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 San Diego, CA 92101-7490
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Agenda

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

July 13, 2017

Executive Conference Room
 9:00 a.m.

	<u>ACTION RECOMMENDED</u>
A. ROLL CALL	
B. APPROVAL OF MINUTES - June 1, 2017	Approve
C. COMMITTEE DISCUSSION ITEMS	
1. <u>Fare Collection Update (Sharon Cooney)</u>	Informational
2. <u>MTS - Private Party Fiber Swap Agreements (Karen Landers)</u> Action would receive a report and provide direction to staff.	Possible Action
3. CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54956.8 <u>Property:</u> 5159 Baltimore Drive (Assessor Parcel No. 470-050-16) <u>Agency Negotiators:</u> Paul Jablonski, Chief Executive Officer; Karen Landers, General Counsel; and Tim Allison, Manager of Real Estate Assets <u>Negotiating Parties:</u> DJR Companies; El Cajon Real Estate Investments, LLC <u>Under Negotiation:</u> Price and Terms of Payment	Possible Action
4. CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54956.8 <u>Property:</u> The San Diego and Arizona Eastern Railway Company (SD&AE) Desert Line from approximate Mile Post 60 to approximate Mile Post 130 (Division to Plaster City) in San Diego and Imperial Counties <u>Agency Negotiators:</u> Paul Jablonski, Chief Executive Officer; Karen Landers, General Counsel; and Tim Allison, Manager of Real Estate Assets <u>Negotiating Parties:</u> Baja California Railroad, Inc. (BJRR) <u>Under Negotiation:</u> Price and Terms of Payment under Desert Line Lease and Operating Agreement	Possible Action



- D. REVIEW OF DRAFT July 20, 2017 BOARD AGENDA
- E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA Possible
Review of SANDAG Transportation Committee Agenda and discussion regarding any Action
items pertaining to MTS, San Diego Transit Corporation, or San Diego Trolley, Inc.
Relevant excerpts will be provided during the meeting.
- F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS
- G. PUBLIC COMMENTS
- H. NEXT MEETING DATE: August 10, 2017
- I. ADJOURNMENT

DRAFT

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

June 1, 2017

MINUTES

A. ROLL CALL

Chairman Mathis called the Executive Committee meeting to order at 10:08 a.m. A roll call sheet listing Executive Committee member attendance is attached.

B. APPROVAL OF MINUTES

Ms. Cole moved for approval of the minutes of the May 4, 2017 MTS Executive Committee meeting. Mr. McClellan seconded the motion, and the vote was 5 to 0 in favor.

C. COMMITTEE DISCUSSION ITEMS

1. Quarterly Mid-Coast Corridor Transit Project Update (John Dorow of SANDAG)

John Dorow, with SANDAG, provided a report on the Mid-Coast Corridor Transit Project (Mid-Coast). Mr. Dorow reviewed the project team, project alignment, project segments and reaches, project budget and expenditure, project contingency expenditure curve, project schedule, project schedule contingency curve, and dry and wet utility relocation. He also provided an update on construction and provided photos of recent construction. Mr. Dorow reviewed the Mid-Coast right-of-way acquisitions, environmental mitigation update, quality management/quality assurance activity, safety and security status, grade separations and stations, light rail vehicle status and public involvement.

Action Taken

No action taken. Informational item only.

2. Jolly Trolley Building Conditions Report (Bill Spraul)

Bill Spraul, Chief Operating Officer – Transit Services, provided a report on the condition of the Jolly Trolley Building located at 1501 National Avenue, San Diego, CA 92113. He provided a building and lot summary and reviewed the current condition of the building. He stated that over time the building has degraded, settled and has incurred damaging repeat water intrusion. Mr. Spraul discussed the interim action steps since the recent flooding and damage to the building. He stated that an engineering study was conducted by Kimley-Horn and Kleinfelder to determine the extent of the damage and assess the structural integrity of the building. As a result of the engineering study, Kimley-Horn and Kleinfelder recommended options for various repairs and/or replacement of the building. Mr. Spraul discussed the potential options and noted that the staff recommendation is to demolish the building and replace it with a modular building. He reviewed the advantages of a modular building which include providing more flexibility for addressing future needs; having the ability to expand, contract or move office space as MTS grows

and changes; and providing a flexible approach. He also noted that space needs for Taxicab Administration may reduce in the future if permit numbers continue to decrease. Ms. Landers noted that a modular building option would also help keep options open to easily relocate in case MTS wants to use that property for other reasons.

Mr. Roberts asked if staff has looked into steel modular buildings instead of wood frame modular buildings. Mr. Spraul replied that staff has not looked into steel modular building options, but will look into costs and options to bring back to the Executive Committee for review. The Executive Committee agreed that they would like to see the current building demolished and replaced with modular buildings. Chairman Mathis inquired if there is an interim plan in place for relocating staff while construction takes place. Mr. Spraul replied that Access eligibility staff has temporarily moved to conference rooms at the Imperial Avenue Division and they will also begin to research temporary relocation options for taxicab administration staff. Mr. Roberts asked which property location staff would move to if MTS decided to use that current property for another reason or project. Ms. Landers replied that we do not have another site identified at this time, but there are other potential properties if needed. She noted that there could be potential areas in the trolley yard that could be developed, but a plan has not been set in place yet. She stated that the modular building option would give MTS the ability to relocate to another site if needed. The Executive Committee instructed staff to research other modular building options; research potential site plans for relocation from the current site; and bring back those options to a future Executive Committee meeting.

Action Taken

No action taken.

D. REVIEW OF DRAFT June 8, 2017 BOARD AGENDA (TAKEN BEFORE CLOSED SESSION)

Recommended Consent Items

6. Investment Report - April 2017

7. Job Order Contract (JOC) - On-Call General Building and Facilities Construction - Contract Award

Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWL234.0-17 (SANDAG Doc. No. 5007503) with ABC Construction Company, Inc. (ABC), for the provision of on-call job order general building and facilities construction services agreement for a three-year period.

8. San Diego Transit Corporation (SDTC) Gas Detection Upgrade - Contract Award

Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWB217.0-17 with Clean Energy, a California Corporation, for gas detection upgrades at the two SDTC locations, Imperial Avenue Division (IAD) and Kearny Mesa Division (KMD).

9. Printing and Delivery of Take One Notices - Contract Award

Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1987.0-17 with Neyenesch Printers, Inc., for printing and delivery of Take One notices for five (5) base years with two (2) 1-year options, exercisable at MTS's sole discretion.

10. San Diego Trolley, Inc. (SDTI) Wheel Truing Pit - Construction Changes
Action would: (1) Ratify Construction Changes for Change Order 001 to MTS Doc. No. PWL209.0-16, with Western Rim Constructors, Inc. (WRC) for \$98,584.76, which was previously issued under the Chief Executive Officer's (CEO) authority, for the Wheel Truing Pit construction; and (2) Authorize the CEO to execute Construction Change Order 002 to MTS Doc. No. PWL209.0-16, with WRC for \$95,433.26, for work associated with dewatering the wheel truing pit, adding concrete and other miscellaneous changes.
11. On-Call General Civil Construction Services - Contract Amendment
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWL204.1-16 with ABC Construction Company, for an increase to the contract value.
12. Bus Tires for Contract Services - Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0670.0-17 with Daniels Tire Service for the purchase of 216 tires for 40ft Standard Low Floor Buses and 270 tires for 60ft Articulated Buses.
13. Green Line Traction Power Substation Rehabilitation Services: Mass Electric Construction Contract Change Orders
Action would: (1) Ratify Change Order Nos. 2 - 5 to MTS Doc. No. PWL183.0-16 which were previously approved under the Chief Executive Officer's (CEO) approval authority; and (2) Authorize the CEO to execute change orders as necessary for the Mass Electric Construction contract (MTS Doc. No. PWL183.0-16) up to \$495,411.00 with Mass Electric Construction (MEC) Company to modify transformer to rectifier bus bar connection, add negative pullboxes for conduit reroute, replace feeder cables, and adjust for feeder cables variant.
14. Job Order Contract (JOC) On-Call Railroad Signals, Overhead Catenary Systems and Track Work Construction Services - Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWL235.0-17 (SANDAG Doc. No. 5007506) with HMS Construction, Inc. (HMS), for the provision of on-call job order railroad signals, overhead catenary systems and track work construction services for a three-year agreement.
15. Microsoft Licensing and Software Assurance Upgrade - Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G2008.0-17 with Crayon Software Experts, LLC for Microsoft Licensing and Software Assurance Upgrade for three years.
16. Regional Transit Management System (RTMS) Expansion Hardware for Copley Park Division - Sole Source Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0672.0-17 with Conduent Transport Solutions, Inc. (Conduent) for the purchase of RTMS related hardware and spare equipment for the Copley Park Division (Copley) RTMS expansion project.
17. Sole Source Award to Drake Integrations for San Diego State University (SDSU) Tunnel Fire, Life, Safety and Smoke Control System
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWL237.0-17, a sole source agreement with Drake Integrations to procure, install, integrate and program a Distech Control Fire, Life, Safety and Smoke Control System at the SDSU station and tunnel.

18. Contract Ratifications and Amendments for Federal Communications Commission (FCC) Mandated 800 MHz Rebanding Services

Action would: (1) Ratify previous contract amendment G1738.1-15 with Ross & Baruzzini of \$82,282, previously issued under the Chief Executive Officer's (CEO) authority; (2) Authorize the CEO to execute amendment G1738.2-15 for Ross & Baruzzini to increase the total contract value by \$58,981, for a revised total contract value of \$291,193; and (3) Ratify previous contract amendment G1739.1-15 with Day Wireless Systems of \$53,810, previously issued under the CEO's authority.

COMMENTS - Recommended Consent Items

Ms. Rios inquired about agenda item number 8 and asked if there was a significant difference between the bidders in terms of qualifications. Ms. Landers replied that Clean Energy is a contractor that MTS has worked with before and we are confident that they are knowledgeable and capable to perform the duties.

E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA (TAKEN BEFORE CLOSED SESSION)

There was no SANDAG Transportation Committee agenda discussion.

F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS (TAKEN BEFORE CLOSED SESSION)

There was no Committee Member Communications and Other Business discussion.

G. PUBLIC COMMENTS (TAKEN BEFORE CLOSED SESSION)

There were no Public Comments.

The Executive Committee convened for Closed Session at 10:58 a.m.

C3. CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54956.8

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

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

Negotiating Parties: Baja California Railroad, Inc. (BJRR)

Under Negotiation: Price and Terms of Payment under Desert Line Lease and Operating Agreement

The Executive Committee reconvened from Closed Session at 11:36 a.m.

Oral Report on Final Actions Taken in Closed Session

C3. The Executive Committee received a report from staff and gave instructions.

H. NEXT MEETING DATE

The next Executive Committee meeting is scheduled for July 13, 2017, at 9:00 a.m. in the Executive Committee Conference Room.

I. ADJOURNMENT

Chairman Mathis adjourned the meeting at 11:37 a.m.

Chairman

Attachment: Roll Call Sheet

EXECUTIVE COMMITTEE
SAN DIEGO METROPOLITAN TRANSIT SYSTEM

ROLL CALL

MEETING OF (DATE) June 1, 2017 CALL TO ORDER (TIME) 10:08 a.m.
 RECESS _____ RECONVENE _____
 CLOSED SESSION 10:58 a.m. RECONVENE 11:36 a.m.
 ADJOURN 11:37 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
COLE	<input checked="" type="checkbox"/> (Gomez) <input type="checkbox"/>	10:08 a.m.	11:37 a.m.
MATHIS	<input checked="" type="checkbox"/>	10:08 a.m.	11:37 a.m.
MCCLELLAN	<input checked="" type="checkbox"/> (McWhirter) <input type="checkbox"/>	10:08 a.m.	11:37 a.m.
RIOS	<input checked="" type="checkbox"/> (Salas) <input type="checkbox"/>	10:08 a.m.	11:37 a.m.
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	10:08 a.m.	11:37 a.m.
Transportation Committee Rep Slot (Mathis)			

SIGNED BY THE CLERK OF THE BOARD: *Julia Tuer*

CONFIRMED BY THE GENERAL COUNSEL: *[Signature]*



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Agenda Item No. C1

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

July 13, 2017

SUBJECT:

FARE COLLECTION UPDATE (SHARON COONEY)

INFORMATIONAL ONLY

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, correct system deficiencies, and begin the process for modernization and replacement of components of the system that was originally procured in 2003.

Staff will provide a report on progress on several Compass initiatives including mobile ticketing, stored value implementation, Webtix, and creation of a Concept of Operations for system modernization.

/s/ Paul C. Jablonski
Paul C. Jablonski
Chief Executive Officer

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

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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.





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Agenda Item No. C2

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

July 13, 2017

SUBJECT:

MTS – PRIVATE PARTY FIBER SWAP AGREEMENTS (KAREN LANDERS)

RECOMMENDATION:

That the Executive Committee receive a report and provide direction to staff.

Budget Impact:

None.

DISCUSSION:

Staff will provide a report on potential fiber swap agreements with private parties that could provide a benefit to MTS systems and/or MTS-SANDAG capital projects.

/s/ Paul C. Jablonski

Paul C. Jablonski
Chief Executive Officer

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





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DRAFT

Agenda

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

July 20, 2017

9:00 a.m.

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

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

ACTION RECOMMENDED

1. Roll Call
2. Approval of Minutes - June 8, 2017 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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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>Increased Authorization for Legal Services Contracts to Pay Projected Expenses in Fiscal Year 2018</u>
Action would: (1) Approve increasing the dollar amount of eleven (11) legal services contracts to cover anticipated fiscal year 2018 (FY18) expenses; and (2) Ratify one legal services contract amendment with approved firm. | Approve |
| 7. | <u>Fiscal Year 2018 Transportation Development Act Claim</u>
Action would adopt Resolution Nos. 17-10, 17-11, and 17-12 approving fiscal year 2018 Transportation Development Act Article 4.0, 4.5, and 8.0 claims. | Adopt/Approve |
| 8. | <u>Semiannual Uniform Report of Disadvantaged Business Enterprise (DBE) Awards and Payments</u> | Informational |
| 9. | <u>San Diego Metropolitan Transit System (MTS) Task Order Contract Amendment Approval for Old Town Transit Center West Improvements Project</u>
Action would authorize the Chief Executive Officer (CEO) to approve Amendment No. 2 to Work Order 13.18 for MTS Doc. No. G1493.0-13 with Kimley-Horn & Associates Inc. to perform Design-Engineering Services for the Old Town Transit Center West (OTTC West) Improvements Project ("Project"). | Approve |
| 10. | <u>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 Meetings on July 11, 2017</u> | Receive/
Ratify |
| 11. | <u>Proposed Revisions to San Diego Metropolitan Transit System (MTS) Board Policy No. 12, "Ownership and Operations of the San Diego and Arizona Eastern Railway Company"</u>
Action would approve the proposed revisions to MTS Board Policy No. 12, "Ownership and Operation of the San Diego and Arizona Eastern Railway Company". | Approve |
| 12. | <u>Euclid Drainage Cleanup - Award Work Order Under a Job Order Contract</u>
Action would authorize the Chief Executive Officer (CEO) to execute Work Order No. MTSJOC7501-01, under MTS Doc. No. PWL182.0-16 with Herzog Construction, Inc. (Herzog), for the provision of services, materials, and equipment for the removal and disposal of debris within the channel near the Euclid Avenue Trolley Station. | Approve |
| 13. | <u>Banking Services and Purchasing Card Program - Contract Award</u>
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1982.0-17, with JP Morgan Chase Bank (JP Morgan), to provide banking services and a purchasing card program for a five (5) year term with four (4) one year options. | Approve |
| 14. | <u>On-Call Communications and Low Voltage Systems Wiring Services - Contract Amendment</u>
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWG170.1-15 with Communication Wiring Specialists, Inc. (CWS) for \$289,224.78. | Approve |

- | | | |
|-----|---|---------------|
| 15. | <u>On-Call Card Access Reader Installation, Maintenance and Repair Services - Contract Award</u>
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWG168.1-15 with Electro Specialty Systems (ESS) for \$171,312.64. | Approve |
| 16. | <u>Job Order Contract (JOC) On-Call General Electrical, Traffic Signal and Communications Construction Services - Contract Award</u>
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWG238.0-17 (SANDAG Doc. No. 5007502) with Select Electric, Inc., for the provision of on-call job order general electrical contracting services such as communications, traffic lights, traffic signalization and synchronization systems, and related civil construction improvements work for a three-year agreement. | Approve |
| 17. | <u>Investment Report - May 2017</u> | Informational |
| 18. | <u>Approval of Appointment to Fill Vacant Budget Development Committee Seat for 2017</u>
Action would approve the appointment of Board Member Mary Salas to the Budget Development Committee for the remainder of 2017. | Approve |
| 19. | <u>On-Call Construction Management (CM) and Engineering/Inspection Services - Master Agreements Award</u> | Approve |
| 20. | <u>On-Call Courthouse Construction Management (CM) Services - Contract Award</u> | Approve |

CLOSED SESSION

- | | | |
|-----|--|-----------------|
| 24. | <p>a. CLOSED SESSION - CONFERENCE WITH LABOR NEGOTIATORS PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54957.6
<u>Agency:</u> San Diego Trolley, Inc. ("SDTI")
<u>Agency-Designated Representative:</u> Jeff Stumbo
<u>Employee Organization:</u> Public Transit Employees Association (Representing Train Operators, Mechanics, Servicepersons and Clerical Staff at SDTI)</p> | Possible Action |
| | <p>b. CLOSED SESSION - CONFERENCE WITH LABOR NEGOTIATORS PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54957.6
<u>Agency:</u> San Diego Transit Corporation ("SDTC")
<u>Agency-Designated Representative:</u> Jeff Stumbo
<u>Employee Organization:</u> Amalgamated Transit Union, Local 1309 (Representing Bus Operators and Clerical Staff at SDTC)</p> | Possible Action |
| | <p>c. CLOSED SESSION - CONFERENCE WITH LABOR NEGOTIATORS PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54957.6
<u>Agency:</u> San Diego Trolley, Inc. ("SDTI")
<u>Agency-Designated Representative:</u> Jeff Stumbo
<u>Employee Organization:</u> Transit Enforcement Officers Association (Representing Code Compliance Inspectors)</p> | Possible Action |

Oral Report of Final Actions Taken in Closed Session

NOTICED PUBLIC HEARINGS

25. TOP Public Hearing (Denis Desmond)

Possible
Action

DISCUSSION ITEMS

30. None.

REPORT ITEMS

45. Fare Collection Update (Sharon Cooney)

Informational

46. Operations Budget Status Report for May 2017 (Mike Thompson)

Informational

60. Chairman's Report

Informational

61. Chief Executive Officer's Report

Informational

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: August 17, 2017

65. Adjournment



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Agenda Item No. 6

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

July 20, 2017

Draft for Executive Committee Review Date: 7/13/17

SUBJECT:

INCREASED AUTHORIZATION FOR LEGAL SERVICE CONTRACTS TO PAY
PROJECTED EXPENSES IN FISCAL YEAR 2018

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors:

- 1) Approve increasing the dollar amount of eleven (11) legal services contracts to cover anticipated fiscal year 2018 (FY18) expenses; and
- 2) Ratify one legal services contract amendment with approved firm.

Budget Impact

Sufficient funding has been programmed to pay these expenses in the current operating and capital budgets. The departments from which these expenses are drawn include: Risk & Claims, Real Estate, General Counsel, Human Resources, and the San Diego & Arizona Eastern Railway (SD&AE)

DISCUSSION:

Pursuant to Board Policy No. 52, "Procurement of Goods and Services", the CEO may enter into contracts with service providers for up to \$100,000. The Board must approve all agreements in excess of \$100,000.

On December 8, 2011, the Board established a panel of qualified law firms to assist MTS, San Diego Trolley, Inc. (SDTI) and San Diego Transit Corporation (SDTC) with various legal matters on an as-needed basis. Thereafter, MTS began contracting with eighteen of the approved firms for designated amounts. The firms provide different specialties of law, such as tort liability, workers' compensation, employment practices,



real estate, environmental, etc. Eleven of these firms will require contract increases to pay current and anticipated legal expenses in FY18. Rather than coming to the Board individually with each firm when the contract balance runs low, staff now requests Board approval on an annual basis at the start of each fiscal year.

The contract increases are based upon each firm's current caseload, the likelihood that a particular case may go to trial, and anticipated future litigation assigned to these firms in the current fiscal year. The following table includes the contracts needing Board approval to increase the dollar amount for legal services contracts for FY18:

#	Firm Name	Contract/ Amendment No.	Current Contract Amount	Proposed Increase Amount	Total Contract Amount*	Attachment
1	Parker Straus LLP	G1423.10-12	\$820,000	\$150,000	\$970,000	A
2	Mark H. Barber (Law Offices of)	G1426.8-12	\$500,000	\$75,000	\$575,000	B
3	Michael Ripley (Law Offices of)	G1428.7-12	\$780,000	\$200,000	\$980,000	C
4	Environmental Law Group	G1429.5-12	\$150,000	\$60,000	\$210,000	D
5	Paul Plevin Sullivan & Connaught	G1430.9-12	\$1,010,000	\$200,000	\$1,210,000	E
6	Ryan Carvalho & White	G1432.9-12	\$750,000	\$100,000	\$850,000	F
7	Trovillion, Inveiss & Demakis, APC	G1433.9-12	\$440,000	\$70,000	\$510,000	G
8	Wheatley Bingham & Baker	G1434.8-12	\$1,960,000	\$125,000	\$2,085,000	H
9	Laughlin, Falbo, Levy & Moresi, LLP	G1455.8-12	\$340,000	\$70,000	\$410,000	I
10	Liedle, Lounsbery, Larson & Lidl, LLP	G1490.9-13	\$1,080,000	\$650,000	\$1,730,000	J
11	Manning & Kass, Ellrod, Ramirez, Trester, LLP	G1491.7-13	\$190,000	\$60,000	\$250,000	K
Totals			\$8,020,000	\$1,710,000	\$9,730,000	

* Reflects the total contract value, including FY18 increases described in the chart above.

Today's action would also ratify increase to one contract authorized by the CEO in FY17. The following table includes one legal services contract needing Board ratification for current and future legal expenses through FY18.

#	Firm Name	Contract/ Amendment No.	Current Contract Amount	Amended Amount	Total Contract Amount	Attachment
1	Best, Best & Krieger, LLP	G1422.9-12	\$550,000	\$100,000	\$650,000	L

Therefore, staff is requesting that the Board of Directors: (1) approve increasing the dollar amount of eleven (11) legal services contracts; and (2) ratify one legal services contract with approved firm for current and future legal expenses through FY18.

/s/ Paul C. Jablonski
Paul C. Jablonski
Chief Executive Officer

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

Attachments: A. Draft MTS Doc. No. G1423.10-12
B. Draft MTS Doc. No. G1426.8-12
C. Draft MTS Doc. No. G1428.7-12
D. Draft MTS Doc. No. G1429.5-12
E. Draft MTS Doc. No. G1430.9-12
F. Draft MTS Doc. No. G1432.9-12
G. Draft MTS Doc. No. G1433.9-12
H. Draft MTS Doc. No. G1434.8-12
I. Draft MTS Doc. No. G1455.8-12
J. Draft MTS Doc. No. G1490.9-13
K. Draft MTS Doc. No. G1491.7-13
L. MTS Doc. No. G1422.9-12

DRAFT

July xx, 2017

MTS Doc. No. G1423.10-12
LEG 491 (PC 50633)

Parker Strauss, LLP
Mr. David C. Skyer
Partner
501 West Broadway, Suite 1600
San Diego, CA 92101

Dear Mr. Skyer:

Subject: AMENDMENT NO. 10 TO MTS DOC. NO. G1423.0-12; LEGAL SERVICES – GENERAL AND TORT LIABILITY

This shall serve as Amendment No. 10 to our agreement for the legal services as further described below.

STATEMENT OF WORK

Continue to represent and defend MTS, SDTC, and SDTI in tort liability matters in accordance with the terms and conditions as stated on MTS Doc No. G1423.0-12.

SCHEDULE

There is no change to the term of this agreement.

PAYMENT

This contract amendment shall authorize additional costs not to exceed \$150,000 for legal services. The total value of this contract including this amendment shall be in the amount of \$970,000. This amount shall not be exceeded without written approval from MTS.

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

Sincerely,

Agreed:

Paul C. Jablonski
Chief Executive Officer

David C. Skyer, Attorney
David C. Skyer, APC

JULY2017.G1423.10-12.PARKERSTRAUSS.LEGAL.doc

Date: _____

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

DRAFT

July xx, 2017

MTS Doc. No. G1426.8-12
LEG 491 (PC 50633)

Law Offices of Mark H. Barber
Mr. Mark H. Barber
Managing Attorney/Owner
2727 Camino del Rio South, Suite 220
San Diego, CA 92108

Dear Mr. Barber:

Subject: AMENDMENT NO. 8 TO MTS DOC. NO. G1426.0-12; LEGAL SERVICES – WORKER’S
COMPENSATION

This shall serve as Amendment No. 8 to our agreement for the legal services as further described below.

SCOPE

Continue to provide legal services – worker’s compensation in accordance with the terms and conditions of the original agreement, MTS Doc. No. G1426.0-12.

SCHEDULE

There is no change to the term of this agreement.

PAYMENT

This contract amendment shall authorize additional costs not to exceed \$75,000 for legal services. The total value of this contract including this amendment shall be in the amount of \$570,000. This amount shall not be exceeded without written approval from MTS.

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

Sincerely,

Agreed:

Paul C. Jablonski
Chief Executive Officer

Mark H. Barber
Law Offices of Mark H. Barber

JULY2017.G1426.8-12.MARK H. BARBER.doc

Date: _____

Cc: K. Landers, S. Lockwood, A. Liebengood, E. Abutan, A. Monreal, C. Aquino, Procurement File

DRAFT

July xx, 2017

MTS Doc. No. G1428.7-12
LEG 491 (PC 50633)

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

Dear Mr. Ripley:

Subject: AMENDMENT NO. 7 TO MTS DOC. NO. G1428.0-12; LEGAL SERVICES – GENERAL
AND TORT LIABILITY

This shall serve as Amendment No. 7 to our agreement for the legal services as further described below.

STATEMENT OF WORK

Continue to represent and defend MTS, SDTC, and SDTI in tort liability matters in accordance with the terms and conditions as stated on MTS Doc No. G1428.0-12.

SCHEDULE

There is no change to the term of this agreement.

PAYMENT

This contract amendment shall authorize additional costs not to exceed \$200,000 for legal services. The total value of this contract including this amendment shall be in the amount of \$980,000. This amount shall not be exceeded without written approval from MTS.

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

Sincerely,

Agreed:

Paul C. Jablonski
Chief Executive Officer

Michael E. Ripley, Attorney/Proprietor
Michael E. Ripley

JULY2017.G1428.7-12.M.RIPLEY.LEGAL.doc

Date: _____

Cc: S. Lockwood, K. Landers, E. Abutan, A. Monreal, C. Aquino, Procurement File

DRAFT

July xx, 2017

MTS Doc. No. G1429.5-12
LEG 490 (PC 50121)

Environmental Law Group LLP, Varco & Rosenbaum
Ms. Linda C. Beresford
Attorney
225 Broadway, Suite 1900
San Diego, CA 92101-3542

Dear Ms. Beresford:

Subject: AMENDMENT NO. 5 TO MTS DOC. NO. G1429.0-12; LEGAL SERVICES –
ENVIRONMENTAL & REAL ESTATE

This shall serve as Amendment No. 5 to our agreement for the legal services as further described below.

STATEMENT OF WORK

Contractor shall continue to provide general legal advice and services for all areas of MTS operation in accordance with the terms and conditions of the original agreement, MTS Doc No. G1429.0-12.

SCHEDULE

There is no change to the term of this agreement.

PAYMENT

This contract amendment shall authorize additional costs not to exceed \$60,000 for legal services. The total value of this contract including this amendment shall be in the amount of \$210,000. This amount shall not be exceeded without written approval from MTS.

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

Sincerely,

Agreed:

Paul C. Jablonski
Chief Executive Officer

Linda C. Beresford, Attorney
Environmental Law Group
LLP, Varco & Rosenbaum

Date: _____

G1429.5-12.ENV.LAWGROUP.7.2017

Cc: S. Lockwood, K. Landers, E. Abutan, A. Monreal, C. Aquino, Procurement File

DRAFT

July xx, 2017

MTS Doc. No. G1430.9-12
LEG 491 (PC 50633)

Paul, Plevin, Sullivan, and Connaughton, LLP
Mr. J. Rod Betts
Partner
101 W. Broadway, 9th Floor
San Diego, CA 92101

Dear Mr. Betts:

Subject: AMENDMENT NO. 9 TO MTS DOC. NO. G1430.0-12; LEGAL SERVICES – LABOR AND EMPLOYMENT, ADA, CIVIL RIGHTS AND PUBLIC

This shall serve as Amendment No. 9 to our agreement for the legal services as further described below.

SCOPE

Contractor shall continue to provide legal services – labor and employment, ADA, civil rights and public entity law in accordance with the terms and conditions of the original agreement, MTS Doc. No. G1430.0-12.

SCHEDULE

There is no change to the term of this agreement.

PAYMENT

This amendment shall authorize additional costs not to exceed \$200,000 for legal services. The total value of this contract including this amendment shall be in the amount of \$1,210,000. This amount shall not be exceeded without prior written approval from MTS.

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

Sincerely,

Agreed:

Paul C. Jablonski
Chief Executive Officer

J. Rod Betts
Paul, Plevin, Sullivan and Connaughton, LLP

JULY2017.G1430.9-12.PAULPLEVIN.doc

Date: _____

Cc: K. Landers, J. Stumbo, S. Lockwood, B. Shannon, J. DeVault, E. Abutan, A. Monreal, C. Aquino, Procurement File

DRAFT

July xx, 2017

MTS Doc. No. G1432.9-12
LEG 491 (PC 50633)

Ryan Carvalho & White LLP
Mr. Norman Ryan
Attorney
3636 Nobel Dr., Suite 200
San Diego, CA 92122-1063

Dear Mr. Ryan:

Subject: AMENDMENT NO. 9 TO MTS DOC. NO. G1432.0-12; LEGAL SERVICES – GENERAL LIABILITY, LABOR EMPLOYMENT, CONSTRUCTION AND INSURANCE LAW

This shall serve as Amendment No. 9 to our agreement for the legal services as further described below.

STATEMENT OF WORK

Contractor shall continue to provide legal services – general liability, labor and employment law, construction and insurance law in accordance with the terms and conditions of the original agreement, MTS Doc. No. G1432.0-12.

SCHEDULE

There is no change to the term of this agreement.

PAYMENT

This amendment shall authorize additional costs not to exceed \$100,000. The total value of this contract including this amendment shall remain the same in the amount of \$850,000. This amount shall not be exceeded without prior written approval from MTS.

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

Sincerely,

Agreed:

Paul C. Jablonski
Chief Executive Officer

Norman Ryan, Attorney
Ryan Carvalho & White LLP

JULY2017.G1432.9-12.RYANMERCALDO.LEGAL.doc

Date: _____

Cc: K. Landers, S. Lockwood, E. Abutan, A. Monreal, C. Aquino, Procurement File

DRAFT

July xx, 2017

MTS Doc. No. G1433.9-12
LEG 490 (PC 50633)

Trovillion, Inveiss and Demakis, APC
Ms. Nicole Demakis
Partner
1010 Second Ave., Suite 1600
San Diego, CA 92101

Dear Ms. Demakis:

Subject: AMENDMENT NO. 9 TO MTS DOC. NO. G1433.0-12; LEGAL SERVICES – WORKER’S
COMPENSATION

This shall serve as Amendment No. 9 to our agreement for the legal services as further described below.

SCOPE

Contractor shall continue to provide legal services – worker’s compensation in accordance with the terms and conditions of the original agreement, MTS Doc. No. G1433.0-12.

SCHEDULE

There is no change to the term of this agreement.

PAYMENT

This amendment shall authorize additional costs not to exceed \$70,000. The total value of this contract including this amendment shall remain the same in the amount of \$510,000. This amount shall not be exceeded without prior written approval from MTS.

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

Sincerely,

Agreed:

Paul C. Jablonski
Chief Executive Officer

Nicole Demakis
Trovillion, Inveiss and Demakis, APC

JULY2017.G1433.9-12.TROVILLIONINVEISSDEMAKIS.doc

Date: _____

Cc: K. Landers, S. Lockwood, A. Liebengood, E. Abutan, A. Monreal, C. Aquino, Procurement File

DRAFT

July xx, 2017

MTS Doc. No. G1434.8-12
LEG 491 (PC 50633)

Wheatley Bingham & Baker, LLP
Mr. Roger P. Bingham
Partner
462 Stevens Ave., Suite 109
Solana Beach, CA 92075

Dear Mr. Bingham:

Subject: AMENDMENT NO. 8 TO MTS DOC. NO. G1434.0-12; LEGAL SERVICES – GENERAL & TORT LIABILITY

This shall serve as Amendment No. 8 to our agreement for the legal services as further described below.

SCOPE

Contractor shall continue to provide legal services – general & tort liability in accordance with the terms and conditions of the original agreement, MTS Doc. No. G1434.0-12.

SCHEDULE

There is no change to the term of this agreement.

PAYMENT

This amendment shall authorize additional costs not to exceed \$125,000. The total value of this contract including this amendment shall remain the same in the amount of \$2,085,000. This amount shall not be exceeded without prior written approval from MTS.

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

Sincerely,

Agreed:

Paul C. Jablonski
Chief Executive Officer

Roger P. Bingham
Wheatley Bingham & Baker, LLP

JULY2017.G1434.8-12.WBB.doc

Date: _____

Cc: K. Landers, S. Lockwood, E. Abutan, A. Monreal, C. Aquino, Procurement File

DRAFT

July xx, 2017

MTS Doc. No. G1455.8-12
LEG 491 (PC 50633)

Laughlin, Falbo, Levy & Moresi LLP
Ms. Marijo Kuperman, Esq.
Managing Partner
600 B Street, Suite 2300
San Diego, CA 92101

Dear Ms. Kuperman:

Subject: AMENDMENT NO. 8 TO MTS DOC. NO. G1455.0-12; LEGAL SERVICES – WORKER'S
COMPENSATION

This shall serve as Amendment No. 8 to our agreement for the legal services as further described below.

SCOPE

Contractor shall continue to provide legal services – worker's compensation in accordance with the terms and conditions of the original agreement, MTS Doc. No. G1455.0-12.

SCHEDULE

There is no change to the term of this agreement.

PAYMENT

This amendment shall authorize additional costs not to exceed \$70,000. The total value of this contract including this amendment shall remain the same in the amount of \$410,000. This amount shall not be exceeded without prior written approval from MTS.

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

Sincerely,

Agreed:

Paul C. Jablonski
Chief Executive Officer

Marijo Kuperman
Laughlin, Falbo, Levy & Moresi LLP

LMARQUIS-CL
CL-G1455.8-12.LAUGHLINFALBO 7.2017

Date: _____

cc: K. Landers, S. Lockwood, E. Abutan, A. Monreal, C. Aquino, Procurement File

DRAFT

July xx, 2017

MTS Doc. No. G1490.9-13
LEG 491 (PC 50633)

Liedle, Lounsbery, Larson & Lidl, LLP
Mr. Matthew J. Liedle
Managing Partner
12520 High Bluff Dr., Suite 200
San Diego, CA 92130

Dear Mr. Liedle:

Subject: AMENDMENT NO. 9 TO MTS DOC. NO. G1490.0-13; LEGAL SERVICES – GENERAL LIABILITY, LABOR AND EMPLOYMENT LAW, CONSTRUCTION CONTRACTS AND CLAIMS, AMERICANS WITH DISABILITIES ACT (ADA), AND CIVIL RIGHTS

This shall serve as Amendment No. 9 to our agreement for the legal services as further described below.

SCOPE

Continue to provide legal services – general liability, labor and employment law, construction contracts and claims, Americans with Disabilities Act (ADA), and civil rights in accordance with the terms and conditions of the original agreement, MTS Doc. No. G1490.0-13.

SCHEDULE

There shall be no change to the schedule of this contract.

PAYMENT

This contract amendment shall authorize additional costs not to exceed \$650,000 for legal services. The total value of this contract including this amendment shall be in the amount of \$1,730,000. This amount shall not be exceeded without written approval from MTS.

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

Sincerely,

Agreed:

Paul C. Jablonski
Chief Executive Officer

Matthew J. Liedle, Managing Partner
Liedle, Lounsbery, Larson & Lidl, LLP

JULY2017.G1490.9-13.LLLL.doc

Date: _____

Cc: K. Landers, S. Lockwood, E. Abutan, A. Monreal, C. Aquino, Procurement File

DRAFT

July xx, 2017

MTS Doc. No. G1491.7-13
LEG 491 (PC 50633)

Manning & Kass, Ellrod, Ramirez, Trester, LLP
Ms. Marguerite Lieu Jonak
Partner
One Battery Park Plaza, 4th Floor
New York, NY 10004-1475

Dear Ms. Jonak:

Subject: AMENDMENT NO. 7 TO MTS DOC. NO. G1491.0-13; LEGAL SERVICES – GENERAL LIABILITY, WORKER’S COMPENSATION, LABOR AND EMPLOYMENT LAW, CONSTRUCTION CONTRACTS AND CLAIMS, AMERICANS WITH DISABILITIES ACT (ADA), CIVIL RIGHTS, CRIMINAL LAW, AND REAL ESTATE

This shall serve as Amendment No. 7 to our agreement for the legal services as further described below.

SCOPE

Contractor shall continue to provide legal services – general liability, worker’s compensation, labor and employment law, construction contracts and claims, Americans with Disabilities Act (ADA), civil rights, criminal law, and real estate in accordance with the terms and conditions of the original agreement, MTS Doc. No. G1491.0-13.

SCHEDULE

There is no change to the term of this agreement.

PAYMENT

This amendment shall authorize additional costs not to exceed \$60,000. The total value of this contract including this amendment shall remain the same in the amount of \$250,000. This amount shall not be exceeded without prior written approval from MTS.

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

Sincerely,

Agreed:

Paul C. Jablonski
Chief Executive Officer

Marguerite Lieu Jonak
Manning & Kass, Ellrod, Ramirez, Trester, LLP

JULY2017.G1491.7-13.MANNING&KASS.doc

Date: _____

Cc: K. Landers, S. Lockwood, E. Abutan, A. Monreal, C. Aquino, Procurement File



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

May 24, 2017

MTS Doc. No. G1422.9-12
LEG 491 (PC 50633)

Best Best & Krieger, LLP
Mr. Bruce W. Beach
Equity Partner
655 West Broadway, 15th Floor
San Diego, CA 92101

Dear Mr. Beach:

Subject: AMENDMENT NO. 9 TO MTS DOC. NO. G1422.0-12; LEGAL SERVICES – ALL AREAS OF MTS OPERATION

This shall serve as Amendment No. 9 to our agreement for the legal services as further described below.

SCOPE

Contractor shall continue to provide general legal advice and services for all areas of MTS operation in accordance with the terms and conditions of the original agreement, MTS Doc. No. G1422.0-12.

SCHEDULE

There is no change to the term of this agreement.

PAYMENT

This contract amendment shall authorize additional costs not to exceed \$100,000 for legal services. The total value of this contract including this amendment shall be in the amount of \$650,000. This amount shall not be exceeded without written approval from MTS.

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

Sincerely,

Paul C. Jablonski
Paul C. Jablonski FOR
Chief Executive Officer

Agreed:

Bruce W. Beach
Bruce W. Beach
Best Best & Krieger, LLP

Date: 5/30/17

LMARQUIS-CL
CL-G1422.9-12 BBK CAQUINO 052417

cc: K. Landers, S. Lockwood, E. Abutan, A. Monreal, C. Aquino, Procurement File

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., 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, Miramar, National City, Poway, San Diego, San Marcos and the County of San Diego.



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

Agenda Item No. 7

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

July 20, 2017

**Draft for
Executive Committee
Review Date: 7/13/17**

SUBJECT:

FISCAL YEAR 2018 TRANSPORTATION DEVELOPMENT ACT CLAIM

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors adopt Resolution No. 17-10 (Attachment A), 17-11 (Attachment B), and 17-12 (Attachment C) approving fiscal year (FY) 2018 Transportation Development Act Article 4.0, 4.5, and 8.0 claims.

Budget Impact

The FY 2018 TDA claims would result in the approval of \$94,437,807 in TDA funds for MTS to be utilized in the fiscal year 2018 operating and capital budgets.

DISCUSSION:

The Transportation Development Act (TDA) provides one-quarter percent of the state sales tax for operating and capital support of public transportation systems and non-motorized transportation projects. The San Diego Association of Governments (SANDAG), as the designated Regional Transportation Planning Agency, is responsible for the allocation of TDA funds to the region's cities, the County, and transit operators. At its February 24, 2017, meeting, the SANDAG Board of Directors approved the San Diego County Auditor's estimate of \$144,655,804 for the fiscal year 2018 TDA apportionment.

A Master Memorandum of Understanding (MOU) exists between SANDAG, MTS, and the North County Transit District (NCTD) with respect to the functions and responsibilities transferred to SANDAG as a result of Senate Bill 1703 (Peace, 2003). Pursuant to the MOU, both transit agencies transfer TDA funding to SANDAG annually to pay for the administrative and planning functions that transferred to SANDAG as a result of the consolidation. The MOU is updated as circumstances change. For fiscal



year 2018, \$1,863,771 in funding will remain with SANDAG for transferred administrative and planning functions.

TDA allocations are authorized under three separate articles of the law. Article 4 funds are used to provide general public transit services. Article 4.5 funds are designated for community transit services, and pursuant to SANDAG Board Policy No. 027, are allocated within the San Diego region to support paratransit services required by the Americans with Disabilities Act (ADA). Article 8 funds support specialized services such as express bus and ferry services.

A total of \$94,437,807 is estimated to be allocated to MTS for fiscal year 2018. This includes \$88,902,280 in TDA Article 4.0 claims, \$58,560,516 of which will fund operating activities, and the remaining \$30,341,764 will fund the capital improvement program; \$4,775,437 in Article 4.5 claims to fund the MTS Access/CTS Paratransit services; and \$760,090 in Article 8.0 claims to fund the ferry/commuter express services.

Therefore, staff recommends that the MTS Board of Directors adopt Resolution No. 17-10 (Attachment A), 17-11 (Attachment B), and 17-12 (Attachment C) approving fiscal year (FY) 2018 Transportation Development Act Article 4.0, 4.5, and 8.0 claims.

/s/ Paul C. Jablonski
Paul C. Jablonski
Chief Executive Officer

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

Attachments: A. Resolution No. 17-10
B. Resolution No. 17-11
C. Resolution No. 17-12

San Diego Metropolitan Transit System

Resolution No. 17-10

Resolution Approving Fiscal Year 2018 Transportation Development Act, Article 4.0

WHEREAS, effective August 10, 2000, the San Diego Metropolitan Transit System (MTS) area consolidated Transportation Development Act (TDA) claim process provides that MTS will be responsible for submitting a single claim for each article of the TDA for all MTS operators; and

WHEREAS, consistent with the intent of consolidating all transit funding for MTS-area operators, the San Diego Association of Governments (SANDAG) approved the MTS FY 2018 TDA claim, and

WHEREAS, MTS and SANDAG Boards must approve any alternate use of said balances differing from that for which they were originally claimed; and

WHEREAS, MTS and SANDAG staffs have analyzed this amendment and found it to be warranted pursuant to Section 6659 of Title 21 of the California Code of Regulations (CCR);

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED that the MTS Board of Directors does hereby approve the FY 2018 TDA Article 4.0 MTS TDA claim of \$88,902,280; \$58,560,516 of the 4.0 TDA claim will be used for operating activities, and the remaining \$30,341,764 will be used to fund capital.

PASSED AND ADOPTED by the Board of Directors this 20th day of July 2017, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

Chairperson
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

Clerk of the Board
San Diego Metropolitan Transit System

Office of the General Counsel
San Diego Metropolitan Transit System

San Diego Metropolitan Transit System

Resolution No. 17-11

Resolution Approving Fiscal Year 2018 Transportation Development Act, Article 4.5

WHEREAS, effective August 10, 2000, the San Diego Metropolitan Transit System (MTS) area consolidated Transportation Development Act (TDA) claim process provides that MTS will be responsible for submitting a single claim for each article of the TDA for all MTS operators; and

WHEREAS, consistent with the intent of consolidating all transit funding for MTS-area operators, the San Diego Association of Governments (SANDAG) approved the MTS FY 2018 TDA claim, and

WHEREAS, MTS and SANDAG Boards must approve any alternate use of said balances differing from that for which they were originally claimed; and

WHEREAS, MTS and SANDAG staffs have analyzed this amendment and found it to be warranted pursuant to Section 6659 of Title 21 of the California Code of Regulations (CCR);

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED that the MTS Board of Directors does hereby approve the FY 2018 TDA Article 4.5 MTS TDA claim of \$4,775,437. The allocation will be used to fund the MTS Access/CTS Paratransit services.

PASSED AND ADOPTED by the Board of Directors this 20th day of July 2017, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

Chairperson
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

Clerk of the Board
San Diego Metropolitan Transit System

Office of the General Counsel
San Diego Metropolitan Transit System

San Diego Metropolitan Transit System

Resolution No. 17-12

Resolution Approving Fiscal Year 2018 Transportation Development Act, Article 8.0

WHEREAS, effective August 10, 2000, the San Diego Metropolitan Transit System (MTS) area consolidated Transportation Development Act (TDA) claim process provides that MTS will be responsible for submitting a single claim for each article of the TDA for all MTS operators; and

WHEREAS, consistent with the intent of consolidating all transit funding for MTS-area operators, the San Diego Association of Governments (SANDAG) approved the MTS FY 2018 TDA claim, and

WHEREAS, MTS and SANDAG Boards must approve any alternate use of said balances differing from that for which they were originally claimed; and

WHEREAS, MTS and SANDAG staffs have analyzed this amendment and found it to be warranted pursuant to Section 6659 of Title 21 of the California Code of Regulations (CCR);

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED that the MTS Board of Directors does hereby approve the FY 2018 TDA Article 8.0 MTS TDA claim of \$760,090. The allocation will be used to fund the ferry/commuter express services.

PASSED AND ADOPTED by the Board of Directors this 20th day of July 2017, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

Chairperson
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

Clerk of the Board
San Diego Metropolitan Transit System

Office of the General Counsel
San Diego Metropolitan Transit System



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

Agenda Item No. 8

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

July 20, 2017

**Draft for
Executive Committee
Review Date: 7/13/17**

SUBJECT:

SEMIANNUAL UNIFORM REPORT OF DISADVANTAGED BUSINESS ENTERPRISE
(DBE) AWARDS AND PAYMENTS

INFORMATIONAL ONLY

Budget Impact

None.

DISCUSSION:

As a Federal Transit Administration (FTA) grantee, San Diego Metropolitan Transit System (MTS) complies with the federal regulations set forth in 49 CFR Part 26 regarding participation by DBEs in the U.S. Department of Transportation (DOT) Program.

I. Goals of MTS's DBE Program

The goals of MTS's DBE program are:

1. to ensure nondiscrimination in the award and administration of DOT-assisted contracts;
2. to create a level playing field on which DBEs can compete fairly for DOT-assisted contracts;
3. to ensure that the DBE program is narrowly tailored in accordance with applicable law;
4. to ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs;
5. to help remove barriers to the participation of DBEs in DOT-assisted contracts;
6. to assist the development of firms that can compete successfully in the marketplace outside of the DBE program; and
7. to provide appropriate flexibility to recipients of federal financial assistance in establishing and providing opportunities for DBEs.



II. MTS's DBE Triennial Overall Goal

The DBE regulations requires MTS to prepare DBE Triennial Overall Goals based upon the number of ready, willing, and able DBE-certified contractors available to bid on certain categories of MTS's federally assisted procurements. For the current triennial reporting period (October 1, 2015, to September 30, 2018), MTS has a race-neutral program with an aspirational triennial overall goal of **3.75%** DBE participation on federally funded contracts.

III. Participation by certified DBEs

For purposes of reporting DBE participation to the FTA, MTS may only count participation by certified DBE contractors. In order to be certified as a DBE through the California Unified Certification Program (CUCP), contractors must:

- (1) have a majority owner who is **socially and economically disadvantaged** (Native Americans, African Americans, Hispanics, Asian-Pacific, Subcontinent Asian Americans and women are currently presumed to be socially and economically disadvantaged by the DOT); and
- (2) the majority owner must have a personal net worth of less than **\$1,320,000**; and
- (3) the business must be a **small business** and, for most types of businesses, have average annual gross receipts less than **\$23,980,000**.

Per DOT DBE Regulations MTS **may not** count participation from certified minority owned businesses (MBE), disabled veteran owned businesses (DVBE), women owned businesses (WBE), small businesses (SB) or lesbian gay bisexual transgender owned businesses (LGBTBE) toward meeting its DBE Triennial Overall Goal.

IV. Race-Neutral Measures to Increase DBE Participation

A race-neutral DBE program means that there are no contract specific goals or advantages provided to DBE contractors. Successful bidders are chosen using race-neutral means, generally through a low-bid or best-value procurement process.

To increase DBE participation on MTS's federally assisted procurements, MTS conducts outreach to DBEs and other small businesses in an effort to inform them of upcoming MTS procurements and provides assistance in overcoming limitations such as the inability to obtain bonding or financing. The following are some of the race-neutral measures MTS has implemented:

1. outreach to past and current MBEs, DVBEs, WBEs, SBs and LGBTBEs to discuss the benefits of DBE certification and what qualifications are necessary to become DBE certified, as some may already qualify;
2. outreach to past and current DBEs, MBEs, DVBEs, WBEs, SBs and LGBTBEs requesting that they register on PlanetBids so they can receive automatic notification of upcoming MTS formal procurements;
3. for those informal procurements in which MTS must seek out three (3) bids, MTS will request at least one (1) bid from a DBE, MBE, DVBE, WBE, SB or LGBTBE, if such a contractor is available to perform the work; and

4. attend and actively promote small business conferences and programs to alert DBEs, MBEs, DVBEs, WBEs, SBs or LGBTBEs of upcoming MTS procurements.

V. Federally Funded Procurements

MTS generally reserves federal funds for transit vehicle procurements, transit facility improvements, and state-of-good-repair vehicle or system preventative maintenance projects. Only contracts awarded and paid by MTS using federal funds (or a portion of federal funds) are reported to the FTA per DOT DBE Regulations.

VI. Summary of Semi-Annual DBE Report Findings (Federal Funds Only)

The FTA Semi-Annual Report for October 1, 2016 to March 31, 2017 is the third of six reports in the current triennial period. For this reporting period, MTS **exceeded** its DBE Triennial Overall Goal of 3.75% for both contracts awarded and contracts completed. MTS achieved **19.07%** DBE participation for contracts awarded and 16.63% for contracts completed.

The main reason for why MTS was able to meet its DBE Triennial Overall Goal during this reporting period was due to awarding large, multi-year contracts to a DBE.

DBE Contractor	Services	Contract Amount
NMS Management	Janitorial service	\$3,990,618.63 (80% Fed Funded)
NMS Management	Anti-graffiti window film	\$575,602.90 (80/% Fed Funded)

It should also be noted that MTS is beginning to see that DBE and other small business firms met at outreach events are submitting proposals on MTS procurements. At outreach events, MTS explains the types of materials and services we procure, how firms can get notified of upcoming procurements, and adds firms to MTS's Bidder List. These measures have increased the number of DBEs and other small businesses submitting bids or proposals, which further increases the chances they will be awarded a procurement through either low bid or best value.

<u>REPORTING PERIOD</u>	Federal Contract Awards/Commitments			Goal
	<u>Total Federal \$\$</u>	<u>DBE \$\$</u>	<u>DBE %</u>	<u>vs 3.75%</u>
Federal Funds: Oct 1, 2016 to Mar 31, 2017	\$19,827,518.60	\$3,781,098.94	19.07%	+15.32%

<u>REPORTING PERIOD</u>	Federal Contracts Completed (Actual Payments)			Goal
	<u>Total Federal \$\$</u>	<u>DBE \$\$</u>	<u>DBE %</u>	<u>vs 3.75%</u>
Federal Funds: Oct 1, 2016 to Mar 31, 2017	\$2,695,738.52	\$448,373.56	16.63%	+12.88%

VII. Summary of DBE Participation (Local Funds Only)

MTS generally uses local and state funds for capital projects, administrative costs and other operating expenses (e.g., marketing expenses, land management, office supplies). Some small construction projects are completed by MTS using Job Order Contracts originally awarded as part of SANDAG's construction contracting program. Most of these MTS small construction projects are paid using local and state funds.

	Local Contract Awards/Commitments		
REPORTING PERIOD	<u>Total \$\$</u>	<u>DBE \$\$</u>	<u>DBE %</u>
Local Funds: Oct 1, 2016 to Mar 31, 2017	\$72,689,411.31	\$1,830,067.76	2.52%

	Local Contracts Completed (Actual Payments)		
REPORTING PERIOD	<u>Total \$\$</u>	<u>DBE \$\$</u>	<u>DBE %</u>
Local Funds: Oct 1, 2016 to Mar 31, 2017	\$53,003,382.63	\$950,455.68	1.79%

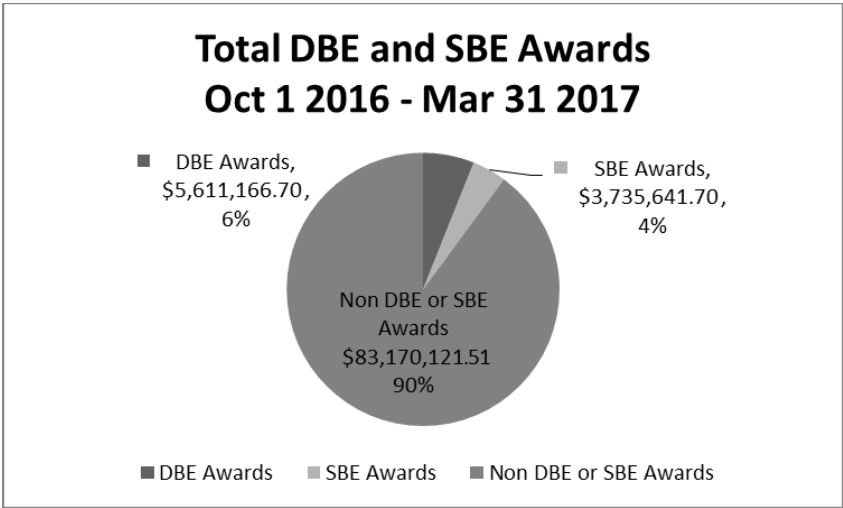
VIII. Summary of DBE, WBE, MBE, DVBE, LGBTBE and SB Participation for all Contracts (Regardless of Funding Source)

Although MTS cannot report to the FTA the participation of MBE, DVBE, WBE, SB and LGBTBE (together referred to as SBEs) for its FTA DBE Semi Annual Report, MTS does record the participation of these businesses to gauge the success of its program to foster small business participation. Of particular note this reporting period is the award of a large, multi-year contract to a WBE.

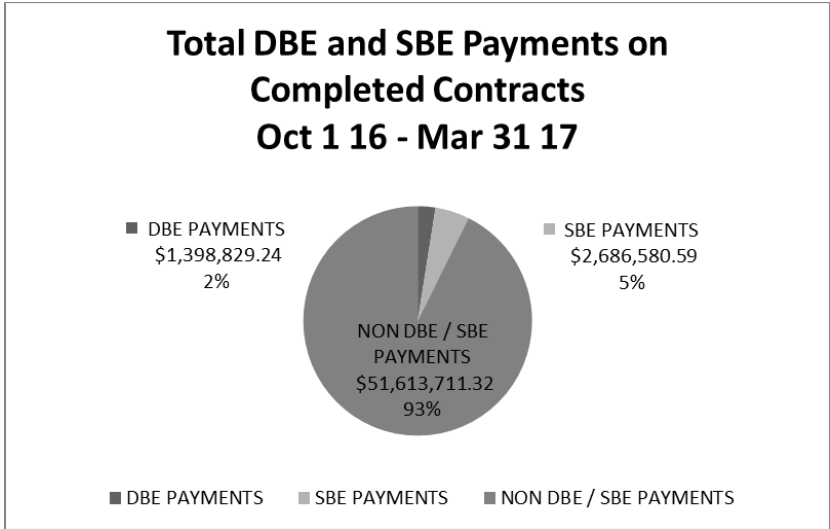
WBE Contractor	Services	Contract Amount
Medical Transportation Management	ADA Paratransit certification services	\$1,683,196.03 (100% Locally Funded)

MTS encourages the participation of SBEs on all of its contracts, no matter the funding source. MTS's DBE and small business participation rates for the reporting period, using both local and federal funds, were as follows:

	ALL Contract Awards/Commitments				
REPORTING PERIOD	<u>Total \$\$</u>	<u>DBE \$\$</u>	<u>DBE %</u>	<u>SBE \$\$</u>	<u>SBE %</u>
Total Funds: Oct 1, 2016 to Mar 31, 2017	\$92,516,929.91	\$5,611,166.70	6.07%	\$3,735,641.70	4.04%



REPORTING PERIOD	All Contracts Completed (Actual Payments)				
	Total \$\$	DBE \$\$	DBE %	SBE \$\$	SBE %
Total Funds: Oct 1, 2016 to Mar 31, 2017	\$55,699,121.15	\$1,398,829.24	2.51%	\$2,686,580.59	4.82%



/s/ Paul C. Jablonski
 Paul C. Jablonski
 Chief Executive Officer

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

- Attachments: A. History of Semi-Annual Reports for Contracts Awarded
 B. History of Semi-Annual Reports for Contracts Completed

MTS History of DBE Semi Annual Reports

Contract Awards/Commitments****

	DBE GOAL	REPORTING PERIOD	TOTAL DOLLARS AWARDED (fed & local)	Total DBE \$\$	Total DBE %	Total SBE \$\$	Total SBE %	Total Federal \$\$	Federal DBE \$\$	Federal DBE %	Federal SBE \$\$	Federal SBE %	Total Local \$\$	Local DBE \$\$	Local DBE %	Local SBE \$	LOCAL SBE %
FFY13	4.1%	Oct 1 12 to Mar 31 13	\$ 20,565,498.83	\$ 812,417.51	3.95%	\$ 157,030.00	0.76%	\$ 18,372,446.95	\$ 759,369.25	4.13%	\$ 62,535.00	0.34%	\$ 2,193,051.88	\$ 53,048.26	2.42%	\$ 94,495.00	4.31%
		Apr 1 13 to Sept 30 13	\$ 34,460,457.63	\$ 898,221.82	2.61%	\$ 1,200,261.58	3.48%	\$ 15,870,139.09	\$ 898,221.82	5.66%	\$ 877,362.58	5.53%	\$ 18,590,318.54	\$ -	0.00%	\$ 322,899.00	1.74%
Oct 1 13 to Mar 31 14		\$ 30,396,564.63	\$ 1,045,587.65	3.44%	\$ 778,423.64	2.56%	\$ 24,982,372.54	\$ 1,041,961.65	4.17%	\$ 679,320.38	2.72%	\$ 5,414,192.09	\$ 3,626.00	0.07%	\$ 99,103.26	1.83%	
Apr 1 14 to Sept 30 14		\$ 36,667,958.68	\$ 2,901,661.10	7.91%	\$ 1,412,502.45	3.85%	\$ 22,871,104.47	\$ 2,699,042.86	11.80%	\$ 1,151,923.37	5.04%	\$ 13,796,854.21	\$ 202,618.24	1.47%	\$ 260,579.08	1.89%	
FFY14	4.1%	Oct 1 14 to Mar 31 15	\$ 406,896,924.96	\$ 115,969.00	0.03%	\$ 2,073,475.82	0.51%	\$ 60,000,489.70	\$ -	0.00%	\$ 352,186.97	0.59%	\$ 346,896,435.26	\$ 115,969.00	0.03%	\$ 1,721,288.85	0.50%
		Apr 1 15 to Sept 30 15	\$ 23,961,456.64	\$ 1,032,738.82	4.31%	\$ 1,066,325.73	4.45%	\$ 3,006,532.71	\$ 89,113.74	2.96%	\$ 134,572.59	4.48%	\$ 20,954,923.93	\$ 943,625.08	4.50%	\$ 931,753.14	4.45%
Oct 1 15 to Mar 31 16		\$ 63,883,438.52	\$ 298,902.02	0.47%	\$ 2,929,504.04	4.59%	\$ 4,094,298.13	\$ 11,859.89	0.29%	\$ 246,645.99	6.02%	\$ 59,789,140.39	\$ 287,042.13	0.48%	\$ 2,682,858.05	4.49%	
Apr 1 16 to Sept 30 16		\$ 32,178,592.14	\$ 976,115.34	3.03%	\$ 996,434.97	3.10%	\$ 6,418,545.41	\$ 255,760.97	3.98%	\$ 148,325.08	2.31%	\$ 25,760,046.73	\$ 720,354.37	2.80%	\$ 848,109.89	3.29%	
FFY15*	3.75%	Oct 1 15 to Mar 31 16	\$ 92,516,929.91	\$ 5,611,166.70	6.07%	\$ 3,735,641.71	4.04%	\$ 19,827,518.60	\$ 3,781,098.94	19.07%	\$ 196,188.57	0.99%	\$ 72,689,411.31	\$ 1,830,067.76	2.52%	\$ 3,539,453.14	4.87%
Apr 1 16 to Sept 30 16		\$ 23,961,456.64	\$ 1,032,738.82	4.31%	\$ 1,066,325.73	4.45%	\$ 3,006,532.71	\$ 89,113.74	2.96%	\$ 134,572.59	4.48%	\$ 20,954,923.93	\$ 943,625.08	4.50%	\$ 931,753.14	4.45%	
FFY16**	3.75%	Oct 1 16 to Mar 31 17	\$ 188,578,960.57	\$ 6,886,184.06	3.65%	\$ 7,661,580.72	4.06%	\$ 30,340,362.14	\$ 4,048,719.80	13.34%	\$ 591,159.64	1.95%	\$158,238,598.43	\$ 2,837,464.26	1.79%	\$ 7,070,421.08	4.47%
FFY17***		Oct 1, 2015 thru Sept 30, 2018 (6 semi-annual reports - in progress)	\$ 188,578,960.57	\$ 6,886,184.06	3.65%	\$ 7,661,580.72	4.06%	\$ 30,340,362.14	\$ 4,048,719.80	13.34%	\$ 591,159.64	1.95%	\$158,238,598.43	\$ 2,837,464.26	1.79%	\$ 7,070,421.08	4.47%

In FY15, MTS began reporting the breakdown of how many federal dollars and how many local/state dollars were awarded and spent on each individual contract.

In FY16, MTS began using SAP which is capable of accurately reporting more expense procurements than previously was allowed using prior systems.

In FY17, MTS began using the U.S. Small Business Administration Database, which provides a listing of Small Businesses. This Database tracks firms in which revenues and/or number of employees do not exceed the NAICS code's small business size standards.

***Transit Vehicle Procurements (bus, trolley) from Transit Vehicle Manufacturers (TVM) are not included in this Report per DOT DBE Regulations. TVMs have their own DBE Program, Goals and Reporting requirements. Inventory procurements are also not included.

Only at time an inventory item is issued from store room will the federal/local breakdown be known, not at the time of purchase. ***

MTS History of DBE Semi Annual Reports																
Contracts Completed (Actual Payments)****																
DBE GOAL	REPORTING PERIOD	TOTAL DOLLARS COMPLETED (fed & local)	DBE \$\$	DBE %	SBE \$\$	SBE %	Total Federal \$\$	Federal DBE \$\$	Federal DBE %	Federal SBE \$\$	Federal SBE %	Total Local \$\$	Local DBE \$\$	Local DBE %	Local SBE \$\$	Local SBE %
FFY13	Oct 1 12 to Mar 31 13	\$ 4,101,792.33	\$ 206,245.24	5.03%	\$ 75,180.00	1.83%	\$ 2,407,395.30	\$ 84,745.24	3.52%	\$ 6,135.00	0.25%	\$ 1,694,397.03	\$ 121,500.00	7.17%	\$ 69,045.00	4.07%
	Apr 1 13 to Sept 30 13	\$ 13,663,022.32	\$ 319,170.50	2.34%	\$ 46,176.20	0.34%	\$ 7,977,919.62	\$ 319,170.50	4.00%	\$ 2,771.20	0.03%	\$ 5,685,102.70	\$ -	0.00%	\$ 43,405.00	0.76%
FFY14	Oct 1 13 to Mar 31 14	\$ 13,649,354.70	\$ 293,289.20	2.15%	\$ 135,927.37	1.00%	\$ 6,823,674.29	\$ 292,533.65	4.29%	\$ 115,167.05	1.69%	\$ 6,825,680.41	\$ 755.55	0.01%	\$ 20,760.32	0.30%
	Apr 1 14 to Sept 30 14	\$ 17,416,560.55	\$ 3,910,674.11	22.45%	\$ 701,129.62	4.03%	\$ 8,885,583.71	\$ 3,768,706.60	42.41%	\$ 14,654.00	0.16%	\$ 8,530,976.84	\$ 141,967.51	1.66%	\$ 686,475.62	8.05%
FFY15*	Oct 1 14 to Mar 31 15	\$ 4,358,155.38	\$ 10,891.00	0.25%	\$ 1,290,954.40	29.62%	\$ 1,209,954.09	\$ -	0.00%	\$ 40,960.72	3.39%	\$ 3,148,201.29	\$ 10,891.00	0.35%	\$ 1,249,993.68	39.71%
	Apr 1 15 to Sept 30 15	\$ 204,192,796.67	\$ 309,784.63	0.15%	\$ 379,786.82	0.19%	\$ 47,336,783.90	\$ -	0.00%	\$ 44,373.93	0.09%	\$ 156,856,012.77	\$ 309,784.63	0.20%	\$ 335,412.89	0.21%
FFY16**	Oct 1 15 to Mar 31 16	\$ 5,768,931.07	\$ 26,502.82	0.46%	\$ 591,017.84	10.24%	\$ 1,206,599.18	\$ 3,916.70	0.32%	\$ 344,129.82	28.52%	\$ 4,562,331.89	\$ 22,586.12	0.50%	\$ 246,888.02	5.41%
	Apr 1 16 to Sept 30 16	\$ 30,343,223.50	\$ 1,505,492.73	4.96%	\$ 522,113.41	1.72%	\$ 2,300,973.59	\$ 493,660.84	21.45%	\$ 126,072.16	5.48%	\$ 28,042,249.91	\$ 1,011,831.89	3.61%	\$ 396,041.25	1.41%
FFY17***	Oct 1 16 to Mar 31 17	\$ 55,699,121.15	\$ 1,437,850.27	2.58%	\$ 2,049,699.71	3.68%	\$ 2,695,738.52	\$ 448,373.56	16.63%	\$ 111,959.85	4.15%	\$ 53,003,382.63	\$ 989,476.71	1.87%	\$ 1,937,739.86	3.66%
FFY16-18	Oct 1, 2015 thru Sept 30, 2018 (6 semi-annual reports - in progress)	\$ 91,811,275.72	\$ 2,969,845.82	3.23%	\$ 3,162,830.96	3.44%	\$ 6,203,311.29	\$ 945,951.10	15.25%	\$ 582,161.83	9.38%	\$ 85,607,964.43	\$ 2,023,894.72	2.36%	\$ 2,580,669.13	3.01%

In FY15, MTS began reporting the breakdown of how many federal dollars and how many local/state dollars were awarded and spent on each individual contract.

In FY16, MTS began using SAP which is capable of accurately reporting more expense procurements than previously was allowed using prior systems.

In FY17, MTS began using the U.S. Small Business Administration Database, which provides a listing of Small Businesses. This Database tracks firms in which revenues and/or number of employees do not exceed the NAICS code's small business size standards.

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Only at time an inventory item is issued from store room will the federal/local breakdown be known, not at the time of purchase. ***



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Agenda Item No. 9

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

July 20, 2017

**Draft for
Executive Committee
Review Date: 7/13/17**

SUBJECT:

SAN DIEGO METROPOLITAN TRANSIT SYSTEM (MTS) TASK ORDER CONTRACT
AMENDMENT APPROVAL FOR OLD TOWN TRANSIT CENTER WEST
IMPROVEMENTS PROJECT

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to approve Amendment No. 2 to Work Order 13.18 for MTS Doc. No. G1493.0-13 with Kimley-Horn & Associates Inc. to perform Design-Engineering Services for the Old Town Transit Center West (OTTC West) Improvements Project ("Project").

Budget Impact

The funding for Work Order 13.18 Amendment No. 2 (\$149,445.21) is allocated under MTS Capital Improvement Project (CIP) for MTS Fiscal Year 2018, Capital Improvement Project Budget No. 3006007702. With this amendment, the total value of Kimley-Horn Task Order 13.18 will increase to \$288,445.21.

DISCUSSION:

The bus facilities on the west side of the OTTC West are constrained by limited capacity and in need of refurbishment after nearly 20 years of service. The ability to add service on some of our highest ridership routes is limited by a lack of bus bays. Multiple routes share bays, and standby buses for west side routes are inefficiently staging on the east side. During peak times, buses are circling through the center while waiting for an available bay. Additionally, many of the amenities, equipment, and furnishings, first installed in 1996, are beyond their useful life after nearly twenty years of very heavy passenger use.



MTS has initiated a capital improvement project to upgrade certain elements of the entire transit center, with an added focus on OTTC West towards improving capacity and operational efficiency. The first phase of the project will refurbish and replace the amenities most in need. Phase 2 of the project will design and construct improvements to amenities and capacity, specifically at OTTC West. These upgrades are anticipated to include increasing bus bay capacity, improving pedestrian access, repairing or replacing the remaining facilities which are beyond their useful life (not already covered in Phase I). The upgrades will also update pavement markings and traffic signage, station lighting, shelters and passenger waiting areas, next-arrival signage, and wayfinding signage and station maps.

On July 16, 2015 (AI 8), the Board authorized Task Order 13.18 with Kimley-Horn & Associates Inc. for \$139,000 (907 labor hours) to perform design work through final design. Through the design process it was discovered that additional permits would be required and additional design approval work would need to be performed to satisfy permit requirements. Phase 1 of the project has been completed. The design work for Phase 2 is at approximately 60%.

Amendment No. 1 to Task Order 13.18 added additional legal terms to the task order but did not change the scope or cost.

This Amendment No. 2 to Task Order 13.18 for \$149,445.21 (1058 labor hours) will allow MTS to satisfy all outstanding permitting needs and complete the final design process.

The Scope of Work for Amendment No. 2 consists of the following tasks:

- Task 1 – Urban Design Advancement
- Task 2 – (not used)
- Task 3 – Drainage Study
- Task 4 – Water Quality Study
- Task 5 – Engineering Design – 90 percent
- Task 6 – Engineering Design – Final
- Task 7 – Engineering Design – Bid-Ready
- Task 8 – Caltrans Coordination and Project Permit Services
- Task 9 – City of San Diego Project Development Review
- Task 10 – Design Services During Construction

The anticipated schedule for Phase 2 is for design and engineering work to continue through October 2017. Improvements designed under this Scope of Work would begin construction in FY2018 with carryover FY2017 CIP funding.

Today's action would also extend the term of Task Order 13.18 through June 30, 2018.

/s/ Paul C. Jablonski
Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Draft Work Order No. 13.18.2 (Amendment No. 2 to MTS Doc. No. G1493.0-13)

July 7, 2017

MTS Doc. No. G1493.0-13
Work Order No. 13.18.02

Mr. Dennis Landaal
Contract Project Manager
Kimley-Horn & Associates
401 B Street, Suite 600
San Diego, CA 92101

Dear Mr. Landaal:

Subject: MTS DOC. NO. G1493.0-13, AMENDMENT 2 TO WORK ORDER 13.18; GENERAL
ENGINEERING SERVICES OLD TOWN TRANSIT CENTER WEST IMPROVEMENTS

This letter shall serve as Amendment 2 to our agreement for Work Order 13.18 to MTS Doc. No. G1493.0-13, for professional services under the General Engineering Consultant Agreement, as further described below.

SCOPE OF SERVICES

Provide general engineering services for Old Town Transit Center West Improvements, in accordance with the attached Scope of Services (Attachment A).

SCHEDULE

The Scope of Services, as described above, shall extend through May 31, 2018.

PAYMENT

The Payment for this Amendment 2 shall be based on actual costs in accordance with the attached Fee Proposal (Attachment B), not to exceed \$150,000 without prior authorization. The total Work Order amount including all amendments to date is \$289,000. General engineering services will incorporate prevailing wage requirements where applicable as attached in Attachment C, Prevailing Wage (Attachment C).

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

Sincerely,

Accepted:

Paul C. Jablonski
Chief Executive Officer

Dennis Landaal
Kimley-Horn & Associates, Inc.

LMARQUIS-CL
CL-G1493.0-13.WO13.18.02.KIMLEYHORN.TALLISON.061417

Date: _____

Attachment(s): A - Scope of Services
B - Fee Proposal
C - Prevailing Wage

WORK ORDER TITLE: Old Town Transit Center (OTTC) West Improvements

Develop 90%/Final/Bid-Ready construction and supporting documents (e.g. design studies, plans, opinion of probable construction costs, specifications) and City, Caltrans approvals for the Old Town Transit Center Expansion.

I. Proposed Scope of Amendment**Design Studies:**

1. *Urban Design Advancement* – The Consultant will coordinate with project stakeholders to obtain final decisions on the visual elements of the project prior to the start of final design for those project elements. Final decisions for each element will be documented in a Design MOU for use in preparing Final PS&E.

1.1. Urban Design Advancement

- Ticket vending machines/PCIDs
- Signage/Wayfinding information
- Paving types within the OTTC limits
- Site furnishings within the OTTC limits
- Restroom Facilities
- Security requirements
- Security infrastructure specifications (Data services/duct banks)
- Station recorder vs. data link to central server
- Fiber/Communications to OTTC Comm Facilities
- Site Lighting fixtures
- Lighting/Electrical power requirements and conduit sizing
- Electrical service and metering
- Water supply requirements
- Water service and metering

Meeting Materials (includes up to two rounds of revisions):

- OTTC layout exhibit
- Paving types exhibit
- Site furnishing exhibits displaying product types, colors, materials and finishes with recommendations for existing and proposed products

1.2. Material samples for selection of materials, colors and finishes for Landscape and Irrigation Concept Design

The Consultant will:

- Develop a preliminary Landscape Concept for the approved OTTC site plan. The landscape concept will adhere to the City of San Diego and the State of California Water Efficient Landscape Regulations and ordinances and California State Building code requirements in effect at the time of work order execution.
- Develop a preliminary Irrigation Concept Plan for the approved OTTC site plan. The concept plan will look at initial irrigation design feasibility, systems coordination. This initial submittal will include:

Meetings:

- Up to 2 meetings with MTS regarding Urban Design Advancement concepts including a discussion regarding warranties, maintenance and operations.

Meeting Materials:

- Landscape Concept Rendering,
- Plant Palette/Landscape materials Exhibit,
- Preliminary locations of point of connections (meters, back flow preventers, controllers, power supply)

1.3. OTTC Communication and Electrical – The Consultant will coordinate with MTS to identify the appropriate communications and electrical improvements for the OTTC. The following will be performed by the Consultant:

- Identify OTTC electrical/communications conduit needs, for example
 1. Station Lighting
 2. Fare Technology (PCIDs and TVMs)
 3. CCTV Cameras
 4. VMS Signs
 5. Video Surveillance System
 6. Payphones
- Layout electrical/communications conduit, communications cabling and electrical wiring
- Prepare load calculations
- Develop Electrical Service Panel Schedule and sub-panel circuit breaker designations and load calculations
- Coordinate with MTS to develop communication layouts
- Identify and develop network equipment designation and device connection details

The Consultant assumes:

- Wide Area Network (WAN) design will not be required
- Items assumed to be furnished and installed by others: CCTV Cameras and associated equipment, network switch, VMS sign panels, PCID units, and TVM's.

1.4. Lighting Photometric Calculations Study -- The Consultant will:

- Prepare a photometric analysis of the proposed preliminary lighting layout within the limits of the OTTC. The analysis will be prepared to assist with the appropriate placement of safety lighting and pedestrian lighting. The photometric study will include the evaluation of up to four (4) different lighting fixtures, or lighting configurations. The average, maximum and minimum horizontal footcandle measurements will be included in the photometric study. The photometric calculation will then be evaluated and compared with the standard lighting levels per MTS design guidelines.

2. TASK NUMBER NOT USED.

3. *Drainage Study Only (No Hydromodification Design Assumed Required)* – A drainage study will be prepared for the project to analyze and size the proposed drainage infrastructure. The drainage

study for the City of San Diego and Caltrans will include the following sections; Introduction, methodology, hydrologic and hydraulic analysis, conclusions/recommendations. The study will be prepared in accordance with the agency's standard for the preparation of drainage studies in effect at the time of execution of this work order.

The Consultant will:

- Attend up to 3 meetings with the City of San Diego and Caltrans to discuss the final design of the proposed system prior to DSD / Caltrans review. Each meeting is assumed to last up to 3 hours (with 2 Consultant attendees) including preparation time for agendas, graphics, sign-in sheets, and meeting summary preparation, QC review, and email distribution.
- Prepare drainage basin mapping
- Calculate hydraulic capacity, peak flow rates, and estimation of proposed pipe and inlet sizes
- Submit a draft Drainage Study to MTS.
- Submit final Drainage Study to MTS for final review and approval to submit to the City of San Diego for project development review.
- Submit the final Drainage to the City of San Diego for project development review.

This task assumes:

- Significant changes to the preliminary concepts that were approved by the agency during the preliminary design/environmental phase of the project will not be required.
- Drainage studies will further refine the concepts already prepared and approved by the agencies.

4. *Water Quality Study* – The Consultant will update the Water Quality Study prepared during the environmental phase of the project for the City of San Diego. The update to the Water Quality Technical Report will be based on the preliminary concepts that were approved by the agencies during the preliminary design/environmental phase of the project.

The Consultant will:

- Coordinate and process the WQTR through the City of San Diego only and it is assumed no coordination with the Regional Board is required.
- Update report to show the implementation of the previously approved water quality treatment concepts for each section of the project.
- Submit a draft WQTR to MTS at the 90% level of plans completion.
- Submit final WQTR to MTS for final review and approval to submit to the City of San Diego for project development review.
- Submit the final WQTR to the City of San Diego for project development review.
- Provide up to three review cycle submittals for the WQTR.

This task assumes:

- Significant changes to the preliminary concepts that were approved by the agency during the preliminary design/environmental phase of the project will not be required.
- The Water Quality Technical Reports will further refine the concepts already prepared and approved by the agencies.
- Comments on the reports will be minor and not require significant changes to the overall concept of the water quality treatment that was previously approved.

STORM WATER DATA REPORT (SWDR) - Consultant shall prepare a Storm Water Data Report per Caltrans standards in place at the time of execution of this work order. This task assumes that only new impervious area will be required to be treated and that 100% treatment for the increased impervious area could be a combination of treatment of existing and proposed pavement to achieve 100% equivalent treatment for the project.

5, 6, & 7. Engineering Design (90%, Final & Bid Ready Construction Packages) – Supersedes Task 6 and 7 of Work Order 13-18. These tasks will advance OTTC Improvements through the Concept Development stage of completion and Draft PS&E (90% complete) and Final PS&E (100% complete). **~\$25K**

In addition, the consultant will prepare preliminary dry utility system design alignments based on improvement plans and existing condition base plan for the removal, relocation, undergrounding, and new service systems required to meet the project's dry utility requirements. Final plans will be the responsibility of the respective utility owner.

A. Plan Features

- a. Plan format (i.e. title sheet and sheet borders) will be in a MTS format with local jurisdiction signature blocks (including the improvements in Caltrans R/W). Standard notes for the local jurisdiction and MTS will be included.
- b. Horizontal control – Design will generally include computed centerlines with horizontal control based on station-and-offset values. Non-linear project elements such as station site plans will rely on dimensions between project features and a table of coordinates at key locations.

The scale of plan sheets are anticipated to be the city standard of 1"=40' for less detailed plans (e.g. signing and striping, temporary water pollution control) and 1"=20' for more detailed plans (e.g. station layouts, ramp improvements, precise grading).

The Consultant will provide bid package development and support services, for the tasks identified below, up to the level of effort identified in the section entitled "Bid Construction Package" in Attachment B. Bid phase services are not included in this amendment.

- Incorporate review comments to the Final Construction Plans submittal and prepare "Bid-Ready" plan sets for MTS Procurement to advertise project.
- Incorporate review comments to the Final Construction Specifications submittal and prepare "Bid-Ready" specifications for MTS Procurement to advertise project.
- Incorporate review comments to the Final Construction Cost Estimates submittal and prepare "Bid-Ready" construction cost estimates for MTS Procurement Department to advertise project.
- QC "Bid-Ready" PS&E Package and submit "Bid-Ready" bid packages to MTS Contracts Department for advertisement.

The Consultant will submit improvement plans for Caltrans, and City of San Diego review and comment at the 90% and final levels of completion. Review comments from the 90% plan submittal will be addressed in the final plans preparation effort. The Consultant will meet with MTS, Caltrans, and the City of San Diego to resolve conflicting and unclear comments (one meeting for each submittal). The Consultant will incorporate review comments, as appropriate, into the plans, so they are reflected in the

next scheduled submittal. After receipt of all 90% review comments, the Consultant will submit final plans for approval.

8. COORDINATION AND PROJECT PERMIT SERVICES:

Agency coordination will include:

- Caltrans - Task 8
- City of San Diego - Task 9

8.1 Caltrans Encroachment Permit Process – The Consultant will develop supporting Caltrans documentation in support of the Project Encroachment Permit process. It is assumed that a separate Landscape Maintenance Agreement will not be required and is therefore excluded from this scope of work.

The Consultant will perform the following subtasks to support MTS’s request for an Encroachment Permit to construct improvements on Old Town Transit Center.

8.5.1 Initiating Permit Process

The Consultant will develop and submit to Caltrans a project initiation submittal package upon completion of the 90% Plans and Specification reviewed by MTS. The submittal package will include:

- Letter of Intent addressed to Deputy District Director of Traffic Operations (Consultant to develop as part of this task)
- Standard Encroachment Permit Application (Consultant to complete as part of this task)
- Location map (Consultant to develop as part of this task)
- Cost Estimate for Improvements within Caltrans R/W
- Project and Construction Schedule
- Layout Plan showing the proposed improvements

8.5.2 Review Submittals based on “Project Funded by Public Agencies”

The Consultant will prepare two rounds of submittals (i.e. review cycles) of the following package:

- Project Plans with Special Provisions (100% Plans) (14 copies)
- Transportation Management Plan (14 Copies)
- Drainage Report, Traffic Handling Plans, Construction Staging Plans (14 copies)
- Mandatory Design Exception Fact Sheets (i.e. 11’ lanes)
- Environmental Review (Record of Completion)
- Storm Water Data Report (Short Form)
- Geotechnical Technical Memorandum
- Right of Way and Maintenance Exhibit
- Storm Water Pollution Control Plan

This task assumes each submittal to require four weeks of review time by Caltrans’ functional groups.

8.5.3 Final Submittal for Permit Processing

The Consultant will prepare a final submittal of the following package:

- Approved Set of Project Plans and Specifications (14 copies)
- Approved Reports in Review Submittal Package (4 sets of each report)
- Inspection Fee Deposit (provided by MTS staff)

9. *City of San Diego Project Development Review - The Consultant will submit draft final construction plans (MTS approved) and related storm drainage and water quality reports to the City of San Diego for Project Development Review. The Consultant will enter City review comments and Consultant responses from each submittal review into a comment log for documentation. The Consultant will meet with MTS to go over the City comments and verify MTS concurrence with Consultant responses (assume 1 meeting x 3 submittals x 2 hours x 2 documents (plans and reports)). The Consultant will meet with the City to resolve conflicting and unclear comments. The Consultant will incorporate City review comments, as appropriate, so they are reflected in the next submittal to the City (assume 4 meetings x 3 submittals x 1 hours x 2 documents (plans and reports)). This scope of services assumes 3 rounds of review and comment to obtain City approval of the plans and the drainage and water quality documents. This scope also assumes that City comments will be cosmetic in nature and not require redesign work. The consultant will perform the project development review process for up to 3 rounds of review and comment on each deliverable document or up to the level of effort identified in Attachment B.*

Upon approval by the City, the Consultant will prepare signed and sealed mylar bid set plans for signature by the City Engineer.

Upon completion of the City's approval process, the Consultant will prepare the final Notice of Intent and SWPPP report, and post the applicable documents to the State Board's SMARTS website.

Assumptions:

City requested betterment of City facilities will not be required or added to the project after submittal of the final design plans for City project development review. The Consultant will provide these services up to the level of effort identified in Attachment B.

10. *Construction Support Services – Consultant will provide up to 100 hours for technical engineering resource staff support services to MTS on an as needed basis to assist MTS staff with the activities relating to OTTC West improvements. Consultant will provide the support services described above to MTS on a time and materials basis to the extent budgeted in Attachment B.*

**Work Order Estimate
Summary**

MTS Doc. No. **G1493.0-13**
 Work Order No. **13-18 Amend#2**
 Attachment: **B**

Work Order Title: **Old Town Transit Center (OTTC) West Improvements**

Project No:

Table 1 - Cost Codes Summary (Costs & Hours)

Item	Cost Codes	Cost Codes Description	Total Costs
1		Old Town Transit Center	\$149,445.21
2			

Totals = **\$149,445.21**

Table 2 - TASKS/WBS Summary (Costs & Hours)

Item	TASKS/WBS	TASKS/WBS Description	Labor Hrs	Total Costs
1	1	Urban Design Advancement	104.0	\$15,068.94
2	2	Task Number not Used		
3	3	Drainage Study	99.0	\$12,430.25
4	4	Water Quality Study	169.0	\$21,182.65
5	5	Engineering Design - 90%	301.0	\$45,284.32
6	6	Engineering Design - Final	113.0	\$15,164.24
7	7	Engineering Design - Bid Ready	47.0	\$6,917.16
8	8	Caltrans Coordination and Project Permit Services	45.0	\$7,546.85
9	9	City of San Diego Project Development Review	80.0	\$11,834.45
10	10	Design Services During Construction	100.0	\$14,016.35

Totals = **1,058.0** **\$149,445.21**

Table 3 - Consultant/Subconsultant Summary (Costs & Hours)

(If Applicable, Select One)				Consultant	Labor Hrs	Total Costs
DBE	DVBE	SBE	Other			
				Kimley-Horn and Associates	864.0	\$119,092.99
				Aguirre and Associates	32.0	\$7,218.84
				Ninyo and Moore	162.0	\$23,133.38

Totals = **1,058.0** **\$149,445.21**

ATTACHMENT C
Prevailing WagePrevailing WageA. PUBLIC WORK

Work performed by Contractor and Subcontractor in accordance with this Contract may be a public work under California Labor Code, 1720, et seq. All public work projects are subject to compliance monitoring and enforcement by the Department of Industrial Relations (DIR).

The following requirements listed in this section apply to any bid or proposal submitted on or after March 1, 2015 and any contract for public work entered into on or after April 1, 2015:

A contractor or subcontractor shall not be qualified to bid on, be listed in a bid or proposal subject to the requirements of Public Contract Code, 4104, or engage in the performance of any contract for public work unless currently registered and qualified by the DIR to perform a public work project pursuant to Labor Code, 1725.5. (Labor Code, 1771.1 subd. (a)).

MTS will not accept a bid or enter into any contract or subcontract without proof of the Contractor and Subcontractor's current registration to perform public work pursuant to Labor Code, 1725.5. (Labor Code, 1771.1 subd. (b)). If a contract is entered into with an unregistered contractor or subcontractor, the contract shall be subject to cancellation, but shall not be voided solely for failure to comply with Labor Code, 1725.5 or 1771.1.

If an unregistered contractor submits a bid that is authorized by Business and Professions Code, 7029.1 or by Public Contract Code, 10164 or 20103.5, it will not be violation of Labor Code, 1771.1 so long as the contractor is registered at the time the contract is awarded.

If by inadvertent error an unregistered subcontractor is listed in a bid proposal, it shall not be grounds for filing a bid protest or grounds for considering the bid nonresponsive, provided that any of the following apply: 1) subcontractor is registered at bid opening; 2) within 24 hours after the bid opening, the subcontractor is registered and has paid the penalty registration fee; or 3) the subcontractor is replaced by another registered subcontractor pursuant to Public Contract Code, 4107.

To register with the DIR, use the following link:

<http://www.dir.ca.gov/Public-Works/PublicWorks.html>.

B. PREVAILING WAGE(1) Payment of Prevailing Wage

If work performed under this Contract is a public work, state prevailing wages may be applicable. When applicable, the Contractor shall pay its employees the general prevailing rate of wages as determined by the Director of the DIR for all public works projects (See Labor Code, 1771, 1774).

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. This includes ensuring compliance with the requirements relating to the employment and payment of prevailing wage to apprentices, in accordance with Labor Code, 1777.5. Noncompliance with state prevailing wage regulations may be subject to penalties, as prescribed in Labor Code, 1775, 1776, 1813 and 1815.

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. 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 DIR general prevailing wage determinations for the locality in which work is being performed. These determinations are on file and available at MTS' offices located at 1255 Imperial Avenue, Suite 1000, San Diego, California 92101, and are available from the DIR on the internet at <http://www.dir.ca.gov//DLSR/PWD/>. Federal prevailing wage rates are available from the U.S. Department of Labor on the internet at www.access.gpo.gov.

(2) Certified Payroll

If work performed under this Contract is a public work, each Contractor and Subcontractor shall comply with Labor Code, 1776 regarding maintaining accurate payroll records. This includes certifying the payroll records and making the certified payroll records available for inspection or furnishing upon request.

(3) Job Site Notice

For all public work contracts awarded on or after January 1, 2015, the prime contractor shall post a notice at each job site stating prevailing wage rates will be enforced in accordance with 8 CCR 16451 subd. (d). In addition, the prime contractor shall post a notice at each job site of the applicable DIR prevailing wage rates in accordance with Labor Code, 1773.2.

Labor Compliance

Before invoicing MTS, the successful Prime Contractor shall provide a copy of the invoice and an original copy of the labor compliance documents to MTS Labor Compliance Consultant for review and approval to the following address:

Teresa Gonzalez-White
3439 Via Beltran
San Diego, CA 92117

For questions regarding Prevailing Wage, please contact Teresa Gonzalez-White at (619) 518-1821 or by e-mail at tgwhite@sprintmail.com.



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
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Agenda Item No. 10

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS

July 20, 2017

**Draft for
Executive Committee
Review Date: 7/13/17**

SUBJECT:

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 JULY 11, 2017

THIS ITEM WILL BE PROVIDED AT EXECUTIVE COMMITTEE MEETING





1255 Imperial Avenue, Suite 1000
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Agenda Item No. 11

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

July 20, 2017

Draft for Executive Committee Review Date: 7/13/17

SUBJECT:

PROPOSED REVISIONS TO SAN DIEGO METROPOLITAN TRANSIT SYSTEM (MTS) BOARD POLICY NO. 12, "OWNERSHIP AND OPERATION OF THE SAN DIEGO AND ARIZONA EASTERN RAILWAY COMPANY"

RECOMMENDATION:

That the Board of Directors approve the proposed revisions to MTS Board Policy No. 12, "Ownership and Operation of the San Diego and Arizona Eastern Railway Company" (Attachment A).

Budget Impact

None.

DISCUSSION:

MTS staff is proposing updates to Board Policy No. 12, "Ownership and Operation of the San Diego and Arizona Eastern Railway Company". The purpose of the modifications is to update the policy to reflect the current freight operators and related business practices in particular for the Desert Line.

/s/ Paul C. Jablonski
Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Proposed Revisions to Policy No. 12 (red-line version)
B. Proposed Revisions to Policy No. 12 (clean version)

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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.





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Policies and Procedures

No. 12

SUBJECT:

[2/12/047/20/2017](#)

Board Approval:

OWNERSHIP AND OPERATION OF THE SAN DIEGO AND ARIZONA EASTERN RAILWAY COMPANY

PURPOSE:

To establish a method for handling matters relating to the management, operations, administration, and property of the San Diego and Arizona Eastern ~~(SD&AE)~~ Railway Company. ~~(SD&AE)~~.

BACKGROUND:

~~The~~ In 1979, the San Diego Metropolitan Transit System (MTS) purchased SD&AE as a means of assuring right-of-way for actual and proposed light rail transit (LRT) projects. Freight ~~As required by federal law, MTS is responsible for maintaining freight service is continued by contract over on portions of the SD&AE right-of-way by RailTex, Inc. MTS does not directly operate freight service. Instead, through its subsidiary, San Diego Imperial Valley Railroad Company, Inc. (collectively referred to as "SD&IV"). MTS also lease or operating agreements, MTS contracts with San Diego Trolley, Inc. for passenger service-out freight service rights and obligations to third party railroads.~~

1. Ownership and Control. SD&AE is a nonprofit public benefit corporation registered in the State of Nevada. MTS is the sole owner/member of the SD&AE. SD&AE is an exempt organization under Internal Revenue Code section 501(c)(3). SD&AE has no separate staff or employees. MTS provides all staff resources for the benefit of SD&AE. The MTS Board of Directors has appointed the MTS Chief Executive Officer as the President of SD&AE. Unless otherwise



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.

stated herein, matters for SD&AE should comply with applicable MTS Board Policies covering MTS actions and authority.

2. Freight Operations-Carrier Contracts.
 - a. Main Line (12th & Imperial to San Ysidro), Orange Line, and Coronado Branch: Through an "Agreement for the Operation of Freight Service and Control through Management," dated March 8, 1984, as amended, SD&AE and MTS ~~contracted~~contract with ~~RailTex~~San Diego & Imperial Valley Railroad (SD&IV) to operate freight service over the ~~SD&AE Main Line, Orange Line~~ and ~~to manage the SD&AE.~~ RailTex, Inc., with the consent of MTS, assigned its contract to SD&IV. Coronado Branch . The Coronado Branch is not currently operational.

- ~~3. Transit Passenger Operations. The agreement between SD&AE, MTS, and RailTex for the operation of freight service excludes passenger operations. Where trackage is jointly used by passenger and freight operations the agreement states, "MTS, through San Diego Trolley, Inc., shall have exclusive dispatching control, provided that reasonable provisions shall be made for orderly, scheduled freight service during nighttime "window" or such other times acceptable to San Diego Trolley, Inc. so as not to unreasonably interfere with the Operating Company's obligation to maintain effective freight service."~~
 - b. Desert Line. Through an agreement dated December 21, 2012, as amended, MTS and SD&AE contracted with Baja California Railroad, Inc. (BJRR) to operate freight service and maintain the Desert Line.
 - c. Substitution of Freight Contractors. From time to time, through negotiation or through exercise of contractual or legal rights, an individual freight contractor may be replaced. SD&IV and BJRR are collectively referred to in this Policy No. 12 as the "Freight Contractors". In the event SD&IV or BJRR are replaced as a freight contractor on an MTS railroad line, the replacement contractor shall be considered a "Freight Contractor" under this Policy No. 12.

- ~~3. Transit Passenger Operations. MTS has expressly reserved the right to operate passenger services on the SD&AE right-of-way. MTS currently operates passenger service on the Main Line and the Orange Line portions of the SD&AE right-of-way. Because the Main Line and Orange Line trackage is jointly used by freight and passenger operations, the Federal Railroad Administration (FRA) has imposed a temporal separation between freight (heavy rail) and trolley (light rail) services. Freight is provided with an absolute block of track usage nightly. MTS and SD&IV may agree to revise the absolute block days and / or times by mutual agreement so long as it is compliant with federal law.~~

4. Management of the SD&AE Board of Directors. The Board of Directors of SD&AE is composed of three members: a representative of MTS, to be selected by MTS (currently the Chief Executive Officer or his designated representative) and two representatives of SD&IV, to be selected by SD&IV. ~~In the event that SD&IV defaults with regard to freight operations, MTS (as the owner of the SD&AE) has the right to remove SD&IV directors on the SD&AE Board and~~

~~replace them with MTS directors. SD&IV provides management for SD&AE. It is contemplated that SD&AE will function as a land-holding company as opposed to acting as an operator~~the Freight Contractors. As set forth below, the role of the SD&AE Board of Directors is to advise and consult with MTS regarding proposed projects or uses that may impact both freight and passenger services, and to authorize the SD&AE President to take certain actions. As the sole member / owner of SD&AE, the MTS Board of Directors may directly approve actions and projects affecting SD&AE right-of-way or other assets and liabilities.

5. SD&AE Business Operations. It is contemplated that SD&AE will function as a land-holding company as opposed to acting as a railroad operator.

POLICY:

1. Management Relationships—Freight Operations. MTS has no immediate involvement in the day-to-day management of freight operations by ~~SD&IV~~its Freight Contractors. All matters concerning freight shippers, the quality of freight service, the maintenance of the freight right-of-way, freight operator labor and freight management will be handled by ~~SD&IV~~the Freight Contractors, and all problems relating thereto will be referred thereto by MTS without action.

The foregoing notwithstanding, as a public agency, MTS may be subject to criticism by the public for freight operations conducted over the SD&AE right of-way. MTS can be expected to request certain actions or make certain recommendations to ~~SD&IV~~the Freight Contractors to preserve a positive quality of freight service and community confidence in MTS and ~~SD&IV~~the Freight Contractors. MTS will in such instances endeavor:

- (a) to work with ~~SD&IV~~Freight Contractors;
 - (b) To identify SD&IV or BJRR as the action agent in all public communications and actions; and
 - (c) only in extreme cases involving public safety or dereliction of service responsibility seek direct action from the Boards of Directors of SD&AE and or MTS.
2. Management Relationships—Joint Operations and Right-of-Way Matters. As the owner of SD&AE, MTS will have the final decision in all matters involving joint operation and right-of-way. The ~~desires~~needs of ~~SD&IV as freight operator~~the Freight Contractors and ~~the desires of San Diego Trolley, Inc. as transit~~MTS trolley passenger ~~operator~~operations will, at all times, be given full consideration. Through SD&AE, MTS may take actions affecting the operational status of the joint passenger/freight corridors (actual or proposed) and the physical status of all corridors ~~only with~~. Subject to the ~~full prior knowledge and consent of MTS.~~ Such ~~Freight Contractors contractual rights, such~~ actions ~~will~~may include but not be limited to:

- (a) The granting, changing, or canceling of easements and other rights affecting the right-of-way.
- (b) Changes in scheduled freight operations, equipment, and maintenance that might impact passenger operations, safety, and service.
- (c) The negotiation and agreement with local government entities and agencies on matters concerning grade crossings, street improvements or changes, bicycle paths, pedestrian access, and public safety.
- (d) The location, construction, and content of advertising structures.
- (e) The review of adjacent improvements (subdivisions, rezonings, construction of industrial facilities and shopping centers, recreational facilities, etc.) that might impact passenger operations directly or indirectly through constraints imposed on passenger or freight operations. SD&IV The Freight Contractors shall work with the MTS staff in all matters where the SD&AE is the legal entity entering agreements, granting rights, making concessions, reviewing proposals, or otherwise interacting with the community.

~~In the event that MTS staff and SD&IV staff are unable to reach an agreement, the matter, with 3. SD&AE Board action, will be referred to the MTS Board of Directors and the SD&IV Board of Directors for resolution within the scope and authority legally residing with the various parties to the dispute.~~

SD&AE Board Meetings.

~~3. SD&AE Monitoring by MTS.~~

- (a) ~~Participation on Board.~~ Board membership on the SD&AE gives MTS management a direct line of communication on all significant matters relating to the SD&AE.
- (b) ~~Quarterly Reports to MTS SD&AE Board.~~ On SD&AE Board meetings are scheduled on a quarterly basis, SD&IV management is required to. At each SD&AE Board meeting, the Freight Contractors shall report items of significance as they affect the SD&IV and its operations to SD&AE, MTS or the obligations under the Freight Contractors' agreements with MTS.
- (c) ~~Monthly Review Reports to SD&AE Board.~~ MTS staff ~~will~~ and the Freight Contractors shall confer with SD&IV staff on a regular basis, such conferences to include a review of on the following areas of concern, and report on such items at each SD&AE Board meeting:
 - (1) Cash-flow problems/financial status.

- (2) Requests for changes, additions, deletions of easements and other rights affecting the right-of-way, and physical assets of the SD&AE.
- (3) Maintenance of way activities.
- (4) Customer complaints.
- (5) Schedule adherence/problems.
- (6) Freight moved.
- (7) Customers gained/lost.
- (8) Capital investment activities.
- (9) Marketing efforts.
- (10) Labor relations/employment level.
- (11) Community relations—noise, crossings, accidents, repair upgrading requests, easements/property requests.
- (12) Results of Federal Railroad Administration (FRA)/Public Utilities Code (PUC) Inspections.
- (13) Other areas of concern.

~~(d) — MTS or its representatives shall have the unrestricted right at all reasonable times to inspect and audit the physical properties, books, and records of SD&AE and the SD&IV, and the physical properties, books, and records of the freight and transit operators, which are pertinent to SD&AE freight and/or transit operations.~~

~~Audits, reviews, and/or inspections will be conducted at least once a year.~~

PROCEDURES:

1. Matters Related to Freight Operations. All inquiries, requests, complaints, and suggestions concerning freight operations received by MTS will routinely be referred to ~~SD&IV~~the Freight Contractors by MTS. ~~SD&IV~~Freight Contractors' management will, to the extent possible and subject to limitations of this policy and the written ~~agreement~~agreements between the parties, resolve the matter directly with the initiator without participation by MTS. MTS will not be or become an ombudsman in freight matters. However, public safety or other public considerations may ~~indicate~~require MTS involvement from time to time; for example, as a mediator or communications conduit. The delicate balance required is to show MTS acting responsibly and constructively while not undermining the authority of ~~SD&IV~~the Freight Contractors as the action agent.

2. Matters Related to Joint Operations and Right-of-Way Considerations. All inquiries, requests, complaints, suggestions, and actions to be taken with regard to transit passenger operations and joint-track operations will be referred to San Diego Trolley, Inc/MTS.

3. Processing Applicants/Applications Affecting SD&AE or MTS Property. All applications and requests relating to SD&AE or MTS property will be referred to MTS staff for initial review, recommendation, and processing:
 - (a) All applications that seek rights to construct items such as utilities, drainage structures, roadway improvements/widening, signs, or freight leads will be reviewed by MTS staff.
 - (1) All applications that may affect other SDTI or SD&IV Freight Contractor operations will be referred in writing by MTS staff to SDTI and SD&IV Freight Contractors with replies in writing requested by a specific date.
 - (2) Applications viewed favorably by the applicable staffs shall be referred to the Board of Directors of SD&AE for implementation and final endorsement by the MTS Board of Directors or the Board's designated designee.
 - (3) Where appropriate, general counsel for MTS and the MTS insurance consultant will review proposed actions and comments and/or make recommendations.
 - ~~(4) — Where circumstances dictate expedited handling, the MTS Chief Executive Officer may, with consent of SD&IV management, grant a temporary right of entry if (4) For routine right-of-entry permits or revocable real property rights, the SDAE President may execute real property permits and agreements upon a determination that~~ the applicant's activity will not be detrimental to freight and/or transit operations and/or safety. All permits or agreements issued shall be reported at the next scheduled SD&AE Board meeting.
 - (5) All final agreement documents between SD&AE and ~~or SD&IV management and~~ applicants will be reviewed by MTS ~~general counsel~~ General Counsel before execution. Such agreements will utilize standard forms and conditions where possible.
 - (6) MTS staff will maintain a log of all applications. Staff will ensure that prompt action is taken at each step so that applications may be promptly processed.
 - (7) MTS shall establish and charge applicants fees for such processing, based upon the actual costs incurred, as determined by the ~~Director of Engineering and Construction. Such fees shall~~

~~be waived when the applicant is SD&IV or SDT. MTS Board Policy No. 50.~~

- ~~4. Use of Fees Paid by SD&IV and Railway Museum. Such fees shall be reserved by MTS in a rail improvement fund and made available to SD&AE for such capital improvements and other rail uses as may, from time to time, be recommended by SD&IV and approved by MTS. Monies existent in this rail improvement fund shall be invested in accordance with MTS's applicable statutes and the interest earned on the invested money shall accrue to the fund. Those fees paid by the Railway Museum shall be used on capital improvements and other rail uses within the areas or properties licensed for museum use.~~

- ~~4. Ratification of SD&AE Actions by MTS Board. All reports and actions taken by the SD&AE Board shall be presented for ratification at the next scheduled MTS Board meeting.~~

POLICY.12.OWNERSHIP OPERATION SDAE RAILWAY CO
~~7/11/06~~

Original Policy adopted on 1/14/80.
Policy revised 2/28/83.
Policy revised 10/18/84.
Policy revised 6/25/92.
Policy revised/renumbered on 2/12/04.
Policy revised on 7/20/17.

Policies and Procedures

No. 12

SUBJECT:

Board Approval: 7/20/2017

OWNERSHIP AND OPERATION OF THE SAN DIEGO AND ARIZONA EASTERN RAILWAY COMPANY

PURPOSE:

To establish a method for handling matters relating to the management, operations, administration, and property of the San Diego and Arizona Eastern Railway Company (SD&AE).

BACKGROUND:

In 1979, the San Diego Metropolitan Transit System (MTS) purchased SD&AE as a means of assuring right-of-way for actual and proposed light rail transit (LRT) projects. As required by federal law, MTS is responsible for maintaining freight service on portions of the SD&AE right-of-way. MTS does not directly operate freight service. Instead, through lease or operating agreements, MTS contracts out freight service rights and obligations to third party railroads.

1. Ownership and Control. SD&AE is a nonprofit public benefit corporation registered in the State of Nevada. MTS is the sole member of the SD&AE. SD&AE is an exempt organization under Internal Revenue Code section 501(c)(3). SD&AE has no separate staff or employees. MTS provides all staff resources for the benefit of SD&AE. The MTS Board of Directors has appointed the MTS Chief Executive Officer as the President of SD&AE. Unless otherwise stated herein, matters for SD&AE should comply with applicable MTS Board Policies covering MTS actions and authority.
2. Freight Carrier Contracts.
 - a. Main Line (12th & Imperial to San Ysidro), Orange Line, and Coronado Branch: Through an "Agreement for the Operation of Freight Service and Control through Management," dated March 8, 1984, as amended, SD&AE and MTS contract with San Diego & Imperial Valley Railroad



(SD&IV) to operate freight service over the Main Line, Orange Line and Coronado Branch . The Coronado Branch is not currently operational.

- b. Desert Line. Through an agreement dated December 21, 2012, as amended, MTS and SD&AE contracted with Baja California Railroad, Inc. (BJRR) to operate freight service and maintain the Desert Line.
 - c. Substitution of Freight Contractors. From time to time, through negotiation or through exercise of contractual or legal rights, an individual freight contractor may be replaced. SD&IV and BJRR are collectively referred to in this Policy No. 12 as the “Freight Contractors”. In the event SD&IV or BJRR are replaced as a freight contractor on an MTS railroad line, the replacement contractor shall be considered a “Freight Contractor” under this Policy No. 12.
3. Transit Passenger Operations. MTS has expressly reserved the right to operate passenger services on the SD&AE right-of-way. MTS currently operates passenger service on the Main Line and the Orange Line portions of the SD&AE right-of-way. Because the Main Line and Orange Line trackage is jointly used by freight and passenger operations, the Federal Railroad Administration (FRA) has imposed a temporal separation between freight (heavy rail) and trolley (light rail) services. Freight is provided with an absolute block of track usage nightly. MTS and SD&IV may agree to revise the absolute block days and / or times by mutual agreement so long as it is compliant with federal law.
 4. SD&AE Board of Directors. The Board of Directors of SD&AE is composed of three members: a representative of MTS, to be selected by MTS (currently the Chief Executive Officer or his designated representative) and two representatives of the Freight Contractors. As set forth below, the role of the SD&AE Board of Directors is to advise and consult with MTS regarding proposed projects or uses that may impact both freight and passenger services, and to authorize the SD&AE President to take certain actions. As the sole member / owner of SD&AE, the MTS Board of Directors may directly approve actions and projects affecting SD&AE right-of-way or other assets and liabilities.
 5. SD&AE Business Operations. It is contemplated that SD&AE will function as a land-holding company as opposed to acting as a railroad operator.

POLICY:

1. Management Relationships—Freight Operations. MTS has no immediate involvement in the day-to-day management of freight operations by its Freight Contractors. All matters concerning freight shippers, the quality of freight service, the maintenance of the freight right-of-way, freight operator labor and freight management will be handled by the Freight Contractors, and all problems relating thereto will be referred thereto by MTS without action.

The foregoing notwithstanding, as a public agency, MTS may be subject to criticism by the public for freight operations conducted over the SD&AE right of-way. MTS can be expected to request certain actions or make certain recommendations to the Freight Contractors to preserve a positive quality of

freight service and community confidence in MTS and the Freight Contractors. MTS will in such instances endeavor:

- (a) to work with Freight Contractors;
- (b) To identify SD&IV or BJRR as the action agent in all public communications and actions; and
- (c) only in extreme cases involving public safety or dereliction of service responsibility seek direct action from the Boards of Directors of SD&AE and/or MTS.

2. Management Relationships—Joint Operations and Right-of-Way Matters. As the owner of SD&AE, MTS will have the final decision in all matters involving joint operation and right-of-way. The needs of the Freight Contractors and MTS trolley passenger operations will, at all times, be given full consideration. Through SD&AE, MTS may take actions affecting the operational status of the joint passenger/freight corridors (actual or proposed) and the physical status of all corridors. Subject to the Freight Contractors contractual rights, such actions may include but not be limited to:

- (a) The granting, changing, or canceling of easements and other rights affecting the right-of-way.
- (b) Changes in scheduled freight operations, equipment, and maintenance that might impact passenger operations, safety, and service.
- (c) The negotiation and agreement with local government entities and agencies on matters concerning grade crossings, street improvements or changes, bicycle paths, pedestrian access, and public safety.
- (d) The location, construction, and content of advertising structures.
- (e) The review of adjacent improvements (subdivisions, rezonings, construction of industrial facilities and shopping centers, recreational facilities, etc.) that might impact passenger operations directly or indirectly through constraints imposed on passenger or freight operations. The Freight Contractors shall work with the MTS staff in all matters where the SD&AE is the legal entity entering agreements, granting rights, making concessions, reviewing proposals, or otherwise interacting with the community.

3. SD&AE Board Meetings.

- (a) Quarterly Reports to SD&AE Board. SD&AE Board meetings are scheduled on a quarterly basis. At each SD&AE Board meeting, the Freight Contractors shall report items of significance as they affect SD&AE, MTS or the obligations under the Freight Contractors' agreements with MTS.

- (c) Reports to SD&AE Board. MTS staff and the Freight Contractors shall confer on a regular basis on the following areas of concern, and report on such items at each SD&AE Board meeting:
- (1) Cash-flow problems/financial status.
 - (2) Requests for changes, additions, deletions of easements and other rights affecting the right-of-way, and physical assets of the SD&AE.
 - (3) Maintenance of way activities.
 - (4) Customer complaints.
 - (5) Schedule adherence/problems.
 - (6) Freight moved.
 - (7) Customers gained/lost.
 - (8) Capital investment activities.
 - (9) Marketing efforts.
 - (10) Labor relations/employment level.
 - (11) Community relations—noise, crossings, accidents, repair upgrading requests, easements/property requests.
 - (12) Results of Federal Railroad Administration (FRA)/Public Utilities Code (PUC) Inspections.
 - (13) Other areas of concern.

PROCEDURES:

1. Matters Related to Freight Operations. All inquiries, requests, complaints, and suggestions concerning freight operations received by MTS will routinely be referred to the Freight Contractors by MTS. Freight Contractors' management will, to the extent possible and subject to limitations of this policy and the written agreements between the parties, resolve the matter directly with the initiator without participation by MTS. MTS will not be or become an ombudsman in freight matters. However, public safety or other public considerations may require MTS involvement from time to time; for example, as a mediator or communications conduit. The delicate balance required is to show MTS acting responsibly and constructively while not undermining the authority of the Freight Contractors as the action agent.
2. Matters Related to Joint Operations and Right-of-Way Considerations. All inquiries, requests, complaints, suggestions, and actions to be taken with regard

to transit passenger operations and joint-track operations will be referred to MTS.

3. Processing Applications Affecting SD&AE or MTS Property. All applications and requests relating to SD&AE or MTS property will be referred to MTS staff for initial review, recommendation, and processing:
 - (a) All applications that seek rights to construct items such as utilities, drainage structures, roadway improvements/widening, signs, or freight leads will be reviewed by MTS staff.
 - (1) All applications that may affect Freight Contractor operations will be referred in writing by MTS staff to Freight Contractors with replies in writing requested by a specific date.
 - (2) Applications viewed favorably by the applicable staffs shall be referred to the Board of Directors of SD&AE for implementation and final endorsement by the MTS Board of Directors or the Board's designee.
 - (3) Where appropriate, general counsel for MTS and the MTS insurance consultant will review proposed actions and comments and/or make recommendations.
 - (4) For routine right-of-entry permits or revocable real property rights, the SDAE President may execute real property permits and agreements upon a determination that the applicant's activity will not be detrimental to freight and/or transit operations and/or safety. All permits or agreements issued shall be reported at the next scheduled SD&AE Board meeting.
 - (5) All final agreement documents between SD&AE and applicants will be reviewed by MTS General Counsel before execution. Such agreements will utilize standard forms and conditions where possible.
 - (6) MTS staff will maintain a log of all applications. Staff will ensure that prompt action is taken at each step so that applications may be promptly processed.
 - (7) MTS shall establish and charge applicants fees for such processing, based upon the actual costs incurred, as determined by the MTS Board Policy No. 50.
4. Ratification of SD&AE Actions by MTS Board. All reports and actions taken by the SD&AE Board shall be presented for ratification at the next scheduled MTS Board meeting.

Original Policy adopted on 1/14/80.
Policy revised 2/28/83.
Policy revised 10/18/84.
Policy revised 6/25/92.
Policy revised/renumbered on 2/12/04.
Policy revised on 7/20/17.



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Agenda Item No. 12

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

July 20, 2017

**Draft for
Executive Committee
Review Date: 7/13/17**

SUBJECT:

EUCLID DRAINAGE CLEANUP – AWARD WORK ORDER UNDER A JOB ORDER CONTRACT

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute Work Order No. MTSJOC7501-01 (in substantially the same format as Attachment A), under MTS Doc. No. PWL182.0-16, with Herzog Construction, Inc. (Herzog), for the provision of services, materials, and equipment for the removal and disposal of debris within the channel near the Euclid Avenue Trolley Station.

Budget Impact

The total cost for this work order will not exceed \$159,016.71 inclusive of a direct cost of \$157,426.54 and the contractor share of administrative fees totaling \$1,590.17. Total administrative fees are \$4,229.85 (contractor share \$1,590.17 and MTS share \$2,639.68). Funding will be from the fiscal year (FY) 2018 Capital Improvement Project (CIP) number 2005007203, OL Tie Replacement.

DISCUSSION:

In September 2015, the MTS Board of Directors authorized the CEO to execute MTS Doc. No. PWL182.0-16 with Herzog, for the provision of as-needed railroad construction services that include, but not limited to, main track rehabilitation, replacement, grade crossing repairs, special track work, environmental, and storm water pollution prevention projects located in or near the railroad right of way.

This project would remove all sediment, vegetation, trees, trash, rocks, and other debris from the concrete-lined drainage channel adjacent to the Euclid Avenue Trolley Station. The channel is within the railroad right of way, located north of the trolley platform and south of the bus bay. The removal will take place in the channel 40 feet east of the most



easterly pedestrian bridge, and 13 feet west of the most westerly pedestrian bridge, for a total length of 438 linear feet.

Therefore staff recommends that the MTS Board of Directors authorize the CEO to execute Work Order No. MTSJOC7501-01 (in substantially the same format as Attachment A), under MTS Doc. No. PWL182.0-16 with Herzog Construction, Inc., for the provision of services, materials, and equipment for the removal and disposal of debris within the channel near Euclid Avenue Trolley Station.

/s/ Paul C. Jablonski

Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Draft Work Order MTSJOC7501-01

JOB ORDER CONTRACT
WORK ORDER

PWL182.0-16
CONTRACT NUMBER

MTSJOC7501-01
WORK ORDER NUMBER

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, hereinafter referred to as "Contractor":

Name: Herzog Construction, Inc. Address: 3760 Kilroy Airport Way Suite 120

Form of Business: Corporation Long Beach, CA 90806
(Corporation, partnership, sole proprietor, etc.)

Telephone: (562) 595-7414

Authorized person to sign contracts: Gene Chimits Project Manager
Name Title

Pursuant to the existing Job Order Contract (MTS Doc. No. PWL182.0-16), MTS issues a Work Order to Contractor to complete the detailed Scope of Work (attached as Exhibit A.), the Cost Breakdown for the Scope of Work (attached as Exhibit B.), and the subcontractor listing form applicable to this Work Order (attached as Exhibit C.)

Pursuant to the SANDAG JOC Contract Section 7-1.04A(3), 1% of the work order value has been deducted. MTS will pay both the Contractor (1%) and the MTS/Owner share of the Gordian Group license fee.

The total cost for this work order will not exceed \$159,016.71 inclusive of a direct cost of \$157,426.54 and a 1% Gordian Group license fee of \$1,590.17.

TOTAL PAYMENTS TO CONTRACTOR SHALL NOT EXCEED \$157,426.54

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
<u>\$ 157,426.54</u>	<u>2005007203</u>	<u>2018</u>

By: Chief Financial Officer _____ Date _____
(___ total pages, each bearing contract number and work order number)



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Agenda Item No. 13

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

July 20, 2017

**Draft for
Executive Committee
Review Date: 7/13/17**

SUBJECT:

BANKING SERVICES AND PURCHASING CARD PROGRAM – 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. G1982.0-17, (in substantially the same format as Attachment A) with JP Morgan Chase Bank (JP Morgan), to provide banking services and a purchasing card program for a five (5) year term with four (4) one year options.

Budget Impact

The total cost of this agreement will not exceed \$650,961.60 for the base years and \$540,769.44 for all option years for a total not to exceed award of \$1,191,731.04 over the entire term of the agreement. This contract will be locally funded under Budget Account 902010-579900.

DISCUSSION:

MTS's current banking agreement with JP Morgan, MTS Doc. No. G1413.0-13, expires on October 31, 2017. Under the existing agreement, JP Morgan has provided banking services and a purchasing card program to MTS for the past five years. The existing banking services include management of five accounts with various restrictions depending on the account type, the processing of large volumes of armored car cash deposits each day as well as providing robust online services and a purchasing card program with adequate controls. Recent enhancements that accompanied the implementation of SAP have expanded MTS's service needs to include direct transmissions for Automated Clearing House payments as well as positive pay protection on paper disbursements.

Furthermore, the replacement agreement will include all of the existing and expanded services as well as allow for possible future enhancements as the banking industry continues to focus on paperless solutions and enhanced cyber security.



MTS Policy No. 52, "Procurement of Goods and Services", requires a formal competitive process for acquisitions exceeding \$100,000.

On January 31, 2017, prior to the release of the Request for Proposals (RFP), MTS contacted the following small and local banks in order to notify and encourage them to participate in the potential award opportunity:

1. Bank Of Hope
2. Cathay Bank
3. Pacific Commerce Bank
4. East West Bank
5. Hanmi

On February 2, 2017, MTS issued the Request for Proposals (RFP) for Banking Services and two (2) proposals were received on the due date of March 17, 2017, as follows:

1. JPMorgan Chase Bank
2. Wells Fargo Bank

Both submissions were deemed responsive and responsible.

A selection committee, consisting of representatives from MTS Finance, Trolley Revenue Operations, and Transit Support Services, met and scored the proposals based on the following:

- | | |
|---|------------|
| 1. Financial Stability | 15% |
| 2. Conversion Plan, Qualifications/Relevant Experience, and Ability to Provide All Services | 25% |
| 3. Customer Service | 30% |
| 4. Community Reinvestment Act (CRA) | 5% |
| 5. Cost and Price | <u>25%</u> |
| | Total 100% |

After the initial evaluation of proposals received, the evaluation panel determined it would be in MTS's best interest to interview both proposers as they were determined to be within the competitive range. Following interviews of both proposers, MTS requested revised technical and cost proposals and the panel re-evaluated the revised submissions per the RFP requirements.

The following table represents the proposers' final scores and rankings following the interviews and evaluation of revised technical and cost proposals:

BANKING SERVICES				
PROPOSER NAME	TOTAL AVG. TECH. SCORE	COST SCORE	TOTAL SCORE (TECH + COST)	RANKING
JP MORGAN CHASE	69.85	18.73	88.58	1
WELLS FARGO	55.00	25.00	80.00	2

Staff then negotiated with JP Morgan Chase to reduce the overall Not to Exceed (NTE) amount for the entire term of the Agreement including an increase to the earnings credit allowance from .55% to .65%. As a result, the total cost of this project was reduced by \$37,108.80, from the originally proposed \$1,228,839.84 to a downward adjusted \$1,191,731.04 and the earnings credit allowance of .65% is further expected to result in a lower overall agreement cost.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute MTS Doc. No. G1982.0-17, (in substantially the same format as Attachment A) with JPMorgan Chase Bank (JPMorgan) for the provision of Banking Services, for a five (5) year term with four (4) one year options, exercisable at MTS's sole determination.

/s/ Paul C. Jablonski
Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Draft MTS Doc. No. G1982.0-17

G1982.0-17
CONTRACT NUMBER

STANDARD SERVICES AGREEMENT

360
FILE/PO 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, hereinafter referred to as "Contractor":

Name: JPMorgan Chase Bank

Address: West Broadway Ste. 840
San Diego, CA 92101

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

Telephone: 949-833-4061

Email Address: Kerwin.p.deese@jpmorgan.com

Authorized person to sign contracts: Kerwin P. Deese - Vice President Relationship Mgr. Government Banking
Name Title

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

JPMorgan Chase Bank shall provide MTS with comprehensive Banking services, as specified in the Scope of Work (attached as Exhibit A), the Negotiated Cost Proposal (attached as Exhibit B), and in accordance with the Standard Services Agreement, including the Standard Conditions Services (attached as Exhibit C).

The contract term is for up to a nine (9) year period with [five (5) year base and four (4) one-year options] exercisable at MTS's sole discretion. The base period shall commence on November 1, 2017 through October 31, 2022 and Option Years 1 through 4 shall be effective November 1, 2022 through October 31, 2026, if exercised.

The total contract award amount shall not exceed \$650,961.60 for the base period and \$540,769.44 for all option years (1 through 4) for a total not to exceed amount of \$1,191,731.04.

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
\$1,191,731.04	579900-902010	2017-2022

By: _____
Chief Financial Officer Date

(XX total pages, each bearing contract number)

SA-SERVICES (REV 2/22/2017)
DATE



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Agenda Item No. 14

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

July 20, 2017

**Draft for
 Executive Committee
 Review Date: 7/13/17**

SUBJECT:

ON-CALL COMMUNICATIONS AND LOW VOLTAGE SYSTEMS WIRING SERVICES -
 CONTRACT AMENDMENT

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWG170.1-15 with Communication Wiring Specialists, Inc. (CWS) for \$289,224.78 (Attachment A).

Budget Impact

The new value of this agreement will not exceed \$782,924.78 (\$493,700+\$289,224.78). Funding for fiscal year 2018 is included in the Information Technology (IT) department operating and maintenance budget. Funding for future fiscal years will be included in the IT department's operating budget (661010 - 571250) as follows:

Year	Original Agreement	Amendment 1
Base Year 1 (FY16)	80,627	289,224.78
Base Year 2 (FY17)	80,627	
Base Year 3 (FY18)	82,283	
Option Year 1 (FY19)	82,283	
Option Year 2 (FY20)	83,940	
Option Year 3 (FY21)	83,940	
Total	493,700	
New Overall Total (Base + Option years)		782,924.78



DISCUSSION:

MTS uses CWS to provide both routine, urgent communications and voltage wiring services. Services include new wiring installations, maintenance and repair to support MTS networks and equipment. Services also support data storage and servers, network switches and routers, desktops and laptops, printers, back office systems including the fare system, centralized train control (CTC), telephones, internet access and variable message signs (VMS).

On September 17, 2015 the MTS Board approved MTS Doc. No. PWG170.0-15 with CWS, competitively solicited through a Request for Proposals, for three base years and three option years, exercisable at MTS’s sole discretion for \$493,700.

From 2015 to date, MTS has seen an increase in service needs due to the implementation of the Next Train Arrival (NTA) project. During implementation of the project, it was determined that issues related to the inaccurate display of real time information at some stations was due to problems with the existing network cabling which had to then be replaced.

Additional projects are now approved which will require CWS services. These projects include the cabling to support network equipment relocation, a technology refresh for Centralized Train Control, as well as an extension of fiber along the Green Line.

Due to the increased services, from contract execution on October 1, 2015 to May 31, 2017, the actual contract usage has exceeded the previously approved amount for the base years by \$80,340.22, a monthly difference between actual usage and authorized spend of \$4,017.01. Based on this additional usage, from June 1, 2017 though the end of the base years on September 31, 2018, the anticipated additional cost is \$64,272.17. For the three (3) optional years from October 2018 to September 2021, the anticipated additional amount is \$144,612.39.

Based on this increased usage, staff recommends adding funds to the existing agreement so that work can continue on the current and upcoming projects through September 30, 2021.

The table below summarizes the proposed amendment:

	Usage	Spend	Difference
Average Monthly	\$10,735.93	\$6,718.92	4,017.01
Contract Period (October 1, 2015 to May 31, 2017)	\$214,718.55	\$134,378.33	\$80,340.22
Remaining Base Years' 16 Months (June 1, 2017 to September 2018; \$4,017.01 x 16 months)			\$64,272.17
3 Optional Years (October 2018 to September 2021; \$4,017.01 x 36 months)			\$144,612.39
AMENDMENT TOTAL			\$289,224.78

Therefore, staff recommends that the San Diego MTS Board of Directors authorize the CEO to execute MTS Doc. No. PWG170.1-15 (in substantially the same format as Attachment A) with Communication Wiring Specialists (CWS) for \$289,224.78.

/s/ Paul C. Jablonski
Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. MTS Doc. No. PWG170.1-15

July 20, 2017

MTS Doc. No. PWG170.1-15

Eric Templin
Communication Wiring Specialists, Inc.
8909 Complex Drive, Suite F
San Diego, CA 92123

Subject: AMENDMENT NO. 1 TO MTS DOC. NO. PWG170.0-15; ON-CALL COMMUNICATION AND LOW VOLTAGE SYSTEMS WIRING SERVICES

This shall serve as Amendment No. 1 to our agreement for On-Call Communication and Low Voltage Systems Wiring Services as further described below.

SCOPE OF SERVICES

There shall be no changes to the scope of services of this agreement.

SCHEDULE

There shall be no changes to the schedule provision of this agreement.

PAYMENT

As a result of this amendment the contract amount is increased by \$289,224.78. The new contract total is amended from \$493,700 to \$782,924.78 for both base and option years. Contractor shall not exceed this amount without MTS' written approval.

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

Sincerely,

Agreed:

Paul C. Jablonski
Chief Executive Officer

Eric Templin
Communication Wiring Specialists, Inc.

LMARQUIS-CL
PWG170.1-15.CWS.DSINGLETON.062117

Date: _____

cc: J. Saul, Contract File



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Agenda Item No. 15

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

July 20, 2017

**Draft for
 Executive Committee
 Review Date: 7/13/17**

SUBJECT:

ON-CALL CARD ACCESS READER INSTALLATION, MAINTENANCE AND REPAIR
 SERVICES - CONTRACT AMENDMENT

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWG168.1-15 with Electro Specialty Systems (ESS) for \$171,312.64 (Attachment A).

Budget Impact

The new value of this agreement will not exceed \$467,772.64. Funding is through each respective department's annual operating and maintenance budgets. The system-wide annual budgeted amounts will not exceed the following:

Year	Original Agreement	Amendment 1
Base Year 1 (FY16)	47,220	171,312.64
Base Year 2 (FY17)	48,860	
Base Year 3 (FY18)	48,860	
Option Year 1 (FY19)	49,960	
Option Year 2 (FY20)	49,960	
Option Year 3 (FY21)	51,600	
Total	296,460	
New Overall Total (Base + Option years)		467,772.64



DISCUSSION:

MTS has access control hardware that includes over 140 card access readers with controllers at 17 locations throughout San Diego County. When installation, maintenance or repair services are required, MTS utilizes ESS to provide the services.

On September 17, 2015, the MTS Board of Directors approved MTS Doc. No. PWG168.0-15 with ESS, competitively solicited through a Request for Proposals, for three base years and three option years, exercisable at MTS’s sole discretion for \$296,460.

From 2015 to date, MTS has seen an increase in card access service requests in projects such as the new MTS East County Bus Maintenance Facility, relocation of the MTS Transit Store, rehabilitation of the San Ysidro Freight Yard and the new MTS UTC Bus Terminal.

In addition to the above projects, future services are required to replace the old and obsolete access control hardware at various MTS facilities and properties.

Due to the increased services, from contract execution on October 1, 2015 to April 30, 2017, the actual contract usage has exceeded the previously approved amount for the base years by \$45,207.50, a monthly difference between actual usage and authorized spend of \$2,379.34. Based on this additional usage, from May 1, 2017 though the end of the base years on September 31, 2018, the anticipated additional cost is \$40,448.82. For the three (3) optional years from October 2018 to September 2021, the anticipated additional amount is \$85,656.32.

Based on this increased usage, staff recommends adding funds to the existing agreement so that work can continue on the current and upcoming projects through September 30, 2021.

The table below summarizes the proposed amendment:

	Usage	Spend	Difference
Average Monthly	\$6,364.69	\$3,985.35	\$2,379.34
Contract Period (October 1, 2015 to April 30, 2017)	\$120,929.17	\$75,721.67	\$45,207.50
Remaining Base Year’s 17 Months (May 1, 2017 to September 2018; \$2,379.34 x 17 months)			\$40,448.82
Three (3) Optional Years (October 2018 to September 2021; \$2,379.34 x 36 months)			\$85,656.32
AMENDMENT TOTAL			\$171,312.64

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute MTS Doc. No. PWG168.1-15 (in substantially the same format as Attachment A) with Electro Specialty Systems (ESS) for \$171,312.64.

/s/ Paul C. Jablonski
Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. MTS Doc. No. PWG168.1-15

July 20, 2017

MTS Doc. No. PWG168.1-15

Daniel Brault
Electro Specialty Systems (ESS)
7940 Convoy Court
San Diego, CA 92111

Subject: AMENDMENT NO. 1 TO MTS DOC. NO. PWG168.0-15; CARD ACCESS READER
MAINTENANCE AND REPAIR ON-CALL SERVICES

This shall serve as Amendment No. 1 to our agreement for Card Access Reader Maintenance and Repair On-Call Services as further described below.

SCOPE OF SERVICES

There shall be no changes to the scope of services of this agreement.

SCHEDULE

There shall be no changes to the schedule provision of this agreement.

PAYMENT

As a result of this amendment the contract amount is increased by \$171,312.64. The new contract total is amended from \$296,460 to \$467,772.64 for both base and option years. Contractor shall not exceed this amount without MTS' written approval.

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

Sincerely,

Agreed:

Paul C. Jablonski
Chief Executive Officer

Daniel Brault
Electro Specialty Systems (ESS)

LMARQUIS-CL
PWG168.1-15.ESS.DSINGLETON.062117

Date: _____

cc: J. Saul, T. Nguyen, Contract File



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Agenda Item No. 16

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

July 20, 2017

**Draft for
Executive Committee
Review Date: 7/13/17**

SUBJECT:

JOB ORDER CONTRACT (JOC) ON-CALL GENERAL ELECTRICAL, TRAFFIC SIGNAL AND COMMUNICATIONS CONSTRUCTION SERVICES – 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. PWG238.0-17 (SANDAG Doc. No. 5007502) (in substantially the same format as Attachment A) with Select Electric, Inc., for the provision of on-call job order general electrical contracting services such as communications, traffic lights, traffic signalization and synchronization systems, and related civil construction improvements work for a three-year agreement.

Budget Impact

The total value of these agreements will not exceed \$2,000,000.00. Funding will be included in the budget of each project for which a task order will be issued under this agreement.

DISCUSSION:

Job Order Contracting (JOC) is a procurement method under which public agencies may accomplish frequently encountered repairs, maintenance, and construction projects through a single, competitively procured long-term agreement. A catalog of specific construction tasks with pre-set unit prices is provided to potential bidders who submit competitive bids for a multiplier, or unit price Adjustment Factor, that will be applied to the pre-set unit prices. Once contractors are selected, the total price for a specific project will be the sum of all pre-set unit prices required for that specific project, multiplied by their respective adjustment factors. This is an efficient procurement tool as it eliminates the time consuming processes inherent in the typical project acquisition approach.



MTS Policy No. 52, "Procurement of Goods and Services", requires a formal competitive process for procurements exceeding \$100,000.

In September 2016, the San Diego Association of Governments (SANDAG) and MTS issued a joint solicitation for the provision of on-call JOC general electrical, traffic signal and communications construction services. MTS took the opportunity to enter into a joint solicitation with SANDAG to more efficiently procure JOC related services as well as utilize the economies of scale.

On October 26, 2016, after conducting price reasonableness analyses and reviewing all bids received for responsiveness and responsibility, staff determined that Select Electric, Inc., presented the lowest responsive and responsible unit price adjustment factor.

Today's action authorizes award of this on call contract to Select Electric, Inc. However, no specific project or spending is authorized. Individual projects/task orders will be processed according to the signature authority set forth in Board Policy No. 41 (e.g. task orders under \$100,000 will be approved by the CEO; task orders over \$100,000 will require Board approval).

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute MTS Document No. PWG238.0-17 (in substantially the same format as Attachment A) with Select Electric, Inc. for the provision of on-call job order contract general electrical, traffic signal and communications construction services for a three-year agreement.

/s/ Paul C. Jablonski
Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Draft MTS Doc. No. PWG238.0-17

DRAFT

STANDARD SERVICES AGREEMENT

PWG238.0-17
CONTRACT NUMBER

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, a California public agency, and the following contractor, hereinafter referred to as "Contractor":

Name: Select Electric, Inc. Address: 2790 Business Park Drive

Form of Business: Corporation Vista, CA 92081
(Corporation, partnership, sole proprietor, etc.)

Telephone: (619) 673-8647

Authorized person to sign contracts: Brooks Roffey President
Name Title

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

Provide Job Order Construction (JOC) services as described in SANDAG JOC No.5007502 SANDAG Conformed Special Provisions, Bid Summary, Construction Task Catalog and Technical Specification (attached as Exhibit A) Standard Conditions Services (attached as Exhibit B) and Federal Requirement (attached as Exhibit C).

This contract shall be effective August 1, 2017 through July 31, 2020.

The total cost of this contract shall not exceed \$2,000,000.

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

\$To be encumbered on JOC

By: _____ Date
Chief Financial Officer

(__ total pages, each bearing contract number)



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Agenda Item No. 17

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

July 20, 2017

**Draft for
Executive Committee
Review Date: 7/13/17**

SUBJECT:

INVESTMENT REPORT – MAY 2017

INFORMATIONAL ONLY

Budget Impact

None.

DISCUSSION:

Attachment A comprises a report of the San Diego Metropolitan Transit System (MTS) investments as of May 31, 2017. The combined total of all investments has decreased month to month from \$105.1 million to \$104.3 million. This \$0.8 million decrease is attributable to \$1.8 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.

/s/ Paul C. Jablonski
Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Investment Report for May 2017



**San Diego Metropolitan Transit System
Investment Report
May 31, 2017**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>	<u>Average rate of return</u>
Cash and Cash Equivalents				
JP Morgan Chase - concentration account	-	26,065,727	26,065,727	0.00%
Total Cash and Cash Equivalents	-	26,065,727	26,065,727	
Cash - Restricted for Capital Support				
US Bank - retention trust account San Diego County Investment Pool	2,303,606	-	2,303,606	N/A*
Proposition 1B TSGP grant funds	4,439,801	444,055	4,883,856	
Total Cash - Restricted for Capital Support	6,743,407	444,055	7,187,462	
Investments - Working Capital				
Local Agency Investment Fund (LAIF)	11,323,891	59,714,656	71,038,547	0.925%
Total Investments - Working Capital	11,323,891	59,714,656	71,038,547	
Total cash and investments	<u>\$ 18,067,298</u>	<u>\$ 86,224,438</u>	<u>\$ 104,291,736</u>	



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Agenda Item No. 18

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

July 20, 2017

**Draft for
Executive Committee
Review Date: 7/13/17**

SUBJECT:

APPROVAL OF APPOINTMENT TO FILL VACANT BUDGET DEVELOPMENT
COMMITTEE SEAT FOR 2017

RECOMMENDATION:

That the Board of Directors approve the appointment of Board Member Mary Salas to the Budget Development Committee for the remainder of 2017.

Budget Impact

None.

DISCUSSION:

On May 11, 2017, Board Member John Minto announced that he would no longer be a member of the MTS Board of Directors (Board). John Minto was appointed to the 2017 Budget Development Committee (BDC) on January 19, 2017. His departure from the Board created a vacant seat on the BDC. As a result, Chairman Harry Mathis asked Board Member Mary Salas to fill the vacant BDC seat for the remainder of 2017 pending the approval of the Board.

/s/ Paul C. Jablonski

Paul C. Jablonski
Chief Executive Officer

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





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Agenda Item No. 19

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS

July 20, 2017

**Draft for
Executive Committee
Review Date: 7/13/17**

SUBJECT:

ON-CALL CONSTRUCTION MANAGEMENT (CM) AND ENGINEERING/INSPECTION
SERVICES – MASTER AGREEMENTS AWARD

**THIS ITEM WILL BE
PROVIDED AT EXECUTIVE
COMMITTEE MEETING**





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Agenda Item No. 20

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS

July 20, 2017

**Draft for
Executive Committee
Review Date: 7/13/17**

SUBJECT:

ON-CALL COURTHOUSE CONSTRUCTION MANAGEMENT (CM) SERVICES –
CONTRACT AWARD

THIS ITEM WILL BE PROVIDED AT EXECUTIVE COMMITTEE MEETING

