2021, if exercised by MTS.

Payment terms shall be net 30 days from invoice date. The total cost of this contract shall not exceed \$1,446,886.80 for the base years and \$964,591.20 for the option years, for a total not to exceed \$2,411,478.00 without the express written consent of MTS.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM		CONTRACTOR AUTHORIZATION	
By: _____ Chief Executive Officer		Firm: _____	
Approved as to form:		By: _____ Signature	
By: _____ Office of General Counsel		Title: _____	
AMOUNT ENCUMBERED \$1,446,886.80	BUDGET ITEM 530010-575160/531010-575160	FISCAL YEAR FY 17-FY 20	
By: _____ Chief Financial Officer		Date	
(____ total pages, each bearing contract number)		SA-SERVICES	

MTS Transit Cards Specs		NXP CHIP						
		Price Break per Transit Cards via Quantities						
Type		1-4,999	5,000-9,999	10,000 - 19,999	20,000 - 49,999	50,000 - 99,999	100,000 - 149,999	150,000+
Paper (14 mil)		\$ 1.2300	\$ 0.8100	\$ 0.5600	\$ 0.4100	\$ 0.3700	\$ 0.3100	\$ 0.3100
Limited Use (22 mil)		\$ 0.5700	\$ 0.5200	\$ 0.47	\$ 0.4550	\$ 0.4480	\$ 0.4400	\$ 0.4280
Traditional (30 mil)		\$ 0.5700	\$ 0.5200	\$ 0.4700	\$ 0.4550	\$ 0.4480	\$ 0.4400	\$ 0.4280

NXP CHIP										
Quantity Ordered										
Type	1-4,999			5,000-9,999			10,000 - 19,999			20,000 - 49,999
	Unit Price	Est. Quantity	Total	Unit Price	Est. Quantity	Total	Unit Price	Est. Quantity	Total	Est. Quantity
Paper (14 mil)	\$ 1.2300		\$ -	\$ 0.8100	40,000	\$ 32,400.00	\$ 0.5600	40,000	\$ 22,400.00	\$ 0.4100
Limited Use (22 mil)	\$ 0.5700		\$ -	\$ 0.5200	95,000	\$ 49,400.00	\$ 0.4700	200,000	\$ 94,000.00	\$ 0.4560
Traditional (30 mil)	\$ 0.5700		\$ -	\$ 0.5200	85,000	\$ 44,200.00	\$ 0.4700	90,000	\$ 42,300.00	\$ 0.4550
Totals			\$ -			\$ 126,000.00			\$ 158,700.00	\$ 249,350.00
Type	50,000 - 99,999			100,000 - 149,999			150,000+			
	Unit Price	Est. Quantity	Total	Unit Price	Est. Quantity	Total	Unit Price	Est. Quantity	Total	
Paper (14 mil)	\$ 0.3700		\$ -	\$ 0.3100	400,000	\$ 124,000.00	\$ 0.3100		\$ -	
Limited Use (22 mil)	\$ 0.4480		\$ -	\$ 0.4400	600,000	\$ 264,000.00	\$ 0.4280		\$ -	
Traditional (30 mil)	\$ 0.4480	150,000	\$ 67,200.00	\$ 0.4400	200,000	\$ 88,000.00	\$ 0.4280	2,700,000	\$ 1,155,600.00	\$ 2,232,850.00
Totals			\$ 67,200.00			\$ 476,000.00			\$ 1,155,600.00	\$ 1,178,628.00
									Subtotal	\$ 2,232,850.00
									ICA Sales Tax 6.00%	\$ 178,628.00
									Total with Tax	\$ 2,411,478.00

BAFO Proposal Submitted by: PARAGON MAGNADATA INC.
Date: 11/9/16



AGENDA ITEM NO.

24

REQUEST TO SPEAK FORM

ORDER REQUEST RECEIVED

1

**PLEASE SUBMIT THIS COMPLETED FORM (AND YOUR WRITTEN STATEMENT)
TO THE CLERK OF THE BOARD PRIOR TO DISCUSSION OF YOUR ITEM**

1. INSTRUCTIONS

This Request to Speak form must be filled out and submitted in advance of the discussion of your item to the Clerk of the Board (please attach any written statement to this form). Communications on hearings and agenda items are generally limited to three minutes per person unless the Board authorizes additional time; however, the Chairperson may limit comment to one or two minutes each if there are multiple requests to speak on a particular item. General public comments on items not on the agenda are limited to three minutes. Please be brief and to the point. No yielding of time is allowed. Subjects of previous hearings or agenda items may not again be addressed under General Public Comments.

(PLEASE PRINT)

DATE	12-8-16		
Name	JOSHUA STOLZ		
Address			
Telephone			
Organization Represented			
Subject of Your Remarks			
Regarding Agenda Item No.			
Your Comments Present a Position of:	<input type="checkbox"/>	<input type="checkbox"/> SUPPORT <input type="checkbox"/>	<input type="checkbox"/> OPPOSITION

2. TESTIMONY AT NOTICED PUBLIC HEARINGS

At Public Hearings of the Board, persons wishing to speak shall be permitted to address the Board on any issue relevant to the subject of the Hearing.

3. DISCUSSION OF AGENDA ITEMS

The Chairman may permit any member of the public to address the Board on any issue relevant to a particular agenda item.

4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

Public comment on matters not on the agenda will be limited to five speakers with three minutes each, under the Public Comment Agenda Item. Additional speakers will be heard at the end of the Board's Agenda.

NOTE: Subjects of previous hearings or agenda items may not again be addressed under General Public Comments.



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

Agenda Item No. 30

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 8, 2016

SUBJECT:

FARE COLLECTION UPDATE AND WHITEPAPER (SHARON COONEY)

RECOMMENDATION:

That the Board of Directors receive a report and provide direction.

Budget Impact

None.

DISCUSSION:

The San Diego Association of Governments (SANDAG), MTS, and the North County Transit District transitioned from paper fare products to the Compass Card electronic fare collection system in 2009. MTS assumed responsibility for management of Compass Card from SANDAG in 2014. MTS staff immediately began to review the current system's status and to begin the process for modernization and replacement of components of the system that was originally procured in 2003.

Agency staff at multiple levels have been reviewing the latest industry technology, attending vendor demonstrations and industry conferences and tradeshow, and engaging in discussions with peers regarding best practices and vendor experiences. Meanwhile, MTS's current vendor, Cubic, was asked to provide alternatives for upgrading the existing system.

A fare collection working group was established in 2016 to spearhead the creation of a set of preliminary requirements for the future electronic fare collection system. The working group hired a consultant to assist in its work, held a peer agency workshop, reviewed numerous documents produced by other agencies, and attended an international workshop. A whitepaper (Attachment A) details the results of the working group's efforts.



Staff will present a report on the Compass Card system and the whitepaper, and engage in a dialogue regarding the whitepaper's recommendations and potential next steps.



Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Fare Collection System Design Whitepaper



Metropolitan Transit System (MTS) Fare Collection Whitepaper

November 2016

Introduction

MTS assumed responsibility for the regional electronic fare collection system, Compass Card, from the San Diego Association of Governments (SANDAG) in 2014. The agency immediately began to review the current system's status and to begin the process for modernization and replacement of components of the system that was originally procured in 2003.

Agency staff at multiple levels have been reviewing the latest industry technology, attending vendor demonstrations and industry conferences and tradeshow, and engaging in discussions with peers regarding best practices and vendor experiences. MTS's current vendor was asked to provide alternatives for upgrading the existing system.

A Fare Collection Working Group was established in 2016 to spearhead the creation of a set of preliminary requirements for the future electronic fare collection system. The Working Group hired a consultant to assist in its work, held a peer agency workshop, reviewed numerous documents produced by other agencies, and attended an international workshop. This whitepaper details the results of the Working Group's efforts.

Whitepaper Purpose and Scope

The purpose of this whitepaper is to provide MTS decision makers with a framework for discussions regarding expectations for the next version of the San Diego regional electronic fare collection system. The current system has reached its useful life, and system hardware and software components must be upgraded or replaced. There are three general alternatives available at this point:

1. Upgrade the current Cubic system to the latest version of NextFare software, maintaining the same general functionalities as available today while modernizing the equipment and improving security features. New options such as Stored Value and mobile ticketing may become available in coming months.
2. Seek greater functionality and modernization through the initiation of a full procurement for a next generation electronic fare collection system. This option could result in significant improvements, but also highest cost and potential implementation risk.
3. Perform a strategic upgrade analysis on the existing system, identifying incremental upgrades and integration opportunities that can transition to a new system with minimal impact to customers. Consider multiple procurements between "best of breed" vendors to maximize flexibility and control costs.



This whitepaper provides high level requirements and cost estimates associated with the full system replacement described in the second option. In Chapter 1, the whitepaper relates the results of a workshop that was held with eight peer agencies around the U.S. and Canada in various stages of their own fare collection system upgrades. Chapter 2 details ideal system requirements for the next generation fare collection system. Chapter 3 provides Rough Order of Magnitude (ROM) estimates for the full system replacement. Finally, Chapter 4 provides the high level recommendation described in option three, and a scan of vendors to show level of ability to fulfill the recommended next-generation system attributes.



Fare System Goals

Prior to the initiation of this whitepaper, MTS developed a number of objectives to help guide the concept and early requirements for the next-generation fare system. An early critical step for project success is to identify the highest priority goals. Establishing the most important end goals will help to determine what success will look like when the project is complete.

The best resources for identifying these goals are the fare system stakeholders, project advocates, and eventual end users of the system. As an action to generate a list of system goals and determine the best order of priority, the fare system goals and priorities were discussed with the following key stakeholders within MTS:

- Executive
- Finance
- Rail Operations
- Bus Operations
- Marketing
- Customer Service
- Planning
- Information Technology

The results of those discussions gave the following ranked priorities for the future fare system:

1. Open architecture
2. Expandable
3. Simple
4. Manageable operation
5. Secure
6. Stable
7. Cost-effective
8. Meets customer market needs
9. Proven, leading technology
10. Operational efficiency
11. Low-risk
12. Delivered quickly

These priorities will help to form the project scope for the next generation fare system procurement and request for proposals, as well as provide basic metrics for the future system to be measured against. The project goal can be summarized as follows:

MTS's next-generation fare system shall: be a non-proprietary open architecture system; have an expandable and flexible design that is able to evolve as needs and technology change; be simple for both customers to use and MTS to manage; be stable and compliant with security standards; and use leading, yet proven, technology for fare payment that maximizes media already held by customers.



Fare Collection Steering Committee Members

Metropolitan Transit System (MTS)

Denis Desmond	Planning Manager
Israel Maldonado	Revenue and Compass Card Manager
Julia Tuer	Executive Assistant to the CEO
Katie McCanna	Digital Design and Content Specialist
Kristine Villa	Regional Revenue Administrator
Larry Marinesi	Chief Financial Officer
Marcus Smith	Compass Card Supervisor
Michele Giovinazzo	Reports Development Analyst
Rob Schupp	Director of Marketing and Communication
Robert Borowski	Enterprise Business Solutions Manager
Scott Donnell	Revenue Manager, Rail
Sharon Cooney	Chief of Staff

North County Transit District (NCTD)

Mary Aykroid	Deputy Chief Accounting and Finance Officer
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San Diego Association of Governments (SANDAG)

Brian Lane	Senior Transit Planner
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Phase 1 Project Lead	Sharon Cooney, Chief of Staff, MTS
Phase 1 Consultant	Alan Cheng, Principal Consultant, CH2M HILL



**Attendees for the San Diego Metropolitan Transit System Fare Collection
Workshop
July 25-27, 2016**

Facilitator: Alan Cheng (CH2M)

Peer Agencies

TriMet (Portland)	Chris Tucker, Fare System Project Manager; and Rhyen Van Horn
DART (Dallas)	Tina Morch-Pierre, Sr. Manager, Revenue Administration
Sound Transit (Seattle)	Brittany Esdaile, Regional Program Manager, Next Generation ORCA
CTA (Chicago)	Michael Gwinn, Director, Revenue and Fare Systems
SEPTA (Philadelphia)	Kevin O'Brien, Fare Collection Project Manager
Metro (Minneapolis)	Nick Eull, Senior Manager – Revenue Collection
TTC (Toronto)	Arthur Borkwood, Head of Customer Development, Strategy & Customer Experience
WMATA (Washington, DC)	Jim Bongiorno, Treasury Technical Manager

Regional Partners

NCTD	Mary Aykroid, Deputy Chief Accounting and Finance Officer
SANDAG	Brian Lane, Senior Transit Planner

MTS Fare Collection Whitepaper

Chapter 1

Peer Agency Workshop Summary

Prepared for



August 2016



Peer Agency Summary

As part of its next generation fare collection project, the San Diego Metropolitan Transit System (MTS) invited several peer agencies to MTS headquarters to discuss next generation fare collection topics. At the outset of this peer workshop, the participating agencies each gave a presentation on their existing system and next generation fare collection plans. Each agency was at a different phase of next-generation planning or implementation. Here are summaries of their respective fare systems.

Dallas Area Rapid Transit (DART) – Dallas, TX

Agency Information

Dallas Area Rapid Transit (DART) provides bus, light rail, commuter rail, streetcar, vanpool, and paratransit services. Features of the current system include:

- 69 Million Annual Riders
- \$70 Million in Annual Fare Revenue
- 700 Square Mile Service Area
- 661 Fixed Route Buses
- 62 Light Rail Stations
- 10 Commuter Rail Stations
- 184 TVMs
- 13 Participating Cities
- 15.6% Farebox Recovery Ratio
- 900 Retail Locations

Fare Collection System

DART is in development of an account-based open payments fare collection system. In 2011, DART began the initial planning for the new fare collection system and plans for system rollout in mid to late 2017. DART is currently in the final design review phase of the project. VIX was selected as the primary fare collection system vendor and Unwire was selected as the mobile ticketing vendor. Unwire worked with PayNearMe to facilitate cash payments for mobile ticketing. The combined fare collection vendor and mobile ticketing contracts are valued at \$31 Million.

Validators will accept fare payment from NFC mobile wallets and agency issued/third party cards. Customers will be able to load value and purchase fare products from the website, mobile app, and retail locations. PayNearMe allows customers to select the option to pay with cash while making mobile ticketing purchases. For those mobile cash payments, PayNearMe provides cash paying customers with a barcode and a list of nearby participating retail locations. Retailers scan the mobile barcode and customers pay with cash to complete the transaction at PayNearMe's retail network of 900 locations.

DART designed the fare collection system to reduce TVMs and farebox payments. TVMs will be converted to only sell two hour passes. Additionally, DART is purchasing simplified fareboxes which only accept cash and will not print fare media. DART currently offers 63 fare products for adult and reduced fare riders. The agency is planning to simplify the fare structure and focus on daily and monthly fare capping. DART captured their system design in a Concept of Operations prior to vendor award.

Chicago Transit Authority (CTA) – Chicago, IL

Agency Information

The Chicago Transit Authority (CTA) provides bus, heavy-rail, and paratransit for Chicago and 35 surrounding suburbs. CTA's regional partners include Pace Suburban Bus and Metra Commuter Rail. The current system includes:

- 516 Million Annual Riders
- 1.5 Million Weekday Riders
- \$587 Million in Annual Fare Revenue
- 1,900 Fixed Route Buses
- 145 Rail Stations
- 420 TVMs
- 1,300 Retail locations

Fare Collection System

In 2013, CTA replaced all their legacy fare systems with a new open payments and closed loop Ventra fare collection system. Cubic was selected as the primary fare collection system vendor. Key subcontractors include moovel, First Data Corporation (FDC), and Vantiv. The 12 year contract is valued at approximately \$520 million. Ventra was developed on a very rapid timeline; the contract was awarded to Cubic in November 2011 and the full system rollout occurred in September 2013. The aggressive timeline was the result of strict payment milestones and a public launch schedule. While the rapid timeline prevented long and costly delays, it also shortened the testing and piloting phases.

CTA did not provide any upfront capital costs for the new Ventra system. Instead, CTA pays a monthly base fee and a variable tap fee to Cubic. This payment model was attractive to the agency due to obsolescence of the prior system and limited availability of capital funding.

The Ventra Card is the primary fare media with 2 separate accounts; a branded MasterCard which allows for debit and transit transactions, in addition to closed loop Ventra transit account. Customers are initially charged \$5 for the purchase of Ventra Cards, but they can recoup the \$5 cost as transit stored value when the card is registered. Customers can also utilize the MasterCard pre-paid debit account to ride transit and make purchases wherever MasterCard is accepted. In October 2014, CTA introduced the Ventra mobile app. The app allows customers to manage accounts and purchase fare media. The app also provides visually validated mobile ticketing for Metra Commuter Rail.

Over 6 million user accounts have been created since the introduction of Ventra. There are approximately 2 million accounts which have been actively used in the past 90 days. Open payments have accounted for a very small fraction of total transactions. During the past 90 days, open payments accounted for less than one tenth of a percent of total transactions. Cash payments account for approximately 9% of bus payments. The introduction of Ventra did not significantly decrease the percentage of cash payments and the agency believes that it is unlikely that cash will ever be fully removed from the system in the near term.

Washington Metropolitan Area Transit Authority (WMATA) – Washington, DC

Agency Information

The Washington Metropolitan Area Transit Authority (WMATA) provides bus, heavy-rail, and paratransit services in the District of Columbia and in four surrounding counties. The current system includes:

- 337 Million Annual Riders
- \$900 Million in Fare Revenue
- 1,500 Square Mile Service Area
- 91 Rail Stations
- 1,500 Fixed Route Buses
- 670 TVMs

Fare Collection System

WMATA has recently been in the extended process of procuring and implementing a next generation fare collection system. After a protracted procurement process, the agency issued a contract to Accenture for an account-based, open payments fare collection system in January 2014. In total, the contract was valued at over \$400 million. However after implementation challenges and cost concerns, the contract with Accenture was canceled in April 2016. The agency is now exploring alternative system designs and procurement approaches to upgrade their existing fare system.

WMATA currently utilizes the SmartTrip card-based fare collection system. TVMs have been upgraded to utilize SmartTrip cards and no longer sell paper tickets. Bus riders paying with cash currently account for 15% of bus ridership. The majority of TVM sales are from credit/debit cards. Cash payments account for approximately 15% of all TMV transactions. Government prepaid benefit programs account for 40% of system ridership.

WMATA charges distance and time of day based fares for rail service. Bus fares are flat and do not vary by distance or time of day. A higher fare is charged for Express Bus service. WMATA is piloting a price point based pass program, where customers select a trip price point from \$2.50 to \$6.00 as their base fare and get unlimited travel for all trips of equal or lower value. When making trips above the price point, the difference is withdrawn from stored value.

Metro Transit – Minneapolis, MN

Agency Information

Metro Transit operates bus, light rail, commuter rail, BRT, and paratransit services in the seven county Minneapolis-Saint Paul Region. The current system includes:

- 86 Million Annual Riders
- 907 Square Mile Service Area
- 7 Commuter Rail Stations
- 37 Light Rail Stations
- 900 Fixed Route Buses
- 140 TVMs
- 120 Retail locations

Fare Collection System

Metro Transit currently operates a card-based closed loop fare collection system from Cubic. Metro Transit introduced the Go-To Card in 2006. The Go-To Card utilizes the MiFare Classic 1K media standard, and Metro Transit upgraded fare validators utilize NFC technology in 2016. The Go-To Card currently accounts for 54% of system ridership. The Cubic system has been incrementally upgraded over time in order to maximize investment in the current system. These upgrades include updated Cubic TriReaders, TVM upgrades to Windows 7, and procurement of new mobile validators. Furthermore, Metro Transit purchased low-cost BRT TVMs from Parkeon, and developed in-house website and customer relationship tools. The original fare collection system contract was valued at \$15 million, however numerous additional contracts have been executed to upgrade the system.

Customers can purchase and/or reload Go-To Cards at TVMs, 120 retail locations, Metro Transit Service centers, and through the website. The website allows customers to order new cards, add value or passes, and sign up for autoload. In addition to the Go-To card, customers can make cash payments at bus fareboxes, purchase single use magstripe tickets at rail TVMs, and purchase flash passes at BRT TVMs. Cash payments currently account for 20% of bus fare payments, and credit cards account for 60% of TVM purchases.

The current base fare includes a two and a half hour transfer. Metro Transit charges a \$0.50 upcharge for peak period travel. The same fare is charge for cash and Go-To Card stored value, however a 10% bonus is provided for stored value loads Time and trip based passes are only offered on the Go-To Card.

Metro Transit offers several institutional passes including; Metropass (corporate program), Student Pass (high school program), College Pass (college program), and U-Pass (University of Minnesota program), Jobseeker Program, and various homeless relief programs.

TriMet – Portland, OR

Agency Information

TriMet operates bus, light rail, and commuter rail in the Portland Region. Regional partners include C-TRAN suburban bus service and the Portland Streetcar. The current system includes:

- 100 Million Annual Riders
- \$115 Million in annual Fare Revenue
- 650 Fixed Route Buses
- 100+ Rail Platforms
- 6 Commuter Rail Cars
- 17 Street Cars
- 130 Retail Stores

Fare Collection System

TriMet currently operates a paper ticket Proof of Payment (POP) system. Starting in 2012, they designed and developed an account-based, open payment, closed loop, and open architecture fare collection system. The full system rollout is planned for 2017. With a strong internal steering committee and technical consultant, TriMet developed a Concept of Operations (ConOps) prior to system procurement and ultimately selected Init as the primary fare system integrator. TriMet is utilizing the open architecture requirement by employing several sub-contractors to implement system elements and integrating with the primary Init back office. Major sub-contractors include: Scheidt & Bachmann (TVMs), moovel (mobile apps), The Brigade (websites), Enghouse (IVR), and Ready Credit (retail network). Init provided the Application Programming Interfaces (APIs) that the sub-contractors are interfacing with. The combined fare collection system contracts are valued at around \$30 million.

TriMet is issuing an agency branded Hop Fastpass Card as the primary form of media, but will also accept open payment bankcards and mobile wallets. Customers will be able to purchase and load Hop Cards from retail locations. Unlike many current cased-based retail networks, the Hop Fastpass will be available for purchase alongside standard gift cards. Reducing reliance on TVMs is a major goal of the agency. The current TVMs will be upgraded to issue limited use (LU) cards for a limited number of fare products.

The Hop mobile app will allow customers to manage their account, add value, and purchase passes. The current version of the mobile app is currently a visual mobile ticket, since the existing paper system is visually validated. The current app will also be adding with Lyft, Car-2-Go and BIKETOWN bikeshare program prior to the launch of the future Hop mobile app.

The current base fare is \$2.50 for two and a half hours of unlimited travel on all modes. As part of the Hop Fastpass launch TriMet will eliminate all public pass products and introduce fare capping. Fare capping will allow customers to earn day and monthly passes as rides are taken, offering the value of a pass without requiring the upfront pass cost. This allows customers to receive “best fares” as they ride, and greatly simplifies the public fare purchasing experience since there will be no products to purchase.

Sound Transit – Seattle, WA

Agency Information

The Puget Sound Region around Seattle is home to 7 transit agencies which operate bus, BRT, commuter rail, light rail, streetcar. The current regional system includes:

- 190 Million Annual Riders
- \$350 Million Fare Revenue (\$220 Million on ORCA)
- 2400 Fixed Route Buses
- 60 Rail Stations (All Modes)
- 100 TVMs
- 123 Participating Retailers

Fare Collection System

The Seattle Puget Sound Region is currently in the process of designing an account-based, open architecture fare collection system. The next generation ORCA fare collection system is planned for delivery in 2021. The new fare collection is being planned in tandem with significant service expansions. The planned future system will specify open APIs in order to facilitate future upgrades. There is currently a dedicated team of 5 staff members planning for the next generation fare collection system.

As part of the next-generation ORCA system, a regional program team was formed to lead the system design and technical requirements along with technical and management consultants. The planning process is currently underway with participation from all regional transit agencies and a technical consultant team.

The seven regional agencies currently use the ORCA card-based fare collection system. ORCA currently accounts for approximately 62% of transit trips and has over one million active cards in use. Institutional business programs currently account for 50% of ORCA system revenue.

Regional agencies offer a wide range of fare structures and fare products. Many agencies offer a combination of flat, time of day, and zonal fares. The regional PugetPass includes over 21 unique pass products. Regionally, four fare policy options are being considered for the new fare collection system. These options include eliminating zone based fares, eliminating time of day fares, creating a fully regional policy, and introducing fare capping.

Southeastern Pennsylvania Transportation Authority (SEPTA) – Philadelphia, PA

Agency Information

The Southeastern Pennsylvania Transportation Authority (SEPTA) provides bus, trolley, NHSL (Norristown High Speed Line), trackless-trolley, heavy rail, commuter rail, and paratransit service in the City of Philadelphia and in 4 regional counties. The current system includes:

- 330 Million Annual Trips
- 1.3 Million Weekday Riders
- \$476 Million in Annual Revenue
- 2,200 Square Mile Service Area
- 55 Subway Stations
- 8 Trolley Lines
- 2 Trackless-Trolley Lines
- 150 Commuter Rail Stations
- 1500 Retail Locations

Fare System

SEPTA is currently in the testing and pilot stage of an account-based, open payment fare collection system. Xerox is the primary fare collection system vendor. SEPTA developed clear goals for the new fare collection system at the beginning of the design process. The new system was designed to provide more flexible payment options, reduce the reliance on cash, and provide greater control of data management and reporting. In late 2011, SEPTA awarded a \$130M contract to Xerox for the open payment fare system. The anticipated system rollout for all modes is planned for 2017.

The new open payment fare media will be branded the Key Card. Key Card will be a branded contactless debit card which will combine fare and retail payment into one card. Use of the debit card is optional, and card fees apply for debit card transactions. The new fare collection system will allow customers to pay with SEPTA Key Cards, bank issued contactless cards, NFC phones, third party cards, pre-paid cards, and institutional cards. The open payment system will allow riders to more easily pre-fund travel, provide greater options for unbanked customers, eliminate fees for transit purchase, and allow for efficient revenue sharing.

SEPTA currently accepts cash, magnetic stripe passes, paper tickets, tokens, and paper transfers. Riders using pass products account for 44% of total ridership, adult customers paying with cash account for 13% of ridership, and customers using token payments account for 23% of ridership. As part of the Key Card program, fare simplification is anticipated including the phasing out of legacy fare media.

Toronto Transit Commission (TTC) – Toronto, ON

Agency Information

The Toronto Transit Commission (TTC) operates in and around Toronto, Canada. The current system includes:

- 535 Million Annual Riders
- \$1.2 Billion Annual Revenue
- 69 Subway Stations on 4 Subway Lines
- 12 streetcar lines
- 1800 Fixed Route Buses
- 120 TVMs at Rail Stations

Fare Collection System

The TTC is currently in the process of a large scale fare collection system modernization campaign. This campaign began in 2013. TTC is in the process of integrating the regional PRESTO Card, the regional smartcard system that was initially introduced in 2009. The PRESTO Card is administered by the Metrolinx regional transportation planning authority and is currently available on 11 regional transit agencies. TTC pays Metrolinx 5.25% of fares paid via PRESTO. Due to the wide availability of contactless credit cards in Canada, open payments are a major component of the new fare collection system.

PRESTO is being rolled out incrementally and in parallel with existing fare equipment. Bus validators will become operational as they are installed, and will be available on all buses by the end of 2016. PRESTO is currently available at roughly 30 rail stations and will be introduced in a phased approach throughout the rail system. Open payments abilities are scheduled to be available in early 2017.

Customers can pay fares using cash, magnetic stripe tickets, PRESTO Card (at available stations), tokens, streetcar proof of payment, and mobile ticketing (for select passes). Mobile ticketing is available for customers using day passes, family passes, and special event passes. A flat fare is charged across all modes. PRESTO Card, tickets, and tokens are slightly discounted relative to cash payments. PRESTO will allow customers to load stored value and purchase fare products.

Table 1: Next Generation Fare Collection System Timelines and Costs

Agency	Annual System Ridership	Initial Planning Start	Planned Completion	Fare System Cost	Staffing Notes
DART	69 Million	2011	2017	\$31 Million	Manager with supporting team including consultants. Will maintain fare collection team after launch for future integrations.
CTA	516 Million	2010	2013	\$520 Million	Dedicated internal and fare consulting staff during rapid implementation schedule. Retained staff after problematic launch.
WMATA	337 Million	2009	2017 *	\$400 Million*	Dedicated staff to manage procurement and pilot phases. * In 2016 canceled contract awarded to Accenture due to cost concerns. Pursuing alternative account-based system.
Metro Transit	86 Million	2002	2006	\$15 Million (Excludes Upgrades)	Dedicated fare manager and staff since introduction of card-based system in 2006. Staff have made incremental upgrades to expand system life and functionality.
TriMet	100 Million	2012	2017	\$30 Million	Dedicated fare staff and consultant team that fluctuates depending on project phase. Currently three additional part time staff.
Sound Transit	190 Million (Regional)	2014	2021	TBD	Dedicated regional project fare collection team. Currently discussing hiring additional specialists for specific areas.
SEPTA	330 Million	2008	2017	\$130 Million	Full time internal and consulting staff. Had considerable delays in design phase, now implementing an incremental rollout.
TTC	535 Million	2013	2017	TBD	Limited internal staff. Currently implementing an incremental rollout of existing PRESTO regional fare collection system.

Topic Based Discussions

Following peer agency introductory presentations, the workshop focused on a series of topic-based open discussions. The topics were related to the design, procurement, implementation, and operation of next-generation fare systems. In addition, specific technical subjects were discussed where any peers could ask or answer questions. This format encouraged informative discussion and clarification by all agencies no matter where they were in their planning process.

Project Phase: Planning

Concept of Operations

- TriMet devoted several months to developing a Concept of Operations (ConOps) with a fare consultant prior to drafting technical specifications to share with the industry and internal stakeholders.
- Sound Transit also developed a ConOps which included various user scenarios to inform the system requirements.
- DART made fundamental changes to the Concept of Operations, even after vendor selection. This included changing the strategy from purchasing some new equipment to refurbishing.
- DART recommended having each department sign off on the ConOps to prevent disagreements or protests in the implementation and operations phase.
- Several peers noted that the Concept of Operations needed to be a living document which would be updated throughout the design process.
- Several peers noted that a ConOps allowed the agency to advance a consistent message to the board, to the regional partners, and to general public. This was a very important element of the project approach.

Internal Staffing

- SEPTA noted that the size of internal fare collection team determined the degree of outsourcing of responsibilities to vendors. The size and capability of internal staff was a limiting factor for how much could be operated internally.
- Sound Transit and SEPTA mentioned that it is critical to determine which departments will take particular responsibilities of the system when fully operational.
- TriMet currently has a dedicated staff of 5 employees in addition to a consultant team working on the fare collection system team. Some staff performed other responsibilities, depending on which phase of the project was underway.
- CTA recommended maintaining the fare collection team after implementation in order to address troubleshooting and unforeseen issues.
- Sound Transit formed a Regional Project Team (RPT) comprised of leads across several disciplines, and coordinated participation and review by all 7 regional agencies.
- All agencies stressed the need for dedicated fare collection staff that did not have significant other day-to-day fare responsibilities. The necessity and type of staff will likely change over the course of the project, but dedicated staff was highly recommended by all agencies.

Regional Partners

- CTA developed a phased strategy for engaging regional partners. The agency noted the importance of presenting options, providing opportunities for limited participation, and fostering advocates from regional agencies.
- Many agencies noted that having advocates at regional partners greatly facilitated the process. Involving regional champions early and often encourages regional success.

Transition Plan

- SEPTA highlighted the importance of developing a plan to transition responsibilities once the system becomes operational.
- Sound Transit developed a transition plan and procurement plan in parallel. It was also determined early that the region did not want to run parallel systems. This influenced the initial design requirements and required a more comprehensive transition plan.
- CTA was in the position where aging legacy fare systems needed to be transitioned to the new Ventra system very quickly. They accomplished the transition in a timely manner, but saw several public issues that may have been mitigated with more extensive testing.

Project Phase: Procurement

Request for Information (RFI)

- Sound Transit and TriMet both issued a Request for Information (RFI) to the fare industry and select peers to provide feedback and comments on their fare collection strategy and ConOps.
- DART issued a Request for Qualifications (RFQ) as opposed to an RFI. This allowed DART to interview technical staff from vendors and pre-select qualified vendors. The RFQ was part of the official procurement process, and vendors had to prove their technical approach prior to selection.

Request for Proposal (RFP)

- Several agencies recommended developing both technical and functional requirements for the RFP specification. Functional requirements are useful to give vendors some flexibility since fare collection technology is changing so rapidly.
- WMATA had its fare collection system vendor provide a number of validator vendors in order to demonstrate the open architecture requirement.
- Sound Transit will specify which elements the vendor will contract to a third party, such as website and Customer Relationship Management (CRM) tool.
- Several agencies commented that traditional fare collection vendors do not have strong offerings in areas such as websites, mobile apps, CRM tools, reporting, and data analytics.
- SEPTA specified both performance and technical elements in the RFP and mentioned the need to draft technical requirements when elements needed to comply with agency design requirements.
- Metro Transit developed a functionally driven RFP which was used as a starting point for negotiations. The agency noted that over-specifying technical requirements can lead to sub-par systems.

Best and Final Offer (BAFO) Negotiation

- TriMet felt that it would have been more efficient to have had external legal counsel manage terms of the vendor contract.
- DART recommended taking extra time to ensure that the master service agreement is thorough and comprehensive.
- TriMet intentionally over-specified functional requirements in the RFP in order to facilitate negotiations with vendors. Some vendors offered credit or other features in exchange for requirements they couldn't meet that weren't high priority for TriMet.

Project Phase: Implementation

Design Reviews

- SEPTA recommended preventing delays during the final design review phase as much as possible. The agency's final design review phase was scheduled to take 4 months but ended up taking 1.5 years.
- DART recommended performing a secondary design review if the first review was unsatisfactory.

Testing/Pilot

- There was consensus that it was better to incur delays from additional testing than rolling out a system with technical bugs and unproven processes.
- All agencies noted that field testing was extremely important as many environmental factors cannot be replicated in lab testing.
- CTA stressed that a pilot was one of the most important parts of the process and was the only way to find bugs in day-to-day operation.
- WMATA stressed the importance of developing a clear pilot with clear success metrics and consideration for operational factors.

Installation

- Several agencies mentioned that there was a trade-off between an incremental installation over a long period and "overnight" installation of validators and TVMs.
- TTC is in the process of parallel installation of PRESTO equipment alongside existing equipment in rail stations. There are challenges communicating to the public which equipment can be used with what media.
- CTA replaced legacy equipment with new Ventra equipment rapidly, and stopped accepting legacy fare media over a short time period. While there were many complaints and negative publicity, the new Ventra system was installed quickly and is operating well today.
- Agencies with gated rail stations mentioned having issues with integrating new validators on existing fare gate hardware.
- Sound Transit had concerns integrating new fare validators with the various types of CAD/AVL system onboard regional partners. Various bus types complicate onboard integration projects.
- TriMet hired a third party to audit TVM installations in order to reduce complications at launch.

Project Phase: Transition

Executive Outreach

- TriMet engaged with executives and the board several years before anticipated project launch. They mentioned that having a Concept of Operations was key to maintaining a consistent plan during a multi-year project.
- DART had their Chief Marketing Officer as a major advocate. This greatly facilitated communications with the board of directors.
- Sound Transit recommended engaging executives from regional agencies early in the process. The executives buy-in ensured participation from their staff on the project.

Public Outreach

- TriMet began public outreach one year into the initial design process, 3 years prior to the anticipated system launch. This allowed for meaningful engagement from low-income, unbanked, and reduced fare customers. It also allowed for clear messaging of fare policy changes.
- WMATA recommended frequently engaging groups and clearly explaining why a change needs to be made, what is being taken away, and what is going to be provided instead.
- Sound Transit engaged the public early on, in order to develop high level system requirements. In addition, frequent engagement during a long procurement can mitigate dissatisfaction from additional delays.

Parallel Systems

- SEPTA and TTC are incrementally rolling out new fare collection systems. New validators become active upon installation. As a result, the new fare collection system is not available on all buses or at all rail stations, and will be phased in over time. This has led to some customer confusion and installation challenges.
- Sound Transit plans on requiring new validators to also read legacy ORCA fare media. This will require parallel coordination between the back ends of new and old system. The region does not want operate the old and new systems in parallel, but the technical details of parallel operation still need to be determined.
- WMATA recommended keeping the same data warehouse during the transition in order to reduce the need reconcile multiple reports.
- DART discovered during design reviews that some legacy equipment could be repurposed instead of purchasing new equipment. In addition, they originally planned on using their existing bus fareboxes but discovered it was more cost effective to purchase new simplified fareboxes.

Project Risks

Design Risk

- Many agencies agreed that over-specifying technical requirements can prevent agencies from adopting innovative and/or upcoming technologies. Functional requirements allow vendors to propose new technologies as long as they meet the intended function of the requirement.

- Several open payment systems anticipated higher adoption of open payment bank cards in the US. The actual adoption has been negligible, although mobile wallets such as Apple Pay and Android Pay may become more popular over time.
- TriMet mentioned that the open payment design process was extremely complex and new for the vendor. As a relatively new feature in transit fare collection, they have been working through the technical details since the start of the design process.

Procurement Risk

- Several agencies noted that a long procurement process increases the risk of technical obsolescence due to rapid technological changes in the fare collection industry.
- Many agencies mentioned that having a comprehensive Concept of Operations, executive level advocates, and well defined vendor schedules reduced the risk of having to cancel vendor contracts.
- WMATA and SEPTA both experienced procurement processes that were significantly longer than anticipated due to technical requirement clarifications, vendor changes, funding constraints, and internal staffing changes.

Implementation Risk

- Many agencies stated that vendor staffing, technical capabilities, and scheduling as major potential risks.
- DART worked with vendors to create a detailed and reasonable schedule at the outset and have dedicated agency staff manage vendor schedules and progress.
- SEPTA recommended including comprehensive contract resolutions measures in place from the start of the project.
- A combination of cost, schedule, and technical issues caused two agencies to cancel their fare vendor contracts.

Operations Risk

- Most agencies recommended having the ability to write limited transaction data to account-based cards. This would preserve some transaction data in the event of real-time communication failures. Communications on bus can be unreliable due to inconsistent cellular coverage.
- CTA noted that it was much more difficult to change customer behavior and fare media usage patterns than expected.

Risk Management

- TriMet performed an external audit of potential risks at the beginning of the process. Mitigation strategies were developed for each potential risk.
- WMATA recommended creating a risk register at the beginning of the process and reviewing the register at each stage of the process.
- SEPTA noted cyber security as a major source of risk. The agency recommended clearly defining legal liabilities in the event of a cyber breach.
- All agencies stressed the importance of PCI and PII security. Increasing PCI and/or PII scope by storing bankcard or personal information on agency system was highly discouraged. Hiring one

or more Qualified Security Assessor (QSA) to constantly evaluate potential PCI issues was recommended.

Mobile Ticketing

Vendor Experience

- All agencies with mobile app vendors under contract noted some staffing and scheduling issues. Some agencies noted that particular mobile vendors were undergoing significant internal change and restructuring.
- DART originally selected moovel as their mobile ticketing vendor, but had to cancel the agreement due to scheduling and staffing constraints. They contracted with their original mobile ticketing vendor, Unwire.
- TriMet felt that moovel (formerly GlobeSherpa) had good engineering and was able to customize many features of the app initially. TriMet was GlobeSherpa's first client, and one of the first bus mobile ticketing projects in transit.
- DART has been relatively happy with Unwire. Unwire was able to integrate with ride sharing and other innovative services. They are currently integrating with PayNearMe, which allows customers to pay their mobile tickets with cash at a network of retailers.

Validation Technology

- Most agencies stated that it was costly and difficult to directly integrate mobile validators into existing fare systems. It was more cost effective to separately implement mobile validators that were installed beside legacy fare equipment.
- Some agencies required that the primary fare collection vendor provide a list of potential mobile validator sub-contractors in order to pilot mobile ticketing.

Shared Ride Services

- Integration with ride sharing apps was listed as a goal of most agencies, however many details, such as revenue sharing, require considerable negotiation and technical challenges.
- TriMet launched a new version of their moovel mobile ticketing app this year that integrated Lyft, Car-2-Go, and their local bike share service.

Smartcard Integration

- Many agencies currently utilize mobile ticketing either on limited modes, limited fare products, or using visual validation. Those with card-based smartcard systems generally operate in parallel with mobile ticketing.
- CTA, TriMet, and DART are planning or operating account-based smartcard systems and focus on account management and mobile purchase functionality.

Fare Policy

Fare Simplification

- Most peer agencies plan to use the enhanced functionality of account-based systems in order to simplify fare structures or introduce new products and/or policies.

- Many agencies stated that the fare policies and structure should be in line with the greater fare collection systems goals.
- Several agencies noted that customers are more strategic with purchasing products and loading value under an account-based system. This can lead to a potential decrease in revenue as customers are less likely to purchase higher cost passes if more flexible products are available.
- CTA replicated the current fare structure and fare policies to allow customers to become more accustomed to the Ventra system.
- SEPTA noted having challenges integrating the complex regional fare structure, which includes zones, transfers, and multiple users into the new Key Card system.

Innovative Strategies

- Several agencies are exploring or planning for fare capping, or best fares. This allows customers to ride with stored value, and get “capped” at preset daily and/or monthly amounts. This effectively allows riders to get day and month pass discounts without having to purchase the passes up front. This is much more simple and equitable for customers, but could potentially reduce revenue since customers will only pay for what they ride.
- Several agencies have incentivized their smartcards and other forms of electronic media over cash payments. This includes providing free transfers on smartcards, or charging more for cash payments or more expensive LU media.
- CTA charges a \$0.50 fee for purchase 1-way Limited Use (LU) tickets from TVMs.
- While several agencies charged higher fare for cash, Metro Transit is providing a 10% loading bonus for stored value on smartcard.

Fare Policy Timing

- Most peer agencies advised against raising fares while implementing a new fare collection system. This could lead to the perception that the new fare system is the cause of higher fares.
- SEPTA made minor changes to fare policy when KEY was introduced, but delayed fare increase due to customer concerns.
- TriMet is introducing fare capping during the launch of the new HOP fare system. This is being marketed as a major benefit and potential fare decrease for most riders.

Title VI

- TriMet performed a Title VI assessment of changes and used GIS graphical analysis to assess the impact of changing their retail network.
- DART saw daily and monthly caps as Title VI improvements for low-income groups who cannot pay upfront cost of day or monthly passes.
- DART found that PayNearMe would be sufficient for providing mobile benefits to unbanked customers since it would allow them to pay with cash.

Partnerships

Vendor Experience

- All agencies noted various concerns with their traditional fare collection system vendors. Concerns included technical capabilities, staffing shortages, unforeseen costs, inflexibility, lack of transparency, and general inability to manage complex projects.
- Some newer vendors seemed to have solid technical capabilities and transparent access to engineers, but were constrained due to their relatively small size.
- All agencies wanted more control over their fare systems and wanted to reduce reliance on a single vendor for system upgrades and changes. In order to accomplish this, an open architecture requirement was required by several peer agencies for their next generation systems.

Institutional Programs

- Account-based systems can allow institutions to self-administer their fare programs. Sound Transit mentioned that the University of Washington was interested in moving from pre-selling passes to post pay system with a cap. This may have revenue impacts as institutional customers would only pay for rides taken.
- Several agencies are considering loading institutional passes onto non-agency media, such as university IDs, in order to reduce card production and distribution costs. However the integration and security costs for sharing media and encryption keys had to be explored.
- CTA mentioned having issues with using account-based cards with social service programs as many of those programs serve transient or limited time customers.
- Several agencies are considering providing limited-use (LU) tickets to social service agencies as opposed to extended-use (EU) media. While LU media is costly compared with paper media, they may offer flexibility and increased functionality in an account-based system.

Eligibility Process

- Most agencies noted that account-based fare collection systems provide greater more robust control reduced fare eligibility enforcement. Smartcards and mobile apps can be configured to limit the sale of reduced fare only to registered reduced fare accounts.

Data and Reporting

- All agencies agreed that it was very important to specify that the agency owns and has unlimited access and query rights to all system data.
- There was a consensus that all vendors had limited data warehousing or analytics capabilities, and that most often agencies exported data into their internal data warehouse for reporting.
- CTA noted that it is very difficult to get custom queries and reports from their vendor. This hinders their ability to research/analyze usage data.
- TriMet is having the vendor re-create the data warehouse and provide the data dictionary in order allow the agency to write custom queries in house.

Real-Time Communications

- Network response time was listed as a primary area of focus for account-based systems. Rail platforms are generally not a concern since they are hard wired, but bus communications rely on comprehensive cellular coverage and reliable network performance.
- CTA launched their Ventra account-base system with 3G cellular since 4G was unavailable at the time. Their coverage is sufficient but will explore if upgrade to 4G will improve performance.
- Several agencies piloted mobile routers from several vendors in order to test cellular coverage and real-time communication capabilities.

Central Computer Systems

Customer Relationship Management (CRM)

- Most agencies felt that vendors had issues implementing CRM systems and recommended sub-contracting CRM systems to third parties.
- Metro Transit specified having access to the necessary Cubic APIs to integrate with their internally developed CRM system.
- Since CRM systems store PII information, agencies generally hosted their CRM databases separate from the fare system transaction database.

Financial Clearing and Settlement

- Several peers mentioned that vendors are not always familiar with accounting principles, and recommended involving accounting staff early in the design process.
- The interface to standard General Ledger (GL) systems are not sufficient with most standard fare system vendor systems.
- Regional peers mentioned that clearing and settlement is especially important since the participating agencies need access and transparency to the settlement process.

PCI/EMV Certification

- Each agency had a different PCI certification status, but all agreed that the process to get certified is complex and costly.
- Several agencies retained multiple Qualified Security Assessor (QSA) to evaluate and monitor Payment Card Industry Data Security Standard (PCI DSS) compliance. Some agencies commented that different QSA's often have different opinions about PCI rules.
- Several agencies emphasized the importance of having experienced payment processors and Merchant banks to process payments and provide reasonable rates.
- Strong encryption of PCI and PII data was recommend by several agencies, in addition to supplementary security techniques like tokenization.
- All agencies strongly recommended designing separate fare transaction and payment information databases.

Hosting

- All agencies stated that there was a definite trade-off between traditional hosting at local data centers, compared with cloud-based or outsourced hosting services.
- Most agencies noted that cloud based hosting was more expensive than local hosting, but offered benefits such as scalability and performance.
- TriMet noted that moovel uses the Amazon Web Services (AWS) for mobile data hosting. TriMet felt that the cloud based hosting was able to quickly scale during surge events.
- Most agencies specified instant server transition during failover events. However, one agency noted that actual transition time took up to three hours.
- Many agencies recommended specifying the functional hosting requirements and letting vendors propose the option for cloud hosting to evaluate the cost/benefit.

MTS Fare Collection Whitepaper

Chapter 2

Preliminary Requirements

Prepared for



September 2016



Preliminary Requirements

As part of its next generation fare collection project, the San Diego Metropolitan Transit System (MTS) developed this list of preliminary system requirements of a model future fare system. These preliminary requirements were built upon staff needs in addition to discussions from the peer agency workshop.

While these requirements represent high level requirements for a future system, the decision to replace the entire system, or upgrade elements the existing system has not occurred. Additional efforts including a transition plan, procurement approach, operations model, fare structure analysis, and more detailed requirements capture will be needed prior to a final decision.

Account-Based System with Real Time Communications

The next generation fare payment system will utilize an account-based architecture for the processing and validation of fare payments. All fare products and value loaded by customers will be stored in the account-based backend and all validation and sales devices deployed within the system will be equipped with a real-time communications. This will allow centralized processing of business rules and simplify field validation devices. It will also enable more comprehensive integration with third party systems.

- Account-based architecture centralizes all fare processing in the back office
- Enables the use of simplified and low cost validation devices
- Reduces the need for complex device configuration and software updates
- Eliminates the 24-48 hour “autoload” delay associated with card-based systems
- Requires reliable real-time communications on bus and rail platforms
- Cellular coverage, cost, and network throughput and latency should be analyzed in advance
- Risks associated with offline devices must be considered

Open Architecture

One of the most important requirements of the next generation MTS fare collection system is an open architecture, or providing full access to system Application Programming Interfaces (APIs) and data formats. This allows the flexibility to procure software and hardware outside the primary fare system vendor, and facilitates easier third party integration. While all vendor hardware will have some proprietary design, access to system APIs will allow the agency to purchase from third party vendors. As an example, a simplified TVM could be procured from a larger pool of TVM vendors, which can interface with the central back office through provided APIs. Integration with the legacy Cubic system will still require cooperation/cost from Cubic.

- Reduces reliance on single fare system vendor
- Enables use of non-proprietary hardware and software
- Free access to Application Programming Interfaces (APIs)
- Ability to modify or adjust graphical user interfaces for devices (TVMs and validators), or back office tools (CRM, maintenance and monitoring tool, etc.)
- Allows usage of commercial off-the-shelf (COTS) validators and smart devices

- Accommodates easier integration with legacy hardware
- Allows option for a lower cost “TVM lite”
- Provides fare media independence and integration with third party devices
- Detailed hardware requirements including durability, power, compatibility, and usability will be specified to match the unique MTS environment

Closed-Loop Foundation

A key component of the next generation fare system will be a closed-loop back office. Every next-generation fare system is built upon a closed-loop back office, which enables transit-specific business rules including reduced fares, transfers, and pass products. While the current card-based fare collection system also has a closed-loop back office, an account-based closed-loop back office will allow for increased functionality including instant autoloads, centralized fare processing, and greater third party integration. A closed-loop back office is also essential for processing open payments.

- A closed-loop back office is a necessary requirement, due to transit-specific business rules such as reduced fares, pass products, transfers, etc.
- Account-based closed-loop systems offer significant advantages over card-based systems such as instant autoloads, centralized fare processing, and improved third party integration
- All open payment systems are built around a closed-loop back office
- Closed-loop transactions are not subject to fixed and variable transaction fees that come with open payment transactions
- Closed-loop foundation allow for flexible implementation and risk mitigation strategies and unrestricted access to fare media memory

Open Payments Ready

Open payments will give customers the ability to pay fares with open-loop contactless bank cards and mobile wallets, such as Apple Pay and Android Pay. While this requirement gives customers more options, open payments are currently not widely adopted in the transit industry. Open payments currently account for less than 0.1% of total transactions in the largest open payments system. This is due in large part to the lack of issuance of contactless bank cards in the U.S. Mobile wallet usage rates are also currently low, but may increase in the future. Open payment acceptance will increase PCI/EMV scope and includes fixed and variable banking fees for every transaction. Given this uncertainty regarding the future of open payments and the additional cost, the next generation fare collection system should be open payments “ready”, but will not accept open payments at launch.

- Open-loop contactless bank cards are not currently issued at scale in the US
- Existing open payment systems have less than 0.1% of open payment transactions
- Accepting open payments increases PCI/EMV scope and includes bank fees for every transaction
- Mobile wallets such as Apple Pay and Android Pay are developing and may see increased adoption in the future
- Validator hardware will be certified to read and process open payments, but the entire back office system will not accept open payments at launch

- Proposing vendors will identify how much further work/cost will be necessary to accept open payments, if adoption of open payment adoption increases in the future.

Flexible and Expandable Fare Policy

The account-based architecture will support a wider range of fare policies compared to card-based systems. In addition to supporting pass products, stored value, and zone-based fares, account-based systems can also support tap-on/tap-off distance fares and fare capping. Fare capping involves using stored value with a set maximum amount or “cap” per day/week/month. This ensures that customers are always receiving the most equitable or “best fare”. Specifying that a wide range of fare policies be supported will provide MTS with greater flexibility to adopt innovative fare policies over the life of the system. The account-based system will also allow retailers to sell fare media in the same manner as gift cards, where customers can purchase a MTS fare card alongside an Amazon or Starbucks gift card. This allows retailers to sell media using existing Point of Sale registers and prevents the need for special fare system sales equipment.

- Will include standard fare passes and stored value
- Ability to implement tap-on/tap-off or distance based fares
- Ability for zone-based fare structure
- Ability for MTS to control and adjust fare catalog in a flexible manner
- Capable of stored value with a set maximum per day/week/month AKA best fares or capping
- Ability to sell media like gift cards at third party outlets, with no custom fare system equipment required at the outlets

Mobile Ticketing Integration

Mobile ticketing will provide customers the ability to purchase fares using their smartphones. Validating mobile tickets can be done via visual inspection of the smartphone screen without specialized hardware. However, integrating optical barcode and/or NFC contactless readers into validators can provide for more robust fare inspection and the collection of important ridership data. MTS awarded a mobile ticketing contract to moovel in 2016. In order to ensure full integration between mobile ticketing and smartcard systems, MTS must coordinate the existing moovel contract with the larger fare collection system. Integrating mobile ticketing with the next generation fare collection system poses several challenges. Mobile wallets such as Apple Pay and Android Pay utilizing NFC are currently unavailable to closed-loop applications. As a result, transit agencies cannot control the mobile wallet user interface or the NFC hardware interface. Given these challenges, specifying that validators include both an optical barcode validator and NFC hardware interface will allow for a more robust and future proof mobile ticketing solution. Customers may face difficulties purchasing/validating fares due to dead cellphone batteries and/or damaged screens. Additionally, a portion of MTS riders do not have bank accounts or smartphones. This may lead to Title VI concerns as these customers may not have full access to the benefits of mobile ticketing. MTS needs to develop a plan to mitigate potential Title VI impacts for mobile ticketing.

- Enables purchasing tickets for transit on smart phones
- Can be validated both visually and through interface with an onboard reader (barcode or NFC contactless)

- Coordinate existing contract with moovel with larger fare collection system
- Mobile wallet applications and NFC/secure element are still inaccessible to closed-loop transit applications
- Mobile wallets are currently limited to provisioning bank cards, and agencies do not control the user interface or experience
- Transit agency applications currently cannot easily utilize the NFC interface (depends on the OS and platform)
- Customer experience impacted if phone battery dies or screen is damaged
- Not all customers are banked, or have the required bank cards that are currently accepted by mobile wallets
- Cash payments in mobile ticketing may be incorporated in the future, which would require integration with a payment processor that partners with retailers that accept cash
- Specify validator that includes both an optical barcode validators and NFC hardware interface, and continue to monitor NFC development environment on iOS and Android in transit industry

Robust Back Office Hosting and Data Reporting

MTS staff consider improving the back office hosting and data reporting processes as a major goal for the next generation fare system. The current system has an overabundance of convoluted data reports and requires that custom reports/queries be performed by the current fare system vendor. Specifying full ownership and access to all data will allow MTS to freely produce custom reports and queries. This data ownership will improve internal data analysis efforts. Account-based fare collection systems depend on real-time communication. As a result, MTS should specify a back office which ensures availability, redundancy, and rapid response time. In order to achieve these goals, MTS should specify a highly available and redundant back office that can utilize at least one instance in the cloud or at a third party location to maximize uptime and scalability. The current back office includes a full set of enterprise applications, including Customer Relationship Management (CRM), financial clearing and settlement, revenue management, monitoring tools, etc. MTS should determine which existing applications can be integrated into the new back office and which applications should be purchased new.

- All data is the property of MTS to use freely without restriction with ability to warehouse and query all data
- Availability, response time, and redundancy of back office is critical for account-based system
- Reporting should be intuitive and data can be directly queried by MTS for custom reports
- Central Computer Systems and Applications will be provided or integrated:
 - Customer Relationship Management (CRM)
 - SAP interface/integration
 - Financial clearing/settling
 - Inventory management
 - Revenue Management Tools
 - Device Monitoring and Management

- Determine which existing central system applications require integration, and which ones should be purchased new
- Integration with existing financial, ERP, and CRM systems (such as the current SAP system) is important but each integration adds cost and complexity

Payment Card and Personally Identifiable Information Security

Physical and logical security is one of the top priorities of any payment system. The open payment ready requirement in an account-based fare collection system requires that all system components, including TVMs, validators, and networks be Payment Card Industry (PCI) compliant and protect Personally Identifiable Information (PII). As a result, MTS needs to specify system architecture and database design in order to limit PCI scope and protect PCI data. Designing two distinct databases to house fare transaction and payment information will improve PCI compliance. In addition to encrypting PCI and PII data, MTS should also apply supplementary security techniques, such as using tokenization to transmit sensitive data.

- Strong encryption of PCI and PII data, in addition to supplementary security techniques like tokenization
- Strictly limit the number of system components within PCI scope or that have PII by carefully specifying system architecture and database design
- Designing separate fare transaction and payment information databases
- Contract with experienced payment processors or merchant banks to process payments and provide reasonable rates

Future Expandability

The open architecture specification will allow for greater system expandability. An open architecture will lay the foundation for potential integration with trip planning, ride sharing, and other services. Open architecture will also allow for the ability to share technology, applications, and payment media across regional transportation agencies. While an open architecture does allow for greater third party integration, MTS can only control their half of the integration process. 3rd party integrators such as rideshare services, onboard equipment, and software developers may require additional funding or agreements before agreeing to integrate. As a result, MTS needs to carefully structure and manage agreements/MOUs in order foster beneficial program participation.

- Ability to share applications, technologies, and payment media across multiple transportation providers
- Ability to control and modify user interfaces such as TVM and DCU screen flows and graphics
- Opportunities to move technology across multiple transit agencies
- Requires open architecture, and cooperation/license from third party provider
- MTS can only control their half of the integration, agreements/MOUs need to be carefully structured to establish and manage beneficial program participation

Legacy System Transition

Developing a robust transition plan will not only ensure a smooth transition for staff and customers, it will also help guide the procurement process and implementation plan. The degree to which MTS chooses to maintain, upgrade, or replace existing system elements will determine the scope of new system procurement. While a full system replacement can provide more advanced features, it can cost a significant amount in cost and time. Leveraging legacy systems can extend the life of existing investments, and still provide core improvements and upgrades. MTS should develop a comprehensive transition plan prior to the development of a technical specification.

- Transition plan is key to develop prior to procurement of new system
- Determining which legacy hardware/software to keep may dramatically impact the new system's cost and operation
- Determine what existing fare collection equipment could be leveraged or repurposed
- Determine ownership of card format/encryption keys

MTS Fare Collection Whitepaper

Chapter 3

Preliminary Cost Estimate

Prepared for



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Preliminary Cost Estimate

Based on the list of preliminary system requirements of a model future fare system established in Chapter 2, a preliminary capital cost estimate was developed in this chapter. Since a detailed requirements capture process was not undertaken, key assumptions had to be made in order to complete the cost estimate.

Next-generation fare systems are incredibly complex systems that integration dozens of hardware and software components of varying size. In order to provide a reasonable range of costs, a low estimate and high estimate were provided, which are described below.

Low Estimate

The low cost estimate was developed as meeting the minimum functionality of the preliminary requirements established in Chapter 2, and assuming "best case" price scenarios. For example, the low estimate assumed express/compact Ticket Vending Machines (TVMs), as opposed to the full featured TVMs assumed in the high estimate. Furthermore, installation costs were assumed to be primarily undertaken by MTS, as opposed to the fare system vendor. More detailed assumptions are included in each line item of the cost estimate itself.

High Estimate

The high cost estimate was developed as meeting the full functionality of the preliminary requirements established in Chapter 2, and assuming "worse case" price scenarios. For example, the high estimate assumed full featured Ticket Vending Machines (TVMs), as opposed to the express/compact TVMs assumed in the low estimate. Furthermore, installation costs were assumed to be primarily undertaken by the fare systems vendor, as opposed to MTS. More detailed assumptions are included in each line item of the cost estimate itself.

Fare System Replacement Capital Cost Estimate

	Low Estimate	High Estimate	Assumptions
Equipment			
Integrated Farebox Readers	\$814,000	\$1,668,700	Embedded reader in current farebox
Driver Consoles	\$683,760	\$2,181,520	Separate driver control unit
Mobile Data Routers	\$1,261,700	\$2,726,900	Low: separate router procurement
Offboard Validators	\$643,500	\$1,600,500	Mounted on pole & rugged case
Ticket Vending Machines	\$8,551,950	\$17,508,600	Low: limited function TVM, High: full service
Agency Customer Service Devices	\$107,700	\$227,700	
Retail Sales Devices	\$80,250	\$159,750	Compact reload device
Inspection Devices	\$112,000	\$240,000	Low: purchase COTS smartphones
Back Office Hardware	\$525,000	\$1,750,000	Including test HW and software licenses
Initial Card Supply	\$375,000	\$750,000	Assume 500K cards
Spares/Test Equipment	\$1,134,200	\$2,393,600	10% spares ratio
Equipment Sub-total	\$14,289,060	\$31,207,270	
Installation			
Bus Equipment Installation	\$738,440	\$1,128,000	Integrate with farebox power/comms
Offboard Validator Installation	\$114,875	\$517,800	Utilizing existing station power/comms
TVM Installation	\$161,970	\$526,680	Utilizing existing station power/comms
Customer Service Device Installation	\$19,160	\$34,260	
Retail Sales Device Installation	\$27,430	\$54,860	
Back Office Installation	\$121,200	\$244,560	
Installation Sub-total	\$1,183,075	\$2,506,160	
Non-Recurring Engineering			
Back Office System Development	\$1,155,000	\$2,775,000	Account based processor
Website Development (Customer & Institutional)	\$175,000	\$550,000	May be 3rd party developer
Reader/Validator Software	\$100,000	\$250,000	
Driver Console Software	\$50,000	\$100,000	
TVM Software	\$150,000	\$350,000	Low: limited function, High: full service
Customer Service Device Software	\$100,000	\$175,000	
Retail Device Software	\$75,000	\$150,000	
Inspection Device Software	\$100,000	\$150,000	Mobile smartphone inspection app
Farebox Integration	\$250,000	\$500,000	Integrate reader into existing farebox
CAD/AVL Integration	\$250,000	\$500,000	
Mobile Ticketing Development/Integration	\$200,000	\$400,000	Integrate with existing mobile vendor
Parking Integration	\$150,000	\$350,000	
Oracle/SAP Integration	\$100,000	\$350,000	Utilize existing SAP ERP software suite
NRE Sub-total	\$2,855,000	\$6,600,000	
Launch Activities			
System Testing	\$428,250	\$990,000	15% of NRE
Agency Training and Manuals	\$142,750	\$330,000	5% of NRE
Launch Services (e.g. Pilot and Marketing/Outreach)	\$142,750	\$330,000	5% of NRE
Launch Sub-total	\$713,750	\$1,650,000	
Project Management			
Project Management	\$1,904,089	\$4,196,343	10% of subtotal
PM Sub-total	\$1,904,089	\$4,196,343	
Unadjusted-total	\$20,944,974	\$46,159,773	
Warranty	\$1,047,249	\$2,307,989	5% of unadjusted total
Performance Bond	\$209,450	\$461,598	1% of unadjusted total
Contingency	\$3,141,746	\$6,923,966	15% of unadjusted total
Grand-total SI Costs	\$25,343,418	\$55,853,325	

MTS Fare Collection Whitepaper

Chapter 4

Preliminary Recommendation

Prepared for



November 2016



Recommended Next Steps

This fare collection study began by discussing next-generation fare systems with key peer agencies across the country. From those lessons learned and MTS staff discussion, preliminary system requirements for a future fare system were developed. Those preliminary system requirements were used as the basis for a preliminary cost estimate range for a full system procurement.

While the preliminary requirements and cost estimates represent the vision for a future system, the decision to replace or maintain parts of the existing system has not been fully determined. MTS could perform strategic upgrades to the existing system, replacing obsolete or underperforming components and transitioning to a new system with minimal impact to customers. Furthermore, integration between “best of breed” vendors in mobile ticketing, website design, reporting, and various hardware suppliers could be explored to maximize benefit and control costs.

Lessons learned from several peer agencies show that additional efforts to determine critical design decisions and transition plan are highly recommended prior to initiating a system procurement. These critical design discussions usually occur over a matter of months, and are typically described in a Concept of Operations, or ConOps.

MTS may choose to maintain their existing Compass program or proceed with a full system replacement without engaging in further analysis. However, not performing some of the additional efforts described in this section carries potential risks, as evidenced by several next-generation fare collection projects. The benefits, drawbacks, and costs of the three immediate options are enumerated below.

	Maintain Existing Compass System	Proceed with Full System Replacement	Engage in Strategic Upgrade Analysis
Benefits	<ul style="list-style-type: none"> Maximizes current investment Customer satisfaction high Card based system is proven Change orders and mobile ticketing may provide incremental improvements Issues with existing system are understood 	<ul style="list-style-type: none"> Benefit from latest fare technology Brand new hardware and software Can define new technical and functional requirements Latest security and payment acceptance Can require open architecture to enable future flexibility and integration partners 	<ul style="list-style-type: none"> Explores strategic upgrades of system components while leveraging existing investments Can be developed with regional stakeholders and vendor community Considered best practice from several peer agencies Can procure “best of breed” products and services from specialized vendors Enables multiple procurements to minimize costs and increase flexibility Evaluate innovative operational and procurement approaches
Drawbacks	<ul style="list-style-type: none"> Agency 	<ul style="list-style-type: none"> Highest cost option 	<ul style="list-style-type: none"> Extends the system

	<ul style="list-style-type: none"> dissatisfaction with legacy vendor Ongoing operational and software issues Frequent change orders required Upgrades are expensive Data extraction is problematic Customization is challenging Reporting is insufficient Manual process and procedures required Lack of transparency and trust with vendor 	<ul style="list-style-type: none"> Does not leverage existing investment Benefits may be limited depending on design requirements New technology doesn't always provide user or agency benefits New vendor may have similar issues as existing vendor Procurement and implementation schedule are extensive Risks associated with account-based systems are relatively new Vendors with account-based implementation experience are limited 	<ul style="list-style-type: none"> design and requirements phase Requires regional participation for meaningful benefit Multiple procurements will increase agency oversight responsibilities Integration of new and legacy vendors can have risk Legacy equipment and components may not have significant useful life remaining May still result in a full system replacement if current system cannot be maintained
Potential Cost	Low	High	Low – Medium
Potential Gains	Low	Medium – High	Medium – High
Potential Risk	Low – Medium	Medium – High	Low – Medium
Recommended	Not Recommended	Not Recommended	Recommended

Given the significant investment devoted to the existing system, and the high cost and potential risk associated with a full system replacement, CH2M recommends performing a strategic upgrade analysis and detailing the results in a Concept of Operations (ConOps).

ConOps have been developed and recommended as a best practice by several peer agencies and industry vendors. It can be used as a living document that describes several critical aspects of MTS fare collection technology, procurement, and operations. By understanding and discussing each of these aspects prior to procurement, MTS can minimize the risks that have befallen several other fare collection projects. The development of a ConOps is recommended to include the following tasks.

Needs Assessment

The critical first step in the development of a ConOps is the completion of a Needs Assessment. The primary purpose of the Needs Assessment is to determine and define the high level goals for the new fare collection system. This process can include either comprehensively defining new goals or refining / updating previously defined fare collection system goals. These goals will serve as the guiding principles for the numerous design decisions for the fare collection system. Peer agencies have noted that a lack of clearly defined goals can lead to increased debate / delay surrounding key system design elements.

Current System Analysis

The Current System Analysis will allow MTS to summarize current fare collection system components as well as evaluate the overall strengths and weaknesses of system components. The Current System

Analysis first includes summarizing the current system's technical components, features, policies, and existing contract terms for services including maintenance, software support services, and other vendor contracts. Next, the analysis must include examination of key strengths and weaknesses of the current fare collection system. The strengths and weaknesses may include fare collection system components such as technical capabilities, MTS / vendor interface, or customer perception. The analysis should then estimate the remaining useful life of current components including TVMs, fareboxes, validators, back office equipment, software licenses, in addition to other items. The Current System Analysis should also include an evaluation of existing fare collection proposals from Cubic as well as an exploration of costs required to retain ownership of card format / encryption keys. This will provide a rough cost estimate for maintaining the current system which will be compared against proposed new fare collection systems. The final results of the Current System Analysis will help to inform the Detailed System Requirements Capture and the Legacy Transition Plan. Foregoing analysis of the current fare collection system may lead to over-procuring a fare collection system or procurement of a system which does not address current system weaknesses.

Detailed System Requirements Capture

The Detailed System Requirements Capture provides the basis for the technical specifications included in the fare collection system RFPs. The Detailed System Requirements Capture does not set specific requirements, however it does define the types of technologies which must be supported in the fare collection system. As a result, the Detailed Systems Requirements Capture includes a review of all key design decisions regarding equipment, back office modules, and sales channels. The equipment review will consider design decisions regarding validation devices, sales devices, inspection devices, communications, and fare media. The back office review will consider the Account-Based Transaction Processor, Customer Relationship Management (CRM) System, Reporting System, Device Monitoring System, Maintenance Management System, Enterprise Finance and Settlement System, as well as others. The sales channel review will consider the retail network, ticket vending machines, websites, institutional programs, and third party distributors in addition to others. The Detailed System Requirements capture is extremely important for maintain a clear and consistent plan for the new system. A lack of well-defined system requirements can lead to continual debate over design decisions as well as procurement of a system which does not meet MTS's fare system goals.

Mobile Ticketing Integration

MTS is currently in development of a mobile ticketing solution. Staff has indicated the desire for the mobile ticketing system to integrate with the new fare collection system. The Mobile Ticketing Integration plan is critical to ensure seamless agency and customer experience across all fare collection methods. The Mobile Ticketing Integration Plan should first review all existing mobile ticketing contract terms, project timeline, and project scope. The Mobile Ticketing Integration plan must also explore how mobile ticketing validation will occur as well as how back office processes will be integrated. Exploring the open architecture requirement can allow MTS and the fare collection system vendor to access APIs. Accessing the mobile ticketing APIs will allow for more efficient integration with the fare collection system. Review of these elements will determine the level of effort required to integrate mobile ticketing with the new fare collection system as well as designate responsibilities for mobile ticketing vendors and fare collection system integrators. The lack of an integrated mobile ticketing solution can lead poor customer experience and difficulties reconciling back office processes.

Legacy Transition Plan

The Legacy Transition Plan will help determine the extent to which existing fare collection system elements can be leveraged in the new fare collection system. The first step in the Legacy Transition Plan

is to determine which system components have remaining useful life. Next, the Legacy Transition Plan will determine which system components can be replaced or strategically upgraded. System Components which cannot be leveraged or upgraded will become functionally obsolete. These system components will either need to be fully replaced or outsourced. The Legacy Transition Plan will also help determine the transition of fare media. Implementing a phased versus rapid media transition can greatly impact project budget and project schedule. A robust Legacy Transition Plan reduces the likelihood of over procuring hardware / services and facilitates a smooth fare system transition for MTS and its customers.

Operations Approach

The Operations Approach helps determine which fare collection services will be performed in house and which will be contracted. The Operations Approach document will first summarize fare collection operations that are currently performed in house, and those that are outsourced. Potential operations to review include hosting, system configuration, monitoring, maintenance, revenue service, customer service, retail network, marketing, card fulfillment, special program management. The result of this analysis will help determine if a new operations approach is applicable for certain practices. Peer agencies have mentioned that the degree to which operations are outsourced directly impacts internal fare collection staffing requirements. Outsourcing services may reduce MTS's control over fare collection operations, however performing too much internally may place considerable strain on MTS staff. It is therefore very important that MTS determine an appropriate Operations Approach.

Procurement Approach

The results of the Operations Approach will provide MTS with which fare collection services need to be procured. The Procurement Approach will then determine the specific procurement strategy for those products and services. The Procurement Approach will also explore the benefits and drawbacks of a single system integrator versus multiple procurements. Selecting a single system integrators requires less vendor management, but will cost since the vendor is serving as a system integrator. Choosing multiple procurements can lead to cost savings, but will require MTS to serve as the system integrator. The Procurement Approach will also explore innovative funding vehicles for the new fare collection system. Finally, the Procurement Approach will determine which parties will manage the procurement(s) before and after the vendor award and Notice to Proceed (NTP).

Cost Estimate Update

The key decisions made in the development of the ConOps will impact the overall cost of the fare collection system. The development of the Detailed System Requirements Capture will determine whether to procure full featured or express featured hardware. These hardware features may have a significant impact on total system cost. In addition to considering the costs of a single system integrator, additional cost scenarios should be developed for a strategic upgrade option as well as a split procurements approach. Updating the capital cost estimate is a key component of the ConOps.

Fare Structure Analysis

The purpose of the Fare Structure Analysis is to determine which fare policies and structures should be supported in the new fare collection system. This is not meant to substitute or replace a Fare Policy Study, which recommends specific fare rates and fare policies to be adopted in the near future. By supporting a wide range of fare structures, including distance based fares and fare capping, MTS will be able to more easily adopt innovative fare structures over the life of fare collection system. Choosing to

adopt a fare structure not supported in the technical specifications would require additional costs and schedule delays.

Fare Collection Vendor Matrix

Fare collection systems are extremely complex and unique integration projects that impact every department of a transit agency. Not surprisingly, many large fare collection projects encounter issues throughout design, procurement, and implementation. The efforts described earlier in this Chapter are specifically designed to avoid some of the challenges that other peer agencies have faced. Ultimately, developing a clear design and defining unambiguous requirements can help mitigate some procurement and implementation risks. However, selecting a fare system vendor that can deliver the specified system is equally as important.

While all fare system vendors have strengths and weaknesses, the relatively low number of implemented account-based fare systems makes vendor experience especially important. This is a summary of prominent fare system vendors based on staff experience, peer agency feedback, and publicly available information.

	Notable Projects	Account-Based Experience	Key Strengths / Challenges
Accenture	<ul style="list-style-type: none"> • Toronto PRESTO • Washington NEPP 	<ul style="list-style-type: none"> • NEPP was account-based / open payment (canceled in 2016 after extended pilot) 	<ul style="list-style-type: none"> – No fully deployed account-based systems – Washington project canceled by WMATA following pilot
Cubic	<ul style="list-style-type: none"> • Chicago Ventra • Vancouver Compass • London Oyster 	<ul style="list-style-type: none"> • Chicago is largest account-based, open-payment system deployed in U.S. • Vancouver is card-/account-based hybrid (still in deployment) 	<ul style="list-style-type: none"> + Strong experience implementing fare systems (including account-based) – Significant operational challenges during launch of Chicago system – Client responsiveness can vary depending on local resources
INIT	<ul style="list-style-type: none"> • Portland Hop Fastpass • Sacramento Connect Card • Honolulu HART 	<ul style="list-style-type: none"> • Portland is account-based / open payment (still in development) • Honolulu is account-based closed loop (still in development) 	<ul style="list-style-type: none"> + 2 account-based systems in development + Highly technical staff – Sacramento card-based system significantly delayed
Scheidt & Bachmann	<ul style="list-style-type: none"> • Boston Charlie Card • Budapest (BKK) • Phoenix Valley Metro 	<ul style="list-style-type: none"> • Budapest is account-based (still in development) 	<ul style="list-style-type: none"> – No fully deployed account-based systems – Technical resources based in Europe, limited U.S. staff
Vix (ERG)	<ul style="list-style-type: none"> • Utah FAREPAY • Seattle ORCA 	<ul style="list-style-type: none"> • Utah was 1st account-based, open payment system deployed in U.S. 	<ul style="list-style-type: none"> + Has a deployed account-based, open payment system – Limited U.S. engagements
Xerox (ACS)	<ul style="list-style-type: none"> • Philadelphia Key Card 	<ul style="list-style-type: none"> • Philadelphia is account-based / open payment 	<ul style="list-style-type: none"> – No fully deployed account-based systems

	<ul style="list-style-type: none">• Denver RTD	(still in development)	<ul style="list-style-type: none">– Launch of Philadelphia system significantly delayed (based on original schedule)– Technical resources based in Europe
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Fare Collection Update and Whitepaper

Board of Directors
December 8, 2016



1



The Challenge

The current fare collection system is out of date.

- Hardware is at end of useful life
- Outdated software needs to be upgraded
 - Available upgrades were not performed
 - Requires a great deal of maintenance, troubleshooting
 - Small changes cost a great deal, take a long time
- Webtix platform needs to be updated to include added security measures
- Fraudulent use of credits cards has dramatically increased in the past several years



2



Payment Card Industry Data Security Standard (PCI-DSS)

- **PCI-DSS** introduced to increase security controls around cardholder data and reduce credit card fraud
- **PCI-DSS** compliance provides an information security framework for operating payment environments
 - Not enforced by any legal regulation
 - Affects banking fees if you are not in compliance
 - Being in compliance does not guarantee system security
- There are 12 requirements for compliance which identify areas of responsibility for data handling and payment information security
- Without significant upgrades to the legacy payment environment, MTS can't achieve compliance



3



What are our immediate options?

- Upgrade the current Cubic system to the latest version of NextFare software
- Procure a next generation fare collection system, replacing everything*

*could be Cubic



4



The Approach

- There is a significant cost to upgrade the existing system, so explore other options, other features before making the investment.
- Meanwhile continue to implement available security measures
- Upgrades to the existing system or an entirely new system would be implemented as quickly as possible



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Today's Presentation

- Planning for modernization of the system
- Cubic proposals
- Whitepaper
- Next Steps
- Update on PCI Compliance and Stored Value efforts



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Planning for System Modernization

- MTS staff launched a process for deciding what to do next with the fare collection system in 2014
- Staff at all levels, in all departments participated
- Identified broad fare system goals
- Created a fare collection working group
- Began Fare Study with SANDAG and NCTD with a goal of fare simplification prior to system upgrades
- Requested rough order of magnitude proposals from Cubic to upgrade, rather than replace with a new software system



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Cubic Proposals

Option A: Upgrade to latest version of NextFare (7.0) and Webtix replacement (CPA)

- Can be hosted at MTS like the current system or by Cubic in the cloud
- Annual maintenance and operations fees
- The only hardware upgrades included in the proposal are those needed to integrate with the new software version and for PCI compliance
- Ten year cost estimate of \$20 million (\$12 million more than current costs)



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Option A: NextFare (7.0) and Webtix replacement

- Pros
 - Provides better security with a path to PCI compliance
 - Reduced bank fees/ could rebid merchant services
 - Upgrades the software to improve reliability
- Cons
 - No additional features for the customer (other than stored value)
 - Does not provide desired increased functionality
 - Pricing does not include cost of hardware (new TVMs, PCIDs, Fareboxes)



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Cubic Proposal

Option B: Upgrade to latest version of NextFare (7.0) and Webtix replacement (CPA) plus NextAccount

- All of Option A
- Account based system
 - Increased user payment options for convenience
 - Acceptance of ApplePay, Android Pay, PayPass, Visa PayWave, and Contactless bank cards
 - Pay as you go; Fare capping capable
- Ten year cost estimate: \$25 million (\$17 million incremental cost)
 - Contract discussions to incorporate all requested features
 - No hardware (relies on use of existing TVMs, PCIDs, fareboxes)



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Option B: Upgrade to latest version of NextFare (7.0) and Webtix replacement (CPA) plus NextAccount

- Pros
 - All of the same advantages of Option A
 - Easier transition, lower cost
 - Lower cost to get next generation fare collection capabilities than procuring a new vendor software system
 - Leverages user familiarity and existing infrastructure for faster, easier and lower cost transition to an account based system
- Cons
 - Still relatively untested
 - Maintains proprietary system – limits the technologies we can add (although this could be negotiated)



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Parallel Path: Fare Collection Whitepaper

- In summer 2016, hired CH2M to help develop a more specific set of items recommended in a regional system
- Hosted peer agency workshop with 8 agencies at various stages of development
 - Portland, Dallas, Seattle, Chicago, Philadelphia, Minneapolis, Toronto, Washington Metro
 - Attended another peer agency workshop in New York
- Developed a whitepaper to detail our conclusions for the Board



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Whitepaper: Recommendations from the Workshop

- Crucial to spend sufficient time upfront to determine what you want, build specifications, vet the products the vendors are proposing.
- Develop a Concept of Operations and update it throughout the process.
- Simplify your fare structure and set your fare policies first.
- Vendors are system integrators and equipment engineers -- they don't know financials or transit operations well enough. Do your due diligence and compare products.
- Customer relationship management system is also a challenge for system integrators.
- Contract negotiation is critical to minimize risk.
- Don't think the grass is greener on the other side of the fence.



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Whitepaper: Ideal System Components

- Account based system with real time communications
 - Current system stores data on the smart card
 - Customers must have a Compass Card in their pocket
 - Account based stores it in a back office account
 - Account based system would open the way for MTS to allow customers greater flexibility in purchasing, managing their fare purchases
 - Eg. Using Apple Pay for purchases
 - Eg. Allowing families to have one account for billing
 - Eg. Mobile ticketing with enhanced verification



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Account Based System (cont'd)

- Eliminates the current 24-48 hour auto pass load delay
- Reduced need to maintain proprietary reload infrastructure
 - transactions occur in the back office rather than at the device
- Allows for far more opportunities for vending fares
 - Eg. Dallas has 1300 retailers ready to sell their fares without any special equipment;
 - Eg. Portland has product in over 600 stores through Ready Credit
- Can integrate with other transit, parking, etc
- Greater flexibility in fare policy
 - Eg. “pay as you go”, fare capping



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Whitepaper: Ideal System Components

- Open architecture: Non proprietary hardware and software
 - Allows for innovation, competition
 - Eg. Could use less expensive, simpler TVM
 - Eg. Could integrate rideshare services
- Better back office hosting and data reporting
 - Could be through the system integrator, or a 3rd party
- Enhanced security features
 - All new systems must be PCI compliant
 - Because the transactional data is stored in the back office, less outlets for intrusion



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Whitepaper: Cost Estimates for Next Generation Fare System

- Low and high estimates based on level of functionality, types of hardware, etc.
 - \$25 to \$55 million
 - These estimates include some hardware (TVMs, PCIDs, but no fareboxes)
 - Compare: Portland -- \$36 million; Dallas-- \$31 million (no TVMs)
- Funding available
 - MTS FY 17 CIP- \$7.9 million; proposed FY 18- \$10 million
 - Mid Coast -- \$8 million (estimated)
 - NCTD share



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Whitepaper: Next Gen Vendor

- Selecting a fare system vendor that can deliver the specified system is important to minimize risk
- A number of vendors offer the account based type of system
 - Only Cubic and Vix have fully implemented an account based system; Portland shortly will launch with INIT (matrix of experience p.36)
- The vendor's experience level is important for success



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Whitepaper: Recommendation

- Develop a Concept of Operations
 - Review of current system components and contract terms
 - Detailed system requirements for the new system
 - Eg. design of equipment, reporting system, sales channel review
 - Mobile ticketing integration plan
 - Transition plan
 - Which services in house and which external
 - Procurement strategy
 - Updated cost estimate as a result
 - Fare structure analysis



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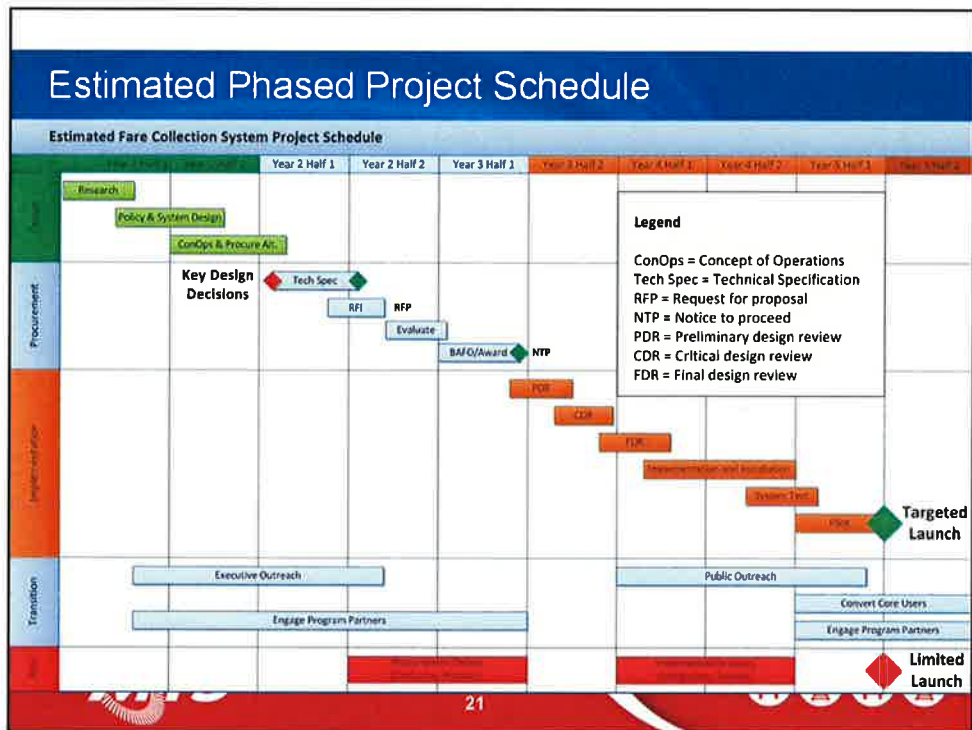
Whitepaper: Recommendation

- If we end up with a full system procurement the Concept of Operations can assist in directing the procurement
 - Minimizes risk in the procurement stage
- Cost for developing the concept of operations: \$250 to \$300K
- Estimated time: 4 to 6 months
- In the meantime, move forward with Fare Study, and exploring security related efforts with Cubic



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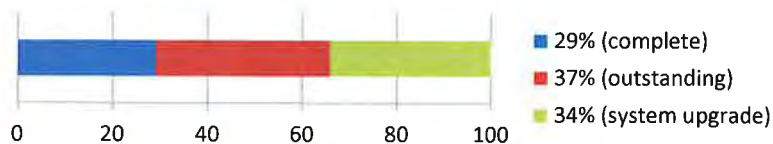
PCI-DSS Compliance Update

- Gap analysis results identified that technical limitations of the legacy NextFare / Cubic environment may limit options
- However, making some improvements to current technology platforms which will support the legacy NextFare environment are possible
- Payment platform modernization (replacement) is required to achieve PCI DSS compliance
- Through prioritized remediation, MTS has already been able to address many internal network issues



MTS Fare System Environment PCI-DSS Compliance Findings

- The current PCI DSS version 3.2 has 361 controls that combine to make up the 12 general requirements
- MTS completed 29% of those controls; staff is working toward the completion of the 37% that MTS can accomplish (procedures, training, password upgrades, etc.)
- A complete modernization of the payment platform would allow us to achieve full compliance.



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MTS Fare System Environment PCI-DSS Compliance Options

- A new fare system deployment (Cubic designed or other) would allow MTS to align internal PCI DSS remediation efforts with other technical system updates
- Cubic has provided on-site and cloud-based NextFare upgrade proposals which are relatively similar options in terms of cost, effort and impact
- However, these proposals alone do not produce a complete PCI compliant system and would still leave 37% of the controls to be addressed
- Any Next Generation system will have PCI compliance fundamentally built in to all areas of the payment environment as a core requirement



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Stored Value Update

- In the final testing stage
- Limited live pilot with employees is underway
- If all goes well, will launch in mid to late January
- Product would be available to purchase at the Transit Store and ticket vending machines
- Marketed as “Compass Cash”



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Fare Collection Update and Whitepaper

Board of Directors
December 8, 2016



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Agenda Item No. 45

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 8, 2016

SUBJECT:

OPERATIONS BUDGET STATUS REPORT FOR OCTOBER 2016 (MIKE THOMPSON)

INFORMATIONAL ONLY

Budget Impact

None at this time.

DISCUSSION:

This report summarizes the year-to-date operating results for October 2016 compared to the fiscal year (FY) 2017 adopted budget for San Diego Metropolitan Transit System (MTS). Attachment A-1 combines the operations', administrations' and other activities' results for October 2016. Attachment A-2 details the October 2016 combined operations' results and Attachments A-3 to A-7 present budget comparisons for each MTS operation. Attachment A-8 details budget comparisons for MTS Administration, and Attachment A-9 provides October 2016 results for MTS's other activities (Taxicab/San Diego and Arizona Eastern Railway Company).

MTS NET-OPERATING SUBSIDY RESULTS

As indicated within Attachment A-1, for the year-to-date period ending October 2016, MTS's net-operating income unfavorable variance totaled \$370,000 (-0.7%). Operations produced a \$1,196,000 (-2.2%) unfavorable variance and the administrative/other activities areas were favorable by \$826,000.

MTS COMBINED RESULTS

Revenues. Year-to-date combined revenues through October 2016 were \$37,726,000, compared to the year-to-date budget of \$39,943,000, representing a \$2,218,000 (-5.6%) unfavorable variance. This is primarily due to unfavorable variances within Passenger Fare revenues.



Expenses. Year-to-date combined expenses through October 2016 were \$89,839,000 compared to the budget of \$91,686,000 resulting in a \$1,847,000 (2.0%) favorable variance.

Personnel Costs. Year-to-date personnel-related costs totaled \$42,714,000, compared to a budgetary figure of \$43,482,000, producing a favorable variance of \$768,000 (1.8%).

Outside Services and Purchased Transportation. Total outside services for the first four months of the fiscal year totaled \$31,132,000, compared to a budget of \$31,796,000, resulting in a favorable variance of \$664,000 (2.1%).

Materials and Supplies. Total year-to-date materials and supplies expenses were \$3,447,000, compared to a budgetary figure of \$3,825,000, resulting in a favorable variance of \$377,000 (9.9%).

Energy. Total year-to-date energy costs were \$9,578,000, compared to the budget of \$9,701,000 resulting in a favorable variance of \$123,000 (1.3%).

Risk Management. Total year-to-date expenses for risk management were \$1,183,000, compared to the budget of \$1,347,000, resulting in a favorable variance totaling \$164,000 (12.2%).

General and Administrative. The year-to-date general and administrative costs, including vehicle and facilities leases, were \$1,785,000 through October 2016, compared to a budget of \$1,536,000, resulting in an unfavorable variance of \$249,000 (-16.2%).

YEAR-TO-DATE SUMMARY

The October 2016, year-to-date net-operating income totaled an unfavorable variance of \$370,000 (-0.7%). These factors include unfavorable variances in operating revenue and general and administrative costs; partially offset by favorable variances in personnel costs, outside services, materials and supplies, energy and risk management



Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Comparison to Budget

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
MTS
CONSOLIDATED
COMPARISON TO BUDGET - FISCAL YEAR 2017
OCTOBER 31, 2016
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 32,416	\$ 35,092	\$ (2,676)	-7.6%
Other Revenue	5,310	4,852	458	9.4%
Total Operating Revenue	\$ 37,726	\$ 39,943	\$ (2,218)	-5.6%
Personnel costs	\$ 42,714	\$ 43,482	\$ 768	1.8%
Outside services	31,132	31,796	664	2.1%
Transit operations funding	-	-	-	-
Materials and supplies	3,447	3,825	377	9.9%
Energy	9,578	9,701	123	1.3%
Risk management	1,183	1,347	164	12.2%
General & administrative	1,366	1,111	(254)	-22.9%
Vehicle/facility leases	420	425	5	1.3%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	-	0	0	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 89,839	\$ 91,686	\$ 1,847	2.0%
Operating income (loss)	\$ (52,113)	\$ (51,743)	\$ (370)	-0.7%
Total public support and nonoperating revenues	(746)	(978)	231	-23.7%
Income (loss) before capital contributions	\$ (52,860)	\$ (52,721)	\$ (139)	0.3%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
CONSOLIDATED OPERATIONS
COMPARISON TO BUDGET - FISCAL YEAR 2017
OCTOBER 31, 2016
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 32,416	\$ 35,092	\$ (2,676)	-7.6%
Other Revenue	439	235	204	86.8%
Total Operating Revenue	\$ 32,855	\$ 35,327	\$ (2,471)	-7.0%
Personnel costs	\$ 36,017	\$ 36,537	\$ 520	1.4%
Outside services	26,556	26,839	283	1.1%
Transit operations funding	-	-	-	-
Materials and supplies	3,419	3,814	395	10.4%
Energy	9,349	9,420	72	0.8%
Risk management	1,058	1,191	133	11.2%
General & administrative	271	165	(106)	-63.9%
Vehicle/facility leases	364	343	(21)	-6.3%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	9,308	9,308	0	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 86,342	\$ 87,617	\$ 1,276	1.5%
Operating income (loss)	\$ (53,487)	\$ (52,291)	\$ (1,196)	-2.3%
Total public support and nonoperating revenues	(234)	(238)	4	-1.7%
Income (loss) before capital contributions	\$ (53,721)	\$ (52,529)	\$ (1,192)	2.3%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
TRANSIT SERVICES (SAN DIEGO TRANSIT CORPORATION)
COMPARISON TO BUDGET - FISCAL YEAR 2017
OCTOBER 31, 2016
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 7,878	\$ 9,031	\$ (1,153)	-12.8%
Other Revenue	1	2	(1)	-39.6%
Total Operating Revenue	\$ 7,879	\$ 9,033	\$ (1,154)	-12.8%
Personnel costs	\$ 24,101	\$ 24,617	\$ 516	2.1%
Outside services	969	573	(396)	-69.0%
Transit operations funding	-	-	-	-
Materials and supplies	1,439	1,469	30	2.1%
Energy	1,998	2,021	23	1.2%
Risk management	498	584	86	14.8%
General & administrative	116	78	(38)	-48.6%
Vehicle/facility leases	126	130	5	3.7%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	3,272	3,272	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 32,517	\$ 32,744	\$ 227	0.7%
Operating income (loss)	\$ (24,638)	\$ (23,711)	\$ (927)	-3.9%
Total public support and nonoperating revenues	(317)	(316)	(1)	0.3%
Income (loss) before capital contributions	\$ (24,955)	\$ (24,027)	\$ (928)	3.9%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
RAIL OPERATIONS (SAN DIEGO TROLLEY, INCORPORATED)
COMPARISON TO BUDGET - FISCAL YEAR 2017
OCTOBER 31, 2016
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 14,296	\$ 15,071	\$ (775)	-5.1%
Other Revenue	438	233	204	87.6%
Total Operating Revenue	\$ 14,734	\$ 15,304	\$ (570)	-3.7%
Personnel costs	\$ 11,628	\$ 11,512	\$ (116)	-1.0%
Outside services	1,433	1,880	447	23.8%
Transit operations funding	-	-	-	-
Materials and supplies	1,976	2,329	353	15.2%
Energy	4,627	4,566	(61)	-1.3%
Risk management	555	602	47	7.7%
General & administrative	118	83	(36)	-43.1%
Vehicle/facility leases	139	109	(31)	-28.4%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	5,322	5,322	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 25,798	\$ 26,401	\$ 603	2.3%
Operating income (loss)	\$ (11,064)	\$ (11,097)	\$ 33	0.3%
Total public support and nonoperating revenues	5	-	5	-
Income (loss) before capital contributions	\$ (11,059)	\$ (11,097)	\$ 38	-0.3%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
MULTIMODAL OPERATIONS (FIXED ROUTE)
COMPARISON TO BUDGET - FISCAL YEAR 2017
OCTOBER 31, 2016
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 9,165	\$ 10,066	\$ (901)	-8.9%
Other Revenue	0	-	0	-
Total Operating Revenue	\$ 9,165	\$ 10,066	\$ (900)	-8.9%
Personnel costs	\$ 58	\$ 165	\$ 107	64.9%
Outside services	18,248	18,488	240	1.3%
Transit operations funding	-	-	-	-
Materials and supplies	5	16	11	69.5%
Energy	2,020	2,000	(20)	-1.0%
Risk management	-	-	-	-
General & administrative	1	2	1	58.3%
Vehicle/facility leases	6	11	5	42.9%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	537	537	0	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 20,875	\$ 21,219	\$ 344	1.6%
Operating income (loss)	\$ (11,709)	\$ (11,153)	\$ (556)	-5.0%
Total public support and nonoperating revenues	-	-	-	-
Income (loss) before capital contributions	\$ (11,709)	\$ (11,153)	\$ (556)	5.0%

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
MULTIMODAL OPERATIONS (PARATRANSIT)
COMPARISON TO BUDGET - FISCAL YEAR 2017
OCTOBER 31, 2016
(in \$000's)**

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 1,077	\$ 924	\$ 153	16.6%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 1,077	\$ 924	\$ 153	16.6%
Personnel costs	\$ 41	\$ 54	\$ 13	24.0%
Outside services	5,683	5,674	(8)	-0.1%
Transit operations funding	-	-	-	-
Materials and supplies	-	-	-	-
Energy	703	833	130	15.6%
Risk management	5	5	-	0.0%
General & administrative	36	3	(33)	-1277.2%
Vehicle/facility leases	93	93	(0)	0.0%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	177	177	(0)	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 6,739	\$ 6,840	\$ 101	1.5%
Operating income (loss)	\$ (5,662)	\$ (5,916)	\$ 254	4.3%
Total public support and nonoperating revenues	-	-	-	-
Income (loss) before capital contributions	\$ (5,662)	\$ (5,916)	\$ 254	-4.3%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
CORONADO FERRY
COMPARISON TO BUDGET - FISCAL YEAR 2017
OCTOBER 31, 2016
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	-	-	-	-
Total Operating Revenue	\$ -	\$ -	\$ -	-
Personnel costs	\$ -	\$ -	\$ -	-
Outside services	69	69	-	0.0%
Transit operations funding	-	-	-	-
Materials and supplies	-	-	-	-
Energy	-	-	-	-
Risk management	-	-	-	-
General & administrative	-	-	-	-
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	-	-	-	-
Depreciation	-	-	-	-
Total Operating Expenses	\$ 69	\$ 69	\$ -	0.0%
Operating income (loss)	\$ (69)	\$ (69)	\$ -	0.0%
Total public support and nonoperating revenues	78	78	-	0.0%
Income (loss) before capital contributions	\$ 9	\$ 9	\$ -	0.0%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
ADMINISTRATION
CONSOLIDATED
COMPARISON TO BUDGET - FISCAL YEAR 2017
OCTOBER 31, 2016
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	4,748	4,448	300	6.7%
Total Operating Revenue	\$ 4,748	\$ 4,448	\$ 300	6.7%
Personnel costs	\$ 6,367	\$ 6,587	\$ 220	3.3%
Outside services	4,547	4,908	361	7.3%
Transit operations funding	-	-	-	-
Materials and supplies	27	8	(19)	-231.9%
Energy	227	275	48	17.6%
Risk management	119	150	31	20.7%
General & administrative	1,048	908	(140)	-15.5%
Vehicle/facility leases	48	73	26	35.1%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	(9,356)	(9,356)	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 3,027	\$ 3,554	\$ 527	14.8%
Operating income (loss)	\$ 1,721	\$ 895	\$ 827	-92.4%
Total public support and nonoperating revenues	(512)	(740)	227	-30.7%
Income (loss) before capital contributions	\$ 1,209	\$ 155	\$ 1,054	680.0%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OTHER ACTIVITIES
CONSOLIDATED
COMPARISON TO BUDGET - FISCAL YEAR 2017
OCTOBER 31, 2016
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	123	168	(46)	-27.2%
Total Operating Revenue	\$ 123	\$ 168	\$ (46)	-27.2%
Personnel costs	\$ 330	\$ 358	\$ 28	7.8%
Outside services	28	49	21	42.1%
Transit operations funding	-	-	-	-
Materials and supplies	1	2	1	45.1%
Energy	3	5	3	49.4%
Risk management	5	5	0	0.8%
General & administrative	47	38	(9)	-22.2%
Vehicle/facility leases	8	9	1	13.5%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	48	48	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 470	\$ 515	\$ 45	8.7%
Operating income (loss)	\$ (348)	\$ (347)	\$ (1)	-0.2%
Total public support and nonoperating revenues	-	-	-	-
Income (loss) before capital contributions	\$ (348)	\$ (347)	\$ (1)	0.2%

Metropolitan Transit System FY 2017 - October 2016 Financial Review

MTS Board of Directors Meeting
December 8, 2016



CONSOLIDATED MTS OPERATIONS

COMPARISON TO BUDGET – OCTOBER 31, 2016 - FY 2017

TOTAL OPERATING REVENUES (\$000's)

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>VAR %</u>
Fare Revenue	\$ 32,416	\$ 35,092	(\$2,676)	-7.6%
Other Operating Revenue	5,310	4,852	458	9.4%
Operating Revenue	\$37,726	\$39,943	(\$2,218)	-5.6%

- Fare Revenue
 - Plan was for no growth in FY17 over FY16 amended budget
 - With the FY16 results, now need \$2.9M of growth to make budget
 - Unfavorable to the prior year by \$1.8M (-5.4%)



CONSOLIDATED MTS OPERATIONS

COMPARISON TO BUDGET – OCTOBER 31, 2016 - FY 2017

TOTAL OPERATING EXPENSES (\$000's)

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>VAR %</u>
Personnel Costs	\$ 42,714	\$ 43,482	\$ 768	1.8%
Purchased Transportation	23,313	23,462	149	0.6%
Other Outside Services	7,819	8,333	515	6.2%
Energy	9,578	9,701	123	1.3%
Other Expenses	6,415	6,707	292	4.4%
Operating Expenses	\$ 89,839	\$ 91,686	\$ 1,847	2.0%

- Personnel Costs - Favorable experience in Wages and Fringe
- Other Outside Services - Timing of Service Contracts



CONSOLIDATED MTS OPERATIONS

COMPARISON TO BUDGET – OCTOBER 31, 2016 - FY 2017

TOTAL OPERATING VARIANCE (\$000's)

Combined Net Operating Variance

MTS Operating Revenue \$ (2,218)

MTS Operating Expenses 1,847

Total Combined Net Operating Variance \$ (370)

Variance Percentage -0.7%



CONSOLIDATED MTS OPERATIONS

COMPARISON TO BUDGET – OCTOBER 31, 2016 - FY 2017

ON GOING CONCERNS

	Budget	YTD Actual	Projected
Sales Tax Subsidy Revenue	\$432.8 M	\$234.3 M	\$422.8 M
State of California Budget	\$14.5 M	\$2.7 M	\$13.1 M
Passenger Levels	95.3 M	30.8 M	92.6 M
Energy Prices			
CNG	\$ 0.90	\$ 0.91	\$ 0.90
Diesel	\$ 2.25	\$ 1.81	\$ 1.87
Gas	\$ 2.65	\$ 2.38	\$ 2.06
Electricity	\$ 0.199	\$ 0.200	\$ 0.199

Favorable

On Target

Unfavorable





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

Agenda Item No. 46

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 8, 2016

SUBJECT:

TRANSIT OPTIMIZATION PLAN (TOP) UPDATE (DENIS DESMOND)

INFORMATIONAL ITEM

Budget Impact

None.

DISCUSSION:

In summer 2016, MTS began the Transit Optimization Plan (TOP), a ten-year update to the Comprehensive Operational Analysis that evaluated services and reallocated resources according to a strategy that emphasized sustainability and productivity. The project kicked off with a robust public outreach effort and the procurement of a contract with Transportation Management and Design, Inc. for TOP consulting services.

With much of the market and service evaluation complete, staff will present an update of the TOP project and work to date, an overview of some of the key findings, and a schedule of next steps.



Paul C. Jablonski
Chief Executive Officer

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





Transit Optimization Plan Project Update

MTS Board of Directors
December 8, 2016



Background

Purpose:

- Update to the 2004-2007 Comprehensive Operational Analysis
- After ridership peak in FY15, metrics starting to trend downward
 - Ridership, fare revenue, productivity, and farebox recovery

On the Horizon:

- South Bay Rapid opens in 2018
- Mid-Coast LRT opens in 2021
- Failure of Measure A means few additional resources for transit in the near term



Project Schedule

- **Fall 2016 :**
 - Public outreach and survey
 - Data collection and review
- **Late 2016/Early 2017:**
 - Develop service proposals
 - Service implementation plan
- **Spring 2017:** Major Service Change Process (as necessary)
 - Title VI Analysis
 - Public Hearing
- **Summer 2017:** Begin service adjustments
- **Late 2017/early 2018:** Implement major changes



Community Survey

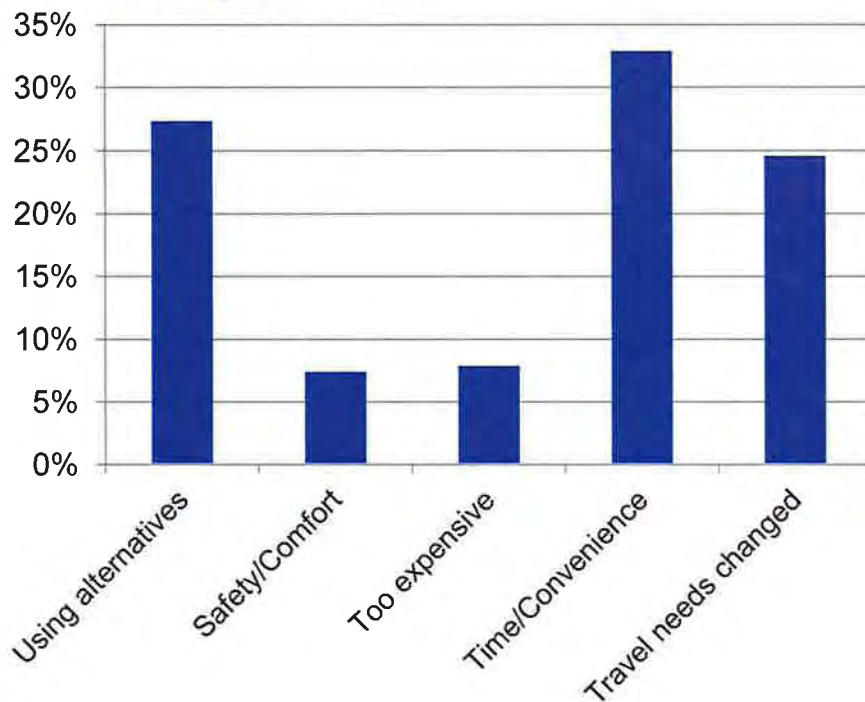
- September 2016
- Riders and Non-Riders
- Primarily on-line
(manual surveys accepted and entered by staff)
- 3,791 responses (3,083 completed)
- 2,066 current riders, 1,725 non-riders
- Popular IP addresses: UC San Diego, SD Comm. College Dist., Qualcomm, Balboa Park/Zoo



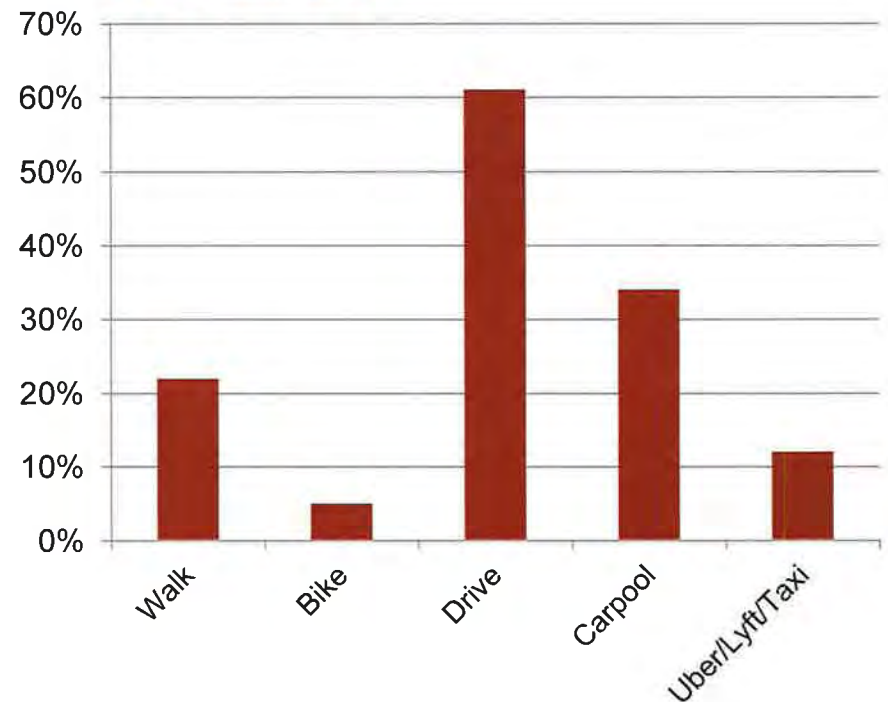
Community Survey

	Current MTS riders (2,063)	All respondents (3,791)
Ride about the same as last year	48.3%	26.3%
Ride more frequently	33.8%	18.4%
Ride less frequently	10.2%	5.7%
No answer (includes all non-riders)	7.8%	49.8%

Why?



Instead...

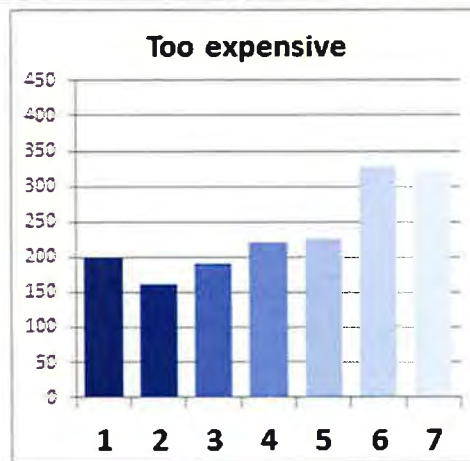
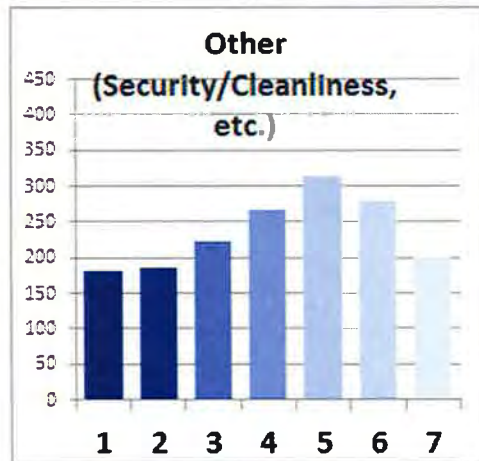
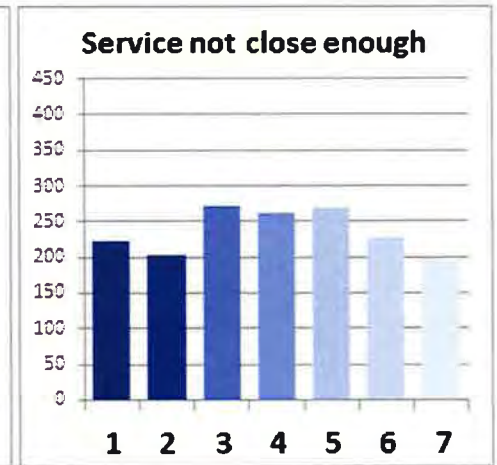
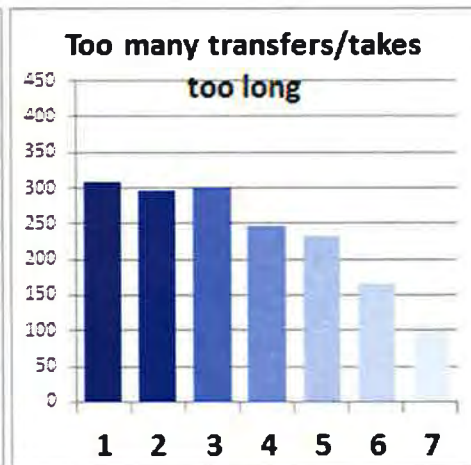
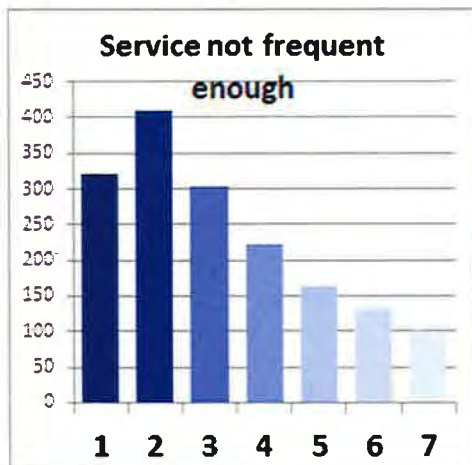


Community Survey

What are your biggest challenges using MTS?

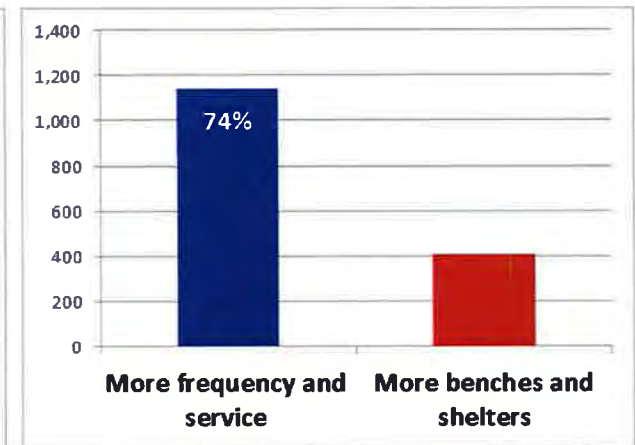
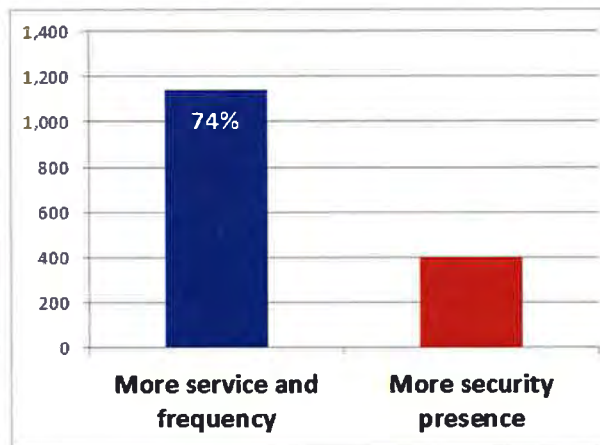
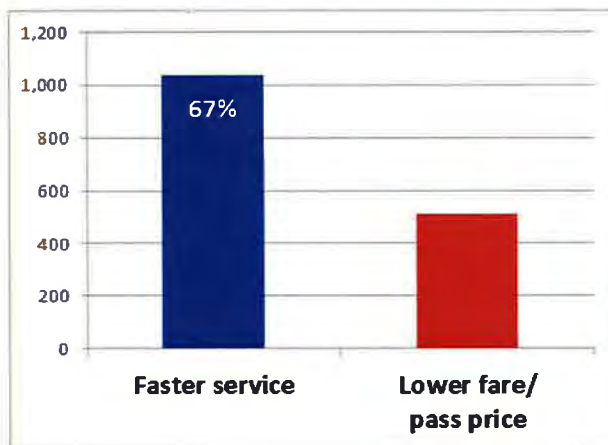
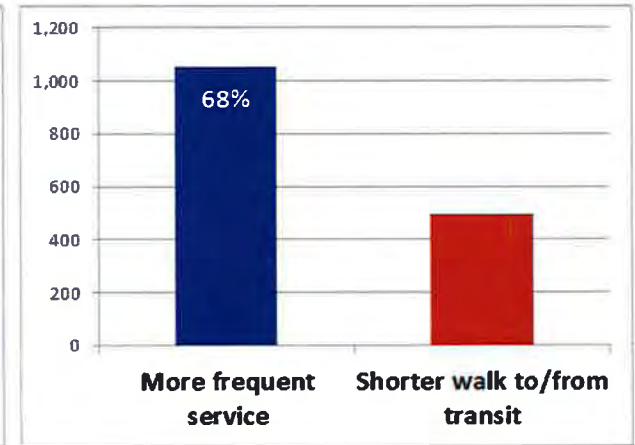
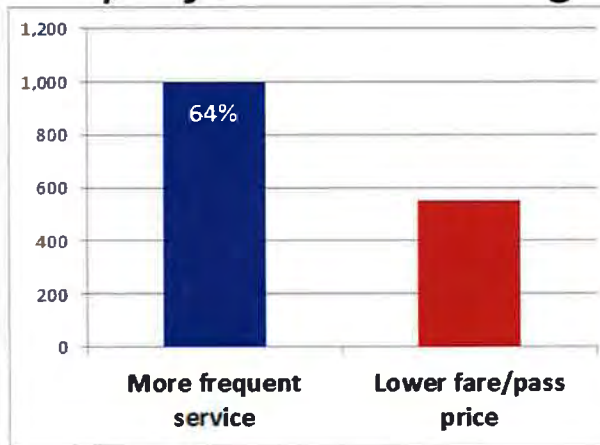
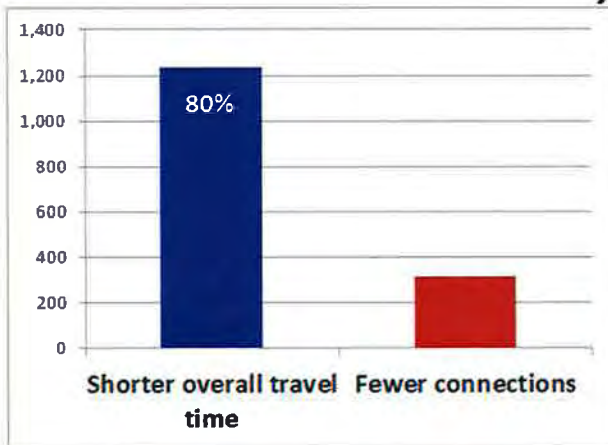
Or, Why don't you ride MTS?

(1 = Biggest challenge, 7 = least challenging)

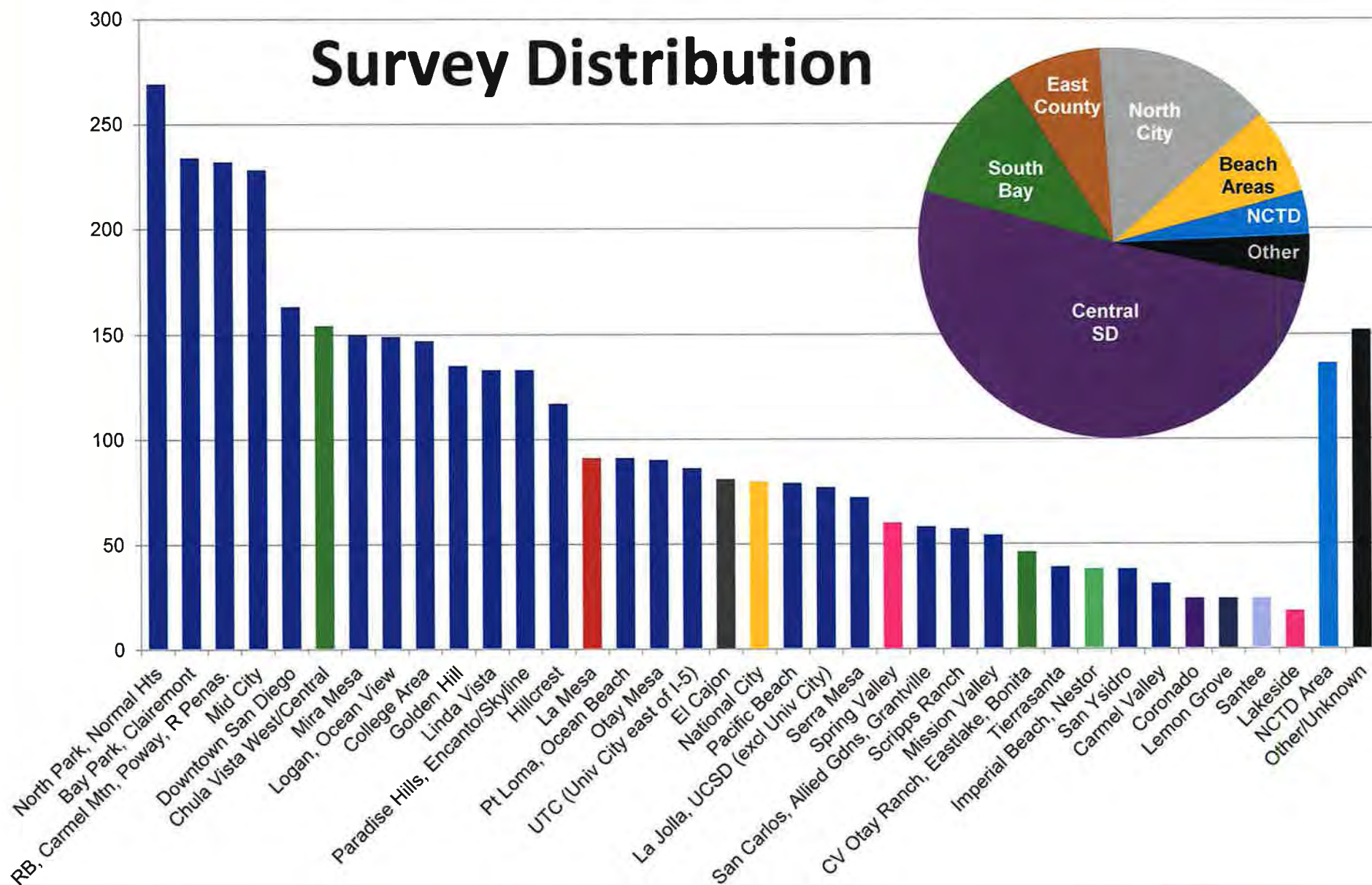


Community Survey

What is your preference among these two:



Survey Distribution



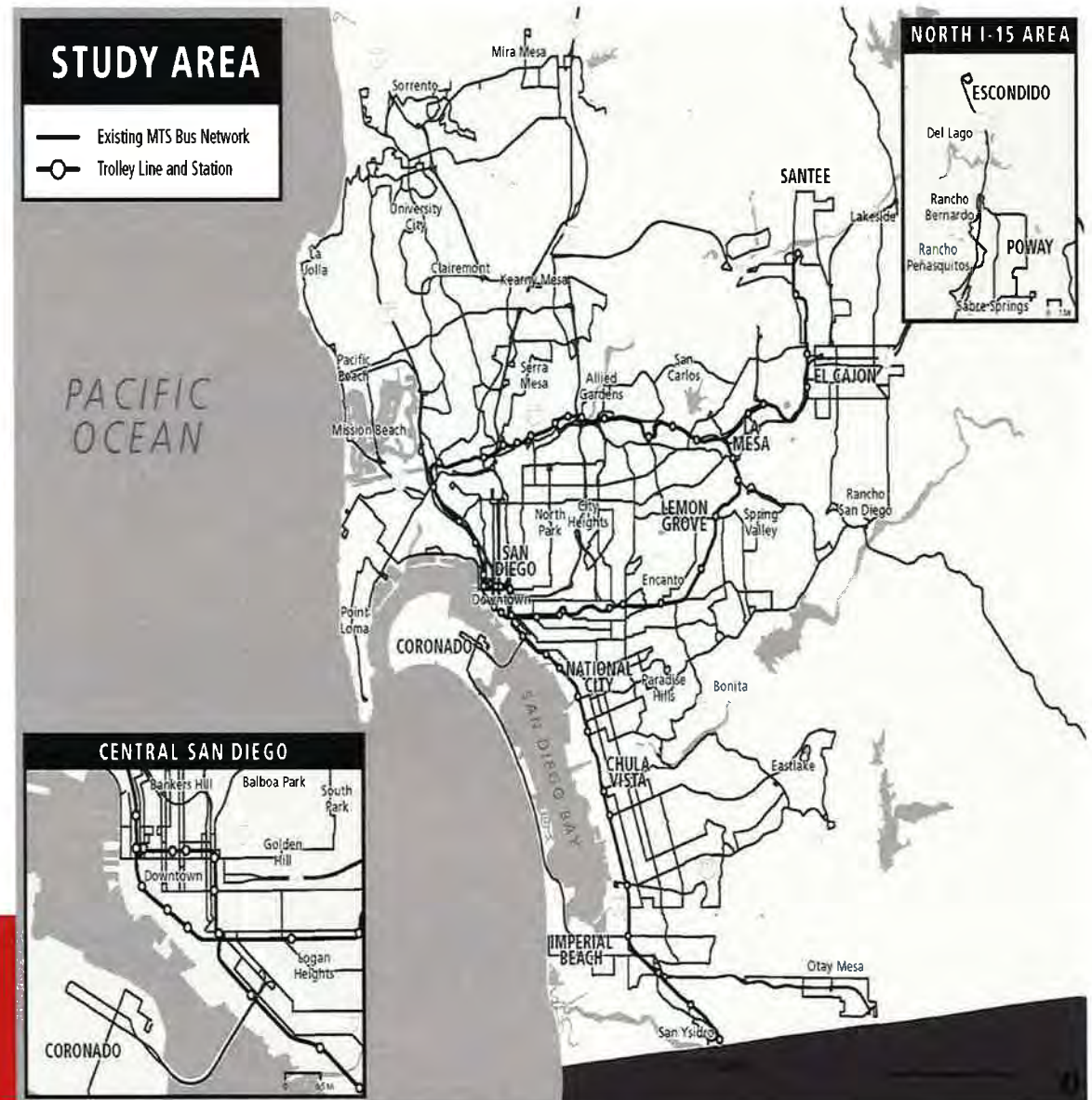
Transit Optimization Plan

Market Analysis

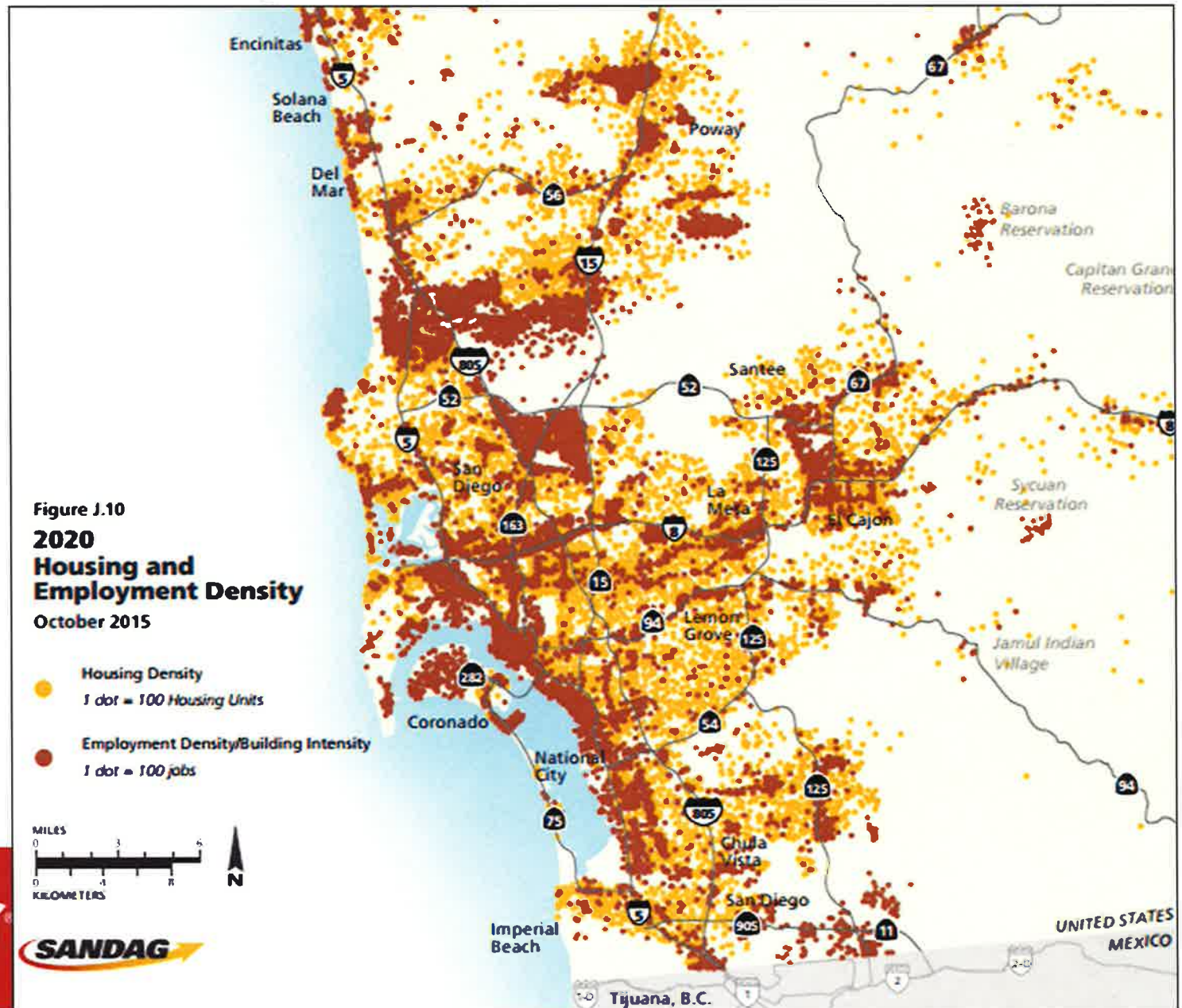


Market Analysis Goals

- Provide context for evaluating service performance.
- Define geographic context for transit markets.
- Identify potential areas of high demand for transit use.
- Understand planned development and projected regional changes.



Current Housing & Employment Density



Regional Plan 2050 Countywide Projections

- + 1m people
- + 500,000 jobs
- + 330,000 housing units
- 82% of new housing will be multi-family.
- Over half of new housing will be in central S.D.
- More than 60% will live near high-frequency transit (vs. 33% now).

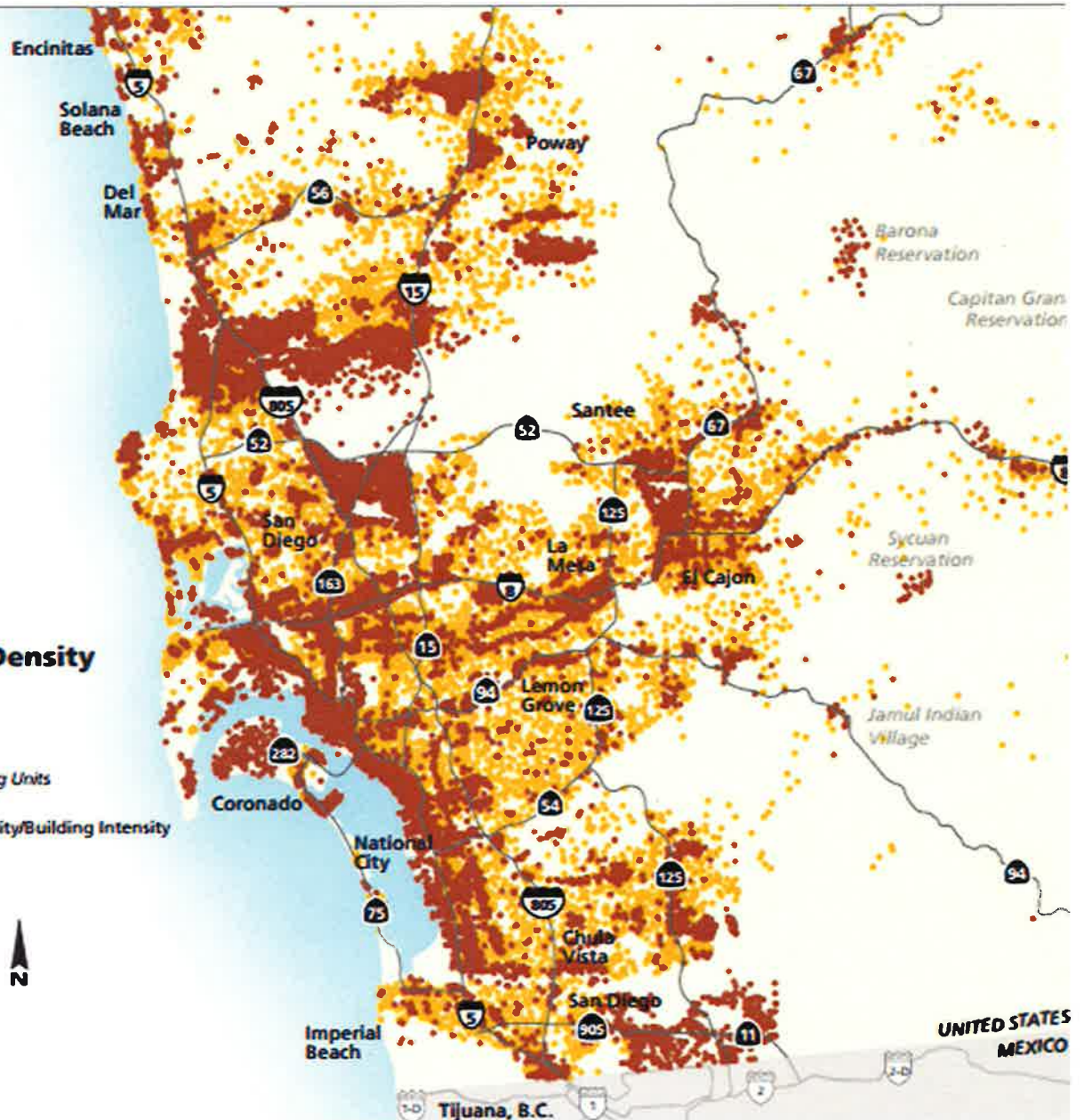
Figure J.12
**2050
Housing and
Employment Density**
October 2015

 Housing Density
1 dot = 100 Housing Units

 Employment Density/Building Intensity
1 dot = 100 jobs

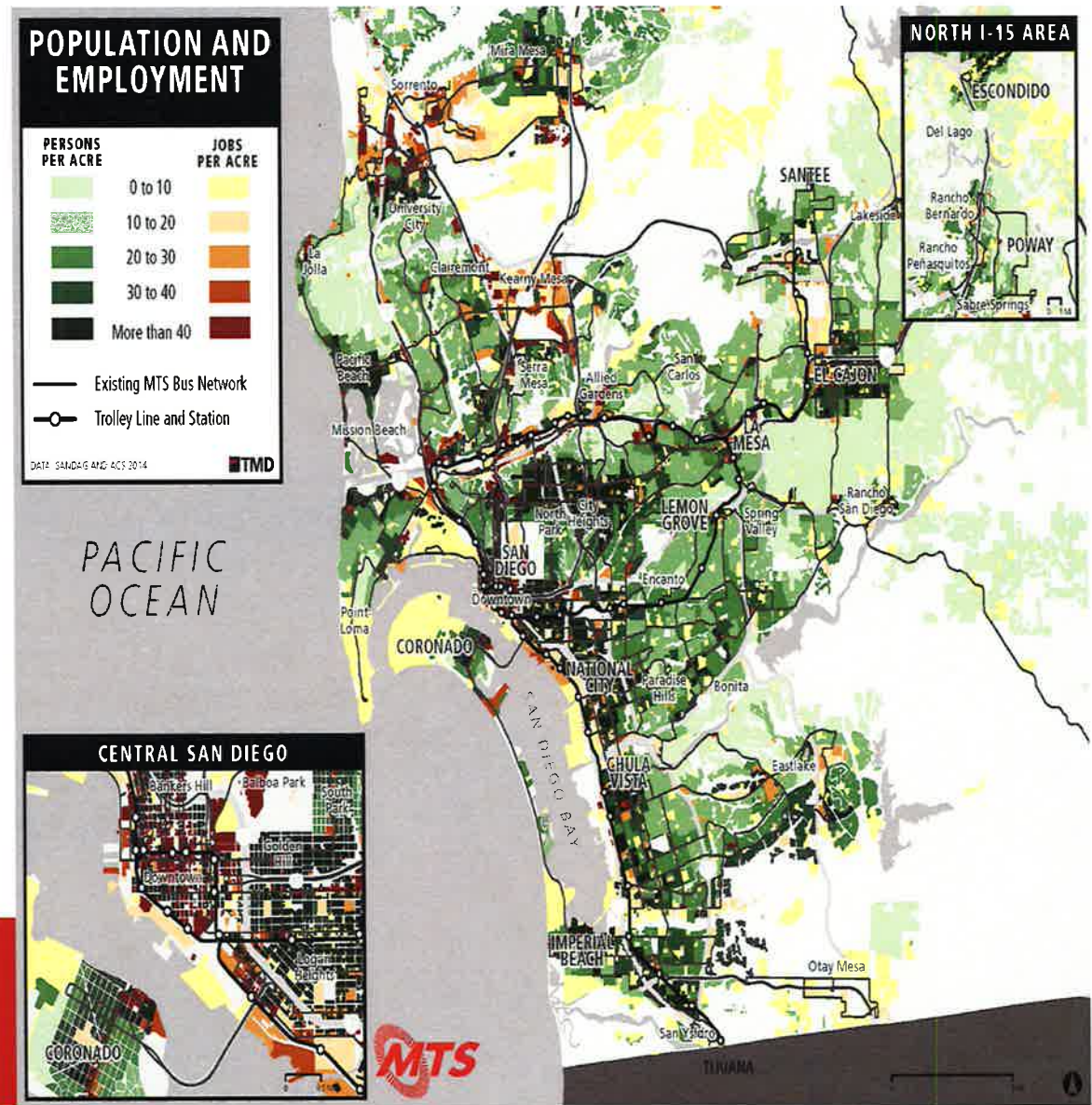


SANDAG



Population and Employment

- Most of service area characterized by low density, suburban development.
- Some employment concentration but most spread across the service area.
 - University City – 8%
 - Mira Mesa – 7%
 - Kearny Mesa – 8%
 - Downtown San Diego – 6%
- Large residential areas with few employment opportunities.



High Job to Population Ratios

Employment to Population Ratios					
	2012	2020	2035	2050	Forecasted Population Size (2050)
Mira Mesa	103%	93%	85%	90%	103,685
University City	132%	132%	139%	153%	75,926
Downtown	208%	204%	154%	161%	61,611
Mission Valley	237%	216%	169%	162%	36,640
Kearny Mesa	1555%	1254%	1254%	1290%	8,235
Torrey Pines	172%	172%	182%	184%	7,457



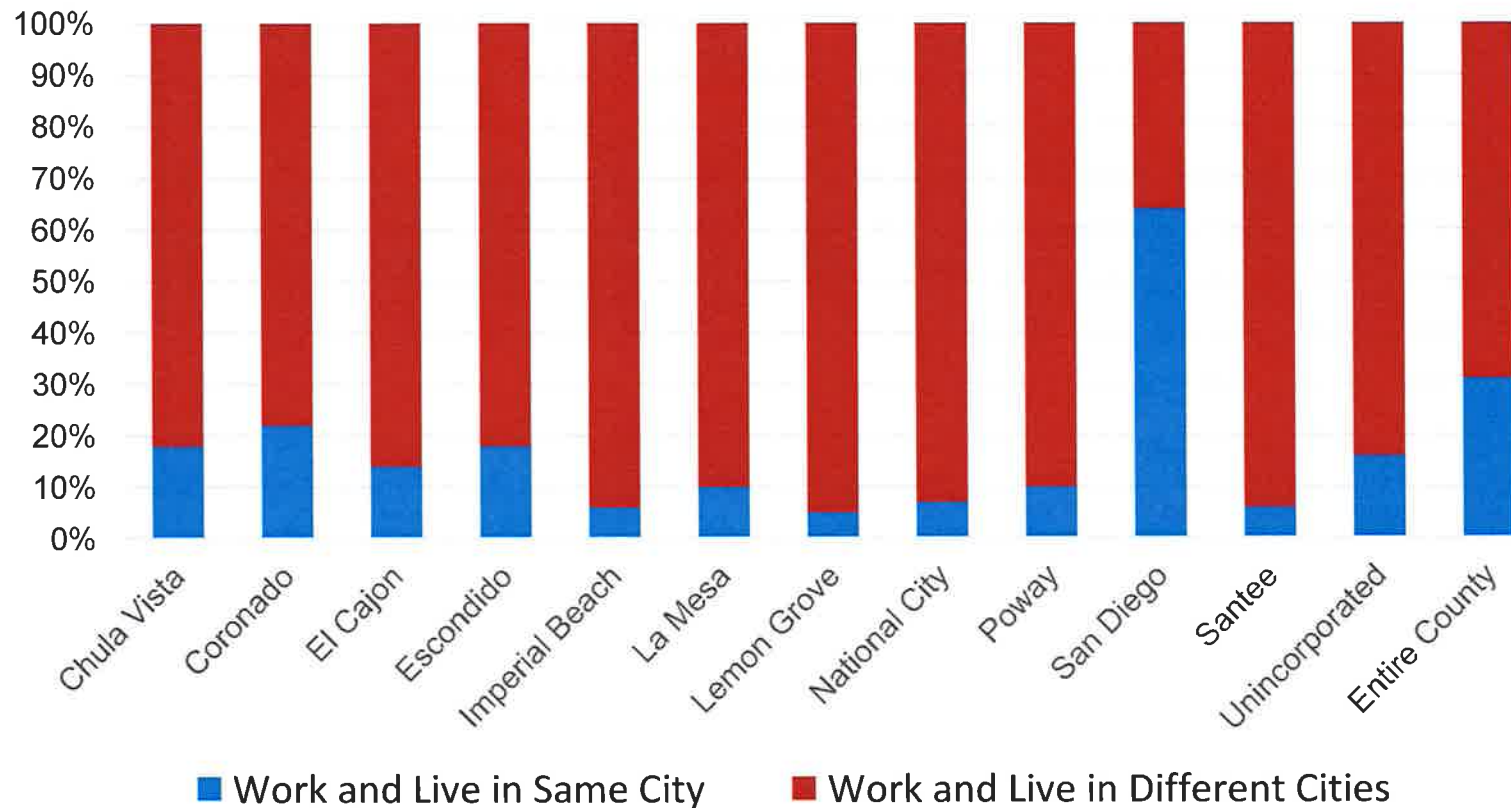
Low Jobs to Population Ratios

Employment to Population Ratios					
	2012	2020	2035	2050	Forecasted Population Size (2050)
Chula Vista	26%	29%	30%	33%	345,586
City Heights	11%	12%	12%	12%	100,237
Encanto	9%	9%	8%	8%	63,881
North Park	15%	17%	17%	19%	61,015
Imperial Beach	14%	17%	16%	15%	31,691
Tierrasanta	10%	11%	12%	14%	31,277
Lemon Grove	26%	27%	28%	28%	30,903
Golden Hill	11%	12%	11%	10%	21,492
Normal Heights	10%	10%	10%	11%	19,251



San Diego Commuters

Intercity Commute Trends



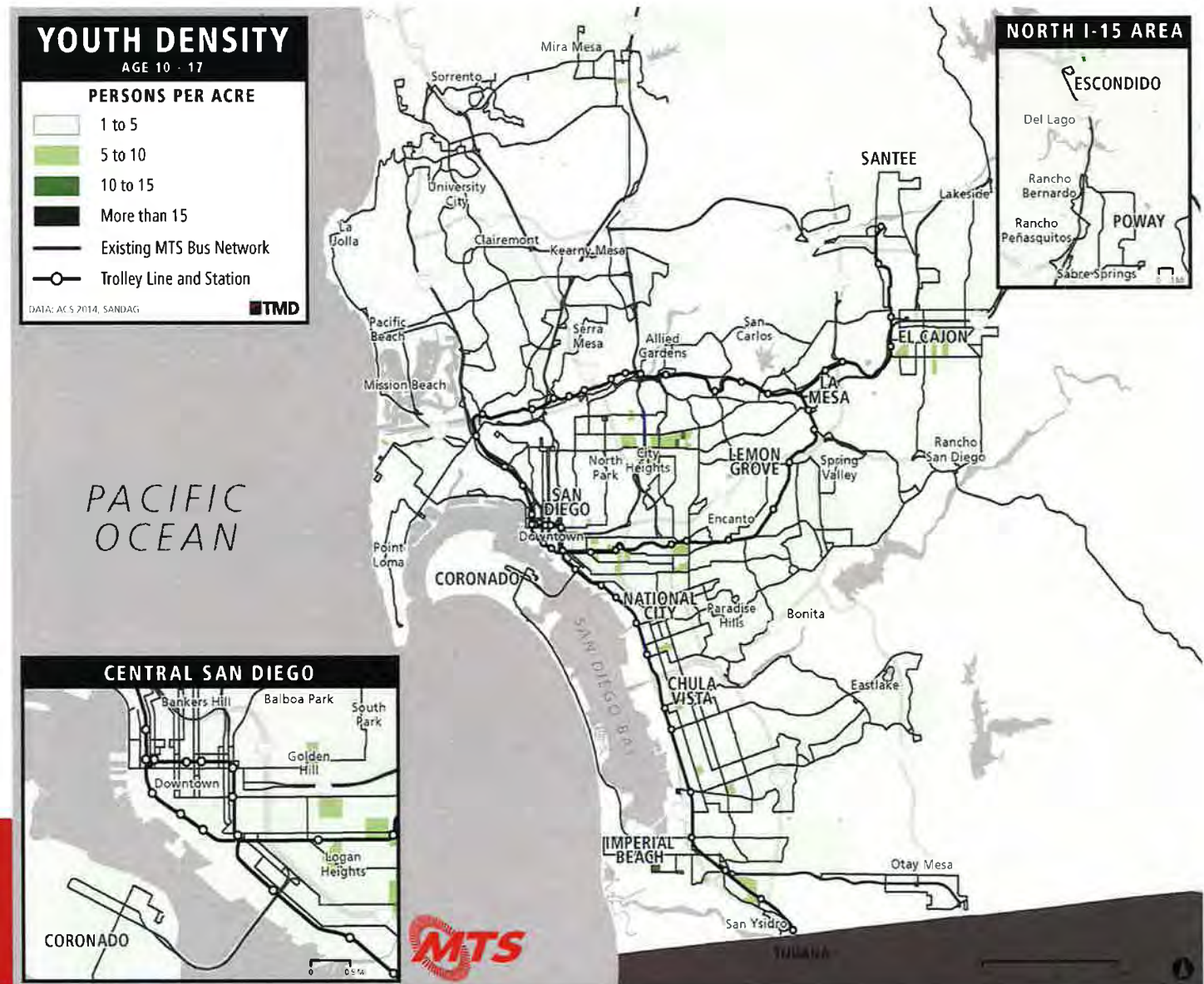
Senior Density (65+)

- 12% of total population, increase from 8% in 2006.
- By 2050, seniors will account for 20% of population.
- Growing, dispersed senior population will be challenging to serve.



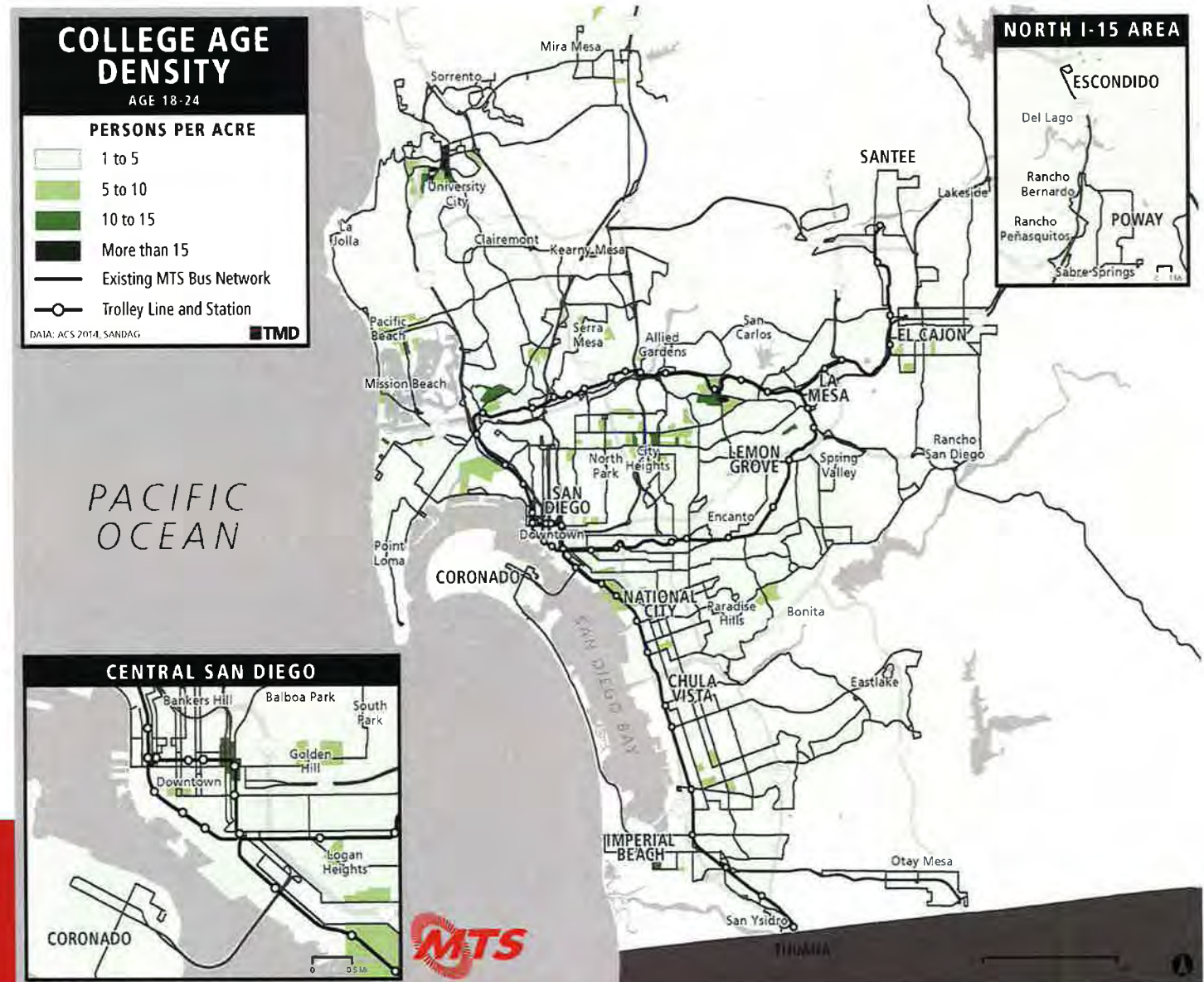
Youth Density

- Ages 10-17
- 10% of total population.
- Highly dispersed in low densities across the region.



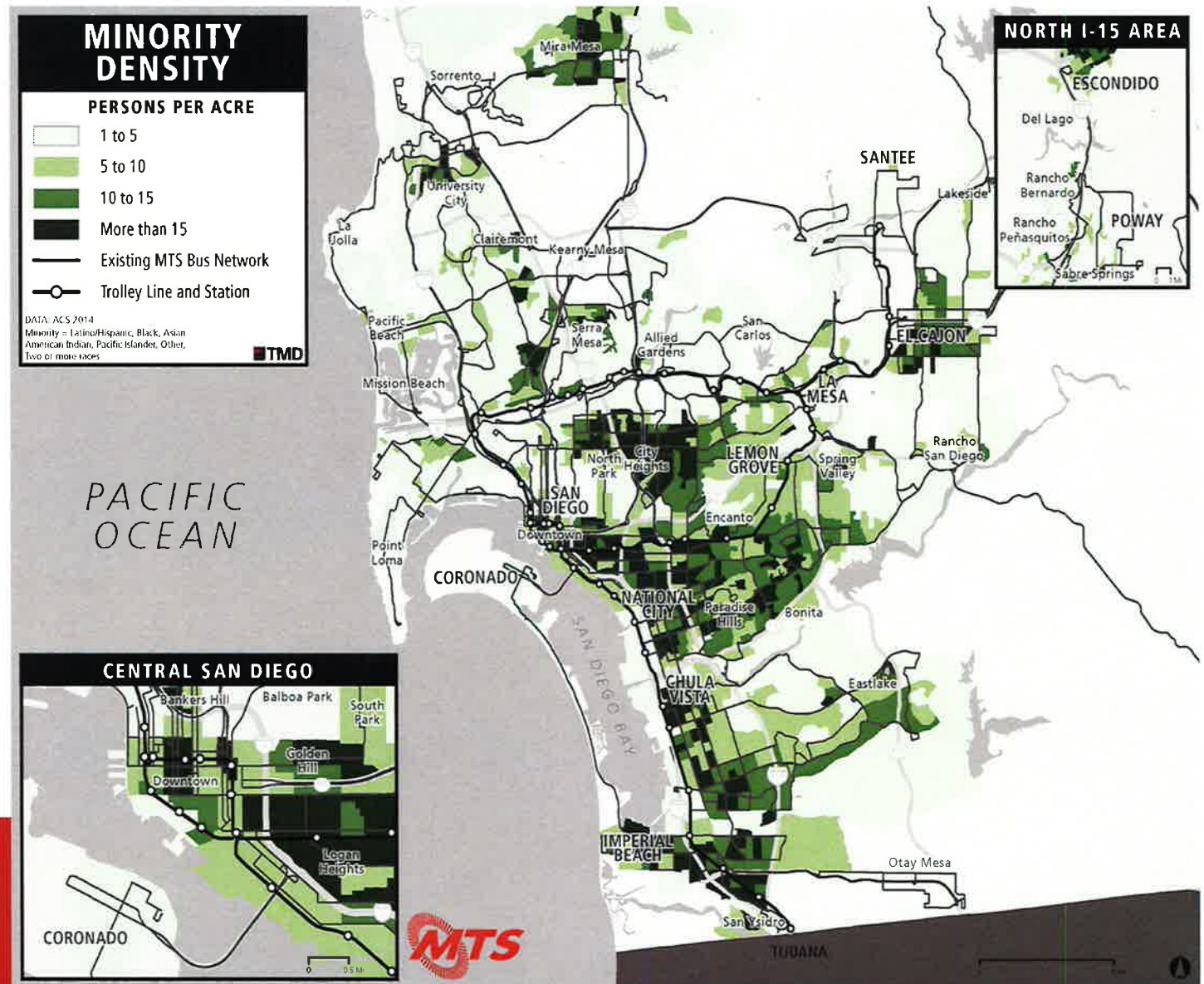
College-Age Density

- Ages 18-24
- 12% of total population.
- Concentrated around UCSD, SDSU, and USD:
 - University City (UCSD)
 - Mid-City/ College Area (SDSU)
 - Linda Vista (USD)



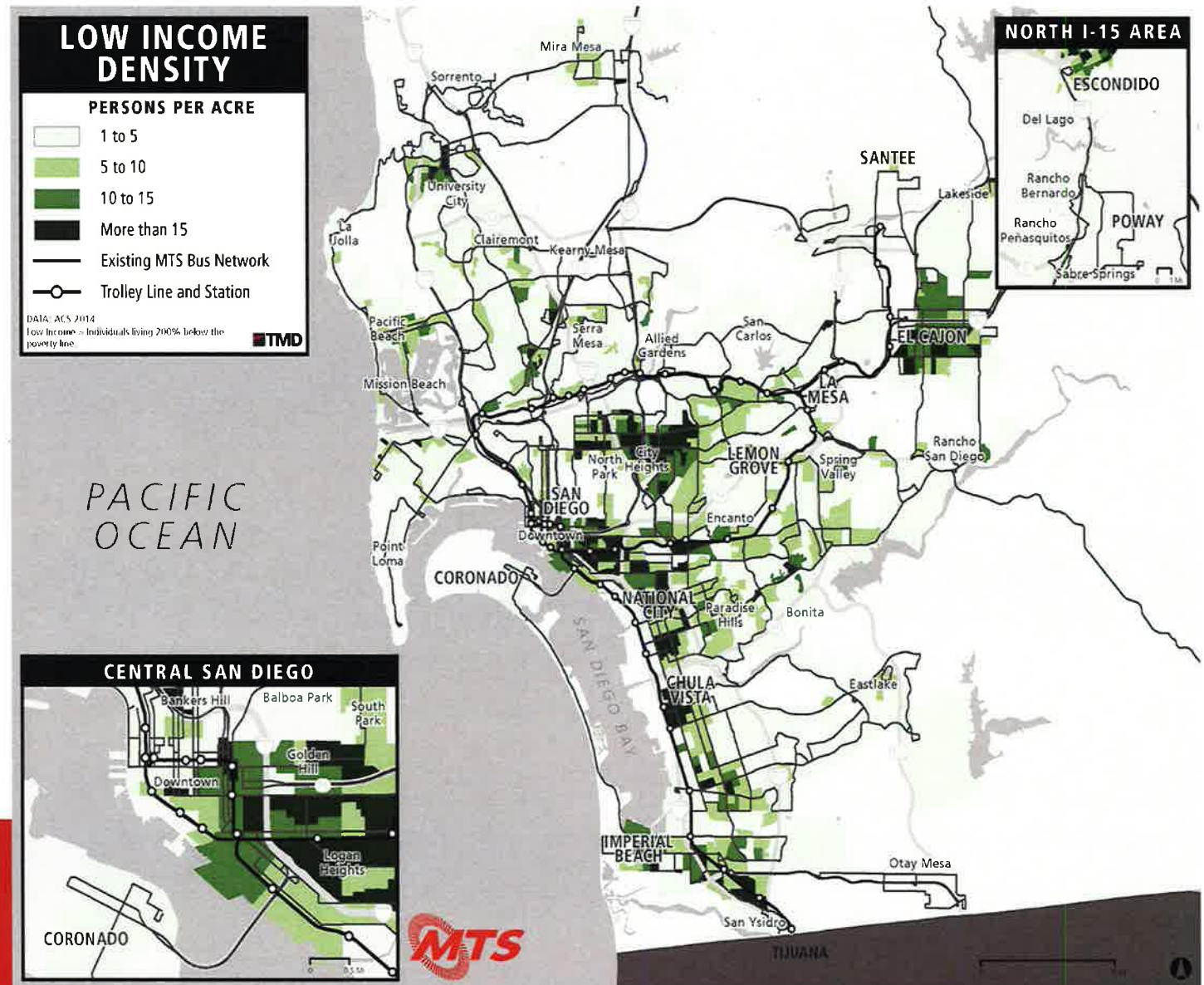
Minority Density

- 55 percent of total population.
- Majority minority.
 - 32 percent Hispanic
 - 13 percent Asian
 - 5 percent African-American
- Title VI implications.



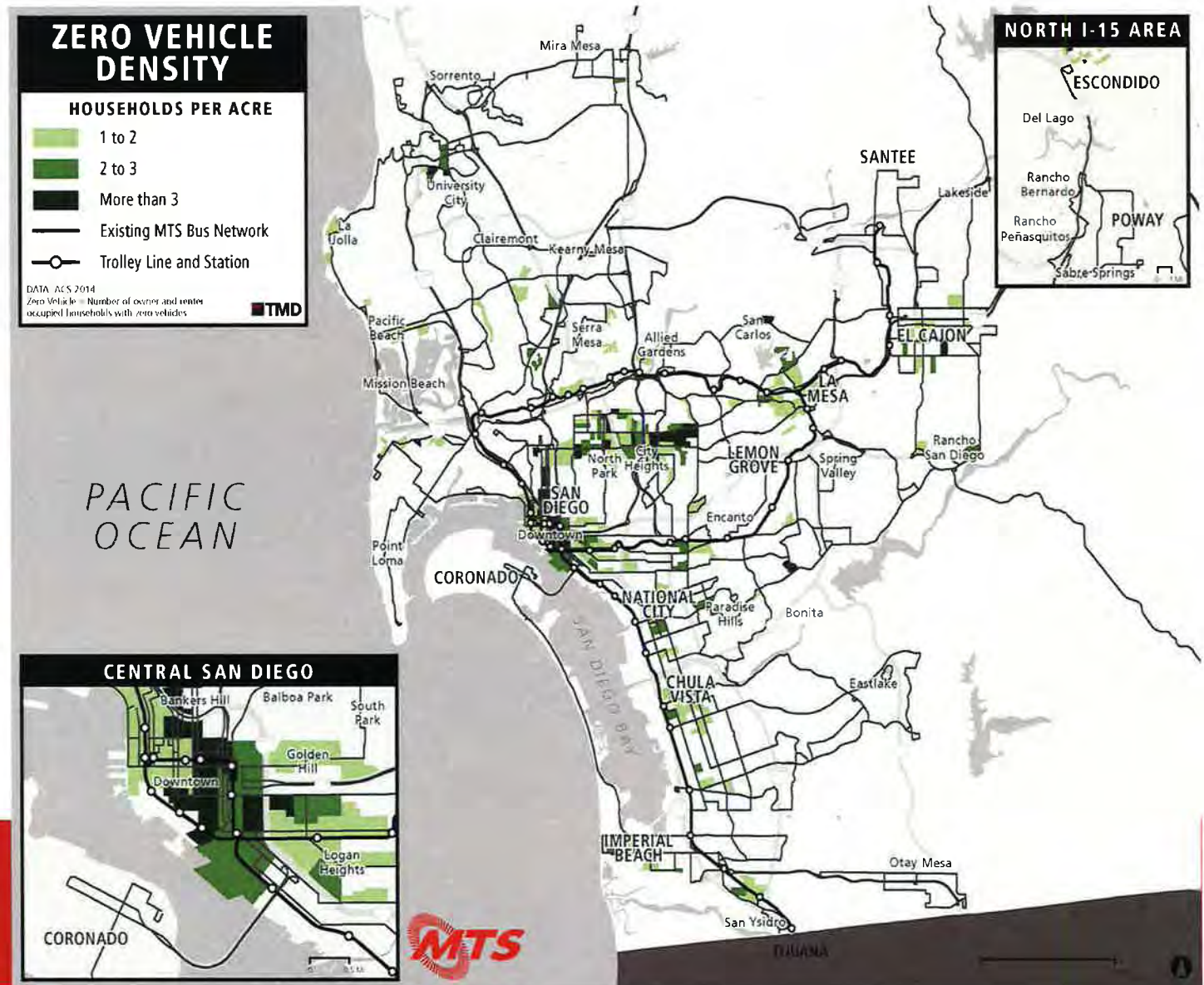
Low-Income Density

- 14% of total population in poverty (13% in 2006).
- Concentrations in City Heights, El Cajon, San Ysidro, Downtown, National City, and western Chula Vista.
- College areas – may be students with less income.



Zero-Vehicle Households

- 2% of regional population.
- Denser, mixed-use communities.
 - Downtown, North Park
- Need for affordable travel.
 - City Heights, El Cajon
- College students.
 - UCSD and SDSU



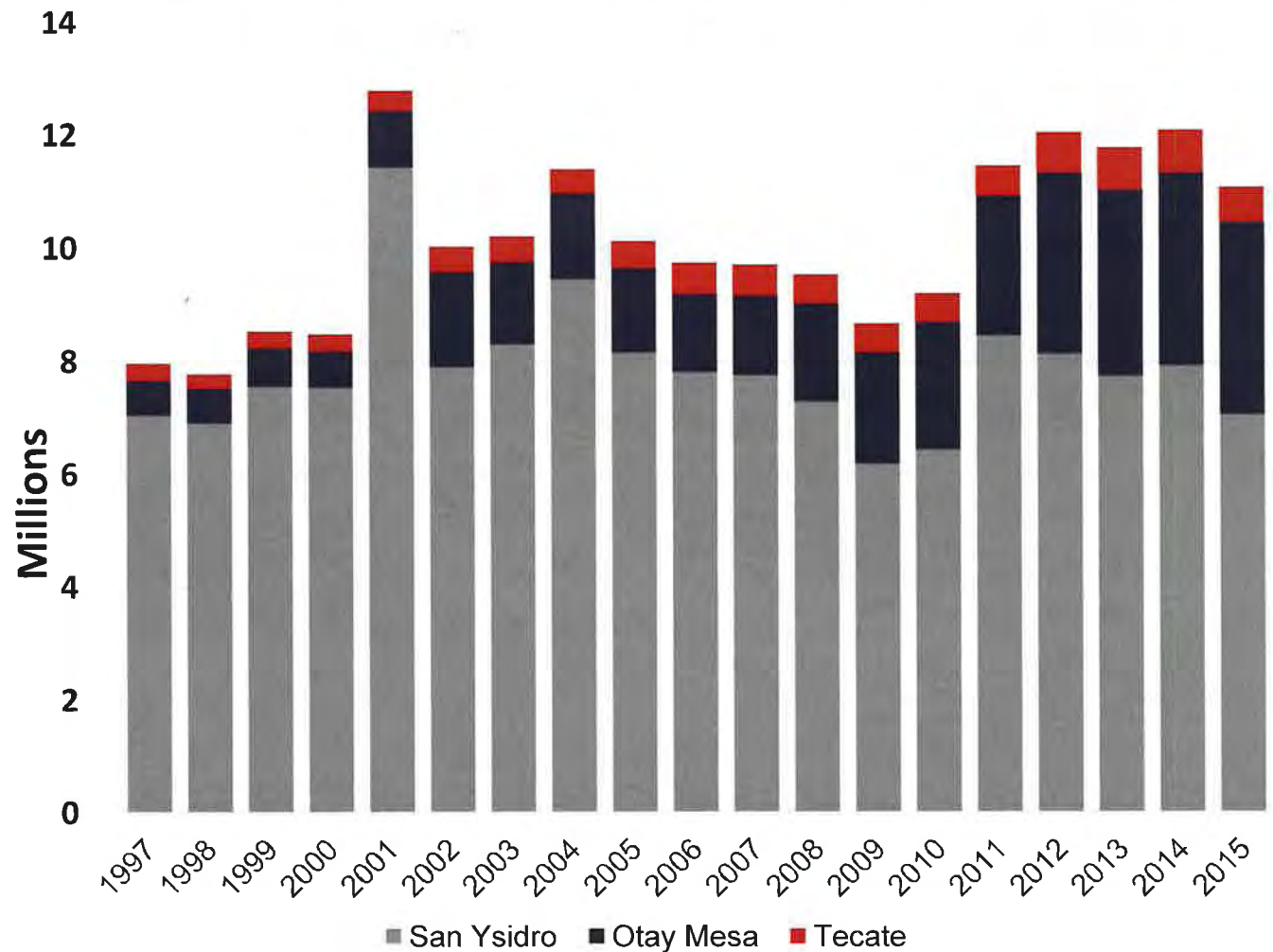
Population Growth – Past & Projected

	2000	2010	2015	2000-2015	2020	2030	2050	2020-2050
Chula Vista	173,556	243,916	257,989	33%	287,173	326,625	345,586	20%
San Diego	1,223,400	1,301,617	1,368,061	11%	1,453,267	1,665,609	1,777,936	22%
National City	54,260	58,582	59,827	9%	62,342	73,329	85,121	37%
La Mesa	54,749	57,065	58,813	7%	61,102	70,252	77,881	27%
El Cajon	94,869	99,478	101,444	6%	102,761	109,383	115,465	12%
Lemon Grove	24,918	25,320	26,199	5%	26,884	28,673	30,903	15%
Santee	52,975	53,413	55,805	5%	64,551	69,843	72,554	12%
Poway	48,044	47,811	50,157	4%	54,054	57,898	59,756	11%
Imperial Beach	26,992	26,324	26,761	-1%	27,506	30,369	31,691	15%
Coronado	24,100	24,697	23,497	-3%	23,634	24,165	24,219	2%
Region	1,729,819	1,890,412	1,978,396	14%	2,061,168	2,346,728	2,507,372	22%



Northbound Pedestrian Border Crossings

- 47% of pedestrians crossing the border take MTS service.
- Increase in percentage of crossings occurring at Otay Mesa.



SANDAG On-Board Survey: Age Trends

Bus Ridership

- 60% of are between 19 and 34 years old.
 - Approximately 29% are college-aged individuals.
- 10% are 60+ years old.
- 6% are 18 years or younger.

Trolley Ridership

- 57% are between 19 and 34 years old.
 - Approximately 27% are college-aged individuals.
- 7% are 60+ years old.
- 4% are 18 years or younger.



Market Analysis

Some key findings:

- Regional growth patterns now expected to be more dense and concentrated than predicted during COA
- Low jobs-to-population ratios for most cities indicates long commutes and lack of land use diversification
- Youth and Senior Densities are highly dispersed throughout the region – challenging to offer tailored services
- Areas of high transit propensity have not substantially shifted since the COA



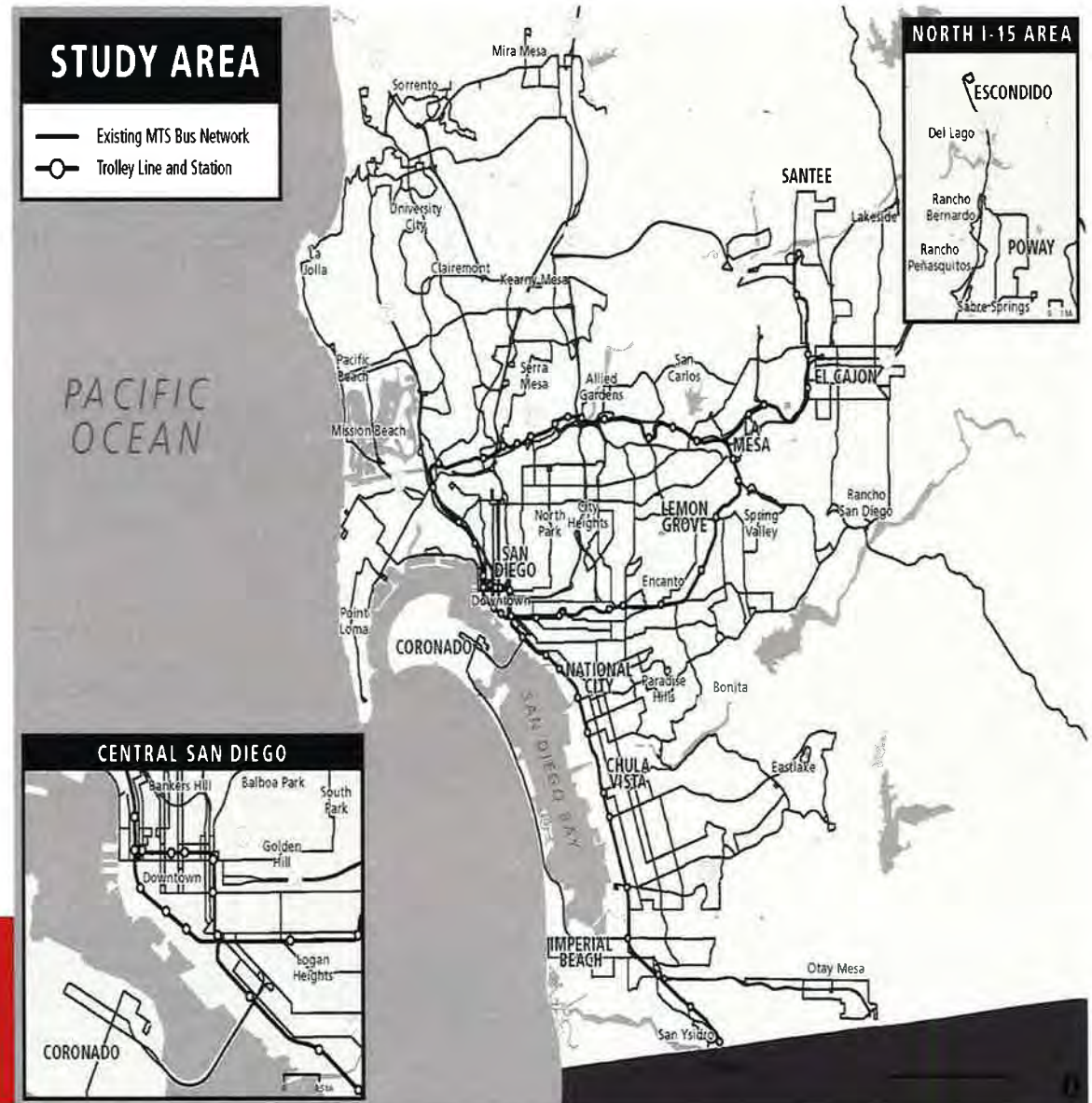
Transit Optimization Plan

Service Evaluation

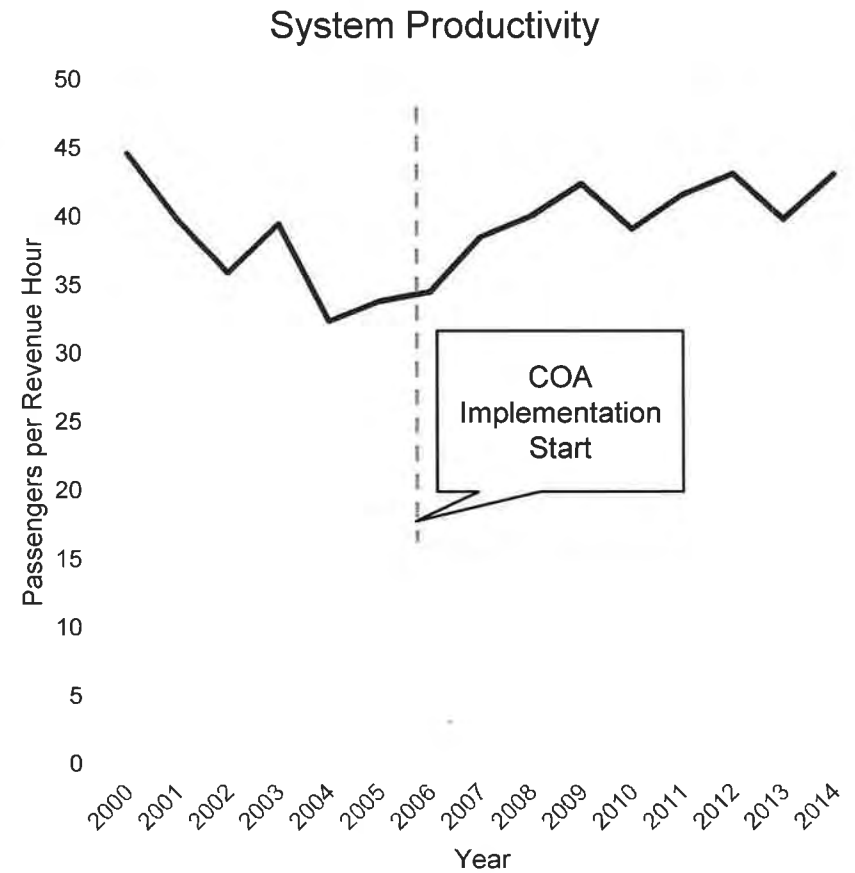
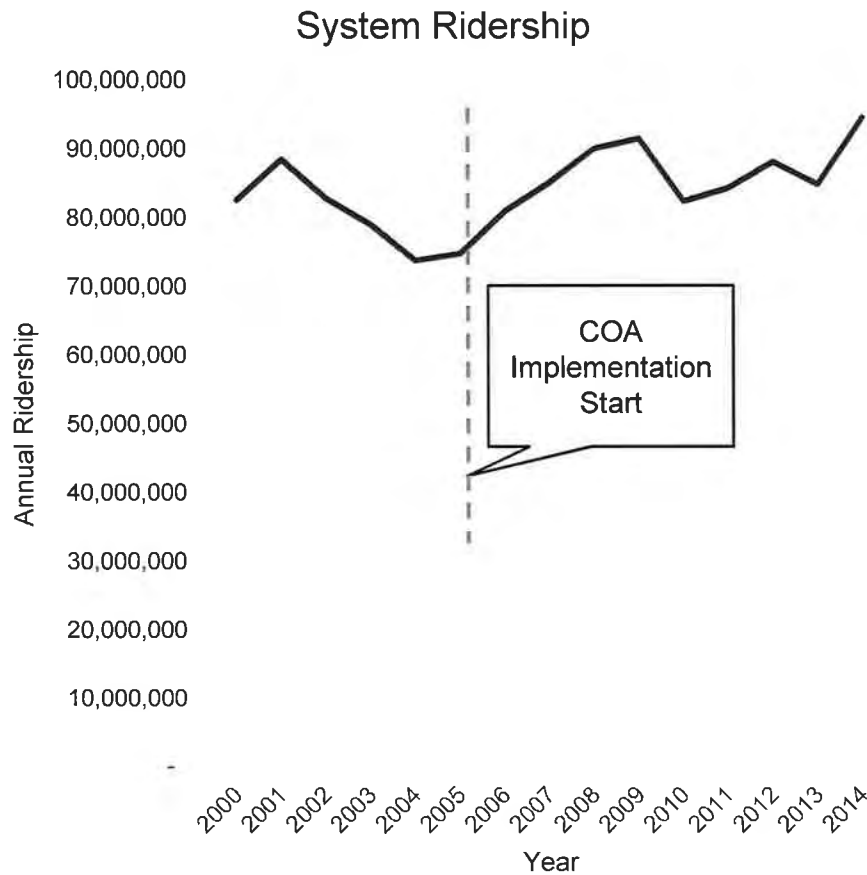


Service Evaluation Goals

- Summarize historical ridership and performance trends.
- Provide context for current service operations.
- Analyze key performance indicators and resource allocation.
- Discuss operating speeds and on-time performance.
- Brainstorm future service opportunities.

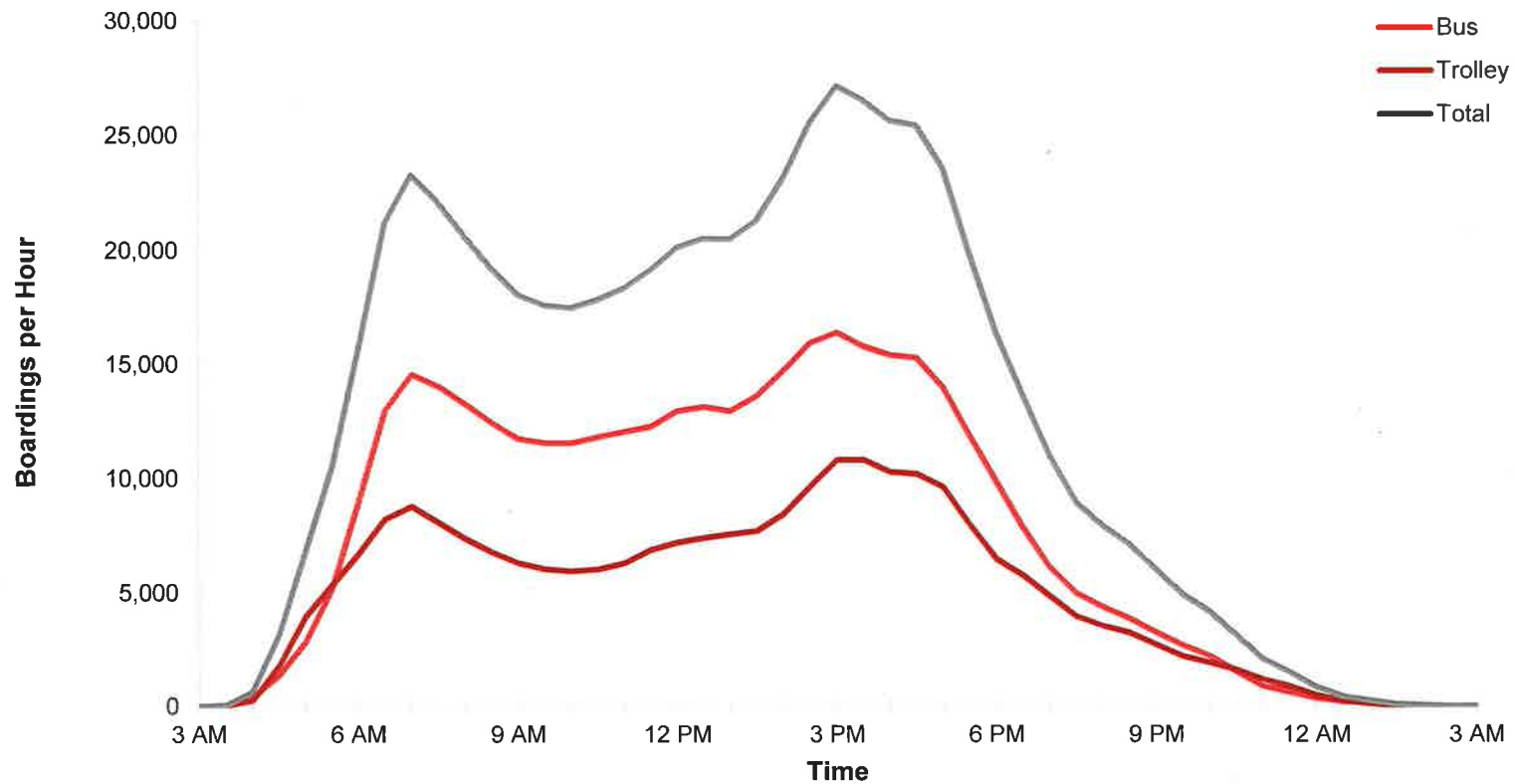


Historical Trends



Ridership by Time of Day

Weekday Boardings by Time of Day

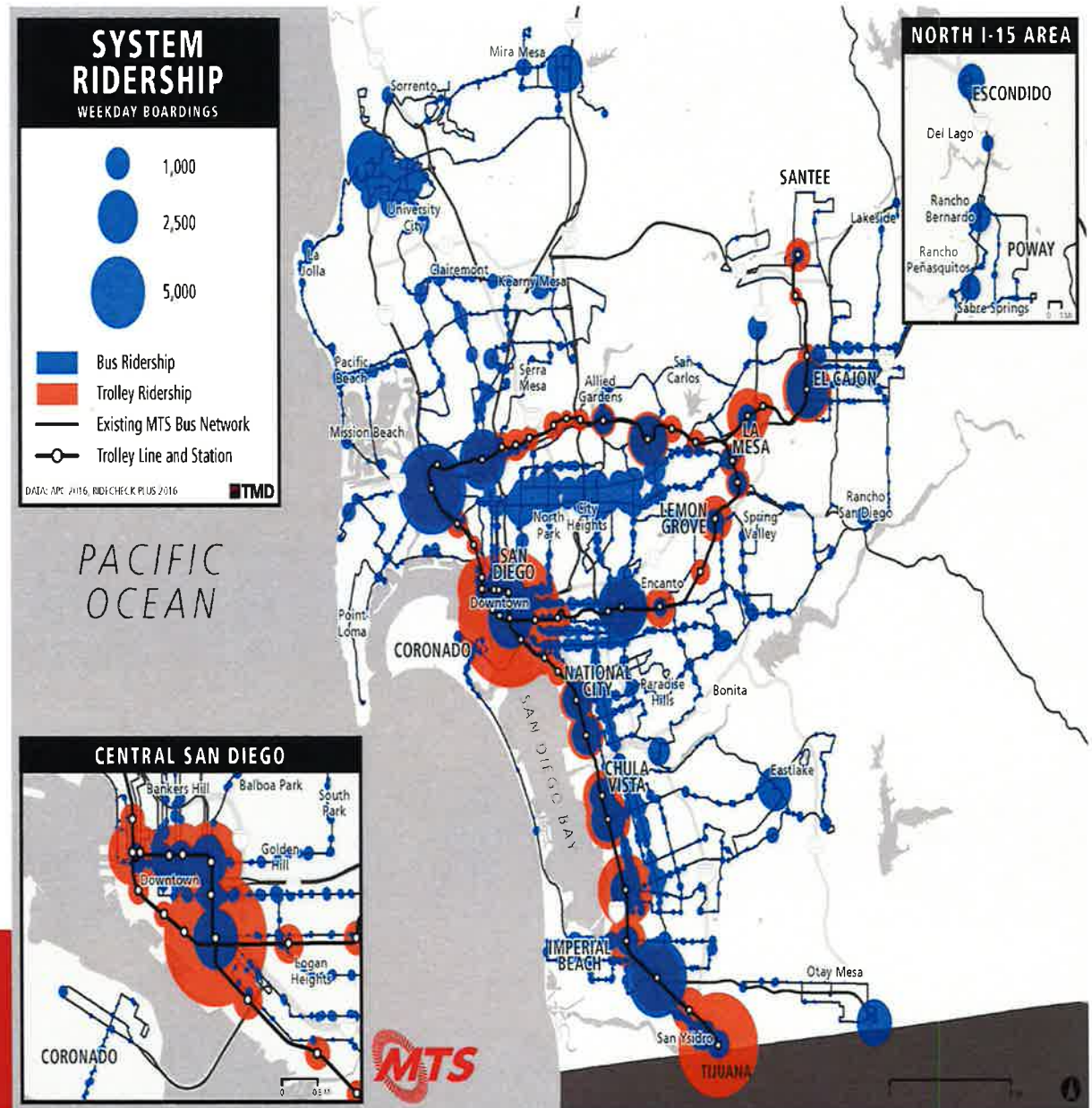


30



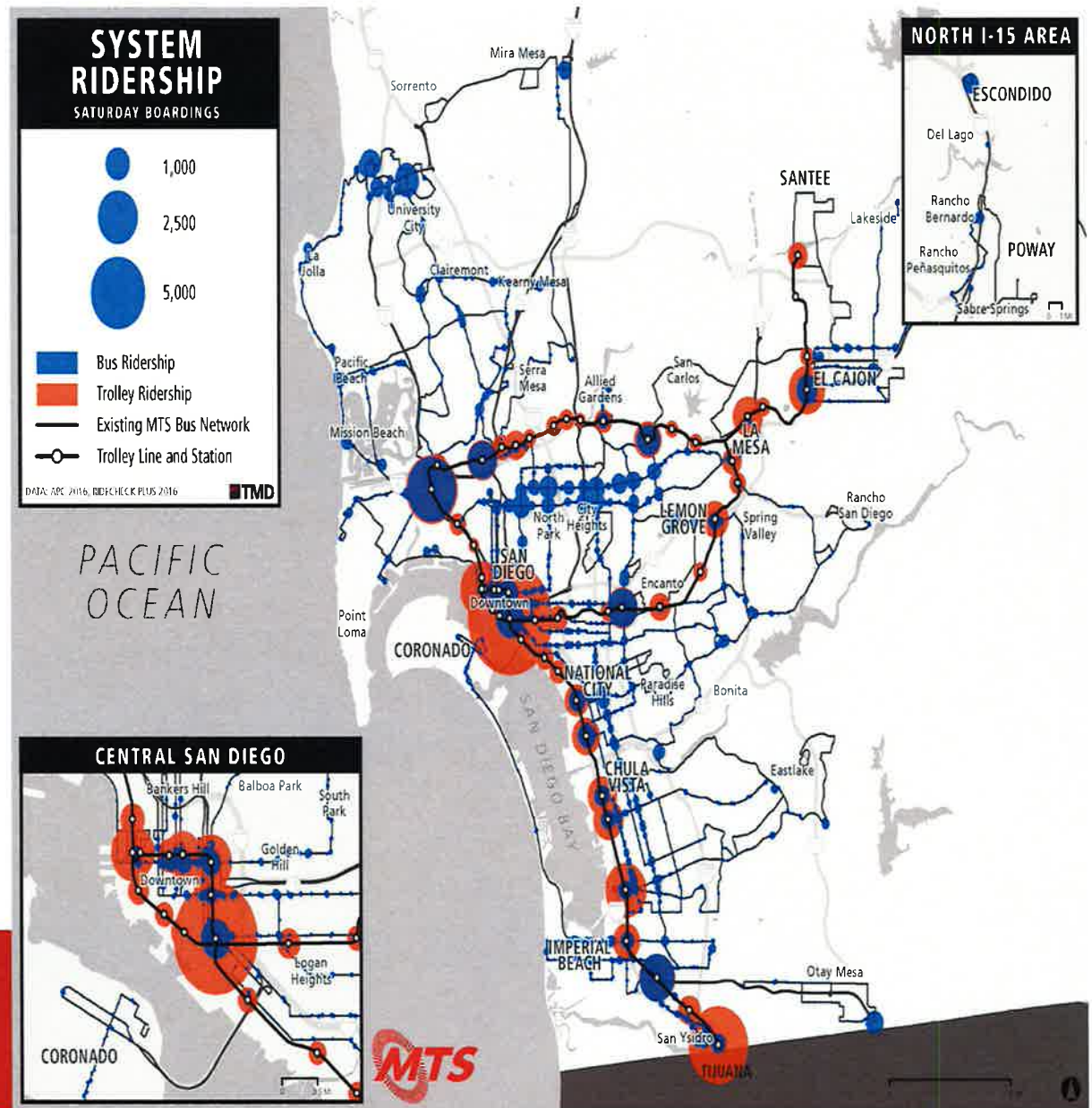
Weekday Ridership

- System Ridership
 - 310,014
- Trolley Ridership
 - 120,630
- Bus Ridership
 - 189,384



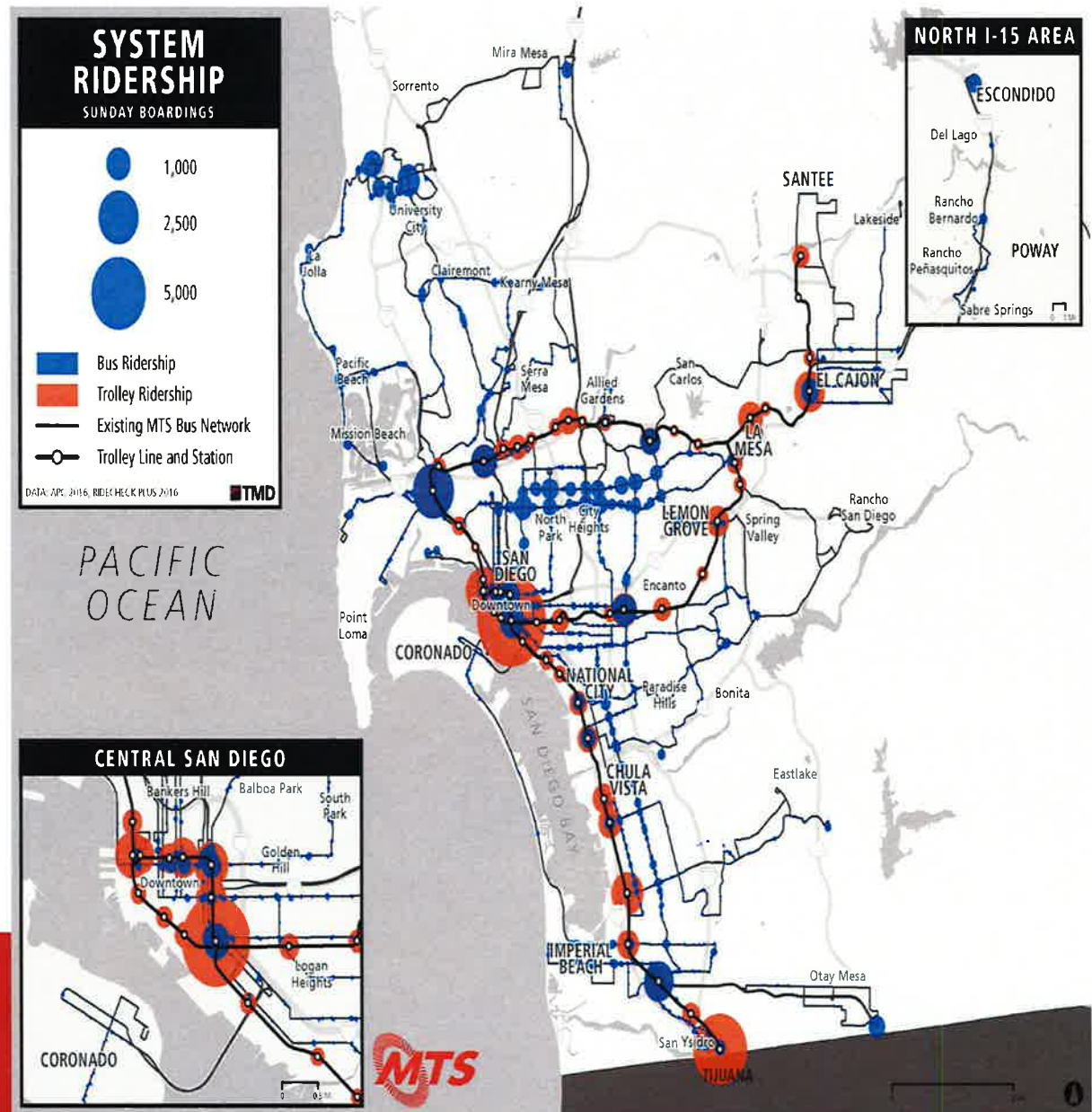
Saturday Ridership

- System Ridership
– 169,945
- Trolley Ridership
– 82,454
- Bus Ridership
– 87,491



Sunday Ridership

- System Ridership
 - 115,351
- Trolley Ridership
 - 58,693
- Bus Ridership
 - 56,658



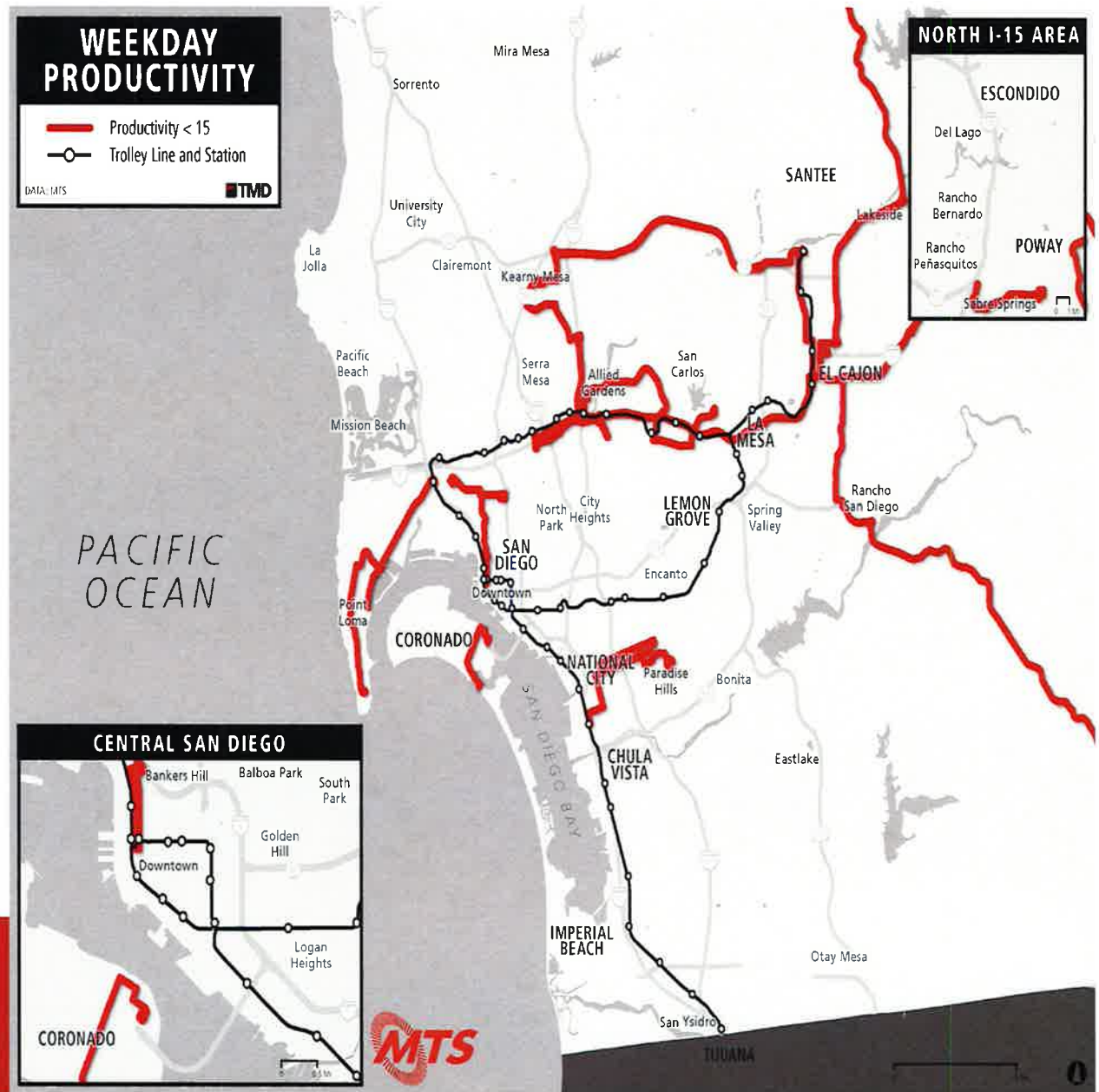
Productivity

Bus Route	Productivity (Boardings per Revenue Hour)
5	47.3
13	46
201/202	61.6
215	41.6
905	47.5
906/907	42.4
901	42.8
950	44.8

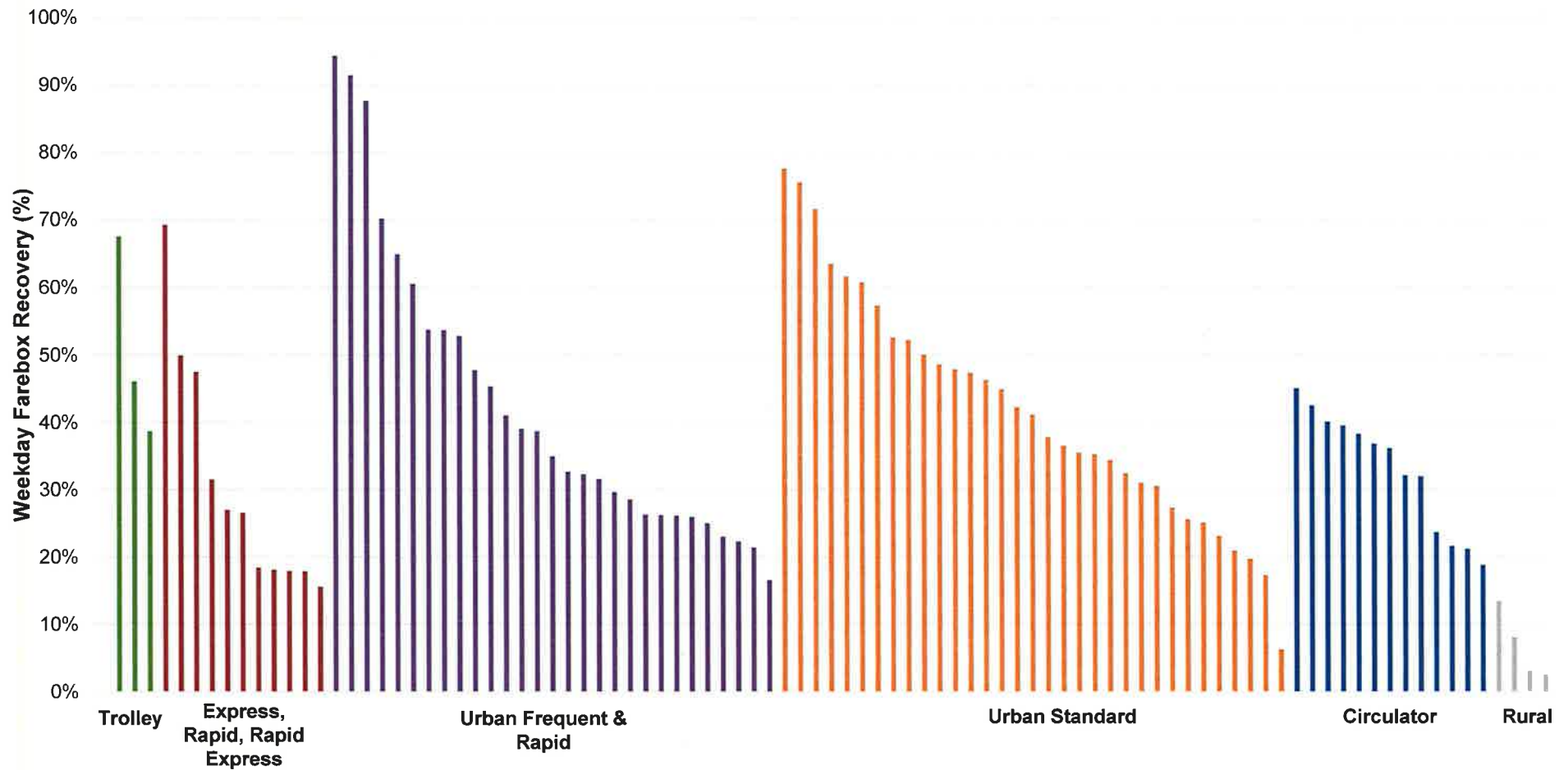


Productivity

Bus Route	Productivity (Boardings per Revenue Hour)
14	10.3
18	12.4
83	10.7
870	10.2
904	12
944	10.8
967	13.7
968	14.4
All Rural Routes	Below 8



Farebox Recovery

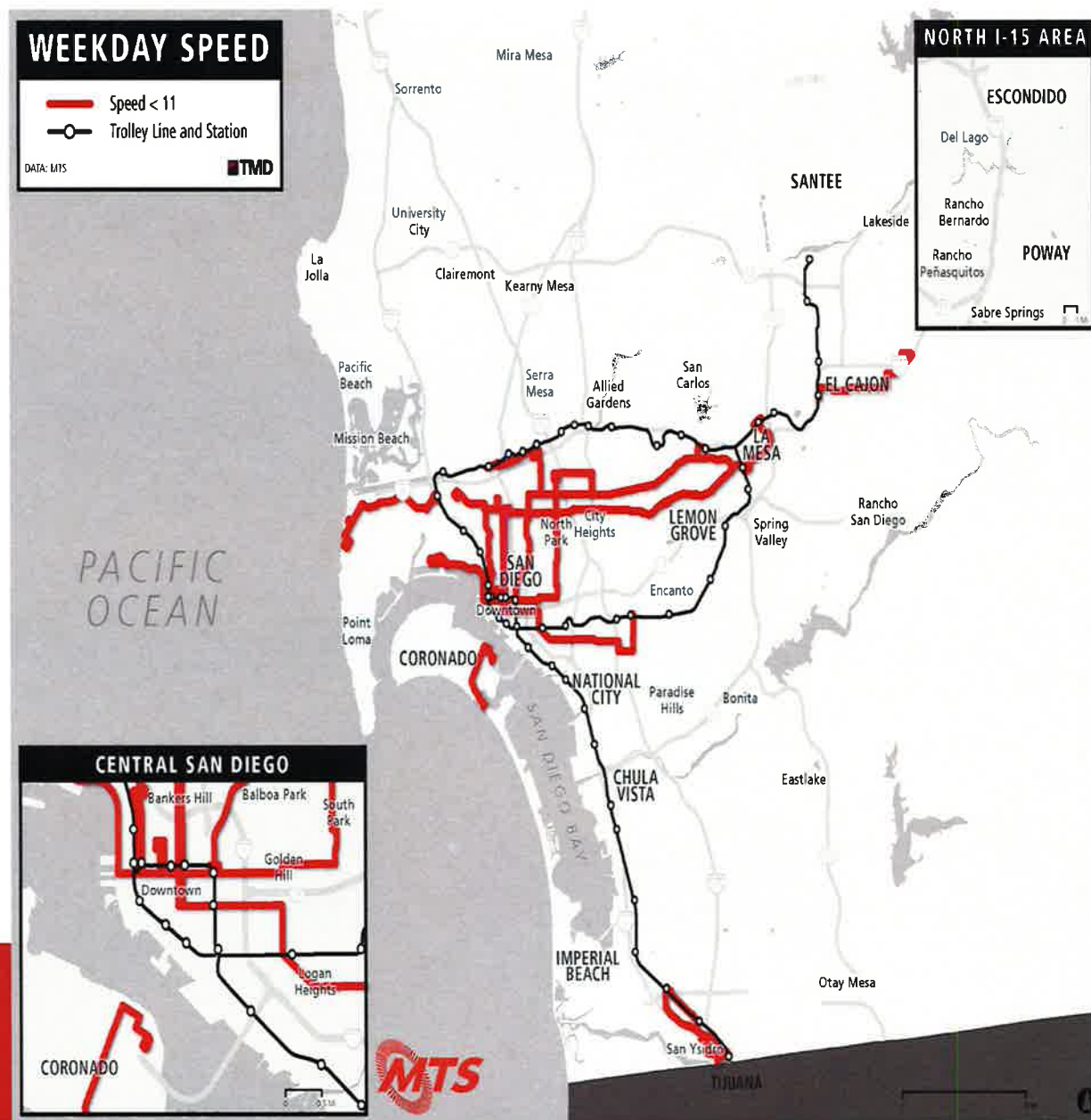


Subsidy per Passenger



Slow Routes

Bus Route	Service Speed (mph)
1	10.3
2	9.5
3	9.5
6	10.7
7	10.2
35	9.4
83	11.0
815	10.8
904	8.6
906/907	9.4
992	9.8



Service Analysis

Some key findings:

- 8 bus routes above 40 P/RH; 12 routes below 15 P/RH
- Ridership patterns have remained similar over last ten years, with some specific markets showing notable expansion (UC San Diego, Otay Mesa POE)
- 6 bus routes with weekday average speeds below 10 mph (4 are Urban Frequent routes)
- 19 MTS bus routes are below 80% OTP
- Service Implementation strategy is to address market and performance issues



Next Steps

- ☒ **Community Survey**
- ☒ Market Analysis
- ☒ Service Analysis
- ☒ Service Implementation Plan
- ☐ **Public Outreach**
- ☐ Scheduling
- ☐ Implementation
- ☒ Designing for Transit Manual
- ☐ Feeder Bus Studies



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Agenda Item No. 61

Chief Executive Officer's Report

December 8, 2016

In accordance with Board Policy No. 52, "Procurement of Goods and Services", attached are listings of contracts, purchase orders, and work orders that have been approved within the CEO's authority (up to and including \$100,000) for the period November 1, 2016 through November 29, 2016.

*Please note additional reporting of purchase orders that is now possible with the new SAP Enterprise Resource Planning system.



EXPENSE CONTRACTS				
Doc #	Organization	Subject	Amount	Day
G1355.5-11	ADP, LLC	AMEND 5 EMPLOYMENT VERIFICATION	\$1,250.00	11/3/2016
L1291.0-16	AVALON AMENITIES, INC	OLD TOWN TRASH RECEP/BENCHES	\$83,254.98	11/4/2016
B0654.2-16	FERRELLGAS LP	EXTEND PERFORMANCE (3) MONTHS	\$16,781.12	11/7/2016
G1740.1-15	XEROX TRANSPORT SOLUTIONS, INC	AMEND #1 RADIO REBANDING SRVS	\$8,026.00	11/7/2016
G1971.0-17	SULLIVAN HILL LEWIN REZ& ENGEL	LGL SRVS CH. 11 BANKRUPCY	\$30,000.00	11/8/2016
L1317.1-16	EPIC PEST CONTROL & LANDSCAPE	ADDITIONAL FUNDING FOR AS NEEDED SRVS	\$9,492.00	11/11/2016
G1879.1-16	SKYHAWK INDUSTRIES, INC	MTS COURIER SERVICE	\$10,560.00	11/14/2016
G1928.0-16	T&T JANITORIAL	SERVICES FOR TAXI ADMIN BLDG	\$66,000.00	11/15/2016
L1338.0-17	HOLLAND LP	GEOMETRIC TRACK TESTING	\$87,000.00	11/15/2016
G1644.1-14	SMITH, WATTS & MARTINEZ	STATE LOBBYING SVS	\$69,600.00	11/21/2016
G1739.1-15	U.S. MOBILE WIRELESS COMM. INC	RADIO REBANDING SRVS SDSU	\$53,810.00	11/21/2016
G1959.0-17	EXITCERTIFIED CORPORATION	SAP TRAINING SERVICES	\$99,000.00	11/21/2016
L1347.0-17	SDGE	H STREET TRANSIT CENTER	\$0.00	11/21/2016
PWL164.5-15	A GOOD SIGN & GRAPHIC CO	SWAP LOCATIONS 1 & 2/ SWITCH SOLAR SYSTM	\$4,257.64	11/21/2016
PWL183.2-16	MASS ELECTRIC	GREEN LINE TRACTION POWER SUBSTANTION	\$0.00	11/21/2016
G1738.1-15	ROSS & BARUZZINI	AMEND #1 RADIO REBANDING SRVS SDSU TUNU.	\$82,282.00	11/22/2016
G1964.0-17	PRIZM JANITORIAL	JANITORIAL SRVS FOR APPLIANCES ON 9, 10	\$4,176.00	11/22/2016
G1965.0-17	PRIZM JANITORIAL	SERVICES FOR FASHION VALLEY TRANSIT REST	\$32,400.00	11/22/2016
G1514.1-13	US HEALTHWORKS MEDICAL GROUP	EXERCISE OY 1	\$69,179.17	11/29/2016
G1728.1-15	NOBLE AMERICAN ENERGY SOLUTION	EXERCISE ONE 3-YEAR OPTION FOR ESP	\$80,640.00	11/29/2016
G1922.1-16	TMD (TRANSPORT MANG. DESIGN)	EXERCISE OPTION TASK 5	\$22,673.09	11/29/2016

REVENUE CONTRACTS & MOUs				
Doc #	Organization	Subject	Amount	Day
L6744.1-17	KLEINFELDER, INC	JROE AMEND NO. 1 UPDATE PER NCTD'S	\$0.00	11/8/2016
L6752.0-17	SAN DIEGO GAS & ELECTRIC	MID COAST CORRIDOR	\$0.00	11/8/2016
L1285.1-16	SIEMENS INDUSTRY INC.	AMEND #1 CORRECT PT. NUMB. IN SCOPE	\$0.00	11/11/2016
L1340.0-17	PEDAL THE CAUSE SAN DIEGO	ROE SPECIAL EVENT 11/12 & 11/13	\$750.00	11/11/2016
L5745.0-17	A.M. ORTEGA CONSTRUCTION, INC.	JROE TO ACCESS ROW FOR INSTALLS	\$2,100.00	11/11/2016
L1343.0-17	PAUL HANSEN EQUIPMENT, INC.	ROE EMERGENCT REPAIR CHILLED WATER SUPPL	\$750.00	11/14/2016
G1969.0-17	THE WILL TO TRAIN	LEASE FOR BAY 1 ATHLETIC TRAINING	\$81,000.00	11/15/2016

REVENUE CONTRACTS & MOUS				
Doc #	Organization	Subject	Amount	Day
S200-17-647	CROWN CASTLE NG WEST LLC	CONST. USE FOR OPTIC CABLE HARBOR & 32	\$1,500.00	11/19/2016
G1942.0-17	MIRA COSTA COLLEGE	COMPASS CARD EMPLOYER PROGRAM	\$0.00	11/21/2016
G1956.0-17	LA MESA - SPRING VALLEY SCHOOL	COMPASS CARD EMPLOYER PROGRAM	\$0.00	11/21/2016
G1958.0-17	COLEMAN TECH CHARTER HIGH SCHO	COMPASS CARD EMPLOYER PROGRAM	\$0.00	11/21/2016
L1347.0-17	SDGE	H STREET TRANSIT CENTER	\$0.00	11/21/2016
G1974.0-17	SD HOLIDAY BOWL	HOLIDAY BOWL	\$0.00	11/22/2016
G1443.5-12	ROWLBWETOS MEDIA	RED TROLLEY SHOW PARTNERSHIP	\$0.00	11/28/2016
L1345.0-17	THE RICHMAN GROUP OF CA	ROE - 330 13TH DEVELOPMENT PROJECT	\$750.00	11/29/2016
L6736.1-16	HDR ENGINEERING	NEW EXPIRATION DATE	\$0.00	11/29/2016
S200-16-635	HP COMMUNICATIONS	ROE - 32ND ST & HARBOR DR	\$4,637.79	11/29/2016
ZL1347.0-17	HNTB	ROE - SANDAG CAPITAL IMPROVEMENT	\$750.00	11/29/2016

WORK ORDERS				
Doc #	Organization	Subject	Amount	Day
G1496.0-13.11	RAILPROS	GENERAL ENGINEERING KMD BAY 18 REHA	\$59,000.00	11/1/2016
PWL204.016-21	ABC CONSTRUCTION	SDSU WEST MEZZ.DOORS REPLACEMENT	\$8,146.03	11/3/2016
G1496.0-13.06.02	RAILPROS	AMEND. #2 TO W.O. BUS STOP IMPROVEM	\$6,300.00	11/7/2016
G1493.0-13.03.02	KIMLEY-HORN & ASSOCIATES, INC	REAL ESTATE SUPPORT AMEND. #2	\$93,600.00	11/10/2016
G1496.0-13.14	RAILPROS	KMD BUS WASH UPGRADE	\$25,000.00	11/21/2016
G1496.0-13.09.03	RAILPROS	ORANGE LINE COURT HOUSE STATION	\$99,000.00	11/21/2016
PWL203.0-16750002	HMS CONSTRUCTION	SANTEE SIGNAL POLE REPAIR	\$7,814.63	11/29/2016
PWL204.016-11.1	ABC CONSTRUCTION	BRIDGE X-RAY	\$2,339.07	11/29/2016

Purchase Orders				
PO Number	PO Date	Name	Material Group	PO Value
4400000108	11/1/2016	Mcmaster-Carr Supply Co	B250-BUS REPAIR PARTS	67.29
4400000109	11/3/2016	W.W. Grainger Inc	F180-BUILDING MATERIALS	82.39
4400000110	11/3/2016	Mcmaster-Carr Supply Co	F180-BUILDING MATERIALS	311.12
4400000111	11/3/2016	W.W. Grainger Inc	G190-SAFETY/MED SUPPLIES	224.85
4400000112	11/7/2016	Mcmaster-Carr Supply Co	F180-BUILDING MATERIALS	100.14
4400000113	11/9/2016	W.W. Grainger Inc	F180-BUILDING MATERIALS	34.47
4400000114	11/10/2016	Mcmaster-Carr Supply Co	G130-SHOP TOOLS	121.81
4400000115	11/17/2016	W.W. Grainger Inc	G180-JANITORIAL SUPPLIES	344.61
4400000116	11/17/2016	W.W. Grainger Inc	R230-RAIL/LRV MECHANICAL	1,144.11
4400000117	11/17/2016	W.W. Grainger Inc	F160-BLDG HVAC EQUIP	45.39
4400000118	11/17/2016	Kaman Industrial Technologies	R230-RAIL/LRV MECHANICAL	123.78
4400000119	11/23/2016	Mcmaster-Carr Supply Co	F180-BUILDING MATERIALS	363.85
4500008335	11/1/2016	Xerox Transport Solutions, Inc.	B250-BUS REPAIR PARTS	3,121.04
4500008336	11/1/2016	Soco Group Inc	G170-LUBRICANTS	2,013.34
4500008337	11/1/2016	Masabi, LLC	P280-GENERAL SVC AGRMNTS	20,000.00
4500008338	11/1/2016	Siemens Industry Inc	R160-RAIL/LRV ELECTRICAL	13,500.00
4500008339	11/1/2016	San Diego Plastics Inc	G290-FARE REVENUE EQUIP	1,557.60
4500008340	11/1/2016	Super Welding of Southern CA	R220-RAIL/LRV TRUCKS	1,947.00
4500008341	11/1/2016	Professional Contractors Supplies	G140-SHOP SUPPLIES	153.40
4500008342	11/1/2016	Supreme Oil Company	A120-AUTO/TRUCK GASOLINE	1,855.67
4500008343	11/1/2016	Schunk Carbon Technology LLC	R220-RAIL/LRV TRUCKS	3,072.49
4500008344	11/1/2016	HI-TEC Enterprises	R160-RAIL/LRV ELECTRICAL	1,028.37
4500008345	11/1/2016	OneSource Distributors, LLC	M140-WAYSIDE SIGNALS	702.04
4500008346	11/1/2016	Office Solutions	G200-OFFICE SUPPLIES	174.55
4500008347	11/1/2016	Transit Holdings Inc	B140-BUS CHASSIS	2,598.91
4500008348	11/1/2016	Culligan of San Diego	G140-SHOP SUPPLIES	840.00
4500008349	11/1/2016	Goforth & Marti	G210-OFFICE FURNITURE	3,538.69
4500008350	11/1/2016	Kent Global Systems Inc	G180-JANITORIAL SUPPLIES	2,742.63
4500008351	11/1/2016	Susan Shepard	G280-FARE MATERIALS	66,420.00
4500008352	11/1/2016	Soco Group Inc	A120-AUTO/TRUCK GASOLINE	22,377.36
4500008353	11/2/2016	Staples Contract & Commercial Inc	G200-OFFICE SUPPLIES	70.80
4500008354	11/2/2016	711 Print Enterprises Inc	G120-SECURITY	1,096.23
4500008355	11/2/2016	Michael Jones	P190-REV VEHICLE REPAIRS	990.00
4500008356	11/2/2016	Muncie Transit Supply	B130-BUS BODY	51.37
4500008357	11/2/2016	Cummins Pacific LLC	B200-BUS PWR TRAIN EQUIP	2,578.22
4500008358	11/2/2016	Denlo Inc	G160-PAINTS & CHEMICALS	334.07
4500008359	11/2/2016	Jeyco Products Inc	B140-BUS CHASSIS	147.23
4500008360	11/2/2016	Transwest San Diego LLC	B160-BUS ELECTRICAL	38.31
4500008361	11/2/2016	Mohawk Mfg & Supply Co	B160-BUS ELECTRICAL	137.76
4500008363	11/2/2016	Mohawk Mfg & Supply Co	B140-BUS CHASSIS	3,829.18
4500008364	11/2/2016	Gillig LLC	B120-BUS MECHANICAL PARTS	1,886.84
4500008365	11/2/2016	Kaman Industrial Technologies	G170-LUBRICANTS	104.60
4500008366	11/2/2016	Industrial Maintenance Supply LLC	G200-OFFICE SUPPLIES	83.28
4500008367	11/2/2016	Airgas Inc	G190-SAFETY/MED SUPPLIES	105.86
4500008368	11/2/2016	Transit Holdings Inc	B120-BUS MECHANICAL PARTS	2,510.05
4500008369	11/2/2016	Prochem Speciality Products Inc	G180-JANITORIAL SUPPLIES	1,304.03
4500008370	11/2/2016	Byrne Doughty Mgt Corp	G200-OFFICE SUPPLIES	1,598.77
4500008371	11/2/2016	HI-TEC Enterprises	R160-RAIL/LRV ELECTRICAL	10,620.00
4500008372	11/2/2016	Transit Holdings Inc	B250-BUS REPAIR PARTS	208.61
4500008373	11/2/2016	Supreme Oil Company	A120-AUTO/TRUCK GASOLINE	1,831.01
4500008374	11/2/2016	Soco Group Inc	G170-LUBRICANTS	103.21
4500008375	11/2/2016	Charter Industrial Supply Inc	B250-BUS REPAIR PARTS	1,013.34
4500008376	11/2/2016	W.W. Grainger Inc	G140-SHOP SUPPLIES	97.11
4500008377	11/2/2016	Veritech, Inc.	B250-BUS REPAIR PARTS	1,274.40
4500008378	11/2/2016	Discovery Health Services LLC	P480-EE MAINTENANCE	4,450.00
4500008379	11/2/2016	Kaman Industrial Technologies	B250-BUS REPAIR PARTS	429.58
4500008380	11/2/2016	Chromate Industrial Corporation	G140-SHOP SUPPLIES	120.83
4500008381	11/2/2016	The Truck Lighthouse	B160-BUS ELECTRICAL	326.32
4500008382	11/2/2016	Transit Holdings Inc	B250-BUS REPAIR PARTS	792.01
4500008383	11/2/2016	Waxie Sanitary Supply Inc	G140-SHOP SUPPLIES	34.93

Purchase Orders				
PO Number	PO Date	Name	Material Group	PO Value
4500008384	11/2/2016	Controlled Motion Solutions Inc	R220-RAIL/LRV TRUCKS	57,412.45
4500008385	11/2/2016	Siemens Industry Inc	P190-REV VEHICLE REPAIRS	22,437.01
4500008386	11/2/2016	JKL Cleaning Systems	P130-EQUIP MAINT REPR SVC	169.64
4500008387	11/3/2016	Don Oleson Inc	P190-REV VEHICLE REPAIRS	675.00
4500008388	11/3/2016	Transit Holdings Inc	B250-BUS REPAIR PARTS	666.60
4500008389	11/3/2016	Transit Holdings Inc	B110-BUS HVAC SYSTEMS	65.93
4500008390	11/3/2016	Supreme Oil Company	A120-AUTO/TRUCK GASOLINE	1,812.51
4500008392	11/3/2016	The Animal Keeper Inc	G120-SECURITY	425.00
4500008393	11/3/2016	Simmons Boardman Books Inc	P540-MAINTENANCE TRAINING	1,771.95
4500008394	11/3/2016	M Power Truck & Diesel Repair	P210-NON-REV VEH REPAIRS	990.05
4500008395	11/3/2016	CDW LLC	I110-INFORMATION TECH	422.44
4500008396	11/3/2016	Siemens Industry Inc	R220-RAIL/LRV TRUCKS	16,156.56
4500008397	11/3/2016	ESRI	I110-INFORMATION TECH	26,168.49
4500008398	11/3/2016	CDW LLC	I110-INFORMATION TECH	96.71
4500008399	11/3/2016	American Battery Corporation	G290-FARE REVENUE EQUIP	1,314.76
4500008400	11/3/2016	Dartco Transmission	B200-BUS PWR TRAIN EQUIP	7,276.50
4500008401	11/3/2016	Applied Industrial Technologies-CA	G130-SHOP TOOLS	50.27
4500008402	11/3/2016	IPC (USA), Inc.	A120-AUTO/TRUCK GASOLINE	19,398.17
4500008403	11/3/2016	Charter Industrial Supply Inc	B250-BUS REPAIR PARTS	744.06
4500008404	11/3/2016	Voith Turbo Inc	R160-RAIL/LRV ELECTRICAL	55.36
4500008405	11/3/2016	Staples Contract & Commercial Inc	G200-OFFICE SUPPLIES	325.39
4500008406	11/3/2016	Western-Cullen-Hayes Inc	M130-CROSSING MECHANISM	595.78
4500008407	11/3/2016	Muncie Transit Supply	B140-BUS CHASSIS	1,004.99
4500008408	11/3/2016	California Sheet Metal Works	G140-SHOP SUPPLIES	10,380.00
4500008409	11/3/2016	Transit Products and Services	B130-BUS BODY	1,416.00
4500008410	11/3/2016	Denlo Inc	G140-SHOP SUPPLIES	195.64
4500008411	11/3/2016	Genuine Parts Co	B250-BUS REPAIR PARTS	358.65
4500008412	11/3/2016	Comfort Mechanical Inc	M190-SDSU ELECTRICAL	927.00
4500008413	11/3/2016	Gillig LLC	R120-RAIL/LRV CAR BODY	10,086.79
4500008414	11/3/2016	SKF USA, Inc.	P540-MAINTENANCE TRAINING	59,900.00
4500008415	11/4/2016	Transit Holdings Inc	B250-BUS REPAIR PARTS	635.88
4500008416	11/4/2016	Industrial Maintenance Supply LLC	G130-SHOP TOOLS	170.75
4500008417	11/4/2016	Mohawk Mfg & Supply Co	B160-BUS ELECTRICAL	689.14
4500008418	11/4/2016	Transit Holdings Inc	B250-BUS REPAIR PARTS	767.83
4500008419	11/4/2016	Sungard Bi-Tech Inc	I120-INFO TECH, SVCS	3,477.83
4500008420	11/4/2016	Knorr Brake Company	R160-RAIL/LRV ELECTRICAL	1,836.28
4500008421	11/4/2016	Dellner Inc	R130-RAIL/LRV COUPLER	2,893.18
4500008422	11/4/2016	Transit Holdings Inc	B250-BUS REPAIR PARTS	217.62
4500008423	11/4/2016	W.W. Grainger Inc	G170-LUBRICANTS	588.01
4500008424	11/4/2016	Newark Corporation	R160-RAIL/LRV ELECTRICAL	59.37
4500008425	11/4/2016	Total Filtration Services Inc	M110-SUB STATION	880.47
4500008426	11/4/2016	SouthComm Business Media, LLC	P310-ADVERTISING SERVICES	150.00
4500008427	11/4/2016	Steven Timme	G230-PRINTED MATERIALS	79.41
4500008428	11/4/2016	Golden State Supply LLC	G140-SHOP SUPPLIES	124.64
4500008429	11/4/2016	Steven Timme	G110-BUS/TROLLEY SIGNAGE	1,537.00
4500008430	11/4/2016	Soco Group Inc	A120-AUTO/TRUCK GASOLINE	1,971.86
4500008431	11/4/2016	Supreme Oil Company	A120-AUTO/TRUCK GASOLINE	1,775.52
4500008432	11/4/2016	Staples Contract & Commercial Inc	G200-OFFICE SUPPLIES	136.02
4500008433	11/4/2016	Glass & Screens Etc	F180-BUILDING MATERIALS	119.19
4500008434	11/4/2016	OneSource Distributors, LLC	R160-RAIL/LRV ELECTRICAL	1,255.71
4500008435	11/4/2016	Robcar Corporation	G190-SAFETY/MED SUPPLIES	371.71
4500008436	11/4/2016	R.B. Hornberger Co Inc	T110-TRACK, RAIL	745.06
4500008437	11/4/2016	Merrimac Petroleum Inc	A120-AUTO/TRUCK GASOLINE	16,106.06
4500008438	11/4/2016	West-Lite Supply Co Inc	M200-YARD FACILITIES	358.82
4500008439	11/4/2016	Allied Electronics Inc	M110-SUB STATION	912.12
4500008440	11/4/2016	Basler Electric Company	M110-SUB STATION	2,122.83
4500008441	11/4/2016	Siemens Industry Inc	R160-RAIL/LRV ELECTRICAL	12,420.00
4500008444	11/4/2016	Advance Blueprint & Digital Copy In	C140-CONSTRUCTION MGT SRV	231.22
4500008445	11/4/2016	Advance Blueprint & Digital Copy In	C140-CONSTRUCTION MGT SRV	555.00
4500008446	11/7/2016	Sid Tool Co	B250-BUS REPAIR PARTS	444.50

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PO Number	PO Date	Name	Material Group	PO Value
4500008447	11/7/2016	Gillig LLC	B250-BUS REPAIR PARTS	989.55
4500008448	11/7/2016	Airgas Inc	G140-SHOP SUPPLIES	731.60
4500008449	11/7/2016	ABC Construction Co., Inc.	P120-BLDG/FACILITY REPRS	8,146.29
4500008452	11/7/2016	Power Solutions LLC	G300-GENERAL CAPITAL EQP	33,110.36
4500008453	11/7/2016	Supreme Oil Company	A120-AUTO/TRUCK GASOLINE	1,769.36
4500008454	11/7/2016	NS Corporation	P120-BLDG/FACILITY REPRS	5,865.45
4500008455	11/7/2016	Office Solutions	G200-OFFICE SUPPLIES	190.69
4500008456	11/7/2016	San Diego Glass, Inc.	C120-SPECIALTY CONTRACTOR	460.00
4500008457	11/7/2016	Knorr Brake Company	R160-RAIL/LRV ELECTRICAL	286.80
4500008458	11/7/2016	E.T. Services	C120-SPECIALTY CONTRACTOR	75.00
4500008459	11/7/2016	Siemens Industry Inc	R160-RAIL/LRV ELECTRICAL	14,558.42
4500008460	11/7/2016	RCP Block & Brick Inc.	F180-BUILDING MATERIALS	322.11
4500008461	11/8/2016	Supreme Oil Company	A120-AUTO/TRUCK GASOLINE	1,757.03
4500008462	11/8/2016	IHS Global Inc.	P400-FINANCIAL & AUDIT	3,480.00
4500008463	11/8/2016	JDK Railroad Materials, LLC	S130-DISPOSAL, OTHER	2,500.00
4500008464	11/8/2016	Knorr Brake Company	R220-RAIL/LRV TRUCKS	14,747.22
4500008465	11/8/2016	California Sheet Metal Works	G140-SHOP SUPPLIES	2,281.01
4500008466	11/8/2016	Tennant Sales & Serv Co	P130-EQUIP MAINT REPR SVC	4,752.92
4500008467	11/8/2016	Total Filtration Services Inc	F120-BUS/LRV PAINT BOOTHS	487.37
4500008468	11/8/2016	Pressnet Express Inc	G230-PRINTED MATERIALS	631.81
4500008469	11/8/2016	Schunk Carbon Technology LLC	G140-SHOP SUPPLIES	16,503.48
4500008470	11/8/2016	CDW LLC	I110-INFORMATION TECH	829.99
4500008471	11/8/2016	Louis Sardo Upholstery Inc	B130-BUS BODY	1,198.82
4500008472	11/8/2016	Wolfcom Enterprises	G120-SECURITY	1,010.00
4500008473	11/8/2016	M Power Truck & Diesel Repair	P210-NON-REV VEH REPAIRS	1,108.99
4500008474	11/8/2016	Comfort Mechanical Inc	M190-SDSU ELECTRICAL	939.00
4500008475	11/8/2016	Cummins Pacific LLC	B200-BUS PWR TRAIN EQUIP	4,745.95
4500008476	11/8/2016	Pacific Coast Air Tools & Supply In	G130-SHOP TOOLS	1,577.19
4500008477	11/8/2016	TK Services Inc	G140-SHOP SUPPLIES	489.50
4500008478	11/8/2016	STV Incorporated	B240-BUS/VEHICLE PROCRMNT	2,539.32
4500008479	11/8/2016	Carlson & Beauloye Machine Shop	F110-SHOP/BLDG MACHINERY	1,298.00
4500008480	11/8/2016	Voith Turbo Inc	R130-RAIL/LRV COUPLER	1,866.76
4500008481	11/8/2016	ERICO International Corporation	M170-IMPEDANCE BOND	133.38
4500008482	11/9/2016	Cummins Pacific LLC	B160-BUS ELECTRICAL	9,009.03
4500008483	11/9/2016	General Auto Repair	P210-NON-REV VEH REPAIRS	674.29
4500008484	11/9/2016	Transit Holdings Inc	B250-BUS REPAIR PARTS	2,813.31
4500008485	11/9/2016	Dunn-Edwards Corporation	F110-SHOP/BLDG MACHINERY	42.12
4500008486	11/9/2016	Home Depot USA Inc	F110-SHOP/BLDG MACHINERY	211.68
4500008487	11/9/2016	General Auto Repair	P210-NON-REV VEH REPAIRS	290.00
4500008488	11/9/2016	Soco Group Inc	A120-AUTO/TRUCK GASOLINE	19,525.74
4500008489	11/9/2016	Annex Automotive and	F120-BUS/LRV PAINT BOOTHS	455.32
4500008490	11/9/2016	Culligan of San Diego	G140-SHOP SUPPLIES	840.00
4500008492	11/9/2016	The Gordian Group Inc	C140-CONSTRUCTION MGT SRV	3,694.82
4500008494	11/9/2016	Supreme Oil Company	A120-AUTO/TRUCK GASOLINE	1,720.04
4500008495	11/9/2016	Cummins Pacific LLC	B200-BUS PWR TRAIN EQUIP	2,052.05
4500008496	11/9/2016	Transit Holdings Inc	P190-REV VEHICLE REPAIRS	68.91
4500008497	11/9/2016	Soco Group Inc	A120-AUTO/TRUCK GASOLINE	2,102.71
4500008498	11/9/2016	Mohawk Mfg & Supply Co	B140-BUS CHASSIS	150.42
4500008499	11/9/2016	R.S. Hughes Co Inc	G140-SHOP SUPPLIES	1,555.74
4500008500	11/9/2016	Cummins Pacific LLC	B200-BUS PWR TRAIN EQUIP	2,331.17
4500008501	11/9/2016	Transit Holdings Inc	B110-BUS HVAC SYSTEMS	2,851.45
4500008502	11/9/2016	Transit Holdings Inc	B250-BUS REPAIR PARTS	848.87
4500008503	11/9/2016	W.W. Grainger Inc	B250-BUS REPAIR PARTS	139.19
4500008504	11/9/2016	United Fastener Inc	B250-BUS REPAIR PARTS	66.48
4500008505	11/9/2016	Kaman Industrial Technologies	B250-BUS REPAIR PARTS	265.60
4500008506	11/9/2016	Luminator Mass Transit, LLC	B250-BUS REPAIR PARTS	755.20
4500008507	11/9/2016	Mouser Electronics Inc	B250-BUS REPAIR PARTS	302.08
4500008508	11/9/2016	P & R Paper Supply Company Inc	G140-SHOP SUPPLIES	207.81
4500008509	11/9/2016	Professional Contractors Supplies	G140-SHOP SUPPLIES	537.07
4500008510	11/9/2016	Battery Systems Inc	B160-BUS ELECTRICAL	5,416.21

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PO Number	PO Date	Name	Material Group	PO Value
4500008511	11/9/2016	West-Lite Supply Co Inc	R180-RAIL/LRV LIGHTING	1,030.18
4500008512	11/9/2016	Allied Electronics Inc	M110-SUB STATION	79.30
4500008513	11/9/2016	Transwest San Diego LLC	B200-BUS PWR TRAIN EQUIP	1,940.37
4500008514	11/9/2016	San Diego Plastics Inc	R170-RAIL/LRV HVAC	1,858.51
4500008515	11/9/2016	Werth Sanitary Supply Co Inc	G180-JANITORIAL SUPPLIES	1,158.62
4500008516	11/9/2016	Airgas Inc	G190-SAFETY/MED SUPPLIES	1,599.27
4500008517	11/9/2016	Soco Group Inc	G170-LUBRICANTS	111.96
4500008518	11/9/2016	W.W. Grainger Inc	G160-PAINTS & CHEMICALS	352.74
4500008519	11/9/2016	Willy's Electronic Supply Co	M180-STATION ELECTRICAL	240.09
4500008520	11/9/2016	Flyers Energy LLC	G170-LUBRICANTS	2,762.10
4500008521	11/9/2016	Total Filtration Services Inc	M110-SUB STATION	256.09
4500008522	11/9/2016	Westair Gases & Equipment Inc	G190-SAFETY/MED SUPPLIES	276.31
4500008523	11/9/2016	Home Depot USA Inc	G180-JANITORIAL SUPPLIES	1,311.75
4500008524	11/9/2016	Robcar Corporation	G140-SHOP SUPPLIES	136.88
4500008525	11/9/2016	B Hepworth & Company Limited	R160-RAIL/LRV ELECTRICAL	19.33
4500008526	11/9/2016	General Auto Repair	P190-REV VEHICLE REPAIRS	693.64
4500008527	11/9/2016	Smart Car Care Products Inc	R240-RAIL/LRV REPR PARTS	276.05
4500008528	11/9/2016	Chromate Industrial Corporation	G140-SHOP SUPPLIES	80.07
4500008529	11/9/2016	Decals By Design Inc	R120-RAIL/LRV CAR BODY	290.18
4500008530	11/9/2016	Siemens Industry Inc	M130-CROSSING MECHANISM	3,147.77
4500008531	11/9/2016	Buswest LLC	B160-BUS ELECTRICAL	160.85
4500008532	11/9/2016	Transit Holdings Inc	B130-BUS BODY	2,534.52
4500008533	11/9/2016	Gillig LLC	B130-BUS BODY	3,145.74
4500008534	11/9/2016	Charter Industrial Supply Inc	G150-FASTENERS	102.61
4500008535	11/9/2016	Jeyco Products Inc	B160-BUS ELECTRICAL	34.47
4500008536	11/9/2016	Battery Systems Inc	B160-BUS ELECTRICAL	3,265.92
4500008537	11/9/2016	Motorola Solutions Inc	I110-INFORMATION TECH	15,443.14
4500008538	11/10/2016	Office Solutions	G200-OFFICE SUPPLIES	1,053.49
4500008539	11/10/2016	San Diego Plastics Inc	G290-FARE REVENUE EQUIP	446.04
4500008540	11/10/2016	Supreme Oil Company	A120-AUTO/TRUCK GASOLINE	1,713.87
4500008541	11/10/2016	Dimensional Silk Screen Inc	G110-BUS/TROLLEY SIGNAGE	95.04
4500008542	11/10/2016	Cubic Transportation Systems	B190-BUS FARE EQUIP	8,850.00
4500008543	11/10/2016	Gillig LLC	B250-BUS REPAIR PARTS	998.63
4500008544	11/10/2016	The Gordian Group Inc	P120-BLDG/FACILITY REPRS	211.47
4500008545	11/10/2016	The Gordian Group Inc	R150-RAIL/LRV COMM EQUIP	6,188.08
4500008546	11/10/2016	Knorr Brake Company	R220-RAIL/LRV TRUCKS	373.50
4500008547	11/10/2016	Dimensional Silk Screen Inc	G110-BUS/TROLLEY SIGNAGE	95.04
4500008548	11/10/2016	Transit Holdings Inc	B130-BUS BODY	981.23
4500008549	11/10/2016	Progressive Tints LLC	R120-RAIL/LRV CAR BODY	3,469.20
4500008550	11/10/2016	W.W. Grainger Inc	F110-SHOP/BLDG MACHINERY	99.88
4500008551	11/10/2016	Freeby Signs	G140-SHOP SUPPLIES	277.31
4500008552	11/10/2016	Robert Michael McKittrick	B250-BUS REPAIR PARTS	415.95
4500008553	11/10/2016	Mcmaster-Carr Supply Co	F110-SHOP/BLDG MACHINERY	45.76
4500008554	11/10/2016	TK Services Inc	R170-RAIL/LRV HVAC	11,114.56
4500008555	11/10/2016	Transit Holdings Inc	B250-BUS REPAIR PARTS	248.06
4500008556	11/10/2016	Harbor Diesel & Equipment	B200-BUS PWR TRAIN EQUIP	2,195.16
4500008557	11/10/2016	Ansaldo Sts Usa Inc	M130-CROSSING MECHANISM	1,020.71
4500008558	11/10/2016	Prudential Overall Supply	G140-SHOP SUPPLIES	679.38
4500008559	11/10/2016	United Refrigeration Inc	F110-SHOP/BLDG MACHINERY	597.35
4500008560	11/10/2016	Wesco Distribution Inc	F110-SHOP/BLDG MACHINERY	29.34
4500008561	11/10/2016	Merrimac Petroleum Inc	A120-AUTO/TRUCK GASOLINE	16,627.01
4500008562	11/10/2016	San Diego Friction Products, Inc.	B250-BUS REPAIR PARTS	77.65
4500008563	11/10/2016	Harbor Diesel & Equipment	B250-BUS REPAIR PARTS	647.36
4500008564	11/10/2016	Transit Holdings Inc	B250-BUS REPAIR PARTS	1,910.78
4500008565	11/10/2016	Industrial Maintenance Supply LLC	G150-FASTENERS	147.90
4500008566	11/10/2016	Cummins Pacific LLC	B200-BUS PWR TRAIN EQUIP	2,780.23
4500008567	11/10/2016	West-Lite Supply Co Inc	M180-STATION ELECTRICAL	1,306.80
4500008568	11/10/2016	Kaman Industrial Technologies	B140-BUS CHASSIS	1,309.54
4500008569	11/10/2016	Mohawk Mfg & Supply Co	B160-BUS ELECTRICAL	312.46
4500008570	11/10/2016	HI-TEC Enterprises	R160-RAIL/LRV ELECTRICAL	2,619.01

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PO Number	PO Date	Name	Material Group	PO Value
4500008571	11/10/2016	Team One Repair Inc	G290-FARE REVENUE EQUIP	1,332.59
4500008572	11/10/2016	Transwest San Diego LLC	B140-BUS CHASSIS	1,765.69
4500008573	11/10/2016	Transit Holdings Inc	B140-BUS CHASSIS	3,231.34
4500008574	11/10/2016	Cummins Pacific LLC	B200-BUS PWR TRAIN EQUIP	1,509.09
4500008575	11/10/2016	Controlled Motion Solutions Inc	R220-RAIL/LRV TRUCKS	2,449.21
4500008576	11/10/2016	Sid Tool Co	G130-SHOP TOOLS	223.18
4500008577	11/10/2016	3rd Generation Embroidery, Inc.	P540-MAINTENANCE TRAINING	946.13
4500008578	11/10/2016	Mark Carass	P120-BLDG/FACILITY REPRS	625.00
4500008579	11/10/2016	West End Holdings Inc	P260-TESTING & ANALYSIS	150.00
4500008580	11/10/2016	J. C. Ehrlich Co Inc	G200-OFFICE SUPPLIES	556.73
4500008581	11/10/2016	M Power Truck & Diesel Repair	P210-NON-REV VEH REPAIRS	1,470.71
4500008582	11/10/2016	SouthComm Business Media, LLC	P310-ADVERTISING SERVICES	150.00
4500008583	11/10/2016	Eran Hason	P120-BLDG/FACILITY REPRS	50.00
4500008584	11/10/2016	Applied Industrial Technologies-CA	G140-SHOP SUPPLIES	1,950.22
4500008586	11/11/2016	Airgas Inc	G190-SAFETY/MED SUPPLIES	321.09
4500008588	11/11/2016	Willy's Electronic Supply Co	G130-SHOP TOOLS	339.82
4500008589	11/11/2016	Robcar Corporation	G110-BUS/TROLLEY SIGNAGE	135.65
4500008590	11/11/2016	Sussman & Katz Inc	P110-BLDG MAINTENANCE	1,670.82
4500008591	11/11/2016	Reid And Clark Screen Arts Co	G110-BUS/TROLLEY SIGNAGE	187.92
4500008592	11/11/2016	Reid And Clark Screen Arts Co	G110-BUS/TROLLEY SIGNAGE	127.44
4500008593	11/11/2016	Sherwin Williams Company	P120-BLDG/FACILITY REPRS	225.01
4500008594	11/11/2016	Robcar Corporation	F180-BUILDING MATERIALS	71.28
4500008595	11/11/2016	Bocks Awards Inc	P450-PERSONNEL SVCS	108.80
4500008596	11/11/2016	Soco Group Inc	A120-AUTO/TRUCK GASOLINE	3,265.58
4500008597	11/11/2016	Steven Timme	C130-CONSTRUCTION SVCS	204.60
4500008598	11/11/2016	Merrimac Petroleum Inc	A120-AUTO/TRUCK GASOLINE	15,042.60
4500008599	11/11/2016	Siemens Industry Inc	R160-RAIL/LRV ELECTRICAL	2,536.93
4500008600	11/11/2016	Ace Uniforms & Accessories	G240-UNIFORM PROCUREMENT	2,310.54
4500008601	11/11/2016	California Sheet Metal Works	R160-RAIL/LRV ELECTRICAL	1,369.44
4500008602	11/11/2016	Annex Automotive and	F120-BUS/LRV PAINT BOOTHS	612.54
4500008603	11/11/2016	FinishMaster Inc	F120-BUS/LRV PAINT BOOTHS	1,308.38
4500008604	11/11/2016	JKL Cleaning Systems	P130-EQUIP MAINT REPR SVC	114.11
4500008605	11/11/2016	West-Lite Supply Co Inc	R160-RAIL/LRV ELECTRICAL	540.48
4500008606	11/11/2016	Chromate Industrial Corporation	G150-FASTENERS	149.16
4500008607	11/11/2016	Airgas Inc	G190-SAFETY/MED SUPPLIES	366.77
4500008608	11/14/2016	Denlo Inc	G140-SHOP SUPPLIES	210.61
4500008609	11/14/2016	Home Depot USA Inc	F110-SHOP/BLDG MACHINERY	300.24
4500008610	11/14/2016	Kelly Paper Co	G200-OFFICE SUPPLIES	10,692.00
4500008611	11/14/2016	General Auto Repair	P210-NON-REV VEH REPAIRS	368.86
4500008612	11/14/2016	4One LLC	G140-SHOP SUPPLIES	309.98
4500008613	11/14/2016	Dellner Inc	R130-RAIL/LRV COUPLER	18,103.84
4500008614	11/14/2016	Siemens Industry Inc	R160-RAIL/LRV ELECTRICAL	26,784.00
4500008615	11/14/2016	Raphael's Party Rentals Inc	P540-MAINTENANCE TRAINING	488.59
4500008616	11/14/2016	American Battery Corporation	M110-SUB STATION	160.15
4500008617	11/14/2016	Reid And Clark Screen Arts Co	R120-RAIL/LRV CAR BODY	434.83
4500008618	11/14/2016	Total Filtration Services Inc	R230-RAIL/LRV MECHANICAL	732.79
4500008619	11/14/2016	CDW LLC	I110-INFORMATION TECH	1,427.83
4500008620	11/14/2016	Virginia Electronic & Lighting LLC	M140-WAYSIDE SIGNALS	1,944.00
4500008621	11/14/2016	Kaman Industrial Technologies	B200-BUS PWR TRAIN EQUIP	849.93
4500008622	11/14/2016	Transit Holdings Inc	B250-BUS REPAIR PARTS	1,269.31
4500008623	11/14/2016	San Diego Community College Distric	P540-MAINTENANCE TRAINING	490.00
4500008624	11/14/2016	Schaltbau North America	R160-RAIL/LRV ELECTRICAL	3,072.00
4500008625	11/14/2016	Ridout Plastics Co Inc	G290-FARE REVENUE EQUIP	286.21
4500008626	11/14/2016	Global Equipment Company	G130-SHOP TOOLS	2,425.37
4500008627	11/14/2016	P & R Paper Supply Company Inc	G180-JANITORIAL SUPPLIES	4,886.72
4500008628	11/14/2016	Golden Star Technology Inc	I110-INFORMATION TECH	26,925.80
4500008629	11/14/2016	Ace Uniforms & Accessories	G190-SAFETY/MED SUPPLIES	127.12
4500008630	11/14/2016	Supreme Oil Company	A120-AUTO/TRUCK GASOLINE	1,559.75
4500008631	11/14/2016	Office Depot	G200-OFFICE SUPPLIES	234.85
4500008632	11/14/2016	Davey Auto Body Inc	P210-NON-REV VEH REPAIRS	5,510.98

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PO Number	PO Date	Name	Material Group	PO Value
4500008633	11/14/2016	Gillig LLC	B250-BUS REPAIR PARTS	726.09
4500008634	11/14/2016	Sherwin Williams Company	G140-SHOP SUPPLIES	2,733.31
4500008635	11/14/2016	Delphin Computer Supply	G200-OFFICE SUPPLIES	1,410.77
4500008636	11/14/2016	Kaman Industrial Technologies	G140-SHOP SUPPLIES	246.30
4500008637	11/14/2016	Office Solutions	G200-OFFICE SUPPLIES	75.18
4500008638	11/14/2016	Praxair Distribution Inc.	T110-TRACK, RAIL	1,200.79
4500008639	11/14/2016	Mark Carass	P120-BLDG/FACILITY REPRS	997.00
4500008640	11/15/2016	Green Pearle International Inc	G230-PRINTED MATERIALS	2,997.20
4500008641	11/15/2016	Transwest San Diego LLC	B200-BUS PWR TRAIN EQUIP	6,377.41
4500008642	11/15/2016	CPP Inc	P490-MANAGEMENT TRAINING	2,604.39
4500008643	11/15/2016	Transit Holdings Inc	B250-BUS REPAIR PARTS	341.14
4500008644	11/15/2016	RR Donnelley and Sons Co	G230-PRINTED MATERIALS	1,433.17
4500008645	11/15/2016	David Bueltel	G230-PRINTED MATERIALS	285.12
4500008646	11/15/2016	Supreme Oil Company	A120-AUTO/TRUCK GASOLINE	1,590.57
4500008647	11/15/2016	Pressnet Express Inc	G230-PRINTED MATERIALS	2,980.80
4500008648	11/15/2016	San Diego Friction Products, Inc.	B250-BUS REPAIR PARTS	21.62
4500008649	11/15/2016	W.W. Grainger Inc	G140-SHOP SUPPLIES	626.40
4500008650	11/15/2016	Steven Timme	G230-PRINTED MATERIALS	2,970.00
4500008651	11/15/2016	Charter Industrial Supply Inc	B250-BUS REPAIR PARTS	927.45
4500008652	11/15/2016	Transit Holdings Inc	B250-BUS REPAIR PARTS	367.75
4500008653	11/15/2016	CDW LLC	I110-INFORMATION TECH	2,977.60
4500008654	11/15/2016	Home Depot USA Inc	G140-SHOP SUPPLIES	143.51
4500008655	11/15/2016	Merrimac Petroleum Inc	A120-AUTO/TRUCK GASOLINE	15,464.90
4500008656	11/15/2016	Soco Group Inc	A120-AUTO/TRUCK GASOLINE	16,624.95
4500008657	11/15/2016	Knorr Brake Company	R160-RAIL/LRV ELECTRICAL	37,213.17
4500008658	11/15/2016	JKL Cleaning Systems	P130-EQUIP MAINT REPR SVC	2,700.03
4500008659	11/15/2016	Professional Contractors Supplies	G180-JANITORIAL SUPPLIES	215.84
4500008660	11/16/2016	Supreme Oil Company	A120-AUTO/TRUCK GASOLINE	1,596.74
4500008661	11/16/2016	Nth Generation Computing Inc	I110-INFORMATION TECH	24,284.27
4500008662	11/16/2016	Dimensional Silk Screen Inc	G110-BUS/TROLLEY SIGNAGE	127.68
4500008663	11/16/2016	Trentman Corporation	G110-BUS/TROLLEY SIGNAGE	80.94
4500008664	11/16/2016	Citywide Auto Glass Inc	P190-REV VEHICLE REPAIRS	400.00
4500008665	11/16/2016	Freeby Signs	B250-BUS REPAIR PARTS	241.00
4500008666	11/16/2016	Office Solutions	G200-OFFICE SUPPLIES	63.93
4500008667	11/16/2016	Allied Electronics Inc	M180-STATION ELECTRICAL	171.18
4500008668	11/16/2016	Neleco Products Inc	G170-LUBRICANTS	22,356.00
4500008669	11/16/2016	Culligan of San Diego	G140-SHOP SUPPLIES	1,680.00
4500008670	11/16/2016	W.W. Grainger Inc	M110-SUB STATION	2,940.85
4500008671	11/16/2016	BCP Systems Inc	G290-FARE REVENUE EQUIP	841.88
4500008672	11/16/2016	Westair Gases & Equipment Inc	G140-SHOP SUPPLIES	318.77
4500008673	11/16/2016	Airgas Inc	G190-SAFETY/MED SUPPLIES	347.51
4500008674	11/16/2016	Robcar Corporation	G140-SHOP SUPPLIES	136.88
4500008675	11/16/2016	ISC Applied Systems Corp	R160-RAIL/LRV ELECTRICAL	2,290.39
4500008676	11/16/2016	Parker Hannifin Corp	P130-EQUIP MAINT REPR SVC	826.00
4500008677	11/17/2016	Transit Holdings Inc	B130-BUS BODY	2,038.28
4500008678	11/17/2016	Cummins Pacific LLC	B200-BUS PWR TRAIN EQUIP	1,892.25
4500008679	11/17/2016	Transit Holdings Inc	B250-BUS REPAIR PARTS	2,052.22
4500008680	11/17/2016	Gillig LLC	B160-BUS ELECTRICAL	2,583.54
4500008681	11/17/2016	Kaman Industrial Technologies	B120-BUS MECHANICAL PARTS	3,312.37
4500008682	11/17/2016	Industrial Maintenance Supply LLC	G150-FASTENERS	215.30
4500008683	11/17/2016	Jeyco Products Inc	G130-SHOP TOOLS	1,041.76
4500008684	11/17/2016	Buswest LLC	B200-BUS PWR TRAIN EQUIP	74.94
4500008685	11/17/2016	Delphin Computer Supply	G200-OFFICE SUPPLIES	202.49
4500008686	11/17/2016	United Refrigeration Inc	G170-LUBRICANTS	77.10
4500008687	11/17/2016	Tribologik Corporation	G140-SHOP SUPPLIES	2,106.31
4500008688	11/17/2016	Mission Janitorial Supplies	G180-JANITORIAL SUPPLIES	903.21
4500008689	11/17/2016	Prudential Overall Supply	G140-SHOP SUPPLIES	460.20
4500008690	11/17/2016	David Evans & Associates Inc	P410-CONSULTING	17,500.00
4500008691	11/17/2016	Airgas Inc	G140-SHOP SUPPLIES	1,065.68
4500008692	11/17/2016	Clear Sign & Design Inc	C130-CONSTRUCTION SVCS	1,544.40

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PO Number	PO Date	Name	Material Group	PO Value
4500008693	11/17/2016	Supreme Oil Company	A120-AUTO/TRUCK GASOLINE	1,609.07
4500008694	11/17/2016	Brand Makers LLC	G250-NOVELTIES & AWARDS	4,725.01
4500008695	11/17/2016	Transwest San Diego LLC	B160-BUS ELECTRICAL	1,133.78
4500008696	11/17/2016	Mohawk Mfg & Supply Co	B130-BUS BODY	1,129.85
4500008697	11/17/2016	Waxie Sanitary Supply Inc	G140-SHOP SUPPLIES	302.14
4500008698	11/17/2016	Brown & Bigelow Inc	G230-PRINTED MATERIALS	1,774.00
4500008699	11/17/2016	West Coast Lanyards Inc	G230-PRINTED MATERIALS	1,257.00
4500008700	11/17/2016	HI-TEC Enterprises	R150-RAIL/LRV COMM EQUIP	6,212.71
4500008701	11/17/2016	JKL Cleaning Systems	G300-GENERAL CAPITAL EQP	41,590.37
4500008702	11/17/2016	Charter Industrial Supply Inc	B250-BUS REPAIR PARTS	1,013.34
4500008703	11/17/2016	Gillig LLC	B110-BUS HVAC SYSTEMS	3,125.56
4500008704	11/17/2016	Denlo Inc	G140-SHOP SUPPLIES	338.33
4500008705	11/17/2016	Prochem Speciality Products Inc	G170-LUBRICANTS	2,703.07
4500008706	11/17/2016	Gillig LLC	B250-BUS REPAIR PARTS	302.83
4500008707	11/17/2016	Grah Safe & Lock Inc	F110-SHOP/BLDG MACHINERY	125.00
4500008708	11/17/2016	Transwest San Diego LLC	B110-BUS HVAC SYSTEMS	2,797.20
4500008709	11/17/2016	Harbor Diesel & Equipment	B250-BUS REPAIR PARTS	1,198.80
4500008710	11/17/2016	Byrne Doughty Mgt Corp	G200-OFFICE SUPPLIES	987.73
4500008711	11/17/2016	Charter Industrial Supply Inc	G140-SHOP SUPPLIES	110.03
4500008713	11/17/2016	Soco Group Inc	A120-AUTO/TRUCK GASOLINE	17,116.61
4500008714	11/17/2016	Robcar Corporation	G160-PAINTS & CHEMICALS	213.84
4500008715	11/17/2016	Dunn-Edwards Corporation	G160-PAINTS & CHEMICALS	361.68
4500008716	11/17/2016	Radwell International Inc	M110-SUB STATION	501.05
4500008717	11/17/2016	Grah Safe & Lock Inc	R120-RAIL/LRV CAR BODY	86.57
4500008718	11/17/2016	Pressnet Express Inc	G230-PRINTED MATERIALS	2,980.80
4500008719	11/17/2016	Cubic Transportation Systems	G290-FARE REVENUE EQUIP	713.02
4500008720	11/17/2016	Eran Hason	P120-BLDG/FACILITY REPRS	68.61
4500008721	11/17/2016	Myers & Sons Hi-Way Safety Inc	M140-WAYSIDE SIGNALS	599.32
4500008722	11/18/2016	Pressnet Express Inc	G230-PRINTED MATERIALS	1,015.20
4500008723	11/18/2016	Loran J. Thompson	P490-MANAGEMENT TRAINING	250.00
4500008724	11/18/2016	Harbor Diesel & Equipment	B250-BUS REPAIR PARTS	1,942.06
4500008725	11/18/2016	ABC Construction Co., Inc.	C130-CONSTRUCTION SVCS	87,239.16
4500008726	11/18/2016	The Gordian Group Inc	C130-CONSTRUCTION SVCS	2,264.69
4500008727	11/18/2016	General Auto Repair	P210-NON-REV VEH REPAIRS	38.20
4500008728	11/18/2016	Soco Group Inc	G170-LUBRICANTS	8,346.24
4500008729	11/18/2016	Soco Group Inc	A120-AUTO/TRUCK GASOLINE	3,268.70
4500008730	11/18/2016	W.W. Grainger Inc	G140-SHOP SUPPLIES	149.78
4500008731	11/18/2016	Matthias Moos	M120-OVRHEAD CATENARY SYS	1,296.00
4500008732	11/18/2016	OneSource Distributors, LLC	G140-SHOP SUPPLIES	1,625.57
4500008733	11/18/2016	Cintas Corporation No 2	P190-REV VEHICLE REPAIRS	3,312.00
4500008734	11/18/2016	TK Services Inc	B250-BUS REPAIR PARTS	3,261.38
4500008735	11/18/2016	CDW LLC	B250-BUS REPAIR PARTS	1,619.73
4500008736	11/18/2016	Professional Contractors Supplies	G140-SHOP SUPPLIES	389.87
4500008737	11/18/2016	Flyers Energy LLC	R230-RAIL/LRV MECHANICAL	1,773.07
4500008738	11/18/2016	Transit Holdings Inc	B250-BUS REPAIR PARTS	521.96
4500008739	11/18/2016	Mcmaster-Carr Supply Co	G140-SHOP SUPPLIES	1,150.62
4500008740	11/18/2016	Staples Contract & Commercial Inc	G210-OFFICE FURNITURE	1,367.42
4500008741	11/18/2016	4One LLC	B250-BUS REPAIR PARTS	1,309.80
4500008742	11/18/2016	W.W. Grainger Inc	G140-SHOP SUPPLIES	43.20
4500008744	11/18/2016	General Auto Repair	P210-NON-REV VEH REPAIRS	949.11
4500008745	11/18/2016	Transwest San Diego LLC	B200-BUS PWR TRAIN EQUIP	6,377.41
4500008746	11/18/2016	Cummins Pacific LLC	B200-BUS PWR TRAIN EQUIP	2,736.08
4500008747	11/18/2016	Muncie Transit Supply	B130-BUS BODY	259.09
4500008748	11/21/2016	Citywide Auto Glass Inc	B250-BUS REPAIR PARTS	296.23
4500008749	11/21/2016	OneSource Distributors, LLC	M180-STATION ELECTRICAL	134.46
4500008750	11/21/2016	Sid Tool Co	G130-SHOP TOOLS	1,663.09
4500008751	11/21/2016	Chromate Industrial Corporation	R140-RAIL/LRV DOORS/RAMP	50.54
4500008752	11/21/2016	R.S. Hughes Co Inc	G140-SHOP SUPPLIES	382.83
4500008753	11/21/2016	Willy's Electronic Supply Co	G140-SHOP SUPPLIES	50.94
4500008754	11/21/2016	Supreme Oil Company	A120-AUTO/TRUCK GASOLINE	1,633.73

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4500008755	11/21/2016	West-Lite Supply Co Inc	M180-STATION ELECTRICAL	318.82
4500008756	11/21/2016	Citywide Auto Glass Inc	R120-RAIL/LRV CAR BODY	264.61
4500008757	11/21/2016	Luminator Mass Transit, LLC	R180-RAIL/LRV LIGHTING	2,379.75
4500008758	11/21/2016	Cummins Pacific LLC	B250-BUS REPAIR PARTS	192.13
4500008759	11/21/2016	Gillig LLC	B250-BUS REPAIR PARTS	216.61
4500008760	11/21/2016	TK Services Inc	B250-BUS REPAIR PARTS	489.50
4500008761	11/21/2016	Schunk Carbon Technology LLC	R220-RAIL/LRV TRUCKS	21,897.22
4500008762	11/21/2016	Gillig LLC	B160-BUS ELECTRICAL	1,591.58
4500008763	11/21/2016	Transit Holdings Inc	B130-BUS BODY	2,470.74
4500008764	11/21/2016	Cummins Pacific LLC	B200-BUS PWR TRAIN EQUIP	1,414.41
4500008765	11/21/2016	Cummins Pacific LLC	B160-BUS ELECTRICAL	10,296.03
4500008766	11/21/2016	Transit Holdings Inc	B250-BUS REPAIR PARTS	1,997.95
4500008767	11/21/2016	Merrimac Petroleum Inc	A120-AUTO/TRUCK GASOLINE	15,822.47
4500008768	11/21/2016	Transit Holdings Inc	B250-BUS REPAIR PARTS	933.81
4500008769	11/21/2016	Transwest San Diego LLC	B200-BUS PWR TRAIN EQUIP	596.79
4500008770	11/21/2016	Transit Holdings Inc	B250-BUS REPAIR PARTS	343.10
4500008771	11/21/2016	Mohawk Mfg & Supply Co	B110-BUS HVAC SYSTEMS	278.72
4500008772	11/21/2016	Mohawk Mfg & Supply Co	B140-BUS CHASSIS	3,474.90
4500008773	11/21/2016	Industrial Maintenance Supply LLC	G200-OFFICE SUPPLIES	124.35
4500008774	11/21/2016	Hydraulic Electric Component	B200-BUS PWR TRAIN EQUIP	36.43
4500008775	11/21/2016	Kaman Industrial Technologies	B120-BUS MECHANICAL PARTS	624.21
4500008776	11/22/2016	Steven Timme	G110-BUS/TROLLEY SIGNAGE	254.40
4500008777	11/22/2016	Cummins Pacific LLC	B140-BUS CHASSIS	19,337.46
4500008778	11/22/2016	Supreme Oil Company	A120-AUTO/TRUCK GASOLINE	1,689.21
4500008779	11/22/2016	Chromate Industrial Corporation	G150-FASTENERS	770.40
4500008780	11/22/2016	Home Depot USA Inc	G140-SHOP SUPPLIES	51.84
4500008781	11/22/2016	W.W. Grainger Inc	G140-SHOP SUPPLIES	619.65
4500008782	11/22/2016	BJ's Rentals	P160-EQUIPMENT RENTALS	180.00
4500008784	11/22/2016	OneSource Distributors, LLC	G180-JANITORIAL SUPPLIES	872.76
4500008786	11/22/2016	Cameo Paper & Supply Co Inc	G180-JANITORIAL SUPPLIES	1,044.05
4500008787	11/22/2016	Professional Contractors Supplies	G270-ELECTRICAL/LIGHTING	205.40
4500008788	11/22/2016	Airgas Inc	G190-SAFETY/MED SUPPLIES	788.17
4500008789	11/22/2016	Westair Gases & Equipment Inc	G140-SHOP SUPPLIES	81.78
4500008790	11/22/2016	West-Lite Supply Co Inc	M200-YARD FACILITIES	139.75
4500008791	11/22/2016	Waxie Sanitary Supply Inc	G180-JANITORIAL SUPPLIES	191.05
4500008793	11/22/2016	Culligan of San Diego	G140-SHOP SUPPLIES	1,113.00
4500008794	11/22/2016	Staples Contract & Commercial Inc	G200-OFFICE SUPPLIES	859.28
4500008795	11/22/2016	Gillig LLC	B250-BUS REPAIR PARTS	214.23
4500008796	11/22/2016	Transit Holdings Inc	B250-BUS REPAIR PARTS	3,139.63
4500008797	11/22/2016	US Mobile Wireless	R150-RAIL/LRV COMM EQUIP	191.16
4500008798	11/22/2016	Gillig LLC	B250-BUS REPAIR PARTS	781.16
4500008799	11/22/2016	W.W. Grainger Inc	F110-SHOP/BLDG MACHINERY	173.72
4500008800	11/22/2016	Barcodes LLC	I110-INFORMATION TECH	912.62
4500008802	11/22/2016	Annex Automotive and	F120-BUS/LRV PAINT BOOTHS	3,012.21
4500008803	11/22/2016	FinishMaster Inc	F120-BUS/LRV PAINT BOOTHS	2,654.08
4500008805	11/23/2016	Paradigm Mechanical Corp	P280-GENERAL SVC AGRMNTS	380.00
4500008807	11/23/2016	Transit Holdings Inc	B250-BUS REPAIR PARTS	72.73
4500008808	11/23/2016	Home Depot USA Inc	F220-BENCHES, BUS	1,184.29
4500008809	11/23/2016	Soco Group Inc	A120-AUTO/TRUCK GASOLINE	3,218.64
4500008810	11/23/2016	Soco Group Inc	A120-AUTO/TRUCK GASOLINE	1,289.51
4500008811	11/23/2016	CDW LLC	I110-INFORMATION TECH	1,011.10
4500008812	11/23/2016	Daniels Tire Service	P210-NON-REV VEH REPAIRS	398.54
4500008813	11/23/2016	CDW LLC	I110-INFORMATION TECH	556.03
4500008814	11/23/2016	BJ's Rentals	P160-EQUIPMENT RENTALS	75.96
4500008815	11/23/2016	Praxair Distribution Inc.	G130-SHOP TOOLS	377.31
4500008816	11/23/2016	Knorr Brake Company	R220-RAIL/LRV TRUCKS	2,757.56
4500008817	11/23/2016	Neleco Products Inc	G170-LUBRICANTS	449.44
4500008818	11/23/2016	Soco Group Inc	A120-AUTO/TRUCK GASOLINE	16,180.04
4500008819	11/23/2016	M Power Truck & Diesel Repair	P210-NON-REV VEH REPAIRS	2,836.59
4500008820	11/23/2016	Office Solutions	G200-OFFICE SUPPLIES	806.94

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4500008821	11/23/2016	California Transit Association	P280-GENERAL SVC AGRMNTS	46,758.00
4500008822	11/23/2016	Annex Automotive and	F120-BUS/LRV PAINT BOOTHS	2,507.48
4500008823	11/23/2016	HI-TEC Enterprises	R160-RAIL/LRV ELECTRICAL	3,245.00
4500008824	11/23/2016	Siemens Industry Inc	R140-RAIL/LRV DOORS/RAMP	75,070.80
4500008825	11/23/2016	Matthias Moos	M120-OVRHEAD CATENARY SYS	3,646.20
4500008826	11/23/2016	Team One Repair Inc	G290-FARE REVENUE EQUIP	58,976.40
4500008827	11/23/2016	Western-Cullen-Hayes Inc	M130-CROSSING MECHANISM	941.64
4500008828	11/25/2016	Siemens Industry Inc	R160-RAIL/LRV ELECTRICAL	8,871.40
4500008829	11/25/2016	W.W. Grainger Inc	F110-SHOP/BLDG MACHINERY	460.30
4500008830	11/25/2016	Transit Holdings Inc	B250-BUS REPAIR PARTS	2,404.80
4500008831	11/25/2016	Mcmaster-Carr Supply Co	F110-SHOP/BLDG MACHINERY	16.91
4500008832	11/25/2016	W.W. Grainger Inc	G200-OFFICE SUPPLIES	195.96
4500008833	11/25/2016	San Diego Compressed Air Power LLC	F180-BUILDING MATERIALS	50.23
4500008834	11/25/2016	Gillig LLC	B200-BUS PWR TRAIN EQUIP	293.44
4500008835	11/25/2016	Transwest San Diego LLC	B200-BUS PWR TRAIN EQUIP	898.18
4500008836	11/25/2016	Dictation Sales and Service, Inc.	I110-INFORMATION TECH	11,737.66
4500008837	11/25/2016	Jeyco Products Inc	B140-BUS CHASSIS	785.12
4500008838	11/25/2016	Brake Systems Inc	B140-BUS CHASSIS	15.20
4500008839	11/25/2016	Pacific Flexible Metal Hose Co	B200-BUS PWR TRAIN EQUIP	15.12
4500008840	11/25/2016	M & M Plastics Inc	B130-BUS BODY	713.67
4500008841	11/25/2016	Netwrix Corporation	I110-INFORMATION TECH	6,604.00
4500008842	11/25/2016	Mohawk Mfg & Supply Co	B160-BUS ELECTRICAL	192.10
4500008843	11/25/2016	Mohawk Mfg & Supply Co	B140-BUS CHASSIS	33.60
4500008844	11/25/2016	BMC Software Inc	I110-INFORMATION TECH	13,721.30
4500008845	11/25/2016	Industrial Maintenance Supply LLC	G150-FASTENERS	37.70
4500008846	11/25/2016	Cummins Pacific LLC	B200-BUS PWR TRAIN EQUIP	2,339.54
4500008847	11/25/2016	R.S. Hughes Co Inc	G140-SHOP SUPPLIES	444.82
4500008848	11/25/2016	Transit Holdings Inc	B250-BUS REPAIR PARTS	764.75
4500008849	11/25/2016	Battery Systems Inc	B160-BUS ELECTRICAL	6,053.41
4500008850	11/25/2016	Staples Contract & Commercial Inc	G200-OFFICE SUPPLIES	218.32
4500008851	11/25/2016	Golden Star Technology Inc	I110-INFORMATION TECH	7,028.42
4500008852	11/25/2016	Romaine Electric Corporation	F110-SHOP/BLDG MACHINERY	174.70
4500008853	11/25/2016	Denlo Inc	G160-PAINTS & CHEMICALS	104.99
4500008854	11/25/2016	Soco Group Inc	A120-AUTO/TRUCK GASOLINE	3,342.44
4500008855	11/25/2016	Prochem Speciality Products Inc	G170-LUBRICANTS	95.01
4500008856	11/25/2016	Asbury Environmental Services	B200-BUS PWR TRAIN EQUIP	3,221.40
4500008857	11/25/2016	HI-TEC Enterprises	R180-RAIL/LRV LIGHTING	1,787.71
4500008858	11/25/2016	Prizm Janitorial Services Inc	P150-MAINT. CLEANING	4,176.00
4500008859	11/25/2016	OneSource Distributors, LLC	M130-CROSSING MECHANISM	819.59
4500008860	11/25/2016	Annex Automotive and	R240-RAIL/LRV REPR PARTS	828.78
4500008861	11/25/2016	Rick Busch	G180-JANITORIAL SUPPLIES	127.44
4500008862	11/25/2016	Transit Holdings Inc	B130-BUS BODY	2,798.43
4500008863	11/25/2016	Lucerix International Corporation	B130-BUS BODY	86.46
4500008864	11/25/2016	West-Lite Supply Co Inc	R160-RAIL/LRV ELECTRICAL	1,507.05
4500008865	11/25/2016	Airgas Inc	G140-SHOP SUPPLIES	155.48
4500008866	11/25/2016	San Diego Friction Products, Inc.	B140-BUS CHASSIS	1,927.81
4500008867	11/25/2016	ISC Applied Systems Corp	R160-RAIL/LRV ELECTRICAL	637.20
4500008868	11/25/2016	Graybar Electric Co Inc	M120-OVRHEAD CATENARY SYS	908.60
4500008869	11/25/2016	Dunn-Edwards Corporation	G140-SHOP SUPPLIES	32.02
4500008870	11/25/2016	Harbor Diesel & Equipment	B200-BUS PWR TRAIN EQUIP	187.26
4500008871	11/25/2016	Waxie Sanitary Supply Inc	G180-JANITORIAL SUPPLIES	134.62
4500008872	11/25/2016	Airgas Inc	G140-SHOP SUPPLIES	417.58
4500008874	11/28/2016	Robcar Corporation	G110-BUS/TROLLEY SIGNAGE	64.80
4500008875	11/28/2016	Robcar Corporation	G160-PAINTS & CHEMICALS	168.48
4500008876	11/28/2016	Dunn-Edwards Corporation	G160-PAINTS & CHEMICALS	365.06
4500008877	11/28/2016	Western-Cullen-Hayes Inc	M130-CROSSING MECHANISM	686.06
4500008878	11/28/2016	W.W. Grainger Inc	M180-STATION ELECTRICAL	386.16
4500008879	11/28/2016	W.W. Grainger Inc	B250-BUS REPAIR PARTS	145.37
4500008880	11/28/2016	Transit Holdings Inc	P190-REV VEHICLE REPAIRS	3,629.55
4500008881	11/28/2016	B Hepworth & Company Limited	R160-RAIL/LRV ELECTRICAL	4,726.99

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PO Number	PO Date	Name	Material Group	PO Value
4500008882	11/28/2016	Hanning & Kahl LP	R160-RAIL/LRV ELECTRICAL	5,262.80
4500008883	11/28/2016	Supreme Oil Company	A120-AUTO/TRUCK GASOLINE	1,701.54
4500008884	11/28/2016	Comfort Mechanical Inc	M190-SDSU ELECTRICAL	997.00
4500008885	11/28/2016	Zumasys, Inc.	I110-INFORMATION TECH	25,964.00
4500008886	11/28/2016	Cummins Pacific LLC	B130-BUS BODY	3,334.36
4500008887	11/28/2016	Alps Publishing Inc	P310-ADVERTISING SERVICES	31,500.00
4500008888	11/28/2016	Saft America Inc.	R160-RAIL/LRV ELECTRICAL	24,544.00
4500008889	11/28/2016	West End Holdings Inc	P260-TESTING & ANALYSIS	75.00
4500008890	11/28/2016	CASEI	F110-SHOP/BLDG MACHINERY	794.74
4500008891	11/28/2016	Madden Construction Inc	P120-BLDG/FACILITY REPRS	603.84
4500008892	11/28/2016	Muncie Transit Supply	B120-BUS MECHANICAL PARTS	199.37
4500008893	11/28/2016	Transwest San Diego LLC	B200-BUS PWR TRAIN EQUIP	893.45
4500008894	11/28/2016	Knorr Brake Company	R220-RAIL/LRV TRUCKS	3,084.62
4500008895	11/28/2016	M & M Plastics Inc	B130-BUS BODY	1,293.52
4500008896	11/28/2016	Staples Contract & Commercial Inc	G180-JANITORIAL SUPPLIES	165.40
4500008897	11/28/2016	Prizm Janitorial Services Inc	P150-MAINT. CLEANING	32,400.00
4500008898	11/29/2016	David Bueltel	G230-PRINTED MATERIALS	901.52
4500008899	11/29/2016	Supreme Oil Company	A120-AUTO/TRUCK GASOLINE	1,676.88
4500008900	11/29/2016	Transit Holdings Inc	B130-BUS BODY	382.61
4500008901	11/29/2016	Cummins Pacific LLC	B250-BUS REPAIR PARTS	89.10
4500008902	11/29/2016	Knorr Brake Company	R160-RAIL/LRV ELECTRICAL	1,223.64
4500008903	11/29/2016	Siemens Industry Inc	R230-RAIL/LRV MECHANICAL	3,283.20
4500008904	11/29/2016	W.W. Grainger Inc	B250-BUS REPAIR PARTS	162.87
4500008905	11/29/2016	Insultech LLC	B200-BUS PWR TRAIN EQUIP	387.24
4500008906	11/29/2016	Aslan Capital Inc	G180-JANITORIAL SUPPLIES	59.94
4500008907	11/29/2016	Premier Roofing CA Inc	P120-BLDG/FACILITY REPRS	890.00
4500008908	11/29/2016	Meeting Services Inc	P310-ADVERTISING SERVICES	408.00
4500008909	11/29/2016	Flyers Energy LLC	A120-AUTO/TRUCK GASOLINE	15,643.69
4500008910	11/29/2016	Transit Holdings Inc	B130-BUS BODY	15,031.01