



Agenda

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

November 3, 2022

9:00 a.m.

Meeting will be held via webinar

To request an agenda in an alternative format or to request accommodations to facilitate meeting participation, please email the Clerk of the Board, ClerkoftheBoard@sdmts.com at least two working days prior to the meeting. Meeting webinar/teleconference instructions can be accessed under '[Meeting Link and Webinar Instructions](#).' Click the following link to access the meeting: <https://zoom.us/j/94562188418>

Para solicitar la agenda en un formato alternativo o para solicitar acomodaciones de participación, por favor mande un correo a la Secretaria de la Junta, ClerkoftheBoard@sdmts.com al menos dos días hábiles antes de la reunión. Instrucciones para ingresar a la junta virtual están disponibles bajo '[Meeting Link and Webinar Instructions](#).' Use este enlace para acceder la reunión virtual: <https://zoom.us/j/94562188418>

ACTION RECOMMENDED

1. ROLL CALL

2. [APPROVAL OF MINUTES - OCTOBER 6, 2022](#)

Approve

3. PUBLIC COMMENTS

COMMITTEE DISCUSSION ITEMS

4. [Fiscal Year \(FY\) 2022 Final Budget Comparison \(Gordon Meyer\)](#)

Approve

Action would receive the MTS operations budget status report for FY 2022 and forward a recommendation to the Board of Directors to approve staff recommendations for programming excess revenues less expenses.

5. [El Cajon Transit Station Transit-Oriented Development \(Sean Myott\)](#)

Approve

Action would authorize the Chief Executive Officer to execute an Exclusive Negotiation Agreement (ENA) with Chelsea Investment Corporation (Chelsea) for a El Cajon Transit Center Transit-Oriented Development Project.



6. [E Street Transit Station City of Chula Vista And Mts Joint Transit-Oriented Development \(Karen Landers and Sean Myott\)](#)

Approve

Action would authorize the Chief Executive Officer to execute a three-party Exclusive Negotiation Agreement with the City of Chula Vista (City) and Bayview Point, LLC (Developer) for an E Street Transit-Oriented Development Project (ENA).

OTHER ITEMS

7. [REVIEW OF DRAFT NOVEMBER 10, 2022 MTS BOARD AGENDA](#)
8. OTHER STAFF COMMUNICATIONS AND BUSINESS
9. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS
10. NEXT MEETING DATE: DECEMBER 1, 2022
11. ADJOURNMENT

DRAFT MINUTES

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

October 6, 2022

[Clerk's note: Except where noted, public, staff and board member comments are paraphrased. Note that the meeting was conducted via webinar to comply with public health orders].

1. Roll Call

Chair Fletcher called the Executive Committee meeting to order at 9:01 a.m. A roll call sheet listing Executive Committee member attendance is attached. Chair Fletcher noted there was not a quorum at the start of the meeting. All items requiring a vote would be postponed until later in the meeting once a quorum is established.

COMMITTEE DISCUSSION ITEMS (TAKEN OUT OF ORDER)

4. Clean Transit Advancement Campus Update (Denis Desmond)

Denis Desmond, MTS Director of Planning presented on Clean Transit Advancement Campus Update. He provided details on: site selection, site 7, mitigated negative declaration, workforce development plan resolution and proposed Board recommendations.

PUBLIC COMMENT

Corinna Contreras – Representing Climate Action Campaign made a verbal statement to the Board during the meeting. Contreras commended the project as a benefit for the community.

COMMITTEE COMMENT

Chair Fletcher acknowledged the longstanding work put into this project. He asked staff to predict a timeline for the project. Mr. Desmond predicted a 5 to 7-year timeline for the project. Sharon Cooney, MTS Chief Executive Officer added that the agency was beginning to receive cost estimates and acknowledged the high price range due to the market volatility.

Action Taken

Informational item only. No action taken.

5. 2022 Special Events Update (Brent Boyd)

Brent Boyd, MTS Manager of Service Quality and Special Operations presented on the 2022 Special Events Update. He provided updates for: Padres Season, Petco Concerts, Big Bay Boom July 4th Special Event, Comic-Con, Snapdragon Stadium opening, special operations and upcoming events.

Ms. Cooney stated that the agency is the mode of choice for several special events. She noted that on September 22nd the agency reached 91% of pre-pandemic ridership levels because the special events are attracting new riders.

Chair Fletcher stated that given the right incentive, people will find a way to find access to venues with limited parking capacity. He suggested providing free transportation to Padres ticket holders as a promotion. He believed that by exposing new riders to the convenience of the trolley with a free incentive, MTS could attract new riders. He also asked staff how receptive venues were to including transportation material in the registration materials. Mr. Boyd

acknowledged the existing relationships with several venue holders that do advertise MTS as a transportation option and deferred additional details to Mark Olson, Director of Marketing and Communications. Mr. Olson noted the existing relationships and PRONTO's ability to distribute the passes ahead of an event. Chair Fletcher acknowledged that tourism would not sustain ridership but would help ridership. He added that the agency may want to advertise trolley chartering and asked the cost of renting a trolley. Mr. Boyd replied that the rental cost depends on the request complexity, staff and vehicle availability. He added that an agreement between SDSU and MTS allows SDSU football game ticket holders to park at the campus and ride with MTS. The first 1,000 students to purchase football tickets have built-in PRONTO passes. Ms. Cooney added that the PRONTO system will be introducing promotional PRONTO cards in the spring.

Board Member Salas commended MTS trolley and security staff for their professional work ethic. She spoke from firsthand experience about a trip along the lines and acknowledged a positive encounter with the security officers.

Chair Fletcher encouraged staff to partner with the County park staff for Waterfront events in order to advertise transit accessibility.

PUBLIC COMMENT

Corinna Contreras – Representing Climate Action Campaign made a verbal statement to the Board during the meeting. Contreras asked that the agency expanded the method of payments and suggested that would help staff with farebox recovery.

Action Taken

Informational item only. No action taken.

*Clerk's Note: A quorum was established and allowed for action items to be taken.

2. Approval of Minutes

Chair Fletcher moved to approve the minutes of the September 1, 2022, MTS Executive Committee meeting. Vice Chair Sotelo-Solis seconded the motion, and the vote was 4 to 0 in favor with Board Member Elo-Rivera, Board Member Moreno and Board Member Sandke absent.

3. Public Comments

There were no Public Comments.

OTHER ITEMS

6. REVIEW OF DRAFT October 20, 2022 BOARD AGENDA

Recommended Consent Items

6. Authorization of Remote Teleconferenced Meetings

Action would authorize remote teleconferenced meetings for any public meetings held by MTS, including all Brown Act committees, for the next thirty (30) days pursuant to Assembly Bill (AB) 361 and make the following findings: 1) The MTS Board has considered the current circumstances of the COVID-19 pandemic and its impact in San Diego County; and 2) State or local officials continue to recommend measures to promote social distancing. On September 23, 2021, County of San Diego Public

Health Officer, Wilma J. Wooten, M.D., M.P.H., issued a recommendation supporting the use of teleconferencing for attendance at public meetings as “a social distancing measure that may help control transmission of the SARS-CoV-2 virus.”

7. Fiscal Year (FY) 2023 Transportation Development Act (TDA) Claim
Action would adopt Resolution Nos. 22-09, 22-10, and 22-11 approving FY 2023 TDA Article 4.0, 4.5, and 8.0 claims.
8. Innovations in Transportation, Inc. (INIT) Automated Passenger Counting (APC) Software – Sole Source
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G2685.0-23 with INIT, in the amount of \$143,533.76 for 5 years of APC software and maintenance support.
9. Hewlett Packard Enterprise (HPE) Server Equipment Purchase and Maintenance Support– Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G2641.0-22 with Nth Generation Computing, Inc., in the amount of \$603,967.01, for a period of five (5) years for the provision of HPE server equipment and maintenance support.
10. Traction Power Substation (TPSS) Yard #2 And Yard #4 – Engineering Design Services – Work Order
Action would authorize the Chief Executive Officer (CEO) to execute Work Order No. WOA354-AE-04 under MTS Doc. No. PWL354.0-22 with Mott MacDonald (MM) in the amount of \$224,069.22 to provide design services for electrical load capacity analysis to address the underlying causes, and prevent future recurrences of thermal overload failures to the TPSS Yard # 2 and Yard # 4.
11. Americans With Disabilities Act (ADA) Paratransit Client Certification Services – Contract Award
Action would authorize the Chief Executive Officer (CEO) to: 1) Execute MTS Doc. No. B0742.0-22 with Medical Transportation Management, Inc. (MTM), a Woman Owned Business Enterprise (WBE), for the provision of ADA paratransit client certification services for eight (8) years, for a total of \$5,124,750.47; and 2) Authorize the CEO to exercise at their discretion the option for an additional Customer Care Representative (CCR) position during the term of the contract at a cost of \$430,043.67, for an overall contract total not-to-exceed \$5,554,794.14.
12. 2022 Transit and Intercity Rail Capital Program (TIRCP) Grant Award: Zero-Emission Transit Enhancement Project
Action would adopt Resolution No. 22-12 authorizing the following: 1) Acceptance of the 2022 Transit Intercity Rail Capital Program Grant Award for the Zero Emission Transit Enhancement Project, which includes the Orange Line Improvement Project, the 12th and Imperial Transit Center Rehabilitation Project, and the Electrification of the Imperial Avenue Division Project; 2) Determining each of the three projects is exempt from environmental review under the California Environmental Quality Act (“CEQA”); and 3) Approving the Orange Line Improvement Project, the 12th and Imperial Transit Center Rehabilitation Project, and the Electrification of the Imperial Avenue Division Project.

13. Approve Fiscal Year 2021-22 State Transit Assistance (STA) Claim Amendment
Action would adopt Resolution No. 22-13 approving the Fiscal Year (FY) 2021-22 STA claim amendment.

Ms. Cooney added that the following consent items would be added to the consent slate for the October 20, 2022 Board of Director's Meeting: Federal Lobbying Services – Contract Award along with Additional Staffing for one Capital Projects - Project Engineer and two Procurement Department - Procurement Specialists.

7. Other Staff Communications and Business

Ms. Cooney added that the agency saw an additional 20,000 riders on the trolley system due to the Free Ride Day promotional event.

8. Committee Member Communications and Other Business

There was no Committee Member Communications and Other Business discussion.

9. Next Meeting Date

The next Executive Committee meeting is scheduled for November 3, 2022, at 9:00 a.m.

10. Adjournment

The meeting was adjourned at 9:50 am.

Chairperson
San Diego Metropolitan Transit System

Clerk of the Board
San Diego Metropolitan Transit System

Attachment: Roll Call Sheet

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
EXECUTIVE COMMITTEE

ROLL CALL

MEETING OF (DATE):	CALL TO ORDER (TIME):
<u>October 6, 2022</u>	<u>9:01am</u>
RECESS:	RECONVENE:
CLOSED SESSION:	RECONVENE:
PUBLIC HEARING:	RECONVENE:
ORDINANCES ADOPTED:	ADJOURN:
	<u>9:50am</u>

REPRESENTING	BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
County Chair	FLETCHER	<input checked="" type="checkbox"/> (Vargas) <input type="checkbox"/>	9:01am	9:50am
Vice Chair	SOTELO-SOLIS	<input checked="" type="checkbox"/> (no alternate) <input type="checkbox"/>	9:03am	9:50am
City of San Diego	ELO-RIVERA	<input type="checkbox"/> (Montgomery Steppe) <input type="checkbox"/>	ABSENT	ABSENT
East County	HALL	<input checked="" type="checkbox"/> (Frank) <input type="checkbox"/>	9:01am	9:50am
SANDAG Transportation Committee	MORENO	<input type="checkbox"/> (Aguirre) <input type="checkbox"/>	ABSENT	ABSENT
Chair Pro Tem	SALAS	<input checked="" type="checkbox"/> (no alternate) <input type="checkbox"/>	9:16am	9:50am
South Bay	SANDKE	<input type="checkbox"/> (Aguirre) <input type="checkbox"/>	ABSENT	ABSENT

SIGNED BY THE CLERK OF THE BOARD:

/S/ Dalia Gonzalez



Agenda Item No. 4

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

November 3, 2022

SUBJECT:

FISCAL YEAR (FY) 2022 FINAL BUDGET COMPARISON (GORDON MEYER)

RECOMMENDATION:

That the San Diego Metropolitan System (MTS) Executive Committee receive the MTS operations budget status report for FY 2022 and forward a recommendation to the Board of Directors to approve staff recommendations for programming excess revenues less expenses.

Budget Impact

Final FY 2022 results show revenues exceeding expenses by \$5,533,000. After reserve related adjustments, there will be \$5,511,000 in excess revenues, which staff recommends be allocated between the following:

- Allocate \$3,067,000 to the Capital Improvement Program (CIP) to fund the Clean Transit Advancement Campus (CTAC) project
- Allocate \$2,444,000 to contingency reserve to achieve the 12.5% Board-recommended target for FY 2023

DISCUSSION:

This report summarizes the year-end operating results for FY 2022 compared to the FY 2022 amended budget for MTS. Attachment A-1 combines the operations', administrations' and other activities' results for FY 2022. Attachment A-2 details the FY 2022 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 FY 2022 results for MTS's other activities (Taxicab/San Diego and Arizona Eastern Railway Company). Attachment A-10 details subsidy revenue and other non-operating revenue and expenses. Attachment A-11 details MTS's contingency reserve balance. Attachment A-12 details other designated reserves along with their current balances.



MTS OPERATING SUBSIDY RESULTS

As indicated within Attachment A-1, for the FY ending June 2022, MTS's net-operating income favorable variance totaled \$5,721,000 (2.2%). The favorable budget results were primarily due to favorable experience in passenger revenue, personnel expenses, outside services, and energy costs.

As indicated within Attachment A-10, non-operating net subsidy for FY 2022 was unfavorable to budget by \$189,000 (-0.1%).

In total, revenues exceeded expenses by \$5,533,000 for FY 2022.

MTS COMBINED RESULTS

Operating Revenues. Total combined operating revenues for FY 2022 were \$77,917,000 compared to the budget of \$78,974,000, representing a \$1,057,000 (-1.3%) unfavorable variance. Passenger revenue was favorable to budget by \$672,000 (1.2%). Other revenue was unfavorable by \$1,729,000 (-7.4%), primarily due to declining state energy credit prices.

Operating Expenses. Total combined expenses for FY 2022 were \$335,470,000 compared to the budget of \$342,249,000 resulting in a \$6,779,000 (2.0%) favorable variance.

Personnel Costs. Personnel-related costs totaled \$149,871,000, compared to a budgetary figure of \$150,423,000, producing a favorable variance of \$553,000 (0.4%). This was primarily due to favorable wages within Administration, favorable health and welfare costs within San Diego Transit Corporation (SDTC) due to the disbandment of the IBEW trust, and favorable cost recovery related to Mid-Coast.

Outside Services and Purchased Transportation. Total outside services for the fiscal year totaled \$116,649,000 compared to a budget of \$120,774,000, resulting in a favorable variance of \$4,125,000 (3.4%). This was primarily due to favorable contracted security costs within administration, favorable repair and maintenance costs within Rail Operations, and favorable purchased transportation costs for both fixed route and paratransit operations.

Materials and Supplies. Total materials and supplies expenses were \$14,594,000, compared to a budgetary figure of \$14,792,000, resulting in a favorable variance of \$198,000 (1.3%). This was primarily due to favorable revenue vehicle parts within Bus Operations, which were partially offset by unfavorable revenue vehicle parts within Rail Operations.

Energy. Total energy costs were \$40,109,000, compared to the budget of \$41,955,000, resulting in a favorable variance of \$1,846,000 (4.4%). This was primarily due to favorable traction power electricity costs. The increase in electricity consumption due to the opening of the Mid-Coast extension was not as high as anticipated in the budget, resulting in favorable expenses. The favorable experience in electricity was partially offset by unfavorable compressed natural gas (CNG) expenses due to record high CNG commodity rates impacted by the Russia-Ukraine conflict.

Risk Management. Total expenses for risk management were \$7,454,000 compared to the budget of \$7,526,000, resulting in a favorable variance totaling \$72,000 (1.0%).

General and Administrative. Total general and administrative costs were \$5,323,000 for FY 2022, compared to a budget of \$5,214,000, resulting in an unfavorable variance of \$109,000 (-2.1%). This was primarily due to unfavorable variances in advertising costs within administration.

Vehicle and Facility Leases. The vehicle and facilities leases costs were \$1,470,000 compared to the budget of \$1,565,000, resulting in a \$95,000 (6.1%) favorable variance. This is primarily due to favorable non-revenue vehicle lease expenses.

Subsidy Revenue and Other Non-Operating Revenue and Expenses

Attachment A-10 details subsidy revenue and other non-operating revenue and expenses. Subsidy and net non-operating revenues for FY 2022 were \$263,086,000 compared to the fiscal year budget of \$263,275,000, representing an unfavorable variance of \$189,000 (-0.1%). The drivers of this unfavorable variance included the following:

- On March 11, 2021, the president signed the American Rescue Plan (ARP) Act, which provided MTS with approximately \$140 million in stimulus funds administered by the Federal Transit Administration (FTA). MTS also received \$220 million in stimulus funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act which was passed on March 27, 2020. The FY 2022 amended budget included \$54,541,000 in federal stimulus funds to cover the projected structural deficit. Due to favorable subsidy revenue and expenses, MTS drew down \$47,700,000 in stimulus funds in FY 2022, less than anticipated, which represents an unfavorable revenue variance of \$6,841,000 (-12.5%).
- Transnet revenue was favorable to the FY 2022 amended budget by \$6,369,000 (11.8%). Transnet is provided to MTS based on both a formula as well as direct reimbursement for Transnet-funded operations. The formula share was favorable by \$4,115,000 (11.7%) due to strong sales tax receipts. The operating reimbursement share was favorable by \$2,254,000 (12.0%) due to farebox recovery on the Mid-Coast extension being lower than anticipated. This led to additional Transnet funding being required to cover net operating expenses.
- Other Non-Operating Income was unfavorable by \$291,000. This was due to favorable budgetary results within the FHV Administration and the San Diego and Arizona Eastern (SD&AE) division. Both of these entities are self-funded and their operations must be funded by operating revenues generated by their own operating activities. Both entities have reserve accounts for excess revenue and the favorable variance in FY 2022 is due to favorable contributions to these reserve accounts.

Net Revenues Less Expenses

For FY 2022, MTS had an excess of revenues over expenses totaling \$5,533,000. After reserve adjustments for interest and one-time adjustments included in the FY 2022 operating budget, there is \$5,511,000 in excess revenues over expenses. Staff recommends the following actions to program excess revenues:

- Allocate \$3,067,000 to the Capital Improvement Program (CIP) to fund the Clean Transit Advancement Campus (CTAC) project

- Allocate \$2,444,000 to contingency reserve to achieve the 12.5% target for FY 2023

With the inclusion of one-time CARES Act funding of \$47.7 million to supplement the operating budget in FY 2022, the net MTS structural deficit for FY 2022 was \$42.2 million.

Reserves

Attachment A-11 details MTS's contingency reserve. The Board-recommended contingency reserve target is 12.5% of the operating budget. The ending reserve balance on June 30, 2021, was \$39,373,435. In order to achieve the 12.5% target for FY 2022, MTS must make a net contribution of \$2,444,000 to the contingency reserve after accounting for all FY 2022 reserve activity. With excess revenues over expenses of \$5,511,000, and \$2,444,000 allocated to the contingency reserve, MTS has \$3,067,000 in excess funds available. MTS recommends allocating the remaining available balance of \$3,067,000 to the CTAC project as previously noted.

MTS has other designated reserves, of which the balances for each are listed on Attachment A-12.

/S/ Sharon Cooney

Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachment: A. Comparison to Budget

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

MTS
CONSOLIDATED

COMPARISON TO BUDGET - FISCAL YEAR 2022

JUNE 30, 2022

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 56,147	\$ 55,475	\$ 672	1.2%
Other Revenue	21,770	23,499	(1,729)	-7.4%
Total Operating Revenue	\$ 77,917	\$ 78,974	\$ (1,057)	-1.3%
Personnel costs	\$ 149,871	\$ 150,423	\$ 553	0.4%
Outside services	116,649	120,774	4,125	3.4%
Materials and supplies	14,594	14,792	198	1.3%
Energy	40,109	41,955	1,846	4.4%
Risk management	7,454	7,526	72	1.0%
General & administrative	5,323	5,214	(109)	-2.1%
Vehicle/facility leases	1,470	1,565	95	6.1%
Administrative Allocation	(0)	0	0	0.0%
Total Operating Expenses	\$ 335,470	\$ 342,249	\$ 6,779	2.0%
Operating Income (Loss)	\$ (257,554)	\$ (263,275)	\$ 5,721	2.2%
Total Non-Operating Activities	263,086	263,275	(189)	-0.1%
Income (Loss) before Capital Contributions	\$ 5,533	\$ 0	\$ 5,533	

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OPERATIONS
CONSOLIDATED

COMPARISON TO BUDGET - FISCAL YEAR 2022

JUNE 30, 2022

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 56,147	\$ 55,475	\$ 672	1.2%
Other Revenue	942	913	29	3.2%
Total Operating Revenue	\$ 57,089	\$ 56,388	\$ 701	1.2%
Personnel costs	\$ 126,153	\$ 126,074	\$ (79)	-0.1%
Outside services	98,881	102,082	3,201	3.1%
Materials and supplies	14,333	14,529	196	1.3%
Energy	39,092	40,998	1,906	4.6%
Risk management	6,722	6,763	42	0.6%
General & administrative	988	974	(14)	-1.4%
Vehicle/facility leases	1,233	1,299	66	5.1%
Administrative Allocation	21,684	21,684	(0)	0.0%
Total Operating Expenses	\$ 309,085	\$ 314,403	\$ 5,318	1.7%
Operating Income (Loss)	\$ (251,996)	\$ (258,015)	\$ 6,019	2.3%
Total Non-Operating Activities	249,348	258,015	(8,667)	-3.4%
Income (Loss) before Capital Contributions	\$ (2,648)	\$ 0	\$ (2,648)	

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
BUS - DIRECTLY OPERATED (SAN DIEGO TRANSIT CORP.)
COMPARISON TO BUDGET - FISCAL YEAR 2022
JUNE 30, 2022
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 14,819	\$ 19,068	\$ (4,249)	-22.3%
Other Revenue	72	133	(61)	-45.9%
Total Operating Revenue	\$ 14,891	\$ 19,201	\$ (4,310)	-22.4%
Personnel costs	\$ 79,302	\$ 80,204	\$ 903	1.1%
Outside services	1,640	1,851	211	11.4%
Materials and supplies	6,609	7,025	416	5.9%
Energy	8,059	7,703	(357)	-4.6%
Risk management	3,408	3,359	(49)	-1.4%
General & administrative	400	428	28	6.6%
Vehicle/facility leases	402	385	(17)	-4.4%
Administrative Allocation	3,208	3,208	(0)	0.0%
Total Operating Expenses	\$ 103,028	\$ 104,163	\$ 1,135	1.1%
Operating Income (Loss)	\$ (88,138)	\$ (84,963)	\$ (3,175)	-3.7%
Total Non-Operating Activities	85,303	84,963	340	0.4%
Income (Loss) before Capital Contributions	\$ (2,835)	\$ 0	\$ (2,835)	

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OPERATIONS

RAIL (SAN DIEGO TROLLEY INC.)

COMPARISON TO BUDGET - FISCAL YEAR 2022

JUNE 30, 2022

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 25,589	\$ 16,112	\$ 9,476	58.8%
Other Revenue	870	780	90	11.6%
Total Operating Revenue	\$ 26,459	\$ 16,892	\$ 9,567	56.6%
Personnel costs	\$ 45,721	\$ 44,851	\$ (870)	-1.9%
Outside services	9,035	9,739	705	7.2%
Materials and supplies	7,288	7,031	(257)	-3.6%
Energy	20,757	23,385	2,629	11.2%
Risk management	3,304	3,389	85	2.5%
General & administrative	575	527	(47)	-9.0%
Vehicle/facility leases	460	513	53	10.4%
Administrative Allocation	16,236	16,236	(0)	0.0%
Total Operating Expenses	\$ 103,374	\$ 105,672	\$ 2,298	2.2%
Operating Income (Loss)	\$ (76,915)	\$ (88,779)	\$ 11,865	13.4%
Total Non-Operating Activities	76,915	88,779	(11,865)	-13.4%
Income (Loss) before Capital Contributions	\$ (0)	\$ 0	\$ (0)	

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OPERATIONS

BUS - CONTRACTED SERVICES (FIXED ROUTE)

COMPARISON TO BUDGET - FISCAL YEAR 2022

JUNE 30, 2022

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 14,892	\$ 19,463	\$ (4,571)	-23.5%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 14,892	\$ 19,463	\$ (4,571)	-23.5%
Personnel costs	\$ 735	\$ 644	\$ (91)	-14.1%
Outside services	76,521	78,454	1,933	2.5%
Materials and supplies	436	472	37	7.8%
Energy	9,353	8,818	(535)	-6.1%
Risk management	-	-	-	-
General & administrative	5	7	2	29.6%
Vehicle/facility leases	29	58	29	50.4%
Administrative Allocation	1,936	1,936	(0)	0.0%
Total Operating Expenses	\$ 89,014	\$ 90,389	\$ 1,375	1.5%
Operating Income (Loss)	\$ (74,122)	\$ (70,925)	\$ (3,196)	-4.5%
Total Non-Operating Activities	74,122	70,925	3,196	4.5%
Income (Loss) before Capital Contributions	\$ -	\$ 0	\$ (0)	-

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OPERATIONS

BUS - CONTRACTED SERVICES (PARATRANSIT)

COMPARISON TO BUDGET - FISCAL YEAR 2022

JUNE 30, 2022

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 847	\$ 832	\$ 16	1.9%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 847	\$ 832	\$ 16	1.9%
Personnel costs	\$ 199	\$ 159	\$ (40)	-24.9%
Outside services	11,264	11,617	352	3.0%
Materials and supplies	-	-	-	-
Energy	923	1,092	169	15.4%
Risk management	10	15	5	33.0%
General & administrative	9	12	3	28.1%
Vehicle/facility leases	343	343	0	0.1%
Administrative Allocation	305	305	0	0.0%
Total Operating Expenses	\$ 13,053	\$ 13,543	\$ 490	3.6%
Operating Income (Loss)	\$ (12,206)	\$ (12,711)	\$ 506	4.0%
Total Non-Operating Activities	12,393	12,711	(319)	-2.5%
Income (Loss) before Capital Contributions	\$ 187	\$ 0	\$ 187	

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OPERATIONS
CORONADO FERRY

COMPARISON TO BUDGET - FISCAL YEAR 2022

JUNE 30, 2022

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	-	-	-	-
Total Operating Revenue	\$ -	\$ -	\$ -	-
Personnel costs	\$ -	\$ -	\$ -	-
Outside services	243	243	(0)	0.0%
Materials and supplies	-	-	-	-
Energy	-	-	-	-
Risk management	-	-	-	-
General & administrative	-	-	-	-
Vehicle/facility leases	-	-	-	-
Administrative Allocation	-	-	-	0.0%
Total Operating Expenses	\$ 243	\$ 243	\$ (0)	0.0%
Operating Income (Loss)	\$ (243)	\$ (243)	\$ (0)	0.0%
Total Non-Operating Activities	243	243	(0)	0.0%
Income (Loss) before Capital Contributions	\$ 0	\$ 0	\$ (0)	

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

ADMINISTRATION
CONSOLIDATED

COMPARISON TO BUDGET - FISCAL YEAR 2022

JUNE 30, 2022

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	20,010	21,928	(1,917)	-8.7%
Total Operating Revenue	\$ 20,010	\$ 21,928	\$ (1,917)	-8.7%
Personnel costs	\$ 23,282	\$ 23,892	\$ 610	2.6%
Outside services	17,742	18,630	887	4.8%
Materials and supplies	262	263	1	0.3%
Energy	1,009	948	(61)	-6.5%
Risk management	692	671	(21)	-3.1%
General & administrative	4,282	4,173	(109)	-2.6%
Vehicle/facility leases	218	240	22	9.1%
Administrative Allocation	(21,686)	(21,686)	0	0.0%
Total Operating Expenses	\$ 25,801	\$ 27,130	\$ 1,329	4.9%
Operating Income (Loss)	\$ (5,791)	\$ (5,203)	\$ (588)	-11.3%
Total Non-Operating Activities	13,972	5,203	8,769	168.5%
Income (Loss) before Capital Contributions	\$ 8,181	\$ (0)	\$ 8,181	

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OTHER ACTIVITIES

CONSOLIDATED

COMPARISON TO BUDGET - FISCAL YEAR 2022

JUNE 30, 2022

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	818	659	159	24.1%
Total Operating Revenue	\$ 818	\$ 659	\$ 159	24.1%
Personnel costs	\$ 436	\$ 458	\$ 21	4.7%
Outside services	26	63	37	58.7%
Materials and supplies	(1)	1	1	203.9%
Energy	8	9	1	10.0%
Risk management	40	92	51	56.0%
General & administrative	54	67	13	19.9%
Vehicle/facility leases	18	26	7	28.6%
Administrative Allocation	2	2	(0)	0.0%
Total Operating Expenses	\$ 584	\$ 716	\$ 132	18.5%
Operating Income (Loss)	\$ 234	\$ (57)	\$ 291	507.4%
Total Non-Operating Activities	(234)	57	(291)	-507.4%
Income (Loss) before Capital Contributions	\$ -	\$ (0)	\$ 0	

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
MTS
COMBINED SUBSIDY AND OTHER NON-OPERATING REVENUE AND EXPENSES
COMPARISON TO BUDGET - FISCAL YEAR 2022
June 30, 2020
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
<u>Subsidy Revenue</u>				
Federal Revenue	\$ 64,844	\$ 64,588	\$ 255	0.4%
FTA CARES Act	\$ 47,700	\$ 54,541	\$ (6,841)	-12.5%
Transportation Development Act	68,805	68,805	(0)	0.0%
State Transit Assistance	11,300	11,300	0	0.0%
State Revenue - Other	106	200	(94)	-47.1%
TransNet funds	60,312	53,943	6,369	11.8%
Other Local subsidies	9,766	9,376	390	4.2%
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Subsidy Revenue	\$ 262,832	\$ 262,753	\$ 79	0.0%
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Other Non-Operating Revenue and Expense</u>				
Investment Earnings	\$ -	\$ -	\$ -	-
Other Non-Operating Income	566	857	(291)	-33.9%
Other Non-Operating Expenses	(312)	(335)	23	-6.9%
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Other Non-Operating Revenue				
Revenue and Expense	\$ 254	\$ 522	\$ (268)	-51.3%
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Subsidy and Non-Operating				
Revenue and Expense	\$ 263,086	\$ 263,275	\$ (189)	-0.1%
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
MTS
CONTINGENCY RESERVE BALANCE
JUNE 30, 2022
(in \$000's)

Balance, June 30, 2021		\$	39,373
Current Year Adjustments:			
FY 2022 Net Income	\$	5,533	
Interest Adjustment	\$	(22)	
CIP - Division 6 Project	\$	(3,067)	
Net Adjustments:		\$	<u>2,444</u>
Balance, June 30, 2022		\$	<u><u>41,817</u></u>
 FY23 Operating Expense Budget		 \$	 378,244
FY23 Operating Budget Adjustments:			
Debt Service	\$	(185)	
FHV Admin/SD&AE	\$	(757)	
Transnet Funded Operations	\$	(42,764)	
Net Adjustments:		\$	<u>(43,706)</u>
Adjusted FY23 Operating Expense Budget		\$	<u><u>334,538</u></u>
 Contingency Reserve % of MTS Operating Expense Budget			 <u>12.5%</u>

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
MTS
RESERVE BALANCES
JUNE 30, 2022

Title	Amount	Explanation
Contingency	\$ 41,817,272	For ongoing operations, future matching of grants; target is 12.5% of operating budget per Policy 36
FHV Administration	530,975	For ongoing operations and future capital improvement needs
SD&AE	818,172	Established from 1984 state payments for storm damage, restriced for repair/improvement of line
Insurance	5,000,000	Established for potential future liability claims, minimum \$2 million per Policy 46
Billboard San Diego	398,736	Per agreement with city, used for improvements to right of way
Billboard Chula Vista	2,179,177	Per agreement with city, used for improvements to right of way
Total	<u>\$ 50,744,332</u>	

Metropolitan Transit System FY 2022 Operating Budget – June 2022 Financial Review

MTS Executive Committee
November 3, 2022

CONSOLIDATED MTS OPERATIONS

COMPARISON TO BUDGET – JUNE 30, 2022 - FY 2022

TOTAL OPERATING REVENUES (\$000's)

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>VAR %</u>
Fare Revenue	\$ 56,147	\$ 55,475	\$ 672	1.2%
Other Operating Revenue	\$ 21,770	\$ 23,499	\$ (1,729)	-7.4%
Operating Revenue	\$ 77,917	\$ 78,974	\$ (1,057)	-1.3%

- Fare Revenue
 - Revenue favorable to prior year by \$8.2M (17.2%)
 - Ridership favorable to the prior year by 18.4M passengers (46.9%)
 - Passenger revenue at 64.4% of pre-COVID baseline in June
- Other Operating Revenue
 - Unfavorable state energy credit revenue due to decreasing LCFS credit price

CONSOLIDATED MTS OPERATIONS

COMPARISON TO BUDGET – JUNE 30, 2022 - FY 2022

TOTAL OPERATING EXPENSES (\$000's)

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>VAR %</u>
Personnel Costs	\$ 149,871	\$150,423	\$ 553	0.4%
Purchased Transportation	\$ 82,920	\$ 85,626	\$ 2,706	3.2%
Other Outside Services	\$ 33,729	\$ 35,147	\$ 1,419	4.0%
Energy	\$ 40,109	\$ 41,955	\$ 1,846	4.4%
Other Expenses	\$ 28,841	\$ 29,097	\$ 256	0.9%
Operating Expenses	\$ 335,470	\$342,249	\$ 6,779	2.0%

- Purchased Transportation – favorable for both fixed route and paratransit
- Other Outside Services – favorable security costs, repair and maintenance costs within trolley
- Energy – favorable traction power electricity partially offset by unfavorable CNG

CONSOLIDATED MTS OPERATIONS

COMPARISON TO BUDGET – JUNE 30, 2022 - FY 2022

TOTAL OPERATING ACTIVITIES (\$000's)

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>VAR %</u>
MTS Operating Revenue	\$ 77,917	\$ 78,974	\$ (1,057)	-1.3%
MTS Operating Expenses	\$ 335,470	\$ 342,249	\$ 6,779	2.0%
Total Net Operating Variance	\$ (257,554)	\$ (263,275)	\$ 5,721	2.2%

- Net operating income favorable \$5.7M through June

CONSOLIDATED MTS OPERATIONS

COMPARISON TO BUDGET – JUNE 30, 2022 - FY 2022

SUBSIDY REVENUE CATEGORY DESCRIPTIONS

- Federal
 - Recurring FTA funds for preventive maintenance and rural ops (5307, 5337, 5311)
- Federal Stimulus Funds
 - FTA CARES Act – provided \$220M of federal stimulus funds for MTS appropriated in March 2020
 - \$90.1M spent to date
 - FTA ARP Act – provided \$140M of federal stimulus funds for MTS appropriated in March 2021
 - \$47.7M spent to date
- Transportation Development Act (TDA)
 - 1/4 percent of regional sales tax assessed in region and administered by SANDAG and County

CONSOLIDATED MTS OPERATIONS

COMPARISON TO BUDGET – JUNE 30, 2022 - FY 2022

SUBSIDY REVENUE CATEGORY DESCRIPTIONS

- Transnet
 - ½ cent sales tax in San Diego County to fund transportation projects
 - MTS receives formula share and reimbursement for Transnet funded operations
- State Transit Assistance (STA)
 - State sales tax on diesel fuel distributed based on population and agency revenue
- Other
 - MediCal reimbursement for trips to and from Managed Care Providers (MCPs)
 - FasTrak revenue – toll road revenue appropriated by SANDAG
 - UCSD Shuttle Service Agreement
 - City of San Diego ADA Maintenance of Effort
 - NCTD Sorrento Valley Coaster Connection (SVCC)
 - Taxicab and SD&AE Self-Funded Reserves

CONSOLIDATED MTS OPERATIONS

COMPARISON TO BUDGET – JUNE 30, 2022 - FY 2022

TOTAL NON-OPERATING REVENUES AND EXPENSES (\$000'S)

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>VAR %</u>
Federal (Recurring)	\$ 64,844	\$ 64,588	\$ 255	0.4%
Federal Stimulus (Non-recurring)	\$ 47,700	\$ 54,541	\$ (6,841)	-12.5%
TDA	\$ 68,805	\$ 68,805	\$ (0)	0.0%
TransNet	\$ 60,312	\$ 53,943	\$ 6,369	11.8%
STA	\$ 11,300	\$ 11,300	\$ -	0.0%
Other	\$ 10,438	\$ 10,434	\$ 4	0.0%
Non-Operating Revenue	\$ 263,398	\$ 263,610	\$ (212)	-0.1%
Debt Service Expenses	\$ 312	\$ 335	\$ (23)	-6.9%
Non-Operating Expenses	\$ 312	\$ 335	\$ (23)	-6.9%
Non-Operating Revenues and Expenses	\$ 263,086	\$ 263,275	\$ (189)	-0.1%

- Federal (Recurring) – CARES allocations for 5311/5311f rural operations
- Federal Stimulus – deficit lower than projected; needed less CARES/ARP to fill gaps
- Transnet – strong sales tax receipts and higher subsidy for Mid-Coast operations

CONSOLIDATED MTS OPERATIONS

COMPARISON TO BUDGET – JUNE 30, 2022 - FY 2022

TOTAL REVENUES LESS EXPENSES (\$000'S)

	ACTUAL	BUDGET	VARIANCE	VAR %
Operating Revenues	\$ 77,917	\$ 78,974	\$ (1,057)	-1.3%
Operating Expenses	335,470	342,249	6,779	2.0%
Net Operating Loss	\$(257,554)	\$(263,275)	\$ 5,721	2.2%
Non-Operating Revenues	\$ 215,698	\$ 209,069	\$ 6,629	3.2%
Net Debt Service Expenses	312	335	23	6.9%
Net Deficit	\$ (42,167)	\$ (54,541)	\$ 12,374	
Federal Stimulus (Non-recurring)	47,700	54,541	(6,841)	
Revenues Less Expenses	\$ 5,533	\$ 0	\$ 5,533	

- Structural deficit of \$42.2 million
- Total favorable variance of \$5.5M when combining operating and non-operating revenues and expenses

CONSOLIDATED MTS OPERATIONS

COMPARISON TO BUDGET – JUNE 30, 2022 - FY 2022

CONTINGENCY RESERVE BALANCE (\$000'S)

- Board policy for the contingency reserve balance
 - Target set at 12.5% of the Operating Expense Budget
 - FY23 Target of \$41.8M
- Current Reserve Balance
 - \$5.5M excess revenue over expenses in FY22
- Proposed allocation:
 - \$2.4M to MTS contingency reserve to achieve 12.5% target for FY23
 - \$3.1M to CIP to fund Clean Transit Advancement Campus (CTAC) project

STAFF RECOMENDATION

That the Executive Committee forward a recommendation to the Board of Directors to approve the allocation of excess revenues over expenses in FY22 to the following:

- \$2.4M to MTS contingency reserve to achieve 12.5% target for FY23
- \$3.1M to CIP to fund Clean Transit Advancement Campus (CTAC) project



Agenda Item No. 5

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

November 3, 2022

SUBJECT:

EL CAJON TRANSIT CENTER TRANSIT-ORIENTED DEVELOPMENT (TOD) (SEAN MYOTT)

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Executive Committee authorize the Chief Executive Officer to execute an Exclusive Negotiation Agreement (ENA) with Chelsea Investment Corporation (Chelsea) for a El Cajon Transit Center Transit-Oriented Development Project, in substantially the same format as Attachment A.

Budget Impact

None. Today's proposed action simply authorizes MTS staff to enter negotiations with Chelsea. The final scope of development, price, and terms of payment will be negotiated and brought to the MTS Board for review and approval at a future meeting. Any outside consultant costs that MTS incurs during the negotiation period will be paid for with a \$25,000 deposit from Chelsea.

DISCUSSION:

Background

Since approximately 2016, MTS and the City of El Cajon (City) have been working together to evaluate the feasibility and market readiness for a transit-oriented development at the El Cajon Transit Center (ECTC). As part of these efforts, the City received a \$400,000 planning grant from the San Diego Association of Governments (SANDAG), which was used to update the station area land use and mobility plan. The City adopted a Transit District Specific Plan (TDSP) on May 8, 2018. The TDSP envisions the transformation of the area around the ECTC into a complete neighborhood with a range of housing options, neighborhood commercial services, employment opportunities, and facilities all connected to local and regional transportation with streets designed to provide safe, comfortable, and attractive connections to the transit station and beyond.

During the 2018 to 2019 time period, MTS updated its Joint Development Program policy documents: Board Policy 18 and a new Joint Development Policy Manual. Those documents established a process for MTS review of unsolicited development proposals, including a process to post a notice of receipt of an unsolicited proposal for at least 30 days. Unsolicited proposals



are brought to the Executive Committee for review and consideration of whether to proceed with an exclusive negotiation agreement. Final development proposals are brought to the full MTS Board for approval after the scope, price, and other terms have been negotiated.

In 2019, MTS received an unsolicited proposal to develop a portion of the ECTC from Chelsea. A report was presented to the Executive Committee concerning the status of that proposal on March 5, 2020 (AI C4). However, that specific proposal was set aside as MTS staff worked to understand the impacts and requirements of Assembly Bill 1486 (AB 1486), which was effective on January 1, 2020. AB 1486 amended the Surplus Land Act (SLA), and for the first time brought MTS's joint development program under the SLA's requirements.

In compliance with AB 1486 and the SLA, on July 30, 2020 (AI 30), the MTS board took action to declare the ECTC site to be "surplus land". On August 21, 2020, MTS sent a Notice of Availability of the ECTC property in compliance with AB 1486. No Notice of Interest was received under the AB 1486 process.

Since that time, the City and MTS have continued to work together on a financial feasibility analysis and to pursue additional funding streams to make the site viable for development. During this time MTS and City staff periodically met with prospective developers to field questions and review conceptual designs.

In the Summer of 2022, MTS received an unsolicited proposal for a development at the ECTC property from Chelsea and followed the Policy 18 process for reviewing that proposal and soliciting competing proposals. This agenda item details the process followed and the basis for staff's recommendation that the Executive Committee approve entering into formal negotiations with Chelsea for this site.

Current Use and Continuing Transit Needs

When making a transit center available for a potential joint development project, MTS staff first reviews the current and potential future transit operational needs at the site. MTS's first priority is to make sure it can continue to provide safe and efficient transit services at each site, and that a development project will not unduly impair MTS's ability to improve or expand anticipated transit services in the future. If operational concerns are not identified that would make a development project infeasible, then staff works with proposers to develop a scope of work that meets MTS's transit needs and achieves other policy goals set by the Board. Current policy goals identified are: maintain sufficient space and parking for transit operations and riders, increase ridership, increase density and spur economic development in and around transit, support the region's affordable housing goals, and require the payment of prevailing wage and use of skilled labor for such projects.

ECTC is currently served by the Orange and Green Line trolley lines, 13 MTS bus routes utilizing 8 bus bays, and a convenience store. A bus bay is also leased to Greyhound Lines on a temporary basis. None of the bus routes, trolley service, or convenience store will be affected or modified as a result of any development at the ECTC.

The ECTC is a near terminal line for the Orange Line and connecting station for the Green Line. A third track is currently under construction at the ECTC, which will provide MTS with the ability to improve Green Line on-time performance by running a new trolley shuttle between the ECTC and Santee Prospect Square stations. ECTC operates as a hub for MTS's east county and rural service connections to the trolley. MTS operational staff recognize this station as a

commuter location where ample parking is needed to attract transit riders who otherwise would not have a viable way to initiate a transit trip. Therefore, staff determined MTS could not support a significant reduction in transit parking at this site. This is especially true with the opening of the Mid-Coast extension in November 2021 – which provides El Cajon and other east county residents with a trolley connection to the Clairemont and UTC communities.

During the development of the ECTC in the late 1990s, MTS acquired two remainder parcels which were never incorporated into Trolley or Bus operations and are currently leased in their original condition. MTS also generates revenue from leasing approximately 30 parking spaces to the adjacent Mossy Nissan for employee parking. The two leases generate approximately \$72,000 per year in revenue to MTS. Both the remainder parcels and parking leases will be terminated with any TOD at ECTC.

Figure 1 – Current Use



TOD Proposals

In August 2022, MTS and the City received a revised unsolicited proposal from Chelsea. After review, the proposal was deemed to be viable and meet City and MTS goals for the ECTC. On August 24, 2022, in compliance with the Board Policy 18 process for unsolicited offers, MTS posted a 30-day notice of receipt of an unsolicited proposal and opportunity to submit competing proposals on the MTS Real Estate website. During the 30-day window, MTS received two additional submissions. On September 26, 2022, MTS and the City notified the three developers, Chelsea, USA Properties Fund Incorporated (USA) and Eden Housing/Monarch Group (Eden) that MTS and City staff received their respective submissions and would review the submissions with respect to the goals set by City and MTS Board Policy 18.

The Eden submission was a short letter with one sentence describing their vision for the site. While the vision was attractive, the letter amounted to a letter of interest and did not have the requisite detail for MTS and City staff to analyze and was set aside. MTS and the City will communicate with the Eden team regarding their letter to ensure that their next submission will meet the minimum level of detail to be fully considered.

Both Chelsea and USA put forth viable and extremely competitive proposals for the ECTC. Figure 2 – 4 provides an overview of their vision for the ECTC.

Figure 2 – Proposal Summary

Item	Chelsea	USA
Housing – Units	Affordable Unit Count: 122 Market Rate Unit Count: 177	Affordable Unit Count: 160 Market Rate Unit Count: 303
Housing – Square Feet	Affordable Unit: 105,000 sf Market Rate Unit: 130,000 sf	Affordable Unit: 100,000 sf Market Rate Unit: 220,000 sf
Housing – Maximum Occupancy¹	Affordable: 690 Market: 597	Affordable: 570 Market: 1,187
Unit Types	<u>Affordable:</u> 1 Bed = 28 2 Bed = 40 3 Bed = 40 4 Bed = 14 <u>Market:</u> Studio = 60 1 Bed = 54 2 Bed = 63	<u>Affordable:</u> 1 Bed = 115 2 Bed = 45 <u>Market:</u> 1 Bed = 159 2 Bed = 139 LiveWork = 5
MTS Replacement Parking	362 spaces / 79% replacement rate	207 spaces / 45% replacement rate
Retail	7,395 sf	0 sf
Equity	Affordable and Market Rate buildings are away from Interstate 8 with amenity space included. Units included balconies.	Affordable building is located between Interstate 8 and MTS Trolley Tracks and did not contain a resident amenity space.

¹ Note: Maximum occupancy was calculated using the 2+1 formula, a commonly used metric in state affordable grant analysis. The formula calculates the occupancy of a unit as two persons per each bedroom plus one additional person in the common area of the unit.

Figure 3 – Chelsea Site Layout



Figure 4 - USA Site Layout



While the USA proposal maximized the housing potential of the site at the expense of MTS parking, the Chelsea proposal evenly balanced housing, equity and MTS replacement parking needs. The ECTC is located near the eastern edge of the MTS Trolley System and functions as critical park-n-ride site serving the eastern communities along Interstate 8. Chelsea was also able to provide higher occupancy counts due to the incorporation of 3- and 4-bedroom family affordable units while providing equitable amenity space in both the affordable and market rate buildings. Additionally, the Chelsea proposal added well placed retail along Main Street serving future residents of the ECTC and the City of El Cajon. On balance, MTS staff determined that the Chelsea proposal more closely meets MTS's development goals for this site and merited selection as the proposal to enter more formal, exclusive negotiations. City staff concurred in this assessment.

Today's proposed action would authorize the CEO to:

Execute an Exclusive Negotiation Agreement with Chelsea Investment Corporation (Chelsea) for a El Cajon Transit Station Transit-Oriented Development Project (ENA), in substantially the same format as Attachment A.

/S/ Sharon Cooney
Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachment: A. Draft Exclusive Negotiation Agreement

**EXCLUSIVE NEGOTIATION AGREEMENT
BY AND BETWEEN**

San Diego Metropolitan Transit System

AND

Chelsea Investment Corporation

THIS EXCLUSIVE NEGOTIATION AGREEMENT ("Agreement") is made and entered into this ____ day of November, 2022 ("Effective Date"), by and between the **San Diego Metropolitan Transit System**, a public body, corporate and politic ("Agency"), on the one hand, and **Chelsea Investment Corporation** ("Developer"), on the other hand, individually referred to herein as the "Party" and collectively referred to herein as the "Parties", with reference to the following:

RECITALS

- A. Agency is the owner and/or controlling governmental agency of the El Cajon Transit Center (defined below as the "Site");
- B. On July 30, 2020, as required by Government Code section 54221(b), the Agency Board declared the Site to be "surplus land";
- C. On August 21, 2020, Agency issued a Notice of Availability for the Site under Government Code section 54222 and did not received any notices of interest in response;
- D. On or about August 12, 2022, Developer submitted to Agency an unsolicited development proposal for the Site for a multi-family residential project ("Proposed Project") (Exhibit A);
- E. Per Agency Policies and Procedures No. 18 – JOINT DEVELOPMENT PROGRAM, approved by the Agency Board on July 25, 2019, Agency publicly noticed the receipt of an unsolicited development proposal for 30 days for other development interests to submit a competing proposal;
- F. During the 30-day notice period, Agency received two additional competing proposals;
- G. Agency reviewed all three development proposals and determined that the Developer's Proposed Project was the preferred proposal for the Site;
- H. Agency and Developer desire to enter into negotiations concerning the development of the Site; and
- I. Developer and Agency desire to enter into this Agreement, with the purpose of this Agreement being to negotiate the terms of a Disposition and Development Agreement (DDA) which will accomplish the objectives described in this Agreement.

AGREEMENT

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN, AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED BY EACH OF THE PARTIES HERETO, THE PARTIES HERETO AGREE AS FOLLOWS:

Section 1. RECITALS

The Recitals set forth above are hereby incorporated into this Agreement by this reference, as though fully set forth herein.

Section 2. THE SITE

The Site is composed of certain real property located at the El Cajon Transit Center in the City of El Cajon, shown in the map attached hereto as Exhibit B and incorporated herein by this reference.

Section 3. PURPOSE OF AGREEMENT

A. The purpose of this Agreement is to provide for the negotiation by the Parties of a DDA, which shall take into consideration, among other items, each of the following:

(i) Developer's execution of a long-term ground lease of the Site for the purpose of developing the Site with a multi-family residential project and a transit parking structure.

(ii) The coordination of the planning, design and construction of the Proposed Project to maximize the Proposed Project's compatibility with the abutting and adjacent uses, and to minimize environmental, traffic and other impacts on the abutting and adjacent uses.

(iii) Developer will be solely responsible for all development costs of their Proposed Project, except for any loans or funding that may be provided by the Agency under the DDA.

(iv) Payment of financial consideration to the Agency for conveyance of a long-term ground lease interest in the Site to the Developer for purposes of developing the Proposed Project.

(v) Such other provisions regarding the participation and responsibilities of the Developer and the Agency deemed necessary or advisable by the Agency to further the purpose of developing the Proposed Project, revitalizing the area around the Site and meeting all applicable legal requirements.

B. Notwithstanding any provisions of this Agreement, Developer acknowledges and agrees that nothing in this Agreement shall obligate the Agency to approve a DDA or the Proposed Project or shall otherwise expressly or impliedly obligate the Agency to sell any property or interests therein. Developer further acknowledges and agrees that the approval of this Agreement and a DDA and the participation in any portion of the Proposed Project by the

Agency shall be in the sole and absolute discretion of the Agency. Developer further acknowledges and agrees that this Agreement does not confer upon Developer the right to have a DDA, the Proposed Project or any portion of the Proposed Project approved by the Agency. The Parties in no way intend for this Agreement to waive or restrict the Agency's exercise of its independent, discretionary judgment with regard to a DDA and any and all portions of the Proposed Project.

Section 4. EXCLUSIVE RIGHT TO NEGOTIATE

A. The Agency hereby grants to the Developer and the Developer hereby accept the right under this Agreement to exclusively negotiate the terms of the DDA for the Proposed Project with Agency for a period of Two Hundred Seventy (270) calendar days, commencing on the date this Agreement is executed, and continuing in full force and effect until the earlier of (i) expiration or earlier termination of this Agreement pursuant to Sections 8 or 9 of this Agreement and (ii) the date that a DDA for the Proposed Project is approved or disapproved by the Agency Board ("Term").

B. Subject to earlier termination pursuant to Sections 8 or 9 of this Agreement, this Agreement shall remain in effect for the Term so long as Developer has not breached this Agreement.

C. Agency and Developer agree during the Term, and so long as this Agreement is effective, to negotiate diligently and in good faith to prepare a DDA to be entered into by the Agency and Developer with regard to the objectives described above and the purposes of this Agreement. During the Term, the Agency agrees not to negotiate for the acquisition, financing and/or development of the Site, or any portion thereof, with any party other than the Developer, or approve or conduct a public hearing for any other acquisition, financing and/or development of the Site, or any portion thereof.

D. Subject to the reasonable approval of the Agency CEO or designee, the Term may be extended one or more additional times for a period not to exceed an aggregate of an additional One Hundred Eighty (180) calendar days upon the request of Developer.

E. If Developer requests an additional extension of the Term of this Agreement beyond the extension described in Section 4.E., then any such extension shall be granted, if at all, in the sole and absolute discretion of the Agency CEO or designee and only if the Developer agrees to reimburse the Agency for all reasonable costs and expenses for staff and consultant time expended on the negotiation and preparation of the DDA during such extended term.

F. If, upon the expiration of the Term of this Agreement, the Parties have not each approved and Developer has not executed a DDA, then this Agreement shall automatically terminate and Developer shall have no further rights regarding the subject matter of this Agreement or all or any part of the Site and the Agency shall be free to negotiate with any other persons or entities with regard to all or any part of the Site.

Section 5. TERMS

A. Agency and Developer hereby agree to comply with each of the following in accordance, as applicable, with the timing described below:

(i) Monthly Status Reports. On or before the tenth (10th) day of each month starting with the first full month after the effective date of this Agreement, the Developer shall provide monthly status reports to the Agency Manager of Real Estate Assets in a format reasonably requested by the Manager of Real Estate Assets. These reports, at a minimum, shall include status reports regarding progress associated with the Schedule of Performance, identification of the issues and concerns raised by community residents, organizations, businesses and property owners regarding the Proposed Project and the Developer' progress in resolving those issues and concerns.

(ii) Financial Analysis. Developer shall provide the Agency with a detailed financial analysis for the Proposed Project containing matters typically contained in such analyses, including without limitation, a detailed development cost budget, proposed rents and a detailed operating income and expense estimate ("Financial Analysis"). The Financial Analysis will be used to evidence the financial feasibility of the Proposed Project and to assist in the negotiation of terms in the DDA regarding the financing of the Proposed Project. The analysis shall describe the proposed amount and uses of any financial assistance requested to be provided by the Agency. Agency staff shall use reasonable efforts to review and comment on the Financial Analysis in a timely manner, and in any event no later than thirty (30) days after receipt of the Financial Analysis from Developer.

(iii) Submittal and Review of Conceptual Plans. The Developer shall submit to the Agency conceptual plans for the development of the entire Site ("Conceptual Plans"). Agency staff and the Agency Board shall use reasonable efforts to review and comment on the Conceptual Plans in a timely manner.

(iv) City's Planning Process. Developer, at its sole cost and expense, shall submit to the City of El Cajon's ("City") Planning Division such plans as are necessary to conduct the review for the Proposed Projects that the Agency Manager of Real Estate Assets reasonably determines must be completed prior to the submittal of the DDA for Agency Board approval. Such plans shall be for the entire Site and Proposed Project. Developer shall be solely responsible for paying any and all costs and expenses associated with Developer' preparation of such plans and with the review and processing of the plans by the City and the Agency. The Agency (as owner of the Site) at no material cost thereto, shall reasonably cooperate with Developer in processing the plans, including, without limitation, execution of all necessary applications to the City.

(v) CEQA Compliance. Developer, at its sole cost and expense, shall be responsible for compliance with CEQA in connection with the development of the Site and the Proposed Projects. Developer shall be solely responsible for paying any and all costs and expenses associated with the Agency's compliance with applicable CEQA requirements (including, without limitation, any required Environmental Impact Report and/or other required environmental documents). Developer shall cooperate fully and in a timely manner to requests for information from the Agency and any of the Agency's consultants. The Agency (as the owner

of the Site) at no material cost thereto, shall reasonably cooperate with Developer in processing the CEQA analysis, including, without limitation, execution of all necessary applications therefor.

(vi) DDA Process. In accordance with this Agreement, the Agency shall conduct any required CEQA review and process and approve or disapprove a DDA with Developer. If the negotiations hereunder culminate in a DDA that is acceptable to the Parties, such an agreement shall become effective only after and if the DDA has been considered and approved by the Agency Board after public hearing. The Agency shall reasonably cooperate with Developer in order to enable Developer to meet its deadlines (including, without limitation, using reasonable efforts to make Agency staff and consultants available as reasonably needed to allow the Agency to timely perform its obligations under this Agreement); however, the Agency shall not be obligated to expedite any reviews, approvals, notices, meetings or other matters, and nothing contained in this Agreement shall be construed to limit the Agency's discretion in its activities in connection with the Proposed Project.

(vii) Agency's Right to Additional Information. The Agency reserves the right, during the Term of this Agreement, to request reasonable additional information and data from Developer necessary for review and evaluation of the Site and the Proposed Projects provided, however, Developer shall not be obligated to provide any information or data not obtained by the Developer in the course of their review and evaluation of the Project. Developer agrees to provide such additional information or data as requested in a timely manner. All information regarding the Developer's business practices and finances which may be provided to the Agency shall remain confidential to the extent permissible by law including, without limitation, the California Public Records Act. If the Agency at the request of the Developer is required to defend an action under the California Public Records Act with regard to a request for disclosure of any of the documents or reports related to the Project, Developer agrees to defend and indemnify the Agency from all costs and expenses of such defense, including reasonable attorneys' fees of the Agency or attorneys' fees awarded by a court arising out of such action.

(viii) Developer's Due Diligence. During the Term of this Agreement, Developer shall have the right to examine, inspect and investigate the Site and to determine whether the Site is acceptable to Developer, which right of Developer is subject to and conditioned upon the terms and provisions of a Right of Entry Agreement, the form of which will be the one most currently used by the Agency at the time of required entry.

(ix) Agency Not Responsible for Costs; Negotiation Payment.

(a) Except as otherwise may be mutually agreed to in writing by the Parties, as part of this Agreement or the DDA, the Agency shall not be liable for any costs and expenses associated with the preparation of any reports by Developer or the planning or development of the Site pursuant to or arising from this Agreement.

(b) Developer shall pay to the Agency a payment of Twenty-five Thousand Dollars (\$25,000) due on the Effective Date ("Negotiation Payment"). The Negotiation Payment shall be made in consideration of Agency entering into this Agreement and shall be used by Agency to cover expenses incurred in connection with this Agreement, including but not limited to, legal expenses, financial analysis expenses, administrative and staff expenses, materials, and labor ("Expenses").

(1) In the event the parties are unable to agree to the terms of a DDA resulting in termination or expiration of this Agreement, Agency will deduct from the Negotiation Payment all Expenses and return any remaining portion to Developer, provided that the Agency shall be entitled to retain the entire Negotiation Payment, regardless of Expenses, in the event of a material breach of this Agreement by Developer as set forth in Section 8. To obtain this refund and related accounting, Developer must send to Agency by certified mail, a written notice of cancellation, requesting an accounting and refund of any remaining portion of the Negotiation Payment minus Expenses. Agency will provide the accounting and refund within forty-five (45) days after receiving a cancellation notice and request. Except as set forth above, the Developer hereby waives any claim or right to any refund of the Negotiation Payment, any portion thereof, and any interest accrued thereon.

(2) In the event Agency's Expenses exceed the Negotiation Payment, or are reasonably anticipated to exceed the amount of the Negotiating Payment that remains on deposit, Agency and Developer shall meet and confer on the amount of an additional deposit necessary to cover Agency's Expenses up to and until a DDA is executed by the Parties, or until this Agreement is terminated pursuant to Sections 8 or 9, whichever occurs first. Developer shall make an additional payment to Agency within fifteen (15) days of receiving Agency's request for additional funds.

(x) DDA to Supersede this Agreement. This Agreement will be superseded by the DDA, if and when the proposed DDA is executed by Developer, approved by the Agency in the manner required by law, and executed by the Agency.

(xi) Real Estate Commissions. Neither the Agency nor the Developer shall be liable for any real estate commissions or brokerage fees which may arise herefrom. Agency and Developer each represent it has not engaged a broker, agent or finder in connection with this transaction. Developer agrees to defend, hold harmless and indemnify the Agency from any claim by any broker, agent or finder retained, or claimed to have been retained, by Developer. Agency agrees to defend, hold harmless and indemnify Developer from any claim by any broker, agent or finder retained, or claimed to have been retained by the Agency.

Section 6. TERMS TO BE NEGOTIATED

A. Agency and Developer shall meet regularly with each other in order to negotiate a proposed DDA which shall include, without limitation, the following provisions:

(i) A Scope of Development for the Proposed Project setting forth the total square feet of development space, the number of required replacement transit parking spaces and the design parameters for the Site including, but not be limited to, building height, acceptable architectural and landscape quality, access and circulation, determination of parcel boundaries, on-site and off-site improvements, site-perimeter treatment, landscaped buffers, parking, signage, lighting, and easements, if applicable. Use issues involving the compatibility and amount of uses, their financial feasibility and their physical compatibility, shall also be resolved.

(ii) The manner in which the edges of the development are designed to maximize compatibility with the abutting and adjacent uses by the use of a variety of materials

to provide a sense of visual relief and openness, to preserve the privacy of adjacent residential units and to minimize noise and other impacts.

(iii) The manner in which the development will be designed to be compatible with the El Cajon Transit District Special Plan, and any other applicable land use plans, or an applicable exception to such land use plans.

(iv) A sources and uses budget, which shall be based upon a financial *pro forma* that has been approved by the Agency, and a feasible method of financing, reasonably demonstrating to the Agency the availability of all funds needed to complete the development of the Proposed Project.

(v) The timing and conditions precedent for the conveyance of the Site or portions thereof.

(vi) Financial consideration to the Agency for conveyance of a long-term ground lease interest in the Site to Developer for purposes of developing the Proposed Project.

(vii) Number, location, and type of parking to be reconstructed for use by Agency and access to Agency facilities.

(viii) The terms of any additional financial assistance to be provided by the Agency for the payment of eligible development costs of the Proposed Project and Developer's construction of additional off-site improvements requested by the Agency and agreed to by the Developer, if any.

(ix) A schedule of performance encompassing appropriate and necessary legal, administrative, transfer of property interest, financial and construction benchmarks to be met by the appropriate Party.

(x) The DDA shall be subject to the Agency's standard insurance requirements and all other applicable and customary Agency and City policies.

Section 7. LIMITATIONS ON REMEDIES FOR BREACH OR DEFAULT AND RELEASE OF CLAIMS

A. Rights and Remedies. If either Party defaults with regard to any of the provisions of this Agreement, then the non-defaulting Party shall serve written notice of such default upon the defaulting Party. If the default is not cured within a reasonable time (but not more than fifteen (15) calendar days), then the defaulting Party shall be liable to the non-defaulting Party for any damages caused by such default, and the non-defaulting Party may thereafter (but not before) commence an action for damages against the defaulting Party with respect to such default; provided however, that neither Party shall have any obligation to the other for payment of punitive, exemplary or consequential damages and provided further, that each Party waives its right to bring an action for specific performance against the other Party, except that Developer may bring an action for specific performance to enforce the Agency's obligation to negotiate exclusively with Developer during the Term of this Agreement and the Agency may bring an action

for specific performance to enforce Developer's obligation to pay those Agency costs expressly required by this Agreement to be paid by the Developer. In the event of a breach or default of this Agreement, the non-breaching Party shall be entitled to all remedies available pursuant to the terms of this Agreement, at law and in equity, and all such remedies are cumulative in nature and may be asserted by such Party in the alternative and the assertion of a remedy by a Party shall not be deemed an exclusive election of remedies or waiver of any other rights conferred on that Party by the terms of this Agreement.

B. Section 1542. Each Party acknowledges that it is aware of the meaning and legal effect of California Civil Code Section 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her would have materially affected his or her settlement with the debtor.

C. General Release. California Civil Code Section 1542 notwithstanding, it is the intention of both of the Parties to be bound by the limitation on damages and remedies set forth in this Section 7 of the Agreement, and the Parties hereby release any and all claims against each other and their respective officers, officials, employees, consultants or agents for damages or specific performance (except as set forth above) related to any breach of this Agreement (other than those claims and damages allowed in Section 7.A. above), whether or not any such released claims were known or unknown to either of the Parties as of the date of this Agreement. Each of the Parties hereby waives the benefits of California Civil Code Section 1542 and all other statutes and judicial decisions (whether state or federal) of similar effect with regard to the limitations on damages and remedies and waivers of any such damages and remedies contained in this Section 7.

Agency's Initials

Developer's Initials

Section 8. TERMINATION BY AGENCY

A. Agency shall have the right to terminate this Agreement in the event of any of the following:

(i) Developer fails timely to perform any of their obligations hereunder or are otherwise in default under this Agreement, after expiration of any applicable notice and cure periods; or

(ii) Developer proposes provisions in the proposed DDA which materially vary from the Proposed Project (*i.e.*, a combination of affordable housing and onsite parking spaces), and fail to timely rescind such proposals after the Agency notifies Developer of its rejection of such proposals.

(iii) The negotiations reach a point where the Agency Board has rejected a last, best and final proposal from Developer and determined that further negotiations with Developer are not likely to lead to an agreement.

B. The Agency's right of termination shall be subject to the fifteen calendar day (15-day) notice and cure provisions set forth in Section 7(A) of this Agreement.

Section 9. TERMINATION BY DEVELOPER

A. Developer shall have the right to terminate this Agreement in the event of the occurrence of any of the following:

(i) Developer determines, in its sole and absolute discretion, that (i) the development of the Proposed Project is not financially feasible or (ii) it is reasonably likely that the Proposed Project will not obtain all necessary entitlements and environmental clearances necessary for the development and operation of the Proposed Project.

(ii) In the course of its investigation of the Site, Developer discovers any currently unknown conditions or circumstances which would materially impact the cost of the Proposed Project and/or the use of all or any portion of the Proposed Project; or

(iii) Agency fails timely to perform any of its obligations hereunder or is otherwise in default under this Agreement.

B. Developer's right of termination shall be subject to the fifteen (15) calendar day notice and cure provisions set forth in Section 7(A) of this Agreement.

Section 10. INDEMNITY

Other than arising from a dispute between Developer and Agency regarding any such Party's performance hereunder, Developer shall indemnify, defend, and hold the Agency, its directors, officers, employees, agents, and successors and assigns (collectively, the "Indemnitees" in this Section) harmless against all suits and causes of action, claims, costs, and liability, including, but not limited to, reasonable attorney's fees and costs of any litigation, or arbitration or mediation, if any, brought (1) challenging the validity, legality or enforceability of this Agreement (other than an action brought by a Party hereto) or (2) seeking damages which may arise directly or indirectly from the negotiation, formation, execution, enforcement or termination of this Agreement, or which are incident to the performance of the activities contemplated in this Agreement (other than an action brought by a Party hereto). Nothing in this Section shall be construed to mean that Developer shall hold the Indemnitees harmless and/or defend them to the extent of any claims arising from, or alleged to arise from the sole or gross negligence, willful misconduct or illegal acts of any of the Indemnitees, the failure of the Agency to follow any rule, procedure or law applicable to the Agency, and/or any claims that this Agreement violates any current agreement to which the Agency is subject. The Agency agrees that it shall fully cooperate with Developer in the defense of any matter in which Developer is defending and/or holding the Indemnitees harmless. The Agency may make all reasonable decisions with respect to its representation in any legal proceeding, including, but not limited to, the selection of attorney(s). This indemnity obligation shall survive the termination of this Agreement.

Section 11. NO THIRD PARTY BENEFICIARIES

Agency and Developer expressly acknowledge and agree they do not intend, by their execution of this Agreement, to benefit any persons or entities not signatory to this Agreement,

including, without limitation, any brokers representing the parties to this transaction. No person or entity not a signatory to this Agreement shall have any rights or causes of action against either Agency or Developer arising out of or due to Agency's or Developer's entry into this Agreement.

Section 12. NOTICES

A. Any notice, request, approval or other communication to be provided by either Party shall be in writing and dispatched by first class mail, postage prepaid, or by personal delivery (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), to the addresses of the Agency and the Developer set forth in this Section 12 of the Agreement. Such written notices, requests, approvals or other communication may be sent in the same manner to such other addresses as either Party may designate from time to time.

B. Any notice personally delivered (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), shall be deemed received on the documented date of receipt; and any notice that is sent by first-class mail, postage prepaid shall be deemed received on the date of receipt thereof.

If to the Agency:

Karen Landers, General Counsel
San Diego Metropolitan Transit System
1255 Imperial Avenue, Suite 1000
San Diego, California 92101

With a copy to:

Sean Myott, Manager of Real Estate Assets
San Diego Metropolitan Transit System
1255 Imperial Avenue, Suite 1000
San Diego, California 92101

If to the Developer:

Chelsea Investment Corporation

Attn: _____

Section 13. NO CONFLICT OF INTEREST

No member, official, or employee of Agency shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is, directly or indirectly, interested. Developer warrants that it has not paid or given, and will not pay or give, directly or indirectly, any Agency employee or official any money or other consideration at all, whether or not connected in any way with the subject matter of this Agreement. Further, Developer warrants that it has no

knowledge of any financial interest of any Agency employee or official in Developer, directly or indirectly, or in any person or entity affiliated with Developer, or in any transaction in which Developer have been involved. Notwithstanding the foregoing, Developer hereby discloses that Developer and/or its principals have made campaign contributions to Agency board members, details of which will be provided to Agency.

Section 14. LIMITATION ON EFFECT OF AGREEMENT

This Agreement shall not obligate either Party to enter into a DDA or to enter into any particular DDA. Agency and Developer do not intend this Agreement to be a purchase agreement, ground lease, license, option or similar contract. Nor do Agency and Developer intend to be bound in any way by this Agreement except during the Term as expressly set forth herein. By execution of this Agreement, Agency is not committing itself to or agreeing to undertake acquisition, disposition, or exercise of control over any portion of the Site nor is Developer committing itself to undertake the acquisition of any portion of the Site or the development, financing or construction of the Proposed Project. Execution of this Agreement by the Agency and Developer is merely an agreement to conduct a period of exclusive negotiations and to prepare recommendations to the Agency Board in accordance with the terms hereof, reserving for subsequent Agency action the final discretion and approval regarding the execution of a DDA and all proceedings and decisions in connection therewith. Any DDA resulting from negotiations pursuant to this Agreement shall become effective only if and after such DDA has been considered and approved by the Agency Board following performance of all legally required procedures. Each Party assumes the risk that, notwithstanding this Agreement and good faith negotiations, the Parties may not enter into a DDA due to the Parties' failure to agree upon essential terms of a transaction or a decision by the Agency Board not to authorize execution of a DDA. Except as expressly provided in this Agreement, a Party shall have no obligations or duties to the other Party hereunder and no liability whatsoever in the event the Parties fail to execute a DDA.

Section 15. MISCELLANEOUS PROVISIONS

A. Counterparts. This Agreement may be executed in counterparts, each of which when so executed shall be deemed an original, and all of which, when taken together, shall constitute but one and the same instrument.

B. Entire Agreement/Integration. This Agreement represents the entire agreement of the Parties and integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements, oral or written, between the Parties with respect to development of the Site.

C. Waivers; Amendments. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorized agents or officers of the Party to be charged, and all amendments and modifications hereto must be in writing and signed by the appropriate authorized agents or officers of the Parties. Except as otherwise expressly provided in this Agreement, any failure or delay by either Party in asserting any of its rights or remedies as to any Default shall not operate as a waiver of said Default or of any rights or remedies in connection therewith or of any subsequent Default or any rights or remedies in connection therewith, or deprive such Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

D. Governing Law and Venue. This Agreement and the legal relations between the Parties shall be governed by, interpreted under, construed and enforced in accordance with, the internal laws of the State of California without reference to the rules governing the conflict of laws. This Agreement is made and entered into in the County of San Diego, California, and any legal actions or proceedings arising from or related to this Agreement shall be brought in the County of San Diego.

E. No Association Between Developer and Agency. The Parties in no way intend for this Agreement to give rise to or create any relationship of partnership, joint venture, or any other form of association of any kind or nature between Developer and Agency.

F. Litigation Expenses and Attorneys' Fees. In the event any action, suit or proceeding is brought for the enforcement of, or the declaration of any right or obligation pursuant to this Agreement or as a result of any alleged breach of any provision of this Agreement, the prevailing Party in such suit or proceeding shall be entitled to recover its costs and expenses, including reasonable attorney's fees, from the losing Party, and any judgment or decree rendered in such a proceeding shall include an award thereof.

G. Assignment. This Agreement shall not be assignable by either Party without the prior written consent of the other Party. The Agency shall have the right to terminate this Agreement if Developer assigns this Agreement or if there is any material change in the management or control of the Developer.

H. Ambiguities. This Agreement is in all respects intended by each Party hereto to be deemed and construed to have been jointly prepared by the Parties and the Parties hereby expressly agree that any uncertainty or ambiguity existing herein shall not be interpreted against either of them. Except as expressly limited by this Section 15(H) of the Agreement, all of the applicable rules of interpretation of contracts shall govern the interpretation of any uncertainty or ambiguity of this Agreement.

I. Captions and Headings. The headings and captions of the various sections and paragraphs of this Agreement have been inserted only for the purpose of convenience and are not a part of this Agreement and shall not be deemed in any manner to modify, explain, expand or restrict any of the provisions of this Agreement.

J. Severability. Every provision of this Agreement is intended to be severable. If any provision of this Agreement or the application of any provision hereof to any party or circumstance is declared to be illegal, invalid or unenforceable for any reason whatsoever by a court of competent jurisdiction, such invalidity shall not affect the other terms and provisions hereof or the application of the provision in question to any other party or circumstance, all of which shall continue in full force and effect.

K. Warranty Against Payment of Consideration for Agreement. Developer warrants that they have not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement.

L. Nonliability of Officials, Officers, Members, and Employees. No member, official, officer, or employee of the Agency shall be personally liable to Developer, or any

successor in interest, in the event of any default or breach by Agency or for any amount which may become due to Developer or to their successors, or on any obligations under the terms of this Agreement. No member, officer or employee of Developer shall be personally liable to the Agency, or any successor in interest, in the event of any default by the Developer or for any amount which may become due to the Agency or its successor, or an obligation under the terms of this Agreement.

M. Authority to Enter Agreement. Developer represents and warrants that it has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective Party.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first written above.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Date: _____

By: _____
Sharon Cooney, Chief Executive Officer

Approved as to Form:

By: _____
Karen F. Landers, General Counsel

CHELSEA INVESTMENT CORPORATION

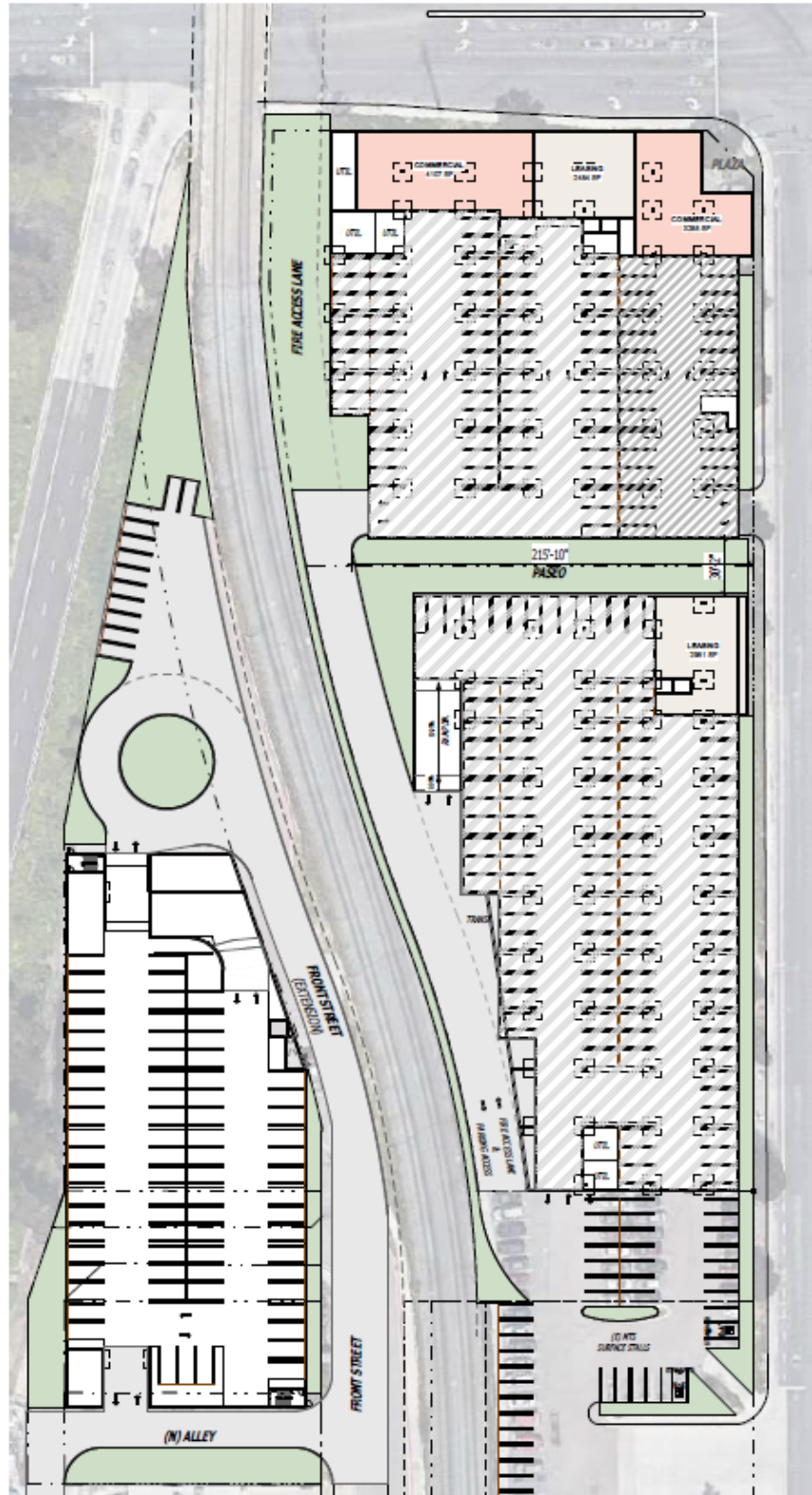
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By: _____

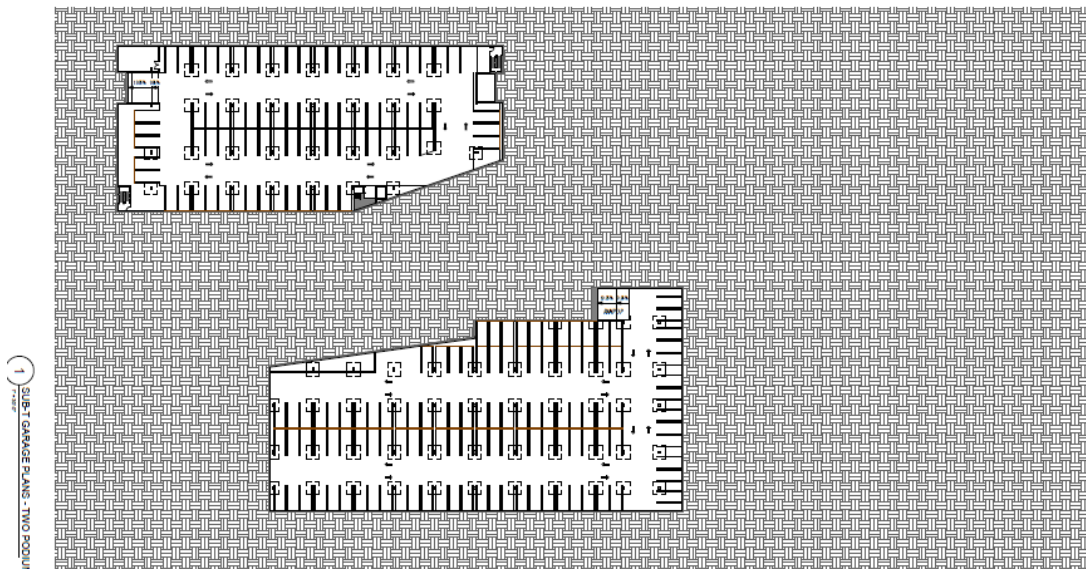
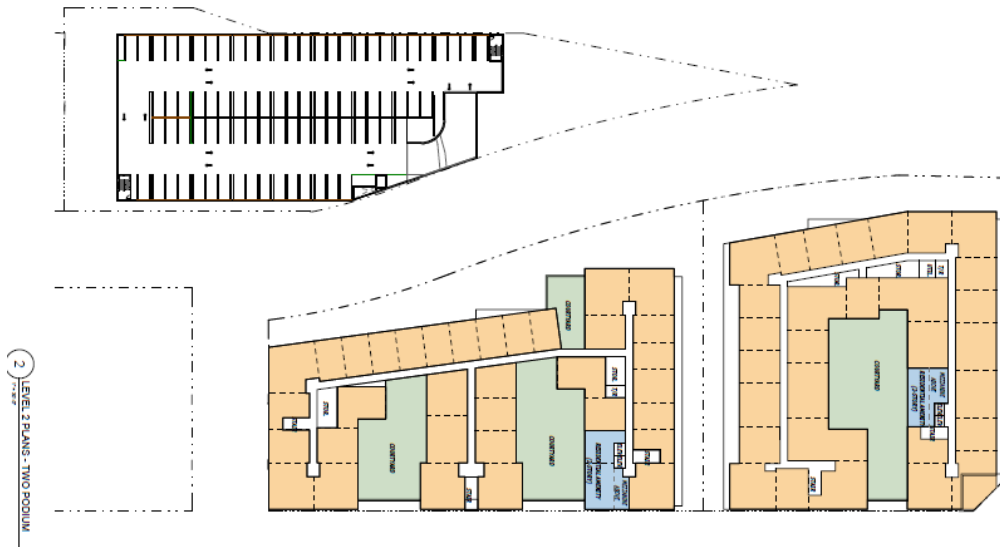
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FOR REFERENCE ONLY

NOT FOR CONSTRUCTION

A.102a

PLANS - TWO
PODIUM



HED



CHIESEA - EL CAJON
MTS SITE

CHIESEA - EL CAJON
MTS SITE

CHIESEA - EL CAJON
MTS SITE

CHIESEA - EL CAJON
MTS SITE



EXHIBIT B
MAP OF SITE



ECTC Transit Center ENA

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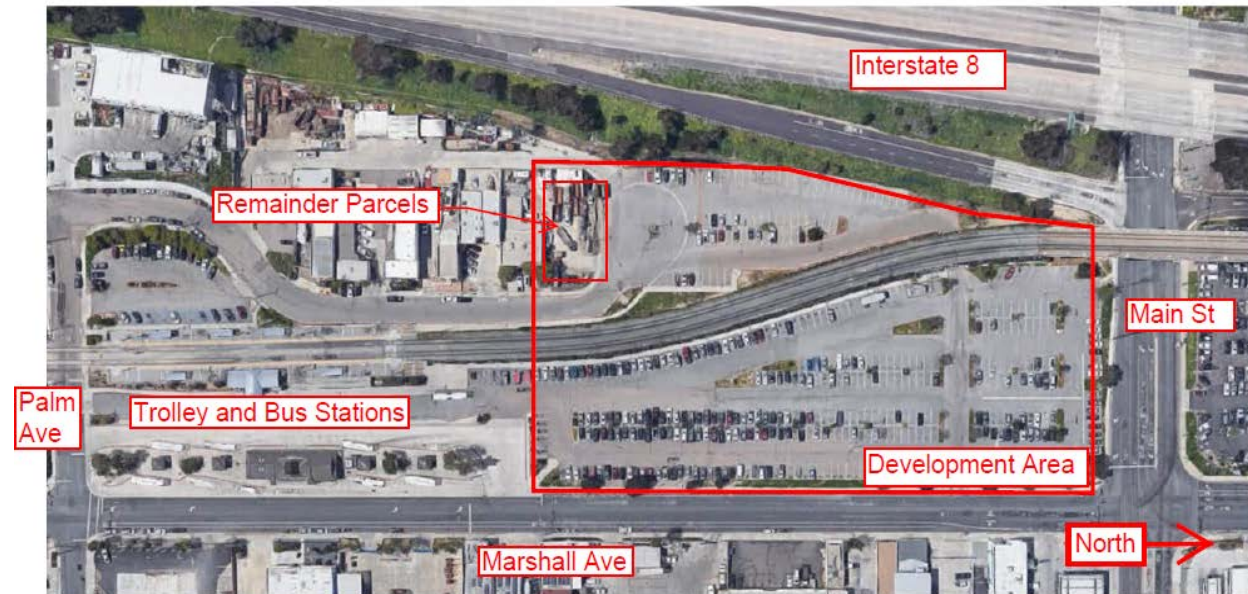
Chelsea Investment Corporation Development of the El Cajon Transit Center

MTS Executive Committee Meeting

November 3, 2022

Current Use and Continuing Transit Needs

- Board Policy 18 A. → Transit is MTS First Priority
 - ECTC is a Designated Park and Ride Transit Center
 - ECTC and Arnele Ave Most Easterly Park and Ride Centers in I-8 Corridor
 - Current Parking ECTC = 460, Arnele Ave = 60
 - ECTC Serves 13 Bus Lines
 - 3rd Track Project (Santee Trolley Shuttle) under construction
- ECTC is East San Diego County's Trolley Gateway to UCSD, UTC, Snapdragon Stadium, Petco Park, Chula Vista Bayfront, and International Border

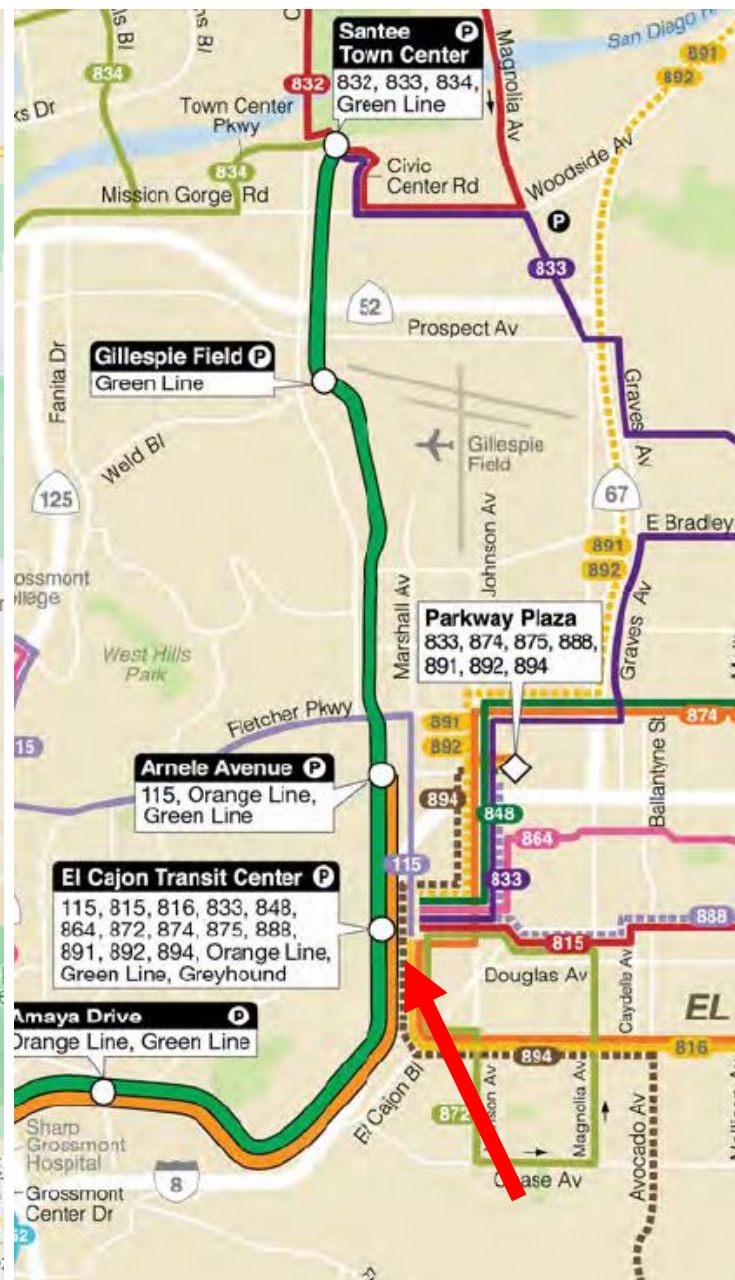
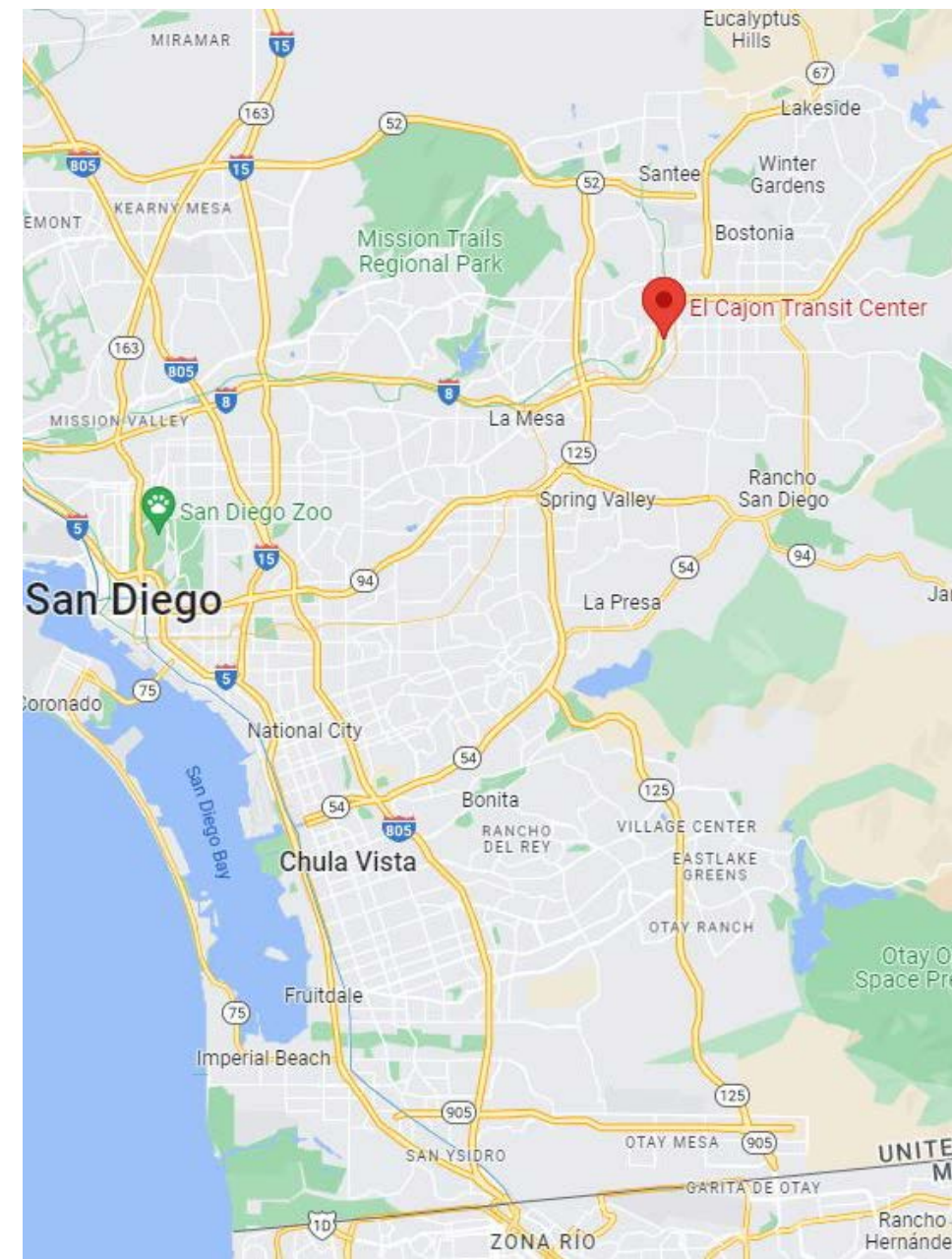


ECTC Transit Center

Green and Orange Trolley Lines

Local MTS Bus Routes (115, 815, 816, 833, 848, 864, 872, 874, 875, 888, 891, 892 & 894) and Greyhound Bus Lines

Transit Parking:
460 Spaces



MTS and City of El Cajon Partnership and History

- 2016 City and MTS staff begin TOD analysis
- 2018 City adopts a Transit District Specific Plan
- April 2019 MTS Updates Joint Development Program
- Assembly Bill 1486 amended the Surplus Land Act which impacted the MTS Joint Dev. Program (*eff. January 1, 2020*)
- July 2020 MTS Board declares ECTC surplus land
- August 2020 Notice of Availability posted and no Notice of Interest received



MTS and City TOD Proposals

- Summer 2022 MTS and City receive unsolicited proposal from **Chelsea Investment Corp.**
- MTS and City Staff determine proposal is viable
- August 24, 2022 MTS publicly posts notice of proposal receipt per Board Policy 18
- MTS receives two additional submissions
 - **USA Properties Fund Inc. & Eden Housing/Monarch Group**
- Eden/Monarch submission was a letter of interest
 - Attractive vision but insufficient detail to proceed
- October 2022 MTS and City Staff proceed with analysis of USA and Chelsea proposals



Chelsea – Affordable, Market & Transit Parking

Residential Unit Count

- Affordable 122
- Market Rate 177

Residential Sq Ft

- Affordable 105,000 sf
- Market 130,000 sf

Residential Maximum Occupancy

- **Affordable 690 persons**
- Market 597 persons

Unit Types

Affordable: 1 - 4 Bdrm

Market: Studio – 2 Bdrm

Transit Replacement Parking

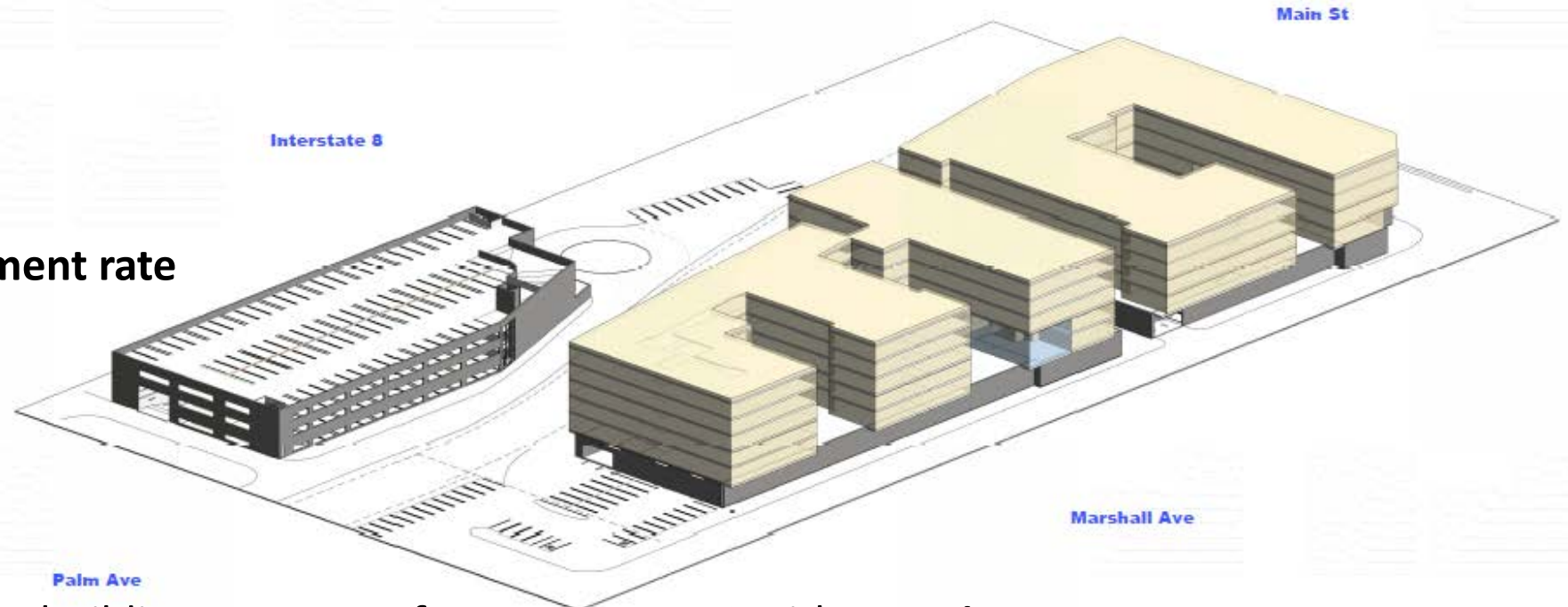
362 spaces / **79% replacement rate**

Retail

7,395 sf

Equity

Affordable and Market Rate buildings are **away from Interstate 8** with **amenity space** included. Units included balconies.



USA – Maximum Housing / Minimum Parking

Residential Unit Count

- Affordable 160
- **Market Rate 303**

Residential Sq Ft

- Affordable 100,000 sf
- Market 220,000 sf

Residential Maximum Occupancy

- Affordable 570 persons
- Market 1,187 persons

Unit Types

Affordable: 1 - 2 Bdrm

Market: 1 – 2 Bdrm + LiveWork

Transit Replacement Parking

207 spaces / **45%** replacement rate

Retail

0 sf

Equity

Affordable building is located
between Interstate 8 and MTS
Trolley Tracks

Affordable did not contain resident
amenity space



MTS and City Decision Making Rationale

- Both USA and Chelsea submitted viable and competitive proposals
- Chelsea proposal best balance between MTS and City Priorities
 - *Board Policy 18 A. → Transit is MTS First Priority*
 - Replaces 79% of MTS Transit Parking in standalone parking garage
 - Maximizes affordable occupancy by utilizing 4 bdrm layout
 - Well placed retail on Main St → Rent to MTS and sales tax revenue to City
 - Equitable location of buildings and amenity space



RECOMMENDATION

That the San Diego Metropolitan Transit System (MTS) Executive Committee authorize the Chief Executive Officer to:

- Execute an Exclusive Negotiation Agreement with Chelsea Investment Corporation for an El Cajon Transit Center Transit-Oriented Development Project

NEXT STEPS

- Further refine scope of work for development project
 - Footprint for multi-residential project
 - Footprint for replacement transit parking and connections to the transit center
 - Other transit amenities and integration of multi-residential project into the ECTC property
 - Finalize estimated unit count / unit breakdown
- Identify material terms to be brought to the MTS Board for approval
- Bring proposed Disposition and Development Agreement to MTS Board for approval
 - Estimated 6-9 months



Agenda Item No. 6

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

November 3, 2022

SUBJECT:

E STREET TRANSIT STATION - CITY OF CHULA VISTA AND MTS JOINT TRANSIT-ORIENTED DEVELOPMENT (TOD) (KAREN LANDERS AND SEAN MYOTT)

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Executive Committee authorize the Chief Executive Officer to execute a three-party Exclusive Negotiation Agreement with the City of Chula Vista (City) and Bayview Point, LLC (Developer) for an E Street Transit-Oriented Development Project (ENA), in substantially the same format as Attachment A.

Budget Impact

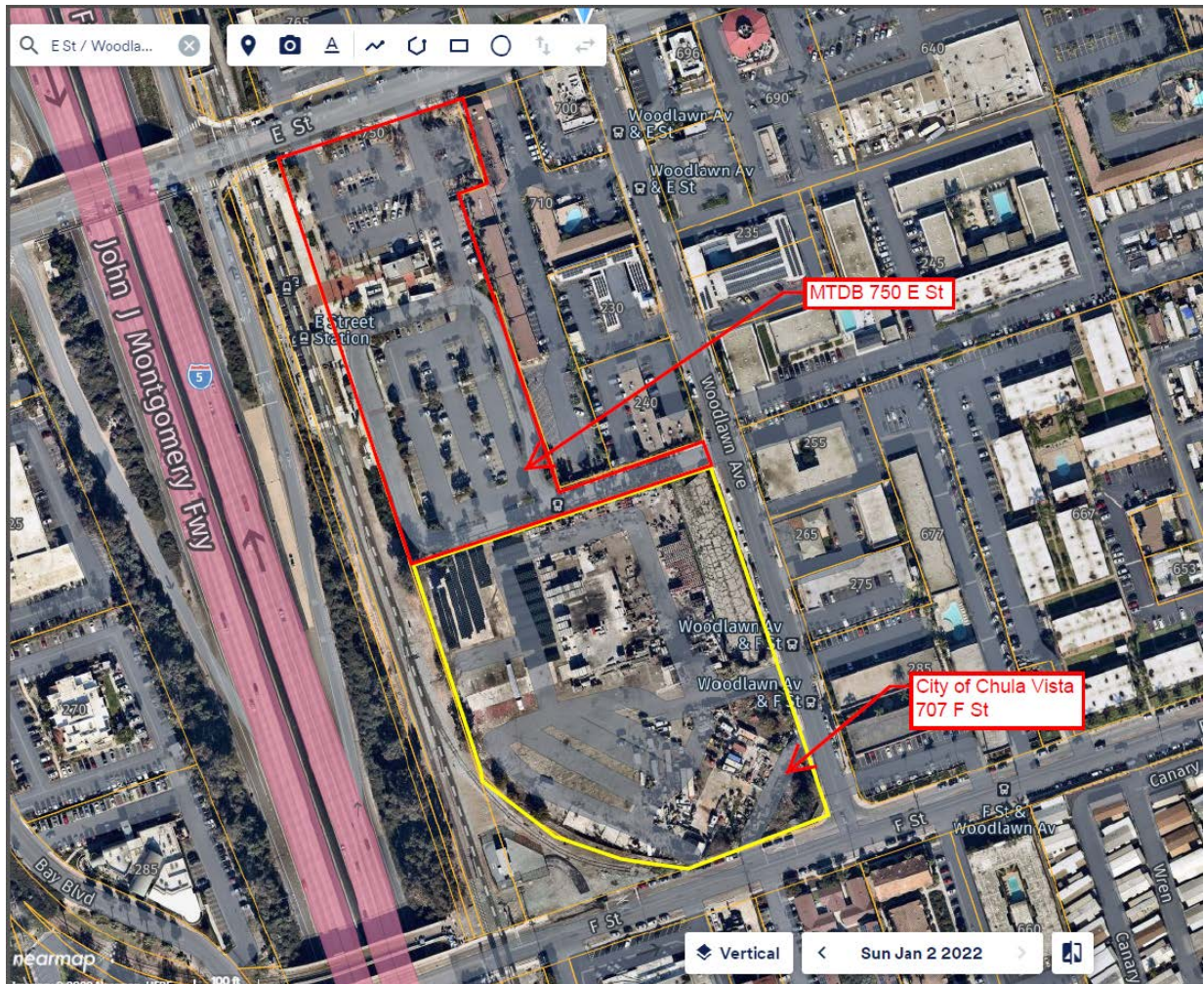
None. Today's proposed action simply authorizes MTS staff to enter negotiations with City and Developer. The final scope of development, price, and terms of payment will be negotiated and brought to the MTS Board and Chula Vista City Council for review and approval at future meetings. Any outside consultant costs that MTS or City incurs during the negotiation period will be paid for with a \$100,000 deposit from Developer.

DISCUSSION:

On December 18, 2018, MTS and the City formalized a partnership to seek partners for a joint TOD on the City-owned 707 F Street and MTS-owned 750 E Street properties. Subsequently, on April 18, 2019, the City released a Joint Request for Qualifications/Request for Proposals (RFQ/RFP) solicitation to identify the most qualified development teams that would develop a high-quality project with seamless planning and design across the nearly ten acres. The schedule required submittals by July 2019 with evaluations and subsequent interviews with development teams taking place thereafter.



E St Station Current Conditions



MTDB Site

267 MTS Park and Ride Parking Spaces, 3 Bus Lines (704, 705, 935), and a coffee shop

City Site

Industrial Lease

The RFQ/RFP required proposers to balance the City's development goals of employment generating uses providing the City long term tax revenue and MTS' Board Policy 18 goals to "create vibrant, transit-oriented communities that offer a range of housing types, job opportunities, and services centered around public transit facilities." The RFQ/RFP listed the priority of land uses as shown in Figure 1.

Priority	MTS	City
1	Affordable Housing	Office
2	Market rate rental housing	Hotel
3	Office	Retail
4	Hotel	Market Rate Housing – For Rent
5	Retail	Market Rate Housing – Sale of Planned Unit Development / Condominiums
6		Affordable Housing

Fig. 1 Priority of MTS and City land uses from RFQ/RFP

Four submittals were received. All four teams were invited to participate in Phase II by submitting more fully conceptualized development proposals and project proforma.

During the RFQ/RFP solicitation period, Assembly Bill 1486, which amended the Surplus Land Act (SLA), was signed into law. Under AB 1486, the SLA requires specific noticing practices for the disposition of surplus land, minimum affordable housing requirements, and that public agencies must first make surplus land available to affordable housing developers. After discussions with the SLA oversight agency, the California Department of Housing and Community Development, it was determined that the City and MTS would either have to restart the Joint RFQ/RFP solicitation or pursue a legislative amendment.

In 2021, a California Senate Bill 51 amended the SLA to allow the City and MTS to continue their joint solicitation as long as they meet a statutory minimum level of affordable housing and specified timelines. To revive the joint solicitation, the development teams were invited to revise their project proposals and submit updated proforma's reflecting current economic, market, and financial conditions that had evolved since the solicitation began in 2018. Based on the revised project proposals and proforma received, the City and MTS agreed to invite two of the development teams back for interviews with the City and MTS selection committee.

In June 2022, a Selection Committee interviewed two of the developer teams—Affirmed Housing and MountainWest Real Estate affiliate Bayview Point, LLC. Each development team presented vastly different project proposals. Primary differences in the proposals include variations in intensity of development and the concentration of certain asset classes and land uses over others. Summaries of the refined development proposals submitted by Affirmed Housing and Bayview Point, LLC are detailed in Figure 2.

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	Affirmed Housing	Bayview Point, LLC
Residential	570 Units - 347 affordable - 223 market rate	806 Units - 265 affordable - 541 market rate
Residential Gross Sq Ft	- 601,067 sf affordable - 226,937 sf market rate	- 281,491 sf affordable - 438,451 sf market rate
Non-Residential Gross Bldg. Area	108,773 sf	324,187 sf
Uses	Medical Office, Retail	Hotel (400 Rooms) , Retail, Medical Office, Office
Height	72 ft	216 ft
MTS Parking	Weekday: 92% of existing parking replaced Weekend: 56% of existing parking replaced	70% of existing parking replaced
Transit Experience	200+ ft between bus slips and trolley station	Bus slips adjacent to trolley station

Fig. 2 Summary of Affirmed Housing and Bayview Point, LLC Development Proposals

Affirmed Proposal – Site Layout

SITE PLAN



Bayview Point LLC Proposal – Site Layout

DEVELOPMENT SITE PLAN



Through the Joint RFQ/RFP process, the City and MTS were able to assess each development teams' ability to deliver on their proposed projects. The selection committee determined that Affirmed Housing and Bayview Point, LLC were similarly poised to deliver the project types they individually proposed. In addition to the overall objectives specified in the Joint RFQ/RFP document, MTS and City staff weighed the economic and transit impacts anticipated to be created with each project proposal, including but not limited to: transit ridership, job creation, sales tax revenue generation, rent revenue, transit rider experience, transient occupancy tax revenue generation, transit dedicated parking for park and ride use, property tax revenue generation, the overall intensification of land use as envisioned by the City planning documents governing the sites, the goals of MTS Board Policy 18, and the criteria of the amended SLA.

Both Affirmed Housing and Bayview Point, LLC put forth competitive proposals meeting City, MTS and the amended SLA requirements. However, the Bayview Point, LLC proposal was the more compelling given the site's proximity to the future Chula Vista Bayfront Redevelopment plan, City's density goals, and increased MTS ridership.

On October 18, 2022, the Chula Vista City Council considered this same item and authorized staff to execute a three-party ENA with MTS and Bayview Point, LLC.

Today's proposed action would authorize the Chief Executive Officer to execute a three-party ENA with City and Developer for an E Street Transit-Oriented Development Project, in substantially the same format as Attachment A. Alternatively, the Executive Committee can recommend that this item be presented to the full MTS Board of Directors at the November 10, 2022 meeting.

The next steps would be to engage in more detailed negotiations with City and Bayview Point, LLC concerning the final scope of development, price and terms of payment, funding strategies, necessary regulatory reviews or approvals, and other items. Following these negotiations, if they result in a recommended project, a final proposed disposition and development agreement or other real estate transaction will be presented to the MTS Board and Chula Vista City Council for review and approval at future meetings.

/S/ Sharon Cooney
Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachment: A. Draft Exclusive Negotiation Agreement

**EXCLUSIVE NEGOTIATION AGREEMENT
BY AND BETWEEN**

City of Chula Vista

AND

San Diego Metropolitan Transit System

AND

Bayview Point, LLC

THIS EXCLUSIVE NEGOTIATION AGREEMENT (Agreement) is made and entered into this ____ day of _____, 2022 (the "Effective Date"), by and between the **City of Chula Vista**, a chartered municipal corporation (City), **San Diego Metropolitan Transit System**, a public body, corporate and politic (Agency), and **Bayview Point, LLC**, a California Limited Liability Corporation (Developer), individually referred to herein as the "Party" and collectively referred to herein as the "Parties," with reference to the following:

RECITALS

A. In December 2018, City and Agency agreed to seek partners that would develop a high density, mixed-use, transit-oriented development on the City-owned 707 F Street and Agency-owned 750 E Street properties. Subsequently in April 2019 City released a Joint Request for Qualifications/Request for Proposals (Joint RFQ/RFP) solicitation to identify the most qualified development teams that would develop a high-quality project with seamless planning and design across the nearly ten acres. The schedule required submittals by July 2019 with evaluations and subsequent interviews taking place thereafter.

B. During the pendency of the Joint RFQ/RFP process, the State Legislature passed and Governor Newsom signed into law AB 1486 (Ting), which restricted the process for public agencies to dispose of surplus land.

C. To remove any uncertainty about the status of the Joint RFQ/RFP and the rights of Agency and City to complete the Joint RFQ/RFP process by negotiating agreements with a successful proposer, Agency and City sought legislative amendments to confirm that the Joint RFQ/RFP could proceed. SB 51 (Durazo) was approved by Governor Newsom on July 23, 2021. SB 51 amended Government Code Section 54234 to include a new subsection which reads:

If a local agency, as of September 30, 2019, has issued a competitive request for proposals for the development of property that includes at least 100 residential units and at least 25 percent of the total residential units are restricted to lower income households, as defined in Section 50079.5 of the Health and Safety Code, with an affordable housing cost or an affordable rent, as defined in Sections 50052.5 and 50053 of the Health and Safety Code, for a minimum of 55 years for rental housing and 45 years for ownership housing, the provisions of this article as it existed on December 31, 2019, shall apply, without regard to the changes made to this article by Chapter 664 of the Statutes of 2019, and all subsequent amendments to this article, to the disposition of the property to the party that

participated in the competitive request for proposals process, or the party's successors or assigns, provided a disposition and development agreement for the property is entered into not later than December 31, 2024. A joint development involving multiple parcels shall meet the requirements of this paragraph so long as there was a single competitive request for proposals process and the joint development otherwise meets all the requirements listed in this paragraph. A "disposition and development agreement" means an agreement between the developer and the local agency that binds the developer to construct a specific development and the local agency to dispose of the property if permits and other entitlements for the project are obtained. This paragraph shall not apply to land held in the Community Redevelopment Property Trust Fund pursuant to Section 34191.4 of the Health and Safety Code, or that has been designated in a long-range property management plan pursuant to Section 34191.5 of the Health and Safety Code. If the property is not disposed of pursuant to a qualifying disposition and development agreement before March 31, 2026, or if no disposition and development agreement is entered into before December 31, 2024, then future negotiations for and disposition of the property shall be subject to the provisions of this article.

D. On September 9, 2021, Agency and City requested updated proposals from the existing Joint RFQ/RFP participants, which would comply with the requirements of Government Code section 54234(a)(3). *(Note: a subsequent bill (AB 175) renumbered this provision from subsection (a)(2) to (a)(3). Subsection (a)(3) is referenced throughout this Agreement to be consistent with current law.)*

E. On October 18, 2022, City approved moving forward with exclusive negotiations with Developer as it relates to the City Site.

F. On _____, 2022, the Agency approved moving forward with exclusive negotiations with Developer as it relates to the Agency Site.

G. As a result of the above process, the City and Developer desire to enter into negotiations concerning development of certain land (defined below as the "City Site");

H. As a result of the above process, the Agency and Developer desire to enter into negotiations concerning the development of certain land (defined below as the "Agency Site");

I. The Parties recognize and acknowledge the purpose of this Agreement is to set forth the terms upon which the Parties agree to negotiate the terms of one or more Disposition and Development Agreements (DDAs) with respect to the disposition and development of the City Site and the Agency Site for consideration by their respective legislative bodies.

AGREEMENT

NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES CONTAINED HEREIN, AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED BY EACH OF THE PARTIES HERETO, THE PARTIES HERETO AGREE AS FOLLOWS:

Section 1. RECITALS

The Recitals set forth above are hereby incorporated into this Agreement by this reference, as though fully set forth herein.

Section 2. THE CITY AND AGENCY SITES

The City Site is comprised of certain real property located at 707 F Street in the City of Chula Vista, legally described in the Legal Description attached hereto as **Exhibit A** and incorporated herein by reference. The Agency Site is composed of certain real property located at 750 E Street in the City of Chula Vista, legally described in the Legal Description attached hereto as **Exhibit B** and incorporated herein by this reference.

Section 3. PURPOSE OF AGREEMENT

A The purpose of this Agreement is to set forth the terms for the negotiation by the Parties of one comprehensive DDA or two individual DDAs providing for the coordinated disposition and development of the City Site and the Agency Site into a mixed use project comprised of high density market rate housing, affordable housing, commercial (office and retail) space, a Full Service hotel, replacement transit parking spaces, and other necessary and approved public and private improvements (Proposed Project). A summary of the terms to be negotiated is provided in Section 6 of this Agreement, below. The Parties acknowledge and agree that the terms of this Agreement, the negotiations conducted hereunder, and the terms of any DDA that may be negotiated and ultimately approved by the Parties as a result of such negotiations, are intended to be in full compliance with the terms set forth in Government Code Section 54234(a)(3).

B Notwithstanding any provisions of this Agreement, Developer acknowledges and agrees that nothing in this Agreement shall obligate the City or Agency to approve individual DDAs or the Proposed Project or shall otherwise expressly or impliedly obligate the City or Agency to transfer any property or interests therein. Developer further acknowledges and agrees that the approval of this Agreement and individual DDAs and the participation in any portion of the Proposed Project by the City or Agency shall be in the sole and absolute discretion of the City and/or Agency. Developer further acknowledges and agrees that this Agreement does not confer upon Developer the right to have individual DDAs, the Proposed Project, or any portion of the Proposed Project approved by the City and/or Agency. The Parties in no way intend for this Agreement to waive or restrict the Agency's exercise of its independent, discretionary judgment with regard to individual DDAs and any and all portions of the Proposed Project.

Section 4. EXCLUSIVE RIGHT TO NEGOTIATE

A The City and Agency hereby grant to the Developer and the Developer hereby accept the right under this Agreement to exclusively negotiate the terms of one or more

DDAs for the Proposed Project with City and Agency for a period, commencing with the Effective Date, of Two Hundred Seventy (270) calendar days, and continuing in full force and effect until the earlier of (i) expiration or earlier termination of this Agreement pursuant to **Sections 8 or 9** of this Agreement and (ii) the date that any individual DDA for the Proposed Project is approved or disapproved by the City of Chula Vista City Council and/or Agency Board (the "Term").

B Subject to earlier termination pursuant to **Sections 8 or 9** of this Agreement, this Agreement shall remain in effect for the Term so long as Developer has not breached this Agreement.

C City, Agency and Developer agree during the Term, and so long as this Agreement is effective, to negotiate diligently and in good faith to prepare individual DDAs to be entered into by the City and Developer, and Agency and Developer with regard to the objectives described above and the purposes of this Agreement. During the Term, the City and Agency agree not to negotiate for the acquisition, financing and/or development of the City and Agency Sites, or any portion thereof, with any party other than the Developer, or approve or conduct a public hearing for any other acquisition, financing and/or development of the City and Agency Sites, or any portion thereof.

D Subject to the approval of the City of Chula Vista City Manager and Agency CEO or their individual designees, each acting in their sole discretion, the Term may be extended one or more additional times for a period not to exceed an aggregate of an additional One Hundred Eighty (180) calendar days upon the request of Developer.

E If Developer requests an additional extension of the Term of this Agreement beyond the extension described in **Section 4(E)**, then any such extension shall be granted, if at all, in the collective sole discretion of the City of Chula Vista City Manager and Agency CEO or their individual designees and only if the Developer agrees to reimburse the City and Agency for all reasonable costs and expenses for staff and consultant time expended on the negotiation and preparation of individual DDAs during such extended term.

F If, upon the expiration of the Term of this Agreement, the Parties have not each approved and Developer has not executed individual DDAs then this Agreement shall automatically terminate and Developer shall have no further rights regarding the subject matter of this Agreement or all or any part of the City and Agency Sites and the City and Agency shall be free to negotiate with any other persons or entities with regard to all or any part of the City and Agency Sites.

Section 5. TERMS FOR CONDUCT OF NEGOTIATIONS

A City, Agency and Developer hereby agree to comply with each of the following in accordance, as applicable, with the timing described below:

(i) Status Reports. Upon request of City and/or Agency, the Developer shall provide status reports on particular issues under review or negotiation to the City Principal Economic Development Specialist and Agency Manager of Real Estate Assets.

(ii) Financial Analysis. Developer shall provide the City and Agency with a detailed financial analysis for the Proposed Project containing matters typically contained in such

analyses, including without limitation, a detailed development cost budget; proposed rents, values, and detailed operating income and expense estimates; and estimated developer returns for each project component (Financial Analysis). The Financial Analysis will be used to evidence the financial feasibility of the Proposed Project and to assist in the negotiation of terms in the individual DDAs regarding the financing of the various components of the Proposed Project. City and Agency staff shall use reasonable efforts to review and comment on the Financial Analysis in a timely manner, expected to be within thirty (30) days after receipt of the Financial Analysis from Developer, unless City or Agency requires the assistance of outside consultants to complete such review.

(iii) Submittal and Review of Conceptual Plans. The Developer shall submit to the City and Agency conceptual plans for the development of the Proposed Project (Conceptual Plans). City and Agency staff and the City of Chula Vista City Council and Agency Board shall use reasonable efforts to review and comment on the Conceptual Plans in a timely manner.

(iv) City's Planning Process. Developer, at its sole cost and expense, shall submit to the City of Chula Vista Development Services Department such plans as are necessary to conduct a single or multi-discipline preliminary review for the Proposed Project that the City reasonably determines must be completed prior to the submittal of individual DDAs for City of Chula Vista City Council or Agency Board approval. Such plans shall be for the entire City and Agency Sites and Proposed Project. Developer shall be solely responsible for paying any and all costs and expenses associated with Developer's preparation of such plans and with the review and processing of the plans by the City and the Agency. The City (as owner of the City Site) and Agency (as owner of the Agency Site) at no material cost thereto, shall reasonably cooperate with Developer in processing the plans, including, without limitation, execution of all necessary applications to the City.

(v) CEQA Compliance. Developer, at its sole cost and expense, shall be responsible for compliance with the California Environmental Quality Act (CEQA) in connection with the development of the City and Agency Sites and the Proposed Project. Developer shall be solely responsible for paying any and all costs and expenses associated with the City and Agency's compliance with applicable CEQA requirements (including, without limitation, any required Environmental Impact Report and/or other required environmental documents). Developer shall cooperate fully and in a timely manner to requests for information from the City or Agency and any of the City or Agency's consultants. The City (as the owner of the City Site) and Agency (as the owner of the Agency Site) at no material cost thereto, shall reasonably cooperate with Developer in processing the CEQA analysis, including, without limitation, execution of all necessary applications therefor. Subject to Developer's obligation to pay such costs, the City and Agency shall conduct any required CEQA review required by this **Section 5(A)(v)** in order to take action on individual proposed DDAs with Developer. Alternatively, City, Agency and Developer recognize that they may conclude, after a legal review, that the CEQA review process is instead required to take place during the pendency of the individual proposed DDAs but before the execution of a purchase and sale agreement long-term ground lease for the City/Agency Sites. If the City or Agency is required to defend an action under CEQA related to the Project, Developer agrees to defend and indemnify the City and Agency from all costs and expenses of such defense, including reasonable attorneys' fees of the City and Agency or attorneys' fees awarded by a court arising out of such action.

(vi) DDA Process. If the negotiations hereunder culminate in individual DDAs that are acceptable to the Parties, such agreements shall become effective only after and if the individual DDAs have been considered and approved by the City of Chula Vista City Council and Agency Board after a public meeting. The City and Agency shall reasonably cooperate with Developer in order to enable Developer to meet its deadlines (including, without limitation, using reasonable efforts to make City and Agency staff and consultants available as reasonably needed to allow the City and Agency to timely perform their obligations under this Agreement); however, the City and Agency shall not be obligated to expedite any reviews, approvals, notices, meetings or other matters, and nothing contained in this Agreement shall be construed to limit the City or Agency's discretion in its activities in connection with the Proposed Project.

(vii) City and Agency's Right to Additional Information. The City and Agency reserve the right, during the Term of this Agreement, to request reasonable additional information and data from Developer necessary for review and evaluation of the City and Agency Sites and the Proposed Project; provided, however, Developer shall not be obligated to provide any information or data that is not reasonably related to City or Agency's review and evaluation of the Project and the proposed DDA terms. Developer agrees to provide such additional information or data as requested in a timely manner. All information regarding the Developer's business practices and finances which may be provided to the City and Agency shall remain confidential to the extent permissible by law including, without limitation, the California Public Records Act. If the City or Agency at the request of the Developer is required to defend an action under the California Public Records Act with regard to a request for disclosure of any of the documents or reports related to the Project, Developer agrees to defend and indemnify the City and Agency from all costs and expenses of such defense, including reasonable attorneys' fees of the City and Agency or attorneys' fees awarded by a court arising out of such action.

(viii) Developer's Due Diligence. During the Term of this Agreement, Developer shall have the right to examine, inspect and investigate the City and Agency Sites and to determine whether the City and Agency Sites are acceptable to Developer, which right of Developer is subject to and conditioned upon the terms and provisions of a Right of Entry Agreement, the form of which will be the one most currently used by the City or Agency at the time of required entry.

(ix) City and Agency Not Responsible for Costs; Negotiation Payment.

(a) Except as otherwise may be mutually agreed to in writing by the Parties, as part of this Agreement or the DDA, the City and Agency shall not be liable for any costs and expenses associated with the preparation of any reports by Developer or the planning or development of the City or Agency Sites pursuant to or arising from this Agreement.

(b) Developer shall pay to the City a payment of One-hundred Thousand Dollars (\$100,000) due on the Effective Date (Negotiation Payment). The Negotiation Payment shall be made in consideration of City/Agency entering into this Agreement and shall be used by City/Agency to cover expenses incurred in connection with this Agreement, including but not limited to, legal expenses, financial analysis expenses, administrative and staff expenses, materials, and labor (Expenses).

(1) In the event the parties are unable to agree to the terms of individual DDAs resulting in termination or expiration of this Agreement, City will deduct from the Negotiation Payment all Expenses and return any remaining portion to Developer,

provided that the City shall be entitled to retain the entire Negotiation Payment, regardless of Expenses, in the event of a material breach of this Agreement by Developer as set forth in **Section 8**. To obtain this refund and related accounting, Developer must send to City by certified mail, a written notice of cancellation, requesting an accounting and refund of any remaining portion of the Negotiation Payment minus Expenses. City will provide the accounting and refund within forty-five (45) days after receiving a cancellation notice and request. Except as set forth above, the Developer hereby waives any claim or right to any refund of the Negotiation Payments, any portion thereof, and any interest accrued thereon.

(2) In the event City's Expenses exceed the Negotiation Payment, or are reasonably anticipated to exceed the amount of the Negotiating Payment that remains on deposit, City, and Developer shall meet and confer on the amount of an additional deposit necessary to cover City's Expenses up to and until individual DDAs are executed by the Parties, or until this Agreement is terminated pursuant to **Sections 8 or 9**, whichever occurs first. Developer shall make an additional payment to City within fifteen (15) days of receiving City's request for additional funds.

(x) Individual DDAs to Supersede this Agreement. This Agreement will be superseded by individual DDAs, if and when the proposed individual DDAs are executed by Developer, approved by the City and/or Agency in the manner required by law, and executed by the City and/or Agency.

(xi) Real Estate Commissions. Neither the City, Agency nor the Developer shall be liable for any real estate commissions or brokerage fees which may arise herefrom. City, Agency and Developer each represent it has not engaged a broker, agent or finder in connection with this transaction. Developer agrees to defend, hold harmless and indemnify the City and Agency from any claim by any broker, agent or finder retained, or claimed to have been retained, by Developer. City and Agency agree to defend, hold harmless and indemnify Developer from any claim by any broker, agent or finder retained, or claimed to have been retained by the City or Agency.

Section 6. DDA TERMS TO BE NEGOTIATED

A City, Agency and Developer shall meet regularly with each other in order to negotiate proposed individual DDAs which shall include, without limitation, the following provisions:

(i) A Scope of Development for the Proposed Project setting forth the total square feet of development space, the number of required replacement transit parking spaces and the design parameters for the City and Agency Sites including, but not limited to, building height, acceptable architectural and landscape quality, access and circulation, determination of parcel boundaries, on-City and Agency Sites and off-City and Agency Sites improvements, City and Agency Site-perimeter treatment, landscaped buffers, parking, signage, lighting, and easements, if applicable. Use issues involving the compatibility and amount of uses, their financial feasibility and their physical compatibility, shall also be resolved.

(ii) The manner in which the edges of the development are designed to maximize compatibility with the abutting and adjacent uses by the use of a variety of materials

to provide a sense of visual relief and openness, to preserve the privacy of adjacent residential units and to minimize noise and other impacts, if any.

(iii) The coordination of the planning, design and construction of the Developer's Proposed Project to maximize the Proposed Project's compatibility with the abutting and adjacent uses, including operation of the transit center operated by Agency, and to minimize environmental, traffic and other impacts on the abutting and adjacent uses.

(iv) The manner in which the development will be designed to be compatible with the Urban Core Specific Plan, and any other applicable land use plans.

(v) A sources and uses budget, which shall be based upon a financial *pro forma* that has been approved by the City and/or Agency, and a feasible method of financing, reasonably demonstrating to the City and Agency the availability of all funds needed to complete the development of the Proposed Project.

(vi) The timing and conditions precedent for the conveyance of the City and Agency Sites or portions thereof including, without limitation, City/Agency approval of sources and terms for Proposed Project financing, and concurrent closing of such financing.

(vii) Financial consideration to be paid by Developer to the City and Agency for conveyance of a fee simple transfers or long-term ground lease interests in the City or Agency Sites respectively to Developer for purposes of developing the Proposed Project.

(viii) Number, location, and type of parking to be reconstructed for use by City and Agency and access to City and Agency facilities.

(ix) Any transit facilities that need to be constructed or reconstructed for use by Agency after construction of the Proposed Project.

(x) The terms of any financial assistance to be provided by the City or Agency for the payment of eligible development costs of the Proposed Project and Developer's construction of additional off-City or Agency Site improvements requested by the City or Agency and agreed to by the Developer, if any.

(xi) A schedule of performance encompassing appropriate and necessary legal, administrative, transfer of property interest, financial and construction benchmarks to be met by the appropriate Party.

(xii) The DDA with Agency shall be subject to the requirements of Agency Board Policy No. 18, Section C(7) and C(8), which require:

(a) All projects approved pursuant to the program shall be considered public works for purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code, regardless of whether an exemption under Section 1720 of the Labor Code applies to the project; and

(b) A joint development agreement between MTS and a private entity shall include a requirement that the developer's construction comply with Public Utilities Code section 120221.5.

(xiii) The individual DDAs shall be subject to the City's and Agency's standard insurance requirements and all other applicable and customary City and Agency policies.

Such other provisions regarding the participation and responsibilities of the Developer, City, and the Agency deemed necessary or advisable by the City and Agency to further the purpose of developing the Proposed Project, revitalizing the area around the City and Agency Sites, and meeting all applicable legal requirements including, without limitation, the requirements of Government Code Section 54234(a)(3).

Section 7. LIMITATIONS ON REMEDIES FOR BREACH OR DEFAULT AND RELEASE OF CLAIMS

A Rights and Remedies. If any Party defaults with regard to any of the provisions of this Agreement, then the non-defaulting Part(ies) shall serve written notice of such default upon the defaulting Party. If the default is not cured within a reasonable time (but not more than fifteen (15) calendar days), then the defaulting Party shall be liable to the non-defaulting Party for any direct, out of pocket, damages caused by such default, and the non-defaulting Party may thereafter (but not before) commence an action for such damages against the defaulting Party with respect to such default; provided however, that no Part(ies) shall have any obligation to any other Party for payment of punitive, exemplary or consequential damages (including, without limitation, any claim for opportunity costs or lost profits) (collectively, "special damages") and provided further, that each Party waives its right to bring an action for special damages or specific performance against the other Part(ies), except that Developer may bring an action for specific performance to enforce the Agency's obligation to negotiate exclusively with Developer during the Term of this Agreement and the City or Agency may bring an action for specific performance to enforce Developer's obligation to pay those City and Agency costs expressly required by this Agreement to be paid by the Developer. In the event of a breach or default of this Agreement, the non-breaching Part(ies) shall be entitled to only the remedies available pursuant to the terms of this Agreement and all such remedies are cumulative in nature and may be asserted by such Part(ies) in the alternative and the assertion of a remedy by a Party shall not be deemed an exclusive election of remedies or waiver of any other rights conferred on that Party by the terms of this Agreement.

B Section 1542. Each Party acknowledges that it is aware of the meaning and legal effect of California Civil Code Section 1542, which provides:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

C General Release. California Civil Code Section 1542 notwithstanding, it is the intention of all of the Parties to be bound by the limitation on damages and remedies set forth in this **Section 7** of the Agreement, and the Parties hereby release any and all claims against each other and their respective officers, officials, employees, consultants or agents for damages or specific performance (except as set forth above) related to any breach of this Agreement (other

than those claims and damages allowed in **Section 7(A)** above), whether or not any such released claims were known or unknown to any of the Parties as of the date of this Agreement. Each of the Parties hereby waives the benefits of California Civil Code Section 1542 and all other statutes and judicial decisions (whether state or federal) of similar effect with regard to the limitations on damages and remedies and waivers of any such damages and remedies contained in this **Section 7**.

City's Initials

Agency's Initials

Developer's Initials

Section 8. TERMINATION BY CITY AND/OR AGENCY

A City and Agency shall have the right to terminate this Agreement in the event of any of the following:

(i) Developer fails timely to perform any of their obligations hereunder or are otherwise in default under this Agreement, after expiration of any applicable notice and cure periods; or

(ii) The negotiations reach a point where the City of Chula Vista City Council and/or Agency Board, each acting in their sole and unfettered discretion, has rejected a last, best and final proposal from Developer and determined that further negotiations with Developer are not likely to lead to an agreement.

B The City or Agency's right of termination in Section 8.A(i), above, shall be subject to the fifteen (15) calendar day notice and cure provisions set forth in **Section 7(A)** of this Agreement.

Section 9. TERMINATION BY DEVELOPER

A. Developer shall have the right to terminate this Agreement in the event of the occurrence of any of the following:

(i) Developer determines, in its sole and absolute discretion, that (i) the development of the Proposed Project is not financially feasible or (ii) it is reasonably likely that the Proposed Project will not obtain all necessary entitlements and environmental clearances necessary for the development and operation of the Proposed Project.

(ii) In the course of its investigation of the City or Agency Sites, Developer discovers any currently unknown conditions or circumstances which would materially impact the cost of the Proposed Project and/or the use of all or any portion of the Proposed Project; or

(iii) City or Agency fails timely to perform any of its obligations hereunder or is otherwise in default under this Agreement.

B. Developer's right of termination shall be subject to the fifteen (15) calendar day notice and cure provisions set forth in **Section 7(A)** of this Agreement.

Section 10. NO THIRD PARTY BENEFICIARIES

City, Agency and Developer expressly acknowledge and agree they do not intend, by their execution of this Agreement, to benefit any persons or entities not a signatory to this Agreement, including, without limitation, any brokers representing the parties to this transaction. No person or entity not a signatory to this Agreement shall have any rights or causes of action against City, Agency or Developer arising out of or due to City's, Agency's or Developer's entry into this Agreement.

Section 11. NOTICES

A Any notice, request, approval or other communication required to be provided by any Party under this Agreement shall be in writing and dispatched by first class mail, postage prepaid, or by personal delivery (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), to the addresses of the City, Agency and the Developer set forth in **Section 11(B)** of the Agreement, *with an additional copy sent by email to the recipient*. Such written notices, requests, approvals or other communication may be sent in the same manner to such other addresses as either Party may designate from time to time.

B Any notice personally delivered (including by means of professional messenger service, courier service such as United Parcel Service or Federal Express, or by U.S. Postal Service), shall be deemed received on the documented date of receipt; and any notice that is sent by first-class mail, postage prepaid shall be deemed received on the date of receipt thereof.

If to the City:

Glen Googins, City Attorney
City of Chula Vista
276 Fourth Avenue
Chula Vista, CA 91910
Email: ggoogins@chulavistaca.gov

If to the Agency:

Karen Landers, General Counsel
San Diego Metropolitan Transit System
1255 Imperial Avenue, Suite 1000
San Diego, California 92101
Email: karen.landiers@sdmts.com

If to the Developer:

James Pieri
Bayview Point, LLC
496 Third Avenue
Chula Vista, CA 91910
Email: jim.pieri@mountainwest.com

Section 12. NO CONFLICT OF INTEREST

No member, official, or employee of City or Agency shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is, directly or indirectly, interested. Developer warrants that it has not paid or given, and will not pay or give, directly or indirectly, any City or Agency employee or official any money or other consideration at all, whether or not connected in any way with the subject matter of this Agreement. Further, Developer warrants that it has no knowledge of any financial interest of any City or Agency employee or official in Developer, directly or indirectly, or in any person or entity affiliated with Developer, or in any transaction in which Developer have been involved.

Section 13. LIMITATION ON EFFECT OF AGREEMENT

This Agreement shall not obligate any Party to enter into individual DDAs or to enter into any particular DDA. City, Agency and Developer do not intend this Agreement to be a purchase agreement, ground lease, license, option or similar contract. Nor do City, Agency and Developer intend to be bound in any way by this Agreement except during the Term as expressly set forth herein. By execution of this Agreement, City and Agency are not committing themselves to or agreeing to undertake acquisition, disposition, or exercise of control over any portion of the City or Agency Sites nor is Developer committing itself to undertake the acquisition of any portion of the City or Agency Sites or the development, financing or construction of the Proposed Project. Execution of this Agreement by the City, Agency and Developer is merely an agreement to conduct a period of exclusive negotiations and to prepare recommendations to the City of Chula Vista City Council and Agency Board in accordance with the terms hereof, reserving for subsequent City and Agency action the final discretion and approval regarding the execution of individual DDAs and all proceedings and decisions in connection therewith. Any individual DDA resulting from negotiations pursuant to this Agreement shall become effective only if and after such individual DDAs have been considered and approved by the City of Chula Vista City Council and Agency Board following performance of all legally required procedures. Each Party assumes the risk that, notwithstanding this Agreement and good faith negotiations, the Parties may not enter into individual DDAs due to the Parties' failure to agree upon essential terms of a transaction or a decision by the City of Chula Vista City Council or Agency Board not to authorize execution of individual DDAs. Except as expressly provided in this Agreement, a Party shall have no obligations or duties to the other Part(ies) hereunder and no liability whatsoever in the event the Parties fail to execute individual DDAs.

Section 14. MISCELLANEOUS PROVISIONS

A Counterparts. This Agreement may be executed in counterparts, each of which when so executed shall be deemed an original, and all of which, when taken together, shall constitute but one and the same instrument.

B Entire Agreement/Integration. This Agreement represents the entire agreement of the Parties and integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements, oral or written, between the Parties with respect to development of the City or Agency Sites.

C Waivers; Amendments. All waivers of the provisions of this Agreement must be in writing and signed by the appropriate authorized agents or officers of the Party to be charged, and all amendments and modifications hereto must be in writing and signed by the appropriate authorized agents or officers of the Parties. Except as otherwise expressly provided in this Agreement, any failure or delay by either Party in asserting any of its rights or remedies as to any Default shall not operate as a waiver of said Default or of any rights or remedies in connection therewith or of any subsequent Default or any rights or remedies in connection therewith, or deprive such Party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

D Governing Law and Venue. This Agreement and the legal relations between the Parties shall be governed by, interpreted under, construed and enforced in accordance with, the internal laws of the State of California without reference to the rules governing the conflict of laws. This Agreement is made and entered into in the County of San Diego, California, and any legal actions or proceedings arising from or related to this Agreement shall be brought in the County of San Diego.

E No Association Between Developer and City or Agency. The Parties in no way intend for this Agreement to give rise to or create any relationship of partnership, joint venture, or any other form of association of any kind or nature between Developer and City and/or Agency.

F Litigation Expenses and Attorneys' Fees. In the event any action, suit or proceeding is brought for the enforcement of, or the declaration of any right or obligation pursuant to this Agreement or as a result of any alleged breach of any provision of this Agreement, the prevailing Party in such suit or proceeding shall be entitled to recover its costs and expenses, including reasonable attorney's fees, from the losing Party, and any judgment or decree rendered in such a proceeding shall include an award thereof.

G Assignment. This Agreement shall not be assignable by any Party without the prior written consent of all Parties. The City or Agency shall have the right to terminate this Agreement if Developer assigns this Agreement or if there is any material change in the management or control of the Developer.

H Ambiguities. This Agreement is in all respects intended by each Party hereto to be deemed and construed to have been jointly prepared by the Parties and the Parties hereby expressly agree that any uncertainty or ambiguity existing herein shall not be interpreted against any of them. Except as expressly limited by this **Section 14(H)** of the Agreement, all of the applicable rules of interpretation of contracts shall govern the interpretation of any uncertainty or ambiguity of this Agreement.

I Captions and Headings. The headings and captions of the various sections and paragraphs of this Agreement have been inserted only for the purpose of convenience and are not a part of this Agreement and shall not be deemed in any manner to modify, explain, expand or restrict any of the provisions of this Agreement.

J Severability. Every provision of this Agreement is intended to be severable. If any provision of this Agreement or the application of any provision hereof to any party or circumstance is declared to be illegal, invalid or unenforceable for any reason whatsoever by a court of competent jurisdiction, such invalidity shall not affect the other terms and provisions

hereof or the application of the provision in question to any other party or circumstance, all of which shall continue in full force and effect.

K Warranty Against Payment of Consideration for Agreement. Developer warrants that they have not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement.

L Nonliability of Officials, Officers, Members, and Employees. No member, official, officer, or employee of the City or Agency shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by City or Agency or for any amount which may become due to Developer or to their successors, or on any obligations under the terms of this Agreement. No member, officer or employee of Developer shall be personally liable to the City or Agency, or any successor in interest, in the event of any default by the Developer or for any amount which may become due to the City or Agency or its successor, or an obligation under the terms of this Agreement.

M Authority to Enter Agreement. Developer represents and warrants that it has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective Party.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the Effective Date.

CITY OF CHULA VISTA

Date:

By: _____
Maria V. Kachadoorian, City Manager

Approved as to Form:

Date:

By: _____
Glen R. Googins, City Attorney

**SAN DIEGO METROPOLITAN TRANSIT
SYSTEM**

Date:

By: _____
Sharon Cooney, Chief Executive Officer

Approved as to Form:

By:

Karen F. Landers, General Counsel

BAYVIEW POINT, LLC

Date:

By: _____
James Pieri, President and CEO

[https://chulavistaca-my.sharepoint.com/personal/mshirey_chulavistaca_gov/Documents/Covid-19 Work From Home/Corp Yard/Agreements/ENA-9.22.22-InterimFinal.doc](https://chulavistaca-my.sharepoint.com/personal/mshirey_chulavistaca_gov/Documents/Covid-19%20Work%20From%20Home/Corp%20Yard/Agreements/ENA-9.22.22-InterimFinal.doc)

EXHIBIT A
LEGAL DESCRIPTION OF CITY SITE

The land referred to herein is situated in the State of California, County of San Diego, City of Chula Vista and described as follows:

APN: 567-031-27-00

All of the southeast quarter of the northwest quarter of quarter section 162 of subdivision of Rancho De La Nacion, in the City of Chula Vista, County of San Diego, State of California, according to Map thereof No. 505, filed in the Office of the County Recorder of San Diego County, March 13, 1888.

Excepting therefrom the easterly 30 feet, the Southerly 40 feet and the westerly 140 feet.

Also excepting therefrom, that portion conveyed to San Diego and Arizona Railway Company, by Deed dated May 8, 1920, and recorded in Book 811, Page 414 of Deeds, records of said San Diego County, described as follows:

Beginning at a point on the northerly line of "F" Street, distant 100 feet easterly from the easterly line of Bay Boulevard which point of commencement is on easterly line of Grantee's main line right of way; thence easterly along northerly line of "F" Street, 279.00 feet; thence northwesterly along a curve to the right, having a radius of 439.276 feet, through a central angle 51° 25' to a point on said easterly right of way line distant 260.51 feet northerly from said northerly line of "F" Street; thence southerly along said easterly right of way line, 260.51 feet to the point of beginning.

APN: 567-031-27-00

(End of Legal Description)

EXHIBIT B

LEGAL DESCRIPTION OF AGENCY SITE

THE SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

All that real property in the County of San Diego, State of California described as follows:

Parcel No. 2002-0100-A

(05-24-02)

(TGH:PET:tgh)

A portion of the Easterly Half of the Northwesternly Quarter of Quarter Section 162 of Rancho De La Nacion, in the City of Chula Vista, County of San Diego, State of California, according to Map thereof No. 166, filed in the Office of the County Recorder of San Diego County, May 11, 1869, more particularly being described as follows:

Lots 1, 2 and 3 of Parcel Map 14, filed in the Office of the County Recorder of San Diego County, September 23, 1966, all as conveyed to the County of San Diego in Quitclaim Deed recorded January 8, 1988 as instrument No. 88-009492; Grant Deed recorded October 15, 1985 as instrument 85-381524; Quitclaim Deed recorded January 8, 1988, as instrument No. 88-009493; Quitclaim Deed recorded January 8, 1988, as instrument No. 88-009494; Grant Deed recorded January 8, 1988, as instrument 88-009496 and Final Order of Condemnation recorded May 14, 1987, as instrument No. 87-266374, all records of said County Recorder.

TOGETHER WITH that portion of the Northeasterly Quarter of said Northwesternly Quarter of Quarter Section 162, as conveyed to the County of San Diego in Final Order of Condemnation Recorded in the Office of said County Recorder December 11, 1986 as instrument No. 86-578875.

ALSO TOGETHER WITH that portion of the Southeasterly Quarter of said Northwesternly Quarter of Quarter Section 162, as Granted to the County of San Diego on Deed recorded in the office of said County Recorder August 28, 1986, as instrument No. 86-376424.

E Street Transit Center ENA

—

Bayview Point, LLC Joint Development of MTS and
City of Chula Vista Properties

MTS Executive Committee Meeting

November 3, 2022

MTS and City of Chula Vista Partnership

- 2018 / 2019 MTS and City of Chula Vista partner for a Joint TOD on the City-owned 707 F Street and MTS-owned 750 E Street properties
- MTS E St Transit Center with approximately 2.3 acres of surface parking adjacent to underutilized City owned 6 acre lot create infill TOD opportunity
- Summer 2019 City and MTS Advertise RFQ/RFP
- Balance of City and MTS goals
- 4 Proposals Received

Priority	MTS	City
1	Affordable Housing	Office
2	Market Rate Housing	Hotel
3	Office	Retail
4	Hotel	Market Rate Housing
5	Retail	Affordable Housing



Close to: Bayfront Development | I-5 & Transit | Downtown San Diego

A Chula Vista / San Diego MTS Joint Venture

Development Opportunity

Featuring
Ten Acres with Bay Views—Freeway Adjacent in Chula Vista's Urban Core
 Together the City of Chula Vista and San Diego Metropolitan Transit System are seeking partners to develop ten acres of prime real estate adjacent to Interstate 5, the UC San Diego Blue Line Trolley and the San Diego Bay. The public agencies invite well-qualified firms experienced in developing exceptional mixed-use projects to prepare submissions that incorporate office, retail, hospitality and housing with a transit-oriented focus.



Property Profile:
 City-owned 707 F Street
 6 acres
 Demo and site prep underway
 MTS-owned 750 E Street
 4 acres

Desired Uses:
 Office
 Hotel
 Retail
 Market Rate Apartments (for rent)
 Market Rate Condos (for sale)
 Affordable Housing

Urban Design:
 Height: 45' – 210'
 Floor Area Ratio: 4.0 (min.) – 6.0 (max)

View the RFQ/RFP on PlanetBids

Deadline to Submit:
 July 31, 2019



www.chulavistaca.gov/Development-Opportunity

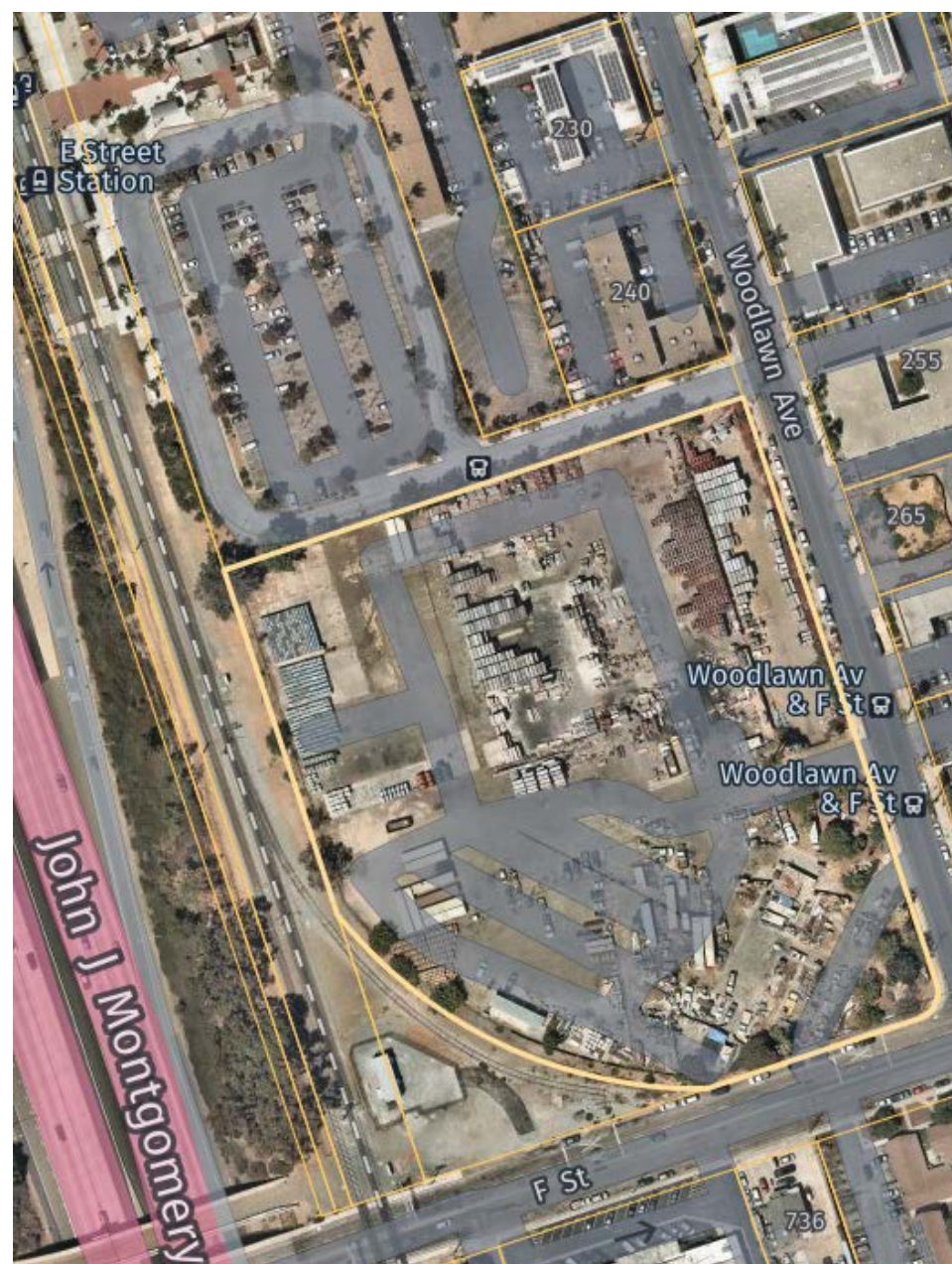
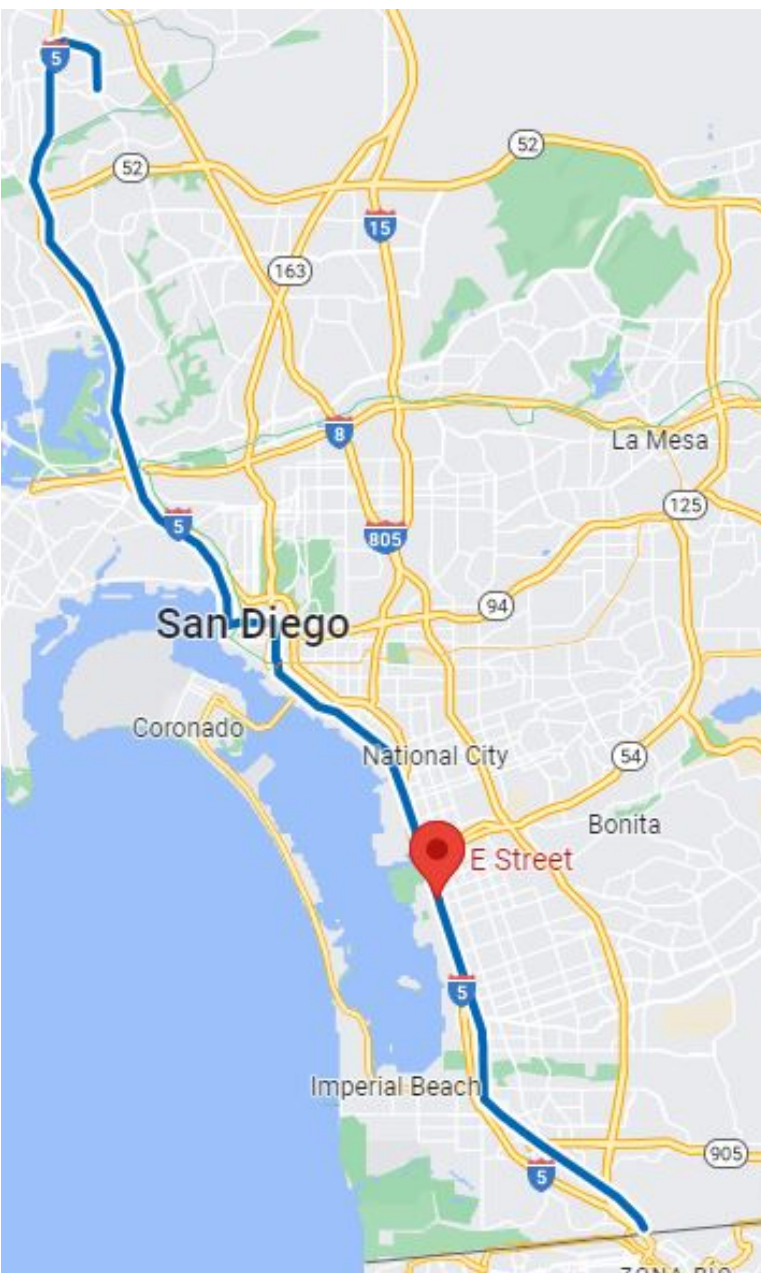
City of Chula Vista Parcel

707 F Street

Buildings Removed

6 Acres

Leased by City for
Industrial Uses



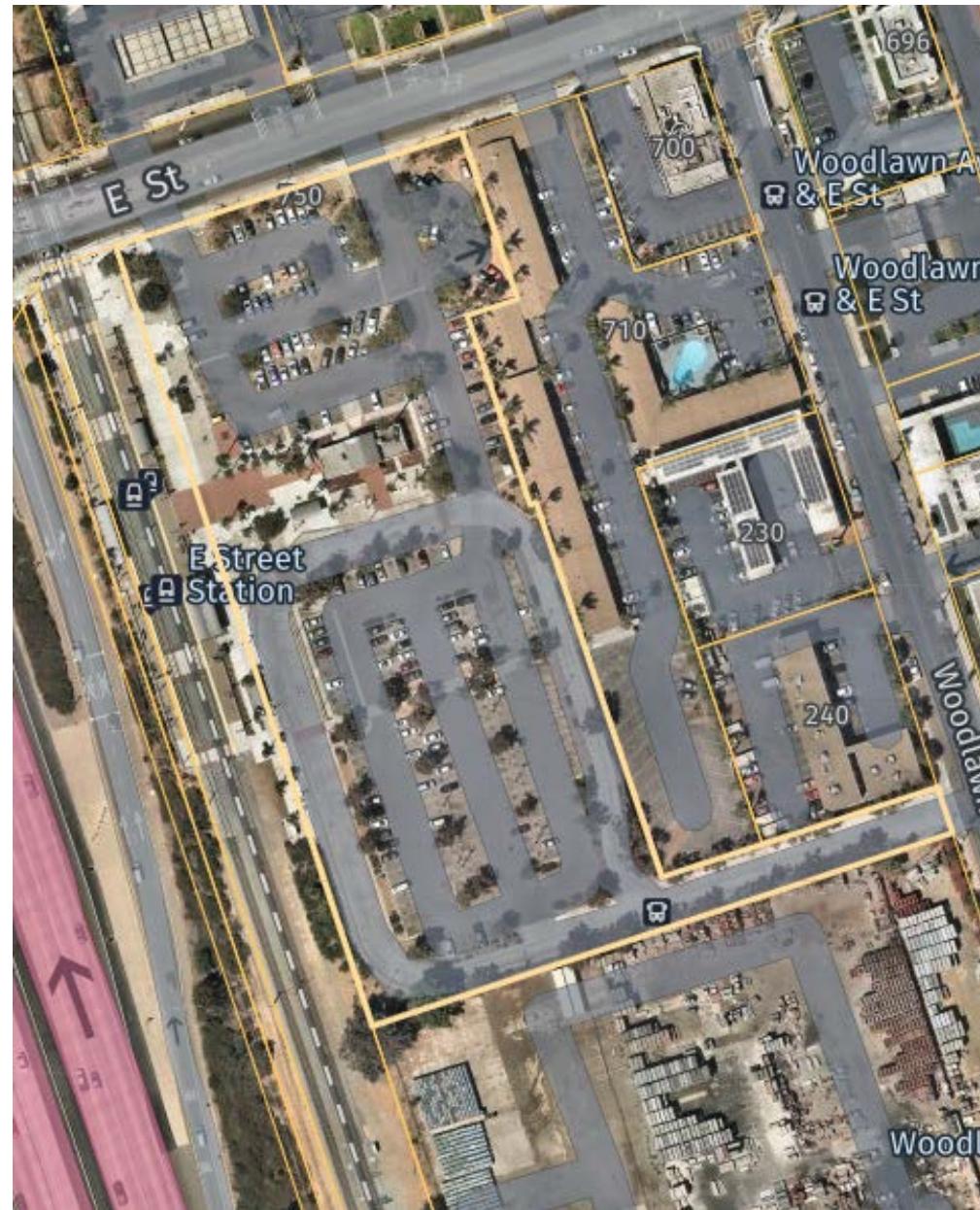
MTS E St Transit Center

UC San Diego Blue Line
Trolley Station

Local MTS Bus Routes
(704, 705 & 932) and
Living Coast Discovery
Center Shuttle

Transit Parking:
267 Spaces

Coffee Shop



Surplus Land Act & Amendment

- 2019 California State Assembly Bill AB 1486 amended the Surplus Land Act (*eff. January 1, 2020*)
- Joint RFQ/RFP Paused – Consultation with HCD
 - Restart Joint RFQ/RFP or amend AB 1486
- 2021 AB 1486 amended to allow the City and MTS to continue their Joint RFQ/RFP if:
 - ✓ RFQ or RFP issued before 9/30/19
 - ✓ At least 100 residential units with 25% affordable
 - ✓ DDA by 12/31/24 and Ground Lease by 12/31/26
- All four proposals are revised to comply with amended AB 1486
- June 2022 MTS and City Selection Committee select the Affirmed Housing and Bayview Point LLC proposals to proceed to interview phase of RFQ/RFP



Affirmed – Residential, Medical Office & Retail

Residential

570 Units

- 347 Affordable
- 223 Market Rate

Non-Residential Gross Bldg. Area

108,773 sf

Uses

Medical Office, Retail

Max Building Height

72 ft

Transit Replacement Parking

Weekday: 92% of existing parking replaced

Weekend: 56% of existing parking replaced

Transit Experience

~200+ ft between bus slips and trolley station

SITE PLAN



Affirmed Housing – Rendering



Bayview – Housing Towers, Hotel, Retail & Office

Residential

806 Units

- 265 affordable
- 541 market rate

Non-Residential Gross Bldg. Area

324,187 sf

Uses

Hotel (400 Rooms), Retail, Medical Office, Office

Max Building Height

216 ft

Transit Replacement Parking

70% of existing parking replaced

Transit Experience

Bus slips adjacent to trolley station

DEVELOPMENT SITE PLAN



Bayview – Rendering # 1



Bayview – Rendering # 2



MTS and City Decision Making Rationale

- Transformative Gateway Project To Chula Vista Bayfront Development
- Both Proposals Competitive but Bayview Maximizes Site
- Bayview Proposal – Maximizes Use Of Site
 - 50% More Residential Units – Two Residential Towers
 - Hotel, Medical, Fitness Center, Spa, And Other Retail
 - 3x Square Footage Of Non-residential Uses
- Balance Between MTS And City Priorities
 - 265 Affordable Units In Addition To Non-affordable Products
 - Dedicated MTS Parking Seven Days A Week
 - Integrated Trolley And Bus Interface

RECOMMENDATION

That the San Diego Metropolitan Transit System (MTS) Executive Committee authorize the Chief Executive Officer to:

- Execute a three-party Exclusive Negotiation Agreement with the City and Bayview Point, LLC for an E Street Transit-Oriented Development Project

Or

- Executive Committee can recommend that this item be presented to the full MTS Board of Directors on November 10, 2022

NEXT STEPS

- Further refine scope of work for development project
 - Finalize site footprints
 - Other transit amenities and integration of project into the E Street transit center property
 - Finalize estimated unit count / unit breakdown of residential projects
- Identify material terms to be brought to the MTS Board and Chula Vista City Council for approval
- Bring proposed Disposition and Development Agreement to MTS Board for approval
 - Estimated 6-9 months
 - Aggressive timeline to meet AB 1486 exception



Draft Agenda

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 10, 2022

9:00 a.m.

Meeting will be held via webinar

To request an agenda in an alternative format or to request accommodations to facilitate meeting participation, please email the Clerk of the Board, ClerkoftheBoard@sdmts.com at least two working days prior to the meeting. Meeting webinar/teleconference instructions can be accessed under '[Meeting Link and Webinar Instructions](#).' Click the following link to access the meeting: <https://zoom.us/j/98288032362>

Para solicitar la agenda en un formato alternativo o para solicitar acomodaciones de participación, por favor mande un correo a la Secretaria de la Junta, ClerkoftheBoard@sdmts.com al menos dos días hábiles antes de la reunión. Instrucciones para ingresar a la junta virtual están disponibles bajo '[Meeting Link and Webinar Instructions](#).' Use este enlace para acceder la reunión virtual: <https://zoom.us/j/98288032362>

ACTION RECOMMENDED

1. Roll Call
2. Approval of Minutes - September 15, 2022 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.



CONSENT ITEMS

6. [Authorization of Remote Teleconferenced Meetings](#) Approve
Action would authorize remote teleconferenced meetings for any public meetings held by MTS, including all Brown Act committees, for the next thirty (30) days pursuant to Assembly Bill (AB) 361 and make the following findings: 1) The MTS Board has considered the current circumstances of the COVID-19 pandemic and its impact in San Diego County; and 2) State or local officials continue to recommend measures to promote social distancing. On September 23, 2021, County of San Diego Public Health Officer, Wilma J. Wooten, M.D., M.P.H., issued a recommendation supporting the use of teleconferencing for attendance at public meetings as “a social distancing measure that may help control transmission of the SARS-CoV-2 virus.”
7. [Janitorial Services \(E Street Restroom, Fashion Valley Restroom & San Diego Metropolitan Transit System \(MTS\) Mills Building 8th, 9th & 10th Floor Appliances\) – Contract Award](#) Approve
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G2621.0-22 with Nova Commercial Co. Inc. (Nova), for the provision of janitorial services for the E Street Restroom (Group 1), Fashion Valley Restroom (Group 2), and MTS Mills Building 8th, 9th, and 10th Floor (Group 3) Appliances for six (6) years in the amount of \$200,064.00.
8. [Roadway Worker Protection \(RWP\) Safety Training Services – Contract Award](#) Approve
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L1622.0-22 with Jacobs Engineering Group (“Jacobs”), for RWP Safety Training Services for five (5) years.
9. [Background Investigation Services – Contract Award](#) Approve
Action would authorize the Chief Executive Officer (CEO) to: 1) Execute MTS Doc. No. G2646.0-22 with Kristy Investigative Services Inc. for Background Investigation Services for five (5) base years and five (5) 1-year options for a total cost of \$358,500.00; and 2) Exercise each option year at the CEO’s discretion.
10. [Procurement Thresholds and Signature Authority Levels – Policy Revisions](#) Approve
Action would 1) Adopt the revisions to MTS Board Policy No. 52, “Procurement of Goods and Services”; 2) Authorize the Chief Executive Officer (CEO) to modify MTS Board Policy No. 52 Exhibit A relating to MTS’s Statutory and Regulatory Requirements; 3) Adopt the revisions to MTS Board Policy No. 41, “Signature Authority”; and 4) Adopt the revisions to MTS Board Policy No. 64, “Inventory Controls and Signature Authority Policy”
11. [Board Policy No. 30, Investment Policy – Policy Revision](#) Approve
Action would approve and adopt the updated Board Policy No. 30, “Investment Policy.”
12. [Quarter Ending September 30, 2022 – Investment Report](#) Informational

13. [ACE Parking Lot Improvements – Work Order](#) Approve
Action would authorize the Chief Executive Officer (CEO) to execute Work Order MTSJOC347-03 to MTS Doc. No. PWG347.0-22 with ABC General Contractor, Inc. (ABCGC) in the amount of \$140,183.26 for the upgrade of fencing, gates, lighting, striping, card reader, and cameras at the parking lot located at 1341 National Avenue, San Diego, CA (ACE Parking Lot).
14. [Adoption of 2022 Conflict of Interest Code – Amendment](#) Approve
Action would 1) Adopt Resolution No. 22-16 amending the MTS Conflict of Interest Code pursuant to the Political Reform Act of 1974; 2) Adopt the amended 2022 MTS Conflict of Interest Code; and 3) Forward the amended 2022 MTS Conflict of Interest Code to the County of San Diego (the designated code-reviewing body).
15. [Adoption of the 2023 San Diego Metropolitan Transit System \(MTS\) Executive Committee and Board of Directors Meeting Schedule](#) Approve
Action would adopt the 2023 Executive Committee and Board of Directors meeting schedule.
16. [San Diego and Arizona Eastern \(SD&AE\) Railway Company Quarterly Reports and Ratification of Actions Taken by the SD&AE Board of Directors at Its Meeting on October 27, 2022](#) Approve
Action would 1) Receive the San Diego and Imperial Valley Railroad (SD&IV), Pacific Southwest Railway Museum Association (Museum), and Desert Line quarterly reports for information; and 2) Ratify actions taken by the SD&AE Board of Directors.
17. [Davra Networks Ruban Software Support and Licenses – Contract Amendment](#)
18. [Fire Alarm Monitoring and Maintenance Services – Contract Amendment](#)
19. [Uninterruptible Power Supply \(UPS\) Maintenance and Battery Refresh – Contract Amendment](#) Approve
Action would authorize the Chief Executive Officer (CEO) to execute Amendment No. 5 to MTS Doc. No. G2009.0-17, with Schneider Electric Information Technology (IT) Corporation (Schneider Electric), increasing the contract value in the amount of \$386,612.35, bringing the contract total to \$1,418,263.76.
20. [Gas Service Provider – Contract Award](#) Approve
Action would authorize the Chief Executive Officer (CEO) to: 1) Execute MTS Doc. G2627.0-22 with Clean Energy Renewable Fuels, LLC for Gas Service Provider (GSP) services for a six (6) year base period with one (1) 4-year option period; and 2) Exercise the option years at the CEO's discretion.

CLOSED SESSION

24.

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS

- | | | |
|-----|---------------------------|---------|
| 30. | <u>FY 2022 ACFR</u> | Receive |
| 31. | <u>Final FY 22 Budget</u> | Approve |

REPORT ITEMS

- | | | |
|-----|-----------------------------|---------------|
| 45. | <u>Special Event Update</u> | Informational |
| 46. | <u>PRONTO Update</u> | Informational |

OTHER ITEMS

- | | | |
|-----|---|---------------|
| 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> December 8, 2022. | |
| 65. | <u>Adjournment</u> | |



DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 11/3/2022

Agenda Item No. 6

**MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS**

November 10, 2022

SUBJECT:

AUTHORIZATION OF REMOTE TELECONFERENCED MEETINGS

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize remote teleconferenced meetings for any public meetings held by MTS, including all Brown Act committees, for the next thirty (30) days pursuant to Assembly Bill (AB) 361 and make the following findings:

- 1) The MTS Board has considered the current circumstances of the COVID-19 pandemic and its impact in San Diego County; and
- 2) State or local officials continue to recommend measures to promote social distancing. On September 23, 2021, County of San Diego Public Health Officer, Wilma J. Wooten, M.D., M.P.H., issued a recommendation supporting the use of teleconferencing for attendance at public meetings as “a social distancing measure that may help control transmission of the SARS-CoV-2 virus.” (Attachment A)

Budget Impact

None with this action.

DISCUSSION:

On March 17, 2020, Governor Newsom issued Executive Order N-29-20, suspending the teleconferencing rules set forth under the Ralph M. Brown Act (Brown Act), Government Code Section 54950 et seq. On June 11, 2021, Governor Newsom issued Executive Order N-08-21, clarifying the suspension of the teleconferencing rules set forth in the Brown Act, noting that those provisions would remain suspended through September 30, 2021. On September 16, 2021, Governor Newsom signed AB 361, which allows legislative bodies subject to the Brown Act to continue meeting by teleconference, provided they make certain findings, including that meeting in person would present imminent risks to the health or safety of attendees. AB 361 requires that certain findings be made by the legislative body every 30 days.



The purpose of this agenda item is for the MTS Board of Directors to make findings supporting the continuation of a teleconference option for Board or committee members and for teleconference attendance by members of the public at MTS Board and committee meetings consistent with the requirements of AB 361.

AB 361 added subdivision (e) to Government Code section 54953 (emphasis added), providing for streamlined teleconference attendance at public meetings subject to the Brown Act, subject to the governing board making specified findings:

(e) (1) A local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in any of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency, and state or local officials have imposed or recommended measures to promote social distancing.

(B) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(C) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (B), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:

(A) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(B) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3. In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an opportunity for all persons to attend via a call-in option or an internet-based service option. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(C) The legislative body shall conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties and the public appearing before the legislative body of a local agency.

(D) In the event of a disruption which prevents the public agency from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control which prevents members of the public from offering public comments using the call-in option or internet-based service option, the body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption which prevents the public agency from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time. This subparagraph shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(G) (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph (F), to provide public comment until that timed public comment period has elapsed.

(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph (F), or otherwise be recognized for the purpose of providing public comment.

(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to subparagraph (F), until the timed general public comment period has elapsed.

(3) If a state of emergency remains active, or state or local officials have imposed or recommended measures to promote social distancing, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 30 days after teleconferencing for the first time pursuant to subparagraph (A), (B), or (C) of paragraph (1), and every 30 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

(B) Any of the following circumstances exist:

(i) The state of emergency continues to directly impact the ability of the members to meet safely in person.

(ii) State or local officials continue to impose or recommend measures to promote social distancing.

(4) For the purposes of this subdivision, “state of emergency” means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

The circumstances set forth in Government Code section 54953(e)(1)(A) and (e)(3) still apply and support the continuation of a teleconference option for Board or committee members and for teleconference attendance by members of the public at MTS Board and committee meetings for the upcoming 30-day period. Staff recommends that the Board make the following findings:

- 1) The MTS Board has considered the current circumstances of the COVID-19 pandemic and its impact in San Diego County; and
- 2) State or local officials continue to recommend measures to promote social distancing. On September 23, 2021, County of San Diego Public Health Officer, Wilma J. Wooten, M.D., M.P.H., issued a recommendation supporting the use of teleconferencing for attendance at public meetings as “a social distancing measure that may help control transmission of the SARS-CoV-2 virus.” (Attachment A) That recommendation remains in effect.

/S/ Sharon Cooney
Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachment: A. September 23, 2021 County of San Diego Health Officer Teleconferencing Recommendation



County of San Diego

NICK MACCHIONE, FACHE
AGENCY DIRECTOR

HEALTH AND HUMAN SERVICES AGENCY
PUBLIC HEALTH SERVICES

WILMA J. WOOTEN, M.D.
PUBLIC HEALTH OFFICER


HEALTH OFFICER TELECONFERENCING RECOMMENDATION

COVID-19 disease prevention measures, endorsed by the Centers for Disease Control and Prevention, include vaccinations, facial coverings, increased indoor ventilation, handwashing, and physical distancing (particularly indoors).

Since March 2020, local legislative bodies—such as commissions, committees, boards, and councils—have successfully held public meetings with teleconferencing as authorized by Executive Orders issued by the Governor. Using technology to allow for virtual participation in public meetings is a social distancing measure that may help control transmission of the SARS-CoV-2 virus. Public meetings bring together many individuals (both vaccinated and potentially unvaccinated), from multiple households, in a single indoor space for an extended time. For those at increased risk for infection, or subject to an isolation or quarantine order, teleconferencing allows for full participation in public meetings, while protecting themselves and others from the COVID-19 virus.

Utilizing teleconferencing options for public meetings is an effective and recommended social distancing measure to facilitate participation in public affairs and encourage participants to protect themselves and others from the COVID-19 disease. This recommendation is further intended to satisfy the requirement of the Brown Act (specifically Gov't Code Section 54953(e)(1)(A)), which allows local legislative bodies in the County of San Diego to use certain available teleconferencing options set forth in the Brown Act.

September 23, 2021


Wilma J. Wooten, M.D., M.P.H.
Public Health Officer
County of San Diego



DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 11/3/22

Agenda Item No. 7

**MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS**

November 10, 2022

SUBJECT:

JANITORIAL SERVICES (E STREET RESTROOM, FASHION VALLEY RESTROOM & SAN DIEGO METROPOLITAN TRANSIT SYSTEM (MTS) MILLS BUILDING 8TH, 9TH & 10TH FLOOR APPLIANCES) – 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. G2621.0-22 (in substantially the same format as Attachment A) with Nova Commercial Co. Inc. (Nova), for the provision of janitorial services for the E Street Restroom (Group 1), Fashion Valley Restroom (Group 2), and MTS Mills Building 8th, 9th, and 10th Floor (Group 3) Appliances for six (6) years in the amount of \$200,064.00.

Budget Impact

The total cost of this project shall not exceed \$200,064.00. The project will be funded as follows:

Year	GROUP 1 MTS Mills 8 th , 9 th , and 10 th Floor Appliances 902010-571250	GROUP 2 Fashion Valley Restroom 840012-571140	GROUP 3 E Street Restroom 791010-571250	Total Amount
Year 1	\$1,362.00	\$10,344.00	\$20,430.00	\$32,136.00
Year 2	\$1,374.00	\$10,446.00	\$20,640.00	\$32,460.00
Year 3	\$1,416.00	\$10,656.00	\$21,048.00	\$33,120.00
Year 4	\$1,440.00	\$10,872.00	\$21,468.00	\$33,780.00
Year 5	\$1,452.00	\$10,980.00	\$21,684.00	\$34,116.00
Year 6	\$1,464.00	\$11,088.00	\$21,900.00	\$34,452.00
GRAND TOTAL:				\$200,064.00



DISCUSSION:

Janitorial Services are required for the E Street Restroom, Fashion Valley Restroom, and MTS 8th, 9th, and 10th Floor Appliances (appliances in various staff lounges in the Mills Building administrative offices).

The Fashion Valley transit center restroom is a single unisex restroom for exclusive use by MTS bus operators. In order to maintain on-time performance for MTS transit services operating out of this transit center, this restroom cannot be shared with the public. The scope of work includes twice daily cleaning, seven days a week, including basic restroom supplies (toilet paper, paper towels, soap, seat covers, lights, air fresheners).

The E Street transit center restroom has two restrooms. It is inside the Cool Down Coffee building, which is owned by MTS. It is open to the public during the same hours as the business, which is currently open Monday through Saturday, 7:30am to 3:00pm. The scope of work includes twice daily cleaning, six days a week, including basic restroom supplies (toilet paper, paper towels, soap, seat covers, trashcan liners).

The restroom scope of work does not include repairs to the bathrooms as a result of malfunctions, vandalism, or other incidents.

The current janitorial contract for these facilities is due to expire on December 31, 2022. This agreement ensures that the restrooms and MTS' appliances are maintained to provide a clean environment.

MTS Policy No. 52, "Procurement of Goods and Services", requires a formal competitive process for procurements and service contracts over \$100,000.00. In order to maximize open competition, the solicitation was divided into three (3) groups (Groups 1 – 3). The basis of award will be the lowest responsive, responsible bidder. MTS could award all three (3) groups to a single bidder, each group to a different bidder, or a combination of groups to multiple bidders.

On July 27, 2022, MTS issued an Invitation for Bid (IFB). A total of nine (9) bids were received by the deadline of September 21, 2022, and are summarized in Attachment B.

Nova is deemed to be the lowest responsive and responsible Bidder for all groups. Based on the bids received, and in comparison, with the MTS Independent Cost Estimate (ICE) of \$317,076.48, staff has determined Nova's price to be fair and reasonable.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute MTS Doc. No. G2621.0-22 (in substantially the same format as Attachment A) with Nova Commercial Co. Inc., for the provision of janitorial services for the E Street Restroom, Fashion Valley Restroom, and MTS Mills Building 8th, 9th, and 10th Floor Appliances for six (6) years in the amount of \$200,064.00.

/S/ Sharon Cooney
Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachments: A. Draft Agreement, MTS Doc. No. G2621.0-22
B. Bid Summary



**Metropolitan
Transit
System**

**STANDARD AGREEMENT
FOR**

MTS DOC. NO. G2621.0-22

**JANITORIAL SERVICES (E STREET RESTROOM, FASHION VALLEY RESTROOM & MTS 8TH,
9TH & 10TH FLOOR APPLIANCES)**

THIS AGREEMENT is entered into this _____ day of _____, 2023 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: Nova Commercial Co., Inc. Address: PO Box 759

Hayward, CA 94543

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

Email: sophia@novacommercial.us

Telephone: 925-719-3360

Authorized person to sign contracts Sophia Silva CEO
Name Title

The Contractor agrees to provide services as specified in the conformed Scope of Work/Minimum Technical Specification (Exhibit A), Contractor's Bid/Pricing Form (Exhibit B), and in accordance with the Standard Agreement, including Standard Conditions (Exhibit C), and Forms (Exhibit D).

The contract term is for six (6) years effective January 1, 2023 through December 31, 2028.

Payment terms shall be net 30 days from invoice date. The total cost of this contract shall not exceed \$200,064.00 without the express written consent of MTS.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM	NOVA COMMERCIAL CO., INC.
By: <u>Sharon Cooney, Chief Executive Officer</u>	By _____
Approved as to form:	
By: <u>Karen Landers, General Counsel</u>	Title: _____



G2621.0-22**Janitorial Services (E Street Restroom, Fashion Valley Restroom & MTS 8th, 9th & 10th Floor Appliances)**

MTS Building		Fashion Valley Restroom		E Street Restroom	
Bidder	Total Bid Amount	Bidder	Total Bid Amount	Bidder	Total Bid Amount
NOVA Commercial Co., Inc	\$ 8,508.00	NOVA Commercial Co., Inc	\$ 64,386.00	NOVA Commercial Co., Inc	\$ 127,170.00
A&G Professional Services LLC	\$ 9,288.00	Prizm Janitorial Services, Inc.	\$ 69,688.08	Prizm Janitorial Services, Inc.	\$ 143,520.48
Glow Up Cleaning Services	\$ 9,792.00	Glow Up Cleaning Services	\$ 76,104.00	T & T Janitorial, Inc	\$ 144,000.00
Prizm Janitorial Services, Inc.	\$ 10,618.56	T & T Janitorial, Inc	\$ 151,200.00	Glow Up Cleaning Services	\$ 147,600.00
Premier Property Preservation, LLC	\$ 19,577.04	A&G Professional Services LLC	\$ 165,349.44	Premier Property Preservation, LLC	\$ 177,288.36
Eco Bear	\$ 25,920.00	Premier Property Preservation, LLC	\$ 209,081.28	A&G Professional Services LLC	\$ 186,048.00
T & T Janitorial, Inc	\$ 36,000.00	Eco Bear	\$ 240,216.00	Aztec Landscaping, Inc.	\$ 233,064.00
NMS Management, Inc.	\$ 39,797.04	Aztec Landscaping, Inc.	No Bid	Eco Bear	\$ 411,840.00
Aztec Landscaping, Inc.	\$ 136,200.00	NMS Management, Inc.	No Bid	NMS Management, Inc.	No Bid

Lowest Bidder for all three groups

NOVA Commercial Co., IncTotal Contract Amount for 6 years for
all 3 locations

\$ 200,064.00

Bidder	Disadvantage Business Enterprise (DBE)/Small Business (SB)/Minority Business Enterprise (MBE)/Woman Business Enterprise (WBE)/ Disabled Veteran Business Enterprise (DVBE)
A&G Professional Services LLC	DVBE, MBE, SB, WBE
Aztec Landscaping, Inc.	N/A
Eco Bear	SB
Glow Up Cleaning Services	N/A
NMS Management, Inc.	DBE, MBE, SB
NOVA Commercial Co., Inc	WBE
Premier Property Preservation, LLC	SB
Prizm Janitorial Services, Inc.	N/A
T & T Janitorial, Inc	DBE



DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 11/3/2022

Agenda Item No. 8

**MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS**

November 10, 2022

SUBJECT:

**ROADWAY WORKER PROTECTION (RWP) SAFETY TRAINING SERVICES – CONTRACT
AWARD**

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L1622.0-22 (in substantially the same format as Attachment A) with Jacobs Engineering Group (“Jacobs”), for RWP Safety Training Services for five (5) years.

Budget Impact

There is no cost impact to MTS. Each Contractor will pay for their own employees’ training. MTS’s employees are trained internally by San Diego Trolley Inc. (SDTI) staff, but should the services be required for MTS staff, the contracted cost per student would apply.

DISCUSSION:

The Federal Railroad Administration (FRA) and California Public Utilities Commission (CPUC) requires railroads and/or the Contractors to provide RWP Safety Training to any worker whose job duties include inspection, construction, maintenance or repair of track, bridges, roadway, signal and communication systems, roadway facilities or maintenance machinery on or near the track.

MTS provides the San Diego Trolley Roadway Worker Protection Plan, and Contractor implements and maintains the RWP Safety Training program, conducts safety training for the MTS contractors, San Diego Association of Governments (SANDAG) contractors, third-party firm’s contractors (e.g. Herzog Construction, San Diego Gas & Electric (SDG&E), HMS Construction, Downtown San Diego Partnership, etc.), designers, inspectors, or construction personnel who need access to MTS’s right-of-way, or are working adjacent/within the operating envelop.



MTS Policy No. 52, "Procurement of Goods and Services", require a formal competitive process for procurements and service contracts over \$100,000.00. On June 21, 2022, MTS and SANDAG, collectively the "Agencies", issued a Joint Request for Proposals (RFP) seeking proposals from qualified proposers to provide RWP Safety Training for five (5) years. MTS was the lead agency for this solicitation.

On July 27, 2022, a total of two proposals were received from:

1. RailPros, Inc. ("RailPros"), Irvine, CA 92618
2. Jacobs, San Diego, CA 92101

Both RailPros' and Jacobs' proposals were deemed responsive and responsible.

An evaluation committee consisting of MTS Finance, Transportation, and SANDAG Transportation departments met and scored the proposals based on the following evaluation criteria:

Evaluation Criteria	Possible Points
Qualifications of the Firm	20
Staffing, Organization, and Management Plan	20
Work Plan	20
Cost and Price	40
Total Score	100

The table below represents each proposer's initial scores and rankings:

Proposer Name	Initial Cost	Technical Score	Cost Score	Total Score (Maximum total score: 100)	Ranking
Jacobs	\$1,314,000.00	53.33	34.22	87.55	1
RailPros	\$1,124,220.00	44.00	40.00	84.00	2

After the initial review, the evaluation team requested both proposers to respond to questions and clarifications related to its proposal and submit a Revised Proposal. The evaluation team then reviewed and re-scored the revised proposals.

The table below reflects the final scores and rankings:

Proposer Name	Revised Cost	Technical Score	Cost Score	Total Score (Maximum total score: 100)	Ranking
Jacobs	\$1,245,300.00	53.33	36.11	89.44	1
RailPros	\$1,124,220.00	44.00	40.00	84.00	2

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

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute MTS Doc. No. L1622.0-22 (in substantially the same format as Attachment A) with Jacobs for RWP Safety Training Services for five (5) years.

/S/ Sharon Cooney

Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachments: A. Draft Agreement, MTS Doc. No. L1622.0-22
B. Scope of Work
C. Cost Form



Metropolitan Transit System

STANDARD AGREEMENT

FOR

MTS DOC. NO. L1622.0-22

ROADWAY WORKER PROTECTION (RWP) SAFETY TRAINING SERVICES

THIS AGREEMENT is entered into this _____ day of _____, 2023 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: Jacobs Engineering Group Inc. Address: 401 B Street, Suite 1560

Form of Business: Corporation San Diego CA 92101
(Corporation, Partnership, Sole Proprietor, etc.) City State Zip
Email: trevor.williams@jacobs.com

Telephone: 714-659-1141

Authorized person to sign contracts Hany Haroun Vice President
Name Title

The Contractor agrees to provide services as specified in the conformed Scope of Work/Technical Specification (Exhibit A), Contractor's Cost/Pricing Form (Exhibit B), and in accordance with the Standard Agreement, including Standard Conditions (Exhibit C), Federal Requirements (Exhibit D), and Forms (Exhibit E).

The contract term is for five (5) base years effective February 1, 2023 through January 31, 2028.

The cost per student is \$156.20 for year 1, \$161.00 for year 2, \$166.00 for year 3, \$171.00 for year 4, and \$176.00 for year 5. The cost per student shall not exceed the contracted amount without the express written consent of MTS.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM	JACOBS ENGINEERING GROUP INC.
By: <u>Sharon Cooney, Chief Executive Officer</u>	By _____
Approved as to form:	Title: _____
By: <u>Karen Landers, General Counsel</u>	



1. SCOPE OF WORK/TECHNICAL SPECIFICATIONS

1.1 INTRODUCTION

The Federal Railroad Administration (FRA) and California Public Utilities Commission (CPUC) requires railroads and/or the Contractors to provide Roadway Worker Protection (RWP) safety training to any worker whose job duties include inspection, construction, maintenance or repair of track, bridges, roadway, signal and communication systems, roadway facilities or maintenance machinery on or near the track.

Additional information is found under FRA 49 CFR 214 & General Order 118-A. MTS's RWP process is located at the link below:

<https://www.sdmts.com/business-center-permits/safety-training>.

MTS and the San Diego Association of Governments (SANDAG), collectively "Agencies", are jointly issuing this RFP seeking proposals from qualified and responsible Proposers to provide RWP safety training for five (5) years. MTS is the lead agency for this solicitation. MTS is issuing this solicitation that will cover training services provided to MTS and the third-party firms. SANDAG will issue a separate contract, based on the terms and conditions of this RFP.

1.2 SCOPE OF WORK

As described in detail under ATT 2 (San Diego Trolley Roadway Worker Protection Plan), Contractor shall implement and maintain MTS's RWP Safety Training program, conduct safety training for the Agencies' contractors, third-party firm's contractors (e.g. Herzog Construction, SDG&E, HMS Construction, Downtown San Diego Partnership, etc.), miscellaneous consultants, designers, inspectors, or construction personnel who need access to MTS's right-of-way, or are working adjacent/within the operating envelope. The RWP safety training program must meet all state, federal, and local regulatory requirements and must be in accordance with MTS's standards and operating procedures.

The new contract starts February 1, 2023. Should MTS select a new Contractor for these services, Contractor shall be available for a thirty (30) day transition period as detailed in Section 5.9 (Disentanglement).

Whenever MTS deems as necessary, Contractor's training staff will attend training provided by MTS staff. Specifically, all Contractors' RWP trainers must be trained and approved by MTS's Transportation Department Training Supervisor, or designee.

When the Agencies or the third-party contractors require training, they will be provided with the selected contractor's information including name, address, telephone number, cost and website. The participants will then contact the selected Contractor to schedule training.

1.3 CONTRACTOR RESPONSIBILITIES:

- A. Provide all educational resources, training room, materials and handouts needed to ensure the Agencies' contractors and third-party contractors are properly trained per the scope of work.

- B. Provide a website for class scheduling and registration. Once registered, trainees must receive within 24 hours an email confirmation with cost, registration date, time and location. Website must have reporting ability, and designated MTS staff shall be given access log-in access. MTS's website below remains the main web page for MTS's RWP training. A link to contractor's website will be added to the MTS website below:

<https://www.sdmts.com/business-center-permits/safety-training>

- C. Create and maintain a database of all active and expired safety training certifications, class roster/sign in sheets, and completed tests.
- D. Be responsible for record keeping of all test material in electronic and paper form for the duration of the contract. Designated MTS staff must be emailed test reports from that month and an updated report showing the running tally.
- E. Be available for any regulatory audits, will be responsible for all RWP training record keeping, and must supply any documents requested by MTS or any regulatory agencies such as the CPUC or FRA within the given timeframe.
- F. Participate in an annual review at MTS facilities and if needed, update RWP safety training program. Contractor must comply with all updates and MTS's safety requirements.

All training records, presentation materials, unused decals and ID's with MTS logo are property of MTS.

1.4 CONTRACTOR REPORTING REQUIREMENTS

- A. Provide MTS a monthly report of all training that has taken place that month in MS Excel. At a minimum, the report shall include the individual's name, training date and firm name. Should MTS request it, Contractor shall also provide a print format.
- B. Under the website mentioned in 5.3.B above, Contractor shall make the website accessible by designated MTS staff. The training database, calendar and records must be on the website for MTS review at any time.
 - i. The database must be updated no later than a day after an RWP training session and MTS should have access to the database at all times (24 hours a day, 7 days a week). Contractor must have a backup for the database in the event there are technical or connectivity issues.
 - ii. The calendar must provide training dates for students to select. The website must have the ability for students to register online, and receive email confirmation within 24 hours with the cost, registration date, time and location.
 - iii. MTS must be able to access training records to verify training dates and certification expiration dates.
- C. MTS reserves the right to request documentation at any time regarding all aspects of the RWP safety training program including accounting records. The contractor will have 3 business days to supply the material for non-regulatory audits. If regulatory agency request material for any aspects of the RWP safety training program, the requested RWP related documents must be supplied within the given timeframe.

- D. The Contractor will need to be available and have all supporting documents ready for any impromptu audit from a regulatory agency. The Contractor must be available to attend such audits at the MTS facility unless other arrangements are made by MTS staff.

1.5 CONTRACTOR TRAINING REQUIREMENTS

- A. Must be available to provide four (4) hour classroom annual instruction which includes; testing and certifications at least once a week or as needed. The proposed classroom should not exceed a maximum of twenty-five (25) miles from MTS headquarters located at 1255 Imperial Ave, Suite 1000, San Diego, CA 92101.
- B. Should the Agencies or third parties request training at offsite/their requested locations within San Diego County, Contractor shall be able to provide such training as requested.
- C. Issue ID photo badges and stickers for hardhats. MTS must approve these items. Any feedback from MTS must be implemented within the notice provided by MTS.
- D. Contractor's trainers must be approved by an MTS Transportation Department Training Supervisor. Contractor must always have an alternate trainer available at all times. If MTS has to intervene and conduct training sessions because of lack of instructors MTS must be reimbursed for the staff time at fully burdened rates of the MTS trainer.
- E. Issue current MTS Roadway Worker Protection Plan Manuals, attached as ATT 2.

1.6 SUPPORT SERVICE AND MATERIALS PROVIDED BY THE CONTRACTOR

- A. Classroom
 - i. Classroom must be ADA accessible.
 - ii. Equipped with desks, chairs, and any other equipment necessary to conduct the training.
 - iii. There must be adequate temperature control.
 - iv. Must have capacity for a minimum of 25 students. MTS and Contractor agree that the maximum number of students shall be 35 per class. Any registrations above 35 for any given class will be moved to the next available class, which may be later in the same week or the following regularly weekly class, and will depend on number of actual registrations received.
 - v. Must be approved by MTS.
- B. Contractor shall provide transportation for its staff to classroom, any requested offsite training locations, and to all audit locations. Contractor shall transport its training material and equipment.
- C. ID badges and stickers for hardhats including replacement stickers.
- D. Up-to-date MTS Roadway Worker Protection Plan (ATT 2).

- E. Tests (currently approximately 4-5 pages long), and pencils for class participants.
- F. Database entry and maintenance:
 - i. Database must be generated and maintained by Contractor.
 - ii. Database must be compatible at a minimum with Microsoft Office.
 - iii. Database must be user friendly (easy to use and understand).
 - iv. MTS staff must be trained how to use and maintain database.
 - v. Must contain training records such as training dates, expiration dates of class certification, class rosters/sign in sheets, copies of completed tests, and class resignation information and form/s. MTS must approve the initial database, and may request updates as needed.
- G. Computers, projectors, software, copiers, printers and other office supplies required to perform the services.
- H. Regulation updates and training for instructors: Contractor must stay current with all local, State or Federal regulatory changes regarding RWP training and must provide updated training for RWP class instructors and/or staff, as applicable.

MTS reserves the right to perform random classroom and field audits at any time without prior notification. Any recommendations from audits must be incorporated to the program or addressed within 5 business days or as directed by MTS.

1.7 COSTS (ATT 1)

Contractor shall submit pricing to provide the services for all the work described. The unit cost shall be a total all-inclusive cost including but not limited to classroom, training material, travel, insurance etc.

At no expense to MTS, Contractor shall provide RWP training on behalf of MTS as further described in the scope of work below. All costs associated with the training will need to be recovered by the Contractor via an all-inclusive per student class fee.

Using the cost proposal template provided, Contractor shall propose its all-inclusive fee based on all costs required to perform the services (including, but not limited to all costs related to its proposed training room, insurance, travel, training materials, ID badges and stickers for hardhats, labor etc.) and profit margin. Neither MTS nor the third-party contractors will pay additional costs.

Based on past history, MTS estimates that there will be 1,500 trained/certified attendees per year. Contractor shall provide the all-inclusive fee per student for each year based on 1,500 trainees. The per student fee shall be all-inclusive cost including classroom, training material, travel, insurance etc. Each trained/certified student's unit cost shall include the cost for initial ID and sticker.

Contractor shall provide the per-unit cost for replacement IDs and stickers (to replace lost, misplaced etc.). MTS estimates replacements to be 15 per year.

MTS currently trains its own employees internally. Contractor shall also train MTS employees if requested and shall provide the cost for employees in the cost proposal.

As this is a 5-year base contract, in the event that the number of trainees varies by more than twenty-five (25%) percent during the first 2 years in either direction from MTS' projection, MTS and the Contractor shall negotiate new costs and both parties shall amend the contract in writing.

1.8 INVOICING AND PAYMENTS

SANDAG:

Contractor shall invoice SANDAG direct for required training of SANDAG's employees, contractors, consultants, designers, inspectors, and/or construction personnel. Consultant shall attach a monthly report to each invoice showing all SANDAG training that has taken place that month in MS Excel and PDF format. At a minimum, the report shall include the individual's name, firm name, SANDAG project name, and training date.

MTS AND ALL OTHERS:

It shall be the Contractor's sole responsibility to invoice, collect funds and issue receipts from individuals or firms requesting the training. The Agencies/3rd party contractors will not be responsible for any accounting or customer outreach of unpaid invoices.

Payment terms shall be 30 days from invoice date.

1.9 DISENTANGLEMENT

A. Disentanglement Process:

- i. The Disentanglement process for the resultant Agreement shall begin on any of the following dates:
 - the date designated by MTS, not earlier than sixty (60) days prior to the end of current term, that MTS has elected not to exercise option year/s;
 - the date MTS notifies Contractor that no funds or insufficient funds have been appropriated so that the Agreement shall be terminated for convenience;
 - the date a Notice of Intent to Award is issued to a different Contractor selected as a result of a new solicitation;
 - the date any Termination Notice is delivered, if MTS or Contractor elects to terminate any or all of the services pursuant to the Agreement.
- ii. Contractor shall be required to perform its Disentanglement obligations on an expedited basis, as determined by MTS, if MTS terminates the Agreement for cause.
- iii. Contractor shall be required to provide full cooperation. Information provided to MTS shall be complete and detailed to enable MTS or designee to fully assume and continue a smooth transition with no interruption of services.

B. General Obligations:

- i. All services related to Disentanglement shall be deemed a part of the base services and shall be performed by Contractor at no additional cost to MTS.
- ii. Contractor's obligation to provide the services shall not cease until Disentanglement is satisfactory to MTS, and delivered in writing.
- iii. Contractor shall provide all information regarding the services, including RWP training records, database, MTS material and all unused decals and ID's with MTS logo.
- iv. Contractor shall provide for the prompt and orderly conclusion of all work including documentation of work in process to assure an orderly transition to MTS or designee.

C. Licenses to Proprietary Software:

- i. For any software programs developed for use under the Agreement, Contractor shall provide a nonexclusive, nontransferable, fully-paid, perpetual, irrevocable, royalty-free worldwide license to MTS or designee, at no charge, to use, copy, and modify in order to allow for services to continue.
- ii. Contractor also shall provide MTS with a copy of each program, in media as requested by MTS, together with object code, source code, and appropriate documentation.

D. Delivery of Documentation: Contractor shall deliver to MTS or designee all documentation and data related to the service, in format as requested by MTS, and Contractor shall destroy all copies not turned over to MTS, all at no cost to MTS.

E. All databases, training records, presentation materials, unused decals and ID's with MTS logo are property of MTS, and shall be returned to MTS at the conclusion of the agreement.

ATT A: Roadway Worker Protection (RWP) Safety Training RFP**MTS Doc. No. L1622.0-22******Add your cost and price in the green cells******NAME OF FIRM:** _____

Estimated quantity	Year 1		Year 2		Year 3		Year 4		Year 5	
	Year 1 Unit Cost	Year 1 Total Cost	Year 2 Unit Cost	Year 2 Total Cost	Year 3 Unit Cost	Year 3 Total Cost	Year 4 Unit Cost	Year 4 Total Cost	Year 5 Unit Cost	Year 5 Total Cost
*Cost to students	1500	156.20 234,300.00	161.00 241,500.00	166.00 249,000.00	171.00 256,500.00	176.00 264,000.00				
*Cost for replacement IDs and stickers	15	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00	0.00 0.00
		234,300.00	241,500.00	249,000.00	256,500.00	264,000.00				
Overall Total		1,245,300.00								

MTS currently trains its own employees internally. Selected proposer shall also train MTS employees if/when requested. Please indicate the per unit cost to train MTS employees:

0.00

**Costs shall be total all-inclusive costs including, but not limited to classroom, training material, travel, insurance etc. No additional costs are allowed.*

**As this is a 5 year base contract, in the event that the number of trainees varies by more than twenty-five (25%) percent during the first 2 years in either direction from MTS' projection, MTS and the Contractor shall negotiate new costs and both parties shall amend the contract in writing.*



DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 11/3/22

Agenda Item No. 9

**MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS**

November 10, 2022

SUBJECT:

BACKGROUND INVESTIGATION SERVICES – 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. G2646.0-22 (in substantially the same format as Attachment A) with Kristy Investigative Services Inc. for Background Investigation Services for five (5) base years and five (5) 1-year options for a total cost of \$358,500.00; and
- 2) Exercise each option year at the CEO's discretion.

Budget Impact

The total budget for this project shall not exceed \$358,500.00. This project is funded by the Human Resources (HR) Operating Budget account number 711010-571160.

DISCUSSION:

MTS requires comprehensive pre-placement background and reference investigations for all newly hired employees and for contractors with access to sensitive information. These investigations are performed by a specialized third-party provider and supervised through the MTS Human Resources department.

On July 19, 2022, MTS issued a Request for Proposal (RFP) for Background Investigation Services. Two (2) proposals were received by the due date of August 26, 2022 from the following:

Proposer	DBE Certification
Kristy Investigative Services Inc.	N/A
TruView BSI, LLC	N/A



Both proposals were deemed responsive and responsible and were evaluated by a committee consisting of the MTS Finance and Human Resource departments. The proposals were evaluated on the following criteria:

- | | |
|--|------------|
| 1. Qualifications and Experience of the Firm & Proposed Staffing | 30% |
| 2. Work Plan and Service Commitment | 30% |
| 3. Cost and Price | <u>40%</u> |
| Total | 100% |

The following table illustrates the scores and ranking:

PROPOSER	TOTAL AVG TECH SCORE	TOTAL COST (BASE + OPTION YEARS)	TOTAL AVG COST SCORE	TOTAL AVG SCORE (TOTAL POSSIBLE: 100)	RANKING
Kristy Investigative Services Inc.	53.00	\$358,500.00	40.00	93.00	1
TruView BSI, LLC	49.00	\$1,175,200.00	12.20	61.20	2

As a result of the initial review, Kristy Investigative Services Inc. received the highest scores for both technical and cost. MTS invited Kristy Investigative Services Inc. to participate in the interview process which was held on October 12, 2022. Subsequent to the interview, the evaluation committee did not rescore the proposer.

Based on the initial scores and information gained during the interview, Kristy Investigative Services Inc. remained the highest-ranked proposer. Based on the objectives of the procurement, consideration of the evaluation criteria and Kristy Investigative Services Inc.'s technical and cost proposals, the evaluation committee determined Kristy Investigative Services Inc. presented the best overall value to MTS.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute MTS Doc. G2646.0-22 with Kristy Investigative Services Inc. for Background Investigation Services for contract term of five (5) base years and five (5) 1-year options for a total of \$358,500.00.

/S/ Sharon Cooney
Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachments: A. Draft Agreement MTS Doc. No. G2646.0-22
B. Cost Proposal

Metropolitan Transit System

MTS DOC. NO. G2646.0-22

THIS AGREEMENT is entered into this _____ day of _____, 2023 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:	<u>Kristy Investigative Services Inc.</u>	Address:	<u>969 S. Santa Fe Ave., Suite D</u>		
			<u>Vista</u>	<u>CA</u>	<u>92083</u>
Form of Business:	<u>Corporation</u>		<u>City</u>	<u>State</u>	<u>Zip</u>
	(Corporation, Partnership, Sole Proprietor, etc.)	Email:	<u>delacova@drugtestingnetwork.com</u>		
Telephone:	<u>760-940-2015 ext. 100</u>				
Authorized person to sign contracts	<u>Rene de la Cova</u>		<u>Chief Executive Officer</u>		
	<u>Name</u>		<u>Title</u>		

The Contractor agrees to provide services as specified in the conformed Scope of Work/Technical Specification (Exhibit A), Contractor's Cost/Pricing Form (Exhibit B), and in accordance with the Standard Agreement, including Standard Conditions (Exhibit C), and Forms (Exhibit D),

The contract term is for a five (5) base years and five (5) 1-year options, exercisable at MTS's sole discretion, for a total of ten (10) years. Base period shall be effective January 1, 2023 through December 31, 2027 and option years shall be effective January 1, 2028 through December 31, 2032, if exercised by MTS.

Payment terms shall be net 30 days from invoice date. The total cost of this contract shall not exceed \$179,250.00 for the base years and \$179,250.00 for the option years, for a contract total not to exceed \$358,500.00 without the express written consent of MTS.

<p align="center">SAN DIEGO METROPOLITAN TRANSIT SYSTEM</p>	<p align="center">KRISTY INVESTIGATIVE SERVICES INC.</p>
<p>By: _____</p> <p align="center">Sharon Cooney, Chief Executive Officer</p>	
<p>Approved as to form:</p>	
<p>By: _____</p> <p align="center">Karen Landers, General Counsel</p>	<p>By _____</p> <p>Title: _____</p>



RETURN THIS FORM WITH YOUR BID

COST/PRICING FORM**BACKGROUND INVESTIGATION SERVICES**Firm/Proposer: Kristy Investigative Services Inc**I. BUNDLED SERVICES**

Please provide proposed firm fixed fee/cost on each bundled service items listed below that may be requested as described in the scope of work (all inclusive of all the items identified below).

#	Description	Base Years 1-5 (01/01/23-12/31/27)		Option Years 1-5 (Years 6-10) (01/01/28-12/31/32)		
BASIC BACKGROUND/REFERENCE PACKAGE (BUNDLED)		Est. Annual Qty. **	Unit Cost	Ext. Cost	Unit Cost	Ext. Cost
	a. Application Review	450	\$ 75.00	\$ 168,750.	\$ 75.00	\$ 168,750.
	b. Name Search for Positive Identification*					
	c. Criminal History (Federal and Local)					
	d. Review of Criminal History File (if applicable)					
	e. Federal District Court Criminal Records Search					
	f. Domestic Records Search					
	g. Employment History					
	h. Social Security Number (SSN) Verification					
	i. Registered Sex Offenders Database Search					
Subtotal			\$ 168,750.00		\$ 168,750.00	
TOTALFOR YEARS 1-10 (BASE + OPTIONS)			\$ 337,500.00			
* Based on prospective employee's disclosure and the results of the name search: - Maiden Name Search may be necessary as a second search in addition to name search; - Each additional California Multiple County Court Record Check may be ordered for an "inclusive fee" (no other third-party fees for California multiple county court checks).						

**The estimated quantities on this cost form are for proposal evaluation purposes only. It represents what MTS anticipates as a requirement, but MTS does not guarantee this quantity. The actual quantity required may be more or less than what is anticipated on the cost form, and it is dictated by MTS' actual requirements and the available funding at the time each request is initiated.

RETURN THIS FORM WITH YOUR BID

II. "AS NEEDED" SERVICES

Please provide proposed firm fixed fee and/or hourly wages on the items listed below that may be required on an "as needed" basis as described in the scope of work.

#	Description		Base Years 1-5 (01/01/23-12/31/27)		Option Years 1-5 (Years 6-10) (01/01/28-12/31/32)	
“AS NEEDED” SERVICES (A-la-carte)		Est. Annual Qty. **	Unit Cost	Ext. Cost	Unit Cost	Ext. Cost
	a. Education Verification	50	\$ 25.00	\$ 6,250	\$ 25.00	\$ 6,250
	b. Credential and Professional License Verification	10	\$ 25.00	\$ 1,250	\$ 25.00	\$ 1,250
	c. Worker’s Compensation Claim History	15	\$ 15.00	\$ 1,125	\$ 15.00	\$ 1,125
	d. Consumer Credit Report Gathering	25	\$ 15.00	\$ 1,875	\$ 15.00	\$ 1,875
	e. Consultation Guidance	10	\$ N/C /hr	\$ -0-	\$N/C /hr	\$ -0-
	f. Civil Records Search	10	\$ N/C	\$ -0-	\$N/C	\$ -0-
	Subtotal		\$ 10,500		\$ 10,500	
TOTAL FOR YEARS 1-10 (BASE + OPTIONS)			\$ 21,000			

**The estimated quantities on this cost form are for proposal evaluation purposes only. It represents what MTS anticipates as a requirement, but MTS does not guarantee this quantity. The actual quantity required may be more or less than what is anticipated on the cost form, and it is dictated by MTS' actual requirements and the available funding at the time each request is initiated.

GRAND TOTAL		
#	DESCRIPTION	TOTAL
I.	BASIC BACKGROUND / REFERENCE SERVICES (BUNDLED)	\$ 337,500.00
II.	"AS NEEDED" SERVICES	\$ 21,000.00
GRAND TOTAL (I and II)		\$ 358,500.00

NOTE: ALL PROPOSERS MUST COMPLETE PROPOSAL FORM(S) AS PROVIDED, FAILURE TO DO SO MAY DEEM YOUR PROPOSAL NON-RESPONSIVE.

PROPOSER ACCEPTS RESPONSIBILITY FOR ACCURACY AND PRESENTATION OF THE ABOVE NUMBERS.

ALL PROPOSALS SHALL BE VALID FOR 120 DAYS.



**Metropolitan
Transit
System**

DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 11/3/22

Agenda Item No. 10

**MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS**

November 10, 2022

SUBJECT:

**PROCUREMENT THRESHOLDS AND SIGNATURE AUTHORITY LEVELS – POLICY
REVISIONS**

RECOMMENDATION:

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

- 1) Adopt the revisions to MTS Board Policy No. 52, “Procurement of Goods and Services” (Attachment A);
- 2) Authorize the Chief Executive Officer (CEO) to modify MTS Board Policy No. 52 Exhibit A relating to MTS’s Statutory and Regulatory Requirements;
- 3) Adopt the revisions to MTS Board Policy No. 41, “Signature Authority” (Attachment B); and
- 4) Adopt the revisions to MTS Board Policy No. 64, “Inventory Controls and Signature Authority Policy” (Attachment C)

Budget Impact

None with this action.

DISCUSSION:

Per MTS’s enabling legislation, MTS must follow specified procedures when procuring services, goods, and architectural and engineering services, depending on the dollar value of the procurement. As approved by the MTS Board of Directors, MTS’s 2022 State and Federal Legislative Program sought to increase MTS’s procurement thresholds to align with the Federal Transit Administration’s (FTA’s) grantee procurement thresholds.

MTS partnered with North County Transit District (NCTD) and San Diego Association of Governments (SANDAG) in its legislative efforts. Assembly Bill 1833, sponsored by Assembly Member Chris Ward, establishes uniform procurement thresholds for MTS, NCTD and SANDAG, which allows these agencies to maximize taxpayer dollars more efficiently. Assembly Bill 1833 increases MTS’s competitive bidding threshold for goods and service procurements



from \$100,000 to \$150,000, effective January 1, 2023. To implement these procurement threshold changes, and to ensure MTS's signature authority is accordingly aligned, staff recommends the MTS Board of Directors approve revisions to the below three (3) MTS Board Policies.

MTS Board Policy No. 52 "Procurement of Goods and Services"

MTS Board Policy No. 52, "Procurement of Goods and Services" guides MTS staff in the acquisition of goods and services. MTS proposes to revise MTS Board Policy No. 52 in the following ways:

MTS Board Policy No. 52	Proposed Changes to MTS Board Policy No. 52
<p><u>Goods and Services:</u></p> <ul style="list-style-type: none"> - Micro Purchase (i.e. seek at least one (1) quote) if up to \$3,500*; - Simplified Acquisition Threshold (i.e. seek at least three (3) quotes) if between \$3,500*-\$100,000; and - Competitive Procurement if over \$100,000 <p>*Although MTS's enabling legislation has allowed MTS to adopt a \$5,000 threshold for micro purchases for many years, MTS has been using a lower threshold of up to \$3,500 for micro purchases to comply with previous FTA micro purchase thresholds.</p>	<p><u>Goods and Services:</u></p> <ul style="list-style-type: none"> - Micro Purchase (i.e. seek at least one (1) quote) if up to \$5,000; - Simplified Acquisition Threshold (i.e. seek at least three (3) quotes) if between \$5,000-\$150,000; and - Competitive Procurement if over \$150,000
<p><u>A&E Services:</u></p> <ul style="list-style-type: none"> - Comply with State Brooks Act for A&E services over \$100,000 	<p><u>A&E Services:</u></p> <ul style="list-style-type: none"> - Comply with State Brooks Act for <i>all</i> A&E Services regardless of contract amount
<p><u>Construction:</u></p> <ul style="list-style-type: none"> - Seek at least one (1) quote if up to \$1,000; - Seek at least three (3) quotes if between \$1,000-\$50,000; and - Competitive bid if over \$50,000 	<p><u>Construction:</u></p> <ul style="list-style-type: none"> - No change
<p><u>Protests on Federally Funded Solicitations</u></p> <ul style="list-style-type: none"> - MTS to notify FTA whenever a protest received - Protestor may appeal to the FTA upon a final decision by MTS 	<p><u>Protests on Federally Funded Solicitations</u></p> <ul style="list-style-type: none"> - To comply with the FTA Master Agreement and Uniform Guidance, MTS to notify FTA only if protest received that is valued at over \$500,000

	<ul style="list-style-type: none"> - FTA will now defer to transit agency decisions on protest
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MTS Board Policy No. 41, "Signature Authority"

MTS Board Policy No. 41, "Signature Authority", establishes the authority of certain MTS staff and the Board of Directors to approve and execute expense procurements, revenue contracts, grants, memorandums of understanding, cost recovery agreements and real property transfer documents. Historically, the competitive procurement threshold has aligned with the approval levels of the MTS Board of Directors. MTS proposes to revise MTS Board Policy No. 41 in the following ways:

MTS Board Policy No. 41	<i>Proposed Changes to MTS Board Policy No. 41</i>
<u>Approval Levels for Purchase Requisitions and Expense Contracts:</u> <ul style="list-style-type: none"> - Materials Manager/Procurement Manager: up to \$3,500 - Directors: up to \$5,000 - Chief Operating Officer (COO) – Bus/Raul, Chief Financial Officer (CFO), General Counsel (GC), Director of Capital Projects (CP), Chief of Staff: up to \$50,000 - Chief Executive Officer (CEO): up to \$100,000 - Board: over \$100,000 	<u>Approval Levels for Purchase Requisitions and Expense Contracts:</u> <ul style="list-style-type: none"> - Materials Manager/Procurement Manager: up to <i>\$5,000</i> - Directors: up to <i>\$7,500</i> - COO – Bus/Raul, CFO, GC, Director of CP, Chief of Staff: up to <i>\$75,000</i> - CEO: up to <i>\$150,000</i> - Board: over <i>\$150,000</i>
<u>Approval Levels for Invoices Not Associated with Contracts</u> <ul style="list-style-type: none"> - Manager/Supervisor: up to \$3,500 - Directors: up to \$5,000 - COO, CFO, GC, Chief of Staff: up to \$50,000 - CEO: over \$50,000 	<u>Approval Levels for Invoices Not Associated with Contracts</u> <ul style="list-style-type: none"> - Manager/Supervisor: up to <i>\$5,000</i> - Directors: up to <i>\$5,000</i> - COO, CFO, GC, Chief of Staff: up to <i>\$50,000</i> - CEO: over <i>\$50,000</i>
<u>Approval Levels for Long term concession contracts and sale of real estate property rights:</u> <ul style="list-style-type: none"> - CEO up to \$100,000 - Board if over \$100,000 	<u>Approval Levels for Long term concession contracts and sale of real estate property rights:</u> <ul style="list-style-type: none"> - CEO up to <i>\$150,000</i> - Board if over <i>\$150,000</i>
<u>Approval of Emergency Procurements:</u> <ul style="list-style-type: none"> - CEO may authorize if more than \$100,000 so long as it is reported to the Board at its next meeting 	<u>Approval of Emergency Procurements:</u> <ul style="list-style-type: none"> - CEO may authorize if more than <i>\$150,000</i> so long as it is reported to the Board at its next meeting

<u>Authority to Sign Construction Documents during Administration of a Contract</u> - No current language on this topic	<u>Authority to Sign Construction Documents during Administration of a Contract</u> - Allow the Construction Project Manager to sign (e.g. Notice of Completion)
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MTS Board Policy No. 64 "Inventory Controls and Signature Authority Policy"

MTS Board Policy No. 64 "Inventory Controls and Signature Authority Policy" documents the inventory control process and establishes an alternate set of controls for oversight of inventory purchases, outside of MTS Board Policy No. 41. MTS proposes to revise MTS Board Policy No. 64 in the following ways:

MTS Board Policy No. 64	Proposed Changes to MTS Board Policy No. 64
After a Purchase Requisition is approved in accordance with MTS Board Policy No. 41, purchase of inventory parts, exclusive of freight/taxes/shipping, may be approved as follows: - Materials Manager up to \$100,000; - Board if over \$100,000	After a Purchase Requisition is approved in accordance with MTS Board Policy No. 41, purchase of inventory parts, exclusive of freight/taxes/shipping, may be approved as follows: - Materials Manager up to \$150,000; - Board if over \$150,000

/S/ Sharon Cooney

Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachment: A. Red-line track changes to MTS Board Policy No. 52
B. Red-line track changes to MTS Board Policy No. 41
C. Red-line track changes to MTS Board Policy No. 64



Policies and Procedures No. 52

Board Approval: ~~11/09/17~~11/10/2022

SUBJECT:

PROCUREMENT OF GOODS AND SERVICES

PURPOSE:

To provide a uniform policy that guides the acquisition of goods and services for use at San Diego Metropolitan Transit System (MTS).

BACKGROUND:

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

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

POLICY:

52.1 Regulatory Framework

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



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

52.2 Procurement Standards

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

52.3 Procurement Methods – Full and Open Competition

A. Micro-Purchases: ~~\$3,500~~5,000 or less

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

B. Small Purchases: More than ~~\$3,500~~5,000, but does not exceed ~~\$100,000~~150,000 for goods and services and more than \$1,000 but does not exceed \$50,000 for construction services

When the expected amount of the small purchase is more than ~~\$3,500~~5,000 but does not exceed ~~\$100,000~~150,000 for goods and services, and is more than \$1,000 but does not exceed \$50,000 for construction services, MTS shall conduct a documented competitive procurement as identified in the subsections below. MTS shall seek not less than three documented quotations/submissions through a Request for Quotes (RFQ), Invitation for Bids (IFB) or Request for Proposals (RFP) process that would permit price and other terms to be compared.

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

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

(ii) Goods: More than ~~\$3,500~~5,000, but does not exceed ~~\$100,000~~150,000

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

that the goods may be purchased at a lower price in the open market, the Board of Directors may proceed to purchase the goods in the open market without further observance of Section 52.3 (B) of this Policy.

- c. If No Responsive Bid Received - If after solicitation of bids, the Board of Directors determines and declares by majority vote that it has not received a responsive bid, the Board of Directors may proceed to purchase the goods in the open market without further observance of Section 52.3 (B) of this Policy.
 - d. Procurement of Prototype Equipment or Modifications - Upon a finding by two-thirds of all members of the Board of Directors that a purchase in compliance with Section 52.3 (B) of this Policy. does not constitute a method of procurement adequate for the operation of MTS facilities or equipment, the Board of Directors may direct the procurement of prototype equipment or modifications in an amount sufficient to conduct and evaluate operational testing without further observance of Section 52.3 (B) of this Policy.
 - e. Source of Procurement for Replacement Goods: The Board of Directors may direct the purchase of any goods without observance Section 52.3 (B) of this Policy upon a finding by two-thirds of all members of the Board of Directors that there is only a single source of procurement and that the purchase is for the sole purpose of duplicating, repairing, or replacing goods that are in use, including upgrades or migrations of proprietary intellectual property.
- (iii) Services (Excluding Architectural, Landscape Architectural, Engineering, Environmental, Land Surveying Services and Construction Management): More than \$~~3,500~~5,000, but does not exceed \$~~100,000~~150,000

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

- ~~(iv) Architectural, Landscape Architectural, Engineering, Environmental, Land Surveying Services and Construction Project Management~~

~~Service Procurements: More than \$3,500, but does not exceed \$100,000~~

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

- C. Formal Procurements: More than \$50,000 for construction services and more than ~~\$400,000-150,000~~ for goods and other services

When the expected amount of the procurement is more than \$50,000 for construction services and more than ~~\$400,000-150,000~~ for goods and other services, MTS shall conduct a documented competitive procurement as identified in the subsections below. All of the below competitive procurements shall be advertised in accordance with Section 52.4 of this Policy to ensure full and open competition.

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

- a. Unless another procurement method is more appropriate, MTS may utilize an IFB procurement method and shall award to the lowest responsible and responsive bidder.
- b. No Bids Received: If after solicitation of bids no responsive bids are received, the project may be performed through direct negotiations with a responsible and responsive Contractor.
- c. If more than \$1,000,000, then the construction services contract shall include an enforceable commitment that the contractor and its subcontractors at every tier will use a skilled and trained workforce to perform all work on the project/contract that falls within an apprenticeship occupation in accordance with Public Contract Code section 2600 *et seq.*
 - i. In lieu of the above, this requirement may be satisfied if a binding project labor agreement is in place that would cover the construction work at issue.

(ii) Goods: More than ~~\$400,000~~ 150,000

- a. MTS may utilize either an IFB or a RFP procurement method, whichever is most appropriate, and shall award either to the lowest responsible and responsive bidder or to a responsible and responsive proposer who is determined to have provided the overall best value based on price and other factors. For purposes of determining the lowest price, the amount of sales tax shall be excluded from the total amount of the bid or proposal received.
 - b. If Lower Price Available in Open Market – If after rejection of bids, the Board of Directors determines and declares by two-thirds vote that the goods may be purchased at a lower price in the open market, the Board of Directors may proceed to purchase the goods in the open market without further observance of Section 52.3 (C) of this Policy.
 - c. If No Responsive Bid Received - If after solicitation of bids, the Board of Directors determines and declares by majority vote that it has not received a responsive bid, the Board of Directors may proceed to purchase the goods in the open market without further observance of Section 52.3 (C) of this Policy.
 - d. Procurement of Prototype Equipment or Modifications - Upon a finding by two-thirds of all members of the Board of Directors that a purchase in compliance with Section 52.3 (C) of this Policy does not constitute a method of procurement adequate for the operation of MTS facilities or equipment, the Board of Directors may direct the procurement of prototype equipment or modifications in an amount sufficient to conduct and evaluate operational testing without further observance of Section 52.3 (C) of this Policy.
 - e. Source of procurement for replacement goods: The Board of Directors may direct the purchase of any goods without observance of Section 52.3 (C) of this Policy upon a finding by two-thirds of all members of the Board of Directors that there is only a single source of procurement and that the purchase is for the sole purpose of duplicating, repairing, or replacing goods that are in use, including upgrades or migrations of proprietary intellectual property.
- (iii) Services (Excluding Architectural, Landscape Architectural, Engineering, Environmental, Land Surveying Services and Construction Management Services): More than ~~\$100,000~~150,000

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

D. Architectural, Landscape Architectural, Engineering, Environmental, Land Surveying Services and Construction Project Management Services: ~~More than \$100,000~~

MTS may utilize a RFSQ procurement method, and shall award the contract to the most highly rated offeror, in accordance with the Cal. Gov. Code §§ 4525 et seq. or the Brooks Act if federally funded.

This section shall not apply if the Chief Executive Officer determines that the services needed are more technical in nature, involve little professional judgment and that another procurement method would better serve MTS' needs.

D. Design-Build:

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

E. Design-Bid-Build:

When deemed appropriate MTS may:

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

F. Noncompetitive Procurement: Sole Source

MTS may utilize a documented Sole Source procurement method when:

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

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

G. Revenue Contracts

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

52.4 Advertising

- A. Procurements which require advertising shall be published through one (1) or more of the following sources:
 - (i) Within a newspaper of general circulation in San Diego County;
 - (ii) Within ~~the~~ a bid management site (e.g. PlanetBids); and/or
 - (iii) In a local community, small business or contracting trade publication.

- B. MTS may also send to contractors and bidders previously known to be interested in providing the goods or services and at least 1 DBE contractor or other small business contractor that performs the subject work, if available.
- C. Any notice shall specify in the bid invitation and public notice the place bids are to be received and the time by which they shall be received.

52.5 Contract Form

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

52.6 Contract Award

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

52.7 Protests

- A. Content Based Protest: Protests based on the content of the procurement solicitation shall be filed with MTS Procurement Manager within 10 calendar days after the procurement solicitation is first advertised. The Chief Executive Officer’s designee, the MTS Procurement Manager, shall issue a written decision on the protest prior to opening of the procurement solicitation. A protest may be renewed by refiling the protest with MTS Procurement Manager within 15 calendar days after the mailing of the notice of the intent to award.
- B. Award Protest: Any bidder may protest the intent to award on any ground not based upon the content of the procurement solicitation by filing a protest with MTS Procurement Manager within 15 calendar days after the mailing of the notice of the intent to award.
- C. Content of Protest: Any protest shall contain a full and complete written statement specifying in detail the grounds of the protest and the facts supporting the protest.
- D. Opportunity to be Heard: Protestors shall have an opportunity to appear and be heard before the Board of Directors prior to the opening of the procurement solicitation in the case of protests based on the content of the procurement solicitation, or prior to final award in the case of protests based on other grounds or the renewal of protests based on the content of the procurement solicitation. The decision of the protest by the Board of Directors shall be in writing and

constitutes a final administrative decision for purposes of judicial review pursuant to Cal. Code of Civ. Pro. § 1094.6

- E. Protests on Federally Funded Procurements: MTS shall notify the FTA when MTS receives a protest on a federally funded procurement in excess of \$500,000 and keep the FTA informed about its status. ~~A protestor may appeal to the FTA within five (5) working days of the date when the protestor receives actual or constructive notice of MTS's final decision on a protest.~~

52.8 Responsible and Responsive Contractors

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

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

52.9 Prequalification

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

52.10 Bonds, Retention and Rates

A. Bonding

- (i) Bidder's Security – MTS shall require the following forms of bidder's security for all construction service contracts estimated to cost more than \$50,000: cash, a cashier's check, certified check or a bidder's bond executed by an admitted surety insurer. MTS may require bidder's security for other procurements when MTS finds it necessary to provide assurance that the bidder will execute the contract as may be required.

- (ii) Payment Bond – MTS shall require that for all construction service contracts over \$25,000, a payment bond be provided by the Contractor. MTS may require payment bonds for other procurements when MTS finds it necessary to provide additional assurances that the Contractor will make payment to all people and firms supplying labor and material.
- (iii) Performance Bond – MTS shall require that for all construction service contracts over \$100,000 that are funded in whole or in part with federal funds, a performance bond be provided by the Contractor. MTS may require performance bonds for other procurements when MTS finds it necessary to provide additional assurances that the Contractor will fulfill all contractual obligations.

B. Retention

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

C. Prevailing Wage

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

Original Policy Enacted on 6/22/2006

Policy Revised on 9/13/2007

Policy Revised on 11/18/2010

Policy Revised on 6/9/2016

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

Policy Revised on 11/10/2022, effective 1/1/2023

Exhibit AStatutory and Regulatory Requirements Table:

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

Federal Statute, Regulations, and Policies	Subject
49 U.S.C Chapter 53	Mass Transportation
49 CFR Part 18	Administrative Requirements for Grants and Cooperative Contracts
FTA Circular 4220.1F	Third Party Contracting Guidance
FTA Circular 5010.1D	Grant Management Guidelines
FTA Circular 5100.1	Bus and Bus Facilities
FTA Circular 5300.1	State of Good Repair
FTA Circular 6100.1E	Technology
FTA Circular 9030.1E	5307 Program
FTA Circular 9040.1G	Non Urbanized
FTA Circular 9045.1	New Freedom
FTA Circular 9050.1	JARC
FTA Circular 9070.1F	ADA Capital
FTA Circular 9300.1B	Capital Investment
Office of Management of Budget (OMB) Circular A-87	Cost Principles for State, Local and Indian Tribal Governments
FTA Master Agreement	Annual Terms and Conditions of FTA funded projects
FTA Certification and Assurances	Annual Agreement between MTS and FTA
Moving Ahead for Progress in the 21st Century Act (P.L. 112-141)	Transportation Law Appropriating Transportation Funds
FAR Part 31	Federal Cost Principles
2 CFR Part 200	Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards

State Laws	Sections(s)	Subject
Public Utilities Code	120220 – 120228	MTS Enabling Legislation
Civil Code	9550 et seq.	Payment Bond Requirement for Construction Projects

Civil Code	3320 – 3321	Prompt Payment and Retention to Design Professionals
Code of Civil Procedure	995.311	Verification of Admitted Surety Insurers on Bonds
Government Code	4525 et seq.	Architect & Engineering Services
Government Code	6250 – 6270	California Public Records Act
Government Code	5956 et seq.	Infrastructure Projects
Government Code	14080 et seq.	Funding from California Department of Transportation for Exclusive Mass Transit Guideway Systems
Labor Code	1720, 1720.2, 1720.3, and 1771	Public Works and Prevailing Wage
Code of Regulations	8 CCR 16000	Public Works and Prevailing Wage Cont.
Public Contract Code	1103	Responsible Bidder in Public Work Contracts
Public Contract Code	1104	Architectural & Engineering Plans and Specifications
Public Contract Code	3300	Contractor's License in Specifications for Bids
Public Contract Code	3400	Trade Name or Specific Names in Specifications for Bids
Public Contract Code	4100 - 4114	Subcontracting
Public Contract Code	5100 - 5107	Relief of Bidders
Public Contract Code	6109	Ineligible and Debarred Contractors and Subcontractors
Public Contract Code	6610	Contents of Notice Inviting Bids
Public Contract Code	7100 - 7200	Public Work Contract Clauses
Public Contract Code	9201 - 9203	Claims and Disputes
Public Contract Code	20101	Prequalification of bidders
Public Contract Code	20103.5	Effect of License Requirement on Bid

Public Contract Code	20103.6	Procurement of Architectural Design Services
Public Contract Code	20103.8	Determining the Lowest Bid
Public Contract Code	20104	Resolution of Construction Claims
Public Contract Code	20104.50	Progress Payments on Public Works
Public Contract Code	20216	Competitive Negotiation Process
Public Contract Code	20341	Procurement of Construction Services
Public Contract Code	20342	Bidder's Security – Bid Bond Requirement for Construction Projects

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



Policies and Procedures No. 41

Board Approval: 11/10/2022~~/29/2021~~

SUBJECT:

SIGNATURE AUTHORITY

PURPOSE:

The purpose of this policy is to establish the authority granted by the Board of Directors to the Chief Executive Officer, and to provide the Chief Executive Officer with the authority to delegate functions under ~~his or her~~their control to MTS staff. It also establishes guidelines and procedures for authorized signatories relating to check processing (including wire transfers) and San Diego Metropolitan Transit System (MTS) documents (purchase requisitions, contracts, agreements, payment vouchers, deeds, grants, etc.). The policies below relate to MTS, San Diego Transit Corporation (SDTC), and San Diego Trolley, Inc. (SDTI). Throughout this policy, the agencies are collectively referred to as MTS.

BACKGROUND:

From time to time, various third parties and agencies seek to verify that individual MTS staff members have the authority to execute documents on behalf of MTS.

MTS maintains a number of checking accounts in various approved financial institutions. To ensure adequate internal controls, signing of checks and execution of wire transfers are restricted to authorized personnel only. This policy establishes guidelines and procedures for obtaining appropriate approval.

In addition, this policy establishes guidelines and procedures for delegating authority to execute MTS documents, including contracts and agreements, on behalf of the Chief Executive Officer in ~~his or her~~their absence.

POLICY:

41.1 Authorized Signatories for Disbursements

A disbursement is the final authorization to pay a third party through either a check, warrant, wire transfer/Electronic Funds Transfer (EFT), Automated Clearing House (ACH) or other similar payment mechanism. Authorized signatures for disbursements are: the Accounting Manager, Controller, Director of Financial

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San Diego 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 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. MTS is also the For-Hire Vehicle administrator for nine cities.



Planning and Analysis, Chief Operating Officer – Bus/Rail, Chief Financial Officer, Chief of Staff, General Counsel, and Chief Executive Officer.

One signature is required for disbursements under \$2,000. This signature can be a facsimile signature. Two signatures are required for all disbursements over \$2,000. One of these can be a facsimile signature. A listing of all facsimile checks must be reviewed and approved by an authorized signer. For disbursements over \$10,000, the second signature SHALL NOT BE the Accounting Manager, Controller, or Director of Financial Planning and Analysis. Disbursements over \$25,000 require that one of the signatures be that of the Chief of Staff, General Counsel, Chief Financial Officer, or Chief Executive Officer.

The listing below summarizes the above as to effective levels of signing authority:

Accounting Manager	To	\$ 10,000
Controller	To	\$ 10,000
Director of Financial Planning & Analysis	To	\$ 10,000
Chief Operating Officer – Bus/Rail	To	\$ 25,000
Chief Financial Officer	Over	\$ 25,000
Chief of Staff	Over	\$ 25,000
General Counsel	Over	\$ 25,000
Chief Executive Officer	Over	\$ 25,000

41.2 Purchase Requisitions

Purchase Requisitions initiate the potential procurement of goods and/or services. Purchase Requisitions define the need for goods and/or services; budget for the goods and/or services; and assign staff time and resources to initiate the procurement of such goods and/or services. Purchase Requisitions do not constitute a commitment or contractual relationship with a Vendor.

Authorized signatures for Purchase Requisitions are Supervisors, Managers, Directors, Chief Operating Officer – Bus/Rail, Chief Financial Officer, Chief of Staff, General Counsel, and Chief Executive Officer.

Manager/Supervisor	To	\$
3,500 5,000		
Directors	To	\$
5,000 7,500		
Director of Capital Projects	To	\$
50,000 75,000		
Chief Operating Officer – Bus/Rail	To	\$
50,000 75,000		
Chief Financial Officer	To	\$
50,000 75,000		
Chief of Staff	To	\$
50,000 75,000		
General Counsel	To	\$
50,000 75,000		
Chief Executive Officer	Over	\$
50,000 75,000		

41.2.1 Purchase Requisitions for Inventory Items. The signature authority to approve Purchase Requisitions for inventory items is described within MTS Board Policy No. 64, Inventory Controls and Signature Authority.

41.3 Purchase Orders under Existing Contract

Upon completion of the procurement process (i.e. Board of Directors or staff approval of a formal contract pursuant to Section 41.4 of this Policy), the Procurement Manager may execute and transmit Purchase Orders to the vendor to properly manage the funding of multiple year contracts.

41.4 Authorized Signatories on Contracts and Documents

41.4.1 Expense Contracts. Expense contracts are contracts that require MTS to expend funds in return for goods or services. Expense contracts can be issued using various procurement forms, including but not limited to: a formal contract punch-out catalog purchase orders, or vendor agreement forms. All approval levels must be contained within and be consistent with overall Board of Directors approval levels. The approval levels are as follows:

Materials Manager (Punch-Out Catalog 3,500 <u>5,000</u>)	To	\$
Purchase Orders Only)		
Procurement Manager, Senior Procurement 3,500 <u>5,000</u>	To	\$
Specialist or Principal Contracts Administrator		
Directors 5,000 <u>7,500</u>	To	\$
Director of Capital Projects 50,000 <u>75,000</u>	To	\$
Chief Operating Officer – Bus/Rail 50,000 <u>75,000</u>	To	\$
Chief Financial Officer 50,000 <u>75,000</u>	To	\$
Chief of Staff 50,000 <u>75,000</u>	To	\$
General Counsel 50,000 <u>75,000</u>	To	\$
Chief Executive Officer 100,000 <u>150,000</u>	Up To	\$
Board of Directors 100,000 <u>150,000</u>	Over	\$

41.4.2 Stand-Alone Purchase Orders. Once a Purchase Requisition for the procurement of goods and/or service is approved per Section 41.2 of this Policy or through Board of Directors action, the Procurement Manager or ~~his/her~~their designee will have the authority to execute stand-alone purchase orders so long as the value of the stand-alone purchase order does not exceed the value of the approved Purchase Requisition.

The Chief Executive Officer will implement internal policies and protocols to identify which procurements for goods and/or services are appropriate for the use of a stand-alone purchase order process as opposed to requiring a formal contract subject to heightened review and approval.

41.4.3 Purchase Card. Authorized signatures for Purchase Card transactions are Directors, Chief Operating Officer – Bus/Rail, Chief Financial Officer and Chief Executive Officer. All approvals of Purchase Card transactions must be consistent with MTS's internal Purchase Card Policy.

41.4.4 Change Orders. A contract change order is a change within the original scope of the contract. Contract change orders costing ~~\$100,000-150,000~~ or less may be approved by the Chief Executive Officer. Contract change orders costing more than ~~\$100,000-150,000~~ may be approved by the Board of Directors. Any change order costing more than ~~\$100,000-150,000~~ that requires immediate approval due to: an emergency involving public safety; liability to MTS; unacceptable delay to the project; or substantial cost increase, shall receive immediate concurrence from the Chief Executive Officer and report such action to the Board of Directors at its next meeting.

41.4.5 Revenue Contracts. Revenue contracts are contracts that result in payments to MTS for goods, services or real property interests. Examples include group/employer sales contracts (monthly passes/fare revenue), advertising, special event licenses, property leases, right of entry permits or licenses, easements and grant deeds. All revenue contracts may be approved by the Chief Executive Officer. Long-term concession contracts (e.g. bus shelter advertising, naming rights, trolley station concessions) and the sale of real property rights (e.g. easement or fee simple interest) valued over ~~\$100,000-150,000~~ shall be approved by the Board of Directors.

41.4.6 Grants and Memorandums of Understanding. Grants and related documents necessary to obtain local, state and federal funding may be approved by the Chief Executive Officer, Chief Financial Officer, Chief of Staff or General Counsel. Memorandums of Understanding or other agreements documenting an agreed process or program, but not requiring a specific expenditure of MTS funds, may be approved by the Chief Executive Officer. Memorandums of Understanding or other agreements that materially alter the risk or liability MTS has agreed to/is legally obligated to bear, shall be approved by the Board of Directors.

41.4.7 Cost Recovery Agreements. Agreements to undertake certain activities, but which are fully funded by another entity, may be approved by the Chief Executive Officer. Examples include agreements with San Diego Association of Governments establishing the cost-recovery process for *TransNet*-funded transit programs or agreements with North County Transit District to pay its fair share of Regional Fare System (Compass Card) costs.

41.4.8 Real Property Transfer Documents. Subject to the approval limits set forth in this Policy, the Chief Executive Officer is authorized to sign all real property transfer documents, including but not limited to, permits, rights of entry, licenses, leases, deeds, easements, escrow instructions, and certificates of acceptance.

41.4.9 Capital Asset Transfer Documents. Capital Assets may include but are not limited to: revenue vehicles; non-revenue vehicles; equipment; information

technology; and furniture. Transfer documentation for Capital Assets may be signed by staff as authorized within MTS Board Policy No. 33, Capital Asset Disposal.

41.4.10 Emergency Procurements. As authorized by Public Utilities Code section 120224.1, the Chief Executive Officer may authorize the purchase of goods or services, including those costing more than ~~\$400,000~~150,000, if the purchase requires immediate approval to avert or alleviate damage to, or to repair or restore damaged or destroyed property and insure that MTS facilities are available to serve the transportation needs of the general public or to comply with any state or federal regulation with respect to the operation of public transportation services or protecting public safety. The Chief Executive Officer shall report such actions to the Board of Directors at its next meeting.

41.4.11 Construction Contract Documents. Subject to the limits set forth by this Policy and/or the Director of Capital Projects, Project Managers on Construction Projects are authorized to execute documents relating to the management of a construction contract (e.g. Notice of Completion).

41.5 Changes in Terms and Conditions

Any requested revision to MTS's Terms and Conditions or to accept a Vendor's Terms and Conditions must be approved by the General Counsel.

41.6 Authorized Signatories for Payment of Invoices

41.6.1 Payment of Invoices not associated with Contracts. Payment of invoices not associated with contracts includes, but is not limited to, employee reimbursements, payroll deductions, utility payments, insurance payments, purchase card transactions and claim payments. Authorized signatures for payment of these invoices are Supervisors, Managers, Directors, Chief Operating Officer – Bus/Rail, Chief Financial Officer, Chief of Staff, General Counsel, and Chief Executive Officer.

All approval levels must be contained within and be consistent with overall Board of Directors approval levels. The approval levels are as follows:

Manager/Supervisor	To	\$
3,500 <u>5,000</u>		
Directors	To	\$
5,000 <u>7,500</u>		
Chief Operating Officer – Bus/Rail	To	\$
50,000 <u>75,000</u>		
Chief Financial Officer	To	\$
50,000 <u>75,000</u>		
Chief of Staff	To	\$
50,000 <u>75,000</u>		
General Counsel	To	\$
50,000 <u>75,000</u>		
Chief Executive Officer	Over	\$
50,000 <u>75,000</u>		

41.6.2 Payment of Invoices associated with Contracts. Payment of invoices associated with contracts, includes, but is not limited to, formal contracts, stand-alone purchase orders and punch-out catalog purchase orders. The Chief Executive Officer will implement internal policies and protocols to ensure that upon receiving an invoice, the proper rate, price and quantity is being charged before payment is processed. Once payment is processed, the disbursement must then be approved as required by Section 41.1 of this Policy.

41.7 Authorized Signatories for Freight/Shipping and Sales/Other Taxes

The signature authority for the approval and payment of freight/shipping and sales/other taxes is described within MTS Board Policy No. 63, Payments for Freight/Shipping or Sales/Other Taxes Policy.

41.8 Authorized Signatories for Absences

In the Chief Executive Officer's absence, General Counsel, Chief of Staff, Chief Financial Officer or the Chief Executive Officer's designee is authorized to execute all checks, purchase requisitions, contracts, and documents as necessary, subject to any limits set or instructions given by the Chief Executive Officer.

In the General Counsel's absence, the Deputy General Counsel is authorized to execute all checks, purchase requisitions, contracts, and documents within the General Counsel's authority, subject to any limits set or instructions given by the General Counsel.

In the Procurement Manager's absence, the Chief Financial Officer, the General Counsel, the Director of Financial Planning and Analysis, or the Controller is authorized to execute Expense Contracts falling within the Procurement Manager's signature authority.

In the Clerk of the Board's absence, the Assistant Clerk of the Board is authorized to execute documents as may be required to certify actions of the Board of Directors.

41.9 Electronic Signature

Any signature authorized within this Policy may be provided electronically through an automated system (e.g. SAP system).

Upon receipt of approval from the Board of Directors for any Expense Contract over \$~~100,000~~150,000, the Chief Executive Officer or ~~his or her~~their designee shall have the authority to provide the electronic approval within an automated system for the Board of Directors when applicable.

This original Policy was adopted on 2/13/1992.

Policy revised on 8/11/1994.

Policy revised on 1/29/2004.

Policy revised on 2/23/2006.

Policy revised on 11/18/2010.

Policy revised on 11/14/2013.

Policy revised on 03/20/2014.

Policy revised on 10/29/2015

Policy revised on 12/8/2016.

Policy revised on 2/14/2019

Policy revised on 7/29/2021 (section 41.8)

Policy revised on 11/10/2022, changes effective on 1/1/2023



Policies and Procedures No. 64

Board Approval: ~~9/15/2016~~ 11/10/2022

SUBJECT:

INVENTORY CONTROLS AND SIGNATURE AUTHORITY POLICY

PURPOSE:

To authorize the MTS Materials Manager and Procurement Manager to approve parts/inventory purchases outside of the signature limits set forth in Policy No. 41 (Signature Authority).

BACKGROUND:

Policy No. 41 (Signature Authority) establishes dollar limits for approval of purchase requisitions and expense contracts. This Policy No. 64 is intended to authorize the MTS Materials Manager and Procurement Manager to complete parts purchases at appropriate intervals so that the MTS Storerooms have sufficient inventory to support daily transit operations and maintain MTS rolling stock and other equipment in a state of good repair. MTS's enterprise resource planning (ERP) software is programmed to automate inventory purchases. This requires that the Board approve an exception to the signature limits set forth in Policy No. 41 for automatic parts ordering to maintain designated inventory levels.

POLICY:

64.1 INVENTORY CONTROLS

- a. The Chief Executive Officer (CEO), or his/her designee, shall maintain a database of materials, components and spare parts (inventory list) that must be available in MTS Storerooms in order to support daily transit operations and maintain MTS rolling stock and other equipment in a state of good repair. The inventory list shall, at a minimum, contain the following:
 - i. The part name and manufacturer's part number, if applicable;
 - ii. The responsible/requesting department;
 - iii. The minimum quantity of that part that must be maintained at all times in the MTS Storeroom;



- 1) The minimum quantity should be based on factors such as the historical demand for the part, lead time for orders, ordering costs, operational campaigns, and include a level of safety stock sufficient to avoid a shortage of parts which would prevent maintenance or repairs from being completed in a timely manner.
- iv. The maximum quantity of that part that should be maintained in the MTS Storeroom;
 - 1) The maximum quantity should be optimized to minimize ordering costs while avoiding excessive growth of inventory and reducing waste from obsolescence and spoilage of parts with a limited shelf-life.
- b. The inventory list shall be reviewed by the CEO, or his/her designee, at least annually.
- c. Items being added to the inventory list require formal approval from the following departments: Maintenance, Finance, Procurement and Storeroom Operations
- d. The CEO may designate staff responsible for approving:
 - i. The addition or deletion of items from the inventory list.
 - ii. Any adjustments to the minimum and maximum quantities of the inventory list.

64.2 PARTS/INVENTORY PURCHASES

- a. Parts may be purchased by MTS through various methods. Primarily, parts are purchased either through a competitively bid or sole-sourced multi-year contract or through individual purchases on an as-needed basis. Generally, a multi-year contract is used for parts that MTS purchases in large quantities on a regular basis, or for highly specialized and expensive parts. All purchases of parts must comply with state and federal laws, regulations and grant requirements. Nothing in this Policy No. 64 is intended to excuse MTS staff from compliance with legal requirements. All parts/inventory purchases shall comply with Policy No. 52 (Procurement of Goods and Services).
- b. If a part is on the approved inventory list, then the ERP system will recommend orders based on the minimum required quantities by generating a purchase requisition. The MTS Materials Manager may authorize, through the approval of the purchase requisition in the ERP system, the purchase of such parts, subject to the following limitations:
 - i. The quantity ordered may not result in an inventory count higher than the designated maximum on the date the parts are expected to be delivered;
 - ii. The dollar value of the proposed purchase, exclusive of freight/shipping and applicable taxes/government fees, does not exceed ~~\$100,000~~150,000.
- 1) Purchases of parts may not be intentionally split into multiple purchase requisitions so as to avoid this spending limit.

- c. All parts purchases over \$~~100,000~~150,000, exclusive of freight/shipping and applicable taxes/government fees, must be approved by the Board.
- d. All inventory items are kept in the MTS Storeroom and held as an asset on the balance sheet of MTS. When a part is needed by maintenance staff, a requisition form is submitted and the part is “charged out” to the requesting department. Upon charge out from the Storeroom, the cost of the part is charged as an expense against the appropriate line item in that department’s budget.

Original Policy Adopted on 9/15/2016.

Policy Revisions Adopted on 11/10/2022, revisions effective on 1/1/2023



Agenda Item No. 11

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 10, 2022

SUBJECT:

BOARD POLICY NO. 30, INVESTMENT POLICY – POLICY REVISION

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 (Policy) governs the process for investment policies, procedures and appropriate vehicles of investment for the cash management of MTS’s surplus operating funds. On an annual basis, the Policy is reviewed by staff and updated for the Board’s approval based upon the principles of capital preservation (safety), liquidity and investment return.

A review of the State of California Government Code (CA Code) and discussions with the County Treasurer resulted no changes to the existing policy. The only modification to the policy includes:

- Section 30.8: Updated date (2021 to 2022) to Figure 1 “Local Agency Investment Guidelines” (which remains unchanged).

/S/ Sharon Cooney

Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachment: A. Updated Investment Policy No. 30 (redlined)





Policies and Procedures No. 30

Board Approval: ~~12/16/2021~~11/10/2022

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 2021-2022 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 (CP) 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, the maximum exposure to a single issuer shall be 10% of total portfolio value inclusive of any other non-CP investments with said 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 (CD) 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, the maximum exposure to a single issuer shall be 10% of total portfolio value inclusive of any other non-CD investments with said 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, the maximum exposure to a single issuer shall be 10% of total portfolio value inclusive of any other non-CD investments with said 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 (MTN) 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 10% of MTS's total portfolio shall be invested in medium term notes of any one issuer, the maximum exposure to a single issuer shall be 10% of total portfolio value inclusive of any other non-MTN investments with said 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.

17. Commercial paper, debt securities, or other obligations of a public bank, as defined in Section 57600 of the California Government Code.

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, with the following exception: in accordance with Section 53601.6(b)(2), MTS may invest in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates.

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 30.15 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 biennially by the MTS Board. Such review shall include review of the "Summary of Statutory Changes" and Figure 1 (Allowable Investment Instruments per State Government Code) in the Local Agency Investment Guidelines. The MTS Investment Policy 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.
Policy revised on 05/14/2020.
Policy revised on 12/16/2021.
Policy revised on 11/10/2022.

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	If investment assets <\$100 million, 25% of the agency's money; if investment assets >\$100 million, 40% of the agency's money ^G	Highest letter and number rating by an NRSRO ^H	25%	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	50%	None	30%	Same as CA Code
Placement Service Certificates of Deposit	5 years	50%	None	30%	Same as CA Code
Repurchase Agreements	1 year	None	None	40%	Same as CA Code
Reverse Repurchase Agreements & 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 ^R	5 years	None	None	Same as CA Code	Same as CA Code
Mortgage Pass—Through and Asset-Backed Securities	5 years	20%	"AA" rating category or its equivalent or better	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
Public Bank Obligations	5 years	None	None	Same as CA Code	Same as CA Code

TABLE OF NOTES FOR FIGURE 1

<p>A. Sources: Sections 16340, 16429.1, 27133, 53601, 53601.6, 53601.8, 53630 et seq., 53635, 53635.8, and 57603.</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 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. Includes agencies 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 and medium-term notes 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, have program wide credit enhancements, and have commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical rating agency.</p> <p>I. Includes agencies defined as a county, 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 forth in Section 53601(h)(2)(C).</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. Effective January 1, 2020, no more than 50 percent of the agency's money may be invested in deposits, including certificates of deposit, through a placement service as authorized under 53601.8 (excludes negotiable certificates of deposit authorized under Section 53601(i)). On January 1, 2026, the maximum percentage of the portfolio reverts back to 30 percent. Investment made pursuant to 53635.8 remain subject to a maximum of 30 percent of the portfolio.</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), have assets under management in excess of \$500 million, and have 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. Investments in notes, bonds, or other obligations under Section 53601(n) require that collateral be placed into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, among other specific collateral requirements.</p> <p>S. A JPAP 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. Upon approval by their governing bodies, local entities can deposit \$200 million to \$10 billion into the Voluntary Investment Program Fund. 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), with a maximum remaining maturity of five years or less.</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.
Public Bank	A corporation organized under the Nonprofit Mutual Benefit Corporation Law or the Nonprofit Public Benefit Corporation Law for the purpose of engaging in the commercial banking business or industrial banking business that is wholly owned by a local agency or agencies, or a Joint Powers Authority.

Term	Description
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 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

Term	Description
	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.
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.



DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 11/3/2022

Agenda Item No. 12

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS

November 10, 2022

SUBJECT:

QUARTER ENDING SEPTEMBER 30, 2022 – INVESTMENT REPORT

INFORMATIONAL ONLY

Budget Impact

None.

DISCUSSION:

Attachment A comprises a report of the San Diego Metropolitan Transit System (MTS) investments as of September 30, 2022. The combined total of all investments has increased quarter to quarter from \$137.0 million to \$214.6 million. This \$77.6 million increase is attributable to \$63.6 million in Federal Transit Administration (FTA) Preventative Maintenance revenue, \$14.4 million in FTA capital draws, \$7.0 million in American Rescue Plan Act of 2021 (ARPA), partially offset by 13.7 million in capital expenditures, as well as normal timing differences between other payments and receipts.

The first column provides details about investments restricted for capital improvement projects and PRONTO Stored Value (attachment A).

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

MTS remains in compliance with Board Policy 30 and is able to meet expenditure requirements for a minimum of the next six months as required.

/S/ Sharon Cooney

Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachment: A. Investment Report for the Quarter Ending September 30, 2022



**San Diego Metropolitan Transit System
Investment Report
September 30, 2022**

Institution / Issuer	Function	Investment Type	Restricted	Unrestricted	Total	Avg. Rate of Return	Benchmark	
J.P. Morgan Chase	Operating Funds	Depository Bank	-	56,463,333	56,463,333	0.39%	*	0.240% WSJ Money Market
U.S. Bank - Retention Trust Account	Restricted for Capital Support	Depository Bank	8,531,874	-	8,531,874	N/A	**	-
Local Agency Investment Fund (LAIF)	Restricted (Stored Value)	Investment Pool	4,120,861		4,120,861	1.513%		0.661% S&P US T-Bill 0-3 Mth Index
San Diego County Treasurer's Office	State Grant Funds	Investment Pool	18,785,861	6,843,085	25,628,946	1.680%		0.661% S&P US T-Bill 0-3 Mth Index
Subtotal: Restricted for Capital Support / Stored Value			31,438,595	6,843,085	38,281,680			
Local Agency Investment Fund (LAIF)	Investment of Surplus Funds	Investment Pool	-	60,885,744	60,885,744	1.513%		0.661% S&P US T-Bill 0-3 Mth Index
San Diego County Treasurer's Office	Investment of Surplus Funds	Investment Pool	-	58,923,130	58,923,130	1.680%		0.661% S&P US T-Bill 0-3 Mth Index
Subtotal: Investment Surplus Funds			-	119,808,874	119,808,874			
Grand Total Cash and Investments			\$ 31,438,595	\$ 183,115,292	\$ 214,553,887			

*-The .08% is an annual percentage yield on the average daily balance that exceeds \$30 million

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



DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 11/3/22

Agenda Item No. 13

**MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS**

November 10, 2022

SUBJECT:

ACE PARKING LOT IMPROVEMENTS – WORK ORDER

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute Work Order MTSJOC347-03 to MTS Doc. No. PWG347.0-22 (in substantially the same format as Attachment A) with ABC General Contractor, Inc. (ABCGC) in the amount of \$140,183.26 for the upgrade of fencing, gates, lighting, striping, card reader, and cameras at the parking lot located at 1341 National Avenue, San Diego, CA (Ace Parking Lot).

Budget Impact

The total budget for this contract is \$140,183.26. Under separate MTS Doc No. L1282.0-16, with The Gordian Group, MTS will pay a 1.95% Job Order Contract (JOC) software license fee in the amount of \$2,733.57. This project is funded by San Diego Transit Corporation (SDTC) Operating Budget 902014-571250.

DISCUSSION:

MTS owns the ACE Parking Lot located 1341 National Avenue (bounded by Imperial Avenue, National Avenue, and 14th Street and adjacent to the 12th & Imperial Transit Center in downtown San Diego). The lot is currently leased to ACE Parking on a month-to-month basis. MTS is planning to convert the parking lot from a paid public lot to a Bus Operator Parking Lot for operators reporting to work at the Imperial Ave Division (IAD).

In order to make this conversion, the proposed work order will provide extensive fencing repair, close the lot entrance on Imperial Avenue, add secure gates with card readers for pedestrians, and a rolling gate for vehicles exiting/entering to and from National Avenue. The project also includes power and data cabling to support the installation of Light-Emitting Diode (LED) lighting, Closed-Circuit Television (CCTV) cameras, card readers, and new gates. Currently, bus operators struggle to obtain parking on nearby streets. The goal of this project is to simplify the commute to work process for Bus Operators and assist in MTS's on-going bus operator



recruiting efforts. On-site parking at IAD is also expected to be impacted by the upcoming electric charging infrastructure project that is necessary as part of the MTS Zero-Emission Bus transition plan.

This work will be completed by issuing a JOC work order to MTS's JOC contractor for civil construction services. JOC is a procurement method under which public agencies may accomplish frequently encountered repairs, maintenance, and construction projects through a single, competitively procured long-term agreement.

The JOC program includes a catalog of pricing for a variety of potential tasks to be performed under the contract that have been pre-priced by the contractor, The Gordian Group. All potential contractors are subject to the pricing within this catalog. Each contractor then includes an adjustment factor, escalating their proposed price from the catalog price, to determine the total cost of the task order. The adjustment factor represents an average percentage increase over the catalog price (i.e. 1.25 adjustment factor represents 25% above the catalog price) for that respective task within the project. In order to select the lowest responsive and responsible bidder, MTS staff compares each contractor's proposed adjustment factor.

On June 16, 2022 (AI 14), after a competitive Invitation for Bids process, the MTS Board authorized the CEO to execute MTS Doc. No. PWG347.0-22 with ABCGC for Civil Construction Services. Civil Construction Services includes work that primarily consists of repair, remodeling, or other repetitive work civil construction activities, general civil and site improvements (i.e., earthwork, utilities, paving, concrete, drainage, landscaping mitigation, site clearing), and all required incidental professional and technical services.

Today's proposed action will issue a work order to ABCGC under this JOC master agreement. Staff has reviewed the pricing for this repair work order and determined it to be fair and reasonable. ABCGC will be providing all materials, labor and equipment for the ACE Parking upgrade. Work is expected to be completed by December 2022. For this work order, ABCGC has identified Access Professional System, American Temp Fence, and The Doctor of Electricity as its subcontractors (as shown in Exhibit C of Attachment A).

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute Work Order MTSJOC347-03 to MTS Doc. No. PWG347.0-22 (in substantially the same format as Attachment A) with ABCGC in the amount of \$140,183.26 to upgrade the fencing, gates, lighting, striping, card reader, and cameras at the ACE Parking Lot.

/S/ Sharon Cooney
Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachment: A. Draft Work Order



Metropolitan Transit System

JOB ORDER CONTRACT WORK ORDER

PWG347.0-22
CONTRACT NUMBER

MTSJOC347-03
WORK ORDER NUMBER

THIS AGREEMENT is entered into this _____ day of _____, 2022, in the state of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following, hereinafter referred to as "Contractor":

Name: ABC General Contractor, Inc. Address: 3120 National Avenue

Form of Business: Corporation San Diego, CA 92113
(Corporation, partnership, sole proprietor, etc.)

Telephone: 619.937.1010

Authorized person to sign contracts: Travis Brozowski President
Name Title

Pursuant to the existing Job Order Contract (MTS Doc. No. PWG347.0-22), MTS issues a Work Order to Contractor to complete the detailed Scope of Work (attached as Exhibit A.), the Cost Breakdown for the Scope of Work (attached as Exhibit B.), and the subcontractor listing form applicable to this Work Order (attached as Exhibit C.)

TOTAL PAYMENTS TO CONTRACTOR SHALL NOT EXCEED \$140,183.26

<u>SAN DIEGO METROPOLITAN TRANSIT SYSTEM</u>	<u>ABC GENERAL CONTRACTOR, INC.</u>
By: <u>Sharon Cooney, Chief Executive Officer</u>	Firm: _____
Approved as to form:	By: _____ Signature
By: <u>Karen Landers, General Counsel</u>	Title: _____



EXHIBIT A (Scope of Work)



Detailed Scope of Work

Job Order Contract

Date: 09/23/2022

To: Wayne Czubernat
Project Manager
ABC Construction, Inc.
3120 National Ave
San Diego, Ca 92113
Phone: (619) 239-3428
Fax: (619) 239-6614

From: Thang Nguyen
Systems Engineer
San Diego Metropolitan Transit System
1255 Imperial Ave, Suite 900
San Diego, CA 92101
Phone: (619) 557-4560
Fax:

Project: MTSJOC347-03

MTS Work Order Number: TBD

Title: ACE Parking Lot Modifications

Location:

Railroad Protective: ☐ Yes ☒ No

Detailed Scope of Work

The Contractor shall complete the construction of this project in its entirety and shall provide all labor, materials, equipment, and traffic control, procuring all materials and performing all other work necessary to complete the work in accordance with the Detailed Scope of Work.

This work consists of the followings:

- Addition of extra fencing to close off driveway
- Install motorized gate with MTS Card Reader (ESS)
- Replace Light- pole with brighter Lighting
- Install Security Camera (ESS)
- Install Pedestrian Gate with MTS Card Reader (ESS)
- Repaint Existing Striping
- Removal of ACE Signs and Pay Meter (ACE)

Traffic Control:

It is the Contractor's responsibility to barricade the work area and to prevent pedestrians from entering the job site.

Submittals:

Work Schedule, materials submittal

Work Windows:

Monday-Friday from 6 AM to 4 PM

Durations:

60 working calendar days

Thang Nguyen, Systems Engineer

Date

Wayne Czubernat, Project Manager

Date

EXHIBIT B

(Cost Breakdown)



Price Proposal Detail

By Division Report

Version: 2.0

Approved 10/20/2022 08:18:39 AM PST

Proposal Value: \$140,183.26

Approved Date: October 20, 2022

Job Order: MTSJOC347-03

Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

Division		Install Total	NPP Total	Demo Total	Division Total
01	General Requirements	\$48,233.65	\$0.00	\$0.00	\$48,233.65
02	Existing Conditions	\$6,053.75	\$0.00	\$0.00	\$6,053.75
03	Concrete	\$3,647.62	\$0.00	\$0.00	\$3,647.62
10	Specialties	\$643.62	\$0.00	\$0.00	\$643.62
26	Electrical	\$13,288.37	\$0.00	\$425.97	\$13,714.34
31	Earthwork	\$3,020.35	\$0.00	\$0.00	\$3,020.35
32	Exterior Improvements	\$64,478.28	\$0.00	\$391.65	\$64,869.93
Line Count: 65		Proposal Total:			\$140,183.26
The Percentage of Non Pre-Priced on this Proposal:					0.00%



Price Proposal Detail

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Contract Name: JOC CIVIL CONSTRUCTION SERVICES

01 General Requirements

\$48,233.65

Record #	CSI Number	Description	Type	Quantity	Unit Price	UOM	Factor	Line Total
1	012216000004	Reimbursable Fees	Installation	756.00	\$1.00	EA	1.0890	\$823.28
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	EA	1.0890	\$0.00

Includes Labor No Includes Equipment No Includes Materials Yes

User Note: Concrete for trenching
pw set up 540
pw truck fee 216 per truck

Item Note: Reimbursable Fees will be paid to the contractor for eligible costs as directed by Owner. Insert the appropriate quantity to adjust the base cost to the actual Reimbursable Fee. If there are multiple Reimbursable Fees, list each one separately and add a comment in the "note" block to identify the Reimbursable Fee (e.g. sidewalk closure, road cut, various permits, extended warranty, expedited shipping costs, etc.). A copy of each receipt shall be submitted with the Price Proposal.

Total:								\$823.28
2	012216000004	Reimbursable Fees	Installation	756.00	\$1.00	EA	1.0890	\$823.28
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	EA	1.0890	\$0.00

Includes Labor No Includes Equipment No Includes Materials Yes

User Note: concrete for fence work
pw set fee 540
pw truck fee 216 per truck

Item Note: Reimbursable Fees will be paid to the contractor for eligible costs as directed by Owner. Insert the appropriate quantity to adjust the base cost to the actual Reimbursable Fee. If there are multiple Reimbursable Fees, list each one separately and add a comment in the "note" block to identify the Reimbursable Fee (e.g. sidewalk closure, road cut, various permits, extended warranty, expedited shipping costs, etc.). A copy of each receipt shall be submitted with the Price Proposal.

Total:								\$823.28
3	012220000027	Laborer	Installation	160.00	\$74.04	HR	1.0890	\$12,900.73
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	HR	1.0890	\$0.00

Includes Labor Yes Includes Equipment No Includes Materials No

User Note: Trenching: 2 days of removal, 2 days of backfill
AC: 1 day
(4 men)

Item Note: For tasks not included in the Construction Task Catalog® and as directed by owner only.

Total:								\$12,900.73
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By Division Report

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Approved Date: October 20, 2022

Job Order: MTSJOC347-03

Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

4	012223000058	25' Electric, Scissor Platform Lift	Installation	2.00	\$206.34	DAY	1.0890	\$449.41
Accepted	<i>History: 2.0 Accepted, 1.1 Added</i>		Demo:	0.000000	\$0.00	DAY	1.0890	\$0.00

Includes Labor No Includes Equipment No Includes Materials Yes

User Note: for light replacement

Item Note:

								Total:	\$449.41
--	--	--	--	--	--	--	--	---------------	-----------------

5	012223000289	3,000 LB Capacity, 78" Wide, Tracked Skid-Steer Loader With Full-Time Operator	Installation	4.00	\$1,287.24	DAY	1.0890	\$5,607.22
Accepted	<i>History: 2.0 Accepted, 1.1 Added</i>		Demo:	0.000000	\$0.00	DAY	1.0890	\$0.00

Includes Labor Yes Includes Equipment No Includes Materials Yes

User Note: 2 days of removal, 2 days of backfill

Item Note:

								Total:	\$5,607.22
--	--	--	--	--	--	--	--	---------------	-------------------

6	012223000289	3,000 LB Capacity, 78" Wide, Tracked Skid-Steer Loader With Full-Time Operator	Installation	2.00	\$1,287.24	DAY	1.0890	\$2,803.61
Accepted	<i>History: 2.0 Accepted, 1.1 Added</i>		Demo:	0.000000	\$0.00	DAY	1.0890	\$0.00

Includes Labor Yes Includes Equipment No Includes Materials Yes

User Note: For fence work

Item Note:

								Total:	\$2,803.61
--	--	--	--	--	--	--	--	---------------	-------------------

7	012223000301	Broom Attachment For Skid-Steer Loaders	Installation	4.00	\$95.24	DAY	1.0890	\$414.87
Accepted	<i>History: 2.0 Accepted, 1.1 Added</i>		Demo:	0.000000	\$0.00	DAY	1.0890	\$0.00

Includes Labor No Includes Equipment No Includes Materials Yes

								Total:	\$414.87
--	--	--	--	--	--	--	--	---------------	-----------------



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Job Order: MTSJOC347-03

Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

8	012223000307	Auger Attachment (Excludes Bits And Extensions) For Skid-Steer Loaders	Installation	1.00	\$83.08	DAY	1.0890	\$90.47
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	DAY	1.0890	\$0.00

Includes Labor No Includes Equipment No Includes Materials Yes

								Total:	\$90.47
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9	012223000419	3,500 LB Mini-Excavator With Full-Time Operator	Installation	4.00	\$1,002.01	DAY	1.0890	\$4,364.76
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	DAY	1.0890	\$0.00

Includes Labor Yes Includes Equipment No Includes Materials Yes

User Note: 2 days of removal, 2 days of backfill

Item Note:

								Total:	\$4,364.76
--	--	--	--	--	--	--	--	--------	------------

10	012223001330	13 CY Rear Dump Truck With Full-Time Truck Driver	Installation	1.00	\$1,621.69	DAY	1.0890	\$1,766.02
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	DAY	1.0890	\$0.00

Includes Labor Yes Includes Equipment No Includes Materials Yes

User Note: for fence debris removal

Item Note:

								Total:	\$1,766.02
--	--	--	--	--	--	--	--	--------	------------

11	012223001333	18 CY Rear Dump Truck With Full-Time Truck Driver	Installation	5.00	\$1,726.52	DAY	1.0890	\$9,400.90
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	DAY	1.0890	\$0.00

Includes Labor Yes Includes Equipment No Includes Materials Yes

User Note: Trenching: 2 days of removal, 2 days of backfill
AC: 1 day

Item Note:

								Total:	\$9,400.90
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* Includes Price Changes due to Construction Task Catalog update



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Job Order Name: ACE Parking Lot Mods

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Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

12	012223001361	500 To 600 Gallon Water Trailer With Pump	Installation	5.00	\$114.75	DAY	1.0890	\$624.81
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	DAY	1.0890	\$0.00

Includes Labor No Includes Equipment No Includes Materials Yes

User Note: Trenching: 2 days of removal, 2 days of backfill
AC: 1 day

Item Note:

							Total:	\$624.81
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13	015526000028	28" Cone With Reflective Collar	Installation	375.00	\$0.50	DAY	1.0890	\$204.19
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	DAY	1.0890	\$0.00

Includes Labor No Includes Equipment No Includes Materials Yes

User Note: 25 each x 15 days

Item Note:

							Total:	\$204.19
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14	015526000043	Type II Barricade, Up To 3' Wide With Two Reflective Rails Each Side	Installation	90.00	\$2.36	DAY	1.0890	\$231.30
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	DAY	1.0890	\$0.00

Includes Labor No Includes Equipment No Includes Materials Yes

User Note: 6 each x 15 days

Item Note:

							Total:	\$231.30
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15	015526000104	Placement And Removal Of Up To 250 Cones Using Truck	Installation	25.00	\$3.86	EA	1.0890	\$105.09
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials No

							Total:	\$105.09
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Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

16	015626000108	Placement And Removal Of Up To 250 Barricades Using Truck	Installation	6.00	\$7.71	EA	1.0890	\$50.38
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials No

								Total:	\$50.38
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17	015626000005	Temporary 6' High Chain Link Fence And Posts, Up To 6 Months	Installation	210.00	\$6.35	LF	1.0890	\$1,452.18
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	LF	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

								Total:	\$1,452.18
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18	017113000004	First 25 Miles, Equipment Delivery, Pickup, Mobilization And Demobilization Using A Tractor Trailer With Up To 53' Bed	Installation	3.00	\$715.07	EA	1.0890	\$2,336.13
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials No

User Note: bobcat, mini exc & boom

Item Note: Includes loading, tie-down of equipment, delivery of equipment, off loading on site, rigging, dismantling, loading for return and transporting away. For equipment such as bulldozers, motor scrapers, hydraulic excavators, gradalls, road graders, loader-backhoes, heavy duty construction loaders, tractors, pavers, rollers, bridge finishers, straight mast construction forklifts, telescoping boom rough terrain construction forklifts, telescoping and articulating boom man lifts with >40' boom lengths, etc.

								Total:	\$2,336.13
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Job Order: MTSJOC347-03

Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

19	017113000004	First 25 Miles, Equipment Delivery, Pickup, Mobilization And Demobilization Using A Tractor Trailer With Up To 53' Bed	Installation	1.00	\$715.07	EA	1.0890	\$778.71
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials No

User Note: bobcat

Item Note: Includes loading, tie-down of equipment, delivery of equipment, off loading on site, rigging, dismantling, loading for return and transporting away. For equipment such as bulldozers, motor scrapers, hydraulic excavators, gradalls, road graders, loader-backhoes, heavy duty construction loaders, tractors, pavers, rollers, bridge finishers, straight mast construction forklifts, telescoping boom rough terrain construction forklifts, telescoping and articulating boom man lifts with >40' boom lengths, etc.

							Total:	\$778.71
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20	017113000005	>25 Miles, Equipment Delivery And Pickup Using A Tractor Trailer With Up To 53' Bed	Installation	15.00	\$8.54	MI	1.0890	\$139.50
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	MI	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials No

User Note: 3 each x 5 miles

Item Note: Excludes first 25 miles.

							Total:	\$139.50
--	--	--	--	--	--	--	--------	----------

21	017123160008	Survey Property Lines On Cleared Land	Installation	450.00	\$2.44	LF	1.0890	\$1,195.72
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	LF	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials No

User Note: Layout of fencing, trenching, gates etc.

Item Note:

							Total:	\$1,195.72
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Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

22	017123160019	Survey Clear Area For Underground Utilities	Installation	0.00	\$5,567.02	ACR	1.0890	\$0.00
Accepted	History: 2.0 Accepted, 1.1 Added		Demo:	0.000000	\$0.00	ACR	1.0890	\$0.00

Includes Labor No Includes Equipment No Includes Materials No

User Note: Utility markout of parking lot (1/2 ACR)

Item Note:

							Total:	\$0.00
23	017419000021	Rampless Concrete Washout Bin	Installation	1.00	\$555.08	MO	1.0890	\$604.48
Accepted	History: 2.0 Accepted, 1.1 Added		Demo:	0.000000	\$0.00	MO	1.0890	\$0.00

Includes Labor No Includes Equipment No Includes Materials Yes

							Total:	\$604.48
24	017419000036	General Refuse	Installation	20.00	\$44.52	TON	1.0890	\$969.65
Accepted	History: 2.0 Accepted, 1.1 Added		Demo:	0.000000	\$0.00	TON	1.0890	\$0.00

Includes Labor No Includes Equipment No Includes Materials Yes

User Note: 1 load out

Item Note:

							Total:	\$969.65
25	017419000036	General Refuse	Installation	2.00	\$44.52	TON	1.0890	\$96.96
Accepted	History: 2.0 Accepted, 1.1 Added		Demo:	0.000000	\$0.00	TON	1.0890	\$0.00

Includes Labor No Includes Equipment No Includes Materials Yes

								Total:	\$96.96
02 Existing Conditions								\$6,053.75	
Record #	CSI Number	Description	Type	Quantity	Unit Price	UOM	Factor	Line Total	

* Includes Price Changes due to Construction Task Catalog update



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Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

26	024119130058	Bituminous Paving Up To 4" Depth, Saw Cut	Installation	600.00	\$1.97	LF	1.0890	\$1,287.20
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	LF	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

							Total:	\$1,287.20
27	024119130259	Drill 12" Diameter Core In >4" To 6" Asphalt	Installation	20.00	\$218.85	EA	1.0890	\$4,766.55
Accepted	History: 2.0 Accepted, 1.1 Added		Demo:	0.000000	\$0.00	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

User Note: 18 Fence post holes in existing AC plus 2 goosenecks for ESS

Item Note:

								Total:	\$4,766.55
--	--	--	--	--	--	--	--	--------	------------

03 Concrete								\$3,647.62
-------------	--	--	--	--	--	--	--	------------

Record #	CSI Number	Description	Type	Quantity	Unit Price	UOM	Factor	Line Total
28	033113000094	Delivery Fee For Concrete Purchases Per CY For Each CY Less Than 9 CY	Installation	6.00	\$19.14	CY	1.0890	\$125.06
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	CY	1.0890	\$0.00

Includes Labor No Includes Equipment No Includes Materials Yes

User Note: concrete short load for trenching

Item Note: The task quantity is 9 minus the number of CY's delivered. For example, the delivery fee for 2CY's is: (9-2) = 7.

								Total:	\$125.06
--	--	--	--	--	--	--	--	--------	----------



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Job Order: MTSJOC347-03

Job Order Name: ACE Parking Lot Mods

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Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

29	033113000094	Delivery Fee For Concrete Purchases Per CY For Each CY Less Than 9 CY	Installation	8.00	\$19.14	CY	1.0890	\$166.75
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	CY	1.0890	\$0.00

Includes Labor No Includes Equipment No Includes Materials Yes

User Note: concrete short load for fencing

Item Note: The task quantity is 9 minus the number of CY's delivered. For example, the delivery fee for 2CY's is: (9-2) = 7.

							Total:	\$166.75
30	033113000097	4" Equipment Pad With Welded Wire Reinforcement	Installation	10.00	\$15.03	SF	1.0890	\$163.68
Accepted	History: 2.0 Accepted, 1.1 Added		Demo:	0.000000	\$0.00	SF	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

User Note: gate motor & key pad

Item Note:

							Total:	\$163.68
31	033113000099	6" Equipment Pad With Rebar	Installation	125.00	\$23.45	SF	1.0890	\$3,192.13
Accepted	History: 2.0 Accepted, 1.1 Added		Demo:	0.000000	\$0.00	SF	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

User Note: v track for gate
Motor Pad
Electrical cabinet pad

Item Note:

								Total:	\$3,192.13
10 Specialties									\$643.62
Record #	CSI Number	Description	Type	Quantity	Unit Price	UOM	Factor	Line Total	



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Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

32	104116000004	6" High x 6" Wide x 4-1/2" Deep, Black Finish, Surface Mount, Fire Department Emergency Storage Box (Knox-Vault 4100)	Installation	1.00	\$591.02	EA	1.0890	\$643.62
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$28.76	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

								Total:	\$643.62
26 Electrical									\$13,714.34

Record #	CSI Number	Description	Type	Quantity	Unit Price	UOM	Factor	Line Total
33	260519160023	#14 AWG, XLP (XHHW-2), 600 Volt Copper, Single Stranded, Power Cable, Installed In Conduit	Installation	2.00	\$554.05	MLF	1.0890	\$1,206.72
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$173.05	MLF	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

								Total:	\$1,206.72
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34	260533131441	1" Schedule 40 Polyvinyl Chloride (PVC) Conduit With Coupled End	Installation	600.00	\$4.15	LF	1.0890	\$2,711.61
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$1.52	LF	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

User Note: Power and Comm (-300ea)

Item Note:

								Total:	\$2,711.61
--	--	--	--	--	--	--	--	--------	------------



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Job Order: MTSJOC347-03

Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

35	260533131454	1" Schedule 40 Polyvinyl Chloride (PVC) Conduit 90 Degree Elbow	Installation	24.00	\$19.56	EA	1.0890	\$511.22
Accepted	History: 2.0 Accepted, 1.1 Added		Demo:	0.000000	\$7.24	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

							Total:	\$511.22
--	--	--	--	--	--	--	--------	----------

36	260533131467	1" Schedule 40 Polyvinyl Chloride (PVC) Conduit 45 Degree Elbow	Installation	24.00	\$19.49	EA	1.0890	\$509.39
Accepted	History: 2.0 Accepted, 1.1 Added		Demo:	0.000000	\$7.24	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

							Total:	\$509.39
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37	262716000237	42" x 30" x 12" Hinged Cover, Galvanized Steel NEMA 3R Enclosure	Installation	1.00	\$1,277.78	EA	1.0890	\$1,391.50
Accepted	History: 2.0 Accepted, 1.1 Added		Demo:	0.000000	\$132.65	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

							Total:	\$1,391.50
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Price Proposal Detail

By Division Report

Version: 2.0

Approved 10/20/2022 08:18:39 AM PST

Proposal Value: \$140,183.26

Approved Date: October 20, 2022

Job Order: MTSJOC347-03

Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

38	265619000171	120 LEDs, 267 System Watts, Direct Or Arm Mount, Rectangular, High Output, LED Area Fixture (CREE® BetaLED® Edge® ARE-EHO)	Installation	4.00	\$1,597.32	EA	1.0890	\$6,957.93
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	4.000000	\$97.79	EA	1.0890	\$425.97

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

User Note: remove and replace existing four lights on existing pole

Item Note:

							Total:	\$7,383.90
--	--	--	--	--	--	--	--------	------------

31 Earthwork								\$3,020.35
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Record #	CSI Number	Description	Type	Quantity	Unit Price	UOM	Factor	Line Total
39	310513000016	SDG&E B20 Sand	Installation	51.00	\$34.00	TON	1.0890	\$1,888.33
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	TON	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

User Note: backfill as needed for trenching
300LF x2' x 18" = 34 CY

Item Note:

							Total:	\$1,888.33
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40	312514230014	50 LB Capacity Gravel Bag With Gravel	Installation	100.00	\$8.40	BAG	1.0890	\$914.76
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$2.36	BAG	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

User Note: BMP's for trenching as needed

Item Note:

							Total:	\$914.76
--	--	--	--	--	--	--	--------	----------



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Job Order: MTSJOC347-03

Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

41	312514260030	12" Diameter Fiber Roll, (Sterile Straw Filled Rolls, With Natural Fiber Wrapping), CALTRANS Type 1	Installation	25.00	\$7.98	LF	1.0890	\$217.26
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	LF	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

User Note: BMP's for trenching as needed

Item Note:

							Total:	\$217.26
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32 Exterior Improvements \$64,869.93

Record #	CSI Number	Description	Type	Quantity	Unit Price	UOM	Factor	Line Total
42	320116710009	>3" To 6" Depth, Limited Cold Milling Of Asphalt	Installation	300.00	\$29.50	SY	1.0890	\$9,637.65
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	SY	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials No

User Note: Removal of existing ac for trenching 300SF

Item Note:

							Total:	\$9,637.65
--	--	--	--	--	--	--	--------	------------

43	320117630024	Asphalt Placement For Small Repair Areas, Hot Mix, Up To 3 Tons	Installation	8.00	\$1,754.57	EA	1.0890	\$15,285.81
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

User Note: 6 trenches, around gate motor and key pad

Item Note: For small areas of existing asphalt is removed to allow work such as trenching across or in a road, excavating a drainage structure, uncovering a utility line, etc.

							Total:	\$15,285.81
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Approved Date: October 20, 2022

Job Order: MTSJOC347-03

Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

44	321713190001	6" x 8" x 4' Precast Concrete Wheel Stop With Dowels	Installation	3.00	\$38.27	EA	1.0890	\$125.03
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$18.66	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

Total:								\$125.03
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45	321723130120	Single 4" Wide Solid Line, Painted Pavement Striping For Parking Areas	Installation	400.00	\$0.85	LF	1.0890	\$370.26
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	LF	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

Total:								\$370.26
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46	323111000026	5,000 LB Capacity, Up To 100' Wide Gate, 3 HP Motor, 208/230 Volt AC, Variable Speed, Sliding Gate Operator (DKS™ DoorKing® 9230)	Installation	1.00	\$8,955.17	EA	1.0890	\$9,752.18
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$298.21	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

Total:								\$9,752.18
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47	323111000031	Two Channel Detector Loop For Gate Actuators And Operators (DKS™ DoorKing® 9409)	Installation	6.00	\$957.98	EA	1.0890	\$6,259.44
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

User Note: 4 loops and 2 safety loops

Item Note:

Total:								\$6,259.44
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* Includes Price Changes due to Construction Task Catalog update



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Approved Date: October 20, 2022

Job Order: MTSJOC347-03

Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

48	323111000033	Photoelectric Eye For Gate Actuators And Operators (DKS™ DoorKing® 8080-031)	Installation	1.00	\$673.61	EA	1.0890	\$733.56
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

Total:								\$733.56
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49	323111000034	Reversing Edge Sensor For Gate Actuators And Operators (DKS™ DoorKing® 8080-020)	Installation	1.00	\$604.39	EA	1.0890	\$658.18
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

Total:								\$658.18
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50	323113130010	12" Diameter Hole, Auger By Machine Fence Post Hole In Soil	Installation	54.00	\$17.65	VLF	1.0890	\$1,037.93
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	VLF	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials No

User Note: Dirt portion of post holes
18 holes @ 3 VLF each

Item Note:

Total:								\$1,037.93
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51	323113130027	12" Diameter, Concrete Fill For Post Hole	Installation	54.00	\$21.16	VLF	1.0890	\$1,244.33
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	VLF	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

User Note: 18 holes @ 3 VLF each

Item Note:

Total:								\$1,244.33
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Approved Date: October 20, 2022

Job Order: MTSJOC347-03

Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

52	323113130076	2" Outside Diameter Galvanized Steel Post, 7' To 10' In Length	Installation	108.00	\$9.49	LF	1.0890	\$1,116.14
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$2.00	LF	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

								Total:	\$1,116.14
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53	323113130076	For Vinyl Coated, Add	MOD: 0152	Installation	108.00	\$3.25	LF	1.0890	\$382.24
Accepted		History: 2.0 Accepted, 1.1 Added							

								Total:	\$382.24
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54	323113130097	4" Outside Diameter Galvanized Steel Post, 7' To 10' In Length	Installation	54.00	\$22.26	LF	1.0890	\$1,309.02
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$2.37	LF	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

User Note: 6 gate post

Item Note:

								Total:	\$1,309.02
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55	323113130097	For Vinyl Coated, Add	MOD: 0152	Installation	54.00	\$10.48	LF	1.0890	\$616.29
Accepted		History: 2.0 Accepted, 1.1 Added							

								Total:	\$616.29
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Approved Date: October 20, 2022

Job Order: MTSJOC347-03

Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

56	323113130169	2" Vinyl Coated Rail, 0.09" Wall Thickness, Tie Wires And Fittings	Installation	94.00	\$7.96	LF	1.0890	\$814.83
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	32.000000	\$1.27	LF	1.0890	\$44.26

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

								Total:	\$859.09
57	323113130169	For SS40, Add	MOD: 0178	Installation	94.00	\$0.54	LF	1.0890	\$55.28
Accepted		History: 2.0 Accepted, 1.1 Added							

								Total:	\$55.28
58	323113130169	For Powder Coated, Add	MOD: 0179	Installation	94.00	\$1.08	LF	1.0890	\$110.56
Accepted		History: 2.0 Accepted, 1.1 Added							

								Total:	\$110.56
59	323113130186	6' Full Height Vinyl Coated Fabric Chain Link #9 Gauge Fused, 2" Mesh		Installation	220.00	\$14.90	LF	1.0890	\$3,569.74
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	100.000000	\$3.19	LF	1.0890	\$347.39	

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

								Total:	\$3,917.13
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Approved Date: October 20, 2022

Job Order: MTSJOC347-03

Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

60	323113130640	Galvanized Steel V-Groove Gate Track	Installation	35.00	\$35.62	LF	1.0890	\$1,357.66
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$9.04	LF	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

							Total:	\$1,357.66
61	323113130725	Grounding For Gates (Per Opening)	Installation	3.00	\$400.13	OPN	1.0890	\$1,307.22
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$0.00	OPN	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

							Total:	\$1,307.22
62	323119000109	4' Wide x 6' High Steel Tube Single Swing Gate	Installation	2.00	\$748.60	EA	1.0890	\$1,630.45
Accepted		History: 2.0 Accepted, 1.1 Added	Demo:	0.000000	\$23.32	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

User Note: 2 6' wrought iron ped gates

Item Note: Includes mounting hardware and associated trim.

								Total:	\$1,630.45
63	323119000109	For 1" Square x 14 Gauge Pickets, Add	MOD: 0131	Installation	12.00	\$67.85	EA	1.0890	\$886.66
Accepted		History: 2.0 Accepted, 1.1 Added							

								Total:	\$886.66
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Price Proposal Detail

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Proposal Value: \$140,183.26

Approved Date: October 20, 2022

Job Order: MTSJOC347-03

Job Order Name: ACE Parking Lot Mods

Location: Building A 12 S. 13th Street San Diego, CA 92101

Contractor: ABC General Inc.

Contract Number: PWG347.0-22

Contract Name: JOC CIVIL CONSTRUCTION SERVICES

64	323119000123	16' Wide x 6' High Steel Tube Double Swing Gate	Installation	1.00	\$2,337.82	EA	1.0890	\$2,545.89
Accepted		<i>History: 2.0 Accepted, 1.1 Added</i>	Demo:	0.000000	\$80.70	EA	1.0890	\$0.00

Includes Labor Yes Includes Equipment Yes Includes Materials Yes

User Note: 16' rolling wrought iron gate

Item Note: Includes mounting hardware and associated trim.

							Total:	\$2,545.89
--	--	--	--	--	--	--	---------------	-------------------

65	323119000123	For 1" Square x 14 Gauge Pickets, Add	MOD: 0131	Installation	16.00	\$210.74	EA	1.0890	\$3,671.93
Accepted		<i>History: 2.0 Accepted, 1.1 Added</i>							

							Total:	\$3,671.93
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							Proposal Total:	\$140,183.26
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Div	The Percentage of Non Pre-Priced on this Proposal:							0.00%
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EXHIBIT C
(Subcontractor Listing)



San Diego Metropolitan Transit System

1255 Imperial Ave
San Diego, CA 92101

Subcontractor Report

Date: 10/20/2022

Job Order Contracting

Contract #: PWG347.0-22
Job Order #: MTSJOC347-03
Job Order Title: ACE Parking Lot Mods
Location: Building A
Contractor: ABC General Inc.
Subcontractors: Access Professional Systems
 Koch General Engineering
 the doctor of electricity

Subcontractor Name	License Number	Describe Nature of Work (Trade)	Certifications	Subcontractor Total	%
Access Professional Systems 1955 Cordell Ct, El Cajon, CA 92020	430971	fencing		\$52,915.00	37.75%
Koch General Engineering PO Box 1190, Lakeside, CA 92040	1023489A	placing asphalt patching		\$18,675.00	13.32%
the doctor of electricity 41815 Hawthorne Street, Murrieta, CA 92562	517763	Electrician		\$12,125.00	8.65%



DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 11/3/2022

Agenda Item No. 14

**MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS**

November 10, 2022

SUBJECT:

ADOPTION OF 2022 CONFLICT OF INTEREST CODE – AMENDMENT

RECOMMENDATION:

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

- 1) Adopt Resolution No. 22-16 (Attachment A) amending the MTS Conflict of Interest Code pursuant to the Political Reform Act of 1974;
- 2) Adopt the amended 2022 MTS Conflict of Interest Code (in substantially the same format as Attachment B); and
- 3) Forward the amended 2022 MTS Conflict of Interest Code to the County of San Diego (the designated code-reviewing body).

Budget Impact

None.

DISCUSSION:

The Political Reform Act (the “Act”) requires all public agencies to adopt and maintain a Conflict of Interest Code containing the rules for disclosure of personal assets. Except for positions listed in Gov. Code § 87200, the Conflict of Interest Code must specifically designate all agency positions that make or participate in the making of decisions and assign specific types of personal assets to be disclosed that may be affected by the exercise of powers and duties of that position.

The Act further requires that an agency amend its Conflict of Interest Code when change is necessitated by changed circumstances which include the need to designate positions.

In July 2022, the MTS Board of Directors approved the adoption of the 2022 Conflict of Interest Code update. Since that approval, there have been additional amendments included in the



Code, which are reflected in Attachment B. It is proposed that MTS's Conflict of Interest Code be amended to include new positions that must be designated, delete titles of positions that have been abolished and/or positions that no longer make or participate in making governmental decisions and revises the MTS's filing officer information.

Therefore, staff recommends the MTS Board of Directors:

- 1) Adopt Resolution No. 22-16 (Attachment A) amending the MTS Conflict of Interest Code pursuant to the Political Reform Act of 1974;
- 2) Adopt the amended 2022 MTS Conflict of Interest Code (in substantially the same format as Attachment B); and
- 3) Forward the amended 2022 MTS Conflict of Interest Code to the County of San Diego (the designated code-reviewing body).

/S/ Sharon Cooney

Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachments: A. Resolution 22-16
B. Redline of Amendment to 2022 Conflict of Interest Code
C. Notice of Intent

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Resolution No. 22-16

Resolution of The Board of Directors of the San Diego Metropolitan Transit System Adopting an Amended Conflict of Interest Code Pursuant to the Political Reform Act of 1974

WHEREAS, the State of California enacted the Political Reform Act of 1974, Government Code Section 81000 et seq. (the "Act"), which contains provisions relating to conflicts of interest which potentially affect all officers, employees and consultants of the San Diego Metropolitan Transit System ("MTS") and requires all public agencies to adopt and promulgate a Conflict of Interest Code; and

WHEREAS, the potential penalties for violation of the provisions of the Act are substantial and may include criminal and civil liability, as well as equitable relief which could result in MTS being restrained or prevented from acting in cases where the provisions of the Act may have been violated; and

WHEREAS, the Board of Directors adopted a Conflict of Interest Code (the "Code") which was amended on July 21, 2022, in compliance with the Act; and

WHEREAS, subsequent changed circumstances within MTS have made it advisable and necessary pursuant to Sections 87306 and 87307 of the Act to amend and update MTS's Code; and

WHEREAS, notice of the time and place of a public meeting on, and of consideration by the Board of Directors of, the proposed amended Conflict of Interest Code was provided each designated employee and publicly posted for review at the offices of MTS; and

WHEREAS, a public meeting was held upon the proposed amended Conflict of Interest Code at a regular meeting of the Board of Directors on November 10, 2022, at which all present were given an opportunity to be heard on the proposed amended Conflict of Interest Code.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Board of Directors does hereby adopt the proposed amended Conflict of Interest Code, a copy of which is attached hereto and shall be on file with the General Counsel and available to the public for inspection and copying during regular business hours.

SECTION 2. The said amended Conflict of Interest Code shall be submitted to the Board of Supervisors of the County of San Diego for approval.

SECTION 3. The said amended Conflict of Interest Code shall become effective immediately after the Board of Supervisors approves the proposed amended Code as submitted.

PASSED AND ADOPTED by the Board of Directors this 10th day of November, 2022 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

General Counsel
San Diego Metropolitan Transit System

Resolution 22-16

Attachment: A. Final Conflict of Interest Code

LAW OFFICES OF
BEST BEST & KRIEGER LLP

**CONFLICT OF INTEREST CODE
OF THE
SAN DIEGO METROPOLITAN
TRANSIT SYSTEM**

LAW OFFICES OF
BEST BEST & KRIEGER LLP

CONFLICT OF INTEREST CODE
OF THE
SAN DIEGO METROPOLITAN TRANSIT SYSTEM
(Amended November 10, 2022)

The Political Reform Act, (Government Code Sections 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. 18730) that contains the terms of a standard model conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing Section 18730 may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This incorporation page, Regulation 18730 and the attached Appendix designating positions and establishing disclosure categories shall constitute the conflict of interest code of the **San Diego Metropolitan Transit System (MTS)**.

All officials and designated positions shall file their statements of economic interests with MTS's **Clerk of the Board** as MTS's Filing Officer. The **Clerk of the Board** shall make and retain a copy of all statements filed by Members and Alternates of the Board of Directors, Chief Executive Officer and the Chief Financial Officer, and forward the originals of such statements to the Clerk of the Board of Supervisors of the County of San Diego. The **Clerk of the Board** shall retain the originals of the statements filed by all other designated positions. The **Clerk of the Board** will make all retained statements available for public inspection and reproduction during regular business hours (Gov. Code Section 81008).

APPENDIX

CONFLICT OF INTEREST CODE **OF THE** **SAN DIEGO METROPOLITAN TRANSIT SYSTEM**

(Amended November 10, 2022)

PART “A”

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

MTS Officials who manage public investments, as defined by 2 Cal. Code of Regs. § 18700.3, are NOT subject to MTS’s Code, but must file disclosure statements under Government Code section 87200 et seq. [Regs. § 18730(b)(3)] These positions are listed here for informational purposes only.

It has been determined that the positions listed below are officials who manage public investments¹:

Board of Directors and Alternates

Chief Executive Officer

Chief Financial Officer

Investment Consultant

¹ Individuals holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by § 87200.

LAW OFFICES OF
BEST BEST & KRIEGER LLP

DESIGNATED POSITIONS

GOVERNED BY THE CONFLICT OF INTEREST CODE

<u>DESIGNATED POSITIONS'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
Administrative Assistant (Copy Center)	4
Applications Development & Support Manager	5
Assistant Manager of Maintenance	5
Assistant Manager of Stores	5
Associate Transportation Planner	5
Business Systems Analyst (ALL)	5
Buyer	4
Chief Human Resources Officer	5
Chief Information Officer	5
Chief of Staff	1
Chief Operating Officer – Rail	1
Chief Operating Officer – Transit Services	1
Community Engagement Specialist	5
Contract Administrator	4
Controller	1, 2
Creative Design Manager	5
Deputy Director of Transit Enforcement	5
Deputy Fare Systems Administrator	5
Deputy General Counsel	2, 5, 6, 7
Director of Capital Projects	1, 2

LAW OFFICES OF
BEST BEST & KRIEGER LLP

<u>DESIGNATED POSITIONS'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
Director of Contract Services & Passenger Facilities	3, 5
Director of Financial Planning & Analysis	1, 2
Director of Fleet and Facility Maintenance	5
Director of Human Resources	5
Director of Marketing & Communications	5
Director of Planning & Scheduling	1, 2
Director of Supply & Operations	4
Director of Support Services	5
Director of Transit Security & Passenger Safety	5
Director of Transportation	1
Division Manager of Maintenance	5
Environmental Health & Safety Specialist	5
Fare Systems Administrator	5
Financial Analyst	4
For-Hire Vehicle Administration Manger	5
General Counsel	1, 2
Grants Administrator	9
Graphic Designer	5
Information Security & Intelligence Engineer	5
Information Security & Intelligence Manager	5
Information Technology Development Manager	5

LAW OFFICES OF
BEST BEST & KRIEGER LLP

DESIGNATED POSITIONS'
TITLE OR FUNCTION

DISCLOSURE CATEGORIES
ASSIGNED

Information Technology Enterprise Architect (IoT)	5
Information Technology Operation Manager	5
Internal Auditor	4
Lead Revenue Maintenance Supervisor	5
Liability Claims Supervisor	1, 2, 7
Manager of Benefits & Compensation	5
Manager of Contract Operations & Passenger Facilities	2, 4
Manager of Government Affairs	1
Manager of Human Resources	5
Manager of Inventory Operations	4
Manager of Marketing and Communications	5
Manager of Paratransit & Mini Bus	5
Manager of Procurement	4
Manager of PRONTO AND Passenger Support	5
Manager of Real Estate Assets	1, 2
Manager of Risk and Claims	1, 2, 7
Manager of Scheduling	5
Manager of Service Quality and Special Operations	5, 8
Manager of Support Services	2, 3, 5
Manager of Talent Acquisition	5
Marketing and Communications Specialist	5

LAW OFFICES OF
BEST BEST & KRIEGER LLP

DESIGNATED POSITIONS'
TITLE OR FUNCTION

DISCLOSURE CATEGORIES
ASSIGNED

Network Operations Manager	5
Operating Budget Supervisor	1, 2
Principal Contract Administrator	4
Procurement Specialist (ALL)	4
Professional Standards Manager	7
Project Manager (ALL)	1, 2
Public Relations Specialist	5
Regulatory Enforcement Supervisor	6
Report Development Analyst	5
Right-of-Way Permit Coordinator	2, 5, 6
Security System Administrator	5
Senior Contract Operations Administration	5
Senior Data Warehouse Engineer	5
Senior Human Resources Analyst	5
Senior Project Manager - Rail Systems	1, 2
Senior SAP Architect	5
Senior Transportation Planner	1, 2
Software Developer	5
Superintendent of Facilities	5
Superintendent of LRV Maintenance	5
Superintendent of Transportation	5

LAW OFFICES OF
BEST BEST & KRIEGER LLP

<u>DESIGNATED POSITIONS'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
Superintendent of Wayside Maintenance	5
Supervisor of Paratransit & Mini Bus	5
Supervisor Revenue Operations	5
Technical Project Manager	5
Transit Asset Management Program Manager	2, 4
Transportation Operations Specialist (ALL)	2, 5
Worker's Compensation Analyst (ALL)	7
ZEV and Sustainability Manager	5
Consultant and New Positions ²	

² Individuals serving as a Consultant defined in Regulation 18700.3, or in a new position created since this Code was last amended that makes or participates in making decisions shall disclose pursuant to the broadest disclosure category in this Code subject to the following limitation:

The Chief Executive Officer may determine that, due to the range of duties or contractual obligations, it is more appropriate to assign a limited disclosure requirement. A clear explanation of the duties and a statement of the extent of the disclosure requirements must be in a written document. (Gov. Code Sec. 82019; FPPC Regulations 18219 and 18734.) The Chief Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code. (Gov. Code Sec. 81008.)

PART “B”**DISCLOSURE CATEGORIES**

The disclosure categories listed below identify the types of economic interests that the designated position must disclose for each disclosure category to which the designated is assigned.³ “Investment” means financial interest in any business entity (including a consulting business, or other independent contracting business) and are reportable if they are either located in, doing business in, planning to do business in, or have done business during the previous two years in the jurisdiction of MTS.

Category 1: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are located in, do business in or own real property within the jurisdiction of MTS.

Category 2: All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of MTS, including any leasehold, beneficial or ownership interest or option to acquire property.

Category 3: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are engaged in land development, construction or the acquisition or sale of real property within the jurisdiction of MTS.

Category 4: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by MTS.

Category 5: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the designated position’s department, unit or division.

³ This Conflict of Interest Code does not require the reporting of gifts from outside this agency’s jurisdiction if the source does not have some connection with or bearing upon the functions of the position. (Reg. 18730.1)

LAW OFFICES OF
BEST BEST & KRIEGER LLP

Category 6: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, subject to the regulatory, permit, or licensing authority of the designated position's department, unit or division.

Category 7: All investments and business positions in business entities, and sources of income, including gifts, loans, and travel payments, if such entities or sources have filed claims against MTS in the past 2 years, or have a claim pending before MTS.

Category 8: Disclose investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are located in, do business in, or own real property within the geographical area of, and within two miles of, the designated position's assigned project area.

Category 9: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, or income from a nonprofit or other organization, if the source is of the type to receive grants or other monies from or through MTS or its subdivisions.

LEGISLATIVE VERSION
(SHOWS CHANGES MADE)

CONFLICT OF INTEREST CODE
OF THE
SAN DIEGO METROPOLITAN
TRANSIT SYSTEM

CONFLICT OF INTEREST CODE

OF THE

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

(Amended ~~July 21, 2022~~ November 10, 2022)

The Political Reform Act, (Government Code Sections 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. 18730) that contains the terms of a standard model conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing Section 18730 may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This incorporation page, Regulation 18730 and the attached Appendix designating positions and establishing disclosure categories shall constitute the conflict of interest code of the **San Diego Metropolitan Transit System (MTS)**.

All officials and designated positions shall file their statements of economic interests with MTS's ~~General Counsel~~ Clerk of the Board as MTS's Filing Officer. The ~~General Counsel~~ Clerk of the Board shall make and retain a copy of all statements filed by Members and Alternates of the Board of Directors, Chief Executive Officer and the Chief Financial Officer, and forward the originals of such statements to the Clerk of the Board of Supervisors of the County of San Diego. The ~~General Counsel~~ Clerk of the Board shall retain the originals of the statements filed by all other designated positions. The ~~General Counsel~~ Clerk of the Board will make all retained statements available for public inspection and reproduction during regular business hours (Gov. Code Section 81008).

APPENDIX

CONFLICT OF INTEREST CODE OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM

(Amended ~~July 21, 2022~~ November 10, 2022)

PART “A”

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

MTS Officials who manage public investments, as defined by 2 Cal. Code of Regs. § 18700.3, are NOT subject to MTS’s Code, but must file disclosure statements under Government Code section 87200 et seq. [Regs. § 18730(b)(3)] These positions are listed here for informational purposes only.

It has been determined that the positions listed below are officials who manage public investments¹:

Board of Directors and Alternates

Chief Executive Officer

Chief Financial Officer

Investment Consultant

¹ Individuals holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by § 87200.

LAW OFFICES OF
BEST BEST & KRIEGER LLP

DESIGNATED POSITIONS

GOVERNED BY THE CONFLICT OF INTEREST CODE

<u>DESIGNATED POSITIONS'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
Administrative Assistant (Copy Center)	4
Applications Development & Support Manager	5
Assistant Manager of Maintenance	5
Assistant Manager of Stores	5
Associate Transportation Planner	5
Business Systems Analyst (ALL)	5
Buyer	4
Chief Human Resources Officer	5
Chief Information Officer	5
Chief of Staff	1
Chief Operating Officer – Rail	1
Chief Operating Officer – Transit Services	1
Community Engagement Specialist	5
Contract Administrator	4
Controller	1, 2
Creative Design Manager	5
Deputy Director of Transit Enforcement	5
Deputy Fare Systems Administrator	5
Deputy General Counsel	2, 5, 6, 7
Director of Capital Projects	1, 2

LAW OFFICES OF
BEST BEST & KRIEGER LLP

DESIGNATED POSITIONS'
TITLE OR FUNCTION

DISCLOSURE CATEGORIES
ASSIGNED

Director of Contract Services & Passenger Facilities	3, 5
Director of Financial Planning & Analysis	1, 2
Director of Fleet and Facility Maintenance	5
Director of Human Resources	5
Director of Marketing & Communications	5
Director of Planning & Scheduling	1, 2
Director of Supply & Operations	4
Director of Support Services	5
Director of Transit Security & Passenger Safety	5
Director of Transportation	1
Division Manager of Maintenance	5
Environmental Health & Safety Specialist	5
Fare Systems Administrator	5
Financial Analyst	4
For-Hire Vehicle Administration Manger	5
General Counsel	1, 2
Grants Administrator	9
Graphic Designer	5
Information Security & Intelligence Engineer	5
Information Security & Intelligence Manager	5
Information Technology Development Manager	5

LAW OFFICES OF
BEST BEST & KRIEGER LLP

DESIGNATED POSITIONS'
TITLE OR FUNCTION

DISCLOSURE CATEGORIES
ASSIGNED

Information Technology Enterprise Architect (IoT)	5
Information Technology Operation Manager	5
Internal Auditor	4
Lead Revenue Maintenance Supervisor	5
Liability Claims Supervisor	1, 2, 7
Manager of Benefits & Compensation	5
Manager of Contract Operations & Passenger Facilities	2, 4
Manager of Government Affairs	1
Manager of Human Resources	5
Manager of Inventory Operations	4
Manager of Marketing and Communications	5
Manager of Paratransit & Mini Bus	5
Manager of Procurement	4
Manager of PRONTO AND Passenger Support	5
Manager of Real Estate Assets	1, 2
Manager of Risk and Claims	1, 2, 7
Manager of Scheduling	5
Manager of Service Quality and Special Operations	5, 8
Manager of Support Services	2, 3, 5
Manager of Talent Acquisition	5
Marketing and Communications Specialist	5

LAW OFFICES OF
BEST BEST & KRIEGER LLP

DESIGNATED POSITIONS'
TITLE OR FUNCTION

DISCLOSURE CATEGORIES
ASSIGNED

Network Operations Manager	5
Operating Budget Supervisor	1, 2
Principal Contract Administrator	4
Procurement Specialist (ALL)	4
Professional Standards Manager	7
Project Manager (ALL)	1, 2
Public Relations Specialist	5
Regulatory Enforcement Supervisor	6
Report Development Analyst	5
Right-of-Way Permit Coordinator	2, 5, 6
SAP System Administrator	5
Security System Administrator	5
Senior Contract Operations Administration	5
<u>Senior Data Warehouse Engineer</u>	<u>5</u>
Senior Human Resources Analyst	5
Senior Project Manager - Rail Systems	1, 2
Senior SAP Architect	5
Senior Transportation Planner	1, 2
Software Developer	5
Superintendent of Facilities	5
Superintendent of LRV Maintenance	5

LAW OFFICES OF
BEST BEST & KRIEGER LLP

DESIGNATED POSITIONS'
TITLE OR FUNCTION

DISCLOSURE CATEGORIES
ASSIGNED

Superintendent of Transportation	5
Superintendent of Wayside Maintenance	5
Supervisor of Paratransit & Mini Bus	5
Supervisor Revenue Operations	5
Technical Project Manager	5
Transit Asset Management Program Manager	2, 4
Transportation Operations Specialist (ALL)	2, 5
Worker's Compensation Analyst (ALL)	7
ZEV and Sustainability Manager	5

Consultant and New Positions²

² Individuals serving as a Consultant defined in Regulation 18700.3, or in a new position created since this Code was last amended that makes or participates in making decisions shall disclose pursuant to the broadest disclosure category in this Code subject to the following limitation:

The Chief Executive Officer may determine that, due to the range of duties or contractual obligations, it is more appropriate to assign a limited disclosure requirement. A clear explanation of the duties and a statement of the extent of the disclosure requirements must be in a written document. (Gov. Code Sec. 82019; FPPC Regulations 18219 and 18734.). The Chief Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code. (Gov. Code Sec. 81008.)

PART “B”

DISCLOSURE CATEGORIES

The disclosure categories listed below identify the types of economic interests that the designated position must disclose for each disclosure category to which ~~he or she~~ the designated is assigned.³ “Investment” means financial interest in any business entity (including a consulting business, or other independent contracting business) and are reportable if they are either located in, doing business in, planning to do business in, or have done business during the previous two years in the jurisdiction of MTS.

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Category 5: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the designated position’s department, unit or division.

³ This Conflict of Interest Code does not require the reporting of gifts from outside this agency’s jurisdiction if the source does not have some connection with or bearing upon the functions of the position. (Reg. 18730.1)

Category 6: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, subject to the regulatory, permit, or licensing authority of the designated position's department, unit or division.

Category 7: All investments and business positions in business entities, and sources of income, including gifts, loans, and travel payments, if such entities or sources have filed claims against MTS in the past 2 years, or have a claim pending before MTS.

Category 8: Disclose investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are located in, do business in, or own real property within the geographical area of, and within two miles of, the designated position's assigned project area.

Category 9: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, or income from a nonprofit or other organization, if the source is of the type to receive grants or other monies from or through MTS or its subdivisions.



NOTICE OF INTENT

DATE: November 7, 2022
TO: All MTS Conflict of Interest Code Filers
FROM: Dalia Gonzalez, Clerk of the Board
SUBJECT: Amend the Conflict of Interest Code of the San Diego Metropolitan Transit System

NOTICE IS HEREBY GIVEN that the Board of Directors of the San Diego Metropolitan Transit System (MTS) intends to amend its Conflict of Interest Code (the "Code") pursuant to Government Code Section 87306.

The Appendix of the Code designates those employees, members, officers and consultants who are subject to the disclosure and disqualification requirements of MTS's Code. The proposed amendment include new positions that must be designated, delete titles of positions that have been abolished and/or positions that no longer make or participate in making governmental decisions and revises the MTS's filing officer information..

The proposed amended Code will be considered by the Board of Directors on November 10, 2022, at 9:00 a.m. at San Diego Metropolitan Transit System, James R. Mills Building, Board Meeting Room, 10th Floor, 1255 Imperial Avenue, San Diego, California. Any interested person may be present electronically via Zoom: <https://zoom.us/j/98288032362> and comment at the public meeting or may submit written comments concerning the proposed amendment.

Any comments or inquiries should be directed to the attention of Dalia Gonzalez, Executive Assistant to CEO and Clerk of the Board, at clerkoftheboard@sdmts.com or (619) 398-9561. Written comments must be submitted no later than November 9, 2022, at 4:00 p.m.

The proposed amended Code may be reviewed at, and copies obtained from Dalia Gonzalez, Executive Assistant to CEO and Clerk of the Board.



DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 11/3/2022

Agenda Item No. 15

**MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS**

November 10, 2022

SUBJECT:

**ADOPTION OF THE 2023 SAN DIEGO METROPOLITAN TRANSIT SYSTEM (MTS)
EXECUTIVE COMMITTEE AND BOARD OF DIRECTORS MEETING SCHEDULE**

RECOMMENDATION:

That the MTS Board of Directors adopt the 2023 Executive Committee and Board of Directors meeting schedule (Attachment A).

Budget Impact

None.

DISCUSSION:

The MTS Board of Directors annually adopts its meeting schedule for the next calendar year. The meeting schedule reflects Executive Committee and Board of Directors meetings throughout the 2023 calendar year (Attachment A). Meetings are scheduled to primarily occur on the first and second Thursdays of every month, with some exceptions due to conferences, holidays and other conflicts.

/S/ Sharon Cooney

Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachment: A. 2023 MTS Executive Committee and Board of Directors Meeting Schedule



**ATTACHMENT WILL
BE PROVIDED
BEFORE BOARD
MEETING**



DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 11/3/2022

Agenda Item No. 16

**MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS**

November 10, 2022

SUBJECT:

**SAN DIEGO AND ARIZONA EASTERN (SD&AE) RAILWAY COMPANY QUARTERLY
REPORTS AND RATIFICATION OF ACTIONS TAKEN BY THE SD&AE BOARD OF
DIRECTORS AT ITS MEETING ON OCTOBER 27, 2022**

RECOMMENDATION:

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

- 1) Receive the San Diego and Imperial Valley Railroad (SD&IV), Pacific Southwest Railway Museum Association (Museum), and Desert Line quarterly reports (Attachment A) for information; and
- 2) Ratify actions taken by the SD&AE Board of Directors.

Budget Impact

None.

DISCUSSION:

Pursuant to the Agreement for Operation of Freight Rail Services, SD&IV and PSRM provided operations quarterly reports to the SD&AE Board of Directors at its meeting on October 27, 2022 (Attachment A).

At that meeting, the SD&AE Board of Directors:

1. Under SD&AE Agenda Item No. 7, ratified Disposition and Development Agreements (DDA) for a TOD project with National Community Renaissance of California, a California nonprofit public benefit corporation (National CORE) and MALICK INFILL CORP, a California corporation (Malick Infill) at the Palm Avenue Trolley Station;



2. Under SD&AE Agenda Item No. 7, ratified the MTS Board of Director's March 10, 2022, approval of a DDA for a TOD project with Beyer Family Housing L.P. at the Beyer Boulevard Trolley Station;
3. Under SD&AE Agenda Item No. 7, delegated to the SD&AE President the authority to approve DDA agreements, ground leases, easements, fee transfers, restrictive covenants, regulatory agreements, and other real estate transactions or documents necessary to carry out projects on SD&AE property so long as such projects have been approved by the MTS Board of Directors and do not materially impair freight operations on adjacent SD&AE right-of-way; and
4. Under SD&AE Agenda Item No. 8, moved to elect Brian Riley as Chairperson and Board member of the SD&AE replacing Wayne Terry and forward a recommendation to the MTS Board of Directors for approval.

/S/ Sharon Cooney

Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachment: A. SD&AE Meeting Materials from the 10/27/2022 SD&AE Board Meeting



**SAN DIEGO & ARIZONA
EASTERN RAILWAY
COMPANY**

A NEVADA NONPROFIT CORPORATION

1255 IMPERIAL AVENUE, SUITE 1000
SAN DIEGO, CA
92101-7490
(619) 231-1466

BOARD OF DIRECTORS

WAYNE TERRY, CHAIRPERSON
MATT DOMEN
DAVID FRANKLIN, JR.

OFFICERS

SHARON COONEY, PRESIDENT
MATT DOMEN, SECRETARY
ERIN DUNN, TREASURER

LEGAL COUNSEL

KAREN LANDERS

AGENDA

San Diego and Arizona Eastern (SD&AE)
Railway Company
Board of Directors Meeting

Thursday, October 27, 2022
9:00 a.m.

Executive Committee Room
James R. Mills Building
1255 Imperial Avenue, 10th Floor

****Meeting will be held via Webinar****

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

*Virtual meeting instructions can be accessed by clicking on "Meeting Link and Webinar Instructions" at the following link: <https://www.sdmts.com/about-mts-meetings-and-agendas/sdae>. Click the following link to access the meeting: <https://us02web.zoom.us/j/83417122174>

ACTION RECOMMENDED

- | | |
|---|---------------|
| 1. Approval of the Minutes of October 5, 2021
Action would approve the SD&AE Railway Company Minutes of October 5, 2021. | Approve |
| 2. Statement of Railway Finances (Erin Dunn)
Action would receive a report for information. | Informational |
| 3. Report on San Diego and Imperial Valley (SD&IV) Railroad Operations (Matt Domen)
Action would receive a report for information. | Informational |
| 4. Report on Pacific Southwest Railway Museum (Stephen Hager)
Action would receive a report for information. | Informational |
| 5. Report on the Desert Line (Karen Landers)
Action would receive a report for information. | Informational |
| 6. Real Property Matters (Sean Myott)
Action would receive a report for information. | Informational |

- | | |
|---|---------------------|
| 7. <u>Ratification of Transit-Oriented Development (TOD) Agreements: Delegation of Authority To SD&AE President (Karen Landers)</u> | Ratify/
Delegate |
|---|---------------------|

Action would:

1. Ratify the San Diego Metropolitan Transit System's (MTS) Board of Directors October 14, 2021 approval of Disposition and Development Agreements (DDA) for a TOD project with National Community Renaissance of California, a California nonprofit public benefit corporation (National CORE) and MALICK INFILL CORP, a California corporation (Malick Infill) at the Palm Avenue Trolley Station;
2. Ratify the MTS Board of Director's March 10, 2022, approval of a DDA for a TOD project with Beyer Family Housing L.P. at the Beyer Boulevard Trolley Station; and
3. Delegate to the SD&AE President the authority to approve DDA agreements, ground leases, easements, fee transfers, restrictive covenants, regulatory agreements, and other real estate transactions or documents necessary to carry out projects on SD&AE property so long as such projects have been approved by the MTS Board of Directors and do not materially impair freight operations on adjacent SD&AE right-of-way.

- | | |
|--|---------|
| 8. <u>Election of SD&AE Chairperson and Board Member (Karen Landers)</u> | Approve |
|--|---------|

Action would move to elect Brian Riley as Chairperson and Board member of the SD&AE replacing Wayne Terry and forward a recommendation to the MTS Board of Directors for approval.

9. [Board Member Communications](#)

10. [Public Comments](#)

11. [Next Meeting Date:](#) October 10, 2023

MINUTES

BOARD OF DIRECTORS MEETING OF THE SAN DIEGO & ARIZONA EASTERN RAILWAY COMPANY

October 5, 2021

A meeting of the Board of Directors of the San Diego & Arizona Eastern (SD&AE) Railway Company, a Nevada corporation, was held at 1255 Imperial Avenue, Suite 1000, San Diego, California 92101, on October 5, 2021, at 9:00 a.m.

The following persons, constituting the Board of Directors, were present: Wayne Terry, Matt Domen, and David Franklin Jr. Also in attendance were members from:

San Diego Metropolitan Transit System: Karen Landers, Craig Auker
Pacific Southwest Railway Museum: Diana Hyatt

1. Approval of Minutes

Mr. Domen moved to approve the Minutes of the July 13, 2021, SD&AE Railway Board of Directors meeting. Mr. Terry seconded the motion, and it was unanimously approved.

2. Statement of Railway Finances

Craig Auker, MTS Accounting Manager, reviewed the Statement of Railway Finances attached to the agenda item.

Action Taken

Informational item only. No action taken.

3. Report on San Diego & Imperial Valley Railroad (SD&IV) Operations

Mr. Domen reviewed the SD&IV Periodic Report for activities for the third quarter of 2021 (attached to the agenda item).

Action Taken

Informational item only. No action taken.

4. Report on Pacific Southwest Railway Museum Operations

Ms. Hyatt reviewed the Pacific Southwest Railway Museum (PSRM) report for the third quarter of 2021 (hand-out attached). Ms. Hyatt informed members that Gabe Zorbas, incoming PSRM Vice President, will represent PSRM in any future meetings that she is not able to attend.

Ms. Hyatt clarified that the estimated cost to replace batteries in the signalized railroad crossings is currently \$16,280. PSRM requested that MTS use any available Caltrans funds (as was done in the past) to contribute to the costs associated with signal maintenance. Ms. Landers responded that staff will research the request and get back to Ms. Hyatt. Ms. Hyatt

agreed to forward all of the relevant information to Ms. Landers so she can review it and consult with MTS to look into options.

Action Taken

Informational item only. No action taken.

5. Report on the Desert Line

Ms. Landers stated that there is no new information to report since the last meeting. She reiterated that after a year-long mediation process with Baja Railroad (BJRR), the lease was terminated as the parties were unable to reach a resolution. Ms. Landers stated that the plan is to schedule a hi-rail trip to view the state of the line. Ms. Landers has been working with Caltrans and SANDAG to look at doing a study of this project and possibly requesting public funding.

Action Taken

Informational item only. No action taken.

6. Real Property Matters

Summary of SD&AE Documents Issued Since July 13, 2021

Ms. Landers stated that since the July 13, 2021, SD&AE Railway Company Board of Directors meeting, the documents described below have been processed by staff.

- S200-22-768: Right of Entry Permit to United States Customs & Border Protection Agency to access SD&AE property to install a barrier at the northern entrance of the Desert Line railroad crossing tunnel.
- S200-22-769: Right of Entry Permit to Clear Channel Outdoor, LLC to perform billboard maintenance at various locations within SD&AE railroad right-of-way.
- S200-21-759: Right of Entry Permit to Kimley-Horn and Associates, Inc. to perform visual inspections at 8th Street in the City of National City.
- S200-21-725: License Agreement to AT&T to install aerial fiber at railroad milepost DL 61.87.
- S200-21-724: License Agreement to AT&T to install aerial fiber at railroad milepost DL 85.92.
- S200-21-723: License Agreement to AT&T to install an underground fiber facility at railroad milepost DL 85.92 (Campo Depot).

Ms. Landers added that an emergency permit was issued yesterday to US Customs and Border Protection (CBP) to install a barrier at the northern entrance of the Desert Line railroad tunnel. CBP was experiencing a significant number of crossings at that location and was concerned about safety if people made it through the tunnel and onto the railroad bridge. Ms. Landers stated that MTS has the right terminate the permit if it impacts operations.

Action Taken

Informational item only. No action taken.

7. San Diego and Arizona Eastern Railway Company Board of Directors Meeting Schedule – Amendment to the Bylaws to Hold One Annual Board of Directors Meeting Per Year

Ms. Landers stated that the SD&AE Bylaws requires that the SD&AE Board of Directors meet quarterly each year. She is proposing to amend Section 3.06 of the Bylaws to hold a minimum of one annual Board of Directors meeting each October, which would allow MTS Finance staff to report on the final fiscal year budget results. The SD&AE Board would also have the option to notice and schedule meetings regarding special matters in addition to the annual meeting.

The following language reflects the proposed amendment to the Bylaws:

Section 3.06. A ~~Regular~~ meetings of the Board of Directors shall be held at least ~~quarterly~~ annually on the second Tuesday of October each year, or on another date in October at the request of the Board Chair. Regular and special meetings shall take place at the MTS headquarters located at 1255 Imperial Avenue, 10th Floor, San Diego, or via a publicly accessible virtual format. ~~at any place within or without the State of Nevada which has been designated from time to time by resolution of the Board or by written consent of all members of the Board. In the absence of such designation, regular meetings shall be held at the principal office of the Corporation. Special meetings of the Board may be held either at a place so designated or at the principal office.~~

Mr. Terry agreed with Ms. Landers' amendment to the Bylaws and added that staff works directly with outside personnel on daily matters regarding SD&AE property that do not need to go to the SD&AE Board of Directors prior to action. Mr. Domen and Mr. Franklin were also in agreement with the amendment.

Action Taken

Mr. Domen moved to approve an amendment to the *Meetings Section 3.06* of the "Bylaws of the San Diego & Arizona Eastern Railway Company" to require one annual SD&AE Board of Directors meeting per year and to update the location of such meetings. Mr. Terry seconded the motion, and it passed unanimously.

8. Board Member Communications

Mr. Terry welcomed Mr. Franklin to the SD&AE Board.

9. Public Comments

There were no public comments.

10. Next Meeting Date

The next meeting date of the SD&AE Railway Company Board of Directors will be scheduled on Tuesday, October 4, 2022.

11. Adjournment

The meeting was adjourned at 9:18 a.m. [Editor's note: This meeting was later rescheduled to 10/27/2022]



Chairperson

Attachment: PSRM handout - Quarterly Report



General Counsel



Pacific Southwest Railway Museum
La Mesa Depot 4695 Nebo Drive La Mesa, CA 91941 619-465-7776

October 4, 2021

SD&AE Board
c/o Metropolitan Transit System
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

Re: Third Quarter 2021

Dear SD&AE Board:

During the third quarter of 2021 and utilizing all volunteer crews, the Pacific Southwest Railway Museum operated 104 Golden State passenger trains and 10 Sunset Specials carrying a total of 1,558 passengers during 25 operating days. There were no FRA reportable accidents or injuries during the third quarter, 2021. Earned revenue from SD&AE property for the third quarter, 2021 was \$30,509.57 our check for \$610.19 is enclosed.

1,558 passengers during the third quarter of 2021
250 passengers during the third quarter of 2020
1,073 passengers during the third quarter of 2019
1,021 passengers during the third quarter of 2018
822 passengers during the third quarter of 2017

There were no special event trains operated during the third quarter but pre-sales are now open for October's Pumpkin Express trains which will operate every weekend from October 9th through the 31st as well as the Christmas holiday's North Pole trains which will operate every Friday and Saturday evening from November 26th through December 18th.

PSRM continues to maintain both signalized railroad crossings within our right-of-way limits; PSRM signal maintainers perform the monthly, quarterly and annual inspections regularly. Additionally, the ten year inspection was completed during this quarter. The batteries in both crossings will need to be replaced soon and each crossing's set of batteries will cost an estimated \$2,500. PSRM would like to inquire as to whether there may be CalTrans funds available for this expense, as several years ago, funds were advanced to PSRM to assist in signal maintenance expenses.

Other right-of-way maintenance performed this quarter includes hiring a professional weed spraying company to mobilize at Campo and spray the right of way from MP 61.5 to MP 66.77. A separate vegetation control and maintenance contractor was hired to physically remove the weeds from MP 60 at Division to MP 66.77 at the Campo Creek trestle. Later this year, the weed sprayer will return to spray pre-emergent from Division to Campo.

Bridge work was the focus of this quarter and both the steel deck girder bridge at MP 60.08 at Division, and the much smaller, steel deck girder bridge at MP 65.27 received attention. The east end bridge abutment on the Division bridge was backfilled with ballast and the abutment support structure reinforced. Specialized epoxy and applicator tools were purchased at great expense for repairs to the poured concrete abutments on the beam bridge at MP 65.27. Scaffolding was erected underneath the bridge and several work days were spent filling in the cracks in the poured concrete and allowing the epoxy to cure. Specialized timbers were ordered and installed and the bridge once again has walkways and handrails on both sides. These projects were maintenance and repair aspects recommended by the civil engineering firm performing the 2021 annual bridge inspections for PSRM. Further progress towards restoring passenger operations to Division include the completion of the necessary load-ratings on the bridges at MP 60.90 and MP 60.08 and the requisite annual inspections on same.

I would like to take this opportunity to thank the San Diego & Arizona Eastern board and staff as well as the Metropolitan Transit System board and staff for entrusting the care of this portion of the Desert Line to the Pacific Southwest Railway Museum. We appreciate the opportunity and we take our responsibility seriously. It is our intent to continue preserving and interpreting railroad history and the San Diego & Arizona Railway for future generations to enjoy. I would like to extend an invitation to all members of the SD&AE and MTS to visit the museum at Campo and experience for yourself what we do. Please e-mail me at dhvatt@psrm.org for arrangements.

Sincerely,



Diana Hyatt
President

Enc.

Agenda Item No. 2

**San Diego and Arizona Eastern (SD&AE)
Railway Company
Board of Directors Meeting**

October 27, 2022

SUBJECT:

STATEMENT OF RAILWAY FINANCES

RECOMMENDATION:

That the SD&AE Railway Company Board of Directors receive a financial report for the year ending June 30, 2022.

Budget Impact

None.

DISCUSSION:

Attached are SD&AE's financial results for the fiscal year ending June 30, 2022.

As of June 30, 2022, revenue is favorable to budget by \$30,000 and has increased \$21,000 from the fiscal year ending June 30, 2021.

Expenses are \$88,000 favorable to budget primarily due to positive variances in both Outside Services and Risk Management Costs. Compared to the fiscal year ending June 30, 2021, expenses have decreased \$55,000 primarily due to a decrease in Outside Services and Personnel Costs.

The Net Income as of June 30, 2022, was \$122,000.

Attachments: SD&AE Operating Statement for year ending June 30, 2022

SD&AE Operating Statement FY2022

	FY 2022			FY 2021	
	Actuals	Budget	Variance	Actuals	Variance
Revenues					
Right of Entry Permits	\$ 58,525	\$ 45,000	\$ 13,525	\$ 53,419	\$ 5,105
Lease Income	89,091	85,000	4,091	83,722.00	5,369
Operator Income - SD&IV 1% Freight Fee	41,925	30,000	11,925	30,957	10,968
Total Revenues	\$ 189,541	\$ 160,000	\$ 29,541	\$ 168,098	\$ 21,443
Expenses					
Personnel Costs	\$ 2,990	\$ 10,357	\$ 7,367	\$ 24,350	\$ 21,360
Outside Services	9,332	35,100	25,768	45,918	36,586
Risk Management	34,669	82,760	48,091	31,919	(2,750)
Misc. Operating Expenses	20,572	27,461	6,889	19,903	(669)
Total Expenses	\$ 67,563	\$ 155,678	\$ 88,115	\$ 122,090	\$ 54,527
Net Income/(Loss)	\$ 121,978	\$ 4,322	\$ 117,656	\$ 46,008	\$ 75,970

Reserve Balance July 1, 2021	\$ 691,437
Allocated Interest Earnings	4,757
Operating Profit/(Loss) - YTD	121,978
Reserve Balance as of June 30, 2022	\$ 818,172

Agenda Item No. 3

San Diego and Arizona Eastern (SD&AE)
Railway Company
Board of Directors Meeting

October 27, 2022

SUBJECT:

REPORT ON SAN DIEGO AND IMPERIAL VALLEY (SD&IV) RAILROAD OPERATIONS

RECOMMENDATION:

That the SD&AE Board of Directors receive a report for information.

Budget Impact

None.

DISCUSSION:

An oral report will be given during the meeting.

Attachment: Periodic Report



SD&AE Board
C/O MTS
1255 Imperial Avenue, Suite 1000
San Diego, California 92101

October 14, 2022

Periodic Report

In accordance with Section 20 of the Agreement for Operational Freight Service and Control through Management of the San Diego and Arizona Eastern Railway Company activities of interest for the 3rd Quarter of 2022 are listed as follows:

1. Labor

At the end of September 30, 2022, the San Diego & Imperial Railroad had 9 employees:

- 1 General Manager
- 1 Manager - Marketing & Sales
- 1 Office Manager
- 1 Mechanical Manager
- 1 Maintenance of Way Employee
- 4 Train Service Employees

2. Marketing

Volume in the 3rd Quarter had a 11.5% decrease as compared to the same quarter in 2021. Traffic terminating on SDIY was increased 8% with strong fuels demand at the San Ysidro terminal. Traffic into Mexico was down 25%, mainly driven by less LPG movements on rail and lighter demand for aluminum, lumber, and paper. Feed and malt to Mexico remained strong.

3. Reportable Injuries/Environmental

Days through year to date, September 30, 2022, there were no FRA Reportable injuries or Environmental incidents on the SDIV Railroad.

Days FRA Reportable Injury Free: **8850**

4. Summary of Freight

	2022	2021	2020
Total rail carloads that moved by SDIY Rail Service in the quarter.	857	956	781
Total railroad carloads Terminating/Originating Mexico in the quarter.	498	624	446
Total railroad carloads Terminating/Originating El Cajon, San Diego, National City, San Ysidro, California in the quarter.	359	332	335
Total customers directly served by SDIY in the quarter	10	10	9
Regional Truck trips that SDIY Railroad Service replaced in the quarter	2577	2868	2343

Respectfully,

Matt Domen

General Manager

Agenda Item No. 4

San Diego and Arizona Eastern (SD&AE)
Railway Company
Board of Directors Meeting

October 27, 2022

SUBJECT:

REPORT ON PACIFIC SOUTHWEST RAILWAY MUSEUM

RECOMMENDATION:

That the SD&AE Board of Directors receive a report for information.

Budget Impact

None.

DISCUSSION:

A report will be presented during the meeting.

Attachments: Reports for Quarters 1, 2, and 3 and State of Good Repair Reports



Pacific Southwest Railway Museum

La Mesa Depot 4695 Nebo Drive La Mesa, CA 91941 619-465-7776

June 30, 2022

SD&AE Board
c/o Metropolitan Transit System
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

Re: First Quarter, 2022

Dear SD&AE Board:

During the first quarter of 2022 the Pacific Southwest Railway Museum operated 93 Golden State trains and 1 School train carrying a total of 1,793 passengers. The museum was open twenty-four days during the first quarter. There were no FRA reportable accidents or injuries during the first quarter, 2022. Earned revenue from SD&AE property was \$30,164.97; our check for \$603.30 is enclosed.

Passenger ridership during the first quarter as compared to the past ten years:

1,793 passengers during the first quarter 2022
1,087 passengers during the first quarter 2021
1,305 passengers during the first quarter 2020
1,665 passengers during the first quarter 2019
2,728 passengers during the first quarter 2018
1,185 passengers during the first quarter 2017
2,380 passengers during the first quarter 2016
2,334 passengers during the first quarter 2015
2,223 passengers during the first quarter 2014
3,081 passengers during the first quarter 2013

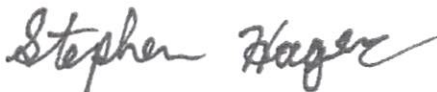
There were no special event trains operated during the first quarter. Ridership continues to improve as it trends towards pre-pandemic levels.

PSRM continues to perform track maintenance and weed abatement and maintains both signalized railroad crossings within our right-of-way limits. PSRM signal maintainers perform the monthly, quarterly and annual inspections regularly. The battery sets at both crossings continue to deteriorate due to age and temperature extremes. PSRM hired a professional weed spraying company to spray pre-emergent on the right of way between MP 60.0 and MP 66.76. The initial treatment was performed in the first quarter. The contractor will return late in the second quarter or early in the third quarter to spray post-emergent on the right of way. PSRM has entered into a three-year contract with the contractor to perform this twice-annual service to ensure that it is performed in a timely manner each year. PSRM has also entered into a five-year contract with RailPros to perform annual bridge inspections on the three bridges at MPs 60.08, 60.93, and 65.27. The next inspections are scheduled for the second quarter of this year.

I would like to take this opportunity to acknowledge my predecessor, Diana Hyatt, and thank her for her years of service to PSRM and the rapport that she worked to establish with the San Diego & Arizona Eastern board and staff. Although I am new to the PSRM Presidency, I have been with the organization for 12 years and I am heavily involved with PSRM's railroad operations. I look forward to working with all of you during these evolving times on the SD&AE Desert Line.

Thank you to the San Diego & Arizona Eastern board and staff, as well as the Metropolitan Transit System Board and staff for entrusting the care of fourteen miles of the SD&AE Desert Line to the Pacific Southwest Railway Museum. We truly appreciate the opportunity and we take our responsibility seriously. We intend to continue our preservation and interpretation of San Diego's railroad history well into the future. Like my predecessor, I will extend an invitation to all members of the SD&AE and MTS to visit the museum and Campo and experience for yourself what we do. Please email me at hager@psrm.org for arrangements.

Sincerely,

A handwritten signature in dark ink, reading "Stephen Hager". The signature is fluid and cursive, with the first name "Stephen" and last name "Hager" clearly distinguishable.

Stephen Hager
President



Pacific Southwest Railway Museum

La Mesa Depot 4695 Nebo Drive La Mesa, CA 91941 619-465-7776

September 30, 2022

SD&AE Board
c/o Metropolitan Transit System
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

Re: Second Quarter, 2022

Dear SD&AE Board:

During the second quarter of 2022 the Pacific Southwest Railway Museum operated 80 Golden State trains, 12 Bunny trains, and 4 Sunset Special trains carrying a total of 2,589 passengers. The museum was open twenty-six days during the second quarter. There were no FRA reportable accidents or injuries during the second quarter, 2022. Earned revenue from SD&AE property was \$52,566.77; our check for \$1,051.34 is enclosed.

Passenger ridership during the second quarter as compared to the past ten years:

2,589 passengers during the second quarter 2022
2,255 passengers during the second quarter 2021
0 passengers during the second quarter 2020
2,607 passengers during the second quarter 2019
1,866 passengers during the second quarter 2018
2,295 passengers during the second quarter 2017
1,945 passengers during the second quarter 2016
2,307 passengers during the second quarter 2015
2,794 passengers during the second quarter 2014
1,901 passengers during the second quarter 2013

We operated our Easter-themed Bunny train special event during the second quarter. We also began offering our summer Sunset Special trains on Saturday evenings. Ridership continues to improve as it trends towards pre-pandemic levels.

PSRM continues to perform track maintenance and weed abatement and maintains both signalized railroad crossings within our right-of-way limits. PSRM signal maintainers perform the monthly, quarterly and annual inspections regularly. Lead signal maintainer Chad Baker donated a set of used batteries to replace the oldest batteries in both crossings. These donated batteries will prolong the time until brand new replacement batteries are needed; however, PSRM still considers the procurement of new batteries to be a priority. Any financial assistance that MTS/SD&AE can provide would be greatly appreciated. PSRM's contracted bridge inspector, RailPros, performed annual bridge inspections on the three bridges at MPs 60.08, 60.93, and 65.27. The inspection reports noted that the most series problems identified in the previous year's inspections had been corrected, thanks to PSRM's volunteer efforts. Please let me know if MTS/SD&AE would like copies of the inspection reports.

It is with regret that I must inform MTS/SD&AE that our longtime Director of Railroad Operations, Michael Edwards, resigned from his position back in July. Martin Caestecker has stepped up to take his place. Martin has years of experience working under Mike as an operations manager, and I am confident in his ability to continue PSRM's track record of safe and efficient train operations on the SD&AE Railway. Martin can be contacted by phone at (949) 573-2770 or by email at mjcaestecker@psrm.org. Going forward, please include both of us on any email correspondence pertaining to PSRM matters on the SD&AE.

As always, thank you to the San Diego & Arizona Eastern board and staff, as well as the Metropolitan Transit System board and staff for entrusting the care of fourteen miles of the SD&AE Desert Line to the Pacific Southwest Railway Museum. Should any members of the SD&AE and MTS wish to visit the museum and Campo and experience for yourself what we do, we would be happy to accommodate your visit. Please email me at hager@psrm.org for arrangements.

Sincerely,



Stephen Hager
President



Pacific Southwest Railway Museum

La Mesa Depot 4695 Nebo Drive La Mesa, CA 91941 619-465-7776

October 18, 2022

SD&AE Board
c/o Metropolitan Transit System
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

Re: Third Quarter, 2022

Dear SD&AE Board:

During the third quarter of 2022 the Pacific Southwest Railway Museum operated 57 Golden State trains and 11 Sunset Special trains carrying a total of 1,135 passengers. The museum was open twenty-five days during the third quarter. There were no FRA reportable accidents or injuries during the third quarter, 2022. Earned revenue from SD&AE property was \$20,593.95; our check for \$411.88 is enclosed.

Passenger ridership during the third quarter as compared to the past ten years:

1,135 passengers during the third quarter 2022
1,558 passengers during the third quarter 2021
250 passengers during the third quarter 2020
1,073 passengers during the third quarter 2019
1,021 passengers during the third quarter 2018
822 passengers during the third quarter 2017
773 passengers during the third quarter 2016
658 passengers during the third quarter 2015
1,031 passengers during the third quarter 2014
1,254 passengers during the third quarter 2013

We continued offering our summer Sunset Special trains on Saturday evenings during the third quarter. These trains have been popular with museum visitors because they allow visitors to avoid the worst of the summer heat in Campo. Unfortunately, PSRM was forced to annul scheduled train operations on six dates throughout the third quarter due to a lack of available, qualified train operations volunteers. This volunteer shortage is mainly a lagging effect of the COVID-19 pandemic. Specifically, low volunteer intake during the height of the pandemic was

unable to balance the gradual attrition of volunteers that always exists due to ageing out and other personal factors. Fortunately, we are seeing a resurgence of new volunteer interest and have several new volunteers in training for entry level crew positions. We are hopeful that this new volunteer intake will reverse the trend of attrition.

PSRM continues to perform track maintenance and weed abatement and maintains both signalized railroad crossings within our right-of-way limits. PSRM signal maintainers perform the monthly, quarterly and annual inspections regularly. Despite recent battery maintenance and replacements, the two crossing signal systems are beginning to show their age and are becoming increasingly vulnerable to failures. To combat this issue, Lead Signal Maintainer/Engineer Chad Baker has produced a State of Good Repair Report and Budget, which I have attached to this report. The cost to upgrade both crossings to maintain a state of good repair is \$23,981.44. These are strictly material costs; the PSRM will bear the burden of installation and testing through volunteer labor. PSRM is requesting funding from MTS/SD&AE to procure the materials necessary to carry out these important safety upgrades.

PSRM has partnered with our engineering consultant, RailPros, to scope out repairs or replacement for the Cow Creek Trestle, located at Milepost 66.77, just east of our museum. This timber trestle has been out of service due to structural defects since approximately 2007, preventing museum trains from travelling east of the museum towards Miller Creek. Initial work by RailPros indicates that it would be most economical in the long run to replace the trestle with earthen fill and one or more culverts. Because of the relatively low flow rate of Cow Creek, it is anticipated that the culverts would not need to be very large to accommodate even the highest foreseeable flow rates during a 100-year storm. However, PSRM is concerned that there may be an easement under the current trestle in favor of the adjacent ranch landowners, allowing them to cross their cattle under the trestle. If this is the case, the culvert(s) could be oversized to allow cattle and horses to pass through. PSRM is hoping to avoid installing oversized culverts unless necessary because they will cost more. Thus, PSRM is requesting the assistance of MTS/SD&AE to determine if any easements exist under the Cow Creek Trestle, and if so, whether they can be terminated.

As always, thank you to the San Diego & Arizona Eastern board and staff, as well as the Metropolitan Transit System board and staff for entrusting the care of fourteen miles of the SD&AE Desert Line to the Pacific Southwest Railway Museum. Should any members of the SD&AE and MTS wish to visit the museum and Campo and experience for yourself what we do, we would be happy to accommodate your visit. Please email me at hager@psrm.org for arrangements.

Sincerely,



Stephen Hager
President

State of Good Repair Report

SD&AE Rwy Highway Grade Crossing Warning Systems

The Pacific Southwest Railway Museum (PSRM) maintains two highway-rail grade warning systems over California State Highway 94 (CA SR 94) in Campo California, a rural San Diego County, California community. The grade crossings are named and listed as:

- State Highway 94 Campo West Crossing CPUC 36-65.4 DOT 662-151S
- State Highway 94 Campo East Crossing CPUC 36-67.2 DOT 662-153F

The two-grade crossing warning systems are owned by the Metropolitan Transit System (MTS) of San Diego on its Desert Line. PSRM leases 14 miles of the MTS Desert Line and has the maintenance responsibility for the two grade crossings through its lease. The crossings consist of AC/DC Style-C track circuits, DC relay logic, gate mechanisms, lamp units, bells, and standby battery power systems. Each crossing is maintained to FRA Part 49, §234 standards and practices.

The crossing systems were installed in 1998 and have been maintained by PSRM since 2011. Each grade crossing warning system is approaching twenty-five years of age, and some of the warning system subcomponents have exceeded life expectancy.

The crossings have obsolete incandescent lamps and mechanical bells, non-compliant 20" flasher backgrounds, and standby batteries at end-of-life capacity.

During our monthly, quarterly, and yearly tests and inspections, the following components have been identified as obsolete or at end-of-life:

- Standby Battery 240AH Ni-CAD Cells (end-of-life capacity and chemical breakdown)
- Standby Battery Chargers (end-of-life)
- Fiberglass Gate Arms (sun-damaged and faded)
- Gate Arm Tip Lights (faded obsolete lamps)
- Lamp Flasher Units (obsolete lights)
- Lamp Flasher Backgrounds (20" not CPUC compliant)
- Crossbuck Signs (sun-damaged and faded)
- Mechanical Bells (obsolete)

Bringing the above components to the latest standards will bring the grade crossings into compliance with the newest AREMA, CPUC, and FRA requirements.

PSRM proposes upgrading the above components with the latest technologies; these upgrades will increase the overall reliability of each crossing and reduce power consumption.

- NI-CAD 240AH Battery cells meeting current standards
- Efficient Standby Battery Chargers
- Gate Arms with compliant vertical reflective striping
- LED Gate Arm Tip Lights
- LED Flasher Lamp Inserts
- 24" Flasher Backgrounds (CPUC compliant)
- High-Intensity Reflective Crossbuck Signs

- Efficient Electronic Bells

The above components will be procured from nationally recognized signal and train control vendors. Each component is a standard component currently in use on MTS and other class one railroads.

Crossing Location	Upgrade Cost
SH 94 Campo West Crossing	\$11,247.00
SH 94 Campo East Crossing	\$12,735.00
Total:	\$23,982.00

The above cost breakdown includes materials, sales tax, and shipping to CA 91906. See attached materials cost breakdown sheet.

PSRM will burden the labor for the requested upgrades. PSRM volunteer staff will procure, handle, install, and maintain the above-requested materials. Each component and subsystem will be installed and tested to AREMA, CPUC, and FRA recommendations and requirements under the direction of our Signal Engineer.

PSRM Highway Grade Crossing Signals

State of Good Repair

65.4 State Hwy 94 West

Equipment	Manufacturer	Model Number	Quantity	Unit	Cost	Total Cost
Battery Cells 240AH	SAFT (Arthur N. Ulrich Company)	SPL+250	10	EA	\$293.00	\$2,930.00
Battery Charger 12/20	RECO Railway Equipment Co. Cragg	20DTC-12V	1	EA	\$819.00	\$819.00
Gate Arms 24ft	Western Cullen Hayes Inc. WCH	38-2503-24	2	EA	\$466.00	\$932.00
Gate Arm Tip Lights LED	RECO Railway Equipment Co.	LED 9298-1120	2	EA	\$223.00	\$446.00
Flashing Lamp LED Inserts	L&W Industries Inc.	ZARG6RTFB48BV1	8	EA	\$292.00	\$2,336.00
Crossbuck Sign	L&W Industries Inc.	7A1061-5 **	2	EA	\$200.00	\$400.00
Electronic Bell	Western Cullen Hayes Inc. WCH	0777	2	EA	\$250.00	\$500.00
Background 24"	Western Cullen Hayes Inc. WCH	975-21	8	EA	\$50.00	\$400.00

Subtotal: \$8,763.00

Tax: \$766.77

Shipping: \$1,717.10

Total: \$11,246.87

67.2 State Hwy 94 East

Equipment	Manufacturer	Model Number	Quantity	Unit	Cost	Total Cost
Battery Cells 240AH	SAFT (Arthur N. Ulrich Company)	SPL+250	10	EA	\$293.00	\$2,930.00
Battery Charger 12/20	RECO Railway Equipment Co. Cragg	20DTC-12V	1	EA	\$819.00	\$819.00
Gate Arms 24ft	Western Cullen Hayes Inc. WCH	38-2503-24	2	EA	\$466.00	\$932.00
Gate Arm Tip Lights LED	RECO Railway Equipment Co.	LED 9298-1120	2	EA	\$223.00	\$446.00
Flashing Lamp LED Inserts	L&W Industries Inc.	ZARG6RTFB48BV1	12	EA	\$292.00	\$3,504.00
Crossbuck Sign	L&W Industries Inc.	7A1061-5 **	3	EA	\$200.00	\$600.00
Electronic Bell	Western Cullen Hayes Inc. WCH	0777	2	EA	\$250.00	\$500.00
Background 24"	Western Cullen Hayes Inc. WCH	975-21	8	EA	\$50.00	\$400.00

Subtotal: \$10,131.00

Tax: \$886.47

Shipping: \$1,717.10

Total: \$12,734.57

sales@anu-co.com

sales@rwy.com

bc@wch.com

sales@rwy.com

sales@lwind.com

10340 Palmer Rd., S.W. Pataskala, OH 43062

15400 Medina Road Minneapolis, MN 55447

2700 W 36th PL Chicago, IL 60632 (773)-254-9600

15400 Medina Road Minneapolis, MN 55447

3850 E. Mustard Way, Springfield, MO 65803

tdittberner@rwy.com

Ship backup

617

178

591

130

202

Total Project Cost: \$23,981.44

Agenda Item No. 5

San Diego and Arizona Eastern (SD&AE)
Railway Company
Board of Directors Meeting

October 27, 2022

SUBJECT:

REPORT ON THE DESERT LINE

RECOMMENDATION:

That the SD&AE Board of Directors receive a report for information.

Budget Impact

None.

DISCUSSION:

A report will be presented during the meeting.

Agenda Item No. 6

San Diego and Arizona Eastern (SD&AE)
Railway Company
Board of Directors Meeting

October 27, 2022

SUBJECT:

SUMMARY OF SD&AE DOCUMENTS ISSUED SINCE OCTOBER 5, 2021

RECOMMENDATION:

That the SD&AE Railway Company Board of Directors receive a report for information.

Budget Impact

None.

DISCUSSION:

Since the October 5, 2021, SD&AE Railway Company Board of Directors meeting, the documents described below have been processed by staff.

- S200-20-713.1: Right of Entry Permit Amendment (Time Extension) to Ortiz Corporation to access SD&AE property to replace and install a sixteen-inch water main at approximate MP EL 2.7 (30th & Commercial) via jack and bore method.
- S200-21-756.1: Right of Entry Permit Amendment (Time Extension) to Group Delta Consultants to perform soil sampling and geotechnical boring at five (5) locations as part of National City's Bayshore Bikeway Segment 5 project.
- S200-22-270: Right of Entry Permit to AM Ortega Construction, Inc. to perform potholing and installation of new electrical conduit for SDG&E at Cesar Chavez Parkway and 25th Street.
- S200-22-767: Right of Entry Permit to Badger Daylighting Corporation to perform potholing at milepost SL 7.4 to locate utilities in advance of an SDG&E jack and bore operation to install underground electrical utilities.
- S200-20-726.2: Right of Entry Permit Amendment (Time Extension) to Orion Construction to install a 12" water main and perform street improvements on behalf of the City of San Diego AC Water & Sewer Group 1024 project located at 61st Street to 65th Street and 65th Street/Imperial Avenue to Herrick Street (approximate milepost EL 7.20).

- S200-20-729.2: Right of Entry Permit Right of Entry Permit Amendment (Time Extension) to Hal Hays Construction to install an eighteen inch (18") welded cement lined steel pipe inside the existing thirty inch (30") at Elm Ave.
- S200-22-776: Right of Entry Permit to T.Y. Lin International to perform land survey data collection and soil sampling for the design of SANDAG's Palomar Street Grade Separation Project (SANDAG CIP No. 1210091).
- S200-21-766: Right of Entry Permit to HMS Construction, Inc. to install conduit at various locations (I-5 Civic Center Dr Bridge, I-5 Palm City Bridge, Beyer Blvd and 905) for the California Department of Transportation.
- S200-22-774: Right of Entry Permit to MJ Ratzlaff, Inc. to complete public improvements for the City of San Diego at 2995 Commercial Street including replacement of sidewalk, curb, and gutter, a new D-25 curb outlet, landscape, and water utility installations.
- S200-22-779: Right of Entry Permit to Life Sports Foundation allowing participants of the 2022 Campagnolo Gran Fondo San Diego bike event to cross over railroad tracks at 8th Street, Palomar Street and Gunpowder Point Drive in Chula Vista, CA on Sunday, April 3, 2022.
- S200-22-771: Right of Entry Permit to Ortiz Corporation to install 12-inch steel water pipe inside a 36-inch steel casing pipe beneath the tracks by jack and bore method, installation of an additional 12-in steel pipe and PVC pipe by cut and cover trenching, and the abandonment of existing 8-inch water pipe beneath tracks at the 69th St crossing.
- S200-22-270.1: Right of Entry Permit Amendment (Time Extension) to AM Ortega Construction, Inc. to perform potholing and installation of new electrical conduit for SDG&E at Cesar Chavez Parkway and 25th Street.
- S200-22-781: Right of Entry Permit Navy Region Southwest Morale, Welfare and Recreation Department to Allowing event participants of the Navy's 35th Annual Bay Bridge Run/Walk to cross over tracks on Sunday, May 15, 2022 at the Cesar Chavez Parkway railroad crossing and Harbor Drive.
- S200-22-782: Right of Entry Permit to Sweatpants Media for video shoot at Pacific Southwest Railway Museum - 750 Depot Street, Campo, CA 91906 from May 11, 2022 – May 13, 2022.
- S200-22-784: Right of Entry Permit to the City of La Mesa allowing participants of the City of La Mesa Flag Day Parade to cross over tracks on June 4, 2022 at La Mesa Boulevard railroad crossing.
- S200-22-778: Right of Entry Permit to Caster Properties to construct a three-story self-storage facility adjacent to the right of way at 825 Hollister Street, San Diego, CA.

- S200-22-780: Right of Entry Permit to the Pacific Southern Railway Museum Association to unload a locomotive from a delivery truck onto the railroad track at the Pacific Southern Railway Museum Association located at 750 Depot Street, Campo, CA.
- S200-20-729.3: Right of Entry Permit Right of Entry Permit Amendment (Time Extension) to Hal Hays Construction to install an eighteen inch (18") welded cement lined steel pipe inside the existing thirty inch (30") at Elm Ave.
- S200-22-783: Right of Entry Permit to RDS Contracting, Inc. perform grading, and removal and installation of a perimeter fence as part of the construction of a self-storage facility at 620 & 640 Marshall Avenue, El Cajon, CA.
- S200-22-775: Right of Entry Permit to Albus-Keefe & Associates MTS's Palm Avenue Station parking lot and right of way (2340 Palm Ave, Chula Vista, CA) for exploratory drilling and soil sampling.
- S200-22-787: Right of Entry Permit to Quality Infrastructure Corporation to conduct field surveys to locate utilities, curb lines, rails, traffic equipment, and miscellaneous features for proposed improvements near the 28th Street railroad at-grade crossing in conjunction with SANDAG's Bayshore Bikeway Barrio Logan project.
- S200-21-758.1: Right of Entry Permit to Southwest Pipeline & Trenchless Corporation to rehabilitate existing sewer mains via manholes on behalf of the City of San Diego at 54th St. to Pitta St. (approximate milepost EL 5.7-6.0).
- S200-22-788: Right of Entry Permit to San Diego County Bicycle Association allowing participants of the Bike the Bay bike event to cross over railroad tracks on Harbor Drive at Cesar Chavez Parkway, Harbor Drive south of Schley, Marina Parkway at Bay Boulevard, Bay Boulevard at E Street, Sunday, August 28, 2022.
- S200-23-790: Right of Entry Permit to Eagle Paving Company, Inc. to perform slurry seal maintenance on Broadway in Lemon Grove, CA between Main Street and Lemon Grove Avenue.
- S200-21-747: License Agreement to the City of San Diego to install a new trunk sewer at railroad milepost BS 1.28 (Harbor Drive).
- S200-21-749.1: Right of Entry Permit Amendment (Time Extension) to Aguirre & Associates to perform surveys on behalf of the City of Lemon Grove at the Central Ave. and San Miguel railroad crossings.
- S200-23-793: Right of Entry Permit to Odin Construction Solutions to transport approximately 350,000 cubic yards of materials from Otay River Floodplain over the railroad crossing at Bay Boulevard, Chula Vista and the entrance to Port of San Diego's property.

Agenda Item No. 7

San Diego and Arizona Eastern (SD&AE)
Railway Company
Board of Directors Meeting

October 27, 2022

Subject:

RATIFICATION OF TRANSIT-ORIENTED DEVELOPMENT (TOD) AGREEMENTS;
DELEGATION OF AUTHORITY TO SD&AE PRESIDENT

RECOMMENDATION:

That the SD&AE Board of Directors take the following action:

1. Ratify the San Diego Metropolitan Transit System's (MTS) Board of Directors October 14, 2021 approval of Disposition and Development Agreements (DDA) for a TOD project with National Community Renaissance of California, a California nonprofit public benefit corporation (National CORE) and MALICK INFILL CORP, a California corporation (Malick Infill) at the Palm Avenue Trolley Station;
2. Ratify the MTS Board of Director's March 10, 2022 approval of a DDA for a TOD project with Beyer Family Housing L.P. at the Beyer Boulevard Trolley Station; and
3. Delegate to the SD&AE President the authority to approve DDA agreements, ground leases, easements, fee transfers, restrictive covenants, regulatory agreements, and other real estate transactions or documents necessary to carry out projects on SD&AE property so long as such projects have been approved by the MTS Board of Directors and do not materially impair freight operations on adjacent SD&AE right-of-way.

Budget Impact

None.

DISCUSSION:

The MTS¹ trolley system began with its purchase of the San Diego & Arizona Eastern Railway (SD&AE) entity from Southern Pacific Railroad (predecessor-in-interest to Union Pacific Railroad) in 1979. By purchasing SD&AE, MTS gained ownership of all of

¹ Under Public Utilities Code section 120050, MTS is known as both "San Diego Metropolitan Transit Development Board" (MTDB) and "San Diego Metropolitan Transit System" (MTS). The MTS name has been used in most documents since 2004.

SD&AE's real estate holdings, including its railroad right-of-way. This original SD&AE right-of-way was the basis for the first segments of the Blue Line (from San Ysidro to the downtown trolley yard) and the Orange Line (from the downtown trolley yard east to El Cajon). As the trolley system was developed and expanded, new real estate acquisitions for track extensions or relocations, appurtenances, and parking lots were purchased directly under the MTS name. Therefore, at many trolley stations, the underlying real estate could be owned in segments by either MTS or SD&AE.

The MTS Chief Executive Officer also serves as the SD&AE President. Otherwise, the SD&AE entity has no formal staff. Instead, it is treated as a blended component unit by MTS and its financial, real estate, legal liability and other rights, obligations and responsibilities are performed by MTS staff. Maintenance of the right-of-way is performed by MTS and/or San Diego Trolley, Inc. staff.² MTS Board Policy No. 12 states that MTS shall "have the final decision in all matters involving joint operation and right-of-way" of SD&AE property, including the "granting, changing, or canceling of easements and other rights affecting the right-of-way."

Consistent with this role as the entity with discretionary authority over real estate matters, MTS has expanded its joint-development program and TOD efforts over the past few years. This has included partnering with developers to plan and construct TOD projects at various MTS trolley stations. All such efforts are intended to enhance the MTS transit environment and surrounding communities and to encourage transit ridership by TOD project residents, employees, and visitors. The TOD projects do not impair light rail or freight rail operations.

In order to avoid any questions concerning the legal right and ability of MTS and/or SD&AE to enter into agreements related to such TOD projects, today's proposed action is intended to formally approve on behalf of SD&AE two pending TOD projects, and to delegate to the SD&AE President the discretion to enter into all future agreements and transactions, as follows:

1. Ratify the San Diego Metropolitan Transit System's (MTS) Board of Directors October 14, 2021 approval of Disposition and Development Agreements (DDA) for a TOD project with National Community Renaissance of California, a California nonprofit public benefit corporation (National CORE) and MALICK INFILL CORP, a California corporation (Malick Infill) at the Palm Avenue Trolley Station;³
2. Ratify the MTS Board of Director's March 10, 2022 approval of a DDA for a TOD project with Beyer Family Housing L.P. at the Beyer Boulevard Trolley Station;⁴ and

² San Diego Trolley, Inc. is a separate entity created by MTS to operate trolley service and perform maintenance service on the railroad right-of-way. Similar to SD&AE, it is operated as a blended component unit of MTS.

³ The October 14, 2021 MTS Board Meeting materials can be found here: https://www.sdmts.com/sites/default/files/2021-10-14_board_agenda_and_materials.pdf The Palm Avenue TOD project is Agenda Item No. 30.

⁴ The March 10, 2022 MTS Board Meeting materials can be found here: https://www.sdmts.com/sites/default/files/2022-03-10_board_agenda_and_materials_1.pdf The Beyer Boulevard TOD project is Agenda Item No. 32.

3. Delegate to the SD&AE President the authority to approve DDA agreements, ground leases, easements, fee transfers, restrictive covenants, regulatory agreements, and other real estate transactions or documents necessary to carry out projects on SD&AE property so long as such projects have been approved by the MTS Board of Directors and do not materially impair freight operations on adjacent SD&AE right-of-way.

San Diego & Arizona Eastern Railway Company (SD&AE)

Board of Directors Meeting
October 27, 2022

Ratification of Transit-Oriented Development Agreements; Delegation of Authority to SD&AE President

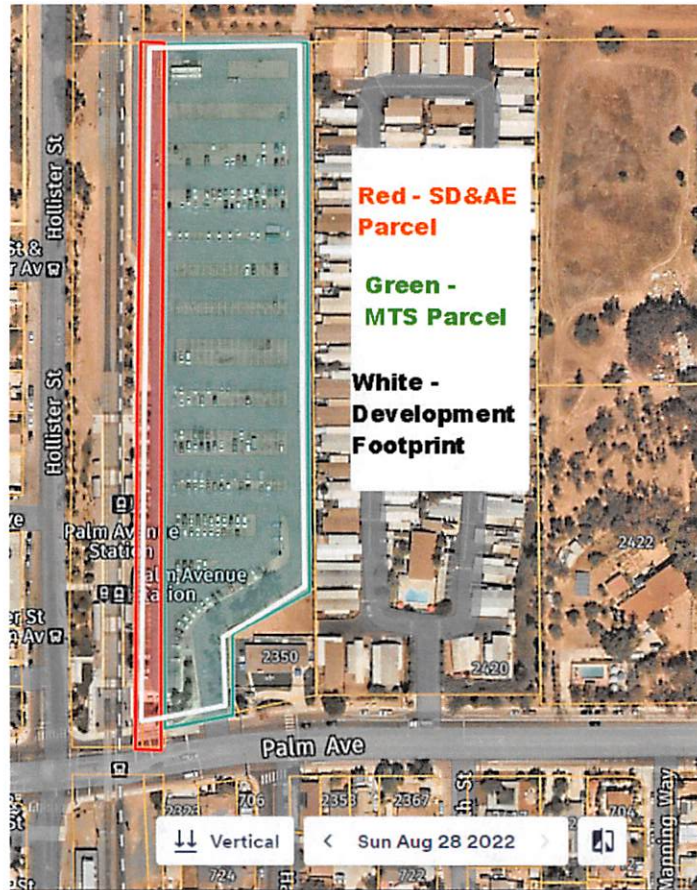


Management of MTS and SD&AE Real Estate Assets

- All property issues handled by MTS staff
- Real Estate and Permit documents signed by SD&AE President (who is also MTS CEO)
- TOD projects approved by MTS Board and then MTS CEO executes all documents necessary to carry out project
 - Projects cleared for any operational conflicts before approval
 - No impairment of rail service (does not encroach on railroad operating envelope)



MTS/SD&AE Property Lines at TOD Sites



Streamline Process between MTS and SD&AE

- Need Ability to Adjust Property Boundaries and Grant Rights to Accommodate TOD Projects
 - E.g., transfer portion of SD&AE property to MTS so that a TOD footprint can be more easily created (clear title issues); Execute ground lease and other covenants and regulatory agreements, easements
- Would allow SD&AE President to take action necessary to do so



Proposed SD&AE Board Action:

1. Ratify the San Diego Metropolitan Transit System's (MTS) Board of Directors October 14, 2021 approval of Disposition and Development Agreements (DDA) for a TOD project with National Community Renaissance of California, a California nonprofit public benefit corporation (National CORE) and MALICK INFILL CORP, a California corporation (Malick Infill) at the Palm Avenue Trolley Station;
2. Ratify the MTS Board of Director's March 10, 2022 approval of a DDA for a TOD project with Beyer Family Housing L.P. at the Beyer Boulevard Trolley Station; and
3. Delegate to the SD&AE President the authority to approve DDA agreements, ground leases, easements, fee transfers, restrictive covenants, regulatory agreements, and other real estate transactions or documents necessary to carry out projects on SD&AE property so long as such projects have been approved by the MTS Board of Directors and do not materially impair freight operations on adjacent SD&AE right-of-way.



Agenda Item No. 8

San Diego and Arizona Eastern (SD&AE)
Railway Company
Board of Directors Meeting

October 27, 2022

Subject:

ELECTION OF SD&AE CHAIRPERSON AND BOARD MEMBER (KAREN LANDERS)

RECOMMENDATION:

That the SD&AE Board of Directors move to elect Brian Riley as Chairperson and Board member of the SD&AE replacing Wayne Terry and forward a recommendation to the MTS Board of Directors for approval.

Budget Impact

None.

DISCUSSION:

Wayne Terry, current SD&AE Chairperson and Board member, is retiring from MTS in November 2022 and, therefore, the SD&AE Board needs to elect a new Chairperson and Board member to replace Mr. Terry.

Mr. Terry is recommending the election of Brian Riley, San Diego Trolley, Inc. (SDTI) Superintendent of Transportation, as the new SD&AE Chairperson and Board member.



**Metropolitan
Transit
System**

DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 11/3/2022

Agenda Item No. 17

**MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS**

November 10, 2022

SUBJECT:

**DAVRA NETWORKS RUBAN SOFTWARE SUPPORT AND LICENSES – CONTRACT
AMENDMENT**

**AGENDA ITEM WILL
BE PROVIDED
BEFORE BOARD
MEETING**





**Metropolitan
Transit
System**

DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 11/3/2022

Agenda Item No. 18

**MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS**

November 10, 2022

SUBJECT:

FIRE ALARM MONITORING AND MAINTENANCE SERVICES – CONTRACT AMENDMENT

**AGENDA ITEM WILL
BE PROVIDED
BEFORE BOARD
MEETING**





**Metropolitan
Transit
System**

DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 11/03/22

Agenda Item No. 19

**MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS**

November 10, 2022

SUBJECT:

**UNINTERRUPTIBLE POWER SUPPLY (UPS) MAINTENANCE AND BATTERY REFRESH –
CONTRACT AMENDMENT**

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute Amendment No. 5 to MTS Doc. No. G2009.0-17 (in substantially the same format as Attachment A), with Schneider Electric Information Technology (IT) Corporation (Schneider Electric), increasing the contract value in the amount of \$386,612.35, bringing the contract total to \$1,418,263.76.

Budget Impact

The total cost of this amendment is \$386,612.35, bringing the total contract value to \$1,418,263.76. This amendment funding would come from the IT Operations Budget 661010-571250.

PROJECT DESCRIPTION	AMOUNT
Replacement Batteries	\$ 171,085.50
Battery Installation	\$ 76,443.75
One (1) Year Support Extension	\$ 139,083.10
AMENDMENT NO. 5 GRAND TOTAL:	\$ 386,612.35

DISCUSSION:

UPS units provide continuous power during an emergency to maintain network and systems operations during power fluctuations and outages. The UPS units protect hardware such as computers, data centers, telecommunication equipment and other critical electronic equipment.

MTS has computer equipment deployed to all trolley stations, and located in communication cabinets along the right-of-way. These cabinets are secured (locked) with access limited to authorized staff. The computer equipment within these cabinets supports closed circuit television (CCTV), Public Announcement (PA), network switches, fare system communication, and track control. All of these systems are connected through a UPS or multiple UPS units in order to protect them from damage during a power loss or power fluctuations. The UPS units



installed at MTS trolley stations were initially procured on behalf of MTS by the San Diego Association of Governments (SANDAG) beginning in 2012 and were primarily manufactured by Schneider Electric.

In 2015, after the completion of the Trolley Renewal Project, SANDAG turned over the operational support of the trolley stations to MTS which included the UPS units. All of the UPS units had been installed with an original manufacturer's one-year warranty, which had expired by the time MTS took over operational support.

On September 21, 2017 (AI 9), the MTS Board of Directors approved MTS Doc. No. G2009.0-17 with Schneider Electric to provide on-site repair and support services for all UPS units deployed throughout MTS facilities. This agreement was for a three-year base term and two option years, exercisable at MTS's sole discretion. This amendment seeks to extend the support agreement for one (1) year, add additional UPS units that have been added to MTS environment and replace batteries past their useful life.

UPS units currently installed are past their useful life (typically 3 - 5 years) and need to be replaced. Life expectancy will fluctuate greatly depending on several factors including maintenance frequency, location/placement of communication cabinets, ambient temperature, charging/discharging of batteries, and battery chemistry and degradation. If there is power loss at these stations, these UPS units shut down causing an immediate shutdown of the equipment they are connected to and thus have the potential of damaging the equipment within the communication cabinet. In addition, upon the loss of power, these UPS units cannot be remotely reset, instead requiring a manual process at each communication cabinet.

Staff's Independent Cost Estimate (ICE) is based on past purchase history with consideration for the agency's additional UPS units and battery replacements. In comparison with the ICE \$457,693.80 and the offer received, staff has determined that the agreed upon cost is fair and reasonable. The table below shows the savings by a comparison of MTS's ICE and Schneider Electric's quote.

ENTITY	AMOUNT
MTS ICE	\$457,693.80
Schneider Electric's quote	\$386,612.35
MTS Savings (MTS ICE vs quote)	\$71,081.45

Therefore, staff recommends the MTS Board of Directors authorize the CEO to execute Amendment No. 5 to MTS Doc. No. G2009.0-17, (in substantially the same format as Attachment A), with Schneider Electric, increasing the contract value in the amount of \$386,612.35, bringing the contract total to \$1,418,263.76.

/S/ Sharon Cooney

Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachments: A. Draft Amendment MTS Doc No G2009.6-17
B. Cost Form



**Metropolitan
Transit
System**

Amendment 5

Date: November 10, 2022

MTS Doc No. G2009.5-17

SCHNEIDER ELECTRIC UNINTERRUPTIBLE POWER SUPPLY (UPS) MAINTENANCE SUPPORT AND BATTERY REFRESH

Scheider Electric IT Corporation
Courtney Forget
Director
5081 Collections Center Drive
Chicago, IL 60693-5081

This shall serve as Amendment No. 5 to the original agreement G2009.0-17 as further described below.

SCOPE

Contractor has been providing UPS maintenance and support services since November 15, 2017. Under this Amendment, Contractor shall extend maintenance and support services one (1) year, adding additional UPS units that have been added to the MTS environment and replace/install batteries past useful life (Attachment A).

SCHEDULE

This amendment shall extend the term of the agreement one (1) year to November 14, 2023.

PAYMENT

This contract amendment shall authorize additional costs not to exceed \$386,612.35. The total value of this contract including this amendment shall be in the amount of \$1,418,263.76. This amount shall not be exceeded without prior written approval from MTS.

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

Sincerely,

Agreed:

Sharon Cooney, Chief Executive Officer

Courtney Forget, Director
Schneider Electric IT Corporation

Date: _____

Attachments: Schneider Maintenance Support and Battery Replacement Quote



EcoStruxure™
Innovation At Every Level

Schneider Electric IT Global Field Services

Schneider Electric Reference: OP-220717-12294966
Service Quote Number 2022-1706152
Quote Date 10/24/2022
Prepared by Albert Lawrence Monton

Prepared For San Diego Metropolitan Transit Systems
Sales Contact Albert Lawrence Monton

SCHNEIDER ELECTRIC IT CORP.

70 Mechanic Street - Foxboro, MA 02035 -
<http://www.schneider-electric.com>

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San Diego Metropolitan Transit Systems

Products and Services (All Prices in USD)

Installed Sites

San Diego Metropolitan Transit System

SDMTS Data Centers, Operations Sites, Trolley Stations, and Transit Centers.

Product Description	Qty	Ext. Net Price
QWVPARTS-QCLU01460-00 – REPLACEMENT BATTERY KITS FOR (143) UPS UNITS, (101) BATTERY PACKS Includes: (349) Replacement Battery Kits Exclusions: 1. Replacement Batteries for (2) Eaton 80kVA 9390 UPS units, and (5) APC 25Kva Galaxy VS UPS units.	1	\$ 171,085.50
QWVUPSSA-QCLU84083-00 – INSTALLATION SERVICE 5X8 FOR BATTERY REFRESH OF (143) UPS UNITS, (101) BATTERY PACKS Includes: • Labor to replace Battery Kits in (143) UPS units and (101) Battery Packs. Scope of Work: • Removal & proper recycling of (349) old Battery Kits. • Installation of (349) Replacement Battery Kits (Battery Kits not included). • Recalibration of UPS electronics (if possible). • Cleaning of UPS systems. • 5x8 Standard business hours service scheduling. Exclusions: 1. Labor to replace Batteries in (2) Eaton 80kVA 9390 UPS units, and (5) APC 25kVA Galaxy VS UPS units.	1	\$ 76,443.75
QWVUPS-QJRA80430-00 - ONE YEAR ONSITE SUPPORT AGREEMENT FOR (145) UPS UNITS, (101) BATTERY PACKS AND (54) 30A ATS UNITS. Features: • Parts, Labor, and Travel for any required repairs during contract period. • (1) PM Visit 7x24 for Eaton 80kVA 9390 units. • Response Time for each UPS unit specified in Exhibit A. Exclusions: 1. PO will not be accepted for the 1-Year Onsite Support Agreement without the purchase of the Complete Battery Replacement Services (Battery Kits and Labor) at the same time. 2. Batteries, Capacitors, and Fans for Eaton 80kVA 9390 units. 3. All (5) APC 25kVA Galaxy VS UPS units are covered via an APC Extended Warranty thru 1/30/24. 4. Repairs or support of any UPS unit, Battery Pack, or ATS unit not listed in Exhibit A will be quoted on a Time & Materials basis.	1	\$ 139,083.10

QUOTE TOTAL (USD) \$ 386,612.35

The quote total above **does not include** Freight or Applicable Taxes.

All services will be performed during normal business hours, unless an off-hours upgrade is purchased, and with standard accessibility (no stairs, no scale...). Otherwise, Services will not be executed, and additional cost will have to be applied.

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<http://www.schneider-electric.com>

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As part of our commitment to improve your experience, we would like you to share your feedback on the above Quotation.

Tell us how we did ...
Click on the button to rate your quotation experience

CLICK HERE



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General Conditions

Date

Quote validity: 11/24/2022

Billing detail

Payment term: NET 30 DAYS

Bill to address: SAN DIEGO METROPOLITAN
TRANSIT SYSTEM
ACCOUNTING
DEPARTMENT
SAN DIEGO
CA, 92101
UNITED STATES

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Terms and Conditions

ANY ORDER PLACED PURSUANT TO THIS QUOTATION SHALL BE GOVERNED SOLELY BY THE TERMS AND CONDITIONS SET FORTH AT

https://www.apc.com/salestools/CFOT-AHJQSX/CFOT-AHJQSX_R0_EN.pdf

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PURCHASE ORDERS NEED TO BE ADDRESSED TO:

SCHNEIDER ELECTRIC IT CORP. - 5081 Collections Center Drive - Chicago, Illinois 60693 -

Schneider Electric accepts purchase orders placed using the following modes of transmission:

EMAIL: purchaseorders@schneider-electric.com **FAX:** 401-792-2313

Please only send original Po requests to the above email or fax number. Once submitted, all inquiries regarding PO's should be directed to the respective coordinator.

PURCHASE ORDER (PO) CHECKLIST

The data below is required for order processing and needs to be stated on each PO. Please note that missing information may cause order processing delays.

NOTE: Tax & freight are not to be included as line items

MANDATORY

- **Quotation ID# if applicable**
- Bill to Address (Account # with Schneider if known)
- PO Number
- Freight & Delivery Terms
- Payment Terms
- Ship To Address
- Partial Shipment Allowed - Yes/No (May not ship complete)
- Shipping Contact Name & Phone Number
- Part # and Quantity
- Price per Unit
- Total Line Value
- Requested date of delivery/collection
- Purchaser's Name & Contact #
- Purchaser's email address (used for order/shipping notices)
- **Service Orders:** Model, Serial Number, End User contact name & phone number
- **Custom Orders:** Delivery Check list (if delivery requires more than Dock to Dock)
- **Solution Orders:** ISX solution #, Opportunity ID
- Export Documentation Requirements
- Site Inspection Requirements
- 3rd Party Freight Billing Details (Carrier and Account #, contact name and number, freight billing address)

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Location	Model	4-Hour Response	8-Hour Response	Battery Refresh during Contract Period
A Building (OCC) - 12 South 13th Street	GXT2-6000RT208 #09015R0038BW571	Yes	No	Yes
A Building (OCC) - 12 South 13th Street	SURTA3000RML3U #QS1540240065	Yes	No	Yes
A Building (OCC) - 12 South 13th Street	SMT1500 #AS1134311709	Yes	No	Yes
A Building (OCC) - 12 South 13th Street	SMT1500 #AS1134311711	Yes	No	Yes
A Building (OCC) - 12 South 13th Street	SURT192RMLBP3U #7S1545L02425	Yes	No	Yes
A Building (OCC) - 12 South 13th Street	SURT192RMLBP3U #7S1545L02549	Yes	No	Yes
A Building (OCC) - 12 South 13th Street	SUA2200 #TBD	Yes	No	Yes
A Building (OCC) - 12 South 13th Street	GXT2-3000RT120 #08289R1150AF091	Yes	No	Yes
A Building (OCC) - 12 South 13th Street	SMT2200RM2U #JS1114013334	Yes	No	Yes
A Building (OCC) - 12 South 13th Street	SUA2200RM2U #JS0703007721	Yes	No	Yes
A Building (OCC) - 12 South 13th Street	SUA3000RM2U #JS1104018801	Yes	No	Yes
B Building - 1341 Commercial Street	SURTA3000RML3U #QS1352140686	Yes	No	Yes
B Building - 1341 Commercial Street	SURT192RMLBP3U #8S1413F15518	Yes	No	Yes
B Building - 1341 Commercial Street	SURT192RMLBP3U #8S1413F15529	Yes	No	Yes
B Building - 1341 Commercial Street	SURTA1500RML2U #QS1343342083	Yes	No	Yes
B Building - 1341 Commercial Street	SMT3000RM2U #JS1110012191	Yes	No	Yes
Building B Revenue Processing Room	SUA2200 #IS1128009468	Yes	No	Yes
Building C IDF 1st floor	SMX3000RMLV2U #AS1727163149	Yes	No	Yes
Building C IDF 1st floor	SMX120RMBP2U	Yes	No	Yes
Building C IDF 1st floor	SMX120RMBP2U	Yes	No	Yes
C Building - 1535 Newton Avenue	SMX2000RMLV2UNC #AS1649264573	Yes	No	Yes
D Building - 1501 National Avenue	SMT1500 #AS1134211506	Yes	No	Yes
El Cajon TransDev - 1213 N Johnson Ave	SMT3000RM2U #TBD	Yes	No	Yes
El Cajon TransDev - 1213 N Johnson Ave	SMT3000RM2U #AS1539141387	Yes	No	Yes
El Cajon TransDev - 1213 N Johnson Ave	SMT3000RM2U #AS1626261539	Yes	No	Yes
El Cajon TransDev - 1213 N Johnson Ave	SMT3000RM2U #AS1723363554	Yes	No	Yes
El Cajon TransDev - 1213 N Johnson Ave	SMT3000RM2U #AS1726254029	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	GXT2-6000RT208 #0614400094BW572	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	GXT2-6000RT208 #07024R0001BW571	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	GXT2-6000RT208 #08052R0102BW571	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMT1500 #AS1134211554	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMT1500 #AS1413214951	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMT1500 #AS1413223348	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMT1500 #AS1414221880	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMT1500 #AS1414221903	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMT1500 #AS1414222036	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMT1500 #AS1419224504	Yes	No	Yes

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Imperial Avenue Division (IAD) - 100 16th Street	SMT1500 #AS1419224549	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMT2200RM2U #JS1114013291	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMT2200RM2U #JS1114013337	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMT3000RM2U #IS1136000145	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMT3000RM2U #IS1136000147	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMT3000RM2U #IS1136000148	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMX120RMBP2U #7A1537L32400	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMX120RMBP2U #7A1541L08167	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMX120RMBP2U #7A1612L02486	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMX120RMBP2U #7A1612L17792	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMX120RMBP2U #7A1638L40368	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMX120RMBP2U #7A1640L23985	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMX120RMBP2U #7A1704L31808	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMX120RMBP2U #7A1704L31809	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMX1500RM2U #AS1814133531	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMX2000RMLV2UNC #AS1649264568	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMX3000RMLV2U #AS1815360478	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMX3000RMLV2UNC #AS1545142433	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMX3000RMLV2UNC #AS1627160587	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMX3000RMLV2UNC #AS1644264262	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMX3000RMLV2UNC #AS1701261822	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SMX3000RMLV2UNC #AS1824254816	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SRT6KRMXLT-5KTF #AS2126170864	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SU5000RMXL5U #NS0632015670	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SUA2200XL #AS1131242687	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SUA5000RMT5U #IS1125004596	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SUA750RM1U #AS0747210721	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SURT15KRMXLT #IS1248004979	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SURT192RMXLBP2 #IS1249002343	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SURTD5000XLT #NS0647032018	Yes	No	Yes
Imperial Avenue Division (IAD) - 100 16th Street	SURTD5000XLT #QS1429271613	Yes	No	Yes

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Imperial Avenue Division (IAD) - 100 16th Street	SYA16K16RMP #QD1415260365	Yes	No	Yes
Kearny Mesa Division (KMD) - 4630 Ruffner Road	SMX2000RMLV2UNC #AS1649264574	Yes	No	Yes
Kearny Mesa Division (KMD) - 4630 Ruffner Road	SMT1500 #AS1134211496	Yes	No	Yes
KMD Service Lanes	SRT96RMBP	Yes	No	Yes
KMD Service Lanes	SRT96RMBP	Yes	No	Yes
KMD Service Lanes	SRT3000RMXLA #AS1829294415	Yes	No	Yes
Mills Building - 1255 Imperial Avenue, Suite 1000	SMT3000RM2U #JS1110012187	Yes	No	Yes
Mills Building - 1255 Imperial Avenue, Suite 1000	SMX2000RMLV2UNC #AS1649264570	Yes	No	Yes
Mills Building - 1255 Imperial Avenue, Suite 1000	SUA1500 #AS0442132150	Yes	No	Yes
Mills Building - 1255 Imperial Avenue, Suite 1000	SUA1500RM2U #AS0745332314	Yes	No	Yes
Mills Building - 1255 Imperial Avenue, Suite 1000	SURT192XLBP #IS08300003670	Yes	No	Yes
Mills Building - 1255 Imperial Avenue, Suite 1000	SURT192XLBP #IS0922002918	Yes	No	Yes
Mills Building - 1255 Imperial Avenue, Suite 1000	SURT192XLBP #NS0547002358	Yes	No	Yes
Mills Building - 1255 Imperial Avenue, Suite 1000	SURT192XLBP #NS0631028821	Yes	No	Yes
Mills Building - 1255 Imperial Avenue, Suite 1000	SURT192XLBP #NS0648018037	Yes	No	Yes
Mills Building - 1255 Imperial Avenue, Suite 1000	SURT192XLBP #NS0708009780	Yes	No	Yes
Mills Building - 1255 Imperial Avenue, Suite 1000	SURT192XLBP #NS0721023320	Yes	No	Yes
Mills Building - 1255 Imperial Avenue, Suite 1000	SURT192XLBP #NS0746006640	Yes	No	Yes
Mills Building - 1255 Imperial Avenue, Suite 1000	SURT8000RMXLT #QS1244150685	Yes	No	Yes
South Bay Division (SBMain) - 3650 Main Street	SMT2200RM2U #JS1114013325	Yes	No	Yes
South Bay Division (SBMain) - 3650 Main Street	SMT3000RM2U #AS1337140670	Yes	No	Yes
South Bay Division (SBMain) - 3650 Main Street	SMT3000RM2U #AS1337140671	Yes	No	Yes
South Bay Division (SBMain) - 3650 Main Street	SMT3000RM2U #AS1337140673	Yes	No	Yes
South Bay Division (SBMain) - 3650 Main Street	SMT3000RM2U #AS1338143087	Yes	No	Yes
South Bay Division (SBMain) - 3650 Main Street	SMT3000RM2U #AS1414143638	Yes	No	Yes
OCC Inside Electrical Room	Eaton PW9390-80 S/N EG013CBC05	No	Yes	No
OCC Inside Electrical Room	Eaton PW9390-80 S/N EX192CAA03	No	Yes	No
12th & Imperial Ave - Imperial Ave & 12th St	SRT96RMBP #7S1824L02167	No	Yes	Yes
12th & Imperial Ave - Imperial Ave & 12th St	SRT3000RMXLA #AS1828190430	No	Yes	Yes
12th & Imperial Ave - Imperial Ave & 12th St	AP4453 #5A1832T93239	No	Yes	Yes
24th Street - W 22nd St & Wilson Ave	SRT96RMBP #7S1828L02319	No	Yes	Yes
24th Street - W 22nd St & Wilson Ave	SRT3000RMXLA #AS1827293260	No	Yes	Yes
24th Street - W 22nd St & Wilson Ave	AP4453 #5A1832T93248	No	Yes	Yes

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25th & Commercial - Commercial St & 25th St	SRT96RMBP #7S1828L00745	No	Yes	Yes
25th & Commercial - Commercial St & 25th St	SRT3000RMLA #AS1828190494	No	Yes	Yes
25th & Commercial - Commercial St & 25th St	AP4453 #5A1832T21706	No	Yes	Yes
32nd & Commercial - 3200 Commercial St	SRT96RMBP #7S1829L01640	No	Yes	Yes
32nd & Commercial - 3200 Commercial St	SRT3000RMLA #AS1828190482	No	Yes	Yes
32nd & Commercial - 3200 Commercial St	AP4453 #5A1832T21690	No	Yes	Yes
47th St - 350 47th St	SRT96RMBP #7S1828L00706	No	Yes	Yes
47th St - 350 47th St	SRT3000RMLA #AS1827293282	No	Yes	Yes
47th St - 350 47th St	AP4453 #5A1832T93234	No	Yes	Yes
5th Avenue - 500 C St	SRT96RMBP #7S1825L00064	No	Yes	Yes
5th Avenue - 500 C St	SRT3000RMLA #AS1827293265	No	Yes	Yes
5th Avenue - 500 C St	AP4453 #5A1832T21700	No	Yes	Yes
70th Street - 7255 Alvarado Road	SRT96RMBP #7S1825L00479	No	Yes	Yes
70th Street - 7255 Alvarado Road	SRT3000RMLA #AS1828190438	No	Yes	Yes
70th Street - 7255 Alvarado Road	AP4453 #5A1832T21698	No	Yes	Yes
8th Street - Harbor Dr & W 8th St	SRT96RMBP #7S1828L00700	No	Yes	Yes
8th Street - Harbor Dr & W 8th St	SRT3000RMLA #AS1827293280	No	Yes	Yes
8th Street - Harbor Dr & W 8th St	AP4453 #5A1832T93250	No	Yes	Yes
Alvarado Medical Center - 6658 Alvarado Rd	SRT96RMBP #7S1825L00483	No	Yes	Yes
Alvarado Medical Center - 6658 Alvarado Rd	SRT3000RMLA #AS1828190440	No	Yes	Yes
Alvarado Medical Center - 6658 Alvarado Rd	AP4453 #5A1832T21693	No	Yes	Yes
Amaya Drive - 9100 Amaya Dr	SRT96RMBP #7S1828L02314	No	Yes	Yes
Amaya Drive - 9100 Amaya Dr	SRT3000RMLA #AS1827293294	No	Yes	Yes
Amaya Drive - 9100 Amaya Dr	AP4453 #5A1832T21697	No	Yes	Yes
America Plaza - 4211 Camino De La Plaza	SRT96RMBP #7S1828L00707	No	Yes	Yes
America Plaza - 4211 Camino De La Plaza	SRT3000RMLA #AS1828190485	No	Yes	Yes
America Plaza - 4211 Camino De La Plaza	AP4453 #5A1832T93242	No	Yes	Yes
Arnele Avenue - 762 N Marshall Ave	SRT96RMBP #7S1825L00481	No	Yes	Yes
Arnele Avenue - 762 N Marshall Ave	SRT3000RMLA #AS1827293308	No	Yes	Yes
Arnele Avenue - 762 N Marshall Ave	AP4453 #5A1832T93243	No	Yes	Yes
Balboa Transit Center Station	SRT96RMBP	No	Yes	Yes
Balboa Transit Center Station	SRT96RMBP	No	Yes	Yes
Balboa Transit Center Station	SRT3000RMLA #AS1928193330	No	Yes	Yes
Barrio Logan - 1910 Harbor Dr	SRT96RMBP #7S1828L00675	No	Yes	Yes
Barrio Logan - 1910 Harbor Dr	SRT3000RMLA #AS1828190491	No	Yes	Yes
Barrio Logan - 1910 Harbor Dr	AP4453 #5A1832T21681	No	Yes	Yes
Beyer Boulevard - 4035 Beyer Blvd	SRT96RMBP #7S1828L00733	No	Yes	Yes
Beyer Boulevard - 4035 Beyer Blvd	SRT3000RMLA #AS1827293292	No	Yes	Yes
Beyer Boulevard - 4035 Beyer Blvd	AP4453 #5A1832T93226	No	Yes	Yes
Boulevard Transit Plaza - 4024 El Cajon Blvd	SMX3000RMLV2U #AS1723160306	No	Yes	Yes

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Boulevard Transit Plaza - 4024 El Cajon Blvd	SMX3000RMLV2UNC #AS1738160621	No	Yes	Yes
Boulevard Transit Plaza - 4024 El Cajon Blvd	SMX120RMBP2U #TBD	No	Yes	Yes
Boulevard Transit Plaza - 4024 El Cajon Blvd	SMX120RMBP2U #TBD	No	Yes	Yes
Boulevard Transit Plaza - 4024 El Cajon Blvd	SMX120RMBP2U #TBD	No	Yes	Yes
Boulevard Transit Plaza - 4024 El Cajon Blvd	SMX120RMBP2U #TBD	No	Yes	Yes
City College - C St & 11th Ave	SRT96RMBP #7S1825L00478	No	Yes	Yes
City College - C St & 11th Ave	SRT3000RMLA #AS1828190435	No	Yes	Yes
City College - C St & 11th Ave	AP4453 #5A1832T21680	No	Yes	Yes
Civic Center - 202 C St	SRT96RMBP #7S1824L02158	No	Yes	Yes
Civic Center - 202 C St	SRT3000RMLA #AS1828190432	No	Yes	Yes
Civic Center - 202 C St	AP4453 #5A1832T93225	No	Yes	Yes
Clairemont Drive Trolley Station	SRT96RMBP	No	Yes	Yes
Clairemont Drive Trolley Station	SRT96RMBP	No	Yes	Yes
Clairemont Drive Trolley Station	SRT3000RMLA #AS2050292311	No	Yes	Yes
Convention Center - 301 K St	SRT96RMBP #7S1828L00573	No	Yes	Yes
Convention Center - 301 K St	SRT3000RMLA #AS1828190434	No	Yes	Yes
Convention Center - 301 K St	AP4453 #5A1832T93224	No	Yes	Yes
Courthouse Station - 330 West C Street	SRT96RMBP #7S1829L01644	No	Yes	Yes
Courthouse Station - 330 West C Street	SRT3000RMLA #AS1827293289	No	Yes	Yes
Courthouse Station - 330 West C Street	AP4453 #5A1832T93246	No	Yes	Yes
Del Lago - 3310 Del Lago Blvd	SMT2200 #IS1212002698	No	Yes	Yes
E Street - 750 E St	SRT96RMBP #7S1828L02313	No	Yes	Yes
E Street - 750 E St	SRT3000RMLA #AS1827293284	No	Yes	Yes
E Street - 750 E St	AP4453 #5A1832T93237	No	Yes	Yes
El Cajon Transit Center - 352 S Marshall Ave El Cajon	SRT96RMBP #7S1824L02121	No	Yes	Yes
El Cajon Transit Center - 352 S Marshall Ave El Cajon	SRT3000RMLA #AS1828190436	No	Yes	Yes
El Cajon Transit Center - 352 S Marshall Ave El Cajon	AP4453 #5A1832T93220	No	Yes	Yes
Encanto/62nd Street - Akins Ave & 62nd St	SRT96RMBP #7S1828L02312	No	Yes	Yes
Encanto/62nd Street - Akins Ave & 62nd St	SRT3000RMLA #AS1827293293	No	Yes	Yes
Encanto/62nd Street - Akins Ave & 62nd St	AP4453 #5A1832T21673	No	Yes	Yes
Euclid Ave & Market St - 450 Euclid Ave	SRT96RMBP #7S1825L00087	No	Yes	Yes
Euclid Ave & Market St - 450 Euclid Ave	SRT3000RMLA #AS1827293297	No	Yes	Yes
Euclid Ave & Market St - 450 Euclid Ave	AP4453 #5A1832T93272	No	Yes	Yes
Executive Drive Trolley Station	GVSUPS25KF #ID2036012016	No	No	No
Fashion Valley - 1205 Fashion Valley Rd	SRT96RMBP #7S1829L01645	No	Yes	Yes
Fashion Valley - 1205 Fashion Valley Rd	SRT3000RMLA #AS1827293278	No	Yes	Yes
Fashion Valley - 1205 Fashion Valley Rd	AP4453 #5A1832T93275	No	Yes	Yes
Fenton Parkway - 2288 Fenton Pkwy	SRT96RMBP #7S1828L02317	No	Yes	Yes
Fenton Parkway - 2288 Fenton Pkwy	SRT3000RMLA #AS1828190433	No	Yes	Yes
Fenton Parkway - 2288 Fenton Pkwy	AP4453 #5A1832T93233	No	Yes	Yes
Gaslamp Quarter - 614 5th Ave Ste E	SRT96RMBP #7S1825L00113	No	Yes	Yes

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Gaslamp Quarter - 614 5th Ave Ste E	SRT3000RMXLA #AS1827293270	No	Yes	Yes
Gaslamp Quarter - 614 5th Ave Ste E	AP4453 #5A1832T93229	No	Yes	Yes
Gillespie Field - 1990 N Cuyamaca Ave	SRT96RMBP #7S1825L00073	No	Yes	Yes
Gillespie Field - 1990 N Cuyamaca Ave	SRT3000RMXLA #AS1827293275	No	Yes	Yes
Gillespie Field - 1990 N Cuyamaca Ave	AP4453 #5A1832T21675	No	Yes	Yes
Grantville - 4510 Alvarado Canyon Rd	SRT96RMBP #7S1825L00068	No	Yes	Yes
Grantville - 4510 Alvarado Canyon Rd	SRT3000RMXLA #AS1828190471	No	Yes	Yes
Grantville - 4510 Alvarado Canyon Rd	AP4453 #5A1832T21704	No	Yes	Yes
Grossmont - 8601 Fletcher Pkwy	SRT96RMBP #7S1825L00482	No	Yes	Yes
Grossmont - 8601 Fletcher Pkwy	SRT3000RMXLA #AS1828190437	No	Yes	Yes
Grossmont - 8601 Fletcher Pkwy	AP4453 #5A1832T21696	No	Yes	Yes
H Street - 745 H St	SRT96RMBP #7S1828L00674	No	Yes	Yes
H Street - 745 H St	SRT3000RMXLA #AS1827293302	No	Yes	Yes
H Street - 745 H St	AP4453 #5A1832T93236	No	Yes	Yes
Harborside - 1325 S 28th St	SRT96RMBP #7S1828L02318	No	Yes	Yes
Harborside - 1325 S 28th St	SRT3000RMXLA #AS1828190492	No	Yes	Yes
Harborside - 1325 S 28th St	AP4453 #5A1832T93286	No	Yes	Yes
Hazard Center - 7611 Hazard Ctr Dr	SRT96RMBP #7S1829L01643	No	Yes	Yes
Hazard Center - 7611 Hazard Ctr Dr	SRT3000RMXLA #AS1828190486	No	Yes	Yes
Hazard Center - 7611 Hazard Ctr Dr	AP4453 #5A1832T93240	No	Yes	Yes
Iris Avenue - 3120 Iris Ave	SRT96RMBP #7S1828L02320	No	Yes	Yes
Iris Avenue - 3120 Iris Ave	SRT3000RMXLA #AS1827293309	No	Yes	Yes
Iris Avenue - 3120 Iris Ave	AP4453 #5A1832T93230	No	Yes	Yes
La Mesa Blvd - 4700 Spring St	SRT96RMBP #7S1828L00575	No	Yes	Yes
La Mesa Blvd - 4700 Spring St	SRT3000RMXLA #AS1827293298	No	Yes	Yes
La Mesa Blvd - 4700 Spring St	AP4453 #5A1832T21701	No	Yes	Yes
Lemon Grove Depot - 3443 Main St	SRT96RMBP #7S1828L00576	No	Yes	Yes
Lemon Grove Depot - 3443 Main St	SRT3000RMXLA #AS1828190468	No	Yes	Yes
Lemon Grove Depot - 3443 Main St	AP4453 #5A1832T21705	No	Yes	Yes
Little Italy - Pacific Hwy & W Cedar St	SRT96RMBP #7S1828L00741	No	Yes	Yes
Little Italy - Pacific Hwy & W Cedar St	SRT3000RMXLA #AS1827293283	No	Yes	Yes
Little Italy - Pacific Hwy & W Cedar St	AP4453 #5A1832T93227	No	Yes	Yes
Massachusetts Avenue - 1787 San Altos Pl	SRT96RMBP #7S1825L00110	No	Yes	Yes
Massachusetts Avenue - 1787 San Altos Pl	SRT3000RMXLA #AS1828190470	No	Yes	Yes
Massachusetts Avenue - 1787 San Altos Pl	AP4453 #5A1832T93231	No	Yes	Yes
MiddleTown - 1396 Palm St	SRT96RMBP #7S1828L00748	No	Yes	Yes
MiddleTown - 1396 Palm St	SRT3000RMXLA #AS1827293258	No	Yes	Yes
MiddleTown - 1396 Palm St	AP4453 #5A1832T21694	No	Yes	Yes
Mira Mesa - Miramar College Transit Station	SMX3000RMLV2UNC #AS1328246447	No	Yes	Yes
Mira Mesa - Miramar College Transit Station	SMX3000RMLV2UNC #AS1333237555	No	Yes	Yes
Mission San Diego - Ward Rd & Rancho Mission Rd	SRT96RMBP #7S1824L02100	No	Yes	Yes
Mission San Diego - Ward Rd & Rancho Mission Rd	SRT3000RMXLA #AS1828190429	No	Yes	Yes

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Mission San Diego - Ward Rd & Rancho Mission Rd	AP4453 #5A1832T93262	No	Yes	Yes
Mission Valley Center - 1400 Camino De La Reina	SRT96RMBP #7S1828L00693	No	Yes	Yes
Mission Valley Center - 1400 Camino De La Reina	SRT3000RMLA #AS1827293274	No	Yes	Yes
Mission Valley Center - 1400 Camino De La Reina	AP4453 #5A1832T21686	No	Yes	Yes
Morena/Linda Vista - Gaines St And Napa St	SRT96RMBP #7S1828L00749	No	Yes	Yes
Morena/Linda Vista - Gaines St And Napa St	SRT3000RMLA #AS1827293279	No	Yes	Yes
Morena/Linda Vista - Gaines St And Napa St	AP4453 #5A1832T93228	No	Yes	Yes
Nobel Drive Transit Center	GVSUPS25KF #ID1952001814	No	No	No
Old Town - 4005 Taylor St	SRT96RMBP #7S1824L02099	No	Yes	Yes
Old Town - 4005 Taylor St	SRT3000RMLA #AS1828190431	No	Yes	Yes
Old Town - 4005 Taylor St	AP4453 #5A1832T93257	No	Yes	Yes
Pacific Fleet - E Harbor Dr & S 32nd St	SRT96RMBP #7S1828L02323	No	Yes	Yes
Pacific Fleet - E Harbor Dr & S 32nd St	SRT3000RMLA #AS1827293281	No	Yes	Yes
Pacific Fleet - E Harbor Dr & S 32nd St	AP4453 #5A1832T21671	No	Yes	Yes
Palm Avenue - 2340 Palm Ave	SRT96RMBP #7S1828L02322	No	Yes	Yes
Palm Avenue - 2340 Palm Ave	SRT3000RMLA #AS1827293285	No	Yes	Yes
Palm Avenue - 2340 Palm Ave	AP4453 #5A1832T93241	No	Yes	Yes
Palomar Street - 1265 Industrial Blvd	SRT96RMBP #7S1829L01653	No	Yes	Yes
Palomar Street - 1265 Industrial Blvd	SRT3000RMLA #AS1827293312	No	Yes	Yes
Palomar Street - 1265 Industrial Blvd	AP4453 #5A1832T21707	No	Yes	Yes
Park & Market - Park Blvd & Market St	SRT96RMBP #7S1828L00699	No	Yes	Yes
Park & Market - Park Blvd & Market St	SRT3000RMLA #AS1828190490	No	Yes	Yes
Park & Market - Park Blvd & Market St	AP4453 #5A1832T93213	No	Yes	Yes
Qualcomm Stadium - 9449 Friars Rd	SRT96RMBP #7S1828L00579	No	Yes	Yes
Qualcomm Stadium - 9449 Friars Rd	SRT3000RMLA #AS1827293300	No	Yes	Yes
Qualcomm Stadium - 9449 Friars Rd	AP4453 #5A1832T21670	No	Yes	Yes
Pepper Canyon Trolley Station	GVSUPS25KF #ID2020003960	No	No	No
Rancho Bernardo - 16785 W Bernardo Dr	SMT2200 #IS1212002700	No	Yes	Yes
Rio Vista - 2185 Station Village Way	SRT96RMBP #7S1828L00573-2	No	Yes	Yes
Rio Vista - 2185 Station Village Way	SRT3000RMLA #AS1828190439	No	Yes	Yes
Rio Vista - 2185 Station Village Way	AP4453 #5A1832T21672	No	Yes	Yes
Sabre Spring - 13538 Sabre Springs Pkwy	SMX3000RMLV2UNC #AS1338236726	No	Yes	Yes
San Ysidro - San Ysidro Transit Center	SMX3000RMLV2UNC #AS1427246270	No	Yes	Yes
San Ysidro - San Ysidro Transit Center	SMX3000LV #AS1332137146	No	Yes	Yes
San Ysidro - San Ysidro Transit Center	SMX120BP #7A1505L35786	No	Yes	Yes
San Ysidro - San Ysidro Transit Center	AP4453 #5A1832T93253	No	Yes	Yes
San Ysidro Trolley Station	SMX3000RMLV2U #AS1427246268	No	Yes	Yes
San Ysidro Trolley Station	SMX120RMBP2U	No	Yes	Yes
San Ysidro Trolley Station	SMX120RMBP2U	No	Yes	Yes
Santa Fe Depot - 1100 Kettner Blvd	SRT96RMBP #7S1828L00678	No	Yes	Yes
Santa Fe Depot - 1100 Kettner Blvd	SRT3000RMLA #AS1827293272	No	Yes	Yes
Santa Fe Depot - 1100 Kettner Blvd	AP4453 #5A1832T21691	No	Yes	Yes

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Santee Town Center - 152 Civic Center Dr	SRT96RMBP #7S1828L00688	No	Yes	Yes
Santee Town Center - 152 Civic Center Dr	SRT3000RMLA #AS1827293301	No	Yes	Yes
Santee Town Center - 152 Civic Center Dr	AP4453 #5A1832T93238	No	Yes	Yes
SDSU - Campanile Dr & Hardy Ave	SRT96RMBP #7S1828L00580	No	Yes	Yes
SDSU - Campanile Dr & Hardy Ave	SRT3000RMLA #AS1827293299	No	Yes	Yes
SDSU - Campanile Dr & Hardy Ave	AP4453 #5A1832T21699	No	Yes	Yes
Seaport Village - 530 W Market St	SRT96RMBP #7S1824L02132	No	Yes	Yes
Seaport Village - 530 W Market St	SRT3000RMLA #AS1828190428	No	Yes	Yes
Seaport Village - 530 W Market St	AP4453 #5A1832T93249	No	Yes	Yes
Spring Street - 4250 Spring St	SRT96RMBP #7S1828L02321	No	Yes	Yes
Spring Street - 4250 Spring St	SRT3000RMLA #AS1827293291	No	Yes	Yes
Spring Street - 4250 Spring St	AP4453 #5A1832T93247	No	Yes	Yes
Stadium	SRT96RMBP	No	Yes	Yes
Stadium	SRT96RMBP	No	Yes	Yes
Stadium	SRT3000RMLA #QQ1524142212	No	Yes	Yes
Tecolote Station	SRT96RMBP	No	Yes	Yes
Tecolote Station	SRT96RMBP	No	Yes	Yes
Tecolote Station	SRT3000RMLA #AS1930393181	No	Yes	Yes
University Ave Transit Plaza - 4023 University Ave	SMX3000RMLV2UNC #AS1338237693	No	Yes	Yes
University Ave Transit Plaza - 4023 University Ave	SMX3000RMLV2UNC #AS1727163159	No	Yes	Yes
University Ave Transit Plaza - 4023 University Ave	SMX3000RMLV2UNC #AS1727163161	No	Yes	Yes
University Ave Transit Plaza - 4023 University Ave	SMX120RMBP2U #TBD	No	Yes	Yes
University Ave Transit Plaza - 4023 University Ave	SMX120RMBP2U #TBD	No	Yes	Yes
University Ave Transit Plaza - 4023 University Ave	SMX120RMBP2U #TBD	No	Yes	Yes
University Ave Transit Plaza - 4023 University Ave	SMX120RMBP2U #TBD	No	Yes	Yes
University Town Center Trolley Station	GVSUPS25KF #ID2005006844	No	No	No
UTC Transit Station	SMX3000RMLV2U #AS1434235857	No	Yes	Yes
UTC Transit Station	SMX120RMBP2U	No	Yes	Yes
UTC Transit Station	SMX120RMBP2U	No	Yes	Yes
Veterans Administration Trolley Station	SRT96RMBP	No	Yes	Yes
Veterans Administration Trolley Station	SRT96RMBP	No	Yes	Yes
Veterans Administration Trolley Station	SRT3000RMLA #AS1930393184	No	Yes	Yes
Virginia Ave Transit Center - 415-499 Virginia Ave	SMX2000RMLV2UNC #AS2135254032	No	Yes	Yes
Voigt Drive Trolley Station	GVSUPS25KF #ID2001005202	No	No	No
Washington Street - Pacific Hwy And W Washington St	SRT96RMBP #7S1828L00696	No	Yes	Yes
Washington Street - Pacific Hwy And W Washington St	SRT3000RMLA #AS1827293264	No	Yes	Yes
Washington Street - Pacific Hwy And W Washington St	AP4453 #5A1832T21695	No	Yes	Yes
Wright Street Yard - 2155 Hancock St	SMT1500RM2UC #AS1246114849	No	Yes	Yes
Yard Tower - (South of OCC) - 12 South 13th Street	SUA2200RM2U #YS0402124403	No	Yes	Yes

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DRAFT FOR EXECUTIVE COMMITTEE REVIEW DATE: 11/03/22

Agenda Item No. 20

**MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS**

November 10, 2022

SUBJECT:

GAS SERVICE PROVIDER – 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. G2627.0-22 (in substantially the same format as Attachment A) with Clean Energy Renewable Fuels, LLC for Gas Service Provider (GSP) services for a six (6) year base period with one (1) 4-year option period; and
- 2) Exercise the option years at the CEO's discretion.

Budget Impact

Net revenues from energy credits and GSP service discounts over the potential 10-year term (base and option years) are estimated to be \$124,639,964.00 and will impact the MTS Administration Revenue department operating budget (901010-424100). Today's action would authorize payment for the gas commodity through Clean Energy at the market rate. Gas prices fluctuate with the market and can be impacted by many different factors. The ongoing budget impacts from fluctuating gas prices are reviewed in the Operations Budget Reports each month. For Fiscal Year 2022, MTS spent approximately \$6.4 million on the natural gas commodity.

DISCUSSION:

MTS and its contractors operate a fixed route fleet of 601 buses throughout the service area and the vast majority of these buses are fueled with natural gas. In February 2009, the MTS Board of Directors approved the Natural Gas Hedge Program and adopted the Natural Gas Hedge Policy to administer that program (MTS Board Policy No. 59). This program enabled MTS to purchase natural gas via a competitive-bidding process. MTS staff estimates that this program typically saves MTS about \$300,000.00 annually by allowing MTS to purchase the natural gas commodity directly from the market through a GSP rather than through San Diego Gas and Electric (SDG&E). Gas is still delivered from the national natural gas pipeline by SDG&E, so there is no operational impact as a result of this change. The cost of the commodity



is billed through the GSP, and the gas used by MTS is backfilled into the national natural gas pipeline by the GSP.

In 2014, MTS began purchasing renewable natural gas (RNG), which is natural gas that is produced from landfills or from the processing of animal waste, sewage, crop waste, and

cellulosic crops, to fuel its fleet. The utilization of such a renewable fuel allows MTS to generate state Low Carbon Fuel Standard (LCFS) and federal Renewable Identification Numbers (RINs) energy credits.

The California Air Resources Board (CARB) created the LCFS to reduce greenhouse gas emissions associated with the life cycle of transportation fuels used in California. Each type of fuel has been assessed a carbon intensity (CI) score. Fuel providers are required to ensure their overall CI score meets the annual CI target. The LCFS program has incentives in the form of credits that are generated, tracked, and can be traded to obligated entities. MTS is not an obligated entity, but does generate LCFS credits as a transportation provider that utilizes alternative fuels. MTS generated an average of \$3.7 million per year in LCFS revenue from RNG over the last five fiscal years.

On the federal side, Congress enacted the Energy Policy Act of 2005, which required a mandated volume of biofuel use in the United States called the Renewable Fuel Standard (RFS). The Energy Independence and Security Act of 2007 increased the overall RFS and created sub-mandates for advanced biofuels, biomass-based diesel, and certain cellulosic biofuels. The obligated parties are petroleum refiners and importers (i.e. BP, Shell, etc.) and not end users (i.e. not MTS). RINs are the mechanism used to make sure each of the obligated parties meet its share of all of the mandates. These RINs generated as renewable fuels are sold and can be traded like any other commodity. This allows obligated parties to purchase RINs from outside sources in order to meet their obligation. MTS generated an average of \$2.0 million per year in RINs revenue from RNG over the last five fiscal years.

The generation of energy credits brings along with it many compliance requirements from both CARB and the Environmental Protection Agency (EPA). MTS partners with its GSP to manage all of the appropriate processes required to meet all legislative requirements that are in place.

The current GSP contract is set to expire on December 31, 2022, so MTS published a solicitation to select a new GSP that could manage the supply of RNG and the state and federal energy credit compliance. These contracts are structured with four different components:

- The cost of the natural gas commodity, based a published natural gas index rate, is applied to the actual consumption of natural gas and passed through to MTS on the GSP invoices.
- The cost of the GSP services, is based on a contractual adjustment to the natural gas index rate, is also applied to the actual consumption of natural gas.
- Revenue sharing on the state energy credits generated, either based on a split percentage or fixed rates per consumption, multiplied by an index rate for the value of the credits, and settled quarterly.
- Revenue sharing on the federal energy credits generated, either based on a split percentage or fixed rates per consumption multiplied by an index rate for the value of the credits, and settled monthly.

On June 17, 2022, MTS issued a Request for Proposals (RFP) for GSP Services. Three (3) proposals were received by the due date of August 12, 2022 from the following:

Proposer	DBE Certification
Anew RNG, LLC	N/A
Clean Energy Renewable Fuels, LLC	N/A
Mercuria Energy America LLC	N/A

All three proposals were deemed responsive and responsible and were evaluated by a selection committee representing the MTS Finance and Bus Operations departments. The proposals were evaluated on the following:

1. Qualifications and Experience of the Proposer & Proposed Staffing of the Firm or Individual	25%
2. Work Plan and Service Commitment	35%
3. Cost and Price	40%
Total	100%

The following table illustrated the initial scores and ranking:

PROPOSER	TOTAL AVG TECH SCORE	TOTAL COST (BASE + OPTION YEARS) EXPENSE	TOTAL COST (BASE + OPTION YEARS) REVENUE	TOTAL AVG COST SCORE	TOTAL AVG SCORE (TOTAL POSSIBLE: 100)	RANKING
Clean Energy	44.67	(\$869,600.00)	\$123,770,364.00	40	84.67	1
Anew	41.33	\$543,500.00	\$89,862,485.00	28.66	69.99	2
Mercuria	27.67	\$434,800.00	\$65,867,209.00	21.00	48.67	3

The 10-year expense calculation for each proposal compared the proposed index adjustment to the commodity purchase and proposed GSP service fee, both of which were reflected in a % adjustment of the then market index rate for the commodity. The expense credit for the Clean Energy proposal reflects a proposal to charge MTS *less* than the market rate index for gas and the service fee. The difference in 10-year revenue estimates between the proposals analyzed the number of estimated credits to be generated by an estimated credit value (this amount fluctuates with the market), times the % of the credit the proposer would allow MTS to retain. The estimated cost of the gas commodity is not included in the above figures.

As a result of the initial review, two (2) firms, Clean Energy and Anew, were determined to be within the competitive range. MTS invited Clean Energy and Anew to participate in the interview process which was held on September 30, 2022. Subsequent to the interview, the evaluation committee did not rescore the proposers.

MTS requested a revised cost proposal from Clean Energy and Anew. Both firms did not submit a revised proposal. Based on the initial scores and information gained during the interview, Clean Energy remained the highest-ranked proposer. Based on the objectives of the procurement, consideration of the evaluation criteria and Clean Energy's technical and cost proposals, the evaluation committee determined Clean Energy presented the best overall value to MTS.

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

- 1) Execute MTS Doc. G2627.0-22 (in substantially the same format as Attachment A) with Clean Energy Renewable Fuels, LLC for Gas Service Provider (GSP) services for a six (6) year base period with one (1) 4-year option period; and
- 2) Exercise the option years at the CEO's discretion.

/S/ Sharon Cooney_____

Sharon Cooney

Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachments: A. Draft Agreement MTS DOC No. G2627.0-22
B. Cost Proposal
C. Cost Analysis



Metropolitan Transit System

STANDARD AGREEMENT FOR MTS DOC. NO. G2627.0-22

THIS AGREEMENT is entered into this _____ day of _____, 2023 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: Clean Energy Renewable Fuels, LLC Address: 4675 MacArthur Court, Suite 800
Newport Beach CA 92660
City State Zip
 Form of Business: Limited Liability Company
 (Corporation, Partnership, Sole Proprietor, etc.) Email: robert.vreeland@cleanenergyfuels.com
 Telephone: 949-437-1272

Authorized person to sign
contracts

Robert M. Vreeland
Name

Chief Financial Officer
Title

The Contractor agrees to provide services as specified in the conformed Scope of Work/Technical Specification (Exhibit A), Contractor's Cost/Pricing Form (Exhibit B), and in accordance with the Standard Agreement, including Standard Conditions (Exhibit C), Federal Requirements (Exhibit D), and Forms (Exhibit E).

The contract term is for a six (6) year base period with one (1) 4-year option period, exercisable at MTS's sole discretion, for a total of ten (10) years. Base period shall be effective January 1, 2023 through December 31, 2028 and option years shall be effective January 1, 2029 through December 31, 2032, if exercised by MTS.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM	CLEAN ENERGY RENEWABLE FUELS, LLC
By: <u>Sharon Cooney, Chief Executive Officer</u>	By _____
Approved as to form:	Title: _____
By: <u>Karen Landers, General Counsel</u>	



Natural Gas Service Provider - Pricing Form

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Contract Period:	Base	Base	Base	Base	Base	Base
Year Starts:	1/1/2023	1/1/2024	1/1/2025	1/1/2026	1/1/2027	1/1/2028
Year Ends:	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028
Estimated MMBtu:	1,060,000	1,090,000	1,090,000	1,090,000	1,090,000	1,090,000

	Year 7	Year 8	Year 9	Year 10
Contract Period:	Option	Option	Option	Option
Year Starts:	1/1/2029	1/1/2030	1/1/2031	1/1/2032
Year Ends:	12/31/2029	12/31/2030	12/31/2031	12/31/2032
Estimated MMBtu:	1,090,000	1,090,000	1,090,000	1,090,000

GSP Index Premium:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Adjustment to Posted and/or Spot Price (\$/MMBtu)	\$ (0.08)	\$ (0.08)	\$ (0.08)	\$ (0.08)	\$ (0.08)	\$ (0.08)

GSP Index Premium:	Year 7	Year 8	Year 9	Year 10
Adjustment to Posted and/or Spot Price (\$/MMBtu)	(0.0800)	(0.0800)	(0.0800)	(0.0800)

MTS share of energy credits generated:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
RIN credits per MMBtu	1.7591	1.7591	1.7591	1.7591	1.7591	1.7591

LCFS credits per MMBtu	0.04802	0.04703	0.04687	0.04671	0.04654	0.04638
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MTS share of energy credits generated:	Year 7	Year 8	Year 9	Year 10
RIN credits per MMBtu	1.7591	1.7591	1.7591	1.7591

LCFS credits per MMBtu	0.0462	0.0461	0.0461	0.0461
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Definitions:

The "Posted Price" for daily Biogas deliveries (\$/MMBtu) shall be the SoCal Citygate First of the Month Index as published by Natural Gas Intelligence ("NGI")

The "Spot Price" shall mean the Monthly Average of the Gas Daily Midpoint price as published in Gas Daily Publication, Daily Price Survey, Citygates – SoCal Gas Citygate Midpoint

Clean Energy Renewables Pricing clarifications:

MTS will receive 15% of the RIN share; 100% of the equivalent fossilCNG LCFS credit share; & 15% of the incremental green LCFS share based on a carbon intensity of -250g CO₂e/MJ for settlement purposes

The LCFS compliance curve tightens every year through 2030 which is why the credit yield changes. Further, in 2024 fossilCNG is no longer a credit generating fuel based on the LCFS.

The carbon intensity of the RNG delivered to MTS will be based on the weighted average carbon intensity (WACI) of our California RNG portfolio as reported to CARB.

The natural gas commodity discount will be based on SoCal Citygate First of the Month Index. MTS will be responsible for any over and/or under nominated commodity and charged accordingly.

RNG supplied to MTS will be based on actual consumption at MTS' stations using the utility gas meter as the official meter of record.

Clean Energy Renewables recommends MTS allow us to provide monetization services on MTS's RINs and LCFS credits.

Cost 1- Expense				
Proposer Name	Base Years (1-6) Cost	Option Years (7-10)Cost	Grand Total	Base Years
Anew	\$ 325,500.00	\$ 218,000.00	\$ 543,500.00	\$ 56,359,933.00
Clean Energy	(520,800)	\$ (348,800.00)	\$ (869,600.00)	\$ 74,446,530.00
Mercuria Energy	\$ 260,400.00	\$ 174,400.00	\$ 434,800.00	\$ 40,918,995.00

Cost 2 - Revenue		
Proposer Name	Option Years	Grand Total
Anew	\$ 33,502,552.00	\$ 89,862,485.00
Clean Energy	\$ 49,323,834.00	\$ 123,770,364.00
Mercuria Energy	\$ 24,948,214.00	\$ 65,867,209.00

Cost 3 - Expense + Revenue			
Proposer Name	Expense	Revenue	Grand Total
Anew	\$ 543,500.00	\$ 89,862,485.00	\$ 89,318,985.00
Clean Energy	\$ (869,600.00)	\$ 123,770,364.00	\$ 124,639,964.00
Mercuria Energy	\$ 434,800.00	\$ 65,867,209.00	\$ 65,432,409.00

ICE TOTAL	\$ 341,997.57	Expense
	\$ 58,105,085.00	Revenue