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Agenda

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

September 14, 2017

Executive Conference Room
9:00 a.m.

ACTION RECOMMENDED

- A. ROLL CALL
- B. APPROVAL OF MINUTES - July 13, 2017 Approve
- C. COMMITTEE DISCUSSION ITEMS
1. Quarterly Mid-Coast Transit Project Update (Sharon Humphreys of SANDAG) Informational
 2. San Diego Metropolitan Transit System Green Line Naming Rights (Rob Schupp) Possible
Action
Action would recommend that the MTS Board of Directors authorize the Chief Executive Officer (CEO) to execute an agreement with the Sycuan Casino for the exclusive naming rights of the Green Line.
 3. CLOSED SESSION – CONFERENCE WITH REAL PROPERTY
NEGOTIATORS PURSUANT TO CALIFORNIA GOVERNMENT CODE
SECTION 54956.8 Possible
Action
PROPERTY: FEDERAL BLVD (ASSESSOR PARCEL NO. 541-611-27-00);
1348 47TH STREET (ASSESSOR PARCEL NO. 541-611-16-00); 47TH
STREET (ASSESSOR PARCEL NO. 541-611-09-00); 1344 47TH STREET
(ASSESSOR PARCEL NO. 541-611-08-00); 47TH STREET (ASSESSOR
PARCEL NO. 541-611-11-00); FEDERAL BLVD. (ASSESSOR PARCEL NO.
541-611-10-00); 47TH STREET (ASSESSOR PARCEL NO. 541-611-12-00);
47TH STREET (ASSESSOR PARCEL NO. 541-611-14-00); 47TH STREET
(ASSESSOR PARCEL NO. 541-611-13-00); 47TH STREET (ASSESSOR
PARCEL NO. 541-611-15-00)
AGENCY NEGOTIATORS: PAUL JABLONSKI, CHIEF EXECUTIVE
OFFICER; KAREN LANDERS, GENERAL COUNSEL, AND TIM ALLISON,
MANAGER OF REAL ESTATE ASSETS
NEGOTIATING PARTIES: COCA-COLA BOTTLING CO OF LOS ANGELES
& BCI COCA-COLA BOTTLING COMPANY OF LOS ANGELES
UNDER NEGOTIATION: PRICE AND TERMS OF PAYMENT



- D. REVIEW OF DRAFT September 21, 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: October 12, 2017
- I. ADJOURNMENT

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

July 13, 2017

MINUTES

A. ROLL CALL

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

B. APPROVAL OF MINUTES

Ms. Cole moved for approval of the minutes of the June 1, 2017, MTS Executive Committee meeting. Ms. Rios seconded the motion, and the vote was 5 to 0 in favor.

C. COMMITTEE DISCUSSION ITEMS

1. Fare Collection Update (Sharon Cooney)

Rob Schupp, Director of Marketing and Communications, began the presentation and provided an update on Compass Cloud and Compass Cash. He noted that Compass Cloud launched on March 30th and he reviewed the transactions and revenue data since the launch. He reviewed the process of purchasing and using the Compass Cloud application. Mr. Schupp discussed Compass Cash and stated that the launch took place on June 28th. He reviewed the transactions and revenue data since the launch.

Sharon Cooney, Chief of Staff, continued the presentation and discussed the Next Generation Fare Collection System project. She noted that the current fare collection system is out of date and at the end of its useful life. Ms. Cooney stated that the future fare collection system will be an account based system; have integrated mobile ticketing; be nonproprietary with open architecture; have the ability to integrate with multiple hardware options; have better financial and data tools; and have greater flexibility in the fare policy. Mr. Jablonski briefly discussed the differences between a card based system and an account based system. Ms. Cooney discussed the planning process for system modernization. She reviewed the Concept of Operations document and development process. Ms. Cooney noted that the Concept of Operations document is a living document and will be updated continuously. She reviewed the various systems that will need to be procured for the new system. Ms. Cooney discussed details of the two step strategy core procurement process. Lastly, she reviewed the project's next steps going forward.

Action Taken

No action taken. Informational item only.

2. MTS – Private Party Fiber Swap Agreements (Karen Landers)

Karen Landers, General Counsel, provided a presentation on a proposal for private party fiber swap agreements. She reviewed MTS's fiber needs assessment and noted that MTS uses fiber networks to support electronic messaging systems, public address systems, security video surveillance systems, traction power supervisory and control data acquisition systems (SCADA), centralized train control, and fire alarm and emergency management systems. She stated that there are gaps in the MTS network which require additional fiber. She reviewed how to fill the gaps in the network which include public-public sharing of excess capacity, private provider's fiber swap agreements and constructing new fiber networks. Ms. Landers stated that MTS has excess capacity in its existing fiber network. She discussed the South Bay BRT project and stated that MTS/SANDAG needs a fiber connection to support this project. She reviewed the cost to obtain a new connection of fiber and also reviewed an alternative private party fiber swap option. Ms. Landers discussed the details of swapping fiber with Media 3 Communications. She noted that this agreement would be at no cost to MTS. Ms. Landers also noted that the Media 3 Communications swap agreement opens additional connections for MTS/SANDAG/Caltrans. Lastly, she reviewed the proposed swap principles.

Mr. Roberts inquired if there would be language in the agreement that defined maintenance of the fiber. Ms. Landers replied that the agreement has not been drafted yet, but that language would be drafted into the agreement. Mr. Roberts asked for more information on Media 3 Communications. Chip Finch, with SANDAG, replied that Media 3 Communications is looking to provide fiber to homes in Chula Vista. He stated that they are a newer telecommunications company and cloud hosting datacenter provider.

Action Taken

No action taken. Informational item only.

D. REVIEW OF DRAFT July 20, 2017 BOARD AGENDA (TAKEN BEFORE CLOSED SESSION)

Recommended Consent Items

6. Increased Authorization for Legal Services Contracts to Pay Projected Expenses in Fiscal Year 2018

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.

7. Fiscal Year 2018 Transportation Development Act Claim

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.

8. Semiannual Uniform Report of Disadvantaged Business Enterprise (DBE) Awards and Payments

9. San Diego Metropolitan Transit System (MTS) Task Order Contract Amendment Approval for Old Town Transit Center West Improvements Project
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").
10. 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
Action would: (1) receive the San Diego and Imperial Valley Railroad (SD&IV), Pacific Southwest Railway Museum Association (Museum), and Desert Line quarterly reports for information; and (2) ratify actions taken by the SD&AE Board at its quarterly meeting on July 11, 2017.
11. Number Not Used.
12. Euclid Drainage Cleanup - Award Work Order Under a Job Order Contract
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.
13. Banking Services and Purchasing Card Program - Contract Award
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.
14. On-Call Communications and Low Voltage Systems Wiring Services - Contract Amendment
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.
15. On-Call Card Access Reader Installation, Maintenance and Repair Services - Contract Award
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.
16. Job Order Contract (JOC) On-Call General Electrical, Traffic Signal and Communications Construction Services - Contract Award
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.
17. Investment Report - May 2017
18. Approval of Appointment to Fill Vacant Budget Development Committee Seat for 2017
Action would approve the appointment of Board Member Mary Salas to the Budget Development Committee for the remainder of 2017.

19. On-Call Construction Management and Engineering/Inspection Services - Master Agreements Award/Ratification
Action would authorize the Chief Executive Officer's (CEO) execution of: (1) Partial Assignment of San Diego Association of Governments (SANDAG) Solicitation Capacity for On-Call Professional and Technical Construction Management and Engineering Services to MTS (MTS Doc. No. G2023.0-17); and (2) On-Call Construction Management and Engineering/Inspection Services (CM) Master Agreements with seven (7) prime consulting firms.
20. Courthouse Construction Management Services - Work Order Agreement
Action would authorize the Chief Executive Officer (CEO) to execute Work Order 1 MTS Doc. G2019.0-17 with Simon Wong Engineering, Inc. for the Courthouse Station Construction Management Services, contingent upon the approval of Agenda Item No. 19 (On-Call Construction Management and Engineering/Inspection Services – Master Agreements Award/Ratification).
- 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 10:00 a.m.

- C3. CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54956.8
Property: 5159 Baltimore Drive (Assessor Parcel No. 470-050-16)
Agency Negotiators: Paul Jablonski, Chief Executive Officer; Karen Landers, General Counsel; and Tim Allison, Manager of Real Estate Assets
Negotiating Parties: DJR Companies; El Cajon Real Estate Investments, LLC
Under Negotiation: Price and Terms of Payment
- C4. 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

Executive Committee Meeting – MINUTES

July 13, 2017

Page 5 of 5

The Executive Committee reconvened from Closed Session at 10:38 a.m.

Oral Report on Final Actions Taken in Closed Session

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

C4. The Executive Committee received a report from negotiators and gave instructions.

H. NEXT MEETING DATE

The next Executive Committee meeting is scheduled for August 10, 2017, at 9:00 a.m. in the Executive Committee Conference Room.

I. ADJOURNMENT

Chairman Mathis adjourned the meeting at 10:38 a.m.

/s/Harry Mathis
Chairman

Attachment: Roll Call Sheet

EXECUTIVE COMMITTEE
SAN DIEGO METROPOLITAN TRANSIT SYSTEM

ROLL CALL

MEETING OF (DATE) July 13, 2017

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

RECESS _____

RECONVENE _____

CLOSED SESSION 10:00 a.m.

RECONVENE 10:38 a.m.

ADJOURN 10:38 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
COLE	<input checked="" type="checkbox"/> (Gomez) <input type="checkbox"/>	9:00 a.m.	10:38 a.m.
MATHIS	<input checked="" type="checkbox"/>	9:00 a.m.	10:38 a.m.
MCCLELLAN	<input type="checkbox"/> (McWhirter) <input checked="" type="checkbox"/>	9:00 a.m.	10:38 a.m.
RIOS	<input checked="" type="checkbox"/> (Salas) <input type="checkbox"/>	9:00 a.m.	10:38 a.m.
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:00 a.m.	10:38 a.m.
Transportation Committee Rep Slot (Mathis)			

SIGNED BY THE CLERK OF THE BOARD: Julia Tuer

CONFIRMED BY THE GENERAL COUNSEL: Karen CA



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Agenda Item No. C1

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

September 14, 2017

SUBJECT:

QUARTERLY MID-COAST CORRIDOR TRANSIT PROJECT UPDATE (SHARON HUMPHREYS OF SANDAG)

INFORMATIONAL ONLY

Budget Impact

None.

DISCUSSION:

The Mid-Coast Corridor Transit Project is being developed by the San Diego Association of Governments (SANDAG) with MTS's assistance. The Mid-Coast Project will extend Trolley service from Old Town Transit Center to the University City community, serving major activity centers such as the Veterans Administration Medical Center, the University of California San Diego, and Westfield UTC. The project is funded by SANDAG and the Federal Transit Administration New Starts Program. SANDAG staff will provide an update on the project.

/s/ Paul C. Jablonski

Paul C. Jablonski
Chief Executive Officer

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



Mid-Coast Corridor Transit Project

MTS Executive Committee Update
September 14, 2017

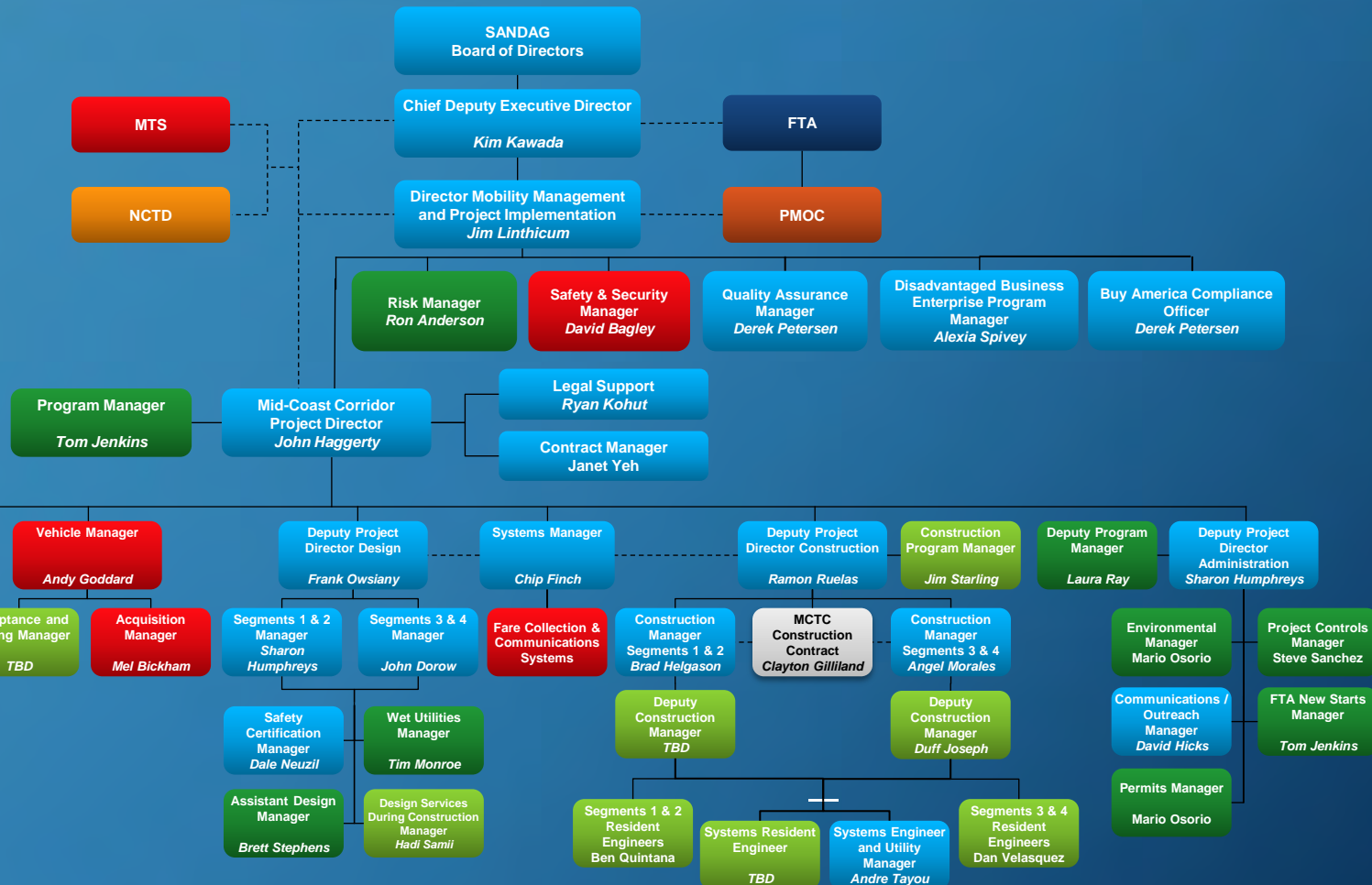


MID-COAST CORRIDOR
TRANSIT PROJECT



Organization – Construction Phase

Legend:





**Stacy and
Witbeck**

HERZOG

SKANSKA



MID-COAST CORRIDOR
TRANSIT PROJECT

Mid-Coast Project Alignment





Project Segments & Reaches

- Project Organization
 - In Four Segments (Morena, Balboa – Gilman, I/5, UCSD - UTC)
 - And 14 Reaches (Contractor Created by Work Type)



Mid-Coast Corridor Transit Project Segments & Reaches Overview

SANDAG	MCTC	New Station		Reach Description
		Start	End	
1	1	60+50	182+00	South of Taylor
1	2	182+00	200+35	Taylor to SDRB
1	3	200+35	209+56	SDRB
1	4	209+56	242+14	SDRB to Tecolote
1	5	242+14	378+19	Tecolote to Balboa
1	6	378+19	380+39	Balboa
2	7	380+39	575+50	Balboa to the Flyover
2	8	575+50	595+80	Flyover
2	9	595+80	751+15	Flyover to Gilman Box (52/5 Area)
3	10	751+15	755+62	Gilman Box
3	11	755+56	799+00	Gilman Box to Nobel Viaduct
3	12	799+00	950+50	Nobel Viaduct & VA Station
4	13	950+34	1016+71	UCSD Viaduct
4	14	1016+71	1072+43	Genesee Viaduct
	X	900+00	920+20	CP Rose

Project Controls - Budget

Budget and Expenditure Review

MID-COAST CORRIDOR TRANSIT PROJECT

Cost Report

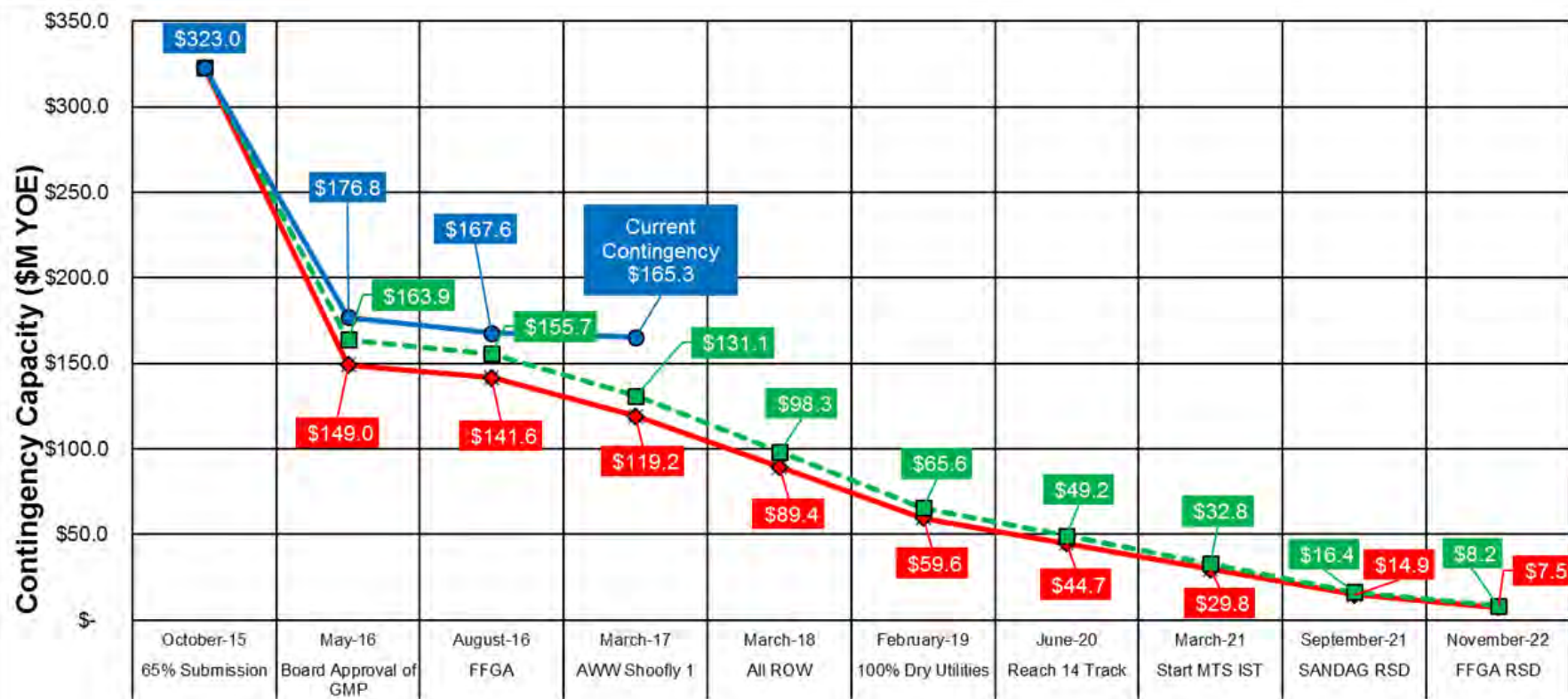
(data through July 31, 2017)

DESCRIPTION		A	B	C = A + B	D	E = C + D	F ONE solution	G	H = G - E	I ONE Solution	
		PROJECT BUDGET					AUTHORIZATION FOR EXPENDITURE (AFE)	ESTIMATE AT COMPLETION (EAC)		CUMULATIVE EXPENDITURES	MONTHLY EXPENDITURES
SCC #	TITLE	BASELINE - Base Estimate	BASELINE - Contingencies	TOTAL BASELINE	Transfers	CURRENT		Current Forecast	Variance from CURRENT BUDGET	Through 07/2017	07/2017
10	GUIDEWAY & TRACK ELEMENTS	311,221,738	15,597,087	326,818,825	0	326,818,825	310,526,188	326,818,825	0	7,006,909	0
20	STATIONS	78,863,894	3,974,695	82,838,589	0	82,838,589	78,233,894	82,838,589	0	0	0
40	SITEWORKS & SPECIAL CONDITIONS	475,544,503	27,269,868	502,814,371	196,629	503,011,000	426,815,690	503,011,000	0	118,461,022	0
50	SYSTEMS	161,817,012	9,533,351	171,350,363	0	171,350,363	148,559,012	171,350,363	0	0	0
10 thru 50	CONSTRUCTION – Subtotal	1,027,447,147	56,375,000	1,083,822,147	196,629	1,084,018,776	964,134,784	1,084,018,776	0	125,467,931	0
60	RIGHT-OF-WAY	86,731,200	14,501,810	101,233,011	0	101,233,011	65,939,799	101,233,011	0	64,635,637	437,443
70	VEHICLES	169,979,057	8,498,952	178,478,010	0	178,478,010	161,961,708	178,478,010	0	36,857,693	0
80	PROFESSIONAL SERVICES	352,867,318	28,386,728	381,254,046	6,700,000	387,954,046	309,100,768	387,954,046	0	219,583,502	1,401,801
90	UNALLOCATED CONTINGENCY	---	69,013,709	69,013,709	(6,896,629)	62,117,080	---	62,117,080	0	---	---
10 – 90	SUBTOTAL - SCCs	1,637,024,723	176,776,200	1,813,800,923	0	1,813,800,923	1,501,137,058	1,813,800,923	0	446,544,763	1,839,244
100	FINANCE CHARGES			357,399,622	0	357,399,622	0	357,399,622	0	0	0
10 – 100	TOTAL PROJECT COST	1,637,024,723	176,776,200	2,171,200,545	0	2,171,200,545	1,501,137,058	2,171,200,545	0	446,544,763	1,839,244

Project Health

Contingency Expenditure Curve

Data through July 31, 2017



Hold Points

- Minimum Cost Contingency Targets
- Cost Contingency Buffer of 10%
- Current Cost Contingency Remaining

Project Controls- Schedule

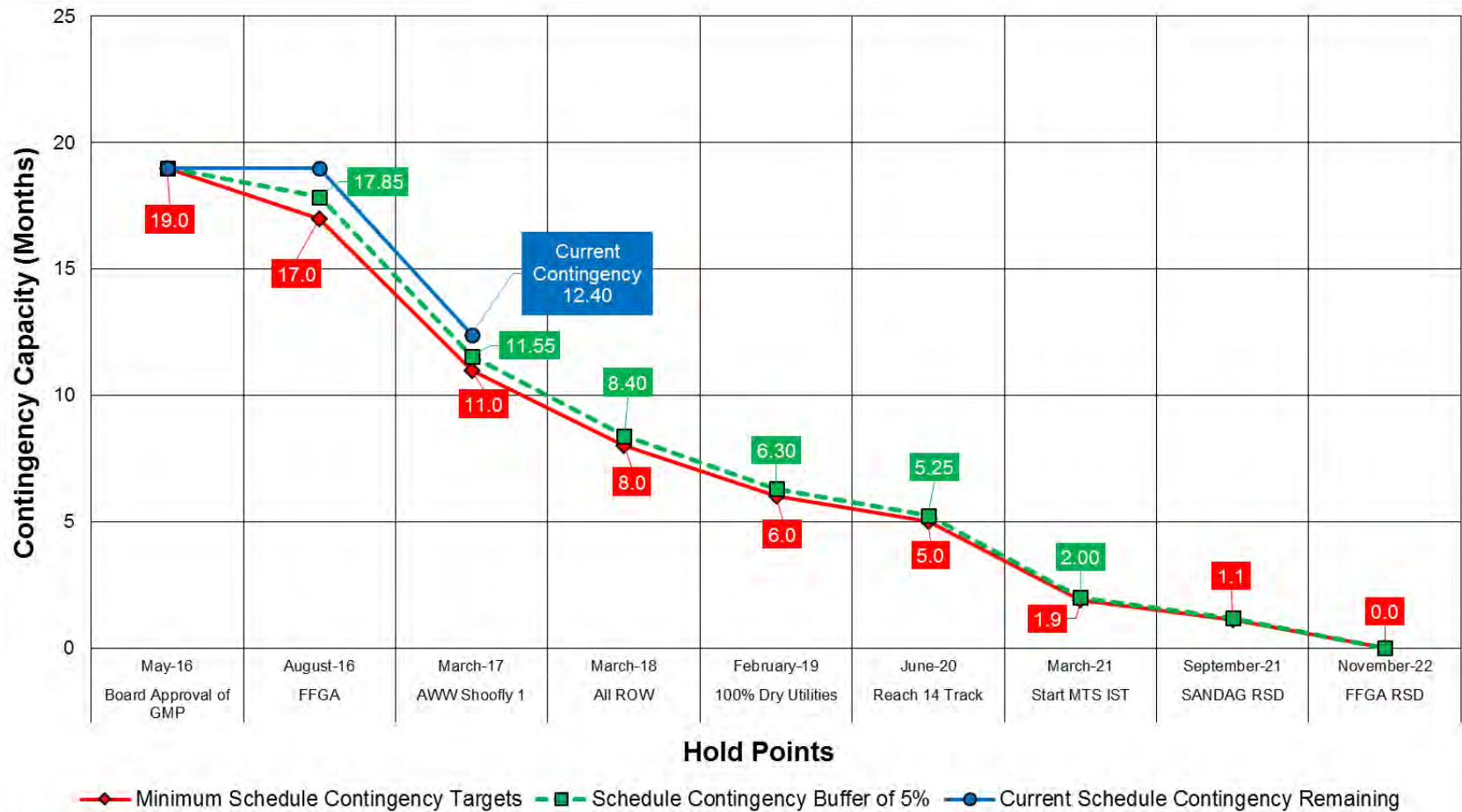


<u>Milestone</u>	<u>Baseline</u>	<u>June 20 Update</u>
Heavy Construction Duration	56 months	57.3 months
AWW Shoofly 1 Complete	March 26, 2017	March 26, 2017
Reach 14 Track Const. Complete	August 6, 2020	August 20, 2020
Start MTS Pre-Revenue Testing	April 20, 2021	May 26, 2021
Final Completion by MCTC	July 16, 2021	August 23, 2021
Revenue Service Date	Sept. 27, 2021	Nov. 2, 2021
FFGA Latest Revenue Date	Nov. 23, 2022	Nov. 23, 2022

Project Health

Schedule Contingency Curve

Data through July 31, 2017



Utility Relocation Update – Wet Utilities

- **89% complete in LOSSAN (Segments 1 and 2)**
- **67% complete in UCSD/UTC (Segments 3 and 4)**

Utility Relocation Update – Wet Utilities



MID-COAST CORRIDOR
TRANSIT PROJECT



System S63.2 – Temporary Shoring at South Pit

PM 1:49 AUG/25/2017

Sewer North of SR-52 near I-5



Construction Update

- Clearing and grubbing
- Demolition
- Wet and dry utility relocation
- Excavation, grading and earthwork
- LOSSAN corridor work at San Diego River and Rose Canyon
- Viaduct work
- Genesee Avenue street & subsurface improvements

Construction Update



MID-COAST CORRIDOR
TRANSIT PROJECT



San Diego River Heavy Rail Bridge Construction

Construction Update



MID-COAST CORRIDOR
TRANSIT PROJECT



San Diego River Heavy Rail Bridge Construction

Construction Update



MID-COAST CORRIDOR
TRANSIT PROJECT



Future Tecolote Station Location – Clearing/Grubbing East of Track

Construction Update



MID-COAST CORRIDOR
TRANSIT PROJECT

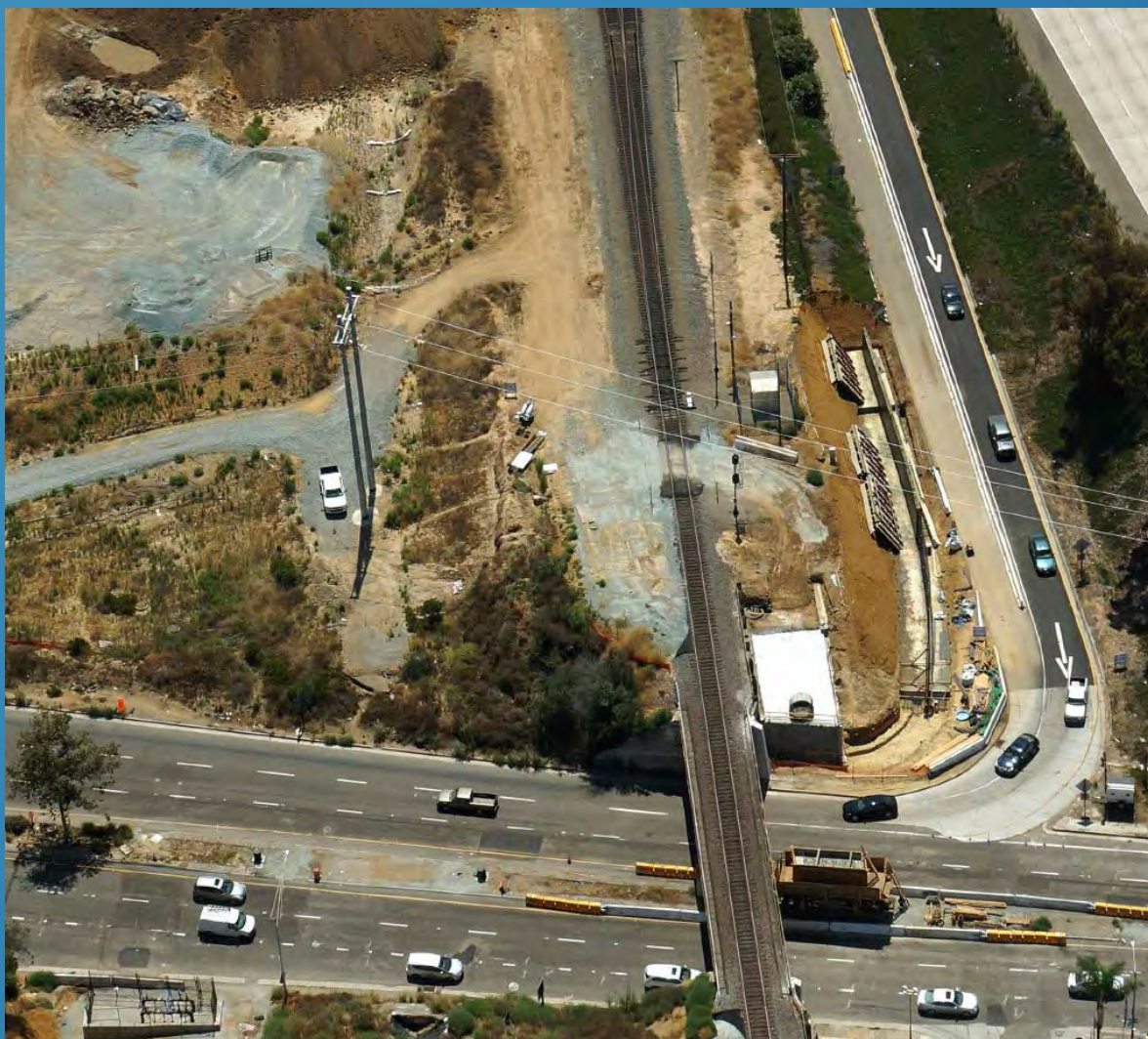


Future Balboa Station – Clearing/Grubbing, Preparation for Rail Delivery

Construction Update



MID-COAST CORRIDOR
TRANSIT PROJECT



Balboa Heavy Rail Bridge – Retaining Wall Construction

Construction Update



Rose Canyon Project Construction – Clearing and Counterfort Walls

Construction Update



MID-COAST CORRIDOR
TRANSIT PROJECT



Rose Canyon Project Construction – Clearing and Counterfort Walls

Construction Update



MID-COAST CORRIDOR
TRANSIT PROJECT



Rose Canyon Project Construction – Railroad Base Preparation & Gravity Wall

Construction Update



Rose Canyon Project Construction – Heavy Rail Bridge Construction

Construction Update



MID-COAST CORRIDOR
TRANSIT PROJECT



Rose Canyon – LRT Flyover Construction

Construction Update



MID-COAST CORRIDOR
TRANSIT PROJECT



Construction Update



MID-COAST CORRIDOR
TRANSIT PROJECT



U-Channel Construction under SR-52

Construction Update



MID-COAST CORRIDOR
TRANSIT PROJECT



Rose Canyon – North of SR-52, Bikeway Construction & Sewer

Construction Update



Nobel Drive Station & VA Station Site Preparation

Construction Update



MID-COAST CORRIDOR
TRANSIT PROJECT



USCD Pepper Canyon Station – Column Construction

Construction Update



MID-COAST CORRIDOR
TRANSIT PROJECT



UCSD – Voigt Drive Station

Construction Update



MID-COAST CORRIDOR
TRANSIT PROJECT



Genesee Avenue – Drainage,
Dry Utility, Subsurface Work



Right-of-Way

Mid-Coast Transit Project Acquisitions

Total Number of Property Owners	38
Total Parcels	58
Total Appraisals	43
Appraisals Complete	43
Appraisals Under FTA Review	0
Total Parcels Available for Construction	47
Offers Accepted to Date	27



Safety and Security Status

- **Safety and Security Committees**
 - Safety and Security Review Committee
 - Fire/Life Safety and Security Committee
- **Conformance**
 - 99% of design verification checklist items are complete. Remaining open items are being tracked and closed out as designs are completed and verified
 - Construction Checklist was approved and used for verification



Grade Separations & Stations

- **CPUC Protested Grade Separation Applications**
 - CPUC is Connecting Grade Separations to Station Access
 - SANDAG & MTS disputing Connection, CPUC Condition for Applications at Stations
 - Held Administrative Hearing
 - Decision on summary judgment for grade separated crossings application with CPUC is pending.

Light Rail Vehicles- Status

- Domestic content of the vehicles is approximately 74%
- Notice to Proceed was given October 31, 2016
- Weekly conference calls held to discuss open items
- Contractor is procuring materials and beginning work on engineering and materials submittals
- First car will be delivered April 2019 and last car will be delivered by October 2020
- Vehicle inspection and support services task order is being finalized





Public Involvement

- **Active outreach and communication during construction including travelers alerts about road closures**
- **Participated in Community Events**
 - San Diego student events
 - Community fairs
 - Farmers' Markets
- **Held Construction Update with University Community Planning Group on July 11, 2017**
- **Respond to public inquiries and requests for additional information**

Mid-Coast Corridor Transit Project



Questions?



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Agenda Item No. C2

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

September 14, 2017

SUBJECT:

SAN DIEGO METROPOLITAN TRANSIT SYSTEM GREEN LINE NAMING RIGHTS
(ROB SCHUPP)

RECOMMENDATION:

That the Executive Committee recommend that the MTS Board of Directors authorize the Chief Executive Officer (CEO) to execute an agreement with the Sycuan Casino for the exclusive naming rights of the Green Line.

Budget Impact

MTS will realize a minimum payment of \$600,000 per year increasing by 3 percent annually beginning in year six of the agreement. After reduction of certain existing revenue streams, the net gain in budgeted revenue will be approximately \$445,000 per year. The term of the agreement is for 20 years. Sycuan can terminate the agreement at the end of 10 years. At the end of 20 years, Sycuan can extend the agreement for another 10 years under the same terms. The gross value of the agreement will be \$6.28 million over 10 years, \$14.5 million over 20 years and \$25.5 million over 30 years. There will also be a commission owed to Superlative Group.

DISCUSSION:

In April 2010, the MTS Board of Directors authorized a contract with the Superlative Group to evaluate all MTS assets, to identify potential naming rights partners and to negotiate with interested parties.

As a result, terms of an agreement have been reached with the Sycuan Casino to rename the Green Line segment of the MTS Trolley system to the "Sycuan Green Line." Sycuan will pay MTS a naming rights payment each year for 20 years. The payment for the first five years is \$600,000 per year increasing by 3 percent annually beginning in year six of the agreement (see page A-44 of Attachment A).



In exchange, MTS will provide to Sycuan Casino the following:

- Exclusive rights in the categories of Casinos, Native American business venture or Native American Government for all Trolley lines and property.
- Naming rights and appropriate Sycuan Green Line signage at three stations: Santee, El Cajon and Grantville.
- Shuttle bus bays at four stations: Santee, El Cajon, Grantville and on MTS-owned property adjacent to 12th & Imperial Transit Stations.
- Sycuan advertisements at the four stations in which it operates shuttles
- Sycuan may wrap up to six light rail vehicles at their own cost
- Sycuan Green Line branding will be placed on MTS structures along the Green Line
- Sycuan Green Line branding will be placed on the following printed materials:
 - All Green Line station signs
 - Trolley route maps
 - Published timetables
 - One-way tickets printed in vending machines
 - Other printed collateral

Sycuan will pay all production costs associated with signage and wraps. MTS will pay printing production costs for trolley route maps timetables, published timetables, one-way tickets and other printed collateral. Full details of the agreement are contained within the attached Green Line Naming Rights Agreement (Attachment A).

The exclusivity of the agreement will cause MTS to forego approximately \$105,000 per year it now receives from Barona to operate its shuttles from the El Cajon Transit Center. While there is no current Casino advertising on MTS Trolleys or at Trolley stations, MTS has in the past received advertising revenue from local and Las Vegas-based casinos. This will no longer be a potential revenue source. The average income received from casino advertising has been approximately \$50,000 per year.

The Superlative Group will be due a commission, which will be based on the difference between the Sycuan Green Line naming rights revenue and existing revenue contracts. The commission, per contract, shall not be more than 12% over the term of the contract or not more than 6% if paid during the first three years of the sponsorship. An amount equaling the monthly retainer and travel expenses paid by MTS to the Superlative Group for the past 15 months (approximately \$120,000) will also be deducted from the commission paid. The final commission payment will be negotiated.

/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 Sycuan Naming Rights Agreement

DRAFT

NAMING AND SPONSORSHIP AGREEMENT

THIS NAMING AND SPONSORSHIP AGREEMENT (the "Agreement") is made and entered into as of _____, 2017, by and between the San Diego Metropolitan Transit System, ("MTS"), and Sycuan Casino, ("Sycuan"). (Sycuan is sometimes referred to as the "Sponsor").

RECITALS

Whereas, MTS currently operates the Green Line, a light rail service that runs from Santee to downtown San Diego via El Cajon, La Mesa, Mission Valley, Old Town and the Convention Center area (see Exhibit A);

Whereas, Sycuan recognizes the value of public transportation and the Green Line to connect employees and customers to Sycuan facilities;

Whereas, Sycuan recognizes the value of public transit to greater San Diego region and wishes to support MTS endeavors;

Whereas, Sycuan further desires to obtain the exclusive naming rights to the Green Line and the exclusive marketing rights on the Green Line and its stations in the category of Casinos;

NOW THEREFORE, in consideration of the mutual covenants and promises made herein, the parties hereby agree as follows:

1. **Exclusive Line Naming Rights.** During the Term of this Agreement (as defined in Section 8 hereof), MTS hereby grants Sycuan the exclusive naming rights of the Green Line. MTS and Sycuan will mutually agree on the name of the line (e.g., the "Sycuan Green Line"), however MTS's agreement on any exercise of naming rights by Sycuan shall not be unreasonably withheld or delayed. Sycuan will develop the design of the naming signage on the exterior and interior of the Green Line vehicles, station logos, and other ancillary media items, to be approved by MTS within the parameters of the MTS sign design guidelines, which approval shall not be unreasonably withheld or delayed. It is contemplated by the parties that the designs will incorporate the names and logos of Sycuan. Sycuan is considered the sole and exclusive naming rights partner of the Green Line.
2. **Other Sponsorship Benefits.** While this Agreement is in effect, and except as otherwise specifically provided in this Agreement, Sycuan shall be the exclusive naming rights sponsor of the Green Line. During the Term of this Agreement, MTS shall provide the following sponsorship benefits to the naming rights Sponsor in exchange for the Sponsorship Fee:
 - a. Category Exclusivity. Sycuan will receive exclusivity on the Trolley System in the category of casinos, Native American business venture, or Native American Government.

- b. Station Naming Rights and Transportation Hub. Sycuan will receive designation and acknowledgement for the naming rights of three (3) stations located on the line. Sycuan will also designate these stations as Transportation Hubs and each Transportation Hub will have exclusive space provided to Sycuan for which Sycuan may use as a shuttle pickup location for employees and patrons of Sycuan. The location of each shuttle pickup area shall be determined by MTS and marked with permanent signage indicating pickup location. In the event the designated Sycuan shuttle location conflicts with MTS's public transit operations, or with any proposed redevelopment of MTS-owned property, MTS shall have the right to relocate the shuttle to a new location within the trolley property. Specifically, the three stations and proposed locations for naming rights and shuttle service (more fully described in Exhibit B) are:

- i. Santee
- ii. El Cajon
- iii. Grantville

In addition to the naming rights to the three (3) stations listed immediately above, MTS shall designate the station at 12th and Imperial as a Sycuan Transportation Hub with mutually agreed upon signage placed at the 12th and Imperial Station to direct riders to the shuttle pickup location.

In order to maintain consistency and the integrity of MTS transit system branding, design of Station Naming Rights recognition will correspond with other station sponsorships MTS may enter into with third-parties, as described in Section 5 below. Sycuan and MTS will mutually agree on the names of each station. MTS's approval of a station name chosen by Sycuan under this section shall not be unreasonably withheld or delayed.

- c. Additional Station Signage: Sycuan shall receive additional signage, to be agreed upon by the parties, at Qualcomm Station, or another station of Sycuan's choice, except for Old Town. If Sycuan selects the Gaslamp Station, the signage must be limited to one panel of the SDMT information kiosk and a wrap on a double wide soft drink machine enclosure which shall include two 4'x6' side panels and a 6'x6' back panel.
- d. Physical. MTS shall provide Sycuan sponsorship identification on the following and as illustrated in Exhibit C :
- i. To the extent permitted by state and federal law, SDMTS shall endeavor to gain the approval to place the naming rights sponsor name on SDMTS assets with freeway visibility.
 - ii. Standard trolley station ID's at all stations on Green Line indicating "Sycuan Green Line."
 - iii. Sycuan name and/or logo within MTS rail vehicle interior route signage.
 - iv. Sycuan name and/or logo on MTS rail station maps.
 - v. Sycuan name and/or logo on MTS rail kiosks.

- vi. Sycuan name and/or logo in or on front of MTS Green Line rail vehicles on digital signs or printed cards.
- e. Advertising
- i. Trolley wraps on six (6) SD-100 light rail vehicles.
 - ii. Sycuan name and/or logo on published transit schedules.
 - iii. Sycuan name and/or logo on one-way tickets at ticket vending machines (“TVMs”) at stations that exclusively serve the Green Line.
 - iv. Sycuan name and/or logo on published handheld maps.
 - v. Sycuan name and/or logo on MTS transit destination newsletters.
 - vi. Sycuan name and/or logo on standard ads such as 101 Things to do, Passport San Diego, Convention Center Attendee Guide and San Diego Tourism Authority Meeting Planner.
 - vii. Sycuan name and/or logo on MTS website and social media, including two social media promotions per year, which shall be mutually agreed upon by the Parties.
 - viii. Right of first refusal to purchase future digital advertising (in trolley and on platform), if implemented. This is a category-exclusive opportunity.

Without limitation to the foregoing, the parties acknowledge that during the anticipated term of this Agreement, new technologies, procedures, vehicle types and other changes may occur with respect to the Green Line. MTS agrees that as applicable to the Green Line, it shall make best efforts to maintain prominence of the Sycuan Green Line branding throughout.

The rights granted under this Section 2 to Sycuan are exclusive rights. MTS agrees that except for station sponsors whose rights are stated in Section 5, no other logo, name recognition, or other sponsorship rights will be granted to any third party relating to the Green Line during the term of this Agreement without the prior written consent of Sycuan, which approval shall not be unreasonably withheld or delayed.

- f. News Media. The name of the line shall be included in any press release mentioning the Green Line and Sycuan and MTS shall mutually agree to a press release and event to announce the renaming of the Green Line.
- g. Additional Benefits.
- i. Sycuan shall have the right to twelve (12) on-site activations per year for each year of the Term. These activations may include, but are not limited to, station domination graphics, promotional giveaways, non-gambling activities for passengers, food samplings, and hotel information. All costs associated with the activations shall be assumed by Sycuan Casino.
 - ii. Sycuan shall have the right to four (4) VIP trolley trips per year for each year of the Term. VIP trolley rides shall be considered the exclusive use of one Trolley vehicle for times and locations requested by Sycuan Casino. The

operation of the VIP trolley must be pre-approved by MTS. Sycuan Casino recognizes that the availability and operation of the VIP trolley is contingent on operating in conjunction with in-service trains.

- iii. Sycuan shall have the right to change branding throughout the Term of the Agreement provided such changes are agreed to in writing by the Parties hereto.

3. Artwork and Media Costs; Installation and Replacement Costs.

- a. Artwork and Media Costs. Sycuan shall bear the costs of the design, production and installation of the six (6) exterior vehicle wraps on the Green Line fleet (see Section 2(e)(i)), the design and production of any freeway-oriented signage (see Section 2(d)(i)), and the design and production of any vehicle or station advertisements contemplated by Section 2(c). In the event Sycuan determines it is necessary to engage a third party to assist in developing the artwork and media, Sycuan shall bear the third party's fees and other costs. MTS shall be responsible for the costs associated with the printing of signage and collateral (see Sections 2(d)(ii) through (vi) and 2(e)(ii) through (vi)) that are included in its annual reproduction of signage and collateral.
- b. Schematics of trolleys and station stops. In order for MTS to develop the artwork and media associated with the Green Line, Sycuan shall provide to MTS all appropriate art. All signs and collateral with Sycuan art will be provided to Sycuan for approval prior to production.
- c. Installation. MTS shall be solely responsible for ensuring that the installation of any signage, or other materials used by MTS in connection with this Agreement, complies with all federal, state and local laws and regulations, including but not limited to the US Department of Transportation (DOT) and Caltrans for the operation of the Green Line. MTS shall install any special exterior or interior advertising artwork and media developed by Sycuan pursuant to this Agreement; if any, provided however, that Sycuan shall bear the actual third party costs of MTS, without markup, incurred in the installation of any such advertising. MTS shall bear the costs of installing the physical signage contemplated by Section 2(d)(ii) through (vi).
- d. Replacement. Costs for production, application, repairs and removal of the LRV wraps will be contracted by Sycuan with an approved MTS wrap vendor. Should the wrap be damaged, defaced, mutilated or spoiled by reason of storm, floods, strikes, ordinary wear and tear, or any other cause during the term specified in the agreement, the cost of a replacement would be borne by Sycuan unless through negligence of MTS. In the instance of vandalism to the LRV Trolley Wraps, MTS shall bear the costs of replacement of the wraps for the first three incidents of vandalism, provided Sycuan uses the preferred MTS wrap vendor to produce and install the wraps. In the instance of vandalism at MTS stations on the Green Line, MTS shall be responsible for and bear the costs of repair at the MTS stations on the Green Line. MTS will continue to bear the costs of and be responsible for the clean up of vandalism at the MTS Green Line Stations that include Sycuan branding until such time as MTS deems vandalism to Sycuan branding and activation as more frequent than in the previous experience of MTS at other MTS stations. In that event, the Parties each reserve the right to explore other corrective measures for

vandalism. Costs to repair or replace Sycuan Green Line signage fabricated by Sycuan shall be the responsibility of Sycuan.

- i. Upon expiration of the Term of the Agreement, Sycuan shall bear the costs of removal of any and all Sycuan signage across all MTS assets.
- ii. Sycuan shall also be responsible for returning MTS assets to the condition of assets prior to the installation of signage beyond reasonable wear and tear.

4. Use of Trademarks and Service Marks; Intellectual Property Rights.

- a. Grant of Limited License to Sycuan. Subject to the terms of this Agreement and so long as Sycuan is not in breach of any term or condition hereof, MTS grants Sycuan for the entire Term the non-exclusive and royalty-free license, uncoupled with an interest, to use the MTS trademarks, service marks, logos and any secondary marks ("MTS Marks") to identify Sycuan as a sponsors of the Green Line in connection with advertising and the promotional activities and materials for Sycuan, separately or collectively, as approved by MTS. Any and all materials produced by Sycuan using MTS Marks must be submitted to MTS for review and prior approval, which approval shall not be unreasonably withheld or delayed. However, Sycuan shall not make any use of the MTS Marks without the prior written consent of MTS as to each use. Approval of the use of MTS Marks must be in writing signed by the MTS Marketing and Communications Director.
- b. Grant of Limited License to MTS. Subject to the terms of this Agreement and so long as Sycuan is not in breach of any term or condition hereof, Sycuan grants MTS for the entire Term the non-exclusive and royalty-free license, uncoupled with an interest, to use the Sycuan trademarks, service marks, logos and any secondary marks ("Sycuan Marks") to identify Sycuan as a sponsor of the Green Line in connection with advertising and the promotional activities and materials for Sycuan, separately or collectively, as approved by Sycuan. Any and all materials produced by MTS using the Sycuan Marks must be submitted to Sycuan for review and prior approval, which approval shall not be unreasonably withheld or delayed. However, MTS shall not make any use of the Sycuan Marks without the prior written consent of the Sycuan as to each use. Approval of the use of the Sycuan Marks must be in writing signed by the designee of Sycuan.
- c. Changed Circumstances Affecting License. All rights of approval of the use of the MTS Marks or the Sycuan Marks shall be a continuing right so that any party may later object to the use of the MTS Marks or the Sycuan Marks that had been previously approved should circumstances change or other reasons arise that, in the reasonable judgment of the party objecting, make continued use potentially damaging to reputation or image of the MTS Marks or the Sycuan Marks or to the objecting party.
- d. Ownership of Marks. All uses of the MTS Marks or the Sycuan Marks by a party hereto shall inure to the benefit of the party granting the license in their own marks and not the licensee hereunder. No licensee hereunder shall make any claim of ownership or other interest in any mark licensed to them hereunder. Sycuan shall own all intellectual property rights in any works created by them (the "WORKS"), except Sycuan shall not have any interest or ownership in the MTS Marks that may

be embodied in WORKS.

- e. Advertising Content. Sycuan, with respect to its own use of Marks in advertising or media, shall be responsible for ensuring that it has all necessary rights to the Marks or other intellectual property used in such advertisements and media. MTS shall be solely responsible for installing and maintaining such advertisements and media, provided that it determines that items of advertising and media placed pursuant to this Agreement comply with all Federal, state and local laws and regulations, including but not limited to United States Department of Transportation and Caltrans.

5. **Station Sponsors.**

- a. Separate from this Green Line Naming Rights agreement, MTS may also endeavor to sell individual station sponsorships along the Green Line at any of the stations except those granted to Sycuan in Section 2(b). In accordance with the category exclusivity granted to Sycuan in this Agreement, individual station sponsors shall not be in the casino categories. Station sponsorships shall be limited to:
 - i. Naming rights of one station and signage at that respective station;
 - ii. Interior panel signage on the Green Line fleet vehicles identifying the station name on route maps or other identifying materials; and
 - iii. Station identification printed on MTS materials.

6. **No Other Green Line Sponsor.** MTS warrants and represents as an inducement to Sycuan to enter into this Agreement that:

- a. Except for the station sponsors, Sycuan is the sole and exclusive naming rights sponsor for the Green Line.

7. **Payment of Sponsorship Fee.** In return for the rights granted above, Sycuan shall pay to MTS, in advance, annual fee payments as set forth in the Payment Schedule attached as Exhibit D, with the first payment being due on the first date of the term as identified below and the subsequent payments being due on the same date in the subsequent years (the "Sponsorship Fee"). Beginning in year 6, the annual fee payment shall increase at a rate of three percent (3%) each subsequent contract year.

No fee other than Sponsorship Fees and the advertising installation costs described in Section 3(c) shall be due from Sycuan until and unless Sycuan has had the opportunity to review and approve or reject in writing, in their respective sole discretion, any costs or expenses of MTS or its agents or representatives, that are imposed on Sycuan in this Agreement. With respect to installation costs described in Section 3(c): (1) Sycuan shall not unreasonably withhold approval of costs under Section 3(c); and (2) Sycuan shall respond to requests for approval of costs under Section 3(c) within 10 business days of receiving the written proposal from MTS. No fees other than Sponsorship Fees shall be due from Sycuan if MTS is unreasonably withholding approval for any matter for which Sycuan is required to obtain approval from MTS.

Fees, costs and expenses not imposed on Sycuan or MTS in this Agreement shall not be imposed on any of them except by an amendment to this Agreement signed by all parties. Sycuan may approve or reject such costs in their sole discretion. These would include costs

and expenses for or related to new or different advertising, including but not limited to costs and expenses arising from the participation by Sycuan in any new sponsorship or advertising media or modality.

8. **Term.** The initial term of this Agreement shall commence 60 days from the date first written above and continue for twenty (20) years from the date the agreement is signed ("Initial Term"). MTS agrees that Sycuan shall have the option to renew this Agreement, under terms acceptable to MTS, at the end of the Initial Term for an additional ten (10) year term. MTS further agrees that Sycuan shall have the sole and exclusive option to terminate this Agreement at the conclusion of the tenth year of the Term. The Initial Term and any subsequent renewals are collectively referred to herein as the "Term." If Sycuan decides not to exercise their option for renewal terms, then this Agreement shall terminate.

9. **Termination for Cause.**

- a. Termination for Breach. This Agreement may be terminated by any party, at any time if the other party:

- i. Is in material breach of this Agreement, and such breach has not been cured within thirty (30) days, or a reasonable time if more than thirty (30) days is required to cure, following provision of written notice of such breach to the breaching party.
- ii. Seeks protection in bankruptcy, makes a general assignment of its assets for the benefit of its creditors.
- iii. Is convicted of a felony or is excluded from participation in any procurement program funded in whole or in part by the federal or a state government.
- iv. Takes or omits taking such action relating to or arising under this Agreement, so as to cause material disrepute to accrue to another party, or to cause material harm to the reputation of another party.

The notice of material breach or default shall set forth in detail the act or omission giving rise to a breach of this Agreement and shall specify in detail what is reasonably expected of the breaching party in order to cure such breach. If the allegedly breaching party disputes the existence of the breach, then the dispute resolution procedures described in Section 18 hereof shall apply to the resolution of such dispute.

- b. Effect of Termination. Upon termination or expiration of this Agreement

- i. All rights of MTS and Sycuan to use the MTS Marks or Sycuan Marks, as applicable, shall cease and MTS will remove all Sycuan Marks from buses, stations, advertisements and other instances where MTS had been using the Sycuan Marks prior to the termination.
- ii. All licenses granted in this Agreement shall terminate.
- iii. In the event that this Agreement is terminated by Sycuan for cause, then MTS shall refund to the terminating Sponsor a pro rated portion of any fees paid by Sycuan on account of time periods following the effective date of termination.

- iv. In the event that this Agreement is terminated by MTS for cause before expiration of the original Term, then (1) Sycuan shall bear the costs of removing Sycuan signage pursuant to Section 3(d).
- c. Renegotiation in Lieu of Termination. In the event MTS, as a result of regulatory or other legal action, is unable to provide some of the Sponsorship Benefits listed in Section 2 and visually identified in Exhibit C then Sycuan may, as an alternative to terminating this Agreement pursuant to Section 9(a)(i), initiate a renegotiation of the Sponsorship Fee and/or the enumerated Sponsorship Benefits so as to maintain the sponsorship value intended by this Agreement.

10. Warranties.

- a. General Warranties of MTS. MTS represents and warrants that (i) it has the full corporate power and legal authority to enter into and perform this Agreement in accordance with its terms; (ii) all necessary corporate approvals for the execution, delivery, and performance by MTS of this Agreement have been obtained; (iii) this Agreement has been duly executed and delivered by MTS and constitutes a legal, valid and binding obligation of MTS enforceable in accordance with its terms; and (iv) the execution, delivery and performance of this Agreement by MTS will not conflict with its articles of incorporation, by-laws or other governing documents and will not conflict with or result in the breach or termination of, or constitute a default under, any lease, agreement, commitment or other instrument, or any order, judgment or decree, to which MTS is a party or by which MTS is bound.
- b. General Warranties of Sycuan. Sycuan represents and warrants that (i) it has the full corporate and tribal power and legal authority to enter into and perform this Agreement in accordance with its terms; (ii) all necessary corporate or tribal council approvals for the execution, delivery, and performance by Sycuan of this Agreement have been obtained; (iii) this Agreement has been duly executed and delivered by Sycuan and constitutes a legal, valid and binding obligation of Sycuan enforceable in accordance with its terms; and (iv) the execution, delivery and performance of this Agreement by Sycuan will not conflict with its articles of incorporation, by-laws, tribal laws or regulations, or other governing documents and will not conflict with or result in the breach or termination of, or constitute a default under any lease, agreement, commitment or other instrument, or any order, judgment.
- c. Express Warranty of Sycuan. Sycuan represents and warrants that it has obtained all necessary approvals of its tribal council or other individuals and/or members to enter into the limited waiver of sovereign immunity set forth in Section 24.

11. Allocation of Responsibility; Insurance.

- a. As between MTS and Sycuan, MTS is responsible for costs, damages and liabilities arising from any bodily injury, including death, personal injury or property damage arising out of MTS transportation operations, including but not limited to the operation of the Green Line. MTS shall procure and maintain during the term of this Agreement and so long as any Sycuan Marks are in use by MTS, comprehensive policies of insurance including:
 - i. Worker's compensation and employer's liability;

- ii. Commercial general liability;
- iii. Automobile physical damage and liability.

Self-insurance of the above requirements is acceptable. If requested, a letter of self-insurance will be provided by MTS to Sycuan as evidence thereof.

- b. Without limitation to the foregoing, it is acknowledged that MTS shall have no liability or responsibility for costs or damages related to bodily injury, including death, personal injury or property damage arising out of actions, fault or negligence in the operation of the casinos and services of Sycuan, as applicable.
- 12. Binding Effect; Benefit.** This Agreement shall be binding upon and inure to the benefit of the Parties hereto, and their successors and permitted assigns. It is the explicit intention of the Parties hereto that no person or entity other than such Parties (or their successors or permitted assigns), including, without limitation any officer, employee, or agent is or shall be entitled to bring any action to enforce any provision of this Agreement against any of the Parties, as a third party beneficiary or otherwise. The covenants, undertakings, and agreements set forth in this Agreement shall be solely for the benefit of, and shall be enforceable only by, the Parties or their respective successors and permitted assigns.
- 13. Entire Agreement; Amendment.** This Agreement contains the entire agreement between the Parties relating to the subject matter herein. All prior proposals, discussions and writings by and among the Parties relating to the subject matter herein are superseded by this Agreement. This Agreement may not be amended unless such amendment is in writing and signed by duly authorized representatives of both Parties and recites specifically that it is an amendment to this Agreement.
- 14. Assignment.** Except as otherwise stated in this Agreement, no party's interests or obligations under this Agreement may be assigned or transferred to another party without the prior written consent of the all parties hereto, which may be granted or withheld in the sole discretion of that any party. Any attempted assignment without such consent shall be void *ab initio*.
- 15. Waiver.** No party's delay or failure to exercise any right, power or privilege under this Agreement or under any other instrument given in connection with or pursuant to this Agreement shall impair any such right, power or privilege or be construed as a waiver of any event of default hereunder or any acquiescence therein. No single or partial exercise of any such right, power or privilege shall preclude the further exercise of such right, power or privilege, or the exercise of any other right, power or privilege. No waiver shall be valid against any party unless made in writing and signed by an authorized officer of the party against whom enforcement of such waiver is sought and then only to the extent expressly specified therein.
- 16. Severability.** If either: (a) a court of competent jurisdiction holds that a material provision or requirement of this Agreement violates any applicable law, or (b) a government agency with jurisdiction definitively advises the Parties that a feature or provision of this Agreement violates laws over which such department or agency has jurisdiction, then each such provision, feature or requirement shall be fully severable and: (1) this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part hereof; (2) the remaining provisions hereof shall remain in full force and

effect and shall not be affected by the severable provision; and (3) the Parties shall in good faith negotiate and substitute a provision as similar to such severable provision as may be possible and still be legal, valid and enforceable. If the effect of such severance and substitution, or the inability promptly to agree upon such substitution, would be to deprive a party of the benefits contemplated under this Agreement or increase the risk or liability of a party, then any party may terminate this Agreement by giving such notice to the other Parties as is acceptable to such court or governmental agency, and as is sufficient to provide for an orderly transition consistent with the terms.

17. Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the substantive laws of the State of California, to the extent not governed by federal law, without giving effect to the principles of conflict of laws of such State. Subject to Section 18 of this Agreement, the parties acknowledge that jurisdiction exists and venue is proper in the Courts of California for any action brought under this Agreement. Consistent with the waiver set forth in Section 24, this Agreement shall not be governed by or adjudicated in accordance with Sycuan's tribal code.

18. Dispute Resolution.

- a. Process. The Parties acknowledge that the establishment and operation of this affiliation will require an ongoing commitment by all parties to cooperate and make best efforts. Accordingly, the parties will seek to resolve any disputes regarding this Agreement or any other terms of this Agreement pursuant to this Section 18. Any party may at any time issue a notice that a dispute exists if such party believes that another party has caused a material breach of the Agreement, or a situation or circumstance exists which frustrates, in a material manner, the achievement of the objectives of this Agreement. Such notice shall start a process of Progressive Dispute Resolution which shall involve a good faith attempt to resolve the dispute for a period not to exceed 120 days. The specific allocation of such 120-day period is described in subparagraphs (c) and (d) of this Section 18.
- b. Any claim, controversy or dispute concerning the interpretation or performance of this Agreement or to the threatened, alleged or actual breach of this Agreement which is not disposed of by mutual agreement within a period of ten (10) days after one party has provided written notice of the dispute to the other, first shall be subject to Progressive Dispute Resolution procedures described in this Section 18. Notwithstanding the Parties' agreement to these procedures, either party may seek immediate injunctive relief if such party believes that injunctive relief is necessary to prevent immediate irreparable harm to its interests.
- c. Invocation of Progressive Dispute Resolution Procedures. The party believing itself aggrieved (the "Invoking Party") shall call for progressive management involvement in the dispute negotiations by written notice to the other party. Such notice shall be without prejudice to the Invoking Party's right to any other remedy permitted by this Agreement.
- d. Progression of Management Involvement. The Parties shall use their best efforts to arrange personal meetings and/or telephone conferences as needed, at mutually convenient times and locations, between negotiators for the Parties at the successive management levels set forth below.

<u>Level</u>	<u>Sycuan</u>	<u>MTS</u>
Level 1:	<u>Daniel Morales</u>	VP of Marketing
Level 2:	<u>John Dinius</u>	GM
Level 3:	<u>Adam Day</u>	CAO

The negotiators at each management level shall have a period of forty (40) days in which to attempt to resolve the dispute. The allotted time for the first-level negotiators shall begin on the date of receipt of the Invoking Party's notice.

- e. If a resolution is not achieved by negotiators at any given management level at the end of the allotted time or any extension thereto agreed to by the parties in writing, the allotted time for the negotiators at the next management level, if any, shall begin immediately.
- f. If resolution is achieved at any management level, the resolution shall be memorialized in writing, shall state the agreements reached and describe the actions to be taken, if any, and shall be signed by the managers involved.
- g. The agreement of the Parties to these Progressive Dispute Resolution procedures is solely for the benefit of the Parties and is not intended to create any legal, equitable, or beneficial interest in any third party or to vest in any third party any interest with respect to the enforcement of performance of these procedures.

- 19. Notices.** All notices, requests, demands, waivers, consents and other communications hereunder shall be in writing, shall be delivered either in person, by overnight delivery, or by mail, and shall be deemed to have been duly given and to have become effective (a) upon receipt if delivered in person, or on the next succeeding business day if delivered on a non-business day or after 6:00 p.m. local time, (b) one business day after having been delivered to a courier for overnight delivery, or (c) three business days after having been deposited in the U.S. Mail, all fees prepaid, directed to the Parties at the following addresses (or at such other address as shall be specified in writing by a recipient Party hereto);

If to Sycuan, to:

John Dinius
General Manager
5469 Casino Way
El Cajon, CA 92019

Michelle Carr
Attorney General
1 Kwaaypaay Court
El Cajon, CA 92019

If to MTS, to:

Paul Jablonski, CEO
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

Karen Landers
General Counsel
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

20. **Additional Actions and Documents.** Each of the Parties hereto shall take or cause to be taken such further actions, execute, deliver and file or cause to be executed, delivered and filed such further documents and instruments, and use their respective best efforts to obtain such consents (including regulatory approvals), as may be reasonably necessary or as may be reasonably requested in order to fully effectuate this Agreement.
21. **Survival.** Sections 10 through 24 shall survive termination or expiration of this Agreement.
22. **Construction.** Each Party hereto acknowledges that it was represented by counsel and participated equally in the drafting and negotiation of this Agreement and that, accordingly, no court construing this Agreement shall construe it more stringently against one Party than against the other.
23. **MTS Board of Directors Approval.** Sycuan acknowledges that this Agreement shall not be effective until approved by the MTS Board of Directors and executed by the MTS Board Chairman. The first payment due in Paragraph 7 shall be thirty (30) days after MTS Board approval of this Agreement.

Limited Waiver of Tribal Sovereign Immunity Related to this Agreement. Sycuan acknowledges that MTS's execution of this Agreement and the granting of the rights set forth in this Agreement are expressly conditioned upon Sycuan having agreed to a limited waiver of its tribal sovereign immunity. By executing this Agreement, Sycuan *expressly, unequivocally and irrevocably waives the sovereign immunity of the Sycuan Casino* from suit in the Superior Court of California, County of San Diego to adjudicate any action for money damages, injunctive relief and/or declaratory relief arising out of a breach of this Agreement and agrees not to raise sovereign immunity as a defense in any such action. Sycuan's limited waiver of its immunity from suit is made solely for the benefit of MTS and may not be invoked by any other entity or used to benefit any entity or party that is not MTS.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

Sycuan Casino

San Diego Metropolitan Transit System

By:
Its:

Paul C. Jablonski
CEO

San Diego Metropolitan Transit System

Harry Mathis
Chairman, Board of Directors

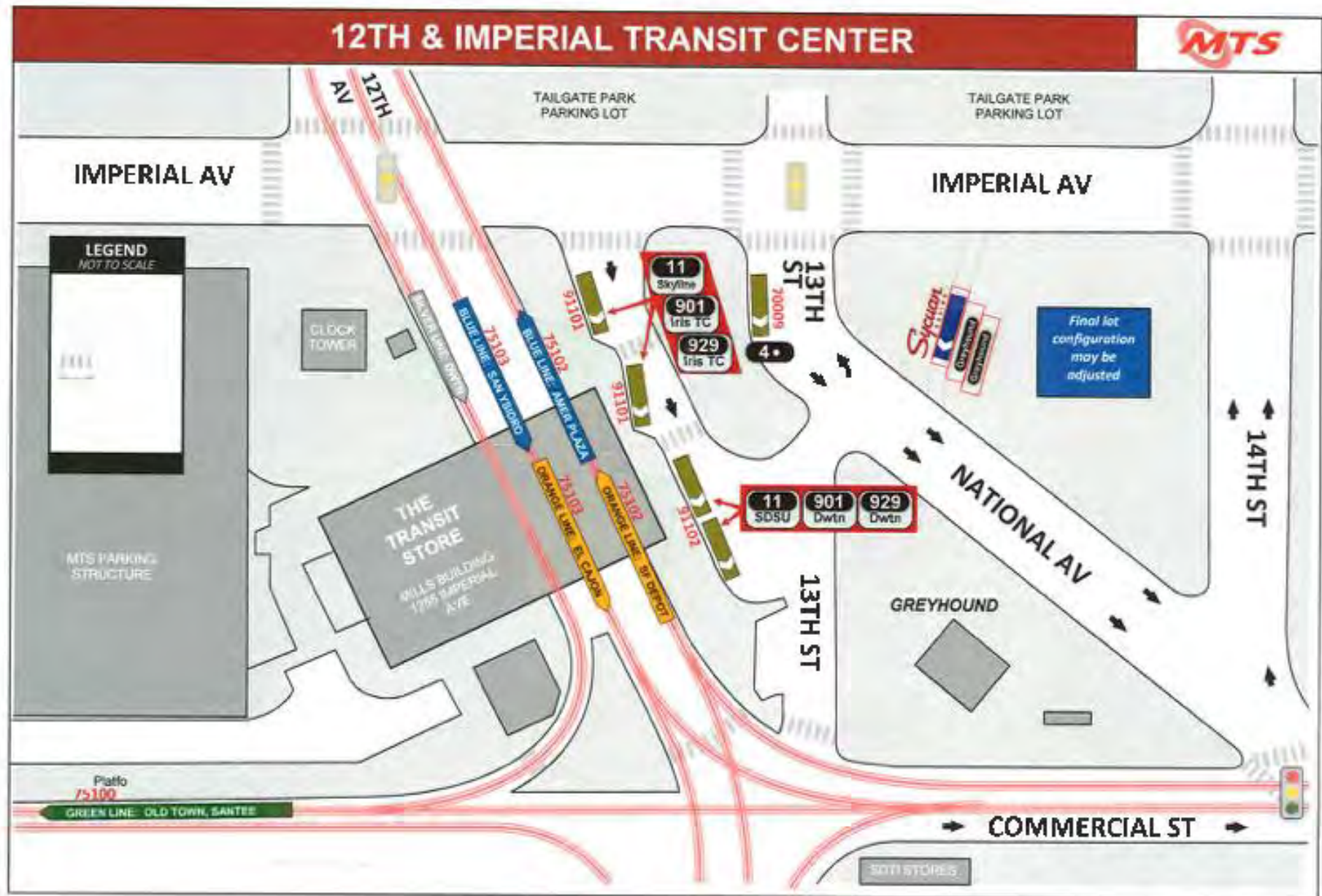
Approved as to Form:

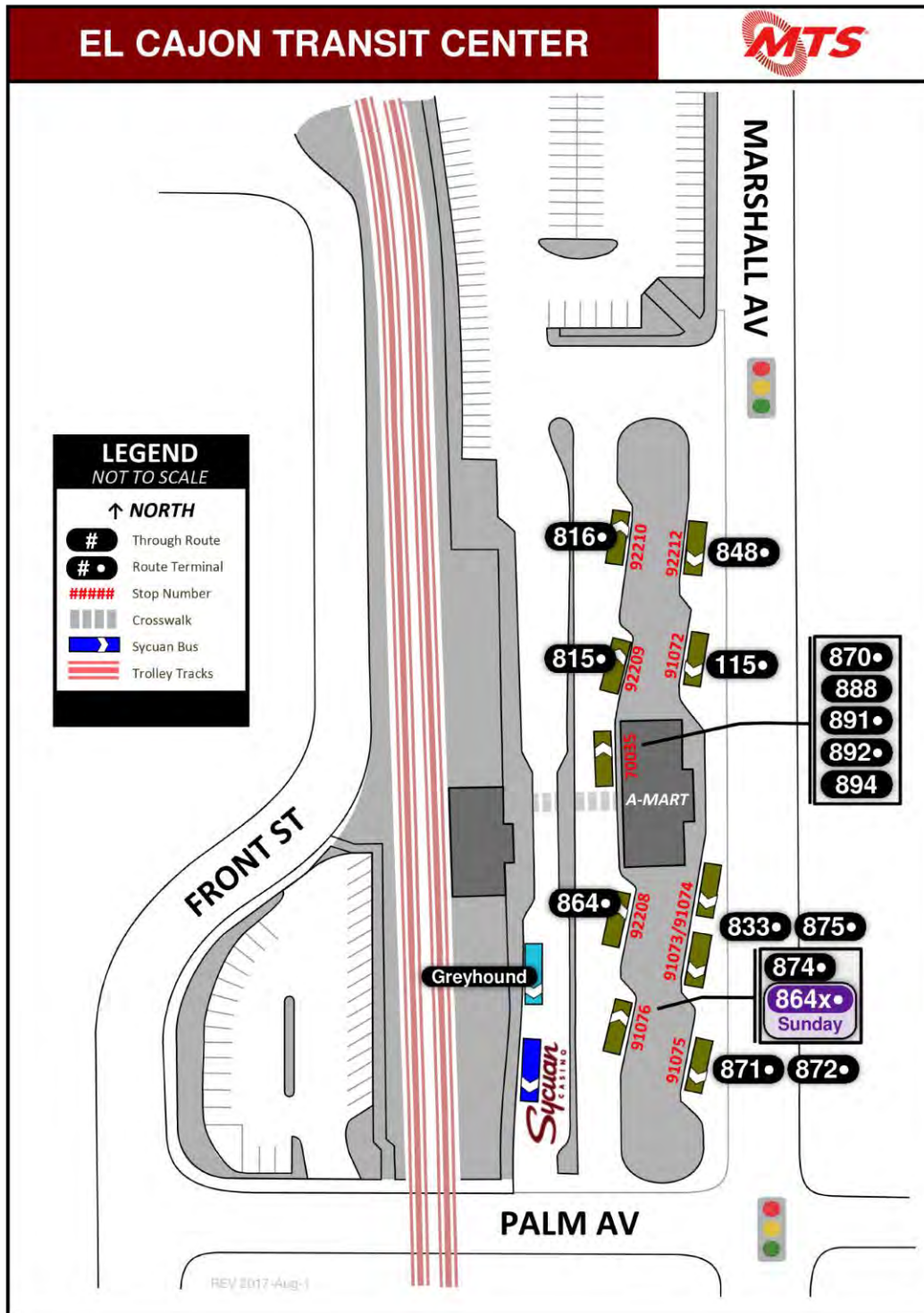
Office of General Counsel

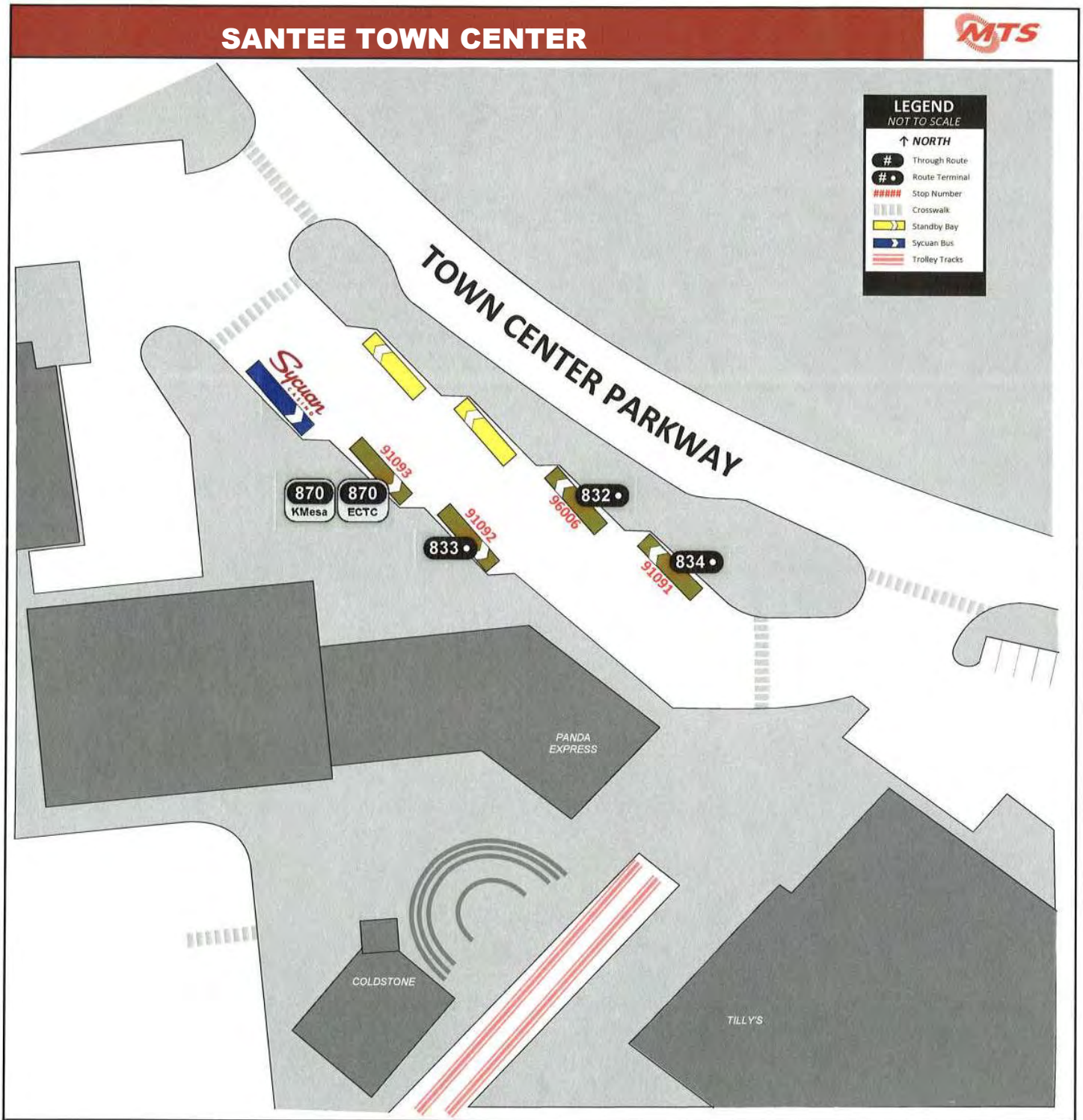
EXHIBIT A
GREEN LINE TROLLEY MAP
(Remainder of page intentionally left blank)



EXHIBIT B







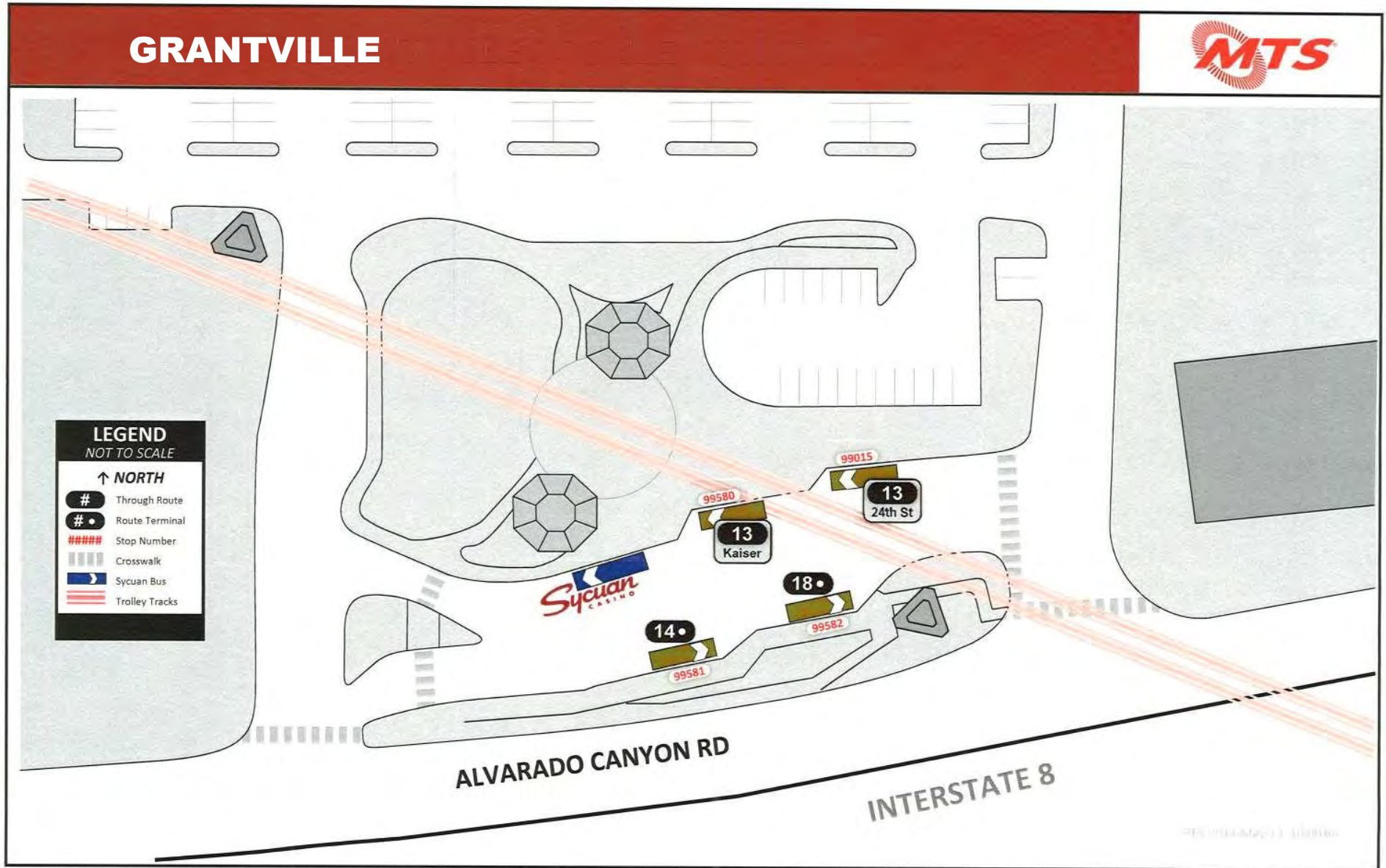


EXHIBIT C
SIGNAGE EXAMPLES/ILLUSTRATIONS
(Remainder of page intentionally left blank)

BRANDING & ADVERTISING ASSETS

Sycuan **Green Line**

BRANDING & ADVERTISING

MTS and Sycuan will work together to identify opportunities to create impressions from the Trolley's high visibility assets along Interstate 8. Opportunities include, but are not limited to, station domination at the Grantville Trolley Station, wraps on pylons supporting elevated track, graphics on MTS-maintained retaining walls, signage on barriers along elevated track and more. Following are examples of how these assets could be utilized by Sycuan.



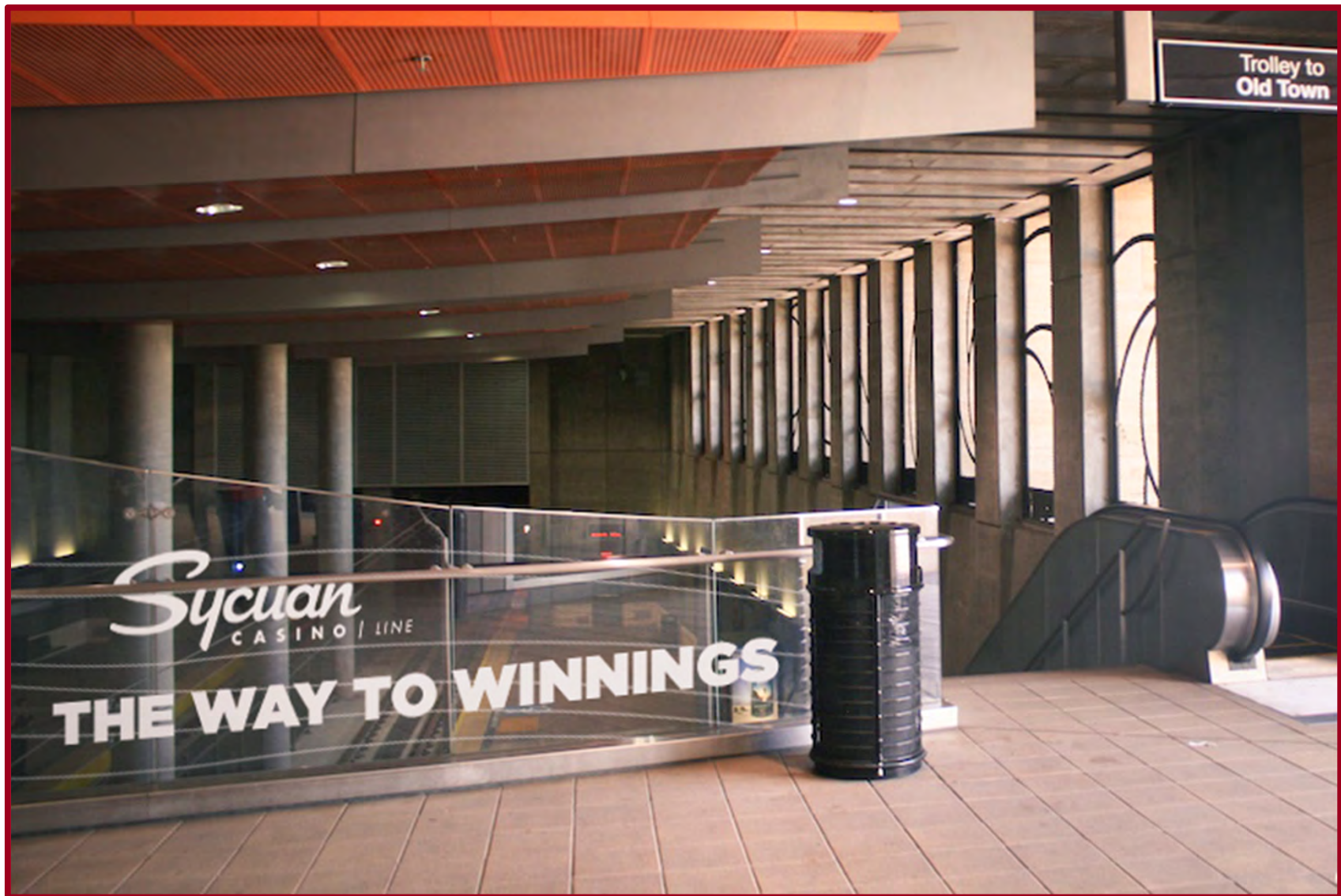
Description: Exterior Trolley Wraps, Branding at Stations
Location: El Cajon Station pictured



Description: Additional Signage Opportunities at Qualcomm
Location: Qualcomm Station



Description: Branding/Advertising
Location: SDSU Station



Description: Branding and Advertising in stations
Location: SDSU Station



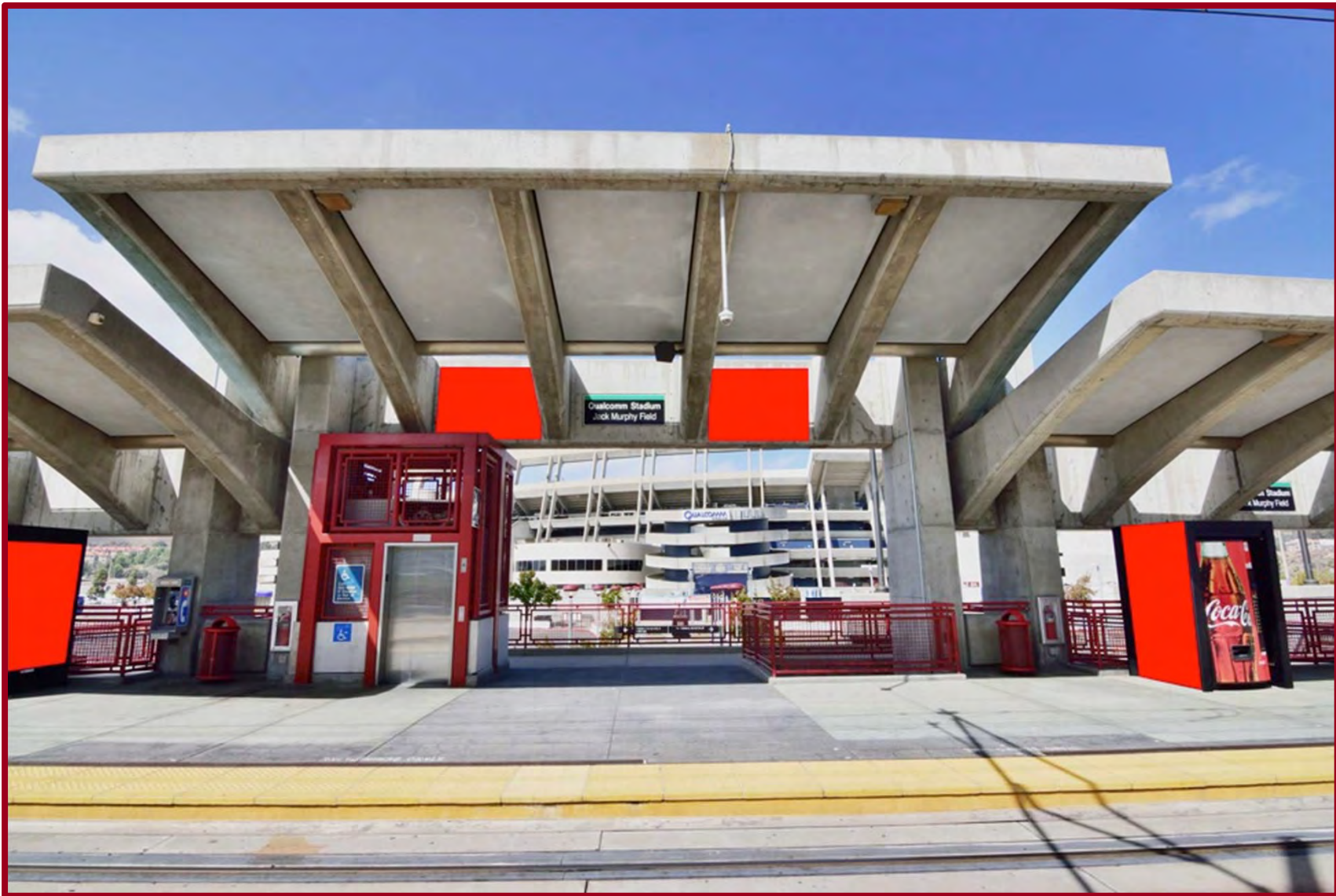
Description: Trolley wraps
Location: Six (6) Green Line Trolley Cars



Description: Branding/Advertising on exterior of station facing
Interstate
Location:



Description: Branding/Advertising on side of track facing Interstate
Location:

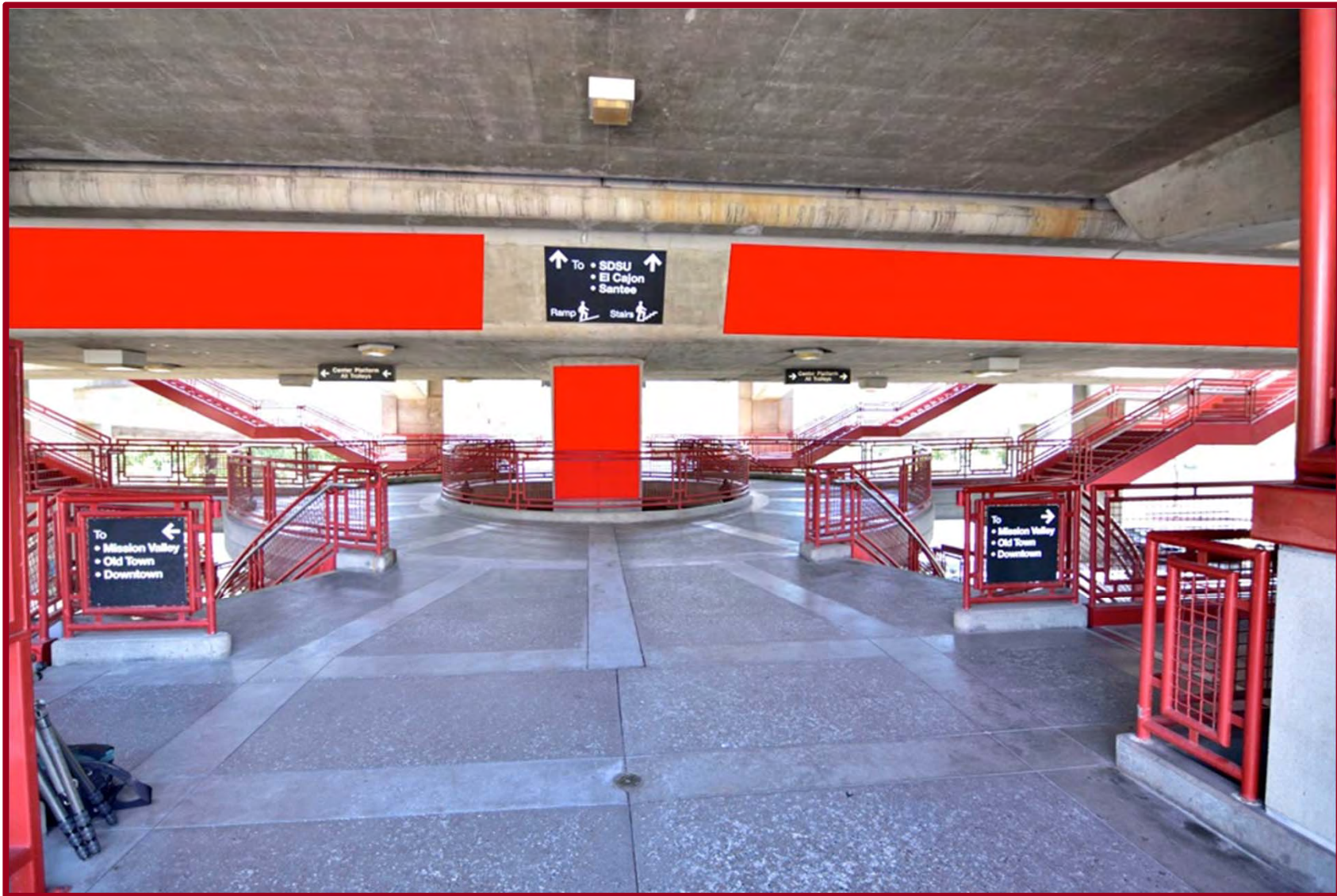


Description: Branding/Advertising at Qualcomm Station
Location: Qualcomm Station



Description: Branding/Advertising on concrete inside station infrastructure

Location:

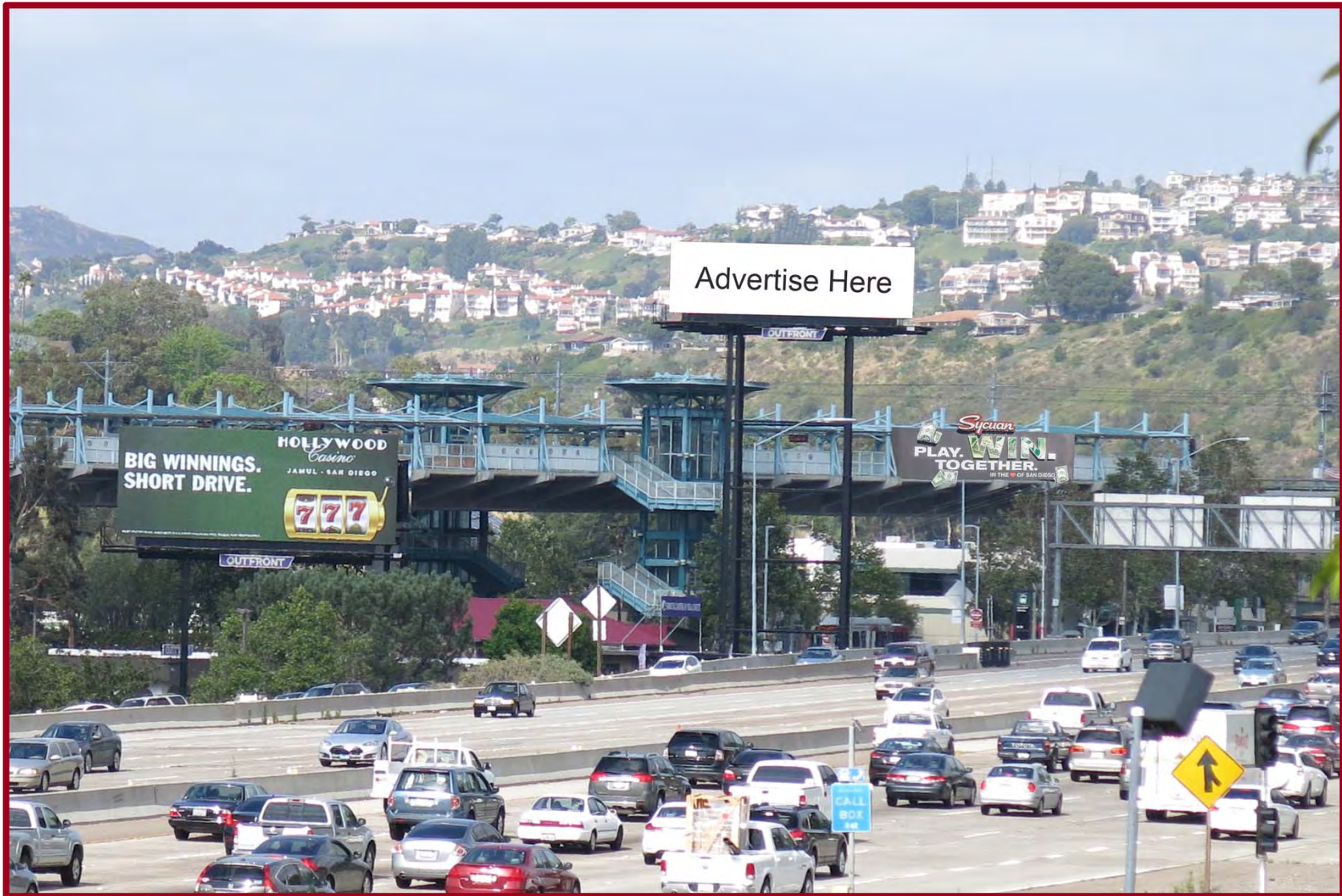


Description: Branding/Advertising on concrete inside station infrastructure

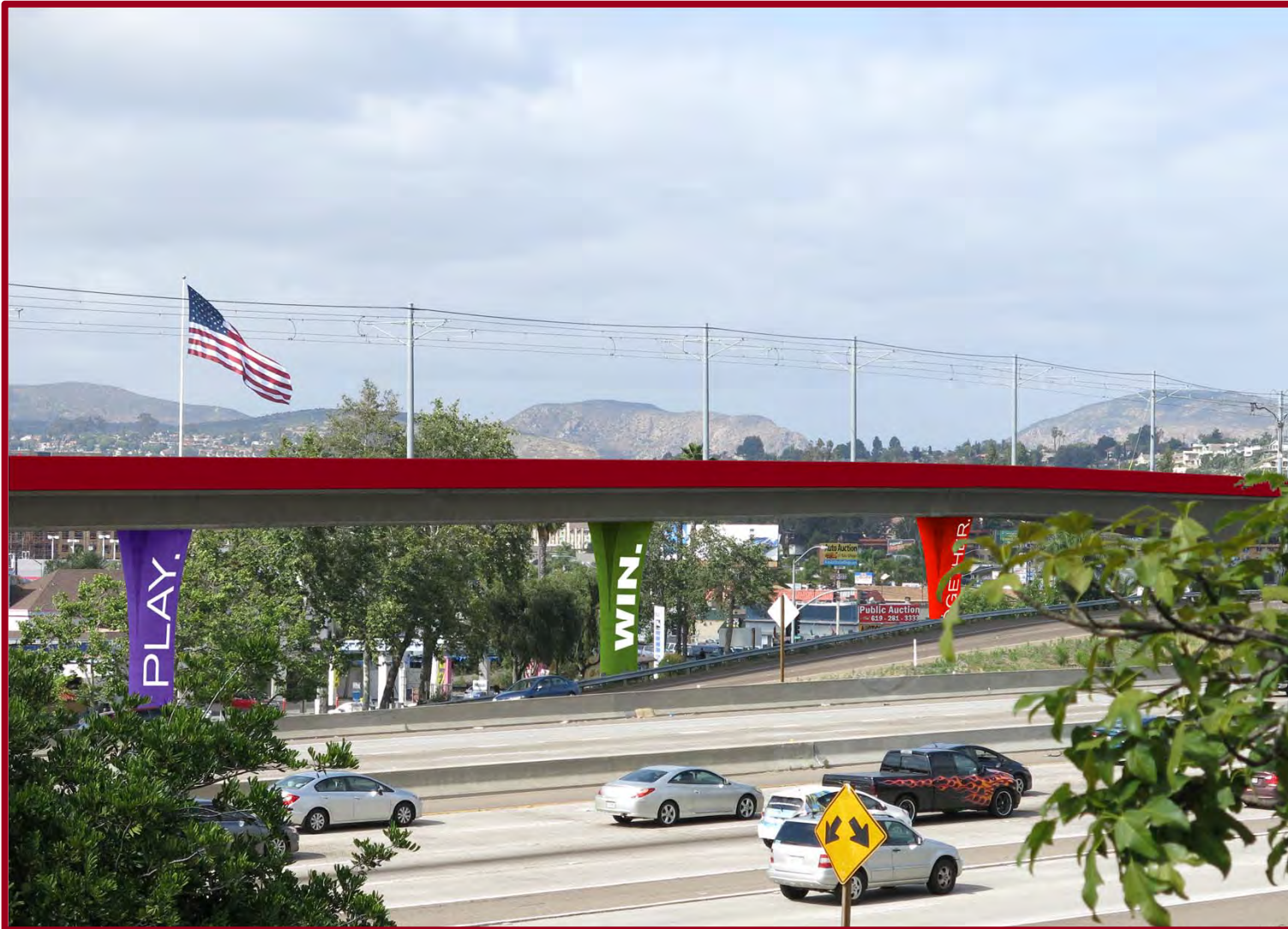
Location:



Description: Line Name along railing facing Interstate
Location:




Description: Signage/Advertising facing Interstate
Location:



Description: Line Name along railing facing Interstate
Location:






Description: Line Name on retaining wall facing Interstate
Location:













Information • Información

Service seven days a week | Servicio siete días a la semana

UC San Diego Blue Line 	Sycuan Green Line 	Orange Line 
<p>San Ysidro ↔ America Plaza 7½-minute frequency during the weekday commute. 15-minutes during most of the day. 30-minutes in the evening. Frecuencia de 7.5 minutos durante las horas pica en los días de entre semana. Frecuencia de 15 minutos durante la mayoría del día. 30 minutos en la noche.</p>	<p>Santee ↔ 12th & Imperial 15-minute frequency most of the day. 30-minutes in the evening. Frecuencia de 15 minutos durante la mayoría del día. 30 minutos en la noche.</p>	<p>El Cajon ↔ Santa Fe Depot 15-minute frequency most of the day. 30-minutes in the evening. Frecuencia de 15 minutos durante la mayoría del día. 30 minutos en la noche.</p>

Things to remember | Cosas que recordar

<p> One bike per car during weekday rush hour. Two bikes per car at all other times. Una bicicleta por tranvía durante las horas pica en los días de entre semana. Dos bicicletas por tranvía en cualquier otro momento.</p> <p> All Trolleys have wheelchair lifts or ramps. Courtesy seating available near doors. Todos los Trolleys cuentan con elevadores o rampas para sillas de ruedas. Los asientos de prioridad están disponibles junto a las puertas.</p>	<p>YES</p> <p> Wear headphones Use audifonos</p> <p> Cover drinks Cubra las bebidas</p> <p> Stay with bike Manténgase junto a su bicicleta</p> <p> Hold belongings Sujete sus pertenencias</p> <p style="color: red;">For your safety, look around...be aware! If something doesn't look right, call 619-595-4960</p>	<p>NO</p> <p> Smoking Fume</p> <p> Eating or open drinks Coma ni bebidas destapadas</p> <p> Feet on seats Ponga los pies en los asientos</p> <p> Climbing or jumping between Trolleys Colgar o brincar entre los Trolleys</p>
--	---	---

All passengers must have a valid ticket or pass while traveling on the Trolley.
 Failure to have a valid fare may result in citation.

Todos los pasajeros deben tener un boleto o pase válido al viajar en el Trolley.
 Incumplimiento en tener un pasaje válido podrá resultar en una multa.

Visit us online at www.sdmts.com or call:

Transit Information. 511

24-hour Info Express. 619-685-4900

TTY/TDD. 619-234-5005

The Transit Store 619-234-1060

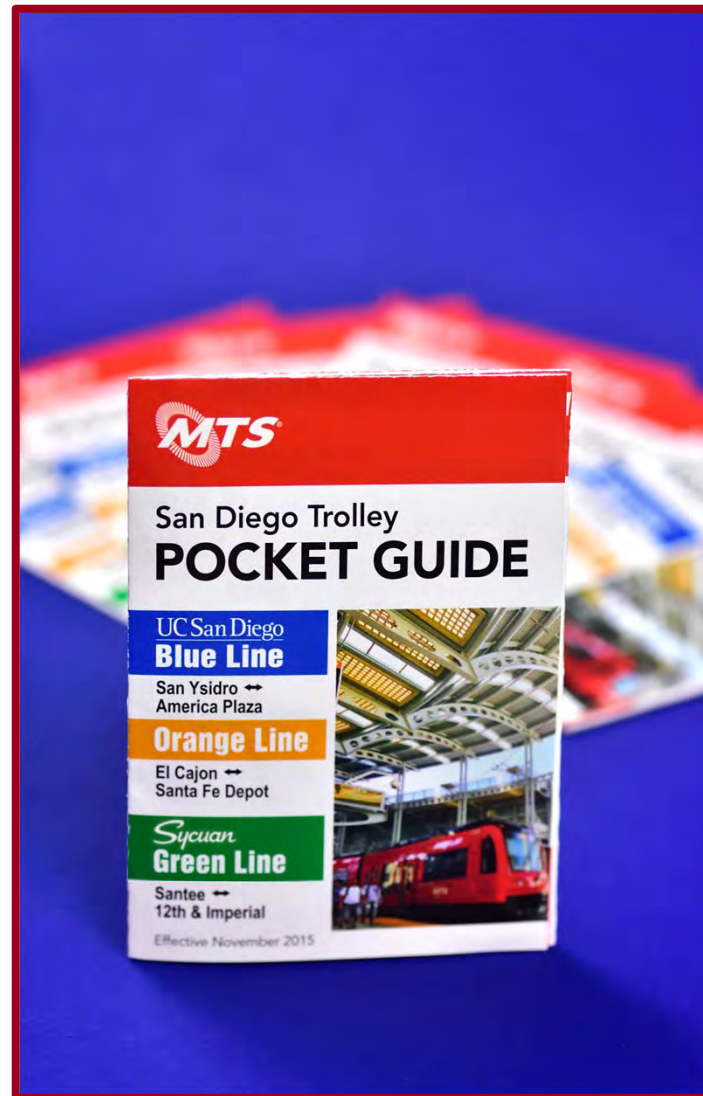
Moving to 12th & Imperial Ave. Summer 2016

Description: Sycuan ID in Green Line name

Location:



Description: Sycuan Green Line on all grapevine maps
Location:



Description: Sycuan Green Line on all pocket guides

Location:



Description: Sycuan Green Line on pocket schedules

Location:



Monday through Friday / lunes a viernes

SANTEE → DOWNTOWN

Santee	El Cajon	Grossmont Center	SDSU	Qualcomm Stadium	Fashion Valley	Old Town	Santa Fe Depot	12th & Imperial
—	—	—	—	—	—	4:53a	5:02a	5:11a
—	—	—	—	4:53a	5:01a	5:08	5:17	5:26
—	—	—	—	—	—	5:23	5:32	5:41
—	—	—	—	5:23	5:31	5:38	5:47	5:56
5:04a	5:14a	5:21a	5:30a	5:38	5:46	5:53	6:02	6:11
5:19	5:29	5:36	5:45	5:53	6:01	6:08	6:17	6:26
5:34	5:44	5:51	6:00	6:08	6:16	6:23	6:32	6:41
AND THEN EVERY 15 MINUTES AT: / Y LUEGO CADA 15 MINUTOS A LA:								
:49	:59	:06	:15	:23	:31	:38	:47	:56
:04	:14	:21	:30	:38	:46	:53	:02	:11
:19	:29	:36	:45	:53	:01	:08	:17	:26
:34	:44	:51	:00	:08	:16	:23	:32	:41
UNTIL: / HASTA:								
8:49p	8:59p	9:06p	9:15p	9:23p	9:31p	9:38p	9:47p	9:56p
9:19	9:29	9:36	9:45	9:53	10:01	10:08	10:17	10:26
9:49	9:59	10:06	10:15	10:23	10:31	10:38	10:47	10:56
10:19	10:29	10:36	10:45	10:53	11:01	11:08	11:17	11:26
10:49	10:59	11:06	11:15	11:23	11:31	11:38	11:47	11:56
—	—	—	11:30	11:38	11:46	11:53	12:02a	12:11a
11:19	11:29	11:36	11:45	11:53	12:01a	12:08a	12:17	12:26
—	—	—	12:00a	12:08a	12:16	12:23	12:32	12:41
—	—	—	12:30	12:38	12:46	12:53	1:02	1:11

DOWNTOWN → SANTEE

12th & Imperial	Santa Fe Depot	Old Town	Fashion Valley	Qualcomm Stadium	SDSU	Grossmont Center	El Cajon	Santee
—	A 3:59a	4:08a	4:14a	4:22a	4:30a	4:40a	4:47a	4:58a
—	A 4:14	4:23	4:29	4:37	4:45	4:55	5:02	5:13
—	A 4:21	4:30	4:36	4:44	—	—	—	—
—	A 4:29	4:38	4:44	4:52	5:00	5:10	5:17	5:28
—	A 4:36	4:45	—	—	—	—	—	—
—	A 4:44	4:53	4:59	5:07	5:15	5:25	5:32	5:43
—	A 4:51	5:00	5:06	5:14	—	—	—	—
4:51a	4:59	5:08	5:14	5:22	5:30	5:40	5:47	5:58
—	A 5:06	5:15	—	—	—	—	—	—
5:06	5:14	5:23	5:29	5:37	5:45	5:55	6:02	6:13
5:21	5:29	5:38	5:44	5:52	6:00	6:10	6:17	6:28
AND THEN EVERY 15 MINUTES AT: / Y LUEGO CADA 15 MINUTOS A LA:								
:36	:44	:53	:59	:07	:15	:25	:32	:43
:51	:59	:08	:14	:22	:30	:40	:47	:58
:06	:14	:23	:29	:37	:45	:55	:02	:13
:21	:29	:38	:44	:52	:00	:10	:17	:28
UNTIL: / HASTA:								
7:36p	7:44p	7:53p	7:59p	8:07p	8:15p	8:25p	8:32p	8:43p
8:06	8:14	8:23	8:29	8:37	8:45	8:55	9:02	9:13
8:36	8:44	8:53	8:59	9:07	9:15	9:25	9:32	9:43
9:06	9:14	9:23	9:29	9:37	9:45	9:55	10:02	10:13
9:36	9:44	9:53	9:59	10:07	10:15	10:25	10:32	10:43
10:06	10:14	10:23	10:29	10:37	10:45	10:55	11:02	11:13
10:36	10:44	10:53	10:59	11:07	11:15	—	—	—
11:06	11:14	11:23	11:29	11:37	11:45	—	—	—
11:36	11:44	11:53	11:59	12:07a	12:15a	—	—	—

Description: Sycuan Green Line on all schedules

Location:



Description: Sycuan Green on all maps on ticket machines

Location:



Description: Sycuan Green Line on one-way tickets
Location: One Way Tickets

EXHIBIT D
PAYMENT SCHEDULE

Sycuan Green Line

Payment Schedule		
	Year	Value
Yr1	2017	\$600,000
Yr2	2018	\$600,000
Yr3	2019	\$600,000
Yr4	2020	\$600,000
Yr5	2021	\$600,000
Yr6	2022	\$618,000
Yr7	2023	\$636,540
Yr8	2024	\$655,636
Yr9	2025	\$675,305
Yr10	2026	\$695,564
Yr11	2027	\$716,431
Yr12	2028	\$737,924
Yr13	2029	\$760,062
Yr14	2030	\$782,864
Yr15	2031	\$806,350
Yr16	2032	\$830,540
Yr17	2033	\$855,457
Yr18	2034	\$881,120
Yr19	2035	\$907,554
Yr20	2036	\$934,780

Sycuan Green Line

Executive Committee

September 14, 2017



Background

- Continuation of Naming Rights Contract
 - Superlative Group since 2010
 - UC San Diego Blue Line in 2015
- On-going efforts for other assets
 - Green and Orange lines
 - Stations
 - Intro letters, follow-up calls and meetings
 - Contacted all major casinos



Sycuan Green Line

- Terms:
 - Years 1-5: \$600,000/yr
 - Years 6-20: Increases by 3%
 - Exit clause at 10 years
 - Extension Opportunity at 20 Years
 - Total gross payments
 - 10 years: \$6.28 million
 - 20 years: \$14.5 million
 - 30 years: \$25.5 million



Sycuan Green Line

- MTS Assets Provided
 - Exclusivity for Casinos and Native American Business/Government for all Trolley assets
 - Naming rights at three stations: Santee, El Cajon and Grantville
 - Bus shuttle operations at Santee, El Cajon, Grantville and adjacent to 12th & Imperial
 - Sycuan advertisements at above stations
 - Six Trolley wraps/year
 - Sycuan Green Line signage on MTS structures
 - Sycuan Green Line on all MTS printed materials



Sycuan Green Line

- Forgone revenue
 - \$105,000/year from Barona shuttles at El Cajon TC
 - Approximately \$50,000/year in Casino advertising
 - 10-year total is \$1.55 million
- Commission Payment for 10-year base contract
 - Either 12%/year or 6% (if paid in first three years)
 - Difference between Sycuan revenue and existing revenue contracts
 - Less monthly retainer and travel expenses for last 15 mos.
 - 6%: \$160,000
 - 12%: \$440,000 (NPV of \$334,000)
- 10-year net to MTS: \$4,285,000 -- \$4,570,000

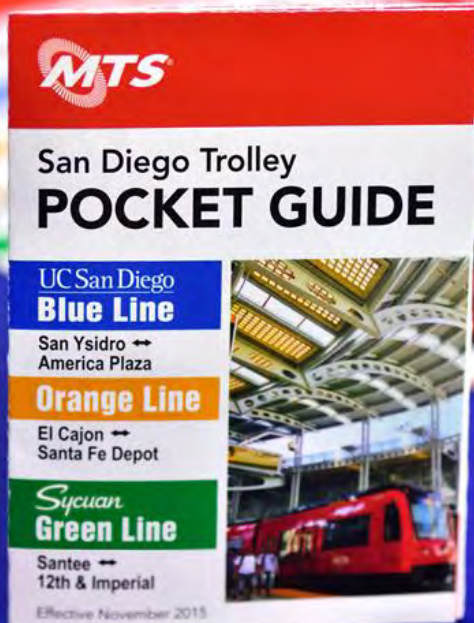


Examples









Sycuan

Green Line

Monday through Friday / Lunes a viernes

Santee → DOWNTOWN

Santee	El Cajon	Grossmont Center	SDSU	Qualcomm Stadium	Fashion Valley	Old Town	Santa Fe Depot	12th & Imperial
—	—	—	—	4:53a	5:01a	4:53a	5:02a	5:11a
—	—	—	—	5:23	5:31	5:08	5:17	5:26
—	—	—	—	5:38	5:46	5:23	5:32	5:41
5:04a	5:14a	5:21a	5:30a	5:38	5:46	5:53	6:02	6:11
5:19	5:29	5:36	5:45	5:53	6:01	6:08	6:17	6:26
5:34	5:44	5:51	6:00	6:08	6:16	6:23	6:32	6:41
AND THEN EVERY 15 MINUTES AT 7 Y LUEGO CADA 15 MINUTOS A LA								
—	—	—	—	5:15	5:31	5:36	5:41	5:56
—	—	—	—	5:36	5:46	5:53	6:02	6:11
—	—	—	—	5:53	6:03	6:10	6:17	6:26
—	—	—	—	6:08	6:18	6:25	6:34	6:41
UNTIL 7 HASTA:								
8:49p	8:59p	9:06p	9:15p	9:23p	9:31p	9:38p	9:47p	9:56p
9:19	9:29	9:36	9:45	9:53	10:01	10:08	10:17	10:26
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10:49	10:59	11:06	11:15	11:23	11:31	11:38	11:47	11:56
—	—	—	—	11:30	11:38	11:46	11:53	12:01a
11:19	11:29	11:36	11:45	11:53	12:01a	12:08	12:17	12:26
—	—	—	—	12:00a	12:08	12:16	12:23	12:32
—	—	—	—	12:30	12:38	12:46	12:53	1:02

DOWNTOWN → Santee

12th & Imperial	Santa Fe Depot	Old Town	Fashion Valley	Qualcomm Stadium	SDSU	Grossmont Center	El Cajon	Santee
—	▲ 3:59a	4:08a	4:14a	4:22a	4:30a	4:40a	4:47a	4:58a
—	▲ 4:14	4:23	4:29	4:37	4:45	4:55	5:02	5:13
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—	▲ 4:36	4:45	—	—	—	—	—	—
—	▲ 4:44	4:53	4:59	5:07	5:15	5:25	5:32	5:43
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11:06	11:14	11:23	11:29	11:37	11:45	—	—	—
11:36	11:44	11:53	11:59	12:07a	12:15a	—	—	—



Sycuan Green Line

Executive Committee

Questions?





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

DRAFT

Agenda

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

September 21, 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 - July 20, 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

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, Lemon Grove, National City, Poway, San Diego, Santee, and the County of San Diego.



CONSENT ITEMS

6. Lease Agreement with Pacific Axe, LLC at 1695 Main Street, San Diego Approve
Action would authorize the Chief Executive Officer (CEO) to execute a Lease Agreement with Pacific Axe, LLC for a lease at 1695 Main Street, San Diego.
7. Phase II Propane Fueling Services at Copley Park Division (CPD) - Contract Amendment Approve
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0656.1-16 with Ferrellgas, LP (Ferrellgas) for the provision of propane fueling services.
8. Blue Line Traction Power Substation Installation Design Services - Work Order Approve
Action would authorize the Chief Executive Officer (CEO) to execute Work Order No. WOA1948-AE-04 to MTS Doc. No. G1948.0-17 with HNTB Corporation for the Blue Line Traction Power Substation (TPSS) installation design services.
9. Uninterruptible Power Supply (UPS) On-Site Repair and Support - Contract Award Approve
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G2009.0-17, a Sole Source agreement with Schneider Electric, for on-site support and repair of the current inventory of UPS units located throughout the MTS network including Data Centers, Trolley Stations and Bus Facilities.
10. Orange Line Design Services for Various Track Improvements - Work Order Agreement Approve
Action would authorize the Chief Executive Officer (CEO) to execute Work Order No. WO1947-AE-05 to MTS Doc. No. G1947.0-17 with HDR Engineering, Inc. (HDR) for track improvement design services.
11. Service and Maintenance of the Hegenscheidt Underfloor Wheel Truing Machine - Sole Source Award Approve
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWL242.0-18, a sole source agreement, for a period of three (3) years with Simmons Machine Tool Corporation (SMTc) for service and maintenance of the Hegenscheidt Underfloor Wheel Truing machine.
12. Light Rail Vehicle (LRV) Pantograph Carbon Strips - Contract Award Approve
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L1393.0-17 with Schunk Carbon Technology for the purchase of LRV Pantograph Carbon Strips.
13. Visual Messaging System (VMS) Maintenance (Warranty) and On-Site Parts - Sole Source Contract Award Approve
Action would authorize the Chief Executive Officer (CEO) to: (1) Execute MTS Doc. No. G2025.0-18 with Daktronics, Inc. for up to a three (3) year period with two (2) one-year options to provide VMS maintenance service and technical support; and (2) Exercise each option year at CEO's discretion.
14. San Diego Metropolitan Transit System (MTS) SAP Tier 3 Production Support Services - Contract Amendments Approve
Action would: (1) Approve increasing the dollar amount of two (2) SAP support services contracts to cover anticipated fiscal year (FY) 2018 expenses; and (2) Ratify one SAP support services contract amendment.

- | | | |
|-----|---|---------------|
| 15. | <u>Relocation of SDG&E Facilities for the New Orange Line Courthouse Station - Change Orders</u>
Action would: (1) Ratify Construction Change Orders 1-3 and 5-7 to MTS Doc. No. PWL204.0-16, Work Order No. MTSJOC7504-26 with ABC Construction Co., Inc. (ABC), for the relocation of SDG&E facilities; and (2) Authorize the Chief Executive Officer (CEO) to execute Construction Change Order 4 to MTS Doc. No. PWL204.0-16, Work Order No. MTSJOC7504-26 with ABC for relocating the utilities below an existing tunnel. | Approve |
| 16. | <u>Hill Street Slope Repair and Stabilization - Contract Award</u>
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWL227.0-17 with Palm Engineering Construction Company, Inc. for slope reconstruction at the MTS Hill Street property in El Cajon. | Approve |
| 17. | <u>Green Line Shelter Upgrades and Shelter Replacement at the Old Town Transit Center - Work Order</u>
Action would authorize the Chief Executive Officer (CEO) to execute MTSJOC7504-15, PWL204.0-16 with ABC Construction Co. Inc. (ABC) for Green Line shelter upgrades and shelter replacement at the Old Town Transit Center. | Approve |
| 18. | <u>Orange Line Track Improvements - Change Orders</u>
Action would: (1) Ratify Construction Change Orders 9-10 to MTS Doc. No. PWL211.0-16 for \$84,176.78, which was previously issued under the Chief Executive Officer's (CEO) authority, for Orange Line Track Improvements; and (2) Authorize the CEO to execute Change Order Amendment 11, with Herzog Contracting Corp. (Herzog), for \$74,087.08. | Approve |
| 19. | <u>Desert Line Lease and Operating Agreement: Amended and Restated BJRR-SDAE- MTS Desert Line Lease and Operating Agreement</u>
Action would authorize the Chief Executive Officer (CEO) to execute and Amended and Restated Desert Line Lease and Operating Agreement by and between Baja California Rail Road, Inc. (BJRR), San Diego & Arizona Eastern Railroad (SDAE), and MTS (MTS Doc. No. S200-13-560.4). | Approve |
| 20. | <u>Purchase of 20 Class B Propane Powered Paratransit Buses - Contract Award</u>
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G0675.0-18, with Creative Bus Sales, for the purchase of up to twenty (20) propane powered Class B paratransit buses. | Approve |
| 21. | <u>Investment Report - June 2017</u> | Informational |
| 22. | <u>Investment Report - July 2017</u> | Informational |

CLOSED SESSION

24.

Oral Report of Final Actions Taken in Closed Session

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS

- | | | |
|-----|--|-----------------|
| 30. | <u>Transit Optimization Plan Major Service Changes (Denis Desmond)</u> | Possible Action |
| 31. | <u>40-Foot Low-Floor Compressed Natural Gas (CNG) Transit Buses - Contract Award</u> | Approve |
| 32. | <u>60-Foot Low-Floor Compressed Natural Gas (CNG) Transit Buses - Contract Award</u> | Approve |
| 33. | | |
| 34. | | |

REPORT ITEMS

- | | | |
|-----|---|---------------|
| 45. | <u>Comic-Con 2017 Recap (Rob Schupp)</u> | Informational |
| 46. | <u>Operations Budget Status Report for June 2017 (Mike Thompson)</u> | Informational |
| 60. | <u>Chairman's Report</u> | Informational |
| 61. | <u>Chief Executive Officer's Report</u> | Informational |
| 62. | <u>Board Member Communications</u> | |
| 63. | <u>Additional Public Comments Not on the Agenda</u>
If the limit of 5 speakers is exceeded under No. 3 (Public Comments) on this agenda, additional speakers will be taken at this time. If you have a report to present, please furnish a copy to the Clerk of the Board. Subjects of previous hearings or agenda items may not again be addressed under Public Comments. | |
| 64. | <u>Next Meeting Date:</u> October 19, 2017 | |
| 65. | <u>Adjournment</u> | |



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

Agenda Item No. 6

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

September 21, 2017

**Draft for
Executive Committee
Review Date: 9/14/17**

SUBJECT:

LEASE AGREEMENT WITH PACIFIC AXE, LLC AT 1695 MAIN STREET, SAN DIEGO

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute a Lease Agreement with Pacific Axe, LLC for a lease at 1695 Main Street, San Diego.

Budget Impact

The total rent revenue for the initial 3-year lease term covered by the proposed lease agreement (September 2017 through September 2020) amounts to \$191,454 credited to the Land Management budget.

DISCUSSION:

Pacific Axe, LLC (Lessee), seeks approval of a proposed lease agreement to lease approximately 10,800 square feet in "Bay 2" in the MTS warehouse at the above referenced address. MTS purchased the warehouse property in 2013 to hold for future expansion needs. In order to keep the property available for potential MTS needs, it has been advertised and marketed for short term uses instead of long term tenants.

The Lessee's use for this lease space would be a recreational sporting venue for supervised hatchet throwing in accordance with the rules established by the National Axe Throwing Federation (www.nationalaxe.com). There are over 20 venues like this in the U.S. and more than 30 venues in Canada. One of the Lessee business partners is a former CEO of AMF Bowling which operated hundreds of bowling centers worldwide.

The Lessee has reviewed the proposed lease agreement and is agreeable to the provisions of this agreement. The proposed lease agreement uses MTS's current standard form lease agreement. With the expectation that the proposed lease



agreement will be approved, the Lessee is required to obtain a Right of Entry Permit from MTS to make some tenant improvements for their venue facility at the proposed lease space. Once the initial 3-year lease term expires, the lease will continue on a six (6) month to six (6) month basis until cancelled by either party. MTS and Lessee shall each have the right to cancel this Lease upon one hundred and eighty (180) days written notice to the other party for any reason or for no reason. The rent is subject to a cost of living adjustment (COLA) of 3% per year over the amount paid the previous lease year.

/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 Lease Agreement

LEASE AGREEMENT

THIS LEASE AGREEMENT ("Lease") is made and entered into effective as of this _____ day of _____, 2017 ("Commencement Date"), by and between the SAN DIEGO METROPOLITAN TRANSIT SYSTEM, a California public agency ("MTS") and PACIFIC AXE, LLC ("Lessee").

IN CONSIDERATION OF THE RENTS AND COVENANTS hereinafter set forth, MTS hereby leases to Lessee, and Lessee hereby leases from MTS, the premises described below upon the following terms and conditions:

ARTICLE 1 LEASE OF PREMISES

MTS hereby leases to Lessee and Lessee hereby leases from MTS, for the rent and upon the covenants and conditions hereinafter set forth, the premises ("Premises") consisting of that certain real property described as follows: Bay 2 at 1695 Main Street, San Diego, CA 92113, being a portion of Assessor's Parcel No. 538-210-25-00 and consisting of approximately 10,800 square feet.

All of said leased real property, including the land all improvements therein, is hereinafter called the "Premises", and is outlined on the exhibit marked Exhibit "A" attached hereto and by this reference incorporated herein.

ARTICLE 2 TERM

The term of this Lease shall be for three (3) years hereinafter called the "Initial Term" commencing on the Commencement Date. Once the Initial Term expires the lease will continue on a six (6) month basis until cancelled by either party. MTS and Lessee shall each have the right to cancel this Lease upon one hundred and eighty (180) days written notice to the other party for any reason or for no reason.

ARTICLE 3 RENT

3.1 Base Monthly Rent. Lessee shall have three (3) months free rent for tenant improvements, commencing on the Commencement Date. Subject to the rental adjustment as provided in Section 3.2, Lessee shall pay as rent for the use and occupancy of the Premises the sum of five thousand six hundred and sixteen Dollars (\$5,616.00) per month. Lessee shall pay said rent in advance, on the first day of each calendar month ("Rent Due Date"), without setoff, deduction, prior notice or demand, commencing on three (3) months after the Commencement Date. Should the Commencement Date be a day other than the first day of a calendar month, then the rent for such first fractional month shall be computed on a daily basis for the period from the Commencement Date to the end of such calendar month and at an amount equal to one thirtieth (1/30th) of the said monthly rent for each such day, and thereafter shall be computed and paid as aforesaid.

3.2 Rental Adjustment. The monthly rent shall be increased annually beginning on the first anniversary of the Lease Commencement Date, and each year thereafter, the yearly rent will increase by three percent (3%) over the rent paid the previous year.

3.3 Delivery of Rent Payments. All rent due under this Lease shall be made payable to MTS, and shall be considered paid when delivered to:

MTS
Attn: Finance Department
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

MTS may, at any time, by written notice to Lessee, designate a different address to which Lessee shall deliver the rent payments. MTS may, but is not obligated to, send monthly rent invoices to Lessee.

3.4 Common Area Utility Expenses. In addition to the utilities and services described in Section 5.1 to be paid by Lessee, Lessee shall be responsible for a pro rata share of electricity, water, burglar/fire alarm, and lighting of the Common Area Utilities of the entire warehouse building, parking and grounds where the Lessee's Premises is located. Lessee's pro rata share of said Common Area Utilities shall be 12% based on the square footage leased and will be billed on a monthly basis and payable in the monthly amount of \$130.50 with the payable base rent. Said Common Area Utility expense is also subject to the COLA of 3% per year over the amount paid the previous lease year.

3.5 Failure to Pay Base Monthly Rent or Additional Rent; Late Charge.

a. If any such monthly rental is not received by MTS within fifteen (15) calendar days following the due date, Lessee shall immediately pay to MTS a late charge equal to five percent (5%) of such overdue amount. Should Lessee pay said late charge but fail to pay contemporaneously therewith all unpaid amounts of rent due hereunder, MTS' acceptance of this late charge shall not constitute a waiver of Lessee's default with respect to such nonpayment by Lessee nor prevent MTS from exercising all other rights and remedies available to MTS under this Lease or under law.

b. In the event of a dispute between the parties as to the correct amount of Base Monthly Rent or Additional Rent owed by Lessee, MTS may accept any sum tendered by Lessee in payment thereof, without prejudice to MTS' claim as to the proper amount of rent owing. If it is later determined that Lessee has not paid the full amount of rent owing, the late charge specified herein shall apply only to that portion of the rent still due and payable from Lessee. Notwithstanding any provision of this Section to the contrary, however, MTS may waive any delinquency payment or late charge upon written application of Lessee.

ARTICLE 4
POSSESSION AND USE

4.1 Permitted Uses. Lessee shall use the Premises solely as a recreational sporting venue for supervised hatched throwing in accordance with the rules established by the National Axe Throwing Federation (www.nationalaxe.com). Lessee shall make no other use of the Premises absent the prior written consent of the Lessor. No one other than Lessee, its agents, volunteers and employees, or any sublessee of Lessee approved by MTS as provided in Article 12, "Assignment and Subletting," below, is permitted to use the Premises for the purposes described herein, and Lessee shall be fully responsible for the activities of its agents, volunteers and employees and sublessees, if any, on the Premises.

4.2 Duties and Prohibited Conduct. Where Lessee is reasonably in doubt as to the propriety of any particular use, Lessee may request the written determination of MTS that such use is or is not permitted, and Lessee will not be in breach or default under this Lease if Lessee abides by such determination. Notwithstanding the foregoing, however, Lessee shall not use nor permit the use of the Premises in any manner that will tend to create waste or a nuisance. Lessee shall, at Lessee's expense, comply promptly with all applicable statutes, laws, ordinances, rules, regulations, orders, covenants and restrictions of record, and requirements in effect during the term, regulating the use by Lessee of the Premises. Lessee shall not use, or permit any person or persons to use, the Premises for the sale or display of any goods and/or services, which, in the sole discretion of MTS, are inconsistent with the permitted uses of the Premises pursuant to this Lease. Lessee shall keep the Premises, and every part thereof, in a decent, safe and sanitary condition, free from any objectionable noises or odors, except as may be typically present for the permitted uses specified above.

4.3 Compliance With Stormwater Laws. Lessee's use of the Premises is subject to federal, state and local laws regarding the discharge into the stormwater conveyance system of pollutants. Compliance with these laws may require Lessee to develop, install, implement and maintain pollution prevention measures, source control measures and Best Management Practices ("BMPs"). BMPs can include operational practices; water or pollutant management practices; physical site features; or devices to remove pollutants from stormwater, to affect the flow of stormwater or to infiltrate stormwater to the ground. BMPs applicable to Lessee's use of the Premises may include a requirement that all materials, wastes or equipment with the potential to pollute urban runoff be stored in a manner that either prevents contact with rainfall and stormwater, or contains contaminated runoff for treatment and disposal. Lessee is required and agrees to use, operate, maintain, develop, redevelop and retrofit the Premises, as necessary, in accordance with all applicable federal, state and local laws restricting the discharge of non-stormwater at or from the Premises; and all such laws, regulations, or local guidance requiring pollution prevention measures, source control measures, or the installation or use of BMPs. Lessee further agrees to develop, install, implement and/or maintain at Lessee's sole cost and expense, any BMPs or similar pollution control devices required by federal, state and/or local law and any implementing regulations or guidance.

Lessee understands and acknowledges that the stormwater and non-stormwater requirements applicable to Lessee's use of the Premises may be changed from time to time by federal, state and/or local authorities, and that additional requirements may become applicable

based on changes in Lessee's activities or development or redevelopment by Lessee or MTS. Lessee shall perform and record annual stormwater training, perform and record regular stormwater self-inspections, and maintain and provide all necessary stormwater documentation to stormwater auditors.

Lessee shall develop, install, implement, and maintain such additional BMPs and/or other pollution control practices at the Premises at Lessee's sole cost and expense. To the extent there is a conflict between any federal, state or local law, Lessee shall comply with the more restrictive provision. If MTS receives any fine or fines from any regulatory agency as a result of Lessee's failure to comply with applicable stormwater laws as set forth in this Article, Lessee shall reimburse MTS for the entire fine amount.

ARTICLE 5 UTILITIES

5.1 Utility Services: Lessee agrees to provide and pay for all of the utilities and services necessary for the occupancy and use of the Premises, including, but not limited to, gas, water, electricity, trash, sewage charges or septic service, and telephone. MTS shall have no responsibility either to provide or pay for such services.

5.2 Energy Conservation by Lessee: Lessee shall be responsible for promoting energy conservation measures in the operation of all activities at the Lease premises. Lessee shall cooperate with the Landlord in all forms of energy conservation including energy-efficient lighting, heating and air-conditioning systems, and fixtures and equipment. Lessee shall comply with all existing and newly-enacted laws, by-laws, regulations, etc., relating to the conservation of energy. Lessee shall comply with all reasonable requests and demands of the Landlord pertaining to the installation and maintenance of energy conservation systems, fixtures, and equipment.

ARTICLE 6 MECHANICS' LIENS

Lessee shall pay, or cause to be paid, all costs for work done by it, or caused to be done by it, on the Premises, and for all materials furnished for or in connection with any such work. If any lien is filed against the Premises, Lessee shall cause the lien to be discharged of record within ten (10) days after it is filed. Lessee shall indemnify, defend and hold MTS harmless from any and all liability, loss, damage, costs, attorneys' fees and all other expenses on account of claims of lien of laborers or materialmen or others for work performed or materials or supplies furnished for Lessee or persons claiming under Lessee.

ARTICLE 7 SECURITY

Lessee shall be responsible for and shall provide for the security of the Premises, and MTS shall have no responsibility therefor.

ARTICLE 8
TAXES, ASSESSMENTS AND FEES

8.1 Responsibility for Payment of Taxes and Assessments. MTS shall not be obligated to pay any taxes or assessments accruing against Lessee on the Premises or any interest of Lessee therein before, during or after the Term, or any extension thereof; all such payments shall be the sole responsibility of Lessee. In addition, Lessee shall be solely responsible for payment of any taxes or assessments levied upon any Improvements, Fixtures or Personal Property located on the Premises, to the extent that such taxes or assessments result from the business or other activities of Lessee upon, or in connection with, the Premises.

8.2 Definition of "Taxes". As used herein, the term "taxes" means all taxes, governmental bonds, special assessments, Mello-Roos assessments, charges, rent income or transfer taxes, license and transaction fees, including, but not limited to, (i) any state, local, federal, personal or corporate income tax, or any real or personal property tax, (ii) any estate inheritance taxes, (iii) any franchise, succession or transfer taxes, (iv) interest on taxes or penalties resulting from Lessee's failure to pay taxes, (v) any increases in taxes attributable to the sale of Lessee's leasehold interest in the Premises, or (vi) any taxes which are essentially payments to a governmental agency for the right to make improvements to the Premises.

8.3 Creation of Possessory Interest. Pursuant to the provisions of Revenue and Taxation Code section 107.6, Lessee is hereby advised that the terms of this Lease may result in the creation of a possessory interest. If such a possessory interest is vested in Lessee, Lessee may be subjected to the payment of real property taxes levied on such interest. Lessee shall be solely responsible for the payment of any such real property taxes. Lessee shall pay all such taxes when due, and shall not allow any such taxes, assessments or fees to become a lien against the Premises or any improvement thereon; provided, however, that nothing herein shall be deemed to prevent or prohibit Lessee from contesting the validity of any such tax, assessment or fee in a manner authorized by law.

ARTICLE 9
REPAIRS; MAINTENANCE

9.1 Acceptance of Premises. Lessee acknowledges that Lessee has made a thorough inspection of the Premises prior to the Commencement Date of this Lease, and that it accepts the Premises as of the Commencement Date in their condition at that time. Lessee further acknowledges that MTS has made no oral or written representations or warranties to Lessee regarding the condition of the Premises, and that Lessee is relying solely on its inspection of the Premises with respect thereto.

9.2 Lessee's Repair and Maintenance Obligations. Lessee shall at all times from and after the Commencement Date, at its own cost and expense, repair, maintain in good and tenantable condition and replace, as necessary, the Premises and every part thereof, including, without limitation, the following as applicable: the roof; the heating, ventilation and air conditioning system; mechanical and electrical systems; all meters, pipes, conduits, equipment, components and facilities (whether or not within the Premises) that supply the Premises exclusively with utilities (except to the extent the appropriate utility company has assumed these

duties); all Fixtures and other equipment installed in the Premises; all exterior and interior glass installed in the Premises; all signs, lock and closing devices; all interior window sashes, casements and frames; doors and door frames (except for the painting of the exterior surfaces thereof); floor coverings; and all such items of repair, maintenance, alteration, improvement or reconstruction as may be required at any time or from time to time by a governmental agency having jurisdiction thereof. Lessee's obligations hereunder shall apply regardless of whether the repairs, restorations and replacements are ordinary or extraordinary, foreseeable or unforeseeable, capital or noncapital, or the fault or not the fault of Lessee, its agents, employees, invitees, visitors, sublessees or contractors. All replacements made by Lessee in accordance with this Section shall be of like size, kind and quality to the items replaced and shall be subject to MTS' approval. Upon surrender of the Premises, Lessee shall deliver the Premises to MTS in good order, condition and state of repair, but shall not be responsible for damages resulting from ordinary wear and tear. Lessee shall provide for trash removal, at its expense, and shall maintain all trash receptacles and trash areas in a clean, orderly and first-class condition.

As part of the initial tenant improvements, Lessee shall be responsible for making any upgrades to the bathroom facilities, and other possible improvements within the Premises that may be necessary. Said improvements shall be in compliance with the Americans with Disabilities Act (ADA) and code requirements.

Lessee shall not, without MTS' prior written consent (which shall not be unreasonably withheld, conditioned, or delayed), make any alterations, improvements or additions to the Premises, whether structural or non-structural. Any such improvements, excepting movable furniture and trade fixtures, shall become part of the realty and belong to MTS; provided, however, that MTS may require the removal of any such alterations, improvements or additions as a condition to granting MTS' consent. All alterations, improvements or additions shall be accomplished by Lessee in a good and workmanlike manner, in conformity with all applicable laws and regulations.

The exercise of any and all rights provided by this Lease is subject to the requirement that Lessee's contractors and agents first obtain a Right of Entry Permit ("ROE Permit") from MTS prior to entry onto the Premises for the construction any tenant improvements or maintenance of the Premises. The ROE Permit requires that Lessee's contractors and agents procure and maintain in force at all times during the construction contract, the insurance described in the ROE Permit. MTS shall timely process any applications required to obtain the ROE Permit, and shall not unreasonably deny or delay the issuance of such ROE Permit. Lessee's contractors and agents will comply with all MTS policies, rules and regulations as stated in the ROE Permit, and the instructions of MTS' representatives.

9.3 Lessee's Failure to Maintain. If Lessee refuses or neglects to repair, replace, or maintain the Premises, or any part thereof, in a manner reasonably satisfactory to MTS, MTS may, upon giving Lessee reasonable written notice of its election to do so, make such repairs or perform such maintenance on behalf of and for the account of Lessee. If MTS makes or causes any such repairs to be made or performed, as provided for herein, Lessee shall pay the cost thereof to MTS, as additional rent, promptly upon receipt of an invoice therefore.

9.4 Right to Enter. Lessee shall permit MTS, or its authorized representatives, to enter the Premises at all times during usual business hours to inspect the same, and to perform any work therein that (a) may be necessary to comply with any laws, ordinances, rules or regulations of any public authority, (b) MTS may deem necessary to prevent waste or deterioration in connection with the Premises if Lessee does not make, or cause to be made, such repairs or perform, or cause to be performed, such work promptly after receipt of written demand from MTS, and (c) MTS may deem necessary in connection with the expansion, reduction, remodeling, protection or renovation of any MTS constructed or owned facilities on or off of the Premises. Nothing herein shall imply any duty on the part of MTS to do any such work which, under any provision of this Lease, Lessee may be required to do, nor shall MTS' performance of any repairs on behalf of Lessee constitute a waiver of Lessee's default in failing to do the same. If MTS exercises any of its rights under this Section, Lessee shall not be entitled to any compensation, damages or abatement of rent from MTS for any injury or inconvenience occasioned thereby.

9.5 MTS Not Obligated to Repair or Maintain; Lessee's Waiver of California Civil Code Section 1942. To the extent that any remedies specified in this Lease conflict or are inconsistent with any provisions of California Civil Code section 1942, or any successor statute thereto ("CC §1942"), the provisions of this Lease shall control. Lessee specifically waives any right it may have pursuant to CC §1942 to effect maintenance or repairs to the Premises and to abate the costs thereof from rent due to the MTS under this Lease.

ARTICLE 10 INDEMNITY AND INSURANCE

10.1 Lessee's Indemnity. MTS shall not be liable for, and Lessee shall defend and indemnify MTS and the employees and agents of MTS (collectively "MTS Parties"), against any and all claims, demands, liability, judgments, awards, fines, mechanics' liens or other liens, labor disputes, losses, damages, expenses, charges or costs of any kind or character, including attorneys' fees and court costs (hereinafter collectively referred to as "Claims"), related to this Lease and arising either directly or indirectly from any act, error, omission or negligence of Lessee or its contractors, licensees, agents, volunteers, servants or employees, including, without limitation, Claims caused by the concurrent negligent act, error or omission, whether active or passive, of MTS Parties. Lessee shall have no obligation, however, to defend or indemnify MTS Parties from a Claim if it is determined by a court of competent jurisdiction that such Claim was caused by the sole negligence or willful misconduct of MTS Parties.

10.2 MTS' Indemnity. MTS shall defend and indemnify Lessee and hold it harmless from and against any Claims related to this Lease that arise solely from any act, omission or negligence of MTS Parties.

10.3 Covered Claims. The obligations of Lessee and MTS hereunder to indemnify, defend and hold each other harmless shall not apply to the extent that insurance carried by Lessee or MTS, other than any program of self-insurance covers any Claim.

10.4 Lessee's Insurance Obligations. Without limiting Lessee's indemnification obligations to MTS under this Lease, Lessee shall provide and maintain, during the Term and for

such other period as may be required herein, at its sole expense, insurance in the amounts and form specified in Exhibit "B," attached hereto.

10.5 MTS' Insurance Obligations. MTS maintains a policy of All-Risk Insurance covering the MTS' personal property in the Premises, including any fixtures or equipment in the Premises owned by MTS. The MTS utilizes a program of self-funding with regard to any liability it may incur for personal injury or property damage arising out its use or occupancy of the Premises.

ARTICLE 11 HAZARDOUS MATERIALS

11.1 Hazardous Materials Laws-Definition. As used in this section, the term "Hazardous Materials' Laws" means any and all federal, state or local laws or ordinances, rules, decrees, orders, regulations or court decisions (including the so-called "common law"), including without limitation the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C., § 9601 et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C., § 1801 et seq.), the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C., § 6901 et seq.), and the California Environmental Quality Act of 1970, relating to hazardous substances, hazardous materials, hazardous waste, toxic substances, environmental conditions on, under or about the Premises, soil and ground water conditions or other similar substances or conditions.

11.2 Hazardous Materials - Definition. As used in this section the term "Hazardous Materials" means any chemical, compound, material, substance or other matter that:

- a. Is a flammable, explosive, asbestos, radioactive nuclear medicine, vaccine, bacteria, virus, hazardous waste, toxic, overtly injurious or potentially injurious material, whether injurious or potentially injurious by itself or in combination with other materials;
- b. Is controlled, referred to, designated in or governed by any Hazardous Materials Laws;
- c. Gives rise to any reporting, notice or publication requirements under any Hazardous Materials Laws; or
- d. Is any other material or substance giving rise to any liability, responsibility or duty upon the MTS or Lessee with respect to any third person under any Hazardous Materials Law.

11.3 Lessee's Representations and Warranties. Lessee represents and warrants that, during the Term or any extension thereof, or for such longer period as may be specified herein, Lessee shall comply with the following provisions unless otherwise specifically approved in writing by MTS:

- a. Lessee shall not cause or permit any Hazardous Materials to be brought, kept or used in or about the Premises by Lessee, its agents, employees, sublessees, assigns,

contractors or invitees, except as required by Lessee's permitted use of the Premises, as described in Section 4.1, "Permitted Uses."

b. Any handling, transportation, storage, treatment or usage by Lessee of Hazardous Materials that is to occur on the Premises following the Commencement Date shall be in compliance with all applicable Hazardous Materials Laws.

c. Any leaks, spills, release, discharge, emission or disposal of Hazardous Materials which may occur on the Premises following the Commencement Date shall be promptly and thoroughly cleaned and removed from the Premises by Lessee at its sole expense, and any such discharge shall be promptly reported in writing to MTS, and to any other appropriate governmental regulatory authorities.

d. No friable asbestos shall be constructed, placed on, deposited, stored, disposed of, or located by Lessee in the Premises.

e. No underground improvements, including but not limited to treatment or storage tanks, or water, gas or oil wells shall be located by Lessee on the Premises without MTS' prior written consent.

f. Lessee shall conduct and complete all investigations, studies, sampling, and testing procedures and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Materials on, from, or affecting the Premises in accordance with all applicable Hazardous Materials' Laws and to the satisfaction of MTS.

g. Activities proposed by Lessee that involve disturbing asbestos materials on site shall only be conducted in accordance with all federal, state and local asbestos rules and regulations including, but not limited to, the California Occupational Safety and Health Administration (Cal/OSHA), Environmental Protection Agency (EPA) and Air Pollution Control District (APCD), with prior written consent of MTS.

Any asbestos related activities shall be performed by a contractor that is registered with Cal/OSHA and certified by the California Contractors State Licensing Board to perform asbestos work. Any asbestos related activities shall be overseen by a California Certified Asbestos Consultant (CAC), or a Certified Site Surveillance Technician under the direction of a CAC.

Replacement products used in tenant improvements or other construction activities shall not contain asbestos. Any replacement products used by Lessee shall be verified as non-asbestos products by using Material Safety Data Sheets (MSDS) and/or having the architect or project engineer verify that ACMs were not used.

h. Lessee shall promptly supply MTS with copies of all notices, reports, correspondence, and submissions made by Lessee to the United States Environmental Protection Agency, the United Occupational Safety and Health Administration, and any other local, state or federal authority which requires submission of any information concerning environmental matters or hazardous wastes or substances pursuant to applicable Hazardous Materials' Laws.

i. Lessee shall promptly notify MTS of any liens threatened or attached against the Premises pursuant to any Hazardous Materials' Law. If such a lien is filed against the Premises, then within twenty (20) days following such filing or before any governmental authority commences proceedings to sell the Premises pursuant to the lien, whichever occurs first, Lessee shall either: (a) pay the claim and remove the lien from the Premises; or (b) furnish either (1) a bond or cash deposit reasonably satisfactory to MTS in an amount not less than the claim from which the lien arises, or (2) other security satisfactory to MTS in an amount not less than that which is sufficient to discharge the claim from which the lien arises. At the end of this lease, Lessee shall surrender the Premises to MTS free of any and all Hazardous Materials and in compliance with all Hazardous Materials' Laws affecting the Premises.

11.4 Indemnification by Lessee. Lessee (and, if applicable, each of its general partners) and its successors, assigns, and guarantors, if any, jointly and severally agree to protect, indemnify, defend (with counsel selected by MTS), reimburse and hold MTS and its officers, employees and agents harmless from any claims, judgments, damages, penalties, fines, costs or expenses (known or unknown, contingent or otherwise), liabilities (including sums paid in settlement of claims), personal injury (including wrongful death), property damage (real or personal) or loss, including attorneys' fees, consultants' fees, and experts' fees (consultants and experts to be selected by MTS) which arise during or after the Term from or in connection with the presence or suspected presence of Hazardous Materials, including the soil, ground water or soil vapor on or under the Premises. Without limiting the generality of the foregoing, the indemnification provided by this section shall specifically cover costs incurred in connection with investigation of site conditions or any cleanup, remedial, removal or restoration work required by any Hazardous Materials Laws because of the presence of Hazardous Materials in the soil, ground water or soil vapor on the Premises, and the release or discharge of Hazardous Materials by Lessee during the course of Lessee's alteration or improvement of the Premises.

11.5 Remedies Cumulative; Survival. The provisions of this Article shall be in addition to any and all common law obligations and liabilities Lessee may have to MTS, and any remedies and the environmental indemnities provided for herein shall survive the expiration or termination of this Lease and/or any transfer of all or any portion of the Premises, or of any interest in this Lease, and shall be governed by the laws of the State of California.

11.6 Inspection. MTS and MTS' agents, servants, and employees including, without limitation, legal counsel and environmental consultants and engineers retained by MTS, may (but without the obligation or duty so to do), at any time and from time to time, on not less than ten (10) business days' notice to Lessee (except in the event of an emergency in which case no notice shall be required), inspect the Premises to determine whether Lessee is complying with Lessee's obligations set forth in this Article, and to perform environmental inspections and samplings, during regular business hours (except in the event of an emergency) or during such other hours as MTS and Lessee may agree. If Lessee is not in compliance, MTS shall have the right, in addition to MTS' other remedies available at law and in equity, to enter upon the Premises immediately and take such action as MTS in its sole judgment deems appropriate to remediate any actual or threatened contamination caused by Lessee's failure to comply. MTS will use reasonable efforts to minimize interference with Lessee's use of Premises but shall not be liable for any interference caused by MTS' entry and remediation efforts. Upon completion of any

sampling or testing MTS will (at Lessee's expense if MTS' actions are a result of Lessee's default under this section) restore the affected area of the Premises from any damage caused by MTS' sampling and testing.

ARTICLE 12 ASSIGNMENT AND SUBLETTING

Lessee shall not voluntarily or involuntarily assign, sublease, mortgage, encumber, or otherwise transfer (collectively, a "Transfer") all or any portion of the Premises or its interest in this Lease without MTS' prior written consent. MTS may reasonably withhold its consent to any Transfer. Any attempted Transfer without MTS' consent shall be void and shall constitute a material breach of this Lease. As used herein, the term "Transfer" shall include an arrangement (including without limitation management agreements, concessions, and licenses) that allows the use and occupancy of all or part of the Premises by anyone other than Lessee.

ARTICLE 13 MTS' RIGHT OF ACCESS

a. MTS, its agents, employees, and contractors may enter the Premises at any time in response to an emergency, and at reasonable hours to (a) inspect the Premises, (b) exhibit the Premises to prospective purchasers or Lessees, (c) determine whether Lessee is complying with its obligations in this Lease (including its obligations with respect to compliance with Hazardous Materials Laws), (d) supply cleaning service and any other service that this Lease requires MTS to provide, (e) post notices of non-responsibility or similar notices, or (f) make repairs that this Lease requires MTS to make, or make repairs to any adjoining space or utility services, or make repairs, alterations, or improvements to any other portion of the Premises; provided, however, that all work will be done as promptly as reasonably possible and so as to cause as little interference to Lessee as reasonably possible.

b. Lessee waives any claim of injury or inconvenience to Lessee's business, interference with Lessee's business, loss of occupancy or quiet enjoyment of the Premises, or any other loss occasioned by such entry. If necessary, Lessee shall provide MTS with keys to unlock all of the doors in the Premises (excluding Lessee's vaults, safes, and similar areas designated in writing by Lessee in advance). MTS will have the right to use any means that MTS may deem proper to open doors in the Premises and to the Premises in an emergency. No entry to the Premises by MTS by any means will be a forcible or unlawful entry into the Premises or a detainer of the Premises or an eviction, actual or constructive, of Lessee from the Premises, or any part of the Premises, nor shall the entry entitle Lessee to damages or an abatement of rent or other charges that this Lease requires Lessee to pay.

ARTICLE 14 QUIET ENJOYMENT

If Lessee is not in breach under the covenants made in this Lease, MTS covenants that Lessee shall have peaceful and quiet enjoyment of the Premises without hindrance on the part of MTS. MTS will defend Lessee in the peaceful and quiet enjoyment of the Premises against claims of all persons claiming through or under the MTS.

ARTICLE 15
NOTICES

15.1 Notices. Whenever in this Lease it shall be required or permitted that notice or demand be given or served by either party to this Lease to or on the other, such notice or demand shall be in writing, mailed or delivered to the other party at the following addresses:

To MTS:

San Diego Metropolitan Transit System
Manager of Real Estate Assets
1225 Imperial Avenue, Suite 1000
San Diego, CA 92101

To Lessee:

Pacific Axe, LLC
Attn: Jon Oxidine
4530 La Portalada Drive
Carlsbad, CA 92010

Mailed notices shall be sent by United States Postal Service, certified or registered mail, postage prepaid and shall be deemed to have been given, delivered and received three (3) business days after the date such notice or other communication is posted by the United States Postal Service. All other such notices or other communications shall be deemed given, delivered and received upon actual receipt. Either party may, by written notice delivered pursuant to this provision, at any time designate a different address to which notices shall be sent.

15.2 Default Notices. Notwithstanding anything to the contrary contained within this Article, any notices MTS is required or authorized to deliver to Lessee in order to advise Lessee of alleged violations of Lessee's covenants under this Lease must be in writing but shall be deemed to have been duly given or served upon Lessee by MTS attempting to deliver at the Premises during normal business hours a copy of such notice to Lessee or its managing employee and by MTS mailing a copy of such notice to Lessee in the manner specified in the preceding Section.

ARTICLE 16
WAIVER OF RELOCATION ASSISTANCE BENEFITS

16.1 Relocation Assistance Benefits. Lessee is hereby informed and acknowledges the following:

a. MTS acquired the Premises to hold for a future public project. In order to keep the Premises available to MTS, the consideration and other terms of this lease are expressly based on the short term nature of this lease term, the waiver of relocation benefits in this Article 16, and MTS's right to cancel the lease on six months' notice.

b. By entering into this Lease and becoming a tenant of MTS, Lessee will not be entitled to receipt of "relocation assistance benefits" ("Relocation Benefits") pursuant to the Federal Uniform Relocation Assistance Act (42 U.S.C. §§ 4601 et seq.) and/or the California Relocation Assistance Law (Cal. Gov. Code §§ 7270 et seq.) (collectively, the "Relocation Statutes"), should MTS at some time make use of the Premises in such a way as to "displace" Lessee from the Premises. Pursuant to the Relocation Statutes, MTS will not be obligated to make such payments to Lessee even where such displacement of Lessee may otherwise constitute a breach or default by MTS of its obligations pursuant to this Lease.

16.2 Lessee's Waiver and Release of Relocation Benefits. In consideration of MTS' agreement to enter into this Lease, Lessee hereby waives any and all rights it may now have, or may hereafter obtain, to Relocation Benefits arising out of the MTS' assertion or exercise of its contractual rights to terminate this Lease pursuant to its terms, whether or not such rights are contested by Lessee or any other entity, and releases MTS from any liability for payment of such Relocation Benefits.

ARTICLE 17 GENERAL PROVISIONS

17.1 Authority. Lessee represents and warrants that it has full power and authority to execute and fully perform its obligations under this Lease pursuant to its governing instruments, without the need for any further action, and that the person(s) executing this Lease on behalf of Lessee are the duly designated agents of Lessee and are authorized to do so.

17.2 Brokers. Lessee warrants that it has had no dealings with any real estate broker or agent in connection with the negotiation and/or execution of this Lease. In the event any broker other than the brokers acknowledged in writing by MTS make claim for monies owed, Lessee shall indemnify, defend and hold MTS harmless therefrom.

17.3 Captions. The captions, headings and index appearing in this Lease are inserted for convenience only and in no way define, limit, construe, or describe the scope or intent of the provisions of this Lease.

17.4 Cumulative Remedies. In the event of a default under this Lease, each party's remedies shall be limited to those remedies set forth in this Lease. Any such remedies are cumulative and not exclusive of any other remedies under this Lease to which the non-defaulting party may be entitled.

17.5 Entire Agreement. This Lease, together with all addenda, exhibits and riders attached hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof, and all prior or contemporaneous agreements, understandings and representations, oral or written, are superseded.

17.6 Estoppel Certificate. Lessee shall at any time during the term of this Lease, within five (5) business days of written notice from MTS, execute and deliver to MTS a statement in writing certifying that this Lease is unmodified and in full force and effect or, if modified, stating the nature of such modification. Lessee's statement shall include other details

requested by MTS, such as the date on which rent and other charges are paid, the current ownership and name of Lessee, Lessee's knowledge concerning any outstanding defaults with respect to MTS' obligations under this Lease and the nature of any such defaults. Any such statement may be relied upon conclusively by any prospective purchaser or encumbrancer of the Premises. Lessee's failure to deliver such statements within such time shall be conclusively deemed to mean that this Lease is in full force and effect, except to the extent any modification has been represented by MTS, that there are no uncured defaults in the MTS' performance, and that not more than one month's rent has been paid in advance.

17.7 Exhibits. All exhibits referred to herein are attached hereto and incorporated by reference.

17.8 Force Majeure. In the event either party is prevented or delayed from performing any act or discharging any obligation hereunder, except for the payment of rent by Lessee, because of any and all causes beyond either party's reasonable control, including unusual delays in deliveries, abnormal adverse weather conditions, unavoidable casualties, strikes, labor disputes, inability to obtain labor, materials or equipment, acts of God, governmental restrictions, regulations or controls, any hostile government actions, civil commotion and fire or other casualty, legal actions attacking the validity of this Lease or the MTS' occupancy of the Premises, or any other casualties beyond the reasonable control of either party except casualties resulting from Lessee's negligent operation or maintenance of the Premises ("Force Majeure"), performance of such act shall be excused for the period of such delay, and the period for performance of such act shall be extended for a period equivalent to the period of such delay. Force Majeure shall not include any bankruptcy, insolvency, or other financial inability on the part of either party hereto.

17.9 Governing Law. This Lease shall be governed, construed and enforced in accordance with the laws of the State of California.

17.10 Interpretation. The language of this Lease shall be construed simply according to its plain meaning and shall not be construed for or against either party.

17.11 Joint and Several Liability. If more than one person or entity executes this Lease as Lessee, each of them is jointly and severally liable for all of the obligations of Lessee hereunder.

17.12 Lease Administration. This Lease shall be administered on behalf of MTS by the Manager of Real Estate Assets, San Diego Metropolitan Transit System or by such person's duly-authorized designee.

17.13 Lessee's Lease Administration. Lessee confirms that Lessee's Lease Administrator has been given full operational responsibility for compliance with the terms of this Lease. Lessee shall provide MTS with a written schedule of its normal hours of business operation on the Premises, and Lessee's Lease Administrator or a representative designated thereby shall be (i) available to MTS on a twenty-four (24) hour a day, seven (7) days a week, basis, and (ii) present on the Premises during Lessee's normal business hours, to resolve problems or answer question pertaining to this Lease and Lessee's operations on the Premises.

17.14 Liquidated Damages. Any payments by Lessee to MTS under this Lease described as liquidated damages represent the parties' reasonable estimate of MTS' actual damages under the described circumstances, such actual damages being uncertain and difficult to ascertain in light of the impossibility of foreseeing the state of the leasing market at the time of the various deadlines set forth herein. MTS may, at its election, take any of the liquidated damages assessed in any portion of this Lease as direct monetary payments from Lessee and/or as an increase of rent due from Lessee under this Lease.

17.15 Modification. The provisions of this Lease may not be modified, except by a written instrument signed by both parties.

17.16 Partial Invalidity. If any provision of this Lease is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby. Each provision shall be valid and enforceable to the fullest extent permitted by law.

17.17 Payments. Except as may otherwise be expressly stated, each payment required to be made by Lessee shall be in addition to, and not a substitute for, other payments to be made by Lessee.

17.18 Successors & Assigns. This Lease shall be binding on and inure to the benefit of the parties and their successors and assigns, except as may otherwise be provided herein.

17.19 Time of Essence. Time is of the essence of each and every provision of this Lease.

17.20 Waiver. No provision of this Lease or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed. The waiver by MTS of any breach of any term, covenant or condition contained in this Lease shall not be deemed to be a waiver of such term, covenant or condition of any subsequent breach thereof, or of any other term, covenant or condition contained in this Lease. MTS' subsequent acceptance of partial rent or performance by Lessee shall not be deemed to be an accord and satisfaction or a waiver of any preceding breach by Lessee of any term, covenant or condition of this Lease or of any right of MTS to a forfeiture of the Lease by reason of such breach, regardless of MTS' knowledge of such preceding breach at the time of MTS' acceptance. The failure on the part of MTS to require exact or full and complete compliance with any of the covenants, conditions of agreements of this Lease shall not be construed as in any manner changing or waiving the terms of this Lease or as estopping MTS from enforcing in full the provisions hereof. No custom or practice which may arise between the parties hereto in the course of administering this Lease shall be construed to waive, estop or in any way lessen MTS' right to insist upon Lessee's full performance of, or compliance with, any term, covenant or condition of this Lease or to inhibit or prevent MTS' exercise of its rights with respect to any default, dereliction or breach of this Lease by Lessee.

IN WITNESS WHEREOF, MTS and Lessee have duly executed this Lease as of the day and year first above written.

Lessee:

MTS:

Pacific Axe, LLC

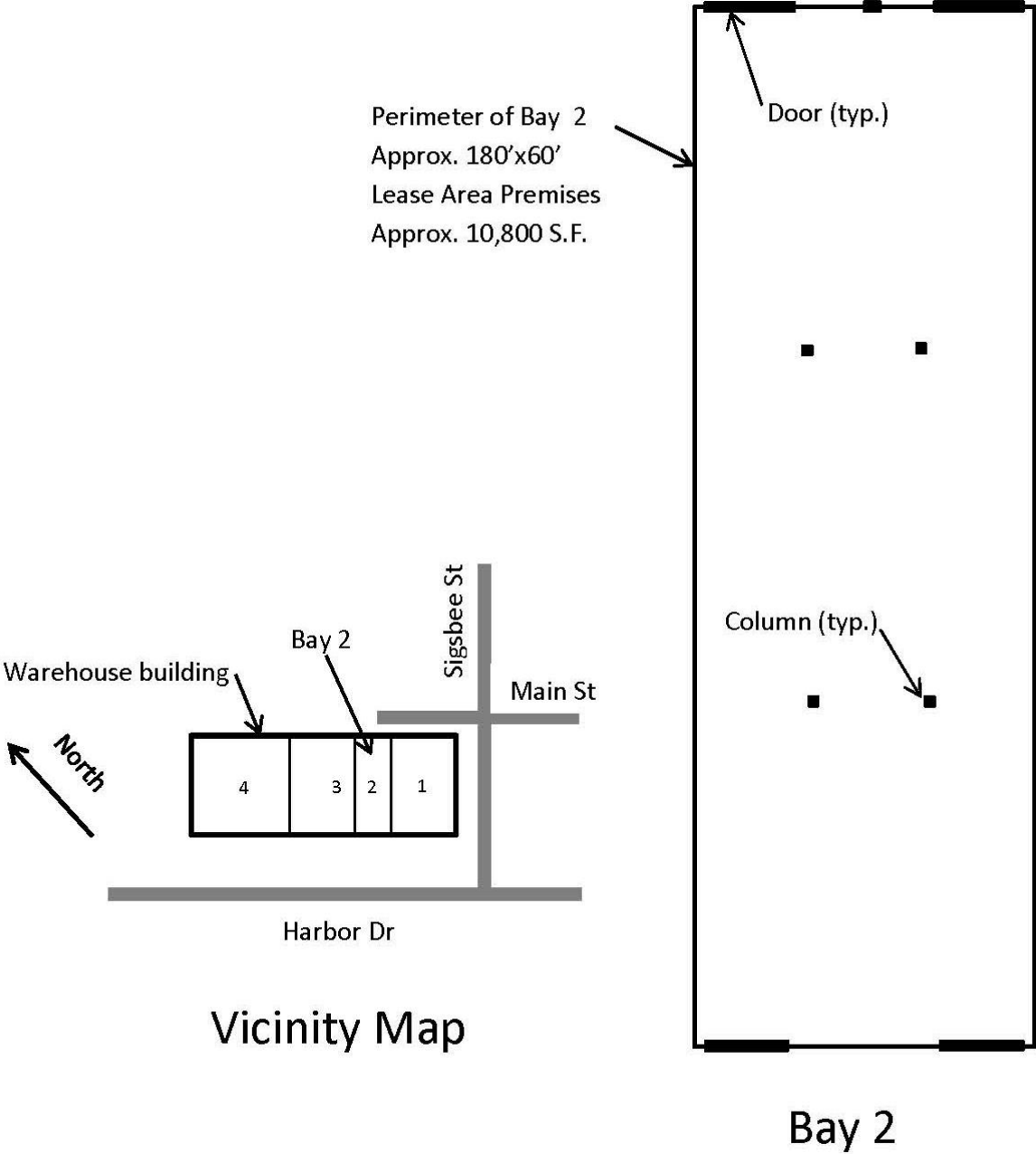
San Diego Metropolitan Transit System

By: _____
Jon Oxidine, Chief Operating Officer

By: _____
Paul C. Jablonski, Chief Executive Officer

Attachments: Exhibits A & B

EXHIBIT A



MTS Doc. No. G2054.0-18

EXHIBIT B
INSURANCE REQUIREMENTS

1.1. Commercial General Liability At all times during this Lease, Lessee agrees to maintain Commercial General Liability Insurance utilizing Insurance Services Office (ISO) coverage form CG0001, edition date 10/01 or later, or an equivalent form and with insurance companies reasonably acceptable to MTS. The coverage shall contain no restricting or exclusionary endorsements that would limit coverage for events related to Lessee's occupancy and activities on the Premises. All such policies shall name in the endorsement San Diego Metropolitan Transit System (MTS), San Diego Trolley, Inc. (SDTI), San Diego and Arizona Eastern Railway (SD&AE), San Diego and Imperial Valley Railroad (SD&IV), and San Diego Transit Corporation (SDTC), their directors, officers, agents, and employees as additional insureds as their interests may appear. In addition, an endorsement will be required demonstrating that the standard railroad exclusion language has been removed. Minimum policy limits shall be \$2,000,000 per occurrence and \$4,000,000 general aggregate.

1.2. Automobile Liability At all times during this Lease, Lessee agrees to maintain Automobile Liability Insurance for bodily injury and property damage including coverage for all owned, non-owned, and hired vehicles. Minimum policy limits shall be \$1,000,000 combined single limit.

1.3. Workers' Compensation At all times during this Lease, Lessee agrees to maintain Workers' Compensation in compliance with the applicable statutory requirements and shall maintain Employer's Liability Insurance at a minimum policy limit of \$1,000,000.

1.4. Property Insurance At all times during this Lease, Lessee agrees to maintain Property Insurance against all risk or special form perils, including Replacement Cost coverage, without deduction for depreciation, for Lessee's merchandise, fixtures owned by Lessee, any items identified in this Lease as improvements to the Premises constructed and owned by Lessee, and the personal property of Lessee, its agents and employees.

1.5. Primary and Non-Contributory Insurance/Waiver of Subrogation. Lessee agrees that all general liability coverages required under this insurance section are PRIMARY and that any insurance of MTS, SDTI, SD&AE, SD&IV, and SDTC shall be excess and noncontributory (endorsement required). Lessee waives any rights of subrogation against MTS, SDTI, SD&AE, SD&IV, and SDTC, and the policy form must permit and accept such waiver.

1.6. Policy Provisions Required. All policies and coverages shall contain a provision for 30 days written notice by the Insurer(s) to MTS of any cancellation or material reduction of coverage. A ten-day notice is required for non-payment of premium.

1.7. Evidence Required. Within ten working days following execution of this Lease, Lessee shall have provided the MTS with satisfactory certification by a qualified representative of the Insurer(s) that Lessee's insurance complies with all provisions in this insurance section.

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



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

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

September 21, 2017

**Draft for
Executive Committee
Review Date: 9/14/17**

SUBJECT:

PHASE II PROPANE FUELING SERVICES AT COPLEY PARK DIVISION (CPD) –
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. B0656.1-16 (in substantially the same format as Attachment A) with Ferrellgas, LP (Ferrellgas) for the provision of propane fueling services.

Budget Impact

The new value of this agreement will not exceed \$1,512,309.41 (\$935,949.06 Original contract + \$576,360.35 amendment). Funding for the current year is included in the Fiscal Year (FY) 2018 Minibus and Paratransit operation budgets 835012-541500 and 850012-541500. Funding for future years will be included in the Minibus and Paratransit Bus operating budget for each respective fiscal year.

DISCUSSION:

MTS operates a fleet of minibus and paratransit buses for its complementary ADA and Paratransit operations. To augment the existing fleet, MTS recently purchased thirty-one (31) minibuses and forty-six (46) paratransit vehicles. An additional 26 propane vehicles are scheduled for delivery at various times during FY 2018. As they are accepted, these units will be placed in service. These new vehicles use propane fuel and are compliant with California low emissions requirements.

Ferrellgas is the current contracted propane fuel provider for the Minibus and Paratransit fleets. The contract is due to expire in December of 2017. The extension of this agreement would continue to provide propane fueling services through June 2018. Concurrent with the performance period of this agreement, staff will conduct a separate competitive procurement to address MTS' long-term propane fueling service needs for its ADA and Paratransit fleet.



MTS shall continue to receive both off-site, wet-hose fueling and self-fuel vehicles from an on-site 2,000 gallon temporary propane tank at the Copley Park Division (installed by Ferrellgas at their expense). Demand will be based on operational need. Base fuel pricing will vary per gallon based on current LA Basin propane price. An additional fee per gallon of either .685 cents per gallon for wet hose fueling or .405 cents per gallon for on-site fueling from bulk tank will be charged by Ferrellgas on top of the base fuel price.

The below summarizes the proposed amendment:

Month	Quantity/UOM	Estimated Unit Cost	Total
January 2018 Fuel	54,542 gallons	\$1.49	\$81,267.58
February 2018 Fuel	40,054 gallons	\$1.62	\$64,887.48
March 2018 Fuel	58,145 gallons	\$1.72	\$100,009.40
April 2018 Fuel	59,527 gallons	\$1.32	\$78,575.64
May 2018 Fuel	60,442 gallons	\$1.24	\$74,948.08
June 2018 Fuel	61,729 gallons	\$1.21	\$74,692.09
Subtotal	334,439 gallons		\$474,680.27
Tax			\$101,980.08
AMENDMENT TOTAL			\$576,360.35

Therefore, staff recommends that the San Diego Metropolitan Transit System (SDMTS) Board of Directors authorize the CEO to execute to MTS Doc. No. B0656.1-16, with Ferrellgas to continue the provision of propane fueling services for MTS.

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

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

Attachment: A. Draft Amendment No. 1, MTS Doc. No. B0656.1-16

DRAFT

September 21, 2017

MTS Doc. No. B0656.1-16

Ferrelgas LP
Ms. Denise Whisman
Director of Operations
8088 Miramar Road
San Diego, CA 92128

Dear Ms. Whisman:

Subject: AMENDMENT NO. 1 TO MTS DOC. NO. B0656.0-16; PHASE II PROPANE FUELING
SERVICES AT COPLEY PARK DIVISION (CPD) – CONTRACT EXTENSION

This shall serve as Amendment No. 1 to our agreement for the Phase II Propane Fueling Services as further described below.

SCOPE

Continue to provide propane fueling services at MTS's Copley Park Division in support of the Minibus and ADA Paratransit operations, in accordance with the terms and conditions of the original agreement, MTS Doc. No. B0656.0-16.

SCHEDULE

This contract shall be extended for an additional six (6) months effective from December 20, 2017 through June 30, 2018.

PAYMENT

This contract amendment shall authorize additional costs not to exceed \$576,360.35 for propane fueling services. The total value of this contract including this amendment shall be in the amount of \$1,512,309.41. 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

Denise Whisman, Director of Operations
Ferrelgas LP

SEPT2017.B0656.1-16.FERRELGAS.doc

Date: _____

Cc: J. Washburn, V. Lerinski, C. Aquino, Procurement File



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Agenda Item No. 8

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

September 21, 2017

**Draft for
Executive Committee
Review Date: 9/14/17**

SUBJECT:

BLUE LINE TRACTION POWER SUBSTATION INSTALLATION DESIGN SERVICES –
WORK ORDER

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute Work Order No. WOA1948-AE-04 to MTS Doc. No. G1948.0-17 (in substantially the same format as Attachment A) with HNTB Corporation for the Blue Line Traction Power Substation (TPSS) installation design services.

Budget Impact

The value of this agreement will not exceed \$399,997.41 and is funded through the MTS Capital Improvement Project budget account 2008101301.

DISCUSSION:

MTS intends to replace TPSS on the Orange Line and Blue Line in order to maintain a state of good repair for the system. The TPSS converts electric power from the supply provided by SDG&E to an appropriate voltage, current type, and frequency to supply the trolley with traction current. An initial phase of the program installed seventeen substations in 2015 as part of the overall Trolley Renewal Program. MTS intends to replace the remaining substations as funding becomes available. The second phase of the TPSS improvement project has been prioritized to include installation of three new substations and decommissioning and removal of six existing substations on the Blue Line.



Since 2014, as part of the Trolley Renewal program, HNTB completed design and construction support services for replacement of the initial phase of upgrades. HNTB provided survey, geotechnical investigation and electrical design as well as foundations, grading, drainage, access road, utility relocation and retaining wall design to support replacement, installation and decommissioning of substations.

HNTB commits to use the same in house technical staff as the previous project to provide continuity and local knowledge. Based on HNTB's past performance on the initial phase of work and commitment of specific staff, MTS has determined that HNTB is the most qualified consultant to provide the ongoing installation design services under their current MTS as-needed engineering/design contract, MTS Doc No. G1948.0-17.

Therefore, staff recommends that the Board of Directors authorize the CEO to execute Work Order No. WOA1948-AE-04 to MTS Doc. No. G1948.0-17 with HNTB for the Blue Line Traction Power Substation installation design 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. Draft MTS Doc. No. G1948.0-17

September 21, 2017

MTS Doc. No. G1948.0-17
Work Order No. WOA1948-AE-04

Arthur J. Hadnett
Senior Vice President
HNTB Corporation
200 E. Sandpointe Ave., Suite 200
Santa Ana, CA 92707

Dear Mr./Mrs. Hadnett:

Subject: MTS DOC. NO. G1948.0-17, WORK ORDER WOA1948-AE-04, GENERAL ENGINEERING SERVICES FOR BLUE LINE TRACTION POWER SUBSTATION INSTALLATION DESIGN SERVICES

This letter shall serve as our agreement for Work Order WOA1948-AE-04 to MTS Doc. No. G1948.0-17, for professional services under the General Engineering Consultant Agreement, as further described below.

SCOPE OF SERVICES

This Work order provides for design services to MTS for the installation of MTS-furnished traction power substations (TPSS) along the MTS Trolley Blue Line. Work provided under this Work Order will be performed in accordance with the attached Scope of Services (Attachment A and B)

SCHEDULE

This Work Order will not change the original schedule. The Scope of Services, as described above, shall remain in effect for eight (8) months from the date of the Notice to Proceed.

PAYMENT

Payment shall be based on actual costs in the amount not to exceed without prior authorization of \$399,997.41.

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

Arthur J. Hadnett
HNTB Corporation

Date: _____

Attachments: Attachment A, Scope of Services
Attachment B, Negotiated Fee Proposal

DRAFT

WORK ORDER TITLE: TRACTION POWER SUBSTATION (TPSS) INSTALLATION DESIGN FOR THE MTS TROLLEY BLUE LINE

I. PROJECT DESCRIPTION

This Work order provides for design services to MTS for the installation of MTS-furnished traction power substations (TPSS) along the MTS Trolley Blue Line.

II. EXPECTED RESULTS

The Consultant will prepare a) site concepts for verification at a total of three (3) sites, and prepare b) design submittals (35% & 100%), c) contract bid documents (plans, specifications, estimates), and d) conformed documents for the installation of TPSS at three (3) sites along the MTS Trolley Blue Line. All of the sites have existing TPSS with SDG&E connections. MTS has completed initial load flow analysis modeling and confirmed that the existing TPSS can be taken out of service prior to replacement with a new TPSS. The proposed end date for this Work Order is May 30, 2018.

III. SCOPE OF WORK

The Scope of Work is based on the planned installation of three (3) 1.5 megawatt 12kV AC, 650V DC substations and the decommissioning and removal of six (6) existing substations. Design Criteria is per the MTS General Design Criteria dated September 2014 and referenced documents therein. The three (3) sites, located along the Blue Line at F Street, 24th Street, and San Ysidro will be taken through the concept phase to Bid documents. The TPSS locations are expected to fall within these city limits: Chula Vista, National City, and San Diego. The scope of work shall include:

1.0 Project Management

This Work includes the project management services including the requirements for progress report(s), invoicing, Work order setup and administration of Consultant and Subconsultants (hereafter referred to as Consultant's team) in addition to Works listed below.

1.1 Document Control and File Sharing: Consultant shall manage the project's paper and electronic files, transmittal forms, submittals, letters, correspondence, and other documents. Consultant will use ProjectWise for managing and storing files internally, including CAD drawings.

1.2 Submittals: Design submittals will include one formal submittal including both paper and electronic files. The Consultant shall transmit to MTS four (4) sets of hard copies including plans printed as 11x17 and one (1) Electronic copy as a "pdf" file format and distribute them to MTS staff a minimum of a week prior to a review meeting.

Consultant will make recommendations for site concepts, to be reviewed for verification at an MTS Team Meeting with MTS, MTS, and applicable third parties. The formal design development submittals will be provided as follows:

- Concept Verification
- 35% Submittal

- 100% Submittal
- Conformed Submittal

1.3 Schedules: Consultant shall develop a project schedule for this Work using Microsoft Project software, and shall maintain and revise the project schedule periodically or as appropriate while the design continues. Consultant will provide high-level schedule information with Milestone Dates within two weeks after Notice to Proceed (NTP), and will complete a draft schedule for the Design Package within ten weeks of NTP. The Work order estimated duration is nine (9) months from NTP.

1.4 Right of Entry (ROE) Permits and Project Insurance: Consultant shall be responsible for overseeing that Consultant's team have obtained ROE permits from MTS and submitted proof of appropriate insurance, upon NTP, valid for the Work along the property. The ROE shall cover non-intrusive work for most of the Consultant's team, and intrusive work for the geotechnical drillers.

Consultant and Consultant's team shall show proof of General Liability, Auto, and Workman's Compensation with the exception of the drillers, who shall also show proof of Railroad Protective Liability Insurance (RPLI).

Assumptions

- ROE permits and Insurance assumed to be in place three weeks following NTP.
- No fee for ROE.
- MTS will manage and coordinate the Work Order issued under the MTS On Call contract.

2.0 Meetings

Kick-Off Meeting: Immediately following the NTP, Consultant will schedule a kick-off meeting which will include: clarification of project roles and responsibilities, administrative requirements, understanding program requirements and goals, and discussion of MTS objectives and approach at each substation location. This information will be used to confirm design criteria, scope of work at each location, and data requirements.

Project Development Team Meetings: Conduct up to five (5) MTS team meetings, in person and by conference call, at either MTS or Consultant offices as deemed necessary to discuss the project requirements. This may include participation in project development team meetings as well as other meetings convened for specific data or project needs. Consultant attendees include Work Manager, Design Manager, and up to two technical leads. Meetings assumed to be two hours duration.

Design Team Meetings: Conduct up to five (5) project team meetings throughout the design phases of the project to communicate and coordinate between members of the design team. Prepare and distribute minutes with an on-going listing of all required action items. Provide technical coordination of the project between the design disciplines. Attendees include Work Manager, Design Manager, and up to four technical leads. Meetings assumed to be one-hour duration.

3.0 Scope of Work Development and Data Collection

Review Record Documents and As-Built Drawings: Consultant's team will collect available as-built drawings for any affected existing facilities and existing utility and drainage information for the substation locations and review the scope of work required at each location. As applicable, Consultant's team will review the as-built and design drawings in each engineering discipline, including traction power and overhead contact systems, electrical, civil and structural engineering. Consultant's team will then develop a plan for a focused site investigation. This plan will include a preliminary strategy for installing and cutting-over new equipment and associated building modifications. Consultant's team will prepare necessary documentation for each discipline to make certain that all necessary site information is obtained during a single visit.

Site Investigation: Consultant's team will perform a site visit at all substation locations to confirm the preliminary plan, assumptions, design criteria and recommendations for implementing the project scope objectives. Previous work will be used as a starting point for the investigation.

Consultant anticipates that MTS staff will be available to provide insight into their operating experiences to best tailor each substation design to address previous operating difficulties. The intent is to accurately record any issues or preferences about the substations that affect the replacement order or new substations requirements.

The extent of the services required will be appropriately tailored to each location. Site specific requirements may include topographical survey (section 4.5), geotechnical subsurface investigations (section 4.13.1), ground resistance tests (4.13.1.2), right-of-way (R/W; section 4.12), and drainage capacity assessments (section 4.9.1).

Specific activities include: Examination and documentation of the proposed site for new installation locations, the condition of equipment affected by the work at existing locations, photographic records of existing conditions and access.

Assumptions

- Municipalities do not have jurisdiction except where drainage is of concern and work occurs outside of right-of-way (4.8, 4.9, 4.10, 4.12).
- Site visit is assumed to occur within one business day. Two round-trip flights included for traction power and OCS designers.

4.0 Design Development

Consultant shall prepare site concepts for three (3) TPSS Sites along the Blue Line identified as 24th Street, F Street, and San Ysidro. Site concepts may include substation screening. Consultant shall review the TPSS procurement design documents and prepare design plans based on MTS furnished substations being procured. Consultant shall utilize the substation layout information to be provided by the substation manufacturer to design TPSS site improvements.

MTS will make a determination on the concept acceptability.

Design development will include drawings, technical specifications, and cost estimates. At the 35% design stage, the design documents will include the drawings as identified in Section V as well as long lead items.

The Consultant will hold monthly internal project reviews consisting of the Project Manager and Work Manager to review scope, schedule, budget, and MTS expectations under this Work Order.

The schedule allows for 2 weeks for the agency review. MTS will review deliverables concurrently.

4.1 Cost Estimate: The Cost Estimate for this Work will be developed. Measurement and Payment sections will be developed with items provided on a unit basis.

4.1.1 Concept Cost Estimate: The concept estimate will be developed at a high level to be used as a tool for obtaining funding approval. Consultant will recommend an appropriate contingency to apply at the concept phase. Concept cost estimate will be reviewed at the MTS Team Meeting when the concept sites are discussed.

4.1.2 35% & 100% Cost Estimate: The concept cost estimate will continue to be developed and delivered at the 35% and 100% phases.

4.2 Specifications: Specifications for this Work will be developed accordingly to those being developed as part of the Program.

4.2.1 100% Specifications: Specifications will be provided by MTS. Consultant will provide edits to these specifications deleting items that are known to not be relevant having completed the concept site verification, and providing a bulleted outline for items that need to be added.

Assumptions

- Phasing and Construction Schedule will be described in the specifications and provided by MTS.
- Operations will allow taking two substations offline during construction to allow new substation to be placed in the same approximate area.

4.3 TPSS Installation/Connection: Develop 35% and 100% plans for TPSS installation plans for three (3) sites. Prepare the plans as listed in Section V including:

- Typical ground mat layout,
- Typical grounding details,
- Typical Positive feeder and disconnect assembly details,
- Typical negative return connection details,
- Typical red concrete encased duct bank details,
- Typical traction power vault details (similar to SDG&E 3314),
- Typical site single line diagrams that show feeder arrangements to the line (including disconnects cabling and connections to substations).
- Develop traction power sectionalizing diagrams that show all new substations and existing substations along the same line.
- OCS Sectionalizing 3 Switch Assembly and Details
- OCS Surge Arrestor Assembly and Details
- OCS Feeder Cable Assembly and Details
- OCS Hanger, Jumper, and Grounding Assemblies
- OCS Foundation Detail

- OCS Pole Detail
- OCS Site layout and allocation plan
- OCS Site feeder routing and switching diagram
- OCS Site Demolition Plan
- Develop fiber optic splicing specifications to connect the substation into the existing Fiber Optic Network. (The MTS project manager will provide additional information on splicing, site cabling, and conduit raceway requirements).
- Coordinate with SDG&E regarding service to substation.

Special Provisions, plans, and details shall be similar to those used in the TPSS Installation Project (MTS CIP 1210040). All civil stationing shall be based on the LRT project's original civil stationing, obtained from CADD files, as-builts, or other plans provided by MTS. Measurement and Payment clauses, estimate format, and bid items shall use a similar format that was used in the TPSS Installation Project (SANDAG CIP 1210040) Special Provisions.

Assumptions

- New TPSS supplied by others will be equipped to be compatible to existing SCADA and emergency trip systems. SCADA and emergency trip system connection information will be supplied by MTS and will not be included on Consultant supplied drawings.
- No New OCS work will be required, except at F Street, where a single pole/foundation relocation is included in design.
- MTS will provide complete, up to date, standard OCS assembly and hardware detail sheets and standard OCS arrangements in CAD format. No effort is included to update standard OCS arrangement, detail and assembly drawings.

4.4 Environmental: The Consultant team assumes that all site locations will fit within existing R/W. The proposed improvements along the Blue Line trolley corridors would be preempted from the California Environmental Quality Act (CEQA), as well as other state and local environmental laws and regulations, based on the Interstate Commerce Commission Termination Act (ICCTA; 49 U.S.C. §10101, et seq.) and related Surface Transportation Board (STB) rulings. Environmental clearance will be provided by MTS. Consultant will provide a copy of the 35% plans to MTS for use in completing any documentation in support of environmental clearance or permitting as needed.

Assumptions

- MTS will provide and submit necessary documentation for environmental clearance.
- All construction work will be completed within the existing right-of-way.

4.5 Survey4.5.1 Topographic Survey and Control: Consultant will provide survey and mapping services for one existing TPSS site location known as the San Ysidro substation.

The site is located generally southerly and adjacent to a cul-de-sac at the south end of East San Ysidro Boulevard lying easterly of the southerly terminus of the trolley line and westerly of the rail freight tracks at Rail Court. The specific site extents are a generally

square area of about 10,000 SF. The survey extents will fluctuate slightly as-needed to include the substantial surface features and other items such as: building structures, curbs, observable utility features, fences, walls, and paint markings resulting from utility location services, as well as clearances to overhead utilities.

These extents are expected to accommodate grading tie-ins and location of existing features should site location need to be shifted slightly to avoid conflicts or impacts with existing features. Minor additional survey data acquisition may be identified following a review of existing data and the field visit. Two control points will be set with durable markers for future construction activities at the site.

- The digital terrain model (DTM) and topography will be based upon a ground survey and will be developed at a 1" = 20' and a 1-foot contour interval. Consultant will prepare a site exhibit with the topography, control stations, datums, basis of bearings and coordinates utilized on it as a CADD deliverable. This survey scope and services will include proof of internal Quality Control and Quality Assurance for the CADD deliverable.

Assumptions/Exclusions/Clarifications:

- This survey scope of services has specifically excluded any RW or property line determination and/or the plotting of easements.
- Consultant is not required to provide an ROS.
- This survey scope of services will not be acquiring new aerial topographic mapping.
- This survey scope of services will utilize the NAD-83, Zone 6 CCS coordinate system on the properly identified epoch.
- This survey scope of services will utilize the NAVD-88 vertical datum unless otherwise agreed upon.

4.5.2 RW/property line survey: Consultant will provide RW and property line services for the above-described site as defined more specifically below.

Consultant will research, recover and measure a sufficient number of survey monuments to allow the accurate plotting of the adjacent railroad RW, East San Ysidro Boulevard and the property description of the existing sub-station site.

Assumptions/Exclusions/Clarifications:

- This survey scope of services does not include a full and complete boundary survey and/or title review of any particular property.
- The plotting of easements is not included in this scope of services.
- Consultant presumes that a railroad RW survey has been prepared and recorded for the adjacent trolley and freight line RW's. If a railroad RW survey is needed to complete this optional service Work it is not included herein and will require a separate scope and fee.
- Consultant is not required to provide an ROS.
- Consultant assumes the surveyor will have reasonable access or that it can be arranged by other in order to survey boundary corner monuments.

4.6 Street Designs: Consultant assumes that minimal traffic control may be needed at some sites due to access and construction traffic. Consultant will include language in the specifications for the contractor to provide traffic control and obtain required permits.

Assumptions

Temporary truck and crane turning templates for each site will be provided by others.

4.7 Site Preparation and Demolition: Develop 35% & 100% Site Preparation and Demolition Plans. Site Preparation and Demolition Plans will include demolition and clearing and grubbing for the sites including the six (6) substations to be decommissioned.

Assumptions

- Coordination with third party for utility location and protection will be led by MTS with design support from consultant.

4.8 Site Plans: Site Plans will show fencing, pad location, duct banks, grading and drainage (see section 4.9), utilities (see section 4.11), retaining walls (4.9 and 4.13), and access.

4.8.1 Site Concepts: The site concepts will show fencing, pad location, duct banks, rough grading, and retaining wall locations and will be used as the basis of the concept cost estimate that will be used to support the construction funding request.

Assumptions

- Work within city R/W is not required.
- All entities of the Traction Power Substation will remain within one unit.
- Temporary Construction Easements (TCEs) are not required.
- No improvements to major drainage basins or channels are included.
- Sites will not require city approval or post-construction As-Builts.
- Site concepts to be verified at MTS Team Meetings and documented in the meeting minutes.
- All of new TPSS will be placed on existing TPSS sites and use existing electrical service points. New or upgraded access roads and other new project SDG&E standards will not apply to the project design. Should any special SDG&E design requirements be identified, additional improvements may be added as a construction change order for the contractor.

4.9 Grading and Drainage

4.9.1 Grading: Existing drainage patterns at each site will be maintained to the extent possible, ideally with each site graded to drain, e.g., sheet flow. A six-inch layer of crushed rock surrounding the substation within the fenced area shall be used to facilitate on site absorption of rain and improve electrical isolation. In some instances, retaining walls may be needed to avoid impacts to existing features or where there is a grade differential across the site. Two retaining wall designs are expected for the project, only at the San Ysidro location.

Each site may require visual aesthetic considerations that will be incorporated into the design. Some previous concepts have been developed that will be considered as the design moves forward such as synthetic ivy screening.

Two picket fence detail sheets and one chain link fence (on structure) sheet will be created. The structure sheets include:

- 2 Picket Fence Detail Sheets
- 1 Chain Link Fence (on structure) Sheet

4.9.2 Drainage: Drainage patterns and land cover will not be significantly different from existing; therefore, flow to existing drainage systems is not changed.

Assumptions

- Drainage areas affected are less than one square mile. Sites are located outside of streams and floodways.
- This Work consists of construction of underground/overhead utilities, so is an exempt project and will not require a SWPPP or Water Pollution Control Plan (WPCP).

4.10 Erosion and Sediment Controls: Appropriate best management practices (BMPs) will be evaluated and applied per the CGP. One erosion control sheet, applicable to both the Orange and Blue Lines, will be provided referencing best management practices during construction. Disturbed area calculations will be performed. Permanent BMPs will be addressed.

Assumptions

- SWPPP is not required.

4.11 Utilities: Existing utilities including both wet and dry utilities will be shown on the Site Plan based on record information and physical surface features shown the topographic surveys. The new TPSS will occupy a larger footprint than the existing TPSS, but will be placed generally in the same location. Relocation of existing utilities other than the existing SDG&E service feeds and existing fiber connections are not anticipated for this project. Relocation and reconnection of the SDG&E service conduits and fiber optic lines will be defined in the project specifications.

Within two weeks following authorization to start design, Consultant shall submit the site location maps with a Thomas Guide reference for the request for dry utility information. The Utility Coordinator will contact the utility companies and obtain facility information from the various dry utility companies. Limited coordination with franchise utilities regarding potential relocations may be required.

Within six weeks following authorization to start design, the Consultant shall update MTS with status of received as-builts or record drawings and re-request to obtain missing as-built information for all wet utilities from the various agencies with wet utilities located within the project limits.

Assumptions

- Dry utility companies will prepare relocation plans for their utilities if needed.
- MTS will lead coordination with SDG&E for service to substations (section 4.3).

4.12 Right-of-Way: Scope and hours within Section 4.5.

4.13 Structures Design for Substation Foundations: The Consultant's team will develop typical foundation details and foundation footprints for the three (3) substation foundations. The details will show typical cross sections of the footing and anchorage details for the substation equipment.

For the 35% design effort, two sheets will be created. The first sheet will show typical footing details and will provide a typical foundation plan. The second sheet will provide tabular details for the bid set foundation. Design and detailing will be consistent with 35% plans.

For 100% design efforts, the two typical foundations will be shown with two foundation plan sheets and two detail sheets.

Assumptions

- Existing track plans will be referenced to locate the substation foundations and catenary riser poles.
- Foundations are assumed to be shallow foundations on grade and detailed per geotechnical recommendations.
- The Consultant's team shall provide sub base detailing (and improvements if necessary) for the shallow foundation on grade.
- Substation loads to the foundation shall be based on similar 1.5 substations procured for the MTS system.
- Final design of anchorage will be verified via review of shop drawing anchorage calculations provided by Substation Subcontractor.

4.13.1 Geotechnical: The Geotechnical scope of work includes the following:

4.13.1.1 Preliminary Geotechnical Report: The Consultant's team shall review available data on the existing conditions at the selected locations including data and reports resulting from previous projects and conduct a site visit to supplement the review of the as-built plans and existing soils information. Preliminary geotechnical reports based on previous reports, as-built review and geologic reconnaissance will be prepared in support of the 35% submittals.

4.13.1.2 Geotechnical Design Reports: In support of the proposed design development, geotechnical reports will be developed for the 100% design submittals. The scope of the study will be based on the findings of the Geotechnical Technical Memos and 35% design plans.

- Coordinate access, attend rail safety training (when necessary), prepare exploration plan, and obtain County boring waiver/permit as applicable.
- Subsurface exploration may consist of borings, penetration testing, test pits, geophysical testing and/or field resistivity testing.

- Laboratory testing to include moisture density, grain size distribution, plasticity, shear strength consolidation tests, and corrosion potential.
- Geologic hazard evaluation
- Preparation of geologic cross-sections at proposed TPSS locations.
- Slope stability analysis.
- Preparation of a final geotechnical design report for each of the TPSS sites that summarizes the investigation activities, results of our analysis, and recommendations related to the geotechnical design and construction of the proposed TPSS pads, walls, and culverts (as needed) utilizing the applicable design criteria from the MTS General Design Criteria.

Assumptions

- Three (3) sites will require three (3) days of drilling.
- The Consultant's team shall attend up to one (1) meeting at the MTS or Consultant's office in downtown San Diego.
- Infiltration/permeability testing for storm water management will not be required
- No log of test boring sheets will be required. Boring logs within the reports will be sufficient.
- Due to the small size and low man hour occupancy, the TPSS Structures are exempt from requirements to investigate for the presence of active faulting.
- No draft versions of the preliminary or final geotechnical reports are included in the scope. Any requested revisions to the reports or supplemental memos will be provided as additions to the scope and fee.

IV. DELIVERABLES

In addition to the deliverables listed in Section V and described above, deliverables include:

- Monthly invoice and progress report;
- Meeting Agendas;
- Progress meetings and/or written updates including monthly updates;
- Technical specifications, estimate, single line diagram and layout plans for one type of new TPSS (1.5 MW). Interim and drafts including site concepts, progress submittals (35%, 100%) stamped contract ready documents, and the stamped conformed set shall be provided to MTS in hard and electronic copy as described in Section 1.2 above. A maximum of two (2) hard copies of reports and half scale drawings are included in each submittal.

V. SCHEDULE OF SERVICES/MILESTONES/DELIVERABLES

Deliverables for TO32: TPSS Installation Design				
Deliverable	Scope Section	Description	Est. # Dwgs.	Scheduled Submit Date
SCHEDULE	1.3	Initial Schedule for Project		NTP+ 2 Wks
INFORMATIONAL REQUESTS	4.11	Submit request for dry utility information and project site plan to MTS Utility Coordinator		NTP + 2 Wks
	4.11	Re-request for missing as-built information for all wet utilities (water, sewer, storm drains)		NTP + 6 Wks
REPORTS				
	4.13.1	Preliminary Geotechnical Report Final Geotechnical Report		NTP+8 Wks NTP+20 Wks
COST ESTIMATE	4.1	Concept Cost Estimate 35% Cost Estimate 100% Cost Estimate		NTP + 9 Wks NTP + 12 Wks NTP + 24 Wks
SPECIFICATIONS	4.2	100% Specifications		NTP + 24 Wks
SITE CONCEPTS	4.8.1	Concept Sites	3	NTP + 8 Wks
35% DRAWINGS		3 sites/6 decommission	41 sheets	NTP + 12 Wks
100% DRAWINGS		3 sites/6 decommission	49 sheets	NTP + 24 Wks

VI. MATERIALS TO BE PROVIDED BY MTS AND/OR THE LOCAL AGENCY

All existing project documentation and background reports will be provided by MTS.

Aerial survey and right of way drawings for Blue Line sites including 24th Street, and F Street. Drawings will be provided in AutoCAD format.

Right of Way survey drawings or Record of Survey and legal description for the existing site in San Ysidro.

VII. SPECIAL CONDITIONS

Bidding and Construction Support Services are not included in this Work Order.

Work Order Estimate Summary

Att. A, AI 8, 9/21/17

MTS Doc. No.

G1948.0-17

Work Order No.

WOA1948-AE-04

Attachment:

B

Work Order Title: TPSS Blue Line Rehabilitation

Project No:

Table 1 - Cost Codes Summary (Costs & Hours)

Item	Cost Codes	Cost Codes Description	Total Costs
1	0690-0255	Project Management	\$69,267.60
2	0600-0255	Design	\$330,729.81
3			
4			

Totals =

\$399,997.41

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

Item	TASKS/WBS	TASKS/WBS Description	Labor Hrs	Total Costs
1	0690-0255	Project Management Services	205.0	\$35,787.64
2	0690-0255	Meetings	182.0	\$33,479.96
3	0600-0255	Data Collection	188.0	\$37,242.58
4	0600-0255	Design Development	2,013.0	\$293,487.23

Totals =

2,588.0

\$399,997.41

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

(If Applicable, Select One)				Consultant	Labor Hrs	Total Costs
DBE	DVBE	SBE	Other			
				HNTB	2,340.0	\$346,484.89
		X		PDC	88.0	\$13,158.02
				Leighton	160.0	\$40,354.50

Totals =

2,588.0

\$399,997.41

Work Order Estimate
Summary

Att. A, AI 8, 9/21/17

Total Hours =		2,340																	MTS Doc. No.: G1948.0-17	
Total Costs =		\$346,484.89																	Work Order No.: WOA1948-AE-04	
		Work Order Title: TPSS Blue Line Rehabilitation																	Attachment: B	
</																				

Work Order Estimate Summary

Att. A, AI 8, 9/21/17

Consultant/ Subconsultant: **HNTB**

Contract No: **G1948.0-17**

Work Order Title: **TPSS Blue Line Rehabilitation**

Task Order No. **WOA1948-AE-04**

Attachment: **B**

TASKS/WBS (1-5)

ODC Item	Description	Unit	Unit Cost	Task 1		Task 2		Task 3		Task 4		Task 5	
				Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total
1	Repro & Graphics	LS	\$1.00	100	\$100.00	300	\$300.00	300	\$300.00	800	\$800.00		
2	Deliveries	LS	\$15.00	5	\$75.00	5	\$75.00	10	\$150.00	10	\$150.00		
3	Mileage	MI	\$0.54	50	\$27.00	50	\$27.00	50	\$27.00	155	\$83.70		
4	Scanning	LS	\$1.00	50	\$50.00	50	\$50.00	50	\$50.00	200	\$200.00		
5	Other (Photo, etc.)	LS	\$1.00	100	\$100.00	50	\$50.00	50	\$50.00	100	\$100.00		
6	RPLI	LS	\$9,000.00					1	\$9,000.00				
7	Travel	LS	\$3,125.00	1	\$3,125.00								
8													
9													
10													
				Subtotal =		Subtotal =		Subtotal =		Subtotal =		Subtotal =	

TASKS/WBS (6-10)

ODC Item	Description											Totals	
		Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total
1	Repro & Graphics											1,500	\$1,500.00
2	Deliveries											30	\$450.00
3	Mileage											305	\$164.70
4	Scanning											350	\$350.00
5	Other (Photo, etc.)											300	\$300.00
6	RPLI											1	\$9,000.00
7	Travel											1	\$3,125.00
8													
9													
10													
		Subtotal =		Subtotal =		Subtotal =		Subtotal =		Subtotal =		Totals =	

Work Order Estimate
Summary

Att. A, AI 8, 9/21/17

Total Hours =

88

Total Costs =

\$13,158.02

Consultant/Subconsultant:

PDC

MTS Doc. No.:

G1948.0-17

Work Order No.:

WOA1948-AE-04

Work Order Title:

TPSS Blue Line Rehabilitation

Attachment:

B

Item	TASKS/WBS	TASKS/WBS Description	ODCs (See Attachment)	Project Manager	Senior Surveyor										Total Hours	Totals
			\$	176.49	\$	134.26	\$	-	\$	-	\$	-	\$	-		
2	0690-0255															
	Task 2	Meetings														
	Kick off Meeting (1)			2											2	\$268.52
	Project Development Meeting (2)		1	2											3	\$445.01
	Design Team Meetings (2)		1	2											3	\$445.01
	ODCs		\$583.00													\$583.00
		Subtotals (Hours) =	N/A	2	6									8	\$1,741.54	
		Subtotals (Costs) =	\$583.00	\$352.98	\$805.56									8	\$1,741.54	
3	0600-0255															
	Task 3	Data Collection														
	Review Record Drawings and As-Builts		4	16											20	\$2,854.12
	Site Investigation		4	16											20	\$2,854.12
	ODCs															
		Subtotals (Hours) =	N/A	8	32									40	\$5,708.24	
		Subtotals (Costs) =		\$1,411.92	\$4,296.32									40	\$5,708.24	
4	0600-0255															
	Task 4	Design Development														
	Topographic Survey and Control		4	16											20	\$2,854.12
	Right of Way		4	16											20	\$2,854.12
	ODCs															
		Subtotals (Hours) =	N/A	8	32									40	\$5,708.24	
		Subtotals (Costs) =		\$1,411.92	\$4,296.32									40	\$5,708.24	

Work Order Estimate Summary

Att. A, AI 8, 9/21/17

Consultant/ Subconsultant: **PDC**

Contract No: **G1948.0-17**

Work Order Title: **TPSS Blue Line Rehabilitation**

Task Order No. **WOA1948-AE-04**

Attachment: **B**

TASKS/WBS (1-5)

ODC Item	Description	Unit	Unit Cost	Task 1		Task 2		Task 3		Task 4		Task 5	
				Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total
1	Repro & Graphics	LS	\$1.00			200	\$200.00						
2	Deliveries	LS	\$1.00			2	\$2.00						
3	Mileage	MI	\$0.540			150	\$81.00						
4	Scanning	LS	\$1.00			200	\$200.00						
5	Other (Photo, etc.)	LS	\$1.00			100	\$100.00						
6													
7													
8													
9													
10													
				Subtotal =		Subtotal =		Subtotal =		Subtotal =		Subtotal =	
						\$583.00							

TASKS/WBS (6-10)

ODC Item	Description											Totals	
		Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total
1	Repro & Graphics											200	\$200.00
2	Deliveries											2	\$2.00
3	Mileage											150	\$81.00
4	Scanning											200	\$200.00
5	Other (Photo, etc.)											100	\$100.00
6													
7													
8													
9													
10													
		Subtotal =		Subtotal =		Subtotal =		Subtotal =		Subtotal =		Totals =	
												\$583.00	

Work Order Estimate
Summary

Total Hours =

160

Total Costs =

\$40,354.50

Consultant/Subconsultant:

Leighton

MTS Doc. No.:

G1948.0-17

Work Order No.:

WOA1948-AE-04

Work Order Title:

TPSS Blue Line Rehabilitation

Attachment:

B

Item	TASKS/WBS	TASKS/WBS Description	ODCs (See Attachment)	Sr. Principal	Associate	Associate	Project Geologist	CAD Operator	Project Admin / Word Processor					Total Hours	Totals
				\$ 277.86	\$ 167.48	\$ 167.48	\$ 107.14	\$ 115.69	\$ 78.50	\$ -	\$ -	\$ -	\$ -		
	0600-0255														
4	Task 4	Design Development													
4.13.1	Geotechnical			4	2	8	24	6	14					58	\$7,150.74
4.13.1.1	Preliminary Geotechnical Report			3	2	8	24	6	8					51	\$6,401.88
4.13.1.2	Geotechnical Design Reports			3	2	8	24	6	8					51	\$6,401.88
	ODCs		\$20,400.00												\$20,400.00
		Subtotals (Hours) =	N/A	10	6	24	72	18	30					160	\$40,354.50
		Subtotals (Costs) =	\$20,400.00	\$2,778.60	\$1,004.88	\$4,019.52	\$7,714.08	\$2,082.42	\$2,355.00					160	\$40,354.50
		Totals (Summary) =												160	\$40,354.50
		Total (Hours) =	N/A	10	6	24	72	18	30					160	
		Total (Costs) =	\$20,400.00	\$2,778.60	\$1,004.88	\$4,019.52	\$7,714.08	\$2,082.42	\$2,355.00						\$40,354.50
		Percentage of Total (Hours) =	N/A	6%	4%	15%	45%	11%	19%					100%	
		Percentage of Total (Costs) =		51%	7%	2%	10%	19%	5%	6%					100%

Work Order Estimate Summary

Att. A, AI 8, 9/21/17

Consultant/ Subconsultant: **Leighton**

Contract No: **G1948.0-17**

Work Order Title: **TPSS Blue Line Rehabilitation**

Task Order No. **WOA1948-AE-04**

Attachment: **B**

TASKS/WBS (1-5)

ODC Item	Description	Unit	Unit Cost	Task 1		Task 2		Task 3		Task 4		Task 5	
				Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total
1	Boring Permits	EA	\$200.00							3	\$600.00		
2	Geotechnical Lab Testing	EST	\$600.00							3	\$1,800.00		
3	Reproduction	EA	\$0.12										
4	Shipping/Courier	EA	\$12.50										
5	Utilities Clear - CPL	DAY	\$1,800.00							3	\$5,400.00		
6	Field Resistivity - SW Geophy	DAY	\$1,000.00							3	\$3,000.00		
7	Driller - Pacific	DAY	\$2,800.00							3	\$8,400.00		
8	Dynamic Cone Penetrometer	ea	\$50.00										
9	Cut-N-Core/ETI	DAY	\$400.00							3	\$1,200.00		
10	Mileage	MI	\$0.575										
Subtotal =						Subtotal =		Subtotal =		Subtotal =	\$20,400.00	Subtotal =	

TASKS/WBS (6-10)

ODC Item	Description											Totals	
		Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total
1	Boring Permits											3	\$600.00
2	Geotechnical Lab Testing											3	\$1,800.00
3	Reproduction												
4	Shipping/Courier												
5	Utilities Clear - CPL											3	\$5,400.00
6	Field Resistivity - SW Geophy											3	\$3,000.00
7	Driller - Pacific											3	\$8,400.00
8	Dynamic Cone Penetrometer												
9	Cut-N-Core/ETI											3	\$1,200.00
10	Mileage												
Subtotal =				Subtotal =		Subtotal =		Subtotal =		Subtotal =		Totals =	\$20,400.00

Schedule	Duration (days)	Start Date	End Date
NTP Date	0	9/28/2017	9/28/2017
1.0 Project Management	440	9/28/2017	12/12/2018
2.0 Meetings	238	9/28/2017	5/24/2018
3.0 Scope of Work Development and Data Collection	42	9/28/2017	11/9/2017
Review of Record Documents and As Built Drawings	42	9/28/2017	11/9/2017
4.0 Design Development	224	11/9/2017	6/21/2018
Concept Site Plans	63	11/9/2017	1/11/2018
35% PS&E	63	1/11/2018	3/15/2018
Agency Review	28	3/15/2018	4/12/2018
Comment Response and Cost Estimate Refinement	28	4/12/2018	5/10/2018
100% PS&E	42	5/10/2018	6/21/2018
5.0 Bid Support	214	6/21/2018	1/21/2019
MTS PS&E Checklist	28	6/21/2018	7/19/2018
MTS IFB Process	84	7/19/2018	10/11/2018
Pre-bid Meeting	1	10/11/2018	10/12/2018
Bid Support	63	10/12/2018	12/14/2018
Deliver Conformed Plans	63	11/19/2018	1/21/2019



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San Diego, CA 92101-7490
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Agenda Item No. 9

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

September 21, 2017

**Draft for
Executive Committee
Review Date: 9/14/17**

SUBJECT:

UNINTERRUPTIBLE POWER SUPPLY (UPS) ON-SITE REPAIR AND SUPPORT –
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. G2009.0-17, a Sole Source agreement (in substantially the same format as Attachment A) with Schneider Electric, for on-site support and repair of the current inventory of UPS units located throughout the MTS network including Data Centers, Trolley Stations and Bus Facilities.

Budget Impact

The project is funded under the Information Technology operations budget 661010-571250 as follows:

	Total
Base Year 1	\$163,282.35
Base Year 2	\$156,693.47
Base Year 3	\$106,077.56
Option Year 4	\$116,618.25
Option Year 5	\$129,259.60
Total Project	\$671,931.23



DISCUSSION:

UPS units are used to maintain network and systems operations during power fluctuations and outages. SANDAG procured the initial UPS units on behalf of MTS. All of these devices are currently limited to the original manufacturer's warranty and do not include on-site support or immediate parts replacements. A large number are currently out of the original 1-year manufacturer support and will require extended support for the estimated life of each unit.

American Power Conversion (APC) Corporation was acquired by Schneider Electric in 2007. Currently 99% of all MTS UPS units are APC devices manufactured by Schneider Electric. MTS has worked with the manufacturer in creating a unique SKU QWSC-QTAH65469-00 from Schneider Electric in conjunction with SACPower, a partner for APC/Schneider Electric, for on-site support and repair of the current inventory of UPS units in the MTS environment. As their preferred business practice, Schneider Electric has resellers that work as the middlemen between themselves and government agencies in responding to quotes for SKUs and managing the paperwork for a fee, but the actual on-site support and repair services are provided by Schneider Electric/SACPower.

MTS staff has determined that contracting directly with the manufacturer to support critical system infrastructure is in its best interest from a contractual, accountability and support perspective. Working directly with Schneider Electric creates cost savings for MTS by eliminating resellers fees, and allows MTS to work directly with the equipment manufacturer who has access to parts and expert knowledge in the maintenance and repair of the equipment. Holding a competitive procurement process to select a reseller as the go-between between MTS and the manufacturer is not efficient or cost effective. Staff recommends that MTS enters into a contract directly with Schneider Electric for on-site support and repair.

The table below shows the savings by comparing MTS's Independent Cost Estimate (ICE) and Schneider Electric's quote. For the first year, MTS estimated \$85,000 as the cost to restore the existing UPS units to a state of good repair. The services portion of the ICE was estimated at 25% of the cost to purchase new UPS units due to the age of the existing ones. As MTS is getting services directly from the manufacturer, it is not required to bring the UPS units to a state of good repair before maintenance service can begin. In addition, the manufacturer is offering MTS the services at a discounted cost as the parties are working directly with each other.

MTS ICE	\$1,158,141.20
Schneider Electric's quote	\$671,931.23
MTS savings (MTS ICE - quote)	\$486,209.97

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute G2009.0-17, a Sole Source agreement (in substantially the same format as Attachment A) with Schneider Electric, for the on-site support and repair of the current

inventory of UPS units located throughout the MTS network including Data Centers, Trolley Stations and Bus Facilities.

/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 Standard Services Agreement; Contract G2009.0-17

STANDARD SERVICES AGREEMENT

G2009.0-17
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 ("MTS"), a California public agency, and the following, hereinafter referred to as "Contractor":

Name: Schneider Electric Address: 10805 Thornment Rd, Suite 140

Form of Business: Corporation San Diego, CA 92127

(Corporation, partnership, sole proprietor, etc.)

Telephone: (714) 878-7463 Email Address: Cory.Manley@schneider-electric.com

Authorized person to sign contracts: Cory Manley Enterprise Account Manager
Name Title

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

Provide UPS Maintenance and Support as specified in the Scope of Work (attached as Exhibit A), Schneider Electric's cost proposal dated __ (attached as Exhibit B), and in accordance with the Standard Services Agreement, including Standard Conditions Services (attached as Exhibit C).

The contract term is for three (3) base years and two (2) 1-year options. The base period shall commence on October 1, 2017 through September 30, 2020; and option years from October 1, 2020 through September 30, 2022, exercisable at MTS's sole discretion.

Payment terms shall be net 30 days from invoice date. The base years cost is \$426,053.38, and the option years cost is \$245,877.85, for an overall total of \$671,931.23, which shall not be exceeded without MTS approval.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CONTRACTOR AUTHORIZATION

By: _____
Chief Executive Officer

Approved as to form:

By: _____
Office of General Counsel

Firm: _____

By: _____
Signature

Title: _____

AMOUNT ENCUMBERED

BUDGET ITEM

FISCAL YEAR

\$426,053.38

FY18-20

By: _____
Chief Financial Officer Date

(____ total pages, each bearing contract number)

SA-SERVICES REVISED (2/22/2017)



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Agenda Item No. 10

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

September 21, 2017

**Draft for
Executive Committee
Review Date: 9/14/17**

SUBJECT:

ORANGE LINE DESIGN SERVICES FOR VARIOUS TRACK IMPROVEMENTS –
WORK ORDER AGREEMENT

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute Work Order No. WOA1947-AE-05 to MTS Doc. No. G1947.0-17 (in substantially the same format as Attachment A) with HDR Engineering, Inc. (HDR) for track improvement design services.

Budget Impact

The total value of this agreement will not exceed \$269,935.47 and is funded through the MTS Capital Improvement Project budget account 2005003101.

DISCUSSION:

The Scope of Work for HDR Work Order WOA1947-AE-05 consists of design services for various track improvements along the Orange line and will facilitate improved operation. HDR was selected to perform the services as it completed previous design services at the existing crossovers along the Orange Line. Utilizing HDR for the services will ensure consistency of design and create efficiencies through familiarity with the project. The design work for this project includes the following task items:

- Existing crossover removal and replacement within the 25th and Commercial station limits with standard ballasted track and repaving.
- Installation of a new universal crossover west of the 30th Street grade crossing with hand throw switches and standard flange RBM frog.
- Existing crossover removal and replacement of turnouts with new crossover.
- Existing turnout removal and replacement with a new turnout.



The work order will provide 100 percent construction documents, which includes plans, specifications, and a cost estimate to construct the improvements. Following completion of the project's final design, construction work for this project will be bid out separately and not completed using the Job Order Contract process.

Therefore, staff recommends that the San Diego MTS Board of Directors authorize the CEO to execute Work Order No. WOA1947-AE-05 to MTS Doc. No. G1947.0-17 with HDR for track improvement design 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. Draft MTS Doc. No. G1947.0-17

September 21, 2017

MTS DOC No. G1947.0-17
Work Order WOA1947-AE-05

Mr. Thomas K. Kim
Senior Vice President
HDR Engineering, Inc.
401 B Street, Suite 110
San Diego, CA 92101

Dear Mr. Kim:

Subject: MTS DOC. NO. G1947.0-17, WORK ORDER WOA1947-AE-05; GENERAL
ENGINEERING DESIGN SERVICES FOR VARIOUS TRACK IMPROVEMENTS
ALONG THE ORANGE LINE

This letter shall serve as our agreement for professional services, Work Order WOA1947-AE-05, under the General Engineering Consultant Agreement, MTS Doc. No. G1947.0-17, as further described below.

SCOPE OF SERVICES

Provide general engineering services design services for various track improvements along the Orange line will facilitate improved operation and provide equipment upgrades. Work provided under this Work Order will be performed in accordance with the attached Scope of Services (Attachment A and B)

SCHEDULE

This Work Order will not change the original schedule. The Scope of Services, as described above, shall remain in effect for ten (10) months from the date of the Notice to Proceed.

PAYMENT

Payment shall be based on actual costs in the amount not to exceed without prior authorization of \$269,935.47.

Sincerely,

Accepted:

Paul C. Jablonski
Chief Executive Officer

Thomas K. Kim
HDR Engineering, Inc.

Date:

Contract No.: **G1947.0-17**Work Order No.: **AE-05**

Attachment A

WORK ORDER TITLE: Design Services for various track improvements along the Orange Line
MTS Doc. No. G1947.0-17, WOA1947-AE-05

I. PROJECT DESCRIPTION

This project is the culmination of several necessary improvements to the existing orange line to facilitate improved operations and provide equipment upgrades. The work for this project includes the following tasks items:

- The existing tongue and mate crossovers (universal) within the 25th and Commercial station limits will be removed and replaced with the standard paved ballasted.
- Installation of a new No. 6 universal crossover installed west of the 30th Street Grade crossing, with hand throw switches and standard flange RBM frog.
- The existing crossover (tongue and mate), turnouts 9 and 11, will be removed and replaced with a new No. 10 crossover, with Sampson points, and earth enclosure to accommodate an H&K switch machine.
- The existing No. 5 turnout will be removed and replaced with a new No. 10 turnout (open ballasted track) to accommodate the M23E switch machine. Heal block shall be non-floating style.
- All trackwork shall be coordinated to minimize rework of existing overhead catenary system.

Under this Work Order Consultant will also provide assistance in the permitting process with the City of San Diego.

II. EXPECTED RESULTS

The work order will provide 100 percent construction documents which includes plans, specifications, and cost estimate to construction the improvements as described herein. It is anticipated that this project will be bid out separately and not completed using the Job Order Contract process. The Consultant shall also develop separate procurement packages to support MTS in owner procuring long lead items.

III. SCOPE OF WORK

The scope of work to be performed by Consultant shall consist of the following tasks and deliverables:

TASK 1- WORK ORDER MANAGEMENT

This task includes project management services associated with this work order, including the requirements for progress reports, invoicing, meetings, quality assurance/quality control, and administration of the Consultant's and subconsultant's work. It is anticipated that monthly team meetings will be established and attended by three (3) consultant team members. In addition, design review meetings will be held follow each milestone submittal to address comment resolution. Each review meeting will be attended by three (3) consultant team members.

1.1 Progress Reports and Invoices

At the end of each month, Consultant shall report on work progress consistent with MTS's reporting and invoicing formats in the form of a progress report with each invoice indicating work completed (WBS subtask) by Consultant. Progress will be based on the physical percentage complete of individual subtasks or actual progress toward completion.

Consultant will submit one copy of a monthly progress report consisting of a written narrative to the MTS PM.

1.2 Inter-Agency and Project Coordination

Consultant will coordinate meetings and deliverables, and assist the MTS PM on coordination with MTS departments, City of San Diego, and other governing agencies, for all deliverables to ensure consistency among stakeholders.

TASK 2 – FIELD SURVEY AND INVESTIGATION

The Consultant will perform field survey needed to develop the existing topography to support design efforts at the 9/11 crossover (Commercial Street bounded by National Avenue and 16th Street), removal of existing universal crossover at 25th and Commercial (Commercial bounded by 24th and 26th Street); and location of proposed No. 6 universal crossover (Commercial Street bounded by 29th and 30th Street). No survey will be required for the replacement of Turnout No. 5 as existing and proposed turnouts are of similar geometry and considered an in-kind replacement. Features to be collected will include but not be limited to top of rail, key points of existing special trackwork, OCS poles, roadway features, sidewalk features, fences, signs, utility boxes, etc (back of sidewalk to back of sidewalk). Additionally, ground shot cross sections will be obtained for in-street running locations. A DTM of collected points will be provided.

The Consultant shall provide a survey control sheet to support proposed improvements within the footprint of the existing 25th and Commercial Station, amending previous survey efforts completed on the Orange Line Stations Project; a second control sheet for the proposed universal crossover on Commercial Street; and a third sheet to support the 9/11 crossover location.

TASK 3 - DESIGN SUPPORT SERVICES

The Consultant shall develop final design documents that will include Plans, Specifications, and Estimates for the project. A separate Procurement Package shall be developed to assure 'long-lead' items associated with this project are procured early to mitigate delays to project schedule. At a minimum the items will include: Special Trackwork and associated track mounted signaling equipment (e.g. earth box for switch machines and Negative Return bonding); and OCS poles and related appurtenances. The anticipated milestone submittals are 50%, 95%, and 100% for the following locations:

3.1 25th and Commercial (embedded ballasted track) and New No. 6 Universal

The existing tongue and mate universal crossover is currently within the station limits at 25th and Commercial. The existing crossover will be removed and disposed of by the construction contractor; the OCS will be modified to reflect the updated track configuration by removing the catenary crossover. The trackway will be fully removed and replaced with a complete section including subballast, ballast, ties, rail, and all rail fastening hardware. The limits of proposed track replacement include the limits bound along Commercial Street by Harrison Avenue and 26th Streets, including the existing grade crossing at 25th street. No coordination with the CPUC

is included in this scope of services. No coordination with CPUC is anticipated as the project is considered a maintenance project and no changes to track or roadway profiles are anticipated.

A new universal crossover will be constructed west of the existing 30th Street grade crossing. The crossovers shall be placed on tangent track and shall be placed a desired minimum distance according to the design guidelines from crosswalks, outside of road crossings, and to minimize the relocation or replacement of existing poles. Existing poles with increased loading will be evaluated and replaced if necessary.

The crossovers shall be No. 6 hand throw, and the frog shall include a standard flange way and be of RBM style.

The new location will require new OCS be installed over each crossover using OCS messenger/contact wire to match the existing conditions, including new poles and headspans as required to accommodate the new crossovers. It is assumed that required assemblies will be pulled from previous projects or current standard plans for inclusion into the design package.

It is anticipated that some improvement may be within public right-of-way of the City of San Diego, and therefore coordination and approvals with the cities development services will be necessary. As such traffic controls plans will be developed for use in obtaining necessary approval from the City. The traffic control plans will include necessary detours or lane closures to accommodate proposed construction activities.

3.2 Turnouts 9 and 11 (embedded ballasted track)

The existing tongue and mate crossover is currently in need of replacement. The existing crossover will be removed and disposed of.

A new crossover consisting of standard No. 10 turnouts will be constructed in the current location of the existing crossover. The turnouts shall be designed to accommodate the H&K switch machine; all contained in earth boxes conforming to recent installations at turnout 1 and turnout 3. It is anticipated that no new OCS poles will be required, but catenary registration and other improvements will be considered with final location of the new crossover. It is assumed that any required OCS assembly will be pulled from previous projects or current standard plans for inclusion into the design package. 8 hours of OCS support will be provided to detail any required improvements.

Similar to other embedded turnouts, the proposed earth boxes will be designed to include appropriate drainage features to connect the earth boxes to existing storm drain systems using PVC pipe similar to previous designs. It is anticipated that additional effort will be required to process a deviation with the City of San Diego to allow connection to its system with elements deviating from its standards.

It is anticipated that some improvement may be within public right-of-way of the City of San Diego, and therefore coordination and approvals with the cities development services will be necessary. As such traffic controls plans will be developed for use in obtaining necessary approval from the City. The traffic control plans will include necessary detours or lane closures to accommodate proposed construction activities.

Design will be coordinated with signaling improvements being completed by others.

3.3 Turnout No. 5 (open ballasted track)

The existing turnout No. 5 is a standard No. 10 and requires replacement. The existing turnout will be removed and disposed of by the construction contractor. The existing track section shall be removed to existing hardpan and new section will be constructed with the installation of the turnout.

The new No. 10 turnout will be constructed to accommodate an M23E switch machine. A standard heel block will be specified for this turnout. It is anticipated that minimal OCS work will be required, but catenary registration and other improvements will be considered with final location of new turnout. 2 hours of OCS support will be provided to detail any required improvements.

Design submission for this location will be limited to standard no. 10 turnout detail. No plan, profile or sections will be developed or provided. No traffic control plans will be necessary to support the turnout replacement.

Design will be coordinated with signaling improvements being completed by others.

3.4 Project Specifications and Estimate

The consultant shall develop project specifications and a detailed cost estimate. The specifications shall accompany the submittal starting with the 65% submission and the cost estimate will accompany each submission provided. A detailed bid list will be provided with the 100% submission. It is anticipated that the proposed specifications will be developed based on previous construction contracts of similar type work, with estimates based on similar historical data from past projects.

In addition, to support the development of the CIP funding request for construction dollars for the project, consultant shall provide an Order of Magnitude Cost Estimate prior to submission of the 50% submittal.

TASK 4 - CITY COORDINATION AND REVIEW

Consultant shall assist and coordinate with the City of San Diego Development Services as required to obtain approvals for proposed improvements and necessary traffic and pedestrian controls required for construction. The first submittal to Development Services will follow the 65% submittal to MTS. It is anticipated that three (3) submissions to development services will be required to obtain necessary approvals. Consultant will address City of San Diego comments, provide responses, and incorporate comments into the plans as necessary to close out comments. The Consultants will continue with City of San Diego review process until final approval has been received including but not limited to the following:

- Collect/obtain additional information and data pertaining to non-design/non-related elements of the project to be added to the plan set for conformance with City of San Diego Development Services Department requirements.
- Perform additional field visits to obtain evidence of existing conditions to justify design elements.
- Update plan sets to address City comments.
- Survey records and reporting
- Property data search, if needed

- Coordination with City agents and Stakeholders including communication for clarity and resolution
- Reproduction
- Submittal and re-submittal processing

TASK 5 – CONSTRUCTION STAGING AND WORK PLAN

Consultant will develop a construction staging and work plan to be approved by MTS. The staging and work plan shall be incorporated into the plans and specification indicating the order of the work and staging to maintain LRT operations. The staging plan will be developed in conjunction with MTS operation and will consider operational limitations imposed on MTS by major events, conventions which generate substantial ridership at certain times.

IV. PERIOD OF PERFORMANCE

The period of service shall be a duration of 10 months from the notice to proceed. .

V. DELIVERABLES

50%, 95%, and 100% Plans, Specifications, and Estimate. Provide five 11" x 17" hard copy sets and PDF of each document included for submission to MTS.

A standalone procurement package as needed for MTS to procure long lead items. The procurement package will be submitted at time of 100% submission and include appropriate plans, specifications, and cost estimate.

The completed Construction package is anticipated to include the following:

<i>General</i>	<u>Sheet Count</u>
Title Sheet with Vicinity/Location Map	1
Index	1
Notes	2
Legend/Symbols/Abbreviations	1
Key Map	1
Survey Control Sheet(s)	3
 <i>Track</i>	
Demolition Plans (1"=20')	7
Geometry Tables	2
Track Plan & Profile Plans (1"=20')	7
Track Profiles (1"=20')	4
No. 6 Crossover Detail	1
No. 10 Crossover Detail	1
No. 10 Turnout Detail	1
Track Typical Sections & Details	3
Drainage Detail	1
 <i>OCS</i>	
General and Typical Arrangement	4

Drawings	
Demolition Layout Plan and New OCS Layout Plan	4
OCS pole and guy foundation, and down guy details	2
OCS pole detail	1
Assembly details to support the modified OCS	6

Traffic Control/Staging

Traffic Control Notes	1
Detour Plans	7
Traffic Control Plans (1"=40)	4
Staging Plans	4
Total Sheets	69

VI. SCHEDULE OF SERVICES/MILESTONES/DELIVERABLES

A. Tasks Schedule

Task	Begin/End Dates
Project Management and Coordination	NTP/NTP + 10 months
Field Survey	NTP/NTP + 1 month
50% Submittal	NTP/NTP + 5 months
95% Submittal	NTP/NTP + 7 months
100% Submittal	NTP/NTP + 9 months
City of San Diego Submittals	50% Sub + 4 months

B. Milestones/Deliverables Schedule

Milestone/Deliverable	Due Date
Field Survey	1 month following NTP
ROM Estimate	October 13, 2017
50% Submittal	5 months following NTP
95% Submittal*	7 months following NTP
100% Submittal	9 months following NTP
Procurement Package	9 months following NTP
Final City of San Diego Submittal	4 months following 50% Submittal

*Excludes OCS drawings

VII. MATERIALS TO BE PROVIDED BY MTS AND/OR THE OTHER AGENCY

Email check payment receipt to Jessica.Talman@hdrinc.com to allow HDR to process subconsultant payment within 7 day DBE policy requirement.

VIII. SPECIAL CONDITIONS

1. HDR shall not be responsible for costs associated with MTS flag protection for all onsite activities performed as necessitated by the design process.

2. MTS shall be responsible for all review/permit costs associated with obtaining city approvals.
3. Available flown aerial topography from the Orange Line Fiber project shall be obtained from SANDAG and may be utilized to supplement new survey and expedite order of magnitude cost estimate.
4. MTS shall provide right of way information.
5. It is assumed that any required OCS assembly will be pulled from previous projects or current standard plans for inclusion into the design package to minimize the design cost. If new assembly details are required to be developed, this will be treated as a change to the scope.

IX. MTS ACCEPTANCE OF SERVICES:

Consultants shall not be compensated at any time for unauthorized work outside of this Work Order. Consultants shall provide notice to MTS' Project Manager upon 100% completion of this Work Order. Within five (5) business days from receipt of notice of Work Order completion, MTS' Project Manager shall review, for acceptance, the 100% completion notice. If Consultants provides final service(s) or final work product(s) which are found to be unacceptable due to Consultant and/or subcontractor's negligence and thus not 100% complete by MTS' Project Manager, Consultant shall be required to make revisions to said service(s) and/or work product(s) within the Not to Exceed (NTE) Budget. MTS reserves the right to withhold payment associated with this Work Order until the Project Manager provides written acceptance for the 100% final completion notice. Moreover, 100% acceptance and final completion will be based on resolution of comments received to the draft documents and delivery of final documentation which shall incorporate all MTS revisions and comments.

Monthly progress payments shall be based on actual/documented hours performed for each person/classification identified in the attached Fee Schedule and shall at no time exceed the NTE. Consultants shall only be compensated for actual performance of services and at no time shall be compensated for services for which MTS does not have an accepted deliverable or written proof and MTS acceptance of services performed.

X. DEFICIENT WORK PRODUCT:

Throughout the design and/or implementation phases associated with the services rendered by the Consultants, if MTS finds any work product provided by Consultants to be deficient and the deficiently delays any portion of the project, Consultants shall bear the full burden of their deficient work and shall be responsible for taking all corrective actions to remedy their deficient work product including but not limited to the following:

- Paying applicable delay fees,
- Revising provided documents,

At no time will MTS be required to correct any portion of the Consultants deficient work product and shall bear no costs or burden associated with Consultants deficient performance and/or work product.

XI. DELIVERABLE REQUIREMENTS

Consultants will be required to submit any and all documentation required by the Scope of Work. The deliverables furnished shall be of a quality acceptable to MTS. The criteria for acceptance shall be a product of neat appearance, well-organized, and procedurally, technically and grammatically correct. MTS reserves the right to request a resubmission of a deliverable, at no cost, if it does not meet the requirements specified in the work order or materially revise the work order. All work products will become the property of MTS. MTS reserves the right to disclose any reports or material provided by the Consultants to any third party.

Consultants shall provide with each task, a work plan showing the deliverables schedule as well as other relevant date needed for Consultants work control, when and as requested by MTS.

Consultants computer data processing and work processing capabilities and data storage should be compatible with Windows compatible PC's, text files readable in Microsoft Word, and standard and customary electronic storage. Subconsultant shall maintain backup copies of all data conveyed to MTS.

Consultants shall provide MTS with hard copy or electronic versions of reports and/or other material as requested by MTS.

XII. ADDITIONAL INFORMATION

Not Applicable to this WOA.

Work Order Estimate Summary

MTS Doc. No. **G1947.0-17**Work Order No. **WOA1947-AE-05**Attachment: **B****Work Order Title:**

Orange Line Track Improvements

Project No:

Table 1 - Cost Codes Summary (Costs & Hours)

Item	Cost Codes	Cost Codes Description	Total Costs
1	0100	Project Management	\$26,083.62
2	0255	Engineering	\$243,851.85

Totals = **\$269,935.47****Table 2 - TASKS/WBS Summary (Costs & Hours)**

Item	TASKS/WBS	TASKS/WBS Description	Labor Hrs	Total Costs
1	Admin	Work Order Management	130.00	\$26,083.62
2	Engineering	Field Survey	192.00	\$29,836.44
3	Engineering	Design Support Services	1,366.00	\$191,185.55
4	Engineering	City Coordination and Review	96.00	\$11,649.36
5	Engineering	Construction Staging and Workplan	74.00	\$11,180.50

Totals = **1,858.00** **\$269,935.47****Table 3 - Consultant/Subconsultant Summary (Costs & Hours)**

(If Applicable, Select One)				Consultant	Labor Hrs	Total Costs
DBE	DVBE	SBE	Other			
				HDR Engineering, Inc.	1,338.00	\$184,882.06
X				Aguirre & Associates	184.00	\$28,353.62
				Gannett Fleming	336.00	\$56,699.79

Totals = **1,858.00** **\$269,935.47**

Work Order Estimate
Summary

Total Hours =		1,338		Consultant/Subconsultant: HDR Engineering, Inc.										MTS Doc. No.: G1947.0-17		
Total Costs =		\$184,882.06		Work Order Title: Orange Line Track Improvements										Work Order No.: WOA1947-AE-05		
				Attachment: B												
INTERNAL ONLY				BoleyMaggertMageeAndresGranadoTalmanHernandezOCSOCS												
Item	TASKS/WBS	TASKS/WBS Description	ODCs (See Attachment)	Sr. Project Manager	Project Manager II	Engineer III	Engineer I	Technician II	Sr. Admin Assistant	Project Engineer	Group Director/ Systems	Engineer III			Total Hours	Totals
				\$ 255.27	\$ 255.27	\$ 128.91	\$ 101.96	\$ 119.64	\$ 134.01	\$ 149.33	\$ 219.23	\$ 128.91	\$ -	\$ -		
1	Admin	Work Order Management														
1.1	0100	Progress Reports and Invoices	\$357.00	2		10			24						36	\$5,372.88
1.2	0100	Project Meetings		12	12	12									36	\$7,673.40
1.3	0100	Project Coordination		2	2	4									8	\$1,536.72
		Subtotals (Hours) =	N/A	16	14	26			24						80	\$14,583.00
		Subtotals (Costs) =	\$357.00	\$4,084.32	\$3,573.78	\$3,351.66			\$3,216.24						80	\$14,583.00
2	Engineering	Field Survey														
2.1	0255	Review and Coordinate Survey		2	2	2	2								8	\$1,482.82
	0255	Field Survey and DTM Development		2	2	2	2								8	\$1,482.82
		Subtotals (Hours) =	N/A	2	2	2	2								8	\$1,482.82
		Subtotals (Costs) =		\$510.54	\$510.54	\$257.82	\$203.92								8	\$1,482.82
3	Engineering	Design Support Services														
3.1	0255	Turnout No. 5	\$300.00													\$300.00
		Track and Civil														
		Track Plan (No. 10 turnout layout only)		2		10		10		1					23	\$3,145.37
		OCS			2										2	\$510.54
		Signaling Coordination			2										2	\$510.54
3.2	0255	9/11 Crossover														
		Track and Civil														
		General Sheets (Covered in 3.4)				8		8		1					17	\$2,137.73
		Demolition Plans		2		16		16		1					35	\$4,636.67
		Track Plans		2		12		12		1					27	\$3,642.47
		Track Details		1		12		12		1					26	\$3,387.20
		Typical Sections		1		16		16		2					35	\$4,530.73
		Drainage Improvements					16	32		32					80	\$10,238.40
		Traffic Control			8										8	\$2,042.16
		OCS			2										2	\$510.54
3.3	0255	Signalng Coordination														
		25th and Commercial														
		Track and Civil														
		General Sheets (Covered in 3.4)														
		Demolition Plans				12		12		1					25	\$2,808.53
		Track Plans		2		24		24		2					52	\$6,127.60
		Track Details		2		16		16		2					36	\$4,354.80
		Typical Sections		1		16		16		2					35	\$4,099.53
		Traffic Control		1		8		40		40					89	\$11,829.75
		OCS														
3.4	0255	New Universal Crossover No. 6														
		Track and Civil														
		General Sheets		1	1	24		24		2					52	\$6,774.40
		Demolition Plans				12		12		1					25	\$3,131.93
		Track Plans		2		32		32		2					68	\$8,762.80
		Track Details		2		24		24		2					52	\$6,774.40
		Typical Sections		1		16		16		1					34	\$4,381.40
		Traffic Control		1		8		40		40					89	\$12,045.35
		OCS														
3.5	0255	Develop Project Specifications		16	8	60				20					104	\$16,847.68
3.6	0255	Develop Detailed Cost Estimate		8	8	24	40	24		8					112	\$15,322.56
3.7	0255	Package Procurement Submittal		4	4	16	8	16		2					50	\$7,133.30
		Subtotals (Hours) =	N/A	49	35	290	140	402		164					1,080	\$145,986.38
		Subtotals (Costs) =	\$300.00	\$12,508.23	\$8,934.45	\$37,383.90	\$14,274.40	\$48,095.28		\$24,490.12					1,080	\$145,986.38
4	Engineering	City Coordination and Review														
4.1	0255	Initial City Submittal and Coordination	\$300.00				16	8		8					32	\$4,083.12
4.2	0255	Second City Submittal and Coordination					16	8		8					32	\$3,783.12
4.3	0255	Third City Submittal and Coordination					16	8		8					32	\$3,783.12
4.4																
		Subtotals (Hours) =	N/A				48	24		24					96	\$11,649.36
		Subtotals (Costs) =	\$300.00				\$4,894.08	\$2,871.36		\$3,583.92					96	\$11,649.36
5	Engineering	Construction Staging and Workplan														
5.1	0255	Turnout No. 5	\$50.00	1	1	4		4		1					11	\$1,704.07
5.2	0255	9/11 Crossover		2	2	8		8		1					21	\$3,158.81
5.3	0255	25th and Commercial		2	2	8		8		1					21	\$3,158.81
5.4	0255	New No. 6 Universal		2	2	8		8		1					21	\$3,158.81
		Subtotals (Hours) =	N/A	7	7	28		28		4					74	\$11,180.50
		Subtotals (Costs) =	\$50.00	\$1,786.89	\$1,786.89	\$3,609.48		\$3,349.92		\$597.32					74	\$11,180.50
Totals (Summary) =																
Total (Hours) =			N/A	74	58	346	190	454	24	192					1338	
Total (Costs) =				\$1,007.00	\$18,889.98	\$14,805.66	\$44,602.86	\$19,372.40	\$54,316.56	\$3,216.24	\$28,671.36					\$184,882.06
Percentage of Total (Hours) =			N/A	6%	4%	26%	14%	34%	2%	14%					100%	
Percentage of Total (Costs) =				1%	10%	8%	24%	10%	29%	2%	16%					100%

Work Order Estimate Summary

Att. A, AI 10, 9/21/17

Consultant/ Subconsultant: HDR Engineering, Inc.

Contract No: G1947.0-17

Task Order No. WOA1947-AE-05

Work Order Title: Orange Line Track Improvements

Attachment: B

TASKS/WBS (1-5)

ODC Item	Description	Unit	Unit Cost	Task 1		Task 2		Task 3		Task 4		Task 5	
				Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total
1	Reproduction	EA	\$50.00	5	\$250.00			6	\$300.00	6	\$300.00	1	\$50.00
2	Mileage	Mile	\$0.535	200	\$107.00								
3													
4													
5													
6													
7													
8													
9													
10													
				Subtotal =		Subtotal =		Subtotal =		Subtotal =		Subtotal =	
								\$300.00		\$300.00		\$50.00	

TASKS/WBS (6-10)

ODC Item	Description											Totals	
		Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total
1	Reproduction											18	\$900.00
2	Mileage											200	\$107.00
3													
4													
5													
6													
7													
8													
9													
10													
		Subtotal =		Subtotal =		Subtotal =		Subtotal =		Subtotal =		Totals =	
												\$1,007.00	

Work Order Estimate Summary

Att. A, AI 10, 9/21/17

Total Hours =	184
Total Costs =	\$28,353.62

Consultant/Subconsultant: Aguirre & Associates

MTS Doc. No.: G1947.0-17

Work Order No.: WOA1947-AE-05

Work Order Title: Orange Line Track Improvements

Attachment: B

			ODCs (See Attachment)	Project Land Surveyor	Survey Technician	Party Chief (PW)	Chainman (PW)										Total Hours	Totals
Item	TASKS/WBS	TASKS/WBS Description		\$ 140.70	\$ 96.83	\$ 190.69	\$ 192.69						\$ -	\$ -	\$ -			
1	Admin	Work Order Management																
1.1	0100	Progress Reports and Invoice																
1.2	0100	Project Meetings																
1.3	0100	Project Coordinator																
		Subtotals (Hours) =	N/A															
		Subtotals (Costs) =																
2	Engineering	Field Survey																
2.1	0255	Review and Coordinate Surve																
	0255	Field Survey and DTM Developmen	\$100.00	26	60	49	49										184	\$28,353.62
		Subtotals (Hours) =	N/A	26	60	49	49										184	\$28,353.62
		Subtotals (Costs) =	\$100.00	\$3,658.20	\$5,809.80	\$9,343.81	\$9,441.81										184	\$28,353.62
3	Engineering	Design Support Services																
3.1	0255	Turnout No. 5																
		Track and Civil																
		General Sheets (Covered in 3.4																
		Demolition Plan																
		Track Plans																
		Track Details																
		OCS																
		Signaling Coordinator																
3.2	0255	9/11 Crossover																
		Track and Civil																
		General Sheets (Covered in 3.4																
		Demolition Plans																
		Track Plans																
		Track Details																
		Typical Sections																
		Drainage Improvement:																
		Traffic Control																
		OCS																
		Signaling Coordinator																
3.3	0255	25th and Commercia																
		Track and Civil																
		General Sheets (Covered in 3.4																
		Demolition Plans																
		Track Plans																
		Track Details																
		Typical Sections																
		Traffic Control																
		OCS																
		Signaling Coordinator																
3.4	0255	New Universal Crossover No. 6																
		Track and Civil																
		General Sheets																
		Demolition Plans																
		Track Plans																
		Track Details																
		Typical Sections																
		Traffic Control																
		OCS																
3.5	0255	Develop Project Specification:																
3.6	0255	Develop Detailed Cost Estimati																
3.7	0255	Package Procurement Submitta																
		Subtotals (Hours) =	N/A															
		Subtotals (Costs) =																
4	Engineering	City Coordination and Review																
4.1	0255	Initial City Submittal and Coordinatio																
4.2	0255	Second City Submittal and Coordinatio																
4.3	0255	Third City Submittal and Coordinatio																
4.4																		
		Subtotals (Hours) =	N/A															
		Subtotals (Costs) =																
5	Engineering	Construction Staging and Workplan																
5.1	0255	Turnout No. 5																
5.2	0255	9/11 Crossover																
5.3	0255	25th and Commercia																
5.4	0255	New No. 6 Universa																
		Subtotals (Hours) =	N/A															
		Subtotals (Costs) =																

Work Order Estimate Summary

Consultant/ Subconsultant: **Aguirre & Associates**

Contract No: **G1947.0-17**

Task Order No. **WOA1947-AE-05**

Work Order Title: **Orange Line Track Improvements**

Attachment: **B**

TASKS/WBS (1-5)

ODC Item	Description	Unit	Unit Cost	Task 1		Task 2		Task 3		Task 4		Task 5	
				Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total
1	Reproduction	LS	\$50.00										
2	Mileage	Mile	\$0.535										
3	Reference Maps	LS	\$100.00			1	\$100.00						
4													
5													
6													
7													
8													
9													
10													

Subtotal = Subtotal = **\$100.00** Subtotal = Subtotal = Subtotal =

TASKS/WBS (6-10)

ODC Item	Description											Totals	
		Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total
1	Reproduction												
2	Mileage												
3	Reference Maps											1	\$100.00
4													
5													
6													
7													
8													
9													
10													

Subtotal = Subtotal = Subtotal = Subtotal = Subtotal = **Totals = \$100.00**

Work Order Estimate Summary

Total Hours =

336

Total Costs =

\$56,699.79

Consultant/Subconsultant: **Gannett Fleming**

MTS Doc. No.: **G1947.0-17**

Work Order No.: **WOA1947-AE-05**

Work Order Title: **Orange Line Track Improvements**

Attachment: **B**

Item	TASKS/WBS	TASKS/WBS Description	ODCs (See Attachment)	Task Lead	Technical Expert - QA/QC	Engineer III	Designer III	Engineer II	Designer II	Technician III/Admin						Total Hours	Totals
				\$ 281.24	\$ 289.79	\$ 200.63	\$ 165.81	\$ 156.46	\$ 104.40	\$ 111.60			\$ -	\$ -	\$ -		
1	Admin	Work Order Management															
1.1	0100	Progress Reports and Invoices		16	10	16				8						50	\$11,500.62
1.2	0100	Project Meetings															
1.3	0100	Project Coordination															
		Subtotals (Hours) =	N/A	16	10	16				8						50	\$11,500.62
		Subtotals (Costs) =		\$4,499.84	\$2,897.90	\$3,210.08				\$892.80						50	\$11,500.62
3	Engineering	Design Support Services															
3.1	0255	Turnout No. 5															
		Track and Civil															
		General Sheets (Covered in 3.4)															
		Demolition Plan															
		Track Plan															
		Track Details															
		OCS															
		Signaling Coordination															
3.2	0255	9/11 Crossover															
		Track and Civil															
		General Sheets (Covered in 3.4)															
		Demolition Plans															
		Track Plans															
		Track Details															
		Typical Sections															
		Drainage Improvements															
		Traffic Control															
		OCS															
		Signaling Coordination															
3.3	0255	25th and Commercial															
		Track and Civil															
		General Sheets (Covered in 3.4)															
		Demolition Plans															
		Track Plans															
		Track Details															
		Typical Sections															
		Traffic Control															
		OCS		4		1	16	16	19							56	\$8,465.51
3.4	0255	New Universal Crossover No. 6															
		Track and Civil															
		General Sheets															
		Demolition Plans															
		Track Plans															
		Track Details															
		Typical Sections															
		Traffic Control															
		OCS		10		4	30	40	70							154	\$22,155.62
3.5	0255	Develop Project Specifications		4	2	8	24									38	\$7,289.02
3.6	0255	Develop Detailed Cost Estimate		4	2	8	24									38	\$7,289.02
3.7	0255	Package Procurement Submittal															
		Subtotals (Hours) =	N/A	22	4	21	94	56	89							286	\$45,199.17
		Subtotals (Costs) =		\$6,187.28	\$1,159.16	\$4,213.23	\$15,586.14	\$8,761.76	\$9,291.60							286	\$45,199.17

Work Order Estimate Summary

Consultant/ Subconsultant: **Gannett Fleming**

Contract No: **G1947.0-17**

Task Order No. **WOA1947-AE-05**

Work Order Title: **Orange Line Track Improvements**

Attachment: **B**

TASKS/WBS (1-5)

ODC Item	Description	Unit	Unit Cost	Task 1		Task 2		Task 3		Task 4		Task 5	
				Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total
1	Reproduction	LS	\$50.00										
2	Mileage	Mile	\$0.535										
3	Reference Maps	LS	\$100.00										
4													
5													
6													
7													
8													
9													
10													
				Subtotal =		Subtotal =		Subtotal =		Subtotal =		Subtotal =	

TASKS/WBS (6-10)

ODC Item	Description											Totals	
		Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total
1	Reproduction												
2	Mileage												
3	Reference Maps												
4													
5													
6													
7													
8													
9													
10													
		Subtotal =		Subtotal =		Subtotal =		Subtotal =		Subtotal =		Totals =	



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

Agenda Item No. 11

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

September 21, 2017

**Draft for
Executive Committee
Review Date: 9/14/17**

SUBJECT:

SERVICE AND MAINTENANCE OF THE HEGENSCHIEDT UNDERFLOOR WHEEL
TRUING MACHINE - SOLE SOURCE AWARD

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWL242.0-18, a sole source agreement, for a period of three (3) years with Simmons Machine Tool Corporation (SMTC) for service and maintenance of the Hegenscheidt Underfloor Wheel Truing machine.

Budget Impact

The total value of this agreement will not exceed \$157,725.00 and is funded through Cost Center 350016-536500.

DISCUSSION:

The Hegenscheidt Wheel Truing Machine was installed inside the San Diego Trolley Inc. (SDTI) Building C. The Wheel Truing Machine is used to cut and reprofile the steel wheels on the light rail vehicle (LRV) fleet at prescribed intervals as part of SDTI's preventative maintenance program. This process insures a safe wheel to rail interface and proper ride quality is maintained on the vehicles. The Wheel Truing Machine requires periodic maintenance and calibration to ensure trouble free operation. This machine is critical to SDTI operations and needs to be kept in operation at all times to facilitate LRV service. It provides a means of ensuring that the wheels under the LRV provide a safe means of transport for riders and that they meet local, state, and federal specifications.



SDTI LRV mechanics received training from SMTC during the installation and commissioning of the machine for day to day maintenance and upkeep but not for the calibration of the machine's laser system or for heavy maintenance and repair. At this time SDTI does not have the expertise to perform the work required.

SMTC is the North American representative of the Hegenscheidt Underfloor Wheel Truing Machine. There is no other North American vendor that is qualified and has the technical expertise to effectively maintain, troubleshoot and calibrate this machine. Furthermore, in order to maintain the warranty, SMTC requires all maintenance work to be performed by LRV staff, SMTC, or contactors hired by SMTC.

SMTC will provide a three (3) year maintenance program in the amount of \$157,725.00 that addresses the machine's maintenance requirements. SMTC's experienced field service technicians will perform full inspection and maintenance of the machine.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute MTS Doc. No. PWL242.0-18, a sole source agreement with SMTC for service and maintenance of the Hegenscheidt Underfloor Wheel Truing Machine.

/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. PWL242.0-18

STANDARD PROCUREMENT AGREEMENT

PWL242.0-18
CONTRACT NUMBER

DRAFT

FILE NUMBER(S)

THIS AGREEMENT is entered into this ____ day of _____ 2017, in the state of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following contractor, hereinafter referred to as "Contractor":

Name: Simmons Machine Tool Corporation Address: 1700 North BroadwayForm of Business: Corporation Albany, NY 12204
(Corporation, partnership, sole proprietor, etc.)Telephone: 518.462.5431Authorized person to sign contracts: _____ Hegenscheidt – Product Manager
Name Title

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

Provide for service and maintenance of the Hegenschiedt Underfloor Wheel Lathe machine, as specified in the Scope of Work (attached as Exhibit A), and in accordance with the Standard Conditions Services Agreement, including the Standard Conditions Services (attached as Exhibit B), and the Federal Requirements (attached as Exhibits C).

The contract term is for three (3) years from Notice to Proceed.

Payment terms shall be net 30 days from invoice date. The total cost of this contract shall not exceed \$157,725 without the express written consent of MTS.

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

AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
\$157,725	350016/536500	FY 18

By: _____
Chief Financial Officer Date



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

Agenda Item No. 12

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

September 21, 2017

**Draft for
Executive Committee
Review Date: 9/14/17**

SUBJECT:

LIGHT RAIL VEHICLE (LRV) PANTOGRAPH CARBON STRIPS – 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. L1393.0-17 (in substantially the same format as Attachment A) with Schunk Carbon Technology for the purchase of LRV Pantograph Carbon Strips.

Budget Impact

The value of this agreement will not exceed \$500,650.68 and is funded under the San Diego Trolley, Inc. (SDTI) LRV Maintenance budget account 350016-545100.

DISCUSSION:

MTS's goal is to purchase an estimated quantity of 3,319 pantograph carbon strips for the light rail vehicles (LRVs) over a five (5) year period. A Pantograph is a device for collecting an electrical current to power an LRV. The current is collected via metalized carbon strips on the head of the pantograph that make contact with the catenary wire.

MTS Policy No. 52, "Procurement of Goods and Services", requires a formal competitive process for procurements exceeding \$100,000. On June 9, 2017 staff issued an Invitation for Bids (IFB). Three responsive bids were received by the due date of July 6, 2017.



Pantograph Carbon Strips	
COMPANY NAME	BID AMOUNT
**Schunk	\$464,641.00
<i>Morgan</i>	\$640,168.72
<i>Mersen</i>	\$798,396.53
<i>ICE</i>	\$461,303.00

**Tax not included in bid comparison*

Based on the bids received, and in comparison with the independent cost estimate, Schunk's price was determined to be fair and reasonable. Inclusive of tax, Schunk's price totals \$500,650.68.

Therefore, staff recommends that the Board of Directors authorize the CEO to execute MTS Doc. No. L1393.0-17 with Schunk Carbon Technology for the purchase of LRV Pantograph Carbon Strips.

/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. L1393.0-17

STANDARD PROCUREMENT AGREEMENT

CONTRACT NUMBER
L1393.0-17
 FILE NUMBER(S)

THIS AGREEMENT is entered into this _____ day of _____ 2017, in the State of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following, hereinafter referred to as "Contractor":

Name: Schunk Carbon Technology Address: W146 N9300 Held Dr.

Form of Business: LLC Menomonee Falls, WI 53051
 (Corporation, partnership, sole proprietor, etc.)

Telephone: _____ Email Address: _____

Authorized person to sign contracts: Jim Sherer Operations Manager
 Name Title

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

Pantograph Carbon Strips as specified in the Scope of Work (attached as Exhibit A), Schunks' Bid dated June 28, 2017 (attached as Exhibit B), and in accordance with the Standard Conditions Procurement Agreement, including the Standard Conditions Procurement (attached as Exhibit C), and the Federal Requirements (attached as Exhibit D).

Total contract will be in the amount of \$500,650.68 which shall not be exceeded without MTS approval.
 (Delivery Period - October 1, 2017 through September 30, 2022)

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>\$500,650.68</u>	<u>350016-545100</u>	<u>FY18</u>

By: _____
 Chief Financial Officer Date

(____ total pages, each bearing contract number)

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



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

Agenda Item No. 13

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

September 21, 2017

**Draft for
Executive Committee
Review Date: 9/14/17**

SUBJECT:

VISUAL MESSAGING SYSTEM (VMS) MAINTENANCE (WARRANTY) AND ON-SITE
PARTS – SOLE SOURCE CONTRACT AWARD

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to:

- 1) Execute MTS Doc. No. G2025.0-18 (in substantially the same format as Attachment A) with Daktronics, Inc. for up to a three (3) year period with two (2) one-year options to provide VMS maintenance service and technical support; and
- 2) Exercise each option year at CEO's discretion.

Budget Impact

The total value of this agreement will not exceed \$224,601.71 (\$152,775 for maintenance and \$71,826.71 for on-site parts, inclusive of a 10% contingency, shipping charges and California sales tax). Funding would come from the annual Information Technology operating budget 661010-571250, which is locally funded.

DISCUSSION:

Passenger information systems are a key communication link between transit operators and the traveling public. VMS signs are content-dynamic electronic signs installed at MTS trolley and bus stations. They principally offer travelers real-time information on train destination, arrival and departure times, and service disruption announcement through changeable visual display using LED technology. They also provide a platform through which MTS can readily broadcast emergency announcements to the public when necessary.



Because VMS is a critical component to MTS operations, VMS must be working 100% of the time. Since it's inevitable that VMS hardware will eventually fail, MTS needs to be ready and prepared for such events. MTS is pursuing two avenues of support:

Option One: Gold Service Warranty Support - This support allows for the equipment exchange, repair and/or replace, and technical support for all 308 existing display signs.

Option Two: On-site Parts -This will support the quick turn-around time for any required parts replacement (within 1 to 2 days instead of long lead times).

Daktronics is the original manufacturer of the VMS equipment and does not offer its product through third party resellers. Similarly, Daktronics owns all copyright and intellectual rights to the software used to operate, manage, and support hardware. Thus, staff recommends that a sole-source award be made to Daktronics for support and warranty on all 308 display signs.

The following table details the VMS Gold support and onsite parts inventory for the base periods and option periods:

Description	Total
Daktronics VMS displays Trolley/Bus Warranty – Year 1	\$ 29,650.00
Daktronics VMS displays Trolley/Bus Warranty – Year 2	\$ 29,650.00
Daktronics VMS displays Trolley/Bus Warranty – Year 3	\$ 29,650.00
Daktronics VMS displays Trolley/Bus Warranty - Year 4 (Option Year One)	\$ 31,135.00
Daktronics VMS displays Trolley/Bus Warranty - Year 5 (Option Year Two)	\$ 32,690.00
Daktronics VMS displays Trolley/Bus Onsite Parts (taxable)*	\$ 60,164.00
Subtotal	\$212,939.00
7.75% CA Sales Tax	\$ 4,662.71
Shipping and Handling (Ground)	\$ 1,000.00
10% Contingency (Parts)	\$ 6,000.00
TOTAL	\$224,601.71

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to: (1) execute to MTS Doc. No. G2025.0-18 (in substantially the same format as Attachment A) with Daktronics, Inc. for up to a three (3) year period with two (2) one-year options to provide VMS maintenance service and technical support; and (2) exercise each option year at CEO's discretion.

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

Key Staff Contact: Sharon Coney, 619-557-4582, Sharon.Cooney@sdmts.com

Attachment: A. Draft MTS Doc. No. G2025.0-18

STANDARD SERVICES AGREEMENT

G2025.0-18
CONTRACT NUMBER

DRAFT

FILE NUMBER(S)

THIS AGREEMENT is entered into this _____ day of _____ 2017, in the state of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following contractor, hereinafter referred to as "Contractor":

Name: Daktronics, Inc. Address: 201 Daktronics Drive

Form of Business: Corporation Brookings, SD 57006
(Corporation, partnership, sole proprietor, etc.)

Telephone: 800-325-8766

Authorized person to sign contracts: Katie Schwing
Name Title

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

Provide Visual Messaging Systems (VMS) maintenance (warranty) and technical support services and Onsite Parts inventory per MTS requirements, Daktronics, Inc.'s Quotes (attached as Exhibit B), in accordance with the Standard Services Agreement, including Standard Conditions Services (attached as Exhibit C).

The contract term is for up to a 5-year period (3-year base with two 1-year options). Base period shall be effective January 1, 2018, through December 31, 2020, and Option Years 1-2 shall be effective January 1, 2021, through December 31, 2022 (exercisable at MTS's sole discretion). Payment terms shall be net 30 days from invoice date.

The total contract cost shall not exceed **\$224,601.71** [\$88,950 for the base period and \$63,825 for the option years, and \$71,826.71 for on-site parts [inclusive of 10% contingency (\$6,000) on parts and 7.75% CA sales tax].

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

AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
\$ 88,950.00 – Base		
\$ 63,825.00 – Options		
\$ 71,826.71 – On-site Parts		
\$224,601.71 – Total	661010-571250	18-23

By: _____
Chief Financial Officer Date



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Agenda Item No. 14

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

September 21, 2017

**Draft for
Executive Committee
Review Date: 9/14/17**

SUBJECT:

SAN DIEGO METROPOLITAN TRANSIT SYSTEM (MTS) SAP TIER 3 PRODUCTION
SUPPORT SERVICES - CONTRACT AMENDMENTS

RECOMMENDATION:

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

- 1) Approve increasing the dollar amount of two (2) SAP support services contracts to cover anticipated fiscal year (FY) 2018 expenses; and
- 2) Ratify one SAP support services contract amendment.

Budget Impact

Funding for the current fiscal year SAP support services (\$400,000) covered by today's proposed action is included in the MTS Information Technology (IT) operating budget.

DISCUSSION:

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

On February 18, 2016, the Board approved the establishment a select pool of well-qualified providers who would be available to advise and assist MTS in the management, customization, and support of SAP on as as-needed basis. Thereafter, MTS began contracting with three of the approved firms for designated amounts. Two of these firms will require contract increases to pay current and anticipated support services 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.

The contract increases are based upon each firm's current and anticipated project workload. The following table includes the contract needing Board approval to increase the dollar amount for SAP support services for FY18:

Firm Name	Contract/ Amendment No.	Current Contract Amount	Proposed Increase Amount	Total Contract Amount*	Attachment
The Peloton Alliance	G1911.2-16	\$200,000	\$200,000	\$400,000	A

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

The following table includes one SAP support services contract needing Board ratification and an additional increase for current and future SAP support services expenses through FY18.

Firm Name	Contract/ Amendment No.	Original Contract Amount	Ratification Amount	Additional Increase Amount	Total Contract Amount	Attachments
Labyrinth Solutions	G1865.1 & 2-16	\$200,000	\$50,000	\$200,000	\$450,000	B & C

Therefore, staff is requesting that the Board of Directors: (1) approve increasing the dollar amount of two SAP support services contracts; and (2) ratify one SAP support services contract for current and future SAP support 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. G1911.2-16 (Peloton)
B. MTS Doc. No. 1865.1-16 (LSI)
C. Draft MTS Doc. No. 1865.2-16 (LSI)

DRAFT

September 21, 2017

MTS Doc. No. G1911.2-16

The Peloton Alliance
Richard Beggs, Partner
1794 Trebled Waters Trail
Driftwood, TX 78619

Subject: AMENDMENT NO. 2 TO MTS DOC. NO. G1911.0-16; SAP SUPPORT SERVICES

Dear Mr. Beggs:

This shall serve as Amendment No. 2 to our agreement for the SAP Support Services as further described below.

SCOPE

Contractor shall continue to provide SAP Support Services in accordance with the terms and conditions of the original agreement.

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 SAP Support Services. The total value of this contract, including this amendment, shall be in the amount of \$400,000. 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

Richard Beggs
The Peloton Alliance

Date: _____

Cc: G. Dexter, R. Atkinson, Procurement File



Metropolitan Transit System

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

ORIGINAL

February 2, 2017

MTS Doc. No. G1865.1-16

Labyrinth Solutions, Inc.
Mark Schexnaildre
401 B Street, Suite 2020
San Diego, CA 92101

Subject: AMENDMENT NO. 1 TO MTS DOC. NO. G1865.0-16; SAP SUPPORT SERVICES

Dear Mr. Schexnaildre:

This shall serve as Amendment No. 1 to our agreement for the SAP Support Services as further described below.

SCOPE

Pursuant to the Scope of Work for MTS Doc. No. G1865.0-16 for SAP Support Services, the San Diego Metropolitan Transit System (MTS) shall exercise option years one through four.

Replace Cost Forms, contract pages 28 - 29, with Attachment A, Cost Forms.

SCHEDULE

The option term coverage shall be effective June 1, 2017 through May 31, 2021.

PAYMENT

This contract amendment shall authorize additional costs not to exceed \$50,000 for SAP Support Services. The total value of this contract, including this amendment, shall be in the amount of \$250,000. 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
Chief Executive Officer

LMARQUIS-CL
CL-G1865.1-16.LABYRINTH.RATKINSON.013017

Agreed:

~~Mark Schexnaildre~~ Nader Tiranek
Labyrinth Solutions, Inc.

Date: Feb 28/2017

Attachment: A - Cost Forms

cc: G. Dexter, R. Atkinson, Procurement File

DRAFT

September 21, 2017

MTS Doc. No. G1865.2-16

Labyrinth Solutions, Inc.
Mark Schexnaildre
401 B Street, Suite 2020
San Diego, CA 92101

Subject: AMENDMENT NO. 2 TO MTS DOC. NO. G1865.0-16; SAP SUPPORT SERVICES

Dear Mr. Schexnaildre:

This shall serve as Amendment No. 2 to our agreement for the SAP Support Services as further described below.

SCOPE

Contractor shall continue to provide SAP Support Services in accordance with the terms and conditions of the original agreement.

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 SAP Support Services. The total value of this contract, including this amendment, shall be in the amount of \$450,000. 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 Schexnaildre
Labyrinth Solutions, Inc.

Date: _____

Cc: G. Dexter, R. Atkinson, Procurement File



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Agenda Item No. 15

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS

September 21, 2017

Draft for
Executive Committee
Review Date: 9/14/17

SUBJECT:

RELOCATION OF SDG&E FACILITIES FOR THE NEW ORANGE LINE
COURTHOUSE STATION – CHANGE ORDERS

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





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Agenda Item No. 16

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS

September 21, 2017

**Draft for
Executive Committee
Review Date: 9/14/17**

SUBJECT:

HILL STREET SLOPE REPAIR AND STABILIZATION – CONTRACT AWARD

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





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Agenda Item No. 17

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

September 21, 2017

**Draft for
Executive Committee
Review Date: 9/14/17**

SUBJECT:

GREEN LINE SHELTER UPGRADES AND SHELTER REPLACEMENT AT THE OLD
TOWN TRANSIT CENTER – WORK ORDER

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute Work Order MTSJOC7504-15, PWL204.0-16 (in substantially the same format as Attachment A) with ABC Construction Co. Inc. (ABC) for Green Line shelter upgrades and shelter replacement at the Old Town Transit Center.

Budget Impact

The total cost will not exceed \$654,189.93 inclusive of a direct cost of \$647,648.03 and the contractor share of administrative fees totaling \$6,541.90. Total administrative fees are \$17,401.45 (contractor share \$6,541.90 and MTS share \$10,859.55). Funding will be from the MTS Capital Improvement Project 20060063 - Old Town Transit Center.

DISCUSSION:

MTS has shelters at the Old Town Transit Center requiring upgrade and replacement due to termite damage and the age of the shelter. Damage to the wooden support beams has compromised the structural integrity of the shelters. The new shelters will include an upgrade from a traditional wood frame to wood composite material. Shelters will also include column supports using a concrete finish to prevent future termite damage. A total of six (6) trolley shelters and six (6) bus shelters will be replaced on the north side of the transit center. Bus shelters on the south side of the transit center will be replaced under a separate CIP.



ABC will be providing all materials, labor, equipment, and disposal necessary for a complete replacement of the shelters. Construction is expected to be complete by early summer 2018.

Utilizing the JOC process was determined to be the most effective way to ensure project completion and subsequent receipt of state grant funding.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute Work Order MTSJOC7504-15, PWL204.0-16 with ABC Construction Co. Inc. for Green Line shelter upgrades and shelter replacement at the Old Town Transit Center.

/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 MTSJOC7504-15, PWL204.0-16

JOB ORDER CONTRACT WORK ORDER

PWL204.0-16

CONTRACT NUMBER

MTSJOC7504-15

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: ABC Construction, Inc.Address: 3120 National AvenueForm of Business: CorporationSan Diego, CA 92113

(Corporation, partnership, sole proprietor, etc.)

Telephone: (619) 239-3428

Authorized person to sign contracts: _____

Wayne CzubernatProject Manager

Name

Title

Pursuant to the existing Job Order Contract (MTS Doc. No. PWL204.0-16), 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 \$654,189.93 inclusive of a direct cost of \$647,648.03 and a 1% Gordian Group license fee of \$6,541.90.

TOTAL PAYMENTS TO CONTRACTOR SHALL NOT EXCEED \$ 647,648.03

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CONTRACTOR AUTHORIZATION

By: _____
Chief Executive Officer

Firm: _____

Approved as to form:

By: _____
SignatureBy: _____
Office of General Counsel

Title: _____

AMOUNT ENCUMBERED

BUDGET ITEM

FISCAL YEAR

\$ 647,648.03

2006006303/599906

2018

By: _____

Chief Financial Officer

Date

(_____ total pages, each bearing contract number and work order number)



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Agenda Item No. 18

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

September 21, 2017

**Draft for
Executive Committee
Review Date: 9/14/17**

SUBJECT:

ORANGE LINE TRACK IMPROVEMENTS – CHANGE ORDERS

RECOMMENDATION:

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

- 1) Ratify Construction Change Orders 9 - 10 (Attachments B and C) to MTS Doc. No. PWL211.0-16 for \$84,176.78, which was previously issued under the Chief Executive Officer's (CEO) authority, for Orange Line Track Improvements; and
- 2) Authorize the CEO to execute Change Order Amendment 11 (in substantially the same format as Attachment A), with Herzog Contracting Corp. (Herzog), for \$74,087.08.

Budget Impact

The total associated with this request, inclusive of Change Orders 9 - 11, will not exceed \$158,263.86 (see table on next page).



Summary of Project Changes		
Original Contract Total		\$3,916,490.00
Change Order No. 1	Community Outreach	\$7,537.83
Change Order No. 2	30th St & Commercial Transition	\$46,862.63
Change Order No. 3	9-ft Timber Tie Change Out	\$10,978.96
Change Order No. 4	Horseshoe Rail Replacement	\$24,290.00
Change Order No. 5	Vehicular Crossing Transitions	\$98,850.97
Change Order No. 6	Broadway Wye Frog Plates	\$17,970.00
Change Order No. 7	Rail Anchor Procurement	\$3,257.53
Change Order No. 8	Insulated Joints and Panels	\$11,866.11
Amendment No. 9	Add Alternates 1-3 (Surfacing/Ties/Rail Plugs)	\$2,141,143.00
Change Order No. 9 (Ratify)	Duct Bank Work	\$94,683.01
Change Order No. 10 (Ratify)	Impedance Bonds	(\$10,506.23)
Change Order No. 11 (Authorize)	Additional Timber Tie Replacement	\$74,087.08
Subtotal of Changes Requested on this Agenda Item:		\$158,263.86
Current Contract Total:		\$6,437,510.89

The overall value of the contract will increase from the original contract and previously approved Change Orders (Nos. 1-8) and Amendment 9 which exercised 3 Add Alternates from \$6,279,247.03 to a revised value of \$6,437,510.89. Funding is included in the fiscal year (FY) 2017 and FY 2018 Capital Improvement Program (CIP) budgets.

DISCUSSION:

MTS currently has an existing agreement with Herzog for construction related improvements on MTS's Orange Line Trolley service route. A summary of the requested Change Orders is as follows:

Ratification of Change Order No. 9:

This change order was for extra work involved with the removal and disposal of duct bank and concrete at Park Blvd and J St., additional traffic control flagmen, grinding at 1st Ave and C St., additional rail and insulated joint installation at the Interstate 8 off-ramp, and installation of an asphalt ramp at Lemon Grove Depot Station. The total cost of this amendment was \$94,683.01.

Ratification of Change Order No. 10:

This change order was for the installation of impedance bonds located at the Massachusetts Ave vehicular crossing, reduction of sidewalk installation, and elimination of the underdrain installation. The total cost deduction of this amendment is \$10,506.23.

Change Order No. 11:

This change order is for the replacement of timber ties with 247 MTS-furnished ties at three locations, reduction of 10,492 track feet of surfacing, top ballast, destressing

between 69th Street and Massachusetts Ave., and an increase of three replacement rail plugs. The total cost of this amendment shall not exceed \$74,087.08.

MTS Policy No. 41, "Signature Authority", specifically under Section 41.4.4, "Change Orders", permits the CEO to approve change orders under \$100,000. As Change Orders 9 - 10 were cumulatively under \$100,000, MTS's CEO executed the Change Orders.

Therefore, staff recommends that the MTS Board of Directors ratify previous Change Orders 9 - 10 (Attachments B and C) and authorize the CEO to execute Change Order 11 for the Orange Line Track Improvements.

/s/ Paul C. Jablonski

Paul C. Jablonski

Chief Executive Officer

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

Attachments: A. MTS Doc. No. PWL211.0-16, CCO #011
B. MTS Doc. No. PWL211.0-16, CCO #009
C. MTS Doc. No. PWL211.0-16, CCO #010

**CONSTRUCTION CHANGE ORDER**Project Name: **Orange Line Track Improvements**Date: **8/16/17**To: **MTS**Contract Number: **PWL 211.0-16**From (Contractor): **Herzog**CCO Number: **011****Description of Work**

This change order is for the replacement of timber ties with 247 EA owner furnished concrete ties at three (3) EA bridge locations, the reduction of 10,492 TF of surfacing, top ballast, and destressing between 69th Street and Massachusetts Ave., and the increase of 3 EA rail plugs and additional rail to be replaced.

A. Contractor Cost of the Work

Payroll Costs (See attached supporting documentation.)	\$ 166,017.19	
Materials (See attached supporting documentation.)	\$ 19,929.06	
Material Tax	\$ 1,594.32	
Equipment (See attached supporting documentation.)	\$ 69,155.94	
Consultant Costs (See attached supporting documentation.)	\$ -	
Supplemental Costs (See attached supporting documentation.)	\$ -	
Other - Subcontractor		
Other - Deduct BI #11	\$ (220,332.00)	
Subtotal A:	\$	36,364.51

B. Subcontractor Cost of the Work

Payroll Costs (See attached supporting documentation.)	\$ -	
Equipment (See attached supporting documentation.)	\$ -	
Materials (See attached supporting documentation.)	\$ -	
Consultant Costs (See attached supporting documentation.)	\$ -	
Supplemental Costs (See attached supporting documentation.)	\$ -	
Subtotal B:	\$	-

C. Contractor Fee: (As per the Contract Documents)

Overhead and Profit on Labor and Material	15%	\$ 27,891.94	
Overhead and Profit on Equipment	10%	\$ 6,915.59	
Overhead and Profit on Subcontractors	5%	\$ -	
Bonds and Insurance	1%	\$ 2,915.03	
Subtotal C:	\$	37,722.56	

Total = (A + B + C)

Total: \$ 74,087.08

Original Contract value: Base Bid \$3,916,490 (+) Add Alternate \$2,141,143 = \$6,057,633	\$ 6,057,633.00
Adjustment by Change Order No. 1 through Change Order 10 (if applicable)	\$ 305,790.81
Adjustment by this Change Order	\$ 74,087.08
New Contract Amount	Total: \$ 6,437,510.89

The Contract Time due to this Change Order will be: ☐ Increased ☐ Decreased ☒ Unchanged by **16** days

Original Completion Date:	12/11/2017
Adjustment by Change Order No. 1 through Change Order 10 (if applicable)	16
Adjustment by this Change Order	0
New Completion Date	12/27/2017

Milestones Affected: Add Descriptions of any milestones affected as a result of a change in services, term, and/or price
 **8-16-17**

Contractor

Date:

MTS Chief Executive Officer

Date:



CONSTRUCTION CHANGE ORDER

Project Name: **Orange Line Track Improvements**Date: **5/19/17**To: **MTS**Contract Number: **PWL 211.0-16**From (Contractor): **Herzog**CCO Number: **009**

Description of Work

This change order is for the extra work involved with the removal and disposal of ductbank and various concrete at Park Blvd and J St, the extra work involved supplying additional traffic control and grinding of asphalt at 1st Ave and C St, the extra work for additional rail and insulated joint installation at I-8 Off Ramp and the installation of an asphalt ramp at Lemon Grove Depot Station

A. Contractor Cost of the Work

Payroll Costs (See attached supporting documentation.)	\$ 19,019.89	
Materials (See attached supporting documentation.)	\$ 7,665.55	
Material Tax	\$ 710.43	
Equipment (See attached supporting documentation.)	\$ 3,208.05	
Consultant Costs (See attached supporting documentation.)	\$ -	
Supplemental Costs (See attached supporting documentation.)	\$ -	
Other - Subcontractor	\$ 56,046.61	
Other - describe services	\$ -	
Subtotal A:	\$	86,650.53

B. Subcontractor Cost of the Work

Payroll Costs (See attached supporting documentation.)	\$ -	
Equipment (See attached supporting documentation.)	\$ -	
Materials (See attached supporting documentation.)	\$ -	
Consultant Costs (See attached supporting documentation.)	\$ -	
Supplemental Costs (See attached supporting documentation.)	\$ -	
Subtotal B:	\$	-

C. Contractor Fee: (As per the Contract Documents)

Overhead and Profit on Labor and Material	15%	\$ 4,002.82	
Overhead and Profit on Equipment	10%	\$ 320.81	
Overhead and Profit on Subcontractors	5%	\$ 2,802.33	
Bonds and Insurance	1%	\$ 906.53	
Subtotal C:	\$	8,032.48	

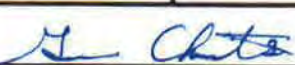
Total = (A + B + C) **Total: \$ 94,683.01**


Original Contract value:	\$ 3,916,490.00
Adjustment by Change Order No. 1 through Change Order 8 (if applicable)	\$ 221,614.03
Adjustment by this Change Order	\$ 94,683.01
New Contract Amount	\$ 4,232,787.04

The Contract Time due to this Change Order will be: ☒ Increased ☐ Decreased ☐ Unchanged by **16** days

Original Completion Date:	6/10/2017
Adjustment by Change Order No. 1 through Change Order 8 (if applicable)	0
Adjustment by this Change Order	16
New Completion Date	6/26/2017

Milestones Affected: Add Descriptions of any milestones affected as a result of a change in services, term, and/or price

 **6-19-17**
 Contractor Date:

 **6-22-17**
 MTS Chief Executive Officer Date:

Follow all applicable procedures and provide all appropriate documentation as required by the Contract Documents.



Att. C, AI 18, 9/21/17

CONSTRUCTION CHANGE ORDERProject Name: **Orange Line Track Improvements**Date: **5/19/17**To: **MTS**Contract Number: **PWL 211.0-16**From (Contractor): **Herzog**CCO Number: **010****Description of Work**

This change order is for the extra work involved with assisting MTS personnel with the installation of impedance bonds located at Massachusetts Ave Vehicular Crossing, and the reduction of bid item #15 "Install Sidewalk, (4" PCCP)," and the elimination of bid item #17 "Install 6" Underdrain".

A. Contractor Cost of the Work

Payroll Costs (See attached supporting documentation.)	\$ 3,531.91	
Materials (See attached supporting documentation.)	\$ 2,563.89	
Material Tax	\$ 83.31	
Equipment (See attached supporting documentation.)	\$ 770.59	
Consultant Costs (See attached supporting documentation.)	\$ -	
Supplemental Costs (See attached supporting documentation.)	\$ -	
Other - Subcontractor		
Other - Deduct BI #15 and #17	\$ (18,526.00)	
Subtotal A:	\$	(11,576.30)

B. Subcontractor Cost of the Work

Payroll Costs (See attached supporting documentation.)	\$ -	
Equipment (See attached supporting documentation.)	\$ -	
Materials (See attached supporting documentation.)	\$ -	
Consultant Costs (See attached supporting documentation.)	\$ -	
Supplemental Costs (See attached supporting documentation.)	\$ -	
Subtotal B:	\$	-

C. Contractor Fee: (As per the Contract Documents)

Overhead and Profit on Labor and Material	15%	\$ 914.37	
Overhead and Profit on Equipment	10%	\$ 77.06	
Overhead and Profit on Subcontractors	5%	\$ -	
Bonds and Insurance	1%	\$ 78.64	
Subtotal C:		\$	1,070.07

Total = (A + B + C) **Total: \$ (10,506.23)**

Original Contract value: Base Bid \$3,916,490 (+) Add Alternate \$2,141,143 = \$6,057,633	\$ 6,057,633.00
Adjustment by Change Order No. 1 through Change Order 9 (if applicable)	\$ 316,297.04
Adjustment by this Change Order	\$ (10,506.23)
New Contract Amount	\$ 6,363,423.81

The Contract Time due to this Change Order will be: ☐ Increased ☐ Decreased ☐ Unchanged by **15** daysOriginal Completion Date: **6/10/2017**

Adjustment by Change Order No. 1 through Change Order 9 (if applicable)

Adjustment by this Change Order

New Completion Date

6/26/2017Milestones Affected: Add Descriptions of any milestones affected as a result of a change in services, term, and/or price

Contractor

Date:

6-26-17

MTS Chief Executive Officer

Date:

7.28.17

Follow all applicable procedures and provide all appropriate documentation as required by the Contract Documents.



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Agenda Item No. 19

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

September 21, 2017

**Draft for
Executive Committee
Review Date: 9/14/17**

SUBJECT:

DESERT LINE LEASE AND OPERATING AGREEMENT: AMENDED AND RESTATED
BJRR-SDAE-MTS DESERT LINE LEASE AND OPERATING AGREEMENT

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute an Amended and Restated Desert Line Lease and Operating Agreement by and between Baja California Rail Road, Inc. (BJRR), San Diego & Arizona Eastern Railroad (SDAE), and MTS (MTS Doc. No. S200-13-560.4)(in substantially the same format as Attachment A).

Budget Impact

To date, MTS has received Desert Line lease payments of \$500,000 semi-annually since January 1, 2013, for a total of \$5 million. Based on MTS's conservative budgeting practices, these funds are not budgeted until received. The new BJRR Lease will restart the term of the 99 year lease, under which MTS/SDAE will receive a minimum of \$1,000,000 per year in rent, or 7% of gross freight revenue, whichever is greater. In the event a customs inspection facility is not approved, the rent payments under the lease will be temporarily tolled.

DISCUSSION:

On December 20, 2012, MTS¹ entered into a 99-year lease with Pacific Imperial Railroad, Inc. (PIR) for the repair, reconstruction and renewed freight railroad operations on the 70-mile railroad right-of-way called the "Desert Line". The Desert Line is the US-

¹ MTS owns the Desert Line through its wholly-owned subsidiary, San Diego & Arizona Eastern Railroad (SDAE). Today's Board action would authorize the CEO to execute the amended and restated lease on behalf of both MTS and SDAE.



portion of a binational railroad constructed between Tijuana and San Diego by John D. Spreckels from 1907 to 1919.

Between January 2013 and June 2016, PIR made efforts to raise the capital funds necessary to repair the Desert Line's 57 bridges, 17 tunnels and 70 miles of track. On May 31 2016, PIR reached an agreement with its counterpart in Mexico, BJRR, to fund, repair and operate the first 60 miles of the Desert Line. The MTS Board consented to this PIR-BJRR sublease on June 9, 2016 (AI 31).

On October 13, 2016, as a consequence of various shareholder and creditor disputes which impacted PIR's ability to raise additional funds for its planned intermodal facility and the repairs needed for the last 10 miles of the Desert Line track, PIR filed a petition for bankruptcy. The bankruptcy court oversaw a sale of PIR's assets for the benefit of PIR's creditors. This included a sale of the Desert Line Lease with MTS. On April 13, 2017 (AI 31), the Board consented to the assignment of the lease to BJRR. At that time, staff informed the Board that MTS would be negotiating an amended and restated lease with BJRR to supersede both the master lease and the sublease, creating one operative agreement between MTS and BJRR including extended milestones that more realistically address the construction timelines and other regulatory approvals (e.g., border inspection facility construction and operating approval with the United States and Mexican departments of customs and border inspections) that will be required before freight railroad traffic can re-commence on this binational railroad.

Today's action would authorize the CEO to execute a new lease with BJRR. The amended lease retains the material terms and conditions of the original master lease, with the following exceptions:

1. Term. Restarts 99 year term. The amended lease would run through 2116.
2. Compensation. No major changes. Deleted provisions regarding "collateral revenue" and instead included clarifying language regarding this issue. Escalates minimum payment beginning five years after Customs Inspection Facility Approval.
3. Repair Timeline. Separates reconstruction into three major segments. Repair deadlines do not begin to run until after Customs Inspection Facility Approval. Phase 1 (Division to Jacumba): 18 months after approval; Phase 2 (Dos Cabezas to Plaster City): 36 months after approval; and Phase 3 (Jacumba to Dos Cabezas): 54 months after approval. Minor changes to repair standards were made to designate that the repairs must simply meet federal standards for the type of freight service that BJRR will conduct, instead of including specific levels that might not be necessary for a certain type of service.
4. Customs Inspection Facility Approval. MTS and BJRR recognize that the major non-MTS discretionary approval needed for this project is the approval of the US and Mexican governments to construct and staff a customs inspection facility at the railroad border crossing. Without this approval, the project is not economically viable. MTS and BJRR staff are working to prepare a proposal for an inspection facility at or near the border tunnel. Under the proposed amended lease, the lease terms continue during the normal due diligence and processing period for the customs inspection facility. However, if the US or Mexico government refuse to approve the construction and operation of a customs inspection facility at this location, which would prevent freight from being transported through the border tunnel, then under the terms and conditions of

the amended lease, the obligation to pay rent would be tolled during this period. The parties would re-evaluate the status of the government(s)' rejection every six months.

5. Insurance Limits. The original agreement included limits of \$100 million once operations commence. The amended lease would set the limits at \$25 million before operations and \$50 million after operations. MTS would have the right to increase the limits if circumstances change (e.g., accident history, passage of time, other safety or liability considerations, type of freight transported). A review of industry standards and limits showed that most short line operators carry between \$15 million and \$25 million in limits. The higher limit of \$50 million takes into consideration concerns about MTS being at risk in a large incident, while maintaining a reasonable correlation to standard industry practices.

6. Reservation of Passenger Service Rights. The original agreement reserves to MTS passenger rights and associated dispatching authority. In recognition of the significant investment BJRR will be required to make to bring the line up to operational condition, the amended lease maintains the reservation of passenger rights, but waives dispatching authority. It also limits MTS's right to commence passenger service so that it cannot impair freight service levels or the types of freight cars or commodities that can be transported. If infrastructure and capacity improvements are necessary to allow joint use of the Desert Line by MTS and BJRR, then MTS would be required to fund and construct such improvements before commencing passenger service.

7. Confidential BJRR Records. The amended lease also makes clarifying changes to the audit provisions. New language recognizes that financial records MTS may review or audit to confirm compliance with the lease may be confidential and proprietary to BJRR. Such records would remain confidential and access would be restricted to the auditors, except as required to communicate the findings of an audit.

Therefore, staff recommends that the Board authorize the CEO to execute the Amended and Restated Desert Line Lease and Operating Agreement by and between BJRR and MTS/SDAE (substantially in conformance to Attachment A).

/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 Amended and Restated Desert Line Lease and Operating Agreement (MTS Doc. No. S200-13-560.4)

THIS ATTACHMENT
WILL BE PROVIDED
AT THE MEETING



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Agenda Item No. 20

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

September 21, 2017

**Draft for
Executive Committee
Review Date: 9/14/17**

SUBJECT:

PURCHASE OF 20 CLASS B PROPANE POWERED PARATRANSIT BUSES-
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. B0675.0-18, (in substantially the same format as Attachment A) with Creative Bus Sales, for the purchase of up to twenty (20) propane powered Class B paratransit buses.

Budget Impact

The value of this agreement will not exceed \$2,189,944 inclusive of all applicable taxes and fees. This project will be funded through the fiscal year (FY) 2018 ADA Bus Procurement project WBSE #1001105001-599901.

DISCUSSION:

MTS operates paratransit service as required by 49 CFR Section 37 with Class B paratransit buses. Twenty (20) vehicles have reached the end of their useful service life and have been scheduled for replacement as part of the FY 2018 MTS Fleet Replacement Plan. The new vehicles will maintain and enhance the agency's ability to provide paratransit services efficiently and cost effectively.

FTA Circular 4220.1F, Chapter V, Section 4, encourages federal grant recipients to use state and local intergovernmental agreements for procurements of property and services. MTS staff identified an intergovernmental agreement that provides Class B buses that meet MTS specifications. Class B buses are available through a California State government purchasing schedule administered by the California Association of Coordinated Transportation (CalACT), RFP No.11-03. The CalACT



Vehicle Purchasing Cooperative allows MTS to select vehicles from a pre-competed menu of choices from different vendors and manufacturers.

The vehicles being purchased are the same make and model and are similarly equipped as the majority of the current MTS paratransit and medium duty fleet which allows for additional savings in common spare parts and maintenance.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute MTS Doc. No. B0675.0-18 (in substantially the same format as Attachment A), with Creative Bus Sales, for the purchase of up to twenty (20) propane powered Class B paratransit buses.

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

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

Attachment: A. Draft Standard Procurement Agreement; MTS Doc. No. B0675.0-18

STANDARD PROCUREMENT AGREEMENT

B0675.0-18
 CONTRACT NUMBER
 WBSE # 1001105001
 FILE NUMBER(S)

THIS AGREEMENT is entered into this _____ day of _____ 2017, in the State of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following, hereinafter referred to as "Contractor":

Name: Creative Bus Sales Address: 14740 Ramona Ave.
Chino, CA 91710
 Form of Business: Corporation
 (Corporation, partnership, sole proprietor, etc.)
 Telephone: 909.465.5528
 Authorized person to sign contracts: Tony Matijevich President
 Name Title

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

Provide up to twenty (20) Type B, Ford E450 Buses as specified in the Creative Bus Sales Proposal dated July 7, 2017 (attached as Exhibit A), and the MTS Standard Conditions Procurement (attached as Exhibit B), and Federal Requirements (attached as Exhibit C).

MTS and Contractor shall agree to production and delivery schedules in writing upon execution of the Contract.

Vehicle shall be delivered to: **Metropolitan Transit System (MTS) c/o First Transit**
 7490 Copley Park Place
 San Diego, CA 92111

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

The total contract cost shall be firm fixed price not exceed \$2,189,944.00, which includes tax, delivery and California tire fee.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CONTRACTOR AUTHORIZATION

By: _____
 Chief Executive Officer

Approved as to form:

By: _____
 Office of General Counsel

Firm: _____

By: _____
 Signature

Title: _____

AMOUNT ENCUMBERED

BUDGET ITEM

FISCAL YEAR

\$2,189,944.00

WBSE #1001105001 - 599901

2018

By: _____
 Chief Financial Officer
 (_____ total pages, each bearing contract number)

Date
 SA-PROCUREMENT (REV 6-15)
 DATE



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Agenda Item No. 21

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

September 21, 2017

**Draft for
Executive Committee
Review Date: 9/14/17**

SUBJECT:

INVESTMENT REPORT – JUNE 2017

INFORMATIONAL ONLY

Budget Impact

None.

DISCUSSION:

Attachment A comprises a report of the San Diego Metropolitan Transit System (MTS) investments as of June 30, 2017. The combined total of all investments has decreased month to month from \$104.3 million to \$97.1 million. This \$7.2 million decrease is attributable to \$3.2 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 June 2017



**San Diego Metropolitan Transit System
Investment Report
June 30, 2017**

	Restricted	Unrestricted	Total	Average rate of return
Cash and Cash Equivalents				
JP Morgan Chase - concentration account	-	19,379,529	19,379,529	0.00%
Total Cash and Cash Equivalents	-	19,379,529	19,379,529	
Cash - Restricted for Capital Support				
US Bank - retention trust account	2,303,606	-	2,303,606	N/A*
San Diego County Investment Pool				
Proposition 1B TSGP grant funds	4,440,261	-	4,440,261	
Total Cash - Restricted for Capital Support	6,743,867	-	6,743,867	
Investments - Working Capital				
Local Agency Investment Fund (LAIF)	10,161,049	60,802,245	70,963,294	0.978%
Total Investments - Working Capital	10,161,049	60,802,245	70,963,294	
 Total cash and investments	 \$ 16,904,916	 \$ 80,181,774	 \$ 97,086,690	



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Agenda Item No. 22

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

September 21, 2017

SUBJECT:

**Draft for
Executive Committee
Review Date: 9/14/17**

INVESTMENT REPORT – JULY 2017

INFORMATIONAL ONLY

Budget Impact

None.

DISCUSSION:

Attachment A comprises a report of the San Diego Metropolitan Transit System (MTS) investments as of July 31, 2017. The combined total of all investments has decreased month to month from \$97.1 million to \$85.8 million. This \$11.3 million decrease is attributable to \$4.5 million in capital expenditures, as well as normal timing differences in other payments and receipts, specifically \$7.8 million in Transportation Development Act (TDA) funds were not received until August 2nd.

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 July 2017



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

	Restricted	Unrestricted	Total	Average rate of return
Cash and Cash Equivalents				
JP Morgan Chase - concentration account	-	14,133,221	14,133,221	0.00%
Total Cash and Cash Equivalents	-	14,133,221	14,133,221	
Cash - Restricted for Capital Support				
US Bank - retention trust account	2,303,606	-	2,303,606	N/A*
San Diego County Investment Pool				
Proposition 1B TSGP grant funds	6,150,367	-	6,150,367	
Total Cash - Restricted for Capital Support	8,453,973	-	8,453,973	
Investments - Working Capital				
Local Agency Investment Fund (LAIF)	8,521,398	54,688,476	63,209,874	1.051%
Total Investments - Working Capital	8,521,398	54,688,476	63,209,874	
Total cash and investments	\$ 16,975,371	\$ 68,821,697	\$ 85,797,068	