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Agenda

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 11, 2018

9:00 a.m.

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

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ACTION RECOMMENDED

1. Roll Call
2. Approval of Minutes – September 20, 2018 Approve
3. Public Comments - Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion items. If you have a report to present, please give your copies to the Clerk of the Board.

Please SILENCE electronics
during the meeting

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

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



CONSENT ITEMS

- | | | |
|-----|---|---------------|
| 6. | <u>Bus Bench Advertising and Maintenance – Contract Award</u>
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1805.0-19, with BriceHouse Inc., to provide Bus Bench Advertising and Maintenance services for a five (5) year base term with five (5) one year options. | Approve |
| 7. | <u>Courthouse Station Construction – Change Orders</u>
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWL222.7-17 with West Coast General/HMS Construction, Inc., a Joint Venture (WCG), for construction of the Orange Line Courthouse Station in the amount of \$162,500. | Approve |
| 8. | <u>Planning Services for Site Planning of 1313 – 1344 National Avenue for Future Transit Center Expansion and Transit Oriented Development – Work Order</u>
Action would authorize the Chief Executive Officer (CEO) to execute Work Order WOA1950-AE-26 for MTS Doc. No. G1950.0-17 (in substantially the same format as Attachment A) with Kimley-Horn and Associates, Inc. in the amount of \$123,862.67 for engineering and planning services for site planning of 1313-1344 National Avenue for future transit center expansion and transit oriented development. | Approve |
| 9. | <u>Geometric Track Testing – Contract Award</u>
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L1466.0-19, with Holland LP for the provision of geometric track testing for five (5) years. | Approve |
| 10. | <u>Investment Report – August 2018</u> | Informational |
| 11. | <u>American Internet Services, LLC, Lightwave Data Center Colocation for Compass Card Program – Contract Award</u>
Action would authorize the Chief Executive Officer (CEO) to: (1) Execute MTS Doc. No. G2172.0-19 with American Internet Services, LLC (AIS) for colocation data center facility services for a three (3) year base period with two (2) one-year option periods (for a total of 5 years); and (2) Exercise each option year at the CEO's discretion. | Approve |
| 12. | <u>Legal Services Contract Award</u>
Action would approve the List of Approved As-Needed Law Firms recommended following MTS Request for Proposals No. G2103.0-18. | Approve |
| 13. | <u>ADA Paratransit Services – Sole Source Contract Extension</u>
Action would authorize the Chief Executive Officer (CEO) to extend the contract for one (1) year with First Transit, Inc. (Amendment No. 6 to MTS Doc. No. G1205.0-10) for ADA Paratransit Services. | Approve |

CLOSED SESSION

- | | | |
|-----|--|--------------------|
| 24. | a. CLOSED SESSION - CONFERENCE WITH LABOR NEGOTIATORS
Pursuant to California Government Code Section 54957.6
<u>Agency:</u> San Diego Transit Corporation (SDTC)
<u>Employee Organization:</u> Amalgamated Transit Union, Local 1309
(Representing Bus Operators and Clerical Employees at SDTC)
<u>Agency-Designated Representative:</u> Jeff Stumbo | Possible
Action |
|-----|--|--------------------|

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS

- | | | |
|-----|---|-------------------|
| 30. | <u>Revisions to Board Policy No. 18, "Joint Development Program" (Sharon Cooney)</u>
Action would approve and adopt the updated Board Policy No. 18, "Joint Development Program". | Approve/
Adopt |
| 31. | <u>Revisions to Board Policy No. 30, "Investment Policy" (Larry Marinesi)</u>
Action would approve and adopt the updated Board Policy No. 30, "Investment Policy". | Approve/
Adopt |
| 32. | <u>Opposition to Proposition 6 (Sharon Cooney)</u>
Action would adopt Resolution No. 18-12 opposing Proposition 6, which would repeal Senate Bill 1 (SB 1), also known as the "Road, Repair and Accountability Act". | Adopt |
| 33. | <u>Support for SANDAG's Downtown Stopover Project (Sharon Cooney)</u>
Action would adopt Resolution No. 18-13 in support of SANDAG's Downtown Stopover Project. | Adopt |

REPORT ITEMS

- | | | |
|-----|---|---------------|
| 45. | <u>First Transit/Taxicab Pilot Update - Access Services (Bill Spraul)</u> | Informational |
| 46. | <u>Comic-Con 2018 Recap (Rob Schupp and Tom Doogan)</u> | Informational |
| 47. | <u>MTS Free Ride Day (Rob Schupp)</u> | Informational |
| 48. | <u>Budget Operations Status Report for June 2018 (Mike Thompson)</u> | Informational |
| 59. | <u>Ad Hoc Ballot Measure Committee Report (Board Member David Alvarez)</u> | Informational |
| 60. | <u>Chair Report</u> | Informational |
| 61. | <u>Chief Executive Officer's Report</u> | Informational |
| 62. | <u>Board Member Communications</u> | Informational |
| 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> : November 8, 2018 | |
| 65. | <u>Adjournment</u> | |

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

DRAFT MINUTES

September 20, 2018

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

1. Roll Call

Chair Gomez called the Board meeting to order at 9:05 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Ms. Bragg moved to approve the minutes of the July 26, 2018, MTS Board of Directors meeting. Mr. Sandke seconded the motion, and the vote was 15 to 0 in favor.

3. Public Comments

Valerie Hightower – Ms. Hightower commented that there are new bus drivers that do not show respect or consideration to the riders. She stated that on September 25th she had an allergic reaction to medication and was not able to breathe well. She told the driver and the driver showed no sense of urgency in stopping the bus or asking if she needed an ambulance. Ms. Hightower also commented on a recent asthma attack she had at a transit station. She stated that a driver of the Route 4 bus pulled up and came off the bus and did not help in assisting her to call an ambulance. Ms. Hightower commented that the new drivers have no consideration. She also requested for the windows to be unlocked on the buses so riders can have fresh air.

Sara Blodgett – Ms. Blodgett commented on behalf of the San Diego Dance Theater. She thanked MTS for providing them the opportunity to bring Trolley Dances to San Diego for the past twenty years. Ms. Blodgett stated that Trolley Dances brings public dancing to the public and underserved areas at transit stations. She said that their program stimulates positive economic impacts to the neighborhoods they serve.

Lisa Fair – Ms. Fair commented on behalf of the ATU Local 1309. She stated that they have been in negotiations for almost a year now and they will not concede to anymore items without getting something back in return. Ms. Fair reminded the Board that in 2012, the ATU Local 1309 made several concessions and they are no longer going to concede to any items now or in the future. She stated that they are meeting in negotiations this afternoon.

Martha Welch – Ms. Welch commented about the changes to the trolley lines in downtown. She commented about Route 11, Route 929, and Route 966.

Stead Burton – Mr. Burton commented on behalf of the ATU Local 1309. He stated that he has been a driver for 11 years and has seen contract negotiations take away from the ATU. Mr. Burton commented that the drivers do a lot for the system and that seems to be forgotten. He stated that the proposed raise over the next three years should be given to the drivers all at one time. He commented that he is at top pay and that is still not enough to support his family. Mr.

Burton stated that he would like to see the pension brought back for the new drivers. He also stated that the contracted drivers are understaffed, underpaid and overworked.

Erik Madsen – Mr. Madsen commented on behalf of the ATU Local 1309. He commented on Congressional bill, HR-6016, which addresses safety concerns with buses. He stated that the bill also addresses safety issues for bus operators.

Larry Emerson – Mr. Emerson commented on improving customer service capabilities and responses to customers on complaints and feedback. He stated that he would also like to see increased veterans' access to transit.

Anabel Arayz – Ms. Arayz commented on behalf of IBEW Local 465. She stated that they are in support of ATU Local 1309.

Michelle Krug – Ms. Krug commented that she is support of ATU Local 1309. She also commented on Route 963 and the recent changes. She stated that the changes to Route 963 have been detrimental to many riders. Ms. Krug asked if staff ever follows up with riders that are affected by changes to the bus routes.

CONSENT ITEMS

6. Adoption of Amended 2018 Conflict of Interest Code
Action would: (1) adopt Resolution No. 18-11 amending the MTS Conflict of Interest Code pursuant to the Political Reform Act of 1974; (2) adopt the amended 2018 MTS Conflict of Interest Code; and (3) forward the amended 2018 MTS Conflict of Interest Code to the County of San Diego (the designated code-reviewing body).
7. Amendment of Fiscal Year (FY) 2017-2018 State Transit Assistance (STA) Claim and Approval of FY 2018-2019 STA Claim and Submission of Proposed Project List for California State of Good Repair (SGR) Program
Action would adopt Resolution No. 18-10 amending the FY 2017-2018 STA claim, approving the FY 2018-2019 STA claim and approving the submission of a proposed project list to Caltrans for the FY 2018-2019 SGR program.
8. Title VI Monitoring Report for Service Policies
Action would review and approve the 2018 Title VI Monitoring Report for Service Policies.
9. Contract with the City of Chula Vista for Taxicab Administration
Action would: (1) authorize the Chief Executive Officer (CEO) to enter into an agreement for Taxicab Administration with the City of Chula Vista; (2) adopt the proposed amendments to MTS Ordinance No. 11, an Ordinance Providing for the Licensing and the Regulating of Transportation Services within the City by the adoption of a Uniform Paratransit Ordinance; and (3) direct publication of a summary of the amendments to MTS Ordinance No. 11; and (4) upon adoption of the proposed amendments, authorize the CEO the discretion to enforce MTS Ordinance No. 11 in its amended form.
10. Investment Report - June 2018
11. Investment Report - July 2018

12. San Diego Metropolitan Transit System (MTS) Task Order Contract Approval for Design Services for James R. Mills Building HVAC/Central Plant Engineering Study
Action would authorize the Chief Executive Officer (CEO) to execute Work Order WOA1949-AE-19 for MTS Doc. No. G1949.1-17 with Jacobs Engineering, Inc. in the amount of \$119,609.31 for design services for a James R. Mills Building Heating, Ventilation and Air Conditioning (HVAC)/Central Plant Engineering Study.
13. Special Trackwork Materials - Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L1463.0-19, with Progress Rail Services Corporation, for special trackwork materials.
14. Trash Disposal, Green Waste and Recycling Services - Contract Award
Action would authorize the Chief Executive Officer (CEO) to: (1) Execute MTS Doc. No. G2151.0-18, with EDCO Disposal for the provision of trash and green waste disposal, and recycling services for a five (5) year base period with five (5) year option terms (for a total of ten years); and (2) Exercise the option years at the CEO's discretion.
15. Industrial General Permit & Storm Water Management Services - Sole Source Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute a contract for a two-year (2) and nine (9) month period in response to MTS Doc. No. PWG263.0-19, to Whitson Contracting & Management, Inc., for Industrial General Permit (IGP) and Storm Water Management Services in an amount not to exceed \$273,412.20.
16. San Diego Trolley On-Call Tree Trimming and Removal Services - Amendment No. 4
Action would: (1) Ratify contract amendments one (1) and two (2) as MTS Doc. No. PWL199.1-16 and PWL199.2-16 for a total of \$42,180.00, which were previously issued to Singh Group, Inc. under the Chief Executive Officer's (CEO) authority, for On-Call Tree Trimming Services; (2) Ratify MTS Doc. No. PWL199.3-16 (Amendment three (3)) with Singh Group, Inc. for \$40,000.00, which was previously issued under the CEO authority, for services for On-Call Tree Trimming Services at Chollas Creek; and (3) Authorize the CEO to execute MTS Document No. PWL199.4-16 with Singh Group, Inc., for \$103,856.00.
17. San Diego Metropolitan Transit System (MTS) Job Order Contract (JOC) Work Order for 8th Street Bridge Repair
Action would authorize the Chief Executive Officer (CEO) to execute Work Order No. MTSJOC7501-25 with Herzog Contracting Corporation to perform work under MTS Doc. No. PWL182.0-16 for the repair of the bridge at 8th Street on the Blue Line.
18. MTS Job Order Contract (JOC) Work Order for Turnout S37 Replacement
Action would authorize the Chief Executive Officer (CEO) to execute Work Order No. MTSJOC7501-27 with Herzog Contracting Corporation to perform work under MTS Doc. No. PWL182.0-16 for the replacement of Turnout S37 on the Blue Line.
19. AC Switchgear Replacement for Orange Line Substations - Engineering Design Services - Work Order
Action would authorize the Chief Executive Officer (CEO) to execute Work Order No. WOA1951-AE-20 to MTS Doc. No. G1951.0-17 with Mott MacDonald, LLC for the AC Switchgear Replacement on Orange Line TPSS - Engineering Design Services.

20. Light Rail Vehicle Pantograph Parts - Purchase Order
Action would authorize the Chief Executive Officer (CEO) to execute an outline agreement in a form of a Purchase Order with Siemens Mobility Inc. for the purchase of Light Rail Vehicle (LRV) Pantograph parts.
21. Douglas Fir Railroad Ties - Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L1467.0-19, with B&B Diversified Materials (B&B), for Douglas Fir Railroad Ties.
22. MTS Building C - Security Office Renovation - Change Orders
Action would: (1) ratify Construction Change Order (CCO) 1 to MTS Doc. No. PWL234.0-17; and (2) authorize the Chief Executive Officer (CEO) to execute CCO 2 to MTS Doc. No. PWL234.0-17, Work Order No. MTSJOC7503-07 with ABC for asbestos abatement and office furniture.
23. Transit Asset Management Policy
Action would: (1) Adopt MTS Board Policy No. 65, "Transit Asset Management Policy" to establish guidelines for the management of the agency's organizational assets; and (2) Receive and approve the fiscal year 2019 (FY 19) Transit Asset Management (TAM) plan.

Action on Recommended Consent Items

Mr. Hall moved to approve Consent Agenda Item Nos. 6 – 23. Mr. McWhirter seconded the motion, and the vote was 15 to 0 in favor.

30. Revisions to Board Policy 18 (Sharon Cooney) TAKEN OUT OF ORDER

Sharon Cooney, Chief of Staff, provided a presentation on the proposed revisions to Board Policy 18. She reviewed the list of available developable properties owned by MTS. She discussed the details of the current version of Policy 18. Ms. Cooney reviewed the approaches and goals of other agencies including the Bay Area (BART), Los Angeles (LA Metro), Dallas (DART), Washington D.C. (WMATA), Atlanta (MARTA), and Denver (RTD). She stated that the Executive Committee discussed this policy at its last meeting and provided the following comments: need for a public process when we receive unsolicited proposals; do not want to be overly prescriptive; encourage affordable units for veterans; prefer a hybrid approach: active competitive solicitation, but accept unsolicited proposals in certain circumstances; and encourage free transit passes and bathrooms. Ms. Cooney reviewed a list of possible policy discussion points for the Board to discuss including: amount of replacement parking; physical improvements or amenities to be required, such as restrooms and free transit passes; affordable housing requirement; consideration of unsolicited development proposals and formal competitive bidding; proposal of including a procedural manual to accompany the policy document.

PUBLIC COMMENTS

Colin Parent – Mr. Parent commented on behalf of Circulate San Diego. He stated that they recently came out with a report titled "Real Opportunity", which identified underutilized real estate owned by MTS and made recommendations as to how MTS can make better use of those properties. Mr. Parent provided recommendations on how to approach joint development opportunities including having affordable housing requirements per site; limiting replacement

parking; and include Request for Proposals (RFPs) as well as unsolicited proposals for the property.

Ginger Hitzke – Ms. Hitzke stated that she is the President of Hitzke Development, an affordable housing developer, and is also on the Board of Circulate San Diego. She commented on the RFP process and recommended setting a goal of putting out an RFP at least once per year.

Stephen Russell – Mr. Russell commented on behalf of the San Diego Housing Federation. He stated that their mission is to see that every person in San Diego has a safe place to call home. Mr. Russell commented that they strongly support MTS in their effort in moving forward as a public agency partner to help address the housing crisis in this region. He stated that they agree with the recommendations put forth by Circulate San Diego to make this policy even better. Mr. Russell stated that there should be a minimum requirement of 20% affordable housing at each site and have incentives to go beyond that number.

Gretchen Newsom – Ms. Newsom commented on behalf of IBEW 569. She stated that they are in support of making changes to Policy 18. She commented that policies should create good, local jobs and where possible, affordable housing that is transit oriented. Ms. Newsom stated that they hope the job quality standards will be adopted and incorporated into this policy.

John Seymour – Mr. Seymour commented on behalf of National CORE. He provided a letter to the Board regarding Policy 18 changes and recommendations. Mr. Seymour stated that they are in support of changes to Policy 18. A full copy of Mr. Seymour's letter is included in the final Board meeting packet.

Filiberto Gonzalez – Mr. Gonzalez commented on behalf of Grapevine Development. He stated that they are in support of revisions to Policy 18. Mr. Gonzalez commented that they are the developers of a 60 acre transit oriented development project. He noted that the first phase of their project included 132 affordable housing units. Mr. Gonzalez commented that they have learned that their project has spurred further use of the bus depot and transit system, and has also decreased the need for vehicles. He stated that revisions to Policy 18 will help encourage further use of the transit system, and recommended including an 80/20 housing program. Mr. Gonzalez also recommended using free transit passes and restrooms as incentives for developers.

Daniel Smith – Mr. Smith stated that he is a long time property owner at the Grantville site. He stated that he believes we should try to have the maximum amount of units at the site. He commented that parking should stay as is at the site due to the future expansion of the Qualcomm site and the potential need for extra parking. Mr. Smith stated that a goal of 10% affordable housing seems to be a better standard and more flexible.

BOARD COMMENTS

Ms. Salas commented that she agrees that we need a public process for any unsolicited proposals. She agrees we should do a hybrid process of using both solicited and unsolicited proposals. Ms. Salas stated there should be an affordable housing component included in the policy. She also stated that there should be public restrooms at these facilities.

Mr. Hall commented that he believes there should be some form of replacement parking. He said that he's not in favor of free transit passes. Mr. Hall agrees that affordable housing is a good component, and he stated that he likes the idea of mixed used developments. He commented that he would like to see a possibility of HOA agreements with these projects. He also stated that the applicable cities should be involved in the development process.

Mr. Diaz commented that there should be sufficient parking located at these stations. He commented that local control is important and the applicable cities should be involved in the development process. He stated that he believes there should be more housing options for veterans.

Ms. Zapf commented that she believes our focus should be on transit and not primarily on subsidized housing. She said she is not sure about including public restrooms at these sites. She commented that people who recommend percentages regarding affordable housing need to do more work on determining if it is even feasible. Ms. Zapf stated that we need to focus on encouraging people to ride transit that are currently located at transit oriented developments.

Mr. Alvarez commented about parking requirements and stated that the City of San Diego is currently doing a study on parking requirements and strongly encourages the MTS Board Members to submit comments to that study. He stated that any development located at a transit facility should have the flexibility in choosing to have a zero parking requirement in order to have more flexibility in providing free transit passes. Mr. Alvarez stated that we should look into the potential of an Enhanced Infrastructure Financing District (EIFD). He stated that he is supportive of incentives and affordability increases. He supports providing restrooms, which would be at the cost of the developer and not at the cost of the agency. Mr. Alvarez stated that he's interested in using an RFP for some sites and keeping unsolicited opportunities for other sites.

Ms. Rios commented that she prefers the hybrid approach of doing active competition proposals and unsolicited proposals. She stated that she is in support of free transit passes and public restrooms.

Mr. McWhirter commented that we need to look at each of the available properties individually and assess the appropriate needs and benefits for each of the sites.

Mr. Mullin commented that he would like the policy to have flexibility for the available sites. He commented that the local jurisdictions and the developers should work together related to parking. Mr. Mullin commented that our focus should be on transit and not as much on affordable housing.

Mr. Bragg commented that parking requirements should be taken on a case by case basis. She said there should be access to disabled parking spaces at these sites. Ms. Bragg stated that she could not support free transit passes or public restrooms because of the high costs to maintain.

Ms. Cole commented that she is an affordable housing advocate. She asked about the proposal process that is currently in place. Ms. Cooney replied that a lot of times we do receive unsolicited proposals as well as competing unsolicited proposals.

Mr. Sandke commented that we should approach this as a hybrid process and use RFPs and unsolicited proposals. He commented that public restrooms would be particularly onerous to the

homeowners association. Mr. Sandke stated that he is in support of free transit passes. He commented on replacement parking and stated that parking should be determined on a site by site basis. Mr. Sandke stated that he would like to have an affordable housing requirement that is open and not specific to one group of people over another.

Mr. Goble commented that the development needs to be in coordination to the local jurisdictions and that each project should be looked at independently.

Mr. Roberts commented that there is an incredible need for housing and affordable housing. He commented that we should be very cautious in relation to building public restrooms, because they are extremely expensive and difficult to manage.

Chair Gomez noted that this item will be brought back next month to take official action on approving a new and updated policy. She stated that we have an opportunity to maximize our land and improve our ridership as well as address the needs of the housing crisis. Chair Gomez stated that she wants to ensure lower parking requirements are addressed. She commented that she would like to see free transit passes provided as incentives. Chair Gomez stated that she supports public restrooms however she is mindful that it is a big obstacle. She also stated that she is in support of the hybrid approach for the proposals.

Action Taken

No action taken.

CLOSED SESSION

24. Closed Session Items

The Board convened to Closed Session at 10:18 a.m.

- a. CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
Pursuant to California Government Code Section 54956.9(d)(1) Graciela Leon v. San Diego Transit Corporation, Metropolitan Transit System; San Diego Superior Court Case No. 37-2017-00029850-CU-WT-CTL
- b. CLOSED SESSION - CONFERENCE WITH LABOR NEGOTIATORS
Pursuant to California Government Code Section 54957.6
Agency: San Diego Trolley, Inc. (SDTI)
Employee Organization: International Brotherhood of Electrical Workers, Local 465
(Representing SDTI Flagpersons)
Agency-Designated Representative: Jeff Stumbo
- c. CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
Pursuant to California Government Code Section 54956.9(d)(4)
(One Potential Case)
- d. CLOSED SESSION - PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE Pursuant to California Government Code Section 54957.6

The Board reconvened to Open Session at 11:03 a.m.

Oral Report of Final Actions Taken in Closed Session

Karen Landers, General Counsel, reported the following:

- a. The Board received a report and gave instructions to counsel.
- b. The Board received a report and gave instructions to negotiators.
- c. The Board received a report and gave instructions to counsel.
- d. The Board received a report.

NOTICED PUBLIC HEARINGS

25. None.

61. Chief Executive Officer's Report TAKEN OUT OF ORDER

Mr. Jablonski announced that Mr. Roberts will receive a major award at this year's American Public Transportation Association (APTA) Annual Conference. He will be receiving the Distinguished Local Service Award. This award is for his career long commitment and 30 years serving on the MTS Board. The award is given to individuals who have made significant contributions to local transportation through policy, legislative initiative, and leadership.

Mr. Jablonski reminded the Board that next Friday, September 28th at 1:00pm at Old Town Transit Center, MTS would be holding a press conference in anticipation of Free Ride Day the following Tuesday, October 2nd.

Mr. Jablonski also noted that the new 5001 rail car is available for viewing downstairs on the third track. He stated that the new rail cars will be the same cars that will be used for Mid-Coast operations. The rail cars include new vinyl seating instead of cloth and the middle seating is now peripheral seating.

DISCUSSION ITEMS

31. Political Consulting Services - Contract Award (Sharon Cooney)

Ms. Cooney provided a presentation on political consulting services. She stated that we have been seeking consultant services to provide comprehensive voter opinion research on the subject of public transportation within MTS's jurisdiction. Ms. Cooney commented that the research will be used to decide whether or not we pursue a ballot measure in 2020 and what the voters would prefer to include in the expenditure plan for such a measure. She stated that there will be two focus groups, two public opinion surveys, and political consulting services from October 1, 2018 through May 2019. Ms. Cooney reviewed the Smith, Watts, Hartmann qualifications and noted that Fairbank, Maslin, Maullin, Metz (FM3) would be the subcontractor to assist with polling and focus groups.

PUBLIC COMMENT

Sophie Wolfram – Ms. Wolfram commented on behalf of the Climate Action Campaign. She stated that she is pleased to see MTS is moving forward with the ballot measure. Ms. Wolfram commented that she would like to see polling on no-cost transit passes for youth; gauging public support for solutions to air pollution and traffic congestion; asking opinions on links between good public transit and a healthy economy; and whether taking transit to work as an alternative to driving would be seen as a benefit of an improved transit system.

Action Taken

Mr. Alvarez moved to authorize the Chief Executive Officer (CEO) to award MTS Doc. No. G2159.0-18 to Smith, Watts & Hartmann (SWH) for political consulting services effective October 1, 2018. Mr. McWhirter seconded the motion, and the vote was 12 to 0 in favor, with Mr. Arambula, Ms. Rios and Ms. Salas absent.

REPORT ITEMS

45. Fare Study Update (Sharon Cooney and Israel Maldonado)

Ms. Cooney commented that Israel Maldonado, Fare Systems Administrator, would present this item and that they are also joined by Brian Lane from SANDAG. Ms. Cooney stated that they are not asking for action on this item today. She said the purpose of this presentation is to provide information, because SANDAG and MTS are going to the public with a campaign to receive input and feedback. She stated that the proposed recommendations would be brought back to the Board later this year. Ms. Cooney noted that SANDAG is the lead on the project and will enact any changes to the regional fare ordinance, but MTS will be heavily involved in the outreach.

Mr. Maldonado continued the presentation and provided an update on the fare study. He reviewed the direct goals, indirect goals, and methodology of the fare study. Mr. Maldonado presented the current fare catalog and compared it to the proposed fare catalog which is a much more simplified fare catalog. He reviewed the simplification and policy changes to the fare structure as well as the impacts from the proposed changes.

Ms. Cooney discussed next steps going forward and noted that the current enactment date may be pushed out to a later date based on how the study progresses over the next few months.

Mr. Jablonski commented that MTS will be conducting extensive public outreach for the fare study in addition to SANDAG. He stated that this study has been going on for some time and the process includes working with North County Transit District (NCTD). He noted that from a policymaking standpoint, both agencies will be in agreement on the updates to the ordinance. Mr. Jablonski stated that the Senior/Disabled/Medicare (SDM) and Senior pass fare changes will need to be approved at SANDAG by a 2/3 vote, because these fares were originally included in the TransNet Ordinance.

PUBLIC COMMENT

Michael Horgan – Mr. Horgan made the following comments: he supports the ATU 1309; he likes the proposed fare changes; he likes the SDM day pass proposal; and he would like to see proper fare boxes on the minibuses.

Sophie Wolfram – Ms. Wolfram commented that she would like to see more than four public meetings and outreach events in the MTS service territory for the fare study. She stated that the proposed elimination of trolley transfers is unfortunate.

BOARD COMMENTS

Ms. Bragg commented that this presentation will be presented to the Accessible Services Advisory Committee this afternoon.

Mr. Jablonski commented that we are putting this forward before the implementation of the new next generation fare system. He stated that a simplified fare structure will greatly help with the new fare system implementation. He commented that the new fare system will go to a transactional system and fare capping. He stated that if riders take a one way trip, they will be charged \$2.50, and the next one way trip will be \$2.50, and every subsequent trip for that day the rider will not be charged due to fare capping, which will start at \$5.00 per day. Mr. Jablonski noted that there will be a monthly fare cap amount set as well.

Mr. Sandke commented that our fare system needs to be as simple as possible for our riders. He asked how we will get our riders back after implementing these fare changes and increases. Mr. Jablonski responded that generally there will be a dip in ridership after instituting a fare increase and then the ridership will come back.

Mr. Alvarez asked where we will see the impact of the ridership decrease. Mr. Maldonado replied that it is difficult to identify specific groups since the estimates are based on an overall package. He stated that it's possible to see decreases in the fare categories that have the most changes to price. Mr. Alvarez commented on the issue of possibly raising additional fares if SB 1 is repealed. Ms. Cooney replied that staff has a proposal for doing a \$6 day pass. She stated that the outreach materials to the public would include all potential proposals. Mr. Alvarez asked what the other options would be for possible increased fare prices. Ms. Cooney replied that another option would be to increase the adult monthly pass as well as the other monthly passes.

Ms. Cole commented that her main concern is public outreach. She asked how many outreach events would be within the City of San Diego. Ms. Cooney replied that there will be two events in central San Diego, one in downtown and one in Mid-City. Ms. Cole requested for the possibility of having an outreach event take place in her district.

Action Taken

No action taken. Informational item only.

46. Comic-Con 2018 Recap (Rob Schupp and Tom Doogan)

This item was deferred to the next Board meeting.

Action Taken

No action taken.

47. Downtown Layover (Sharon Cooney)

Ms. Cooney provided a report on the downtown layover project. She reviewed the need for a layover facility and the project history. Ms. Cooney presented renderings of possible layover facilities. She discussed the current site ownership and the status of acquiring the full site. She provided details on a possible interim layover facility while the remaining areas of the site are acquired.

Mr. Mullin asked if there are contingency plans for the other sites if the current owners do not want to sell. Richard Chavez, with SANDAG, stated that SANDAG's position is to continue negotiations.

Mr. Jablonski commented that another reason we are bringing this item to the Board is to get everyone familiar with the project, because if SANDAG cannot proceed with acquiring the remaining sites, we will ask if this Board wants to proceed in acquiring the sites.

Chair Gomez stated that this project is very important. She noted that this item will come back next month as an action item to formally support this project.

Action Taken

No action taken. Informational item only.

59. Ad Hoc Ballot Measure Committee Update (David Alvarez)

Mr. Alvarez commented that the political consultant services contract was approved at today's meeting (Agenda Item 31). He stated that another meeting will be scheduled sometime in November before the public polling begins. Mr. Alvarez stated that he appreciates the participation from the Committee members and will keep the Board updated on the status of the upcoming meeting.

60. Chair Report

Chair Gomez commented that she will be attending the APTA Annual Conference. She also reminded everyone that Free Ride Day is October 2nd.

62. Board Member Communications

There were no Board Member communications.

63. Additional Public Comments on Items Not on the Agenda

Andrew Sang – Mr. Sang commented that he would like to see MTS utilize all of its assets to increase the quality of life for San Diego residents. He stated that he would like to see MTS utilizing its surplus land to build affordable housing. Mr. Sang said that he would like MTS to adopt policies to encourage the development of transit oriented developments.

64. Next Meeting Date

The next regularly scheduled Board meeting is October 11, 2018.

65. Adjournment

Chair Gomez adjourned the meeting at 12:00 p.m.

Chairperson
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

Clerk of the Board
San Diego Metropolitan Transit System

General Counsel
San Diego Metropolitan Transit System

Attachment: Roll Call Sheet

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS
ROLL CALL

MEETING OF (DATE): September 20, 2018

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

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 10:18 a.m.

RECONVENE: 11:03 a.m.

PUBLIC HEARING: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 12:00 p.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ALVAREZ	<input checked="" type="checkbox"/> (Cate) <input type="checkbox"/>	9:00 a.m.	12:00 p.m.
ARAMBULA	<input checked="" type="checkbox"/> (Mendoza) <input type="checkbox"/>	9:00 a.m.	11:03 a.m.
BRAGG	<input checked="" type="checkbox"/> (Spriggs) <input type="checkbox"/>	9:00 a.m.	12:00 p.m.
COLE	<input checked="" type="checkbox"/> (Ward) <input type="checkbox"/>	9:00 a.m.	12:00 p.m.
DIAZ	<input checked="" type="checkbox"/> (Aguilar) <input type="checkbox"/>	9:00 a.m.	12:00 p.m.
FAULCONER	<input type="checkbox"/> (Zapf) <input checked="" type="checkbox"/>	9:00 a.m.	12:00 p.m.
GOMEZ	<input checked="" type="checkbox"/> (Bry) <input type="checkbox"/>	9:00 a.m.	12:00 p.m.
HALL	<input checked="" type="checkbox"/> (Jones) <input type="checkbox"/>	9:00 a.m.	11:15 a.m.
MCCLELLAN	<input type="checkbox"/> (Goble) <input checked="" type="checkbox"/>	9:00 a.m.	12:00 p.m.
MCWHIRTER	<input checked="" type="checkbox"/> (Arapostathis) <input type="checkbox"/>	9:00 a.m.	12:00 p.m.
MULLIN	<input checked="" type="checkbox"/> (TBD) <input type="checkbox"/>	9:00 a.m.	12:00 p.m.
RIOS	<input checked="" type="checkbox"/> (Sotelo-Solis) <input type="checkbox"/>	9:00 a.m.	10:18 a.m.
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:00 a.m.	11:38 a.m.
SALAS	<input checked="" type="checkbox"/> (Aguilar) <input type="checkbox"/>	9:00 a.m.	11:11 a.m.
SANDKE	<input checked="" type="checkbox"/> (Donovan) <input type="checkbox"/>	9:00 a.m.	12:00 p.m.

SIGNED BY THE CLERK OF THE BOARD: Julia Tuen

CONFIRMED BY THE GENERAL COUNSEL: [Signature]



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Agenda Item No. 6

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 11, 2018

SUBJECT:

BUS BENCH ADVERTISING AND 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. G1805.0-19, (in substantially the same format as Attachment A) with BriceHouse Inc., to provide Bus Bench Advertising and Maintenance services for a five (5) year base term with five (5) one year options.

Budget Impact

This is a revenue-generating contract. Over the ten (10) year period, MTS will receive \$2,700,000, or an average of 33.6% Commission of Gross Advertising Sales, whichever is greater.

DISCUSSION:

MTS generates revenue via advertising on its Bus Benches. On January 7, 2016, MTS issued a Request for Proposals (RFP) for up to a 10-year period (5-year base with five 1-year options) to secure a multiyear contract that provides oversight and outreach to the business community for revenue generating advertising on MTS bus benches. As part of this agreement, the maintenance of the benches would be at no cost to MTS.

On the due date of February 24, 2016, seven proposals were received, as follows:

1. Coast United Advertising, Canoga Park, CA
2. Creative Outdoor Advertising, Sarasota, FL
3. Martin Outdoor, Los Angeles, CA
4. Signal Outdoor, Roswell, GA
5. BriceHouse Inc. DBA StationShop Media, San Diego, CA
6. Street Media, Fort Collins, CO
7. True Message Media, San Diego, CA



Six of the proposals were found to meet the minimum requirements established in the RFP and were deemed responsive and responsible.

A selection committee consisting of representatives from the MTS Finance, Marketing, and Transportation departments met and rated the proposals on the following criteria:

- | | | |
|--------|--|------------------|
| 1. | Qualifications of the Firm or Individual | 10 Points |
| 2. | Staffing, Firm Organization, and Management Plan | 10 Points |
| 3. | Methodology and Work Plan | 30 Points |
| 4. | Revenue Payment/Financial Benefit | <u>50 Points</u> |
| Total: | | 100 Points |

Based on the evaluation panel's analysis of the technical proposal, discussions, interviews, negotiations, BAFO's, and evaluation of revenue generation, MTS staff determined that Coast United Advertising's proposal represented the best overall value for MTS.

BAFO SCORING				
PROPOSER NAME	TOTAL AVG. TECH. SCORE	AVG. COST SCORE	TOTAL SCORE (Tech + Cost) Total Possible Points: 100	RANKING
Coast United Advertising	34.67	39	73.67	1
BriceHouse Inc. DBA StationShop Media	33	31.67	64.67	2

The MTS Board awarded a contract to Coast United Advertising on May 12, 2016. Prior to the initiation of the new contract terms, MTS and Coast United agreed to install up 1,850 new benches in the system. This would have allowed Coast United to maximize revenues with the ability to market brand new furniture to potential advertisers. Coast United removed its plastic benches and MTS installed new metal benches manufactured by Tolar Manufacturing. This was completed in 2017. When completed, Coast United requested new revisions on the Standard Conditions as well as their Revenue Proposal. After discussion and negotiation, MTS decided that Coast United's terms were not acceptable and determined to revisit the offer of the 2nd Ranking proposer.

MTS then began discussions with the 2nd ranked proposer, BriceHouse Inc. DBA StationShop Media. BriceHouse, Inc. validated their Best and Final Offer (BAFO) dated April 18, 2016 (summarized in Attachment B), and MTS staff agreed to the proposal and initiated a Notice of Intent to Award.

A transition period from November 1, 2018 to April 30, 2019 will take place to allow BriceHouse Inc. to start selling ad space while the current contractor winds down its services. BriceHouse Inc. can generate sales and contracts before all sales are attributed to its MAG, which will commence on May 1, 2019. The base term of the contract will be from November 1, 2018 through October 31, 2024. The option term shall be from November 1, 2024 through October 31, 2029.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute MTS Doc. No. G1805.0-19, (in substantially the same format as Attachment A) with BriceHouse Inc. to provide Bus Bench Advertising and Maintenance services for a five (5) year base term with five (5) one year options, exercisable at MTS's sole determination.

/s/ Sharon Cooney for
Paul C. Jablonski
Chief Executive Officer

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

Attachments: A. Draft MTS Doc. No. G1805.0-19
B. Revenue Summary

DRAFTG1805.0-19
CONTRACT NUMBER**STANDARD SERVICES AGREEMENT**

FILE/PO NUMBER(S)

THIS AGREEMENT is entered into this _____ day of _____ 2018, 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: BriceHouse Inc.Address: 2550 Fifth Ave Suite 600
San Diego, CA 92103Form of Business: Corporation
(Corporation, partnership, sole proprietor, etc.)Telephone: (619) 523 4800Email Address: gbsaunders@bricehouse.comAuthorized person to sign contracts: G.Bradford Saunders
NamePresident
Title

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

Provide bus bench advertising and maintenance services, as specified in the Scope of Work (attached as Exhibit A), the Cost/Revenue Proposal (attached as Exhibit B), and in accordance with the Standard Services Agreement, including the Standard Conditions Services (attached as Exhibit C).

The contract term has a transition period from November 1, 2018 to April 30, 2019 will take place to allow Contractor to start selling ad space while the current contractor winds down its services. Contractor can generate sales and contracts before all sales are attributed to its MAG, which will commence on May 1, 2019. After the transition period, the base term of the contract will be from November 1, 2018 through October 31, 2024. The option term shall be from November 1, 2024 through October 31, 2029 if exercised by MTS.

The Minimum Annual Guarantee (MAG) for each year shall not be less than the amounts shown in Exhibit B, without the express written consent of MTS.

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

AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
\$0		2018-2022

By: _____
Chief Financial Officer

_____ Date

(XX total pages, each bearing contract number)

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

ATTACHMENT B

PROPOSED REVENUE SUMMARY		
YEAR	COMMISSION OF GROSS SALES	MINIMUM ANNUAL GUARANTEE (MAG)
Base Year 1	30%	\$ -
Base Year 2	32%	\$ 180,000.00
Base Year 3	32%	\$ 240,000.00
Base Year 4	32%	\$ 300,000.00
Base Year 5	34%	\$ 300,000.00
Option 1 Year 6	34%	\$ 300,000.00
Option 2 Year 7	34%	\$ 300,000.00
Option 3 Year 8	36%	\$ 360,000.00
Option 4 Year 9	36%	\$ 360,000.00
Option 5 Year 10	36%	\$ 360,000.00
TOTAL:		\$ 2,700,000.00



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Agenda Item No. 7

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 11, 2018

SUBJECT:

COURTHOUSE STATION CONSTRUCTION – CHANGE ORDERS

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWL222.7-17 with West Coast General/HMS Construction, Inc., a Joint Venture (WCG), for construction of the Orange Line Courthouse Station in the amount of \$162,500.

Budget Impact

This action is expected to close out the WCG contract for the Orange Line Courthouse Station project, bringing the total cost for Schedule A work to \$6,504,755.91 and total WCG Schedule A and Schedule B contracts to \$6,933,626.63. This amount is included in CIP Project No. 2004007503.

DISCUSSION:

On May 11, 2017 (AI 10), West Coast General/HMS Construction, Inc., a Joint Venture (WCG) was awarded a contract to construct the Orange Line Courthouse Station in downtown San Diego on C Street between State and Union streets. The WCG work was divided into two separate contracts – Schedule A (station construction – PWL222.0-17 for \$6,097,748.36) and Schedule B (sidewalk and street frontage improvements adjacent to new state courthouse at 1100 Union Street – PWL232.0-17 for \$397,143.46).

Work on the new station started in June 2017 and was substantially completed in April 2018. Very minor punch list work is expected to be complete soon and is not anticipated to result in additional costs to MTS. The construction work included new track, signaling, catenary, station platform, underground utilities, shelters, VMS signs, security cameras, curb extensions, traffic signaling, drainage upgrades, curb and gutter, sidewalk, and



signage. During the course of construction, various change orders were necessary as a result of unforeseen conditions or project needs.

On June 14, 2018 (AI 26), the Board approved various change orders for the project, including giving the CEO \$164,582.45 in authority for estimated change orders that were still being resolved, bringing the total for Schedule A work to \$6,335,270.41. All pending change orders were ultimately resolved for \$171,567.95 (see CCOs 15-35 on Attachment A), bringing the contract total for Schedule A work to \$ \$6,342,255.91. Attachment A contains a summary of the Schedule A and Schedule B contracts.

At the June 14, 2018 board meeting, the Board was informed that there were two final CCO disputes/claims left to resolve: a claim from WCG for additional costs related to combined sections of concrete and asphalt that had to be removed, and a second claim for delays and the need to accelerate certain work caused by the utility relocation work (which was also delayed).

These items were processed under the dispute resolution clause of the contract. Today's proposed action would resolve these final items and approve a negotiated change order totaling \$162,500. The \$162,500 is broken down as follows:

Concrete Claim	\$43,644.48
Acceleration Claim	\$15,207.47
Delay Claim	\$103,648.05
Total	\$162,500.00

The Concrete claim relates to removal of 8,266 square feet concrete that was under a top layer of asphalt. MTS initially paid the contract price of \$3.76/sf for asphalt removal. WCG contended that the contract price for concrete (\$17.00/sf) should have also been paid. MTS and WCG ultimately agreed to pay an additional \$5.28/sf (\$43,644.48) for this work, bringing the total price per square foot to \$9.02. Staff believes this is a fair price for the work.

The Acceleration claim relates to additional costs incurred by WCG to achieve MTS's requested completion date of April 2018. MTS and WCG ultimately agreed that MTS should pay the overtime costs WCG incurred from its subcontractors for the night and weekend work required to meet this deadline, a total of \$15,207.47. MTS did not pay any additional costs related to WCG's own forces. Staff believes this a fair price for the work.

The Delay claim relates to additional contract management, overhead and other costs that WCG incurred because of construction delays related to relocation of SDGE utilities in the C Street right-of-way. This relocation work was required before WCG could complete its Schedule A work. The relocation work was completed through a combination of work by MTS's job order contractor, ABC Construction, and work by SDGE. The relocation work timeline suffered delays because of unanticipated gas line relocation work and delays by SDGE in ordering, inspecting and approving certain work. This delayed completion of WCG's work by approximately 111 days. WCG alleged this

resulted in more than \$150,000 in additional costs. MTS and WCG ultimately agreed to resolve this claim for \$103,648.05 and a waiver of any other WCG claims. Staff believes this is a fair value for the delays, which did result in actual costs to WCG.

/s/ Sharon Cooney for
Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Summary of WCG Contracts – Courthouse Station Project

West Coast General Contracts - Courthouse Station Project

SCHEDULE A - PWL222.0-17

Doc No.	Description	Description Summary	Total Cost	CCO running total
PWL222.0-17	Original Contract Total	Courthouse Station & Trackwork	\$ 6,097,748.36	
PWL222.3-17	CCO3	Grind Heel Blocks	\$ 3,891.95	\$ 3,891.95
PWL222.4-17	CCO4	Composite Ties	\$ 3,509.87	\$ 7,401.82
PWL222.4-17	CCO7	H&H Re-Mobilization	\$ 12,854.17	\$ 20,255.99
PWL222.4-17	CCO8	H&H Manhole Conflict	\$ 1,402.82	\$ 21,658.81
PWL222.4-17	CCO9	HMS TWC Loop & Media Conv.	\$ 8,431.50	\$ 30,090.31
PWL222.4-17	CCO10	Pedestrian Bridge Concrete Remove	\$ 10,974.90	\$ 41,065.21
PWL222.4-17	CCO11	WCG Platform Pavers	\$ 11,488.91	\$ 52,554.12
PWL222.4-17	CCO12	H&K Signal Changes	\$ 2,245.02	\$ 54,799.14
PWL222.4-17	CCO13	Preemption Traffic Contr. Wire	\$ 6,571.35	\$ 61,370.49
PWL222.4-17	CCO14	Signal & Comm. Changes	\$ 11,569.11	\$ 72,939.60
PWL222.6-17	CCO15	HMS Extra Work Tickets 19-24 & 26-27	\$ 6,264.53	\$ 79,204.13
PWL222.6-17	CCO16	Add Grounding Strap to Security Fence; All Security Wall Revisions	\$ 12,997.59	\$ 92,201.72
PWL222.5-17	CCO17	Grind & Overlay	\$ 71,568.52	\$ 163,770.24
PWL222.6-17	CCO18	Sidewalk Replacement	\$ 33,087.00	\$ 196,857.24
PWL222.6-17	CCO19	Fence Wall Concrete Color	\$ 9,936.72	\$ 206,793.96
PWL222.6-17	CCO24	H&H Extra Work 9/26/17, 9/30/17, 10/1/17, 10/2/17	\$ 8,022.98	\$ 214,816.94
PWL222.6-17	CCO25	Monolithic Curb Ramps	\$ 426.59	\$ 215,243.53
PWL222.6-17	CCO26	Fiberglass Rebar Ironhorse Change	\$ 10,433.00	\$ 225,676.53
PWL222.6-17	CCO27	Grouting Lifting Eyes	\$ 771.05	\$ 226,447.58
PWL222.6-17	CCO28	Extra Work to Open Courthouse	\$ 15,000.00	\$ 241,447.58
PWL222.6-17	CCO29	MTS Requested Signage	\$ 1,268.93	\$ 242,716.51
PWL222.6-17	CCO30	Traction Power Encasement Demo	\$ 1,052.33	\$ 243,768.84
PWL222.6-17	CCO31	Rebar Field Changes	\$ 5,714.83	\$ 249,483.67
PWL222.6-17	CCO32	OCS Pole Re-Staking	\$ 409.50	\$ 249,893.17
PWL222.6-17	CCO33	Shelter Footing Conflict	\$ 1,055.35	\$ 250,948.52
PWL222.6-17	CCO34	Yellow ADA Tile Credit	\$ (13,564.24)	\$ 237,384.28
PWL222.6-17	CCO35	AC Grind and Overlay on Front St	\$ 7,123.27	\$ 244,507.55
TOTAL			\$ 6,342,255.91	\$ 244,507.55

CCO 15-35 (resolved after 6-14-18)	\$ 171,567.95
------------------------------------	---------------

SCHEDULE B - PWL232.0-17

Doc No.	Description	Description Summary	Total Cost	CCO running total	CEO Authority Used (Policy 41) running total
PWL232.0-17	Original Contract Total	Sidewalk & Street Work North of C Street	\$ 397,143.46		
PWL232.1-17*	CCO1	City Permit Fees	\$ 25,704.50	\$ 25,704.50	\$ 25,704.50
PWL232.2-17	CCO2	Sidewalk Style Change	\$ 5,184.64	\$ 30,889.14	\$ 30,889.14
PWL232.3-17	CCO5	qty. change- unit price	\$ 838.12	\$ 31,727.26	\$ 31,727.26
Total			\$ 428,870.72	\$ 31,727.26	\$ 31,727.26

*CCO 1 to reimburse for payment of City inspection fees was originally processed against Schedule A contract, but administratively changed to Schedule B

Board Action - PWL222.0-17 - Schedule A

Board Date	Item	Cost	Running Total	CEO Authority Used (Policy 41)
5/11/2017	Original Contract Approved - Schedule A	\$ 6,097,748.36		
6/14/2018	Schedule A Change Orders Approved	\$ 237,522.05	\$ 6,335,270.41	\$ 6,985.50
10/11/2018 (proposed)	Schedule A - Concrete, Acceleration & Delay Claims	\$ 162,500.00	\$ 6,497,770.41	\$ 6,985.50

Total Board Authority - Schedule A	\$ 6,497,770.41
Total Schedule A Cost	\$ 6,504,755.91
CEO Authority Used	\$ 6,985.50

SCHED A/B TOTAL	\$ 6,771,126.63
Schedule A Total	\$ 6,342,255.91
Schedule A Total + Proposed Action	\$ 6,504,755.91
SCHED A/B TOTAL	\$ 6,933,626.63

Negotiated Changes Orders After Contract Dispute Resolution Process	
<i>Proposed Action for 10/11/2018</i>	
Concrete Claim	\$ 43,644.48
Acceleration Claim	\$ 15,207.47
Delay Claim	\$ 103,648.05
Total	\$ 162,500.00



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Agenda Item No. 8

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 11, 2018

SUBJECT:

PLANNING SERVICES FOR SITE PLANNING OF 1313 – 1344 NATIONAL AVENUE
FOR FUTURE TRANSIT CENTER EXPANSION AND TRANSIT ORIENTED
DEVELOPMENT - WORK ORDER

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute Work Order WOA1950-AE-26 for MTS Doc. No. G1950.0-17 (in substantially the same format as Attachment A) with Kimley-Horn and Associates, Inc. in the amount of \$123,862.67 for engineering and planning services for site planning of 1313-1344 National Avenue for future transit center expansion and transit oriented development.

Budget Impact

The value of this Engineering Design Work Order will not exceed \$123,862.67 and is allocated under MTS account number 791010-571250.

DISCUSSION:

MTS owns two parcels located at 1313 and 1344 National Avenue that have been identified for potential development. In order to fully understand the possibilities allowed on this site, MTS requires a firm to provide professional engineering and planning services to analyze the potential for multimodal transit center expansion and transit oriented development. Staff has selected Kimley-Horn and Associates, Inc. and its sub-consultant Stantec, to perform preliminary planning and conceptual design, and to test the potential mixed-use development of the property, with uses including retail, housing with a low-cost component, office, and other uses that support transit ridership.



The objective of this Work Order is to review the existing land use, zoning and utilities for the parcels and develop conceptual development scenarios that optimize the transit expansion capabilities and the development yield to a maximum allowable density. The results will include the preparation of conceptual site layouts, summary reports, and rough order magnitude cost projections.

On January 12, 2016, San Diego Association of Governments (SANDAG) and MTS issued a joint Request for Statement of Qualifications (RFSQ) for On-Call Architectural and Engineering (A&E) Design Consulting services. The RFSQ resulted in the approval of 8 firms qualified to perform A&E services. Tasks are assigned to the firms through a work order process, and MTS selects the most qualified firm based on the scope of work to be performed.

MTS staff reviewed the approved A&E firms and, utilizing a rotation basis as outlined in the master agreement, has selected Kimley-Horn and Associates, Inc. to perform the requisite services. Kimley-Horn and Associates, Inc., has provided similar civil engineering services for MTS's transit and bus maintenance facilities in the past and are familiar with MTS's expectations and needs.

Kimley-Horn and Associates, Inc. initial proposal amount was \$160,201.21. Through negotiations the proposal was reduced to \$123,862.67 a savings of \$36,338.54.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute MTS Doc. No. G1950.0-17 Work Order WOA1950-AE-26 (in substantially the same format as Attachment A) with Kimley-Horn and Associates, Inc. in the amount of \$123,862.67 for engineering and planning services for site planning of parcels 1313 and 1344 National Avenue.

/s/ Sharon Cooney for

Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Draft Work Order Work Order WOA1950-AE-26, MTS Doc. No. G1950.0-17

October 11, 2018

MTS Doc. No. G1950.0-17
Work Order No. WOA1950-AE-26

Mr. Dennis Landaal, P.E.
Principal
Kimley-Horn and Associates, Inc.
401 B Street, Suite 600
San Diego, CA 92101

Dear Mr. Landaal:

Subject: MTS DOC. NO. G1950.0-17, WORK ORDER WOA1950-AE-26, ENGINEERING DESIGN SERVICES FOR CONCEPTUAL PLANNING SERVICES FOR THE PARCELS LOCATED AT 1313-1344 NATIONAL AVENUE

This letter shall serve as our agreement for Work Order WOA1950-AE-26 to MTS Doc. No. G1950.0-17, for Conceptual Planning Services for the Parcels located at 1313-1344 National Avenue.

SCOPE OF SERVICES

Provide professional planning and conceptual design services to analyze the potential for multimodal transit center expansion and transit-oriented development (TOD) at the MTS parcels located at 1313 and 1344 National Avenue. Work provided under this Work Order will be performed in accordance with the attached Scope of Services (Attachment A and B)

SCHEDULE

The Scope of Services, as described above, shall remain in effect through construction of the project.

PAYMENT

Payment shall be based on actual costs in the amount not to exceed without prior authorization of \$123,862.67

Please sign below, and return the document to the Contracts Specialist at MTS. All other terms and conditions shall remain the same and in effect.

Sincerely,

Accepted:

Paul C. Jablonski
Chief Executive Officer

Dennis Landaal, Principal
Kimley-Horn and Associates, Inc.

Date: _____

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

MTS Doc. No. TBD

Work Order No. 17-01

WORK ORDER TITLE: Proposal for Conceptual Planning Services for the Parcels at 1313-1344 National Avenue, San Diego, CA**I. PROJECT DESCRIPTION**

Metropolitan Transit Systems (MTS) has requested that Kimley-Horn and its subconsultant Stantec (the Consultant) provide professional planning and conceptual design services to analyze the potential for multimodal transit center expansion and transit-oriented development (TOD) at the MTS parcels located at 1313 and 1344 National Avenue. Services will include preliminary planning and conceptual design for the expansion of the existing transit terminal and the preliminary planning, massing and concept design to test the potential mixed-use development of the property with uses including retail, housing with a low-cost component, office and/or other allowed uses that support transit ridership.

II. EXPECTED RESULTS

The objective of this Work Order is to review the existing land use, zoning and utilities for the parcels and develop conceptual development scenarios that optimize the transit expansion capabilities and the development yield to a maximum allowable Floor/Area Ratio (FAR).

The results will include the preparation of conceptual site layouts; a concept-level memo; and a rough order of magnitude (ROM) cost projection. The Consultant will work closely with MTS staff to complete the report as expeditiously as possible.

III. SCOPE OF WORK

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

Task 1 – Project Management and Coordination

This task includes effort for administration of the Consultant's work in this work order, including invoicing, coordination with MTS staff, monthly progress reports and other project management activities for the anticipated 13-week duration of this effort. Coordination efforts in this task include the following:

- General coordination (up to 2 hours per week)

Task 2 – Data Collection**Task 2.1 – Project Kick Off**

The work plan shall include a half-day kick-off session (up to 5 hours) in San Diego with MTS to discuss goals and objectives. The Consultant will document the proposed objectives in a memo to MTS.

The Consultant will work with MTS staff to confirm:

- Preferred TOD elements
- Desired transit center capacity – namely, number and type of bays and number of routes

Task 2.2 – As-Built Information and Base Map Generation

The Consultant will request and collect readily-available as-built drawings for the existing storm drain, water and sanitary sewer utility data from the City of San Diego. Information will be requested for the block surrounded by 13th Street, 14th Street, Commercial Street and Imperial Avenue, including National Avenue. The Consultant will also request as-built information within the public rights-of-way from the dry utility purveyors.

The Consultant will use the existing paper or PDF survey information, paper as-builts and GIS data to create a base map of the existing site conditions within the proposed subject property limits. The base map will show the approximate locations of the property line, existing surface improvements, and existing utilities. No additional topographic survey is proposed.

The Consultant will also review the study to be prepared by KMA, which is anticipated to include parcel zoning information, municipal code and applicable specific plan overlays for any restriction on development potential - including maximum density, lot coverage, access restrictions, setback requirements, landscape requirements, storm water treatment requirements and identification of adjacent uses within a 500-foot radius.

The Consultant will also perform an Online Database search for regulated facilities to identify any known environmental site conditions.

Task 3 – Conceptual Site Layouts

Task 3.1 Preliminary Site Layout

The Consultant will prepare up to three (3) preliminary site layouts to present to MTS. The preliminary site layouts will identify possible configurations of the proposed TOD site elements and potential uses. The Consultant will present the concepts to MTS, and MTS will select up to two (2) preferred concepts for further development.

The preliminary layouts will consider the incorporation of affordable housing elements into the TOD. Each preliminary layout will identify the anticipated ratio of affordable to standard housing.

The Consultant will identify improvements to existing MTS systems that will be required to develop the subject property. Improvements to the 12th and Imperial bus bays to accommodate existing and future routes will be considered. The Consultant will coordinate with MTS bus route planning operations to understand passenger movement and services to be provided at the transit center. The Consultant will also coordinate with MTS to identify current uses to be removed or relocated from the existing property to accommodate the proposed TOD.

The preliminary site layouts will consider storm water impacts and will include areas for storm water treatment that will comply with City and Regional Water Quality Board requirements.

The Consultant will identify signal modifications that will be incorporated into the development including the use of Traffic Signal Priority (TSP) for bus traffic.

Track re-alignment on the Commercial Street approach to the transit center will also be considered.

The Consultant will identify impacts to the public rights-of-way of Commercial Street, 13th Street, National Avenue and 14th Street to identify vacations and dedications needed to facilitate the proposed preliminary site layouts. The Consultant will utilize readily-available as-built utility and survey information to identify impacts to the existing wet and dry utility infrastructure within the public rights-of-way, including abandonment and relocation of utilities identified in the data collection task. The Consultant will perform preliminary wet utility demand calculations and determine the potential for upsizing utilities within the public rights-of-way.

The preliminary site layouts will each include:

- Planning level “block diagram” plans including building outlines, site access, pedestrian and vehicle circulation and connectivity to the 12th & Imperial transit center;
- Approximate building square footages;
- Potential road closures, realignments, and/or right-of-way vacations/dedications required the site layout;
- Anticipated impacts to existing MTS infrastructure; and
- Opportunities and constraints for each site layout.

Task 3.2 Design Charrette/Workshop

The Consultant will meet with MTS stakeholders to discuss the preliminary site layouts; after MTS has reviewed the preliminary site layouts, MTS will identify up to two (2) preferred preliminary site layouts.

Before finalizing the preliminary site layouts, the Consultant will attend a half-day (up to 5 hours) design charrette/workshop at the MTS office. This will allow MTS the opportunity to provide input on refining of the concepts, interact with the designers, express concerns, provide real-time input and feedback, and clarify outstanding design questions.

Task 3.3 Conceptual Site Layout

The Consultant will advance the two (2) preferred preliminary site layouts and prepare the following:

- Two (2) Conceptual Site Layouts including impacts to rights-of-way, impacts to existing utilities, impacts to MTS bus bays, impacts to MTS trolley, and additional opportunities and constraints;
- Conceptual Floor Plans for each typical floor of all proposed buildings to illustrate core configurations;
- Conceptual Vertical Section identifying building heights, floor-to-floor dimensional criteria, and interface of multimodal transit station;
- Preliminary Massing Study; and
- One (1) conceptual Street-Level Perspective Rendering

One (1) round of revisions to the two (2) Conceptual Site Layouts is assumed to be required as part of this task.

Task 4 –Technical Memorandum

The Consultant will prepare a Technical Memorandum with an executive summary that documents decisions made and will include the preferred Conceptual Site Layouts and opportunities and constraints for each. It is assumed that one (1) round of revisions will be required as part of this task.

Task 5 – Rough Order of Magnitude (ROM) Construction Cost Projection

The Consultant will develop a ROM Construction Cost Projection for the each of two (2) preferred Conceptual Site Layouts using unit costs for recent construction activities and comparing this to the spreadsheet table indicating the space allocated for each function. The ROM Cost Projection will capture anticipated capital improvement costs to MTS. Right-of-way vacation and acquisition costs will not be included as part of this task.

IV. PERIOD OF PERFORMANCE

List period of performance for required services.

V. DELIVERABLES

- o Up to three (3) Preliminary Site Layouts
- o Technical Memorandum containing:
- o Executive Summary
- o Two (2) preferred Concept Site Layouts with opportunities and constraints narratives
- o Preliminary floor plans for each typical building floor to illustrate core configurations
- o Preliminary vertical section showing building heights, floor-to-floor dimensional criteria, and interface of multimodal transit station
- o Preliminary Massing Study
- o One (1) Conceptual Street Level Perspective Rendering
- o Rough Order of Magnitude (ROM) Construction Cost Projection

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

See Project Schedule as shown in Attachment C.

or

A. Tasks Schedule

Task	Begin/End Dates
-------------	------------------------

B. Milestones/Deliverables Schedule

Milestone/Deliverable	Due Date
Notice to Proceed	TBD
As-built data collection	NTP + 2 weeks
Base Map Generation	As-built Collection + 1 week
Three (3) Preliminary Site Layouts to MTS	Base Map + 3 weeks
MTS Comments on Preliminary Site Layouts	Concepts + 2 weeks
Two (2) Preferred Conceptual Site Layouts	MTS Comments + 2 weeks
Design Charrette	Concept Layouts + 1 week
Final Concepts + Technical Memorandum	Design Charrette + 2 weeks

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

- Boundary survey for all parcels
- All information regarding MTS strategy for zoning and development
- Any additional information necessary for the preliminary/conceptual design of the parcels
- Existing documents (drawings, plans, "as-builts", etc.) related to the subject parcels (the Consultant will request the Public rights-of-way as-builts)
- Recent bid prices to be used for construction cost projections
- Zoning and Land Use information, in KMA Study being prepared separately
- Transit capacity data for existing and future use of the site

OR

Not Applicable.

VIII. SPECIAL CONDITIONS

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

The following items are not included in this scope of work but can be performed with an addendum to the contract:

- Existing conditions boundary and topographic survey
- Zoning and Land Use analysis (provided by others)
- Preparation of marketing brochures, materials, or investment packages
- Meeting with Adjacent Property Owners and City agencies to introduce project and answer questions as part of a community outreach strategy
- LEED Certification and Documentation
- Owner-requested changes to deliverables completed and approved in a previous phase
- 3D computer-generated views and/or animations above what has been included in this proposal
- Coordination of professional models
- Assumes 2-week Review Cycle by MTS
- Other Services beyond the Scope of Work identified herein
- Detailed design (site grading, proposed utilities, etc.) of the site

IX. MTS ACCEPTANCE OF SERVICES:

Contractor shall not be compensated at any time for unauthorized work outside of this Work Order. Contractor 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 Contractor provides final service(s) or final work product(s) which are found to be unacceptable due to Contractors and/or Contractors subcontractors negligence and thus not 100% complete by MTS' Project Manager, Contractor 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. Contractor 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 construction management and/or implementation phases associated with the services rendered by the Contractor, if MTS finds any work product provided by Contractor to be deficient and the deficiently delays any portion of the project, Contractor 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 Contractors deficient work product and shall bear no costs or burden associated with Contractors deficient performance and/or work product.

XI. DELIVERABLE REQUIREMENTS

Contractor 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 Contractor to any third party.

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

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

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

XII. PRICING

Pricing shall be firm and fixed for the duration of the Work Order and any subsequent Change Orders/Amendments to the Work Order. There shall be no escalation of rates or fees allowed.

XIII. ADDITIONAL INFORMATION

List additional information as applicable to the specific Work Order scope of services.

XIV. PREVAILING WAGE

Prevailing wage rates apply to certain personnel for these services? ☐ Yes ☐ No

If yes, please list classification subject to prevailing wage rates:

Work Order Estimate Summary

Att. A, AI 8, 10/11/18

MTS Doc. No.

Work Order No.

WOAXXXX-AE-23

Attachment:

B

Work Order Title:

PRELIMINARY PLANNING SERVICES FOR PARCELS
1313-1344 NATIONAL AVENUE, SAN DIEGO, CA

Project No:

Table 1 - Cost Codes Summary (Costs & Hours)

Item	Cost Codes	Cost Codes Description	Total Costs
1			\$123,862.67
2			

Totals =

\$123,862.67

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

Item	TASKS/WBS	TASKS/WBS Description	Labor Hrs	Total Costs
1	TASK 1	PROJECT MANAGEMENT AND COORDINATION	26.0	\$5,704.60
2	TASK 2	DATA COLLECTION	122.0	\$20,114.23
3	TASK 3	CONCEPTUAL SITE LAYOUTS	442.0	\$71,111.68
4	TASK 4	TECHNICAL MEMORANDUM	68.0	\$12,268.60
5	TASK 5	ROM CONSTRUCTION COST ESTIMATE	84.0	\$14,663.56

Totals =

742.0

\$123,862.67

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

(If Applicable, Select One)				Consultant	Labor Hrs	Total Costs
DBE	DVBE	SBE	Other			
				KIMLEY-HORN & ASSOCIATES	516.0	\$91,016.20
				RNL/STANTEC	226.0	\$32,846.47

Totals =

742.0

\$123,862.67

Work Order Estimate
Summary

Total Hours =

516

Total Costs =

\$91,016.20

Consultant/Subconsultant:

KIMLEY-HORN & ASSOCIATES

\$ Doc. No.:

Work Order No.:

WOAXXXX-AE-23

Work Order Title:

PRELIMINARY PLANNING SERVICES FOR PARCELS 1313-1344
NATIONAL AVENUE, SAN DIEGO, CA

Attachment:

B

Item	TASKS/WBS	TASKS/WBS Description	ODCs (See Attachment)	Dennis Landaal (Contract Manager)	Pete Ritchey Engineer III	Robin Osborne Engineer III	Steven Keeton Engineer II	Nick Oleskowicz Engineer	Shari Ross Document Control Specialist	Kim De Los Reyes (Admin)	Total Hours	Totals
			\$	343.21	\$ 222.27	\$ 222.27	\$ 179.78	\$ 137.29	\$ 163.43	\$ 130.75		
1	Task 1	PROJECT MANAGEMENT AND COORDINATION										
	1.1 General Coordination			2	16	2	2		2	2	26	\$5,635.20
			\$69.40									\$69.40
		Subtotals (Hours) =	N/A	2	16	2	2		2	2	26	\$5,704.60
		Subtotals (Costs) =	\$69.40	\$686.42	\$3,556.32	\$444.54	\$359.56		\$326.86	\$261.50	26	\$5,704.60
2	Task 2	DATA COLLECTION										
	2.1 Project Kick-off				5	5	5	5		2	22	\$4,069.55
	2.2 As-Built Information and Base Map Generation				20		20	40			80	\$13,532.60
			\$160.80									\$160.80
		Subtotals (Hours) =	N/A		25	5	25	45		2	102	\$17,762.95
3	Task 3	CONCEPTUAL SITE LAYOUTS										
	3.1 Preliminary Site Layout (3)				15	10	30	60			115	\$19,187.55
	3.2 Design Charrette / Workshop				10	5	10	20		5	50	\$8,531.40
	3.3 Conceptual Site Layout				10	10	23	40			83	\$14,071.94
			\$75.80									\$75.80
4	Task 4	TECHNICAL MEMORANDUM										
	4.1 Technical Memorandum			2	20	4	20	10			56	\$10,989.40
			\$29.00									\$29.00
		Subtotals (Hours) =	N/A	2	20	4	20	10			56	\$11,018.40
		Subtotals (Costs) =	\$29.00	\$686.42	\$4,445.40	\$889.08	\$3,595.60	\$1,372.90			56	\$11,018.40
5	Task 5	ROM CONSTRUCTION COST ESTIMATE										
	5.1 ROM Construction Cost Projection			2	20	2	20	40			84	\$14,663.56
		Subtotals (Hours) =	N/A	2	20	2	20	40			84	\$14,663.56
		Subtotals (Costs) =		\$686.42	\$4,445.40	\$444.54	\$3,595.60	\$5,491.60			84	\$14,663.56
Totals (Summary) =											516	\$91,016.20
Total (Hours) =			N/A	6	116	38	130	215	2	9	516	
Total (Costs) =			\$335.00	\$2,059.26	\$25,783.32	\$8,446.26	\$23,371.40	\$29,517.35	\$326.86	\$1,176.75		\$91,016.20
Percentage of Total (Hours) =			N/A	1%	22%	7%	25%	42%	0%	2%	100%	
Percentage of Total (Costs) =			0%	2%	28%	9%	26%	32%	0%	1%		100%

Work Order Estimate Summary

Att. A, AI 8, 10/11/18

Consultant/ Subconsultant: **KIMLEY-HORN & ASSOCIATES**

Contract No:

Task Order No. **WOAXXX-AE-23**

Work Order Title: **PRELIMINARY PLANNING SERVICES FOR PARCELS 1313-1344 NATIONAL AVENUE, SAN DIEGO, CA**

Attachment: **B**

TASKS/WBS (1-5)

ODC Item	Description	Unit	Unit Cost	Task 1		Task 2		Task 3		Task 4		Task 5	
				Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total
1	Repro & Graphics: Letter size color pages	EA	\$0.25	10	\$2.50			50	\$12.50	20	\$5.00		
2	Repro & Graphics: Full size plan sheets (24"x36")	EA	\$0.45	10	\$4.50			50	\$22.50	20	\$9.00		
3	Deliveries	LS	\$15.00	2	\$30.00			2	\$30.00	1	\$15.00		
4	Mileage	MI	\$0.54	60	\$32.40	20	\$10.80	20	\$10.80				
5	Scanning	LS	\$1.00			100	\$100.00						
6	Other (Photo, etc.)	LS	\$1.00			50	\$50.00						
7													
8													
9													
10													

Subtotal = **\$69.40** Subtotal = **\$160.80** Subtotal = **\$75.80** Subtotal = **\$29.00** 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														80	\$20.00
2														80	\$36.00
3														5	\$75.00
4														100	\$54.00
5														100	\$100.00
6														50	\$50.00
7															
8															
9															
10															

Subtotal = Subtotal = Subtotal = Subtotal = Subtotal = Totals = **\$335.00**

Work Order Estimate
Summary

Total Hours =

226

Total Costs =

\$32,846.47

Consultant/Subconsultant:

RNL/STANTEC

Doc. No.:

Work Order No.:

WOAXXX-AE-23

Work Order Title:

PRELIMINARY PLANNING SERVICES FOR
PARCELS 1313-1344 NATIONAL AVENUE,
SAN DIEGO, CA

Attachment:

B

Item	TASKS/WBS	TASKS/WBS Description	ODCs (See Attachment)	Principal	Senior Planner	Senior Architect	Senior Designer	Intern Architect	Total Hours	Totals	
			\$	255.20	\$	194.98	\$	151.97			\$
1	Task 1	PROJECT MANAGEMENT AND COORDINATION									
	1.1 General Coordination										
Subtotals (Hours) =			N/A								
Subtotals (Costs) =											
2	Task 2	DATA COLLECTION									
	2.1 Project Kick-off				2				2	\$389.96	
	2.2 As-Built Information and Base Map Generation				2	4		12	18	\$1,961.32	
Subtotals (Hours) =			N/A		4	4		12	20	\$2,351.28	
Subtotals (Costs) =					\$779.92	\$607.88		\$963.48	20	\$2,351.28	
3	Task 3	CONCEPTUAL SITE LAYOUTS									
	3.1 Preliminary Site Layout (3)			4	8	16	40	32	100	\$13,316.24	
	3.2 Design Charrette / Workshop			8	8		16	16	48	\$7,180.00	
				2	2	2	20	20	46	\$5,677.50	
			\$3,071.25							\$3,071.25	
Subtotals (Hours) =			N/A		14	18	18	76	68	194	\$29,244.99
Subtotals (Costs) =			\$3,071.25	\$3,572.80	\$3,509.64	\$2,735.46	\$10,896.12	\$5,459.72	194	\$29,244.99	
4	Task 4	TECHNICAL MEMORANDUM									
	4.1 Technical Memorandum					4		8	12	\$1,250.20	
Subtotals (Hours) =			N/A			4		8	12	\$1,250.20	
Subtotals (Costs) =						\$607.88		\$642.32	12	\$1,250.20	
5	Task 5	ROUGH ORDER OF MAGNITUDE CONSTRUCTION COST ESTIMATE									
	5.1 ROM Construction Cost Projection										
Subtotals (Hours) =			N/A								
Subtotals (Costs) =											
Totals (Summary) =										226	\$32,846.47
Total (Hours) =			N/A		14	22	26	76	88	226	
Total (Costs) =			\$3,071.25	\$3,572.80	\$4,289.56	\$3,951.22	\$10,896.12	\$7,065.52			\$32,846.47
Percentage of Total (Hours) =			N/A		6%	10%	12%	34%	39%	100%	
Percentage of Total (Costs) =			9%	11%	13%	12%	33%	22%			100%

Work Order Estimate Summary

Att. A, AI 8, 10/11/18

Consultant/ Subconsultant: **RNL/STANTEC**

Contract No:

Work Order Title: **PRELIMINARY PLANNING SERVICES FOR PARCELS 1313-1344 NATIONAL AVENUE, SAN DIEGO, CA**

Task Order No. **WOAXXX-AE-23**

Attachment: **B**

TASKS/WBS (1-5)

ODC Item	Description	Unit	Unit Cost	Task 1		Task 2		Task 3		Task 4		Task 5	
				Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total
1	Repro & Graphics: Letter size color pages	EA	\$0.25										
2	Repro & Graphics: Full size plan sheets (24"x36")	EA	\$0.45					2,125	\$956.25				
3	Deliveries	LS	\$15.00					25	\$375.00				
4	Mileage	MI	\$0.54					1,000	\$540.00				
5	Scanning	LS	\$1.00										
6	Other (Photo, etc.)	LS	\$1.00										
7	Per Diem	EA	\$400.00					3	\$1,200.00				
8													
9													
10													

Subtotal = Subtotal = Subtotal = **\$3,071.25** Subtotal = Subtotal =

TASKS/WBS (6-10)

ODC Item	Description											Totals	
		Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total
1	Repro & Graphics: Letter size color pages												
2	Repro & Graphics: Full size plan sheets (24"x36")											2,125	\$956.25
3	Deliveries											25	\$375.00
4	Mileage											1,000	\$540.00
5	Scanning												
6	Other (Photo, etc.)												
7	Per Diem											3	\$1,200.00
8													
9													
10													

Subtotal = Subtotal = Subtotal = Subtotal = Subtotal = Totals = **\$3,071.25**



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

Agenda Item No. 9

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 11, 2018

SUBJECT:

GEOMETRIC TRACK TESTING – 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. L1466.0-19, (in substantially the same format as Attachment A) with Holland LP for the provision of geometric track testing for five (5) years.

Budget Impact

The project shall not exceed \$217,500 and is funded by 370016-571210. The project costs are summarized below:

Year 1	Year 2	Year 3	Year 4	Year 5	Total
\$43,500	\$43,500	\$43,500	\$43,500	\$43,500	\$217,500

DISCUSSION:

MTS is in need of a qualified and experienced firm to provide hi-rail equipped track testing vehicle(s) to measure track geometry, track strength, and rail profile to meet the Federal Register Rule requirement part 213.333, for five (5) years.

On July 27, 2018, MTS issued an Invitation for Bids (IFB) intending to award a contract to a contractor to provide geometric track testing services.

On September 4, 2018 a single bid from Holland LP was received and publicly opened. To ascertain that the solicitation was not restrictive, MTS emailed a survey to all the firms that had downloaded the IFB on PlanetBids. The survey is utilized to determine



potential bidders' reason(s) for not proposing. The results indicated that neither the IFB nor MTS's procurement processes played a role in their decision not to respond.

MTS then performed a price analysis by comparing other similar agency costs to ensure the bid price MTS received was fair and reasonable. The cost comparison is summarized below:

Description	MTS bid (2018)	Denver Transit Partners bid (2017)	Utah Transit Authority bid (2015)	MTS savings
Daily rate (up to 8 hours)	\$11,000	\$13,000	\$14,130	\$3,130
Hourly rate after 8 hours	\$1,375	\$1,625	\$1,625	\$250
Mobilization cost	\$8,000	\$10,000	\$10,000	\$2,000

In addition, MTS's Independent Cost Estimate has a value of \$240,364.96 and Holland LP's bid at \$217,500 is determined to be fair and reasonable.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute MTS Doc. No. L1466.0-19, (in substantially the same format as Attachment A) with Holland LP for the provision of geometric track testing for five (5) years.

/s/ Sharon Cooney for
Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Draft Standard Services Agreement; MTS Doc. No. L1466.0-19

DRAFT
STANDARD SERVICES AGREEMENT

L1466.0-19
CONTRACT NUMBER

THIS AGREEMENT is entered into this ___ day of _____ 2018, 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: Holland LP

Address: 1000 Holland Drive

Form of Business: Partnership

Crete, IL 60451

Telephone: (708) 672-2300

Email Address: btaylor@hollandco.com

Authorized person to sign contracts: Deborah Wensel

Chief Financial Officer

Name

Title

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

Provide geometric track testing services as set forth in the Scope of Work (attached as Exhibit A), Holland LP's Bid (attached as Exhibit B) and in accordance with the Standard Services Agreement, including Standard Conditions Services (attached as Exhibit C), Federal Requirements (attached as Exhibit D) and Forms (attached as Exhibit E).

This contract term is for up to five (5) years effective December 1, 2018 through November 30, 2023.

Payment terms shall be net 30 days from invoice date. The total cost of this contract shall not exceed \$217,500 for the five years.

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
\$217,500	370016-571210	FY 19-24

By: _____
Chief Financial Officer

Date

(___ total pages, each bearing contract number)

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



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Agenda Item No. 10

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 11, 2018

SUBJECT:

INVESTMENT REPORT – AUGUST 2018

INFORMATIONAL ONLY

Budget Impact

None.

DISCUSSION:

Attachment A comprises a report of the San Diego Metropolitan Transit System (MTS) investments as of August 31, 2018. The combined total of all investments has increased month to month from \$99.2 million to \$101.4 million. This \$2.2 million increase is attributable to \$6.9 million in State Transit Assistance (STA) revenue, partially offset by \$3.8 million in capital expenditures, as well as normal timing differences in other payments and receipts.

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

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

/s/ Sharon Cooney for

Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Investment Report for August 2018



**San Diego Metropolitan Transit System
Investment Report
August 31, 2018**

	Restricted	Unrestricted	Total	Average rate of return
Cash and Cash Equivalents				
JP Morgan Chase - concentration account	-	42,846,238	42,846,238	0.00%
Total Cash and Cash Equivalents	-	42,846,238	42,846,238	
Cash - Restricted for Capital Support				
US Bank - retention trust account	2,652,465	-	2,652,465	N/A*
California Bank & Trust - retention trust account	321,884		321,884	N/A*
San Diego County Investment Pool				
Proposition 1B TSGP grant funds	13,496,411	-	13,496,411	1.976%
Total Cash - Restricted for Capital Support	16,470,760	-	16,470,760	
Investments - Working Capital				
Local Agency Investment Fund (LAIF)	5,165,754	12,896,572	18,062,326	1.998%
San Diego County Investment Pool	-	24,018,324	24,018,324	1.976%
Total Investments - Working Capital	5,165,754	36,914,896	42,080,650	
 Total cash and investments	 \$ 21,636,514	 \$ 79,761,134	 \$ 101,397,648	

N/A* - Per trust agreements, interest earned on retention account is allocated to trust beneficiary (contractor)



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Agenda Item No. 11

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 11, 2018

SUBJECT:

AMERICAN INTERNET SERVICES, LLC, LIGHTWAVE DATA CENTER COLOCATION
FOR COMPASS CARD PROGRAM – CONTRACT AWARD

RECOMMENDATION:

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

- 1) Execute MTS Doc. No. G2172.0-19 (in substantially the same format as Attachment A) with American Internet Services, LLC (AIS) for colocation data center facility services for a three (3) year base period with two (2) one-year option periods (for a total of 5 years); and
- 2) Exercise each option year at the CEO's discretion.

Budget Impact

The total cost of this agreement will not exceed \$657,318.24 (inclusive of a 7.75% California sales tax). Funding will come from the Compass Card regional operating budget account 532010-571250, and North County Transit District (NCTD) is responsible for 25% of all costs incurred with this agreement.

DISCUSSION:

In July 2014, MTS took over responsibilities of managing the regional Compass Card fare collection program from the San Diego Association of Governments (SANDAG) which included all relevant technology maintenance and support. The Compass Card back office servers, network and storage are physically located in the AIS Lightwave Data Center colocation facility (Facility) in Kearny Mesa, and these systems have been at that location for over five years.



Colocation facilities provide space, power, cooling and physical security for the server, storage, and networking equipment for companies who desire this service and connect them to a variety of telecommunications and network service providers.

The Compass Card program systems are critical and necessary for the day-to-day fare collection requirements for the region. The AIS location has in place all necessary data center infrastructure and network circuits to support the program, and continuing the partnership with AIS at the existing facility assures MTS the least risk to downtime and associated costs with migrating the equipment. Based upon these reasons, this agreement requires a sole-source procurement.

This is a renewal agreement to extend the physical hosting of the Compass payment system with option years providing service until such time as the next generation fare system can be identified and implemented. The table below outlines the project's annual cost through the duration of the contract which was determined by staff to be fair and reasonable:

Years/ Term	Monthly Recurring	Annual Recurring Cost (Extended Price)
Base Year 1	\$9,129.42	\$109,553.04
Base Year 2	\$9,129.42	\$109,553.04
Base Year 3	\$9,129.42	\$109,553.04
Option (Yr. 1) Year 4	\$9,129.42	\$109,553.04
Option (Yr. 2) Year 5	\$9,129.42	\$109,553.04
20% Contingency		\$109,553.04
GRAND TOTAL for five (5) Years:		\$657,318.24

As indicated in the above table, staff is allocating a 20 percent contingency. The contingency is based on the fact that SDG&E is currently asking the California Public Utilities Commission (CPUC) to raise electric rates by 28 percent over four years and the CPUC is expected to make a decision by the end of 2018 that is to take effect in 2019. The rise in electric rates will increase the cost to operate a colocation facility; this cost will be passed to MTS through the AIS.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute MTS Doc. No. G2172.0-19 (in substantially the same format as Attachment A) with American Internet Services, LLC for colocation data center facility services for a three (3) year base period with two (2) one-year option period (for a total of 5 years); and to exercise each option year at CEO's discretion.

/s/ Sharon Cooney for
Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. MTS Doc No. G2172.0-19

STANDARD SERVICES AGREEMENT

G2172.0-19
CONTRACT NUMBER

DRAFT

FILE NUMBER(S)

THIS AGREEMENT is entered into this _____ day of _____ 2018, 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: American Internet Services, LLC Address: 39305 Lightwave Road, Suite 400

Form of Business: Limited Liability Company San Diego, CA 92123
(Corporation, partnership, sole proprietor, etc.)

Telephone: (858) 576-4272 ext.143

Authorized person to sign contracts: Matt Thoene Chief Operating Officer
Name Title

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

Data Warehouse Services as specified in the American Internet Services, LLC (AIS) Master Service Agreement (See Attachment A) with the AIS Scope of Services (attached as Exhibit B) including the Service Pricing Submittal (attached as Exhibit A), and AIS Signed MTS Forms (attached as Exhibit C).

The contract term is for up to a 5-year period (3-year base with two 1-year options). Base period shall be effective December 1, 2018 through November 30, 2021, and Option Years 1-2 shall be effective December 1, 2021, through November 30, 2023 (exercisable at MTS's sole discretion). Payment terms shall be net 30 days from invoice date

The total contract cost shall not exceed \$547,765.20 [\$328,659.12 for the base period and \$219,106.08 for the option years].

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
\$ 328,659.12 – Base		
\$ 219,106.08 – Options		
\$ 547,765.20 – Total	661010-571250	19-23

By: _____
Chief Financial Officer Date



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Agenda Item No. 12

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 11, 2018

SUBJECT:

LEGAL SERVICES CONTRACT AWARD

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors (Board) approve the List of Approved As-Needed Law Firms recommended following MTS Request for Proposals No. G2103.0-18 (Attachment A).

Budget Impact

The funding for these legal services contracts is approved by the MTS Board on an annual basis within MTS operating budgets. The current combined fiscal year 2019 funding assigned for these services is approximately \$2,200,000. Contracts with individual law firms are authorized on an as-needed basis according to Board Policy No. 41.

DISCUSSION:

The intent of the Legal Services Request for Proposals (RFP), (MTS RFP. No. G2103.0-18) is to establish a list of qualified attorneys and law firms to advise, assist, and represent MTS in the areas of law as described in the Scope of Work. This list of qualified attorneys and law firms will remain effective for up to an eight-year period. Although MTS has historically needed legal assistance in the categories described in the Scope of Work, MTS does not guarantee work to any qualified attorney for any category. Conversely, MTS may hire specific attorneys for specified durations for work that is outside of the scope of the Legal Services RFP.

MTS staff identified a need for qualified attorneys in the following areas of law:

- Americans with Disabilities Act (ADA),
- Civil Rights,
- Insurance,
- Intellectual Property,
- Labor and Employment Law,



- Construction Contracts and Claims Law,
- Corporate Transaction Law,
- Criminal Procedure,
- Environmental Law,
- Finance,
- Liability,
- Public Entity,
- Railroad Operating Law,
- Real Estate, and
- Workers' Compensation.

On May 24, 2018, thirty-seven (37) proposals were received. All proposals received were found responsive to the minimum requirements of the RFP and/or the pass/fail criteria. Based on the proposals received, the above areas of law were divided into the following categories: General, Insurance, Labor, Liability, Workers' Compensation, and four specialty areas (Railroad Operating & Environmental, Finance, Real Estate/Environmental; and Real Estate).

MTS evaluated the proposals received based on the following criteria

- Qualifications, Proposed Staffing and Work Plan: 75%
- Cost and Price: 25%

Firms and attorneys were given an overall score that included qualifications and price. Based on its review, the evaluation committee has determined that the proposal from the attached list of proposed qualified attorney firms (Attachment A) best meet the requirements set forth in the RFP and based upon consideration of both technical and price factors, has found their offers to be the most advantageous and the greatest value to MTS. The number of law firms assigned to each category of law was based on staff's estimated needs over the eight-year period of As-Needed List.

Today's action would approve the As-Needed Law Firms List for an eight year period beginning January 1, 2019. Individual contracts with each law firm will be executed on an as-needed basis according to Board Policy No. 41. Individual legal matters are assigned to individual law firms at the discretion of the General Counsel, taking into account the complexity of the legal issue, the experience or special qualifications of the law firm, and the law firm's capacity to meet MTS's needs and timelines.

/s/ Sharon Cooney for _____
Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. As-Needed Law Firm List (MTS RFP. No. G2103.0-18)

MTS As-Needed Law Firm List

RFP. No. G2103.0-18

#	PROPOSAL FIRM NAME	TYPE OF LAW
1	Best Best & Krieger	General
2	Richards, Watson & Gershon	General
3	Hanson Bridgett	General
4	Meyers Nave	General
5	Koeller, Nebeker, Carlson, Haluck LLP	Insurance
6	Paul Plevin Sullivan & Connaught	Labor
7	Daley & Heft	Liability
8	Horton, Oberrecht, Kirkpatrick & Martha	Liability
9	Liedle, Lounsbery, Larson & Lidl, LLP	Liability
10	Michael Ripley	Liability
11	Ryan Carvalho & White	Liability
12	Tyson & Mendes, LLP	Liability
13	Wheatley Bingham & Baker	Liability
14	Baker & Miller	Specialty – RR Operating Law, Environmental
15	Duane Morris	Specialty – Finance
16	Environmental Law Group LLP (Varco & Rosenbaum)	Specialty – Environmental, Real Estate
17	R. Martin Bohl	Specialty – Real Estate
18	Dietz, Gilmore & Chazen	Workers' Compensation
19	Eldon L. Floyd & Assoc.	Workers' Compensation
20	Floyd Skeren Manukian Langevin	Workers' Compensation
21	Laughlin, Falbo, Levy & Moresi, LLP	Workers' Compensation
22	Kegal, Tobin & Truce	Workers' Compensation
23	Mark H. Barber (Law Offices of)	Workers' Compensation
24	Michael Sullivan & Associates	Workers' Compensation
25	Trovillion, Inveiss & Demakis, APC	Workers' Compensation



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Agenda Item No. 13

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 11, 2018

SUBJECT:

ADA PARATRANSIT SERVICES – SOLE SOURCE CONTRACT EXTENSION

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to extend the contract for one (1) year with First Transit, Inc. (Amendment No. 6 to MTS Doc. No. G1205.0-10) for ADA Paratransit Services.

Budget Impact

The new value of this agreement is estimated not to exceed **\$141,790,442.86** (\$125,392,697.86 current contract value plus \$16,397,745 for Amendment No. 6). This would be inclusive of the monthly fixed fees as well as the estimated expenses for the variable rate billing associated with the actual operations of the paratransit service. Funding would come from ADA Access operations cost center 850012-581100/585100/582100, which are federally-funded.

Description	New Cost (1-Year extension)
Total of all Monthly Fixed Costs:	\$222,211
Total of all Monthly Variable Costs:	\$919,404
Number of Operating Months	12
Subtotal:	\$13,699,388
Taxi Pilot Program Pass thru Costs:	\$ 2,698,357
TOTAL:	\$16,397,745

DISCUSSION:

The original contract with First Transit was executed in July 2010 to provide ADA paratransit services (known as MTS Access). The contract term is for a five (5) year base period with two (2) one-year options exercisable at MTS's sole discretion. The base period expired on June 30, 2015 and Option periods 1 (Years 6 and 7) and 2



(Years 8 and 9) were exercised simultaneously in 2014 and 2017. The final option year is set to expire on June 30, 2019.

In July 2018, MTS implemented a one (1) year taxi pilot program that permits First Transit to subcontract with Yellow Taxicab to operate a limited number of MTS Access trips. If the taxi program is successful and achieves its goals, then this could result in a significant revision to the scope of work for the next ADA Paratransit Service contract. During the pilot period (July 1, 2018 to June 30, 2019), MTS staff will monitor the taxi program and conduct an analysis to determine its operational effectiveness and cost savings efficiency. Changes could be recommended during the pilot period to achieve the best results for operational, cost and customer service needs.

On this basis, MTS staff recommends that the First Transit contract be extended by twelve (12) months (until June 30, 2020) to allow the taxi pilot project to conclude before the ADA paratransit services procurement process commences. This will allow staff to complete a full assessment of the program and have the ability to include a fully vetted taxicab component in the scope of work for the next ADA paratransit service contract. Staff needs the additional 12-month period to complete this analysis, revise the scope, and conduct a competitive procurement for the next contract. Typically, a procurement of this type takes at least 9 months to complete.

In addition, First Transit is the current vendor for MTS's mini-bus fixed route services contract (MTS Doc. No. G1313.0-10 as amended), which runs through June 11, 2021. First Transit operates both the ADA paratransit and mini-bus fixed route services from the MTS-owned Copley Park Place facility. This facility was purchased by MTS in 2011 and the paratransit services were moved from a separate location to this consolidated facility in or about May 2011. This consolidation of facilities resulted in operational savings to MTS.

Joint occupancy by different contractors of the Copley Park Place property may be impracticable. Consequently, during the extended contract year for the ADA paratransit services contract, staff will also evaluate if it would be better to align the contract dates and/or combine the contracts for the ADA paratransit and minibus fixed route services, thereby giving MTS the benefits currently provided by the consolidated Copley Park Place facility. This could lead to a future recommendation to extend the ADA paratransit services contract to June 21, 2021 to coincide with the mini-bus fixed route services contract.

Staff requested a proposal from First Transit for the one-year ADA paratransit services contract extension, which was received on July 20, 2018. The final price, \$13,699,387.92 (or \$13,699,388 rounded up), includes the administrative fee for the taxi program. Based on an average cost of \$24.64 per trip, staff estimates an additional \$2,698,357 to cover the taxi costs. As a result of further clarifications and negotiations, staff determined that First Transit's proposal is fair and reasonable.

Therefore, staff is requesting that the Board of Directors authorize the CEO to execute MTS Doc. No. G1205.6-10 (in substantially the same format as at Attachment A) to extend the contract for one (1) year with First Transit, Inc. for ADA Paratransit Services.

/s/ Sharon Cooney for
Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. MTS Doc. No. G1205.6-10

October 11, 2018

MTS Doc. No. G1205.6-10

First Transit, Inc.
 Nick Promponas, Senior Vice President
 7581 Willow Drive, Suite 103
 Tempe, AZ 85283

Subject: AMENDMENT NO. 6 TO MTS DOC. NO. G1205.0-10 ADA PARATRANSIT SERVICES

Mr. Promponas:

This shall serve as Amendment No. 6 to our agreement for the ADA Paratransit Services as further described below.

SCOPE

Continue to provide ADA Paratransit Services, in accordance with the terms and conditions of the original agreement, MTS Doc. No. G1205.0-10.

First Transit shall continue current arrangement of an overhead charge of \$2.75 for every trip brokered to a Taxi provider.

SCHEDULE

This contract shall be extended for one (1) year effective from 7/1/19 through 6/30/20.

PAYMENT

This contract amendment shall authorize additional costs not to exceed \$16,397,745 for ADA paratransit services as reflected below and in the attached contract pricing for the one-year extension.

Description	Cost (1-Year extension)
Total of all Monthly Fixed Costs:	\$222,211
Total of all Monthly Variable Costs:	\$919,404
Number of Operating Months	12
Subtotal:	\$13,699,388
Taxi Pilot Program Pass thru Costs:	\$ 2,698,357
TOTAL:	\$16,397,745

As a result of this Amendment, the total value of this contract shall be in the amount of \$141,790,442.86. This amount shall not be exceeded without prior written approval from MTS.

First Transit, Inc.
Nick Promponas, Senior Vice President
October 11, 2018
Page Two

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

Nick Promponas, First Transit, Inc.
Senior Vice President

Date: _____

Enclosure: First Transit's Revised Proposal 2 dated August 15, 2018

Cc: B. Spraul, L. Marinesi, M. Thompson, J. Washburn, V. Lerinska, S. Leslie, S. Elmer, C. Aquino,
A. Monreal, K. Teon



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Agenda Item No. 30

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 11, 2018

SUBJECT:

REVISIONS TO BOARD POLICY NO. 18, "JOINT DEVELOPMENT PROGRAM"
(SHARON COONEY)

RECOMMENDATION:

That the Board of Directors approve and adopt the updated Board Policy No. 18, "Joint Development Program" (Attachment B).

Budget Impact

None at this time.

DISCUSSION:

In collaboration with the Board Chair, staff has been working on an update to Board Policy 18, "Joint Use and Development of Property", a policy that was last updated in 2007. This policy guides staff's efforts to develop and utilize property owned and acquired by the Board of Directors. The Executive Committee and the Board discussed revisions to Policy 18 at their meetings in September. Based on those discussions, a revised draft Policy 18 (Attachment B) is being recommended for approval.

/s/ Sharon Cooney for _____
Paul C. Jablonski
Chief Executive Officer

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

Attachments: A. Current Board Policy No. 18
B. Proposed Revised Board Policy No. 18



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Policies and Procedures

No. 18

SUBJECT:

Board Approval: 1/18/07

JOINT USE AND DEVELOPMENT OF PROPERTY

PURPOSE:

It is the intention of the MTS to extract the maximum benefits from and utilization of property owned and acquired by the Board consistent with transportation goals and community development objectives.

BACKGROUND:

Technical studies for the South Line and East Urban Corridor indicated that long-term demand was favorable for future joint development activity. The Board supported this conclusion by adopting design criteria that allows for joint development. Joint development of MTS property achieves four major goals:

1. Integration of transportation facilities into existing and proposed developments to meet community needs;
2. Promotion and enhancement of the use of public transportation;
3. Maximization of the recovery of public capital costs and increase of the return on public investment; and
4. Enhancement and protection of the transportation corridor and its environs.

POLICY:

Joint use and development on MTS rights-of-way will be carried out within the following criteria:

1. Projects shall be considered that do not negatively impact present or future public transportation facilities.
2. Projects shall be consistent with regional and local community policies and plans.



3. Projects must demonstrate a fiscal benefit to MTS.
4. Selection between projects will be based on those that can demonstrate:
 - a. The greatest economic development potential to MTS and the community.
 - b. Increased accessibility to public transportation.
 - c. Responsiveness to community needs for housing, employment, services, or recreational facilities.
5. Projects are encouraged that provide rest rooms that are available to transit patrons and the general public.

The intent of these criteria is to foster competition and maximize the return to MTS to the fullest extent possible.

GUIDELINES AND PROCEDURES:

A. Project Proposal Evaluation

Development of property initiated by MTS shall use the standard Request for Proposals (RFP) procedure as set forth in the MTS Policy No. 52 as a general guideline for determining the appropriate process for soliciting the development proposal. Specific procedures for solicitation of each development proposal shall be decided by the Chief Executive Officer based on the nature of the development proposal to be solicited. The Chief Executive Officer may also utilize the services of industry professionals to assist in the solicitation process utilizing the procedures set forth in MTS Policy No. 52 to procure those services.

MTS may also receive unsolicited offers for development from private parties or other agencies. Any entity wishing to propose a joint use or joint development project shall present the proposal to the Chief Executive Officer. The Chief Executive Officer and staff, in consultation with local jurisdictions, will analyze the proposal using the guidelines set forth below. Proposal evaluation procedures and guidelines are as follows:

1. Initial Evaluation of Unsolicited Joint Development Proposals
 - a. Proposals for joint development shall be submitted to the Chief Executive Officer along with sufficient information to allow MTS staff to adequately evaluate the proposal for further consideration. The proposal should demonstrate compatibility with the goals and development criteria set by the Board.

- b. In addition, the proposal shall include information on the entity proposing the development that demonstrates its mission and vision, financial strength, development capability, successful partnerships and projects, and specific experience with transit oriented development.
- c. The Chief Executive Officer will review the proposed project with local agencies having jurisdiction in the project area to determine jurisdictional and community acceptance and support.
- d. The Chief Executive Officer shall have a minimum of 60 days in which to perform the initial evaluation and make a recommendation to the MTS Board of Directors to either enter into negotiations for an Exclusive Negotiation Agreement (ENA) with the developer, to reject the proposal, or to propose that additional proposals be solicited for the property development. Additional time may be required to make the determination depending on the complexity of the development proposal. The proposing entity will be notified in writing if additional time is required. If the Chief Executive Officer recommends the MTS Board of Directors enter into negotiations for an ENA without soliciting additional proposals, justification shall be presented to the MTS Board demonstrating the reasons why competition is not in the best interest of MTS.

2. Initial Evaluation of MTS-Solicited Development Proposals

The initial evaluation of MTS-solicited development proposals shall be pursuant to Policy No. 52 or by the procedure utilized by the Chief Executive Officer deemed appropriate based on the nature of the development proposal to be solicited. The evaluation criteria for proposals solicited by MTS shall include those used to evaluate unsolicited proposals. The criteria will be incorporated in the RFP process or other selection method utilized by the Chief Executive Officer.

3. Exclusive Negotiation Agreement

Upon authorization of the MTS Board, the Chief Executive Officer shall execute an ENA with the developer for a period of 180 days or such other term that is mutually acceptable to the parties.

- a. Requirements of proposer/developer under the ENA:
 - (1) Developer shall provide the Chief Executive Officer with a non-refundable "good-faith deposit," the amount of which shall be determined by staff based on past experience with similar projects, the total estimated value of the project, the estimated costs of necessary consultants, and the estimated length of negotiations. The amount shall be sufficient to cover reasonable expenses incurred by the Chief Executive Officer in carrying out the analysis of the

proposal including staff costs, consultant experts, legal fees, and other direct and indirect expenses incurred by MTS. Alternatively, staff may recommend a monthly rental fee, in lieu of a nonrefundable, good-faith deposit to compensate MTS for the use of its property during the negotiation period.

- (2) Developer shall have 120 days or such other mutually agreed-upon duration to provide the Chief Executive Officer with the following information:
 - (a) A preliminary site plan showing building layout and dimensions, parking, landscaping, and access.
 - (b) Environmental analysis documents acceptable to MTS and to any other governmental entity that would require the environmental evaluation to approve the project pursuant to the California Environmental Quality Act (CEQA) and/or the National Environmental Policy Act (NEPA).
 - (c) Cost estimates and project data for the proposal in sufficient detail to permit adequate financial analysis by the Chief Executive Officer. MTS will seek a return on its investment consistent with the market value of the property as determined by a professional appraiser approved by MTS. The Chief Executive Officer shall also have the latitude to recommend a higher or lower rate of return depending on the input from industry experts and contingent on Board approval.
 - (d) Evidence of a firm financial plan, including:
 - 1. Evidence of construction financing capability.
 - 2. Evidence of long-term financing capability.
 - 3. Evidence of other financial sources necessary to carry out the project.
 - 4. Financial evidence of similar projects completed within the last five years.
 - (e) Developer shall provide a written offer to MTS for purchase of land, purchase of lease rights, or other development rights as appropriate to the proposal.
 - (f) Developer shall provide a written commitment to meet MTS's goals for Disadvantaged and Women's Business Enterprise (DBE and WBE) participation

in construction and operation of the project for a federally funded project consistent with current requirements of MTS and federal regulations.

b. Responsibilities of the MTS under the ENA

- (1) MTS shall entertain no other development proposals for the land in question during the period of the ENA. The ENA shall serve as proof of control of land for acquiring letters of financial commitment by the developer.
- (2) The Chief Executive Officer shall place the good-faith deposit in an interest-bearing account and shall have the right to draw down from the account payment for reasonable expenses incurred by MTS for such items as land and development rights appraisals, materials, data and other information costs, and other administrative costs expended in the evaluation of the proposal, including staff costs, consultant experts services, and legal fees.
- (3) MTS shall ensure that an appraisal for the fair market value of the fee interest or lease rights or other development rights appropriate to the project is performed by a professional appraiser approved by MTS at the sole cost to the developer.
- (4) After submittal of all pertinent information by the developer, as listed above, to the satisfaction of the Chief Executive Officer, the Chief Executive Officer shall have 60 days or such other agreed-upon term in which to make a recommendation to the MTS Board to terminate the ENA, to request more information, or to enter into negotiations for a Development Agreement with the developer.
- (5) If, at the conclusion of the ENA period, the proposal is terminated, the Chief Executive Officer shall return any remaining balance of the good-faith deposit, including any interest accrued thereon to the developer.
- (6) If, at the conclusion of the ENA, a Development Agreement is entered into, the remaining balance of the good-faith deposit, including interest accrued thereon, shall be credited to any additional deposits required as a condition of the Development Agreement, the cost of land, lease, or other development rights conveyed to the developer by the MTS.

c. Extension of ENA

Either the developer or the Chief Executive Officer may request from the MTS Board an extension of the exclusive negotiation

period. The MTS Board will determine whether sufficient progress has been made toward fulfillment of the above requirements in its consideration of extension.

4. Conclusion of Joint Development Evaluation Process

The preceding evaluation process culminates in execution of a Development Agreement to expedite project implementation or in termination and elimination of the proposal.

B. Environmental Documents

MTS will be the lead agency in environmental matters as required by local, state, and federal law. The local jurisdiction may be the lead agency upon approval from the MTS Board.

C. Development Agreements

Development agreements shall describe the rights and responsibilities of both parties and shall contain, but not be limited to, the following elements:

1. Identification of the parties to the agreement, including prohibition against change, transfer, or assignment of ownership, management, and/or control of developer.
2. Description of the site including a map. If the subject of the lease is an air space development, placement of supports shall be included on the map.
3. Requirement that the developer must secure all necessary permits and approvals from appropriate local agencies.
4. The terms and conditions of the lease including, but not limited to:
 - a. Lease price and payment schedule.
 - b. Conveyance and delivery for possession.
 - c. Payment of taxes and insurance requirement.
 - d. Condition of site at time of beginning and end of lease.
 - e. Financial statement of developer.
 - f. Hold harmless and indemnity clauses.
 - g. Limitations of use and terms of lease.
 - h. Schedule of the MTS approval of all plans and drawings.
5. If the development incorporates a sale of property, the conditions and terms of such sale including, but not limited to:

- a. Sale or purchase price and payment schedule.
 - b. Escrow instructions.
 - c. Conditions, covenants, restrictions, and other limitations of use as terms of sale.
 - d. Conveyance and delivery of possession.
 - e. Form of deed as approved by MTS counsel.
 - f. Condition of title and insurance of title.
 - g. Time and place for delivery of deed.
 - h. Taxes, assessments, and insurance requirements.
 - i. Condition of site at time of sales.
 - j. Financial statement of developer.
 - k. Prohibition of transfer without prior Board approval.
6. The scope of the development of the site including:
- a. Schedule for submission of concept, schematic, construction, grading and landscaping plans and drawings.
 - b. Schedule for local agency and the MTS review, and approval of plans and drawings. The staff review will include but not be limited to:
 - (1) Design of site and improvements.
 - (2) Relationship to the urban design of the community both form and scale.
 - (3) Architectural design and visual continuity.
 - (4) Effects on railway and transit operations.
 - (5) Type and quality of building materials.
 - (6) Energy considerations.
 - (7) Structure location, height, and lot coverage.
 - (8) Parking requirements and design.
 - (9) Streetscape and landscaping.

- (10) Vehicular entrance and exit.
- c. Schedule of performance.
- d. Insurance requirements.
- e. Adherence to antidiscrimination, environmental and all other applicable local, state, and federal laws.
- 7. Failure of either party to perform, including defaults, remedies, and termination by either party.
- 8. Ownership of improvements constructed on leased land upon the expiration or termination of lease term.
- 9. Requirements to restore leased property to original condition upon expiration or termination of lease term.
- 10. Possible performance bond requirements.
- 11. Any other general or special provisions deemed necessary by the Board.

D. Inventory of Property

MTS shall identify right-of-way property and facilities and keep such inventory current. All property so inventoried shall be analyzed for its availability for joint use or development by either sale or lease. This inventory shall be reviewed by the MTS Board annually. Included in this inventory will be a listing of all agreements and their current status.

Upon direction from the Board, the inventory shall be assessed and prioritized for potential development opportunities. The ranking should consider potential for investment return, strong developer interest, local agency interest, land use compatibility, and complexity of required land use modifications.

E. Use of Revenue

Revenue obtained from joint use and development of property, including concessions and advertising, will be returned to the MTS General Fund for inclusion in the budget for maintenance, operations, and capital improvement of MTS-owned facilities from which the revenue is generated. Revenue generated from development of property purchased with federal funds will be used by MTS based on approved processes from the federal funding source.

JGarde
POLICY.18.JOINT USE & DEV OF PROPERTY
1/18/07

Original Policy approved on 3/8/82.

Policy revised on 12/20/84.

Policy revised on 2/8/96.

Policy revised on 6/26/97.

Policy revised/renumbered on 2/12/04.

Policy revised on 1/18/07.

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DRAFT

Policies and Procedures

No. 18

SUBJECT:

Board Approval: 10/11/18

JOINT DEVELOPMENT PROGRAM

PURPOSE:

MTS manages a portfolio of real property assets whose primary purpose is to fulfill the functional needs of transit operations. These real property assets can also be developed to enhance the financial stability of MTS operations, promote increased transit utilization, and achieve other community development objectives. MTS seeks to work in close partnership with its service area cities and the County of San Diego to identify and implement joint development opportunities. Promoting quality transit oriented development on or near the transit system can generate new opportunities to create direct and indirect revenue for MTS while contributing to environmentally sustainable livable communities that are focused on transit accessibility.

POLICIES:

- A. Joint use and development of MTS property shall always prioritize transit operational needs above all other considerations.
 - 1. MTS shall preserve the ability to safely operate and maintain transportation facilities on its properties.
 - 2. For any development project pursued at an MTS park-and-ride, an analysis shall be undertaken to determine the appropriate level at which existing parking should be replaced, with full consideration of the relative growth in future ridership that can result from dense joint development.
 - 3. Development projects pursued under the Joint Development Program shall strive to include physical improvements and/or transit programs (such as free or subsidized transit passes) that encourage utilization of multi-modal transit services and increase long-term ridership.
- B. Joint development projects are expected to generate value to MTS, either through direct/indirect revenue generation or through the construction of new transit facilities on behalf of MTS.



1. MTS shall not gift its assets.
 2. Projects should minimize financial risk to MTS.
 3. Due diligence in entering into a joint development with a third party should be performed to ensure the viability of the project.
- C. MTS will seek projects that create vibrant, transit-oriented communities that offer a range of housing types, job opportunities, and services centered around public transit facilities.
1. Residential development projects pursued under the Joint Development Program shall strive to provide the highest possible residential density.
 2. Development projects pursued under the Joint Development Program shall comply with all the review and approval policies and procedures of the local jurisdictions in which the respective projects are sited.
 3. Development projects pursued under the Joint Development Program shall strive to incorporate the urban design standards of the localities with jurisdiction over them, and the “best practices” identified by industry leaders in transit-oriented development.
 4. MTS shall encourage direct connections to transit stops and stations from surrounding development.
 5. The Joint Development Program is intended to be consistent with State of California Greenhouse Gas reduction goals.
 6. In recognition that residents in affordable housing units have a higher likelihood for transit utilization, residential joint development proposals shall include a minimum set aside of 20% of units for very low (<50% Average Median Income (AMI)) and low (51-80% AMI) income households.
- D. In order to promote the best possible projects for joint development, MTS shall engage in an open and competitive solicitation for choosing development partners. In the event that MTS receives an unsolicited proposal, MTS shall publically notice the unsolicited bid and allow for other development interests to submit a competing proposal within 30 days for consideration by the MTS Board of Directors.

IMPLEMENTATION PROCESS:

- A. The Chief Executive Officer shall develop written procedures necessary to fully implement this Policy within 3 months of its adoption. The written procedures shall be approved by the MTS Board of Directors.
- B. MTS shall identify right-of-way property and facilities and keep such inventory current. All property so inventoried shall be analyzed for its availability for joint use or development by either sale or lease. This inventory shall be reviewed by the MTS

Board annually. Included in this inventory will be a listing of all agreements and their current status.

Original Policy approved on 3/8/82.

Policy revised on 12/20/84.

Policy revised on 2/8/96.

Policy revised on 6/26/97.

Policy revised/renumbered on 2/12/04.

Policy revised on 1/18/07.

Policy revised on 10/11/18..

Revisions to Board Policy 18

Board of Directors
October 11, 2018



Policy 18: Joint Development Program

- Prioritizes transit operational needs
- Analyze replacement parking needs at park and ride locations
- Seek improvements/programs as part of the development that will increase transit use
- Joint development is expected to generate value for MTS
- Residential projects shall
 - be as dense as possible
 - include 20% units set aside for affordable (very low and low income)
- Full compliance with local jurisdictional approval policies/procedures
- Hybrid approach: seek proposals through competitive bid, but consider unsolicited proposals after noticing their receipt for 30 days
- Create a procedural manual within 3 months



Recommendation

That the Board approve and adopt the Updated Policy No. 18, “Joint Development Program”.



Revisions to Board Policy 18

Board of Directors
October 11, 2018





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Agenda Item No. 31

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 11, 2018

SUBJECT:

REVISIONS TO BOARD POLICY NO. 30, "INVESTMENT POLICY" (LARRY MARINESI)

RECOMMENDATION:

That the Board of Directors approve and adopt the updated Board Policy No. 30, "Investment Policy" (Attachment A).

Budget Impact

None. Today's action modifies the investment policy.

DISCUSSION:

Board Policy No. 30 governs the process for investment policies, procedures and appropriate vehicles of investment for the cash management of MTS's surplus operating funds. The investments for the agency are in accordance with the State of California Government Codes as detailed in the policy. The proposed amendments to Board Policy No. 30 provide the objectives of the organization: capital preservation (safety), liquidity, and investment return.

MTS staff engaged the services of investment consultants at Milliman, who have experience in agency Investment Policy updates and investment consulting. Milliman's role was to assist in the rewrite of the MTS policy with the following goals:

- Simplification of our investment policy.
- To ensure that MTS follows best practices.
- To update the policy as it relates to the California Government Code.

There is not a material difference in oversight from the previous policy to the new policy. There are however, substantial modifications to the policy organization and language to make it easier to follow and comprehend so as to achieve the three main goals of the



policy: capital preservation, adequate liquidity and market rate of return. There are also additional references to the California Government Code to reflect the policy's adherence to the Code. In addition, expanded language was added to give greater clarity and guidance to staff on some topics, such as:

- Risk Tolerance
 - Explaining risk types
 - Detailing risk mitigation strategies
- Objectives
 - Safety
 - Liquidity
 - Yield / Return
- Certain Authorized and Suitable Investments
 - Including Investment Pools
- Safekeeping and Custody
- Internal Controls

As the policy has changed in terms of expanded and clarified language as well as changes in the order of the sections of the policy, there will not be a red-lined document provided for review. The current (Attachment B) and proposed Investment Policy (Attachment A) are included within this agenda for review.

The modifications of this policy have been reviewed with MTS General Counsel, MTS's Internal Auditor and MTS's external auditors, The Pun Group. The Pun Group will also continue to review Investment Policy compliance as part of the annual financial control audits.

/s/ Sharon Cooney for
Paul C. Jablonski
Chief Executive Officer

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

Attachments: A. Proposed New Investment Policy No. 30
B. Current Investment Policy No. 30



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DRAFT Policies and Procedures

No. 30

Board Approval: 10/11/18

SUBJECT:

INVESTMENT POLICY

PURPOSE:

The purpose of this Investment Policy for the San Diego Metropolitan Transit System (MTS) is to provide guidance and direction for the prudent investment of MTS funds, and to foster the creation of a systematic and controlled investment process. The ultimate goal is to maximize the efficiency of MTS's cash management system, and to enhance the economic status of MTS while protecting the principal of its pooled cash. The initial step toward a prudent investment policy is to set out a clear statement of fundamental investment direction.

POLICY:

MTS's policy is to invest public funds in a prudent manner, providing capital preservation, adequate liquidity, and a market rate of return consistent with the constraints imposed by safety objectives and cash flow considerations. Also, MTS's policy is to conform to all applicable federal, state and local statutes governing the investment of public funds.

30.1 SCOPE

This Investment Policy applies to all surplus assets of MTS. Surplus funds are defined as those funds not required for the immediate necessities of MTS; such funds do not include pension/retirement trust funds. Bond proceeds will be governed by relevant bond documents.

30.2 PRUDENCE

The standard of prudence to be used for managing the MTS investment program is California Government Code Section 53600.3, the prudent investor standard, which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited



to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.”

MTS investment officers acting in accordance with written procedures and this Investment Policy, and exercising due diligence, shall be relieved of personal responsibility for an individual security’s credit risk or market risk, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments. All participants in the investment process shall act reasonably as custodians of the public trust.

30.3 RISK TOLERANCE

MTS recognizes that investment risks can result from issuer defaults, or various technical complications leading to temporary illiquidity.

1. Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in high grade securities and through issuer diversification.
2. Market risk, defined as market value fluctuations due to overall changes in market price and yield, shall be mitigated by maintaining appropriate asset diversification.
3. Interest rate risk, defined as bond market value fluctuations due to changes in interest rates, interest rate spreads, or the shape of the yield curve, shall be mitigated by maintaining an appropriate duration strategy and diversification of maturities.
4. Custodial credit risk, defined as the risk of loss due to the failure of the custodian, shall be mitigated by prudent custodian selection procedures and requirements, as described in Section 30.13 of this Policy.

30.4 OBJECTIVES

MTS strives to maintain in its investment portfolio 100% of all surplus funds, given daily and forecasted near-term cash flow needs. MTS funds shall be invested in accordance with all applicable policies and codes, State statutes, and Federal regulations, and in a manner designed to accomplish the following objectives, which are listed in priority order:

1. **SAFETY.** The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of those amounts. Safety of principal is the foremost objective of MTS’s investment program,

followed by liquidity and yield. Investments by MTS shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. MTS only operates in those investments that are considered very safe. Also, safety is ensured by diversification, which is required in order that potential losses on individual securities do not exceed income from the remainder of the portfolio.

2. **LIQUIDITY.** Liquidity refers to the ability to sell an investment at any given moment with a minimal chance of losing some portion of principal or interest. MTS's investment portfolio shall remain sufficiently liquid to meet all operating requirements that might be reasonably anticipated. MTS will maintain an adequate percentage of the portfolio in liquid short-term securities that can be converted to cash, if necessary, to meet disbursement requirements.
3. **YIELD/RETURN.** The portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio, and State and local laws, regulations and resolutions that restrict the investment of short-term funds.

30.5 DELEGATION OF AUTHORITY

Management and oversight responsibility for MTS's investment program is delegated by the MTS Board of Directors (MTS Board) to the Chief Financial Officer, who shall establish procedures for the operation of the investment program, consistent with this Investment Policy. Such procedures will include appropriate delegation of authority to persons responsible for investment transactions. No person may engage in investment transactions except as provided under the terms of this Investment Policy and the procedures established by the Chief Financial Officer. The Chief Financial Officer is hereby delegated the authority from the MTS Board to:

1. Enter into agreements with MTS's financial depository in order to enable the Chief Financial Officer, or his/her designee, to execute investment transactions that will involve charges and credits to MTS's bank accounts.
2. Enter into banking arrangements with a third party bank trust department to facilitate the third-party safekeeping of MTS investments.
3. Establish operating procedures as deemed appropriate to operate an investment program consistent with this Investment Policy.

Upon the recommendation of the Chief Financial Officer, the MTS Board may engage the support services of outside investment advisors with respect to MTS's investment program, so long as it can be demonstrated that these services are expected to produce a net financial advantage or necessary

financial protection of MTS's financial resources. Any investment advisor utilized by MTS should be registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940, and shall operate in a manner consistent with this Investment Policy and other written instructions as provided.

30.6 ETHICS AND CONFLICT OF INTEREST

1. The Chief Financial Officer and all personnel involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program and/or which could impair their ability to make impartial investment decisions. MTS officers and employees involved in the investment process shall abide by MTS's Conflict of Interest Code, California Government Code Section 1090 et seq., and the California Political Reform Act (California Government Code Section 81000 et seq.). The Chief Financial Officer and all responsible personnel shall disclose to the MTS Board any material financial interests in any financial institutions that conduct business with MTS that could be related in a conflicting manner to MTS's investment portfolio performance.
2. MTS officers and employees involved in the investment process shall disclose to the MTS Board any material financial interests in any financial institutions that conduct business with MTS which could be related in a conflicting manner to the performance of MTS's investment portfolio. Additionally, the Chief Financial Officer and all investment personnel designated by the Chief Financial Officer shall file a Statement of Economic Interests each year as required by California Government Code Section 87203 and regulations of the Fair Political Practices Commission.

30.7 AUTHORIZED BROKER/DEALERS

1. It is expected, though not required, that most of MTS's investments will be made through pooled investment funds provided by a California State and/or County entity. Allowable pools are detailed in Sections 30.8.9 – 30.8.11, of this Investment Policy Statement. When/if direct security investments are made by MTS, MTS's procedures shall be designed to encourage multiple bids and offers on investment transactions from an approved list of broker/dealers in order to provide for the optimum yield in MTS's portfolio.

When/if making direct security investments, the Chief Financial Officer (or the Corporate Controller or the Director of Financial Planning and Analysis, if delegated) shall utilize a list of broker/dealers approved for investment purposes by the San Diego County Treasurer-Tax Collector's office. Purchases of investments through brokers, dealers, and financial institutions shall be permitted as stated in California Government Code Section 53635.5. Each approved

broker/dealer must possess an authorizing certificate from the California Commissioner of Corporations as required by Section 25210 of the California Corporations Code. The firms they represent must:

- (a) be recognized as a Primary Dealer by the Federal Reserve Bank of New York or have a primary dealer within its holding company structure, or;
 - (b) Report voluntarily to the Federal Reserve Bank of New York, or
 - (c) Qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (Uniform Net Capital Rule).
2. If MTS utilizes an external investment advisor, the Chief Financial Officer may approve a list of authorized broker/dealers provided by the investment advisor.

30.8 AUTHORIZED AND SUITABLE INVESTMENTS

All investments and deposits of MTS assets shall be made in accordance with California Government Code Sections 16429.1, 53600-53609 and 53630-53686. Although the following includes authorized investments, the Chief Financial Officer shall determine the extent to which they are suitable based upon this Investment Policy and the resources used by the Chief Financial Officer in implementing it. This suitability determination shall include an examination of the Investment Policy Statements of utilized pooled investment funds to ensure that they are consistent with MTS's Policy.

Limitations identified in the following sections shall be adhered to and the percentage limits and credit criteria shall be measured against portfolio value on the date the investment is purchased. In the event of a credit downgrade below the minimum acceptable credit rating, MTS shall require investment advisors engaged in the investing of MTS funds to notify MTS staff of the downgrade, and provide a plan of action to address the downgrade.

The list of authorized investments, and the limitations associated with those investments are detailed in Figure 1 attached to this Investment Policy Statement; Figure 1 is taken from the 2018 version of "Local Agency Investment Guidelines," published by the California Debt and Investment Advisory Commission. The authorized investments and associated limitations are as follows:

- 1. United States Treasury bills, notes, bonds, or strips with a final maturity not exceeding five years from the date of trade settlement.
- 2. Federal Agency or U.S. government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully

guaranteed as to principal and interest by Federal agencies or U.S. government-sponsored enterprises with maturities not exceeding five years from the date of trade settlement. There is no limit on the percentage of U.S. Treasury, Federal Agency, or U.S. government-sponsored enterprise obligations that may be held in MTS's portfolio.

3. Eligible Banker's Acceptances with a maturity not exceeding 180 days from the date of trade settlement, drawn on or accepted by a FDIC insured commercial bank with combined capital and surplus of at least \$250 million, rated in a rating category of A-1, its equivalent, or higher by a nationally recognized statistical rating organization (NRSRO) at the time of purchase and whose senior long-term debt is rated in a rating category of "A", its equivalent, or higher by a NRSRO at the time of purchase. No more than 5% of MTS's total portfolio shall be invested in banker's acceptances of any one issuer, and the aggregate investment in banker's acceptances shall not exceed 40% of MTS's total portfolio.
4. Prime Commercial Paper with a maturity not exceeding 270 days from the date of trade settlement with the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity issuing the commercial paper shall meet all of the following conditions in either sub-paragraph A. or sub-paragraph B. below:
 - (a) The entity shall (1) be organized and operating in the United States as a general corporation, (2) have total assets in excess of \$500,000,000 and (3) have debt other than commercial paper, if any, that is rated in a rating category of "A", its equivalent, or higher by a NRSRO.
 - (b) The entity shall (1) be organized within the United States as a special purpose corporation, trust, or limited liability company, (2) have program wide credit enhancements, including, but not limited to, over collateralization, letters of credit or surety bond and (3) have commercial paper that is rated in a rating category of A-1, its equivalent, or higher, by a NRSRO.

No more than 5% of MTS's total portfolio shall be invested in the commercial paper of any one issuer, and MTS shall not purchase more than 10% of the outstanding commercial paper of any single issuer. The aggregate non-pooled fund investment in commercial paper shall not exceed 25% of MTS's total portfolio. Pooled fund commercial paper investments shall not exceed 40% of MTS's total portfolio, and the combined pooled fund and non-pooled fund investment in commercial paper shall also not exceed 40% of MTS' total portfolio.

5. Non-negotiable certificates of deposit with a final maturity not exceeding five years and meeting the conditions in either paragraph (a) or paragraph (b) below:
 - (a) Certificates of deposit shall meet the requirements for deposit under California Government Code Section 53630 et seq. To be eligible to receive MTS deposits, the financial institution must meet the requirements of California Government Code Section 53635.2. Deposits are required to be collateralized as specified under California Government Code Section 53630 et seq. The Chief Financial Officer, at his or her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. MTS shall also have a signed agreement with the depository per California Government Code Section 53649.
 - (b) Certificates of deposit placed through a deposit placement service shall meet the requirements of Government Code Section 53601.8. The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by federal deposit insurance.

No more than 5% of the portfolio shall be held in any one non-negotiable certificate of deposit or allocated to any one issuer, and the aggregate investment in non-negotiable certificates of deposit and negotiable certificates of deposit shall not exceed 30% of MTS's total portfolio.

6. Negotiable Certificates of Deposit with a final maturity not exceeding five years issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally- or state-licensed branch of a foreign bank. Negotiable CD issuers must be rated in a rating category of "A", its equivalent, or higher by two NRSROs.

No more than 10% of the portfolio shall be held in any one negotiable certificate of deposit or allocated to any one issuer, and the aggregate investment in non-negotiable certificates of deposit and negotiable certificates of deposit shall not exceed 30% of MTS's total portfolio.

7. Repurchase Agreements with a final termination date not exceeding 1 year collateralized by U.S. Treasury obligations, Federal Agency securities, or Federal Instrumentality securities listed in Sections 30.8.1 and 30.8.2 above with the maturity of the collateral not exceeding ten years. For the purpose of this section, the term collateral shall mean purchased securities under the terms of MTS's approved Master Repurchase Agreement. The purchased securities shall have a minimum

market value including accrued interest of 102% of the dollar value of the funds borrowed. Collateral shall be held in MTS's custodian bank, as safekeeping agent, and the market value of the collateral securities shall be marked-to-market daily.

Repurchase Agreements shall be entered into only with broker/dealers who are recognized as Primary Dealers with the Federal Reserve Bank of New York or with firms that have a primary dealer within their holding company structure. Repurchase agreement counterparties shall execute an MTS-approved Master Repurchase Agreement with MTS. The Chief Financial Officer shall maintain a copy of MTS's approved Master Repurchase Agreement along with a list of the broker/dealers who have executed such an agreement.

The Repurchase Agreement exposure to a single broker/dealer shall not exceed 10% of MTS's total portfolio when the dollar-weighted average Repurchase Agreement maturity is greater than 5 days, or 15% of MTS's total portfolio when the dollar-weighted average Repurchase Agreement maturity is 5 days or less. Maximum Repurchase Agreement exposure shall not exceed 40% of MTS's total portfolio.

8. Reverse Repurchase Agreements may only be directly utilized after prior approval by the MTS Board, or indirectly utilized as a permitted investment by the California Local Agency Investment Fund, the San Diego County Treasurer's Pooled Money Fund, or a Joint Powers Authority Pool.

If an MTS Reverse Repurchase Agreement is authorized by the MTS Board, it may only be utilized if: 1) the security to be sold has been owned and fully paid for by MTS for a minimum of 30 days prior to the sale; 2) the total of all Reverse Repurchase Agreements does not exceed 20% of the value of the total MTS portfolio; and 3) the agreement does not exceed a term of 92 days unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of the security using a Reverse Repurchase Agreement and the final maturity of the same security. The proceeds of the Reverse Repurchase Agreement may not be invested in securities whose maturity exceeds the term of the Reverse Repurchase Agreement.

Reverse Repurchase Agreements shall be entered into only with broker/dealers who are recognized as Primary Dealers with the Federal Reserve Bank of New York or with firms that have a primary dealer within their holding company structure. Reverse Repurchase Agreement counterparties shall execute an MTS-approved Master Repurchase Agreement with MTS. The Chief Financial Officer shall maintain a copy

of MTS's approved Master Repurchase Agreement along with a list of the broker/dealers who have executed such an agreement.

The Reverse Repurchase Agreement exposure to a single broker-dealer shall not exceed 10% of MTS's total portfolio.

9. State of California's Local Agency Investment Fund (LAIF), pursuant to California Government Code Section 16429.1. There is no limit on the percentage of MTS's portfolio that may be invested in LAIF, though LAIF may impose statutory limits.
10. The San Diego County Treasurer's Pooled Money Fund (SDPMF). There is no limit on the percentage of MTS's total portfolio that may be invested in SDPMF.
11. A Joint Powers Authority Pool (JPAP), pursuant to California Government Code Section 53601(p) as long as the portfolio is rated among the top two rating categories by a NRSRO. Such a pool must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management of at least \$500,000,000, and has at least five years of experience investing in instruments authorized by Section 53601(a-o). Examples of such pools include, but are not limited to, those offered by the California Asset Management Program (CAMP) and the Investment Trust of California (CalTrust). There is no limit on the percentage of JPAPs which offer daily (same-day) liquidity that may be held in MTS's portfolio; however, the aggregate investment in any JPAPs which do not offer daily liquidity shall not exceed 2.5% of MTS's total portfolio.
12. Medium Term Notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States with a final maturity not exceeding five years from the date of trade settlement. These notes must be rated in a rating category of "A", its equivalent, or higher by a NRSRO.

No more than 5% of MTS's total portfolio shall be invested in medium term notes of any one issuer, and the aggregate investment in medium term notes shall not exceed 30% of MTS's total portfolio.

13. Money Market Funds registered under the Investment Company Act of 1940 that 1) are "no-load" (meaning no commission or fee shall be charged on purchases or sales of shares); 2) have a constant net asset value per share of \$1.00; 3) invest only in the securities and obligations authorized by State statute and 4) have attained the highest ranking or the highest letter and numerical rating provided by at least two NRSROs,

or retained an investment advisor registered or exempt from registration (such as a bank holding company regulated by the Federal Deposit Insurance Corporation) with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500,000,000.

No more than 10% of MTS's total portfolio shall be invested in money market funds of any one issuer, and the aggregate investment in money market funds shall not exceed 20% of MTS's total portfolio.

14. Municipal bonds that are listed below with a final maturity not exceeding five years from the date of trade settlement and that must be rated in a rating category of "A," its equivalent, or higher by a NRSRO at the time of purchase. No more than 5% of MTS's total portfolio shall be invested in any single issuer, and the aggregate investment in municipal bonds shall not exceed 30% of MTS's total portfolio.
 - (a) Bonds issued by MTS, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by MTS or by a department, board, agency, or authority of MTS.
 - (b) Registered State warrants or treasury notes or bonds of the State of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the State or by a department, board, agency, or authority of the State.
 - (c) Bonds, notes, warrants, or other evidences of indebtedness of a local agency within California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.
 - (d) Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.
15. Supranationals, which are United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB), with a maximum remaining maturity

of five years or less, and eligible for purchase and sale within the United States.

Investments under this subdivision shall be rated in the rating category of “AA,” its equivalent, or better by at least one NRSRO. Purchases of supranational shall not exceed 30% of the investment portfolio of MTS, and the exposure to a single supranational issuer shall not exceed 10% of the investment portfolio of MTS.

16. Mortgage pass-through securities, collateralized mortgage obligations, mortgage-backed or other pay-through bonds, equipment lease-backed certificates, consumer receivable pass-through certificates, or consumer receivable-backed bonds with a maximum maturity of five years. Securities eligible for investment under this subdivision shall be issued by an issuer in a rating category of “A,” its equivalent, or better for the issuer’s debt as provided by a NRSRO, and the individual security must be rated in a category of “AA,” its equivalent, or better by at least one NRSRO. Purchases of securities authorized by this subdivision may not exceed 20% of MTS’s total portfolio.

30.9 PROHIBITED INVESTMENTS

In accordance with Section 53601.6 of the California Government Code, MTS shall not invest any funds in inverse floaters, range notes or mortgage-derived interest-only strips, or in any security that could result in zero-interest accrual if held to maturity.

30.10 INVESTMENT POOLS

MTS allows investments in public agency investment pools (per Sections 30.8.9 – 30.8.11). Although many of these pools are long-standing, the Chief Financial Officer will annually obtain operating information from each utilized pool which includes the information detailed in Section 16 of this Investment Policy Statement.

30.11 MATURITY

MTS will not invest in instruments whose maturities exceed five years at the time of trade settlement unless the MTS Board has provided approval for a specific purpose at least three months before the investment is made. The Chief Financial Officer shall be responsible for determining and monitoring an average maturity which meets MTS’s projected cash flow requirements and shall be reported to the MTS Board as required under State Law. The average duration of any externally managed fund utilized by MTS shall not exceed 150 percent of the duration of the appropriate benchmark for that fund.

30.12. SELECTION OF DEPOSITORIES

The Chief Financial Officer shall only utilize FDIC insured banks eligible to provide depository and other banking services for MTS. To be eligible, a bank must qualify as a depository of public funds in the State of California as defined in California Government Code Section 53630.5 and shall secure deposits in excess of FDIC insurance coverage in accordance with California Government Code Section 53652.

30.13. SAFEKEEPING & CUSTODY

The Chief Financial Officer may select one or more banks to provide third-party safekeeping and custodial services for MTS, in accordance with the provisions of Section 53608 of the California Government Code. A Safekeeping Agreement approved by MTS shall be executed with each custodian bank prior to utilizing that bank's safekeeping services. Custodian banks will be selected on the basis of their ability to provide services for MTS's account and the competitive pricing of their safekeeping related services.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. All securities shall be held in the name of MTS, with sufficient evidence to title consistent with modern investment, banking and commercial practices.

All investment securities, except non-negotiable certificates of deposit, money market funds, and public agency investment pools, purchased by MTS will be delivered by book entry and will be held in third-party safekeeping by an MTS-approved custodian bank or its Depository Trust Company (DTC) participant account.

All Fed wireable book entry securities owned by MTS shall be held in the Federal Reserve System in a customer account for the custodian bank which will name MTS as "customer."

All DTC eligible securities shall be held in the custodian bank's DTC participant account and the custodian bank shall provide evidence that the securities are held for MTS as "customer."

30.14. DIVERSIFICATION

MTS shall diversify its investments to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities. Nevertheless, the asset allocation in the portfolio should be managed depending upon the outlook for the economy, the securities markets, and MTS's anticipated cash flow needs.

30.15. REPORTING

Quarterly, the Chief Financial Officer shall submit to the MTS Board a report of the investment earnings and performance results of MTS's investment portfolio. The report shall be submitted within 60 days following the end of the quarter, and shall include the following information for each individual investment:

1. Investment type, issuer, purchase date (trade and settlement), date of maturity, par value, purchase price and dollar amount invested in all securities, and investments and monies held by MTS;
2. A description of the funds, investments and programs;
3. A market value as of the date of the report (or the most recent valuation as to assets not valued monthly) and the source of the valuation;
4. Current period yield (based on cost) and rates of return for short-term and mid-term investments, including comparison to established benchmarks;
5. A statement of compliance with this Investment Policy or an explanation for non-compliance; and
6. A statement of MTS's ability to meet expenditure requirements for six months, and an explanation of why money will not be available if that is the case.

For investments in authorized investment pools, the most recent statement received from these pools may be used in lieu of the information listed above.

30.16 INTERNAL CONTROLS

The Chief Financial Officer (or the Corporate Controller, or the Director of Financial Planning and Analysis, if delegated) shall establish a system of internal controls, which shall be documented in writing. The internal controls will be reviewed with both the outside independent auditor and MTS's internal auditor. The controls shall be designed to prevent loss of public funds arising from fraud, employee error, or misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by employees and officers of MTS. Controls deemed most important include: control of collusion, segregation of duties, separating transaction authority from accounting and record keeping, custodial safekeeping, clear delegation of authority, written (email or faxed allowable) confirmation of telephone transactions, documentation of transactions and strategies and code of ethical standards.

30.17 PERFORMANCE STANDARDS

The investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market

conditions, risk constraints for eligible securities, and cash flow requirements. The performance of MTS's portfolio and any external investment managers shall be compared to appropriate benchmark indices.

30.18 REVIEW, ADOPTION & AMENDMENTS

This Investment Policy shall be reviewed annually by the MTS Board. It may not be altered, amended or changed in any particular way, except by formal approval of the MTS Board.

Attachments: Figure 1: Summary of California Code and MTS Policy
Table of Notes for Figure 1
Glossary of Investment Terms and Instruments

Original Policy accepted on 10/23/86.
Policy revised on 9/23/93.
Policy repealed and readopted 6/13/96.
Policy revised on 12/11/97.
Policy revised on 8/12/99.
Policy revised on 8/10/00.
Policy revised on 9/13/01.
Policy revised on 3/11/04.
Policy revised on 6/14/07.
Policy revised on 10/11/18.

Figure 1: Summary of California Code and MTS Policy

INVESTMENT TYPE	CA CODE MAXIMUM MATURITY ^C	CA CODE MAXIMUM SPECIFIED % OF PORTFOLIO ^D	CA CODE MINIMUM QUALITY REQUIREMENTS	MTS POLICY MAXIMUM SPECIFIED % OF PORTFOLIO ^D	MTS POLICY MINIMUM QUALITY REQUIREMENTS
Local Agency Bonds	5 years	None	None	30%	"A" rating category or its equivalent or better
U.S. Treasury Obligations	5 years	None	None	Same as CA Code	Same as CA Code
State Obligations— CA And Others	5 years	None	None	30%	"A" rating category or its equivalent or better
CA Local Agency Obligations	5 years	None	None	30%	"A" rating category or its equivalent or better
U.S Agency Obligations	5 years	None	None	Same as CA Code	Same as CA Code
Bankers' Acceptances	180 days	40% ^E	None	Same as CA Code	"A-1" rating category or its equivalent or better
Commercial Paper— Pooled Funds ^I	270 days	40% of the agency's money ^G	Highest letter and number rating by an NRSRO ^H	Same as CA Code	Same as CA Code
Commercial Paper— Non-Pooled Funds ^F	270 days	25% of the agency's money ^G	Highest letter and number rating by an NRSRO ^H	Same as CA Code	Same as CA Code
Negotiable Certificates of Deposit	5 years	30% ^J	None	Same as CA Code	"A" rating category or its equivalent or better
Non-negotiable Certificates of Deposit	5 years	None	None	30%	Same as CA Code
Placement Service Deposits	5 years	30% ^K	None	Same as CA Code	Same as CA Code
Placement Service Certificates of Deposit	5 years	30% ^K	None	Same as CA Code	Same as CA Code
Repurchase Agreements	1 year	None	None	40%	Same as CA Code
Reverse Repurchase Agreements and Securities Lending Agreements	92 days ^L	20% of the base value of the portfolio	None ^M	Same as CA Code	Same as CA Code
Medium-Term Notes ^N	5 years	30%	"A" rating category or its equivalent or better	Same as CA Code	Same as CA Code
Mutual Funds And Money Market Mutual Funds	N/A	20%	Multiple ^{P,Q}	Same as CA Code	Same as CA Code
Collateralized Bank Deposits	5 years	None	None	Same as CA Code	Same as CA Code
Mortgage Pass—Through Securities	5 years	20%	"AA" rating category or its equivalent or better ^R	Same as CA Code	Same as CA Code
County Pooled Investment Funds	N/A	None	None	Same as CA Code	Same as CA Code
Joint Powers Authority Pool	N/A	None	Multiple ^S	2.5% on Pools not offering daily liquidity	Same as CA Code
Local Agency Investment Fund (LAIF)	N/A	None	None	Same as CA Code	Same as CA Code
Voluntary Investment Program Fund ^T	N/A	None	None	N/A – minimum investment is \$200 million.	N/A – minimum investment is \$200 million.
Supranational Obligations ^U	5 years	30%	"AA" rating category or its equivalent or better	Same as CA Code	Same as CA Code

TABLE OF NOTES FOR FIGURE 1

<p>A. Sources: Sections 16340, 16429.1, 53601, 53601.8, 53635, 53635.2, 53635.8, and 53638.</p> <p>B. Municipal Utilities Districts have the authority under the Public Utilities Code Section 12871 to invest in certain securities not addressed here.</p> <p>C. Section 53601 provides that the maximum term of any investment authorized under this section, unless otherwise stated, is five years. However, the legislative body may grant express authority to make investments either specifically or as a part of an investment program approved by the legislative body that exceeds this five year maturity limit. Such approval must be issued no less than three months prior to the purchase of any security exceeding the five-year maturity limit.</p> <p>D. Percentages apply to all portfolio investments regardless of source of funds. For instance, cash from a reverse repurchase agreement would be subject to the restrictions</p> <p>E. No more than 30 percent of the agency's money may be in bankers' acceptances of any one commercial bank.</p> <p>F. "Select Agencies" are defined as a "city, a district, or other local agency that do[es] not pool money in deposits or investment with other local agencies, other than local agencies that have the same governing body."</p> <p>G. Local agencies, other than counties or a city and county, may purchase no more than 10 percent of the outstanding commercial paper of any single issuer.</p> <p>H. Issuing corporation must be organized and operating within the U.S., have assets in excess of \$500 million, and debt other than commercial paper must be in a rating category of "A" or its equivalent or higher by a nationally recognized statistical rating organization, or the issuing corporation must be organized within the U.S. as a special purpose corporation, trust, or LLC, has program wide credit enhancements, and has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical rating agency.</p> <p>I. "Other Agencies" are counties, a city and county, or other local agency "that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body." Local agencies that pool exclusively with other local agencies that have the same governing body must adhere to the limits set for "Select Agencies," above.</p> <p>J. No more than 30 percent of the agency's money may be in negotiable certificates of deposit that are authorized under Section 53601(i).</p> <p>K. No more than 30 percent of the agency's money may be invested in deposits, including certificates of deposit, through a placement service (excludes negotiable certificates of deposit authorized under Section 53601(i)).</p>	<p>L. Reverse repurchase agreements or securities lending agreements may exceed the 92-day term if the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity dates of the same security.</p> <p>M. Reverse repurchase agreements must be made with primary dealers of the Federal Reserve Bank of New York or with a nationally or state chartered bank that has a significant relationship with the local agency. The local agency must have held the securities used for the agreements for at least 30 days.</p> <p>N. "Medium-term notes" are defined in Section 53601 as "all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States"</p> <p>O. No more than 10 percent invested in any one mutual fund. This limitation does not apply to money market mutual funds.</p> <p>P. A mutual fund must receive the highest ranking by not less than two nationally recognized rating agencies or the fund must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Sections 53601 and 53635.</p> <p>Q. A money market mutual fund must receive the highest ranking by not less than two nationally recognized statistical rating organizations or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five years' experience investing in money market instruments with assets under management in excess of \$500 million.</p> <p>R. Issuer must be rated in a rating category of "A" or its equivalent or better as provided by a nationally recognized statistical rating organization.</p> <p>S. A joint powers authority pool must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Section 53601, subdivisions (a) to (o).</p> <p>T. Local entities can deposit between \$200 million and \$10 billion into the Voluntary Investment Program Fund, upon approval by their governing bodies. Deposits in the fund will be invested in the Pooled Money Investment Account.</p> <p>U. Only those obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Inter-American Development Bank (IADB).</p>
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GLOSSARY OF INVESTMENT TERMS AND INSTRUMENTS

Term	Description
Banker's Acceptance	A short-term bill of exchange that is accepted as payment by banks engaged in financing physical asset or merchandise trade.
Benchmark	A passive index used to compare the performance, relative to risk and return, of an investor's portfolio.
Bond	A debt obligation of a firm or public entity. A bond represents the agreement to repay the debt in principal and, typically, in interest on the principal.
Broker/Dealer	A person or a firm who can act as a broker or a dealer depending on the transaction. A broker brings buyers and sellers together for a commission. They do not take a position. A dealer acts as a principal in all transactions, buying and selling for his own account.
CalTrust	The Investment Trust of California (CalTrust) is a Joint Powers Authority created by public agencies in 2005 to provide a convenient method for public agencies to pool their assets for investment purposes. CalTrust is governed by a Board of Trustees made up of experienced local agency treasurers and investment officers. CalTrust offers Government, Short-Term, Medium-Term, and Money Market funds managed by BlackRock. The Money Market and Government funds offer daily (same-day) liquidity. All CalTrust accounts comply with the limits and restrictions placed on local investments by California statutes.
CAMP	The California Asset Management Program (CAMP) is a California Joint Powers Authority established in 1989 to provide California public agencies, together with any bond trustee acting on behalf of such public agency, assistance with the investment of and accounting for bond proceeds and surplus funds. The CAMP Pool is a short-term money market and cash management vehicle managed by PFM Asset Management LLC. The Pool seeks to attain as high a level of current income as is consistent with the preservation of principal. It seeks to maintain a constant Net Asset Value of \$1 per share and a dollar-weighted average portfolio maturity of 60 days or less. The Pool purchases only investments of the type in which public agencies are permitted by statute to invest surplus funds and proceeds of their own bonds.
Cash Flow	A comparison of cash receipts (revenues) to required payments (debt service, operating expenses, etc.).
Certificate of Deposit	A short-term, secured deposit in a financial institution that usually returns principal and interest to the lender at the end of the loan period. Certificates of Deposits (CDs) differ in terms of collateralization and marketability. Those appropriate to public agency investing include:

Term	Description
	Negotiable Certificates of Deposit, Non-Negotiable Certificates of Deposit.
Commercial Paper	A short-term, unsecured promissory note issued by a corporation. Prime paper includes those having Moody's ratings of P-3 and above.
Corporate Notes & Bonds	Debt instruments, typically unsecured, issued by corporations, with original maturities in most cases greater than one year and less than ten years.
Credit Risk	The chance that an issuer will be unable to make scheduled payments of interest and principal on an outstanding obligation. Another concern for investors is that the market's perception of a corporation's credit will cause the market value of a security to fall, even if default is not expected.
Credit Rating	Various alphabetical and numerical designations used by institutional investors, Wall Street underwriters, and commercial rating companies to give relative indications of bond and note creditworthiness. Standard & Poor's and Fitch Ratings use the same system, starting with their highest of "AAA, AA, A, BBB, BB, B, CCC, CC, C, and D" for default. Moody's Investor Services uses "Aaa, Aa, A, Baa, Ba, B, Caa, Ca, C, and D". Each of the services use pluses (+), minuses (-), or numerical modifiers to indicate steps within each category. The top four letter categories are considered investment grade ratings.
Duration	A fixed-income metric that measures the sensitivity of a bond or portfolio to changes in interest rates. A portfolio or security with a higher duration will experience larger changes in market value as interest rates change.
Federal Agency and Instrumentality Obligations	Obligations issued by a government sponsored entity or a federally regulated institution. Federal Agencies and U.S. Government Sponsored Enterprises are U.S. Government related organizations, the largest of which are government financial intermediaries assisting specific credit markets (housing, agriculture). They include: <ul style="list-style-type: none"> ▪ Federal Home Loan Banks (FHLB) ▪ Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac") ▪ Federal National Mortgage Association (FNMA or "Fannie Mae") ▪ Federal Farm Credit Banks (FFCB) ▪ Student Loan Marketing Association (SLMA or "Sallie Mae") ▪ Tennessee Valley Authority (TVA)
Inverse Floater	An inverse floater is a bond or other type of debt whose coupon rate has an inverse relationship to a benchmark rate. An inverse floater adjusts its coupon payment as the interest rate changes.
Issuer	Any corporation, governmental unit, or financial institution that borrows money through the sale of securities.

Term	Description
Joint Powers Authority Pool	Joint Powers Authorities are legally created entities that allow two or more public agencies to jointly exercise common powers. Under California Government Code Section 6509.7, public agencies that have the authority to invest funds in their treasuries may, by agreement, jointly exercise that common power by issuing shares of beneficial interest to participating public agencies. Each share represents an equal proportionate interest in the underlying pool of securities owned by the Joint Powers Authority.
LAIF	The Local Agency Investment Fund (LAIF), a voluntary program created by statute, began in 1977 as an investment alternative for California's local governments and special districts and continues today under the State of California Treasurer's office. This program offers participating agencies the opportunity to participate in a major portfolio which daily invests hundreds of millions of dollars, using the investment expertise of the State Treasurer's Office Investment staff. The LAIF is part of the Pooled Money Investment Account (PMIA), which began in 1955 and is overseen by a Board and an Investment Committee. The Local Investment Advisory Board provides oversight for LAIF. All securities are purchased under the authority of the Government Code Section 16430 and 16480.4. The State Treasurer's Office takes delivery of all securities purchased on a delivery versus payment basis using a third party custodian. All investments are purchased at market, and market valuation is conducted monthly. Deposits are subject to statutory limits.
Liquidity	The ease with which an investment may be converted to cash, either by selling it in the secondary market or by demanding its repurchase pursuant to a put or other prearranged agreement with the issuer or another party.
Market Risk	The chance that the value of a security will decline as interest rates rise. In general, as interest rates fall, prices of fixed income securities rise. Similarly, as interest rates rise, prices fall. Market risk also is referred to as systematic risk or risk that affects all securities within an asset class similarly.
Maturity	The stated date on which all or a stated portion of the principal amount of a security becomes due and payable.
Money Market Fund	A type of investment comprising a variety of short-term securities with high quality and high liquidity. The fund provides interest to shareholders and must strive to maintain a stable net asset value (NAV) of \$1 per share.
Mortgage – Derived Interest only (IO) Strips	Mortgage-derived Interest only (IO) strips are a security where the holder receives a non-principal portion of the payments on the underlying mortgages. An interest only strip is created by separating the principal and interest portions of the payments on the underlying loan pool and

Term	Description
	selling them as distinct products. The process of separating the payments on the underlying debts is known as stripping. Although interest only strips can be created out of any debt-backed security that generates periodic payment, the term is strongly associated with mortgage-backed securities (MBS). The mortgage-backed securities that go through the process that separates the interest and principal payment streams are referred to as stripped MBS. The investor in the interest only stream benefits when prepayment rate on the underlying debt is low and interest rates are rising.
Nationally Recognized Statistical Rating Organization (NRSRO)	The formal term to describe credit rating agencies that provide credit ratings that are used by the U.S. government in several regulatory areas. Ratings provided by Nationally Recognized Statistical Ratings Organizations (NRSRO) are used frequently by investors and are used as benchmarks by federal and state agencies. Generally, to be considered an NRSRO, the agency has to be "nationally recognized" in the U.S. and provide reliable and credible ratings. Also taken into consideration is the size of the credit rating agency, operational capability and its credit rating process. Some examples of NRSRO's include Moody's Investors Service Inc., Standard and Poor's Inc., Fitch Inc., Dominion Bond Rating Services Limited (DBRS) and A.M. Best Company Inc.
Notes	Debt obligations of a firm or public entity, usually maturing in less than ten years.
Pass-Through Security	A pass-through security is a security backed by a pool of mortgage loans or other debt instruments that provides the holder with the cash flow from the mortgage/debt payments. This income is passed through from the debtor to the investor by the financial institution or government agency issuing the security. The income payments are derived from and collateralized (or "backed") by a specified pool of underlying assets which are receivables. Pooling the assets into financial instruments allows them to be sold to general investors, a process called securitization, and allows the risk of investing in the underlying assets to be diversified because each security will represent a fraction of the total value of the diverse pool of underlying assets. The pools of underlying assets can comprise common payments such as credit cards, auto loans, mortgage loans, and other types of assets. Interest and principal is paid to investors from borrowers who are paying down their debt.
Portfolio	The combined holdings of all of an investor's investment assets.
Range Accrual Note	A range accrual note is a type of financial derivative product where the earning, or accrual, of the coupon rate, depends on the value of an index. The index could be an interest rate, currency exchange rate, the price of a commodity or stock index. If the index value falls within a specified

Term	Description
	range, the coupon accrues or is credited, interest. If the index value falls outside of the specified range, the coupon rate does not accumulate.
Repurchase Agreement	From the perspective of a local agency, the short-term, often overnight, purchase of securities with an agreement to resell the securities to the counterparty seller on or before a specified date at an agreed upon price.
Reverse Repurchase Agreement	From the perspective of a local agency, the sale of securities with an agreement to repurchase the securities from the counterparty buyer on or before a specified date at a specified price.
Return	The principal gains or losses (realized and unrealized) plus interest on an investment or portfolio of investments. In certain unfavorable market environments or due to risk factors, income derived from principal and interest may be less than the original amount invested.
Risk	The uncertainty of maintaining the principal or interest associated with an investment due to a variety of factors.
State & Local Investment Pools	The combined deposits of state and local agencies organized and operated by the state treasurer or a Joint Powers Agreement between local agencies. Deposits of various participating local agencies are pooled and invested. Each agency's returns are based upon their share of the amount invested in the pool. This increases investment efficiencies, decreases costs, provides liquidity, and utilizes investment expertise of the pool managers.
Supranational	A supranational entity is formed by two or more central governments with the purpose of promoting economic development for the member countries. Supranational institutions finance their activities by issuing debt, such as supranational bonds. Examples of supranational institutions include the European Investment Bank and the World Bank. Similarly to the government bonds, the bonds issued by these institutions are considered direct obligations of the issuing nations and have a high credit rating.
Treasury Bill	A Treasury bill (T-Bill) is a short-term debt obligation backed by the Treasury Department of the U.S. government with a maturity of less than one year, sold in denominations of \$1,000 up to a maximum purchase of \$5 million. T-bills have various maturities and are issued at a discount from par.
Treasury Bond	A Treasury bond (T-Bond) is a marketable, fixed-interest U.S. government debt security with a maturity of more than 10 years. Treasury bonds make interest payments semi-annually, and the income received is only taxed at the federal level. Treasury bonds are known in the market as primarily risk-free; they are issued by the U.S. government with very little risk of default.

Term	Description
Treasury Note	A Treasury note is a marketable U.S. government debt security with a fixed interest rate and a maturity between one and ten years. Treasury notes are available from the government with either a competitive or noncompetitive bid. With a competitive bid, investors specify the yield they want, at the risk that their bid may not be approved; with a noncompetitive bid, investors accept whatever yield is determined at auction.
Treasury STRIPS	Treasury STRIPS are fixed-income securities sold at a significant discount to face value and offer no interest payments because they mature at par. STRIPS is an acronym for Separate Trading of Registered Interest and Principal of Securities. These zero-coupon bonds come about when the bond's coupons are separated from the bond or note; and investor's return is determined by the difference between the purchase price and the bond's trading value, or face value if held to maturity.
Yield to Maturity	The rate of income return on an investment, minus any premium above par or plus any discount with the adjustment spread over the period from the date of the purchase to the date of maturity of the bond.

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Policies and Procedures

No. 30

SUBJECT:

Board Approval: 6/14/07

INVESTMENTS

PURPOSE:

To identify various policies and procedures that enhance opportunities for a prudent and systematic investment policy and organize and formalize investment-related activities.

The investment Policies and Procedures of MTS are based on state law and prudent money management. All funds will be invested in accordance with California Government Code, Sections 53600, 53601, and 53635, et seq. and MTS's Investment Policy.

30.1 Scope

It is intended that this policy cover surplus funds. Bond proceeds will be governed by relevant bond documents.

30.2 Objectives

The primary objectives, in priority order, of MTS's investment activities shall be:

1. Safety. Safety of principal is the foremost objective of the investment program. MTS's investments shall be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.
2. Liquidity. MTS's investment portfolio will remain sufficiently liquid to enable MTS to meet its cash flow requirements.
3. Return on Investment. MTS's investment portfolio shall be designed with the objective of attaining a market rate of return on its investments consistent with the constraints imposed by its safety objective and cash flow considerations.

30.3 Prudence

Investments shall be made with judgment and care—under circumstances then prevailing—which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income



to be derived.

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. All persons investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds shall act with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims to safeguard the principal and maintain the liquidity needs of MTS.

30.4 Delegation of Authority

The management and oversight responsibility for the investment program is hereby vested in the Chief Financial Officer (or his or her delegate) who shall monitor and review all investments for consistency with this investment policy. No person shall engage in an investment transaction except as provided under the limits of this policy. The Board may delegate the day-to-day investment decision-making and execution authority to an investment advisor registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. The advisor shall follow the policy and such other written instructions as are provided.

30.5 Ethics and Conflict of Interest

Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program or which could impair their ability to make impartial decisions. Officers and employees involved in the investment process shall abide by MTS's Conflict of Interest Code, California Government Code Section 1090 et seq., and the California Political Reform Act (California Government Code Section 81000 e. seq.).

30.6 Internal Controls

The Chief Financial Officer (or his or her delegate) shall establish a set of internal controls. The internal controls will be reviewed with both the outside independent auditor and MTS's internal auditor. The controls shall be designed to prevent employee error, misrepresentations by third parties, and imprudent actions by employees or officers of MTS.

30.7 Selection of Financial Institutions and Broker/Dealers

To provide for the optimum yield in MTS's portfolio, MTS's procedures shall be designed to encourage multiple bids and offers on investment transactions from an approved list of broker/dealers.

The Chief Financial Officer (or his delegate) shall maintain a list of authorized broker/dealers and financial institutions that are approved for investment purposes, and it shall be the policy of MTS to purchase securities only from

those authorized institutions or firms. Purchases of investments through brokers, dealers, and financial institutions shall be permitted as stated in California Government Code Section 53635.5.

30.8 Authorized Instruments

1. Government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest.
2. Obligations issued by Banks for Cooperatives, Federal Land Banks, Federal Intermediate Credit Banks, Federal Farm Credit Banks, Federal Home Loan Banks, the Federal Home Loan Bank Board, the Federal Home Loan Mortgage Corporation, the Resolution Funding Corporation, or in obligations, participations, or other instruments of, or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association; or in guaranteed portions of Small Business Administration notes; or in obligations, participations or other instruments of, or issued by, a federal agency or a United States government-sponsored enterprise, or such agencies or enterprises that may be created.
3. Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the state or any local agency or by a department, board, agency, or authority of the state or any local agency; provided that the obligations are rated in one of the two highest categories by Moody's or Standard and Poor's.
4. Repurchase Agreements used solely as short-term investments not to exceed 90 days.

MTS may enter into Repurchase Agreements with primary dealers in U.S. Government securities who are eligible to transact business with, and who report to, the Federal Reserve Bank of New York.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities, as described in Sections 30.8.1 and 2, will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to MTS's custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each Repurchase Agreement must equal or exceed 102 percent of the total dollar value of the money invested by MTS for the term of the investment. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed at least weekly. Since the market value of the investments in repurchase agreements underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

Market value must be calculated each time there is a substitution of collateral.

MTS, or its trustee, shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to the Repurchase Agreement.

MTS will have properly executed a Public Securities Association (PSA) agreement with each counterparty with which it enters into Repurchase Agreements.

5. Reverse Repurchase Agreements may be used only after prior approval by MTS's Board of Directors. If a reverse repurchase agreement is authorized, it may be utilized only if the security to be sold on reverse repurchase agreement has been owned and fully paid for by MTS for a minimum of 30 days prior to the sale; the total of all reverse repurchase agreements on investments owned by MTS does not exceed 20 percent of the base value of the portfolio; and the agreement does not exceed a term of 92 days unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of the security using a reverse repurchase agreement and the final maturity date of the same security. The proceeds of the Reverse Repurchase Agreement may not be invested in securities whose maturity exceeds the term of the Reverse Repurchase Agreement.

MTS may enter into Reverse Repurchase Agreements only with primary dealers in U.S. Government securities who are eligible to transact business with and who report to the Federal Reserve Bank of New York.

MTS will have properly executed PSA agreements with each counterparty with which it enters into Reverse Purchase Agreements.

6. Bankers' Acceptances issued by domestic or foreign banks that are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by Moody's Investors Services or by Standard & Poor's Corporation.

Purchases of Bankers' Acceptances may not exceed 180 days maturity or 40 percent of MTS's investment portfolio. No more than 10 percent of MTS's investment portfolio may be invested in the Bankers' Acceptances of any one commercial bank.

7. Commercial paper rated in the highest short-term rating category as provided by Moody's Investors Services, Inc. or Standard & Poor's Corporation; provided that the issuing corporation is organized and operating within the United States, has total assets in excess of \$500 million, and has an "A" or higher rating for its long-term debt, if any, as provided by Moody's or Standard & Poor's.

Purchases of eligible commercial paper may not exceed 180 days maturity and may not represent more than 10 percent of the outstanding paper of an issuing corporation.

Purchases of commercial paper may not exceed 15 percent of MTS's investment portfolio. An additional 15 percent or a total of 30 percent of MTS's investment portfolio may be invested only if the dollar-weighted average of the entire amount does not exceed 31 days.

8. Medium-term corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. Medium-term corporate notes shall be rated in a rating category "A" or its equivalent by a nationally recognized rating service. If rated by more than one service, both ratings must meet the minimum credit standards.

Purchase of medium-term corporate notes may not exceed 30 percent of MTS's investment portfolio.

9. Federal Deposit Insurance Corporation (FDIC)-insured or fully collateralized time certificates of deposit in financial institutions located in California, including U.S. branches of foreign banks licensed to do business in California. All time deposits must be collateralized in accordance with California Government Code section 53561, either at 150 percent by promissory notes secured by first mortgages and first trust deeds upon improved residential property in California eligible under section (m) or at 110 percent by eligible marketable securities listed in subsections (a) through (l) and (n) and (o). MTS, at its discretion and by majority vote of the Board of Directors, on a quarterly basis, may waive the collateralization requirements for any portion of the deposit that is covered by federal insurance.
10. Negotiable certificates of deposit or deposit notes issued by a nationally or state-chartered bank or a state or federal savings and loan association or by a state-licensed branch of a foreign bank; provided that the senior-debt obligations of the issuing institution are rated "AA" or better by Moody's or Standard & Poor's.

Purchase of negotiable certificates of deposit may not exceed 30 percent of MTS's investment portfolio and are limited to a maximum maturity of one year. No more than 10 percent of the portfolio may be invested in any one bank's name.

11. State of California's Local Agency Investment Fund (LAIF). Investment in LAIF may not exceed the maximum amount allowed by LAIF.
12. San Diego County Investment Pool.
13. Insured savings account or money market account.
14. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Act of 1940. The company must have met either of the following criteria: (1) attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations or (2) retained an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years experience managing money market mutual funds and with assets under management in excess of \$500,000,000.

The purchase price of shares shall not exceed 15 percent of the investment portfolio of MTS.

15. Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, consumer receivable pass-through certificate, or consumer receivable-backed bond with a maximum effective maturity of five years. Eligible securities must be rated, by a nationally recognized rating service, as "AAA" and the issuer of the security must have an "A" or higher rating for its debt as provided by a nationally recognized rating service. These securities are further limited to fixed rate, publicly offered securities. The deal size must be a minimum of \$250 million, and the tranche size must be a minimum of \$25 million. No more than 10 percent of the agency's surplus funds may be invested in this type of security.

Credit criteria listed in this section 30.8 refers to the credit of the issuing organization at the time the security is purchased. MTS may from time to time be invested in a security whose rating is downgraded. In the event a rating drops below "A," the Chief Financial Officer shall immediately notify the Chief Executive Officer and will report to the Executive Committee, at its next regularly scheduled meeting, both the downgrade and an evaluation of possible actions that can be taken. The investment manager shall make a written recommendation to the Chief Financial Officer as to whether this security should be held or sold.

Where this section 30.8 specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase.

30.9 Diversification

- A. Amounts over \$20 million, excluding investments in the State of California's LAIF.

No more than 20 percent of MTS's portfolio, excluding investments in State of California's LAIF, shall be invested in any one bank or corporation.

- B. Amounts under \$20 million, excluding investments in the State of California's LAIF.

No more than 50 percent of MTS's portfolio, excluding investments in the State of California's LAIF, shall be invested in any one bank or corporation.

30.10 Maximum Maturity

Investment maturities shall be based on a review of cash flow forecasts. Maturities will be scheduled so as to permit MTS to meet all projected obligations.

Unless otherwise specified in this section, no investment shall be made in any security that has an effective maturity of more than five years from the date of purchase unless the instrument is specifically approved by the Board.

The average duration of the externally managed funds subject to this policy shall not exceed 150 percent of the benchmark duration.

30.11 Ineligible Investments

MTS shall not invest any funds in derivative securities, which is defined as any security that derives its value from an underlying instrument, index, or formula. The derivative universe includes, but is not limited to, structured and range notes, securities that result in zero-interest accrual if held to maturity, variable rate, floating rate, or inverse floating rate investments, financial futures and options, and mortgage derived interest or principal-only strips. Callable or putable securities with no other option features, securities with one interest rate step-up feature, and inflation-indexed securities meeting all other requirements of this Policy are excluded from this ineligible list as are fixed rate mortgage-backed securities and asset-backed securities.

MTS shall not invest any funds in reverse repurchase agreements.

30.12 Sales Prior to Maturity

Securities shall not be purchased for the specific purpose of trading. However, sales prior to maturity are permitted under the following circumstances: (1) to meet an unanticipated disbursement or (2) earn a higher overall rate of return by selling a security and reinvesting the proceeds. Certain investment

opportunities may involve the recognition of value losses. Book value trading losses are permitted. Any trading loss greater than 1 percent of principal value of any investment holding requires the following: (1) explanation of source of loss, (2) rationale for transactions resulting in recognition of loss, and (3) estimation of time necessary to recoup the loss.

30.13 Reporting Requirements

The Chief Financial Officer shall render to the Board of Directors an investment report each quarter, which shall include, at a minimum, the following information for each individual investment:

- Type of investment instrument (i.e. Treasury Bill, medium-term note)
- Issuer name (i.e., General Electric Credit Corp.)
- Purchase date (trade and settlement date)
- Maturity date
- Par value
- Purchase price
- Current market value and the source of the valuation
- Overall portfolio yield based on cost
- Statement of compliance of the portfolio to the statement of investment policy or the manner in which the portfolio is not in compliance
- Statement denoting the ability of MTS to meet its expenditure requirements for the next six months or an explanation as to why sufficient money shall or may not be available

This quarterly report shall be submitted within 60 days following the end of the quarter.

The Chief Financial Officer shall periodically (but at least every three years) render to the Board of Directors revisions to this policy, which MTS shall consider at a public meeting.

30.14 Safekeeping and Custody

All securities, whether negotiable, bearer, registered, or nonregistered, whether purchased for MTS by the County or by financial advisors, consultants, or managers, shall be delivered, either by book entry or physical delivery, to MTS's third-party custodian and held in MTS 's name.

30.15 Benchmarks

External investment managers' performance shall be evaluated over a 3- to 5-year market cycle against the Merrill Lynch 1- to 3-year Gov./Corp. Index (B1A0).

DDarro/SChamp/JGarde
POLICY.30.INVESTMENTS
7/14/06

Attachment: Reasonably Prudent Person Rule (Trust Standard of Care)

Original Policy accepted on 10/23/86.
Policy revised on 9/23/93.
Policy repealed and readopted 6/13/96.
Policy revised on 12/11/97.
Policy revised on 8/12/99.
Policy revised on 8/10/00.
Policy revised on 9/13/01.
Policy revised on 3/11/04.
Policy revised on 6/14/07.

PROBATE CODE

SECTION 16040-16042

16040. (a) The trustee shall administer the trust with reasonable care, skill, and caution under the circumstances then prevailing that a prudent person acting in a like capacity would use in the conduct of an enterprise of like character and with like aims to accomplish the purposes of the trust as determined from the trust instrument.

(b) The settlor may expand or restrict the standard provided in subdivision (a) by express provisions in the trust instrument. A trustee is not liable to a beneficiary for the trustee's good faith reliance on these express provisions.

(c) This section does not apply to investment and management functions governed by the Uniform Prudent Investor Act, Article 2.5 (commencing with Section 16045).

16041. A trustee's standard of care and performance in administering the trust is not affected by whether or not the trustee receives any compensation.

16042. (a) Notwithstanding the requirements of this article, Article 2.5 (commencing with Section 16045), and the terms of the trust, all trust funds that come within the custody of the public guardian who is appointed as trustee of the trust pursuant to Section 15660.5 may be deposited or invested in the same manner, and would be subject to the same terms and conditions, as a deposit or investment by the public administrator of funds in the estate of a decedent pursuant to Article 3 (commencing with Section 7640) of Chapter 4 of Part 1 of Division 7.

(b) Upon the deposit or investment of trust property pursuant to subdivision (a), the public guardian shall be deemed to have met the standard of care specified in this article and Article 2.5 (commencing with Section 16045) with respect to this trust property.

MTS Investment Policy Update

MTS Board of Directors
October 11, 2018



Purpose of an Investment Policy

- Fiduciary responsibility
 - Safeguard SDMTS cash assets
 - Provide necessary liquidity
 - Generate market return on assets (given constraints)
- State requirements and regulations
 - California Government Code Section 53600.3 (Prudent Investor Standard)
 - ...When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence...
 - ...to safeguard the principal and maintain the liquidity needs of the agency...
- Framework for cash management processes



Investment Policy Update / Rewrite

- Comprehensive review by external consultant
 - Engaged services of Milliman, investment consultants
 - Over 20 years of local experience in investment consulting and investment policy updates
 - including City of San Diego Defined Contribution Plans
 - Updates to 10 investment policies within the last two years
 - Simplify and provide a streamlined approach to the language relative to the policy and implementation
 - To ensure that MTS follows best practices
 - Update State requirements / regulations



Internal Policy Draft Review

- Additional external review of investment policy
 - Milliman
 - Process included professional peer review
 - MTS Internal Auditor
 - MTS External Auditors
 - The Pun Group



Differentiation to Current Policy

- No material differences in oversight from current policy
- Organization and language changes
 - Easier to follow and comprehend to achieve policy goals
 - Capital preservation, adequate liquidity, market rate of return
- Updates and references back to CA Government Code
- Expanded language, greater clarity and guidance
 - Risk Tolerance
 - Explaining risk types and detailing risk mitigation strategies
 - Objectives of Safety, Liquidity and Yield
 - Certain Authorized and Suitable Investments
 - Including Investment Pools
 - Safekeeping and Custody
 - Internal Controls



Major Elements of Investment Policy*

- Purpose and Scope
- Governance
- Investment Objectives and Guidelines
- Investment Risk Management

*For institutional investors, as recommended by the CFA Institute



Purpose and Scope

- Define the Purpose
 - Provide guidance and direction for prudent investment of funds
 - As defined by the CA Government Code 53600.3
 - Designate standard of prudence to be utilized
 - Acting as custodians to “safeguard the principal and maintain the liquidity needs of the agency”
- Define the Scope
 - Specify which funds the Policy applies to
 - Applicable only to MTS’s surplus funds
- *MTS Policy: Introduction; Sections 30.1, 30.2*



Governance

- Specify Responsibility for Policy Determination and Implementation
 - Address Ethics/Conflicts of Interest
 - Establish Standards for Brokers, Investment Managers, Depositories, Custodians, and Other Service Providers
 - Establish Reporting Requirements
 - Designate Internal Controls
 - Define Process for Policy Review
-
- *MTS Policy: Sections 30.5, 30.6, 30.7, 30.12, 30.13, 30.15, 30.16, 30.18*



Investment Objectives and Guidelines

- Define and Prioritize Objectives
 - Safety, Liquidity, Yield/Return
- Describe Risk Tolerance
 - Four elements of risk:
 - Credit Risk, Market Risk, Interest Rate Risk, Custodial Credit Risk
- Designate Authorized/Suitable Investments, as well as Prohibited Investments
 - Identify applicable constraints/limitations
 - See Figure 1 for CA Code vs. MTS Policy
 - MTS Policy more conservative than CA Code
- *MTS Policy: Sections 30.3, 30.4, 30.8, 30.9, 30.10, 30.11*



Investment Risk Management

- Establish Reasonable Return Objectives
 - Take into account objectives and constraints
 - Ensure that investment limitations are adhered to
- Utilize Full Economic/Market Cycles for Evaluation Time Horizon
- Apply Relative (e.g. Spending + Inflation; Market Benchmarks) and/or Absolute Return Targets
 - Support a reasonable probability of achieving the desired return
- *MTS Policy: Sections 30.14, 30.17*



Staff Recommendation

That the San Diego Metropolitan Transit System (MTS) Board of Directors approve and adopt the updated Board Policy No. 30 (Attachment A).



MTS Investment Policy Update

MTS Board of Directors
October 11, 2018





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Agenda Item No. 32

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 11, 2018

SUBJECT:

OPPOSITION TO PROPOSITION 6 (SHARON COONEY)

RECOMMENDATION:

That the Board of Directors adopt Resolution No. 18-12 opposing Proposition 6, which would repeal Senate Bill 1 (SB 1), also known as the "Road, Repair and Accountability Act".

Budget Impact

None at this time.

DISCUSSION:

On April 28, 2017 Governor Brown signed SB 1 (Beall and Frazier), a statewide transportation funding package. The \$5.24 billion/year funding package generates new revenues from various taxes and fees and is designed to repair and maintain state highways and local roads, improve trade corridors, and support public transit and active transportation. SB 1 provides funding for public transportation as follows:



Allocations		Expected Revenue	Eligible Uses	Revenue Increase Effective Date
Increases Sales Tax on Diesel Fuel by 4 Percentage Points	3.5 Percentage Points to State Transit Assistance (STA) Program	Approximately \$250 Million/Year	Transit Capital and Operations	November 1, 2017
	0.5 Percentage Points to Intercity & Commuter Rail Systems	Approximately \$36 Million/Year	50% (\$18 million) for Intercity Rail Purposes	
			50% (\$18 million) for Commuter Rail Purposes	
Establishes New Transportation Improvement Fee under Vehicle License Fee Law	State Transit Assistance Program	\$105 Million/Year	"State of Good Repair" Purposes	January 1, 2018
	Transit and Intercity Rail Capital Program	\$245 Million/Year	Transit Capital	
	Solutions for Congested Corridors Program	\$250 Million/Year	Transportation, Environmental and Community Access Improvements within Highly Congested Corridors, including Transit Projects	

Proposition 6, a November ballot measure, would repeal SB 1 if approved by a majority of California voters. Repeal of SB 1 could have a \$16 to \$20 million annual subsidy revenue impact for MTS. Adoption of the attached Resolution would authorize MTS to be listed as a member of the coalition opposed to Proposition 6, a coalition of local government, business, labor, transportation and other organizations throughout the state.

This action is consistent with the 2018 Legislative Program, "Oppose legislation that would reduce direct funding to transit agencies, or transportation funding in general; support legislation that would generate new revenue for transit projects and operating costs."

/s/ Sharon Cooney for
Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Resolution No. 18-12

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Resolution No. 18-12

Resolution in Opposition of Proposition 6 (SB 1 Repeal)

WHEREAS, according to a report from the California Transit Association, California's local public transportation agencies have faced a 10-year, \$72 billion shortfall when comparing available funding to the actual transit capital and operating needs for rehabilitating transit systems and expanding service; and

WHEREAS, "The Road Repair and Accountability Act" (Senate Bill 1, Beall and Frazier), passed by the Legislature and signed by the Governor last year, will raise \$5 billion annually in long-term, dedicated funding to invest in public transportation, make road safety improvements, fill potholes and repair local streets, highways, bridges and overpasses, with the revenues split equally between state and local government projects; and

WHEREAS, SB 1 represents the largest state investment in public transportation in a generation, providing more than \$700 million per year in dedicated new funding for public transit, including funding to expand transit capital and operations; replace older transit vehicles with zero-emission vehicles; and invest in intercity rail and commuter rail; and

WHEREAS, SB 1 will improve air quality and the environment by investing in public transit, and active transportation helps get people out of cars; and

WHEREAS, SB 1 provides critically-needed funding for the San Diego Metropolitan Transit System (MTS) that will be used for:

- improved bus and rail transit service
- new Bus Rapid Transit lines in the South Bay
- replacement rail equipment and facilities, and
- zero emission buses.

WHEREAS, SB 1 contains strong accountability provisions to streamline projects by cutting bureaucratic redundancies and red tape to ensure transportation funds are spent efficiently and effectively, while also establishing the independent office of Transportation Inspector General to perform audits, improve efficiency and increase transparency; and

WHEREAS, Proposition 69, which passed by 81% of the voters on the June 2018 ballot, adds additional accountability for taxpayers by preventing the State Legislature from diverting or raiding any new transportation revenues for non-transportation improvement purposes; and

WHEREAS, Proposition 6, a ballot measure on the November 2018 ballot, would repeal the new transportation revenues provided by SB 1 and make it more difficult to increase funding for state and local transportation improvements in the future; and

WHEREAS, Proposition 6 robs our communities of vital public transit and transportation improvement funds, because it would eliminate more than \$700 million per year in new funding dedicated to public transit programs and services; and

WHEREAS, Proposition 6 would jeopardize more than 450 public transportation projects currently underway throughout the state, jeopardizing projects to expand urban light rail, commuter and intercity passenger rail lines and new bus services; and

WHEREAS, Proposition 6 will make air quality worse and harm the environment, by eliminating funds dedicated to expanding rail transit lines, buses and other public transportation services that directly reduce air pollution and carbon emissions that cause climate change, and, because Proposition 6 threatens projects identified by MTS and transit agencies throughout the state to expand service and fund electric bus programs, zero-emission buses and rail projects which help reduce emissions; and

WHEREAS, Proposition 6 could divert as much as \$20 million annually in funds dedicated to MTS including from the State Transit Assistance Program, the STA State of Good Repair Program, and the Transit and Intercity Rail Capital Program, and halt or slow down critical investments in future transportation improvement projects in our community;

NOW THEREFORE BE IT RESOLVED, ORDERED AND DETERMINED that the MTS Board of Directors hereby Oppose Proposition 6, the November measure to repeal new transit and transportation revenues.

BE IT FURTHER RESOLVED that the MTS can be listed as a member of the coalition opposed to Proposition 6, a diverse coalition of local government, business, labor, transportation and other organizations throughout the State of California.

PASSED AND ADOPTED, by the Board of Directors this 11th day of October 2018 by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

Chairperson
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

Clerk of the Board
San Diego Metropolitan Transit System

Office of the General Counsel
San Diego Metropolitan Transit System



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Agenda Item No. 33

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 11, 2018

SUBJECT:

SUPPORT FOR SANDAG'S DOWNTOWN STOPOVER PROJECT (SHARON COONEY)

RECOMMENDATION:

That the Board of Directors adopt Resolution No. 18-13 in support of SANDAG's Downtown Stopover Project.

Budget Impact

None at this time.

DISCUSSION:

The San Diego Association of Governments (SANDAG) is planning the development of an off street bus layover facility in downtown San Diego, the Downtown Stopover Project. MTS will directly benefit from this project since it will provide MTS bus routes with adequate facilities to allow for schedule recovery and operator breaks. This facility will replace most of the existing curbside layover locations MTS uses on the western side of the downtown area. Staff provided a report on this project at the September Board of Directors meeting.

/s/ Sharon Cooney for _____
Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Resolution No. 18-13



SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Resolution No. 18-13

Resolution in Support of the Downtown Stopover Project

WHEREAS, more than 400 San Diego Metropolitan Transit System (MTS) buses travel to the western side of Downtown San Diego each day; and

WHEREAS, MTS currently has no dedicated off street layover facility to facilitate effective transit operations in Downtown; and

WHEREAS, layover is an essential and necessary part of bus operations, because it helps to maintain schedule, improve system performance, provide mandatory driver breaks, and manage the operations; and

WHEREAS, having layover located centrally and off street optimizes operational efficiency, removes the need for portable restrooms on city sidewalks, frees the public right of way for other uses, and has less negative impact on businesses, government facilities and residences in Downtown; and

WHEREAS, MTS has a need to replace as many of its 14 curbside layover locations in the western end of Downtown as possible; and

WHEREAS, after a thorough investigation and analysis of alternatives, the San Diego Association of Governments (SANDAG) and MTS have identified an ideal location to create an off street layover facility on the entire block bordered by State, A, Union and B Streets;

WHEREAS, this location meets operational needs, minimizes impacts to the surrounding neighborhood, is in a good state of readiness, and is zoned for governmental use;

NOW THEREFORE BE IT RESOLVED, ORDERED AND DETERMINED that the MTS Board of Directors hereby states its support for SANDAG's Downtown Stopover Project.

BE IT FURTHER RESOLVED that the MTS Board of Directors is committed to making certain that the Downtown Stopover Project is fully implemented so as to provide MTS with an off street layover facility that will support future efficient and reliable bus transportation for the entire San Diego region.

PASSED AND ADOPTED, by the Board of Directors this 11th day of October 2018 by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

Chairperson
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

Clerk of the Board
San Diego Metropolitan Transit System

Office of the General Counsel
San Diego Metropolitan Transit System

Resolution No. 18-13

DOWNTOWN LAYOVER

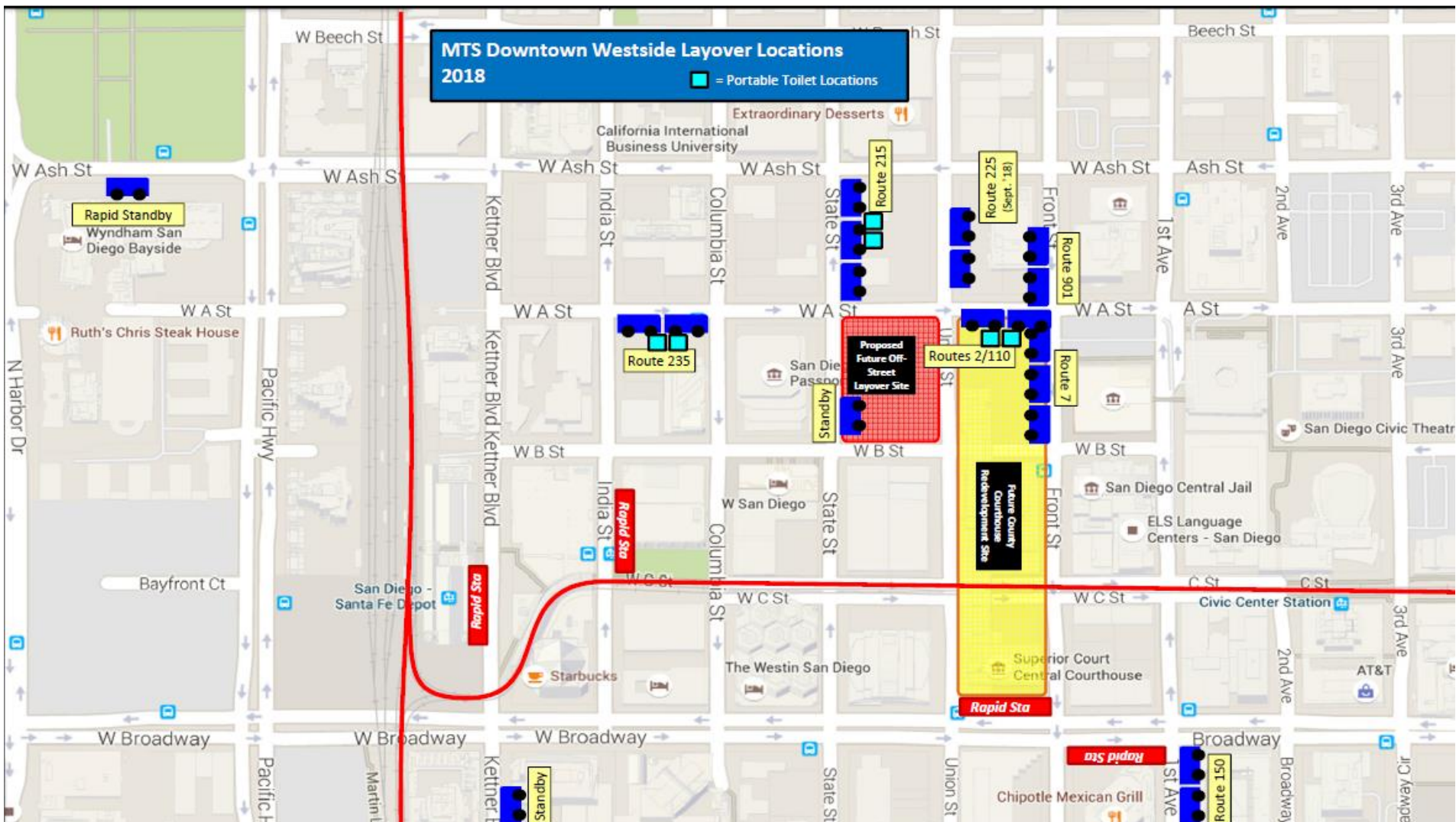
Board of Directors
October 11, 2018



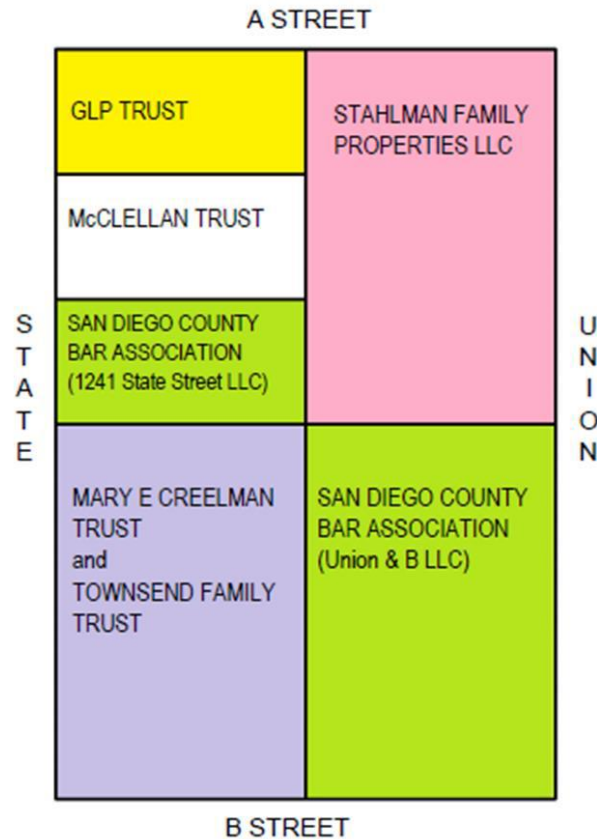
Need for a Layover Facility

- More than 400 buses travel to western side of Downtown San Diego each day
 - More than 700 buses with Regional Plan implementation
- Currently use 14 layover locations in west end of Downtown (with the start of South Bay Rapid)
- Need layover to have a functioning bus system
 - Maintain schedule and improve bus system performance
 - Provide mandatory driver breaks
- Off street layover is preferred when there are numerous buses in one location





Site Ownership



Recommendation

- Action would adopt Resolution No. 18-13 in support of SANDAG's Downtown Stopover Project.
 - Expresses the Board's commitment to making sure the Project is fully implemented.



DOWNTOWN LAYOVER

Board of Directors
October 11, 2018





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Agenda Item No. 45

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 11, 2018

SUBJECT:

FIRST TRANSIT/TAXICAB PILOT UPDATE - ACCESS SERVICES (BILL SPRAUL)

INFORMATIONAL ONLY

Budget Impact

None.

DISCUSSION:

MTS Access paratransit service is for customers with disabilities who are unable to use the fixed route bus or trolley services. MTS contracts with First Transit to operate this service. Customer eligibility is certified by MTS's eligibility services contractor MTM, in accordance with the ADA. In partnership with First Transit, Access has implemented a one year taxi pilot program that has allowed First Transit to sub-contract with Yellow Group to operate a limited number of Access trips.

MTS is monitoring the program and conducting on-going analyses to determine its effectiveness and cost savings efficiency, and will use the pilot program's results to assess the continuation of the program and its potential expansion in the future. Staff will provide an update on the implementation of the program since July 1, 2018.

/s/ Sharon Cooney for

Paul C. Jablonski
Chief Executive Officer

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



MTS Access Taxi Pilot Update



Board Meeting
October 11, 2018



Access Taxi Pilot Program Overview

- Pilot program is part of ongoing efforts to maintain quality of service and also improve the cost effectiveness and efficiency of the service.
- Leverages increased availability of taxi resources with targeted Access trips
- Goals:
 - Decrease the cost per trip, by moving higher cost, lower productivity trips to taxi
 - Maintain and improve productivity and service quality
- Focus:
 - Single customer trips
 - Ambulatory customers who do not need driver assistance
 - Higher cost, low productivity trips



Pilot Program Components

- Managed and administered by First Transit, within MTS/First Transit Access contract
 - Sub-contract between First Transit and Yellow Taxi Group
- Taxi trips are required to be ADA compliant
 - Reservations/Scheduling
 - Vehicles
 - Drivers
 - Service Quality
- Twelve (12) month pilot total trips target of 36,000
- Began July 1, 2018, and runs through June 2019



Pilot Program Components

- Utilizes same reservations and trip scheduling systems – transparent to customer (until day of service)
- Added Trapeze Trip Broker software module to existing system
- Scheduling factors
 - Customer data
 - Trip distance, time of day and locations
 - Compatibility with other scheduled trips
 - Estimated total cost of trip
- Detailed monitoring by MTS Access team



Pilot Program Components

- Participating Taxi drivers trained and certified using PASS
- Community Transportation Association of America, Passenger Assistance Safety and Sensitivity (PASS) Driver Certification Program
 - Customer service, communication and stress management
 - Americans with Disabilities Act
 - Service animals
 - Disability Awareness: assisting the visually impaired; hidden disabilities; stroke; epilepsy and seizure disorders
 - Blood borne pathogens (Hepatitis A, B, C; HIV, Dialysis)
 - Emergency procedures
- 165 taxi drivers trained and certified to date



Pilot Program Performance vs. Goals

Reduce Costs:

Move higher cost, less productive trips from Access to Taxi

	Actual July - Sept	Q1 GOAL
Total trips	9,210	9,000
Average cost per trip savings	\$25.79	\$20.44
Cumulative savings	\$237,526	\$183,960



Pilot Program Performance vs. Goals

Maintain or improve productivity and service quality

- On time performance has improved by 4%
- Average trip travel time reduced by 15%
- Safety: preventable accidents reduced by 66%
 - Taxi: only one (1) minor accident, zero (0) preventable accidents



Customer Feedback

- Forty-three (43) customer service complaints received for 9,210 taxi trips
 - Complaint ratio is less than 1%
 - All customer service reports managed through the MTS Customer Relations Management system
 - Mirrors standard MTS reporting, investigation and resolution process
 - Driver attitude most frequent complaint category
 - First Transit / Yellow Taxi Group responsible for resolution (driver re-training, monitoring and/or removal from program)
- Eleven (11) customer service compliments received



Customer Feedback

Compliments received:

- *“Caller states that her ride was delightful! The caller states that the driver was polite, very helpful and had a very pleasant attitude...”*
- *“Caller said that her taxi driver did a great job assisting her and she really appreciates the service.”*
- *“Caller states that she was picked up in a yellow taxi cab and was extremely happy with the service and happy that she had the privilege of arriving early to her appointment. caller states it was stress free because she didn't have to worry about getting to her appointment on time and felt that it was an amazing experience.”*



Customer Feedback

The MTS Access team have begun conducting surveys after taxi trips. Survey results are consistent with feedback received through MTS Customer Service

- Forty (40) surveys have been completed to-date
- 100% indicated taxi was on time
- 98% indicated that there was a courteous and professional driver
- 95% indicated that the taxi was clean
- Customer suggested areas for improvement:
 - A few taxis reported as having odors
 - Improve customer notification process
 - Taxis not large enough (cart, ease of egress)



Questions ?





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Agenda Item No. 46

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 11, 2018

SUBJECT:

COMIC-CON 2018 RECAP (ROB SCHUPP AND TOM DOOGAN)

INFORMATIONAL ONLY

Budget Impact

None.

DISCUSSION:

MTS provided extra service for the 2018 Comic-Con held at the San Diego Convention Center. MTS collaborated to print commemorative passes, provided Compass Cloud mobile ticketing to attendees, and generated advertising revenues. This report will provide an overview of all operational and marketing efforts as well as a report on ridership results.

/s/ Sharon Cooney for
Paul C. Jablonski
Chief Executive Officer

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





2018 Comic Con Summary

MTS Board of Directors Meeting

October 11, 2018



2018 Summary

Rides:	381,661
Wraps:	40 Trolleys
Fare Revenue:	\$581,500
Ad Revenue:	\$498,000



Trolley Wraps



Station Activations



Ticketing

EASY FARES

Now
Available!




Mobile Ticketing Sales

12,456 units purchased +21%

Revenue = \$90,231 +19%



Marketing



Ride MTS to Comic-Con!
Day Passes Available Here.



Commemorative
 Limited Edition
DAY PASSES

ON SALE NOW!

2 DAY PASS • JULY 21-22 • \$10
 3 DAY PASS • JULY 20-22 • \$13
 4 DAY PASS • JULY 19-22 • \$16
 5 DAY PASS • JULY 18-22 • \$20



**Bring your cape.
 Leave your car.**

Enjoy Hazard Center's FREE Comic-Con Trolley Parking, superhero-worthy food and drinks and more.

Parking on Lower Level Only.
 After 3 p.m. during the week.

MY GO-TO.
HAZARD CENTER
 FRIARS AT FRAZEE

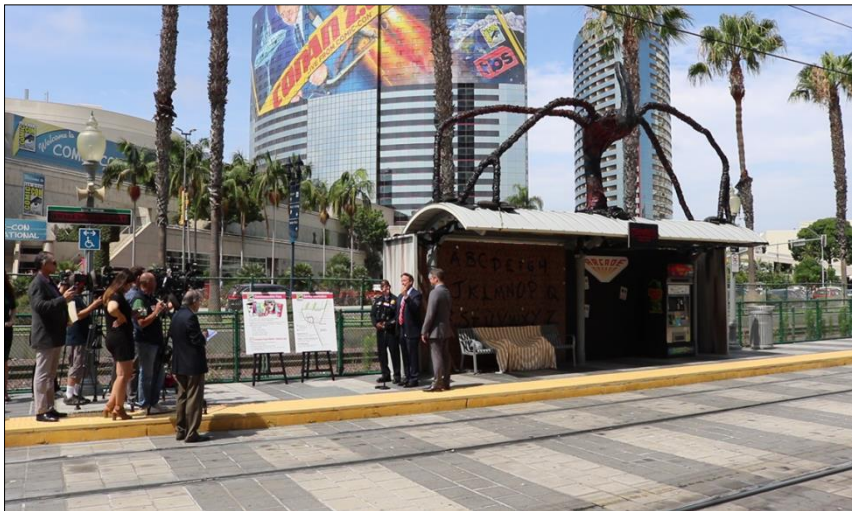
LOOK! It's PAWmicon at Hazard Center.

Calling all animal superheroes!
 Enter our PAWmicon costume contest!
 Enjoy music, prizes, goodie bags and more!
 All proceeds support orphaned pets.
 Dynamic duos welcome.
 Sunday, July 15th from 10am-12pm
 Go to HazardCenter.com/superhero for more information.

Take the Trolley to Comic-Con!

Visit sdmts.com for route and schedule information.

CHANGING THE WAY
 SAN DIEGO MOVES




**Mobile Tickets
 ON SALE NOW!**

Comic-Con special event Transit Passes
 are available on

 **COMPASS CLOUD**
 Mobile Ticketing App

Download on the App Store | GET IT ON Google Play




Earned Media



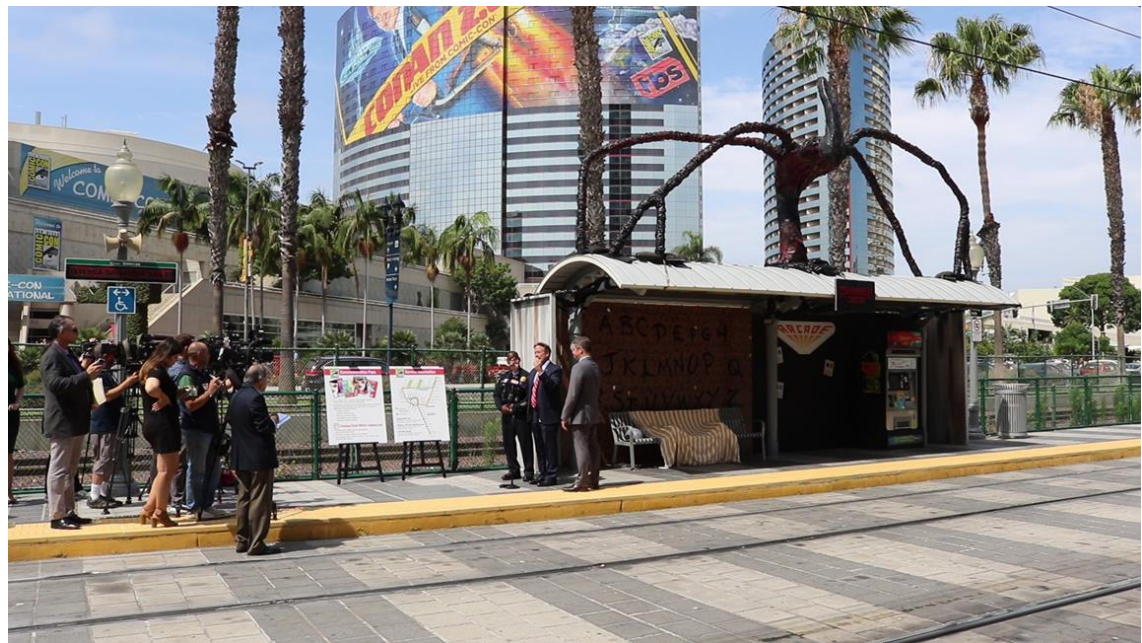
Following

Strange things have been happening at the Convention Center Trolley Stop! Taking transit is the easiest way to get around during Comic-Con. Thanks @davidngraham, @SanDiegoPD and @sdmts for reminding us to be safe, smart and sustainable this weekend. #TransitTuesday #SDCC2018



1:19 PM - 18 Jul 2018

13 Retweets 43 Likes



1. SDCC Unofficial Blog: 67,300 followers
2. Outside Comic-Con: 22,600 followers
3. Stranger Things Posts: 44,900 followers
4. Stranger Things Brasil: 110,000 followers
5. Hawkins Things: 8,890 followers
6. Parks and Cons: 16,500 followers
7. City of San Diego: 10,200 followers
8. KPBS News: 67,500 followers
9. 94.9 FM Radio Facebook: 43,734 like page
10. Convention Center Instagram: 3,048 followers



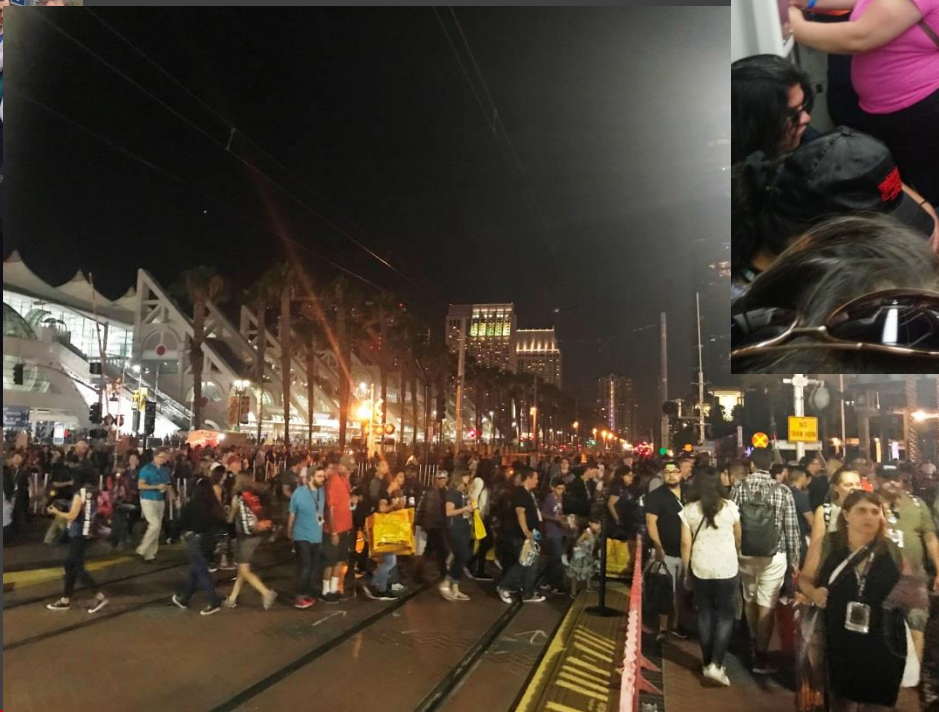
Security & Safety Adjustments



- 5th Avenue Crossing secured by barriers and SDPD vehicles
- Harbor Drive closed to vehicle traffic. Only official shuttle buses allowed
- Result: Larger and safer areas for pedestrians while providing greater level of protection.



Crowds: Stations, Crossings, & On Trains



Challenges: Ridership Levels



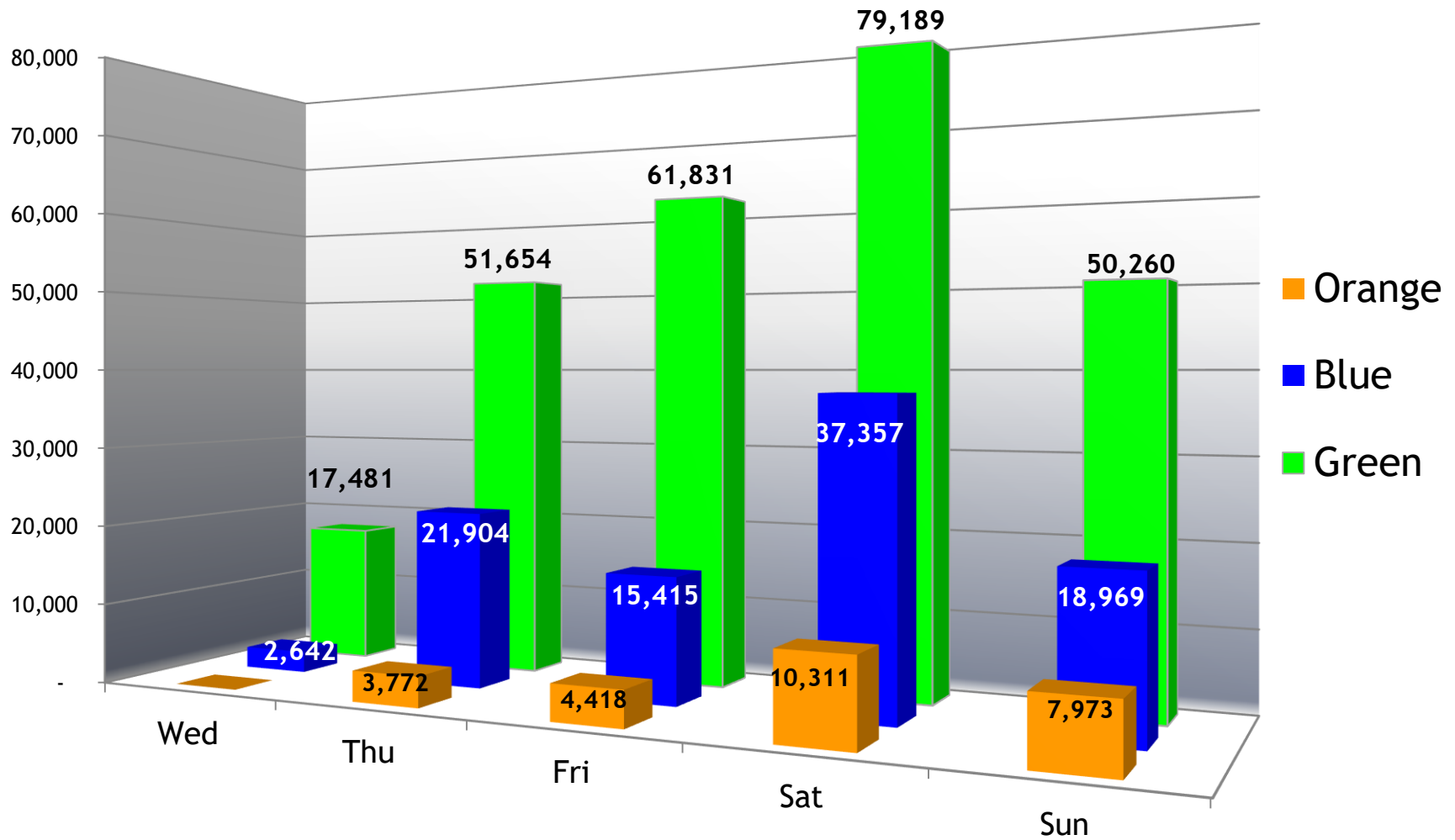
Automated Passenger Counter Data

2018 Comic Con Ridership

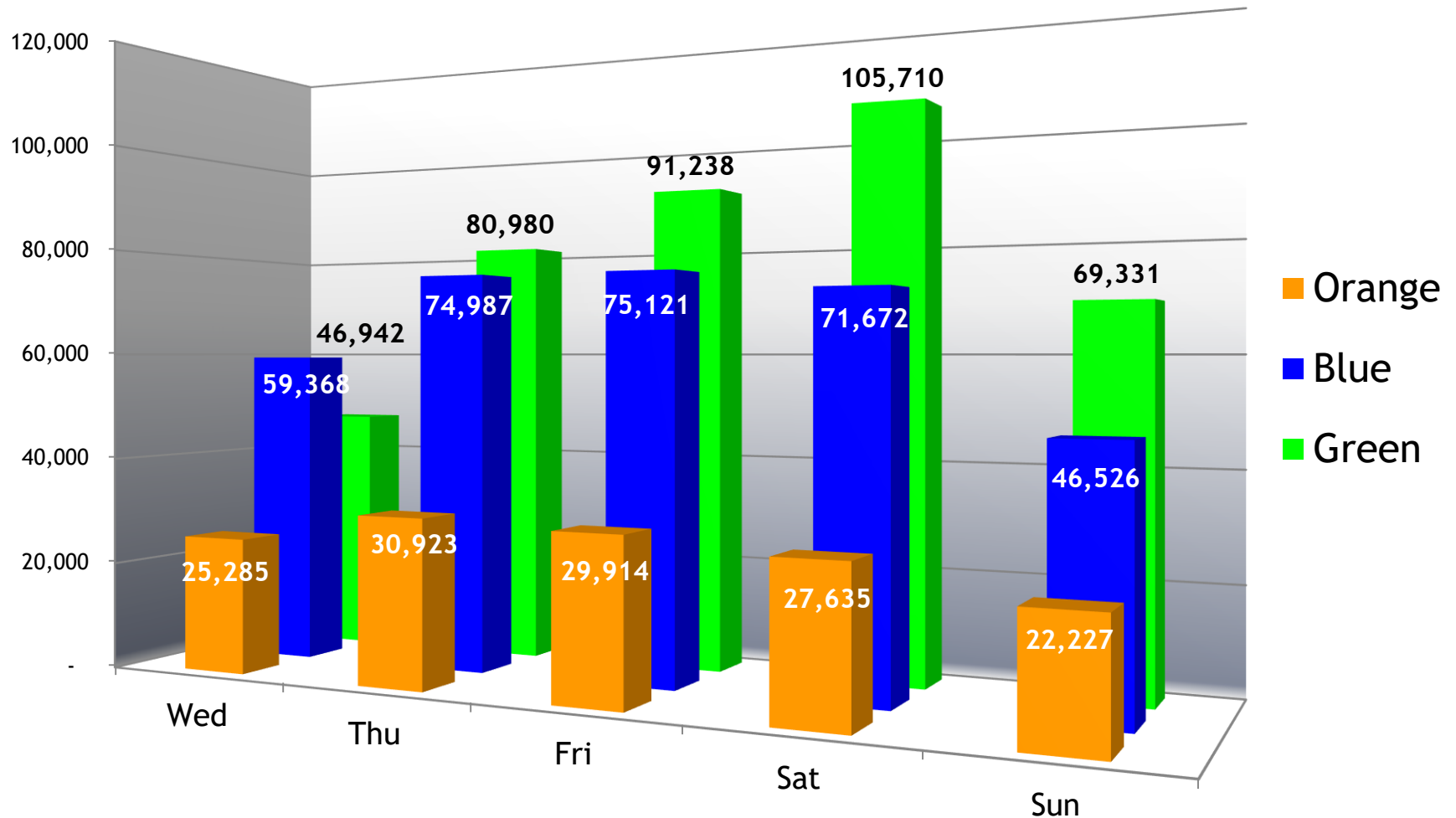
	BLUE	ORANGE	GREEN	2018 TOTAL	2017 TOTAL	% CHANGE
Wednesday	2,642	(1,515)	17,481	18,608	16,441	+13%
Thursday	21,904	3,772	51,654	77,330	70,592	+10%
Friday	15,415	4,418	61,831	81,664	84,906	-4%
Saturday	37,357	10,311	79,189	126,857	112,950	+12%
Sunday	18,969	7,973	50,260	77,202	79,126	-2%
TOTAL	96,287	24,959	260,415	381,661	364,015	+5%



Comic Con Ridership by Line

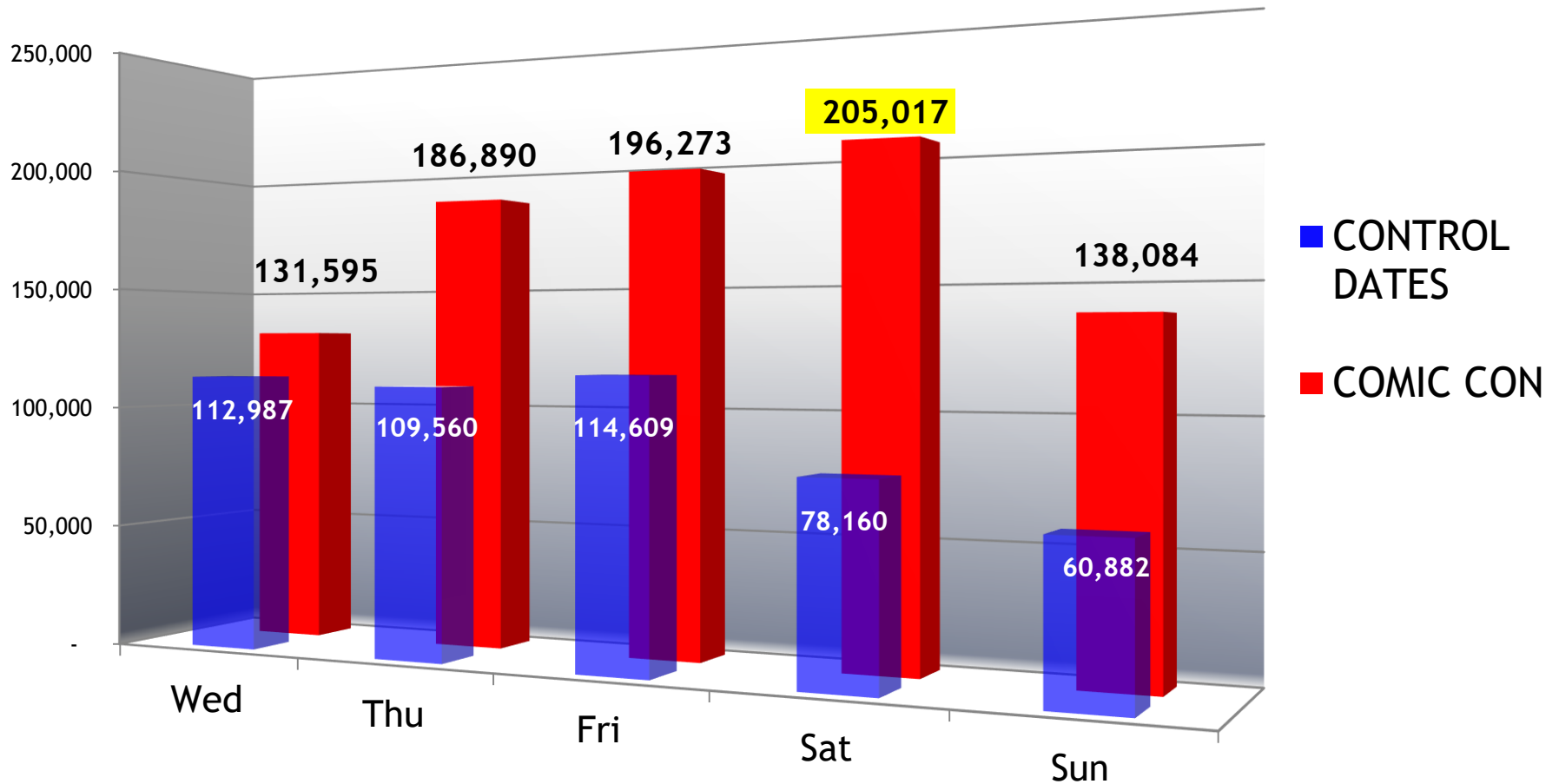


Overall System Ridership by Line



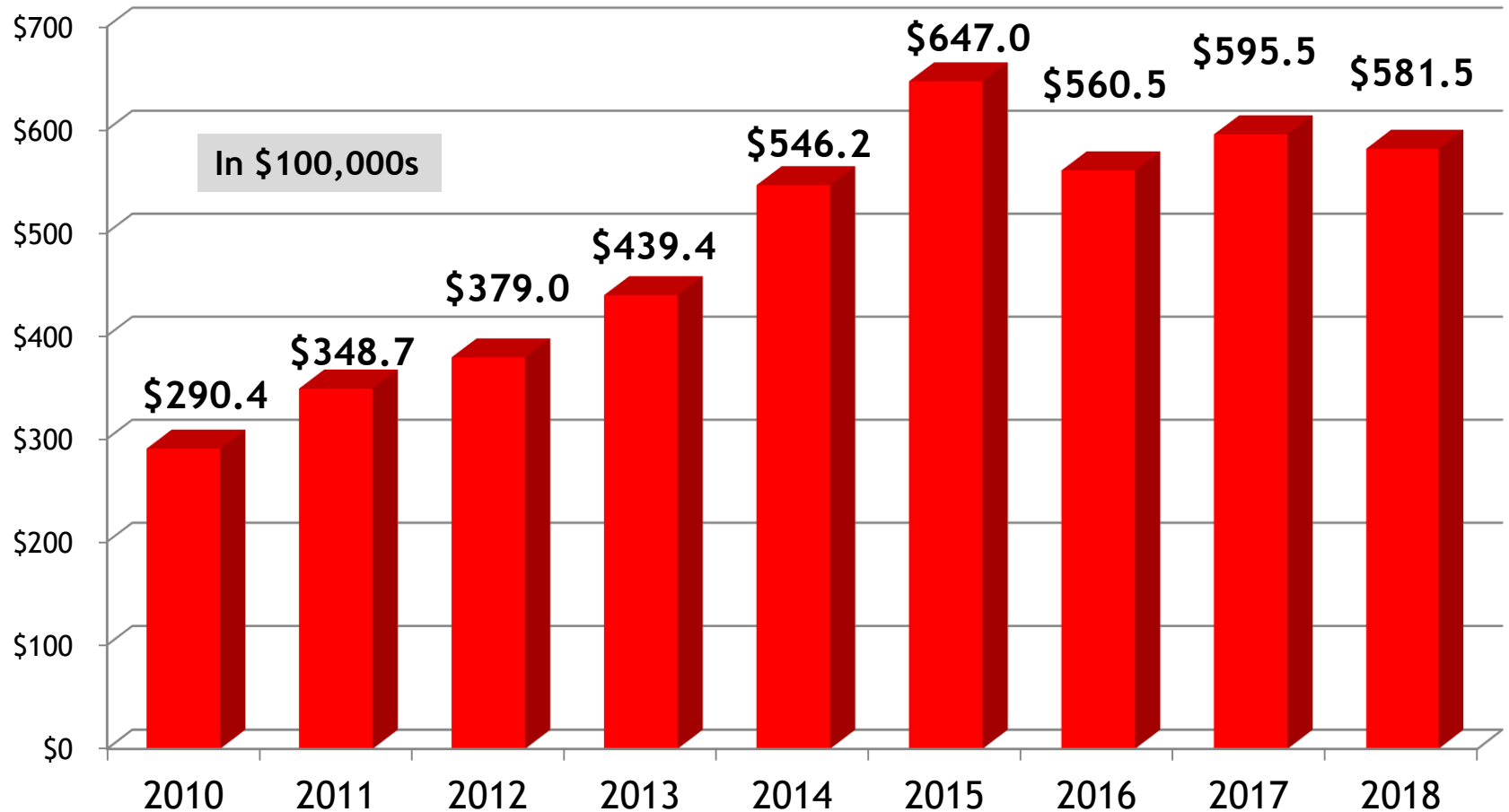
Total System Ridership by Day

Comic Con Event Dates



Fare Revenue down 3.6% from 2017

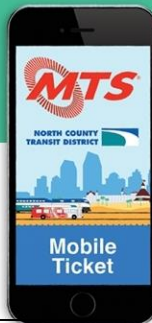
Up over 100% since 2010



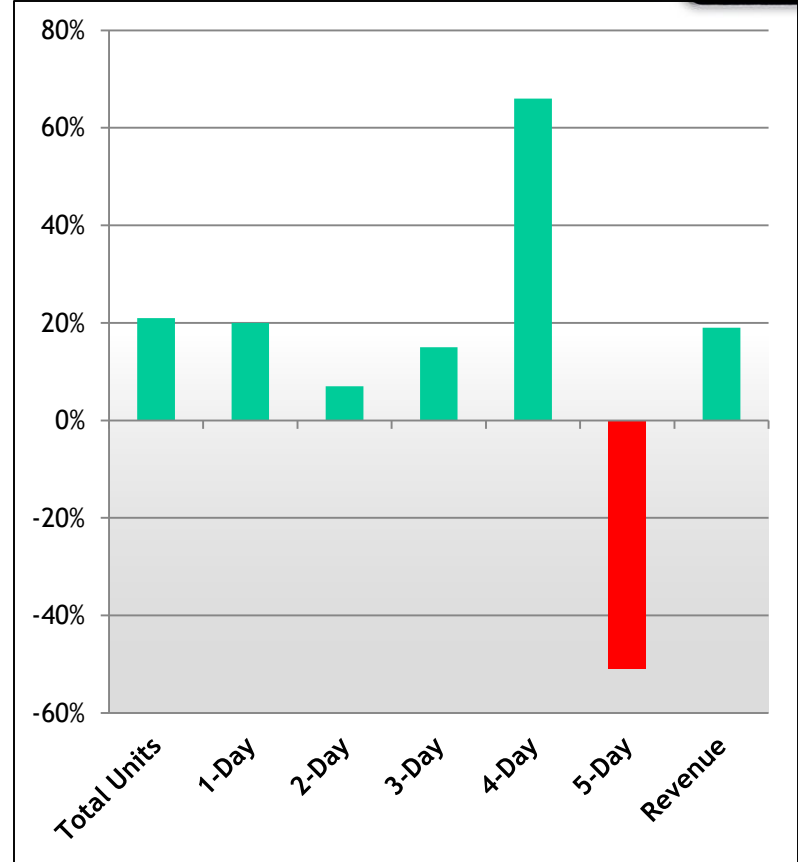
MTS Compass Cloud

EASY FARES

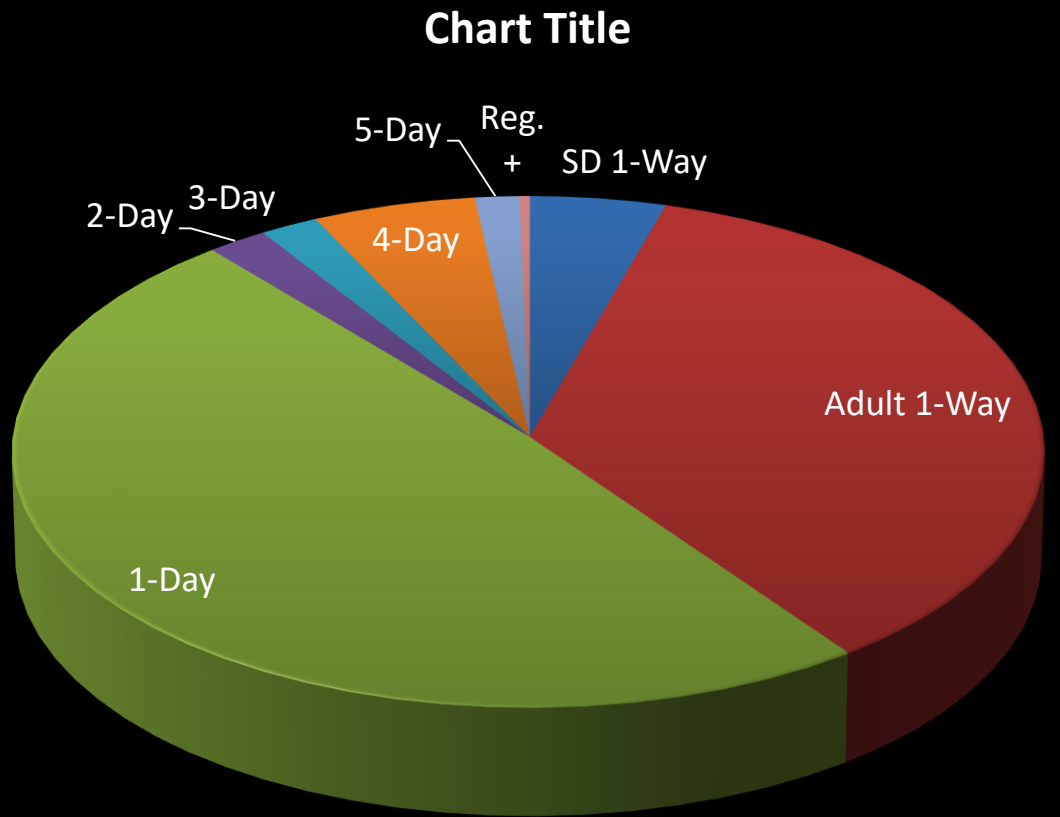
Now
Available!



- 12,456 units purchased + 21%
 - 9,314 1-Day + 20%
 - 705 2-Day + 7%
 - 492 3-Day + 15%
 - 1,277 4-Day + 66%
 - 309 5-Day (51%)
 - 359 Region Plus +1022%
- **Revenue = \$90,231 +19%**



Pass Sales by Denomination



SD 1-Way	4,818
----------	-------

Adult 1-Way	38,125
-------------	--------

1-Day	52,533
-------	--------

2-Day	2,135
-------	-------

3-Day	2,068
-------	-------

4-Day	5,787
-------	-------

5-Day	1,570
-------	-------

Reg. +	359
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Agenda Item No. 47

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 11, 2018

SUBJECT:

MTS FREE RIDE DAY (ROB SCHUPP)

INFORMATIONAL ITEM

Budget Impact

None.

DISCUSSION:

On October 2, 2018, the San Diego Metropolitan Transit System (MTS), in conjunction with the San Diego Association of Governments (SANDAG) and the North County Transit District (NCTD), held the first-ever Free Ride Day. All rides on MTS Bus and Trolley and on NCTD Coaster, Sprinter and Breeze were free all day. The day was designed to encourage transit use to help reverse ridership decline trends and help achieve the region's various Climate Action Plan goals through greater use of public transit.

This report will include the activities leading up to the day to encourage transit use for Free Ride Day. Activities included extensive advertising, proclamations from each city in the MTS service territory and from the County of San Diego, a highly attended news conference and coordinated social media activity with cities, the county, major employers, and regional partners.

This report will also include preliminary reports on ridership.

/s/ Sharon Cooney for
Paul C. Jablonski
Chief Executive Officer

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



MTS Free Ride Day



MTS Board of Directors

October 11, 2018



MTS Free Ride Day

- Goals
 - Reverse downward ridership trends
 - Provide impetus for other major organizations to join MTS in the “Choose Transit” call to action
 - Launch a broader Choose Transit marketing campaign



MTS Free Ride Day

- Tactics
 - City and County Proclamations
 - Collaborate with Cities, County, Navy and other major employers
 - Create a media event prior to the day
 - Welcome new riders and appreciate existing riders
 - Generate media coverage on the day of the event



MTS Free Ride Day

- Results
 - Proclamations
 - All Cities
 - County of San Diego
 - Presentations to all cities and the County



MTS Free Ride Day

- Results
 - Collaboration
 - CVPD Monitor
 - 70 screens on Navy bases
 - 80 organizations posting
 - Elected Support (non-board)
 - Todd Gloria, Lorena Gonzalez-Fletcher, Scott Peters, Chris Ward, Barbara Bry
 - 180 third-party Facebook posts
 - 2,000 retweets



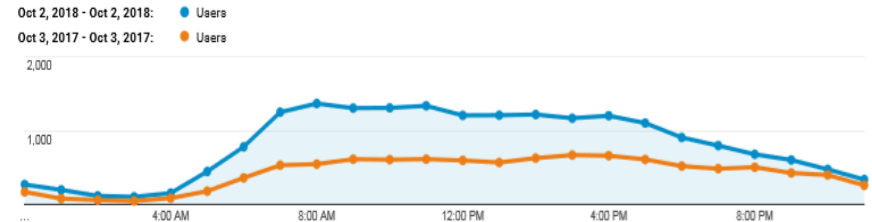
MTS Free Ride Day

- MTS Advertising
 - \$125,000
 - Billboards (4)
 - Street Banners (200)
 - Station Banners (25)
 - Channel 10 (118)
 - Televisa (163)
 - Print Ads (4)
 - Entercom Radio
 - Digital
 - DMV Monitors (176)



MTS Free Ride Day

- MTS Earned Media
 - 3.5 million impressions
 - Web Traffic Doubles





Free Ride Day

- Customer Service
 - Ambassadors
 - Security
 - Bus Operators
 - Supervisors
 - Customer Service
 - 54 courtesy Cloud Day passes issued
 - Only two “unfair” complaints
 - 1,095 trip plans



FREE RIDE DAY RIDERSHIP

SERVICE	FREE RIDE DAY	ONE-YEAR PRIOR	RIDER INCREASE	% INCREASE
 MTS BUS				
IAD & KMD	104,023	92,246	11,777	13%
South Bay	86,479	76,474	8,038	13%
East County	22,017	16,218	5,799	36%
Copley	5,243	4,327	916	21%
Total	217,762	189,265	28,497	15%
 TROLLEY				
Blue Line	69,060	61,649	7,411	12%
Orange Line	34,370	29,936	4,434	15%
Green Line	46,417	33,797	12,620	37%
Total	149,847	125,382	24,465	20%
TOTAL MTS	367,609	314,647	52,962	17%

Free Ride Day



Next Steps

- Continue Choose Campaign
- Elevate Transit Tuesdays
- Begin Corridor BOGO Campaign





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Agenda Item No. 48

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 11, 2018

SUBJECT:

OPERATIONS BUDGET STATUS REPORT FOR JUNE 2018 (MIKE THOMPSON)

INFORMATIONAL ONLY

Budget Impact

None at this time.

DISCUSSION:

This report summarizes MTS's preliminary operating results for the fiscal year ending June 30, 2018 compared to the fiscal year (FY) 2018 amended budget for the San Diego Metropolitan Transit System (MTS). Attachment A-1 combines the operations', administrations' and other activities' results for June 2018. Attachment A-2 details the June 2018 combined operations' results and Attachments A-3 to A-7 present budget comparisons for each MTS operation. Attachment A-8 details budget comparisons for MTS Administration, and Attachment A-9 provides June 2018 results for MTS's other activities (Taxicab/San Diego and Arizona Eastern Railway Company).

MTS NET-OPERATING SUBSIDY RESULTS

As indicated within Attachment A-1, the FY18 net-operating income totaled a favorable variance of \$655,000 (0.4%). These factors include favorable variances in other revenue, energy, and administrative (G&A) costs, partially offset by unfavorable variances in passenger revenue, personnel costs, outside services, materials and supplies, and risk management.

Non-operating activities for FY18 were favorable to budget by \$1,396,000 (0.8%), primarily due to favorable variances with State Transit Assistance (STA) and TransNet revenues, partially offset by an unfavorable variance within Medi-Cal reimbursement.

In total, revenues exceeded expenses by \$2.1 million for FY18.



MTS COMBINED RESULTS

Revenues. Total combined operating revenues for FY18 were \$109,361,000, compared to the budget of \$107,664,000, representing a \$1,696,000 (1.6%) favorable variance. This is primarily due to favorable variances within Other Revenue, partially offset by an unfavorable variance in Passenger Fare revenues.

Expenses. Total combined expenses for FY18 were \$278,820,000 compared to the budget of \$277,778,000, resulting in a \$1,042,000 (-0.4%) unfavorable variance.

Personnel Costs. Personnel-related costs totaled \$131,428,000 for the fiscal year, compared to a budgetary figure of \$131,249,000, producing an unfavorable variance of \$179,000 (-0.1%).

Outside Services and Purchased Transportation. Total outside services for the fiscal year totaled \$95,309,000, compared to a budget of \$94,961,000, resulting in an unfavorable variance of \$348,000 (-0.4%).

Materials and Supplies. Total materials and supplies expenses were \$12,102,000, compared to a budgetary figure of \$11,837,000, resulting in an unfavorable variance of \$265,000 (-2.2%). This is primarily due to unfavorable experience in revenue vehicle parts.

Energy. Total energy costs were \$27,417,000, compared to the budget of \$27,506,000 resulting in a favorable variance of \$90,000 (0.3%).

Risk Management. Total expenses for risk management were \$7,193,000, compared to the budget of \$6,613,000, resulting in an unfavorable variance totaling \$579,000 (-8.8%). This is primarily due to larger than expected settlement costs.

General and Administrative. General and administrative costs, including vehicle and facilities leases, were \$5,371,000 for the fiscal year, compared to a budget of \$5,611,000, resulting in a favorable variance of \$240,000 (4.3%).

Subsidy Revenue and Other Non-operating Revenue and Expenses

Subsidy and non-operating revenues for FY18 were \$171,510,000 compared to the fiscal year budget of \$170,114,000, representing favorable variance of \$1,396,000 (0.8%). The drivers of this favorable variance are detailed as follows:

- STA revenues were favorable to budget by \$1,864,000 due to increased sales tax revenues from diesel fuel sales generated at the state level.
- TransNet revenues were favorable by \$1,010,000, primarily due to Bus Rapid Transit operating expense reimbursements, as well as TransNet sales tax revenues, exceeding original projections.
- Medi-Cal revenues were unfavorable by \$2,010,000. Medi-Cal changed their reimbursement procedures effective October 1, 2017, and as a result, MTS will no longer be able to invoice the state directly for reimbursement for Medi-Cal related trips. The reimbursement going forward will be through Medi-Cal managed care providers, but no revenue will be recognized for the last three quarters of FY18.

Net Revenues Less Expenses

For fiscal year 2018, MTS had an excess of revenues over expenses of \$2,051,000. Once the year-end financial audit is complete for FY18, staff will update this report and bring recommendations to the Board for the use of any surplus funding.

/s/ Sharon Cooney for _____
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 2018
JUNE 30, 2018
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 90,236	\$ 90,631	\$ (395)	-0.4%
Other Revenue	19,125	17,033	2,092	12.3%
Total Operating Revenue	\$ 109,361	\$ 107,664	\$ 1,696	1.6%
Personnel costs	\$ 131,428	\$ 131,249	\$ (179)	-0.1%
Outside services	95,309	94,961	(348)	-0.4%
Transit operations funding	-	-	-	-
Materials and supplies	12,102	11,837	(265)	-2.2%
Energy	27,417	27,506	90	0.3%
Risk management	7,193	6,613	(579)	-8.8%
General & administrative	4,344	4,551	208	4.6%
Vehicle/facility leases	1,028	1,060	32	3.0%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	(0)	0	0	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 278,820	\$ 277,778	\$ (1,042)	-0.4%
Operating income (loss)	\$ (169,459)	\$ (170,114)	\$ 655	0.4%
Total public support and nonoperating revenues	171,510	170,114	1,396	0.8%
Income (loss) before capital contributions	\$ 2,051	\$ 0	\$ 2,051	-

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
CONSOLIDATED OPERATIONS
COMPARISON TO BUDGET - FISCAL YEAR 2018
JUNE 30, 2018
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 90,236	\$ 90,631	\$ (395)	-0.4%
Other Revenue	1,224	900	324	36.0%
Total Operating Revenue	\$ 91,460	\$ 91,531	\$ (71)	-0.1%
Personnel costs	\$ 110,715	\$ 110,617	\$ (98)	-0.1%
Outside services	79,964	79,896	(69)	-0.1%
Transit operations funding	-	-	-	-
Materials and supplies	12,060	11,711	(349)	-3.0%
Energy	26,652	26,758	106	0.4%
Risk management	6,750	6,145	(605)	-9.8%
General & administrative	890	981	91	9.3%
Vehicle/facility leases	864	890	26	2.9%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	24,872	24,872	0	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 262,767	\$ 261,869	\$ (898)	-0.3%
Operating income (loss)	\$ (171,307)	\$ (170,338)	\$ (969)	-0.6%
Total public support and nonoperating revenues	171,307	170,338	969	0.6%
Income (loss) before capital contributions	\$ (0)	\$ 0	\$ (0)	-

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
TRANSIT SERVICES (SAN DIEGO TRANSIT CORPORATION)
COMPARISON TO BUDGET - FISCAL YEAR 2018
JUNE 30, 2018
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 23,034	\$ 21,736	\$ 1,299	6.0%
Other Revenue	278	15	263	1752.7%
Total Operating Revenue	\$ 23,312	\$ 21,751	\$ 1,561	7.2%
Personnel costs	\$ 73,495	\$ 73,237	\$ (258)	-0.4%
Outside services	1,940	1,996	56	2.8%
Transit operations funding	-	-	-	-
Materials and supplies	5,416	5,419	3	0.1%
Energy	5,243	5,444	201	3.7%
Risk management	4,962	3,985	(976)	-24.5%
General & administrative	477	556	79	14.1%
Vehicle/facility leases	353	337	(16)	-4.8%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	7,732	7,732	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 99,617	\$ 98,705	\$ (912)	-0.9%
Operating income (loss)	\$ (76,305)	\$ (76,955)	\$ 650	0.8%
Total public support and nonoperating revenues	76,305	76,955	(650)	-0.8%
Income (loss) before capital contributions	\$ (0)	\$ (0)	\$ 0	-

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
RAIL OPERATIONS (SAN DIEGO TROLLEY, INCORPORATED)
COMPARISON TO BUDGET - FISCAL YEAR 2018
JUNE 30, 2018
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 39,354	\$ 40,023	\$ (669)	-1.7%
Other Revenue	944	885	59	6.7%
Total Operating Revenue	\$ 40,298	\$ 40,908	\$ (610)	-1.5%
Personnel costs	\$ 36,502	\$ 36,745	\$ 243	0.7%
Outside services	5,548	5,534	(15)	-0.3%
Transit operations funding	-	-	-	-
Materials and supplies	6,561	6,262	(299)	-4.8%
Energy	13,331	13,033	(299)	-2.3%
Risk management	1,774	2,145	371	17.3%
General & administrative	354	389	35	9.0%
Vehicle/facility leases	211	253	42	16.5%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	15,003	15,003	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 79,284	\$ 79,363	\$ 79	0.1%
Operating income (loss)	\$ (38,986)	\$ (38,455)	\$ (531)	-1.4%
Total public support and nonoperating revenues	38,986	38,455	531	1.4%
Income (loss) before capital contributions	\$ (0)	\$ 0	\$ (0)	-

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
MULTIMODAL OPERATIONS (FIXED ROUTE)
COMPARISON TO BUDGET - FISCAL YEAR 2018
JUNE 30, 2018
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 25,161	\$ 26,224	\$ (1,063)	-4.1%
Other Revenue	2	-	2	-
Total Operating Revenue	\$ 25,163	\$ 26,224	\$ (1,061)	-4.0%
Personnel costs	\$ 456	\$ 322	\$ (133)	-41.4%
Outside services	54,974	54,933	(41)	-0.1%
Transit operations funding	-	-	-	-
Materials and supplies	83	31	(53)	-172.7%
Energy	5,768	6,164	396	6.4%
Risk management	-	-	-	-
General & administrative	12	9	(3)	-32.9%
Vehicle/facility leases	20	20	0	2.1%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	1,635	1,635	0	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 62,948	\$ 63,115	\$ 166	0.3%
Operating income (loss)	\$ (37,785)	\$ (36,890)	\$ (895)	-2.4%
Total public support and nonoperating revenues	37,785	36,890	895	2.4%
Income (loss) before capital contributions	\$ (0)	\$ (0)	\$ (0)	-

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
MULTIMODAL OPERATIONS (PARATRANSIT)
COMPARISON TO BUDGET - FISCAL YEAR 2018
JUNE 30, 2018
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 2,687	\$ 2,648	\$ 39	1.5%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 2,687	\$ 2,648	\$ 39	1.5%
Personnel costs	\$ 149	\$ 116	\$ (32)	-27.5%
Outside services	17,128	17,059	(69)	-0.4%
Transit operations funding	-	-	-	-
Materials and supplies	0	-	(0)	-
Energy	2,309	2,116	(192)	-9.1%
Risk management	15	15	-	0.0%
General & administrative	46	27	(20)	-73.1%
Vehicle/facility leases	280	280	-	0.0%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	502	502	0	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 20,430	\$ 20,116	\$ (313)	-1.6%
Operating income (loss)	\$ (17,743)	\$ (17,468)	\$ (275)	-1.6%
Total public support and nonoperating revenues	17,743	17,468	275	1.6%
Income (loss) before capital contributions	\$ (0)	\$ 0	\$ (0)	-

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
CORONADO FERRY
COMPARISON TO BUDGET - FISCAL YEAR 2018
JUNE 30, 2018
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	-	-	-	-
Total Operating Revenue	\$ -	\$ -	\$ -	-
Personnel costs	\$ -	\$ -	\$ -	-
Outside services	212	212	(0)	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	\$ 212	\$ 212	\$ (0)	0.0%
Operating income (loss)	\$ (212)	\$ (212)	\$ (0)	0.0%
Total public support and nonoperating revenues	212	212	-	0.0%
Income (loss) before capital contributions	\$ (0)	\$ (0)	\$ (0)	-

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
ADMINISTRATION
CONSOLIDATED
COMPARISON TO BUDGET - FISCAL YEAR 2018
JUNE 30, 2018
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	16,800	14,939	1,861	12.5%
Total Operating Revenue	\$ 16,800	\$ 14,939	\$ 1,861	12.5%
Personnel costs	\$ 19,771	\$ 19,710	\$ (61)	-0.3%
Outside services	15,107	14,759	(348)	-2.4%
Transit operations funding	-	-	-	-
Materials and supplies	41	118	77	65.2%
Energy	748	733	(15)	-2.1%
Risk management	368	393	25	6.3%
General & administrative	3,303	3,435	132	3.9%
Vehicle/facility leases	141	145	4	3.1%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	(24,957)	(24,957)	0	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 14,521	\$ 14,336	\$ (185)	-1.3%
Operating income (loss)	\$ 2,279	\$ 604	\$ 1,675	-277.6%
Total public support and nonoperating revenues	(228)	(604)	376	-62.3%
Income (loss) before capital contributions	\$ 2,051	\$ 0	\$ 2,051	-

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OTHER ACTIVITIES
CONSOLIDATED
COMPARISON TO BUDGET - FISCAL YEAR 2018
JUNE 30, 2018
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	1,100	1,194	(93)	-7.8%
Total Operating Revenue	\$ 1,100	\$ 1,194	\$ (93)	-7.8%
Personnel costs	\$ 942	\$ 923	\$ (19)	-2.1%
Outside services	238	306	68	22.3%
Transit operations funding	-	-	-	-
Materials and supplies	1	8	7	87.0%
Energy	17	16	(1)	-6.6%
Risk management	74	75	1	1.1%
General & administrative	151	135	(16)	-11.7%
Vehicle/facility leases	23	25	2	7.5%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	85	85	(0)	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 1,532	\$ 1,573	\$ 42	2.6%
Operating income (loss)	\$ (431)	\$ (380)	\$ (52)	-13.6%
Total public support and nonoperating revenues	431	380	52	13.6%
Income (loss) before capital contributions	\$ (0)	\$ (0)	\$ (0)	-

Metropolitan Transit System FY 2018 - June 2018 Financial Review

MTS Board of Directors Meeting
October 11, 2018



CONSOLIDATED MTS OPERATIONS

COMPARISON TO BUDGET – JUNE 30, 2018 - FY 2018

TOTAL OPERATING REVENUES (\$000's)

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>VAR %</u>
Fare Revenue	\$ 90,236	\$ 90,631	(\$395)	-0.4%
Other Operating Revenue	19,125	17,033	2,092	12.3%
Operating Revenue	\$109,361	\$107,664	\$1,696	1.6%

- Fare Revenue
 - Revenue unfavorable to the prior year by \$3.0M (-3.3%)
 - Ridership year over year unfavorable by -3.4%
- Other Operating Revenue - Favorable experience within Administration



CONSOLIDATED MTS OPERATIONS

COMPARISON TO BUDGET – JUNE 30, 2018 - FY 2018

TOTAL OPERATING EXPENSES (\$000's)

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>VAR %</u>
Personnel Costs	\$ 131,428	\$ 131,249	\$ (179)	-0.1%
Purchased Transportation	69,780	69,879	98	0.1%
Other Outside Services	25,529	25,082	(447)	-1.8%
Energy	27,417	27,506	90	0.3%
Other Expenses	24,666	24,062	(604)	-2.5%
Operating Expenses	\$ 278,820	\$ 277,778	\$ (1,042)	-0.4%

- Other Outside Services – Unfavorable variance in Security contract services (\$548K)
- Other Expenses – Unfavorable experience within:
 - Risk Management (\$579K) due to liability settlements
 - Materials and Supplies (\$265K) due to revenue vehicle parts



CONSOLIDATED MTS OPERATIONS

COMPARISON TO BUDGET – JUNE 30, 2018 - FY 2018

TOTAL NON-OPERATING REVENUE (\$000's)

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>VAR %</u>
Federal	\$ 59,136	\$ 58,992	\$ 144	0.2%
TDA	64,096	64,096	0	0.0%
TransNet	40,195	39,186	1,010	2.6%
STA	6,464	4,600	1,864	40.5%
Other	3,214	4,836	(1,621)	-33.5%
Non-Operating Revenue	\$173,106	\$171,709	\$ 1,396	0.8%

- TransNet – Favorable by \$1.0M due to Bus Rapid Transit net operating reimbursements, as well as sales tax receipts
- Other - Medi-Cal revenues were unfavorable by \$2.2M due to change to reimbursement rules that went into effect in 2017



CONSOLIDATED MTS OPERATIONS

COMPARISON TO BUDGET – JUNE 30, 2018 - FY 2018

TOTAL REVENUE LESS EXPENSES (\$000's)

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>VAR %</u>
Operating Revenues	\$ 109,361	\$ 107,664	\$ 1,696	1.6%
Operating Expenses	278,820	277,778	(1,042)	-0.4%
Net Operating Loss	\$ (169,459)	\$ (170,114)	\$ 655	0.4%
Non-Operating Revenues	173,106	171,709	1,396	0.8%
Net Debt Service Expenses	1,595	1,595	0	0.0%
Revenues Less Expenses	\$ 2,051	\$ 0	\$ 2,051	



CONSOLIDATED MTS OPERATIONS

COMPARISON TO BUDGET – JUNE 30, 2018 - FY 2018
ON GOING CONCERNS

	<u>FY18</u>		<u>FY19</u>
	Amended Budget	Actual	Budget
Regional Sales Tax Receipts	\$436.8 M	\$438.5 M	\$448.7 M
State of California Budget	\$19.8 M	\$21.7 M	\$13.0 M
Passenger Levels	84.4 M	85.2 M	85.8 M
Energy Prices			
CNG	\$ 0.87	\$ 0.84	\$ 0.90
Propane	\$ 2.00	\$ 1.93	\$ 1.53
Diesel	\$ 2.25	\$ 2.42	\$ 2.47
Gas	\$ 2.65	\$ 2.53	\$ 2.51
Electricity	\$ 0.208	\$ 0.210	\$ 0.215

Favorable

On Target

Unfavorable





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

Agenda Item No. 61

Chief Executive Officer's Report

October 11, 2018

In accordance with Board Policy No. 52, "Procurement of Goods and Services", attached are listings of contracts, purchase orders, and work orders that have been approved within the CEO's authority (up to and including \$100,000) for the period September 11, 2018 through October 2, 2018.

*Please note additional reporting of purchase orders that is now possible with the new SAP Enterprise Resource Planning system.

CEO Travel Report (since last Board meeting)

September 21 – 26: APTA Annual Conference in Nashville, TN

September 27 – 28: California Air Resources Board Meeting in Sacramento, CA

Board Member Travel Report (since last Board meeting)

Georgette Gómez

September 22 – 26: APTA Annual Conference in Nashville, TN

Ronn Hall

September 22 – 26: APTA Annual Conference in Nashville, TN

Ron Roberts

September 21 – 25: APTA Annual Conference in Nashville, TN



EXPENSE CONTRACTS				
Doc #	Organization	Subject	Amount	Day
G1768.4-15	BIG BEN MARKET	COMPASS CARD SALES OUTLET - EXERCIS OPTION YEAR	\$36,000.00	9/11/2018
G2179.0-19	FOX SPORTS COLLEGE PROPERTIES	PARTNERSHIP TO PROMOTE SDSU FOOTBALL & BASKETBALL GAME	\$33,000.00	9/11/2018
G1949.1-17-AE-24	JACOBS ENGINEERING GROUP, INC.	A&E TO DEVELOP 1,078 SF TENANT SPACE INTO A SMALL DELI	\$53,732.16	9/13/2018
PWL245.1-18	CLEAR SIGN & DESIGN	TIME EXTENSION	\$0.00	9/17/2018
PWG225.1-17	COMFORT MECHANICAL	INCREASE UNSCHEDULED REPAIR ALLOWANCE	\$16,801.00	9/21/2018
PWL250.1-18	CYBER PROFESSIONAL SOLUTIONS	KMD CREW ROOM - WORK DURATION CORRECTION - ZERO COST	\$0.00	9/25/2018
PWL204.0-16-47	ABC CONSTRUCTION	LA MESA BOLLARD REPAIR	\$42,765.71	9/26/2018
G2075.1-18.01	DOKKEN ENGINEERING	SOUTH BAY MAINTENANCE FACILITY	\$488.75	9/26/2018
PWL182.0-16-30	HERZOG CONSTRUCTION	EMERGENCY REPAIR WORK FOR THE MANHOLE REPAIR	\$2,484.57	9/27/2018

REVENUE CONTRACTS & MOUs				
Doc #	Organization	Subject	Amount	Day
L1475.0-19	NRC ENVIRONMENTAL SERVICES, INC	ROE - CALTRANS FIRE EMERGENCY BRIDGE REHABILITAION	\$750.00	9/14/2018
L4631.0-19	BURTECH PIPELINE, INC	ROE TO PERFORM EXPLORATORY INVESTIGATIONS	\$750.00	9/21/2018
L6747.1-17	SANDAG	JOE PERMIT EXTENSION	\$0.00	9/24/2018
G2142.0-18	MUSIC BOX SAN DIEGO	TO PROMOTE SPECIAL EVENT TRANSIT	\$0.00	9/25/2018
G2123.0-18	NAVY REGION SOUTHWEST	TO PROMOTE TRANSIT RIDERSHIP NAVY BAY	\$0.00	9/25/2018
G2184.0-19	SAN DIEGO DANCE THEATER	PARTNERSHIP TO PROMOTE PARTICIPATION TROLLEY DANCE 2018	\$0.00	9/25/2018
G2101.0-18	NATIONAL CITY CHAMBER OF COMME	MARIACHI FEST 2018 NCCC	\$0.00	9/25/2018
L5774.1-15	BOSA DEVELOPMENT CALIFORNIA	JROE - PERMIT EXTENSION	\$750.00	9/26/2018
G2190.0-19	DISCOVER CORONADO	MOA FOR 2018 SHOP LOCAL SHUTTLE	\$37,764.87	9/27/2018
L6762.0-17	ELOCK TECHNOLOGIES	JROE - PERFORM INSTALLATIONS, REMOVAL & MAINTENANCE	\$0.00	10/2/2018
M6732.0-19	SAN DIEGO DANCE THEATER	ROE - HAZARD CENTER STATION FOR DANCE PERFORMANCE	\$0.00	10/2/2018

Purchase Orders				
PO Number	PO Date	Name	Material Group	PO Value
4400000318	9/12/2018	Office Depot	G200-OFFICE SUPPLIES	25.75
4400000319	9/12/2018	W.W. Grainger Inc	M200-YARD FACILITIES	1,321.40
4400000320	9/12/2018	W.W. Grainger Inc	G130-SHOP TOOLS	481.54
4400000321	9/13/2018	W.W. Grainger Inc	G130-SHOP TOOLS	1,062.65
4400000322	9/14/2018	W.W. Grainger Inc	G230-PRINTED MATERIALS	72.34
4400000323	9/24/2018	Office Depot	G200-OFFICE SUPPLIES	352.74
4400000324	9/25/2018	Office Depot	G200-OFFICE SUPPLIES	62.77
4400000325	9/26/2018	W.W. Grainger Inc	G180-JANITORIAL SUPPLIES	219.58
4400000326	9/26/2018	Office Depot	G200-OFFICE SUPPLIES	45.21
4400000327	10/2/2018	Office Depot	G200-OFFICE SUPPLIES	155.57
4400000328	10/2/2018	Office Depot	G200-OFFICE SUPPLIES	164.58
4400000329	10/2/2018	Office Depot	G200-OFFICE SUPPLIES	252.02
4400000330	10/2/2018	Office Depot	G200-OFFICE SUPPLIES	25.65
4400000331	10/2/2018	Office Depot	G200-OFFICE SUPPLIES	53.88
4500020602	9/11/2018	Airgas Inc	G190-SAFETY/MED SUPPLIES	1,010.45
4500020603	9/11/2018	Ivy-IT, Inc.	F180-BUILDING MATERIALS	2,046.00
4500020604	9/11/2018	West-Lite Supply Co Inc	R180-RAIL/LRV LIGHTING	415.00
4500020605	9/11/2018	Vallen Distribution Inc.	G120-SECURITY	507.14
4500020606	9/11/2018	Chromate Industrial Corporation	G150-FASTENERS	1,038.20
4500020607	9/11/2018	Louis Sardo Upholstery Inc	B130-BUS BODY	1,405.35
4500020608	9/11/2018	Western-Cullen-Hayes Inc	T110-TRACK, RAIL	381.44
4500020609	9/11/2018	Insultech LLC	B200-BUS PWR TRAIN EQUIP	1,303.78
4500020610	9/11/2018	Jankovich Company	G170-LUBRICANTS	3,120.18
4500020611	9/11/2018	Jeyco Products Inc	G150-FASTENERS	36.40
4500020612	9/11/2018	US Mobile Wireless	G300-GENERAL CAPITAL EQP	880.00
4500020613	9/11/2018	Transit Holdings Inc	B250-BUS REPAIR PARTS	916.09
4500020614	9/11/2018	Transit Holdings Inc	B140-BUS CHASSIS	4,122.18
4500020615	9/11/2018	Siemens Mobility, Inc.	R120-RAIL/LRV CAR BODY	3,411.82
4500020616	9/11/2018	Gillig LLC	B130-BUS BODY	624.78
4500020617	9/11/2018	Mohawk Mfg & Supply Co	B140-BUS CHASSIS	4,776.56
4500020618	9/11/2018	R.S. Hughes Co Inc	B130-BUS BODY	3,834.67
4500020619	9/11/2018	Muncie Transit Supply	B200-BUS PWR TRAIN EQUIP	2,700.89
4500020620	9/11/2018	Steven Timme	G230-PRINTED MATERIALS	2,929.25
4500020621	9/11/2018	IPD Packaging Inc.	G140-SHOP SUPPLIES	121.74
4500020622	9/11/2018	Kiel NA LLC	B250-BUS REPAIR PARTS	75.43
4500020624	9/11/2018	On Center Software Inc	I140-IT CAPITAL SOFTWARE	500.00
4500020625	9/11/2018	CDW LLC	I110-INFORMATION TECH	107.70
4500020626	9/11/2018	Supreme Oil Company	A120-AUTO/TRUCK GASOLINE	2,022.12
4500020627	9/11/2018	Steven Timme	G110-BUS/TROLLEY SIGNAGE	257.05
4500020628	9/11/2018	W.W. Grainger Inc	F110-SHOP/BLDG MACHINERY	62.30
4500020629	9/11/2018	Comfort Mechanical Inc	F120-BUS/LRV PAINT BOOTHS	960.00
4500020630	9/11/2018	CDW LLC	I110-INFORMATION TECH	181.27
4500020631	9/11/2018	Steven Timme	G230-PRINTED MATERIALS	3,772.60
4500020632	9/12/2018	Sunbelt Rentals, Inc	C130-CONSTRUCTION SVCS	7,824.89
4500020633	9/12/2018	Legend Fence Corp	M200-YARD FACILITIES	300.00
4500020634	9/12/2018	Miramar Bobcat Inc	P130-EQUIP MAINT REPR SVC	1,901.85
4500020635	9/12/2018	Calmat	T110-TRACK, RAIL	2,653.58
4500020636	9/12/2018	Voestalpine Nortrak, Inc.	T140-TRACK, TURNOUTS	2,980.37
4500020638	9/12/2018	Mcmaster-Carr Supply Co	F110-SHOP/BLDG MACHINERY	106.21
4500020639	9/12/2018	Eran Hason	P120-BLDG/FACILITY REPRS	957.00
4500020640	9/12/2018	W.W. Grainger Inc	G140-SHOP SUPPLIES	32.26
4500020641	9/12/2018	Paragon Magnadata Inc.	G280-FARE MATERIALS	49,252.53
4500020642	9/12/2018	Transtech Corp USA	R160-RAIL/LRV ELECTRICAL	17,930.86
4500020643	9/12/2018	Airgas Inc	G190-SAFETY/MED SUPPLIES	179.75
4500020644	9/12/2018	Kiel NA LLC	B250-BUS REPAIR PARTS	426.70
4500020645	9/12/2018	W.W. Grainger Inc	G140-SHOP SUPPLIES	349.47
4500020646	9/12/2018	Applied Industrial Technologies-CA	G170-LUBRICANTS	993.67
4500020647	9/12/2018	Ridout Plastics Co Inc	G290-FARE REVENUE EQUIP	262.48
4500020648	9/12/2018	HI-TEC Enterprises	R160-RAIL/LRV ELECTRICAL	775.80

Purchase Orders				
PO Number	PO Date	Name	Material Group	PO Value
4500020649	9/12/2018	Home Depot USA Inc	G160-PAINTS & CHEMICALS	1,095.95
4500020650	9/12/2018	West-Lite Supply Co Inc	M110-SUB STATION	197.36
4500020651	9/12/2018	Professional Contractors Supplies	G180-JANITORIAL SUPPLIES	105.29
4500020652	9/12/2018	Delphin Computer Supply	G200-OFFICE SUPPLIES	830.36
4500020653	9/12/2018	Kidde Technologies Inc	B160-BUS ELECTRICAL	17.67
4500020654	9/12/2018	Charter Industrial Supply Inc	B120-BUS MECHANICAL PARTS	255.42
4500020655	9/12/2018	Soco Group Inc	B180-BUS DIESEL	8,723.60
4500020656	9/12/2018	Soco Group Inc	A120-AUTO/TRUCK GASOLINE	254.77
4500020657	9/12/2018	Transit Holdings Inc	B130-BUS BODY	2,044.82
4500020658	9/12/2018	Neyenesch Printers Inc	G230-PRINTED MATERIALS	3,473.86
4500020659	9/12/2018	Cummins Pacific LLC	B200-BUS PWR TRAIN EQUIP	25,207.64
4500020660	9/12/2018	RR Donnelley and Sons Co	G110-BUS/TROLLEY SIGNAGE	1,445.61
4500020661	9/12/2018	S & S Bakery Inc	P440-CATERING SERVICES	44.52
4500020662	9/13/2018	General Signals Inc	M130-CROSSING MECHANISM	4,490.33
4500020663	9/13/2018	Gillig LLC	B250-BUS REPAIR PARTS	626.18
4500020664	9/13/2018	Transit Products and Services	B250-BUS REPAIR PARTS	3,448.00
4500020665	9/13/2018	Prudential Overall Supply	G140-SHOP SUPPLIES	146.11
4500020666	9/13/2018	MIS Sciences Corp	I120-INFO TECH, SVCS	27,000.00
4500020667	9/13/2018	Motorola Solutions Inc	G300-GENERAL CAPITAL EQP	5,915.51
4500020668	9/13/2018	Loadbalancer.org Inc	I140-IT CAPITAL SOFTWARE	1,390.00
4500020669	9/13/2018	Dellner Inc	R130-RAIL/LRV COUPLER	1,601.38
4500020670	9/13/2018	Asbury Environmental Services	B200-BUS PWR TRAIN EQUIP	3,070.88
4500020671	9/13/2018	The ATP Group, Inc.	G230-PRINTED MATERIALS	542.65
4500020672	9/13/2018	MS Electrical Distribution Inc	M180-STATION ELECTRICAL	1,960.30
4500020673	9/13/2018	Waxie's Enterprises Inc.	G180-JANITORIAL SUPPLIES	274.98
4500020674	9/13/2018	Professional Contractors Supplies	G180-JANITORIAL SUPPLIES	352.70
4500020675	9/13/2018	Industrial Maintenance Supply LLC	G150-FASTENERS	55.56
4500020676	9/13/2018	OneSource Distributors, LLC	G190-SAFETY/MED SUPPLIES	289.68
4500020677	9/13/2018	Mcmaster-Carr Supply Co	R120-RAIL/LRV CAR BODY	21.00
4500020678	9/13/2018	Siemens Mobility, Inc.	R120-RAIL/LRV CAR BODY	6,612.63
4500020679	9/13/2018	Cubic Transportation Systems	B190-BUS FARE EQUIP	808.13
4500020680	9/13/2018	Waxie's Enterprises Inc.	G180-JANITORIAL SUPPLIES	1,937.50
4500020681	9/13/2018	Gillig LLC	B130-BUS BODY	2,280.77
4500020682	9/13/2018	TK Services Inc	B110-BUS HVAC SYSTEMS	5,433.06
4500020683	9/13/2018	Transit Holdings Inc	B250-BUS REPAIR PARTS	243.52
4500020684	9/13/2018	Acuity Specialty Products Inc	G180-JANITORIAL SUPPLIES	770.09
4500020685	9/13/2018	The Truck Lighthouse	R180-RAIL/LRV LIGHTING	4,996.69
4500020686	9/13/2018	Tribologik Corporation	G140-SHOP SUPPLIES	2,060.72
4500020687	9/13/2018	Transit Holdings Inc	B250-BUS REPAIR PARTS	5,775.22
4500020688	9/13/2018	Gillig LLC	B250-BUS REPAIR PARTS	546.34
4500020689	9/13/2018	Mohawk Mfg & Supply Co	B140-BUS CHASSIS	59.01
4500020690	9/14/2018	M Power Truck & Diesel Repair	P210-NON-REV VEH REPAIRS	603.21
4500020691	9/14/2018	Uline	G190-SAFETY/MED SUPPLIES	70.04
4500020692	9/14/2018	Hanning & Kahl LP	M140-WAYSIDE SIGNALS	26,930.72
4500020693	9/14/2018	Romaine Electric Corporation	B160-BUS ELECTRICAL	305.30
4500020694	9/14/2018	Vern Rose Inc	G140-SHOP SUPPLIES	257.91
4500020695	9/14/2018	R.S. Hughes Co Inc	G140-SHOP SUPPLIES	804.46
4500020696	9/14/2018	Raphael's Party Rentals Inc	G250-NOVELTIES & AWARDS	1,804.45
4500020697	9/14/2018	Raphael's Party Rentals Inc	G250-NOVELTIES & AWARDS	1,864.20
4500020698	9/14/2018	Cummins Pacific LLC	B200-BUS PWR TRAIN EQUIP	3,412.17
4500020699	9/14/2018	Soco Group Inc	A120-AUTO/TRUCK GASOLINE	2,020.76
4500020700	9/14/2018	Kaman Industrial Technologies	B120-BUS MECHANICAL PARTS	2,610.25
4500020701	9/14/2018	Zoho Corporation	I140-IT CAPITAL SOFTWARE	1,195.00
4500020702	9/14/2018	Airgas Inc	G190-SAFETY/MED SUPPLIES	3,488.04
4500020703	9/14/2018	R.S. Hughes Co Inc	G190-SAFETY/MED SUPPLIES	133.53
4500020704	9/14/2018	Steven Timme	G110-BUS/TROLLEY SIGNAGE	343.25
4500020705	9/14/2018	Battery Systems Inc	A130-AUTO/TRUCK DIESEL	133.99
4500020706	9/14/2018	Brown & Bigelow Inc	G230-PRINTED MATERIALS	2,609.73
4500020707	9/14/2018	Kaman Industrial Technologies	B200-BUS PWR TRAIN EQUIP	170.59

Purchase Orders				
PO Number	PO Date	Name	Material Group	PO Value
4500020708	9/17/2018	Cummins Pacific LLC	B250-BUS REPAIR PARTS	1,736.76
4500020709	9/17/2018	Harbor Diesel & Equipment	B250-BUS REPAIR PARTS	344.48
4500020710	9/17/2018	TK Services Inc	B110-BUS HVAC SYSTEMS	1,320.50
4500020711	9/17/2018	Transit Holdings Inc	B250-BUS REPAIR PARTS	351.07
4500020712	9/17/2018	Gillig LLC	B120-BUS MECHANICAL PARTS	7,321.27
4500020713	9/17/2018	AxleTech International LLC	B140-BUS CHASSIS	563.81
4500020714	9/17/2018	Staples Contract & Commercial Inc	G200-OFFICE SUPPLIES	1,191.49
4500020715	9/17/2018	Cummins Pacific LLC	B250-BUS REPAIR PARTS	220.00
4500020716	9/17/2018	W.W. Grainger Inc	M110-SUB STATION	894.35
4500020717	9/17/2018	Home Depot USA Inc	G180-JANITORIAL SUPPLIES	134.15
4500020718	9/17/2018	Muncie Transit Supply	B140-BUS CHASSIS	847.52
4500020719	9/17/2018	Legend Fence Corp	M200-YARD FACILITIES	495.50
4500020720	9/17/2018	Cummins Pacific LLC	B200-BUS PWR TRAIN EQUIP	1,446.04
4500020721	9/17/2018	W.W. Grainger Inc	F110-SHOP/BLDG MACHINERY	118.44
4500020722	9/17/2018	Kurt Morgan	G200-OFFICE SUPPLIES	593.26
4500020723	9/17/2018	Professional Contractors Supplies	G140-SHOP SUPPLIES	75.52
4500020724	9/17/2018	Western-Cullen-Hayes Inc	M130-CROSSING MECHANISM	387.90
4500020725	9/17/2018	SPX Corporation	G290-FARE REVENUE EQUIP	4,811.15
4500020726	9/17/2018	Reid and Clark Screen Arts Co	R120-RAIL/LRV CAR BODY	231.12
4500020727	9/17/2018	Muncie Transit Supply	B130-BUS BODY	351.93
4500020728	9/17/2018	Supreme Oil Company	A120-AUTO/TRUCK GASOLINE	11,066.20
4500020729	9/17/2018	US Mobile Wireless	G120-SECURITY	455.25
4500020730	9/17/2018	Ace Uniforms & Accessories	G120-SECURITY	1,201.42
4500020731	9/17/2018	SPX Corporation	G290-FARE REVENUE EQUIP	7,891.72
4500020732	9/17/2018	Cummins Pacific LLC	B200-BUS PWR TRAIN EQUIP	864.43
4500020733	9/17/2018	Romaine Electric Corporation	B160-BUS ELECTRICAL	610.60
4500020734	9/17/2018	American Seating Company	R200-RAIL/LRV SEATING	107.75
4500020735	9/17/2018	National Railway Supply LLC	M140-WAYSIDE SIGNALS	393.25
4500020736	9/17/2018	West End Holdings Inc	P280-GENERAL SVC AGRMNTS	825.00
4500020737	9/17/2018	Christopher O'Connell	P310-ADVERTISING SERVICES	500.00
4500020738	9/18/2018	W.W. Grainger Inc	G130-SHOP TOOLS	410.10
4500020739	9/18/2018	Gillig LLC	B250-BUS REPAIR PARTS	590.13
4500020740	9/18/2018	Vietnamese American Media Corp	P310-ADVERTISING SERVICES	240.00
4500020741	9/18/2018	Mannis Communications	P310-ADVERTISING SERVICES	1,155.00
4500020742	9/18/2018	San Diego Union Tribune LLC	P310-ADVERTISING SERVICES	1,386.00
4500020743	9/18/2018	The Filipino Press, Inc.	P310-ADVERTISING SERVICES	700.00
4500020744	9/18/2018	San Diego Chinese Tribune	P310-ADVERTISING SERVICES	760.00
4500020745	9/18/2018	Harbor Diesel & Equipment	G170-LUBRICANTS	2,668.59
4500020746	9/18/2018	The Truck Lighthouse	G140-SHOP SUPPLIES	80.63
4500020747	9/18/2018	R.S. Hughes Co Inc	G140-SHOP SUPPLIES	57.54
4500020748	9/18/2018	CASEI	F180-BUILDING MATERIALS	365.28
4500020750	9/18/2018	Kaman Industrial Technologies	B200-BUS PWR TRAIN EQUIP	127.94
4500020751	9/18/2018	Transit Holdings Inc	B140-BUS CHASSIS	15,518.61
4500020752	9/18/2018	Transit Products and Services	B250-BUS REPAIR PARTS	1,724.00
4500020753	9/18/2018	Gillig LLC	B130-BUS BODY	12,722.34
4500020754	9/18/2018	Soco Group Inc	B180-BUS DIESEL	8,703.30
4500020755	9/18/2018	Gillig LLC	B250-BUS REPAIR PARTS	434.08
4500020756	9/18/2018	Freeby Signs	B250-BUS REPAIR PARTS	355.58
4500020757	9/18/2018	El Tigre Enterprise Inc	P440-CATERING SERVICES	1,500.00
4500020758	9/18/2018	Alstom Signaling Inc	G130-SHOP TOOLS	338.34
4500020759	9/18/2018	Cardiac Science Corporation	G200-OFFICE SUPPLIES	129.61
4500020760	9/18/2018	M Power Truck & Diesel Repair	P130-EQUIP MAINT REPR SVC	767.01
4500020761	9/18/2018	Siemens Mobility, Inc.	R160-RAIL/LRV ELECTRICAL	43,945.85
4500020762	9/19/2018	Gillig LLC	B250-BUS REPAIR PARTS	3,963.80
4500020763	9/19/2018	Controlled Motion Solutions Inc	R220-RAIL/LRV TRUCKS	2,550.28
4500020764	9/19/2018	Knorr Brake Co-IFE North America	R120-RAIL/LRV CAR BODY	52,941.89
4500020765	9/19/2018	Barry Sandler Enterprises	G180-JANITORIAL SUPPLIES	923.14
4500020766	9/19/2018	San Diego Union Tribune LLC	G230-PRINTED MATERIALS	538.79
4500020767	9/19/2018	Midwest Bus Corporation	B130-BUS BODY	301.32

Purchase Orders				
PO Number	PO Date	Name	Material Group	PO Value
4500020768	9/19/2018	Annex Automotive and	F120-BUS/LRV PAINT BOOTHS	4,226.26
4500020769	9/19/2018	R.S. Hughes Co Inc	G190-SAFETY/MED SUPPLIES	1,011.81
4500020771	9/19/2018	Robcar Corporation	G190-SAFETY/MED SUPPLIES	215.50
4500020772	9/19/2018	Mohawk Mfg & Supply Co	B140-BUS CHASSIS	749.56
4500020773	9/19/2018	Home Depot USA Inc	G130-SHOP TOOLS	1,329.57
4500020774	9/19/2018	Casco Equipment Corp	P280-GENERAL SVC AGRMNTS	500.00
4500020775	9/19/2018	Curbell Plastics Inc	B130-BUS BODY	416.45
4500020776	9/19/2018	Mouser Electronics Inc	B250-BUS REPAIR PARTS	71.81
4500020777	9/19/2018	Industrial Maintenance Supply LLC	G150-FASTENERS	123.89
4500020778	9/19/2018	Transit Holdings Inc	B130-BUS BODY	2,234.21
4500020779	9/19/2018	Charter Industrial Supply Inc	B120-BUS MECHANICAL PARTS	543.47
4500020780	9/19/2018	Allied Refrigeration Inc	B110-BUS HVAC SYSTEMS	958.22
4500020781	9/19/2018	Knorr Brake Company	R220-RAIL/LRV TRUCKS	39,553.38
4500020782	9/19/2018	Cubic Transportation Systems	G290-FARE REVENUE EQUIP	1,920.64
4500020783	9/19/2018	Jamaica Bearings Co Inc	R220-RAIL/LRV TRUCKS	19,232.73
4500020784	9/19/2018	Siemens Mobility, Inc.	R160-RAIL/LRV ELECTRICAL	4,310.00
4500020785	9/19/2018	Kaman Industrial Technologies	G140-SHOP SUPPLIES	79.83
4500020786	9/20/2018	Urea-Z, Inc.	G180-JANITORIAL SUPPLIES	1,795.12
4500020787	9/20/2018	Ansaldo Sts Usa Inc	M140-WAYSIDE SIGNALS	131.09
4500020788	9/20/2018	Transit Holdings Inc	B250-BUS REPAIR PARTS	417.34
4500020789	9/20/2018	Mcmaster-Carr Supply Co	F110-SHOP/BLDG MACHINERY	103.42
4500020790	9/20/2018	W.W. Grainger Inc	F110-SHOP/BLDG MACHINERY	34.37
4500020791	9/20/2018	Gillig LLC	B250-BUS REPAIR PARTS	265.60
4500020792	9/20/2018	Bay City Equipment Industries Inc	F110-SHOP/BLDG MACHINERY	166.57
4500020793	9/20/2018	TK Services Inc	B110-BUS HVAC SYSTEMS	779.29
4500020794	9/20/2018	West End Holdings Inc	P260-TESTING & ANALYSIS	525.00
4500020795	9/20/2018	OSI Hardware Inc	I110-INFORMATION TECH	20,098.97
4500020796	9/20/2018	Bonsall Petroleum Construction Inc	F110-SHOP/BLDG MACHINERY	534.06
4500020797	9/20/2018	Anixter Inc	I110-INFORMATION TECH	192.55
4500020798	9/20/2018	Industrial Maintenance Supply LLC	B110-BUS HVAC SYSTEMS	70.22
4500020800	9/20/2018	Kaman Industrial Technologies	B120-BUS MECHANICAL PARTS	1,557.70
4500020801	9/20/2018	Citywide Auto Glass Inc	P210-NON-REV VEH REPAIRS	322.83
4500020802	9/20/2018	Rush Truck Centers of California	B200-BUS PWR TRAIN EQUIP	686.37
4500020803	9/20/2018	Alliant Insurance Services Inc	P370-RISK MANAGEMENT	7,910.19
4500020804	9/20/2018	Steven Timme	G110-BUS/TROLLEY SIGNAGE	1,261.28
4500020805	9/20/2018	Steven Timme	G230-PRINTED MATERIALS	95.43
4500020806	9/21/2018	Waxie's Enterprises Inc.	G180-JANITORIAL SUPPLIES	144.31
4500020807	9/21/2018	R.B. Hornberger Co Inc	T140-TRACK, TURNOUTS	814.71
4500020808	9/21/2018	ASPEN Refrigerants Inc	R170-RAIL/LRV HVAC	182.10
4500020809	9/21/2018	Culligan of San Diego	G140-SHOP SUPPLIES	1,523.20
4500020810	9/21/2018	Grah Safe & Lock Inc	P130-EQUIP MAINT REPR SVC	319.00
4500020811	9/21/2018	Harbor Diesel & Equipment	G170-LUBRICANTS	2,881.34
4500020812	9/21/2018	Steven Timme	G110-BUS/TROLLEY SIGNAGE	1,693.00
4500020813	9/21/2018	Pressnet Express Inc	G230-PRINTED MATERIALS	818.90
4500020814	9/21/2018	Steven Timme	G230-PRINTED MATERIALS	68.49
4500020815	9/21/2018	Soco Group Inc	A120-AUTO/TRUCK GASOLINE	2,144.06
4500020816	9/21/2018	Airgas Inc	G190-SAFETY/MED SUPPLIES	244.76
4500020817	9/21/2018	Kaman Industrial Technologies	G140-SHOP SUPPLIES	632.74
4500020818	9/21/2018	Soco Group Inc	B180-BUS DIESEL	8,605.88
4500020819	9/21/2018	Harbor Diesel & Equipment	B200-BUS PWR TRAIN EQUIP	452.23
4500020820	9/21/2018	Romaine Electric Corporation	B160-BUS ELECTRICAL	3,093.52
4500020821	9/21/2018	Rush Truck Centers of California	B140-BUS CHASSIS	506.43
4500020822	9/21/2018	Transit Holdings Inc	B200-BUS PWR TRAIN EQUIP	1,879.99
4500020823	9/24/2018	W.W. Grainger Inc	F110-SHOP/BLDG MACHINERY	104.21
4500020824	9/24/2018	Staples Contract & Commercial Inc	G210-OFFICE FURNITURE	3,896.26
4500020825	9/24/2018	Ferguson Enterprises	F110-SHOP/BLDG MACHINERY	83.57
4500020826	9/24/2018	Kurt Morgan	G200-OFFICE SUPPLIES	96.24
4500020827	9/24/2018	Mohawk Mfg & Supply Co	B140-BUS CHASSIS	6,116.05
4500020828	9/24/2018	Kaman Industrial Technologies	B200-BUS PWR TRAIN EQUIP	426.46

Purchase Orders				
PO Number	PO Date	Name	Material Group	PO Value
4500020829	9/24/2018	Genuine Parts Co	G170-LUBRICANTS	1,229.00
4500020830	9/24/2018	Jeyco Products Inc	B140-BUS CHASSIS	229.96
4500020831	9/24/2018	Industrial Maintenance Supply LLC	G150-FASTENERS	331.87
4500020832	9/24/2018	Team One Repair Inc	G290-FARE REVENUE EQUIP	663.30
4500020833	9/24/2018	United Fastener Inc	B250-BUS REPAIR PARTS	193.95
4500020834	9/24/2018	Home Depot USA Inc	G140-SHOP SUPPLIES	183.37
4500020835	9/24/2018	W.W. Grainger Inc	M180-STATION ELECTRICAL	1,313.82
4500020836	9/24/2018	Siemens Mobility, Inc.	R160-RAIL/LRV ELECTRICAL	18,139.72
4500020837	9/24/2018	Cummins Pacific LLC	B200-BUS PWR TRAIN EQUIP	27,187.18
4500020838	9/24/2018	JKL Cleaning Systems	P130-EQUIP MAINT REPR SVC	73.45
4500020839	9/24/2018	Mohawk Mfg & Supply Co	B140-BUS CHASSIS	202.27
4500020840	9/24/2018	Airgas Inc	G140-SHOP SUPPLIES	514.13
4500020841	9/24/2018	Sid Tool Co	G180-JANITORIAL SUPPLIES	239.04
4500020842	9/24/2018	Waxie's Enterprises Inc.	G180-JANITORIAL SUPPLIES	575.45
4500020843	9/24/2018	Asbury Environmental Services	S130-DISPOSAL, OTHER	840.00
4500020844	9/24/2018	Soco Group Inc	A120-AUTO/TRUCK GASOLINE	25,834.43
4500020845	9/24/2018	Kaman Industrial Technologies	G140-SHOP SUPPLIES	158.97
4500020846	9/24/2018	San Diego Compressed Air Power LLC	F180-BUILDING MATERIALS	352.67
4500020847	9/24/2018	Gillig LLC	B130-BUS BODY	4,471.99
4500020848	9/24/2018	Trentman Corporation	G140-SHOP SUPPLIES	125.50
4500020849	9/24/2018	Vern Rose Inc	G140-SHOP SUPPLIES	87.18
4500020850	9/25/2018	Kurt Morgan	G200-OFFICE SUPPLIES	329.31
4500020851	9/25/2018	Supreme Oil Company	A120-AUTO/TRUCK GASOLINE	2,077.61
4500020852	9/25/2018	OSI Hardware Inc	I110-INFORMATION TECH	3,496.83
4500020853	9/25/2018	CDW LLC	I110-INFORMATION TECH	699.27
4500020854	9/25/2018	W.W. Grainger Inc	F110-SHOP/BLDG MACHINERY	78.94
4500020855	9/25/2018	Mcmaster-Carr Supply Co	F110-SHOP/BLDG MACHINERY	70.43
4500020856	9/25/2018	Delphin Computer Supply	G200-OFFICE SUPPLIES	495.65
4500020857	9/25/2018	ASPEN Refrigerants Inc	G140-SHOP SUPPLIES	820.25
4500020859	9/25/2018	Supreme Oil Company	A120-AUTO/TRUCK GASOLINE	11,528.55
4500020860	9/25/2018	Cummins Pacific LLC	B130-BUS BODY	3,608.73
4500020861	9/25/2018	Mohawk Mfg & Supply Co	B140-BUS CHASSIS	2,087.12
4500020862	9/25/2018	Prochem Specialty Products Inc	G180-JANITORIAL SUPPLIES	1,898.77
4500020863	9/25/2018	Castle Services Inc	F110-SHOP/BLDG MACHINERY	4,590.00
4500020864	9/25/2018	Transit Holdings Inc	B140-BUS CHASSIS	2,739.92
4500020865	9/25/2018	Wayne Harmeyer Inc	B160-BUS ELECTRICAL	484.88
4500020866	9/25/2018	TK Services Inc	B110-BUS HVAC SYSTEMS	2,337.87
4500020867	9/25/2018	Transit Holdings Inc	B250-BUS REPAIR PARTS	3,035.97
4500020868	9/25/2018	Cummins Pacific LLC	B200-BUS PWR TRAIN EQUIP	2,583.47
4500020869	9/25/2018	CDW LLC	I110-INFORMATION TECH	848.73
4500020870	9/26/2018	R.B. Hornberger Co Inc	T140-TRACK, TURNOUTS	2,639.38
4500020871	9/26/2018	Transit Holdings Inc	B250-BUS REPAIR PARTS	2,297.39
4500020872	9/26/2018	Mohawk Mfg & Supply Co	B120-BUS MECHANICAL PARTS	136.86
4500020873	9/26/2018	Knorr Brake Company	R220-RAIL/LRV TRUCKS	1,825.66
4500020874	9/26/2018	Romaine Electric Corporation	M130-CROSSING MECHANISM	1,491.93
4500020875	9/26/2018	Staples Contract & Commercial Inc	G200-OFFICE SUPPLIES	248.85
4500020876	9/26/2018	Transit Products and Services	B250-BUS REPAIR PARTS	1,724.00
4500020877	9/26/2018	Ismael Frausto	R200-RAIL/LRV SEATING	1,946.29
4500020878	9/26/2018	Citywide Auto Glass Inc	P190-REV VEHICLE REPAIRS	112.72
4500020879	9/26/2018	Neleco Products Inc	G170-LUBRICANTS	468.72
4500020880	9/26/2018	Willy's Electronic Supply Co	M180-STATION ELECTRICAL	325.36
4500020881	9/26/2018	Transit Holdings Inc	B250-BUS REPAIR PARTS	66.81
4500020882	9/26/2018	P & R Paper Supply Company Inc	G180-JANITORIAL SUPPLIES	84.69
4500020883	9/26/2018	Machinex, Inc.	R160-RAIL/LRV ELECTRICAL	2,068.80
4500020884	9/26/2018	American Seating Company	R200-RAIL/LRV SEATING	54.79
4500020885	9/26/2018	Mission Janitorial Supplies	G180-JANITORIAL SUPPLIES	774.94
4500020886	9/26/2018	Zep Vehicle Care Inc	G160-PAINTS & CHEMICALS	647.20
4500020887	9/26/2018	San Diego Plastics Inc	R220-RAIL/LRV TRUCKS	808.13
4500020888	9/26/2018	San Diego Seal Inc	G140-SHOP SUPPLIES	568.62

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PO Number	PO Date	Name	Material Group	PO Value
4500020889	9/26/2018	California Sheet Metal Works	R160-RAIL/LRV ELECTRICAL	754.25
4500020890	9/26/2018	Airgas Inc	G190-SAFETY/MED SUPPLIES	1,625.93
4500020891	9/26/2018	Knorr Brake Company	R220-RAIL/LRV TRUCKS	17,220.25
4500020892	9/26/2018	HI-TEC Enterprises	R140-RAIL/LRV DOORS/RAMP	6,064.17
4500020893	9/26/2018	Newark Corporation	G290-FARE REVENUE EQUIP	4,437.57
4500020894	9/26/2018	W.W. Grainger Inc	M180-STATION ELECTRICAL	236.14
4500020895	9/26/2018	Super Welding of Southern CA	M180-STATION ELECTRICAL	457.00
4500020896	9/26/2018	CDW LLC	I110-INFORMATION TECH	19,928.37
4500020897	9/26/2018	Louis Sardo Upholstery Inc	R240-RAIL/LRV REPR PARTS	3,180.00
4500020900	9/26/2018	Global Power Group Inc	F110-SHOP/BLDG MACHINERY	10,201.63
4500020901	9/26/2018	South County Economic Development	P310-ADVERTISING SERVICES	350.00
4500020902	9/26/2018	Latina & Associates Inc.	P310-ADVERTISING SERVICES	1,072.00
4500020903	9/27/2018	Cummins Pacific LLC	P190-REV VEHICLE REPAIRS	295.00
4500020904	9/27/2018	Steven Timme	G110-BUS/TROLLEY SIGNAGE	795.80
4500020905	9/27/2018	Madden Construction Inc	P280-GENERAL SVC AGRMNTS	654.06
4500020906	9/27/2018	Miramar Bobcat Inc	P130-EQUIP MAINT REPR SVC	712.27
4500020907	9/27/2018	Red Truck Fire & Safety Co.	R240-RAIL/LRV REPR PARTS	3,334.32
4500020908	9/27/2018	Gillig LLC	B130-BUS BODY	2,703.25
4500020909	9/27/2018	Transit Holdings Inc	B250-BUS REPAIR PARTS	1,293.17
4500020910	9/27/2018	Cummins Pacific LLC	B250-BUS REPAIR PARTS	120.79
4500020911	9/27/2018	Muncie Transit Supply	B120-BUS MECHANICAL PARTS	1,495.66
4500020912	9/27/2018	Transit Holdings Inc	B140-BUS CHASSIS	2,179.80
4500020913	9/27/2018	Steven Timme	G110-BUS/TROLLEY SIGNAGE	1,313.00
4500020914	9/27/2018	Waxie's Enterprises Inc.	G180-JANITORIAL SUPPLIES	5,681.14
4500020915	9/27/2018	Cummins Pacific LLC	B250-BUS REPAIR PARTS	172.26
4500020916	9/27/2018	Sherri Cameron	R120-RAIL/LRV CAR BODY	407.30
4500020917	9/27/2018	Zoho Corporation	I110-INFORMATION TECH	3,345.00
4500020918	9/27/2018	Padre Janitorial Supplies Inc	F110-SHOP/BLDG MACHINERY	253.37
4500020919	9/27/2018	Freeby Signs	B250-BUS REPAIR PARTS	374.43
4500020920	9/27/2018	Culligan of San Diego	G140-SHOP SUPPLIES	1,672.80
4500020921	9/27/2018	Golden Star Technology Inc	I110-INFORMATION TECH	14,929.50
4500020922	9/27/2018	Allied Refrigeration Inc	R170-RAIL/LRV HVAC	413.63
4500020923	9/27/2018	Cummins Pacific LLC	B160-BUS ELECTRICAL	14,336.20
4500020924	9/27/2018	Jeyco Products Inc	G130-SHOP TOOLS	91.31
4500020926	9/27/2018	Cummins Pacific LLC	B200-BUS PWR TRAIN EQUIP	4,488.19
4500020927	9/27/2018	R.B. Hornberger Co Inc	T110-TRACK, RAIL	791.97
4500020928	9/27/2018	Soco Group Inc	B180-BUS DIESEL	8,800.73
4500020929	9/27/2018	Soco Group Inc	A120-AUTO/TRUCK GASOLINE	26,728.36
4500020930	9/27/2018	Office Solutions	G200-OFFICE SUPPLIES	358.88
4500020931	9/27/2018	JKL Cleaning Systems	P130-EQUIP MAINT REPR SVC	383.80
4500020932	9/27/2018	Mohawk Mfg & Supply Co	B140-BUS CHASSIS	3,580.70
4500020933	9/27/2018	Herzog Contracting Co	C130-CONSTRUCTION SVCS	2,484.57
4500020934	9/27/2018	The Gordian Group, Inc.	C130-CONSTRUCTION SVCS	74.04
4500020936	9/28/2018	Penn Machine Company LLC	R240-RAIL/LRV REPR PARTS	628.51
4500020937	9/28/2018	Newark Corporation	R240-RAIL/LRV REPR PARTS	278.15
4500020938	9/28/2018	Airgas Inc	G140-SHOP SUPPLIES	170.01
4500020939	9/28/2018	IPD Packaging Inc.	G140-SHOP SUPPLIES	130.82
4500020940	9/28/2018	W.W. Grainger Inc	M110-SUB STATION	116.63
4500020941	9/28/2018	Golden State Supply LLC	F180-BUILDING MATERIALS	49.09
4500020942	9/28/2018	MCAS Miramar Vet	G120-SECURITY	326.38
4500020943	9/28/2018	West-Lite Supply Co Inc	M180-STATION ELECTRICAL	66.49
4500020944	9/28/2018	Annex Automotive and	F120-BUS/LRV PAINT BOOTHS	17,781.91
4500020945	9/28/2018	Raphael's Party Rentals Inc	P540-MAINTENANCE TRAINING	486.00
4500020946	9/28/2018	Citywide Auto Glass Inc	P190-REV VEHICLE REPAIRS	112.72
4500020947	9/28/2018	Soco Group Inc	A120-AUTO/TRUCK GASOLINE	2,205.71
4500020948	9/28/2018	Professional Contractors Supplies	G140-SHOP SUPPLIES	82.61
4500020949	9/28/2018	Prochem Specialty Products Inc	G180-JANITORIAL SUPPLIES	1,898.77
4500020950	9/28/2018	Tacos & Gorditas para sus Fiestas	P540-MAINTENANCE TRAINING	830.00
4500020951	9/28/2018	Cummins Pacific LLC	P190-REV VEHICLE REPAIRS	2,297.15

Purchase Orders				
PO Number	PO Date	Name	Material Group	PO Value
4500020952	9/28/2018	Cummins Pacific LLC	B250-BUS REPAIR PARTS	192.34
4500020953	9/28/2018	Transit Holdings Inc	B250-BUS REPAIR PARTS	218.58
4500020954	10/1/2018	Team One Repair Inc	G290-FARE REVENUE EQUIP	1,008.72
4500020955	10/1/2018	Pressnet Express Inc	G230-PRINTED MATERIALS	748.87
4500020956	10/1/2018	Samba Holdings Inc	P450-PERSONNEL SVCS	69,225.00
4500020957	10/1/2018	Harbor Diesel & Equipment	P190-REV VEHICLE REPAIRS	14,054.60
4500020958	10/1/2018	W.W. Grainger Inc	B250-BUS REPAIR PARTS	214.56
4500020959	10/1/2018	Mouser Electronics Inc	B250-BUS REPAIR PARTS	244.60
4500020960	10/1/2018	Industrial Maintenance Supply LLC	G150-FASTENERS	149.22
4500020961	10/1/2018	Shilpark Paint Corp.	G160-PAINTS & CHEMICALS	550.88
4500020962	10/1/2018	The Gordian Group, Inc.	S130-DISPOSAL, OTHER	4,229.84
4500020963	10/1/2018	Steven Timme	G110-BUS/TROLLEY SIGNAGE	262.44
4500020964	10/1/2018	Waxie's Enterprises Inc.	G180-JANITORIAL SUPPLIES	3,123.25
4500020965	10/1/2018	Soco Group Inc	A120-AUTO/TRUCK GASOLINE	13,419.24
4500020966	10/1/2018	Veritech, Inc.	B250-BUS REPAIR PARTS	9,775.08
4500020967	10/1/2018	W.W. Grainger Inc	G140-SHOP SUPPLIES	257.06
4500020968	10/1/2018	Transit Holdings Inc	B250-BUS REPAIR PARTS	2,071.50
4500020969	10/1/2018	Jacobs Engineering Group Inc	C130-CONSTRUCTION SVCS	53,732.16
4500020970	10/1/2018	Knorr Brake Company	R220-RAIL/LRV TRUCKS	2,272.58
4500020971	10/1/2018	M Power Truck & Diesel Repair	P210-NON-REV VEH REPAIRS	298.08
4500020972	10/1/2018	Ansaldo Sts Usa Inc	G130-SHOP TOOLS	1,273.53
4500020973	10/2/2018	Smart Car Care Products Inc	R240-RAIL/LRV REPR PARTS	435.46
4500020974	10/2/2018	Muncie Transit Supply	B130-BUS BODY	2,708.06
4500020975	10/2/2018	R.S. Hughes Co Inc	G190-SAFETY/MED SUPPLIES	373.90
4500020976	10/2/2018	Rush Truck Centers of California	B200-BUS PWR TRAIN EQUIP	767.29
4500020977	10/2/2018	Kaman Industrial Technologies	G140-SHOP SUPPLIES	2,134.73
4500020978	10/2/2018	Romaine Electric Corporation	B130-BUS BODY	610.60
4500020979	10/2/2018	Muncie Transit Supply	B130-BUS BODY	56.03
4500020981	10/2/2018	Cummins Pacific LLC	P190-REV VEHICLE REPAIRS	220.00
4500020982	10/2/2018	Cummins Pacific LLC	B200-BUS PWR TRAIN EQUIP	2,936.15
4500020983	10/2/2018	NS Corporation	F110-SHOP/BLDG MACHINERY	432.44
4500020984	10/2/2018	Battery Systems Inc	B160-BUS ELECTRICAL	2,946.80
4500020985	10/2/2018	Midwest Bus Corporation	B130-BUS BODY	860.92
4500020986	10/2/2018	The Truck Lighthouse	A140-AUTO/TRUCK REPAIR	405.64
4500020987	10/2/2018	ASPEN Refrigerants Inc	G140-SHOP SUPPLIES	820.25
4500020988	10/2/2018	Jeyco Products Inc	G130-SHOP TOOLS	256.08
4500020989	10/2/2018	Annex Automotive and	F120-BUS/LRV PAINT BOOTHS	1,641.38
4500020990	10/2/2018	Home Depot USA Inc	G180-JANITORIAL SUPPLIES	415.56
4500020991	10/2/2018	Matthias Moos	M120-OVRHEAD CATENARY SYS	622.26
4500020992	10/2/2018	Southern Counties Oil Co, LP	G170-LUBRICANTS	15,860.80
4500020993	10/2/2018	Knorr Brake Co-IFE North America	R140-RAIL/LRV DOORS/RAMP	614.55
4500020994	10/2/2018	Cubic Transportation Systems	B190-BUS FARE EQUIP	184.90
4500020995	10/2/2018	CED, Inc.	F110-SHOP/BLDG MACHINERY	197.13
4500020996	10/2/2018	Gillig LLC	B250-BUS REPAIR PARTS	1,758.72
4500020997	10/2/2018	W.W. Grainger Inc	F110-SHOP/BLDG MACHINERY	185.10
4500020998	10/2/2018	Staples Contract & Commercial Inc	G200-OFFICE SUPPLIES	2,499.80
4500020999	10/2/2018	Hoppecke Batteries	R160-RAIL/LRV ELECTRICAL	11,836.34
4500021000	10/2/2018	West-Lite Supply Co Inc	M110-SUB STATION	249.29
4500021002	10/2/2018	The Gordian Group, Inc.	T140-TRACK, TURNOUTS	3,290.41
4500021004	10/2/2018	The Gordian Group, Inc.	T150-TRACK, BRIDGES	7,765.54