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Agenda

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

November 2, 2017

Immediately Following the Audit Oversight Committee Meeting

James R. Mills Building
Executive Conference Room, 10th Floor
1255 Imperial Avenue, San Diego

To request an agenda in an alternative format or to request accommodations to facilitate meeting participation, please call the Clerk of the Board at least two working days prior to the meeting. 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

- A. ROLL CALL
- B. APPROVAL OF MINUTES - October 12, 2017 Approve
- C. COMMITTEE DISCUSSION ITEMS
1. Fiscal Year 2017 Final Budget Comparison (Mike Thompson) Possible
Action
Action would receive the MTS operations budget status report for Fiscal Year 2017 and forward a recommendation to the MTS Board of Directors to approve staff recommendations to program the excess revenues less expenses.
2. AB 805 Implementation and Process for Electing Chairperson (Karen Landers) Possible
Action
Action would forward a recommendation to the MTS Board of Directors to: (1) Approve revisions to Board Policy No. 22, "Rules of Procedures for the San Diego Metropolitan Transit System (MTS) Board of Directors"; (2) Approve revisions to Board Policy No. 27, "Weighted Vote Procedure"; (3) Approve revisions to Board Policy No. 52, "Procurement of Goods and Services"; and (4) Direct staff as to the timeline and process to elect a new Chairperson for the 2018-2019 term.
- D. REVIEW OF DRAFT November 9, 2017 BOARD AGENDA



- | | | |
|----|--|--------------------|
| E. | <u>REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA</u>
Review of SANDAG Transportation Committee Agenda and discussion regarding any items pertaining to MTS, San Diego Transit Corporation, or San Diego Trolley, Inc. Relevant excerpts will be provided during the meeting. | Possible
Action |
| F. | COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS | |
| G. | PUBLIC COMMENTS | |
| H. | NEXT MEETING DATE: December 7, 2017 | |
| I. | ADJOURNMENT | |

DRAFT

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

October 12, 2017

MINUTES

A. ROLL CALL

Vice Chair Roberts called the Executive Committee meeting to order at 9:05 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 September 14, 2017, MTS Executive Committee meeting. Mr. McClellan seconded the motion, and the vote was 3 to 0 in favor with Mr. Mathis and Ms. Cole absent.

C. COMMITTEE DISCUSSION ITEMS

1. San Diego Metropolitan Transit System Green Line Naming Rights (Paul Jablonski)

Paul Jablonski, Chief Executive Officer, provided a presentation regarding the Green Line Naming Rights proposal. He stated that at its last meeting, the Executive Committee directed staff to go back to Sycuan to renegotiate some points of the agreement. The issues the Executive Committee asked staff to address included the value of naming rights signage along the freeway and having mutual authority to cancel the contract after ten years. Mr. Jablonski stated that he had discussions with Sycuan and said they were not receptive to the recommendation of paying more for freeway signage. Mr. Jablonski stated that he proposed, as a compromise, Sycuan giving back non-Native American casino advertising in San Diego and Las Vegas, which would bring MTS additional revenue. Based on this agreement, MTS would receive a net deal of approximately \$500,000 per year. Sycuan agreed to the proposal as well as including mutual cancellation rights after ten years.

The Executive Committee agreed that they accept the renegotiated terms of the agreement.

Action Taken

Mr. McClellan moved to forward a recommendation to the MTS Board of Directors to authorize the Chief Executive Officer (CEO) to execute an agreement with the Sycuan Casino for the exclusive naming rights of the Green Line. Ms. Cole seconded the motion, and the vote was 3 to 0 in favor with Mr. Mathis and Ms. Rios absent.

D. REVIEW OF DRAFT October 19, 2017 BOARD AGENDA

Recommended Consent Items

6. Adoption of the 2018 San Diego Metropolitan Transit System (MTS) Executive Committee and Board of Directors Meeting Schedule
Action would adopt the 2018 Executive Committee and Board of Directors meeting schedule.
7. Investment Report - August 2017
8. Unallocated Transportation Development Act (TDA) Funds for Transit-Related Projects
Action would approve the use of \$171,285.69 in unallocated TDA funds currently held by the County of San Diego for transit-related expenses for the City of El Cajon.
9. U2 Light Rail Vehicle Disposal Services - Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L1371.0-17 with EKCO Metals Corp. for the purchase of Disposal Services for the U2 Light Rail Vehicles (LRV).
10. Green Line Trolley Stations Improvement Construction Management Services - Work Order Agreement
Action would authorize the Chief Executive Officer (CEO) to execute Work Order No. WOA2021-CM01 to MTS Doc. No. G2021.0-17 with DHS Consulting, Inc. (DHS) for the Green Line Trolley Stations Improvement Construction Management Services.
11. Purchase New Shelters - Green Line Trolley Stations - Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L1404.0-18 with Next Stage Engineering for the purchase of Station Shelters for the Green Line.
12. Pyramid Building Sewer Line Replacement - Ratify Work Order Under a Job Order Contract
Action would ratify the action taken by the Chief Executive Officer (CEO) approving Work Order No. MTSJOC7504-40, under MTS Doc. No. PWL204.0-16 with ABC Construction, Inc. for the sewer line replacement project at the MTS Pyramid Building located at 1695 Main Street and authorizing an additional project contingency of \$25,000 for unforeseen conditions.

DRAFT BOARD AGENDA – COMMENTS

Sharon Cooney, Chief of Staff, noted that the draft Board agenda includes an item on Zero Emission Buses (ZEBs). She stated that a staff member from the California Air Resources Board (CARB) and the Center for Transportation and the Environment will be at the meeting to present and provide comments. Mr. Jablonski stated that staff will propose that MTS conduct a ZEB pilot. He stated that MTS needs to begin becoming familiar with the technology, because CARB is moving forward on implementing the ZEB mandate. He said that some of the funding may be available from various grants, Cap and Trade money, Hybrid and Zero Emission Truck and Bus Voucher Incentive Project (HVIP) funds, Low or No Emission Bus Program funds, and VW settlement money.

Ms. Cole asked how many buses would be used in the pilot. Mr. Jablonski stated that staff is looking at anywhere from five to ten buses for the ZEB pilot. He stated that a consultant will help determine the best routes and plan going forward to monitor the results of the ZEB pilot.

E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA

There was no SANDAG Transportation Committee agenda discussion.

F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS

There was no Committee Member Communications and Other Business discussion.

G. PUBLIC COMMENTS

Margot Tanguay – Ms. Tanguay commented on a video that was previously released called Who Killed the Electric Car. She said that the video contains a lot of emotional testimony from people.

H. NEXT MEETING DATE

The next Executive Committee meeting is scheduled for November 2, 2017, at 9:00 a.m. in the Executive Committee Conference Room.

I. ADJOURNMENT

Chairman Mathis adjourned the meeting at 9:43 a.m.

Chairman

Attachment: Roll Call Sheet

EXECUTIVE COMMITTEE
SAN DIEGO METROPOLITAN TRANSIT SYSTEM

ROLL CALL

MEETING OF (DATE) October 12, 2017

CALL TO ORDER (TIME) 9:05 a.m.

RECESS _____

RECONVENE _____

CLOSED SESSION _____

RECONVENE _____

ADJOURN 9:43 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
COLE	<input checked="" type="checkbox"/> (Gomez) <input type="checkbox"/>	9:05 a.m.	9:43 a.m.
MATHIS	<input type="checkbox"/>		
MCCLELLAN	<input checked="" type="checkbox"/> (McWhirter) <input type="checkbox"/>	9:05 a.m.	9:43 a.m.
RIOS	<input type="checkbox"/> (Salas) <input type="checkbox"/>		
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:05 a.m.	9:43 a.m.
Transportation Committee Rep Slot (Mathis)			

SIGNED BY THE CLERK OF THE BOARD: Julia Tuer

CONFIRMED BY THE GENERAL COUNSEL: Sam O'Neil



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Agenda Item No. C1

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

November 2, 2017

SUBJECT:

FISCAL YEAR 2017 FINAL BUDGET COMPARISON (MIKE THOMPSON)

RECOMMENDATION:

That the Executive Committee receive the MTS operations budget status report for Fiscal Year 2017 and forward a recommendation to the MTS Board of Directors to approve staff recommendations to program the excess revenues less expenses.

Budget Impact

Final FY17 results show revenues exceeding expenses by \$3.5 million.

Staff recommends the \$2.0 million of one time reserve funding used to balance the FY17 Operating Budget be returned to the contingency reserve balance, and the additional \$1.5 million to fund projects within the Capital Improvement Program (CIP).

DISCUSSION:

With the completion of the fiscal year 2017 Comprehensive Annual Financial Report (CAFR), the fiscal year 2017 budget can be reviewed with audited numbers. Attachment A-1 combines the operations, administration and other activities results for FY17. Attachment A-2 details the FY17 combined operations results and Attachments A-3 to A-7 present budget comparisons for each MTS operation. Attachment A-8 details budget comparisons for MTS Administration, and A-9 provides FY17 results for MTS's other activities (Taxicab/San Diego and Arizona Eastern Railway Company). Attachment A-10 details subsidy revenue and other non-operating revenue and expenses. Attachment A-11 details MTS's contingency reserve balance. Attachment A-12 details the balances of all reserve accounts.

MTS OPERATING RESULTS

As indicated within Attachment A-1, the FY17 net-operating income totaled a favorable variance of \$373,000 (0.2%). These factors include favorable variances in other



revenue, outside services, materials and supplies, energy, risk management, and vehicle/facility leases; offset by unfavorable variances in passenger revenue, personnel costs, and administrative (G&A) costs.

Non-operating net subsidy for FY17 was favorable to budget by \$3,141,000 (2.0%), primarily due to favorable variances within Medi-Cal reimbursement and TransNet operating revenues.

In total, revenues exceeded expenses by \$3.5 million for FY17.

MTS COMBINED RESULTS

Operating Revenues. The fiscal year combined operating revenues for FY17 were \$108,576,000 compared to the fiscal year budget of \$109,334,000, representing a \$758,000 (-0.7%) unfavorable variance. Passenger fare revenue was unfavorable to budget by \$1,594,000 (-1.7%), and other operating revenue was favorable to budget by \$836,000 (5.8%). As compared to fiscal year 2016, total combined operating revenues decreased by \$5.1 million or 4.5%. Other operating revenue includes \$1,082,175 in proceeds from the sale of 14,100 energy credits at a price of \$76.75 per credit; these credits are part of the state of California's Low Carbon Fuel Standard program.

Expenses. The fiscal year combined expenses through June 2017 were \$268,640,000 compared to the budget of \$269,771,000, resulting in a \$1,132,000 (0.4%) favorable variance.

Personnel Costs. Fiscal year personnel-related costs totaled \$127,134,000 compared to a budgetary figure of \$125,641,000, producing an unfavorable variance of \$1,494,000 (-1.2%) primarily due to unfavorable variances in wages.

Outside Services and Purchased Transportation. Total outside services for the fiscal year totaled \$94,605,000 compared to a budget of \$96,413,000, resulting in a favorable variance of \$1,808,000 (1.9%) primarily due to favorable variances in purchased transportation.

Materials and Supplies. Total materials and supplies expenses were \$10,750,000 compared to a budgetary figure of \$10,903,000, resulting in a favorable expense variance of \$153,000 (1.4%).

Energy. Total energy costs were \$26,538,000 compared to the budget of \$27,392,000, resulting in a favorable variance of \$853,000 (3.1%). The favorable variance is due to lower than expected electricity expenses for Rail Operations and favorable commodity prices for CNG, gas and diesel.

Risk Management. Total expenses for risk management were \$3,922,000 compared to the budget of \$4,114,000, resulting in a favorable variance totaling \$191,000 (4.7%). The favorable variance is due to lower than expected liability payouts.

General and Administrative. The G&A costs, including vehicle and facilities leases, were \$381,000 (-7.2%) unfavorable to budget, totaling \$5,691,000, compared to a budget of \$5,310,000.

Subsidy Revenue and Other Non-operating Revenue and Expenses

Attachment A-10 details subsidy revenue and other non-operating revenue and expenses. Subsidy and non-operating revenues for FY17 were \$163,579,000 compared to the fiscal year budget of \$160,437,000, representing favorable variance of \$3,141,000 (2.0%). This total includes \$2,000,000 of reserve revenue carried over from FY16 as a budget balancing strategy. The drivers of this favorable variance are detailed as:

- Medi-Cal revenues were favorable by \$2,277,000. Medi-Cal has been in the process of updating their reimbursement procedures; as a result, MTS will realize additional operating expense reimbursements for both FY16 and FY17 than was previously expected.
- TransNet revenues were favorable by \$935,000, primarily due to Bus Rapid Transit operating expense reimbursements and TransNet sales tax revenue.

Net Revenues Less Expenses

For fiscal year 2017, MTS had an excess of revenues over expenses before reserves of \$3,515,000. Staff recommends using these excess revenues in the following:

- \$2,000,000 of one time reserve funding used to balance the FY17 Operating Budget to be returned to the contingency reserve balance.
- \$1,515,000 to be programmed into the Capital Improvement Program.

Reserves

Attachment A-11 details MTS's contingency reserve. The ending reserve balance on June 30, 2016, was \$34,381,000. After adjusting for interest, the capital project reserve, other adjustments, and the income or loss from SD&AE and Taxicab Administration results (which are self-funded), the change for the year totals an increase of \$1,939,000. The new contingency reserve balance on June 30, 2017 thus became \$36,320,000, which equals 13.1% of the FY18 operating budget.

MTS has a number of other reserves, and the balances are listed on Attachment A-12.

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

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

Attachment: A. Comparison to Budget

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
MTS
CONSOLIDATED
COMPARISON TO BUDGET - FISCAL YEAR 2017
JUNE 30, 2017
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 93,279	\$ 94,874	\$ (1,594)	-1.7%
Other Revenue	15,296	14,460	836	5.8%
Total Operating Revenue	\$ 108,576	\$ 109,334	\$ (758)	-0.7%
Personnel costs	\$ 127,134	\$ 125,641	\$ (1,494)	-1.2%
Outside services	94,605	96,413	1,808	1.9%
Transit operations funding	-	-	-	-
Materials and supplies	10,750	10,903	153	1.4%
Energy	26,538	27,392	853	3.1%
Risk management	3,922	4,114	191	4.7%
General & administrative	4,526	4,125	(401)	-9.7%
Vehicle/facility leases	1,165	1,185	20	1.7%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	-	-	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 268,640	\$ 269,771	\$ 1,132	0.4%
Operating income (loss)	\$ (160,064)	\$ (160,437)	\$ 373	0.2%
Total public support and nonoperating revenues	163,579	160,437	3,141	2.0%
Income (loss) before capital contributions	\$ 3,515	\$ -	\$ 3,515	-

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
CONSOLIDATED OPERATIONS
COMPARISON TO BUDGET - FISCAL YEAR 2017
JUNE 30, 2017
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 93,279	\$ 94,874	\$ (1,594)	-1.7%
Other Revenue	878	726	152	20.9%
Total Operating Revenue	\$ 94,157	\$ 95,600	\$ (1,442)	-1.5%
Personnel costs	\$ 107,504	\$ 106,179	\$ (1,326)	-1.2%
Outside services	78,721	80,047	1,326	1.7%
Transit operations funding	-	-	-	-
Materials and supplies	10,753	11,028	275	2.5%
Energy	25,785	26,618	834	3.1%
Risk management	3,573	3,674	101	2.7%
General & administrative	820	835	15	1.8%
Vehicle/facility leases	997	1,009	12	1.2%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	26,568	26,568	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 254,720	\$ 255,958	\$ 1,237	0.5%
Operating income (loss)	\$ (160,563)	\$ (160,358)	\$ (205)	-0.1%
Total public support and nonoperating revenues	160,716	160,358	358	0.2%
Income (loss) before capital contributions	\$ 153	\$ 0	\$ 153	15343559.7%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
TRANSIT SERVICES (SAN DIEGO TRANSIT CORPORATION)
COMPARISON TO BUDGET - FISCAL YEAR 2017
JUNE 30, 2017
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 24,864	\$ 24,052	\$ 811	3.4%
Other Revenue	121	5	116	2326.6%
Total Operating Revenue	\$ 24,985	\$ 24,057	\$ 928	3.9%
Personnel costs	\$ 71,276	\$ 70,749	\$ (527)	-0.7%
Outside services	3,044	2,468	(577)	-23.4%
Transit operations funding	-	-	-	-
Materials and supplies	4,513	4,441	(72)	-1.6%
Energy	5,836	6,051	215	3.6%
Risk management	1,952	1,830	(122)	-6.7%
General & administrative	424	416	(8)	-1.9%
Vehicle/facility leases	368	368	(0)	0.0%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	8,322	8,322	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 95,736	\$ 94,646	\$ (1,090)	-1.2%
Operating income (loss)	\$ (70,751)	\$ (70,588)	\$ (162)	-0.2%
Total public support and nonoperating revenues	71,617	70,658	960	1.4%
Income (loss) before capital contributions	\$ 867	\$ 69	\$ 797	1150.2%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
RAIL OPERATIONS (SAN DIEGO TROLLEY, INCORPORATED)
COMPARISON TO BUDGET - FISCAL YEAR 2017
JUNE 30, 2017
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 38,968	\$ 40,666	\$ (1,698)	-4.2%
Other Revenue	755	720	35	4.8%
Total Operating Revenue	\$ 39,723	\$ 41,386	\$ (1,663)	-4.0%
Personnel costs	\$ 35,463	\$ 34,740	\$ (723)	-2.1%
Outside services	4,536	5,000	464	9.3%
Transit operations funding	-	-	-	-
Materials and supplies	6,225	6,556	331	5.0%
Energy	11,878	12,443	565	4.5%
Risk management	1,606	1,828	223	12.2%
General & administrative	394	411	17	4.1%
Vehicle/facility leases	331	341	10	3.0%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	16,348	16,348	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 76,779	\$ 77,666	\$ 887	1.1%
Operating income (loss)	\$ (37,056)	\$ (36,280)	\$ (776)	-2.1%
Total public support and nonoperating revenues	36,341	36,341	-	0.0%
Income (loss) before capital contributions	\$ (716)	\$ 61	\$ (776)	-1275.9%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
MULTIMODAL OPERATIONS (FIXED ROUTE)
COMPARISON TO BUDGET - FISCAL YEAR 2017
JUNE 30, 2017
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 26,569	\$ 26,920	\$ (351)	-1.3%
Other Revenue	2	1	1	92.7%
Total Operating Revenue	\$ 26,571	\$ 26,921	\$ (350)	-1.3%
Personnel costs	\$ 421	\$ 331	\$ (89)	-26.9%
Outside services	53,917	54,896	979	1.8%
Transit operations funding	-	-	-	-
Materials and supplies	14	31	16	53.2%
Energy	5,999	5,758	(241)	-4.2%
Risk management	-	-	-	-
General & administrative	(1)	3	5	132.9%
Vehicle/facility leases	18	20	2	9.4%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	1,312	1,312	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 61,680	\$ 62,350	\$ 671	1.1%
Operating income (loss)	\$ (35,108)	\$ (35,429)	\$ 321	0.9%
Total public support and nonoperating revenues	35,111	35,261	(150)	-0.4%
Income (loss) before capital contributions	\$ 2	\$ (168)	\$ 170	-101.4%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
MULTIMODAL OPERATIONS (PARATRANSIT)
COMPARISON TO BUDGET - FISCAL YEAR 2017
JUNE 30, 2017
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 2,878	\$ 3,235	\$ (357)	-11.0%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 2,878	\$ 3,235	\$ (357)	-11.0%
Personnel costs	\$ 152	\$ 166	\$ 13	8.1%
Outside services	16,952	17,318	365	2.1%
Transit operations funding	-	-	-	-
Materials and supplies	-	-	-	-
Energy	2,072	2,367	295	12.5%
Risk management	15	15	-	0.0%
General & administrative	4	5	2	29.4%
Vehicle/facility leases	280	280	0	0.0%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	587	587	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 20,062	\$ 20,737	\$ 675	3.3%
Operating income (loss)	\$ (17,184)	\$ (17,502)	\$ 318	1.8%
Total public support and nonoperating revenues	17,184	17,540	(356)	-2.0%
Income (loss) before capital contributions	\$ 0	\$ 38	\$ (38)	-99.5%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
CORONADO FERRY
COMPARISON TO BUDGET - FISCAL YEAR 2017
JUNE 30, 2017
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	-	-	-	-
Total Operating Revenue	\$ -	\$ -	\$ -	-
Personnel costs	\$ -	\$ -	\$ -	-
Outside services	207	207	-	0.0%
Transit operations funding	-	-	-	-
Materials and supplies	-	-	-	-
Energy	-	-	-	-
Risk management	-	-	-	-
General & administrative	-	-	-	-
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	-	-	-	-
Depreciation	-	-	-	-
Total Operating Expenses	\$ 207	\$ 207	\$ -	0.0%
Operating income (loss)	\$ (207)	\$ (207)	\$ -	0.0%
Total public support and nonoperating revenues	207	207	-	0.0%
Income (loss) before capital contributions	\$ -	\$ -	\$ -	-

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
ADMINISTRATION
CONSOLIDATED
COMPARISON TO BUDGET - FISCAL YEAR 2017
JUNE 30, 2017
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	13,510	12,754	756	5.9%
Total Operating Revenue	\$ 13,510	\$ 12,754	\$ 756	5.9%
Personnel costs	\$ 18,711	\$ 18,478	\$ (232)	-1.3%
Outside services	15,676	16,033	358	2.2%
Transit operations funding	-	-	-	-
Materials and supplies	(5)	(132)	(127)	96.2%
Energy	746	760	14	1.9%
Risk management	328	394	66	16.7%
General & administrative	3,510	3,166	(344)	-10.9%
Vehicle/facility leases	145	150	5	3.4%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	(26,695)	(26,695)	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 12,415	\$ 12,154	\$ (261)	-2.1%
Operating income (loss)	\$ 1,095	\$ 600	\$ 495	-82.6%
Total public support and nonoperating revenues	2,266	(600)	2,866	-478.0%
Income (loss) before capital contributions	\$ 3,361	\$ (0)	\$ 3,361	#####

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OTHER ACTIVITIES
CONSOLIDATED
COMPARISON TO BUDGET - FISCAL YEAR 2017
JUNE 30, 2017
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	908	980	(72)	-7.3%
Total Operating Revenue	\$ 908	\$ 980	\$ (72)	-7.3%
Personnel costs	\$ 920	\$ 984	\$ 64	6.5%
Outside services	208	333	125	37.4%
Transit operations funding	-	-	-	-
Materials and supplies	2	7	5	71.4%
Energy	8	13	5	38.7%
Risk management	21	46	25	54.2%
General & administrative	195	123	(72)	-58.2%
Vehicle/facility leases	23	26	3	11.8%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	127	127	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 1,504	\$ 1,659	\$ 155	9.3%
Operating income (loss)	\$ (596)	\$ (679)	\$ 83	12.2%
Total public support and nonoperating revenues	596	679	(83)	-12.2%
Income (loss) before capital contributions	\$ -	\$ -	\$ -	-

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
MTS
COMBINED SUBSIDY AND OTHER NON-OPERATING REVENUE AND EXPENSES
COMPARISON TO BUDGET - FISCAL YEAR 2017
JUNE 30, 2017
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
<u>Subsidy Revenue</u>				
Federal Revenue	\$ 56,969	\$ 57,064	\$ (95)	-0.2%
Transportation Development Act	60,103	60,030	73	0.1%
State Transit Assistance	3,601	3,600	1	0.0%
State Revenue - Other	3,677	1,400	2,277	162.6%
TransNet funds	37,270	36,335	935	2.6%
Other Local subsidies	3,063	3,034	29	1.0%
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Subsidy Revenue	<u>\$ 164,683</u>	<u>\$ 161,463</u>	<u>\$ 3,221</u>	<u>2.0%</u>
<u>Other Non-Operating Revenue and Expense</u>				
Investment Earnings	\$ -	\$ -	\$ -	-
Other Non-Operating Income	596	679	(83)	-12.2%
Other Non-Operating Expenses	(1,701)	(1,704)	4	-0.2%
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Other Non-Operating Revenue				
Revenue and Expense	<u>\$ (1,105)</u>	<u>\$ (1,025)</u>	<u>\$ (79)</u>	<u>7.7%</u>
Total Subsidy and Non-Operating				
Revenue and Expense	<u>\$ 163,579</u>	<u>\$ 160,437</u>	<u>\$ 3,141</u>	<u>2.0%</u>

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
MTS
CONTINGENCY RESERVE BALANCE
JUNE 30, 2017
(in \$000's)

Balance, June 30, 2016		\$ 34,381
Current Year Adjustments:		
FY 2017 Income (Loss) Before Reserves	2,918	
Remove Other Activities contributions to income:		
SDAE	76	
Taxi	520	
Capital Improvement Program	(1,515)	
Other	(61)	
Net Adjustments:		<u>1,939</u>
Balance, June 30, 2017		<u><u>\$ 36,320</u></u>
 % of MTS Operating Expense Budget		 13.1%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
MTS
RESERVE BALANCES
JUNE 30, 2017

Title	Amount	Explanation
Contingency	\$ 36,320,137	For ongoing operations, future matching of grants; target is 12.5% of operating budget per Policy 36
Capital Project Reserve	1,514,580	To hold excess revenue for the FY 2019 capital budget
Taxicab Contingency	550,133	For ongoing operations and future capital improvement needs
Insurance	2,000,000	Established for potential future liability claims, minimum \$2 million per Policy 46
Billboard San Diego	237,294	Per agreement with city, used for improvements to right of way
Billboard Chula Vista	1,587,318	Per agreement with city, used for improvements to right of way
SD&AE	1,527,382	Established from 1984 state payments for storm damage, restricted for repair/improvement of line
Land Management	0	For repair and maintenance of rental property
Total	\$ 43,736,844	



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Agenda Item No. C2

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

November 2, 2017

SUBJECT:

AB 805 IMPLEMENTATION AND PROCESS FOR ELECTING THE CHAIRPERSON
(KAREN LANDERS)

RECOMMENDATION:

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

- 1) Approve revisions to Board Policy No. 22, "Rules of Procedures for the San Diego Metropolitan Transit System (MTS) Board of Directors" (Attachment B);
- 2) Approve revisions to Board Policy No. 27, "Weighted Vote Procedure" (Attachment C);
- 3) Approve revisions to Board Policy No. 52 "Procurement of Goods and Services" (Attachment E); and
- 4) Direct staff as to the timeline and process to elect a new Chairperson for the 2018-2019 term.

Budget Impact

None.

DISCUSSION:

On October 11, 2017, the Governor signed AB 805 into law. Effective January 1, 2018, AB 805 makes various changes to MTS's enabling legislation (located at Public Utilities Code sections 120000, et sq.).

The law makes four major changes at MTS:

1. Changes MTS Board membership by eliminating public chairperson position and giving 15th board seat to the City of Chula Vista. Also requires the mayor of the



- cities of San Diego and Chula Vista to be one of each city's appointed board members.
2. Changes MTS voting so that, after a quorum is present (at least 8 board members), only a majority of the board members present is required for the board to take action.
 3. Adds a "skilled labor" requirement to construction contracts over \$1,000,000.
 4. Gives MTS authority to propose a sales tax measure applicable in only MTS's jurisdiction (as opposed to region-wide).

Attachment A is a summary chart of the statutory changes made by AB 805.

These legislative changes require MTS to take the following action:

- 1) Revise Board Policy No. 22, "Rules of Procedures for the San Diego Metropolitan Transit System (MTS) Board of Directors" to be consistent with AB 805 provisions. See Attachment B.
- 2) Revise Board Policy No. 27, "Weighted Vote Procedure" to be consistent with AB 805 provisions. See Attachment C and Attachment D.
- 3) Revise Board Policy No. 52 "Procurement of Goods and Services" to be consistent with AB 805 provisions. See Attachment E.
- 4) Decide on a timeline and process to elect a new Chairperson for the 2018-2019 term. See Attachment F.

/s/ Paul C. Jablonski

Paul C. Jablonski
Chief Executive Officer

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

Attachments: A. Summary of AB 805 Changes to MTS Enabling Legislation
B. Redline copy of Board Policy No. 22.
C. Redline copy of Board Policy No. 27.
D. Weighted Vote Calculation Chart (effective 2017-2018)
E. Redline copy of Board Policy No. 52.
F. Summary of MTS Board Chair Election Rules and Options after AB 805

AB 805 (enacted October 11, 2017; effective January 1, 2018)
SUMMARY OF CHANGES TO MTS ENABLING LEGISLATION

Att. A, AI C2, 11/2/17

Current Statute	AB 805	Change(s)
<p>120050.2. The board consists of 15 members selected as follows:</p> <p>(a) One member of the County of San Diego Board of Supervisors, appointed by the board of supervisors.</p> <p>(b) Four members of the City Council of the City of San Diego, one of whom may be the mayor, appointed by the city council.</p> <p>(c) One member of each city council appointed individually by the City Councils of the Cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, and Santee.</p> <p>(d) One person, a resident of San Diego County, elected by a two-thirds vote of the board, a quorum being present, who shall serve as chairperson of the board. The chairperson shall serve for a term of four years, except that he or she is subject to removal at any time by a two-thirds vote of the board, a quorum being present. If the person elected chairperson is also a member of the board, the appointing power may not fill the vacancy created by the election of that member as chairperson as long as that member remains chairperson and, if removed as chairperson, that person shall resume the position on the board he or she vacated upon election as chairperson. Section 120102.5 does not apply to any vote taken under this subdivision. Further, in the event that</p>	<p>120050.2. The board consists of 15 members selected as follows:</p> <p>(a) One member of the County of San Diego Board of Supervisors, appointed by the board of supervisors.</p> <p>(b) One member of each city council appointed individually by the city councils of the Cities of Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, and Santee.</p> <p>(c) Four members of the City Council of the City of San Diego, one of whom shall be the mayor, and two members of the City Council of the City of Chula Vista, one of whom shall be the mayor, each appointed by their respective city council.</p> <p>(d) The chairperson of the board shall be selected by a two-thirds vote of the board, a quorum being present. The chairperson shall serve for a term of two years, except that he or she is subject to removal at any time by a two-thirds vote of the board, a quorum being present.</p>	<ul style="list-style-type: none"> • Deletes public chairperson option • Deletes provision that if MTS chair is a city/county board member, a second (15th) board member seat goes to County of San Diego supervisor with greatest unincorporated area in MTS jurisdiction • Adds second (15th) board member seat from City of Chula Vista. • Adds requirement that 1 of the City of San Diego members must be the mayor. • Adds requirement that 1 of the City of Chula Vista members must be the mayor. • Changes chairperson standard term to 2 years (instead of 4 years). • Keeps 2/3 vote requirement for chairperson.

AB 805 (enacted October 11, 2017; effective January 1, 2018)
SUMMARY OF CHANGES TO MTS ENABLING LEGISLATION

Att. A, AI C2, 11/2/17

<u>Current Statute</u>	<u>AB 805</u>	<u>Change(s)</u>
the chairperson is elected from the membership of the board, the County of San Diego shall then have two members appointed by the board of supervisors and the board membership shall remain at 15. In the event the subsequently elected chairperson is not a member, the membership on the board of the second appointee of the County of San Diego shall be suspended and the board membership shall remain at 15.		
120050.5. Any person who is a member of the board may be appointed by his or her appointing authority to continue to serve as a member of the board after the termination of his or her term of office for a period not to exceed four years after the date of termination of his or her term of elected office.	Repealed	Only current board members may serve on MTS board; if board member no longer holds elected office connected to MTS board seat, the seat would be vacant (or held by the appointed alternate) until the appointing agency appoints a replacement.
120051.1. The member of the board of supervisors appointed pursuant to subdivision (d) of Section 120050.2 shall represent the supervisorial district with the greatest percentage of its area within the unincorporated area of the County of San Diego under the jurisdiction of the transit development board as defined in Section 120054.	Repealed	Removes requirement that if an MTS board member is the Chair (instead of public member), the second (15 th) MTS board member from County of San Diego be from a specified supervisorial district. <i>Note:</i> AB 805 eliminated option for County to get 15 th board member seat and gave it to City of Chula Vista.

AB 805 (enacted October 11, 2017; effective January 1, 2018)
SUMMARY OF CHANGES TO MTS ENABLING LEGISLATION

Att. A, AI C2, 11/2/17

Current Statute	AB 805	Change(s)
<p>120051.6. The alternate members of the board shall be appointed as follows:</p> <p>(a) The County of San Diego Board of Supervisors shall appoint any other county supervisor who qualifies for appointment pursuant to Section 120051 to serve as an alternate member of the transit development board.</p> <p>(b) The City Council of the City of San Diego shall appoint a member of the city council not already appointed pursuant to subdivision (b) of Section 120050.2 to serve as an alternate member of the transit development board for each of the members appointed by the city council to the transit development board.</p> <p>(c) The city councils specified in subdivision (c) of Section 120050.2 shall each individually appoint a member of their respective city councils not already appointed pursuant to that subdivision to serve as an alternate member of the transit development board.</p> <p>(d) At its discretion, a city council or the county board of supervisors may appoint a second alternate member, in the same manner as members are appointed, to serve on the board in the event that neither a member nor the alternate member is able to attend a meeting of the board.</p> <p>(e) An alternate member and second alternate</p>	<p>120051.6. The alternate members of the board shall be appointed as follows:</p> <p>(a) The County of San Diego Board of Supervisors shall appoint a county supervisor, not already appointed under Section 120051, who represents one of the two supervisorial districts with the greatest percentage of its area within the incorporated area of the County of San Diego within the area under the jurisdiction of the transit development board as defined in Section 120054, to serve as an alternate member of the transit development board.</p> <p>(b) The city councils of the cities specified in subdivision (b) or (c) of Section 120050.2 shall each individually appoint a member of their respective city councils not already appointed pursuant to subdivision (b) or (c) of Section 120050.2 to serve as an alternate member of the transit development board for each member of the city on the board.</p> <p>(c) At its discretion, a city council or the county board of supervisors may appoint a second alternate member, in the same manner as first alternates are appointed, to serve on the board in the event that neither a member nor the alternate member is able to attend a meeting of the board.</p>	<ul style="list-style-type: none"> • Deletes language regarding Board's option to appoint an alternate for a public chairperson. <i>(Public Chair option deleted by AB 805)</i> • Deletes language regarding County appointing an alternate for second County board member if no public Chair. <i>(Second County board seat option deleted by AB 805)</i>

Current Statute	AB 805	Change(s)
<p>member shall be subject to the same restrictions and shall have the same powers, when serving on the board, as a member.</p> <p>(f) If the board elects a person other than a member of the board to serve as chairperson, the board may, upon a two-thirds vote, a quorum being present, appoint a San Diego County resident as an alternate member of the board for that person elected chairperson. If the board elects a person who is a member of the board to serve as chairperson, the County of San Diego shall appoint an alternate supervisor for the supervisor appointed pursuant to subdivision (d) of Section 120050.2.</p>	<p>(d) An alternate member and second alternate member shall be subject to the same restrictions and shall have the same powers, when serving on the board, as a member.</p>	
<p>120102.5.</p> <p>(a) A majority of the members of the board constitutes a quorum for the transaction of business. All official acts of the board require the affirmative vote of the majority of the members of the board. However, after a vote of the members is taken, a weighted vote may be called by any two members, at least one of whom is not a City of San Diego representative.</p> <p>(b) In the case of a weighted vote, each of the four representatives of the City of San Diego shall exercise 12½ weighted votes, for a total of 50 votes. The County of San Diego and each city, other than the City of San Diego, shall, in total, exercise 49 weighted votes to be apportioned annually by population. The</p>	<p>120102.5.</p> <p>(a) A majority of the members of the board constitutes a quorum for the transaction of business. All official acts of the board require the affirmative vote of the majority of the members of the board present. However, after a vote of the members is taken, a weighted vote may be called by the members of any two jurisdictions.</p> <p>(b) In the case of a weighted vote, the County of San Diego and each city shall, in total, exercise 100 votes to be apportioned annually based on population, except in the case of the City of San Diego. Each of the four representatives of the City of San Diego shall</p>	<ul style="list-style-type: none"> • Deletes requirement that all Board action be with at least 8 votes, except under weighted voting. Would allow passage of items with only 5 votes if only 8 or 9 members present, 6 votes if only 10 or 11 members present, and 7 votes if only 12 or 13 members present. • Deletes 1 weighted vote previously assigned to public Chairperson • Keeps 50 votes split evenly between City of San Diego board members • Divides remaining 50 votes amongst County and remaining cities by population (previously divided 49 votes between them) • Based on current population data, results in

**AB 805 (enacted October 11, 2017; effective January 1, 2018)
SUMMARY OF CHANGES TO MTS ENABLING LEGISLATION**

Att. A, AI C2, 11/2/17

<u>Current Statute</u>	<u>AB 805</u>	<u>Change(s)</u>
<p>chairperson, if not chosen from the membership of the board, shall exercise one weighted vote.</p> <p>(c) Approval under the weighted vote procedure requires the vote of the representatives of not less than three jurisdictions representing not less than 51 percent of the total weighted vote to supersede the original action of the board.</p> <p>(d) The weighted vote procedure shall not be used on any matter of purely intracity local service, unless it is the desire of the affected city or jurisdiction.</p> <p>(e) The weighted vote procedure shall not be used for purposes of subdivision (c) of Section 120265.</p> <p>(f) For purposes of subdivision (c), the population of the County of San Diego is the population in the unincorporated area of the county within the area of jurisdiction of the transit development board.</p> <p>(g) The board shall adopt a policy and procedure to implement this section.</p>	<p>exercise 12 1/2 weighted votes, for a total of 50 votes. The representatives for the City of Chula Vista shall split the votes allocated to that city evenly among its representatives.</p> <p>(c) Approval under the weighted vote procedure requires the vote of the representatives of not less than three jurisdictions representing not less than 51 percent of the total weighted vote to supersede the original action of the board.</p> <p>(d) When a weighted vote is taken on any item that requires more than a majority vote of the board, it shall also require the supermajority percentage of the weighted vote.</p> <p>(e) For purposes of subdivision (b), the population of the County of San Diego is the population in the unincorporated area of the county within the area of jurisdiction of the transit development board pursuant to Section 120054.</p> <p>(f) The board shall adopt a policy and procedure to implement this section.</p>	<p>net gain of 1 vote for City of Chula Vista; all other cities/county vote count remains the same</p> <ul style="list-style-type: none"> • Splits City of Chula Vista votes evenly between two board members • Adds requirement that when a weighted vote is taken on an item that requires a supermajority of the board to approve, then the weighted vote percentage must match the supermajority percentage • Deletes limitation on using weighted vote for purely intracity local service issue, unless the affected city approves • Deletes limitation and reference to Section 120265, which was deleted in 2002.
<p>New Section</p>	<p>120221.5. The board shall not enter into a construction contract over one million dollars (\$1,000,000) with any entity unless the entity provides to the board an enforceable commitment that the entity and its subcontractors at every tier will</p>	<ul style="list-style-type: none"> • Adds labor-related requirements for construction projects over \$1M. • Waives requirements if applicable project labor agreement is in effect.

AB 805 (enacted October 11, 2017; effective January 1, 2018)
SUMMARY OF CHANGES TO MTS ENABLING LEGISLATION

Att. A, AI C2, 11/2/17

<u>Current Statute</u>	<u>AB 805</u>	<u>Change(s)</u>
	<p>use a skilled and trained workforce to perform all work on the project or a contract that falls within an apprenticeship occupation in the building and construction trades in accordance with Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code.</p> <p>(a) This subdivision shall not apply if any of the following requirements are met:</p> <p>(1) The board has entered into a project labor agreement that will bind all contractors and subcontractors performing work on the project or the board has contracted to use a skilled and trained workforce and the entity has agreed to be bound by that project labor agreement.</p> <p>(2) The project or contract is being performed under the extension or renewal of a project labor agreement that was entered into by the board before January 1, 2017.</p> <p>(3) The entity has entered into a project labor agreement that will bind the entity and all its subcontractors at every tier performing the project or the entity has contracted to use a skilled and trained workforce.</p> <p>(b) For purposes of subdivision (a), "project labor agreement" has the same meaning as defined in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code.</p>	

AB 805 (enacted October 11, 2017; effective January 1, 2018)
SUMMARY OF CHANGES TO MTS ENABLING LEGISLATION

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<u>Current Statute</u>	<u>AB 805</u>	<u>Change(s)</u>
New Article & Code sections	<p>Article 11. Transactions and Use Tax</p> <p>120480. (a) A retail transactions and use tax ordinance applicable in the incorporated and unincorporated territory within the area of the board pursuant to Section 120054 shall be imposed by the board in accordance with Section 120485 and Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, and Section 2 of Article XIII C of the California Constitution. The tax ordinance shall take effect at the close of the polls on the day of election at which the proposition is adopted. The initial collection of the transactions and use tax shall take place in accordance with Section 120483.</p> <p>(b) If, at any time, the voters do not approve the imposition of the transactions and use tax, this chapter remains in full force and effect. The board may, at any time thereafter, submit the same, or a different, measure to the voters in accordance with this chapter.</p> <p>120481. (a) The board, in the ordinance, shall state the nature of the tax to be imposed, the tax rate or the maximum tax rate, the purposes for which the revenue derived from the tax will be used, and may set a term during which the tax will be imposed. The purposes for which the tax revenues may be used shall be limited to public transit purposes serving the area of jurisdiction of the board, as determined by the</p>	<p>Gives MTS ability to directly seek voter approval of a retail and transactions tax (sales tax) measure to be used within MTS jurisdiction (previously only SANDAG could request; and only for a region-wide measure)</p>

AB 805 (enacted October 11, 2017; effective January 1, 2018)
SUMMARY OF CHANGES TO MTS ENABLING LEGISLATION

Att. A, AI C2, 11/2/17

<u>Current Statute</u>	<u>AB 805</u>	<u>Change(s)</u>
	<p>board, including the administration of this division and legal actions related thereto. These purposes include expenditures for the planning, environmental reviews, engineering and design costs, and related right-of-way acquisition. The ordinance shall contain an expenditure plan that shall include the allocation of revenues for the purposes authorized by this section.</p> <p>(b) As used in this section, "public transit purposes" includes the public transit responsibilities under the jurisdiction of the board as well as any repair, redesign, or ongoing maintenance of a right-of-way upon which transit is intended to travel, or any bikeway, bicycle path, sidewalk, trail, pedestrian access, or pedestrian accessway.</p> <p>120482. (a) The county shall conduct an election called by the board pursuant to Section 120480.</p> <p>(b) The election shall be called and conducted in the same manner as provided by law for the conduct of elections by a county.</p> <p>120483. (a) Any transactions and use tax ordinance adopted pursuant to this article shall be operative on the first day of the first calendar quarter commencing more than 150 days after adoption of the ordinance.</p> <p>(b) (1) Prior to the operative date of the</p>	

AB 805 (enacted October 11, 2017; effective January 1, 2018)
SUMMARY OF CHANGES TO MTS ENABLING LEGISLATION

Att. A, AI C2, 11/2/17

<u>Current Statute</u>	<u>AB 805</u>	<u>Change(s)</u>
	<p>ordinance, the board shall contract with the California Department of Tax and Fee Administration to perform all functions incident to the administration and operation of the ordinance. The costs to be covered by the contract may also include services of the types described in Section 7272 of the Revenue and Taxation Code for preparatory work up to the operative date of the ordinance. Any disputes as to the amount of the costs shall be resolved in the same manner as provided in that section.</p> <p>(2) Notwithstanding Section 7272 of the Revenue and Taxation Code, the maximum amount of preparatory costs incurred may exceed those costs as described in paragraph (1), if the increased amount reflects necessary preparatory costs.</p> <p>(c) Within 45 days from the date the ordinance is approved by the voters, the board shall provide the California Department of Tax and Fee Administration with a complete alphabetical list of all streets within the affected unincorporated area under the jurisdiction of the board pursuant to Section 120054, which shall include beginning and ending street numbers, and shall maintain that list on its Internet Web site. The board shall also provide a legal description and a map or plat, that both describe the boundaries of the applicable unincorporated territory within the area of the</p>	

AB 805 (enacted October 11, 2017; effective January 1, 2018)
SUMMARY OF CHANGES TO MTS ENABLING LEGISLATION

Att. A, AI C2, 11/2/17

<u>Current Statute</u>	<u>AB 805</u>	<u>Change(s)</u>
	<p>board pursuant to Section 120054.</p> <p>120484. The revenues from the taxes imposed pursuant to this article may be allocated by the board for public transit purposes consistent with the applicable regional transportation improvement program and the applicable regional transportation plan.</p> <p>120485. The board, subject to the approval of the voters, may impose a maximum tax rate of one-half of 1 percent under this article and Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code. The board shall not levy the tax at a rate other than one-half or one-fourth of 1 percent unless specifically authorized by the Legislature.</p> <p>120486. The board, as part of the ballot proposition to approve the imposition of a retail transactions and use tax, may seek authorization to issue bonds payable from the proceeds of the tax.</p> <p>120487. Any action or proceeding wherein the validity of the adoption of the retail transactions and use tax ordinance provided for in this article or the issuance of any bonds thereunder or any of the proceedings in relation thereto is contested, questioned, or denied, shall be commenced within six months from the date of the election at which the ordinance is approved;</p>	

AB 805 (enacted October 11, 2017; effective January 1, 2018)
SUMMARY OF CHANGES TO MTS ENABLING LEGISLATION

Att. A, AI C2, 11/2/17

<u>Current Statute</u>	<u>AB 805</u>	<u>Change(s)</u>
	<p>otherwise, the bonds and all proceedings in relation thereto, including the adoption and approval of the ordinance, shall be held to be valid and in every respect legal and incontestable.</p> <p>120488. The board has no power to impose any tax other than the transactions and use tax imposed upon approval of the voters in accordance with this article.</p>	

Policies and Procedures No. 22

Board Approval: 11/~~109~~/~~16~~17

SUBJECT:

RULES OF PROCEDURE FOR THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM (MTS) BOARD OF DIRECTORS

PURPOSE:

To define and clarify Board Rules of Procedure and incorporate them in Board Policy.

BACKGROUND:

In 1977, the Board adopted Rules of Procedure by resolution and from time to time amendments have been adopted. The Rules shall be contained in Board Policy for ease of reference and periodic updating. The Board is established and governed by the Mills-Deddeh Transit Development Act, set forth in the Sections 120000 through 120702 of the California Public Utilities Code ("MTS Enabling Legislation"). Section 120101 requires to the Board to "establish rules for its proceedings." In the event the rules of procedure set forth herein conflict with the MTS Enabling Legislation, or other applicable law, the applicable law shall supersede these rules.

22.1 Membership and Organization

22.1.1 _____ Membership in this Board is established by Sections 120050 through 120051.6 of the ~~California Public Utilities Code~~ MTS Enabling Legislation.

22.1.2 _____ The Board consists of 15 members selected as follows:

- a. One member of the County of San Diego Board of Supervisors appointed by the Board of Supervisors.
- b. Four members of the City Council of the City of San Diego, one of whom ~~may shall~~ be the mayor, appointed by the City Council.
- c. One member of each city council appointed individually by the City Councils of the Cities of ~~Chula Vista~~, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, and Santee.

Comment [MTS1]: See revised PUC 120050.2(c)

- d. ~~One person, a resident of San Diego County, elected by a two-thirds vote of the Board, a quorum being present, who shall serve as chairperson of the Board. Two members of the City Council of the City of Chula Vista, one of whom shall be the mayor, appointed by the City Council.~~
- e. ~~The chairperson of the board shall be selected from the board membership by a two-thirds vote of the board, a quorum being present. The chairperson shall serve for a term of two years, except that he or she is subject to removal at any time by a two-thirds vote of the board, a quorum being present.~~
- 22.1.3 ~~Any person who is a member of the Board may be appointed by his or her appointing authority to continue to serve as a member of the Board after the termination of his or her term of office for a period not to exceed four years after the date of termination of his or her term of elected office. [RESERVED]~~
- 22.1.4 Alternate members of the Board shall be appointed as follows:
- a. The County of San Diego Board of Supervisors shall appoint ~~as its alternate member any other~~ a county supervisor ~~not already appointed as the primary board member under Section 22.1.2(a), who qualifies for appointment to serve as an alternate member~~ represents one of the two supervisorial districts within MTS's jurisdiction with the greatest percentage of its area within the incorporated area of the County of San Diego.
- b. ~~The City Council of the City of San Diego shall appoint a member of the City Council not already appointed to serve as an alternate member.~~
- b. ~~The City Councils of the Cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego and Santee shall each individually appoint a member of their respective city councils not already appointed as a primary board member to serve as an alternate member for each member of the city on the board.~~
- c. ~~At its discretion, a city council or the county board of supervisors may appoint a second alternate member to serve on the board in the event that neither a member nor the alternate member is able to attend a meeting of the board.~~
- 22.1.5 ~~This Board shall exercise all powers authorized by the laws of the State of California.~~

Comment [MTS2]: See revised PUC 120050.2(c)

Comment [MTS3]: See revised PUC 120050.2(d)

Comment [MTS4]: Prior PUC 120050.5 was repealed.

Comment [MTS5]: No substantive change from current law.

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Comment [MTS6]: No substantive change from current law.

22.1.6 — Only the duly selected official representative, or in his or her absence his or her duly selected alternate, shall be entitled to represent a member agency in the deliberations of the Board.

22.1.7 — Names of the official representatives and alternates shall be communicated in writing to the Board by each participating member agency and shall thereafter be annually communicated or reaffirmed prior to the February meeting of the Board and at such other times as changes in representation are made by member agencies.

22.1.8 — The Board shall have the authority to appoint committees or subcommittees and may provide for the appointment of alternates to these committees or subcommittees.

22.1.9 — Standing committees shall be appointed by the Board as may be required to carry out general and continuing functions and shall be abolished only upon specific action by the Board.

22.1.10 Ad hoc specialized subcommittees may be appointed by the Board as the need arises to accomplish specific tasks. Upon completion of its assignment, each ad hoc subcommittee shall disband.

22.1.11 Board members serving on such subcommittees shall be compensated as provided by Board ordinance. The Chief Executive Officer is authorized to enter into agreements to compensate individuals who were Board members at the time of their appointments to such subcommittees and who continue to serve on such subcommittees after their terms of office as Board members, subject to the same limitations as exist for compensation of Board members, and subject to replacement by the Board.

22.2 Meetings

22.2.1 — On or before the first regular meeting of the Board in December of each year, the Board shall adopt a schedule of its meetings by date, time, and location for the coming year. The schedule of the meetings shall be published in the local newspaper of general circulation prior to the next regular meeting. The schedule of meetings shall also be published on the MTS website and posted at the MTS Executive Offices.

22.2.2 — The Board may, when necessary, change the time and place of regular meetings. Notice of such change shall be posted pursuant to the Ralph M. Brown Act.

- 22.2.3 ~~—~~The Clerk of the Board shall forward written notice of the annual schedule of regular meetings and any changes thereto stating the dates, times, and locations to each member's agency and to the respective members and alternates of the Board and the standing committees.
- 22.2.4 ~~—~~Special meetings may be called and noticed under the provisions of the Ralph M. Brown Act as applicable and, specifically, Section 54956 of the California Government Code. The call and notice shall be posted in an area accessible to the public at least 24 hours prior to the meeting.
- Special meetings normally shall be called by a majority of the Board or Executive Committee only upon a finding that extraordinary circumstances require Board action prior to the next scheduled Board meeting, such as to discuss a work stoppage or significant litigation, or that a special meeting is necessary to hold a workshop, a joint meeting with another agency, or for other special purposes at a future date beyond the next Board meeting. The Chair may call such meetings only when such extraordinary circumstances arise after the last Board or Executive Committee meeting and Board action is required prior to the next regularly scheduled Board or Executive Committee meeting.
- 22.2.5 ~~—~~A majority of the members of the Board shall constitute a quorum for the transaction of business, and all official acts of the Board shall require the affirmative vote of a majority of the members of the Board present.
- a. After a vote of the members is taken, a weighted vote may be called by the members of any two jurisdictions in accordance with Section 120102.5 of the MTS Enabling Legislation and MTS Board Policy No. 27 (Weighted Vote).
- 22.2.6 ~~—~~Parliamentary procedure at all meetings shall be governed by Robert's Rules of Order Newly Revised except as otherwise modified herein.
- 22.2.7 ~~—~~Prior to each regular meeting, the Clerk of the Board shall forward a copy of the agenda to each member in accordance with the schedule adopted by the Board. The agendas shall also be mailed to each person or entity previously requesting such in writing. The Clerk shall post the agenda in an area accessible to the public at least 72 hours before the meeting in accordance with the Ralph M. Brown Act. Agenda materials shall be available as public record in accordance with the Ralph M. Brown Act and, specifically, Section 54957.5 of the California Government Code.

Comment [MTS7]: See revised PUC 120102.5(a)

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Comment [MTS8]: No substantive change from current law, but revised Policy 27 will update consistent with AB 805 re how to allocate weighted vote.

22.2.8 ~~—~~The Board may take action on items of business not appearing on the posted agenda in accordance with the Ralph M. Brown Act.

22.2.9 ~~—~~Requests for Board action may be initiated by any member of the Board or any staff officer.

22.2.10 Communication requests may be initiated by an individual and submitted to the Clerk by letter or on forms provided by the Clerk and must state the subject matter and the action which the writer wishes the Board to take. The Clerk shall review all communication requests so received and shall list them on the Board's docket under those items which the Clerk deems to be proper areas of discussion or action by the Board. When a Communications item is listed on the docket, it is not debatable and must be referred to an appropriate committee, other public agency, or to staff to prepare a report or response.

22.2.11 Any permanent rule of the Board as set forth herein and unless otherwise established by law may be suspended temporarily by a two-thirds vote of the members present.

22.3 Amendments

22.3.1 ~~—~~The Board shall be responsible for making all amendments to these rules.

22.3.2 ~~—~~Proposed amendments may be originated by the Board, or any member of such, or by the Chief Executive Officer.

22.3.3 ~~—~~Each proposed amendment shall be considered by the Board and a copy thereof forwarded by the Clerk of the Board to the official representative of each member agency.

22.4 Ordinances

22.4.1 ~~—~~Every ordinance shall be signed by the ~~Chairman~~Chairperson of the Board and attested by the Clerk of the Board.

22.4.2 ~~—~~On the passage of all ordinances, the votes of the several members of the Board shall be entered on the minutes.

22.4.3 ~~—~~Ordinances shall not be passed at other than a regular meeting or at an adjourned regular meeting. However, an urgency ordinance may be passed ~~at~~ a special meeting. Except when, after reading the title, further reading is waived by regular motion adopted by unanimous vote of the Board members present, all ordinances shall be read in full either at the time of introduction or passage. When ordinances, other than urgency ordinances, are altered after introduction, they shall be passed only at a regular or at an adjourned regular meeting held at least

five days after alteration. Corrections of typographical or clerical errors are not alterations within the meaning of this section.

22.4.4 — Consistent with Section 120109 of the MTS Enabling Legislation, the Clerk of the Board shall cause a proposed ordinance or proposed amendment to an ordinance, and any ordinance adopted by the Board, to be published at least once, in a newspaper of general circulation published and circulated in the Board's area of jurisdiction.

22.4.5 — The publication of an ordinance, as required by subdivision 22.4.4, may be satisfied by either of the following actions:

- a. The Board may publish a summary of a proposed ordinance or proposed amendment to an ordinance. The summary shall be prepared by the Clerk of the Board and General Counsel. The summary shall be published and a certified copy of the full text of the proposed ordinance or proposed amendment shall be posted in the office of the Clerk of the Board at least five (5) days prior to the Board meeting at which the proposed ordinance or amendment is to be adopted. Within 15 days after adoption of the ordinance or amendment, the Board shall publish a summary of the ordinance or amendment with the names of those Board members voting for and against the ordinance or amendment, and the Clerk of the Board shall post in the office of the clerk a certified copy of the full text of the adopted ordinance or amendment along with the names of those Board members voting for and against the ordinance or amendment.
- b. If the person designated by the Board determines that it is not feasible to prepare a fair and adequate summary of the proposed ordinance or amendment, and if the Board so orders, a display advertisement of at least one-quarter of a page in a newspaper of general circulation in the Board's area of jurisdiction shall be published at least five (5) days prior to the Board meeting at which the proposed ordinance or amendment is to be adopted. Within 15 days after adoption of the ordinance or amendment, a display advertisement of at least one-quarter of a page shall be published. The advertisement shall indicate the general nature of, and provide information regarding, the adopted ordinance or amendment, including information sufficient to enable the public to obtain copy of the complete text of the ordinance or amendment and the name of those Board members voting for and against the ordinance amendment.

22.4.6 — Ordinances shall take effect thirty days after their final passage. An ordinance takes effect immediately, if it is an ordinance for the immediate preservation of the public peace,

health, or safety, containing a declaration of the facts constituting the urgency and is passed by a four-fifths vote of the Board.

22.5 Public Comment

22.5.1 — At a public hearing of the Board, persons wishing to provide comment and testimony shall be permitted to address the Board after submitting a written request to speak to the Clerk identifying the person and the subject agenda item. The ~~Chairman~~Chairperson may limit the time for each presentation and may permit additional time to speakers representing a group of individuals or organizations to avoid duplicative testimony. Ordinarily, each speaker will be allowed no more than three minutes.

22.5.2 — Persons wishing to comment on agenda items other than a public hearing must submit a written request to speak in advance to the Clerk identifying the person and the subject agenda item. Comments must be limited to issues relevant to the particular agenda item. The ~~Chairman~~Chairperson may limit the time for each presentation and may permit additional time to speakers representing a group of individuals or organizations to avoid duplicative testimony. Ordinarily, each speaker will be allowed no more than three minutes.

22.5.3 Public comment on matters not on the agenda will be permitted on items of interest to the public that are within the subject matter jurisdiction of the Board. Persons wishing to comment must submit a written request in advance to the Clerk identifying the person and subject matter. The ~~Chairman~~Chairperson may limit the time for each speaker. Ordinarily, each speaker will be allowed no more than three minutes.

22.6 Chairperson

Prior to the expiration of a Chairperson's term, the Executive Committee shall make a recommendation to the Board on whether to reelect the current Chairperson. In the event that the Board does not reelect a chairperson, or in the event of a vacancy in the position of Chairperson, the Executive Committee shall create an ad hoc nominating committee that shall, by whatever means it deems appropriate, recommend to the Board a candidate or candidates for the position of Chairperson. The Board shall then vote to elect a Chairperson in accordance with Section 22.1.2(e).

22.7 Election of Board Officers and Appointments to Committees

22.7.1 — On or before the Board's first meeting in November, the Board shall appoint less than a quorum of members to an Ad Hoc Nominating Committee. The Ad Hoc Nominating Committee shall review the list of MTS committees and make recommendations to the Board with respect to the appointment of members of the Board or former Board members to serve on each MTS committee.

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Comment [MTS9]: Note that election of the chair requires a 2/3 vote of the members of the board (not members present). Weighted vote may be called, but is subject to supermajority of weighted votes. Prior to AB805, board chair vote required 2/3 vote and prohibited use of weighted vote.

- 22.7.2 ———The Ad Hoc Nominating Committee shall also review the list of outside boards and/or committees and make recommendations to the Board with respect to the appointment of members of the Board to represent MTS on each outside board or committee, except for the Board representative appointed to the San Diego Association of Governments (SANDAG) Transportation Committee, which shall be appointed by the Executive Committee.
- 22.7.3 The Ad Hoc Nominating Committee shall also make a recommendation to the Board with respect to the appointment of the Vice ~~Chairman~~Chairperson and the Chair Pro Tem and any other board officers.
- 22.7.4 The Ad Hoc Nominating Committee shall forward its recommendations for appointments of officers and committee members on or before the first Board meeting in January.
- 22.7.5 At its first meeting in January, the Board shall elect a Vice ~~Chairman~~Chairperson and a Chair Pro Tem from amongst its members. The Vice ~~Chairman~~Chairperson shall preside in the absence of the ~~Chairman~~Chairperson. In the event of the absence or inability to act by the ~~Chairman~~Chairperson and Vice ~~Chairman~~Chairperson, the Chair Pro Tem shall preside.
- 22.7.6 The Board shall then vote on the recommendations made by the Ad Hoc Nominating Committee with respect to all other committee appointments.
- 22.7.7 In the event that a Board member vacates his or her position on the Board, at the next meeting, the Chairperson shall take nominations from the floor to fill any opening in any Committee positions vacated by that Board member.

22.8 Executive Committee

- 22.8.1 ———The Executive Committee of the Board shall consist of the ~~Chairman~~Chairperson, the Vice ~~Chairman~~Chairperson (if he or she is not already a voting member), a member from the County of San Diego, a member from the City of San Diego, the Transportation Committee Representative (if he or she is not already a voting member), one member who represents the cities of Chula Vista, National City, Coronado, and Imperial Beach (the "South Bay Cities' representative"), and one member who represents the cities of Lemon Grove, La Mesa, El Cajon, Poway, and Santee (the "East County Cities' representative"). The South Bay Cities' representative and the East County Cities' representative shall serve as members of the Executive Committee for a term of two years each. The terms of these two members shall be staggered so as to avoid replacement of both members at the same time.

- 22.8.2 ~~_____~~ The East County and South Bay representatives shall serve in the following order:
- ~~_____~~ East County: El Cajon, La Mesa, Lemon Grove, Santee, Poway—each serving a two-year term.
- ~~_____~~ South Bay: Chula Vista, Coronado, Imperial Beach, National City—each serving a two-year term.
- ~~_____~~ After each member has served as either the East County or South Bay representative, the rotation schedule shall repeat.
- 22.8.3 ~~_____~~ The alternates to the Executive Committee members shall be as follows:
- 22.8.3.1 The alternate for the County of San Diego shall be the alternate appointed by the County of San Diego to serve as the alternate for the Board.
- 2.8.3.2 ~~_____~~ The alternate for the City of San Diego shall be selected by the City of San Diego from amongst the three remaining City of San Diego Board members.
- 2.8.3.3 ~~_____~~ The alternates for the East County Cities' and the South Bay Cities' representatives shall be the representative from the city that is next in the rotation order set forth in section 22.8.2 above (for example, if the City of El Cajon is currently the primary Executive Committee member, then the City of La Mesa member shall be the alternate Executive Committee member). Alternates shall be appointed for a term of two years or such lesser term as necessary to coincide with the term of the member for whom the alternate is appointed.
- 22.8.4 The Vice ~~Chairman~~Chairperson shall attend each Executive Committee meeting as a voting member. The Vice ~~Chairman~~Chairperson shall serve as the alternate to the ~~Chairman~~Chairperson in his or her absence and as a second alternate at large for any of the Executive Committee representatives and shall be a voting member when serving in this capacity.
- 22.8.5 ~~_____~~ On or before its first meeting in January, the Executive Committee shall appoint one of its members to serve as the representative and one of its members to serve as the alternate to the San Diego Association of Governments (SANDAG) Transportation Committee to serve for a term of one year. In the event that the Executive Committee feels a member of the Board

who does not serve on the Executive Committee is their preferred representative or alternate for the SANDAG Transportation Committee, the Executive Committee shall have the ability to select the representative or alternate from the full Board. In that instance, the SANDAG Transportation Committee representative, or the alternate in his or her absence, shall attend the Executive Committee meetings as a voting member.

22.8.6 ~~————~~ The primary purpose of the Executive Committee shall be to review and recommend consent items for the agenda of the next MTS Board of Directors meeting; add or delete items as appropriate; and provide input and direction on emerging policies, plans, and issues, in advance, for Board consideration. The Executive Committee shall have the authority to create ad hoc subcommittees for purposes of carrying out its duties and responsibilities.

22.8.7 ~~————~~ Three members shall constitute a quorum of the Executive Committee, and a majority vote of the members present shall be required to approve any item. In the absence of a quorum, the ~~Chairman~~Chairperson may review and recommend consent items for the agenda, establish the order of items, and add or delete items.

22.8.8 ~~————~~ The Executive Committee shall adopt operating procedures as are necessary for the conduct of its business.

22.9 Audit Oversight Committee

22.9.1 ~~————~~ The Audit Oversight Committee shall be comprised of the same members that make up the Executive Committee and such other individuals as the Board may appoint at the first MTS Board meeting each calendar year. The ~~Chairman~~Chairperson of the Audit Oversight Committee shall be a voting member. The ~~Chairman~~Chairperson of the Audit Oversight Committee shall not be the member who serves as the Executive Committee ~~Chairman~~Chairperson. The Board may also appoint individuals who are not members of the Board to serve as non-voting advisory members to the Audit Oversight Committee

22.9.2 ~~————~~ No additional compensation shall be paid to the members of the Audit Oversight Committee unless a meeting takes place on a day other than a regularly scheduled MTS Board meeting or MTS Executive Committee meeting. Compensation shall be paid to any additional voting members who are appointed to serve on the Audit Oversight Committee. No compensation shall be paid to any non-voting advisory member appointed by the MTS Board.

22.9.3 The primary duties and responsibilities of the Audit Oversight Committee shall be to ensure that management is maintaining a comprehensive framework of internal control, to ensure that

management's financial reporting practices are assessed objectively, and to determine to its own satisfaction that the financial statements are properly audited and that any problems uncovered in the course of the audit are properly reported and resolved.

22.9.4

The Audit Oversight Committee shall:

- a. Review the scope of the annual financial statement audit and any other audits the committee feels are appropriate. The financial statement or CAFR audit should be conducted by an external, independent, public accounting firm experienced in municipal financial audits (external auditor).
- b. Review the purpose and scope of any nonaudit services to be performed by the external auditor.
- c. Oversee the procurement of the external auditor and any related advisory services with final approval by the Board.
- d. Oversee the preparation of annual financial statements, the annual financial reporting process, internal controls, and the external auditor using an appropriate degree of professional skepticism.
- e. Assess the performance of the external auditor.
- f. Provide a forum for internal auditors to report findings during committee meetings. Internal auditors are MTS employees who report to management and primarily perform operational and compliance audits. In unusual circumstances involving significant fraud, waste, or abuse, the internal auditors must contact the ~~chairman~~Chairperson of the Executive Committee and the ~~chairman~~Chairperson of the Audit Oversight Committee.
- g. Establish a procedure for receipt, retention, and treatment of complaints regarding accounting, internal controls, or auditing matters.

22.9.5

The Audit Oversight Committee shall perform the following tasks each year and, to the extent possible, adhere to this timetable:

- a. In June, review the independent audit engagement letter.
- b. In March or April, establish a plan for review of the audits with external auditor.
- c. In September, receive report on the status of any audit(s).

- d. In October, receive a report on the preliminary audit findings and review and/or amend the list of audit questions in Section 22.9.6 as appropriate.
- e. In December, receive a report and provide feedback on financial and compliance statements to Board, and provide the annual report to the Board on the committee's activities, including asking the questions listed in Section 22.9.6, as modified by the Audit Oversight Committee pursuant to Section 22.9.5(d).
- f. In March, review the management letter and management's response to the letter.

22.9.6

— At a minimum, and no later than the final MTS Board meeting for the CAFR final adoption meeting, the Audit Oversight Committee shall publically ask the following questions of MTS management and/or the external auditors:

- a. What is the name of the audit firm performing the audit, and how long has such firm been under contract to perform such audits?
- b. Was the audit performed in accordance with generally accepted auditing standards and generally accepted government auditing standards? If not, why?
- c. Has the external auditor prepared an unqualified opinion regarding the financial statements? If not, what type of opinion was issued and why?
- d. Did the external auditor issue a management letter?
- e. Did the external auditor find any nonmaterial weaknesses or reportable conditions?
- f. How did the external audit firm maintain its independence during the course of the audit?
- g. Describe, in general, the audit procedures performed.
- h. Were any new accounting principles adopted? If so, what was their effect?
- i. Does the external auditor recommend any changes in the accounting policies used or their application? Did management apply the best accounting principles or merely permitted ones?

- j. Describe any significant accounting adjustments affecting the financial statements (prior year as well as current year).
- k. Did the external auditor encounter any difficulties in dealing with management in performing the audit?
- l. Were there any disagreements with management regarding any accruals, estimates, reserves, or accounting principles?
- m. Did the external auditor have the full cooperation of MTS management and staff?
- n. Assess the quality of the accounting, internal controls, and the competency of staff.
- o. Were there any accounting issues on which the audit firm sought the advice of other audit firms or regulatory bodies?
- p. Are there new pronouncements and/or risks affecting future financial statements which the Audit Oversight Committee should be aware of?

22.9.8 ——— Three members shall constitute a quorum of the Audit Oversight Committee, and a majority vote of the members present shall be required to approve any item. In the absence of a quorum, the ~~Chairman~~Chairperson may review and recommend consent items for the agenda, establish the order of items, and add or delete items.

22.9.9 ——— The Audit Oversight Committee shall adopt operating procedures as are necessary for the conduct of its business.

22.10 Board Member Standards of Conduct

- 22.10.1 The purpose of this policy is to emphasize that each Board member occupies a position of public trust that demands the highest moral and ethical standard of conduct.
- 22.10.2 This policy shall be supplemental and in addition to the Conflict of Interest Code of the Board and any applicable laws or regulations (including, but not limited to, the Brown Act, Government Code section 1090 and the Political Reform Act) and is not intended to supersede any provisions thereof.
- 22.10.3 Board members shall not engage in any business or transaction or have a financial or other personal interest, actual, potential, or apparent, which is incompatible with the proper discharge of his or her official duties or would tend to impair his or her independence of judgment or action in the performance of such duties. Such

business, transaction, or interest shall constitute a conflict of interest.

22.10.4

No Board member shall engage in any enterprise or activity that shall result in any of the following:

- a. Using the prestige or influence of the Board office for private gain or advantage of the member or another person.
- b. Using time, facilities, equipment, or supplies of the Board for the private gain or advantage of the member or another person.
- c. Using official information not available to the general public for private gain or advantage of the member or another person.
- d. Receiving or accepting money or other consideration from anyone other than the Board for the performance of acts done in the regular course of duty.
- e. Receiving or accepting, directly or indirectly, any gift or favor from any one doing business with the Board under circumstances from which it could reasonably be inferred that such was intended to influence such person in such person's duties or as a reward for official action.
- f. Soliciting any gift or favor in such person's official capacity, either directly or indirectly, when such solicitation might reasonably be inferred as to have a potential effect on such person's duties or decision, or when the individual's position as a Board member would in any way influence the decision of the person being solicited.
- g. Engaging in or accepting private employment or rendering services for private interest, direct or indirect, which may conflict with such person's responsibility or duty, or which, because of that person's position, may influence a decision to the benefit of the organization in which such person has an interest.

22.10.5

If a Board member has an actual, potential, or apparent conflict of interest in the subject of an agenda item, and the Board will make a decision regarding this agenda item during an open session meeting, the Board member must recuse himself or herself or, in the case of uncertainty, request a binding determination from the Board's General Counsel. If the Board member has a conflict, he or she may observe, but not participate, in the decision-making process.

- 22.10.6 If a Board member has an actual, potential, or apparent conflict of interest in the subject of an agenda item to be discussed during a closed session meeting, the Board member shall be disqualified and not present during such discussion so as not to make, participate in making, or in any way attempt to use his or her official position to influence the discussion or decision. In such case, the Board member must recuse himself or herself or, in the case of uncertainty, request a binding determination from the Board's General Counsel. In accordance with the Brown Act, the Board member would be entitled to any information that is publicly reported. The Board member would not, however, be privy to any confidential or privileged information or communications pertaining to the closed session agenda item.
- 22.10.7 No Board member shall disclose to any person, other than members of the Board and other Board staff designated to handle such confidential matters, the content or substance of any information presented or discussed during a closed session meeting unless the Board authorizes such disclosure by the affirmative vote by a majority of the Board.
- 22.10.8 No Board member may disclose confidential or privileged information or communications to any person other than a Board member, General Counsel to the Board, or other Board staff designated to handle such matters, unless disclosure is mandated by law or the Board authorizes such disclosure by the affirmative vote of a majority of the Board.
- 22.10.9 A Board member shall not be privy to confidential or privileged information or communications concerning threatened, anticipated, or actual litigation affecting the Board where the Board member has an actual, potential, or apparent conflict of interest. In the case of uncertainty as to whether a conflict of interest exists, the Board's General Counsel shall issue a binding determination.
- 22.10.10 No Board member shall represent a position on an issue to be the Board's unless the Board has formally adopted such position at a public meeting.
- 22.10.11 Any violation of this policy shall constitute official misconduct if determined by an affirmative vote of the majority of the Board in an open and public meeting. The Board may elect to censure the Board member and the violation may be subject to criminal and/or civil penalties as provided for by applicable law.

| Original Policy approved on 4/5/84.
 Policy revised on 1/12/84.
 Policy revised on 7/11/85.
 Policy revised on 1/8/87.

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Policy revised on 1/11/90.
Policy revised on 8/23/90.
Policy revised on 1/10/91.
Policy revised on 3/24/94.
Policy revised on 1/14/99.
Policy revised on 6/14/01.
Policy revised on 1/10/02.
Policy revised on 1/24/02.
Policy revised on 5/8/03.
Policy revised 2/26/04.
Policy revised 1/12/06.
Policy revised 3/9/06.
Policy revised 3/23/06.
Policy revised 6/14/07.
Policy revised 7/19/07.
Policy revised 2/21/08.
Policy revised 12/11/08.
Policy revised 2/12/15.
Policy revised 11/10/16.
Policy revised 11/9/2017, changes effective 1/1/2018.

Policies and Procedures

No. 27

SUBJECT:
11/9/17

Board Approval: 3/11/04

WEIGHTED VOTE PROCEDURE

PURPOSE:

To set forth a policy and procedure to implement the Public Utilities Code Section 120102.5 regarding weighted votes.

BACKGROUND:

Public Utilities Code Section 120102.5, ~~adopted as part of the MTS reorganization legislation (Stats. 1984, Chapter 1124, Section 2), requires the affirmative vote of the a quorum of a~~ majority of the 15 members of the Board, ~~and a majority vote of the members present,~~ for all official acts. The section further provides that after a vote is taken, a weighted vote may be called and requires the Board to adopt a policy and procedure to implement that weighted vote.

Comment [MTS1]: See revised PUC 120102.5(a)

POLICY:

27.1 The members of the Board shall vote on all items on the basis of one vote per member except that if representatives of two jurisdictions, ~~at least one of whom is not a City of San Diego representative,~~ request a weighted vote after voting on any particular item; in that event, a new weighted vote that will be final and binding shall be taken.

27.2 ~~The weighted vote procedure shall not be used on any matter of purely intracity local service unless it is the desire of the affected city or jurisdiction.~~

Comment [MTS2]: AB 805 deleted this language

~~27.3~~ When the weighted vote is taken, there shall be a total of 100 votes. Each member shall have that number of votes determined by the following apportionment formula provided that each member shall have at least one vote, and there shall be no fractional vote except for the representatives of the City of San Diego.

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a. Each of the four representatives of the City of San Diego shall exercise 12 1/2 weighted votes for a total of 50 votes.

b. ~~The Chairperson shall exercise one weighted vote. representatives of the City of Chula Vista shall split the votes allocated to that city evenly.~~

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Comment [MTS3]: See revised PUC 120102.5(b)

c. The County of San Diego and each city other than the City of San Diego shall in total exercise ~~49-50~~ weighted votes to be apportioned annually by population.

Comment [MTS4]: Revised PUC 120102.5(b)

d. The following formula shall be used in the annual apportionment:

- (1) Determine the population of each city, other than the City of San Diego, and the population of the County of San Diego in the unincorporated area of the County within the area of jurisdiction of the Board.
- (2) Total the population determined in Step (1) and compute the percentage of that total that each jurisdiction has.
 - (a) Multiply each percentage derived above by ~~5049~~ to determine fractional shares.
 - (b) Boost fractions that are less than one to one; and add the whole numbers.
 - (c) If the answer to Step (b) is ~~4950~~, drop all fractions and the whole numbers are the votes for each jurisdiction.
 - (d) If the answer to Step (b) is less than ~~4950~~, the remaining vote(s) are allocated to each of the jurisdiction(s) having the highest fraction(s) except those whose vote was increased to one in Step (b) above.
 - (e) If the answer to Step (b) is more than ~~4950~~, the excess vote(s) is taken one each from the jurisdiction(s) with the lowest fraction(s). In no case may a vote be reduced to less than one.

27.4 When a weighted vote is taken, the vote of not less than three (3) jurisdictions, representing not less than fifty-one percent (51%) of the total weighted vote shall be required to supersede the original action. If the weighted vote fails, action determined by the original vote shall stand.

Comment [MTS5]: No change from current law. See revised PUC 120102.5(c)

a. ~~When a weighted vote is taken on any item that requires more than a majority vote of the board, it shall also require the supermajority percentage of the weighted vote.~~

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Comment [MTS6]: See revised PUC 120102.5(d)

27.5 The weighted vote shall be recomputed in the above manner on July 1 of each year. For Fiscal Year ~~2004-2005~~ 2017-2018, a weighted vote shall be as follows:

City of San Diego	50
County of San Diego	4215
Chula Vista	4414
El Cajon	65
National City	43
La Mesa	43
Santee	33
Poway	33

Imperial Beach	2
Lemon Grove	<u>21</u>
Coronado	<u>21</u>
Chairperson	<u>1</u>
TOTAL	100

~~DDarro/SChamp/JGarde~~

POLICY.27.WEIGHTED VOTE PROCEDURE

7/14/06

Original Policy approved on 7/11/85.

Policy revised on 8/14/86.

Policy revised on 7/9/87.

Policy revised on 7/14/88.

Policy revised on 7/13/89.

Policy revised on 9/12/91.

Policy revised on 9/11/03.

Policy revised on 3/11/04.

Policy revised on 11/9/17, effective 1/1/18.

AFTER AB 805 - effective January 1, 2018**MTS Weighted Vote Procedure****2018****MTS Policy No. 27****Source: 2015 ACS 5-Year Estimates**

Jurisdiction	Population	% of Pop	Votes	Policy 27.3(d)(2)(b)	Fraction	Fraction Rank	Additional Vote	Policy 27.3(d)(2)(d)
County of San Diego*	283,273	29.97%	14.98	14	0.98	1	1	15
City of Chula Vista	257,296	27.22%	13.61	13	0.61	4	1	14
City of Coronado	24,447	2.59%	1.29	1	0.29	8	0	1
City of El Cajon	102,383	10.83%	5.42	5	0.42	6	0	5
City of Imperial Beach	27,051	2.86%	1.43	1	0.43	5	1	2
City of La Mesa	58,858	6.23%	3.11	3	0.11	10	0	3
City of Lemon Grove	26,225	2.77%	1.39	1	0.39	7	0	1
City of National City	60,043	6.35%	3.18	3	0.18	9	0	3
City of Poway	49,484	5.23%	2.62	2	0.62	3	1	3
City of Santee	56,225	5.95%	2.97	2	0.97	2	1	3
Totals	945,285	100.00%	50	45				50

*In SANDAG estimates, County population is not broken up by MTS/NCTD jurisdiction. See table below for calculation.

Weighted Votes - 2018	
Jurisdiction	Votes
City of San Diego - #1	12.5
City of San Diego - #2	12.5
City of San Diego - #3	12.5
City of San Diego - Mayor	12.5
County of San Diego	15
City of Chula Vista - Mayor	7
City of Chula Vista	7
City of Coronado	1
City of El Cajon	5
City of Imperial Beach	2
City of La Mesa	3
City of Lemon Grove	1
City of National City	3
City of Poway	3
City of Santee	3
Totals	100

Unincorporated Area Population Calculation		
A	2012 Estimates for Unincorporated Pop <i>Plotted Series 13 (2012 forecast) TAZ data in GIS</i>	495,299
B	Unincorporated Population - MTS	257,611
C	Unincorporated Population - NCTD	202,689
D = B / (B+C)	Percent County Population in MTS Area	56%
E = D*A	Attributed County Population in MTS Area	277,199

Policies and Procedures

No. 52

Board Approval: ~~6/9/2016~~11/09/17,

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SUBJECT:

PROCUREMENT OF GOODS AND SERVICES

PURPOSE:

To provide a uniform policy that guides the acquisition of goods and services for use at MTS.

BACKGROUND:

There is a compelling interest in ensuring that all federal, state, local, and private funds available to MTS are captured and used timely and in a manner that is compliant with federal and state procurement rules. To maximize the use of federal, state, local, and private funds and to maintain a competitive posture in seeking supplemental federal funds, MTS shall have the authority to establish and use a flexible contracting and procurement process. MTS may use any procurement method authorized for state or local agencies under state or federal law. This Policy provides the framework for what acquisition and contracting guidelines MTS shall comply with in the procurement of all of its goods and services.

This Policy applies to San Diego Metropolitan Transit System (MTS), San Diego Transit Corporation (SDTC) and San Diego Trolley Inc. (SDTI), collectively "MTS".

POLICY:

52.1 Regulatory Framework

- A. MTS's enabling legislation is codified at California Public Utilities Code §§ 120220-120238. Included in MTS's enabling legislation are various provisions regulating procurement. In particular, MTS's enabling legislation sets forth the requirements for purchasing goods and services funded by federal, state, local and private funds.
- B. As a recipient of Federal Transportation Administration (FTA) funds, MTS shall comply with all applicable FTA regulations and directives. All applicable FTA regulations and directives that MTS shall follow may be found at MTS Board Policy No. 52, Exhibit A.

- C. As a recipient of California Department of Transportation (CALTRANS) funds, MTS shall comply with applicable CALTRANS procurement requirements and standards. All applicable CALTRANS regulations and directives that MTS shall follow may be found at MTS Board Policy No. 52, Exhibit A.
- D. MTS is a political subdivision and local agency of the State of California. As such, MTS shall comply with all applicable California Government Code (Cal. Gov. Code), California Public Contract Code (Cal. Pub. Con. Code), California Labor Code (Cal. Lab. Code), California Public Utility Code (Cal. Pub. Util. Code), California Civil Code (Cal. Civ. Code) and California Code of Civil Procedure (Cal. Code of Civ. Pro.) sections that regulate how MTS shall procure goods and services. All applicable code sections that MTS shall follow may be found at MTS Board Policy No. 52, Exhibit A.

52.2 Procurement Standards

- A. MTS may contract with any department or agency of the United States of America, the State of California, or with any other public agency or any private persons or entity upon such terms and conditions as MTS finds to be in its best interest. MTS may also join other agencies in a joint procurement to issue a single solicitation and enter into a single contract with a Contractor.
- B. MTS shall include all federal, state and local requirements and clauses in its solicitations and contracts, as applicable.
- C. No procurements shall be split into multiple small contract awards merely to avoid rules applicable to full and open competitive procurements. However, procurements may be split if doing so will aid efforts to foster greater opportunities for Disadvantaged Business Enterprises (DBEs) and other small business enterprises.
- D. Prior to award of a contract, MTS shall certify and document that the price is fair and reasonable in connection with any procurement action that is within the micro purchase threshold. A price or cost analysis will be documented for procurements that exceed the micro-purchase threshold. The method and degree of analysis shall depend on the circumstances of each procurement.
- E. The Chief Executive Officer, through an internal policy or procedural manual, may establish additional standards and procedures for MTS procurements.

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52.3 Procurement Methods – Full and Open Competition

A. Micro-Purchases: \$3,500 or less

MTS may conduct micro-purchase procurements without obtaining competitive quotations. MTS shall solicit at least one documented quote. Any construction service that is expected to be more than \$1,000 but does not exceed \$50,000 shall be conducted in accordance with the Section 52.3 (B) of this Policy.

B. Small Purchases: More than \$3,500, but does not exceed \$100,000 for goods and services and more than \$1,000 but does not exceed \$50,000 for construction services

When the expected amount of the small purchase is more than \$3,500 but does not exceed \$100,000 for goods and services, and is more than \$1,000 but does not exceed \$50,000 for construction services, MTS shall conduct a documented competitive procurement as identified in the subsections below. MTS shall seek not less than three documented quotations/submissions through a Request for Quotes (RFQ), Invitation for Bids (IFB) or Request for Proposals (RFP) process that would permit price and other terms to be compared.

(i) Construction Services: More than \$1,000, but does not exceed \$50,000

- a. MTS may utilize an IFB or RFQ procurement method, whichever is most appropriate, and award to the lowest responsible and responsive bidder.
- b. If No Responsive Bid Received - If after solicitation of bids no responsive bids are received, the project may be performed through direct negotiations with a responsible and responsive Contractor.

(ii) Goods: More than \$3,500, but does not exceed \$100,000

- a. MTS may utilize a RFQ or IFB procurement method, whichever is most appropriate, and award to the lowest responsive and responsible bidder. For purposes of determining the lowest price, the amount of sales tax shall be excluded from the total amount of the bid received.
- b. If Lower Price Available in Open Market – If after rejection of bids, the Board of Directors determines and declares by two-thirds vote that the goods may be purchased at a lower price in the open market, the Board of Directors may proceed to

purchase the goods in the open market without further observance of Section 52.3 (B) of this Policy.

- c. If No Responsive Bid Received - If after solicitation of bids, the Board of Directors determines and declares by majority vote that it has not received a responsive bid, the Board of Directors may proceed to purchase the goods in the open market without further observance of Section 52.3 (B) of this Policy.
 - d. Procurement of Prototype Equipment or Modifications - Upon a finding by two-thirds of all members of the Board of Directors that a purchase in compliance with Section 52.3 (B) of this Policy. does not constitute a method of procurement adequate for the operation of MTS facilities or equipment, the Board of Directors may direct the procurement of prototype equipment or modifications in an amount sufficient to conduct and evaluate operational testing without further observance of Section 52.3 (B) of this Policy.
 - e. Source of Procurement for Replacement Goods: The Board of Directors may direct the purchase of any goods without observance Section 52.3 (B) of this Policy upon a finding by two-thirds of all members of the Board of Directors that there is only a single source of procurement and that the purchase is for the sole purpose of duplicating, repairing, or replacing goods that are in use, including upgrades or migrations of proprietary intellectual property.
- (iii) Services (Excluding Architectural, Landscape Architectural, Engineering, Environmental, Land Surveying Services and Construction Management): More than \$3,500, but does not exceed \$100,000

MTS may utilize a RFQ or RFP procurement method, whichever is most appropriate, and shall award the contract to either the lowest responsible and responsive bidder or to a responsible and responsive proposer who is determined to have provided the overall best value based on an evaluation of price and other factors.

- (iv) Architectural, Landscape Architectural, Engineering, Environmental, Land Surveying Services and Construction Project Management Service Procurements: More than \$3,500, but does not exceed \$100,000

Unless another method is more appropriate, MTS may utilize a Request for Statement of Qualifications (RFSQ) procurement method and shall award the contract to the most highly rated offeror, in accordance with the Cal. Gov. Code §§ 4525 et seq. or the Brooks Act if federally funded.

- C. Formal Procurements: More than \$50,000 for construction services and more than \$100,000 for goods and other services

When the expected amount of the procurement is more than \$50,000 for construction services and more than \$100,000 for goods and other services, MTS shall conduct a documented competitive procurement as identified in the subsections below. All of the below competitive procurements shall be advertised in accordance with Section 52.4 of this Policy to ensure full and open competition.

- (i) Construction Services: More than \$50,000

a. Unless another procurement method is more appropriate, MTS may utilize an IFB procurement method and shall award to the lowest responsible and responsive bidder.

b. No Bids Received: If after solicitation of bids no responsive bids are received, the project may be performed through direct negotiations with a responsible and responsive Contractor.

c. If more than \$1,000,000, then the construction services contract shall include an enforceable commitment that the contractor and its subcontractors at every tier will use a skilled and trained workforce to perform all work on the project/contract that falls within an apprenticeship occupation in accordance with Public Contract Code section 2600 et seq.

b-i. In lieu of the above, this requirement may be satisfied if a binding project labor agreement is in place that would cover the construction work at issue.

- (ii) Goods: More than \$100,000

a. MTS may utilize either an IFB or a RFP procurement method, whichever is most appropriate, and shall award either to the lowest responsible and responsive bidder or to a responsible and responsive proposer who is determined to have provided the overall best value based on price and other factors. For

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Comment [MTS1]: See new PUC 120221.5

purposes of determining the lowest price, the amount of sales tax shall be excluded from the total amount of the bid or proposal received.

- b. If Lower Price Available in Open Market – If after rejection of bids, the Board of Directors determines and declares by two-thirds vote that the goods may be purchased at a lower price in the open market, the Board of Directors may proceed to purchase the goods in the open market without further observance of Section 52.3 (C) of this Policy.
- c. If No Responsive Bid Received - If after solicitation of bids, the Board of Directors determines and declares by majority vote that it has not received a responsive bid, the Board of Directors may proceed to purchase the goods in the open market without further observance of Section 52.3 (C) of this Policy.
- d. Procurement of Prototype Equipment or Modifications - Upon a finding by two-thirds of all members of the Board of Directors that a purchase in compliance with Section 52.3 (C) of this Policy does not constitute a method of procurement adequate for the operation of MTS facilities or equipment, the Board of Directors may direct the procurement of prototype equipment or modifications in an amount sufficient to conduct and evaluate operational testing without further observance of Section 52.3 (C) of this Policy.
- e. Source of procurement for replacement goods: The Board of Directors may direct the purchase of any goods without observance of Section 52.3 (C) of this Policy upon a finding by two-thirds of all members of the Board of Directors that there is only a single source of procurement and that the purchase is for the sole purpose of duplicating, repairing, or replacing goods that are in use, including upgrades or migrations of proprietary intellectual property.

- (iii) Services (Excluding Architectural, Landscape Architectural, Engineering, Environmental, Land Surveying Services and Construction Management Services): More than \$100,000

MTS may utilize an IFB or RFP procurement method, whichever is most appropriate, and award to the lowest responsible and responsive bidder or a responsible and responsive proposer who is

determined to have provided the overall best value based on price and other factors.

- (iv) Architectural, Landscape Architectural, Engineering, Environmental, Land Surveying Services and Construction Project Management Services: More than \$100,000

- a. MTS may utilize a RFSQ procurement method, and shall award the contract to the most highly rated offeror, in accordance with the Cal. Gov. Code §§ 4525 et seq. or the Brooks Act if federally funded.
- b. This section shall not apply if the Chief Executive Officer determines that the services needed are more technical in nature, involve little professional judgment and that another procurement method would better serve MTS' needs.

D. Design-Build:

When deemed appropriate, MTS may utilize a documented competitive RFP procurement method and shall award to the proposer who provides the best overall value, based on price and other factors. The award shall be to a single contractor for the design, construction and delivery of a complete and operational project.

E. Design-Bid-Build:

When deemed appropriate MTS may:

- (i) First: Utilize through a documented competitive RFP or IFB procurement method, whichever is most appropriate, a design services contract for the development of drawings and specifications and shall award the contract to lowest responsible and responsive bidder or a responsible and responsive proposer who is determined to have provided the overall best value based on price and other factors
- (ii) Second: Utilize a documented competitive IFB procurement method for the construction and delivery of a complete and operational project and award to the lowest responsive and responsible bidder.

F. Noncompetitive Procurement: Sole Source

MTS may utilize a documented Sole Source procurement method when:

- (i) The goods or services it needs are available from only one responsible and responsive source and no other goods or services will satisfy its requirements;
- (ii) A change to a contract is beyond the contract's original scope;
- (iii) A specified brand or trade name is the only article that will properly meet the needs of the Board of Directors;
- (iv) In an emergency declared by vote of two-thirds of the membership of the Board of Directors;
- (v) Immediate remedial measures to avert, alleviate, repair or restore damaged MTS property are necessary to ensure that MTS facilities or vehicles are available to serve the transportation needs of the public; or
- (vi) Otherwise authorized by local, state or federal law.

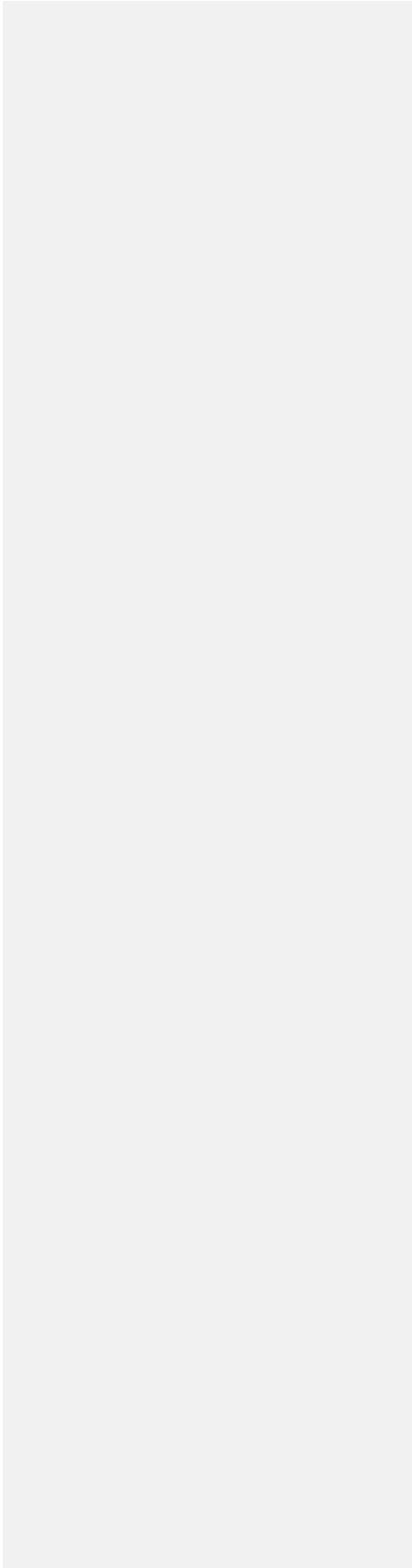
In all cases Sole Source procurements must be fully approved before award.

G. Revenue Contracts

Unless another method is more appropriate, MTS may utilize a competitive solicitation process for revenue contracts. MTS shall award a revenue contract to the candidate whose offer maximizes revenues to MTS after consideration of all technical qualifications and other criteria as applicable.

52.4 Advertising

- A. Procurements which require advertising shall be published through one or more of the following sources:
 - (i) Within a newspaper of general circulation in San Diego County;
 - (ii) Within the a bid management site (e.g. PlanetBids); and/or
 - (iii) In a local community, small business or contracting trade publication.
- B. MTS may also send to contractors and bidders previously known to be interested in providing the goods or services and at least 1 DBE contractor or other small business contractor that performs the subject work, if available.
- C. Any notice shall specify in the bid invitation and public notice the place bids are to be received and the time by which they shall be received.



52.5 Contract Form

All purchases shall be documented. MTS may document purchases using one of the following contract forms: Formal Contract, Purchase Order, Vendor Service Contract Form, Memorandum of Understanding, Memorandum of Agreement and purchases by Payment Card when permissible under the MTS Purchasing Card Policy.

52.6 Contract Award

The authority to approve and execute all procurement activities shall be in accordance with MTS Board Policy No. 41 – “Signature Authority”.

52.7 Protests

- A. Content Based Protest: Protests based on the content of the procurement solicitation shall be filed with MTS Procurement Manager within 10 calendar days after the procurement solicitation is first advertised. The Chief Executive Officer’s designee, the MTS Procurement Manager, shall issue a written decision on the protest prior to opening of the procurement solicitation. A protest may be renewed by refiling the protest with MTS Procurement Manager within 15 calendar days after the mailing of the notice of the intent to award.
- B. Award Protest: Any bidder may protest the intent to award on any ground not based upon the content of the procurement solicitation by filing a protest with MTS Procurement Manager within 15 calendar days after the mailing of the notice of the intent to award.
- C. Content of Protest: Any protest shall contain a full and complete written statement specifying in detail the grounds of the protest and the facts supporting the protest.
- D. Opportunity to be Heard: Protestors shall have an opportunity to appear and be heard before the Board of Directors prior to the opening of the procurement solicitation in the case of protests based on the content of the procurement solicitation, or prior to final award in the case of protests based on other grounds or the renewal of protests based on the content of the procurement solicitation. The decision of the protest by the Board of Directors shall be in writing and constitutes a final administrative decision for purposes of judicial review pursuant to Cal. Code of Civ. Pro. § 1094.6
- E. Protests on Federally Funded Procurements: MTS shall notify the FTA when MTS receives a protest on a federally funded procurement and keep the FTA informed about its status. A protestor may appeal to the FTA within five (5) working days of the date when the protestor receives actual or constructive notice of MTS’s final decision on a protest.

52.8 Responsible and Responsive Contractors

MTS shall award contracts only to responsible and responsive contractors. The degree and complexity of the responsibility and responsiveness analysis shall depend on the procurement method utilized. The solicitation must identify all factors to be used in evaluating whether contractors are responsible and responsive.

- A. Responsible: In selecting a responsible contractor, MTS staff shall consider:
 - the contractor's capacity to perform the work required by the contract documents with respect to financial strength, resources available and experience; and the contractor's integrity and trustworthiness to complete performance of the work in accordance with the contract.
- B. Responsive: MTS staff, prior to making a recommendation to award, shall ensure that all prospective contractors meet all the responsiveness requirements of the solicitation which may include, but shall not be limited to, submission of all required documentation and meeting all minimum performance qualifications.

52.9 Prequalification

MTS may prequalify contractors when there is a reasonable expectation that the procurement may involve precise specifications and performance standards.

52.10 Bonds, Retention and Rates

A. Bonding

- (i) Bidder's Security – MTS shall require the following forms of bidder's security for all construction service contracts estimated to cost more than \$50,000: cash, a cashier's check, certified check or a bidder's bond executed by an admitted surety insurer. MTS may require bidder's security for other procurements when MTS finds it necessary to provide assurance that the bidder will execute the contract as may be required.
- (ii) Payment Bond – MTS shall require that for all construction service contracts over \$25,000, a payment bond be provided by the Contractor. MTS may require payment bonds for other procurements when MTS finds it necessary to provide additional assurances that the Contractor will make payment to all people and firms supplying labor and material.
- (iii) Performance Bond – MTS shall require that for all construction service contracts over \$100,000 that are funded in whole or in part

with federal funds, a performance bond be provided by the Contractor. MTS may require performance bonds for other procurements when MTS finds it necessary to provide additional assurances that the Contractor will fulfill all contractual obligations.

B. Retention

MTS shall require that for all construction contracts over \$5,000, MTS will retain at least 5% of the contract price. MTS may hold more than 5% retention if a finding is made by the Chief Executive Officer at a public hearing on a project by project basis that an increased amount is necessary and such findings are detailed in the bid documents.

C. Prevailing Wage

All public work contracts (as that term is defined by the Cal. Lab. Code § 1771 and the federal Davis Bacon Act) valued at more than \$1,000 shall be subject to the payment of federal and/or state prevailing wage wages, whichever is higher. Public works contracts funded solely with federal funds valued at more than \$2,000 shall be subject to the payment of federal prevailing wage.

Original Policy Enacted on 6/22/2006

Policy Revised on 9/13/2007

Policy Revised on 11/18/2010

Policy Revised on 6/9/2016

Policy Revised on 11/9/2017, effective January 1, 2018

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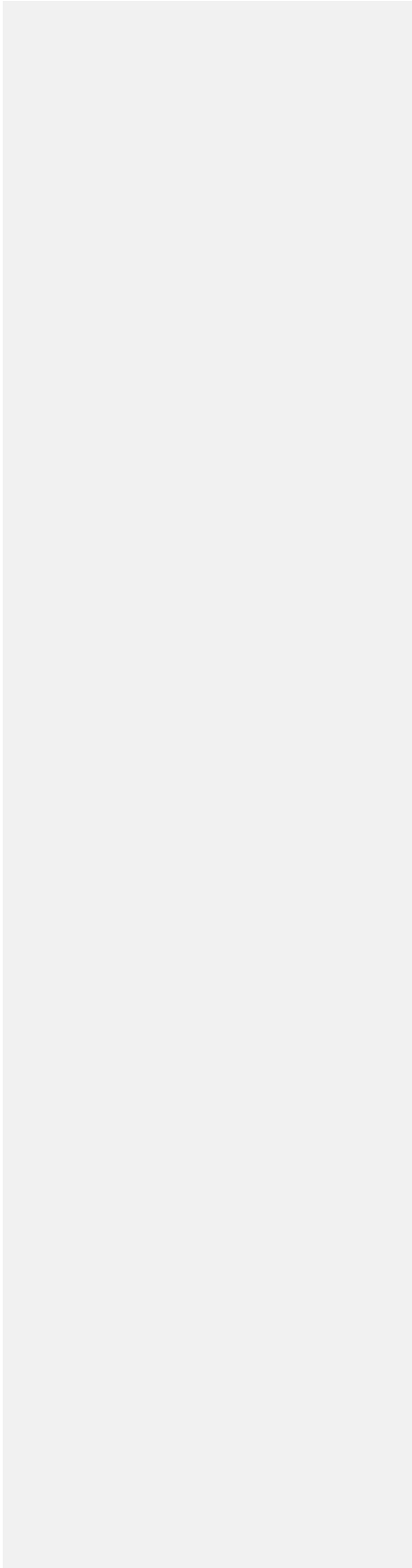


Exhibit AStatutory and Regulatory Requirements Table:

The following is a listing of the sources of laws, regulations, and guidance that MTS shall follow, depending on the procurement's funding source:

Federal Statute, Regulations, and Policies	Subject
49 U.S.C Chapter 53	Mass Transportation
49 CFR Part 18	Administrative Requirements for Grants and Cooperative Contracts
FTA Circular 4220.1F	Third Party Contracting Guidance
FTA Circular 5010.1D	Grant Management Guidelines
FTA Circular 5100.1	Bus and Bus Facilities
FTA Circular 5300.1	State of Good Repair
FTA Circular 6100.1E	Technology
FTA Circular 9030.1E	5307 Program
FTA Circular 9040.1G	Non Urbanized
FTA Circular 9045.1	New Freedom
FTA Circular 9050.1	JARC
FTA Circular 9070.1F	ADA Capital
FTA Circular 9300.1B	Capital Investment
Office of Management of Budget (OMB) Circular A-87	Cost Principles for State, Local and Indian Tribal Governments
FTA Master Agreement	Annual Terms and Conditions of FTA funded

	projects
FTA Certification and Assurances	Annual Agreement between MTS and FTA
Moving Ahead for Progress in the 21st Century Act (P.L. 112-141)	Transportation Law Appropriating Transportation Funds
FAR Part 31	Federal Cost Principles
2 CFR Part 200	Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards

State Laws	Sections(s)	Subject
Public Utilities Code	120220 – 120228	MTS Enabling Legislation
Civil Code	9550 et seq.	Payment Bond Requirement for Construction Projects
Civil Code	3320 – 3321	Prompt Payment and Retention to Design Professionals
Code of Civil Procedure	995.311	Verification of Admitted Surety Insurers on Bonds
Government Code	4525 et seq.	Architect & Engineering Services
Government Code	6250 – 6270	California Public Records Act
Government Code	5956 et seq.	Infrastructure Projects
Government Code	14080 et seq.	Funding from California Department of Transportation for Exclusive Mass Transit Guideway Systems
Labor Code	1720, 1720.2, 1720.3, and 1771	Public Works and Prevailing Wage
Code of Regulations	8 CCR 16000	Public Works and Prevailing Wage Cont.
Public Contract Code	1103	Responsible Bidder in Public Work Contracts
Public Contract Code	1104	Architectural & Engineering Plans and Specifications
Public Contract Code	3300	Contractor's License in Specifications for Bids
Public Contract Code	3400	Trade Name or Specific Names in Specifications for Bids
Public Contract Code	4100 - 4114	Subcontracting

Public Contract Code	5100 - 5107	Relief of Bidders
Public Contract Code	6109	Ineligible and Debarred Contractors and Subcontractors
Public Contract Code	6610	Contents of Notice Inviting Bids
Public Contract Code	7100 - 7200	Public Work Contract Clauses
Public Contract Code	9201 - 9203	Claims and Disputes
Public Contract Code	20101	Prequalification of bidders
Public Contract Code	20103.5	Effect of License Requirement on Bid
Public Contract Code	20103.6	Procurement of Architectural Design Services
Public Contract Code	20103.8	Determining the Lowest Bid
Public Contract Code	20104	Resolution of Construction Claims
Public Contract Code	20104.50	Progress Payments on Public Works
Public Contract Code	20216	Competitive Negotiation Process
Public Contract Code	20341	Procurement of Construction Services
Public Contract Code	20342	Bidder's Security – Bid Bond Requirement for Construction Projects

Exhibit A was originally adopted on 6/9/2016.

The election of a chairperson is governed by MTS's enabling legislation. MTS Board Policy No. 22 also references it (discussed below), but the statute controls if there is a conflict.

Currently, the Chair is either a member of the public appointed by the board to hold the 15th board seat or a sitting member of the board (appointed by his or her member agency). They are elected by a 2/3 vote of the board and weighted voting cannot be used. They serve a 4-year term but are subject to a 2/3 removal vote. Chairman Harry Mathis was elected to his current term in December 2013. His term expires December 2017.

Under AB 805, effective January 1, 2018, the MTS Board Chair must be a member of the Board (there is no longer the option for a member of the public). The Chairperson serves a 2-year term and must be elected by a 2/3 vote of the Board. Weighted voting can be used, but the weighted vote percentage must match the 2/3 (requires at least 66.7 of weighted vote points).

Current Public Utilities Code reads:	The new MTS enabling legislation under AB 805 reads:
<p>120050.2. The board consists of 15 members selected as follows:</p> <p>(a) One member of the County of San Diego Board of Supervisors, appointed by the board of supervisors.</p> <p>(b) Four members of the City Council of the City of San Diego, one of whom may be the mayor, appointed by the city council.</p> <p>(c) One member of each city council appointed individually by the City Councils of the Cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, and Santee.</p> <p>(d) One person, a resident of San Diego County, elected by a two-thirds vote of the board, a quorum being present, who shall serve as chairperson of the board. The chairperson shall serve for a term of four years, except that he or she is subject to removal at any time by a two-thirds vote of the board, a quorum being present. If the person elected chairperson is also a member of the board, the appointing power may not fill the vacancy created by the election of that member as chairperson as long as that member remains chairperson and, if removed as chairperson, that person shall resume the position on the board he or she vacated upon</p>	<p>120050.2. The board consists of 15 members selected as follows:</p> <p>(a) One member of the County of San Diego Board of Supervisors, appointed by the board of supervisors.</p> <p>(b) One member of each city council appointed individually by the city councils of the Cities of Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, and Santee.</p> <p>(c) Four members of the City Council of the City of San Diego, one of whom shall be the mayor, and two members of the City Council of the City of Chula Vista, one of whom shall be the mayor, each appointed by their respective city council.</p> <p>(d) The chairperson of the board shall be selected by a two-thirds vote of the board, a quorum being present. The chairperson shall serve for a term of two years, except that he or she is subject to removal at any time by a two-thirds vote of the board, a quorum being present.</p>

<p>election as chairperson. Section 120102.5 does not apply to any vote taken under this subdivision. Further, in the event that the chairperson is elected from the membership of the board, the County of San Diego shall then have two members appointed by the board of supervisors and the board membership shall remain at 15. In the event the subsequently elected chairperson is not a member, the membership on the board of the second appointee of the County of San Diego shall be suspended and the board membership shall remain at 15.</p>	
<p>120102.5.</p> <p>(a) A majority of the members of the board constitutes a quorum for the transaction of business. All official acts of the board require the affirmative vote of the majority of the members of the board. However, after a vote of the members is taken, a weighted vote may be called by any two members, at least one of whom is not a City of San Diego representative.</p> <p>(b) In the case of a weighted vote, each of the four representatives of the City of San Diego shall exercise 12 1/2 weighted votes, for a total of 50 votes. The County of San Diego and each city, other than the City of San Diego, shall, in total, exercise 49 weighted votes to be apportioned annually by population. The chairperson, if not chosen from the membership of the board, shall exercise one weighted vote.</p> <p>(c) Approval under the weighted vote procedure requires the vote of the representatives of not less than three jurisdictions representing not less than 51 percent of the total weighted vote to supersede the original action of the board.</p> <p>(d) The weighted vote procedure shall not be used on any matter of purely intracity local service, unless it is the desire of the affected city or jurisdiction.</p> <p>(e) The weighted vote procedure shall not be used for purposes of subdivision (c) of Section 120265.</p>	<p>120102.5.</p> <p>(a) A majority of the members of the board constitutes a quorum for the transaction of business. All official acts of the board require the affirmative vote of the majority of the members of the board present. However, after a vote of the members is taken, a weighted vote may be called by the members of any two jurisdictions.</p> <p>(b) In the case of a weighted vote, the County of San Diego and each city shall, in total, exercise 100 votes to be apportioned annually based on population, except in the case of the City of San Diego. Each of the four representatives of the City of San Diego shall exercise 12 1/2 weighted votes, for a total of 50 votes. The representatives for the City of Chula Vista shall split the votes allocated to that city evenly among its representatives.</p> <p>(c) Approval under the weighted vote procedure requires the vote of the representatives of not less than three jurisdictions representing not less than 51 percent of the total weighted vote to supersede the original action of the board.</p> <p>(d) When a weighted vote is taken on any item that requires more than a majority vote of the board, it shall also require the supermajority percentage of the weighted vote.</p> <p>(e) For purposes of subdivision (b), the population of the County of San Diego is the population in the unincorporated area of the county within the area of jurisdiction of the</p>

<p>(f) For purposes of subdivision (c), the population of the County of San Diego is the population in the unincorporated area of the county within the area of jurisdiction of the transit development board.</p> <p>(g) The board shall adopt a policy and procedure to implement this section.</p>	<p>transit development board pursuant to Section 120054.</p> <p>(f) The board shall adopt a policy and procedure to implement this section.</p>
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Current MTS Board Policy No. 22 addresses the Board Chair position in the following sections:

Board Policy No. 22.1.2(d) – 21.1.2 details Board membership consistent with MTS' enabling legislation. Subsection (d) reflects the fact that MTS has traditionally used the public member chair position:

22.1.2 The Board consists of 15 members selected as follows:

- a. One member of the County of San Diego Board of Supervisors appointed by the Board of Supervisors.*
- b. Four members of the City Council of the City of San Diego, one of whom may be the mayor, appointed by the City Council.*
- c. One member of each city council appointed individually by the City Councils of the Cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, and Santee.*
- d. One person, a resident of San Diego County, elected by a two-thirds vote of the Board, a quorum being present, who shall serve as chairperson of the Board.*

Board Policy No. 22.6 – Details process for electing Chair. In the case of a new chair, the Executive Committee is charged with creating an ad hoc nominating committee that will recommend candidates to the Board for the Chair position:

22.6 Chairperson

Prior to the expiration of a Chairperson's term, the Executive Committee shall make a recommendation to the Board on whether to reelect the current Chairperson. In the event that the Board does not reelect a chairperson, or in the event of a vacancy in the position of Chairperson, the Executive Committee shall create an ad hoc nominating committee that shall, by whatever means it deems appropriate, recommend to the Board a candidate or candidates for the position of Chairperson. The Board shall then vote to elect a Chairperson.

In short, it appears the process for electing a new Chair, upon AB 805's effective date, will be as follows:

1. Executive Committee to form an Ad Hoc Nominating committee to recommend a candidate or candidates for the Board to vote on.
 - Solicit candidate statements from interested Board members at November meeting?
 - Board member would need to be reasonably certain his or her agency will reappoint him or her to the MTS Board for the 2018 calendar year.
2. The Chair must be elected by a 2/3 vote of the board. Under tally voting, that requires 10 affirmative votes. If less than 10 votes are recorded for a candidate, a weighted vote may be called by 2 jurisdictions. Under weighted voting, at least 66.7 votes/points must be recorded to elect a Chair.
3. Since the Chair position receives a monthly stipend (see Ordinance No. 10), the board member being proposed as Chair cannot vote for him or herself unless FPPC Form 806 is posted on the MTS website prior to the Board vote to make the appointment.
4. Timing of vote: MTS's legislation (pre and post-AB 805) does not specify when a Board vote on the Chair position must take place. Traditionally, the MTS Board membership changes slightly as each agency makes an appointment at the beginning of each calendar year. Board Policy No. 22 requires member agencies to inform MTS of its board member appointment before the MTS February board meeting each year. The City of San Diego often makes its appointments at its December city council meeting, which is effective for the January MTS Board meeting. Other agencies make their appointments in January. Depending on the date of each city council meeting, this means some agencies appointment is not effective until the February MTS Board meeting.

Options:

- Solicit Chairperson applications in November, vote in December.
 - Vote would be prior to AB 805 effective date, so no weighted voting possible.
- Solicit Chairperson applications in November and December, vote in January or February
 - If Board wants to vote in January, cities could take action to appoint 2018 MTS Board member in December, so that full 2018 Board votes on chairperson.



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DRAFT

Agenda

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 9, 2017

9:00 a.m.

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

To request an agenda in an alternative format or to request accommodations to facilitate meeting participation, please call the Clerk of the Board at least two working days prior to the meeting. 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 - October 19, 2017
3. Public Comments - Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion items. If you have a report to present, please give your copies to the Clerk of the Board.

Approve

Please SILENCE electronics
during the meeting

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. | <u>Fiscal Year 2018 State Transit Assistance Claim</u>
Action would adopt Resolution No. 17-13 approving the fiscal year (FY) 2018 State Transit Assistance (STA) claim. | Adopt |
| 7. | <u>Fare Collection Technical Support Services - Contract Amendment</u>
Action would authorize the Chief Executive Officer (CEO) to extend the contract with CH2M (MTS Doc. No. G1923.0-16) consistent with draft Amendment No. 4. | Approve |
| 8. | <u>Payroll and Human Resources Information System Solution & Implementation Services - Contract Award</u>
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1935.0-17, with Automatic Data Processing (ADP), for Payroll and Human Resources Information System (HRIS) Solution & Implementation Services. | Approve |
| 9. | <u>Occupational Health Services - Contract Award</u>
Action would: (1) Authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G194.0-17, with Kaiser Permanente, to provide occupational health services for a three (3) year base term with three (3) one year options in the amount of \$599,265.00; (2) Authorize the CEO to execute MTS Doc. No. G2069.0-18, with Concentra, to provide occupational health services for a three (3) year base term with three (3) one year options in the amount of \$122,542.00; and (3) Authorize the CEO to execute MTS Doc. No. G2070.0-18, with UCSD Health, to provide occupational health services for a three (3) year base term with three (3) one year options in the amount of \$40,397.00. | Approve |
| 10. | <u>Investment Report - September 2017</u> | Informational |
| 11. | <u>Relocation of SDG&E Facilities for the New Orange Line Courthouse Station - Change Orders</u>
Action would authorize the Chief Executive Officer (CEO) to execute Construction Change Order 9 to MTS Doc. No. PWL204.0-16, Work Order No. MTSJOC7504-26 with ABC for additional trenching for SDG&E utility relocation. | Approve |
| 12. | <u>Courthouse Station - Additional Design Services (HDR/RailPros Work Order)</u>
Action would ratify the action taken by the Chief Executive Officer (CEO) approving Work Order WOA1947-AE-10 to MTS Doc. No. G1947.0-17 with HDR Engineering, Inc. (HDR) for \$97,209 for Design Services during Construction (DSDC) and authorizing an additional project contingency of \$25,000 for unforeseen conditions. | Approve |
| 13. | <u>Orange Line Grade Crossing Warning Approach and Signal Improvements Engineering Design Services - Work Order</u>
Action would authorize the Chief Executive Officer (CEO) to execute Work Order No. WOA-AE-07 to MTS Doc. No. G1953.0-17 with Pacific Railway Enterprises, Inc. (PRE) for the Orange Line Grade Crossing Warning Approach and Signal Improvements Engineering design services. | Approve |

- | | | |
|-----|--|---------|
| 14. | <u>Interlocking E22 to E24 AC Low Voltage and E26 Upgrade Design Services - Work Order</u>
Action would authorize the Chief Executive Officer (CEO) to execute Work Order No. WOA1953-AE-08 to MTS Doc. No. G1953.0-17 with Pacific Railway Enterprises, Inc. (PRE) for design services for the Orange Line Interlocking E22 to E24 AC Low Voltage and E26 upgrade design services. | Approve |
| 15. | <u>Purchase of Three (3) Class E Medium Duty Buses for Rural Service - Contract Award</u>
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0681.0-18 with Creative Bus Sales, for the purchase of three (3) gasoline powered 32ft Class E mid-size rural buses. | Approve |
| 16. | <u>Davra Maintenance Agreement - Sole Source Award</u> | Approve |
| 17. | <u>SDSU Tunnel Safety Equipment Maintenance - Contract Award</u>
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWL226.0-17 with Comfort Mechanical, Inc. to provide maintenance services for San Diego State University (SDSU) Tunnel Safety Equipment. | Approve |

CLOSED SESSION

- | | | |
|-----|---|-----------------|
| 24. | CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(d)(1) <u>Donald Wood v. San Diego Metropolitan Transit System et al.</u> San Diego Superior Court Case No. 37-2015-00034512-CU-PO-CTL | Possible Action |
|-----|---|-----------------|

Oral Report of Final Actions Taken in Closed Session

NOTICED PUBLIC HEARINGS

- | | |
|-----|-------|
| 25. | None. |
|-----|-------|

DISCUSSION ITEMS

- | | | |
|-----|---|---------|
| 30. | <u>AB 805 Implementation and Process for Electing Chairperson (Karen Landers)</u>
Action would: (1) Approve revisions to Board Policy No. 22, "Rules of Procedures for the San Diego Metropolitan Transit System (MTS) Board of Directors"; (2) Approve revisions to Board Policy No. 27, "Weighted Vote Procedure"; (3) Approve revisions to Board Policy No. 52, "Procurement of Goods and Services"; and (4) Direct staff as to the timeline and process to elect a new Chairperson for the 2018-2019 term. | Approve |
| 31. | <u>Appointment of Ad Hoc Nominating Committee for Recommending Appointments to MTS Committees for 2018 (Sharon Cooney)</u>
Action would appoint an Ad Hoc Nominating Committee to make recommendations to the Board with respect to the appointment of members of the Board to serve as Vice-Chair, Chair Pro-Tem and on MTS and non-MTS committees for 2018. | Appoint |
| 32. | <u>Fiscal Year 2017 Comprehensive Annual Financial Report (CAFR) (Erin Dunn and Ken Pun of The Pun Group)</u>
Action would receive the Fiscal Year (FY) 2017 CAFR. | Receive |

- | | | |
|-----|--|---------|
| 33. | <u>Fiscal Year 2017 Final Budget Comparison (Mike Thompson)</u>
Action would receive the MTS operations budget status report for Fiscal Year 2017 and approve staff recommendations to program the excess revenues less expenses. | Approve |
|-----|--|---------|

REPORT ITEMS

- | | | |
|-----|---|---------------|
| 45. | <u>2017 Customer Satisfaction Report (Rob Schupp and Judith McCourt with Redhill Principal)</u> | Informational |
| 46. | <u>Year End Operations Report (Denis Desmond, Bill Spraul & Wayne Terry)</u> | Informational |
| 47. | <u>Semi-Annual Security Report (January 1, 2017 through June 30, 2017) (Manny Guaderrama)</u> | Informational |
| 48. | <u>Operations Budget Status Report for September 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> December 14, 2017 | |
| 65. | <u>Adjournment</u> | |



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Agenda Item No. 6

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 9, 2017

**Draft for
Executive Committee
Review Date: 11/2/17**

SUBJECT:

FISCAL YEAR 2018 STATE TRANSIT ASSISTANCE CLAIM

RECOMMENDATION:

That the Board of Directors adopt Resolution No. 17-13 (Attachment A) approving the fiscal year (FY) 2018 State Transit Assistance (STA) claim.

Budget Impact

The FY18 STA claim would result in the approval of \$20,323,084 in STA funds for the San Diego Metropolitan Transit System (MTS) to be utilized in the FY18 operating and capital budgets, and \$4,551,410 of State of Good Repair funds to be utilized in the FY19 capital budget.

DISCUSSION:

STA funding comes from the Public Transportation Act (PTA), which derives its revenue from the state sales tax on diesel fuel. STA revenues are pooled at the state level for the purposes of sections 99313 and 99314 of the California Public Utilities Code (PUC). The revenues for sections 99313 and 99314 are then allocated to transportation entities on a quarterly basis. PUC section 99313 allocations are based on the latest available annual population estimates from the Department of Finance. PUC section 99314 allocations are based primarily on qualifying revenues from the Annual Report of Financial Transactions of Transit Operators and Non-Transit Claimants under the Transportation Development Act.

Senate Bill 1 (SB1) increased the overall funding allocation for these formula funds, which could be an annual increase of approximately \$12 million to MTS. SB1 also added an additional funding for State of Good Repair (SGR). This funding is also allocated by the formulas described above and is expected to generate an additional \$6 million per



year of funding for MTS. The SB1 funding allocations for FY18 are prorated to reflect the staggered implementation dates of these new programs.

The California State Controller's Office (SCO) projects total sales tax revenues for the coming fiscal year and the resulting STA revenue pool, and then estimates the allocation to each transportation entity. The SCO projects MTS will receive FY 2018 STA funding of \$20,323,084 (attachment B). This projection does include new STA revenues sources as a result of SB1, which increased the amount available to MTS by approximately \$6 million.

The SCO also projects MTS will receive FY 2018 SGR funding of \$4,551,410 (attachment C). Each agency receiving this funding must submit a list of projects proposed to be funded under this program, and the California Department of Transportation will approve the list of projects. Due to this extra administrative step, staff plans to include this funding and develop the project list as part of the FY19 Capital Improvement Program (CIP).

State law and MTS Policy No. 20, "Allocation of State Transit Assistance Funds" requires that priority consideration be given to STA claims for the following purposes:

- to enhance existing public transportation services;
- to meet priority regional, county, or area-wide public transportation needs;
- to offset reductions in federal operating assistance and unanticipated increases in fuel costs.

STA revenues have been volatile in the past, and for that reason, the MTS Board has taken a conservative approach to using and programming these funds. Typically, the majority of these revenues are directed into the MTS CIP. However, in FY13, the MTS Board authorized the usage of \$3.6 million of annual STA proceeds for the operating budget to fund service restoration. For FY18, the programmed usage projects as follows:

- FY18 Capital Improvement Program \$ 8,900,000
- FY18 Operating Budget \$ 3,600,000
- FY19 Capital Improvement Program \$ 4,551,410
- Un-programmed \$ 7,823,084

Since these STA revenue allocations are based on sales tax revenue projections, in certain instances, it may be necessary to revise the original STA claim. MTS will claim up to the amount authorized by the attached Board resolution (Attachment A), and any revisions over the amount of this claim will come back to the MTS Board for approval. Additionally, the un-programmed amount will be discussed with the Budget Development Committee and the MTS Board.

/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 Resolution No. 17-13
B. Letter from State Controller's Office for STA Allocation
C. Letter from State Controller's Office for SGR Allocation

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

RESOLUTION NO. 17-13

Resolution Approving the MTS Area Fiscal Year 2018 STA Claim

WHEREAS, California Public Utilities Code (PUC) Sections 99313.3 and 99313.6 established a State Transit Assistance (STA) fund and grants the San Diego Metropolitan Transit System (MTS) authority to allocate monies from this fund; and

WHEREAS, MTS, through its various operating entities and divisions, including San Diego Transit Corporation (SDTC), San Diego Trolley, Inc. (SDTI), MTS Contracted Services (collectively referred to as "MTS"), and other operators on the basis of revenue generated, qualifies for STA monies under the provision of PUC Section 99260 et seq.; and

WHEREAS, the State Controller's Office has informed MTS that its eligible STA allocation for Fiscal Year 2018 is \$14,393,413 and its eligible State of Good Repair (SGR) allocation for Fiscal Year 2018 is \$4,551,410; and

WHEREAS, the claimants' proposed expenditures of STA monies are in conformance with the *Regional Transportation Plan* and *Transportation Improvement Program*; and

WHEREAS the level of passenger fares and charges is sufficient to enable MTS to meet the fare revenue requirements of the PUC sections 99268.2, 99268.3, 99268.5, and 99268.9 as they may be applicable to MTS; and

WHEREAS MTS is making full use of federal funds available under the Urban Mass Transportation Act of 1964, as amended; and

WHEREAS, the sum of MTS' allocations of STA and local transportations funds do not exceed the amounts they are eligible to receive during the fiscal year; and

WHEREAS, priority consideration has been given to claims to offset reductions in federal operating assistance and the unanticipated increase in the cost of fuel, to enhance existing public transportation services, and to meet high-priority, area-wide public transportation needs; and

WHEREAS, in the last thirteen months, MTS has received a certification from the California Highway patrol verifying that MTS is in compliance with section 1808.1 of the Vehicle Code, as required in PUC section 99251; and

WHEREAS, MTS has ensured operators are in compliance with the efficiency standards of PUC section 99314.6 prior to the allocation of funding for operating purposes;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED that the MTS Board does hereby direct and empower MTS staff to prepare and transmit allocation instructions to the County Auditor to disburse to MTS the Fiscal Year 2018 STA and SGR amounts totaling \$24,874,494.

PASSED AND ADOPTED by the Board this _____ day of _____ 2017, by
the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

Chairman
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

Office of the Clerk of the Board
San Diego Metropolitan Transit System

Office of the General Counsel
San Diego Metropolitan Transit System



BETTY T. YEE
California State Controller

October 20, 2017

County Auditors Responsible for State Transit Assistance funds
Transportation Planning Agencies
County Transportation Commissions
San Diego Metropolitan Transit System

SUBJECT: 2017-18 State Transit Assistance Allocation Revised Estimate

Enclosed is a revised summary schedule, as required by Public Utilities Code (PUC) section 993127.7(b), of State Transit Assistance (STA) funds estimated to be allocated for fiscal year (FY) 2017-18 to each Transportation Planning Agency (TPA), county transportation commission, and the San Diego Metropolitan Transit System for the purposes of Public Utilities Code (PUC) sections 99313 and 99314. Also enclosed is a schedule detailing the amount of the PUC section 99314 allocation for each TPA by operator.

PUC section 99313 allocations are based on the certification of population from the California Department of Transportation as required in PUC section 99313(a). PUC section 99314 allocations are based on the qualifying revenue amounts for each STA-eligible operator, determined from annual reports submitted to the Controller pursuant to PUC section 99243. Pursuant to PUC section 99314.3, each TPA is required to allocate funds to the STA-eligible operators in the area of its jurisdiction.

The estimated amount of STA funds budgeted, in the FY 2017-18 California Budget, is \$468,849,000. We anticipate that the first quarter's allocation will be paid by November 2017. Please refer to the schedule for the amounts that relate to your agency.

Please contact Mike Silvera by telephone at (916) 323-0704 or email at msilvera@sco.ca.gov with any questions, or for additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Evelyn Calderon-Yee", is written over a horizontal line.

EVELYN CALDERON-YEE, Bureau Chief
Bureau of Payments

Enclosures

STATE CONTROLLER'S OFFICE
2017-18 STATE TRANSIT ASSISTANCE FUND ALLOCATION ESTIMATE

Att. B, Al 6, 11/9/17

SUMMARY
OCTOBER 20, 2017

Regional Entity	PUC 99313 Fiscal Year 2017-18 Estimate	PUC 99314 Fiscal Year 2017-18 Estimate	Total Fiscal Year 2017-18 Estimate
	A	B	C= (A + B)
Metropolitan Transportation Commission	\$ 45,757,460	\$ 121,966,872	\$ 167,724,332
Sacramento Area Council of Governments	11,300,215	4,221,601	15,521,816
San Diego Association of Governments	5,682,424	2,100,610	7,783,034
San Diego Metropolitan Transit System	13,986,746	6,336,338	20,323,084
Tahoe Regional Planning Agency	606,304	65,063	671,367
Alpine County Transportation Commission	6,828	412	7,240
Amador County Transportation Commission	227,653	12,117	239,770
Butte County Association of Governments	1,342,859	82,419	1,425,278
Calaveras County Local Transportation Commission	267,903	4,602	272,505
Colusa County Local Transportation Commission	130,743	4,763	135,506
Del Norte County Local Transportation Commission	160,879	9,309	170,188
El Dorado County Local Transportation Commission	976,824	75,529	1,052,353
Fresno County Council of Governments	5,907,378	869,133	6,776,511
Glenn County Local Transportation Commission	170,411	5,481	175,892
Humboldt County Association of Governments	812,303	131,791	944,094
Imperial County Transportation Commission	1,117,056	95,060	1,212,116
Inyo County Local Transportation Commission	110,434	0	110,434
Kern Council of Governments	5,309,135	354,817	5,663,952
Kings County Association of Governments	886,942	50,851	937,793
Lake County/City Council of Governments	385,205	23,121	408,326
Lassen County Local Transportation Commission	183,382	9,608	192,990
Los Angeles County Metropolitan Transportation Authority	60,743,598	80,724,927	141,468,525
Madera County Local Transportation Commission	928,193	11,996	940,189
Mariposa County Local Transportation Commission	107,640	310	107,950
Mendocino Council of Governments	528,676	47,299	575,975
Merced County Association of Governments	1,629,107	115,978	1,745,085
Modoc County Local Transportation Commission	56,822	6,392	63,214
Mono County Local Transportation Commission	81,335	128,009	209,344
Transportation Agency for Monterey County	2,623,778	824,223	3,448,001
Nevada County Local Transportation Commission	586,174	29,037	615,211
Orange County Transportation Authority	18,944,561	6,384,323	25,328,884
Placer County Transportation Planning Agency	1,785,224	264,702	2,049,926
Plumas County Local Transportation Commission	117,551	5,684	123,235
Riverside County Transportation Commission	14,144,748	2,361,944	16,506,692
Council of San Benito County Governments	337,215	7,429	344,644
San Bernardino Associated Governments	12,813,022	2,191,650	15,004,672
San Joaquin Council of Governments	4,429,862	1,131,043	5,560,905
San Luis Obispo Area Council of Governments	1,661,350	191,498	1,852,848
Santa Barbara County Association of Governments	2,672,996	686,756	3,359,752
Santa Cruz County Transportation Commission	1,640,602	1,355,381	2,995,983
Shasta Regional Transportation Agency	1,059,351	61,592	1,120,943
Sierra County Local Transportation Commission	19,023	1,008	20,031
Siskiyou County Local Transportation Commission	265,056	12,989	278,045
Stanislaus Council of Governments	3,250,664	197,734	3,448,398
Tehama County Transportation Commission	379,570	9,301	388,871
Trinity County Transportation Commission	80,831	4,733	85,564
Tulare County Association of Governments	2,798,614	371,245	3,169,859
Tuolumne County Transportation Council	324,481	19,266	343,747
Ventura County Transportation Commission	5,085,372	858,554	5,943,926
State Totals	\$ 234,424,500	\$ 234,424,500	\$ 468,849,000

STATE CONTROLLER'S OFFICE
2017-18 STATE TRANSIT ASSISTANCE ALLOCATION ESTIMATE PUC 99314
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OCTOBER 20, 2017

Att. B, AI 6, 11/9/17

Regional Entity and Operator(s)	Revenue Basis	PUC 99314 Fiscal Year 2017-18 Estimate
Altamont Corridor Express*		
Alameda County Congestion Management Agency	\$ NA	\$ 166,953
Santa Clara Valley Transportation Authority	NA	130,543
San Joaquin Regional Rail Commission	NA	590,551
Regional Entity Totals	0	888,047
	0	(888,047)
Metropolitan Transportation Commission		
Alameda-Contra Costa Transit District, San Francisco Bay Area Rapid Transit District, and the City of San Francisco**	1,810,504,529	83,693,169
Central Contra Costa Transit Authority	11,505,773	531,871
City of Dixon	100,278	4,635
Eastern Contra Costa Transit Authority	5,325,782	246,192
City of Fairfield	2,537,148	117,283
Golden Gate Bridge Highway and Transportation District	55,834,606	2,581,035
Livermore-Amador Valley Transit Authority	5,372,372	248,346
Marin County Transit District	19,785,739	914,624
Napa County Transportation and Planning Agency	1,298,593	60,029
Peninsula Corridor Joint Powers Board	120,238,982	5,558,219
City of Petaluma	633,199	29,271
City of Rio Vista	35,699	1,650
San Francisco Bay Area Water Emergency Transportation Authority (WETA)	26,770,662	1,237,512
San Mateo County Transit District	118,401,842	5,473,295
Santa Clara Valley Transportation Authority	418,133,467	19,328,819
City of Santa Rosa	2,779,985	128,509
Solano County Transit (SOLTRANS)	5,674,700	262,321
County of Sonoma	3,278,690	151,562
Sonoma-Marín Area Rail Transit District	14,844,615	686,214
City of Union City	1,652,571	76,392
City of Vacaville	426,700	19,725
Western Contra Costa Transit Authority	6,894,384	318,703
Regional Entity Subtotals	2,632,030,316	121,669,376
Alameda County Congestion Management Agency - Corresponding to ACE*	NA	166,953
Santa Clara Valley Transportation Authority - Corresponding to ACE*	NA	130,543
Regional Entity Totals	2,632,030,316	121,966,872
Sacramento Area Council of Governments		
City of Davis (Unitrans)	3,098,134	143,216
City of Elk Grove	1,767,786	81,718
City of Folsom	658,529	30,442
County of Sacramento	1,110,348	51,327
Sacramento Regional Transit System	78,876,825	3,646,194
Yolo County Transportation District	4,361,050	201,596
Yuba Sutter Transit Authority	1,451,725	67,108
Regional Entity Totals	91,324,397	4,221,601
San Diego Association of Governments		
North County Transit District	45,441,742	2,100,610

* The amounts allocated to the member agencies of Altamont Corridor Express are included with their corresponding transportation planning agency.

** The amounts for Alameda-Contra Costa Transit District, San Francisco Bay Area Rapid Transit District, and the City of San Francisco are combined.

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Regional Entity and Operator(s)	Revenue Basis	PUC 99314 Fiscal Year 2017-18 Estimate
San Diego Metropolitan Transit System		
San Diego MTS	34,387,800	1,589,626
San Diego Transit Corporation	55,872,069	2,582,766
San Diego Trolley, Inc.	46,811,865	2,163,946
Regional Entity Totals	137,071,734	6,336,338
Southern California Regional Rail Authority***		
Los Angeles County Metropolitan Transportation Authority	NA	5,109,115
Orange County Transportation Authority	NA	2,184,858
Riverside County Transportation Commission	NA	881,592
San Bernardino Associated Governments	NA	1,106,158
Ventura County Transportation Commission	NA	524,640
Regional Entity Totals	0	9,806,363
	0	(9,806,363)
Tahoe Regional Planning Agency		
Tahoe Transportation District	1,407,484	65,063
Alpine County Transportation Commission		
County of Alpine	8,911	412
Amador County Transportation Commission		
Amador Regional Transit System	262,123	12,117
Butte County Association of Governments		
Butte Regional Transit	1,764,509	81,567
City of Gridley - Specialized Service	18,424	852
Regional Entity Totals	1,782,933	82,419
Calaveras County Local Transportation Commission		
County of Calaveras	99,554	4,602
Colusa County Local Transportation Commission		
County of Colusa	103,042	4,763
Del Norte County Local Transportation Commission		
Redwood Coast Transit Authority	201,369	9,309
El Dorado County Local Transportation Commission		
El Dorado County Transit Authority	1,633,884	75,529

*** The amounts allocated to the member agencies of Southern California Regional Rail Authority are included with their corresponding transportation planning agency.

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Regional Entity and Operator(s)	Revenue Basis	PUC 99314 Fiscal Year 2017-18 Estimate
Fresno County Council of Governments		
City of Clovis	1,608,396	74,350
City of Fresno	15,642,374	723,092
Fresno County Rural Transit Agency	1,550,864	71,691
Regional Entity Totals	18,801,634	869,133
Glenn County Local Transportation Commission		
County of Glenn	118,565	5,481
Humboldt County Association of Governments		
City of Arcata	252,847	11,688
City of Eureka	688,702	31,836
City of Fortuna - Specialized Service	13,266	614
Humboldt Transit Authority	1,896,163	87,653
Regional Entity Totals	2,850,978	131,791
Imperial County Transportation Commission		
Imperial County Transportation Commission (ICTC)	2,034,524	94,049
Quechan Indian Tribe	21,876	1,011
Regional Entity Totals	2,056,400	95,060
Inyo County Local Transportation Commission	None	None
Kern Council of Governments		
City of Arvin	607,140	28,066
City of California City	23,003	1,063
City of Delano	154,896	7,160
Golden Empire Transit District	5,036,106	232,801
County of Kern	1,066,343	49,293
City of McFarland	16,214	750
City of Ridgecrest	343,371	15,873
City of Shafter	56,758	2,624
City of Taft	345,695	15,980
City of Tehachapi	4,792	222
City of Wasco	21,304	985
Regional Entity Totals	7,675,622	354,817
Kings County Association of Governments		
City of Corcoran	97,289	4,497
Kings County Area Public Transit Agency	1,002,749	46,354
Regional Entity Totals	1,100,038	50,851
Lake County/City Council of Governments		
Lake Transit Authority	500,168	23,121
Lassen County Local Transportation Commission		
County of Lassen	207,838	9,608

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Regional Entity and Operator(s)	Revenue Basis	PUC 99314 Fiscal Year 2017-18 Estimate
Los Angeles County Metropolitan Transportation Authority		
Antelope Valley Transit Authority	17,690,973	817,791
City of Arcadia	1,367,514	63,215
City of Claremont	382,509	17,682
City of Commerce	4,304,495	198,981
City of Culver City	13,583,265	627,906
Foothill Transit Zone	51,538,874	2,382,458
City of Gardena	10,936,244	505,544
City of La Mirada	832,072	38,464
Long Beach Public Transportation Company	48,712,640	2,251,812
City of Los Angeles	78,773,386	3,641,413
County of Los Angeles	22,987,199	1,062,616
Los Angeles County Metropolitan Transportation Authority	1,270,744,236	58,741,976
City of Montebello	17,594,552	813,333
City of Norwalk	7,442,578	344,044
City of Redondo Beach	2,557,775	118,237
City of Santa Clarita	22,843,760	1,055,986
City of Santa Monica	45,305,142	2,094,295
Southern California Regional Rail Authority***	212,137,556	NA
City of Torrance	18,172,705	840,059
Regional Entity Subtotals	1,847,907,475	75,615,812
Los Angeles County Metropolitan Transportation Authority - Corresponding to SCRRRA***	NA	5,109,115
Regional Entity Totals	1,847,907,475	80,724,927
Madera County Local Transportation Commission		
City of Chowchilla	134,286	6,208
City of Madera	125,218	5,788
Regional Entity Totals	259,504	11,996
Mariposa County Local Transportation Commission		
County of Mariposa	6,696	310
Mendocino Council of Governments		
Mendocino Transit Authority	1,023,207	47,299
Merced County Association of Governments		
Transit Joint Powers Authority of Merced County	1,389,374	64,226
Yosemite Area Regional Transportation System (YARTS)	1,119,543	51,752
Regional Entity Totals	2,508,917	115,978
Modoc County Local Transportation Commission		
Modoc Transportation Agency - Specialized Service	138,272	6,392
Mono County Local Transportation Commission		
Eastern Sierra Transit Authority	2,769,180	128,009
Transportation Agency for Monterey County		
Monterey-Salinas Transit	17,830,132	824,223

 *** The amounts allocated to the member agencies of Southern California Regional Rail Authority are included with their corresponding transportation planning agency.

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Regional Entity and Operator(s)	Revenue Basis	PUC 99314 Fiscal Year 2017-18 Estimate
Nevada County Local Transportation Commission		
County of Nevada	408,912	18,903
City of Truckee	219,231	10,134
Regional Entity Totals	628,143	29,037
Orange County Transportation Authority		
City of Laguna Beach	1,000,340	46,242
Orange County Transportation Authority	89,845,193	4,153,223
Regional Entity Subtotals	90,845,533	4,199,465
Orange County Transportation Authority - Corresponding to SCRRRA***	NA	2,184,858
Regional Entity Totals	90,845,533	6,384,323
Placer County Transportation Planning Agency		
City of Auburn	27,057	1,251
County of Placer	4,358,254	201,466
City of Roseville	1,340,903	61,985
Regional Entity Totals	5,726,214	264,702
Plumas County Local Transportation Commission		
County of Plumas	122,951	5,684
Riverside County Transportation Commission		
City of Banning	224,460	10,376
City of Beaumont	1,843,529	85,220
City of Corona	467,404	21,606
Palo Verde Valley Transit Agency	116,428	5,382
City of Riverside - Specialized Service	385,206	17,807
Riverside Transit Agency	15,378,001	710,870
Sunline Transit Agency	13,608,902	629,091
Regional Entity Subtotals	32,023,930	1,480,352
Riverside County Transportation Commission - Corresponding to SCRRRA***	NA	881,592
Regional Entity Totals	32,023,930	2,361,944
Council of San Benito County Governments		
San Benito County Local Transportation Authority	160,719	7,429
San Bernardino Associated Governments		
Morongo Basin Transit Authority	536,943	24,821
Mountain Area Regional Transit Authority	459,125	21,224
City of Needles	57,989	2,681
Omnitrans	15,718,035	726,588
Victor Valley Transit Authority	6,709,975	310,178
Regional Entity Subtotals	23,482,067	1,085,492
San Bernardino Associated Governments - Corresponding to SCRRRA***	NA	1,106,158
Regional Entity Totals	23,482,067	2,191,650

*** The amounts allocated to the member agencies of Southern California Regional Rail Authority are included with their corresponding transportation planning agency.

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Regional Entity and Operator(s)	Revenue Basis	PUC 99314 Fiscal Year 2017-18 Estimate
San Joaquin Council of Governments		
Altamont Corridor Express (ACE)*	19,210,812	NA
City of Escalon	24,026	1,111
City of Lodi	429,604	19,859
City of Manteca	111,427	5,151
City of Ripon	49,233	2,276
San Joaquin Joint Powers Authority	10,550	488
San Joaquin Regional Transit District	10,877,591	502,831
City of Tracy	189,840	8,776
Regional Entity Subtotals	30,903,083	540,492
San Joaquin Regional Rail Commission - Corresponding to ACE*	NA	590,551
Regional Entity Totals	30,903,083	1,131,043
San Luis Obispo Area Council of Governments		
City of Arroyo Grande	0	0
City of Atascadero	53,667	2,481
City of Morro Bay	52,135	2,410
City of Pismo Beach - Specialized Service	16	1
City of San Luis Obispo Transit	0	0
San Luis Obispo Regional Transit Authority	3,888,391	179,746
South County Area Transit	148,390	6,860
Regional Entity Totals	4,142,599	191,498
Santa Barbara County Association of Governments		
City of Guadalupe	83,911	3,879
City of Lompoc	1,332,646	61,603
County of Santa Barbara	350,487	16,202
Santa Barbara Metropolitan Transit District	11,950,447	552,426
City of Santa Maria	1,062,471	49,114
City of Solvang	76,389	3,532
Regional Entity Totals	14,856,351	686,756
Santa Cruz County Transportation Commission		
Santa Cruz Metropolitan Transit District	29,320,471	1,355,381
Shasta Regional Transportation Agency		
Redding Area Bus Authority	1,332,408	61,592
Sierra County Local Transportation Commission		
County of Sierra - Specialized Service	21,800	1,008
Siskiyou County Local Transportation Commission		
County of Siskiyou	280,988	12,989

* The amounts allocated to the member agencies of Altamont Corridor Express are included with their corresponding transportation planning agency.

STATE CONTROLLER'S OFFICE
2017-18 STATE TRANSIT ASSISTANCE ALLOCATION ESTIMATE PUC 99314
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Regional Entity and Operator(s)	Revenue Basis	PUC 99314 Fiscal Year 2017-18 Estimate
Stanislaus Council of Governments		
City of Ceres	88,135	4,075
City of Modesto	3,373,876	155,962
County of Stanislaus	632,073	29,218
City of Turlock	183,429	8,479
Regional Entity Totals	4,277,513	197,734
Tehama County Transportation Commission		
County of Tehama	201,204	9,301
Trinity County Transportation Commission		
County of Trinity	102,386	4,733
Tulare County Association of Governments		
City of Dinuba	282,412	13,055
City of Exeter	8,097	374
City of Porterville	1,069,400	49,434
City of Tulare	623,969	28,844
County of Tulare	1,039,898	48,071
City of Visalia	4,993,037	230,810
City of Woodlake	14,207	657
Regional Entity Totals	8,031,020	371,245
Tuolumne County Transportation Council		
County of Tuolumne	416,764	19,266
Ventura County Transportation Commission		
City of Camarillo	999,459	46,201
Gold Coast Transit	4,807,480	222,233
City of Moorpark	0	0
City of Simi Valley	704,217	32,553
City of Thousand Oaks	712,289	32,927
Regional Entity Subtotals	7,223,445	333,914
Ventura County Transportation Commission - Corresponding to SCRR***	NA	524,640
Regional Entity Totals	7,223,445	858,554
STATE TOTALS	\$ 5,071,221,704	\$ 234,424,500

*** The amounts allocated to the member agencies of Southern California Regional Rail Authority are included with their corresponding transportation planning agency.



BETTY T. YEE
California State Controller

October 20, 2017

County Auditors Responsible for State Transit Assistance funds
Transportation Planning Agencies
County Transportation Commissions
San Diego Metropolitan Transit System

SUBJECT: 2017-18 State of Good Repair Program Allocation Estimate

Enclosed is a summary schedule of State of Good Repair (SGR) program funds available to be allocated for fiscal year (FY) 2017-18 to each Transportation Planning Agency (TPA), county transportation commission, and the San Diego Metropolitan Transit System for the purposes of Public Utilities Code (PUC) section 99312.1(c). Allocations for the SGR program are calculated pursuant to the distribution formulas in PUC sections 99313 and 99314. Also enclosed is a schedule detailing the estimated available amount calculated pursuant to PUC section 99314 for each TPA by operator.

PUC section 99313 allocations are based on the certification of population from the California Department of Transportation (DOT) as required in PUC section 99313(a). PUC section 99314 allocations are based on the qualifying revenue amounts for each STA-eligible operator, determined from annual reports submitted to the Controller pursuant to PUC section 99243.

The estimated amount of SGR funds budgeted, in the FY 2017-18 California Budget, is \$105,000,000. Prior to receiving an apportionment of SGR program funds in a fiscal year, an agency must submit a list of projects proposed to be funded to the DOT. The DOT shall report to the Controller the eligible agencies that will receive an allocation quarterly pursuant to Sections 99313 and 99314. We anticipate that the first allocation to eligible agencies will be paid by May 31 2018. Please refer to the schedule for the amounts that relate to your agency.

Please contact Mike Silvera by telephone at (916) 323-0704 or email at msilvera@sco.ca.gov with any questions, or for additional information about this schedule. Information for the SGR program can be found <http://www.dot.ca.gov/drmt/spstasgr.html>.

Sincerely,


EVBLYN CALDERON-YEE, Bureau Chief
Bureau of Payments

Enclosures

STATE CONTROLLER'S OFFICE
2017-18 STATE OF GOOD REPAIR PROGRAM
ESTIMATED AVAILABLE AMOUNT SUMMARY
OCTOBER 20, 2017

Att. C, AI 6, 11/9/17

Regional Entity	Estimated Available 2017-18 Amount Based on PUC 99313 Allocation	Estimated Available 2017-18 Amount Based on PUC 99314 Allocation	Total Estimated Available 2017-18 Amount Allocation
	A	B	C= (A + B)
Metropolitan Transportation Commission	\$ 10,247,507	\$ 27,314,810	\$ 37,562,317
Sacramento Area Council of Governments	2,530,714	945,439	3,476,153
San Diego Association of Governments	1,272,594	470,437	1,743,031
San Diego Metropolitan Transit System	3,132,370	1,419,040	4,551,410
Tahoe Regional Planning Agency	135,784	14,571	150,355
Alpine County Transportation Commission	1,529	92	1,621
Amador County Transportation Commission	50,984	2,714	53,698
Butte County Association of Governments	300,737	18,458	319,195
Calaveras County Local Transportation Commission	59,998	1,031	61,029
Colusa County Local Transportation Commission	29,280	1,067	30,347
Del Norte County Local Transportation Commission	36,029	2,085	38,114
El Dorado County Local Transportation Commission	218,762	16,915	235,677
Fresno County Council of Governments	1,322,973	194,645	1,517,618
Glenn County Local Transportation Commission	38,164	1,227	39,391
Humboldt County Association of Governments	181,917	29,515	211,432
Imperial County Transportation Commission	250,168	21,289	271,457
Inyo County Local Transportation Commission	24,732	0	24,732
Kern Council of Governments	1,188,995	79,462	1,268,457
Kings County Association of Governments	198,633	11,388	210,021
Lake County/City Council of Governments	86,268	5,178	91,446
Lassen County Local Transportation Commission	41,069	2,152	43,221
Los Angeles County Metropolitan Transportation Authority	13,603,692	18,078,564	31,682,256
Madera County Local Transportation Commission	207,871	2,687	210,558
Mariposa County Local Transportation Commission	24,106	69	24,175
Mendocino Council of Governments	118,398	10,593	128,991
Merced County Association of Governments	364,843	25,974	390,817
Modoc County Local Transportation Commission	12,725	1,431	14,156
Mono County Local Transportation Commission	18,215	28,668	46,883
Transportation Agency for Monterey County	587,602	184,587	772,189
Nevada County Local Transportation Commission	131,275	6,503	137,778
Orange County Transportation Authority	4,242,686	1,429,786	5,672,472
Placer County Transportation Planning Agency	399,806	59,281	459,087
Plumas County Local Transportation Commission	26,326	1,273	27,599
Riverside County Transportation Commission	3,167,755	528,964	3,696,719
Council of San Benito County Governments	75,520	1,664	77,184
San Bernardino Associated Governments	2,869,511	490,826	3,360,337
San Joaquin Council of Governments	992,080	253,300	1,245,380
San Luis Obispo Area Council of Governments	372,064	42,886	414,950
Santa Barbara County Association of Governments	598,625	153,801	752,426
Santa Cruz County Transportation Commission	367,417	303,541	670,958
Shasta Regional Transportation Agency	237,245	13,794	251,039
Sierra County Local Transportation Commission	4,260	226	4,486
Siskiyou County Local Transportation Commission	59,360	2,909	62,269
Stanislaus Council of Governments	727,995	44,283	772,278
Tehama County Transportation Commission	85,006	2,083	87,089
Trinity County Transportation Commission	18,102	1,060	19,162
Tulare County Association of Governments	626,757	83,141	709,898
Tuolumne County Transportation Council	72,668	4,315	76,983
Ventura County Transportation Commission	1,138,883	192,276	1,331,159
State Totals	\$ 52,500,000	\$ 52,500,000	\$ 105,000,000

STATE CONTROLLER'S OFFICE
2017-18 STATE OF GOOD REPAIR PROGRAM ESTIMATED AVAILABLE AMOUNT
BASED ON PUC 99314 ALLOCATION DETAIL
OCTOBER 20, 2017

Att. C, AI 6, 11/9/17

Regional Entity and Operator(s)	Revenue Basis	Estimated Available 2017-18 Amount Based on PUC 99314 Allocation
Altamont Corridor Express*		
Alameda County Congestion Management Agency	\$ NA	\$ 37,389
Santa Clara Valley Transportation Authority	NA	29,236
San Joaquin Regional Rail Commission	NA	132,255
Regional Entity Totals	0	198,880
	0	(198,880)
Metropolitan Transportation Commission		
Alameda-Contra Costa Transit District, San Francisco Bay Area Rapid Transit District, and the City of San Francisco**	1,810,504,529	18,743,311
Central Contra Costa Transit Authority	11,505,773	119,114
City of Dixon	100,278	1,038
Eastern Contra Costa Transit Authority	5,325,782	55,135
City of Fairfield	2,537,148	26,266
Golden Gate Bridge Highway and Transportation District	55,834,606	578,030
Livermore-Amador Valley Transit Authority	5,372,372	55,618
Marin County Transit District	19,785,739	204,833
Napa County Transportation and Planning Agency	1,298,593	13,444
Peninsula Corridor Joint Powers Board	120,238,982	1,244,778
City of Petaluma	633,199	6,555
City of Rio Vista	35,699	370
San Francisco Bay Area Water Emergency Transportation Authority (WETA)	26,770,662	277,144
San Mateo County Transit District	118,401,842	1,225,759
Santa Clara Valley Transportation Authority	418,133,467	4,328,741
City of Santa Rosa	2,779,985	28,780
Solano County Transit (SOLTRANS)	5,674,700	58,748
County of Sonoma	3,278,690	33,943
Sonoma-Marin Area Rail Transit District	14,844,615	153,679
City of Union City	1,652,571	17,108
City of Vacaville	426,700	4,417
Western Contra Costa Transit Authority	6,894,384	71,374
Regional Entity Subtotals	2,632,030,316	27,248,185
Alameda County Congestion Management Agency - Corresponding to ACE*	NA	37,389
Santa Clara Valley Transportation Authority - Corresponding to ACE*	NA	29,236
Regional Entity Totals	2,632,030,316	27,314,810
Sacramento Area Council of Governments		
City of Davis (Unitrans)	3,098,134	32,074
City of Elk Grove	1,767,786	18,301
City of Folsom	658,529	6,817
County of Sacramento	1,110,348	11,495
Sacramento Regional Transit System	78,876,825	816,575
Yolo County Transportation District	4,361,050	45,148
Yuba Sutter Transit Authority	1,451,725	15,029
Regional Entity Totals	91,324,397	945,439
San Diego Association of Governments		
North County Transit District	45,441,742	470,437

* The estimated available amounts to the member agencies of Altamont Corridor Express are included with their corresponding transportation planning agency.

** The estimated available amounts for Alameda-Contra Costa Transit District, San Francisco Bay Area Rapid Transit District, and the City of San Francisco are combined.

STATE CONTROLLER'S OFFICE
2017-18 STATE OF GOOD REPAIR PROGRAM ESTIMATED AVAILABLE AMOUNT
BASED ON PUC 99314 ALLOCATION DETAIL
OCTOBER 20, 2017

Att. C, AI 6, 11/9/17

Regional Entity and Operator(s)	Revenue Basis	Estimated Available 2017-18 Amount Based on PUC 99314 Allocation
San Diego Metropolitan Transit System		
San Diego MTS	34,387,800	356,001
San Diego Transit Corporation	55,872,069	578,418
San Diego Trolley, Inc.	46,811,865	484,621
Regional Entity Totals	137,071,734	1,419,040
Southern California Regional Rail Authority***		
Los Angeles County Metropolitan Transportation Authority	NA	1,144,199
Orange County Transportation Authority	NA	489,305
Riverside County Transportation Commission	NA	197,435
San Bernardino Associated Governments	NA	247,727
Ventura County Transportation Commission	NA	117,495
Regional Entity Totals	0	2,196,161
	0	(2,196,161)
Tahoe Regional Planning Agency		
Tahoe Transportation District	1,407,484	14,571
Alpine County Transportation Commission		
County of Alpine	8,911	92
Amador County Transportation Commission		
Amador Regional Transit System	262,123	2,714
Butte County Association of Governments		
Butte Regional Transit	1,764,509	18,267
City of Gridley - Specialized Service	18,424	191
Regional Entity Totals	1,782,933	18,458
Calaveras County Local Transportation Commission		
County of Calaveras	99,554	1,031
Colusa County Local Transportation Commission		
County of Colusa	103,042	1,067
Del Norte County Local Transportation Commission		
Redwood Coast Transit Authority	201,369	2,085
El Dorado County Local Transportation Commission		
El Dorado County Transit Authority	1,633,884	16,915

 *** The estimated available amounts to the member agencies of Southern California Regional Rail Authority are included with their corresponding transportation planning agency.

STATE CONTROLLER'S OFFICE
2017-18 STATE OF GOOD REPAIR PROGRAM ESTIMATED AVAILABLE AMOUNT
BASED ON PUC 99314 ALLOCATION DETAIL
OCTOBER 20, 2017

Att. C, AI 6, 11/9/17

Regional Entity and Operator(s)	Revenue Basis	Estimated Available 2017-18 Amount Based on PUC 99314 Allocation
Fresno County Council of Governments		
City of Clovis	1,608,396	16,651
City of Fresno	15,642,374	161,939
Fresno County Rural Transit Agency	1,550,864	16,055
Regional Entity Totals	18,801,634	194,645
Glenn County Local Transportation Commission		
County of Glenn	118,565	1,227
Humboldt County Association of Governments		
City of Arcata	252,847	2,618
City of Eureka	688,702	7,130
City of Fortuna - Specialized Service	13,266	137
Humboldt Transit Authority	1,896,163	19,630
Regional Entity Totals	2,850,978	29,515
Imperial County Transportation Commission		
Imperial County Transportation Commission (ICTC)	2,034,524	21,063
Quechan Indian Tribe	21,876	226
Regional Entity Totals	2,056,400	21,289
Inyo County Local Transportation Commission	None	None
Kern Council of Governments		
City of Arvin	607,140	6,285
City of California City	23,003	238
City of Delano	154,896	1,604
Golden Empire Transit District	5,036,106	52,135
County of Kern	1,066,343	11,039
City of McFarland	16,214	168
City of Ridgecrest	343,371	3,555
City of Shafter	56,758	588
City of Taft	345,695	3,579
City of Tehachapi	4,792	50
City of Wasco	21,304	221
Regional Entity Totals	7,675,622	79,462
Kings County Association of Governments		
City of Corcoran	97,289	1,007
Kings County Area Public Transit Agency	1,002,749	10,381
Regional Entity Totals	1,100,038	11,388
Lake County/City Council of Governments		
Lake Transit Authority	500,168	5,178
Lassen County Local Transportation Commission		
County of Lassen	207,838	2,152

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Estimated Available
2017-18 Amount Based
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Regional Entity and Operator(s)	Revenue Basis	
Los Angeles County Metropolitan Transportation Authority		
Antelope Valley Transit Authority	17,690,973	183,146
City of Arcadia	1,367,514	14,157
City of Claremont	382,509	3,961
City of Commerce	4,304,495	44,562
City of Culver City	13,583,265	140,621
Foothill Transit Zone	51,538,874	533,558
City of Gardena	10,936,244	113,218
City of La Mirada	832,072	8,614
Long Beach Public Transportation Company	48,712,640	504,299
City of Los Angeles	78,773,386	815,504
County of Los Angeles	22,987,199	237,976
Los Angeles County Metropolitan Transportation Authority	1,270,744,236	13,155,424
City of Montebello	17,594,552	182,148
City of Norwalk	7,442,578	77,050
City of Redondo Beach	2,557,775	26,479
City of Santa Clarita	22,843,760	236,491
City of Santa Monica	45,305,142	469,023
Southern California Regional Rail Authority***	212,137,556	NA
City of Torrance	18,172,705	188,134
Regional Entity Subtotals	1,847,907,475	16,934,365
Los Angeles County Metropolitan Transportation Authority - Corresponding to SCRRA***	NA	1,144,199
Regional Entity Totals	1,847,907,475	18,078,564
Madera County Local Transportation Commission		
City of Chowchilla	134,286	1,390
City of Madera	125,218	1,297
Regional Entity Totals	259,504	2,687
Mariposa County Local Transportation Commission		
County of Mariposa	6,696	69
Mendocino Council of Governments		
Mendocino Transit Authority	1,023,207	10,593
Merced County Association of Governments		
Transit Joint Powers Authority of Merced County	1,389,374	14,384
Yosemite Area Regional Transportation System (YARTS)	1,119,543	11,590
Regional Entity Totals	2,508,917	25,974
Modoc County Local Transportation Commission		
Modoc Transportation Agency - Specialized Service	138,272	1,431
Mono County Local Transportation Commission		
Eastern Sierra Transit Authority	2,769,180	28,668
Transportation Agency for Monterey County		
Monterey-Salinas Transit	17,830,132	184,587

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2017-18 STATE OF GOOD REPAIR PROGRAM ESTIMATED AVAILABLE AMOUNT
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OCTOBER 20, 2017

Att. C, AI 6, 11/9/17

Regional Entity and Operator(s)	Revenue Basis	Estimated Available 2017-18 Amount Based on PUC 99314 Allocation
Nevada County Local Transportation Commission		
County of Nevada	408,912	4,233
City of Truckee	219,231	2,270
Regional Entity Totals	628,143	6,503
Orange County Transportation Authority		
City of Laguna Beach	1,000,340	10,356
Orange County Transportation Authority	89,845,193	930,125
Regional Entity Subtotals	90,845,533	940,481
Orange County Transportation Authority - Corresponding to SCRRRA***	NA	489,305
Regional Entity Totals	90,845,533	1,429,786
Placer County Transportation Planning Agency		
City of Auburn	27,057	280
County of Placer	4,358,254	45,119
City of Roseville	1,340,903	13,882
Regional Entity Totals	5,726,214	59,281
Plumas County Local Transportation Commission		
County of Plumas	122,951	1,273
Riverside County Transportation Commission		
City of Banning	224,460	2,324
City of Beaumont	1,843,529	19,085
City of Corona	467,404	4,839
Palo Verde Valley Transit Agency	116,428	1,205
City of Riverside - Specialized Service	385,206	3,988
Riverside Transit Agency	15,378,001	159,201
Sunline Transit Agency	13,608,902	140,887
Regional Entity Subtotals	32,023,930	331,529
Riverside County Transportation Commission - Corresponding to SCRRRA***	NA	197,435
Regional Entity Totals	32,023,930	528,964
Council of San Benito County Governments		
San Benito County Local Transportation Authority	160,719	1,664
San Bernardino Associated Governments		
Morongo Basin Transit Authority	536,943	5,559
Mountain Area Regional Transit Authority	459,125	4,753
City of Needles	57,989	600
OmniTrans	15,718,035	162,722
Victor Valley Transit Authority	6,709,975	69,465
Regional Entity Subtotals	23,482,067	243,099
San Bernardino Associated Governments - Corresponding to SCRRRA***	NA	247,727
Regional Entity Totals	23,482,067	490,826

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2017-18 STATE OF GOOD REPAIR PROGRAM ESTIMATED AVAILABLE AMOUNT
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OCTOBER 20, 2017

Att. C, AI 6, 11/9/17

Estimated Available
2017-18 Amount Based
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Regional Entity and Operator(s)	Revenue Basis	
San Joaquin Council of Governments		
Altamont Corridor Express (ACE)*	19,210,812	NA
City of Escalon	24,026	249
City of Lodi	429,604	4,447
City of Manteca	111,427	1,154
City of Ripon	49,233	510
San Joaquin Joint Powers Authority	10,550	109
San Joaquin Regional Transit District	10,877,591	112,611
City of Tracy	189,840	1,965
Regional Entity Subtotals	30,903,083	121,045
San Joaquin Regional Rail Commission - Corresponding to ACE*	NA	132,255
Regional Entity Totals	30,903,083	253,300
San Luis Obispo Area Council of Governments		
City of Arroyo Grande	0	0
City of Atascadero	53,667	556
City of Morro Bay	52,135	540
City of Pismo Beach - Specialized Service	16	0
City of San Luis Obispo Transit	0	0
San Luis Obispo Regional Transit Authority	3,888,391	40,254
South County Area Transit	148,390	1,536
Regional Entity Totals	4,142,599	42,886
Santa Barbara County Association of Governments		
City of Guadalupe	83,911	869
City of Lompoc	1,332,646	13,796
County of Santa Barbara	350,487	3,628
Santa Barbara Metropolitan Transit District	11,950,447	123,717
City of Santa Maria	1,062,471	10,999
City of Solvang	76,389	792
Regional Entity Totals	14,856,351	153,801
Santa Cruz County Transportation Commission		
Santa Cruz Metropolitan Transit District	29,320,471	303,541
Shasta Regional Transportation Agency		
Redding Area Bus Authority	1,332,408	13,794
Sierra County Local Transportation Commission		
County of Sierra - Specialized Service	21,800	226
Siskiyou County Local Transportation Commission		
County of Siskiyou	280,988	2,909

* The estimated available amounts to the member agencies of Altamont Corridor Express are included with their corresponding transportation planning agency.

STATE CONTROLLER'S OFFICE
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BASED ON PUC 99314 ALLOCATION DETAIL
OCTOBER 20, 2017

Att. C, AI 6, 11/9/17

Estimated Available
2017-18 Amount Based
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Regional Entity and Operator(s)	Revenue Basis	
Stanislaus Council of Governments		
City of Ceres	88,135	912
City of Modesto	3,373,876	34,928
County of Stanislaus	632,073	6,544
City of Turlock	183,429	1,899
Regional Entity Totals	4,277,513	44,283
Tehama County Transportation Commission		
County of Tehama	201,204	2,083
Trinity County Transportation Commission		
County of Trinity	102,386	1,060
Tulare County Association of Governments		
City of Dinuba	282,412	2,924
City of Exeter	8,097	84
City of Porterville	1,069,400	11,071
City of Tulare	623,969	6,460
County of Tulare	1,039,898	10,766
City of Visalia	4,993,037	51,689
City of Woodlake	14,207	147
Regional Entity Totals	8,031,020	83,141
Tuolumne County Transportation Council		
County of Tuolumne	416,764	4,315
Ventura County Transportation Commission		
City of Camarillo	999,459	10,347
Gold Coast Transit	4,807,480	49,770
City of Moorpark	0	0
City of Simi Valley	704,217	7,290
City of Thousand Oaks	712,289	7,374
Regional Entity Subtotals	7,223,445	74,781
Ventura County Transportation Commission - Corresponding to SCRRRA***	NA	117,495
Regional Entity Totals	7,223,445	192,276
STATE TOTALS	\$ 5,071,221,704	\$ 52,500,000

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Agenda Item No. 7

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 9, 2017

**Draft for
Executive Committee
Review Date: 11/2/17**

SUBJECT:

FARE COLLECTION TECHNICAL SUPPORT SERVICES – CONTRACT AMENDMENT

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to extend the contract with CH2M (MTS Doc. No. G1923.0-16) consistent with draft Amendment No. 4 (Attachment A).

Budget Impact

The total value of this amendment shall not exceed \$249,088.00, which will be funded under the Capital Improvement Program No. 1009004902, based on services rendered in Support for Fare Collection System Phase III – Procurement Process. This amendment brings the total contract award to \$540,278.70.

DISCUSSION:

MTS, the San Diego Association of Governments (SANDAG), and the North County Transit District (NCTD) transitioned from paper fare products to the Compass Card electronic fare collection system in 2009. MTS assumed the responsibility for Compass Card management from SANDAG in 2014. MTS staff immediately began to review the current system status and began the process for modernization and replacement of system components originally procured in 2002.

A fare collection project working group was established to spearhead the creation of a set of preliminary requirements for the future electronic fare collection system. To assist staff, CH2M was awarded a consultant contract after a competitive solicitation in July 2016. A whitepaper detailing the results of the working group's efforts was presented to the Board of Directors at its December 8, 2016 meeting (2016 Whitepaper). The overall Board consensus was that staff should move forward with the next phase of analysis to further refine requirements for the fare collection system upgrade into a detailed Concept of Operations.



In January 2017, the Board of Directors awarded a sole source contract extension for \$252,596.00 to CH2M to create the Concept of Operations since this project built on the extensive work from the 2016 Whitepaper project.

MTS staff is recommending that CH2M be retained under this Amendment No. 4 to assist in the Request for Qualifications (RFQ) and the Request for Proposals (RFP) process of the future Fare Collection System. In addition, CH2M will assist both MTS and NCTD in developing Business Rules for the administration of the next Fare System. In the interests of economy or efficiency, award to an existing contractor will avoid duplication of costs, time and effort because the additional work is a logical follow-on to work already in progress under a competitively awarded contract.

CH2M gained extensive knowledge of MTS's existing fare structure and system which will translate into fewer hours to complete the tasks and lower cost to the agency. In addition, CH2M has worked on several Fare System procurement efforts for other transit agencies such as Tri-County Metro Transportation District (TriMet), Honolulu Authority For Rapid Transportation (HART), New York City Transit and Seattle Sound Transit, and has demonstrated effective completion of this type of work.

The project schedule and task-specific costs are estimates based on similar types of projects but it is anticipated that as staff and the consultant make progress, there may be some adjustments. The costs are based on staff's best estimates of the time and effort that will be required for CH2M to assist MTS staff in completing the RFQ, RFP and Business Rules document. In the event staff identifies additional issues, systems or concepts that should be considered in the procurement process, then the contract funding may need to be adjusted, either through the CEO's authority or by subsequent Board action.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute MTS Doc. No. G1923.4-16 (in substantially the same format as Attachment A) with CH2M to continue consulting services in the Support for Fare Collection System Phase III – Procurement Process.

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

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

Attachments: A. Amendment No. 4 to MTS Doc. No. G1923.0-16
B. Pricing Proposal

October 18, 2017

MTS Doc. No. G1923.0-16

CH2M Hill, Inc.
Hany Haroun
402 West Broadway, Suite 1450
San Diego, CA 92101

Subject: AMENDMENT NO. 4 TO MTS DOC. NO. G1923.0-16; SUPPORT FOR FARE COLLECTION SYSTEM PHASE III – PROCUREMENT PROCESS

This shall serve as Amendment No. 4 to our agreement for the Support for Fare Collection System as further described below.

SCOPE OF SERVICES

Consultant shall be responsible for performing all services as specified in Attachment A – Scope of Work Support for Fare Collection System Phase III – Procurement Process.

SCHEDULE

There shall be no changes to the term of the agreement. The project end date remains December 31, 2018.

PAYMENT

As a result of this Amendment, the contract value has increased by \$x from \$x to \$x. The contract value shall not be exceeded without prior written approval from MTS. Details of the increase costs are as follows:

1. Original Agreement Award	\$ 38,594.70
2. Amendment No. 1, No cost amendment (time extension)	\$ 0.00
3. Amendment No. 2, Concept of Operations	\$252,596.00
4. Amendment No. 3, No cost amendment (rate sheet)	\$ 0.00
4. Amendment No. 4, Support for procurement process	\$249,088.00
Total:	\$540,278.70

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

Hany Haroun
Business Vice President

LMARQUIS-CL
CL- G1923.4-16.CH2M.DSINGLETON.101817

Date: _____

cc: I. Maldonado, Contract File

Attachment: Attachment A – Scope of Work
Attachment B – Cost Proposal

Technical Consulting Services for MTS Next-Gen Fare System

G1923.4-16 - Scope of Work

Background

It is the agency's intent to acquire an account based system that provides multiple payment flexibility to our patrons. In addition, said system should be based on an open architecture perspective with open APIs. The aforementioned should facilitate integration with third party hardware and software as the system ages.

MTS is now approaching the early stages of the procurement process and will need a qualified, experienced contractor to support the RFP process, including technical specification development, bid evaluation and negotiations leading to BAFO and award.

The goal is to procure an account based fare system featuring proven technology, open payments compatible (for potential future acceptance), NFC payment capable, includes COTS components, that is cost effective and future proof.

MTS anticipates the release of a Request for Proposal in the first quarter of 2018.

The Contractor shall provide technical support services over the course of 12 months in the following areas:

1. Revise Concept of Operations (ConOps) based on stakeholder feedback, and prepare for release as part of RFQ.
2. Support preparation of first step of the RFQ process including question/survey development, contracts/legal clarifications, timeline development, and technical clarifications.
3. Provide evaluation support for first step of RFQ, including technical scoring, interview support, and clarifying questions if necessary.
4. Hold additional workshops for development of functional technical specifications for core RFP procurement.
5. Draft functional technical specifications for core RFP.
6. Provide RFP support including procurement meetings, technical oversight, executive/board presentations, evaluation advice, and technical clarifications.
7. Develop peer review for the administration and operation of regional fare systems.
8. Facilitate inter-agency workshops/discussions on regional operating/business rules.
9. Develop draft business rules and operational processes for the future fare system, including administrative responsibilities, data reporting, regional reconciliation, and major standard operating procedures.
10. Assist with negotiations leading to BAFO and award.

The proposal should establish that the Contractor has the technical knowledge and previous experience relating to account based fare systems, as well as the staff availability and capacity to perform the required level of support.

Tasks and Deliverables

Task 1: Support RFQ Process

CH2M will provide support during the initial RFQ process, which will refine the Concept of Operations (ConOps) drafted during the previous phase, and help identified qualified vendors for the subsequent Request for Proposal (RFP) process.

- Deliverables
- 1) Revise ConOps for inclusion in RFP
 - 2) Provide input/guidance on evaluation questions
 - 3) Advise on RFQ Evaluation and interviews
 - 4) Finalize ConOps based on Vendor Feedback

Task 2: Develop Technical Specifications for RFP

CH2M will prepare a functional specification based on the revised ConOps and RFQ results. The detailed requirements will be determined during a series of workshops on a variety of topics. The specification will incorporate technical requirements for an account based system architecture. This effort should also address requirements for APIs and open architecture, operations and maintenance (O&M) terms and KPIs. Revise draft SOW as necessary to ensure functional requirements, form factors, system integration, interoperability aspects and technical architecture for each solution element is aligned with project goals. The functional technical specifications will be the primary requirements document used to evaluate the qualified vendors from Task 1.

- Deliverables
- 1) Hold workshops for development of functional technical specifications (up to 5)
 - 2) Provide Draft Functional Technical Specification

Task 3: Support RFP Process

CH2M will support the RFP process, which will begin with the preparation of RFP documents and end with the award to the selected vendor after final negotiations.

- 1) Document Review: Review, summarize and provide comment for all project documents, to include (but not limited to): RFP bid proposals. This effort should involve drafting summaries and analysis for MTS staff review.
- 2) Proposal responses: Draft written responses to vendor questions and addendums to RFP.
- 3) Evaluation Support: Provide support to MTS staff in the review of responses to the RFP for an Account based Fare System, including drafting a consolidated summary of vendor packages, recommendation on components for each solution element based on objective criteria such as cost, functionality, ease of implementation, integration, scalability and risk. Participate in pre-bid meetings and demonstration phase.

- 4) Contract Finalization: Participate in contract negotiation meetings and support the development of final terms and conditions of Scope of Work. Support shall include drafting device and hardware and O&M (if applicable) specifications.

Task 4: Development of Regional Operating Rules

CH2M will work with MTS and NCTD over the one year period of performance to develop a draft Operating Rules document that will delineate the processes and procedures under which the new account-based fare collection system will be managed, and clarify the respective roles of the two agencies in executing and delivering the elements in the Operating Rules document.

CH2M will hold up to eight working group sessions with staff from both agencies to cover topics such as Marketing/Branding, Customer Service, Inventory Management, Reduced Fares, Fare Policy/Structure, Financial Settlement/Revenue Sharing, Data Reporting/Access, Audit, and Governance/Oversight. The topics to be included in each working group session will be determined in consultation with the MTS Project Manager. For each working group session, CH2M will prepare a presentation focusing on the topics for the session, and incorporating industry best practices/lessons learned from the peer review (see below) and CH2M experience as appropriate.

As part of this task, CH2M will conduct a peer review to garner feedback from regions that have implemented multi-agency fare collection systems to document lessons learned for not only the implementation of multi-agency systems but for the day-to-day operation as well. Results of the peer review survey will be documented in a technical memo for MTS.

Following the completion of the working group sessions, CH2M will provide a draft Operating Rules document. The document will remain in draft form as many processes and procedures will require additional refinement as the technical capabilities of the procured system become clearer through the design phases, and as actual operating conditions require.

Deliverables 1) Up to Eight Working Group Presentations
 2) Peer Review Technical Memo
 3) Draft Operating Rules Document

Task 5: Implementation Oversight and Technical Support (Optional)

5.1: Deployment Plan

The CH2M team will prepare a Deployment Plan documenting viable alternatives for transitioning the legacy system to the new system. These alternatives will build upon the revised ConOps document and technical specification. Where possible, the Deployment Plan will remain flexible, with the goal of confirming the program requirements for a smooth transition and identifying the range of strategies that meet transition needs. The Deployment Plan will identify alternatives and offer preliminary qualitative analysis for transitioning from operations of the current system to operations of the new system considering the relative advantages, disadvantages, costs, risks, duration, schedule, and agency and customer impacts of each alternative.

5.2: Design Review Support and Technical Oversight

CH2M will oversee and support the complete system design and approval process from the initial Conceptual Design Review (CDR), through Preliminary Design Review (PDR), and completion of Final Design Review (FDR). We will establish a clearly documented procedure to review each design package against contractual requirements to determine compliance and verify project quality. During regular meetings the selected vendor(s) will provide status, including progress to date against schedule and budget as well as open or anticipated issues and status in addition to design submissions. The vendor will be contractually required to provide documentation ahead of time for review. CH2M will oversee these meetings and monitor attendance by the appropriate stakeholders, as well as documenting and maintaining minutes and action items for resolution. CH2M will review each submittal and work with MTS to provide recommendations on approval or disapproval. We will maintain a list of open items and history on each submittal through resolution of all open items. A design review milestone will not be considered complete until all related issues are resolved and closed. We will also provide comments and oversight of all vendor QA/QC policies, processes and procedures.

5.3: Installation Oversight

CH2M will oversee and support site preparation and installation of new fare system equipment, including oversight of engineering services for equipment installations in stations and onboard vehicles. Installation activities typically consist of site preparation, hardware installation, software components, and post installation testing. All site preparation and installation activities should be submitted by the vendor in a detailed plan and schedule in order to leverage existing resources and limit disruptions to current operations. The plan should include installation, training, safety, and quality assurance/quality control (QA/QC) procedures. During preparation and installation, progress against the plan will be communicated regularly to appropriate stakeholders. Issues, defects, or changes will be documented, tracked, and elevated for resolution as early as possible to limit project impacts.

5.4: System Testing Support

CH2M will work with staff and the selected vendor to develop and oversee a comprehensive testing process to verify compliance and functionality in the San Diego environment, or raise issues that need to be addressed before the system is deployed in the field. The project team will review and approve detailed testing plans, pass/fail criteria, and procedures for completeness, efficiency, and contractual compliance. The complete testing and inspection program should consist of:

- Design qualification and first article testing
- Lab testing of stand-alone components and the fully integrated system in a controlled environment
- Field testing in the production environment
- System acceptance testing

The successful completion of System Acceptance Testing (SAT) typically constitutes the official launch of the new system, with all technical and performance requirements met and implemented.

CH2M PRICING PROPOSAL

Contract: G1923.4-16

Date: October 18, 2017

Task	Position	Hours	Rate	Total
1. Support RFQ Process - 2017				
	Project Manager	48	\$ 171.07	8,211
	Principal Professional	6	\$ 213.14	1,279
	Staff Professional	36	\$ 77.89	2,804
	Senior Professional	30	\$ 190.78	5,723
	Staff Professional	-	\$ 98.35	-
	Staff Professional	36	\$ 92.68	3,336
	Admin/Accounting	12	\$ 59.71	717
	Project Controls	12	\$ 60.29	723
Subtotal				\$ 22,794
2. Develop Tech Spec - 2017				
	Project Manager	64	\$ 171.07	10,948
	Principal Professional	8	\$ 213.14	1,705
	Staff Professional	48	\$ 77.89	3,739
	Senior Professional	40	\$ 190.78	7,631
	Staff Professional	-	\$ 98.35	-
	Staff Professional	48	\$ 92.68	4,449
	Admin/Accounting	8	\$ 59.71	478
	Project Controls	8	\$ 60.29	482
Subtotal				\$ 29,432
3. Support RFP Process - 2018				
	Project Manager	168	\$ 181.35	30,467
	Principal Professional	48	\$ 225.02	10,801
	Staff Professional	144	\$ 85.83	12,360
	Senior Professional	144	\$ 196.50	28,296
	Staff Professional	24	\$ 108.40	2,602
	Staff Professional	144	\$ 95.47	13,748
	Admin/Accounting	16	\$ 61.51	984
	Project Controls	16	\$ 71.86	1,150
Subtotal				\$ 100,406
4. Operating Rules/Peer Review - 2018				
	Project Manager	144	\$ 181.35	26,114
	Principal Professional	-	\$ 225.02	-
	Staff Professional	48	\$ 85.83	4,120
	Senior Professional	168	\$ 196.50	33,012
	Staff Professional	96	\$ 108.40	10,406
	Staff Professional	120	\$ 95.47	11,456
	Admin/Accounting	12	\$ 61.51	738
	Project Controls	12	\$ 71.86	862
Subtotal				\$ 86,709
LABOR SUBTOTAL:				\$ 239,342
OTHER DIRECT COSTS				AMOUNT
Travel				9,745
ODCs SUBTOTAL:				\$ 9,745
GRAND TOTAL				\$ 249,088



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Agenda Item No. 8

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 9, 2017

**Draft for
Executive Committee
Review Date: 11/2/17**

SUBJECT:

PAYROLL AND HUMAN RESOURCES INFORMATION SYSTEM SOLUTION &
IMPLEMENTATION SERVICES – CONTRACT AWARD

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1935.0-17, (in substantially the same format as Attachment A) with Automatic Data Processing (ADP), for Payroll and Human Resources Information System (HRIS) Solution & Implementation Services.

Budget Impact

The project is funded under the operation budget 902010-571250 as follows:

	Total
Implementation	\$75,000.00
Base Year 1	\$259,447.00
Base Year 2	\$318,770.00
Base Year 3	\$318,770.00
Base Year 4	\$318,770.00
Base Year 5	\$318,770.00
Option Year 1 (Yr 6)	\$328,333.10
Option Year 2 (Yr 7)	\$338,183.09
Option Year 3 (Yr 8)	\$348,328.59
Option Year 4 (Yr 9)	\$358,778.44
Total Project	\$2,983,150.12



DISCUSSION:

The regulatory complexity of paying, managing and administering employee benefits for a workforce of more than 1,600 employees requires that MTS procure specialized software and services for use by in-house Payroll and Human Resources Department staff. For the past seven years, MTS has procured the necessary software and services from ADP which is the leading provider of these services in the United States. Under the existing agreement, ADP processes bi-weekly payroll for all three MTS Agencies, inclusive of accruals, deductions and garnishments.

In addition, the system processes monthly pension payments for SDTC retirees along with providing a comprehensive HRIS to facilitate MTS's employee recruitment process (Applicant Tracking System), compliance across licenses and provide a variety of tools to assist the agency's leadership team (Management Self Service). The current contract with ADP expires on December 31, 2017.

Resulting from a competitive Request for Proposals (RFP) process, ADP's proposal meets the requirements of MTS and staff recommends maintaining ADP as the service provider by awarding an agreement of five (5) base years and four (4) single year options. The proposed framework will provide all of the existing services across an updated platform (ADP Vantage®) that allows for easier navigation and a more integrated user experience. The RFP asked proposers to include an optional automated time keeping solution for management employees that replaces current paper time cards.

MTS determined that it should include ADP's automated timekeeping solution in the proposed contract due to its increased efficiency and accountability. The updated solution also includes new functions that streamline benefits administration, allow employees to elect benefits through a self-service portal, compute MTS's current paper-based performance evaluation process and facilitate compliance with the Patient Protection and Affordable Care Act.

MTS Policy No. 52, "Procurement of Goods and Services", require a formal competitive process for procurements and service contracts over \$100,000. On November 28, 2016, MTS advertised and posted an RFP on PlanetBids that was downloaded by several firms including six (6) DBEs. In addition, MTS advertised in the Daily Transcript and Transit Talent.

Five proposals were received by the due date of January 20, 2017 from the following firms:

1. ADP, Mission Viejo, CA
2. Ciber Inc., Greenwood Village, CO
3. Kronos, Inc., Chelmsford, MA
4. Labyrinth Solutions, Inc., San Diego, CA
5. Ultimate Software, Weston, FL

Ultimate Software was deemed non-responsive. The other four proposals were deemed responsive and responsible and were evaluated by a committee comprised of representatives from MTS Human Resources, Payroll, Finance and Information Technology. The proposals were evaluated on the following:

1. Capabilities and Capacities	20%
2. Organizational Structure, Qualifications, Experience of the Firm/Staff	5%
3. Proposed Methodology and Work Plan	25%
4. Vendor Questionnaire	30%
5. Cost and Price	<u>20%</u>
Total	100%

Based on the requirements of the RFP, the evaluation panel evaluated proposals for both timekeeping and non-timekeeping services to determine the optimal solution for MTS.

The tables below illustrate the total scores and ranking for each:

WITH TIMEKEEPING					
PROPOSER	INITIAL PRICE PROPOSAL	AVG. TECH. SCORE	COST SCORE	TOTAL SCORE	RANKING
ADP	5,833,088.00	75.20	15.18	90.38	1
LSI	4,833,412.00	43.80	18.32	62.12	2
KRONOS	4,426,916.50	39.00	20.00	59.00	3
CIBER	7,312,379.35	33.00	12.11	45.11	4

WITHOUT TIMEKEEPING					
PROPOSER	INITIAL PRICE PROPOSAL	AVG. TECH. SCORE	COST SCORE	TOTAL SCORE	RANKING
ADP	\$5,278,480.00	75.20	13.51	88.71	1
LSI	\$4,414,720.00	43.80	16.15	59.95	2
KRONOS	\$3,565,616.50	39.00	20.00	59.00	3
CIBER	\$6,838,301.92	33.00	10.43	43.43	4

Due to the superior technical score, ADP was interviewed and provided a demonstration of the new modules and the automated timekeeping solution in detail. Shortly after, MTS entered into negotiations with ADP on its proposed modules and requested a Best and Final Offer (BAFO). After the BAFO phase, ADP reduced their costs as shown below:

ADP PROPOSAL	WITH TIMEKEEPING	WITHOUT TIMEKEEPING
Initial proposal	\$5,833,088.00	\$5,278,480.00
BAFO proposal	\$2,983,150.22	\$2,717,130.00
Cost reduction	\$2,849,937.78	\$2,561,350.00

Based on the objectives of this procurement, consideration of the evaluation criteria and ADP's technical and price proposals, the evaluation team determined that ADP's proposal with timekeeping presented the best overall value to MTS.

Therefore, staff recommends that the Board of Directors authorize the CEO to execute MTS Doc. No. G1935.0-17 (in substantially the same format as Attachment A) with

Automatic Data Processing (ADP), for Payroll and Human Resources Information System Solution & Implementation Services from five (5) base years with four (4) option years, exercisable at MTS's sole discretion.

/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 G1935.0-17

**STANDARD SERVICES AGREEMENT FOR
PAYROLL AND HUMAN RESOURCES
INFORMATION SYSTEM (HRIS)
SOLUTION**

G1935.0-17
CONTRACT NUMBER
FILE/PO NUMBER(S)

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

Name: ADP, LLC

Address: 400 W. Covina Boulevard

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

San Dimas, CA 91773

Telephone: _____

Email Address: _____

Authorized person to sign contracts: _____
Name Title

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

Payroll and Human Resource Information Systems (HRIS) Solution and Implementation services, as specified in the Scope of Work (attached as Exhibit A), the Cost Proposal (attached as Exhibit B), and in accordance with the Standard Services Agreement, including the Standard Conditions Services (attached as Exhibit C). The Contract Documents are intended to be fully cooperative and complementary. If the Contractor observes that any documents are in conflict, the Contractor shall promptly notify MTS in writing. In case of conflicts between the Contract Documents, the order of precedence shall be as follows:

1. MTS Agreement including exhibits A, B and C
2. ADP Exhibits included in the MTS Agreement
3. ADP proposal

The contract term is for five (5) base years effective January 1, 2018, and four (4) 1-year options (each an "Option Year"), exercisable at MTS's sole discretion.

Implementation plan: After execution of the contract, both parties shall mutually agree on a reasonable schedule for completion of each required deliverable in connection with the implementation of the Services. The parties acknowledge that the timely performance by one party of its obligations may depend upon the timely delivery of certain deliverables from the other party. Each party will use reasonable efforts to complete its deliverables in accordance with the mutually agreed schedule. ADP shall invoice MTS upon the completion of each milestone. Both parties agree that MTS can decommission all or some of the additional modules (time and attendance, Benefits, compliance, performance) during the term of the agreement if in MTS's sole determination these are not adding value.

The cost is \$1,609,527 for the base years and \$1,373,623.22 for the option years, for a total not to exceed \$2,983,150.22 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
\$1,609,527.00		FY 18-22

By: _____
Chief Financial Officer Date

(___ total pages, each bearing contract number)
DATE



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Agenda Item No. 9

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 9, 2017

**Draft for
Executive Committee
Review Date: 11/2/17**

SUBJECT:

OCCUPATIONAL HEALTH SERVICES – CONTRACT AWARD

RECOMMENDATION:

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

- 1) Authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1944.0-17, (in substantially the same format as Attachment A) with Kaiser Permanente, to provide occupational health services for a three (3) year base term with three (3) one year options in the amount of \$599,265.00;
- 2) Authorize the CEO to execute MTS Doc. No. G2069.0-18, (in substantially the same format as Attachment B) with Concentra, to provide occupational health services for a three (3) year base term with three (3) one year options in the amount of \$122,542.00; and
- 3) Authorize the CEO to execute MTS Doc. No. G2070.0-18, (in substantially the same format as Attachment C) with UCSD Health, to provide occupational health services for a three (3) year base term with three (3) one year options in the amount of \$40,397.00.

Budget Impact

The total value of these agreements will not exceed \$377,988.00 for the base years and \$384,216.00 for all option years for a total not to exceed amount of \$762,204.00 which includes a ten (10) percent contingency for additional medical services on an as needed basis. These contracts will be locally funded under Budget Account 711010-571160.

DISCUSSION:

MTS's currently has occupational health services agreements with both US HealthWorks (MTS Doc. No. G1514.0.0-13) and UCSD Health (MTS Doc No. G1963.0-17), that



expires on November 30, 2017. Under their existing agreement, US HealthWorks has provided occupational health services for the past four years. UCSD Health has provided occupational health services for the past year.

The recommended contracts are intended to fulfill MTS's need for qualified medical providers to conduct comprehensive pre-placement, second opinion and fit-for-duty medical examinations as well as Department of Transportation mandated, post-accident and reasonable suspicion drug testing.

Federal regulations require all safety-sensitive transport provider employees pass a detailed medical evaluation and drug test prior to performing their duties with recurring examinations at least every two years to ensure they remain medically fit for duty. To promote overall safety and efficiency, MTS requires that all its employees, regardless of position, needs to pass a medical evaluation prior to commencement of work. The Collective Bargaining Agreements between MTS and the labor unions who represent safety-sensitive employees require that MTS contract with sufficient providers that employees can conveniently obtain the necessary services.

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

On April 14, 2017, a Request for Proposals (RFP) was issued via PlanetBids to potential proposers. The purpose of the RFP is to ensure that MTS receives the best possible economic value and quality health care from its medical provider.

On May 9, 2017, four (4) proposals were received, as follows:

1. Concentra
2. Kaiser Permanente
3. UCSD Health
4. US HealthWorks

After receipt of revised cost/price proposals from each firm, all submissions were deemed responsive and responsible.

A selection committee, consisting of representatives from MTS Finance and Human Resources, met and scored the proposals based on the following:

1.	Qualifications of the Firm or Individual	20%
2.	Staffing, Organization and Management Plan	25%
3.	Work Plan	25%
4.	Cost and Price	<u>30%</u>
		Total 100%

After the initial evaluation of proposals received, the evaluation panel determined it would be in MTS's best interest to interview Concentra, Kaiser Permanente and UCSD Health, as they were determined to be within the competitive range.

Following interviews of the proposers, MTS requested revised technical and cost proposals and the panel re-evaluated the revised submissions per the RFP requirements.

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

OCCUPATIONAL HEALTH SERVICES				
PROPOSER NAME	TECHNICAL SCORE	COST SCORE	TOTAL SCORE (TECH + COST)	RANKING
CONCENTRA	40.00	30.00	70.00	1
UCSD HEALTH	52.50	10.92	63.42	2
KAISER PERMANENTE	41.60	17.67	59.27	3

The RFP provided MTS the right to award the contract to one or several Proposers at MTS's sole discretion. Staff determined the Agency will receive the best overall value by contracting with Kaiser, Concentra and UCSD.

Kaiser will be the majority provider as approximately 75% of employees are enrolled in Kaiser Healthcare.

Additionally, staff determined that it was in MTS's best interest to award contracts to Concentra and UCSD, as Concentra's proposal offers the best projected overall value and UCSD would provide MTS additional flexibility in purchasing occupational medicine services.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to:

- 1) Execute MTS Doc. No. G1944.0-17, (in substantially the same format as Attachment A) with Kaiser Permanente in the amount of \$599,265.00;
- 2) Execute MTS Doc. No. G2069.0-18, (in substantially the same format as Attachment B) with Concentra in the amount of \$122,542.00; and
- 3) Execute MTS Doc. No. G2070.0-18, (in substantially the same format as Attachment C) with UCSD Health in the amount of \$40,397.00.

Each award will consist of a three (3) year base term with three (3) one year options at MTS's sole determination.

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

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

Attachments: A. Draft MTS Doc. No. G1944.0-17
B. Draft MTS Doc. No. G2069.0-18
C. Draft MTS Doc. No. G2070.0-18

G1944.0-17
CONTRACT NUMBER

Various
FILE/PO NUMBER(S)

**STANDARD SERVICES AGREEMENT
FOR
OCCUPATIONAL HEALTH SERVICES**

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: Kaiser Permanente, Kaiser On-the-Job, Address: 1800 Harrison, 9th Fl.

Form of Business: Corporation Oakland, CA 94612
(Corporation, partnership, sole proprietor, etc.)

Telephone: (510) 625-4143 Email Address: Catherine.v.bland@kp.org

Authorized person to sign contracts: Catherine Bland, Sr. Sales Executive
Name Title

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

Occupational Health Services as specified in the Scope of Work (attached as Exhibit A), Kaiser's cost proposal (attached as Exhibit B), and in accordance with the Standard Services Agreement, including Standard Conditions Services (attached as Exhibit C).

The term of the contract shall be three (3) base years effective December 1, 2017 through November 30, 2020, with three (3) 1-year options effective December 1, 2020 through November 30, 2023, exercisable at MTS' sole discretion, for a total of six (6) years.

Payment terms shall be net 30 days from invoice date. The total cost of this contract shall not exceed \$599,265 without the express written consent of MTS.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM	CONTRACTOR AUTHORIZATION
<p>By: _____ Chief Executive Officer</p> <p>Approved as to form:</p> <p>By: _____ Office of General Counsel</p>	<p>Firm: _____</p> <p>By: _____ Signature</p> <p>Title: _____</p>
<p>AMOUNT ENCUMBERED</p> <p>\$299,633.00</p> <p>\$299,633.00</p>	<p>BUDGET ITEM</p> <p>711010-571160</p> <p>711010-571160</p>
<p>FISCAL YEAR</p> <p>FY 18-FY 20</p> <p>FY 21-FY 23</p>	
<p>By: _____ Chief Financial Officer</p> <p>(____ total pages, each bearing contract number)</p>	
<p>Date SA-SERVICES</p>	

G2069.0-18 CONTRACT NUMBER

Various FILE/PO NUMBER(S)

STANDARD SERVICES AGREEMENT FOR OCCUPATIONAL HEALTH SERVICES

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: Occupational Health Centers of California,
A Medical Corporation, d/b/a Concentra Medical Centers

Address: 5080 Spectrum Drive, Ste. 1200W

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

Addison, Texas 75001

Telephone: (800) 232-3550

Email Address: jane_erickson@concentra.

Authorized person to sign contracts: John R. Anderson, DO, FACOEM Vice President
Name Title

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

Occupational Health Services as specified in the Scope of Work (attached as Exhibit A), Concentra's cost proposal (attached as Exhibit B), and in accordance with the Standard Services Agreement, including Standard Conditions Services (attached as Exhibit C).

The term of the contract shall be three (3) base years effective December 1, 2017 through November 30, 2020, with three (3) 1-year options effective December 1, 2020 through November 30, 2023, exercisable at MTS' sole discretion, for a total of six (6) years.

Payment terms shall be net 30 days from invoice date. The total cost of this contract shall not exceed \$122,542 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
\$61,271.00	711010-571160	FY 18-FY 20
\$61,271.00	711010-571160	FY 21-FY 23
By: _____ Chief Financial Officer		Date
(____ total pages, each bearing contract number)		SA-SERVICES

G2070.0-18
CONTRACT NUMBER

Various
FILE/PO NUMBER(S)

**STANDARD SERVICES AGREEMENT
FOR
OCCUPATIONAL HEALTH SERVICES**

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: UCSD Health, Center for Occupational and Environmental Health

Address: 200 W. Arbor Dr., MC 8996

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

San Diego, CA 92103-8996

Telephone: (619) 471-9393

Email Address: trmoore@ucsd.edu

Authorized person to sign contracts: Thomas R. Moore, M.D. Dean for Clinical Affairs
Name Title

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

Occupational Health Services as specified in the Scope of Work (attached as Exhibit A), UCSD Health's cost proposal (attached as Exhibit B), and in accordance with the Standard Services Agreement, including Standard Conditions Services (attached as Exhibit C).

The term of the contract shall be three (3) base years effective December 1, 2017 through November 30, 2020, with three (3) 1-year options effective December 1, 2020 through November 30, 2023, exercisable at MTS' sole discretion, for a total of six (6) years.

Payment terms shall be net 30 days from invoice date. The total cost of this contract shall not exceed \$40,397.00 without the express written consent of MTS.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM		CONTRACTOR AUTHORIZATION	
By: _____ Chief Executive Officer		Firm: _____	
Approved as to form:		By: _____ Signature	
By: _____ Office of General Counsel		Title: _____	
AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR	
\$17,084.00	711010-571160	FY 18-FY 20	
\$23,313.00	711010-571160	FY 21-FY 23	
By: _____ Chief Financial Officer		Date	
(____ total pages, each bearing contract number)		SA-SERVICES	



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Agenda Item No. 10

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 9, 2017

SUBJECT:

**Draft for
Executive Committee
Review Date: 11/2/17**

INVESTMENT REPORT – SEPTEMBER 2017

INFORMATIONAL ONLY

Budget Impact

None.

DISCUSSION:

Attachment A comprises a report of the San Diego Metropolitan Transit System (MTS) investments as of September 30, 2017. The combined total of all investments has increased month to month from \$93.9 million to \$144.7 million. This \$50.8 million increase is attributable to \$56.3 million in Federal Transit Administration (FTA) Preventive Maintenance revenue, partially offset by \$2.4 million in capital expenditures, as well as normal timing differences in other payments and receipts.

The first column provides details about investments restricted for capital improvement projects.

The second column, unrestricted investments, reports the working capital for MTS operations allowing payments for employee payroll and vendors' goods and services.

/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 September 2017



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

	Restricted	Unrestricted	Total	Average rate of return
Cash and Cash Equivalents				
JP Morgan Chase - concentration account	-	71,386,607	71,386,607	0.00%
Total Cash and Cash Equivalents	-	71,386,607	71,386,607	
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	7,687,424	161,525	7,848,949	
Total Cash - Restricted for Capital Support	9,991,030	161,525	10,152,555	
Investments - Working Capital				
Local Agency Investment Fund (LAIF)	7,279,314	55,930,561	63,209,875	1.111%
Total Investments - Working Capital	7,279,314	55,930,561	63,209,875	
 Total cash and investments	 \$ 17,270,344	 \$ 127,478,693	 \$ 144,749,037	



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Agenda Item No. 11

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 9, 2017

Draft for Executive Committee Review Date: 11/2/17

SUBJECT:

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

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute Construction Change Order 9 to MTS Doc. No PWL204.0-16, Work Order No. MTSJOC7504-26 (in substantially the same format as Attachment A) with ABC Construction, Inc. (ABC), for additional trenching for SDG&E utility relocation.

Budget Impact

The total value of this Change Order will not exceed \$120,792.86 inclusive of direct costs of \$119,584.93 and the contractor share of administrative fees totaling \$1,207.93. Total administrative fees are \$3,213.09 (contractor share \$1,207.93 and MTS share \$2,005.16). Including all amendments, the construction cost is as follows:

Description	Work Order Amt.	Amount	Contractor share JOC Fee	MTS Share JOC Fee	Gordian Fee
SDGE Undergrnd conduit install	1,256,495.03	1,243,930.08	12,564.95	20,857.82	33,422.77
CCO1	16,141.45	15,980.04	161.41	267.95	429.36
CCO2	26,434.40	26,170.06	264.34	438.81	703.16
CCO3	2,825.08	2,796.83	28.25	46.90	75.15
CCO4	100,564.04	99,558.40	1,005.64	1,669.36	2,675.00
CCO5	10,822.03	10,713.81	108.22	179.65	287.87
CCO6	36,734.98	36,367.63	367.35	609.80	977.15
CCO7	8,207.68	8,125.60	82.08	136.25	218.32
CCO8	TBD				
CCO9	120,792.86	119,584.93	1,207.93	2,005.16	3,213.09
Totals	1,579,017.55	1,563,227.37	15,790.18	26,211.69	42,001.87



The funding for the changes is provided in the Orange Line Courthouse Station CIP No. 2004007503. A portion of these fees are subject to reimbursement from SDG&E.

DISCUSSION:

As a result of the future Mid-Coast Trolley operations plan, and the necessity to relieve trolley congestion at the Santa Fe Depot station, the MTS Board of Directors approved the construction of the downtown Courthouse Station project which will relocate the existing westerly terminus of the Orange Line from Santa Fe Depot to a new station within the C Street corridor between State Street and Union Street. SDG&E currently has various underground electric and gas utility lines and equipment on C Street. In order to allow SDG&E to maintain appropriate access to these facilities after completion of the Courthouse Station Project, the facilities need to be relocated outside of the proposed new track bed.

The SDG&E relocation work is currently being structured as a two phase subproject: (1) duct bank relocation to be performed by MTS through a JOC contractor and (2) additional facility relocation work to be performed by SDG&E. The Board authorized staff to negotiate and execute a reimbursement agreement with SDG&E at the February 16, 2017 Board Meeting. On March 9, 2017, (AI 18), the Board authorized the CEO to negotiate a Work Order with ABC to perform the duct bank relocation portion of the work. During the course of ABC's duct bank relocation work, various unforeseen conditions arose, requiring construction contract change orders to be approved under the CEO's authority.

This change order is for additional trenching as a result of unforeseen site conditions. The original plan was to expose the existing pipes used to carry SDG&E's conductors or wires and splice the new conduit into the existing conduit. However, upon exposing the existing conduit, it was determined that the condition of the old conduit was not suitable and required tying in the new conduit and the nearest manhole which requires additional trenching.

Therefore staff recommends that the MTS Board of Directors authorize the CEO to execute Work Order No. MTSJOC7504-26.09 (in substantially the same format as Attachment A, Contract Change Orders 9), under MTS Doc. No. PWL204.0-16 with ABC Construction, Inc., for the relocation of SDG&E facilities for the new Orange Line Courthouse Station.

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

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

Attachment: A. Construction Change Order MTSJOC7504-26 (CCO 9)

CONSTRUCTION CHANGE ORDER

Project Name: **SDG&E Underground Conduit Installation**

Date: **10/20/17**

To: **MTS**

Contract Number: **PWL204.1-16**

From (Contractor): **ABC Construction, Inc.**

CCO Number: **09**

Description of Work

1. This change order is for additional trenching due to site conditions. The original plan was to expose the existing pipes used to carry SDG&E's conductors or wires and splice the new conduit into the existing conduit. However, upon exposing the existing conduit, it was determined that the condition of the old conduit was not suitable and required tying in the new conduit to the nearest manhole which requires additional trenching.

A. Contractor Cost Proposal, MTSJOC7504-26.01

Additional trenching for Intercept changes. \$ 119,584.93 L.S.
_____ L.S.

Subtotal A: \$ 119,584.93

B. Subcontractors Costs

Included in above. \$ -

Subtotal B: \$ -

C. Contractor Credits

\$0.00

Subtotal C: 0.00

Total = (A + B + C) Total: \$ 119,584.93

Original Contract value:	\$ 1,243,930.08
Adjustment by Change Order No. 1 thru 7.	\$ 199,712.36
Adjustment by this Change Order	\$ 119,584.93
New Contract Amount Total:	\$ 1,563,227.37

The Contract Time due to this Change Order will be: ☐ Increased ☐ Decreased ☒ Unchanged by 21 days

Original Completion Date:	9/11/17
Adjustment by Change Order No. 1 through Change Order 7 (if applicable)	24
Adjustment by this Change Order	21
New Completion Date	10/26/17

Milestones Affected: **NA**

Contractor

Date:

MTS Chief Executive Officer

Date:

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



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Agenda Item No. 12

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 9, 2017

**Draft for
Executive Committee
Review Date: 11/2/17**

SUBJECT:

COURTHOUSE STATION – ADDITIONAL DESIGN SERVICES (HDR/RAILPROS
WORK ORDER)

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors ratify the action taken by the Chief Executive Officer (CEO) approving Work Order WOA1947-AE-10 (Attachment A) to MTS Doc. No. G1947.0-17 with HDR Engineering, Inc. (HDR) for \$97,209 for Design Services during Construction (DSDC) and authorizing an additional project contingency of \$25,000 for unforeseen conditions.

Budget Impact

The total value of this agreement will not exceed \$122,209.00. Funding for the \$97,209.00 is included in the MTS Capital Improvement Project budget account 2004007503. The additional \$25,000 project contingency may be added to the Capital Improvement Project budget depending on unforeseen conditions.

DISCUSSION:

As a result of the future Mid-Coast Trolley operations plan and the necessity to relieve Trolley congestion at Santa Fe Depot, Metropolitan Transit System (MTS) proposes to relocate the existing westerly terminus of the San Diego Trolley's Orange Line from Santa Fe Depot to a new station at C Street (between State and Union). The location is central to the downtown courthouse system and located near the midpoint of America Plaza and Civic Center stations and is in an area that requires no disturbance of existing building access.



Railpros have completed the below tasks for this project under a separate Work Order:

- Project Study Report (PSR)
- 30% design package based on the PSR.
- 60%, 90%, 100%, and Final (IFB) levels of design.

The project is now in the construction phase for which MTS requires DSDC.

The Scope of Work for this Work Order consists of providing management and coordination of DSDC, attendance at construction progress meetings as requested by MTS, review and approve submittals, responding to RFIs, performing field observations as requested by MTS, facilitating revisions and/or design change notices as needed and assisting MTS with construction punch list and closeout activities.

MTS has determined HDR and their sub-consultant, RailPros, Inc. is the most qualified parties to provide the DSDC under the current MTS "as-needed" engineering design contract. HDR has agreed to retain the desired services from RailPros on a pass-through basis.

MTS and its contractor are currently unaware of any DSDC issues that may require additional expenditure under this work order however; staff recommends that the Board approve an additional project contingency of \$25,000. MTS feels the contingency is prudent due to uncertainties beyond known issues that were included in the scope of the work. The contingency will provide staff the ability to quickly approve any needed actions on the ground and maintain the timeline of the project under a single board approval.

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

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

Attachment: A. Work Order WOA1947-AE-10



Metropolitan Transit System

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

ORIGINAL

October 10, 2017

MTS DOC No. G1947.0-17
Work Order WOA1947-AE-10

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-10; GENERAL ENGINEERING DESIGN SERVICES FOR DESIGN SERVICES DURING CONSTRUCTION (DSDC) FOR ORANGE LINE COURTHOUSE STATION

This letter shall serve as our agreement for professional services, Work Order WOA1947-AE-10, under the General Engineering Consultant Agreement, MTS Doc. No. G1947.0-17, as further described below.

SCOPE OF SERVICES

Provide management and coordination of Design Services During Construction (DSDC), attendance of construction progress meetings as requested by MTS, review and approve submittals, respond to RFIs, perform field observations as requested by MTS, prepare design revisions/design change notices as needed and assist MTS with construction punchlist and closeout activities in accordance with the attached Scope of Services (Attachments A and B).

SCHEDULE

This Work Order will not change the original schedule. The Scope of Services, as described above, shall remain in effect through March 1, 2018.

PAYMENT

Payment shall be based on actual costs in the amount not to exceed without prior authorization of \$97,209.00.

Sincerely,

Paul C. Jablonski
Chief Executive Officer

Accepted:

Thomas K. Kim
HDR Engineering, Inc.

Date: 10/27/17

LMARQUIS-CL
CL-G1947.0-17.WOA1947AE10.HDR.SAUGUSTYN.101017





WORK ORDER TITLE: Design Services During Construction (DSDC) for Orange Line Courthouse Station MTS Doc. No. G1947.0-17.01

I. PROJECT DESCRIPTION

As a result of the future Mid-Coast Trolley operations plan and the necessity to relieve Trolley congestion at Santa Fe Depot, Metropolitan Transit System (MTS) proposes to relocate the existing westerly terminus of the San Diego Trolley's Orange Line from Santa Fe Depot to a new station within the C Street (between State and Union) corridor between State Street and Union Street. This location was chosen as it is central to the downtown courthouse system, is located at the near midpoint between two existing stations – America Plaza and Civic Center, and is located in an area where no existing building access would be disturbed.

Under a separate Work Order, the following was prepared and completed for this project:

- Project Study Report (PSR)
- 30% design package based on the PSR.
- 60%, 90%, 100%, and Final (IFB) levels of design.

The project is now entering into the bid and construction phase for which MTS is requesting engineering support services. MTS wishes to engage HDR Engineering, Inc. (Consultant) and their subconsultant, RailPros, Inc. (hereafter referred to mutually as Consultants) to perform all services identified in this Work Order.

Subject to the Special Conditions contained in this Work Order, HDR has agreed to retain the desired services from Subconsultant on a pass-through basis.

Under this Work Order Consultants will provide management and coordination of Design Services During Construction (DSDC), attendance of construction progress meetings as requested by MTS, review and approve submittals, respond to RFIs, perform field observations as requested by MTS, prepare design revisions/design change notices as needed and assist MTS with construction punchlist and closeout activities.

II. EXPECTED RESULTS

- Design Services During Construction (DSDC).

III. SCOPE OF WORK

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

TASK 1 PROJECT MANAGEMENT AND COORDINATION

This task involves project management services including the requirements for progress reports, invoicing, meetings, coordination of efforts between inter-Agencies, and oversight of DSDC work. The labor hours and expenses associated with this task are reflected under the Work Breakdown Structure (WBS) tasks as task management. Administration and Oversight will include the following elements of the work:

- Supervise, coordinate, and monitor work for conformance with Metropolitan Transit System (MTS) standards and policies;
- Prepare, circulate, and file correspondence and memos as appropriate; and
- Track and maintain submittal, RFI, and Design Change logs.

This Work Order is a pass-through to Consultants to continue its support of the project to MTS. HDR's responsibilities will be limited to processing invoices to MTS on behalf of RailPros, Inc. Any additional support from HDR will require a Work Order Amendment.

1.1 Progress Reports and Invoices

At the end of each month, Consultants 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 Consultants. Progress will be based on the physical percentage complete of individual subtasks or actual progress toward completion.

HDR will submit one copy of a monthly progress report consisting of a written narrative to the MTS PM and MTS Contracts Manager.

1.2 Inter-Agency and Project Coordination

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

TASK 2 DESIGN SUPPORT DURING CONSTRUCTION (DSDC) SERVICES

2.1 Weekly Construction Meetings

Consultants attend weekly construction progress meetings at the request of the MTS Project Manager. Appropriate representatives will attend when requested depending on progress and phase of construction. For fee purposes it is assumed that a maximum of two meetings will be attended per month for the duration of construction. Construction is scheduled to be completed within seven months of notice to proceed; therefore the attached fee schedule will reflect fourteen (14) construction meetings.

2.2 Review & Approve Submittals

Consultants will review and approve or take other appropriate action in respect to Contractor-prepared submittals, including shop drawings, product catalog cut sheets, certificates of compliance, samples, and other data which the Construction contractor is required to submit, but only for conformance with the information given in the Contract Documents. Such review and approvals or other action will not extend to means, methods, techniques, equipment choice and usage, sequences, schedules, or procedures of construction or to related safety precautions and programs.

Consultants will have five working days for review of submittals. Once the review is complete the submittal will receive a notification stamp indicating results of review including notes for additional action by the Construction contractor as may be deemed necessary.

2.3 Respond to Requests for Information (RFI)

Consultants will review and respond to Construction contractor RFIs forwarded from the MTS Construction Management (CM) team and issue necessary clarifications and interpretations of the Contract Documents as appropriate to the orderly completion of the Construction contractor's work. Any orders authorizing variations from the Contract Documents will be made by the MTS CM.

2.4 Field Observations

At the request of MTS, Consultants staff will perform site visits to assist in a response to RFI's, to gather data for developing Change Orders, or to perform other specific tasks such observation of Change in Condition, Construction contractor implementation for substitution, field verifications, etc.

2.5 Prepare Design Revisions/Design Change Notices (DCN's)

Consultants will prepare revisions to design plans and technical specifications as directed. Modifications to the project plans and specifications may be required prior to and during the construction phase of the project. Consultants will work with the MTS construction team to assess the purpose for implementing a potential change, to develop an appropriate solution, and develop corresponding revisions to the plans and specifications. Design revisions may be in response to action required by an RFI, CCO, an unforeseen site condition, value-engineering, etc. If requested by MTS, the Subconsultant will develop cost estimates to coincide with the proposed changes. Design revisions will be transmitted in PDF file format.

2.6 Punchlist and Closeout Activities

As the project nears Substantial Completion, Consultants will assist the CM team in preparing a punchlist of items to be addressed by the Construction contractor. Assistance with the punchlist will entail site walks as directed by the CM team.

After Completion of Work the Consultant shall prepare final as-built plans, in AutoCAD, based on Record Drawings provided by the Construction contractor. As-built plans prepared under this Work Order will not include any work performed by the Construction contractor subsequent to Completion of Work.

IV. PERIOD OF PERFORMANCE

Notice to Proceed to Project Completion. Construction duration is anticipated to be 7 months (March 1st, 2018).

V. DELIVERABLES

- Miscellaneous DSDC Phase Deliverables (Submittal responses, RFI's, DCN's, As-Builts, other approvals, etc.).

SCHEDULE OF SERVICES/MILESTONES/DELIVERABLES

A. Tasks Schedule

Task	Begin/End Dates
DSDC	Construction NTP/ March 1 st , 2018

B. Milestones/Deliverables Schedule

Milestone/Deliverable**Due Date**

DSDC Deliverables, as needed

As-needed

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

- Construction contractor Submittals and RFIs
- Construction contractor's Record Drawings
- Email check payment receipt to Jessica.Talman@hdrinc.com to allow HDR to process subconsultant payment within 7 day DBE policy requirement.

VII. SPECIAL CONDITIONS

MTS and HDR Engineering, Inc. acknowledge and agree that, notwithstanding anything to the contrary in the Agreement between MTS and HDR Engineering, Inc., these Special Conditions make clear that Railpros will be providing the majority of the design services under this Work Order Agreement in support of the MTS's Courthouse Construction Project.

These Special Provisions apply solely to this Work Order and do not otherwise alter the Agreement or other Work Orders.

- The Consultants must receive an NTP from the MTS PM prior to beginning DSDC.
- HDR Engineering, Inc. is acting solely as a pass-through with respect to the services performed by their Subconsultant under this Work Order, and HDR Engineering, Inc. will remain responsible and liable for the services performed under this Work Order.

VIII. 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.

IX. 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.

X. 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 change in the format, at no cost, if it doesn't satisfy MTS's needs. All work products will become the property of MTS. MTS reserves the right to disclose any reports or material provided by the Firm to any third party.

Firm 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.

XI. ADDITIONAL INFORMATION

Not Applicable to this WOA.

Task Order Estimate Hourly Breakdown

Contract No.	G1947-0-17
Work Order No.	WOA1947-AE-10
Attachment:	B

Work Order Title: Design Services During Construction (DSDC) for Orange Line Courthouse Station

Project No:

Table 1 - Cost Codes Summary (Costs & Hours)

Item	Cost Codes	Cost Codes Description	Total Costs
1	0100	Project Management	\$10,412.88
2	0255	Engineering	\$86,795.76
3			
4			
5			
6			
7			
8			
TOTAL =			\$97,209

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

Item	TASKS/WBS	TASKS/WBS Description	Labor Hrs	Total Costs
1	Admin	Project Management & Coordination	60	\$10,412.88
2	Engineering	Design Support During Construction	338	\$86,795.76
3	Engineering	0.00	0	\$0.00
TOTAL =			398	\$97,209

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

(If Applicable, Select One)				Consultant	Labor Hrs	Total Costs
DBE	DVBE	SBE	Other			
				HDR Engineering, Inc.	12	\$1,708.12
				RailPros Inc.	386	\$95,500.52
Totals =					398	\$97,209

Task Order Estimate Hourly Breakdown

Total Hours = 12		Total Costs = \$1,708.12		Contract No.: G1947-0-17		Work Order No.: WOA1947-AE-10		Attachment: B									
Consultant/Sub-consultant: HDR Engineering, Inc.		Task Order Title: Design Services During Construction (DSDC) for Orange Line Courthouse Station		Contract No.: G1947-0-17		Work Order No.: WOA1947-AE-10		Attachment: B									
WOA1947-AE-10		Task Order Title: Design Services During Construction (DSDC) for Orange Line Courthouse Station		Contract No.: G1947-0-17		Work Order No.: WOA1947-AE-10		Attachment: B									
WBS		Task Description		ODCs		Group Director (Fixed Fee) / Initials		As. Estimate Amount		Total Hours		Percent of Total		Hours		Costs	
G1456-0-13		Project Management & Coordination															
1		Billing Code		Admin		Progress Reports and Invoices		Inter-Agency and DSDC Coordination		ODCs not specific to a Subtask (General)		Subtotals (Hours) =		Subtotals (Costs) =			
1.1		0100															
1.2		0100															

Task Order Estimate
Hourly Breakdown

Consultant/ Subconsultant: HDR Engineering, Inc.

Task Order Title: Design Services During Construction (DSDC) for Orange Line Courthouse Station

Contract No: Q1947-0-17

Task Order No: WOA1947-AE-10

Attachment: B

TASKS/WBS (1-5)

ODC Item	Description	Unit	Unit Cost	Admin		Engineering		0.00		0.00	
				Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total
1	Reproduction		\$60.00	2	\$100.00		\$0.00		\$0.00		\$0.00
2	Mileage		\$0.535		\$0.00		\$0.00		\$0.00		\$0.00
3	Reimbursable Travel		\$1,600.00		\$0.00		\$0.00		\$0.00		\$0.00
4					\$0.00		\$0.00		\$0.00		\$0.00
5					\$0.00		\$0.00		\$0.00		\$0.00
6					\$0.00		\$0.00		\$0.00		\$0.00
7					\$0.00		\$0.00		\$0.00		\$0.00
8					\$0.00		\$0.00		\$0.00		\$0.00
9					\$0.00		\$0.00		\$0.00		\$0.00
10					\$0.00		\$0.00		\$0.00		\$0.00
Subtotal =					\$100.00		\$0.00		\$0.00		\$0.00

TASKS/WBS (6-10)

ODC Item	Description	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total
1	Reproduction		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
2	Mileage		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
3	Reimbursable Travel		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
4	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
5	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
6	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
7	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
8	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
9	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
10	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
Subtotal =			\$0.00		\$0.00		\$0.00		\$0.00		\$0.00

TASKS/WBS (11-15)

ODC Item	Description	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total
1	Reproduction		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
2	Mileage		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
3	Reimbursable Travel		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
4	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
5	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
6	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
7	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
8	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
9	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
10	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
Subtotal =			\$0.00		\$0.00		\$0.00		\$0.00		\$0.00

Totals = \$0.00

ODC Item	Description	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total
1	Reproduction		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	2	\$100.00
2	Mileage		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
3	Reimbursable Travel		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
4	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
5	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
6	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
7	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
8	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
9	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
10	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
Subtotal =			\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$100.00

Task Order Estimate Hourly Breakdown

Total Hours = 386		Total Costs = \$95,600.52		Contract No. G1947-0-17		Work Order No. WOA1947-AE-10		Attachment: B							
Consultant/Sub-consultant: RailProx Inc.		Task Order Title: Design Services During Construction (DSDC) for Orange Line Courthouse Station		Station											
WOA1947-AE-10		Task Order Title:													
Item	Contract	WBS	Task Description	ODCs	Quality Assurance Manager	Builder PM	Project Manager (PCAM)	Engineer II	Senior Project Engineer	Engineer III	CAD Tech	CAD Tech	Admin 1	Total Hours	Percent of Total
1 Billing Code G1455 0-13 Admin Project Management & Coordination															
1.1	0100		Progress Reports and Inspection												
1.2	0100		Inter-Agency and DSOC Coordination												
ODCs not specific to a Subtask (General)															
Subtotals (Hours) =					\$0.00										
Subtotals (Costs) =					\$0.00										
2 Billing Code 0255 Engineering Design Support During Construction															
2.1	0255		Weekly Construction Meeting (excludes 25 hrs @ 2hr/mg)												
2.2	0255		Review and Approve Submittals												
2.3	0255		Respond to Requests for Information (RFI)												
2.4	0255		Field Observations												
ODCs not specific to a Subtask (General)															
Subtotals (Hours) =					N/A										
Subtotals (Costs) =					\$34,803.28										
3 Billing Code 0255 Engineering															
3.1	0255		Weekly Construction Meeting (excludes 25 hrs @ 2hr/mg)												
3.2	0255		Review and Approve Submittals												
3.3	0255		Respond to Requests for Information (RFI)												
3.4	0255		Field Observations												
3.5	0255		Weekly Construction Meeting (excludes 25 hrs @ 2hr/mg)												
3.6	0255		Review and Approve Submittals												
ODCs not specific to a Subtask (General)															
Subtotals (Hours) =					N/A										
Subtotals (Costs) =					\$0.00										
Totals (Summary) =															
Total (Hours) =					N/A										
Total (Costs) =					\$34,803.28										
Percentage of Total (Hours) =					N/A										
Percentage of Total (Costs) =					36.4%										

Contract No. G1947-0-17														
Work Order No. WOA1947-AE-10														
Attachment: B														
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Att. A, Al 12, 11/9/17

Task Order Title: **Design Services During Construction (DSDC) for Orange Line Courthouse Station**

Task Order No. WOA1847-AE-10

Attachment: **B**

DOC Item	Description	Unit	Unit Cost	Admin		Engineering		0.00		0.00			
				Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total
1	Reproduction		\$2,000.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
2	Mileage		\$0.535		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
3	Reimbursable Travel		\$1,500.00		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
4	PGH Wong	Lump Sum	\$1.00		\$0.00	1	\$34,603.28		\$0.00		\$0.00		\$0.00
5					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
6					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
7					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
8							\$0.00		\$0.00		\$0.00		\$0.00
9							\$0.00		\$0.00		\$0.00		\$0.00
10					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
Subtotal =					\$0.00	Subtotal =			\$34,603.28	Subtotal =			\$0.00
										Subtotal =			\$0.00
										Subtotal =			\$0.00

ODC Item	Description	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total
1	Reproduction		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
2	Mileage		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
3	Reimbursable Travel		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
4	PGH Wong		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
5	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
6	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
7	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
8	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
9	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
10	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
Subtotal =			\$0.00	Subtotal =			\$0.00	Subtotal =			\$0.00
			\$0.00				\$0.00				\$0.00

ODC		TASKS/WBS (11-15)									
Item	Description	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total
1	Reproduction		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
2	Mileage		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
3	Reimbursable Travel		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
4	PGH Wong		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
5	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
6	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
7	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
8	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
9	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
10	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
Subtotal =			\$0.00	Subtotal =			\$0.00	Subtotal =			\$0.00
			\$0.00				\$0.00				\$0.00

TASK3/WBS (10-20)													
ODC Item	Description	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Totals	
												Quantity	Total
1	Description		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
2	Reproduction		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
3	Mileage		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
4	Reimbursable Travel		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
5	PGH Wong		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	1	\$34,803.28
6	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
7	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
8	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
9	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
10	0		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00	0	\$0.00
		Subtotal =	\$0.00	Subtotal =	\$0.00	Subtotal =	\$0.00	Subtotal =	\$0.00	Subtotal =	\$0.00	Totals =	\$34,803.28



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

November 9, 2017

**Draft for
Executive Committee
Review Date: 11/2/17**

SUBJECT:

ORANGE LINE GRADE CROSSING WARNING APPROACH AND SIGNAL
IMPROVEMENTS ENGINEERING 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. WOA-AE-07 to MTS Doc. No. G1953.0-17 (in substantially the same format as Attachment A) with Pacific Railway Enterprises, Inc. (PRE) for the Orange Line Grade Crossing Warning Approach and Signal Improvements Engineering design services.

Budget Impact

The value of this agreement will not exceed \$149,959.60 and is funded through the MTS Capital Improvement Project budget account 2006102101.

DISCUSSION:

Currently, there are ten grade crossings on the Orange Line that are limited to operating speeds of 40mph and 50mph. MTS requires Architectural and Engineering (A&E) services to evaluate and revise the design of the grade crossing warning approaches to accommodate a higher operating speed up to 55mph in order to facilitate the lifting of speed restrictions to improve on-time performance on the Orange Line.

MTS staff is utilizing the pre-qualified A&E firms on a rotation basis and selected PRE to perform the requisite services. PRE has the railroad signal design experience and is familiar with MTS trolley signaling system.



Therefore, staff recommends that the Board of Directors authorize the CEO to execute Work Order No. WOA1953-AE-07 to MTS Doc. No. G1953.0-17 with PRE for the Orange Line Grade Crossing Warning Approach and Signal Improvements Engineering 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. G1953.0-17 WOA-AE-07

November 8, 2017

MTS Doc. No. G1953.0-17
Work Order No. WOA1948-AE-07

Pacific Rail Enterprises
Jennifer Purcell
President/CEO
3560 University Ave, Suite F
Riverside, CA 92501

Dear Mrs. Purcell:

Subject: MTS DOC. NO. G1953.0-17, WORK ORDER WOA1953-AE-07, GENERAL ENGINEERING
DESIGN SERVICES FOR ORANGE LINE GRADE CROSSING WARNING APPROACH AND
SIGNAL IMPROVEMENTS

This letter shall serve as our agreement for Work Order WOA1953-AE-07 to MTS Doc. No. G1953.0-17, 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 to evaluate and design Orange Line grade crossing warning approaches to accommodate a higher operating speed. 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 \$149,959.60.

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

Jennifer Purcell
Pacific Rail Enterprises

Date: _____

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



WORK ORDER TITLE: Orange Line Grade Crossing Warning Approach Improvements Project

I. PROJECT DESCRIPTION

This project requires design and engineering services to evaluate and design Orange Line grade crossing warning approaches to accommodate a higher operating speed of 55MPH. Currently there are 10 grade crossing on the Orange Line that are limited to 40 and 50MPH operating speeds. By increasing operating speeds slow orders can be removed providing enhanced on-time performance on the Orange Line.

This project will also address the issue of a voltage drop that is experienced between Baltimore Junction and Grossmont Station.

II. EXPECTED RESULTS

This Work Order will provide construction documents for improvements to ten grade crossing approached on the Orange line and solve voltage drop issues. This Work Order will provide sealed plans, estimates, and construction scope of work and bill of material list for the construction Contractor. Bid support, design support during construction and as built documentation will also be provided.

III. SCOPE OF WORK

The scope of work shall consist of the following tasks and deliverables:

Task 1: Field Investigation/Verification

- 1.1; Evaluate and design track circuits that will interface with existing crossing warning systems.
- 1.2; Field verify locations for new track leads.
- 1.3; Conduct a field survey and measure the voltage drop between Baltimore Junction and Grossmont Station.

Task 2: Signal Design Development

The Consultant will produce Signal Drawings for the 10 grade crossings and develop a recommendation for re-routing power or isolating segments to address voltage drop.

- 2.1; 50%- Development of Signal Layout, detailed Location Plans and Estimates
- 2.2; 90%- Development of Signal Layout, detailed Location Plans, Estimate, Draft Scope of Work and Draft Bill of Material. Consultant will incorporate comments received by MTS and SANDAG at 50%.

- 2.3; 100%- Final Development of Signal Layout, detailed Location Plans, Estimate, Scope of Work and Bill of Material. Consultant will incorporate comments received by MTS and SANDAG at 90%.

Task 3: IFB Support

- 3.1; The Consultant shall provide support services during the bidding process, creating addenda as required.
- 3.2; The Consultant shall prepare conformed plans and scope of work, incorporating addenda created during the bidding process.

Task 4: Design Support During Construction (DSDC)

- 4.1; The Consultant will participate in weekly construction meetings as requested by MTS to discuss project status and coordinate work.
- 4.2; The Consultant will review contractor-prepared shop drawings, product submittals and certificates of compliance and make a recommendation for action. The Consultant will review submittals, recommend submittal action and return to the CM within five (5) working days.
- 4.3; The Consultant will review and respond to RFI's forwarded by the CM. The Consultant will review each RFI and provide a response to the CM within five (5) working days.
- 4.4; The Consultant will visit the site as requested by MTS to review field conditions and observe construction to provide technical support during construction. Services include observation of factory acceptance testing, observation of Contractor rack testing, software configuration management and coordination of dispatch system changes.
- 4.5; The Consultant will prepare revisions to design plans and scope of work as directed by the PM. Such design revisions may be in response to action required by an RFI, an unforeseen site condition, value-engineering, etc. Design revisions will be prepared within ten working days of reaching design solution consensus between the Contractor, MTS PM, and Resident Engineer.
- 4.6; The Consultant will attend a punch list field walk to determine areas of concern, providing information to the CM for their incorporation into the final punch list.
- 4.7; Once construction is complete, Consultant will request all signal and communication changes (red lines) recorded in the field by the Contractor from the CM. The Consultant will update CAD files for distribution to the field.

IV. PERIOD OF PERFORMANCE

The period of performance is anticipated to be 24 months from NTP.

V. DELIVERABLES

Deliverables will be as directed by the PM and are limited to the following:

- 50% Signal Design Package
- 90% Signal Design Package
- Final Signal Design Package
- As-Built Maintenance Plans

VI. SCHEDULE OF SERVICES/MILESTONES/DELIVERABLES**A. Tasks Schedule**

Task	Begin/End Dates
Site Investigation/Verification	NTP / 1 month following NTP
Signal Design Development	NTP / 8 month following NTP
Final Plans	NTP / 10 months following NTP
Design Support During Construction	Construction start to Construction complete
As-Built Maintenance Plans	2 months after Construction complete

B. Milestones/Deliverables Schedule

Milestone/Deliverable	Due Date
50% Signal Design Package	4 months following NTP
90% Signal Design Package	8 months following NTP
Final Signal Design Package	10 months following NTP
As-Built Maintenance Plans	2 months after construction complete

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

Current design CAD files to be provided by SANDAG.

VIII. SPECIAL CONDITIONS

Any condition listed below applies solely to this Work Order and does not otherwise alter the Agreement or other Work Orders.

1. Design Contractor must obtain all As-Builts from SANDAG.
2. Design Contractor shall not be responsible for costs associated with MTS flag protection for all on-site activities performed as necessitated by the design process.

IX. MTS ACCEPTANCE OF SERVICES:

Firm shall not be compensated at any time for unauthorized work outside of this Work Order. Firm 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 Firm provides final service(s) or final work product(s) which are found to be unacceptable due to Firms and/or Firms subcontractors negligence and thus not 100% complete by MTS' Project Manager, Firm 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 hours performed for each person/classification identified in the attached Fee Schedule and shall at no time exceed the NTE. Firm 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 Firm, if MTS finds any work product provided by Firm to be deficient and the deficiently delays any portion of the project, Firm 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 Firms deficient work product and shall bear no costs or burden associated with Firms deficient performance and/or work product.

XI. DELIVERABLE REQUIREMENTS

Firm 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 change in the format if it doesn't satisfy MTS's needs. All work products will become the property of MTS. MTS reserves the right to disclose any reports or material provided by the Firm to any third party.

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

Firm's 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. Firm shall maintain backup copies of all data conveyed to MTS.

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

XII. ADDITIONAL INFORMATION

The 10 crossings are to be identified by MTS.

XIII. PROJECT BUDGET

The budget for the A&E portion of this project is \$150,000.

Work Order Estimate Summary

Att. A, AI 13, 11/9/17

MTS Doc. No.

G1953.0-17

Work Order No.

WOA1953-AE-07

Attachment:

B

Work Order Title:

Orange Line Grade Crossing Warning Approach
Improvements Project

Project No:

2005104101

Table 1 - Cost Codes Summary (Costs & Hours)

Item	Cost Codes	Cost Codes Description	Total Costs
1			\$149,959.60
2			

Totals =

\$149,959.60

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

Item	TASKS/WBS	TASKS/WBS Description	Labor Hrs	Total Costs
1	0600-0255	Field Investigation/Verification	96.0	\$15,542.40
2	0600-0255	Signal Design Development	780.0	\$91,410.96
3	0600-0255	IFB Support	20.0	\$2,889.28
4	0600-0255	Design Support During Construction	360.0	\$40,116.96
5				

Totals =

1,256.0

\$149,959.60

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

(If Applicable, Select One)				Consultant	Labor Hrs	Total Costs
DBE	DVBE	SBE	Other			
X		X		Pacific Railway Enterprises, Inc.	1,256.0	\$149,959.60

Totals =

1,256.0

\$149,959.60

Work Order Estimate Summary

Att. A, AI 13, 11/9/17

Total Hours =	1,256
Total Costs =	\$149,959.60

Consultant/Subconsultant: Pacific Railway Enterprises, Inc.

MTS Doc. No.: G1953.0-17

Work Order No.: WOA1953-AE-07

Work Order Title: Orange Line Grade Crossing Warning Approach Improvements Project

Attachment: B

Item	TASKS/WBS	TASKS/WBS Description	ODCs (See Attachment)	Systems Engineer	Sr. Railroad Systems Technologist I	Signal Designer III	Sr. Railroad Systems Technologist III	Travis Sylvester Railroad Systems Technologist II	NA	NA	NA	NA	NA	Total Hours	Totals
				\$224.17	\$124.54	\$74.72	\$161.90	\$107.93	\$ -	\$ -	\$ -	\$ -	\$ -		
1	Task 1	0600-0255 Field Survey/Verification													
1.1	Evaluate circuits that will interface with existing crossing warning systems						32							32	\$5,180.80
1.2	Field verify locations for new track leads						32							32	\$5,180.80
1.3	Investigate Voltage Drop Btw Baltimore Jct and Grossmont Sta.						32							32	\$5,180.80
	Subtotals (Hours) =	N/A					96							96	\$15,542.40
	Subtotals (Costs) =						\$15,542.40							96	\$15,542.40
2	Task 2	0600-0255 Design Development													
2.1	50% Design Package			8	160	160	80							408	\$46,626.96
2.2	90% Design Package			4	160	80	60							304	\$36,514.68
2.3	100% Final Design Package			4	24	24	16							68	\$8,269.32
	Subtotals (Hours) =	N/A		16	344	264	156							780	\$91,410.96
	Subtotals (Costs) =		\$3,586.72	\$42,841.76	\$19,726.08	\$25,256.40								780	\$91,410.96
3	Task 3	0600-0255 Engineering Support for IFB													
3.1	Bid Support						8							8	\$1,295.20
3.2	Preparation of Confirmed Plans and Scope of Work					4	8							12	\$1,594.08
	Subtotals (Hours) =	N/A				4	16							20	\$2,889.28
	Subtotals (Costs) =					\$298.88	\$2,590.40							20	\$2,889.28
4	Task 4	0600-0255 Design Support During Construction													
4.1	Weekly Construction Meetings						8	24						32	\$3,885.52
4.2	Review and Approve Submittals						8	40						48	\$5,612.40
4.3	Respond to Request for Information (RFI)						8	40						48	\$5,612.40
4.4	Field Observations						8	80						88	\$9,929.60
4.5	Preparations of Design Revisions/Design Chance Notices						8	40						48	\$5,612.40
4.6	Punchlist Assistance and Closeout Activities						4	40						44	\$4,964.80
4.7	As-Builts					40	4	8						52	\$4,499.84
	Subtotals (Hours) =	N/A				40	48	272						360	\$40,116.96
	Subtotals (Costs) =					\$2,988.80	\$7,771.20	\$29,356.96						360	\$40,116.96
	Totals (Summary) =													1,256	\$149,959.60
	Total (Hours) =	N/A		16	344	308	316	272						1,256	\$149,959.60
	Total (Costs) =		\$3,586.72	\$42,841.76	\$23,013.76	\$51,160.40	\$29,356.96								\$149,959.60
	Percentage of Total (Hours) =	N/A		1%	27%	25%	25%	22%						100%	
	Percentage of Total (Costs) =			2%	29%	15%	34%	20%							100%

Work Order Estimate Summary

Att. A, AI 13, 11/9/17

Consultant/ Subconsultant: **Pacific Railway Enterprises, Inc.**

Contract No: **G1953.0-17**

Task Order No. **WOA1953-AE-07**

Work Order Title: **Orange Line Grade Crossing Warning Approach Improvements Project**

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													
2													
3													
4													
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6													
7													
8													
9													
10													
				Subtotal =		Subtotal =		Subtotal =		Subtotal =		Subtotal =	

TASKS/WBS (6-10)

ODC Item	Description	Quantity		Total		Quantity		Total		Quantity		Total		Totals	
		Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total
1															
2															
3															
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. 14

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 9, 2017

**Draft for
Executive Committee
Review Date: 11/2/17**

SUBJECT:

INTERLOCKING E22 TO E24 AC LOW VOLTAGE AND E26 UPGRADE 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. WOA1953-AE-08 to MTS Doc. No. G1953.0-17 (in substantially the same format as Attachment A) with Pacific Railway Enterprises (PRE), Inc. for design services for the Orange Line Interlocking E22 to E24 AC Low Voltage and E26 upgrade design services.

Budget Impact

The value of this agreement will not exceed \$150,501.42 and is funded through the MTS Capital Improvement Project budget account 2006102101.

DISCUSSION:

MTS intends to modify the existing track circuit power network from interlocking E22 to E24 and upgrade the existing interlocking E26 with a fully interlocked microprocessor based train control system. Currently, this interlocking utilizes relay based logic that has been modified over the past twenty-five years. The relays in this system are no longer manufactured and are difficult to procure. There are consistent problems with red signals and consequently, train delays at this key location.

This project will design and implement a microprocessor based logic that will interface with the existing signal system. This modification will reduce the amount of track relays and replace all obsolete equipment that will improve the train on-time performance on the Orange Line.



MTS staff is utilizing the approved A&E firms on a rotation basis and, according to the established ranked order of firms, selected PRE to perform the requisite services. PRE has the railroad signal design experience and is familiar with the MTS trolley signaling system.

Therefore, staff recommends that the Board of Directors authorize the CEO to execute Work Order No. WOA1953-AE-08 to MTS Doc. No. G1953.0-17 with PRE for the Orange Line interlocking E22 to E24 and to upgrade the existing interlocking E26 with a fully interlocked microprocessor based train control system.

/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. G1953.0-17 WOA1953-AE-08

November 8, 2017

MTS Doc. No. G1953.0-17
Work Order No. WOA1948-AE-08

Pacific Rail Enterprises
Jennifer Purcell
President/CEO
3560 University Ave, Suite F
Riverside, CA 92501

Dear Mrs. Purcell:

Subject: MTS DOC. NO. G1953.0-17, WORK ORDER WOA1953-AE-08, GENERAL ENGINEERING
DESIGN SERVICES FOR INTERLOCKING E22 TO E24 AC LOW VOLTAGE AND E26
UPGRADE

This letter shall serve as our agreement for Work Order WOA1953-AE-08 to MTS Doc. No. G1953.0-17, 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 to 1) perform an assessment of the existing conditions and recommendations for modification of the existing track circuit power network from interlocking E22 to E24; and 2) evaluate and design a fully interlocked microprocessor based train control system for Interlocking E26.. 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 \$150,501.42.

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

Jennifer Purcell
Pacific Rail Enterprises

Date: _____

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

DRAFT



WORK ORDER TITLE: Orange Line Interlocking E22 to E24 AC Low Voltage and E26 Upgrade

I. PROJECT DESCRIPTION

This project requires design and engineering services to 1) perform an assessment of the existing conditions and recommendations for modification of the existing track circuit power network from interlocking E22 to E24; and 2) evaluate and design a fully interlocked microprocessor based train control system for Interlocking E26. Currently this interlocking utilizes relay based logic that has been modified over the past twenty-five years. The relays in this system are no longer manufactured and are difficult to procure. There are consistent problems with red signals and train delays at this key location. The qualified firm will design and engineer a microprocessor based logic interfaced with the connecting signal system. This modification will reduce the amount of track relays, replace all obsolete equipment and improve on time performance on the Orange Line.

II. EXPECTED RESULTS

This Work Order will provide construction documents for the rehabilitation of the power network located at Interlocking E22, E24 and a full control system design for Interlocking E26 and provide signal protection for reverse running on both tracks between Interlocking E26 and E28. This Work Order will provide sealed plans, estimates, and construction scope of work and bill of material list for the construction Contractor. Bid support will also be provided.

III. SCOPE OF WORK

The scope of work shall consist of the following tasks and deliverables:

Task 1: Site Investigation/Verification

- 1.1; Perform an assessment/recommendations of the existing track circuit power network from interlocking E22 to E24.

Task 2: Signal Design Development

The Consultant will produce Signal Drawings to install a Microprocessor at Interlocking E26 to interface with existing signal locations on both sides of Interlocking E26 and will include Coordination with Arinc for CTC. Consultant shall develop a recommendation for modifications of the existing track circuit power network from Interlock E22 to E24.

- 2.1; 50%- Development of Signal Layout, detailed Location Plans and Estimates.
- 2.2; 90%- Development of Signal Layout, detailed Location Plans, Estimate, Draft Scope of Work and Draft Bill of Material. Consultant will incorporate comments received by MTS and SANDAG at 50%.

- 2.3; 100%- Development of Signal Layout, detailed Location Plans, Estimate, Draft Scope of Work and Draft Bill of Material. Consultant will incorporate comments received by MTS and SANDAG at 90%.

Task 3: Software Development

- 3.1; Develop application software for E26 interlocking. The Consultant shall simulate the developed software and rack test prior to the Contractor to come to PRE's Riverside office for Contractor rack testing.

Task 4: IFB Support

- 4.1; The Consultant shall provide support services during the bidding process, creating addenda as required.
- 4.2; The Consultant shall prepare conformed plans and scope of work, incorporating addenda created during the bidding process.

IV. PERIOD OF PERFORMANCE

List period of performance for required services

V. DELIVERABLES

Deliverables will be as directed by the PM and are limited to the following:

- 50% Signal Design Package
- 90% Signal Design Package
- 100% Signal Design Package
- Application software for E26 Interlocking

VI. SCHEDULE OF SERVICES/MILESTONES/DELIVERABLES

A. Tasks Schedule

Task	Begin/End Dates
Site Investigation/Verification	NTP / 1 month following NTP
Signal Design Development	NTP / 8 month following NTP
Final Plans	NTP / 10 months following NTP
Software Development	NTP / 10 months following NTP

B. Milestones/Deliverables Schedule

Milestone/Deliverable	Due Date
50% Signal Design Package	4 months following NTP
90% Signal Design Package	8 months following NTP
Final Signal Design Package	10 months following NTP
Vital Processor Application Software	10 months following NTP

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

Current location CAD files will be provided by SANDAG.

VIII. SPECIAL CONDITIONS

Any condition listed below applies solely to this Work Order and does not otherwise alter the Agreement or other Work Orders.

1. Design Contractor must obtain all CAD files from SANDAG.
2. Design Contractor shall not be responsible for costs associated with MTS flag protection for all on-site activities performed as necessitated by the design process.
3. Design Support During Construction will be funded under a separate task.

IX. MTS ACCEPTANCE OF SERVICES:

Firm shall not be compensated at any time for unauthorized work outside of this Work Order. Firm 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 Firm provides final service(s) or final work product(s) which are found to be unacceptable due to Firms and/or Firms subcontractors negligence and thus not 100% complete by MTS' Project Manager, Firm 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 hours performed for each person/classification identified in the attached Fee Schedule and shall at no time exceed the NTE. Firm 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 Firm, if MTS finds any work product provided by Firm to be deficient and the deficiently delays any portion of the project, Firm 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 Firms deficient work product and shall bear no costs or burden associated with Firms deficient performance and/or work product.

XI. DELIVERABLE REQUIREMENTS

Firm 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 change in the format if it doesn't satisfy MTS's needs. All work products will become the property of MTS. MTS reserves the right to disclose any reports or material provided by the Firm to any third party.

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

Firm's 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. Firm shall maintain backup copies of all data conveyed to MTS.

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

XII. ADDITIONAL INFORMATION

Not applicable

XIII. PROJECT BUDGET

The budget for the A&E portion of this project is \$180,000.

Work Order Estimate Summary

Att. A, AI 14, 11/9/17

MTS Doc. No. G1953.0-17

Work Order No. WOA1953-AE-08

Attachment: B

Work Order Title: Orange Line Interlocking E22 to E24 AC Low Voltage
and E26 Upgrade

Project No: 2005104101

Table 1 - Cost Codes Summary (Costs & Hours)

Item	Cost Codes	Cost Codes Description	Total Costs
1			\$150,501.42
2			

Totals = \$150,501.42

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

Item	TASKS/WBS	TASKS/WBS Description	Labor Hrs	Total Costs
1	0600-0255	Field Investigation/Verification	32.0	\$5,180.80
2	0600-0255	Signal Design Development	918.0	\$106,156.22
3	0600-0255	Software Development	240.0	\$36,574.00
4	0600-0255	IFB Support	16.0	\$2,590.40

Totals = 1,206.0 \$150,501.42

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

(If Applicable, Select One)				Consultant	Labor Hrs	Total Costs
DBE	DVBE	SBE	Other			
X		X		Pacific Railway Enterprises, Inc.	1,206.0	\$150,501.42

Totals = 1,206.0 \$150,501.42

Work Order Estimate Summary

Att. A, AI 14, 11/9/17

Total Hours =	1,206
Total Costs =	\$150,501.42

Consultant/Subconsultant: Pacific Railway Enterprises, Inc.

MTS Doc. No.: G1953.0-17

Work Order No.: WOA1953-AE-08

Work Order Title: Orange Line Interlocking E22 to E24 AC Low Voltage and E26 Upgrade

Attachment: B

Item	TASKS/WBS	TASKS/WBS Description	ODCs (See Attachment)	Systems Engineer	Sr. Railroad Systems Technologist I	Signal Designer III	Sr. Railroad Systems Technologist III	Sr. Railroad Systems Technologist II	NA	NA	NA	NA	NA	Total Hours	Totals
				\$224.17	\$124.54	\$74.72	\$161.90	\$150.49	\$ -	\$ -	\$ -	\$ -	\$ -		
1	Task 1	0600-0255 Field Survey/Verification													
1.1	Assessment/Recommendations existing track circuit power E22 to E24						32							32	\$5,180.80
		Subtotals (Hours) =	N/A				32							32	\$5,180.80
		Subtotals (Costs) =					\$5,180.80							32	\$5,180.80
2	Task 2	0600-0255 Signal Design Development													
2.1	50% Design Package			8	200	160	96							464	\$54,198.96
2.2	90% Design Package			4	180	140	64							388	\$44,136.28
2.3	100% Final Design Package			2	24	24	16							66	\$7,820.98
		Subtotals (Hours) =	N/A	14	404	324	176							918	\$106,156.22
		Subtotals (Costs) =		\$3,138.38	\$50,314.16	\$24,209.28	\$28,494.40							918	\$106,156.22
3	Task 3	0600-0255 Software Development													
3.1	Application Software Development						40	200						240	\$36,574.00
		Subtotals (Hours) =	N/A				40	200						240	\$36,574.00
		Subtotals (Costs) =					\$6,476.00	\$30,098.00						240	\$36,574.00
4	Task 4	0600-0255 IFB Support													
4.1	Bid Support						8							8	\$1,295.20
4.2	Preparation of Conformed Plans and Scope of Work						8							8	\$1,295.20
		Subtotals (Hours) =	N/A				16							16	\$2,590.40
		Subtotals (Costs) =					\$2,590.40							16	\$2,590.40
	Totals (Summary) =														
	Total (Hours) =	N/A		14	404	324	264	200						1206	
	Total (Costs) =			\$3,138.38	\$50,314.16	\$24,209.28	\$42,741.60	\$30,098.00							\$150,501.42
	Percentage of Total (Hours) =	N/A		1%	33%	27%	22%	17%						100%	
	Percentage of Total (Costs) =			2%	33%	16%	28%	20%							100%

Work Order Estimate Summary

Att. A, AI 14, 11/9/17

Consultant/ Subconsultant: Pacific Railway Enterprises, Inc.

Contract No: G1953.0-17

Task Order No. WOA1953-AE-08

Work Order Title: Orange Line Interlocking E22 to E24 AC Low Voltage and E26 Upgrade

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													
2													
3													
4													
5													
6													
7													
8													
9													
10													
				Subtotal =		Subtotal =		Subtotal =		Subtotal =		Subtotal =	

TASKS/WBS (6-10)

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



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Agenda Item No. 15

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 9, 2017

**Draft for
Executive Committee
Review Date: 11/2/17**

SUBJECT:

PURCHASE OF THREE (3) CLASS E MEDIUM DUTY BUSES FOR RURAL SERVICE
– CONTRACT AWARD

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorizes the Chief Executive Officers (CEO) to execute MTS Doc. No. B0681.0-18 (in substantially the same format as Attachment A) with Creative Bus Sales, for the purchase of three (3) gasoline powered 32-ft Class E mid-size rural buses.

Budget Impact

The purchase of three (3) Class E medium duty buses would not exceed \$423,417.09 inclusive of all applicable taxes and fees. This project will be funded through the fiscal year (FY) 2018 mid-size bus procurement (rural) project WBSE # 1001105201-599901.

DISCUSSION:

MTS is responsible for providing rural bus services to the eastern portion of San Diego County, serving the communities of Ramona, Borrego Springs, Jacumba, Pine Valley, Descanso, Alpine, Tecate, Rancho San Diego and Campo. MTS operates this service with three (3) mid-size gasoline powered 30ft class E buses that were purchased in 2009. These buses have reached the end of their useful service life and have been scheduled for replacement as part of the FY2018 MTS Fleet Replacement Plan.

Staff is recommending replacement of these three (3) existing vehicles with a similarly equipped mid-size gasoline powered bus. Due to the undulating topography of eastern San Diego county and longer range of travel associated with rural bus service, these



routes require extended fuel range capabilities only provided by a gasoline powered option.

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 E buses that meet MTS specifications. Class E buses are available through a California State government purchasing schedule administered by the California Association of Coordinated Transportation (CalACT), RFP No 15-03. The CalACT vehicle purchase cooperative allows MTS to select vehicles from a pre-competed menu of choices from different vendors and manufactures.

The vehicles being purchased are the same make and model and are similarly equipped as MTS existing rural mid-size bus fleet, which fits the needs of the service and passengers riding it.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute MTS Doc. No. B0681.0-18 (in substantially the same format as Attachment A), with Creative Bus Sales, for the purchase of three (3) gasoline powered Class E mid-size rural buses.

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

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

Attachment: Draft MTS Doc. No. B0681.0-18

STANDARD PROCUREMENT AGREEMENT

B0681.0-18

CONTRACT NUMBER

WBSE # 1001105201

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 SalesAddress: 14740 Ramona Ave.Form of Business: Corporation
(Corporation, partnership, sole proprietor, etc.)Chino, CA 91710Telephone: 909.465.5528Authorized person to sign contracts: Tony Matijevich
NamePresident
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 three (3) Type E, Ford F550 Buses as specified in the Creative Bus Sales Proposal dated October 26, 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. Estimated delivery is 180-210 days from purchase order.

Vehicle shall be delivered to: **Metropolitan Transit System (MTS) c/o First Transit**
544 Vernon Way
El Cajon, CA 92020

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 \$423,417.09, which includes tax, delivery and California tire fee.

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

\$423,417.09WBSE #1001105201 - 5999012018By: _____
Chief Financial Officer
(_____ total pages, each bearing contract number)Date
SA-PROCUREMENT (REV 6-15)
DATE



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San Diego, CA 92101-7490
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Agenda Item No. 16

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS

November 9, 2017

**Draft for
Executive Committee
Review Date: 11/2/17**

SUBJECT:

DAVRA MAINTENANCE AGREEMENT – SOLE SOURCE AWARD

THIS ITEM WILL BE
PROVIDED AT EXECUTIVE
COMMITTEE MEETING





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San Diego, CA 92101-7490
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Agenda Item No. 17

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 9, 2017

**Draft for
Executive Committee
Review Date: 11/2/17**

SUBJECT:

SDSU TUNNEL SAFETY EQUIPMENT MAINTENANCE - 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. PWL226.0-17 (in substantially the same format as Attachment A) with Comfort Mechanical, Inc. to provide maintenance services for San Diego State University (SDSU) Tunnel Safety Equipment.

Budget Impact

The value of this agreement will not exceed \$1,014,038.30 that includes a base contract amount of \$921,853.00 and ten percent contingency of \$92,185 for possible trouble calls and call back charges and is funded through the MTS MOW Operating budget account Cost Center 360016.

DISCUSSION:

MTS currently operates trolley service to the SDSU campus via the Green Line that passes through an underground tunnel to the SDSU station stop. The SDSU tunnel and underground station mechanical, electrical and emergency systems are comprised of multiple individual components, such as emergency ventilation fans, jet fans, dampers, facilities ventilation, electrical systems, battery backups, gap breakers and train zone surveillance that must work together for the overall systems to function properly in the event of an emergency.



Routine preventive maintenance service program must be developed that includes every major piece of equipment. This work is most efficiently and effectively performed through a service contract.

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

On June 7, 2017, MTS issued the Request for Proposals (RFP) for turn-key mechanical and electrical preventive maintenance services, including inspection, testing, parts replacement, and repairs of equipment, and heating ventilation air conditioning (HVAC) servicing of fire life safety equipment in the SDSU Underground Station. One (1) proposal was received on the due date of July 11, 2017, as follows:

1. Comfort Mechanical, Inc.

The submission was deemed responsive and, after a single bid analysis was conducted, the pricing was determined to be responsible.

A selection committee, consisting of representatives from MTS Finance, Maintenance of Way, and the independent SDSU station manager met and scored the proposal based on the following:

1. Qualifications of the Firm or Individual	25%
2. Staffing, Organization and Management Plan	20%
3. Work Plan	25%
4. Cost and Price	<u>30%</u>
Total 100%	

The following table represents the proposer's final score following the interviews and evaluation of revised technical and cost proposal:

Proposer Name	Technical Score	Cost Score	Total Score (Technical + Cost)
Comfort Mechanical, Inc.	60.80	30.00	90.80

Staff then negotiated with Comfort Mechanical, Inc. to reduce hourly rate of the locksmith and provide alternate pricing for an LED lighting upgrade. As a result, the cumulative hourly rate of the locksmith was reduced by nearly 7%, and the LED lighting upgrade, if utilized, would result in a savings of \$154,792.00 during the term of the agreement.

On September 22, 2017, MTS issued a Notice to Intent to Award to Comfort Mechanical, Inc., based on the selection committee's determination that their proposal best met MTS requirements set forth in the RFP, including both technical and price factors.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute MTS Doc. No. PWL226.0-17(in substantially the same format as Attachment A) with Comfort Mechanical, to provide the maintenance contract services for SDSU Tunnel Safety Equipment. for a three (3) year base term with two (2) one-year options, exercisable at MTS's sole determination.

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

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

Attachment: A. Draft MTS Doc. No. PWL226.0-17

STANDARD SERVICES AGREEMENT

PWL226.0-17
CONTRACT NUMBER

DRAFT

FILE NUMBER(S)

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

Name: Comfort Mechanical, Inc. Address: 10740 Kenney Street
 Form of Business: Corporation Santee, CA 92071
 (Corporation, partnership, sole proprietor, etc.)
 Telephone: 518.462.5431

Authorized person to sign contracts: Sean Caviness Project 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 San Diego State University (SDSU) Tunnel Safety Equipment (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) base years, with two (2) optional years exercisable at the sole discretion of MTS.

Payment terms shall be net 30 days from invoice date. The total cost of this contract shall not exceed \$1,014,038.30 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
\$1,014,038.30	360016/545500	FY 18

By: _____
 Chief Financial Officer Date