

**Date:** Friday, October 5, 2007

**Time:** 9:00 a.m.

**Where:** Orange County Transportation Authority Headquarters  
600 South Main Street, First Floor - Conference Room 154  
Orange, California 92868



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## **BOARD AGENDA**

Orange County Transportation Authority Board Meeting  
OCTA Headquarters  
First Floor - Room 154, 600 South Main Street  
Orange, California  
*Friday, October 5, 2007, at 9:00 a.m.*

*ACTIONS*

Any person with a disability who requires a modification or accommodation in order to participate in this meeting should contact the OCTA Clerk of the Board, telephone (714) 560-5676, no less than two (2) business days prior to this meeting to enable OCTA to make reasonable arrangements to assure accessibility to this meeting.

### **Invocation**

Chairman Cavecche

### **Pledge of Allegiance**

Vice Chairman Norby

### **Agenda Descriptions**

The agenda descriptions are intended to give members of the public a general summary of items of business to be transacted or discussed. The posting of the recommended actions does not indicate what action will be taken. The Board of Directors may take any action which it deems to be appropriate on the agenda item and is not limited in any way by the notice of the recommended action.

### **Public Comments on Agenda Items**

Members of the public wishing to address the Board of Directors regarding any item appearing on the agenda may do so by completing a Speaker's Card and submitting it to the Clerk of the Board. Speakers will be recognized by the Chairman at the time the agenda item is to be considered. A speaker's comments shall be limited to three (3) minutes.



## BOARD AGENDA

ACTIONS

### Special Matters

There are no Special Matter items.

### Consent Calendar (Items 1 through 16)

All matters on the Consent Calendar are to be approved in one motion unless a Board Member or a member of the public requests separate action on a specific item.

#### Orange County Transportation Authority Consent Calendar Matters

1. **Approval of Minutes**

Of the Orange County Transportation Authority and affiliated agencies' regular meeting of September 24, 2007.

2. **Orange County Transportation Authority's Draft 2008 State Legislative Platform**

Manny Leon/P. Sue Zuhlke

***Overview***

An initial draft of the Orange County Transportation Authority's 2008 State Legislative Platform has been prepared for Board of Directors consideration to direct staff to circulate for further review and comment by interested parties.

***Recommendation***

Authorize staff to circulate copies of the Draft 2008 State Legislative Platform to advisory groups, Orange County legislative delegations, cities, and interested members of the public.



## BOARD AGENDA

ACTIONS

3. **Master Plan of Arterial Highways Status Report**  
Wendy L. Garcia/Kia Mortazavi

**Overview**

The Orange County Transportation Authority is responsible for administering the Master Plan of Arterial Highways, including the review and approval of amendments requested by local agencies. The status of pending Master Plan of Arterial Highways actions and projects is presented for the Board of Directors' information.

**Recommendation**

Receive and file as an information item.

4. **Bus Stop Accessibility Program Construction Update**  
Dipak Roy/Kia Mortazavi

**Overview**

The Orange County Transportation Authority continues to work collaboratively with Orange County local agencies to address the Americans with Disabilities Act deficiencies at bus stops. This report provides an update on the construction of the Bus Stop Accessibility Program.

**Recommendation**

Approve an increase of \$1,995,000 in Transportation Development Act, Article 3 funds for the Bus Stop Accessibility Program to complete construction of the improvements to the final group of stops.



## BOARD AGENDA

ACTIONS

5. **Approval of Cooperative Agreements for the Eastbound Riverside Freeway (State Route 91) Lane Addition Project Between the Eastern Transportation Corridor (State Route 241) and the Corona Expressway (State Route 71)**

Dipak Roy/Kia Mortazavi

**Overview**

The Orange County Transportation Authority, in conjunction with the State Department of Transportation, has developed cooperative agreements for final design and right-of-way activities to deliver lane addition improvements to the eastbound Riverside Freeway (State Route 91) between the Eastern Transportation Corridor (State Route 241) and the Corona Expressway (State Route 71).

**Recommendations**

- A. Authorize the Chief Executive Officer to execute Cooperative Agreement C-7-1151 between the Orange County Transportation Authority and the California Department of Transportation, in an amount not to exceed \$1,700,000, for the preparation of plans, specifications, and estimates for the eastbound Riverside Freeway (State Route 91) between the Eastern Transportation Corridor (State Route 241) and the Corona Expressway (State Route 71).
- B. Authorize the Chief Executive Officer to execute Cooperative Agreement C-7-1152 between the Orange County Transportation Authority and the California Department of Transportation, in an amount not to exceed \$1,016,400, for right-of-way and support services for the eastbound Riverside Freeway (State Route 91) between the Eastern Transportation Corridor (State Route 241) and the Corona Expressway (State Route 71).
- C. Amend the Orange County Transportation Authority's Fiscal Year 2007-08 Budget, expense accounts 0017-7514-FJ100-HGL by \$32,400 and 0017-9081-FJ100-HGL by \$324,000 with funding through the SR-91 Toll Road account.



## BOARD AGENDA

ACTIONS

6. **Consultant Selection for Preparation of Plans, Specifications, and Estimates for Improvements on the Northbound Orange Freeway (State Route 57) Between Orangethorpe Avenue and Lambert Road**  
Arshad Rashedi/Kia Mortazavi

### *Overview*

Proposals for consulting services to prepare the plans, specifications, and estimates for improvements on the northbound Orange Freeway (State Route 57) between Orangethorpe Avenue and Lambert Road were solicited in accordance with the Orange County Transportation Authority's procurement procedures for the retention of two consultants to perform architectural and engineering work. Board of Directors approval is requested for the selection of the firms to perform the required work.

### *Recommendations*

- A. Select RBF Consulting, one of the two top ranked firms, to prepare the plans, specifications, and estimates for the northbound Orange Freeway (State Route 57) between Orangethorpe Avenue and Yorba Linda Boulevard.
- B. Select CH2M Hill, one of the two top ranked firms, to prepare the plans, specifications, and estimates for the northbound Orange Freeway (State Route 57) between Yorba Linda Boulevard and Lambert Road.
- C. Authorize the Chief Executive Officer to request a cost proposal from RBF Consulting and negotiate agreement for their services.
- D. Authorize the Chief Executive Officer to request a cost proposal from CH2M Hill and negotiate agreement for their services.
- E. Authorize the Chief Executive Officer to execute the final agreements.



## BOARD AGENDA

ACTIONS

7. **Amendment to Agreement C-6-0165 for Project Management Consultant Services for the Metrolink Service Expansion Program for Management of the Rail-Highway Grade Crossing Program**

Dinah Minter/Kia Mortazavi

**Overview**

On June 26, 2006, the Board of Directors approved an agreement with PB Americas, Inc., in an amount not to exceed \$5 million, for implementation of the Metrolink Service Expansion Program. The proposed amendment requests additional contract authority to support the Rail-Highway Grade Crossing Enhancement Program task.

**Recommendation**

Authorize the Chief Executive Officer to execute Amendment No. 4 to Agreement C-6-0165 between the Orange County Transportation Authority and PB Americas, Inc., to increase contract authority, in an amount not to exceed \$1.27 million, for project management consultant services for the Rail-Highway Grade Crossing Enhancement Program.

8. **Construction Change Order No. 46 for the Garden Grove Freeway (State Route 22) Design-Build Project**

Joe Toolson/Kia Mortazavi

**Overview**

On August 23, 2004, the Orange County Transportation Authority Board of Directors awarded a design-build contract to improve 12 miles of the Garden Grove Freeway (State Route 22) from Valley View Street east to the Costa Mesa Freeway (State Route 55) interchange. A contract change order is required to continue maintenance services on the project through the end of construction.

**Recommendation**

Authorize the Chief Executive Officer to execute Contract Change Order No. 46 to Agreement C-3-0663 with Granite-Myers-Rados, in an amount not to exceed \$1 million, for continued project maintenance work through project acceptance of the Garden Grove Freeway (State Route 22).



## BOARD AGENDA

ACTIONS

**9. Response to Grand Jury Rail Crossings Report**  
David Simpson/Ellen S. Burton

***Overview***

In May 2007, the Orange County Grand Jury issued a report on rail-highway grade crossing safety throughout Orange County. This report was sent to the Board of Directors upon release. On August 23, 2007, the Board of Directors approved a \$60 million program to help Orange County cities create Quiet Zones and improve safety measures at 53 railroad crossings countywide. With a comprehensive rail crossing program approved, a response to the Grand Jury's report is presented for Board of Directors consideration.

***Recommendation***

Review and approve response to Orange County Grand Jury's May 1, 2007, report on Orange County Rail Crossing Safety.

**10. Fourth Quarter Fiscal Year 2006-07 Grant Status Report**  
Linda M. Gould/James S. Kenan

***Overview***

The Quarterly Grant Status Report summarizes grant activities for information purposes for the Orange County Transportation Authority Board of Directors. This report focuses on significant activity for the period of April through June 2007. The Quarterly Grant Status Report summarizes future and pending grant applications, executed and current grant awards, and closed-out grant agreements.

***Recommendation***

Receive and file as an information item.



## BOARD AGENDA

ACTIONS

11. **Fiscal Year 2006-07 Fourth Quarter Budget Status Report**  
Rene I. Vega/James S. Kenan

**Overview**

The Orange County Transportation Authority's staff has implemented the fiscal year 2006-07 budget. This report summarizes the material variances between the budget plan and un-audited actual revenues and expenses.

**Recommendation**

Receive and file as an information item.

12. **Agreement for Health Insurance Services**  
Lisa Arosteguy/James S. Kenan

**Overview**

The Orange County Transportation Authority presently has agreements with various companies to provide medical and dental services for administrative employees and employees represented by the Transportation Communications Union.

**Committee Recommendations**

- A. Authorize the Chief Executive Officer to execute Amendment No. 3 to Agreement C-5-0455 between the Orange County Transportation Authority and Kaiser Foundation Health Plan, Inc., in an estimated annual amount of \$1.1 million, for prepaid medical services through December 31, 2008.
- B. Authorize the Chief Executive Officer to execute Amendment No. 2 to Agreement C-5-2860 between the Orange County Transportation Authority and CIGNA Healthcare of California, in an estimated annual amount of \$1.2 million, for prepaid medical services through December 31, 2008.
- C. Authorize the Chief Executive Officer to execute Amendment No. 2 to Agreement C-5-2861 between the Orange County Transportation Authority and CIGNA Healthcare of California, in an estimated annual amount of \$3 million, for open access plus medical services through December 31, 2008.



## BOARD AGENDA

ACTIONS

### 12. (Continued)

- D. Authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement C-5-2862 between the Orange County Transportation Authority and MetLife, in an estimated annual amount of \$570,000, for a preferred dental plan through December 31, 2008. Amendment No.1 includes increasing the employee share for costs of out-of-network services to 30%. Amendment No.1 includes increasing the employee share for costs of out-of-network services to 30%.
- E. Authorize the Chief Executive Officer to execute Amendment No. 2 to Agreement C-5-0458 between the Orange County Transportation Authority and SmileSaver, in an estimated annual amount of \$25,500, for prepaid dental services through December 31, 2009.

### Orange County Local Transportation Authority Consent Calendar Matters

- 13. **Cooperative Agreement Between the Orange County Transportation Authority and the California High-Speed Rail Authority for Preparation of Environmental Impact Report/Statement**  
Dinah Minter/Kia Mortazavi

#### ***Overview***

The Orange County Transportation Authority proposes to enter into a cooperative agreement with the California High-Speed Rail Authority to fund project-level environmental analysis of the Anaheim to Los Angeles segment of the state high-speed rail network.

#### ***Recommendation***

Authorize the Chief Executive Officer to negotiate and execute Cooperative Agreement C-7-0860 between the Orange County Transportation Authority and the California High-Speed Rail Authority, in an amount not to exceed \$7 million, towards the preparation of a project-level environmental impact report/environmental impact statement for the Anaheim to Los Angeles segment of the high-speed rail network.



## BOARD AGENDA

ACTIONS

14. **Approval to Release Request for Proposals for Project Management Support Services for the Renewed Measure M Highway Program and Amendment to Hatch Mott MacDonald Agreement for Interim Support Services**

Tom Bogard/Kia Mortazavi

**Overview**

The Orange County Transportation Authority staff has developed a draft Request for Proposals to initiate a procurement process to retain a consultant to provide project management support services for the Renewed Measure M highway program. These services are needed to support the freeway projects to be developed over the next five years under the Renewed Measure M Early Action Plan.

**Recommendations**

- A. Approve the proposed evaluation criteria and weightings.
- B. Approve the release of Request for Proposals 7-1196 for project management support services for the Renewed Measure M highway program.
- C. Authorize the Chief Executive Officer to execute Amendment No. 9 to Agreement C-3-0994 with Hatch Mott MacDonald, in an amount not to exceed \$675,000, for interim project management support services for the Renewed Measure M highway program.

### Orange County Transit District Consent Calendar Matters

15. **Release Request for Proposals for Management Services for Modifying Bus Stops for Bus Rapid Transit**

Mark Schaff/Beth McCormick

**Overview**

Staff has developed the proposed weighting of evaluation criteria to initiate the competitive bidding process for selection of a firm to provide management services for modifying bus stops on the public works portion of the bus rapid transit project.



## BOARD AGENDA

ACTIONS

15. (Continued)

*Recommendations*

- A. Approve the proposed evaluation criteria and weightings.
- B. Approve the release of a Request for Proposals for a consultant for the management services to modify bus stops in the Bus Rapid Transit project.

16. **Agreement for Hazardous and Non-Hazardous Waste Transportation and Disposal Services**

Lloyd Banta/Beth McCormick

*Overview*

The Orange County Transportation Authority generates non-hazardous waste and hazardous waste. It is necessary to procure the services of registered companies during the normal course of business to properly store, transport, treat, and dispose of such waste. Offers to supply these services were received in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services.

*Recommendation*

Authorize the Chief Executive Officer to execute Agreement C-7-1065 between the Orange County Transportation Authority and Ecology Control Industries, Inc., in an amount not to exceed \$180,000, for a one-year period with two one-year options for hazardous and non-hazardous waste transportation and disposal services.



## BOARD AGENDA

ACTIONS

### Regular Calendar

#### Orange County Transportation Authority Regular Calendar Matters

17. **Guiding Principles for the Anaheim Regional Transportation Intermodal Center**

Darrell E. Johnson/Kia Mortazavi

***Overview***

A cooperative agreement with the City of Anaheim for Anaheim Regional Transportation Intermodal Center site development is recommended. Guiding principles to provide overall direction for the cooperative agreement are also presented. A recommendation for the City of Anaheim to pursue private development proposals is also presented.

***Recommendations***

- A. Adopt guiding principles to provide policy direction to staff on the Orange County Transportation Authority's interests regarding the Anaheim Regional Transportation Intermodal Center.
- B. Direct staff to negotiate a cooperative agreement with the City of Anaheim pursuant to the guiding principles and return to the Board of Directors in 30 to 60 days for approval.
- C. Request the City of Anaheim take the lead on site development, subject to the approval of the Board of Directors as appropriate.
- D. Request the City of Anaheim solicit the Anaheim Regional Transportation Intermodal Center complex development proposals and contract with one or more private partners.
- E. Direct staff to closely monitor project progress and to provide quarterly reports to the Board of Directors.



## BOARD AGENDA

ACTIONS

18. **San Diego Freeway (Interstate 405) West County Connectors Projects Implementation Strategy**

Tom Bogard/Kia Mortazavi

**Overview**

On August 28, 2006, the Orange County Transportation Authority Board of Directors approved an implementation plan for the San Diego Freeway (Interstate 405) West County Connectors projects, which assumed the possible use of a design build delivery approach for the projects. At this time, it is unlikely that the California legislature will grant the Orange County Transportation Authority legal authority to use design-build for these projects. Board of Directors approval is requested to proceed with the development of the projects using a traditional design-bid-build approach to meet Proposition 1B schedule commitments.

**Recommendation**

Authorize Orange County Transportation Authority staff to proceed with the development of the San Diego Freeway (Interstate 405) West County Connectors projects using a traditional design-bid-build delivery strategy.

### Other Matters

19. **Southern California Association of Governments' High-Speed Regional Transportation System**

Southern California Association of Governments' Executive Director, Mark Pisano, will provide a presentation.

20. **Public Comments**

At this time, members of the public may address the Board of Directors regarding any items within the subject matter jurisdiction of the Board of Directors, but no action may be taken on off-Agenda items unless authorized by law. Comments shall be limited to three (3) minutes per speaker, unless different time limits are set by the Chairman subject to the approval of the Board of Directors.



## BOARD AGENDA

21. **Chief Executive Officer's Report**
22. **Directors' Reports**
23. **Closed Session**

Pursuant to Government Code Section 54957.6 to meet with Orange County Transportation Authority designated representative Sherry Bolander regarding collective bargaining agreement negotiations with the Teamsters Local 952 representing the coach operators.

24. **Adjournment**

The next regularly scheduled meeting of this Board will be held at **9:00 a.m. on October 22, 2007**, at the OCTA Headquarters.

*ACTIONS*



Minutes of the Meeting of the  
Orange County Transportation Authority  
Orange County Service Authority for Freeway Emergencies  
Orange County Local Transportation Authority  
Orange County Transit District  
Board of Directors  
September 24, 2007

## Call to Order

The September 24, 2007, regular meeting of the Orange County Transportation Authority and affiliated agencies was called to order by Chairman Cavecche at 9:04 a.m. at the Orange County Transportation Authority Headquarters, Orange, California.

## Roll Call

Directors Present: Carolyn Cavecche, Chairman  
Chris Norby, Vice Chair  
Jerry Amante  
Patricia Bates  
Arthur C. Brown  
Peter Buffa  
Bill Campbell  
Richard Dixon  
Paul Glaab  
Cathy Green  
Allan Mansoor  
John Moorlach  
Curt Pringle  
Miguel Pulido  
Mark Rosen  
Gregory T. Winterbottom  
Jim Beil, Caltrans District 12, attended on behalf of  
Cindy Quon, Governor's Ex-Officio Member

Also Present: Arthur T. Leahy, Chief Executive Officer  
Paul C. Taylor, Deputy Chief Executive Officer  
Wendy Knowles, Clerk of the Board  
Laurena Weinert, Assistant Clerk of the Board  
Kennard R. Smart, Jr., General Counsel  
Members of the Press and the General Public

Directors Absent: Janet Nguyen  
Cindy Quon, Governor's Ex-Officio Member

## **Invocation**

Director Rosen gave the invocation.

## **Pledge of Allegiance**

Director Dixon led the Board and audience in the Pledge of Allegiance.

## **Public Comments on Agenda Items**

Chairman Cavecche announced that members of the public who wished to address the Board of Directors regarding any item appearing on the agenda would be allowed to do so by completing a Speaker's Card and submitting it to the Clerk of the Board.

## **Special Matters**

### **1. Presentation of Resolutions of Appreciation for Employees of the Month for September 2007**

Chairman Cavecche presented Orange County Transportation Authority Resolutions of Appreciation Nos. 2007-54, 2007-55, 2007-56, 2007-59, to Felicitas Guzman, Coach Operator; Binh Do, Maintenance; Beatriz Cota, Maintenance; and Roberta Espinoza, Administration, as Employees of the Month for September 2007.

### **2. Presentation of Resolution of Appreciation by Orange County Sheriff's Department**

Chairman Cavecche presented Orange County Transportation Authority Resolution of Appreciation No. 2007-58 to Kathi Slaughter.

### **3. Public Hearing to Amend Measure M Expenditure Plan**

(A verbatim transcript of this Public Hearing is available through the Clerk of the Board's office.)

Wendy Knowles, Clerk of the Board, read into the record the legal procedure by which the public was notified of today's Public Hearing.

Executive Director of External Affairs, Ellen Burton, presented this item for the Board, followed by a brief question-and-answer period.

**3. (Continued)**

Chairman Cavecche opened the public hearing and invited the public to address the Board, should they choose to do so.

Public comments were from Hamid Bahadori, representing the Automobile Club of Southern California, who stated the Auto Club's support of this expenditure plan. He urged the Board to proceed with the Measure M Early Action Plan.

Director Campbell inquired if San Diego has handled their transportation sales tax measure differently than Orange County. Mr. Bahadori responded that San Diego, subsequent to passing their 40-year tax, they realized that the working mechanism inside Caltrans for delivery of these projects may not be the best way to implement the projects; therefore, they looked at other options.

Director Campbell requested that a presentation be given to the Regional Planning and Highways Committee regarding the partnership between Caltrans District 11 and SANDAG for delivery of the San Diego transportation sales tax measure.

Hearing no other requests for public comment, a motion was made by Director Buffa and seconded by Director Moorlach to close the Public Hearing. Hearing no opposition, the Public Hearing was closed.

A motion was made by Director Campbell, seconded by Director Pringle, and declared passed by those present, to:

- A. Conduct a public hearing to amend the Measure M Expenditure Plan.
- B. Amend the Measure M Expenditure Plan by approving the proposed amendments to:
  - 1. Modify the description of the Orange Freeway (State Route 57) project, consistent with Project G in the Renewed Measure M Transportation Investment Plan, and increase the funding allocation by \$22 million.
  - 2. Expand the limits of the Garden Grove Freeway (State Route 22) project to include the West County Connection improvements and increase the funding allocation by \$10 million.
- C. Direct staff to give written notice of the amendments to local agencies.

Director Brown was not present to vote on this item.

## **Consent Calendar (Items 4 through 31)**

Chairman Cavecche stated that all matters on the Consent Calendar would be approved in one motion unless a Board Member or a member of the public requested separate action on a specific item.

### **Orange County Transportation Authority Consent Calendar Matters**

#### **4. Approval of Minutes**

A motion was made by Director Green, seconded by Director Buffa, and declared passed by those present, to approve the minutes of the Orange County Transportation Authority and affiliated agencies' regular meeting of September 10, 2007.

#### **5. Approval of Resolutions of Appreciation for Employees of the Month for September 2007**

A motion was made by Director Green, seconded by Director Buffa, and declared passed by those present, to adopt Orange County Transportation Authority Resolutions of Appreciation Nos. 2007-54, 2007-55, 2007-56, and 2007-59, to Felicitas Guzman, Coach Operator; Binh Do, Maintenance; Beatriz Cota, Maintenance; and Roberta Espinoza, Administration, as Employees of the Month for September 2007.

#### **6. Approval of Resolution of Appreciation by Orange County Sheriff's Department**

A motion was made by Director Green, seconded by Director Buffa, and declared passed by those present, to adopt Orange County Transportation Authority Resolution of Appreciation No. 2007-58 for Kathi Slaughter.

#### **7. Draft Audit Responsibilities of the Finance and Administration Committee**

A motion was made by Director Green, seconded by Director Buffa, and declared passed by those present, to:

- A. Adopt the Draft Audit Responsibilities of the Finance and Administration Committee.
- B. Direct staff to return to the Finance and Administration Committee with recommendations for the implementation of the Draft Audit Responsibilities of the Finance and Administration Committee.

**8. State Legislative Status Report**

Director Moorlach pulled this item and inquired as to who will be reviewing the state budget cuts and if a future report will be presented.

Chief of Staff, Sue Zuhlke, responded that the Authority has continued to fight for transportation funding, and the money taken by the Legislature to balance the budget mainly consists of “spill-over” money, which is the excess sales tax on gasoline, which is determined by the fact that it is more than one-quarter cent collected on all goods in the State of California.

Ms. Zuhlke further stated that staff continues to advocate for the elimination of that statute, that all of those funds should be flowing to Proposition 42. She stated that staff is trying to accelerate requests for allocations for projects, and Caltrans now estimates there will be \$39 million cash short-fall for this program; therefore, the earlier OCTA’s allocation request is submitted, the more likely it may be to receive allocations for this year.

A motion was made by Director Moorlach, seconded by Director Campbell, and declared passed by those present, to receive and file this item for information only.

**9. Contract Amendment for Consulting Services from Scott Baugh**

This item was deferred to a later meeting following interviews for the Federal legislative lobbyist contract.

**10. Homeland Security Grant Award Authorization**

A motion was made by Director Green, seconded by Director Buffa, and declared passed by those present, to:

- A. Authorize the Chief Executive Officer to execute grant agreements with the Governor’s Office of Homeland Security, as the designated administrative agency of the United States Department of Homeland Security, to support the purchase and installation of cameras on bus vehicles and at the Buena Park rail station, as well as to develop a Comprehensive Emergency Management Plan.
- B. Adopt Orange County Transportation Authority Resolution No. 2007-57 authorizing the Chief Executive Officer to execute and file grant-related agreements necessary to obtain financial assistance from the United States Department of Homeland Security and Governor’s Office of Homeland Security.
- C. Amend the Fiscal Year 2007-08 budget to accommodate \$950,000 in United States Department of Homeland Security grant funds.

**11. Metrolink Video Surveillance System Deployment Program**

A motion was made by Director Green, seconded by Director Buffa, and declared passed by those present, to:

- A. Direct staff to utilize federal funds earmarked for security camera surveillance systems, with the required local match, to implement the Metrolink Video Surveillance System Deployment Program as described herein, a pilot project involving Buena Park, Fullerton, Irvine, Orange, Santa Ana, and Tustin stations.
- B. Direct staff to prepare the required cooperative agreements or amendments with the cities listed above and the California Department of Transportation to incorporate video surveillance systems at Metrolink stations and to present to the Board of Directors for review and authorization.

**12. Cooperative Agreement with the Southern California Regional Rail Authority for Implementation of Orange County Metrolink Station Destination Signage**

A motion was made by Director Green, seconded by Director Buffa, and declared passed by those present, to authorize the Chief Executive Officer to enter into Cooperative Agreement C-7-1144 between the Orange County Transportation Authority and the Southern California Regional Rail Authority, in an amount not to exceed \$208,240, for implementation, management, fabrication, and installation of destination signage at dual-platform Orange County Metrolink stations.

**13. Draft 2007 Orange County Congestion Management Program Release for Public Review**

A motion was made by Director Green, seconded by Director Buffa, and declared passed by those present, to direct staff to release the draft 2007 Orange County Congestion Management Program report for public review.

**14. Amendment to Cooperative Agreement with the California Department of Transportation for the Riverside Freeway (State Route 91) Express Lanes Concrete Median Barrier Modification Project**

A motion was made by Director Green, seconded by Director Buffa, and declared passed by those present, to authorize the Chief Executive Officer to execute Amendment No. 1 to Cooperative Agreement No. 12-555 between the Orange County Transportation Authority and the California Department of Transportation. This amendment will terminate the Riverside Freeway (State Route 91) Express Lanes Concrete Median Barrier Modification Project and refund to the California Department of Transportation \$500,000 paid to the Orange County Transportation Authority.

**15. Approval of Cooperative Agreement for the Riverside Freeway (State Route 91) Westbound Lane Addition Between the Santa Ana Freeway (Interstate 5) and the Orange Freeway (State Route 57)**

A motion was made by Director Moorlach, seconded by Director Campbell, and declared passed by those present, to authorize the Chief Executive Officer to execute Cooperative Agreement C-7-1153 with the California Department of Transportation to provide quality assurance activities for the Project Report/Environmental Approval phase for the westbound Riverside Freeway (State Route 91) between the Santa Ana Freeway (Interstate 5) and the Orange Freeway (State Route 57).

**16. Amendment to Agreement with the Department of California Highway Patrol**

Director Moorlach pulled this item and inquired why this amendment is required.

Tom Bogard, Director of Highway Project Delivery, responded that this is necessary due to the period of work being extended to complete the project.

A motion was made by Director Campbell, seconded by Director Dixon and declared passed by those present, to authorize the Chief Executive Officer to execute Amendment No. 4 to Agreement C-4-0588 between the Orange County Transportation Authority and the Department of California Highway Patrol, in an amount not to exceed \$350,000, for additional traffic control services.

**17. Alameda Corridor East Grade Separations Environmental Impact Report Additional Funding Request**

A motion was made by Director Green, seconded by Director Buffa, and declared passed by those present, to:

- A. Authorize the Chief Executive Officer to respond to the City of Placentia's request for the Orange County Transportation Authority to assume lead agency responsibilities for the completion of the environmental impact report for the Alameda Corridor East grade separations by offering staff support for completion of that report.
- B. Approve an amendment to the Orange County Transportation Authority Fiscal Year 2007-08 Budget and authorize the use of up to \$200,000 of Commuter Urban Rail Endowment funds for the completion of the environmental impact report for the Alameda Corridor East grade separations.
- C. Authorize the Chief Executive Officer to execute an agreement with the City of Placentia for the use of Commuter Urban Rail Endowment funds for the completion of the environmental impact report for the Alameda Corridor East grade separation. Funds shall be provided on a reimbursement basis, and \$50,000 of the \$200,000 shall be retained until the state and federal environmental process is completed.

**18. Cooperative Agreement with the City of Fullerton for the Go Local Program**

A motion was made by Director Green, seconded by Director Buffa, and declared passed by those present, to authorize the Chief Executive Officer to execute Cooperative Agreement C-7-1012 between the Orange County Transportation Authority and the City of Fullerton, in an amount not to exceed \$100,000, to enhance pedestrian and bicycle access between the Fullerton Transportation Center and off-site parking.

**19. Selection of a Consultant for Preparation of Plans, Specifications, and Estimates for the El Camino Real Soundwall**

A motion was made by Director Green, seconded by Director Buffa, and declared passed by those present, to:

- A. Select RMC, Inc., as the highest qualified firm to provide design services for the preparation of plans, specifications, and estimates for El Camino Real soundwall.
- B. Authorize the Chief Executive Officer to request a cost proposal from RMC, Inc., and negotiate an agreement for their services.
- C. Authorize the Chief Executive Officer to execute the final agreement.

**20. Imperial Highway Smart Street Update**

A motion was made by Director Green, seconded by Director Buffa, and declared passed by those present, to:

- A. Approve the City of Brea's request for an additional \$2,228,391 for construction on Imperial Highway Smart Street.
- B. Increase Measure M Smart Street Program allocations by \$2,228,391 for the Imperial Highway Smart Street between Harbor Boulevard and Rose Drive, utilizing available capacity within the Smart Street Program to facilitate the above action.

**21. Human Resources Overview**

A motion was made by Director Green, seconded by Director Buffa, and declared passed by those present, to receive and file this item for information only.

**22. Property Insurance Policy Renewal**

Director Mansoor pulled this item and asked for clarification of insurance coverage on buses. Manager of Risk Management, Al Gorski, responded the buses are self-insured for the property.

A motion was made by Director Mansoor, seconded by Director Green, and declared passed by those present, to authorize the Chief Executive Officer to issue Purchase Order A03772, in an amount not to exceed \$400,000 to Marsh Risk and Insurance Services, Inc., for the purchase of property insurance on behalf of the Orange County Transportation Authority for the period of December 1, 2007 to November 30, 2008.

**23. Bus Rapid Transit Market Analysis**

A motion was made by Director Green, seconded by Director Buffa, and declared passed by those present, to receive and file this item for information only.

**Orange County Transit District Consent Calendar Matters**

**24. Request for Proposals for the Technology Elements of Bus Rapid Transit Project**

A motion was made by Director Green, seconded by Director Buffa, and declared passed by those present, to:

- A. Approve the proposed evaluation criteria and weightings.
- B. Approve the release of a Request for Proposals for a Consultant to design, furnish, and install the technology elements of the bus rapid transit project.

**25. Amendment to Agreement for Americans with Disabilities Act On-Board Performance Monitoring**

A motion was made by Director Green, seconded by Director Buffa, and declared passed by those present, to authorize the Chief Executive Officer to execute Amendment No. 2 to Agreement C-5-2581, between the Orange County Transportation Authority and Transit Access, in an amount not to exceed \$59,592, exercising the second option year for on-board performance monitoring.

**26. Agreement for Joint Sealant Replacement for Concrete Pavement at the Anaheim Base**

A motion was made by Director Green, seconded by Director Buffa, and declared passed by those present, to authorize the Chief Executive Officer to execute Agreement C-7-1031 between the Orange County Transportation Authority and Pacific Waterproofing & Restoration, Inc., the lowest responsive, responsible bidder, in an amount not to exceed \$177,177, for joint sealant replacement at the Anaheim Base.

**27. Agreement for Structural Modifications and Waterproofing at the Anaheim Base Parking Structure**

A motion was made by Director Green, seconded by Director Buffa, and declared passed by those present, to authorize the Chief Executive Officer to execute Agreement C-7-0971 between the Orange County Transportation Authority and Kitson Specialty Contracting, Inc., the lowest responsive, responsible bidder, in an amount not to exceed \$597,775, for structural modifications and waterproofing at the Anaheim Base parking structure.

**28. Agreement for Maintenance Uniform Rental and Cleaning Services**

A motion was made by Director Green, seconded by Director Buffa, and declared passed by those present, to authorize the Chief Executive Officer to execute blanket purchase order C-71000 between the Orange County Transportation Authority and Prudential Overall Supply, in an amount not to exceed \$267,660, for maintenance uniform rental and cleaning service for a three-year period with one option year.

**29. Amendment to Agreement for Bus Stop Maintenance**

Director Mansoor pulled this item and asked if this service overlaps with Los Angeles in certain areas, and Executive Director of Transit, Beth McCormick, responded that there are a few areas (Hawaiian Gardens, Lakewood, Cerritos) in which service does overlap.

Director Mansoor asked (regarding page two) how many times per week graffiti is cleaned. Ms. McCormick responded she will get that data to answer this question.

A motion was made by Director Mansoor, seconded by Director Buffa, and declared passed by those present, to authorize the Chief Executive Officer to execute Amendment No. 4 to Agreement C-3-0810 between the Orange County Transportation Authority and ShelterCLEAN, Inc., in an amount not to exceed \$1,000,000, to exercise the final option year to perform on-going preventive and corrective maintenance at each of the Orange County Transportation Authority's bus stop locations.

**30. Request for Title Transfer of Surplus Vehicles for Golden Guardian 2007 Security Exercise**

A motion was made by Director Green, seconded by Director Buffa, and declared passed by those present, to authorize the Chief Executive Officer to transfer title of two retired Orange County Transportation Authority buses to the City of Anaheim Police Department.

**Orange County Local Transportation Authority Consent Calendar Matters**

**31. Bus System Planning and Implementation**

Director Mansoor pulled this item and inquired about the difference between a regular or a transfer route and the headway involved in each. Chief Executive Officer, Arthur T. Leahy, responded this would be a 30-minute frequency, or headway. Therefore, the average wait time would be 15 minutes.

A motion was made by Director Mansoor, seconded by Director Rosen, and declared passed by those present, to receive and file this item as information only.

**Regular Calendar**

**Orange County Transportation District Regular Calendar Matters**

**32. ACCESS Performance Measurement Update and Overview of Use of Taxis in ACCESS Service**

Erin Rogers, Manager of Community Transportation Services, provided an update report on ACCESS service and the taxi service which supports it.

Ms. Rogers' report included data and updates on:

- √ Weekly and monthly on-time performance
- √ Service delivery failures
- √ Weekly customer comments
- √ Use of taxis in the ACCESS Program
- √ ACCESS trips by service provider
- √ Same-day taxi program, and passenger trips on this service
- √ Future challenges and considerations

**32. (Continued)**

Director Campbell requested that staff explore opportunities for federal funds which may be available for obtaining ACCESS accessible taxicabs.

Public comment was heard from Craig Puckett, President of Call Oscar, California Yellow Cab, under the company name of American Logistics. Mr. Puckett stated that his company has strived to be the best and assured all drivers are held to federal requirements for drug testing, sensitivity training, and data reporting.

Director Pulido asked that the issue of wheelchair accessible vehicles be brought before the Transit Planning and Operations Committee. Director Amante asked that the delta in trip fares could be examined to see if that money is available for use for these vehicles.

Director Moorlach requested that consideration be given to recognizing the outstanding Veolia employees at Board meetings.

A motion was made by Director Pulido, seconded by Director Dixon, and declared passed by those present, to receive and file this item as information.

**Orange County Local Transportation Authority Regular Calendar Matters**

**33. Garden Grove Freeway (State Route 22) Design-Build Project Update**

Tom Bogard, Director of Highway Project Delivery, provided an update on the Garden Grove Freeway State Route 22 (SR-22) Design-Build Project.

Timelines, work left to be completed, costs, and recent discussions were summarized by Mr. Bogard. He also detailed each upcoming milestone and the work that was necessary to satisfy the requirements for each.

David Smith, Principal on Site for Granite-Myers-Rados. provided comments for the scheduling of the landscaping work, which will take the project into the late spring of 2008.

Director Campbell requested a study be conducted in regard to sound levels on the SR-22 as heard by motorists driving the freeway.

**33. (Continued)**

A motion was made by Director Rosen, seconded by Director Bates, and declared passed by those present, to:

- A. Receive and file as an information item.
- B. Ratify an increase in the maximum costs to \$3.2 million for Contract Change Order No. 21 for the rubberized asphalt project on a portion of State Route 22 Garden Grove Freeway.

Director Pulido was not present for the vote on this item.

**Other Matters**

**34. Third Quarter Review of Chief Executive Officer's Goals for 2007**

Chief Executive Officer (CEO), Arthur T. Leahy, reviewed the goals laid out for 2007 and what has been accomplished to-date, as well as what is planned for the balance of the calendar year.

**35. Public Comments**

Chairman Cavecche announced that members of the public who wished to address the Board of Directors regarding any item appearing on the agenda would be allowed to do so by completing a Speaker's Card and submitting it to the Clerk of the Board.

No additional comments were received from the public.

**36. Chief Executive Officer's Report**

CEO, Mr. Leahy, reported that:

- √ Last week, Secretary Bonner (Secretary of Business, Transportation and Housing) asked the California Transportation Commission (CTC) to draft guidelines and propose a set of projects for the Trade Corridor Improvement Fund (1B goods movement funds) by December 31. This is a potentially difficult challenge for the CTC, and OCTA staff will continue to work with them.
- √ Last week, OCTA staff met with the Grand Jury to brief them on ACCESS. It is believed their information request has been satisfied.
- √ An event was held in Placentia last week on the Quiet Zone; Assemblymember Duvall and Deputy CEO Paul Taylor attended on behalf of OCTA;

**36. (Continued)**

- √ The Executive Office, Clerk of the Board, Internal Audit, Government Relations, Safety, and Motorists Services have moved to 12<sup>th</sup> floor of the Headquarters building;
- √ A special Legislative and Government Affairs Committee meeting will be held on September 26 to interview firms who offered proposals on the federal legislative lobbyist contract.
- √ Deputy CEO, Paul Taylor, introduced two CORO Fellows who will be working at the OCTA for the next several weeks. He also informed Board Members that Julie Espy from OCTA's Training Department, has been accepted to the American Public Transportation Association's Leadership Program.

**37. Directors' Reports**

Director Bates thanked staff for their assistance on the South Orange County Coastal Commission meeting, extending her appreciation to Paul Taylor in particular.

Director Brown informed the Board that the second track on the Metrolink line in Buena Park opened, and an event is planned for October 6 to dedicate the station. He further informed the Board that he attended the West Coast Council of Governments' conference.

**38. Closed Session**

A Closed Session was held:

- A. Pursuant to Government Code Section 54957.6 to meet with Orange County Transportation Authority designated representative Marva Phillips regarding collective bargaining agreement negotiations with the Teamsters Local 952 representing the maintenance employees.
- B. (THIS ISSUE WAS DEFERRED) Pursuant to Government Code Section 54957.6 to meet with Orange County Transportation Authority designated representative Sherry Bolander regarding collective bargaining agreement negotiations with the Teamsters Local 952 representing the coach operators.
- C. Pursuant to Government Code Section 54956.9(b)(1).

**38. (Continued)**

Following the Closed Session, open session was resumed, and General Counsel, Kennard R. Smart, Jr., reported out that the Board had approved in Closed Session a three-year collective bargaining agreement, commencing October 1, 2007, with the Teamsters Local 952, for the Maintenance employees' unit.

Directors Bates, Campbell, Nguyen, Pulido, and Winterbottom were not present for this vote.

**39. Adjournment**

The meeting adjourned at 11:52 a.m. Chairman Cavecche announced that the next regularly scheduled meeting of this Board will be held at **9:00 a.m. on Friday, October 5, 2007**, at the OCTA Headquarters.

ATTEST

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Wendy Knowles  
Clerk of the Board

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Carolyn V. Cavecche  
OCTA Chairman





BOARD COMMITTEE TRANSMITTAL

**October 5, 2007**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject:** Orange County Transportation Authority's Draft 2008 State Legislative Platform

Legislative and Government Affairs/Public September 20, 2007  
Communications Committee

**Present:** Directors Bates, Buffa, Cavecche, Glaab, Mansoor, and Rosen  
**Absent:** Director Campbell

**Committee Vote**

This item was passed by all Committee Members present.

**Committee Recommendation**

Authorize staff to circulate copies of the Draft 2008 State Legislative Platform to advisory groups, Orange County legislative delegations, cities, and interested members of the public.



**September 20, 2007**

**To:** Legislative and Government Affairs/Public Communications Committee

**From:** Arthur T. Leahy, Chief Executive Officer 

**Subject:** Orange County Transportation Authority's Draft 2008 State Legislative Platform

### **Overview**

An initial draft of the Orange County Transportation Authority's 2008 State Legislative Platform has been prepared for Board of Directors consideration to direct staff to circulate for further review and comment by interested parties.

### **Recommendation**

Authorize staff to circulate copies of the Draft 2008 State Legislative Platform to advisory groups, Orange County legislative delegations, cities, and interested members of the public.

### **Discussion**

Annually, Orange County Transportation Authority (OCTA) staff collects legislative ideas from interested parties within Orange County, subsequently evaluating and consolidating suggestions and strategies into a framework document to guide OCTA's state legislative activities for the upcoming year.

### **2008 State Legislative Platform**

The Draft 2008 State Legislative Platform, presented as Attachment A, is proposed to update the adopted 2007 program based upon what has transpired in Sacramento this year and what is anticipated to be the key issues next year.

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Proposed changes from the 2007 State Legislative Platform are designated by underlined and strikeout text. The attachment incorporates new suggestions and initiatives solicited by OCTA staff from the following groups:

- OCTA Board Members (Board)
- OCTA advisory groups
- OCTA division directors, department managers, and staff
- Orange County federal and state legislative delegation members
- Cities, chambers of commerce, and the County of Orange
- Orange County community based organizations and associations

Over 300 groups and individuals were asked to consider issues important to OCTA or problems currently affecting Orange County transportation that might be addressed by legislative solutions. State Relations staff considered the ideas and input received when writing the Draft 2008 State Legislative Platform.

Major new sections and concepts included in this year's platform reflect current and anticipated issues in the 2008 legislative session. With Sacramento continuing to divert transportation dollars to cover General Fund expenditures, securing future transportation funding will remain a top priority for transportation agencies throughout the state. The fiscal year (FY) 2007-2008, state budget will redesignate half of next year's generated "spillover" revenue towards General Fund expenditures and fails to provide any safeguards from future diversions. Additionally, AB 32 – the Global Warming Solutions Act of 2006 (Chapter 488, Statutes of 2006) requires the California Air Resources Board (CARB) to create regulations to reduce emissions within the state to 1990 levels by 2020. These future regulatory actions coupled with transportation funding reductions will have major impacts on OCTA's services, transportation policy development, and Orange County residents.

Major bills proposed to be sponsored are as follows:

- Sponsor legislation that will facilitate expanding the continuous access high occupancy vehicle lane program in Orange County to Costa Mesa Freeway (State Route 55).
- Sponsor legislation authorizing the use of design-build for the installation of transit safety and security technologies. (Continued from AB 387 from 2007)

- Co-sponsor, with the City of Anaheim, legislation that would extend the initial operating segment of the California High-Speed Rail System from the Los Angeles area to Anaheim. (Continued from AB 1228 from 2007)

There were also a few suggestions that were received that are still being evaluated and researched. One suggestion was to further examine increasing the ability to shift funds awarded under the State Transportation Improvement Program (STIP) between phases and projects within the program year. OCTA's development staff has indicated that current California Transportation Commission (CTC) guidelines limit the flexibility transportation agencies are given in shifting STIP funds within a programmed year. Other ideas still being reviewed include push/pull operations (rail), locomotive emission mandates, and streamlining the design and construction of rail station overpasses.

Lastly, staff also received a few suggestions that, after further evaluation, were not included in the Draft 2008 State Legislative Platform. Several of these policy ideas include prohibiting homeowners associations from restricting vanpool vehicles from parking in residential neighborhoods, exempting local sales tax measure plans from requirements as specified under the California Environmental Quality Act (CEQA), and expanding the use of a \$1 vehicle registration fee beyond funding the highway call box operation system. Currently homeowners' associations possess the authority to prohibit vehicles with signage, artwork, etc. to park within the respective neighborhoods. Many times this also includes vanpool vehicles. Staff researched and concluded that the board of a homeowner's association has the authority to draft their own policies including parking restriction/limitation guidelines. Another suggestion was to propose exempting voter-approved sales tax measures plans from meeting CEQA requirements. Upon further review, staff concluded that with the State Legislature continuing to make environmental policy a top priority, any measure which would provide CEQA exemptions would not be fully considered. Lastly, staff concluded that based on previous Board decisions, sponsoring legislation which would expand the use of the \$1 registration fee dedicated to operating the County's highway call box system would not be consistent with OCTA's goals and objectives.

#### Next Steps

Upon the Board's authorization, staff will circulate the Draft 2008 State Legislative Platform to key audiences for additional comment and revision. After further staff refinement, the Legislative and Government Affairs/Public Communications Committee will provide a final review and make a recommendation to the Board of Directors. The final 2008 State Legislative

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Platform will be forwarded to the Board for adoption at its November 9, 2007, meeting.

***Summary***

Upon Board authorization, the Draft 2008 State Legislative Platform will be circulated for review and brought back to the Board in November for adoption.

***Attachment***

- A. Draft Orange County Transportation Authority 2008 State Legislative Platform

**Prepared by:**



Manuel S. Leon  
Senior Government Relations  
Representative  
(714) 560-5393

**Approved by:**



P. Sue Zuhlke  
Chief of Staff  
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# Orange County Transportation Authority 2008 State Legislative Platform

## Key Transportation Policy Issues in 2008

A number of pressing transportation issues are expected to be discussed in the 2007 legislative session. A few of these key issues have been highlighted in this section including: Infrastructure Bonds, Proposition 42, Public-Private Partnerships, Design-Build Authority, Goods Movement, and Spillover. A number of significant transportation issues are expected to be discussed in the 2008 legislative session. A few of these key issues are highlighted in this section including: Transportation Funding, Goods Movement, Infrastructure Bonds, and AB 32 Implementation.

### Transportation Funding

California's fiscal year (FY) 2007-2008 budget diverts an estimated \$1.3 billion from the Public Transportation Account (PTA) to cover General Fund expenditures. Funds derived from the PTA are used for transit capital improvement projects and public transit operational expenses. The ongoing state budget deficit has led to the Legislature diverting significant sums of transportation dollars to balance the state's fiscal deficiencies. This year's diversion will cause public transit agencies throughout the State to consider making serious cuts to transportation projects and/or reduce services.

### Spillover

"Spillover" revenue is generated through a calculation of the difference between a portion of the state sales tax on all goods and the sales tax on gasoline. "Spillover" revenue is required by statute to be deposited into the PTA to cover public transit expenditures, but has historically been largely diverted to non-public transportation purposes. A significant amount of this year's \$1.30 billion transportation funding diversion came from "spillover". Additionally, the FY 2007-2008 state budget permanently redirected fifty percent of "spillover" revenue annually to cover General Fund expenditures. The remaining "spillover" revenues will be distributed in the following manner: two-thirds will be distributed to the State Transit Assistance Fund and one-third will be distributed into the PTA. However, in the signing message for this measure, the Governor indicated that such statutory protection must be evaluated on a year-to-year basis, leaving open the possibility of additional funds being diverted in future years.

### Proposition 42

Passed in 2002, Proposition 42 requires the transfer of the state sales tax on gasoline from the General Fund to the Transportation Investment Fund (TIF) to fund transportation improvements around the state. In 2006, California voters passed Proposition 1A which closed the "loop-hole" in Proposition 42 by only permitting loans to the General Fund, rather than full or partial suspensions. These loans would be required to be repaid with interest within three years. The FY 2007-2008 state budget fully funds

Proposition 42 which is projected to generate \$1.48 billion for transportation projects statewide. Additionally, \$83 million from the “spillover” diversion was used to repay past Proposition 42 suspensions to provide General Fund relief.

In 2008, OCTA will continue to:

- a) Support the expedited repayment of all Proposition 42 loans.
- b) Oppose efforts to divert transportation revenue sources to be used for General Fund expenditures.
- c) Oppose the diversion of various transportation revenue sources to be allocated towards Proposition 42 repayments or future repayment of general funds obligation bonds.

### Infrastructure Bond Implementation

~~In 2006, voters approved a \$39 billion infrastructure bond package constituting the single largest investment in state infrastructure in decades. Specifically, Proposition 1B allocates over \$19 billion for transportation purposes and will be the with several programs being subject of to implementing legislation in the 2007 2008 legislative session. The California Transportation Commission (CTC) has already established working groups to direct the implementation effort. These five working groups are currently discussing the details of the programs established in the bond including the corridor mobility program, goods movement, the state-local partnership program, performance measures, and public-private partnerships. The Orange County Transportation Authority (OCTA) is actively involved in this effort. The FY 2007-2008 State Budget included trailer bill language that creates the structure and process to implement Proposition 1B programs such as Local Streets and Roads, Public Transportation Modernization, State Transportation Improvement, Corridor Mobility Improvement, State Highway Operations and Protection, and Air Quality along with Transit and Port Security. The Orange County Transportation Authority (OCTA) is actively involved in the implementation of these programs.~~

In 2007 2008, OCTA will:

- a) Support implementing legislation that increases funding directed towards Southern California and Orange County projects.
- b) Support implementing legislation that enables faster, more efficient delivery of transportation projects in Orange County.

## AB 32 Implementation

AB 32 - the Global Warming Solutions Act of 2006 (Chapter 488, Statutes of 2006) creates landmark greenhouse gas emission reduction requirements by setting the overall state goal of restoring emissions to 1990 levels by the year 2020. The California Air Resources Board (CARB), as the lead agency in the implementation of the Act, is to work collaboratively with other agencies and stakeholders to create regulations that are both technologically feasible and cost-effective. CARB has been directed to use a combination of both market-based compliance measures as well as traditional regulatory measures in carrying out this task.

On January 1, 2009, CARB is to adopt a Scoping Plan which will outline all measures to be used to achieve the aggressive goals outlined in the Act. These measures, in turn, must be enforceable by January 2012. Many different sectors will be affected by these regulations, including the transportation industry. In order to ensure that regulations are adopted which both help meet emission reduction targets and encourage the development of necessary infrastructure to meet the needs of California's growing population, in 2008 OCTA will:

- a) Support incentive-based compliance measures rather than punitive policies.
- b) Support efforts at inter-agency collaboration to prevent piecemeal regulation.
- c) Support efforts to prevent pre-emptive litigation under the California Environmental Quality Act before the necessary guidelines are established.
- d) Support the creation of grant programs to assist with compliance of the adopted regulations.
- e) Oppose efforts to create regulations that are not currently economically practicable or technologically feasible.
- f) Oppose legislation seeking to accelerate the implementation of AB 32 prior to thorough analysis by CARB and an appropriate opportunity for public notice and comment.

## **Proposition 42**

~~Approved by nearly 70 percent of voters in March 2002, Proposition 42 requires the transfer of the state sales tax on gasoline from the General Fund to the Transportation Investment Fund (TIF) to fund transportation improvements around the state. However, provisions contained in Proposition 42 have permitted the Legislature to suspend this transfer of revenue in any fiscal year with a two-thirds vote of the Legislature. Since its passage in 2002, Proposition 42 has been fully or partially suspended twice, diverting more than \$2 billion away from transportation purposes.~~

~~Proposition 1A, approved by the voters in 2006, closed the “loop-hole” in Proposition 42 by only permitting loans to the General Fund, rather than full or partial suspensions. These loans would be required to be repaid with interest within three years. Loans are now only permitted twice in a 10-year period and each loan has to be fully repaid before subsequent loans can be taken. Lastly, Proposition 1A specifies a repayment schedule for prior Proposition 42 suspensions.~~

~~In 2007, OCTA will continue to:~~

- ~~a) Support efforts to make the sales tax on gasoline a guaranteed revenue sources for transportation.~~
- ~~b) Support the expedited repayment of all Proposition 42 loans.~~
- ~~c) Oppose efforts to divert gasoline sales tax revenues from transportation purposes as intended by the voters with the passage of Proposition 42.~~

### **Public-Private Partnerships**

~~As state transportation funding shortfalls continue while the costs of building, maintaining, and expanding our infrastructure increases, innovative funding methods have become increasingly necessary to accommodate the growth in transportation system demands in California. Through the effective use of public-private partnerships, such projects as the 91 Express Lanes in Orange County have provided additional transportation capacity and improved transportation choices while being paid for by the system’s users.~~

~~The infrastructure bond agreement in 2006 included the authority for the California State Department of Transportation (Caltrans) to enter into eight public-private partnership agreements for the purposes of goods movement and high occupancy toll (HOT) lanes, with projects being split equally between the north and the south. The authorizing legislation, AB 1467 (Chapter 32, Statutes of 2006), was further clarified by AB 521 (Chapter 542, Statutes of 2006) which details the approval process by the Legislature for these agreements.~~

~~OCTA’s experiences with this innovative public-private partnership have provided valuable lessons in the use of this concept and in 2007, OCTA’s advocacy efforts will emphasize the following:~~

- ~~a) Support the use of public-private partnerships that increase highway capacity without limiting the ability to improve public facilities. (Moved to Roads and Highways section)~~
- ~~b) Cooperate with the Riverside County Transportation Commission on the possible extension of the existing 91 Express Lanes into Riverside County. (Moved to Roads and Highways section)~~

## **Design-Build**

Historically, California has built public transportation projects using a process known as design-bid-build. This process utilizes separate entities for design and construction of a highway facility. Often times, even the number of entities involved in the project alone can create massive delivery delays.

Public pressure to deliver high quality projects in an efficient and effective manner has spurred many states to pass legislation authorizing the use of the design-build process. Unlike the traditional method, where all design aspects must be finished before construction bids can be solicited, design-build places design and construction responsibilities in the hands of one firm. By synchronizing the design and construction phases, a project can be completed much faster than under the conventional method.

Currently, OCTA is utilizing its design-build authority in constructing a transit way, or high-occupancy vehicle (HOV) lanes, on the Garden Grove Freeway (State Route 22). By using design-build, the projected completion time of widening State Route 22 (SR-22) will be reduced by three to five years. The SR-22 project is expected to be completed on November 30, 2006, on time and on budget—exactly 800 days since the inception of the endeavor.

OCTA would like to build upon the efficient delivery schedule of the SR-22 project by having design-build authority available for the delivery of Phase II—the design and construction of two SR-22 interchange connector on-ramps. This project will link the new SR-22 HOV lanes with the vital corridors of the San Diego Freeway (Interstate 405) and the San Gabriel Freeway (Interstate 605).

In 2006, the Legislature debated legislation which would have provided broader design-build authority to Caltrans and local/regional transportation commissions but at the end was unable to pull together sufficient consensus to ultimately pass the bill. While discussions will continue in the Legislature in 2007 regarding design-build authority, OCTA will also pursue authorizing legislation that will allow transportation projects to be delivered in a faster, more efficient manner for the residents of Orange County.

In 2007, OCTA's advocacy efforts related to design-build will emphasize the following:

- a) Support legislation authorizing the use of design-build for transportation infrastructure without limiting the type of funding that can be used on the projects.
- b) Sponsor legislation authorizing the use of design-build for Phase II of the SR-22 project.
- c) Sponsor legislation authorizing the use of design-build for installation of homeland security and traffic management technologies.—(Moved to Roads and Highways section)

## **Goods Movement**

The movement of goods to and from the ports of Los Angeles and Long Beach (POLA/LB) has been a major contributor to traffic congestion on Orange County highways, streets, and roads. ~~Approximately 43 percent of containers entering and 23 percent of the containers leaving the United States travel through POLA/LB, making them the country's largest container ports. An estimated 43 percent of all United States (U.S.) container traffic and 54 percent of U.S./Asian containerized trade is handled by the port complex of POLA/LB, making them the fifth largest port complex in the world. Most significantly, 50 to 70 percent of the freight coming through POLA/LB is destined for other parts of the country outside of the Southern California region.~~

This trade volume is expected to triple in the next 20 years. This industry supports one out of every seven jobs in the state, contributing more than \$200 billion per year to the state's economy, including more than \$16 billion in tax revenues to state and local government. ~~An estimated 225,000 manufacturing jobs are directly related to freight movement in Southern California. An estimated 700,000 jobs in the logistics industry (e.g., trucking, railroads, and warehousing) are directly related to freight movement in Southern California, with nearly 107,000 of these jobs being located in Orange County.~~

Current revenue streams are not sufficient to fund the projects needed to offset the costs of moving these goods. Additionally, existing state and local infrastructure is unable to handle the increasing demands placed on it by the growth in goods moving through Southern California.

The need for significant investment in the goods movement system has prompted the inclusion of \$3.1 billion for goods movement and port security infrastructure in Proposition 1B, approved by the voters in 2006.

In ~~2007~~ 2008, OCTA's advocacy efforts in this regard will emphasize the following:

- a) Pursue new sources of funding for goods movement infrastructure.
- b) Continue to work with local, regional, state, and federal entities, as well as with the private sector, to develop and implement needed infrastructure projects.
- c) Ensure that public control of goods movement infrastructure projects is retained at the local level.
- d) Seek mitigation for the impacts of goods movement on local communities.

## **Spillover**

~~Enacted in 1971, the Transportation Development Act (TDA) was designed to enhance transportation funding in California without increasing the overall sales tax rate by reducing the state sales tax on all goods by one quarter percent and allowing each county board of supervisors to impose a one quarter percent sales tax for local~~

~~transportation purposes. All 58 counties chose to enact the one quarter percent sales tax.~~

~~As the reduction in the state sales tax would impact state General Fund revenues, a state sales tax was then imposed on gasoline to mitigate the loss to the General Fund. At the time, the amount of revenue generated by imposing the state sales tax on gasoline was equivalent to the one quarter percent sales tax on all goods thus holding harmless the General Fund from any loss of revenue.~~

~~The following year, as gas prices increased, the state sales tax on gasoline generated more revenue than the state lost through the diversion of the one quarter cent sales tax on all goods to counties. The imposition of the state sales tax on gasoline was not intended to create a windfall for the General Fund, so legislation was enacted that required any excess revenue be transferred to what is now known as the Public Transportation Account (PTA) to be used for transit purposes. This excess revenue has become known as “spillover.”~~

~~However, voter approved Proposition 42 which dedicated the state sales tax on gasoline that is transferred to the General Fund to the Transportation Investment Fund for transportation purposes, does not capture “spillover” revenues. Since “spillover” goes directly from the Retail Sales Tax Fund to the PTA, it is never transferred to the General Fund, and therefore, is not available for the purposes of Proposition 42. The Legislature has used spillover in the past to balance the state budget and cover the cost over-runs on the Bay Bridge. Spillover continues to be vulnerable to legislative diversion, despite the protections offered by Proposition 42 to other transportation funding.~~

~~Therefore, OCTA will:~~

- ~~a) Support the elimination of the statute that requires the spillover set aside, thus allowing all gasoline sales tax funds to flow to Proposition 42.~~

#### Sponsored Legislation

Each year, OCTA may consider sponsoring legislation that may clarify or address various transportation policy areas that require additional attention. This year, three major initiatives will be emphasized as sponsor bills:

- a) Sponsor legislation authorizing the use of design-build for the installation of transit safety and security technologies.
- b) Sponsor legislation that will facilitate expanding the continuous access high occupancy vehicle lane program in Orange County to State Route 55.
- c) Co-sponsor, with the City of Anaheim, legislation that would extend the initial operating segment of the California High-Speed Rail System from the Los Angeles area to Anaheim.

## I. STATE BUDGET

With continued state budget deficits, OCTA remains concerned about the status of transportation funding in California. Transportation loans, transfers, and suspensions totaling over ~~\$5~~ \$6 billion in the last ~~six~~ seven years have exacerbated the existing demand for transportation investment in California. In fact, the CTC has identified over \$120 billion in unfunded rehabilitation needs alone on California's highways, local streets and roads, and public transit over the next decade.

Consequently, OCTA will be alert to the further erosion of state funding, as well as state attempts to shift their costs to local entities or to secure a larger state share of federal transportation funding.

Key actions by OCTA will include:

- a) Oppose further loans from state highway and transit accounts to the state General Fund, deferral of existing loan repayment provisions, taking of "spillover" revenue from the Public Transportation Account, or relaxation of payback with interest provisions.
- b) Oppose unfunded mandates for transportation agencies and local governments in providing transportation improvements and services.
- ~~e) Oppose efforts to fund the Small Business Guarantee Program with spillover revenues unless it includes provisions to repay the loan with interest over a short term and holds the State Transit Assistance (STA) program harmless.~~
- d) c) Oppose cost shifts or changes in responsibility for projects funded by the state to the local transportation entities.
- e) d) Oppose ~~allocation~~ the diversion of OCTA's ~~statutory portions~~ share of the state highway and transit funding ~~programs~~ for alternative purposes.
- f) e) Support legislation to treat the property tax of single-county transit districts the same as multi-county districts and correct other Educational Revenue Augmentation Fund (ERAF) inequities between like agencies.
- g) f) Seek additional funding for paratransit operations, including service for persons with disabilities and senior citizens.
- h) g) Support the Constitutional protection of all transportation funding resources.
- ~~i) Seek legislation to keep Orange County's share of Service Authority for Abandoned Vehicles (SAAV) funding in Orange County.~~

## II. STATE/LOCAL FISCAL REFORMS AND ISSUES

As California's budget challenges continue, uncertainties over potential future structural changes remain. OCTA is concerned that local agencies will be impacted as the Legislature and Administration attempt to erase the budget deficit and repay loans coming due in the next few years.

Therefore, OCTA will:

- a) Oppose efforts to reduce local prerogative over regional program funds.
- b) Oppose instituting regional gasoline sales taxes or user fees that would not be directly controlled by county transportation commissions.
- c) Oppose efforts to increase the one and one-half percent cap on administrative fees charged by the Board of Equalization on the collection of local sales taxes measures.
- d) Oppose legislative efforts to redirect Proposition 116 funds outside of the county/region approved by the voters upon passage of the initiative.
- e) Oppose efforts to transfer traditional federal funding sources from local agencies to the state and support equitable distribution of new federal funding programs in the state implementation legislation for the federal surface transportation act.
- f) Support legislation protecting or expanding local decision-making in programming expenditures of transportation funds.
- g) Support efforts to ease or simplify local matching requirements for state and federal grants and programs.
- h) Support the retention of existing local revenue sources.
- i) Support legislation to protect the flexibility of federal aid highway funds by requiring state compliance with federal highway safety requirements.
- j) Support flexibility for obligating regional federal transportation funds through interim exchange instead of loss of the funds by the local agency.
- ~~k) Investigate updating the formula used to sub-allocate gas tax between counties and cities.~~
- ï) k) Support increased flexibility in state guidelines related to the use of state highway funds for soundwalls.

### III. STIP REFORM STREAMLINING

The State Transportation Improvement Program (STIP), substantially amended by SB 45, Kopp (Chapter 622, Statutes of 1997), is a programming document that establishes the funding priorities and project commitments for transportation capital improvements in California. The STIP is primarily was traditionally funded from the State Highway Account (SHA), but is increasingly only funded by Proposition 42 funds.

SB 45 placed decision-making closest to the problem by providing project selection for 75 percent of the funding in the Regional Transportation Improvement Program (RTIP). This funding is distributed to counties based on an allocation formula. The remaining 25 percent of the funds is programmed by the Caltrans in the Interregional Transportation Improvement Program (ITIP).

Key provisions to be sought by the OCTA include:

- ~~a) Sponsor legislation to guarantee reimbursement of project costs advanced with local funds for projects approved by the CTC in the STIP.~~
- b) a) Support legislation that maintains equitable “return to source” allocations of transportation tax revenues, such as updating north/south formula distribution of county shares and ITIP allocations.
- e) b) Support legislation to clarify that programming of county shares has priority over advancement of future county shares.
- d) c) Support maintaining the current STIP formula, which provides 75 percent of the STIP funding to the locally nominated RTIP and 25 percent to the ITIP Program.
- e) d) Support a formula based guaranteed disbursement of the ITIP.
- f) e) Support removing the barriers for funding transportation projects including allowing local agencies to advance projects with local funds when state funds are unavailable due to budgetary reasons, and allowing regions to pool federal, state, and local funds in order to limit lengthy amendment processes and streamline project delivery time.
- ~~g) Support exemptions for State Highway Operation and Protection Program (SHOPP) safety projects so that these projects can continue in the event the budget is not passed by the constitutional deadline.~~
- h) f) Support legislation to involve county transportation commissions in development and prioritization of SHOPP projects.

#### **IV. TRANSIT PROGRAMS**

In 2005, OCTA was recognized by the American Public Transportation Association as the “Outstanding Public Transportation System of the Year.” OCTA’s legislative efforts in ~~2007~~ 2008 will focus on allowing the agency to continue to provide the reliable, safe, and efficient bus service that riders have come to count on.

To that end, OCTA will focus on the following:

- a) Oppose unfunded transit mandates that may occur as part of California’s Olmstead Plan, which encourages independence in the disabled community.
- b) Support legislation to encourage the interoperability of smart card technology within California.
- c) Support legislation to limit the liability of transit districts for the location of bus stops (Bonanno v. Central Contra Costa Transit Authority).
- d) Support the siting of transit oriented development projects (i.e. authorize extra credit towards housing element requirements for these developments).
- e) Support additional funding for paratransit operations, including service for persons with disabilities and senior citizens.
- ~~f) Support legislation to reauthorize the yield to bus sign program in order to help buses flow smoothly back into traffic after a stop.~~

#### **V. ROADS AND HIGHWAYS**

OCTA’s commitment to continuously improve mobility in Orange County is reflected through a dynamic involvement in such innovative highway endeavors as the ownership of the 91 Express Lanes and the use of design-build authority on the SR-22 project. OCTA will continue to seek new and innovative ways to deliver road and highway projects to the residents of Orange County and to that end, in ~~2007~~ 2008, OCTA will focus on the following:

- a) Oppose efforts to create a conservancy that would affect the delivery of transportation projects under study or being implemented in the region.
- b) Support administrative policy changes to lower the oversight fee charged by Caltrans to ensure that project support costs are equivalent whether the project is administered by Caltrans or a local agency.
- c) Support improvements in major trade gateways in California to facilitate the movement of intrastate, interstate, and international trade beneficial to the state’s economy.

- d) Support streamlining of the Caltrans review process for projects, simplification of processes, and reduction of red tape, without compromising environmental safeguards.
- e) Explore viability of statutory authorization to manage construction projects on state highways similar to the authority vested in the Santa Clara Valley Transportation Authority
- f) Support customer privacy rights while maintaining OCTA's ability to effectively communicate with customers and operate the 91 Express Lanes.
- g) Work with Caltrans to ensure design specifications for bridges are free from defect.
- h) Seek cooperation from the state, the county, cities, and other local jurisdictions to implement street signal coordination, prioritization, preemption, and use of intelligent transportation systems measures.
- i) Work with Caltrans to further improve street signal coordination by permitting the coordination of on and off-ramp signals with local street signal synchronization efforts.
- j) Seek an administrative/legislative remedy that increases utilization of HOV lanes, including unlimited ingress/egress and use by single occupant vehicles during off-peak hours.
- k) Support studying the policies, funding options, and need for rail/highway grade separations including any impact on existing state highway and transit funding sources.
- l) Support legislation authorizing the use of design-build for transportation infrastructure without limiting the type of funding that can be used on the projects. (moved from design-build key policy issues)
- m) Support the use of public-private partnerships that increase highway capacity without limiting the ability to improve public facilities. (moved from public-private partnerships key policy issues)
- n) Cooperate with the Riverside County Transportation Commission on the possible extension of the existing 91 Express Lanes into Riverside County. (moved from public-private partnerships key policy issues)

## **VI. RAIL PROGRAMS**

Metrolink is Southern California's commuter rail system that links residential communities to employment and activity centers. In ~~2006~~-2007, Metrolink celebrated its 42<sup>th</sup> 13<sup>th</sup> anniversary of operation in Orange County. Orange County is served by three routes: the Orange County (OC) Line, the Inland Empire-Orange County (IEOC) Line, and the 91 Line (Riverside-Fullerton-Los Angeles).

Currently, OCTA administers 68 miles of track that carry more than 3 million passengers per year. OCTA's Metrolink capital budget is funded through a combination of local, state, and federal funding sources.

In addition to Orange County Metrolink services, two other rail systems could also travel through the county at some point in the future – High Speed Rail and Magnetic-Levitation (Maglev). While the status and future of these programs is uncertain, OCTA will be watchful to ensure that funding for these rail systems does not impact other transportation funding sources.

Key advocacy efforts will emphasize the following:

- ~~a) Co-sponsor, with the City of Anaheim, legislation that would extend the initial operating segment of the California High Speed Rail System from the Los Angeles area to Anaheim. (moved to sponsored legislation section)~~
- b) a) Support legislation that encourages mixed-use development around rail corridors.
- ~~c) Support equitable distribution of bond revenue for feeder rail service.~~
- d) b) Support legislation that will aid in the development, approval, and construction of projects to expand goods movement capacity and reduce congestion.

## **VII. ADMINISTRATION/GENERAL**

General administrative issues arise every session that could impact OCTA's ability to operate efficiently. Key positions include:

- a) Oppose legislation and regulations adversely affecting OCTA's ability to efficiently and effectively contract for goods and services, conduct business of the Authority, and limit or transfer the risk of liability.
- b) Support legislation that is aimed at controlling, diminishing, or eliminating unsolicited electronic messages that congest OCTA's computer systems and reduce productivity.
- c) Support legislation that establishes reasonable liability for non-economic damages in any action for personal injury, property damage, or wrongful death brought against a public entity based on principles of comparative fault.
- d) Support legislation that would provide for consistency of campaign contribution limits applied to both elected and appointed bodies.
- e) Monitor legislation affecting drivers' license privileges and standards related to age.

## VIII. ENVIRONMENTAL POLICIES

Changes in environmental laws can affect OCTA's ability to plan, develop, and build transit, rail, and highway projects. While OCTA has been a leading advocate for new cleaner transit technologies and the efficient use of transportation alternatives, it also remains alert to new, conflicting, or excessive environmental statute changes.

Key positions include:

- a) Oppose efforts to grant special interest groups or new bureaucracies control or influence over the CEQA process.
- ~~b) Oppose expanded use of HOV lanes for purposes not related to congestion relief or air quality improvement.~~
- e) b) Oppose legislation that restricts road construction by superseding existing broad-based environmental review and mitigation processes.
- d) c) Support creative use of paths, roads, and abandoned rail lines using existing established rights of way to promote bike trails and pedestrian paths.
- e) d) Support incentives for development, testing, and purchase of clean fuel commercial vehicles.
- f) e) Support an income tax credit to employers for subsidizing employee transit passes.
- g) f) Support efforts to seek funding for retrofitting or re-powering heavy duty trucks and buses for cleaner engines to attain air quality standards.
- h) g) Support legislation to require AQMD to grant transit demonstration projects a temporary relief from having to initiate or test new services with alternative fuel vehicles.
- i) h) Support legislation to further integrate state and federal environmental impact studies.
- ~~j) Work closely with the California Air Resources Board (CARB) on regulations governing greenhouse gas emission reductions as established by AB 32 (Chapter 488, Statutes of 2006). (moved to key issues section)~~

## **IX. EMPLOYMENT ISSUES**

As a public agency and one of the largest employers in Orange County, OCTA balances its responsibility to the community and the taxpayers to provide safe, reliable, cost-effective service with its responsibility of being a reasonable, responsive employer.

Key advocacy positions include:

- a) Oppose efforts to impose state labor laws on currently exempt public agencies.
- b) Oppose legislation that circumvents the collective bargaining process.
- c) Oppose legislation and regulations adversely affecting OCTA's ability to efficiently and effectively deal with labor relations, employee rights, benefits, Family Medical Leave Act, and working conditions, including health, safety, and ergonomic standards for the workplace.
- d) Support legislation that reforms the worker's compensation and unemployment insurance systems, and labor law requirements that maintain protection for employees and allow businesses to operate efficiently.
- e) Work closely with the County of Orange on legislation that is introduced that may affect membership in the Orange County Employees Retirement System.

## **X. TRANSPORTATION SECURITY**

With the recent increase in number and severity of terrorists attacks around the world on transit systems, greater emphasis is being placed on transportation security in the United States. As the County's bus provider and Metrolink partner, OCTA comprehends the importance of securing our transportation network and protecting our customers. Presently, OCTA maintains a partnership with the Orange County Sheriffs Department to provide OCTA Transit Police Services to the bus and train systems in Orange County. OCTA is also currently working with its community partners on an effort to install video surveillance systems at Metrolink stations and on buses to enhance security efforts.

Heightened security awareness, an active public safety campaign, and greater surveillance efforts, all require additional financial resources. Consequently, in ~~2007~~ 2008, OCTA's advocacy position will highlight:

- a) Support state homeland security and emergency preparedness funding and grant programs to local transportation agencies to alleviate financial burden placed on local entities.
- b) Support legislation that would reduce the time period to retain video surveillance records to reflect current reasonable technological capabilities.





BOARD COMMITTEE TRANSMITTAL

**October 5, 2007**

**To:** Members of the Board of Directors  
**From:** Wendy Knowles, Clerk of the Board  
**Subject:** Master Plan of Arterial Highways Status Report

Regional Planning and Highways Committee

October 1, 2007

**Present:** Directors Amante, Cavecche, Dixon, Glaab, Green, Mansoor,  
Norby, Pringle, and Rosen  
**Absent:** None

***Committee Vote***

This item was passed by all Committee Members present.

***Committee Recommendation***

Receive and file as an information item.



**October 1, 2007**

**To:** Regional Planning and Highways Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Master Plan of Arterial Highways Status Report

**Overview**

The Orange County Transportation Authority is responsible for administering the Master Plan of Arterial Highways, including the review and approval of amendments requested by local agencies. The status of pending Master Plan of Arterial Highways actions and projects is presented for the Board of Directors' information.

**Recommendation**

Receive and file as an information item.

**Background**

The Orange County Master Plan of Arterial Highways (MPAH) serves as a long-range blueprint to ensure consistent standards and coordinated planning for over 1,400 miles of arterial streets in Orange County. The MPAH was initially established in 1956 and is continuously updated to reflect changing development and traffic patterns. It is the only roadway plan of its type in Southern California, and provides a comprehensive planning tool that unifies local roadway plans to ensure regional balance and adequate capacity. Since 1990, consistency of local jurisdiction general plan circulation elements with the MPAH has been required for the receipt of Measure M funding by the cities and the County to implement projects on MPAH facilities.

As part of the MPAH consistency requirement, local jurisdictions must also obtain Orange County Transportation Authority (OCTA) approval of proposed changes to MPAH facilities on their general plan circulation elements. The MPAH Guidelines (copies available upon request) adopted by the OCTA Board of Directors (Board) on November 27, 1995, and amended in April 1998, include procedures to be followed by local agencies requesting amendments to

the MPAH. These guidelines are intended to ensure consistency in planning for roads at local and countywide levels. Procedures are summarized as follows:

- The local agency submits its request to change the transportation element of their general plan in writing to OCTA, including a detailed description of the proposed amendment and documentation to support the basis for the request, such as a traffic study to assess the impacts of the proposal.
- Upon receiving an MPAH amendment request and supporting documents, OCTA convenes a staff conference with the requesting agency and representatives of adjacent jurisdictions, if necessary. The conference will determine if there is mutual agreement on the proposed amendment.
- If there is mutual agreement, OCTA provides a written response to that effect and submits the request to the OCTA Board for approval. Upon OCTA Board approval, the local agency proceeds with the process of amending its general plan to reflect the change to its circulation element.
- If there is no mutual agreement or more information is needed, a cooperative study is initiated with the goal of reaching consensus between OCTA, the local agency, and affected jurisdictions as appropriate.

Proposed amendments are submitted to the OCTA Board on a quarterly basis for approval. Exceptions to this schedule may be made where a compelling need can be demonstrated by the local agency for approval prior to the next scheduled quarterly approval.

### ***Discussion***

There are currently 13 proposed amendments to the MPAH under review, in the cooperative study process, or on hold pending resolution of issues with other agencies or the refinement of development plans. A summary of these requests is shown in the table below.

JURISDICTION	STREET	REQUESTED ACTION / STATUS
Brea	Brea Boulevard	Downgrade from a major (6-lane divided) arterial to a primary (4-lane divided) arterial. Status: on hold at the request of the City of Brea.
Brea	Puente Street/Whittier Boulevard	Downgrade from secondary (4-lane undivided) arterial to collector (2-lane) street. Status: cooperative study in process.
Brea	Tonner Canyon Road/ Valencia Avenue	Delete. Status: on hold pending resolution of Four Corners issues.
Costa Mesa	19 <sup>th</sup> Street	Delete Santa Ana River bridge. Status: no action currently. Need consensus of all three affected cities (Costa Mesa, Huntington Beach, and Newport Beach).
County of Orange	Rancho Mission Viejo Circulation Plan	Develop a circulation plan for the proposed Rancho Mission Viejo community. Status: cooperative study completed in 2004. County revised request to add only Cow Camp Road at this time.
Dana Point	Golden Lantern	Downgrade from major (6-lane divided) arterial to a primary (4-lane divided) arterial. Status: on hold pending completion of South Orange County Major Investment Study.
Huntington Beach	Hamilton Avenue	Delete west of Newland Street. Status: on hold at the request of the City of Huntington Beach.
Irvine	Bake Parkway, Ridge Route, and Santa Maria Avenue	Delete proposed southerly sections of these arterials. Status: cooperative study in process.
Irvine	Great Park Circulation Plan	Add future streets to the MPAH within the former El Toro airbase area. Status: on hold pending finalization of Great Park development plan.
La Habra	Whittier Boulevard/ Palm Street	Downgrade from secondary (4-lane undivided) arterial to collector (2-lane) street. Status: cooperative study in process.
Seal Beach	Edinger Avenue Extension	Delete future extension from current terminus west to Pacific Coast Highway (PCH)/(State Route 1). Status: under review/consulting with the City of Seal Beach.
Tustin	Tustin Legacy Streets	Add circulation plan for the Tustin Legacy development to the MPAH. Status: Status: on hold at the request of the City of Tustin until plan finalized for secondary streets.
Westminster	Hoover Street/Gothard Street Connector	Delete. Status: deletion opposed by Huntington Beach. No action at this time. Need consensus of both cities.

OCTA continues to work with Orange County local agencies to update the MPAH through cooperative studies and related efforts. Staff will continue to keep the Board updated through periodic status reports.

**Summary**

OCTA is responsible for administering the MPAH, including the review and approval of amendments requested by local agencies. Several amendments have been proposed by local jurisdictions. These are under study by OCTA and are summarized for the Board's review.

**Attachment**

None.

**Prepared by:**



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**Approved by:**



Kia Mortazavi  
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(714) 560-5741





BOARD COMMITTEE TRANSMITTAL

**October 5, 2007**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject:** Bus Stop Accessibility Program Construction Update

Transit Planning and Operations Committee

September 27, 2007

**Present:** Directors Brown, Dixon, Green, Moorlach, Nguyen, Norby,  
Pulido, and Winterbottom  
**Absent:** None

***Committee Vote***

This item was passed by all Committee Members present.

Directors Nguyen and Pulido were not present to vote on this item.

***Committee Recommendation***

Approve an increase of \$1,995,000 in Transportation Development Act, Article 3 funds for the Bus Stop Accessibility Program to complete construction of the improvements to the final group of stops.



**September 27, 2007**

**To:** Transit Planning and Operations Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Bus Stop Accessibility Program Construction Update

**Overview**

The Orange County Transportation Authority continues to work collaboratively with Orange County local agencies to address the Americans with Disabilities Act deficiencies at bus stops. This report provides an update on the construction of the Bus Stop Accessibility Program.

**Recommendation**

Approve an increase of \$1,995,000 in Transportation Development Act, Article 3 funds for the Bus Stop Accessibility Program to complete construction of the improvements to the final group of stops.

**Background**

The Orange County Transportation Authority's (Authority) fixed-route bus service uses more than 6,000 stops throughout the County. The Authority is making all bus stops accessible to persons with disabilities as required by the Americans with Disabilities Act (ADA). In 1996, the Board of Directors dedicated the use of the Transportation Development Act, Article 3 funds to bring the Authority's bus stops into compliance with the ADA standards. The Bus Stop Accessibility Program (BSAP) was established to address ADA deficiencies present at bus stops throughout the County. A 1996 study found that a majority of Orange County's bus stops required improvements to comply with federal access standards. The modifications include constructing wheelchair ramps at intersections, adding sidewalks, and removing or relocating obstructions, such as shelters, benches, signs, and landscaping.

During the first phase of the BSAP, bus stop improvements were performed by local agencies. In total, over \$1.68 million was allocated to cities to improve accessibility to approximately 1,750 bus stops. Of the 1,750 stops, 1,335 required construction improvements.

The second phase of the program was managed by the Authority. Phase 2 included 1,250 bus stops located throughout 25 cities and unincorporated portions of the County. These stops were high-use stops prioritized by the likelihood of use by persons with disabilities. Of the 1,250 stops, 965 required construction improvements. The total cost for Phase 2 was \$2.82 million. Phase 2 brought the total of ADA-compliant stops to approximately 3,000.

The third phase of the BSAP is also being done by the Authority. This phase will address the remaining 3,500 stops in the County with an estimated cost of \$11.3 million. A total of 12 construction packages are anticipated to be issued during Phase 3. Of the 12 packages, eight have been constructed to date. Completion of Phase 3 will bring all bus stops into ADA compliance.

### ***Discussion***

#### **Design and Construction**

Phase 3 consists of 12 design packages and is 98 percent complete. Construction of packages 1 through 8 was completed in September 2007. Construction Package 9, in the cities of Mission Viejo, San Juan Capistrano, and Rancho Santa Margarita was awarded; however, the Authority has decided to terminate the contract with the lowest bidder, as it was found that the named project manager was debarred from the County of Los Angeles. This package was re-bid in September 2007. The design for Construction Package 10, in the cities of Laguna Woods, Laguna Hills, Aliso Viejo, Lake Forest, Laguna Niguel, Dana Point, and San Clemente is complete and is expected to be issued for bid in October with construction starting in January 2008. Construction Packages 11 and 12 are currently under review by the California Department of Transportation (Caltrans) for an encroachment permit and are also scheduled to be advertised in October with construction starting in January 2008.

#### **Schedule**

The construction of Phases 1 and 2 of the BSAP program was completed in Spring 2000 and Spring 2003, respectively. The construction of Phase 3 is scheduled to be completed by June 2008.

The original BSAP completion date was scheduled for the end of December 2007; however, due to unforeseen delays during the bidding and construction phases, the new completion date is now June 2008. For instance, in Phase 3, Construction Packages 3, 7, and 9 were re-bid due to disadvantaged business enterprise requirements, addendum requirements, and termination of contract. A contractor protest on package 9 also delayed the process by another two months. These changes have added approximately six months time to the

BSAP schedule. In addition, during construction of the bus stops, new city requirements, such as crosswalk modifications, construction of access ramps from curb return to curb return, pedestrian push buttons, drainage structures, and truncated domes were added, resulting in contract time extensions to the contractors.

**Budget and Funding**

During the development of the BSAP project budget in 2002, an estimated budget of \$13,805,000, including contingency, was developed for the program based on the actual cost for Phase 1 and estimated costs for Phases 2 and 3. During Phase 3, new construction standards and ADA accessibility guidelines were adopted resulting in the construction cost to increase significantly. New ADA accessibility guidelines required continuous accessibility from all sides leading to the bus stop. Furthermore, federal requirements to provide detectable warning devices, known as truncated domes, at each wheelchair ramp became part of the improvements. Detectable warning devices are distinctive tactile surfacing, on the surface of curb ramps, to warn people with vision impairments of their approach to streets.

Also, additional design and survey services were needed for special design of intersections located in central and south Orange County. Since the program was initiated, revised construction standards have been adopted resulting in revision and updating of the plans and specifications, adding new bus stop locations, extending construction support services, and developing a historical assessment report in cooperation with Caltrans.

Due to above mentioned revisions, a project budget increase of \$1,995,000 is required to complete the entire BSAP. This project budget increase includes an additional \$51,057 for design, \$1,807,558 for construction, \$95,000 for construction management and \$41,385 for project management services. There are sufficient funds available within the Transportation Development Act, Article 3 Funds to accommodate this budget increase. A summary of the project budget for the program is shown in the table below.

	Original Budget	Amended Budget
Design	\$ 1,458,000	\$ 1,509,057
Construction (includes contingency)	\$10,700,000	\$12,507,558
Construction Management	\$ 1,153,000	\$ 1,248,000
Project Management Services	<u>\$ 494,000</u>	<u>\$ 535,385</u>
Total	\$13,805,000	\$15,800,000

**Fiscal Impact**

The additional project budget increase for the BSAP was approved in the Authority's Fiscal Year 2007-08 Budget, Development Division, accounts 0051-7519-A4201-2BP, 0051-7519-A4201-7RY, 0051-9084-A4201-G6U, and 0051-9085-A4201-2D7 and is funded through the Transportation Development Act, Article 3 Funds.

**Summary**

The Authority and Orange County local agencies continue to work together to address ADA deficiencies present at bus stops. Significant progress has been made to complete the remaining construction packages in Phase 3. Completion of Phase 3 will bring all bus stops into ADA compliance.

**Attachment**

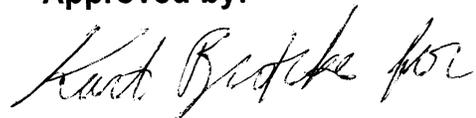
None.

**Prepared by:**



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**Approved by:**



Kia Mortazavi  
Executive Director, Development  
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*BOARD COMMITTEE TRANSMITTAL*

**October 5, 2007**

**To:** Members of the Board of Directors

WK

**From:** Wendy Knowles, Clerk of the Board

**Subject:** Approval of Cooperative Agreements for the Eastbound Riverside Freeway (State Route 91) Lane Addition Project Between the Eastern Transportation Corridor (State Route 241) and the Corona Expressway (State Route 71)

Regional Planning and Highways Committee

October 1, 2007

**Present:** Directors Amante, Cavecche, Dixon, Glaab, Green, Mansoor, Norby, Pringle, and Rosen

**Absent:** None

***Committee Vote***

This item was passed by all Committee Members present.

***Committee Recommendations***

- A. Authorize the Chief Executive Officer to execute Cooperative Agreement C-7-1151 between the Orange County Transportation Authority and the California Department of Transportation, in an amount not to exceed \$1,700,000, for the preparation of plans, specifications, and estimates for the eastbound Riverside Freeway (State Route 91) between the Eastern Transportation Corridor (State Route 241) and the Corona Expressway (State Route 71).
- B. Authorize the Chief Executive Officer to execute Cooperative Agreement C-7-1152 between the Orange County Transportation Authority and the California Department of Transportation, in an amount not to exceed \$1,016,400, for right-of-way and support services for the eastbound Riverside Freeway (State Route 91) between the Eastern Transportation Corridor (State Route 241) and the Corona Expressway (State Route 71).
- C. Amend the Orange County Transportation Authority's Fiscal Year 2007-08 Budget, expense accounts 0017-7514-FJ100-HGL by \$32,400 and 0017-9081-FJ100-HGL by \$324,000 with funding through the SR-91 Toll Road account.



**October 1, 2007**

**To:** Regional Planning and Highways Committee

**From:** Arthur T. Leahy, Chief Executive Officer *ATL:ra*

**Subject:** Approval of Cooperative Agreements for the Eastbound Riverside Freeway (State Route 91) Lane Addition Project Between the Eastern Transportation Corridor (State Route 241) and the Corona Expressway (State Route 71)

**Overview**

The Orange County Transportation Authority, in conjunction with the State Department of Transportation, has developed cooperative agreements for final design and right-of-way activities to deliver lane addition improvements to the eastbound Riverside Freeway (State Route 91) between the Eastern Transportation Corridor (State Route 241) and the Corona Expressway (State Route 71).

**Recommendations**

- A. Authorize the Chief Executive Officer to execute Cooperative Agreement C-7-1151 between the Orange County Transportation Authority and the California Department of Transportation, in an amount not to exceed \$1,700,000, for the preparation of plans, specifications, and estimates for the eastbound Riverside Freeway (State Route 91) between the Eastern Transportation Corridor (State Route 241) and the Corona Expressway (State Route 71).
- B. Authorize the Chief Executive Officer to execute Cooperative Agreement C-7-1152 between the Orange County Transportation Authority and the California Department of Transportation, in an amount not to exceed \$1,016,400, for right-of-way and support services for the eastbound Riverside Freeway (State Route 91) between the Eastern Transportation Corridor (State Route 241) and the Corona Expressway (State Route 71).
- C. Amend the Orange County Transportation Authority's Fiscal Year 2007-08 Budget, expense accounts 0017-7514-FJ100-HGL by

**Approval of Cooperative Agreements for the Eastbound Riverside Freeway (State Route 91) Lane Addition Project Between the Eastern Transportation Corridor (State Route 241) and the Corona Expressway (State Route 71)**

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\$32,400 and 0017-9081-FJ100-HGL by \$324,000 with funding through the SR-91 Toll Road account.

***Background***

Proposition 1B, which was approved by California voters on November 7, 2006, established the Corridor Mobility Improvement Account (CMIA) to provide congestion relief, enhanced mobility, improved safety, and stronger connectivity to benefit traveling Californians. The Orange County Transportation Authority (OCTA), in cooperation with the California Department of Transportation (Caltrans), submitted to the California Transportation Commission (CTC) a list of projects to be funded by the CMIA program that would be consistent with regional and state priorities and maintain needed corridor mobility. The Riverside Freeway (State Route 91) lane addition project between the Eastern Transportation Corridor (State Route 241) and the Corona Expressway (State Route 71) was selected by the CTC in May 2007 to receive funding for the construction of the improvements.

OCTA is currently the lead agency preparing the project report/environmental document for the project. The draft environmental document was released on August 1, 2007, for review. A public meeting was held on August 21, 2007, at the Green River Golf Course for public review and comment. The proposed project improvements to the State Route 91 (SR-91) between the State Route 241 (SR-241) and the State Route 71 (SR-71) include the construction of a fifth eastbound mixed-flow lane and widening of the existing lanes and shoulders to the standard widths. The environmental review for the project has an anticipated completion date of December 2007. The funding for this work came from SR-91 Toll Road account.

***Discussion***

Two cooperative agreements (Attachments A and B) have been developed with Caltrans to prepare the plans, specifications, and estimates (PS&E) and right-of-way certification. The timely delivery of the PS&E and right-of-way certification will be the responsibility of Caltrans. OCTA will contribute \$1,700,000 for the PS&E and \$1,016,400 for right-of-way acquisition. The original budget for the right-of-way phase was \$600,000 for capital and \$60,000 for support. These costs were based on the preliminary engineering design; however, with the advanced engineering plans these costs have increased to \$924,000 for capital and \$92,400 for support, leaving a shortfall

**Approval of Cooperative Agreements for the Eastbound Riverside Freeway (State Route 91) Lane Addition Project Between the Eastern Transportation Corridor (State Route 241) and the Corona Expressway (State Route 71)** **Page 3**

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of \$356,400. If approved by the Board of Directors, the additional amount of \$356,400, will be funded from the SR-91 Toll Road account.

**Fiscal Impact**

Funding for Cooperative Agreement C-7-1151 was approved in OCTA's Fiscal Year 2007-08 Budget, Development, Account 0017-7519-FJ100-HGL, and is funded through the SR-91 Toll Road account.

Funding for Cooperative Agreement C-7-1152 was partially approved in OCTA's Fiscal Year 2007-08 Budget, Development, accounts 0017-7514-FJ100-HGL, 0017-9081-FJ100-HGL, and 0017-9082-FJ100-HGL, and is funded through the SR-91-Toll Road account. An OCTA Fiscal Year 2007-08 Budget amendment of \$32,400 to Account 0017-7514-FJ100-HGL and \$324,000 to Account 0017-9081-FJ100-HGL is requested with funding through the SR-91 Toll Road account.

**Summary**

It is requested that the Board of Directors approve the proposed cooperative agreements between the Authority and Caltrans for the design and right-of-way phase of the SR-91 lane addition project between the SR-241 and the SR-71, and the use of an additional \$356,400 in the SR-91 Toll Road account.

**Attachments**

- A. Draft Cooperative Agreement C-7-1151 Between the Orange County Transportation Authority and the California Department of Transportation
- B. Draft Cooperative Agreement C-7-1152 Between the Orange County Transportation Authority and the California Department of Transportation

**Prepared by:**



Dipak Roy, P.E.  
Project Manager  
(714) 560-5863

**Approved by:**



Kia Mortazavi  
Executive Director, Development  
(714) 560-5741

**DRAFT Cooperative Agreement C-7-1151  
Between the Orange County Transportation Authority  
and the California Department of Transportation**

**COOPERATIVE AGREEMENT**

This AGREEMENT, ENTERED INTO EFFECT ON \_\_\_\_\_, 2007 is between the STATE OF CALIFORNIA, acting by and through its Department of Transportation, referred to herein as “STATE”, and

ORANGE COUNTY TRANSPORTATION AUTHORITY,  
A public corporation of the State of California,  
Referred to here as “AUTHORITY”

RECITALS

1. STATE and AUTHORITY, pursuant to Streets and Highways Code Section 114 and 130, are authorized to enter into a Cooperative Agreement for improvements to the STATE Highway System (SHS) within AUTHORITY's jurisdiction.
2. AUTHORITY desires State highway improvements consisting of widening an additional lane in the eastbound direction from the SR-241/SR-91 interchange to the SR-71/SR-91 interchange on Route 91 in Orange County and Riverside County, referred to herein as "PROJECT", and is willing to contribute to the funding of PROJECT, as shown in the Exhibit A, attached hereto and made an express part of this Agreement.
3. STATE is authorized to do all acts necessary, convenient or proper for the construction of improvements to all highways under its jurisdiction, possession or control.
4. AUTHORITY is authorized to plan, design, acquire right of way and construct projects on the State highway system to be funded from retail transaction and use taxes.
5. AUTHORITY is prepared to authorize STATE to assist in the design of PROJECT and STATE desires to prepare plans, specifications, and estimate (PS&E) for PROJECT in order to bring about the earliest possible construction of PROJECT.
6. Right of Way acquisition and Construction for PROJECT will be the subjects of separate future Agreements.
7. The parties hereto mutually desire to cooperate in the design of PROJECT and desire to specify herein the terms and conditions under which PROJECT is to be designed and financed.

SECTION I

STATE AGREES

1. To prepare, or cause to have prepared the PS&E for PROJECT. The PS&E are to be prepared in accordance with STATE's laws, rules, regulations, policies, procedures, manuals, standard plans and specifications, and other standards including compliance with Federal Highway Administration (FHWA) requirements.
2. If STATE uses consultants to perform any of the design services, STATE shall provide oversight at STATE expense.
3. To account for all PS&E costs for PROJECT to be paid for by AUTHORITY, pursuant to this Agreement. STATE shall utilize a project management system to monitor project development and design schedules and costs. STATE shall present a progress report to AUTHORITY, on a monthly basis, of each work task relative to attached workplans, schedules, and costs. Any significant changes in schedule or

cost will be anticipated in advance and presented to AUTHORITY for approval.

4. To provide to AUTHORITY an estimated payment schedule of PS&E share of costs as shown on Exhibit A, attached and made a part of this Agreement. Said schedule shall represent the quarterly estimated payment schedule of reimbursable PS&E costs.
5. To transmit to AUTHORITY monthly by electronic facsimile a summary listing of STATE charges for PS&E costs for PROJECT and, within 7 working days thereafter, to submit a detailed billing for such charges with supporting information.
6. Upon receipt of a notice of invoice discrepancy from AUTHORITY, if STATE disputes such claim, STATE shall so notify AUTHORITY within 7 working days. STATE shall credit undisputed claims to AUTHORITY in its current funding request. Upon final resolution of a disputed claim, STATE shall make the appropriate credit or debit to AUTHORITY's PROJECT account.
7. To provide monthly expenditure reports to AUTHORITY. STATE shall monitor actual expenditures versus the estimate on a monthly basis and revise billings accordingly.
8. Within 90 days after completion of PS&E for PROJECT and all work incidental thereto, to furnish AUTHORITY with a detailed statement of the total actual costs of PS&E for PROJECT. STATE thereafter shall refund to AUTHORITY (promptly after completion of STATE's final accounting of PROJECT costs) any amount of AUTHORITY's payments STATE is holding after actual costs to be borne by AUTHORITY have been deducted, or to bill AUTHORITY for any additional amount required to complete AUTHORITY's financial obligation pursuant to this Agreement.
9. To retain, or cause to be retained for audit by AUTHORITY's auditors, for a period of 3 years from date of processing the final payment under this Agreement, all records and accounts relating to PS&E activities of PROJECT, and make such materials available at STATE's District 12 Office. Copies thereof shall be furnished to AUTHORITY if requested by AUTHORITY.
10. To submit a final report of expenditures to AUTHORITY within 120 days after completion and acceptance by AUTHORITY of the PS&E package for PROJECT.
11. To submit to AUTHORITY immediately following execution of this Agreement, an initial billing in the amount of \$485,715,. Said initial billing shall represent AUTHORITY's estimated initial deposit for two quarters estimated cost of preparation of the PS&E. Thereafter, STATE shall prepare and submit quarterly billing statements to AUTHORITY for estimated expenditures for preparation of the PS&E for PROJECT one quarter in advance as preparation of the PS&E for PROJECT proceeds.
12. If electronic fund transfer is not available to AUTHORITY, to provide AUTHORITY quarterly reports of actual expenditures compared of the monthly advances made by AUTHORITY and to provide updated planned reimbursement schedules. The cash deposit amounts may be revised based on the updated planned expenditure schedules. STATE will monitor the actual versus the planned expenditures monthly to assure that AUTHORITY advance deposits pursuant to Section II, Articles (3) and (4) will always be sufficient.

SECTION II

AUTHORITY AGREES

1. To have detailed PS&E work for PROJECT prepared by STATE and to reimburse STATE the AUTHORITY's share of cost for said PS&E package.
2. To bear 25.4% of the actual PS&E cost for PROJECT, which is estimated to be \$1,700,000. Said cost of PS&E shall include costs of providing personnel resources and their equipment and all direct and indirect costs (functional and administrative overhead assessments) attributable to PS&E applied in accordance with STATE's standard accounting procedures. The actual cost of PS&E for PROJECT shall be determined after completion of all work and upon final accounting of costs.
3. AUTHORITY's initial total obligation for the costs of PS&E for PROJECT is \$1,700,000. The total obligation may be increased to cover costs in excess of the initial estimated total costs of PS&E by authorization from both STATE and AUTHORITY in writing. Such increase in total obligation will be subject to the vote of AUTHORITY, the certified results of which will be incorporated by reference into this Agreement without the necessity of a written amendment.
4. Upon receipt of STATE's quarterly summary of charges for PS&E cost for PROJECT to be paid by AUTHORITY, AUTHORITY will within 3 working days transfer funds electronically (wire) to STATE, equal to the amount requested therein. Such electronic transfer of funds shall not be construed as acceptance of said charges. Should AUTHORITY fail to make electronic fund transfer payments within the 3 day period, STATE may, at its discretion and after notification to AUTHORITY, require all subsequent payments by AUTHORITY to be made as deposits in advance of incurring obligations as follows.
  - a. To deposit with STATE within 20 working days of receipt of an initial billing from STATE, the amount of AUTHORITY's one month estimated expenditure for PS&E. Thereafter, to deposit with STATE within 10 working days preceding the beginning of each month, AUTHORITY's one month estimated expenditures for PS&E for that month based on billings received from STATE and to continue making such advance deposits of estimated expenditures on a monthly basis until completion of PS&E for PROJECT
  - b. To make supplemental payments when required within 20 calendar days after receipt of invoice if at any time the deposited funds are insufficient to meet actual costs.
  - c. To pay STATE upon completion of all PS&E work within 20 days of receipt of a detailed statement made upon final accounting of costs therefor, any amount over and above the aforesaid advance deposit required to complete AUTHORITY's financial obligation pursuant to this Agreement.

5. Upon receipt of STATE's complete billings with supporting information, AUTHORITY will endeavor to notify STATE in writing within 7 working days and no more than 30 days, of charges with which AUTHORITY disagrees.
6. To pay for all costs associated with the establishment of electronic fund transfers for AUTHORITY and each outgoing bank wire transfer fee assessed to AUTHORITY and each incoming bank wire transfer fee assessed to STATE.
7. To provide STATE with a certificate of funding which shall be attached hereto and made a part of this Agreement. This certificate shall indicate that funds are budgeted for payment to STATE and shall be executed by the designated fiscal officer of AUTHORITY.
8. To deposit with STATE within 25 days of receipt of billing therefor (which billing will be forwarded immediately following execution of this Agreement, the amount of \$485,715. Said figure represents the estimated initial deposit for two quarters estimated cost for preparation of the PS&E for PROJECT. The total cost to AUTHORITY of preparation of the PS&E is estimated to be \$1,700,000. Thereafter, to deposit with STATE not later than ten (10) working days preceding the beginning of each quarter, the estimated expenditures for that quarter and to continue making such advance deposits on a quarterly basis until completion of the PS&E package by STATE for PROJECT. STATE has no obligation after notifying AUTHORITY to perform any work should costs of STATE effort exceed, at any time, the advance deposit of funds from AUTHORITY paid to STATE.

### SECTION III

#### IT IS MUTUALLY AGREED:

1. All PARTIES to this Agreement understand that they are responsible to meet the requirements of Section 8879.23 of the Government Code (Proposition 1B legislation), the Governor's Executive Order 2007-S-02-07, the California Transportation Commission (CTC) Corridor Mobility Improvement Account (CMIA) Program Guidelines for the applicable Program (CMIA, 99, etc.), and the PROJECT Scope, cost and schedule and benefit baseline data agreement (BASELINE AGREEMENT) as shown in the Exhibit B, attached and made a part of this agreement. Bond funding for the proposed project as identified in this agreement shall not to exceed funding stated in the BASELINE AGREEMENT. Any change to any other funding commitment in this PROJECT requires a BASELINE AGREEMENT amendment prior to amending this Agreement.
2. All obligations of STATE under the terms of this Agreement are subject to the appropriation of resources by the Legislature, State Budget Act authority, and the allocation of funds by (CTC).
3. It is understood that a separate Cooperative Agreements will be required to cover responsibilities and funding for the PROJECT Right of Way work and Construction phase.
4. It is understood that separate Utility Agreements will be required to cover

responsibilities and funding for the protection, relocation, or removal of utility facilities for PROJECT.

5. In the event AUTHORITY requests STATE commence the PS&E work prior to approval of the PA&ED for PROJECT and/or prior to FHWA approval of PROJECT, AUTHORITY acknowledges the risk thereof and agrees to pay all costs incurred by STATE if changes to the PS&E are necessitated by said PA/ED and/or FHWA approval.
6. In the event that there is a dispute between AUTHORITY and STATE regarding the dollar amount, or portions of the dollar amount, on receipt of STATE's complete billing or monthly summary listing of charges, AUTHORITY agrees to transfer funds electronically (wire) to STATE for the full amount requested, including the disputed sum, until such time as that dispute is resolved. Within 60 days of receiving receipt of written notice of a billing dispute from AUTHORITY, STATE's District Director for District 12 will provide AUTHORITY with a written decision on resolution of the dispute. If AUTHORITY is not satisfied with the District Director's decision, AUTHORITY may appeal the District Director's decision to the State Local Programs Dispute Resolution Committee (LPDRC) for final resolution. The LPDRC will have 60 days to make a final resolution after receiving AUTHORITY written appeal.
7. Nothing in the provisions of this Agreement is intended to create duties or obligations to or rights in third parties to this Agreement or affect the legal liability of either party to the Agreement by imposing any standard of care with respect to the maintenance of State highways different from the standard of care imposed by law.
8. Neither STATE nor any officer or employee thereof is responsible for any damage or liability occurring by reason of anything done or omitted to be done by AUTHORITY under or in connection with any work, authority or jurisdiction delegated to AUTHORITY under this Agreement. It is understood and agreed that STATE shall fully defend, indemnify and save harmless the State of California, all officers and employees from all claims, suits or actions of every name, kind and description brought forth under, including, but not limited to, tortuous, contractual, inverse condemnation and other theories or assertions of liability occurring by reason of anything done or omitted to be done by AUTHORITY under this Agreement.
9. Neither AUTHORITY nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by STATE under or in connection with any work, authority or jurisdiction arising under this Agreement. It is understood and agreed that, STATE shall fully defend, indemnify and save harmless the AUTHORITY and all of its officers and employees from all claims, suits or actions of every name, kind and description brought forth under, including, but not limited to, tortuous, contractual, inverse condemnation and other theories or assertions of liability occurring by reason of anything done or omitted to be done by STATE under this Agreement.
10. Nothing in the provisions of this Agreement is intended to create duties or obligations to or rights in third parties not parties to this Agreement or to affect the legal liability of either party to the Agreement by imposing any standard of care with respect to the operation, or maintenance of State Highways and public facilities different from the standard of care imposed by law.

11. No alteration or variation of the terms of this Agreement shall be valid unless made in writing in an Amendment to this Agreement and signed by the parties hereto and no oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.
12. Prior to completion of PS&E for PROJECT, AUTHORITY may terminate this Agreement by written notice, provided AUTHORITY pays STATE for all PROJECT related costs. All engineering and environmental documents, including raw data and draft plans, specifications and estimates, prepared up to the time of termination shall become property of STATE.
13. If termination of this Agreement is by mutual consent, STATE will bear 74.6% and AUTHORITY will bear 25.4% of all PROJECT related costs incurred by STATE prior to termination.
14. Except as otherwise provided in Articles (11) and (12) above, this Agreement shall terminate upon completion of PS&E for PROJECT by STATE, or on December 30, 2010, whichever is earlier in time, unless all parties agree to an extension of time.

STATE OF CALIFORNIA

ORANGE COUNTY TRANSPORTATION  
AUTHORITY

Department of Transportation  
WILL KEMPTON Director of  
Transportation

By: \_\_\_\_\_  
JIM BEIL  
Deputy District Director  
Project Delivery  
District 12

By: \_\_\_\_\_  
ARTHUR T. LEAHY  
Chief Executive Officer, OCTA

Approved as to Form and Procedure:

By: \_\_\_\_\_  
Attorney  
Department of Transportation

By: \_\_\_\_\_  
KENNARD R. SMART  
AUTHORITY, General Counsel

Approved: \_\_\_\_\_ Date: \_\_\_\_\_

Certified as to Financial Terms and  
Conditions::

\_\_\_\_\_  
KIA MORTAZAVI  
Executive Director, Development

\_\_\_\_\_  
Accounting Administrator

Certified as to Funds:

\_\_\_\_\_  
NEDA SABER  
District Budget Manager

12-ORA-91 KP 25.6/32.0 (PM 15.9/18.9)  
 08-RIV-91 KP 0.0/4.7 (PM 0.0/2.9)  
 Widening SR-91 From SR-241/SR-91  
 To SR-71/SR-91 Interchange

Exhibit "A"

ESTIMATE SUMMARY

PS&E work Cost (AUTHORITY's Share) **\$ 1,700,000**

Estimated Payment Schedule  
**June, 2007 thru September, 2008**

Payment Schedule	\$ Amount/Quarter
06/2007 (Initial Payment)	485,715
09/2007	242,857
12/2007	242,857
03/2008	242,857
06/2008	242,857
09/2008	242,857
<b>Total</b>	<b>\$1,700,000</b>

Estimated Summary for PS&E Cost

AUTHORITY' s Share	STATE's Share	Total Estimated Cost
\$1,700,000	\$5,000,000	\$6,700,000
(25.4 %)	(74.6%)	(100%)

Exhibit "B"  
BASELINE AGREEMENT

**CORRIDOR MOBILITY IMPROVEMENT ACCOUNT  
PROJECT SCOPE, COST, SCHEDULE, AND BENEFIT BASELINE DATA**

<b>County:</b> Orange/Riverside	<b>Route:</b> 91	<b>PPNO:</b> 4678
<b>Project Title:</b> Add one lane on EB SR-91 from SR-241/SR-91 to SR-71/SR-91		

We acknowledge the scope, cost, schedule, and benefits as identified on the attached project fact and funding sheets are the baseline for project monitoring by the California Transportation Commission and its Corridor Mobility Improvement Account Project Delivery Council. We certify that funding sources cited are committed and expected to be available; the estimated costs represent full project funding, and the description of benefits is the best estimate possible.

*Arthur T. Leahy*

5-21-07

Arthur T. Leahy  
Chief Executive Officer  
Orange County Transportation Authority

*Eric Haley* 5/22/2007

Eric Haley  
Executive Director  
Riverside County Transportation Commission

*Received  
AK 5/22/07*

*Will Kempton*

5/21/07

Will Kempton  
Director  
California Department of Transportation

*John F. Barna, Jr.*

6-4-07

John F. Barna, Jr.  
Executive Director  
California Transportation Commission

## CORRIDOR MOBILITY IMPROVEMENT ACCOUNT

### Project Fact Sheet

**Lead Agency: Caltrans** **Fact Sheet Date: 05/10/07**

Contact Person	Leo Chen		
Phone Number	949-223-5431	Fax Number	949-440-4465
Email Address	Leo_Chen@dot.ca.gov		

**Project Information:**

County	Caltrans District	PPNO *	EA *	Region/MPO/ TIP ID*	Route / Corridor *	Post Mile Back *	Post Mile Ahead *
Orange	12	4678	0G0400	SCAG	91	15.9	RIV 2.9

\* NOTE: PPNO & EA assigned by Caltrans. Region/MPO/TIP ID assigned by RTPA/MPO. Route/Corridor & Post Mile Back/Ahead used for State Highway System.

Legislative Districts	Senate: 33, 36 Assembly: 66, 71	Congressional: 43, 47
-----------------------	------------------------------------	-----------------------

Implementing Agency (by component)	E&P (PA&ED): OCTA	PS&E: Caltrans, District 12
	R/W: Caltrans, District 12	CON: Caltrans, District 12

Project Title: Add one lane EB SR-91 from SR-241/SR-91 to SR-71/SR-91

**Location - Project Limits - Description and Scope of Work** (Provide a project location map on a separate sheet and attach to this form)  
Add one EB lane from SR-91/SR-241 (PM 15.9) to SR-71/SR-91 interchange (RIV 2.9) and widen all EB lanes and shoulder to standard widths. The project will involve Districts 8 and 12. **The replacement planting for this project may be split out at the time of vote.**

**Description of Major Project Benefits**

Daily Vehicle Hours of Delay Saved	6,215	Hrs.
Daily Peak Hour Person-Minutes Saved	495,033	Min.

Other:

Corridor System Management Plan	Month/Year
Lead Agency:	Caltrans
Plan Adoption Date:	May-09
Plan Implementation Date:	Jun-09

**Expected Source(s) of Additional Funding if the Current Funding Plan Proves Insufficient**  
Additional Toll Revenues or STIP funding would be utilized to fully fund this project.

Project Delivery Baseline (Milestones)	Month/Year
Begin Environmental Phase (PA&ED)	May-04
Draft Environmental Document Milestone	Aug-07
Draft Project Report Milestone	Aug-07
End Environmental Phase (PA&ED Milestone)	Dec-07
Begin Design Phase	Jul-07
End Design Phase (Plans, Specifications, and Estimates Milestone)	Mar-09
Begin Right-of-Way	Jul-07
End Right-of-Way (Right-of-way Certification Milestone)	Mar-09
Begin Construction Phase	Aug-09
End Construction Phase (Construction Contract Acceptance Milestone)	Sep-11
Begin Closeout Phase	Sep-11
End Closeout Phase (Closeout Report Milestone)	Sep-15

NOTE: The CTC Corridor Mobility Improvement Account (CMIA) Program Guidelines should have been read and understood prior to preparation of the CMIA Fact Sheet. The CTC CMIA Guidelines and a template of this Project Fact Sheet are available at: <http://www.dot.ca.gov/hq/transprog/> and at: <http://www.ctc.ca.gov/>

**CORRIDOR MOBILITY IMPROVEMENT ACCOUNT  
Project Fact Sheet - Project Cost and Funding Plan**

(dollars in thousands and escalated)

Shaded fields are automatically calculated. Please do not fill these fields.

Date: 10-May-07

County	GT District	RPNO *	EA *	Region/MPO/TIP ID *
Orange	12	4678	0G0400	SCAG
Project Title: Add one lane EB SR-91 from SR-241/SR-91 to SR-71/SR-91				

\* NOTE: PPNO and EA assigned by Caltrans. Region/MPO/TIP ID assigned by RTP/AMPO

Proposed Total Project Cost								Project
Component	Prior	07/08	08/09	09/10	10/11	11/12	12/13	Total
E&P (PA&ED)	1,700	0	0	0	0	0	0	1,700
PS&E	0	6,700	0	0	0	0	0	6,700
R/W SUP (CT) *	0	60	0	0	0	0	0	60
CON SUP (CT) *	0	0	6,440	0	0	0	0	6,440
R/W	0	600	0	0	0	0	0	600
CON	0	0	65,000	0	0	0	0	65,000
<b>TOTAL</b>	<b>1,700</b>	<b>7,360</b>	<b>71,440</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>80,500</b>

**Corridor Management Improvement Account (CMIA) Program**

Component	Prior	07/08	08/09	09/10	10/11	11/12	12/13	Total
E&P (PA&ED)								0
PS&E								0
R/W SUP (CT) *								0
CON SUP (CT) *			6,440					6,440
R/W								0
CON			65,000	0				65,000
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>71,440</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>71,440</b>

\* NOTE: R/W SUP and CON SUP to be used only for projects implemented by Caltrans

**Funding Source: Local Funds - RCTC**

Component	Prior	07/08	08/09	09/10	10/11	11/12	12/13	Total
E&P (PA&ED)								0
PS&E		5,000						5,000
R/W SUP (CT) *								0
CON SUP (CT) *								0
R/W								0
CON								0
<b>TOTAL</b>	<b>0</b>	<b>5,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,000</b>

**Funding Source: Local Funds - Toll Revenues**

Component	Prior	07/08	08/09	09/10	10/11	11/12	12/13	Total
E&P (PA&ED)	1,700							1,700
PS&E		1,700						1,700
R/W SUP (CT) *		60						60
CON SUP (CT) *								0
R/W		600						600
CON								0
<b>TOTAL</b>	<b>1,700</b>	<b>2,360</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,060</b>

**Funding Source:**

Component	Prior	07/08	08/09	09/10	10/11	11/12	12/13	Total
E&P (PA&ED)								0
PS&E								0
R/W SUP (CT) *								0
CON SUP (CT) *								0
R/W								0
CON								0
<b>TOTAL</b>	<b>0</b>							

Shaded fields are automatically calculated. Please do not fill these fields.

**CORRIDOR MOBILITY IMPROVEMENT ACCOUNT  
Project Fact Sheet - Project Cost and Funding Plan**

(dollars in thousands and escalated)

Shaded fields are automatically calculated. Please do not fill these fields.

Date: 10-May-07

County	CT District	PPNO *	EA *	Region/MPO/TIP ID *
Orange	12	467B	0G0400	SCAG
Project Title: Add one lane EB SR-91 from SR-241/SR-91 to SR-71/SR-91				

\* NOTE: PPNO and EA assigned by Caltrans. Region/MPO/TIP ID assigned by RTP/AMPO

Funding Source:								
Component	Prior	07/08	08/09	09/10	10/11	11/12	12/13	Total
E&P (PA&ED)								0
PS&E								0
R/W SUP (CT) *								0
CON SUP (CT) *								0
R/W								0
CON								0
<b>TOTAL</b>	<b>0</b>							

Funding Source:								
Component	Prior	07/08	08/09	09/10	10/11	11/12	12/13	Total
E&P (PA&ED)								0
PS&E								0
R/W SUP (CT) *								0
CON SUP (CT) *								0
R/W								0
CON								0
<b>TOTAL</b>	<b>0</b>							

Funding Source:								
Component	Prior	07/08	08/09	09/10	10/11	11/12	12/13	Total
E&P (PA&ED)								0
PS&E								0
R/W SUP (CT) *								0
CON SUP (CT) *								0
R/W								0
CON								0
<b>TOTAL</b>	<b>0</b>							

Funding Source:								
Component	Prior	07/08	08/09	09/10	10/11	11/12	12/13	Total
E&P (PA&ED)								0
PS&E								0
R/W SUP (CT) *								0
CON SUP (CT) *								0
R/W								0
CON								0
<b>TOTAL</b>	<b>0</b>							

Shaded fields are automatically calculated. Please do not fill these fields.

**DRAFT Cooperative Agreement C-7-1152  
Between the Orange County Transportation Authority  
and the California Department of Transportation**

**COOPERATIVE AGREEMENT**

This AGREEMENT, ENTERED INTO EFFECT ON \_\_\_\_\_, 2007 is between the STATE OF CALIFORNIA, acting by and through its Department of Transportation, referred to herein as "STATE", and

ORANGE COUNTY TRANSPORTATION AUTHORITY,  
A public corporation of the State of California,  
Referred to here as "AUTHORITY"

RECITALS

1. STATE and AUTHORITY, pursuant to Streets and Highways Code Section 114, and Public Utilities Code Section 142154 are authorized to enter into a Cooperative Agreement for improvements to the State Highway System (SHS) in the County of Orange.
2. AUTHORITY desires State highway improvements consisting of widening an additional lane on Route 91 (SR 91) in eastbound direction from the SR-241/SR-91 interchange to the SR-71/SR-91 interchange in Orange County and Riverside County, referred to herein as "PROJECT", and is willing to fund one hundred percent (100%) of the actual costs for Right of Way (R/W) capital and support needed for PROJECT.
3. STATE and AUTHORITY agree that STATE will acquire the R/W parcels and perform R/W certification for PROJECT, at AUTHORITY's expense.
4. Construction for PROJECT will be the subject of separate future Agreements.
5. The parties hereto mutually desire to cooperate in the R/W work of PROJECT and desire to specify herein the terms and conditions under which PROJECT is to be designed and financed.

SECTION I

STATE AGREES

1. To perform all R/W activities including preparation of right of way maps and legal description. Said R/W activities shall include but not be limited to the following:
  - a. Prepare fair market value appraisals and relocation valuation.
  - b. Acquire property in STATE's name.
  - c. Provide required relocation assistance payments and service.
  - d. Open escrow, obtain title reports, and make arrangements to convey title and close escrow.
  - e. Complete acquisition through condemnation as required.
  - f. Provide all property management services.
  - g. Administer excess land if required.
  - h. Process utility relocation.
  - i. Provide R/W certification for PROJECT.
2. The R/W are to be prepared in accordance with STATE's laws, rules, regulations, policies, procedures, manuals, standard plans and specifications, and other standards including compliance with Federal Highway Administration (FHWA) requirements.

3. To provide legal services in connection with eminent domain actions. All eminent domain proceedings are dependent upon the adoption of a resolution of public use and necessity by the California Transportation Commission (CTC). STATE shall pursue such action according to current STATE procedures under the passage of a condemnation resolution by the CTC.
4. If STATE uses consultants to perform any of the R/W services, STATE shall provide oversight at STATE expense.
5. To account for the R/W capital and R/W support costs for PROJECT paid for by AUTHORITY, pursuant to this Agreement. STATE shall present a progress report to AUTHORITY, on a quarterly basis, of each work task relative to previously established schedules and costs. Any significant changes in schedule or cost will be anticipated in advance and presented to AUTHORITY for approval.
6. Upon completion of R/W acquisition for PROJECT and all work incidental thereto, to furnish AUTHORITY with a detailed statement of the total actual costs of R/W for PROJECT. STATE thereafter shall refund to AUTHORITY (promptly after completion of STATE's final accounting of PROJECT costs) any amount of AUTHORITY's payments STATE is holding after actual costs to be borne by AUTHORITY have been deducted, or to bill AUTHORITY for any additional amount required to complete AUTHORITY's financial obligation pursuant to this Agreement, non withstanding the provisions under Section II Article 1.
7. To retain, or cause to be retained for audit by AUTHORITY's auditors, for a period of 3 years from date of processing the final payment under this Agreement, all records and accounts relating to R/W activities of PROJECT, and make such materials available at STATE's District 12 Office. Copies thereof shall be furnished to AUTHORITY if requested by AUTHORITY.
8. The Parties agree that where protection, positive identification, relocation, or removal of public utility facilities is required as part of the defined PROJECT work, such work shall be performed and the cost liability of the Parties will be determined in accordance with California laws, regulations, policies, procedures, existing applicable agreements, the Department's "Policy on High and Low Risk Underground Facilities (Project Development Procedures Manual Appendix LL)", and Freeway Master Contracts for those facilities accommodating such work on the State Highway System, including freeway projects. Freeway project means any work, construction, alteration, or improvement of a freeway, performed within the access-controlled right-of-way of a freeway and/or other public roads or real property necessary for the completion of that Freeway project.
9. To submit a final report of expenditures to AUTHORITY within 120 days after completion and acceptance by AUTHORITY of the Project Plans, Specifications and Estimates (PS&E) package for PROJECT.
10. To submit to AUTHORITY immediately following execution of this Agreement, a billing in the amount of \$1,016,400. Said billing shall represent AUTHORITY's

100% share of the estimated R/W capital cost (\$924,000), and R/W support cost (\$92,400) for PROJECT.

## SECTION II

### AUTHORITY AGREES

1. To pay one hundred percent (100%) of the total actual R/W support, capital , legal and staff costs related to eminent domain activities for PROJECT, up to a maximum amount mentioned in Section II Article 2 . If it becomes apparent that the total maximum cost for R/W for PROJECT will exceed the maximum amount contributed by AUTHORITY, AUTHORITY shall work promptly and in cooperation with STATE to determine necessary additional costs and the source of the additional funds, until then STATE shall stop all R/W work agreed to under this Agreement.
2. To bear 100% of the actual R/W capital and R/W support costs for PROJECT, which is estimated to be \$1,016,400. Said costs of R/W shall include costs of providing personnel resources and their equipment and all direct and indirect costs (functional and administrative overhead assessments) attributable to R/W applied in accordance with STATE's standard accounting procedures. The actual cost of R/W for PROJECT shall be determined after completion of all work and upon final accounting of costs.
3. To deposit with STATE amount of \$1,016,400 towards R/W capital and R/W support costs within twenty (20) working days of receipt of billing from STATE which billing will be forwarded following execution of this agreement.
4. STATE has no obligation to perform any further R/W activities should the funds to perform R/W activities remain unavailable at any point of time during the life of this agreement. In the event that STATE terminates any participation in R/W acquisition activities, AUTHORITY or AUTHORITY's consultant has the option of performing these activities, at AUTHORITY expense.
5. Upon receipt of STATE's complete billings with supporting information, AUTHORITY will endeavor to notify STATE in writing within 7 working days and no more than 30 working days, of charges with which AUTHORITY disagrees.
6. To pay for all costs associated with the establishment of electronic fund transfers for AUTHORITY and each outgoing bank wire transfer fee assessed to AUTHORITY and each incoming bank wire transfer fee assessed to STATE.
7. To provide STATE with a certificate of funding which shall be attached hereto and made a part of this Agreement. This certificate shall indicate that funds are budgeted for payment to STATE and shall be executed by the designated fiscal officer of AUTHORITY.

SECTION III

IT IS MUTUALLY AGREED:

1. All obligations of STATE under the terms of this Agreement are subject to the appropriation of resources by the Legislature, State Budget Act authority, and the allocation of funds by the California Transportation Commission (CTC).
3. It is understood that a separate Cooperative Agreement will be required to cover responsibilities and funding for the PROJECT construction phase.
4. It is understood that separate Utility Agreements will be required to cover responsibilities and funding for the protection, relocation, or removal of utility facilities for PROJECT.
5. In the event that there is a dispute between AUTHORITY and STATE regarding STATE's monthly summary listing of charges, AUTHORITY will endeavor to notify STATE in writing. Within 60 days of receiving receipt of written notice of a billing dispute from AUTHORITY, STATE's District Director for District 12 will provide AUTHORITY with a written decision on resolution of the dispute. If AUTHORITY is not satisfied with the District Director's decision, AUTHORITY may appeal the District Director's decision to the State Local Programs Dispute Resolution Committee (LPDRC) for final resolution. The LPDRC will have 60 days to make a final resolution after receiving AUTHORITY written appeal.
6. Nothing in the provisions of this Agreement is intended to create duties or obligations to or rights in third parties to this Agreement or affect the legal liability of either party to the Agreement by imposing any standard of care with respect to the maintenance of State highways different from the standard of care imposed by law.
7. Neither STATE nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by AUTHORITY under or in connection with any work, authority or jurisdiction conferred upon AUTHORITY and arising under this Agreement. It is understood and agreed that AUTHORITY shall fully defend, indemnify and save harmless STATE and all its officers and employees from all claims, suits or action of every name, kind and description brought forth under, including, but not limited to, tortious, contractual, inverse condemnation and other theories or assertions of liability occurring by reason of anything done or omitted to be done by AUTHORITY under this agreement.
8. Neither AUTHORITY nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by STATE under or in connection with any work, authority or jurisdiction

conferred upon STATE and arising under this Agreement. It is understood and agreed that STATE shall fully defend, indemnify and save harmless AUTHORITY and all its officers and employees from all claims, suits or action of every name, kind and description brought forth under, including, but not limited to, tortuous, contractual, inverse condemnation and other theories or assertions of liability occurring by reason of anything done or omitted to be done by STATE under this agreement.

9. No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto and no oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.
10. Prior to completion of R/W acquisition for PROJECT, AUTHORITY may terminate this Agreement by written notice, provided AUTHORITY pays STATE for all PROJECT related costs. All engineering and environmental documents, including raw data and draft plans, specifications and estimates, prepared up to the time of termination shall become property of STATE.
11. If termination of this Agreement is by mutual consent, STATE will bear 0% and AUTHORITY will bear 100% of all PROJECT related costs incurred by STATE prior to termination.
12. Except as otherwise provided in Articles (10) and (11) above, this Agreement shall terminate upon completion of R/W work for PROJECT by STATE, or on December 30, 2011, whichever is earlier in time, unless all parties agree to an extension of time.

STATE OF CALIFORNIA  
DEPARTMENT OF TRANSPORTATION

ORANGE COUNTY TRANSPORTATION  
AUTHORITY

WILL KEMPTON  
Director of Transportation

By: \_\_\_\_\_  
JIM BEIL  
Deputy District Director  
Project Delivery

By: \_\_\_\_\_  
ARTHUR T. LEAHY  
Chief Executive Officer, OCTA

Approved as to Form and Procedure:

By:  \_\_\_\_\_  
Attorney  
Department of Transportation

Attest: By: \_\_\_\_\_  
KENNARD R. SMART  
AUTHORITY General Counsel

Certified as to Financial Terms and Conditions:

Approved:                      Date:

 \_\_\_\_\_  
Accounting Administrator

\_\_\_\_\_  
KIA MORTAZAVI  
Executive Director, Development

Certified as to Funds:

\_\_\_\_\_  
NEDA SABER  
District 12 Budget Manager





BOARD COMMITTEE TRANSMITTAL

October 5, 2007

**To:** Members of the Board of Directors  
**From:** Wendy Knowles, Clerk of the Board  
**Subject:** Consultant Selection for Preparation of Plans, Specifications, and Estimates for Improvements on the Northbound Orange Freeway (State Route 57) Between Orangethorpe Avenue and Lambert Road

Regional Planning and Highways Committee

October 1, 2007

**Present:** Directors Amante, Cavecche, Dixon, Glaab, Green, Mansoor, Norby, Pringle, and Rosen  
**Absent:** None

**Committee Vote**

This item was passed by all Committee Members present.

Director Rosen abstained pursuant to Government Code 84308.

**Committee Recommendations**

- A. Select RBF Consulting, one of the two top ranked firms, to prepare the plans, specifications, and estimates for the northbound Orange Freeway (State Route 57) between Orangethorpe Avenue and Yorba Linda Boulevard.
- B. Select CH2M Hill, one of the two top ranked firms, to prepare the plans, specifications, and estimates for the northbound Orange Freeway (State Route 57) between Yorba Linda Boulevard and Lambert Road.
- C. Authorize the Chief Executive Officer to request a cost proposal from RBF Consulting and negotiate agreement for their services.
- D. Authorize the Chief Executive Officer to request a cost proposal from CH2M Hill and negotiate agreement for their services.
- E. Authorize the Chief Executive Officer to execute the final agreements.



**October 1, 2007**

**To:** Regional Planning and Highways Committee

**From:** Arthur T. Leahy, Chief Executive Officer  
*ATL by RBF*

**Subject:** Consultant Selection for Preparation of Plans, Specifications, and Estimates for Improvements on the Northbound Orange Freeway (State Route 57) Between Orangethorpe Avenue and Lambert Road

### **Overview**

Proposals for consulting services to prepare the plans, specifications, and estimates for improvements on the northbound Orange Freeway (State Route 57) between Orangethorpe Avenue and Lambert Road were solicited in accordance with the Orange County Transportation Authority's procurement procedures for the retention of two consultants to perform architectural and engineering work. Board of Directors approval is requested for the selection of the firms to perform the required work.

### **Recommendations**

- A. Select RBF Consulting, one of the two top ranked firms, to prepare the plans, specifications, and estimates for the northbound Orange Freeway (State Route 57) between Orangethorpe Avenue and Yorba Linda Boulevard.
- B. Select CH2M Hill, one of the two top ranked firms, to prepare the plans, specifications, and estimates for the northbound Orange Freeway (State Route 57) between Yorba Linda Boulevard and Lambert Road.
- C. Authorize the Chief Executive Officer to request a cost proposal from RBF Consulting and negotiate agreement for their services.
- D. Authorize the Chief Executive Officer to request a cost proposal from CH2M Hill and negotiate agreement for their services.
- E. Authorize the Chief Executive Officer to execute the final agreements.

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***Background***

Improvements to the northbound Orange Freeway (State Route 57) between Orangethorpe Avenue and Lambert Road were included in the Renewed Measure M freeway program. This project was also selected to be in the State of California's Corridor Mobility Improvement Account (CMIA) program. The Orange County Transportation Authority (Authority) has proposed to advance this project by preparing plans, specifications, and estimates (PS&E) at this time to comply with the funding timetables of the CMIA program. The CMIA funds are expected to be matched with Measure M funds. The proposed improvements for this project consist of the addition of a fifth mixed-flow lane and auxiliary lanes.

Action by the Board of Directors divided the State Route 57 (SR-57) corridor between Orangethorpe Avenue and Lambert Road into two separate projects to encourage a broader number of bidders for engineering and construction services and more competitive pricing. Two engineering firms may be used to facilitate the preparation of two separate construction packages. The Authority received seven proposals in response to the Request for Proposals, confirming the strategy that splitting the corridor into two projects would elicit a broad participation by the engineering community.

A project report (PR) will be completed for this project in December 2007. The PR will recommend a preferred environmentally cleared alternative, which will be ready for construction upon completion of the PS&E.

***Discussion***

This procurement was handled in accordance with the Authority's procedures for architectural and engineering requirements, which conform to both federal and state law. Proposals were evaluated without consideration of cost and were ranked in accordance with the qualifications of the firm and the technical proposal.

The project was initially advertised on July 9, 2007, in a newspaper of general circulation and sent electronically to 2,138 firms registered on CAMM NET. A pre-proposal meeting was held on July 23, 2007, and was attended by 72 individuals, representing 49 firms. Addendum No. 1 was issued on July 10, 2007, for administrative changes to solicitation. Addendum No. 2 was issued on July 16, 2007, for administrative changes to solicitation. Addendum No. 3 was issued on July 24, 2007, for administrative changes to

**Consultant Selection for Preparation of Plans, Specifications,  
and Estimates for Improvements on the Northbound Orange  
Freeway (State Route 57) Between Orangethorpe Avenue and  
Lambert Road**

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**Page 3**

solicitation, to provide answers to questions received, and to post the pre-proposal conference registration sheet. Addendum No. 4 was issued on July 26, 2007, for administrative changes to solicitation and to provide answers to questions received. Addendum No. 5 was issued on August 1, 2007, to provide an answer to a question received.

On August 13, 2007, seven proposals were received. An evaluation committee composed of staff from the Development Division, the Contracts Administration and Materials Management Department, and the California Department of Transportation reviewed the proposed work plans and firm qualifications.

The evaluation committee reviewed all proposals and found four of the firms most qualified for the work. The four most qualified firms, in alphabetical order are:

Firm and Location

CH2M Hill  
Santa Ana, California

DMJM Harris  
Orange, California

RBF Consulting  
Irvine, California

URS Corporation  
Santa Ana, California

On August 30, 2007, the evaluation committee interviewed each of the four firms. Questions were asked relative to the firms' proposals and staff availability. Based on the evaluation of the proposals and interviews, the committee ranked RBF Consulting and CH2M Hill as the two top firms qualified to perform the work.

Staff is recommending RBF Consulting be assigned to the Orangethorpe Avenue to Yorba Linda Boulevard segment due to team expertise in coordinating and dealing with railroad facilities within the segment limits. Authority staff is recommending CH2M Hill be assigned to the Yorba Linda Boulevard to Lambert Road segment due to staffing and project organization qualifications requirements for this segment.

**Consultant Selection for Preparation of Plans, Specifications,  
and Estimates for Improvements on the Northbound Orange  
Freeway (State Route 57) Between Orangethorpe Avenue and  
Lambert Road**

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The two top ranked firms will be requested to submit a cost proposal and a final agreement will be negotiated with each firm. Should negotiations fail with the highest ranking firm(s), a cost proposal will be solicited from the next ranked firm(s) in accordance with the procurement policies previously adopted by the Board of Directors.

Authority staff is requesting authorization to negotiate two agreements, a separate agreement with each firm, for a maximum total amount of \$10 million for both agreements.

**Fiscal Impact**

Funding for this contract is included in the Authority's Fiscal Year 2007-08 Budget, Development Division, Account 0017-7519-FG102-HGU, and is funded through Local Transportation Authority funds.

**Summary**

Authority staff recommends the selection of RBF Consulting and CH2M Hill as the two top qualified firms to complete the two projects on northbound SR-57 between Orangethorpe Avenue and Lambert Road.

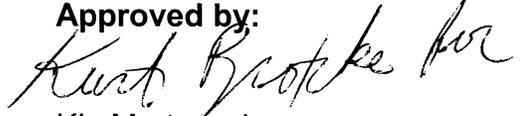
**Attachment**

None.

**Prepared by:**

  
Arshad Rashedi  
Project Manager  
(714) 560-5874

**Approved by:**

  
Kia Mortazavi  
Executive Director, Development  
(714) 560-5741





BOARD COMMITTEE TRANSMITTAL

**October 5, 2007**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject:** Amendment to Agreement C-6-0165 for Project Management Consultant Services for the Metrolink Service Expansion Program for Management of the Rail-Highway Grade Crossing Program

Transit Planning and Operations Committee

September 27, 2007

**Present:** Directors Brown, Dixon, Green, Moorlach, Nguyen, Norby, Pulido, and Winterbottom  
**Absent:** None

***Committee Vote***

This item was passed by all Committee Members present.

Directors Nguyen and Pulido were not present to vote on this item.

***Committee Recommendation***

Authorize the Chief Executive Officer to execute Amendment No. 4 to Agreement C-6-0165 between the Orange County Transportation Authority and PB Americas, Inc., to increase contract authority, in an amount not to exceed \$1.27 million, for project management consultant services for the Rail-Highway Grade Crossing Enhancement Program.



**September 27, 2007**

**To:** Transit Planning and Operations Committee

**From:** Arthur T. Leahy, Chief Executive Officer *AT Leahy*

**Subject:** Amendment to Agreement C-6-0165 for Project Management Consultant Services for the Metrolink Service Expansion Program for Management of the Rail-Highway Grade Crossing Program

**Overview**

On June 26, 2006, the Board of Directors approved an agreement with PB Americas, Inc., in an amount not to exceed \$5 million, for implementation of the Metrolink Service Expansion Program. The proposed amendment requests additional contract authority to support the Rail-Highway Grade Crossing Enhancement Program task.

**Recommendation**

Authorize the Chief Executive Officer to execute Amendment No. 4 to Agreement C-6-0165 between the Orange County Transportation Authority and PB Americas, Inc., to increase contract authority, in an amount not to exceed \$1.27 million, for project management consultant services for the Rail-Highway Grade Crossing Enhancement Program.

**Background**

On August 23, 2007, the Orange County Transportation Authority (OCTA) Board of Directors (Board) approved the Rail-Highway Grade Crossing Enhancement Program (Program). The Program identifies the Southern California Regional Rail Authority as the lead agency to deliver design and construction of the rail-highway grade crossing enhancements and improvements. The Program will be undertaken concurrently with the Metrolink Service Expansion Program (MSEP), which is already underway. The MSEP involves the design and construction of various track improvements, signal system upgrades, and other capital improvements necessary to support 30-minute Metrolink service between Fullerton and Laguna Niguel/Mission Viejo Metrolink stations. The track projects are scheduled to be completed by December 2009. Both programs have similar

schedules for implementation and much work will occur in the same geographic locations. Staff proposes that project management consultant (PMC) services for the Program be combined with those for the MSEP, thereby providing joint project management of the rail programs.

***Discussion***

This procurement was originally handled in accordance with OCTA's procedures for architectural and engineering services. The original agreement was awarded on a competitive basis. It has become necessary to amend the agreement due to the early implementation of the Program.

Amendment No. 4 proposes to increase the contract budget by \$1.27 million for PMC services for the Program. These funds were included as part of the Renewed Measure M Early Action Plan, which was approved by the Board on August 13, 2007.

The proposed amendment will allow the addition of a grade crossing program manager position to the PMC team and will allow the MSEP and the Program to be managed under one PMC agreement. This is important because the programs and projects overlap each other, both in terms of schedule and physical locations. Many of the projects affect the same utilities, signal and communication systems, and roadways, which will require close coordination between the design and construction of the planned improvements. These complexities are somewhat offset when the project management is performed under one overall program involving the same OCTA and consultant staff, by providing better coordination with cities, utility providers, and other agencies.

Upon approval of the Program in August 2007, staff requested a price proposal from PB Americas, Inc., to perform this additional work. The proposal was reviewed by the OCTA internal auditor and the cost was found to be fair and reasonable for the work to be performed.

The original agreement awarded on June 26, 2006, was in an amount not to exceed \$5 million, over a five-year term. This agreement has been amended previously (Attachment A) for administrative or contractual revisions that did not increase the budget. The total agreement amount after approval of Amendment No. 4 will be \$6.27 million.

**Amendment to Agreement C-6-0165 for Project Management  
Consultant Services for the Metrolink Service Expansion  
Program for Management of the Rail-Highway Grade  
Crossing Program**

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**Fiscal Impact**

The additional work described in Amendment No. 4 to Agreement C-6-0165 was approved on August 13, 2007, as part of an amendment to OCTA's Fiscal Year 2007-08 Budget, Development Division, Transit Project Delivery, which is part of the Renewed Measure M budget amendment. The OCTA's Budget includes \$260,000 for fiscal year 2007-08.

**Summary**

Based on the material provided, staff recommends approval of Amendment No. 4, in the amount of \$1.27 million, to Agreement C-6-0165 with PB Americas, Inc.

**Attachment**

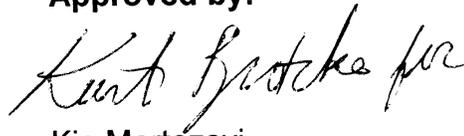
- A. PB Americas, Inc., Agreement C-6-0165 Fact Sheet

**Prepared by:**



Dinah Minter  
Manager, Metrolink Expansion Program  
(714) 560-5740

**Approved by:**



Kia Mortazavi  
Executive Director, Development  
(714) 560-5741

## ATTACHMENT A

### **PB Americas, Inc. Agreement C-6-0165 Fact Sheet**

1. June 26, 2006, Agreement C-6-0165, \$5,000,000, approved by Board of Directors.
  - Project management consultant services for the Metrolink Service Expansion Program.
2. October 25, 2006, Amendment No. 1 to Agreement C-6-0165, \$0, approved by purchasing agent.
  - Modify certain contract provisions.
3. March 21, 2007, Amendment No. 2 to Agreement C-6-0165, \$0, approved by purchasing agent.
  - Change company name from Parsons Brinckerhoff Quade Douglas to PB Americas, Inc.
4. April 3, 2007, Amendment No. 3 to Agreement C-6-0165, \$0, approved by purchasing agent.
  - Revise hourly rates at no increase in maximum obligation.
5. September 24, 2007, Amendment No. 4 to Agreement C-6-0165, \$1,270,000, pending approval by the Board of Directors.
  - Increase project budget for Rail-Highway Grade Crossing Enhancement Program project management services.

Total committed to PB Americas, Inc., after approval of Amendment No. 4 to Agreement C-6-0165: \$6,270,000.





BOARD COMMITTEE TRANSMITTAL

**October 5, 2007**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject:** Construction Change Order No. 46 for the Garden Grove Freeway (State Route 22) Design-Build Project

Regional Planning and Highways Committee

October 1, 2007

**Present:** Directors Amante, Cavecche, Dixon, Glaab, Green, Mansoor, Norby, Pringle, and Rosen  
**Absent:** None

**Committee Vote**

This item was passed by all Committee Members present.

**Committee Recommendation**

Authorize the Chief Executive Officer to execute Contract Change Order No. 46 to Agreement C-3-0663 with Granite-Myers-Rados, in an amount not to exceed \$1 million, for continued project maintenance work through project acceptance of the Garden Grove Freeway (State Route 22).



**October 1, 2007**

**To:** Regional Planning and Highways Committee

**From:** Arthur T. Leahy, Chief Executive Officer *AT Leahy*

**Subject:** Construction Change Order No. 46 for the Garden Grove Freeway (State Route 22) Design-Build Project

**Overview**

On August 23, 2004, the Orange County Transportation Authority Board of Directors awarded a design-build contract to improve 12 miles of the Garden Grove Freeway (State Route 22) from Valley View Street east to the Costa Mesa Freeway (State Route 55) interchange. A contract change order is required to continue maintenance services on the project through the end of construction.

**Recommendation**

Authorize the Chief Executive Officer to execute Contract Change Order No. 46 to Agreement C-3-0663 with Granite-Myers-Rados, in an amount not to exceed \$1 million, for continued project maintenance work through project acceptance of the Garden Grove Freeway (State Route 22).

**Background**

On August 23, 2004, the Board of Directors (Board) of the Orange County Transportation Authority (Authority) awarded the Garden Grove Freeway (State Route 22) design-build contract to the joint venture of Granite-Meyers-Rados (GMR) and approved a project total budget in the amount of \$490 million. On April 17, 2006, this budget was amended to \$549,626,000 to incorporate additional project scope improvements. Within this total budget approval, a contingency allotment was set aside to perform ongoing project maintenance throughout project construction. The contract requires that maintenance activities, such as trash removal, graffiti abatement, and damage caused by the traveling public, are paid under a maintenance contract change order (CCO) on a time-and-material basis.

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To initiate construction, CCO No. 1, in the amount of \$145,000, was executed by the Chief Executive Officer in accordance with the contract terms and current Procurement Policies and Procedures of the Authority. On April 11, 2005, the Board approved CCO No. 2, in the amount of \$855,000, for additional maintenance defined by the contract. On July 18, 2007, this amount was further supplemented with the execution of CCO No. 39, in the amount of \$145,000. The current value of this work is \$1,145,000.

***Discussion***

Maintenance services provided by GMR are performed at the direction of the Authority and are based on a time-and-materials basis. The original cost of these services were estimated to be \$1 million through November 2006, the original substantial completion date for the project. The cost of maintenance for the project is now forecasted to be \$2,145,000 through the new project acceptance date of January 2008.

The increase in the estimated maintenance cost has resulted from the extension of the contract duration by 14 months. This time extension causes a longer period of exposure of the State Route 22 (SR-22) to public traffic and additional required contract maintenance. Additionally, roadway maintenance costs have increased as a result of the necessary repairs to pre-existing roadways and bridge approaches adjacent to current construction areas.

This additional change order amount will be drawn from construction contingency within the project budget as reflected in the SR-22 HOV Lane Design-Build Project Change Order Log (Attachment A). There are sufficient funds in the project's construction contingency to fund these additional costs.

**Fiscal Impact**

The additional work described in CCO No. 46 to Agreement C-3-0663 was approved in the Authority's Fiscal Year 2007-08 Budget, Development Division, Account 0010-9017-F7100-7LJ, and is funded through the Local Transportation Authority.

***Summary***

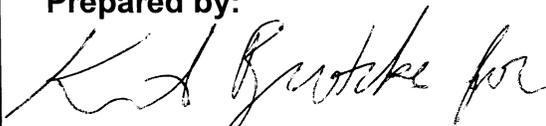
Authority staff requests approval of CCO No. 46 to Agreement C-3-0663 with GMR, in an amount not to exceed \$1 million, for continued project maintenance work through the current project acceptance period.

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***Attachment***

- A. Garden Grove Freeway (SR-22) HOV Lane Design-Build Project,  
Change Order Log, August 31, 2007

**Prepared by:**



M. Joseph Toolson  
Program Manager  
(714) 743-6717

**Approved by:**



Kia Mortazavi  
Executive Director, Development  
(714) 560-5741

Garden Grove Freeway (SR-22) HOV Lane  
Design-Build Project  
CHANGE ORDER LOG  
August 31, 2007

CCO Number	Description	Scope Change	CCO Amount	Added Days	Funding Source					CCO Status	Board Status		Comments
					In-Scope (Contingency Funded)		Scope Additions				Board Status	Date	
					Actual	Actual and Forecasted	Other	Measure M					
1	Contract defined extra maintenance work. \$1,000,000 budgeted in project contingency for this anticipated, but unquantifiable work.		\$ 145,000	0	\$ 145,000	\$ 145,000	\$ -	\$ -	Executed	N/A		Budgeted in project contingency for this anticipated, but unquantifiable work.	
2	Contract defined extra maintenance work. \$1,000,000 budgeted in project contingency for this anticipated, but unquantifiable work.		\$ 855,000	0	\$ 855,000	\$ 855,000	\$ -	\$ -	Executed	Approved	4/11/05	Budgeted in project contingency for this anticipated, but unquantifiable work.	
3	Addition of enhanced project aesthetics including soundwall pilasters and landscaping removed during the Best and Final Offer (BAFO) process.	✓	\$ 5,000,000	0	\$ -	\$ -	\$ 5,000,000	\$ -	Executed	Approved	5/9/05	Board added \$5M of landscaping removed during the BAFO process.	
4	GMR to perform civil portion of SCE (Southern California Edison) work near Yockey Street. SCE could not meet project schedule. Payments to GMR will be withheld from SCE.		\$ 21,500	0	\$ 21,500	\$ 21,500	\$ -	\$ -	Executed	N/A		Work to be performed by utility company on time-and-materials basis. Work transferred to GMR to facilitate project schedule.	
5	GMR to perform civil portion of SCE work near Lewis Channel. SCE could not meet project schedule. Payments to GMR will be withheld from SCE.		\$ 27,784	0	\$ 27,784	\$ 27,784	\$ -	\$ -	Executed	N/A		Work to be performed by utility company on time-and-materials basis. Work transferred to GMR to facilitate project schedule.	
6	GMR to perform civil portion of SCE (Southern California Edison) work near Dunklee Street. SCE could not meet project schedule. Payments to GMR will be withheld from SCE.		\$ 143,098	0	\$ 143,098	\$ 143,098	\$ -	\$ -	Executed	N/A		Work to be performed by utility company on time-and-materials basis. Work transferred to GMR to facilitate project schedule.	
7	GMR to perform civil portion of SBC work near Dunklee Street. SBC could not meet project schedule. Payments to GMR will be withheld from SBC.		\$ 50,093	0	\$ 50,093	\$ 50,093	\$ -	\$ -	Executed	N/A		Work to be performed by utility company on time-and-materials basis. Work transferred to GMR to facilitate project schedule.	
8	Deductive Change Order for Caltrans provided ITS equipment.		\$ (1,181,512)	0	\$ (1,181,512)	\$ (1,181,512)	\$ -	\$ -	Executed	N/A		Caltrans to provide hardware. Caltrans cost estimated to be \$750k. Net savings to project of approximately \$400k.	
9	Removal and placement of 66" storm sewer pipe adjacent to the County of Orange Animal Shelter.		\$ 1,197,462	0	\$ 1,197,462	\$ 1,197,462	\$ -	\$ -	Executed	Approved	8/22/05	Unknown 66" storm drain line owned by County of Orange. Cost to be shared with County (approx. 50% reimbursement).	
10	Full Replacement of Magnolia Street bridge. Funding to be provided by Garden Grove 2005 TEA funds.	✓	\$ 5,307,424	151	\$ -	\$ -	\$ 5,307,424	\$ -	Executed	Approved	4/10/06	Garden Grove requested full reconstruction of Magnolia bridge. Federally funded. Revised CCO approved on 2/12/07	
11	2004 Caltrans Design Standard Changes	✓	\$ 4,388,910	0	\$ -	\$ -	\$ -	\$ 4,388,910	Executed	Approved	4/10/06	Widening of The City Drive under the SR-22 required to facilitate turning movements onto realigned Metropolitan Drive.	
12	Revisions to The City Drive under SR-22	✓	\$ 1,047,767	0	\$ -	\$ -	\$ 200,000	\$ 847,767	Executed	Approved	4/10/06	Additional wall height reduced R/W take at AmeisourceBergen property.	
13	Relocation of Wall 163 due to reconfiguration of ramp.	✓	\$ 234,115	0	\$ -	\$ -	\$ -	\$ 234,115	Executed	Approved	12/5/05	City of Orange requested addition. CTFP funded	
14	Third Lane on Tustin Avenue	✓	\$ 146,890	0	\$ -	\$ -	\$ 146,890	\$ -	Executed	Approved	4/10/06	Modifications required to add third lane at new signalized intersection.	
15	Additional right turn lane at Town and Country	✓	\$ 213,114	0	\$ -	\$ -	\$ -	\$ 213,114	Executed	Approved	4/10/06	Modifications to freeway ramps to facilitate 4th leg construction and wall required to reduce R/W take.	
16	Changes at Metropolitan Drive	✓	\$ 1,200,222	0	\$ -	\$ -	\$ -	\$ 1,200,222	Executed	Approved	4/10/06	City of Garden Grove requested betterment. Caltrans required documentation and approval of existing design conditions along freeway. Incorporated into CCO #11	
17	Additional EB through lane at Garden Grove Blvd.	✓	\$ 572,286	0	\$ -	\$ -	\$ 572,286	\$ -	Executed	Approved	4/10/06	Unknown sanitary line conflict. Awaiting GMR final plan submittal and cost estimate	
18	Documentation of existing route design exceptions		\$ -	0	\$ -	\$ -	\$ -	\$ -	Deleted			Caltrans may require additional ADA ramp improvements at intersections adjacent to impacted areas.	
19	Thunderbird Sanitary Relocation		\$ 650,000	0	\$ -	\$ -	\$ 650,000	\$ -	Pending			Board directed scope change	
20	Americans with Disabilities (ADA) ramp reconstruction at ramps	✓	\$ 300,000	0	\$ -	\$ -	\$ -	\$ 300,000	Pending			Board directed scope change	
21	Rubberized asphalt concrete (AC) along freeway (Euclid - Magnolia)	✓	\$ 2,500,000	0	\$ -	\$ -	\$ -	\$ 2,500,000	Executed	Approved	4/10/06		
22	Safety barrier in lieu of metal rail	✓	\$ 142,441	0	\$ -	\$ -	\$ -	\$ 142,441	Executed	Approved	4/10/06		

**Garden Grove Freeway (SR-22) HOV Lane  
Design-Build Project  
CHANGE ORDER LOG  
August 31, 2007**

CCO Number	Description	Scope Change	CCO Amount	Added Days	Funding Source				CCO Status	Board Status		Comments
					In-Scope (Contingency Funded)		Scope Additions			Board Status	Date	
					Actual	Actual and Forecasted	Other	Measure M				
23	Miscellaneous Soundwall and retaining additions	✓	\$ 2,500,000	0	\$ -	\$ -	\$ -	\$ 2,500,000	Executed	Approved	4/10/06	Misc. soundwalls added along the corridor. Some walls qualify as future retrofit candidates - more economical to construct now.
24	Front End Processor for Caltrans	✓	\$ 299,602	0	\$ -	\$ -	\$ -	\$ 299,602	Executed	Approved	4/10/06	Caltrans required upgrade to ITS system
25	Steel Escalation		\$ 2,500,000	0	\$ -	\$ 2,500,000	\$ -	\$ -	Pending			Steel escalation clause added in contract to eliminate cost escalation in bid. Start date to begin escalation calcs disputed.
26	AC price adjustment		\$ 1,000,000	0	\$ -	\$ 1,000,000	\$ -	\$ -	Pending			AC price escalation clause added in contract to eliminate cost escalation in bid. Start date to begin escalation calcs disputed.
27	Training / Apprenticeship		\$ 95,328	0	\$ 95,328	\$ 95,328	\$ -	\$ -	Executed			Contract requirement to reimburse contractor apprenticeship training expenses
28	Shoulder width adjustment (2.4m to 3.0m)	✓	\$ 1,734,439	0	\$ -	\$ -	\$ -	\$ 1,734,439	Executed	Approved	4/10/06	Caltrans required change to shoulder width created more asphalt and taller retaining walls
29	High-Occupancy Vehicle (HOV) Demonstration project	✓	\$ -	0	\$ -	\$ -	\$ -	\$ -	Place Holder			Implementation of HOV demonstration project.
30	Weather: Santa Ana river impacts		\$ 252,670	0	\$ 252,670	\$ 252,670	\$ -	\$ -	Executed	Approved	6/26/06	Winter rains of 2004 caused water releases in upstream dams into dry season. Cost is for clean-up and dewatering.
31	Weather: Additional Storm Water Pollution Prevention Plan effort		\$ 300,000	0	\$ 300,000	\$ 300,000	\$ -	\$ -	Executed	Approved	6/26/06	Winter rains of 2004 created additional repair and replacement of storm water prevention items over and above reasonable and customary.
32	Utility schedule impacts and work arounds		\$ 4,491,515	0	\$ 4,491,515	\$ 4,491,515	\$ -	\$ -	Executed	Approved	6/26/06	Time impact to critical path of 14 days SCE delay for Trask Ave. Cost also accounts for additional GMR incurred costs for utility work arounds.
33	Conn 3 (Horseshoe)	✓	\$ 1,261,420	0	\$ -	\$ -	\$ -	\$ 1,261,420	Executed	Approved	4/10/06	Caltrans and FHWA required replacement of the bridge connecting E/B SR-22 to N/B SR-57 in lieu of widening.
34	Seismic Design Change Requirements	✓	\$ 22,745,851	0	\$ -	\$ -	\$ -	\$ 22,745,851	Executed	Approved	4/10/06	
35	No Cost Settlement of Outstanding Project Issues through April 10, 2006		\$ -	0	\$ -	\$ -	\$ -	\$ -	Executed	N/A		Resolution of project related cost and schedule through the Board date of April 10, 2006.
36	Added thru lane for future 4th leg at Metropolitan Dr.	✓	\$ 64,054	0	\$ -	\$ -	\$ -	\$ 64,054	Executed	N/A		Additional road widening to accommodate '4th leg' at Metropolitan. Most of work accounted for in CCO #16.
37	ITS Battery back up system. Item no longer provided by Caltrans.		\$ 55,718	0	\$ 55,718	\$ 55,718	\$ -	\$ -	Executed	N/A		This was initially provided as a credit under CCO #8, but Caltrans no longer provides battery packs due to short shelf life.
38	Caltrans required safety upgrade at traffic signals	✓	\$ 26,686	0	\$ -	\$ -	\$ -	\$ 26,686	Executed	N/A		
39	Contract defined extra maintenance work anticipated, but unquantifiable work (graffiti removal, etc).		\$ 145,000	0	\$ 145,000	\$ 145,000	\$ -	\$ -	Executed	N/A		Estimate to complete this item. Work paid on a time and materials basis
40	Modify Overhead Guide Signs to add Anaheim and add Guide Sign for Little Saigon and Korean District	✓	\$ 27,563	0	\$ -	\$ -	\$ -	\$ 27,563	Pending	N/A		
41	Sublease Secure Parking for Animal Shelter	✓	\$ 30,000	0	\$ -	\$ -	\$ -	\$ 30,000	Pending	N/A		
42	Partnering Costs		\$ 21,863	0	\$ 21,863	\$ 21,863	\$ -	\$ -	Pending	N/A		
43	SCE Relocation Costs		\$ 19,139	0	\$ 19,139	\$ 19,139	\$ -	\$ -	Pending	N/A		
44	Temporary Construction Easement (TCE) Costs		\$ 91,245	0	\$ 91,245	\$ 91,245	\$ -	\$ -	Pending	N/A		

**Garden Grove Freeway (SR-22) HOV Lane  
Design-Build Project  
CHANGE ORDER LOG  
August 31, 2007**

CCO Number	Description	Scope Change	CCO Amount	Added Days	Funding Source				CCO Status	Board Status		Comments
					In-Scope (Contingency Funded)		Scope Additions			Board Status	Date	
					Actual	Actual and Forecasted	Other	Measure M				
45	Temporary Construction Easement (TCE) Costs		\$ 71,763	0	\$ 71,763	\$ 71,763	\$ -	-	-	N/A		
46	Contract defined extra maintenance work. \$1,000,000 budgeted in project contingency for this anticipated, but unquantifiable work. Additional \$1 million required		\$ 1,000,000	0	\$ 1,000,000	\$ 1,000,000	\$ -	-	-	Pending		
	Totals =		\$ 61,695,450	151	\$ 7,802,666	\$ 11,952,666	\$ 11,226,600	\$ 39,516,184				

A B C D E

Approved Project Contingency =	\$ 16,050,000
Approved Contingency Changes =	\$ 7,802,666
Pending Contingency Changes =	\$ 4,150,000
Forecasted Contingency Balance =	\$ 4,097,334
Approved Budget for Scope Additions =	\$ 50,871,645
Forecasted Cost of Scope Additions =	\$ 49,742,784
Balance =	\$ 1,128,861
Initial Contract Value =	\$ 390,379,000
Total Forecasted CCO Amount =	\$ 61,695,450
Forecasted Contract Value =	\$ 452,074,450





*BOARD COMMITTEE TRANSMITTAL*

**October 5, 2007**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject:** Response to Grand Jury Rail Crossings Report

Transit Planning and Operations Committee

September 27, 2007

**Present:** Directors Brown, Dixon, Green, Moorlach, Nguyen, Norby,  
Pulido, and Winterbottom  
**Absent:** None

***Committee Vote***

This item was passed by all Committee Members present.

Directors Nguyen and Pulido were not present to vote on this item.

***Committee Recommendation***

Review and approve response to Orange County Grand Jury's May 1, 2007, report on Orange County Rail Crossing Safety.



**September 27, 2007**

**To:** Transit Planning and Operations Committee

**From:** *ATL* Arthur T. Leahy, Chief Executive Officer

**Subject:** Response to Grand Jury Rail Crossings Report

### **Overview**

In May 2007, the Orange County Grand Jury issued a report on rail-highway grade crossing safety throughout Orange County. This report was sent to the Board of Directors upon release. On August 23, 2007, the Board of Directors approved a \$60 million program to help Orange County cities create Quiet Zones and improve safety measures at 53 railroad crossings countywide. With a comprehensive rail crossing program approved, a response to the Grand Jury's report is presented for Board of Directors consideration.

### **Recommendation**

Review and approve response to Orange County Grand Jury's May 1, 2007, report on Orange County Rail Crossing Safety.

### **Background**

In August 2006, the Orange County Grand Jury began meeting with Orange County Transportation Authority (OCTA) staff, Metrolink, and other local jurisdictions to examine at-grade rail-highway crossing safety in Orange County. On May 1, 2007, the Grand Jury released their final report (Attachment A). The Grand Jury report focused broadly on project delivery, safety improvements, cost sharing, liability issues, environmental impacts, and public education. A response (Attachment B) is due to the Grand Jury by November 1, 2007.

### **Discussion**

Grand Jury recommendations, included in their report, suggested improving overall project delivery schedules, creating a comprehensive Quiet Zone program, determining cost sharing with local jurisdictions, and implementing a rail safety public education program. The report's findings and recommendations were helpful in the development of recommendations for the Renewed Measure M Early Action Plan as well as with options for a

countywide rail-highway grade crossings approved by the Board of Directors (Board) on August 23, 2007.

Another source used to develop rail crossing policies was the Quiet Zone Policy Working Group. The working group was formed at the direction of Chairman Carolyn Cavecche and consists of elected officials and staff from affected cities throughout Orange County. The group met twice this year to discuss the development of consistent policies and procedures for the implementation of railroad corridor quiet zones in Orange County. Issues identified in the Grand Jury's report were discussed at these meetings.

Given that OCTA Board direction was only recently secured and to allow for a more thorough response to the findings and recommendations contained in the Grand Jury's report, OCTA sought and was granted an extension from the original August 6, 2007, response deadline. The new response deadline is November 1, 2007.

**Summary**

Due to planned increases in Metrolink commuter rail service and increasing passenger and freight rail traffic in general, the 2006-2007 Orange County Grand Jury issued a report on rail crossing safety in Orange County in May 2007. OCTA has developed a proposed response to the Grand Jury's report for Board review and approval by November 1, 2007.

**Attachments**

- A. Orange County Rail Crossing Safety: Snapshot of a Process
- B. Proposed Response to Orange County Grand Jury Report  
Orange County Rail Crossing Safety

**Prepared by:**

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David Simpson*

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**Approved by:**

*Ellen S. Burton*

Ellen S. Burton  
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2006-2007 ORANGE COUNTY GRAND JURY

**ORANGE COUNTY RAIL CROSSING SAFETY:  
SNAPSHOT OF A PROCESS**

**SUMMARY**

Metrolink operates the commuter rail system that serves the Southern California region. It was established in 1991 as the Southern California Regional Rail Authority (SCRRA) in the counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura as a joint five-county venture. Today, three and a half million passengers use this service annually in Orange County. A substantial increase in the number of Metrolink trains that run through Orange County (one in each direction every 30 minutes) on the Orange County Line (from Los Angeles to Oceanside) is expected within the next three to five years, in addition to the existing Amtrak service to San Diego, on this corridor. This is expected to significantly impact the number of potential accidents at the 64 highway-rail grade crossings in Orange County.

The Orange County Transportation Authority (OCTA), the entity that partially funds Metrolink and oversees all Metrolink rail corridor services in Orange County, has undertaken a program to upgrade these grade crossings with a goal to reduce potential collisions. The purpose of this study is to examine the steps taken in this process and to summarize the progress of the program.

**REASON FOR INVESTIGATION**

The proposed increase in Metrolink service presents a challenge to all the organizations involved in this process. The upgrading of the grade crossings in a timely fashion, to knit seamlessly with the upgrade in commuter train service, presents the following questions:

- 1) Does the OCTA have the capacity to complete the construction in a timely fashion?
- 2) Will the proposed grade crossing treatments provide safe interaction between motorists, bicyclists, pedestrians and rail traffic?
- 3) How will the cost be shared between the OCTA and the impacted cities?
- 4) How will the cost of liability insurance be shared or assumed by the various parties?
- 5) What steps will be taken to mitigate the environmental impact of increased train service, and the noise associated with that service, particularly train warning horns at grade crossings?
- 6) How will the OCTA educate the public on the impact of this increase in service?

**METHOD OF STUDY**

The method of study included a review by the Grand Jury of the original Korve Grade Crossing Study engineering plan prepared for the OCTA in December of 2003. An exploratory meeting was conducted with selected staff members of the OCTA and led to a further series of interviews with the planning/engineering staffs of the following cities:

- Anaheim
- Fullerton
- Dana Point
- Irvine
- Orange

## 2006-2007 ORANGE COUNTY GRAND JURY

- San Clemente
- San Juan Capistrano
- Santa Ana
- Tustin

Each of these meetings focused on the problems and viewpoints of individual cities with regard to grade crossing safety and Quiet Zone implementation. Quiet Zones typically include grade crossing treatments that eliminate the need to routinely sound train warning horns when approaching a crossing. Further interviews included members of private engineering and construction firms, Metrolink planning personnel and operating crews, Operation Lifesaver trainers, representatives of the California Public Utilities Commission, the Southern California Regional Rail Safety Team, and elected officials. The Grand Jury reviewed current upgraded diagnostic reports on all at-grade crossings in Orange County generated by teams from these agencies, as well as observing one in the field. A number of relevant websites on the internet were also reviewed.

### **BACKGROUND**

There are three railroad subdivisions or “subs” (a geographic segment of track between two specific points) in Orange County that have Metrolink rail passenger service.

*See Appendix 1: OCTA Map*

The San Bernardino Subdivision is owned and operated by the BNSF Railway (formerly known as the Burlington Northern Santa Fe Railway). It connects San Bernardino to Los Angeles and in Orange County runs east-west from the Los Angeles County line through Buena Park, Fullerton, Placentia, Anaheim Canyon, and then to the Riverside County line before the city of Corona. Metrolink trains to and from Oceanside and Riverside to Los Angeles operate on this subdivision.

The OCTA is the property owner of the Orange and Olive Subdivisions. The Orange sub runs from Fullerton Junction in east Fullerton, southeastward through Anaheim, Orange, Santa Ana, Tustin, Irvine, San Juan Capistrano, Dana Point, and San Clemente to the San Diego County line. The Olive sub runs from the San Bernardino sub at Atwood in Placentia southward to a connection with the Orange sub in the city of Orange. Metrolink trains running between Riverside and Oceanside and between Oceanside and Los Angeles operate on these subdivisions. There are 64 at-grade rail crossings on these corridors.

The OCTA sponsored a report by the Korve Engineering Co. of Irvine, California, which was completed in December of 2003. The report inventoried the current automatic warning devices and other safety and protection equipment used at each crossing and provided recommendations and enhancements for both motorist and pedestrian safety. Finally, the report provided a ranking of the enhancements based on their impact to safety and a cost-benefit analysis.

The various treatments for upgrading railroad crossings in Orange County can be categorized into three groupings:

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- Tier 1 – the recommendations included in the Korve study,
- Tier 2 – city requested betterment and cosmetic improvements; and
- Tier 3 – Quiet Zone applications.

According to the Korve study there are two grade crossing treatment categories: Bicyclist-Pedestrian and Motorist.

Bicyclist-Pedestrian Treatments include the:

- installation of sidewalks to keep pedestrians out of the roadway;
- delineation of the dynamic envelope to inform pedestrians of the danger area (signs);
- pedestrian automatic gates to provide a physical barrier preventing individuals from encroaching on the tracks; and
- pedestrian channelization to guide individuals to a safe crossing location.

Motorist Treatments are further sub-categorized as:

- Crossing Geometry and Condition Treatments;
- Drive –Around Treatments; and
- Motor Vehicle on Trackway Treatments.

Crossing Geometry and Condition Treatments include:

- increasing sight distance to maximize visibility for crossing users to see warning devices on the approach to the crossing and to see approaching trains (ensuring that trees and other obstructions do not block motorists from seeing warning signs);
- improving crossing surfaces and maintaining paving surfaces consistent with the original application to encourage motorists to drive at safe posted speeds and not slow down for rough crossings;
- reapplying pavement markings at crossings when they have worn out; and
- improving signage to deter motorists from stopping on grade crossings.

Drive-Around Treatments include:

- installing raised medians to deter motorists from driving around lowered crossing gates;
- installing large pavement buttons or flexible bollards where raised medians are not possible due to roadway geometry; and
- installing four-quadrant gates to deter motorists from driving around crossing gates.

Motor Vehicles on Trackway Treatments include:

- installing additional side facing flashing light signals on driveways and parallel streets that are adjacent to the tracks;
- adding additional median flashing light signals or cantilever lights over the highway;
- replacing 8-inch flashing lights with 12-inch lights;
- upgrading signal preemption at crossings where the tracks diagonally cross two streets;
- relocating bus stops to reduce queuing across railroad tracks; and

## 2006-2007 ORANGE COUNTY GRAND JURY

- installing pre-signals where clear storage of vehicles is not possible between crossings and the space between the downstream traffic signal and the track is less than the length of the vehicle.

This original study formed a baseline of safety for the motorist, bicyclists-pedestrians, and Metrolink travelers in Orange County. The estimated total cost of all crossing enhancements was \$20,842,500. The results of the study were sent to each of the cities affected along the three corridors for their comments and responses. These were all included in the Korve Study. Part of the understanding of this study was that the OCTA would fund approximately 88% of the costs to implement the enhancements and each affected city would fund the balance. These improvements are identified as Tier 1.

Between April and December 2006, the OCTA, Metrolink, a team of consulting engineers and the individual cities involved held diagnostic meetings at each rail crossing to improve the Tier 1 recommendations and to further identify “betterment” or cosmetic upgrades, not related to crossing safety, to be funded at the city’s expense. These additional upgrades are considered to be Tier 2 modifications by the impacted cities; however, the OCTA refers to them as improved Tier 1. The Grand Jury attended one diagnostic meeting and reported a broad and robust discussion at the grade-crossing site. Each Tier 1 recommendation was reviewed, and the affected city concerns and ideas were incorporated into the final diagnostic. Each diagnostic meeting included an introduction and review of existing conditions. Future problems were discussed and proposed alternatives reported. The Grand Jury noticed that the team remained at the site until all concerns were addressed and consensus was reached. In the case of the above, there was a final report issued by the engineering consultant in December of 2006, which included four alternatives with estimated costs ranging from a \$22.4 million grade-separated proposal to the recommended alternative proposal at \$1.2 million.

These meetings resulted in enhanced safety modifications for each of the at-grade crossings, which by this time had been reduced to 56 because several cities had independently undertaken grade crossing separation projects. A grade crossing separation project is one that includes a bridge over or under the railroad. Other areas not addressed by the original study, but which were included in the Tier 2 modifications, were improved bicycle and pedestrian crossings. The establishment of scope and cost estimates of enhancements, leading to a memorandum of understanding (MOU, a document that sets forth an agreement between two parties) between OCTA/Metrolink and each impacted city, was the final step in this process.

According to the master schedule of the OCTA/SCRRA Orange County Grade Crossing Safety Enhancement Program, all of the affected cities on the three railroad lines in Orange County should have completed MOUs by mid-January 2007. After this, four contract packages will be awarded, covering: (1) design/bidding phase, (2) Public Utilities Commission Application and Approval, and finally, (3) construction phase. The entire program is scheduled to be completed in mid-August 2008, at the same time the rolling stock is begins to arrive from the builders. The locomotives will begin to arrive at the end of 2007 and 150 passenger cars over the next two years. The 30-minute service plan is

## 2006-2007 ORANGE COUNTY GRAND JURY

scheduled to begin in 2010. If this deadline is met, it is anticipated that the public will be well protected from grade crossing accidents.

Among the many upgrades proposed for each site at the diagnostic meetings, a foundation for Tier 3 or Quiet Zone was discussed. Tier 3 or Quiet Zone is grade-crossing treatments that eliminate the need for trains to sound their horns in warning on the approach to the crossing. Current Federal Railway Administration (FRA) rules require trains approaching a grade crossing to sound their horns in warning with a designated signal. The standard horn warning is two long honks of the horn, a short honk and a long honk continuing until the lead unit of the train is in the crossing. Despite the nostalgia for the lonely train whistle, with the increased amount of traffic on the affected lines and the expanded hours of operation for Metrolink trains, this cacophony has the potential to seriously degrade the environment for those who live close to any busy grade crossing, particularly in the evening hours.

The FRA's Final Train Home Rule of June 24, 2005 outlines two types of safety improvement options for upgrading a Quiet Zone to meet FRA safety standards: Supplemental Safety Measures (SSMs) and Alternative Safety Measures (ASMs). Supplemental Safety Measures include:

- Four-Quadrant Gate Systems;
- Medians or Channelization Devices;
- One-Way Streets with Gates; and
- Permanent Closure.

Alternative Safety Measures include:

- Modified SSMs (i.e., Non-Complying Medians, Three-Quadrant Gates, etc.);
- Engineered ASMs (i.e., Geometric Improvements); and
- Non-Engineered ASMs (i.e., Programmed Enforcement, Photo Enforcement, Education, etc.).

For example: To install a Quiet Zone treatment in the City of Orange there are two possible solutions: (1) install exit gates in both directions of a four quadrant gate system or (2) install a minimum raised island median at least 60 feet long and provide automatic gates on the approaches of each crossing. The City of Orange has requested that quiet zone applications be implemented for all the 16 grade-crossings in that city. The cost of this work is estimated at slightly more than \$17 million. The upgraded diagnostics have added increased costs to each of the grade crossings. Quiet Zone applications will add further to these costs. The chart below compares the costs with the enhanced Tier 1 diagnostics with Orange opting for Tier 3 Quiet Zone applications. The current OCTA Board has no Quiet Zone funding policy and all Quiet Zone applications are city sponsored. The recent passage of the Measure M extension begins in 2011. It includes an allowable but not required option for Quiet Zone funding.

## Orange County Grade Crossing Improvement Program Summary

	Improved Tier 1 Costs		Draft Estimate Quiet Zone Costs*	
			Low End	High End
Anaheim	\$8,207,550	note **	\$34,155	\$296,010
Orange	\$16,592,050		\$637,560	\$3,853,731
Santa Ana	\$11,178,000		\$1,082,030	\$2,504,700
Tustin	\$879,750		\$557,865	\$557,865
Dana Point	\$703,800		\$455,400	\$455,400
Fullerton	\$2,711,700		\$284,625	\$284,625
Irvine	\$1,633,799		\$0	\$1,129,920
San Juan Capistrano	\$3,701,984		\$1,129,920	\$1,129,920
San Clemente	\$99,936		\$1,153,460	\$1,153,460
<b>Total</b>	<b>\$45,708,569</b>		<b>\$5,335,015</b>	<b>\$11,365,631</b>

\* Note\*: These costs are in addition to tier 1 costs.

\* Note \*\*: This figure includes \$4,719,600 in potential pedestrian gate costs

As of this writing, the OCTA Board has not set a Quiet Zone policy.

### **OBSERVATIONS**

The interviews conducted by the Grand Jury included items such as the construction capacity of the potential firms which might be engaged in upgrading the grade crossings. The OCTA documents envision four contract packages with the construction phases beginning during late summer 2007 and completing a year later during the fall of 2008. It is anticipated that the rolling stock would begin arriving at about the same time. In a perfect world this seamless knitting of construction and service upgrade would be the ideal situation; however, evidence indicates that slippage in completion dates has already occurred.

Other interviews have raised questions on the costs of these proposed treatments. The original study estimated slightly over \$20 million for Tier 1 treatments for the original 64 crossings. At this time the improved Tier 1 treatments are indicated to cost over \$45 million, including Orange's requested Tier 3 treatments. In the original program the OCTA had offered to fund approximately 88% of the costs; with Tier 2 and Tier 3 diagnostics now adding substantially to the cost; the question is whether the OCTA will maintain their commitment to fund the previously allocated amounts or hold at the previously allocated 88% funding commitment.

Other concerns expressed by elected officials include who will pay for the liability insurance of these grade crossings? The SCRRA maintains liability insurance for the Metrolink system. The costs of insurance are borne by all of SCRRA member agencies, including the OCTA, on an "all share basis" and are allocated to each county on a train-mile basis. Therefore, the more service in a county, the more train-miles, and the higher the percentage of cost that is paid by the county. If Quiet Zone applications are adopted by a city and it results in an increase in SCRRA's insurance premium, the city would have to pay the incremental cost.

## 2006-2007 ORANGE COUNTY GRAND JURY

A final concern expressed in interviews questions the role of educating the public about the potential danger that an increase in Metrolink service may incur. Metrolink has a Rail Safety Education program that visits schools and community organizations, and in concert with Operation Lifesaver, an organization supported by the railroads that utilizes volunteers, makes the public aware of the dangers of grade crossings and trespassing on railroad property. The various private (BNSF, Union Pacific, Pacific Harbor Lines) and public railroads (OCTA/Metrolink, Los Angeles Metro) meet monthly to discuss safety concerns and problems and look to mutually agreed solutions. This panel is unique in the industry. With the increase in service by Metrolink, a parallel increase in public education should be examined by the OCTA.

### **COMMENDATIONS**

The staff of the Orange County Transportation Authority and Metrolink is to be commended for their refreshing openness and transparency of process that should serve as a model for other agencies. The OCTA-Metrolink team has a comprehensive program to upgrade 56 railroad crossings in Orange County that will strongly enhance the safety of Metrolink riders, motorists, pedestrians and bicyclists.

### **FINDINGS**

In accordance with California Penal Code sections 933 and 933.05, each finding will be responded to by the government entity to which it is addressed. The responses are to be submitted to the Presiding Judge of the Superior Court. The 2006-2007 Orange County Grand Jury has arrived at the following findings:

- F-1. The engineering firms involved in rail crossing safety have a strong record of accomplishment in this process and the capacity to complete this project in a timely fashion does not seem seriously in doubt; however, the OCTA has fallen behind in their schedule.
- F-2. Impacted cities are strongly concerned about noise from OCTA/Metrolink train horns at railroad crossings. The cost of totally eliminating train horns county-wide through quiet zone corridor treatments of could be in the range of \$50-\$60 million.
- F-3. It is unclear how the burden of cost for upgraded crossings will be shared by the OCTA and impacted cities.
- F-4. OCTA/Metrolink has an excellent safety program to inform the public on issues of concern to the public, including first-responder teams.

**Responses to Findings F-1 through F-4 are required from the Orange County Transportation Authority Board of Directors.**

**Responses to Findings F2 and F-3 are required from the city councils of Anaheim, Fullerton, Dana Point, Irvine, Orange, San Clemente, San Juan Capistrano, Santa Ana and Tustin.**

## 2006-2007 ORANGE COUNTY GRAND JURY

### **RECOMMENDATIONS**

In accordance with California Penal Code sections 933 and 933.05, each finding will be responded to by the government entity to which it is addressed. The responses are to be submitted to the Presiding Judge of the Superior Court. The 2006-2007 Orange County Grand Jury has arrived at the following findings:

R-1. The work proposed by the OCTA has fallen behind schedule. The OCTA should work with the affected entities to complete the construction on schedule by finalizing the various memoranda of understanding with impacted cities and vigorously proceed with the succeeding steps.

R-2. The OCTA should create a comprehensive Quiet Zone program to preserve the quality of the environment and property values adjacent to railroad tracks. If the OCTA can mitigate freeway noise with sound walls to preserve the quality of life adjacent to freeways, alternative public transportation modes that may negatively impact the environment and property values should also receive comparable considerations, such as Quiet Zone applications.

R-3. The burden of construction and inspection costs for these grade crossing treatments needs to be shared by the OCTA and impacted cities according to an agreed formula.

R-4. A timely and robust rail-safety education program in conjunction with Metrolink will have to be mounted by the OCTA, in various languages, to make the public aware of the increased service and potential risk at grade-crossings, and to counteract trespassing on railroad property. The upgrade in Metrolink service is unprecedented in local history and the impacted public should be made aware of the potential problems this may cause.

**Responses to Recommendations R-1 through R-4 are required from the Orange County Transportation Authority Board of Directors**

**A Response to Recommendation R-3 is required from the city councils of Anaheim, Fullerton, Dana Point, Irvine, Orange, San Clemente, San Juan Capistrano, Santa Ana and Tustin.**

### **REQUIRED RESPONSES**

The California Penal Code specifies the required permissible responses to the findings and recommendations contained in this report. The specific sections are quoted below:

§933.05(a) For purposes of subdivision (b) of Section 933, as to each grand jury finding, the responding person or entity shall indicate one of the following:

- (1) The respondent agrees with the finding.
- (2) The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefore.

(b) For purposes of subdivision (b) of Section 933, as to each grand jury recommendation, the responding person or entity shall report one of the following actions:

## 2006-2007 ORANGE COUNTY GRAND JURY

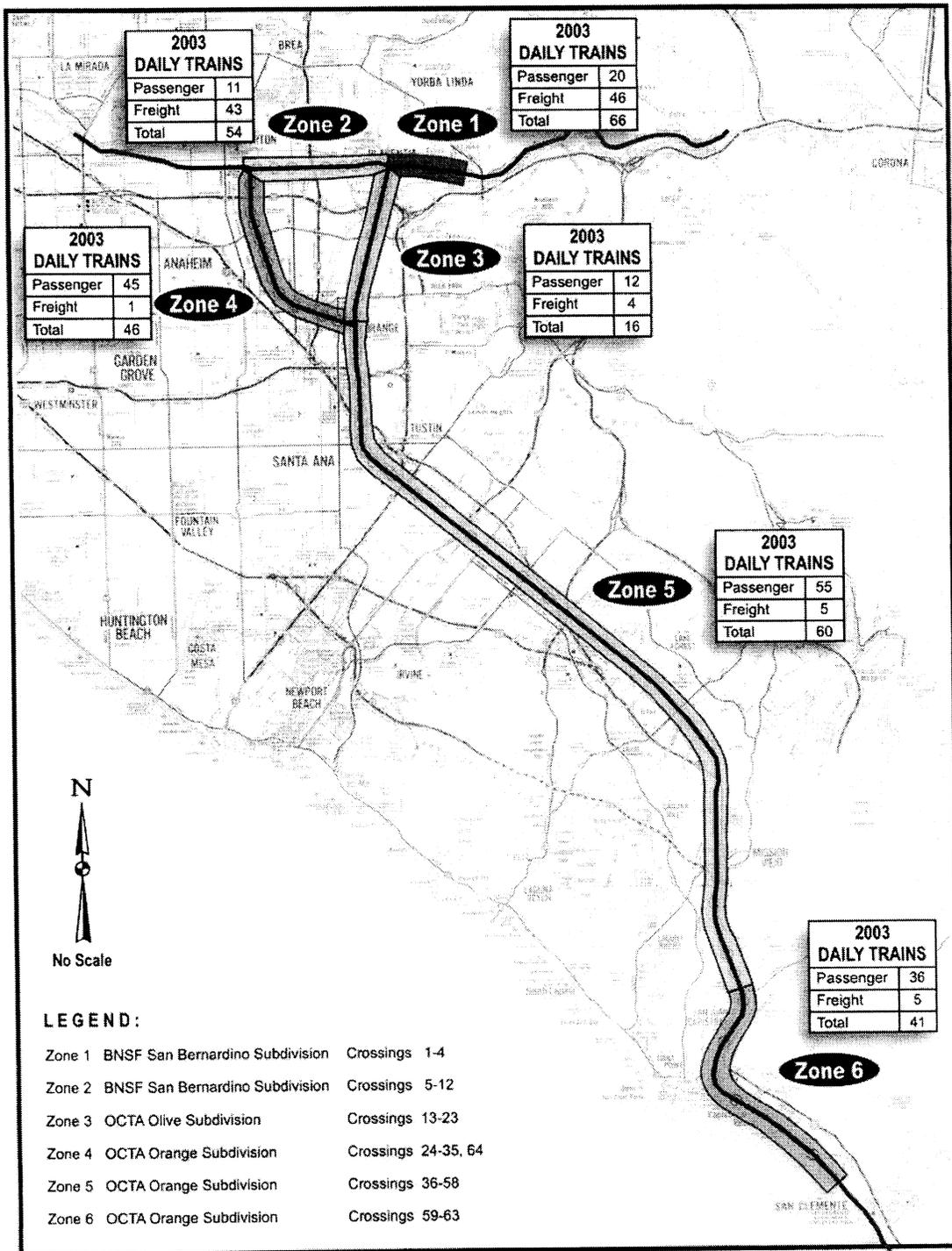
- (1) The recommendation has been implemented, with a summary regarding the implemented action.
- (2) The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.
- (3) The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.
- (4) The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefore.

### **GLOSSARY**

1. *Quiet Zone*: A corridor of railroad at least one-half mile in length equipped with grade crossing treatments that eliminate the need for the routine sounding train warning horns.
2. *Subdivisions (or "subs")*: A geographic segment of track between two specific points.
3. *Betterment or cosmetic upgrades*: Beautification treatments not related to safety.
4. *Grade-crossing separation projects*: Generally a bridge over or under a railroad that separates the railroad right-of-way from other cross traffic.
5. *Delineation of the dynamic envelope*: Signs and warning signals that inform pedestrians, bicyclists and motorists of the danger of grade crossings.
6. *Channelization*: Fences and other devices that direct individuals to a safe crossing location.
7. *Increasing sight distance*: Clearing obstructions that would hide safety warning devices and signage.
8. *Raised medians*: Curbs or barriers that prevent motorists from changing lanes at grade-crossings.
9. *Flexible bollards*: Rubber or soft plastic vertical "posts" that enhance medians and channelization of motorists.
10. *Four-quadrant grades*: Crossing grades that protect both the upstream and downstream highways and prevents "drive-around" violations.
11. *Signal preemption*: Signals that turn red at intersections adjacent to crossings at the approach of a train.
12. *Federal Railroad Administration's Final Train Home Rule of June 24, 2005*: A series of rules for the applications of Quiet Zones.
13. *Rolling Stock*: Locomotives and passenger cars.

2006-2007 ORANGE COUNTY GRAND JURY

Appendix 1: OCTA Map





**ATTACHMENT B**

**Proposed Response to Orange County Grand Jury Report  
Orange County Rail Crossing Safety**

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CHIEF EXECUTIVE OFFICE

*Arthur T. Leahy  
Chief Executive Officer*

October 22, 2007

Honorable Nancy Wiebenstock  
Presiding Judge of the Superior Court  
700 Civic Center Drive  
Santa Ana, CA 92701

**SUBJECT: Orange County Grand Jury Report: Orange County Rail  
Crossing Safety**

Dear Judge Wiebenstock,

On behalf of the Orange County Transportation Authority (OCTA) Board of Directors, this letter is in response to the Orange County Grand Jury's May 1, 2007, report reviewing Orange County's rail crossings.

The OCTA Board of Directors recently approved several policy issues (see attached staff report) related to this matter that allowed for a more thorough response to the report's findings and recommendations. As provided by state statute, we requested and were granted an extension for our response to the report not to exceed six months from the publication of the Grand Jury report.

With the planned expansion of Metrolink service in Orange County as well as increasing freight rail traffic, the report was very timely. I believe the OCTA Board's action on related policy matters is equally timely in addressing public concerns about rail crossing safety as well as in providing cities the opportunity to establish Quiet Zones throughout the county.

On behalf of the OCTA Board of Directors, I am pleased to share with you our response and thank the Orange County Grand Jury for its report on Orange County's rail crossings.

**FINDINGS**

**F-1 OCTA has fallen behind schedule**

**OCTA disagrees with this finding.** While we understand and appreciate the need to bring transportation solutions to the public as quickly as possible, the scope of the rail-highway improvement program changed drastically from what it was originally envisioned back in June 2005. During the summer and



fall of 2006 when the Grand Jury was provided with the original schedule, the schedule did not include the addition of required improvements to achieve reduced sounding of locomotive horns at rail-highway grade crossings as defined by the Federal Railroad Administration. This additional work was later added into the schedule at the request of Orange County cities as a result of the 53 field diagnostic review meetings. This work is complex in nature and has added time to the schedule as well as increased the program budget.

The following timeline provides an overview of the key milestones in OCTA Grade Crossing Safety Enhancement Program.

On June 13, 2005, the OCTA Board approved an initial allocation of \$10 million to fund the Rail-Highway Grade Crossing Enhancement Program estimated at \$19.5 million. The Program covers 53 at-grade rail-highway crossings on the OCTA-owned right-of-way known as the Orange and Olive subdivisions and on the Burlington Northern Santa Fe Railway San Bernardino subdivision.

On June 24, 2005, the Federal Railroad Administration (FRA) released its Final Rule on the Use of Locomotive Horns at Rail-Highway Grade Crossings (Final Rule). The Final Rule establishes a basic requirement for trains to sound horns at all public rail-highway grade crossings except in quiet zones established under the procedures set forth in the Final Rule. The Final Rule identifies the installation of supplemental safety measures needed for the reduction in the sounding of locomotive horns to establish a Quiet Zone.

On February 15, 2006, OCTA entered into a Memorandum of Understanding with the Southern California Regional Rail Authority (SCRRA) acting as lead agency to implement the Program. The SCRRA is the operator of the Metrolink commuter rail service in Orange, Los Angeles, Riverside, San Bernardino, and Ventura counties.

Beginning in April 2006 and continuing through November 2006, field diagnostic review meetings were completed at all 53 at-grade rail-highway crossings with full participation from OCTA, Southern California Regional Rail Authority (SCRRA), the California Public Utilities Commission (CPUC), and the local cities in which the at-grade rail-highway crossing was located. At the request of the OCTA Board, the team included scope enhancements needed to meet FRA standards for reduced sounding of locomotive horns.

On November 7, 2007, Orange County voters renewed Measure M, the ½-cent sales tax for transportation improvements in Orange County. Project "R" in the Renewed Measure M specifically identified railroad corridor quiet zones as an eligible cost.

On April 9, 2007, revised estimated Program costs were presented to the OCTA Board. The Board directed staff to provide the updated cost estimates to the affected cities for review and approval, and further authorized staff to work with affected cities in the development of policies and procedures for establishment of quiet zones.

As a result of the April 9, 2007 Board direction, a Quiet Zone Working Group was established. The Quiet Zone Working Group first convened on May 9, 2007, and held an informational session with participation from OCTA staff, the Chairman of the Board, city elected officials, and city staff to begin the development of consistent policies and procedures for the establishment of railroad corridor quiet zones in Orange County.

The Quiet Zone Working Group met again on June 27, 2007, and explored two implementation options for program delivery. Option 1 would be a comprehensive approach led by SCRRA, acting as the implementing agency on behalf of OCTA. Option 2 would establish a grant program similar to the way in which OCTA provides grants for streets and roads to local cities.

Under both delivery options, cities will be expected to complete a construction and maintenance agreement with SCRRA to outline roles and responsibilities for the funding, construction, and maintenance of the rail-highway grade crossing improvements.

At their meeting on June 27, 2007, members of the Quiet Zone Working Group selected Option 1 as the preferred method of program delivery.

On August 27, 2007, the OCTA Board of Directors approved a comprehensive, \$60 million, countywide grade crossing safety enhancement program.

**F-2 Eliminating train horns county-wide through quiet zone corridor treatments could cost \$50-\$60 million**

**OCTA agrees with this finding.** Conceptual engineering estimates provided by OCTA, SCRRA and the agencies engineering consultants have estimated

that a comprehensive, countywide program that will provide safety and quiet zone treatments at 53 at grade rail-highway crossings, will cost \$60 million. On August 27, 2007, the OCTA Board approved a \$60 million program budget for the program.

**F-3 Burden of cost between OCTA and impacted cities for upgraded crossings is unclear**

**OCTA disagrees with this finding.** On August 27, 2007 the OCTA approved the expansion of the program to include improvements to for the reduced sounding of locomotive horns. Furthermore, the Board extended the 88% OCTA and 12% cost sharing arrangement to the entire program. This will result in OCTA providing \$52.8 and local cities providing \$7.2 million for a total program budget of \$60 million.

**F-4 OCTA/Metrolink has an excellent safety program to inform the public on issues of concern**

**OCTA agrees with this finding.** Both OCTA and our partners at Southern California Regional Rail Authority (Metrolink) value the importance of a strong public awareness program that educates the public on what to know when in the vicinity of rail tracks and crossings.

**RECOMMENDATIONS**

**R-1 Finalize the various memoranda of understanding with impacted cities and vigorously proceed with the succeeding steps**

**OCTA agrees with this recommendation.** OCTA and SCRAA staff are scheduling a series of project development team (PDT) meetings to begin the formal engineering design phase. As part of the engineering design phase, the program scope for each city will be finalized and the required agreements between OCTA, SCRRRA and individual cities will be developed, finalized and executed.

**R-2 Create a comprehensive Quiet Zone program**

**OCTA agrees with this recommendation.** With OCTA Board approval on August 27, 2007 of a program that addresses rail-highway safety improvements as well as a structure for cities that choose to pursue a Quiet Zone, Orange County now has a program that meets the recommendation of

the Grand Jury. The program includes \$60 million for the combined rail-highway grade crossing enhancements and quiet zone improvements at 53 at-grade rail-highway crossings in Orange County.

The program currently includes program and project management by SCRRA, and design, construction, and construction management for the entire program. This cost estimate does not include costs for any improvements to city traffic signal systems that may or may not be needed to support this Program. The estimated scope and cost of these improvements will be determined as an early design task by SCRRA. Once the estimated scope and costs are determined, staff will return to the OCTA Board to seek direction on funding and cost sharing with the impacted cities. Additionally, the current cost estimate does not include any improvements to pedestrian-only crossings, nor does it include any additional maintenance that may occur as the result of adding additional equipment to the railroad system such as extra crossing gates.

Lastly, rail-highway grade crossing improvements in support of the Final Rule are still a very new area and there is considerable risk in the scope, schedule, and budget for a program of this size and complexity. For this reason, staff proposes to update the Board on scope, schedule, and budget upon the completion of 35 percent design, which is currently scheduled for completion in the first quarter of 2008.

**R-3 Construction and inspection costs should be shared according to an agreed formula**

**OCTA agrees with this recommendation.** On August 27, 2007 the OCTA board adopted a cost sharing formula in which OCTA provides 88% of the funding and participating cities provide 12%.

**R-4 Conduct a rail-safety education program**

**OCTA agrees with this recommendation.** Currently OCTA and Southern California Regional Rail Authority (Metrolink) partner on such a program. The program is known as Operation Lifesaver and is aimed at the general public but especially school children. With the expansion of Metrolink as well as general freight traffic on Orange County's rail lines, OCTA has increased budget for an even more robust public education program. The program will

Orange County Grand Jury  
Orange County Rail Crossing Safety  
October 22, 2007  
Page 6

be created this fiscal year and will be implemented along with improvements at crossings throughout Orange County.

### **Conclusion**

On behalf of the OCTA Board of Directors, I want to thank the Orange County Grand Jury for its report on the safety of Orange County's rail crossings. OCTA continually strives to provide outstanding transportation solutions for Orange County. Constructive feedback can only help in this endeavor.

Should you have any questions, or require additional follow up on this matter, please do not hesitate to contact me directly at (714) 560-5584.

Sincerely,

Arthur T. Leahy  
Chief Executive Officer

ATL:dgs

Attachment

**Passenger At-Grade Rail-Highway Crossings in Orange County**

**At-Grade Rail-Highway Crossings Included in Program\***

	City	Street Name	Railroad Subdivision	Status
1	Anaheim	State College Blvd.	Orange	Included in Program
2	Anaheim	Ball Rd.	Orange	Included in Program
3	Anaheim	La Palma Ave.	Orange	Included in Program
4	Anaheim	E. Sycamore St.	Orange	Included in Program
5	Anaheim	Cerritos Ave.	Orange	Included in Program
6	Anaheim	Orangethorpe Ave.	Orange	Included in Program
7	Anaheim	E. South St.	Orange	Included in Program
8	Anaheim	La Palma Ave.	Olive	Included in Program
9	Anaheim	Broadway	Orange	Included in Program
10	Anaheim	Jefferson St.	Olive	Included in Program
11	Anaheim	Miraloma Ave.	Olive	Included in Program
12	Anaheim	E. Vermont Ave.	Orange	Included in Program
13	Anaheim	Tustin Ave.	Olive	Included in Program
14	Anaheim	E. Santa Ana St.	Orange	Included in Program
15	Dana Point	Palisades/Beach Rd.	Orange	Included in Program
16	Fullerton	Raymond Ave.	BNSF** - San Bernardino	Included in Program
17	Fullerton	Acacia Ave.	BNSF - San Bernardino	Included in Program
18	Irvine	Sand Canyon Ave.	Orange	Included in Program
19	Irvine	Harvard Ave.	Orange	Included in Program
20	Orange	Chapman Ave.	Orange	Included in Program
21	Orange	Glassell St.	Olive	Included in Program
22	Orange	Batavia St.	Orange	Included in Program
23	Orange	Riverdale Ave.	Olive	Included in Program
24	Orange	Meats Ave.	Olive	Included in Program
25	Orange	Lincoln Ave.	Olive	Included in Program
26	Orange	Main St.	Orange	Included in Program
27	Orange	Taft St.	Olive	Included in Program
28	Orange	Collins Ave.	Olive	Included in Program
29	Orange	Walnut St.	Orange	Included in Program
30	Orange	Palmyra Ave.	Orange	Included in Program
31	Orange	Katella Ave.	Olive	Included in Program
32	Orange	La Veta Ave.	Orange	Included in Program
33	Orange	Palm Ave.	Orange	Included in Program
34	Orange	Almond Ave.	Orange	Included in Program
35	Orange	Eckhoff St.	Orange	Included in Program

\* Program - Rail-Highway Grade Crossing Enhancement Program

\*\* BNSF - Burlington Northern Santa Fe Railway

## At-Grade Rail-Highway Crossings Included in Program

	City	Street Name	Railroad Subdivision	Status
36	San Clemente	Avenida Estacion	Orange	Included in Program
37	San Clemente	Pier Service Rd.	Orange	Included in Program
38	San Juan Capistrano	Oso Rd.	Orange	Included in Program
39	San Juan Capistrano	Del Obispo St.	Orange	Included in Program
40	San Juan Capistrano	La Zanja St.	Orange	Included in Program
41	San Juan Capistrano	Avenida Aeropuerto	Orange	Included in Program
42	San Juan Capistrano	Rancho Capistrano Pvt Cr.	Orange	Included in Program
43	Santa Ana	McFadden St.	Orange	Included in Program
44	Santa Ana	Lyon St.	Orange	Included in Program
45	Santa Ana	17th Street	Orange	Included in Program
46	Santa Ana	Santa Ana Blvd.	Orange	Included in Program
47	Santa Ana	Ritchey St.	Orange	Included in Program
48	Santa Ana	Grand Ave.	Orange	Included in Program
49	Santa Ana	Fourth St.	Orange	Included in Program
50	Santa Ana	Chestnut St.	Orange	Included in Program
51	Santa Ana	Santa Clara Ave.	Orange	Included in Program
52	Santa Ana	Fairhaven Ave.	Orange	Included in Program
53	Tustin	Red Hill Ave.	Orange	Included in Program

## Other At-Grade Rail-Highway Crossings

	City	Street Name	Railroad Subdivision	Status
1	Placentia	Kellogg Dr.	BNSF - San Bernardino	Improved under City Program
2	Placentia	Lakeview Ave.	BNSF - San Bernardino	Improved under City Program
3	Placentia	Richfield Rd.	BNSF - San Bernardino	Improved under City Program
4	Placentia	Van Buren St.	BNSF - San Bernardino	Improved under City Program
5	Placentia	Jefferson St.	BNSF - San Bernardino	Improved under City Program
6	Placentia	Tustin Ave.	BNSF - San Bernardino	Improved under City Program
7	Placentia	Orangethorpe Ave.	BNSF - San Bernardino	Improved under City Program
8	Placentia	Kraemer Blvd.	BNSF - San Bernardino	Improved under City Program
9	Placentia	Bradford Ave.	BNSF - San Bernardino	Closed
10	Placentia	Placentia Ave.	BNSF - San Bernardino	State environmental approval completed
11	Fullerton	State College Blvd.	BNSF - San Bernardino	In final design for separation
12	Yorba Linda / Anaheim / County	Imperial Highway	BNSF - San Bernardino	Grade separation underway
13	Irvine	Jeffery Rd.	Orange	Grade separation underway

\* Program - Rail-Highway Grade Crossing Enhancement Program  
 \*\* BNSF - Burlington Northern Santa Fe Railway



BOARD COMMITTEE TRANSMITTAL

**April 9, 2007**

**To:** Members of the Board of Directors  
**From:** <sup>WKC</sup> Wendy Knowles, Clerk of the Board  
**Subject:** Rail-Highway Grade Crossing Program

Transit Planning and Operations Committee

March 22, 2007

**Present:** Directors Brown, Dixon, Moorlach, Norby, Pulido, and Winterbottom  
**Absent:** Director Green

***Committee Vote***

This item was passed by all Committee Members present.

***Committee Recommendations***

- A. Direct staff to provide updated cost estimates of the Rail-Highway Grade Crossing Enhancement Program to the cities for review and approval.
- B. Continue with the current implementation strategy limited to grade crossing enhancements.
- C. Authorize staff to work with affected cities in the development of consistent policies and procedures for the establishment of quiet zones by cities, which include the indemnification of the Orange County Transportation Authority and the Southern California Regional Rail Authority and which adhere to a higher standard of safety in the design of grade crossings that make grade crossings safer than they were before.
- D. Direct staff to develop a process for the funding and implementation priorities of a Rail-Highway Grade Separation Program in Orange County, beginning with identifying potential candidate projects to compete for funding under the Trade Corridor Investment Fund made available with the passage of Proposition 1B.



**March 22, 2007**

**To:** Transit Planning and Operations Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Rail-Highway Grade Crossing Program

**Overview**

On June 13, 2005, the Orange County Transportation Authority Board of Directors approved an implementation strategy, allocation of \$10 million of Commuter and Urban Rail Endowment funds, and authorization to enter into a Memorandum of Understanding with affected jurisdictions and the Southern California Regional Rail Authority for funding and implementation of the Rail-Highway Grade Crossing Enhancement Program. Staff is providing a progress report on the program, as well as providing information on the establishment of railroad quiet zones and the development of a countywide Rail-Highway Grade Separation Program.

**Recommendations**

- A. Direct staff to provide updated cost estimates of the Rail-Highway Grade Crossing Enhancement Program to the cities for review and approval.
- B. Continue with the current implementation strategy limited to grade crossing enhancements.
- C. Authorize staff to work with affected cities in the development of consistent policies and procedures for the establishment of quiet zones by cities, which include the indemnification of the Orange County Transportation Authority and the Southern California Regional Rail Authority and which adhere to a higher standard of safety in the design of grade crossings that make grade crossings safer than they were before.
- D. Direct staff to develop a process for the funding and implementation priorities of a Rail-Highway Grade Separation Program in Orange County, beginning with identifying potential candidate projects to

compete for funding under the Trade Corridor Investment Fund made available with the passage of Proposition 1B.

**Background**

There are three main railroad lines providing passenger and freight railroad service in Orange County. There are a total of 64 at-grade rail-highway crossings on these three rail lines.

The Orange County Transportation Authority (OCTA) is the owner of the Orange and Olive subdivisions. The Orange subdivision stretches from the San Diego County line to the junction with the Burlington Northern Santa Fe (BNSF) in the City of Fullerton. Rail traffic on the Orange subdivision consists of Metrolink Orange County (OC) line and Inland Empire-Orange County (IEOC) line service, Amtrak Pacific Surfliner trains, and a minimal number of freight trains. There are 41 at-grade rail-highway crossings on the Orange subdivision. The Olive subdivision stretches from just north of the City of Orange Metrolink station to the junction with the BNSF in the City of Placentia. Rail traffic on the Olive subdivision consists of Metrolink IEOC line trains and a minimal number of freight trains. There are 11 at-grade rail-highway crossings on the Olive subdivision.

The BNSF is the owner of the San Bernardino subdivision in Orange County. The San Bernardino subdivision in Orange County stretches from the Orange County/Riverside County line near the City of Yorba Linda to the Orange County/Los Angeles County line in the City of Buena Park. The BNSF San Bernardino subdivision runs through the cities of Yorba Linda, Anaheim, Placentia, Fullerton, and Buena Park and is frequently referred to as the Orangethorpe Corridor or the Alameda Corridor East. Rail traffic on the BNSF San Bernardino subdivision consists largely of BNSF freight trains and a minimal number of Metrolink 91 line, IEOC line (over a portion of the line), and Amtrak trains. There are 12 at-grade rail-highway crossings on the San Bernardino subdivision in Orange County.

As a result of planned increases in passenger and freight rail traffic on the three rail lines described above, a renewed focus should be placed on grade crossing improvements. Improvements to at-grade rail-highway crossings can cover a wide spectrum, beginning with basic safety improvements (improving crossing surfaces, re-applying of pavement markings, and enhancing signing), to the installation of supplemental safety measures that allow for the discontinuance of locomotive horn blowing (quiet zones), to grade crossing closures and rail-highway grade separations that completely separate rail traffic from vehicular and pedestrian traffic.

OCTA, the City of Placentia, the Riverside County Transportation Commission, the San Bernardino Associated Governments, and the Alameda Corridor East Construction Authority have conducted a number of studies over recent years addressing grade crossing enhancements, quiet zones, and grade separations covering all three rail lines described above. These studies have provided significant amounts of data that has allowed each individual crossing to be examined for enhancements as well as the potential for separation. This existing data provides the ability to examine and prioritize grade crossing improvements on a countywide level.

#### Rail-Highway Grade Crossing Enhancement Program

Completed in 2003, the Orange County Grade Crossing Study provided an inventory of automatic warning devices and safety equipment, in addition to assessment of rail-highway grade crossings located in Orange County and made recommendations for enhanced motorist and pedestrian safety consistent with current California Public Utilities Commission (CPUC) standards. The study further ranked the crossings based on their impact to safety and a cost-benefit analysis.

On June 13, 2005, the OCTA Board of Directors (Board) approved an initial allocation of \$10 million to fund the Grade Crossing Enhancement Program (Program) estimated at \$19.5 million. Secondly, the Board authorized the Chief Executive Officer to enter into Memorandums of Understanding (MOUs) with the affected jurisdictions and the Southern California Regional Rail Authority (SCRRA) for funding and implementation of the Program. The Program covers 52 crossings on the OCTA-owned right-of-way known as the Orange subdivision, as well as three crossings on the BNSF San Bernardino subdivision. The Program does not include eight crossings located in the City of Placentia, as they have been improved through a separate city led program.

The Board-approved Program laid out a specific application process calling for Letters of Intent from affected jurisdictions (cities of Anaheim, Irvine, Fullerton, Orange, San Clemente, San Juan Capistrano, Santa Ana, and Tustin). During the process it was determined that one of the crossings identified in the City of San Clemente was in fact in Dana Point. All cities including Dana Point submitted Letters of Intent to participate in the Program and committed to providing a minimum 12 percent local agency match. In addition, the City of Irvine, with State Transportation Improvement Program (STIP) funding provided by OCTA, is in the final construction procurement stages to grade separate (completely separate the local street from the railroad tracks by going under or over the tracks) Jeffrey Road; therefore, this crossing was

eliminated from the Program. The parameters of the enhancements were intended to follow the OCTA 2003 Grade Crossing Study as closely as possible and any expenditures not directly associated with the goals and/or requirements of the Program (e.g. improvements beyond what is required) were not to be funded.

On February 15, 2006, OCTA entered into a MOU with Metrolink to define roles and responsibilities of the Program. OCTA oversees the funding program, participates in all project scoping meetings with regulatory agencies including CPUC, and assists in building consensus among parties in regard to the grade crossing enhancements. Metrolink implements the Program based on available funding provided by OCTA and required local match provided by the local jurisdiction. Metrolink performs day-to-day management functions utilizing a contracted project manager. Metrolink oversees the design, construction management, and construction of all enhancements. OCTA subsequently issued draft MOUs to the cities for their review and comment. The cities responsibilities include a 12 percent local match, review of plans, and issuance of no fee encroachment permits. Any potential quiet zone improvements, if implemented, were to be addressed under a separate MOU. The Program MOU included a draft sample of a Metrolink construction and maintenance agreement that the cities would enter directly into with Metrolink for on going maintenance of the crossing.

#### **Federal Railroad Administration Final Rule on the Use of Locomotive Horns at Rail-Highway Grade Crossings**

On June 24, 2005, two weeks after the Board approved the grade crossing enhancement program, the Federal Railroad Administration (FRA) released its Final Rule on the Use of Locomotive Horns at Rail-Highway Grade Crossings (Final Rule). The Final Rule establishes a basic requirement for trains to sound horns at all public at-grade rail-highway crossings except in quiet zones established under the procedures set forth in the Final Rule.

This issuance of the Final Rule in such close proximity to the adoption of the OCTA Program has led to significant interest by affected cities within Orange County to pursue the development of FRA quiet zones while OCTA and Metrolink have been working with the cities to implement the OCTA Program.

#### **Rail-Highway Grade Separations**

In June 2005, OCTA completed the Orange/Olive Grade Crossing Study (Study), which identified the top 10 candidate locations for permanent

separation of rail and vehicular traffic by placing the roadway either over or under the rail tracks. The Study ranked the top 10 candidate locations based upon forecasted future (year 2025) daily and peak hour delay anticipated to be experienced by motorists. This delay calculation was based upon forecasted future vehicular traffic and rail traffic volumes.

The Orangethorpe Corridor, which is owned by the BNSF and stretches from Buena Park to the Riverside County line has been studied extensively as part of the Alameda Corridor East Trade Corridor Plan (Plan), completed in 2001. This Plan has been the basis for annual federal appropriations requests and resulted in a \$125 million federal earmark under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) in 2005. This Plan identified 14 rail-highway grade crossings as candidates for separation. Of these 14, one crossing has been closed (Bradford Avenue, City of Placentia), one crossing has been separated (Melrose Avenue, City of Placentia), and one separation project is currently underway (Imperial Highway [State Route 90], cities of Placentia and Anaheim, County of Orange). Orange County's portion of the \$125 million federal earmark is \$31.25 million. Current plans call for this funding to be used on the Kraemer Boulevard separation project (City of Placentia).

In mid 2006, OCTA staff updated the conceptual cost estimates for the eight crossings on the OCTA-owned corridor and the 11 crossings on the Orangethorpe Corridor. The current estimated conceptual cost estimates exceed \$900 million in 2006 dollars. These costs are likely to increase in the future as the cost of right-of-way acquisition and construction costs rise.

### ***Discussion***

#### **Rail-Highway Grade Crossing Enhancement Program**

To date, all 53 field diagnostic review meetings have been completed with full participation from OCTA, Metrolink, the CPUC, and the local cities in which the grade crossing is located. During the diagnostic reviews the team met in the field at the individual railroad grade crossing and finalized the safety enhancement scope of work. A revised cost estimate was prepared and will be scheduled for individual city council approval following OCTA review and overall Transit Planning and Operations Committee (Committee) direction of the Program. The initial program was approved by the Board at a cost of \$19.5 million. Due to escalation, changes in implementation costs, scope modifications and the addition of an appropriate contingency, the current estimated cost for the Program is \$24.5 million; however, as part of the 53 field diagnostic reviews held, consultation with the Metrolink staff, CPUC, and

representatives from local cities, staff has identified two other areas of improvement that should be considered for funding and implementation by OCTA. First, a new type of interconnection between the railroad signal system and the local streets traffic signal system has become available and offers significant safety and traffic improvements over the conventional interconnection. The estimated cost of this new Institute of Electrical and Electronics Engineers (IEEE) 1570 signal pre-emption technology is estimated at \$4.5 million for the railroad technology component. It should be noted that there will be an additional cost on the city portion of the traffic signal system that will vary by local jurisdiction and the type of existing city traffic signal systems. Metrolink and OCTA are offering a seminar to the cities on March 20, 2007, to introduce this new pre-emption technology. Secondly, Metrolink and the CPUC are in the process of formally developing a pedestrian safety policy. This policy is likely to include the addition of pedestrian crossing gates at several rail-highway grade crossings. Metrolink staff is in the process of developing cost estimates for pedestrian crossing gates. Once Metrolink finalizes a pedestrian gate policy and develops cost estimates for implementation staff will return to the Committee and Board for a recommendation for pedestrian crossing gates. The table below summarizes the current program costs and proposed additions:

Program Element	2003 Estimated Cost	2007 Estimated Cost	Change
Existing Enhancement Program	\$19.5 million	\$24.5 million	\$ 5.0 million
IEEE 1570 Signal Interconnect	\$0	\$ 4.5 million*	\$ 4.5 million
Program Total	\$19.5 million	\$29.0 million	\$9.5 million

\* Does not include costs for upgrade and modification of city traffic signal system.

In addition to the program elements discussed above, the diagnostic team also identified a number of improvements at each crossing that would likely be needed should a local city pursue the implementation of railroad quiet zone under the Final Rule.

The estimates for quiet zones are very subjective and have been the subject of much discussion amongst Metrolink staff, CPUC staff, OCTA staff, and city staff. The Final Rule identifies the installation of Supplemental Safety Measures (SSMs) and assigns a numerical safety risk reduction value for each

type of SSM. The numerical value is meant to identify the effectiveness of a particular SSM. For example, the Final Rule assigns a numerical value of .77 to the installation of a four quadrant gate system (all four rail crossing quadrants have a gate lowered as opposed to the traditional two quadrants), while the Final Rule assigns a numerical value of .80 to a raised center median 100 feet long. The effectiveness of either SSM is virtually identical. The capital cost of a four quadrant gate system could be as much as \$750,000, while a center median could be as low as \$100,000. In addition, the four quadrant gate system requires on-going annual maintenance costs of approximately \$5,000 - \$10,000 per year. From a capital and maintenance cost perspective, the center median is a more cost-effective SSM from OCTA's perspective; however, the installation of a 100 foot center median often times restricts or fully closes off access to driveways of businesses and / or residences adjacent to the railroad right-of-way or rail-highway grade crossing. For this reason, staff has developed a range of capital cost estimates for quiet zone implementation within Orange County. The estimated range of capital cost for quiet zones within Orange County is \$5,100,000 to \$11,300,000.

#### OCTA Quiet Zone Policy

OCTA currently does not have a policy on assisting cities with the implementation, funding, or ongoing operating costs related to quiet zones. Staff has been working to identify potential policy options for the Board to consider as it reviews the impact that the Final Rule has on Orange County cities and OCTA.

One of the most significant issues associated with the establishment of quiet zones by a city is potential liability for damages caused in accidents that will occur in the absence of an audible warning. A railroad which follows procedures to blow whistles at a grade crossing, where all warning devices are functioning properly, will generally not be held liable for damages associated with grade crossing accidents.

At this time there is no case law regarding accidents that occurred within a quiet zone, so questions remain as to the circumstances under which liability might arise. The essential question is this: If a city directs a railroad to silence its horns within a quiet zone and an accident occurs, who, if anyone, may be liable if an injured party alleges that the accident was caused in whole or in part by the railroad's failure to sound its horn?

While the industry awaits case law on questions such as this, the FRA expects that, consistent with existing, longstanding precedent findings that federal

regulation of railroads preempts state law and tort causes of action in other areas, federal preemption will be upheld in this area as well.

The SCRRA, of which OCTA is a member agency, has striven to achieve supplemental liability protection during periods of construction, but to date no insurance policy exists in the marketplace that is commercially available to cities to cover the potentially increased exposure to the city, OCTA, and SCRRA caused by the silencing of train horns on an on-going basis after implementation of a quiet zone.

Consequently, on April 21, 2006, the Metrolink Board of Directors adopted the Southern California Regional Rail Authority Quiet Zone Implementation Guidelines and Procedures (Implementation Guidelines and Procedures). The Implementation Guidelines and Procedures requires adherence to a higher standard of safety in the design of grade crossings than simple risk reduction to a level commensurate with the use of locomotive horns, or other safety measures. The SCRRA's goal is to make grade crossings not simply "as safe" as before the cessation of horn blowing, but actually safer than before.

Additionally, in order to establish a quiet zone, a city must indemnify, defend, and hold harmless SCRRA and its member agencies, including OCTA, as well as their respective board members, member agencies, officers, agents, volunteers, contractors, operating railroads, and employees (SCRRA Indemnities) from any and all liability, loss, expense (including reasonable attorneys' fees and other defense costs), demands, suits, liens, damages, costs, claims, including but not limited to, claims for bodily injury, death, personal injury, or property damage, that are incurred by or asserted against the SCRRA Indemnities arising out of or connected with any negligent acts or omissions on the part of the city, its council, officers, agents, contractors, or employees under or in connection with any work, authority or jurisdiction delegated to the city related to establishment and operation of a quiet zone at a rail-highway grade crossing.

From a risk management perspective, staff and counsel will recommend the OCTA Board adopt a quiet zone policy that is consistent with the policies of SCRRA and its member agencies, irrespective of OCTA providing funding for grade crossing improvements.

It is recommended that the Transit Planning and Operations Committee authorize staff to work with affected cities in the development of consistent policies and procedures to consider in city establishment of quiet zones that indemnify the SCRRA Indemnities, including OCTA, and adhere to a higher

standard of safety in the design of grade crossings that make grade crossings safer than they were before.

The policies will establish procedures for the cities to follow that will include proper diagnostic reviews, evaluation and selections of SSMS and other improvements, funding agreements with OCTA, and the execution of a construction and maintenance agreement between the city and the railroad. Additionally, the policy will require that the city engineer or designee approve and stamp all plans for improvements to their street and traffic signal improvements.

Finally, if OCTA approves a quiet zone policy, staff will recommend that the Program be modified to include quiet zone improvements in accordance with the adopted policy.

#### **Rail-Highway Grade Separations**

Due to the extremely high cost of individual rail-highway grade separations, it is important that the limited funding available for these types of projects be used where the most benefit will occur. OCTA staff proposes to use the Alameda Corridor East Trade Corridor Plan, completed in 2001, and the Orange/Olive Grade Crossing Study, completed in 2005, as a starting point for developing a countywide grade separation program that will result in a prioritized list of projects to compete for the limited funds that are anticipated to be available for these type of projects. Current and future funding sources include, but are not limited to, Proposition 1B Trade Corridor Investment Fund, Proposition 1B Railroad Crossing Safety Program, STIP, Section 190 Grade Separation Program, Federal Congestion Mitigation and Air Quality Program, Federal Surface Transportation Improvement Program, and Measure M Renewal.

#### **Summary**

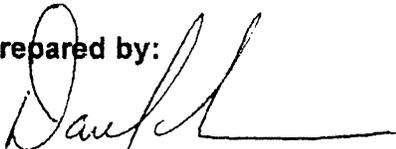
OCTA staff is in the process of implementing the Rail-Highway Grade Crossing Program approved by the Board on June 13, 2005. Staff is providing a progress report on the program, as well as providing information on the establishment of railroad quiet zones and the development of a countywide Rail-Highway Grade Separation Program.

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**Attachment**

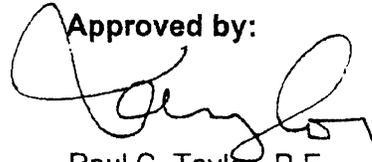
None.

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## **Rail-Highway Grade Crossing Enhancement Program Implementation Options**

### **Option 1**

Under Option 1, the Southern California Regional Rail Authority (SCRRA) would act as the implementing agency on behalf of the Orange County Transportation Authority (OCTA) for the implementation of combined rail-highway grade crossing enhancements and quiet zone improvements. The SCRRA has agreed to act as the agent for OCTA, wherein the city reviews and approves the design of improvements, and files the Notice of Intent and Notice of Establishment with the Federal Railroad Administration (FRA) as required by the Final Rule on the Use of Locomotive Horns at Rail-Highway Grade Crossings. Under this implementation option, SCRRA would design and construct both rail-highway grade crossing enhancements and quiet zone improvements that are within the railroad right-of-way and some improvements outside of the railroad right-of-way. The city would be required to construct some improvements outside of the right-of-way. A key advantage to this approach is overall program coordination by SCRRA, which would allow rail-highway grade crossing improvements to be scheduled in coordination with the track and infrastructure projects that are occurring as part of the Metrolink Service Expansion Program, as well as other ongoing railroad capital and rehabilitation projects.

### **Option 2**

Under Option 2, the city would act as lead for implementation of combined rail-highway grade crossing enhancements and quiet zone improvements. The city would design all improvements and SCRRA would construct all improvements within the railroad right-of-way. The city would be responsible for constructing improvements outside of the railroad right-of-way. A key challenge in this approach is that overall program coordination would not be performed by OCTA or SCRRA. Each individual city would have the responsibility to coordinate directly with SCRRA. OCTA staff believes that this option would likely result in some rail-highway grade crossing enhancements and quiet zone improvements being completed prior to the completion of the track and infrastructure projects that are occurring as part of the Metrolink Service Expansion Program; however, the vast majority would likely occur subsequent to the Metrolink Service Expansion Program.

**Program Budget and Cost Sharing**

	<b>CURE</b>	<b>Renewed Measure M Project R</b>	<b>Total</b>
<b>OCTA</b>	\$10 million	\$42.8 million	\$52.80 million
<b>Local City Funds</b>	\$ 2.09 million	\$ 5.11 million	\$ 7.20 million
			\$60.00 million





*BOARD COMMITTEE TRANSMITTAL*

**October 5, 2007**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject:** Fourth Quarter Fiscal Year 2006-07 Grant Status Report

Finance and Administration Committee

September 26, 2007

**Present:** Directors Amante, Bates, Brown, Buffa, Campbell, Moorlach, and  
Nguyen  
**Absent:** None

***Committee Vote***

This item was passed by all Committee Members present.

***Committee Recommendation***

Receive and file as an information item.



**September 26, 2007**

**To:** Finance and Administration Committee  
**From:** Arthur T. Leahy, Chief Executive Officer *ATL by PCT*  
**Subject:** Fourth Quarter Fiscal Year 2006-07 Grant Status Report

**Overview**

The Quarterly Grant Status Report summarizes grant activities for information purposes for the Orange County Transportation Authority Board of Directors. This report focuses on significant activity for the period of April through June 2007. The Quarterly Grant Status Report summarizes future and pending grant applications, executed and current grant awards, and closed-out grant agreements.

**Recommendation**

Receive and file as an information item.

**Background**

The Orange County Transportation Authority's (OCTA) long-term, proactive planning approach ensures the effective utilization of limited capital resources and improved operating effectiveness. One critical aspect of this proactive planning approach is to strategically seek and obtain federal, state, and local grant funding.

**Discussion**

The ongoing grant activities are categorized by future grant applications, pending grant applications, awarded/executed grant agreements, current grant agreements, and closed-out grant agreements.

**Future Grant Applications**

OCTA has two grant proposals currently under development as summarized on the following page and Attachment A.

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Fiscal Year (FY) 2007 Federal Transit Administration (FTA) Section 5307 Formula Grant Program

- The development of the FY 2007 FTA Section 5307 Formula Grant application is underway with expected submittal by the end of September 2007. The grant application will provide approximately \$48.6 million in federal capital and operating assistance to support OCTA's fixed route and paratransit operations, including financial assistance in the purchase of 132 transit vehicles. In prior years, this grant has traditionally encompassed the transfer of Congestion Mitigation and Air Quality (CMAQ) funds. FTA now requires such transfers to be captured in separate grants for tracking purposes. In keeping with the new requirement, staff developed and submitted a distinct CMAQ transfer grant that is currently in review and described further in the following section for pending grant applications.

FTA Section 5309 Discretionary Bus Capital Grant Program

- Staff has continued work on the FY 2007 FTA Section 5309 Discretionary Capital Grant application and will be assisting in the development of several earmark projects in the upcoming months. The earmarks include over \$3.5 million in federal funding to support bus rapid transit, security surveillance, facility improvements, and senior mobility programs. The upcoming grant will also include \$247,507 in federal earmark funds that have been successfully reprogrammed to support the OCTA bus system. Grant applications are being developed and will be submitted throughout the fiscal year based on project readiness. The federal funds require up to a 20 percent local match contribution and must be applied for by September 2008.

Pending Grant Applications

The OCTA has three pending grant applications awaiting award or approval (Attachment B).

FY 2007 FTA CMAQ Fund Transfer

- On June 24, 2007, staff submitted a federal grant application to facilitate the transfer of over \$5.6 million in CMAQ funds from the Federal Highway Administration (FHWA) to FTA for transit use. The funds are to support vanpool and rideshare programs as directed by the OCTA Board on May 24, 2007. The transfer was approved by both the California Department of Transportation (Caltrans) and FHWA on June 11, 2007. The grant agreement was executed on August 28, 2007.

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FY 2006 Air Quality Management District (AQMD): Carl Moyer Grant Program

- Staff continues work with the AQMD staff to pursue approximately \$5.8 million in competitive grant funds from the FY 2007 Carl Moyer Grant Program. The program aims to reduce emissions by promoting cleaner heavy-duty vehicles and equipment. The funds are being pursued to offset the incremental costs of repowering 232 buses with advanced low emission natural gas engines which follows the OCTA Board direction received on November 13, 2006. Proposals were submitted May 4, 2007, and are currently being reviewed.

FY 2007 Transit Security Grant Program (TSGP) and TSGP Supplemental Grant: Department of Homeland Security (DHS)

- Over the past year, staff has worked closely with federal and state Homeland Security officials and regional transit agency representatives, including the Los Angeles County Metropolitan Transportation Authority (LACMTA), to secure funds made available through the FY 2007 TSGP. On January 26, 2007, staff submitted a draft proposal requesting \$1 million to support on-board bus cameras, which is in accordance with OCTA Board direction received on November 9, 2006. The proposal is currently in review with the Transportation Security Administration. Feedback needed towards a final proposal is expected in the coming weeks.

Staff also continues cooperative efforts with Homeland Security officials to gain insights on an upcoming supplemental grant opportunity announced on August 16, 2007. The U.S. Troop Readiness, Veterans Care, Katrina Recovery, and Iraq Accountability Appropriations Act of 2007 (Public Law 110-28) provided \$260 million towards a variety of Homeland Security programs, including \$100 million to enhance the security of the nation's critical rail, bus, and ferry transit systems. A risk-based allocation of \$4.3 million is anticipated for eligible bus and rail transit systems in the Los Angeles/Orange County urban area. Firm details regarding the grant have yet to be announced.

**Awarded/Executed Grants**

One grant was awarded or executed in the current quarter.

## FY 2006 TSGP: DHS

- On June 20, 2007, DHS awarded OCTA's total request of \$950,000 in grant funds to support on-board bus cameras (\$498,000), and video surveillance system at the Buena Park commuter rail station (\$252,000). Both projects have received prior approval by the OCTA Board on November 13, 2006. The award will also support the development of a Comprehensive Emergency Management Plan for the agency (\$200,000). These projects are in keeping with existing federal, state, and regional security objectives, as well as the draft OCTA Security Project Portfolio that currently identifies surveillance and business continuity planning as a high-ranking priority for the agency. The award does not require a local match contribution.

## Current Grant Agreements

OCTA has six current capital formula grants and four current capital discretionary grants which are summarized on Attachment C.

Capital Formula Grants: OCTA receives an annual formula capital grant from the FTA. There are six active formula capital grants, totaling \$524.4 million. A total of \$505.8 million of these grants has been expended or obligated for procurement, leaving a remaining and available balance of \$18.6 million. Of the \$18.6 million available balance, \$15.2 million represents future procurements of alternative fuel buses for the expansion and replacement of OCTA's current fixed route fleet.

Capital Discretionary Grants: There are four active discretionary capital grants, totaling \$12.1 million. A total of \$6.8 million of these grants has been expended or obligated for procurement, leaving a remaining and available balance of \$5.3 million. The \$5.3 million available balance represents the construction of the Harbor Boulevard bus rapid transit demonstration project, security camera system at the Fullerton Transportation Center, and mobile fare equipment for OCTA and the City of Anaheim.

OCTA has \$293.7 million in current other discretionary grants which are summarized on Attachment D.

In addition to the specific grants outlined above, OCTA receives a variety of discretionary grants from sources such as Southern California Association of Governments, AQMD, Mobile Source Air Pollution Reduction Committee, FHWA, CMAQ, Traffic Congestion Relief Program, Caltrans, and the State Highway Fund. The remaining and available balance on these discretionary grants is \$22.1 million. These funds will be received on a reimbursement of eligible expense basis.

Closed-Out Grant Agreements

No grants were closed during the fourth quarter.

**Summary**

This report provides an update of the grant funded activities for the fourth quarter of fiscal year 2006-07, April through June 2007. Staff recommends this report be received and filed as an information item.

**Attachments**

- A. Quarterly Grant Status Report, April through June 2007, Future Grant Applications.
- B. Quarterly Grant Status Report, April through June 2007, Pending Grant Applications.
- C. Quarterly Grant Status Report, April through June 2007, Current Formula & Discretionary Grants.
- D. Quarterly Grant Status Report, April through June 2007, Current Other Discretionary Grants.
- E. Quarterly Grant Status Report, April through June 2007, Federal Transit Administration Section 5307 Grant Funds.
- F. Quarterly Grant Status Report, April through June 2007, Federal Transit Administration Capital Grant Index.

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**Quarterly Grant Status Report  
April through June 2007  
Future Grant Applications**

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<b>Federal Transit Administration Section 5307 - Urbanized Area Formula Capital Grant Program</b>						
GRANT	GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	ESTIMATE SUBMITTAL DATE	ESTIMATE APPROVAL DATE	STATUS
Fiscal Year 2007	\$ 48,631,827	\$ 28,826,342	\$ 77,458,169	September 2007	November 2007	Under Development
<b>Formula Grant Sub-Total</b>	<b>\$ 48,631,827</b>	<b>\$ 28,826,342</b>	<b>\$ 77,458,169</b>			

<b>Federal Transit Administration Section 5309 (c) - Bus and Bus Related Facilities Program</b>						
Discretionary grants are funded by Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) / Transportation Equity Act for the 21st Century (TEA 21).						
Grants provide capital funds for projects that improve efficiency and coordination of transportation systems.						
GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	ESTIMATE SUBMITTAL DATE	ESTIMATE APPROVAL DATE	STATUS
Fiscal Year 2002 City of Costa Mesa	\$ 247,507	\$ 61,877	\$ 309,384	December 2008	TBD	Scope of Work changed via the Federal Fiscal Year 2007 Appropriations Bill
Fiscal Year 2006 Earmark: Orange County Transportation Authority Bus Rapid Transit	1,485,000	371,250	1,856,250	December 2008	TBD	Pending Scope of Work; Awarded application required by September 2008
Fiscal Year 2006: Earmark: Orange County Transportation Authority Security Surveillance and Monitoring Equipment	1,006,989	251,747	1,258,736	December 2008	TBD	Pending Scope of Work; Awarded application required by September 2008
Fiscal Year 2006 Earmark: Orange County Purchase Buses for Rapid Transit	190,357	38,989	229,346	December 2008	TBD	Pending Scope of Work; Awarded application required by September 2008
Fiscal Year 2006 Earmark: Orange County Projects to Encourage Use of Transit to Reduce Congestion	190,357	47,589	237,946	December 2008	TBD	Pending Scope of Work; Awarded application required by September 2008
Fiscal Year 2006 Earmark: Santa Ana, Improve Santa Ana Transit Terminal	190,357	47,589	237,946	December 2008	TBD	Pending Scope of Work; Awarded application required by September 2008
Fiscal Year 06 Earmark: Yorba Linda Senior Mobility Program	40,590	10,148	50,738	December 2008	TBD	Pending Scope of Work; Awarded application required by September 2008
Fiscal Year 2006 Earmark: La Habra Shuttle Senior Transportation Program	155,430	38,858	194,288	December 2008	TBD	Pending Scope of Work; Awarded application required by September 2008
Fiscal Year 2006 Earmark: Intermodal Park and Ride Facility at Discovery	297,000	74,250	371,250	December 2008	TBD	Pending Scope of Work; Awarded application required by September 2008
<b>Discretionary Grant Sub-Total</b>	<b>\$ 3,803,587</b>	<b>\$ 942,296</b>	<b>\$ 4,745,883</b>			

<b>FUTURE GRANTS TOTAL</b>	<b>\$ 52,435,414</b>	<b>\$ 28,768,638</b>	<b>\$ 82,204,052</b>
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**Quarterly Grant Status Report  
April through June 2007  
Pending Grant Applications**

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<b>Federal Transit Administration Section 5307 - Congestion Mitigation and Air Quality Fund Transfer</b>						
GRANT	GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	EST. SUBMITTAL DATE	EST. APPROVAL DATE	STATUS
Fiscal Year 2007	\$ 5,616,267	\$ 651,984	\$ 6,268,251	August 2007	August 2007	Submitted
Formula Grant Sub-Total	\$ 5,616,267	\$ 651,984	\$ 6,268,251			

<b>Air Quality Management District / Car Mover Grant Program</b>						
GRANT	GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	EST. SUBMITTAL DATE	EST. APPROVAL DATE	STATUS
Repower 232 buses with advanced low emission compressed natural gas	\$ 5,800,000	\$ -	\$ 5,800,000	March 2007	TBD	Submitted
Discretionary Grant Sub-Total	\$ 5,800,000	\$ -	\$ 5,800,000			

<b>Department of Homeland Security</b>						
These grants are to be used for the protection of the Orange County's transportation system and the strengthening of Orange County Transportation Authority's critical facilities.						
GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	SUBMITTAL DATE	EST. APPROVAL DATE	STATUS
Fiscal Year 2007 Homeland Security Grant Program	\$ 1,000,000	\$ -	\$ 1,000,000	January 2007	TBD	Submitted
Discretionary Grant Sub-Total	\$ 1,000,000	\$ -	\$ 1,000,000			

<b>PENDING GRANTS TOTAL</b>	<b>\$ 12,416,267</b>	<b>\$ 651,984</b>	<b>\$ 13,068,251</b>			
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Quarterly Grant Status Report  
April through June 2007  
Current Formula & Discretionary Grants

Federal Transit Authority SECTION 5307, 5309 AND 5313 GRANT FUNDS

**Federal Transit Authority Section 5307 - Urbanized Area Formula Capital Grant Program**

Formula grants funded by the Transportation Equity Act for the 21st Century.

Funds are generally used to purchase revenue vehicles, vehicle and facility modifications and bus related equipment.

CURRENT GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	EXPENDED TO DATE	UNLIQUIDATED OBLIGATIONS	REMAINING BALANCE
Fiscal Year 2006	\$ 4,659,324	\$ 47,300,781	\$ 51,960,105	\$ 24,240,898	\$ 12,088,883	\$ 15,630,324
Fiscal Year 2005	84,263,773	14,660,716	98,924,489	49,553,546	49,370,943	0
Fiscal Year 2004 **	45,164,302	14,024,519	59,188,821	49,482,756	9,352,844	353,221
Fiscal Year 2002-03 *	131,076,208	24,996,716	156,072,924	149,351,782	4,265,455	2,455,687
Fiscal Year 2001	30,138,775	7,474,532	37,613,307	21,620,648	15,817,580	175,079
Fiscal Year 2000	88,838,958	31,811,225	120,650,183	68,789,329	51,860,854	0
<b>Formula Grants Total</b>	<b>\$ 384,141,340</b>	<b>\$ 140,268,489</b>	<b>\$ 524,409,829</b>	<b>\$ 363,038,959</b>	<b>\$ 142,756,559</b>	<b>\$ 18,614,311</b>

Note: The remaining balance reflects funds in an approved grant waiting for the procurement contract.

\* The fiscal year 2002-03 Section 5307 Grant is a consolidated fiscal year 2001-02 and fiscal year 2002-03 mega grant.

\*\* The fiscal year 2003-04 Section 5307 Grant is "ONLY" 9/12 of the amount available because the extension of Transportation Equity Act for the 21st Century expired June 30, 2004.

**Federal Transit Authority Section 5309 - Discretionary Capital Grant Program**

Discretionary grants funded by the Transportation Equity Act for the 21st Century.

Grants provide capital funds for projects that improve efficiency and coordination of transportation systems.

CURRENT GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	EXPENDED TO DATE	UNLIQUIDATED OBLIGATIONS	REMAINING BALANCE
Fiscal Year 2006 Bus Application	\$ 970,874	\$ 242,719	\$ 1,213,593	\$ -	\$ -	\$ 1,213,593
Fiscal Year 2005 Bus Application	4,344,932	1,037,983	5,382,915	1,286,700	0	4,096,215
Fiscal Year 2001-02 Cities of Anaheim and Brea and Santa Ana Bus Base	1,930,671	469,249	2,399,920	2,304,246	95,674	0
Fiscal Year 2001 Irvine Transportation Center Transitway	2,481,380	620,345	3,101,725	0	3,101,725	0
<b>Discretionary Grants Total</b>	<b>\$ 9,727,857</b>	<b>\$ 2,370,296</b>	<b>\$ 12,098,153</b>	<b>\$ 3,590,946</b>	<b>\$ 3,197,399</b>	<b>\$ 5,309,808</b>

Note: The above grant amounts include Federal Transit Authority amount and Orange County Transportation Authority local match but excludes operating assistance.

**Quarterly Grant Status Report  
April through June 2007  
Current Other Discretionary Grants**

**DISCRETIONARY ALLOCATIONS**

<b>Air Quality Management District Grant Program and Mobile Source Air Pollution Reduction Review Committee</b>					
<b>Provides grants for the purchase of clean fuel revenue vehicles and other activities to reduce mobile source emissions.</b>					
CURRENT GRANT	STATE GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	REMAINING BALANCE	PROJECT STATUS
Fiscal Year 2006 Mobile Source Air Pollution Reduction Committee Contract MS06045	\$ 200,000	\$ -	\$ 200,000	\$ 200,000	Grant awarded September 2006. Provides funds to offset capital costs of the compressed natural gas fueling station at the Santa Ana Base. Awaiting contract.
Fiscal Year 2004-05 Mobile Source Air Pollution Reduction Committee Contract # PT05063	425,000	-	425,000	425,000	Grant awarded for \$150,000 in February 2005 to purchase and install 71 catalyzed diesel particulate filter systems to retrofit certain diesel-fueled buses. In June 2005, the Mobile Source Air Pollution Reduction Committee Board increased award amount to \$603,500. The contract was executed in March 2006 and budgeted in fiscal year 2007. Requisition 41263 was approved in January 2007. In June 2007, the Board approved a reduction of the number of filters to 50, resulting in a new award amount of \$425,000.
Fiscal Year 2004-05 Mobile Source Air Pollution Reduction Committee Contract # MS05040	200,000	-	200,000	200,000	Funds the purchase of up to 25 natural gas buses at \$8,000 per bus. The Mobile Source Air Pollution Reduction Committee contract was executed on March 23, 2006. First Article to be delivered in the next quarter from New Flyer, Contract C50746.
Fiscal Year 2002-03 Mobile Source Air Pollution Reduction Committee Contract #MS03041	1,360,000	-	1,360,000	1,360,000	This grant provides funding for 68 liquefied natural gas buses at \$20,000 each. On June 1, 2004, Orange County Transportation Authority executed a contract with Mobile Source Air Pollution Reduction Committee with an expiration date of 2008. Orange County Transportation Authority is working with Mobile Source Air Pollution Reduction Committee to reprogram the funding to the current compressed natural gas bus procurement.
Fiscal Year 2002-03 Mobile Source Air Pollution Reduction Committee Contract #MS04006	405,000	-	405,000	325,000	Funds 10 gasoline/electric hybrid buses at \$40,000 each plus \$5,000 for mechanical training. Contract executed on November 9, 2004. Two vehicles have been received and accepted. A reimbursement has been received for \$80,000. The remaining balance will be utilized on a future bus procurement.
Fiscal Year 2002-03 Air Quality Management District Contract # TBD	1,000,000	-	1,000,000	1,000,000	Fund for the expansion of the liquefied natural gas fueling infrastructure at the Garden Grove and Anaheim facilities. Funds were awarded in October 2002. Orange County Transportation Authority submitted a request to Air Quality Management District on August 12, 2004, to use the funds for liquefied natural gas fuel tank upgrades. Air Quality Management District staff responded on September 29, 2004, agreeing to the scope change and also agreeing to allow funds to be used for new alternative fuel refueling infrastructure at the Santa Ana Base. The Air Quality Management District Board concurred with staff recommendation on December 3, 2004. Awaiting contract.
Fiscal Year 2006 Mobile Source Air Pollution Reduction Committee Contract # TBD	928,000	-	928,000	928,000	Provides funding for the purchase and implementation of automated vehicle locator and mobile data terminal equipment to increase the efficiency of the Freeway Service Patrols. The award requires a minimum 25 percent match funded through the Orange County Service Authority for Freeway Emergencies.
Fiscal Year 2006 Mobile Source Air Pollution Reduction Committee Contract # TBD	800,000	-	800,000	800,000	This grant will help support the purchase of 40 new buses equipped with advanced low emission natural gas engines. The grant was awarded on April 6, 2007.

**Quarterly Grant Status Report  
April through June 2007  
Current Other Discretionary Grants**

**DISCRETIONARY ALLOCATIONS**

<b>Traffic Congestion Relief Program</b>					
<b>Governor's Traffic Congestion Relief Program State funding for the Garden Grove Project Advanced Planning Study</b>					
<b>CURRENT GRANT</b>	<b>STATE GRANT AMOUNT</b>	<b>LOCAL SHARE AMOUNT</b>	<b>TOTAL GRANT AMOUNT</b>	<b>REMAINING BALANCE</b>	<b>PROJECT STATUS</b>
Fiscal Year 2002	\$ 394,269	\$ -	\$ 394,269	\$ -	The advanced Planning Study for the Garden Grove Project is complete and the final reimbursement was received on 1/15/2003.
<b>Governor's Traffic Control Relief Program funding for the Garden Grove Project Planning, Construction, Construction Management, ROW</b>					
Fiscal Year 2002	180,100,000	-	180,100,000	7,745,995	In July 2005, Orange County Transportation Authority was granted the remaining allocation of \$123.7 million of Traffic Congestion Relief Program funds. To date, Orange County Transportation Authority has been allocated \$180.1 million with \$4.9 million of the total going to the California Department of Transportation for Environmental and Quality Assurance and Quality Control. Reimbursements received to date are \$167.4 million for: Phase 2 (Preliminary Design and detailed Plans, Specifications and Estimates) \$31.1 million, Phase 3 (right of way) \$26.1 million and Phase 4 (Initial Mobilization for Construction) \$110.2 million. A reimbursement is pending in the amount of \$7.75 million.

<b>State Transportation Improvement Program</b>					
<b>Programming, Planning, Monitoring</b>					
Fiscal Year 2005 Program	\$ 1,287,000	\$ -	\$ 1,287,000	\$ 801,761	Annual State Transportation Improvement Program allocation for the Programming, Planning, Monitoring.
Fiscal Year 2006 Program	1,777,000	-	1,777,000	1,777,000	Annual State Transportation Improvement Program allocation for the Programming, Planning, Monitoring.
Fiscal Year 2007 Program	1,531,000	-	1,531,000	1,531,000	Annual State Transportation Improvement Program allocation for the Programming, Planning, Monitoring.

<b>California Integrated Waste Management Board</b>					
Targeted Rubberized Asphalt Concrete Incentive Grant Program	\$ 150,000	\$ -	\$ 150,000	150,000	Funding to help offset the costs of rubberized asphalt on the Garden Grove Freeway Improvement Project.

<b>Federal Highway Administration Grant Program</b>					
<b>Value Pricing Pilot Program for research and potential deployment of OCTA's Performance Monitoring and Pricing Project.</b>					
Fiscal Year 2005 Value Pricing Pilot Program	\$ 588,000	\$ 147,000	\$ 735,000	\$ 735,000	Funds for Performance Monitoring and Pricing Pilot project on 91 Express Lanes. Will review speed and travel time sensor technology options, approaches to dynamic pricing and policy impacts. Funding requires a 20 percent match, rebudgeted in 2008.

<b>Federal Highway Administration Grant Program Congestion Mitigation Air Quality</b>					
<b>Federal funding for the Garden Grove Project Construction</b>					
Fiscal Year 2004	\$ 101,276,120	\$ -	\$ 101,276,120	\$ 2,845,729	Funding for the construction of carpool lanes on the Garden Grove Freeway. Amount received to date is \$98.4 million.

**Quarterly Grant Status Report  
April through June 2007  
Current Other Discretionary Grants**

**DISCRETIONARY ALLOCATIONS**

**Department of Homeland Security**

These grants are to be used for the protection of the Orange County's transportation system.

CURRENT GRANT	STATE GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	REMAINING BALANCE	PROJECT STATUS
Fiscal Year 2005 Urban Area Security Initiative	\$ 17,500	\$ -	\$ 17,500	\$ -	The cities of Santa Ana, Anaheim and the Orange County Sheriffs department competitively make available a portion of their grant award. Funds provided for (5) mobile hand held radios which were received in December 2006.

**State Office of Homeland Security**

These grants are to be used for the protection of the Orange County's transportation system.

Fiscal Year 2005 Transit Security Grant Program	\$ 958,450	\$ -	\$ 958,450	\$ 958,450	Funds on-board bus security cameras, bus system security analysis, communication equipment and /or command post vehicle and update of Emergency Operations Plan.
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**Federal Transit Authority Section 5313 (b) - Transit Planning Grant Program  
Caltrans is the Federal Grant Recipient**

Fiscal Year 2004	\$ 50,000	\$ 12,000	\$ 62,000	\$ 28,234	Funds statewide planning and other technical assistance activities, planning support for non-urbanized areas, research, development and demonstration projects, fellowships for training in the public transportation field, and human resource development. Orange County Transportation Authority is utilizing funding for Intern positions. Requires a cash match of \$5,000 and in-kind match of \$7,000.
Fiscal Year 2003-04	280,000	33,037	313,037	313,037	Funding to conduct a commuter rail needs assessment at 18 commuter rail stations located along the three Metrolink lines in Orange County. The study will assess demand for parking, rail feeder service, and transit oriented development. Southern California Association of Governments is the recipient of these funds, with Orange County Transportation Authority as management lead on the project. The Measure Of Unit with Southern California Association of Governments was executed March 15, 2007.
<b>Total</b>	<b>\$ 293,727,339</b>	<b>\$ 192,037</b>	<b>\$ 293,919,376</b>	<b>\$ 22,124,205</b>	

**Quarterly Grant Status Report  
April through June 2007**

**FEDERAL TRANSIT ADMINISTRATION SECTION 5307 GRANT FUNDS**

**Federal Transit Administration Section 5307 - Urbanized Area Formula Capital Grant Program**

**Note: Operating Assistance Only**

<b>CURRENT GRANT</b>	<b>FEDERAL GRANT AMOUNT</b>	<b>LOCAL SHARE AMOUNT</b>	<b>TOTAL GRANT AMOUNT</b>	<b>FTA DATE PAID</b>
Fiscal Year 2006 *	\$ 4,659,324	\$ 19,355,615	\$ 24,014,939	Oct. 3, 2006
Fiscal Year 2005 *	\$ 5,341,510	\$ 24,844,621	\$ 30,186,131	Oct. 4, 2005
Fiscal Year 2004 *	\$ 3,010,031	\$ 15,503,544	\$ 18,513,575	Aug. 30, 2004
Fiscal Year 2002-03	\$ 6,966,007	\$ 37,562,925	\$ 44,528,932	Aug. 21, 2003
Fiscal Year 2001 *	\$ 3,155,000	\$ 16,411,495	\$ 19,566,495	March 8, 2002
Fiscal Year 2000 *	\$ -	\$ -	\$ -	Sept. 29, 2000
<b>Formula Grants Sub-Total</b>	<b>\$ 23,131,872</b>	<b>\$ 113,678,200</b>	<b>\$ 136,810,072</b>	

Note: \* Includes Americans with Disability Act Paratransit Operating Assistance "ONLY"

**Quarterly Grant Status Report  
April through June 2007  
Federal Transit Administration Capital Grant Index**

(thru June 30, 2007)

GRANT NO.	DESCRIPTION	OBLIG. DATE	GRANT BUDGET	UNLIQUIDATED OBLIGATIONS	TOTAL OUTLAYS	TOTAL COMMIT/ COSTS	REMAINING BALANCE	PERCENT COMPLETE	ANTICIPATED CLOSE-OUT
CA-03-0561	Bus Purchase/Intermodal Facility	9/21/2000	\$ 5,031,979	\$ -	\$ 5,031,979	\$ 5,031,979	\$ -	100.00%	Closed - April '07
CA-03-0585	Invine Transportation Center	9/26/2001	3,101,725	3,101,725	0	3,101,725	0	0.00%	March '08
CA-03-0626	Cities of Anaheim and Brea	8/25/2003	2,399,920	95,674	2,304,246	2,399,920	0	96.01%	March '08
CA-03-0685	Cities of Anaheim and Brea	8/25/2004	1,188,981	0	1,188,981	1,188,981	0	100.00%	Closed - April '07
CA-03-0709	2005 Section 5309 Bus Application	3/3/2006	5,382,915	0	1,286,700	1,286,700	4,096,215	23.90%	February '08
CA-03-0754	2006 Section 5309 Bus Application	8/22/2006	1,213,593	0	0	0	1,213,593	0.00%	December '09
CA-90-X962	Program of Projects	9/25/2000	120,650,183	51,860,854	68,789,329	120,650,183	0	57.02%	December '07
CA-90-Y048	Program of Projects	3/4/2002	37,613,307	15,817,580	21,620,648	37,438,228	175,079	57.48%	March '08
CA-90-Y163	Program of Projects	8/14/2003	156,072,924	4,265,455	149,351,782	153,617,237	2,455,687	95.69%	March '08
CA-90-Y237	Program of Projects	8/19/2004	59,188,821	9,352,844	49,482,756	58,835,600	353,221	83.60%	March '08
CA-90-Y349	Program of Projects	9/22/2005	98,924,489	49,370,943	49,553,546	98,924,489	0	50.09%	March '08
CA-90-Y428	Program of Projects	9/28/2006	51,960,105	12,088,883	24,240,898	36,329,781	15,630,324	46.65%	March '09
	<b>TOTALS</b>		<b>\$542,728,942</b>	<b>\$ 145,953,958</b>	<b>\$372,850,865</b>	<b>\$ 518,804,823</b>	<b>\$ 23,924,119</b>	<b>68.70%</b>	





BOARD COMMITTEE TRANSMITTAL

**October 5, 2007**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject:** Fiscal Year 2006-07 Fourth Quarter Budget Status Report

Finance and Administration Committee

September 26, 2007

**Present:** Directors Amante, Bates, Brown, Buffa, Campbell, Moorlach, and  
Nguyen  
**Absent:** None

***Committee Vote***

This item was passed by all Committee Members present.

***Committee Recommendation***

Receive and file as an information item.

NOTE: The Committee was provided with a revised Attachment B.

## Fund Level Financial Schedules

### General Fund Revenues and Expenses

*In Thousands*

Description	Budget	Actual	Variance	%
Federal Operating Grants	\$ 4,125	\$ 62	\$ (4,063)	-98.5%
Federal Capital Grants	5,960	2,080	(3,880)	-65.1%
State Assistance	2,465	663	(1,802)	-73.1%
Interest Income	338	282	(56)	-16.7%
Miscellaneous	233	179	(54)	-23.2%
Fees and Fines	166	176	10	6.0%
Other Financial Assistance	620	1,475	855	137.9%
<b>Total Revenues</b>	<b>13,908</b>	<b>4,917</b>	<b>(8,991)</b>	<b>-64.6%</b>
Salaries-Regular Employees	18,720	17,870	850	4.5%
Other Benefits	1,192	1,076	116	9.7%
Insurances	663	561	102	15.4%
Extra Help Employees	793	692	101	12.7%
Compensated Absences	2,439	2,378	61	2.5%
Pensions	4,978	4,975	3	0.1%
<b>Total Salaries and Benefits</b>	<b>28,784</b>	<b>27,552</b>	<b>1,232</b>	<b>4.3%</b>
Contributions to other Agencies	45,090	37,901	7,189	15.9%
Professional Services	16,816	11,971	4,845	28.8%
Office Expense	2,082	1,622	460	22.1%
Miscellaneous Expense	549	392	156	28.5%
Leases	3,952	3,814	138	3.5%
Travel, Training, and Mileage	495	382	113	22.8%
Advertising Fees	414	383	32	7.6%
Maintenace Expense	6	2	4	71.4%
Other Materials and Supplies	136	144	(8)	-6.2%
Utilities	779	1,108	(329)	-42.2%
Outside Services	3,235	3,804	(569)	-17.6%
<b>Total Services and Supplies</b>	<b>73,554</b>	<b>61,524</b>	<b>12,031</b>	<b>16.4%</b>
Capital Expense-Locally Funded	474	492	(18)	-3.8%
<b>Total Expenses</b>	<b>\$ 102,813</b>	<b>\$ 89,568</b>	<b>\$ 13,245</b>	<b>12.9%</b>

*\*Revenues - (under) / over*

*\*Expenses - under / (over)*

## Local Transportation Authority Fund (Measure M) Revenues and Expenses

*In Thousands*

Description	Budget	Actual	Variance	%
Taxes/Fees	\$ 296,173	\$ 275,646	\$ (20,526)	-6.9%
State Assistance	13,593	-	(13,593)	-100.0%
Federal Capital Assistance Grants	14,792	13,918	(874)	-5.9%
Rental Income	77	258	182	237.7%
Sale Capital Assets	-	1,994	1,994	100.0%
Other Financial Assistance	5,707	12,541	6,833	119.7%
Interest Income	16,895	24,191	7,296	43.2%
<b>Total Revenues</b>	<b>\$ 347,236</b>	<b>\$ 328,547</b>	<b>\$ (18,688)</b>	<b>-5.4%</b>
Professional Services	33,280	9,869	23,410	70.3%
Office Expense	319	3	316	99.0%
Outside Services	109	4	104	96.3%
Advertising Fees	35	19	16	45.4%
Miscellaneous Expense	13	2	11	83.9%
Travel, Training, and Mileage	10	4	5	54.5%
Utilities	-	15	(15)	100.0%
Debt Service	\$ 1,018	\$ 1,299	\$ (281)	-27.6%
Contributions to Other Agencies	100,528	106,968	(6,440)	-6.4%
<b>Total Services and Supplies</b>	<b>135,311</b>	<b>118,184</b>	<b>17,126</b>	<b>12.7%</b>
Construction in Progress	37,190	25,470	11,720	31.5%
Work in Process	20,704	14,877	5,827	28.1%
Capital Expense-Grant Funded	35	(26)	61	172.9%
Capital Expense-Locally Funded	32,500	32,500	-	0.0%
<b>Total Capital</b>	<b>\$ 90,429</b>	<b>\$ 72,822</b>	<b>\$ 17,607</b>	<b>19.5%</b>
<b>Total Expenses</b>	<b>\$ 225,740</b>	<b>\$ 191,006</b>	<b>\$ 34,733</b>	<b>15.4%</b>

\*Revenues - (under) / over

\*Expenses - under / (over)

## Orange County Transit District Fund Revenues and Expenses

*In Thousands*

Description	Budget	Actual	Variance	%
Federal Capital Grants	\$ 111,662	\$ 15,609	\$ (96,053)	-86.0%
Farebox Revenue	54,272	53,009	(1,262)	-2.3%
Other Financial Assistance	23,975	23,008	(967)	-4.0%
Federal Operating Grants	24,195	23,478	(717)	-3.0%
Advertising Revenue	4,610	4,573	(36)	-0.8%
Rental Income	429	501	72	16.7%
Taxes/Fees	10,056	10,338	282	2.8%
Insurance Recoveries	219	1,025	805	367.0%
Interest Income	3,876	8,370	4,494	115.9%
<b>Total Revenues</b>	<b>\$ 233,293</b>	<b>\$ 139,910</b>	<b>\$ 93,383</b>	<b>40.0%</b>
Other Benefits	3,997	2,722	1,275	31.9%
Extra Help Employees	1,139	817	322	28.3%
Insurances	1,535	1,709	(174)	-11.3%
Compensated Absences	8,445	8,845	(399)	-4.7%
Salaries-Regular Employees	71,297	71,792	(495)	-0.7%
Pensions	13,341	16,098	(2,757)	-20.7%
<b>Total Salaries and Benefits</b>	<b>\$ 99,755</b>	<b>\$ 101,983</b>	<b>\$ (2,229)</b>	<b>-2.2%</b>
Fuels and Lubricants	21,050	16,399	4,650	22.1%
Outside Services	12,524	9,978	2,545	20.3%
Professional Services	4,470	4,123	348	7.8%
Maintenance Expense	11,028	10,816	211	1.9%
Leases	877	725	152	17.3%
Office Expense	1,178	1,057	121	10.3%
Tires and Tubes	2,241	2,162	79	3.5%
Advertising Fees	204	161	43	21.3%
Miscellaneous Expense	514	502	11	2.2%
Other Materials and Supplies	1,714	1,705	8	0.5%
Insurance Claim Expense	-	3	(3)	100.0%
Travel, Training, and Mileage	257	293	(36)	-14.2%
Contract Transportation	31,269	31,556	(287)	-0.9%
Utilities	1,100	1,538	(438)	-39.8%
Contributions to other Agencies	\$ 1,385	\$ 2,510	\$ (1,124)	-81.2%
Debt Service	362	2,194	(1,832)	-506.7%
<b>Total Services and Supplies</b>	<b>\$ 90,171</b>	<b>\$ 85,722</b>	<b>\$ 4,449</b>	<b>4.9%</b>
Capital Expense-Locally Funded	194,729	170,871	23,858	12.3%
Work in Process	3,693	5,679	(1,986)	-53.8%
<b>Total Capital</b>	<b>\$ 198,422</b>	<b>\$ 176,550</b>	<b>\$ 21,872</b>	<b>11.0%</b>
<b>Total Expenses</b>	<b>\$ 388,348</b>	<b>\$ 364,255</b>	<b>\$ 24,093</b>	<b>6.2%</b>

\*Revenues - (under) / over

\*Expenses - under / (over)

## 91 Express Lanes Fund Revenues and Expenses

*In Thousands*

Description	Budget	Actual	Variance	%
Insurance Recovery	\$ 14	\$ 65	\$ 51	369.8%
Toll Road Revenue	36,800	38,353	1,553	4.2%
Interest Income	1,796	3,496	1,700	94.6%
Miscellaneous Toll Road Revenue	5,000	11,485	6,485	129.7%
<b>Total Revenues</b>	<b>\$ 43,609</b>	<b>\$ 53,399</b>	<b>\$ 9,789</b>	<b>22.4%</b>
Outside Services	1,842	993	848	46.1%
Insurance Claims Expense	1,000	352	648	64.8%
Professional Services	4,755	4,149	606	12.7%
Advertising Fees	390	149	240	61.7%
Leases	483	382	101	20.9%
Debt Service	10,747	10,663	84	0.8%
Office Expense	238	196	42	17.7%
Travel, Training, and Mileage	27	7	20	72.4%
Contributions to Othr Agencies	-	-	-	0.0%
Utilities	\$ 20	\$ 27	\$ (7)	-32.6%
Contract Transportation	5,603	5,630	(28)	-0.5%
Miscellaneous Expense	208	1,001	(792)	-380.8%
<b>Total Services and Supplies</b>	<b>\$ 25,312</b>	<b>\$ 23,549</b>	<b>\$ 1,763</b>	<b>7.0%</b>
Capital Expense-Locally Funded	\$ 6,270	\$ 3,935	\$ 2,335	37.2%
<b>Total Capital</b>	<b>\$ 6,270</b>	<b>\$ 3,935</b>	<b>\$ 2,335</b>	<b>37.2%</b>
<b>Total Expenses</b>	<b>\$ 31,582</b>	<b>\$ 27,484</b>	<b>\$ 4,098</b>	<b>13.0%</b>

\*Revenues - (under) / over

\*Expenses - under / (over)

## Internal Service Funds Revenues and Expenses

*In Thousands*

Description	Budget	Actual	Variance	%
Charges for Services	150	1,246	1,096	730.2%
Insurance Recoveries	\$ 317	\$ 126	\$ (191)	-60.4%
Interest Income	1,721	2,883	1,162	67.5%
<b>Total Revenues</b>	<b>\$ 2,188</b>	<b>\$ 4,254</b>	<b>\$ 2,067</b>	<b>94.5%</b>
Insurance Claims Expense	35,238	22,577	12,661	35.9%
Professional Services	1,299	580	719	55.4%
Outside Services	103	69	34	33.5%
Miscellaneous Expense	\$ 3	\$ 3	\$ 0	1.9%
<b>Total Services and Supplies Expenses</b>	<b>\$ 36,737</b>	<b>\$ 23,311</b>	<b>\$ 13,426</b>	<b>36.5%</b>

\*Revenues - (under) / over

\*Expenses - under / (over)



**September 26, 2007**

**To:** Finance and Administration Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Fiscal Year 2006-07 Fourth Quarter Budget Status Report

**Overview**

The Orange County Transportation Authority's staff has implemented the fiscal year 2006-07 budget. This report summarizes the material variances between the budget plan and un-audited actual revenues and expenses.

**Recommendation**

Receive and file as an information item.

**Background**

The Board of Directors (Board) approved the Orange County Transportation Authority (OCTA) Fiscal Year (FY) 2006-07 Budget on June 12, 2006. The approved budget itemized the anticipated revenues and expenses necessary to meet OCTA's transportation programs and service commitments. The OCTA budget is a compilation of individual budgets for each of OCTA's funds, including the General Fund, three enterprise funds, eight special revenue funds, two capital project funds, one debt service fund, three trust funds, and five internal service funds.

The approved revenue budget is \$844.5 million comprised of \$731 million in current year revenues and \$113.5 million in use of reserves. The approved expenditure budget is \$844.5 million with \$773.4 million of current year expenditures and \$71.1 million of designations.

This report will analyze material variances between the year-to-date budget and actuals for both revenues and expenditures.

Through the fourth quarter, there have been 20 Board approved budget amendments. A summary of each amendment follows:

<b>Fiscal Year 2006-07 Amended Budget</b>		<b>Amount</b>
<b>Description</b>		<b>(in thousands)</b>
6/12/2006	Approved Budget	\$ 844,529
07/24/06	Asphalt pavement reconstruction at the Garden Grove Base	\$ 589
08/24/06	Acquisition of real property for Anaheim Regional Transportation Intermodal Center	32,500
08/24/06	Acquisition of 249 compressed natural gas buses (plus amendment #2 on February 12)	108,818
09/20/06	Acquisition of Laidlaw land and building	16,000
09/25/06	Parking expansion at the Irvine Transportation Center	4,733
09/25/06	Construction of Buena Park Intermodal Facility	8,572
11/13/06	Go Local Program	3,400
11/27/06	Garden Grove Freeway Phase II Improvement Project	10,000
11/27/06	Modifications to compressed natural gas facility at the Santa Ana Base	297
11/29/06	Settlement agreement with Swinerton and Tower Engineering	1,064
12/11/06	Staffing support for the delivery of transit and highway projects	200
03/19/07	Orange County Registrar of Voter's - Measure M Election	884
03/19/07	Additional funds for Measure M competitive program	15,000
03/19/07	Bristol Street Widening Project	3,600
03/19/07	Santa Ana Base contract change orders	803
03/19/07	Fixed route radio system computing equipment and software replacement	450
03/19/07	Staffing support for coach operator recruiting	30
04/09/07	Amendment to purchase 31 mid-size compressed natural gas buses	2,960
05/14/07	Design and construction of compressed natural gas fueling stations	11,800
05/29/07	Funds to cover acquisition of 20 compressed natural gas cutaway vehicles	985
6/30/2007	Total Amended Budget	\$ 1,067,214

**Discussion**

Staff monitors and analyzes current year revenues and expenditures versus the amended budget. This report will provide budget-to-actual explanations for any material variances.

**Staffing**

A staffing plan of 1,945 full-time equivalent (FTE) positions was approved in the FY 2006-07 budget. On two separate occasions, the Board amended the staffing plan increasing the FTE to 1,948. The filled positions at the end of June 2007 are 1,896. In the fourth quarter, the overall vacancy rate for OCTA was 2.7 percent, with administrative and union groups experiencing a 5.1 and 2 percent rate, respectively. A breakdown of the vacancy rate by job category is provided on page 3.

Full -Time Equivalent Vacancy Rate

	Budget	Filled	Vacancy Rate
Coach Operators	1,155	1,137	1.6%
Maintenance Union	263	255	3.1%
Transportation Communications International Union	45	43	4.7%
Union Subtotal	1,463	1,435	2.0%
Direct Transit Operations Support	204	190	7.4%
Other Administrative	281	272	3.5%
Administrative Subtotal	485	462	5.1%
Total Authority	1,948	1,896	2.7%

Revenue Summary

Since the Board's original approval, OCTA has augmented its revenue budget by \$222.7 million. As the table below indicates, the amended revenue budget for FY 2006-07 is \$1.1 billion. This section of the report focuses on major variances between budgeted and actual revenues for the fourth quarter.

Fiscal Year 2006-07 Amended Revenue Budget

	Revenues (in thousands)				Total
	Current Year	Reserves	Federal Sources	Local Sources	
Approved Budget	\$ 731,046	\$ 113,483	\$ -	\$ -	\$ 844,529
Amendments		106,353	109,765	6,567	222,685
Total Amended Budget	\$ 731,046	\$ 219,836	\$ 109,765	\$ 6,567	\$ 1,067,214

NOTE: Federal Sources includes: Congestion Management & Air Quality (CMAQ), Federal Transit Administration (FTA) and Capital Assistance

Revenues of \$753.6 million are 11.1 percent under the amended budget of \$847.4 million. Variances at the summary object level are presented below:

Fiscal Year 2006-07 Revenue Summary  
(in thousands)

Description	Year to Date Budget	Year to Date Actual	Variance	%
Federal Capital Assistance Grants	\$ 165,464	\$ 58,865	\$ (106,599)	-64.4%
State Grants	21,727	4,284	(17,443)	-80.3%
Federal Operating Grants	28,320	23,540	(4,780)	-16.9%
Farebox Revenue	54,681	53,435	(1,246)	-2.3%
Sales Tax Revenue	444,305	444,067	(238)	-0.1%
Department of Motor Vehicles Fees Revenue	5,168	5,115	(54)	-1.0%
Advertising Revenue	4,200	4,191	(9)	-0.2%
Gas Tax Exchange	23,000	23,000	-	0.0%
Fees and Fines	188	191	3	1.4%
Rental Income	1,113	1,367	254	22.8%
Property Tax Revenue	10,056	10,338	282	2.8%
Miscellaneous	3,518	8,649	5,131	145.8%
Other Financial Assistance	8,231	14,083	5,852	71.1%
Toll Road Revenue	41,212	49,839	8,627	20.9%
Interest Income	36,194	52,674	16,480	45.5%

Total Revenue \$ 847,378 \$ 753,637 \$ (93,741) -11.1%

\*(under) / over

Note: Revenues in the following four categories (Federal Capital and Operating Grants, State Grants and Other Financial Assistance) are received on a reimbursement basis. Revenues budgeted here can be received in future years rather than the year in which they are reflected in the budget. In addition, reimbursements budgeted in a prior year can be received in the current year. This will lead to a variance between budgeted revenues and actual cash receipts. Revenues received include reimbursements from the Federal Transit Administration (FTA), California Department of Transportation (Caltrans), cities, and other agencies.

Federal Capital Assistance Grants: Actuals of \$58.9 million are 64.4 percent below the budget of \$165.5 million. The majority of the variance (\$86.7 million) can be attributed to the pending receipt of 249 compressed natural gas (CNG) buses. In addition, there is also federal funding (\$14.3 million) associated with the procurement of both paratransit and contracted fixed route vehicles. Once these vehicles are received and accepted, as scheduled, in the

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latter part of 2007, OCTA will initiate a reimbursement request from the FTA for capital assistance funds.

In addition, \$2.6 million can be attributed to the parking expansion at the Irvine Transportation Center which was approved as an amendment by the Board on September 25, 2006. The design phase is expected to be complete during the first quarter of FY 2008, at which time expenses will be incurred and reimbursement will be sought. There is also \$0.8 million in federal pass through funds for the City of Anaheim via a cooperative agreement for the purchase of 32 fareboxes. The City of Anaheim has requested an extension until next fiscal year. Staff will go back to the Board in FY 2007-08 to request an amendment to the existing cooperative agreement.

Finally, payments related to the Keller Street storage facility and the mail dock relocation were anticipated to be incurred during this fiscal year (\$1.8 million). However, both projects are in the design phase which is expected to be completed by October 2007, and contracts to begin construction are expected to be let by February 2008. As a result, these projects have been re-budgeted in FY 2007-08.

State Grants: Actuals are running \$17.4 million below the amended budget of \$21.7 million. This is primarily due to the Santa Ana Freeway (Interstate 5) Gateway Project (\$13.6 million). When the budget was developed, staff anticipated to seek reimbursement for right-of-way (ROW) activities, however, reimbursement for these activities will be sought directly by Caltrans. In addition, the chokepoint and soundwall programs (\$2.1 million) were re-budgeted in the subsequent fiscal year when the State Transportation Improvement Program (STIP) funding is expected to become available. Another project contributing to the overall variance is the Central County Major Investment Study (\$0.9 million). This study was delayed and has been re-budgeted next fiscal year.

Federal Operating Grants: Actuals are running \$4.8 million below the amended budget of \$28.3 million. The majority of this variance can be attributed to Federal Highway Administration (FHWA) funds (\$2.4 million) that were redirected to the Riverside County Transportation Commission for the Irvine-Corona Expressway feasibility studies. In addition, another \$1.5 million in FHWA funds for the San Diego Freeway (Interstate 405) preliminary engineering and the Garden Grove Freeway (State Route 22) Environmental Impact Report (EIR) are contributing to the variance. These projects have both been delayed until next fiscal year.

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**Farebox Revenues:** Actuals of \$53.4 million are 2.3 percent below the amended budget of \$54.7 million. The primary reason for this variance is due to directly operated fixed route boardings underrunning by 1.7 percent for the year which is resulting in a variance of \$0.9 million. In addition, full fares are running below the budget due to a shift in ridership behavior, where passengers are moving towards a more economical fare media (prepaid passes), which has a lower fare per boarding (\$0.60 to \$0.70 on average) compared to \$1.25 for the full fare. The net effect of this shift to a lower fare per boarding is also contributing to the underrun.

**Miscellaneous:** Actuals of \$8.6 million are \$5.1 million above the amended budget of \$3.5 million. This variance is attributed to the receipt of several miscellaneous revenues that were not anticipated in this fiscal year and therefore not budgeted. The first is the receipt of proceeds for the sale of various parcels of land to the Anaheim Redevelopment Agency (\$1.8 million). Also, OCTA received \$0.9 million more than budgeted in Freeway Service Patrol (FSP) revenue. These revenues are formula based by Caltrans and OCTA's allocation is 10.25 percent of the program. In addition, OCTA received \$0.6 million from the sale of a partial piece of land located on the Fullerton Park-n-Ride property. Finally, \$0.5 million of the variance is due to payments received from the Moulton Niguel (\$0.3 million) and Santa Margarita Water Districts (\$0.2 million) for ROW along Oso Creek.

**Other Financial Assistance:** Actuals of \$14.1 million are \$5.9 million over the amended budget of \$8.2 million. The variance is primarily (\$5.8 million) due to receiving reimbursements from Caltrans related to the State Route 22 (SR-22) design-build project management. As noted earlier, the revenues associated with prior year encumbrances will not necessarily match the budget because the revenues are not received until the expenses are incurred.

**Toll Road Revenue:** The fourth quarter actuals of \$49.8 million are \$8.6 million greater than the amended budget of \$41.2 million. Direct toll revenues are over running by \$2.1 million while non-direct toll revenues are over running by \$6.5 million. Toll road revenues have consistently trended above the Vollmer forecast, which has been considered by staff to be a conservative projection. For this fiscal year, staff utilized 2005 actuals as a base, and applied Vollmer's growth projections for both 2006 and 2007 to calculate the FY 2006-07 revenue budget. Despite this revised calculation, toll road revenues continue to outpace the budget.

Interest Income: Actuals of \$52.7 million are \$16.5 million above the budgeted amount of \$36.2 million. The 12-month return on the OCTA Investment Portfolio was approximately 5.41 percent or 1.78 basis points higher than the annualized rate of 3.625 percent. The OCTA portfolio continues to perform well with regards to income and market price appreciation.

Expense Summary

The expenditure budget has been increased by \$222.7 million as a result of 20 Board approved amendments that were summarized previously. As the table below indicates, the amended expenditure budget for FY 2006-07 is \$1.1 billion.

Fiscal Year 2006-07 Amended Expenditure Budget

In Thousands	Expenditures		
	Current Year	Designations	Total
Approved Budget	\$ 773,409	\$ 71,120	\$ 844,529
Amendments	222,685	-	222,685
Total Amended Budget	\$ 996,094	\$ 71,120	\$ 1,067,214

This next section focuses on major variances between budgeted and actual expenditures through the fourth quarter. These variances are explained at an object summary level based on the expense summary table included on the following page. Actual expenditures of \$875.8 million represent a 12.1 percent underrun in comparison to the amended budget of \$996.1 million.

Fiscal Year 2006-07 Expense Summary

*In Thousands*

Description	Budget	Actual	Variance	%
<b>Salaries</b>				
Compensated Absences	\$ 10,903	\$ 11,238	\$ (335)	-3.1%
Salaries	92,093	91,299	793	0.9%
<i>Total Salaries</i>	102,996	102,538	458	0.4%
<b>Benefits</b>				
Pensions	18,357	21,105	(2,749)	-15.0%
Insurances	2,203	2,274	(71)	-3.2%
Other Benefits	5,196	3,801	1,395	26.8%
<i>Total Benefits</i>	25,756	27,181	(1,425)	-5.5%
<i>Total Salaries and Benefits</i>	\$ 128,752	\$ 129,718	\$ (966)	-0.8%
<b>Services and Supplies</b>				
Miscellaneous Expense	1,446	4,478	(3,032)	-209.6%
Debt Service	100,195	102,485	(2,289)	-2.3%
Utilities	2,040	2,726	(686)	-33.7%
Taxes	93	456	(363)	-388.9%
Contract Transportation	36,872	37,186	(314)	-0.9%
Tires and Tubes	2,241	2,162	79	3.5%
Other Materials and Supplies	2,817	2,731	86	3.0%
Travel, Training, Mileage	799	690	108	13.6%
Maintenance Expense	10,147	9,957	190	1.9%
Advertising Fees	1,166	781	385	33.0%
Leases	5,311	4,923	388	7.3%
Office Expense	3,968	2,940	1,027	25.9%
Outside Services	37,649	33,519	4,130	11.0%
Fuels and Lubricants	21,050	16,406	4,644	22.1%
Insurance Claims Expense	36,238	22,932	13,306	36.7%
Contributions to Other Agencies	236,358	210,457	25,900	11.0%
Professional Services	\$ 69,599	\$ 37,314	\$ 32,285	46.4%
<i>Total Services and Supplies</i>	\$ 567,989	\$ 492,145	\$ 75,844	13.4%
<b>Capital and Fixed Assets</b>				
Capital Expense-Grant Funding	35	(26)	61	172.9%
Work In Process	\$ 24,397	\$ 18,175	\$ 6,222	25.5%
Construction in Progress	40,948	27,953	12,995	31.7%
Capital Expense-Local Funding	233,973	207,798	26,175	11.2%
<i>Total Capital and Fixed Assets</i>	\$ 299,353	\$ 253,901	\$ 45,452	15.2%
<i>Total All Expenses</i>	\$ 996,094	\$ 875,765	\$ 120,330	12.1%

\*under / (over)

### Salaries and Benefits

Fourth quarter salaries and benefits actuals of \$129.7 million are 0.8 percent over the amended budget of \$128.8 million. Detailed explanations have been provided for the sub-categories with the largest variances.

**Pensions:** Actuals of \$21.1 million are over the amended budget of \$18.4 million by \$2.7 million. The overrun is attributed to a couple of factors. First, this category of pensions represents two pension components; the Orange County Employee Retirement System (OCERS) for all administrative and bargaining unit employees and the bargaining units' Teamsters Pension Trust Fund. The OCERS component is partially contributing to the overall overrun by \$1.2 million. As the budget was being developed, the pension rate for the employer paid portion was assumed at 13.08 percent for the coach operator workforce, however, the actual charge was 14.1 percent. The majority of the difference (\$1.5 million) represents the percentage for the Additional Retiree Benefit Account (ARBA), which was excluded from the pension calculation. In addition, the bargaining units' Teamster Pension Trust Fund was calculated based on a rate of \$0.35 for every hour of compensation earned per coach operator, however, per a letter of agreement, which was signed subsequent to the development of the budget, this amount was increased by \$0.53. Furthermore, this overrun in Teamsters' pensions is partially off set by \$1.7 million within services and supplies under the Internal Service Funds in healthcare.

**Other Benefits:** Actuals of \$3.8 million are under the amended budget of \$5.2 million by \$1.4 million. The bulk of the variance is driven by an underrun within the bargaining units' workforce, and specifically within the sick-leave, and vacation payout accounts. The percentage rate that was utilized to establish the budget was greater than what was recognized in the fiscal year. Although forecasts for these accounts are developed by staff, due to inconsistent usage from year to year it can be difficult to predict the actual payout amount.

### Services and Supplies

Fourth quarter services and supplies actuals of \$492.1 million are 13.4 percent below the amended budget of \$568 million. Detailed explanations have been provided for the sub-categories with the largest variances.

**Miscellaneous Expense:** Actuals of \$4.5 million are over the amended budget of \$1.5 million by \$3 million. The variance can primarily (\$2.4 million) be attributed to the off-site improvements (street and storm drain work) located adjacent to the Santa Ana Bus Base. These improvements were completed on property owned by the City of Santa Ana. Since these improvements reside on

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city property, they were subsequently expensed as opposed to being capitalized as an OCTA asset.

**Debt Service:** Actuals of \$102.5 million are over the amended budget of \$100.2 million by \$2.3 million. This is primarily due to the CNG fueling stations at the Garden Grove and Anaheim bases (\$2.1 million). The CNG fueling stations were initially scheduled to be expensed as a fixed asset. However, in order to be in compliance with accounting standards and properly account for a capital lease project, interest expense was recorded that was not originally budgeted.

**Office Expense:** Actuals of \$2.9 million are under the amended budget of \$3.9 million by \$1 million or 25.9 percent. The majority of this variance is related to postage (\$0.4 million), printing (\$0.3 million), personal computer workstations, hardware (\$0.2 million), and software (\$0.1 million). Actuals in these categories are primarily budgeted based on historical actuals and used on an as needed basis throughout the year.

**Outside Services:** Actuals of \$33.5 million are under the amended budget of \$37.6 million by \$4.1 million or 11 percent. The variance can be attributed to the following underruns: Other services (\$1.4 million), revenue vehicle repairs and maintenance (\$0.9 million), equipment repair and maintenance (\$0.9 million), toll road maintenance supply repairs (\$0.2 million), and security services (\$0.2 million).

In Other Services, the \$1.4 million underrun is attributed to the automatic vehicle locator / mobile data terminals (AVL/MDT) (\$0.6 million), 91 Express Lanes support services (\$0.3 million), and mobility training services (\$0.2 million).

The AVL/MDT project was originally budgeted at \$1.2 million and split into three phases: development and installation, capital, and operating and management. Initially it was unclear as to how many of the phases would be completed during the fiscal year. However, after further analysis it was determined that only the first phase would be completed in FY 2007. As a result, only \$0.6 million of the budgeted amount was expensed and the second and third phases are anticipated to be completed in FY 2008.

In revenue vehicle repairs and maintenance, the \$0.9 million underrun is attributed to bus shop jack stands (\$0.2 million), bus technology improvements (\$0.2 million), and bus painting (\$0.1 million). The bus shop jack stands and technology improvements are both used on an as needed basis and were not required during the fiscal year. As for the bus painting line item, it has been postponed and re-budgeted in the next fiscal year due to a change in the scope of work.

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Also contributing \$0.2 million to the \$0.9 million underrun is bus cleaning and pest control services. The usage of these services are difficult to project and are based on historical actuals times a growth factor. As a result, of the \$0.5 million budgeted, only \$0.3 million of these funds were required during the fiscal year.

Equipment repair and maintenance is also contributing \$0.9 million to the overall variance. \$0.3 million of the variance is primarily due to the electronic infrastructure updates (EIU) for the 91 Express Lanes. However, staff reviewed the 91 Express Lanes amended budget and determined that expenses for this line item will not be expensed during this fiscal year and was re-budgeted next fiscal year. An additional \$0.2 million that is contributing to the variance is due to radio repair components and equipment which is utilized on an as needed basis. In addition, the line items for radio and camera repairs originally budgeted for \$0.2 million were delayed until next fiscal year. These costs go hand in hand with the delivery of the newly purchased buses which are currently being assessed by the Transit staff.

Finally, both toll road maintenance supply repairs and security services are contributing \$0.2 million to the overall variance. Toll road maintenance supplies are used on an as needed basis. This item also includes costs associated with the relocation of equipment and utilities during repavement or improvements on the 91 corridor, and for doubling of channelizers for areas prone to lane jumping. As for security services, only \$1 million of the \$1.2 million budgeted were actually expensed.

Fuel and Lubricants: Actuals of \$16.4 million are under the amended budget of \$21 million by \$4.6 million or 22.1 percent. This variances is attributed to two factors, both related to liquefied natural gas (LNG).

Subsequent to the development of the budget, OCTA was eligible to receive a retroactive cash reimbursement of \$0.50 per gallon as a credit on alternative fuels through the 2005 Energy and Highway legislation. This new revenue source was retroactive as of October 2006 and was recorded for approximately (\$2.8 million) in FY 2006-07. The second factor that is contributing to the overall variance is the cost per gallon of LNG (\$1.8 million). The cost per gallon was budgeted at \$1.30, however, actuals have been running at a market rate between \$0.69 to \$0.82 per gallon thus contributing to the underrun.

Insurance Claims Expense: Insurance claims represent expenses associated with healthcare, workers' compensation and physical loss and property damage (PL/PD). The actuals of \$22.9 million are \$13.3 million below the amended budget of \$36.2 million. The primary reason for the underrun is due to the average number of pending workers' compensation claims declining from 369 to 250, as staff works to close them at a faster rate. In addition, the

severity of new claims are not as significant as previously experienced, which has resulted in lower cost to the OCTA.

Contributions to Other Agencies: Actuals of \$210.5 million are \$25.9 million below the amended budget of \$236.4 million. This is primarily due to a series of underruns and overruns with in the following line items. Within the Commuter Urban Rail Endowment (CURE) Fund there are underruns in the grade crossing safety enhancements (\$8 million), the Southern California Regional Rail Authority (Metrolink) rolling stock procurement (\$6.5 million), the Eastern Area Maintenance Facility (\$5 million), the Keller Street storage facility (\$4.8 million), and the relocation of the Los Angeles Union Station Mail Dock (\$2.9 million).

However, these underruns are partially off-set by an overrun in the Local Transportation Authority (LTA) Fund for \$8.2 million, more specifically, the Measure M Combined Transportation Funding Program for \$20.3 million. This is further off set by underruns in the Go Local Program (\$17.2 million) and the Measure M Turnback (\$11.3 million) Program.

The grade crossing safety enhancements line item currently has no actuals against a budget of \$8 million. As a result of Metrolink schedule revisions, all of these grade crossing replacements will be initiated next fiscal year. The \$6.5 million underrun is due to the Metrolink locomotive procurement line item which has actuals of \$5 million whereas the budget is \$11.5 million. The reimbursement schedule was revised by Metrolink and as a result, other entities were billed for the locomotives first. OCTA was billed for only 35 percent of the budgeted amount. The balance will be reimbursed next fiscal year.

The Eastern Area Maintenance Facility line item has no actuals against a budget of \$5 million. The project has been delayed due to negotiations with Burlington Northern Santa Fe Railway (BNSF) on ROW purchase. The Keller Street storage facility line item currently has actuals of \$0.2 million, whereas the budget is \$5 million. The project was delayed due to design issues, however, it is expected to move forward in FY 2008.

Furthermore, there is an overrun within the Measure M Competitive Transportation Funding Program (CTFP) (\$20.3 million) as staff has been working diligently with cities to expedite the closeout of previously, approved projects and releasing their final payments. In addition, the cities staff were required to communicate to their respective councils after repeated delays to request extensions. This new policy helped to expedite many projects in the fiscal year. As a result, OCTA has distributed \$65 million in CTFP funds to the cities. Off-setting this overrun is the Measure M Turnback Program (\$11.3 million). This is a result of the timing in which the final turnback

payment (\$7.3 million) was posted. Also the budgeted turnback amount was over estimated by approximately \$3 million. Further contributing to the off-set is an underrun in the Go Local Competitive Program (\$17.2 million). Currently, cities are still determining the best approach to acquire these funds. Once the plan has been established, the payments will be made to the cities. This program has been re-budgeted next fiscal year.

Professional Services: Actuals of \$37.3 million are under the amended budget of \$69.6 million by \$32.3 million. The variance can be attributed to underruns in the Measure M Program (\$23.4 million), the General Fund (\$4.8 million), Capital Projects (\$1.6 million), the CURE (\$0.9 million), the Internal Service Funds (\$0.7 million), and the 91 Express Lanes (\$0.6 million). Detailed explanations are listed below.

The variance within the Measure M program is primarily attributed to the SR-22 Phase II Improvement project (\$10 million) and its associated public awareness campaign (\$0.4 million). The project has been pushed forward to next fiscal year. The phase 2 improvements are now broken into two separate sections, the Interstate 405 (I-405) to Interstate 605 high-occupancy vehicle connector (HOV), and the I-405 HOV connector. Each section is budgeted for \$12.5 million in fiscal year 2008.

Also, there is an underrun in the State Board of Equalization (SBOE) administration fees (\$1.9 million). The SBOE has revised their formula for charging SBOE fees. This change results in less being charged to special districts such as OCTA. In the past few years, OCTA has paid the legal maximum percent of 1.5, however, the current and future obligations will be closer to what was charged this year (approximately 0.9 percent).

The Interstate 5 (I-5) Gateway Design contract change orders is contributing to the overall variance by (\$0.1 million). This is because there have been less than anticipated change orders for the year. On-call transportation modeling services is currently underrunning by \$0.5 million. These services are utilized on an as needed basis. The project delivery oversight support for streets and roads projects is contributing to the variance by \$0.7 million. This project has been delayed until FY 2008 as it conflicts with other planning projects. Another project contributing to the overall variance is the Smart Street Deployment Plan (\$0.3 million), however, a contract is scheduled to be executed in July 2007 and has been re-budgeted. Also, the CTFP database upgrade and expansion project is in the initial phase of scope development (\$0.3 million) and has been re-budgeted in FY 2007-08.

A portion of the work related to the Aliso Creek Soundwall Design Project (\$0.1 million) will be done in September 2007 and has been re-budgeted next fiscal year. The Peralta Hills soundwall design contract change orders

(\$0.1 million) will not be required as anticipated because the project has moved beyond the design phase and is in the construction phase. Also the I-5 Gateway design and landscaping has been re-budgeted next fiscal year due to design issues with Caltrans (\$0.5 million).

The General Fund is contributing to the underrun by \$4.8 million due to several items. First, there is an underrun of \$1.9 million related to the I-405 for preliminary engineering. Staff has reviewed and determined that this study will need to be coordinated with the SR-22 EIR update, and as a result will be delayed until next fiscal year. Second, there is an underrun of \$0.9 million related to the Central County Major Investment Study. This study was delayed and has been re-budgeted next fiscal year. In doing so, the study would miss the FY 2006-07 procurement schedule. Also, a series of planning studies are contributing to the overall variance by \$0.9 million. The 91 Express Lanes viaduct conceptual engineering (\$0.5 million), and the Orange County – Los Angeles Border Study (\$0.4 million) have been delayed until FY 2008 due to changes in the scope of work.

The Capital Projects Fund is contributing to the underrun by \$1.6 million. The primary reason for the underrun can be attributed to the design efforts on the I-5 Chokepoint Study at Camino Capistrano (\$1.5 million). Funding for this project has been pushed to FY 2008.

Within the 91 Express Lanes, there are several items that are contributing to the overall professional services variance. There are consultant services which are underrunning the budget (\$1.7 million). These consultant services were anticipated to be utilized for operational and technical support on an as needed basis. Furthermore, there is an overrun in collection services (\$1.1 million) due to an increase in accounts receivable, which was greater than anticipated.

In the Internal Service Funds, there is a variance of \$0.7 million due to underruns in legal services. Legal fees are estimated by staff based on expected usage, however, this is not guaranteed and timing of usage is based on need. As a result, the timing of actual monthly expenditures will not necessarily match budgeted monthly cash flow estimates.

#### Capital and Fixed Assets Summary

During the fourth quarter, capital and fixed assets actuals of \$253.9 million are 15.2 percent below the amended budget of \$299.4 million.

Work in Process: Actuals of \$18.2 million are \$6.2 million below the amended budget of \$24.4 million. The reason for this variance is due to the SR-22 ROW utility relocation expenses (\$4.6 million). This line item is under budget due to

the lag time associated with the utility companies submitting invoices for completed construction and relocation work.

Construction in Progress: Actuals of \$27.9 million are 31.7 percent or \$12.9 million under the budgeted amount of \$40.9 million. The variance can be primarily attributed to two budget items associated with the I-5 Gateway Project (\$12.3 million). The ROW acquisition/Union Pacific Railroad Storage Track Relocation (\$9.2 million) is currently underrunning through the fourth quarter due to pending ROW litigations. There is also a underrun in capital construction and management (\$3.1 million) expenses as a result of Caltrans having direct access to the state construction funds.

Capital Expense – Local Funding: Actuals of \$207.8 million are \$26.2 million under the amended budget of \$234 million. The variance is primarily attributed to the design and construction of the CNG fueling stations (\$18.2 million) at the Garden Grove and Anaheim bases. The collective line items have actuals of \$0.4 million, whereas the budget is \$18.6 million. After further review, due to accounting standards. These projects will be expensed throughout the life of the asset.

#### Fund Level Analysis

A fund level analysis as well as fund level financial schedules for the General Fund, Local Transportation Authority, Orange County Transit District, 91 Express Lanes Fund, and the Internal Service Funds are included as Attachments A and B.

#### **Summary**

This budget to actual summary report provides information through the fourth quarter of fiscal year 2006-07 for Orange County Transportation Authority activities.

Fourth quarter revenues were 11.1 percent lower than the amended revenue budget, primarily due to pending receipt of grants funds for 249 compressed natural gas buses. The vehicles have begun arriving, however, Orange County Transportation Authority has not fully accepted the vehicles. There are 17 vehicles on property and five in service, which are currently being assessed by Orange County Transportation Authority staff. Once the vehicles are fully accepted, Orange County Transportation Authority will begin seeking reimbursement. All other major revenue sources remain on target or are exceeding expectations through the fourth quarter.

Within the Services and Supplies category expenses were 13.4 percent lower than the amended budget. This is primarily due to various professional

services and contributions to other agencies line items. Items contributing to the overall variance include the Go Local Program (\$17.2 million), the Measure M Turnback (\$11.3 million), the State Route 22 Phase II Improvement Program (\$10.4 million), Southern California Regional Rail Authority Locomotive Procurement (\$6.5 million), Eastern Area Maintenance Facility (\$5 million), and the Keller Street storage Facility (\$4.8 million).

As for capital expenses, the largest underrun is related to the design and construction of the compressed natural gas fueling stations (\$18.2 million) at the Santa Ana, Garden Grove, and Anaheim bases. After further review it was determined by accounting standards that these stations will be recorded as a capital lease (liability) rather than a fixed asset. The liability will be reduced annually until the stations are constructed.

Staff recommends this report be received and filed as an information item by the Finance and Administration Committee.

**Attachments**

- A. Fund Level Analysis
- B. Fund Level Financial Schedules

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**Fund Level Analysis**

**General Fund – Revenue Summary**

Revenues are running \$9 million under the budget of \$13.9 million or 64.6 percent. Expenditures are also under by \$13 million compared to a budget of \$102.8 million or 12.9 percent.

**Variance Analysis – Revenues**

Federal Operating Grants: The actuals are running under the amended budget by \$4.1 million. The majority of this variance can be attributed to Federal Highway Administration (FHWA) funds (\$2.4 million) that were redirected to the Riverside County Transportation Commission for the Irvine-Corona Expressway feasibility studies. In addition, another \$1.5 million in FHWA funds for the San Diego Freeway (Interstate 405) preliminary engineering and the Garden Grove Freeway (State Route 22) Environmental Impact Report (EIR) are contributing to the variance. These projects have both been delayed until next fiscal year

Federal Capital Grants: Are running under by \$3.9 million against a budget of \$6 million. The variance is due to a delay in the parking expansion at the Irvine Transportation Center (ITC) for \$2.6 million. The delay was caused due to the extension of the design phase. As expenses are incurred, Orange County Transportation Authority (OCTA) will seek reimbursement for federal capital grants and offset this variance. Year-to-date OCTA has sought \$2.1 million of the original \$4.7 budgeted for this line item. In addition, the City of Anaheim has requested an extension until next fiscal year on the pass through funds for the purchase of 32 fareboxes (\$0.8 million). Staff will go back to the Board of Directors in fiscal year (FY) 2007-08 to request an amendment to the existing cooperative agreement. The overall variance is also partially off-set by revenues received from prior year expenditures (\$1 million).

State Assistance: The actuals are running under the amended budget by \$1.8 million. This can be attributed to the Central County Major Investment Study (\$0.9 million) which has been delayed to next fiscal year. In addition, contracts for the Costa Mesa Freeway (State Route 55) and Ortega Highway improvement plans (\$0.6 million), the Orange County-Los Angeles Border Study (\$0.4 million), and their associated public awareness campaigns (\$0.3 million) have all been delayed until next fiscal year.

Other Financial Assistance: The actuals of \$1.5 million are over the budgeted amount of \$0.6 million. OCTA has received reimbursements from the City of Irvine as part of a mutual agreement associated with the Culver Drive widening project.

## **Variance Analysis – Expenses**

Contributions to Other Agencies: The actuals of \$37.9 million are 15.9 percent below the amended budget of \$45.1 million. The primary reason for this variance is due to the Bristol Street Widening Project, which was projected to have expenditures of \$39.5 million versus actuals of \$35.7 million. This is primarily due to an aggressive expenditure plan provided by the City of Santa Ana. In addition, the project underrun was also a result of the right-of-way acquisitions, which at times, require extensive negotiating resulting in further delays.

Professional Services: The actuals of \$12 million are under the amended budget of \$16.8 million by \$4.8 million or 28.8 percent. First, there is an underrun of \$1.9 million related to the Interstate 405 (I-405) for preliminary engineering. Staff has reviewed and determined that this study will need to be coordinated with the State Route 22 (SR-22) Environmental Impact Report (EIR) update and as a result delayed it until next fiscal year. Second, there is an underrun of \$0.9 million related to the Central County Major Investment Study. This study was delayed and has been re-budgeted next fiscal year. Also, a series of planning studies are contributing to the overall variance by \$0.9 million. The 91 Express Lanes viaduct conceptual engineering (\$0.5 million), and the Orange County – Los Angeles Border Study (\$0.4 million) due to changes in the scope of work, have been delayed until FY 2008.

## **Local Transportation Authority Fund – Revenue and Expense Summary**

Revenues of \$328.5 million are 5.4 percent under the amended budget of \$347.2 million. Expenditures of \$191 million are 15.4 percent under the amended budget of \$225.7 million.

## **Variance Analysis – Revenues**

Taxes and Fees: The actuals for taxes and fees are running 6.9 percent below the amended budget of \$296.2 million. This category represents the ½ cent Local Transportation Authority (LTA) sales tax revenues. LTA sales tax receipts are administered and advanced by the State Board of Equalization (SBOE) based on transactions and use tax within the county. The methodology used by staff to calculate the ½ cent LTA sales tax was based on an average historical ratio of 1.97 in comparison to the ¼ percent Local Transportation Fund (LTF), however, the historical average ratio was partially skewed due to one unusually high sales tax receipt received by the state in December 2005. The actual ratio (1.90) has proven to be less than the amount staff initially anticipated, resulting in the underrun.

State Assistance: There are zero actuals against a budgeted amount of \$13.6 million. This is primarily due to State Transportation Improvement Project (STIP) funds for the Santa Ana Freeway (Interstate 5) Gateway Project. When the budget was developed, staff anticipated to seek reimbursement for right-of-way (ROW) related to the Interstate 5 (I-5) Gateway Project. However, reimbursement for ROW activities related to the I-5 Gateway Project will be sought directly by the California Department of Transportation (Caltrans).

Sale Capital Assets: There are actuals of \$2 million against a budget of zero. The variance is due to the proceeds from the sale of land parcels between Broadway and Crescent Avenue along the I-5 freeway.

Other Financial Assistance: The actuals of \$12.5 million are \$6.8 million above the amended budget of \$5.7 million. The variance is primarily due to receiving reimbursements from Caltrans related to the State Route 22 (SR-22) design-build project management (\$5.8 million). As noted earlier, the revenues associated with prior year encumbrances will not necessarily match the budget because the revenues are not received until the expenses are incurred.

Interest Income: The actuals of \$24.2 million are \$7.3 million over the budgeted amount of \$16.9 million. The 12 month return on the OCTA investment portfolio was approximately 5.41 percent or 1.78 basis points higher than the annualized rate of 3.625 percent. The OCTA portfolio continues to perform well with regards to income and market price appreciation.

### **Variance Analysis – Expenses**

Professional Services: Professional services are \$23.4 million or 70.3 percent under the amended budget of \$33.3 million. The variance is primarily attributed to the SR-22 Phase II Improvement project (\$10 million) and its associated public awareness campaign (\$0.4 million). The project has been pushed forward to next fiscal year. The phase 2 improvements are now broken into two separate sections, the I-405 to San Gabriel Freeway (Interstate 605) high-occupancy vehicle (HOV) connector, and the I-405 HOV connector. Each section is budgeted for \$12.5 million in FY 2008.

Debt Service: The actuals of \$1.3 million are \$0.3 million or 27 percent above the amended budget of \$1.0 million due to tax exempt commercial paper interest expense. This variance is due to two assumptions that were taken into consideration during the development of the FY 2007 budget. First, the interest rate expense taken into account was 3.5 percent versus actuals of 3.7 percent. Second, the assumed base dollar amount outstanding at the

beginning of the budget development was \$28 million versus the actual of \$29 million.

Contributions to Other Agencies: The actuals of \$106.9 million are \$6.4 million or 6.4 percent above the amended budget of \$100.5 million. The variance can be attributed to the Measure M Combined Transportation Funding Program (CTFP). Furthermore, OCTA staff has been working diligently with cities to expedite the close-out of previously approved projects and releasing their final payments. In addition, the cities' staff were required to communicate to their respective councils after repeated delays to request extensions. This new policy helped to expedite many projects in the fiscal year. As a result, \$65 million in CTFP funds were distributed to the cities for various projects.

The I-5 Gateway design contract change orders are contributing to the variance (\$0.1 million). This is because there have been less than anticipated change orders for the year. On-call transportation modeling services are currently underrunning by \$0.5 million. These services are utilized on an as needed basis. The project delivery oversight support for streets and roads projects is contributing to the variance (\$0.7 million) and this project has been delayed till FY 2008 as it conflicted with other planning projects. Another project contributing to the overall variance is the Smart Street Deployment Plan (\$0.3 million), however, a contract is scheduled to be executed in July 2007. Also the CTFP database upgrade and expansion project is in the initial phase of scope development (\$0.3 million) and will be re-budgeted in FY 2007-08.

A portion of the work related to the Aliso Creek Soundwall Design project (\$0.1 million) will be done in September 2007 and has been re-budgeted next fiscal year. The Peralta Hills soundwall design contract change orders (\$0.1 million), will not be required as anticipated because the project has moved beyond the design phase and is in the construction phase. Also the I-5 Gateway design and landscaping has been re-budgeted next fiscal year due to design issues with Caltrans (\$0.5 million).

Construction in Progress: The actuals of \$25.5 million are 31.5 percent under the budgeted amount of \$37.2 million. The variance can be primarily attributed to two budget items associated with the I-5 Gateway Project (\$12.3 million) and the ROW acquisition/Union Pacific Railroad Storage Track Relocation (\$9.2 million). This item is currently underrunning due to pending ROW litigation. The underrun in capital construction and management (\$3.1 million) expenses is the result of Caltrans having direct access to the state construction funds.

Work in Process: The actuals of \$14.9 million are \$5.8 million below the amended budget of \$20.7 million. The reason for this variance is due to the

contingency amount set aside for SR-22 design-build project contract change orders, contributing \$1.3 million to the under run. In addition, SR-22 ROW utility relocation expenses (\$1.6 million) are also under budget due to the lag time associated with the utility companies submitting invoices for completed construction and relocation work.

### **Orange County Transit District Fund – Revenue and Expense Summary**

Revenues of \$139.9 million are 40 percent below the amended budget of \$233.3 million. Expenditures of \$376.8 million are 3 percent under the amended budget of \$388.3 million.

#### **Variance Analysis – Revenues**

Federal Capital Grants: Actuals of \$15.6 million are 86 percent below the budget of \$111.7 million. The majority of the variance (\$86.7 million) can be attributed to the pending receipt of 249 compressed natural gas (CNG) buses. Once these vehicles are received and accepted, as scheduled in the latter part of Summer 2007, OCTA will initiate a reimbursement request from the Federal Transit Administration (FTA) for capital assistance funds.

Farebox Revenue: Actuals of \$53 million are 2.3 percent below the amended budget of \$54.3 million. The primary reason for this variance is due to directly operated fixed route boardings underrunning by 1.7 percent for the year which is resulting in a variance of \$0.9 million. In addition, full fares are running below the budget due to a shift in ridership behavior, where passengers are moving towards a more economical fare media (prepaid passes), which has a lower fare per boarding (\$0.60 to \$0.70 on average) compared to \$1.25 for the full fare. The net effect of this shift to a lower fare per boarding is also contributing to the underrun.

In the next two categories, the revenues associated with prior year encumbrances will not necessarily match the budget because the revenues are not received until the expenses are incurred.

Other Financial Assistance: Actuals of \$23 million are 4 percent below the amended budget of \$23.9 million. This is due to the automatic vehicle locator/mobile data terminals project, which was split into three phases: development and installation, capital, and operating and management. Initially it was unclear as to how many of the phases would be completed during the fiscal year. However, after further analysis it was determined that only the first phase would be completed in FY 2007. As a result, only \$0.6 million of the budgeted

amount was expensed and the second and third phases are anticipated to be completed in FY 2008, at which time staff will seek reimbursement.

Interest Income: The actuals of \$8.4 million are \$4.5 million over the amended budgeted amount of \$3.9 million. The 12-month return on the OCTA investment portfolio was approximately 5.41 percent through the fourth quarter or 1.78 basis points higher than the budget. For FY 2006-07, the OCTA budgeted an annualized rate of 3.625 percent. The OCTA portfolio continues to perform well with regards to income and market price appreciation.

### **Variance Analysis – Expenses**

Fuels and Lubricants: Actuals of \$16.4 million are under the amended budget of \$21.1 million by \$4.7 million or 22.1 percent. This variance is attributed to two factors, both related to liquefied natural gas (LNG).

Subsequent to the development of the budget, OCTA was eligible to a retroactive cash reimbursement of \$0.50 per gallon as a credit on alternative fuels through the 2005 energy and highway legislation. This new revenue source was retroactive to October 2006 and was recorded for approximately (\$2.8 million) in FY 2006-07. The second factor that is contributing to the overall variance is the cost per gallon of LNG (\$1.8 million). The cost per gallon was budgeted at \$1.30, however, actuals have been running at a market rate between \$0.69 and \$0.82 per gallon, thus contributing to the underrun.

Outside Services: Actuals of \$10 million are \$2.5 million or 20.3 percent lower than the budgeted amount of \$12.5 million. The variance can be primarily attributed to the revenue vehicle repairs and maintenance (\$0.9 million), building repairs and maintenance (\$0.6 million), and equipment repair and maintenance (\$0.5 million).

In revenue vehicle repairs and maintenance the \$0.9 million underrun is attributed to bus shop jack stands (\$0.2 million), bus technology improvements (\$0.2 million), and bus painting. The bus shop jack stands and technology improvements are both used on an as needed basis and were not required during the fiscal year. The bus painting line item has been postponed and re-budgeted in the next fiscal year due to a change in the scope of work.

Also contributing \$0.2 million of the \$0.9 million under run is bus cleaning and pest control services. The usage of these services is difficult to project and is based on historical actuals times a growth factor. Of the \$0.5 million budgeted, only \$0.3 million of these funds were required during the fiscal year.

Building repairs and maintenance is contributing \$0.6 million to the overall variance of \$2.5 million primarily due to hazardous waste disposal services. This variance is attributed to the purchase of an oil crusher. With the use of this crusher, hazardous waste disposal services were reduced by 68 percent.

Equipment repair and maintenance is also contributing \$0.5 million to the overall variance. Radio repair components and equipment is underrunning by \$0.2 million. This line item is utilized on an as needed basis. In addition, the line items for radio and camera repairs originally budgeted for \$0.2 million were delayed until next fiscal year. These costs go hand in hand with the delivery of the newly purchased buses which are due to arrive in the first quarter of FY 2008.

Contributions to Other Agencies: Actuals of \$2.5 million are \$1.1 million above the amended budget of \$1.4 million. This variance is due to a cooperative agreement for the purchase of nine LNG fuel buses with the City of Anaheim, in which federal pass through funds would be sought to cover the expense.

Debt Service: Actuals of \$2.2 million are \$1.8 million over the amended budget of \$0.4 million due to the CNG fueling stations at the Garden Grove and Anaheim bases (\$2.1 million). The CNG fueling stations were initially scheduled to be expensed as a fixed asset. However, in order to be in compliance with accounting standards and properly account for a capital lease project, interest expense was recorded that was not originally budgeted.

Capital Expense-Locally Funded: The actuals of \$170.9 million are underrunning the amended budget of \$194.7 million by \$23.9 million or 12.3 percent. The variance is primarily attributed to the design and construction of the CNG fueling stations (\$18.2 million) at the Santa Ana, Garden Grove, and Anaheim bases. The collective line items have actuals of \$0.4 million, whereas the budget is \$18.6 million. After further review, due to accounting standards these projects will be expensed throughout the life of the asset.

Work in Process: Actuals of \$5.7 million are over the amended budget of \$3.7 million by \$1.9 million. The variance can be attributed to the off-site improvements (street and storm drain work) located adjacent to the Santa Ana Bus Base. These improvements were completed on property owned by the City of Santa Ana. Since these improvements reside on city property, they were subsequently expensed as opposed to being capitalized as an OCTA asset.

## **91 Express Lanes Fund – Revenue and Expense Summary**

Revenues of \$53.4 million are 22.4 percent above the amended budget of \$43.6 million. Expenditures of \$27.5 million are 13 percent under the amended budget of \$25.3 million.

### **Variance Analysis – Revenues**

**Toll Road Revenue:** Actuals of \$38.4 million are 4.2 percent greater than the amended budget of \$36.8 million. Direct toll revenues are overrunning by \$2.1 million. Toll road revenues have consistently trended above the Vollmer forecast, which has been considered by staff to be a conservative projection. For this fiscal year, staff utilized 2005 actuals as a base, and applied Vollmer's growth projections for both 2006 and 2007 to calculate the FY 2006-07 revenue budget. Despite this revised calculation, toll road revenues continue to outpace the budget.

**Interest Income:** The actuals of \$3.5 million are over the amended budget of \$1.8 million by \$1.7 million. The 12-month return on the OCTA Investment Portfolio was approximately 5.41 percent or 1.78 basis points higher than the annualized rate of 3.625 percent. The OCTA portfolio continues to perform well with regards to income and market price appreciation. Greater than anticipated return on higher cash balances.

**Miscellaneous Toll Road Revenue:** The actuals of \$11.5 million are over the amended budget of \$5 million by \$6.5 million. This is primarily due to significant increase in effort to collect violation processing fees (\$4.1 million), as well as the increase in the monthly minimum fee income account (\$1.8 million), which is attributed to an increase of transponders in circulation.

**Outside Services:** Expenditures of \$1 million are \$0.8 million under the amended budget of \$1.8 million. This variance is attributed to consultant services which are underrunning the budget by \$1 million. These consultant services were anticipated to be utilized for operational and technical support on an as needed basis.

**Miscellaneous Expenses:** Actuals of \$1 million are over the amended budgeted amount of \$0.2 million by \$0.8 million. This variance can be attributed to bad debt expense which for budget purposes is very difficult to project as it may vary from year to year. Actuals for bad debt expense are determined based on

historical accounts receivable versus actual tolls collected for outstanding accounts.

Capital Expense-Locally Funded: The actuals of \$3.9 million are under the amended budget of \$6.2 million by \$2.3 million. The primary variance (\$1 million) is attributed to leasehold improvements driven by roadway upgrades which had less than anticipated expenditures. Another contributing factor is related to the surplus in transponder inventory (\$0.6 million). Also contributing to the variance is the phone system replacement project (\$0.3 million) and traffic operations center/traffic management system upgrades (\$0.4 million), which after further review, were re-budgeted next fiscal year.

### **Internal Service Funds – Revenues and Expenses**

Revenues of \$4.3 million are 94.5 percent above the amended budget of \$2.2 million. Expenditures of \$23.3 million are 36.5 percent under the amended budget of \$36.7 million.

### **Variance Analysis – Expenses**

Insurance Claims Expense: Insurance claims represent expenses associated with healthcare, workers' compensation, and personal liability and property damage. The actuals of \$22.6 million are \$12.6 million below the amended budget of \$35.2 million. The primary reason for the underrun is due to the average number of pending workers' compensation claims showing a decline from 369 to 250, as staff works to close them at a faster rate. In addition, the severity of new claims is not as significant as previously experienced, which has resulted in lower cost to the OCTA. Also, healthcare costs, respectfully for coach operators, have been less than planned.

**Fund Level Financial Schedules**

**General Fund  
Revenues and Expenses**

*In Thousands*

Description	Budget	Actual	Variance	%
Federal Operating Grants	\$ 4,125	\$ 62	\$ (4,063)	-98.5%
Federal Capital Grants	5,960	2,080	(3,880)	-65.1%
State Assistance	2,465	663	(1,802)	-73.1%
Interest Income	338	282	(56)	-16.7%
Miscellaneous	233	179	(54)	-23.2%
Fees and Fines	166	176	10	6.0%
Other Financial Assistance	620	1,475	855	137.9%
<b>Total Revenues</b>	<b>13,908</b>	<b>4,917</b>	<b>(8,991)</b>	<b>-64.6%</b>
Salaries-Regular Employees	18,720	17,870	850	4.5%
Other Benefits	1,192	1,076	116	9.7%
Insurances	663	561	102	15.4%
Extra Help Employees	793	692	101	12.7%
Compensated Absences	2,439	2,378	61	2.5%
Pensions	4,978	4,975	3	0.1%
<b>Total Salaries and Benefits</b>	<b>28,784</b>	<b>27,552</b>	<b>1,232</b>	<b>4.3%</b>
Contributions to other Agencies	45,090	37,901	7,189	15.9%
<b>Total Salaries and Benefits</b>	<b>16,816</b>	<b>11,971</b>	<b>4,845</b>	<b>28.8%</b>
<b>Total Services and Supplies</b>	<b>2,082</b>	<b>1,622</b>	<b>460</b>	<b>22.1%</b>
Miscellaneous Expense	549	392	156	28.5%
<b>Total Services and Supplies</b>	<b>3,952</b>	<b>3,814</b>	<b>138</b>	<b>3.5%</b>
Travel, Training, and Mileage	495	382	113	22.8%
Advertising Fees	414	383	32	7.6%
Maintenace Expense	6	2	4	71.4%
Other Materials and Supplies	136	144	(8)	-6.2%
Utilities	779	1,108	(329)	-42.2%
Outside Services	3,235	3,804	(569)	-17.6%
<b>Total Services and Supplies</b>	<b>73,554</b>	<b>61,524</b>	<b>12,031</b>	<b>16.4%</b>
Capital Expense-Locally Funded	474	492	(18)	-3.8%
<b>Total Expenses</b>	<b>\$ 102,813</b>	<b>\$ 89,568</b>	<b>\$ 13,245</b>	<b>12.9%</b>

\*Revenues - (under) / over

\*Expenses - under / (over)

## Local Transportation Authority Fund (Measure M) Revenues and Expenses

*In Thousands*

Description	Budget	Actual	Variance	%
Taxes/Fees	\$ 296,173	\$ 275,646	\$ (20,526)	-6.9%
State Assistance	13,593	-	(13,593)	-100.0%
Federal Capital Assistance Grants	14,792	13,918	(874)	-5.9%
Rental Income	77	258	182	237.7%
Sale Capital Assets	-	1,994	1,994	100.0%
Other Financial Assistance	5,707	12,541	6,833	119.7%
Interest Income	16,895	24,191	7,296	43.2%
<b>Total Revenues</b>	<b>\$ 347,236</b>	<b>\$ 328,547</b>	<b>\$ (18,688)</b>	<b>-5.4%</b>
Professional Services	33,280	9,869	23,410	70.3%
Office Expense	319	3	316	99.0%
Outside Services	109	4	104	96.3%
Total Salaries and Benefits	35	19	16	45.4%
Miscellaneous Expense	13	2	11	83.9%
Travel, Training, and Mileage	10	4	5	54.5%
Total Salaries and Benefits	-	15	(15)	100.0%
Total Services and Supplies	\$ 1,018	\$ 1,299	\$ (281)	-27.6%
Contributions to Other Agencies	100,528	106,968	(6,440)	-6.4%
<b>Total Services and Supplies</b>	<b>135,311</b>	<b>118,184</b>	<b>17,126</b>	<b>12.7%</b>
Construction in Progress	37,190	25,470	11,720	31.5%
Work in Process	20,704	14,877	5,827	28.1%
Capital Expense-Grant Funded	35	(26)	61	172.9%
Capital Expense-Locally Funded	32,500	32,500	-	0.0%
<b>Total Capital</b>	<b>\$ 90,429</b>	<b>\$ 72,822</b>	<b>\$ 17,607</b>	<b>19.5%</b>
Total Services and Supplies				
<b>Total Expenses</b>	<b>\$ 225,740</b>	<b>\$ 191,006</b>	<b>\$ 34,733</b>	<b>15.4%</b>

\*Revenues - (under) / over

\*Expenses - under / (over)

## Orange County Transit District Fund Revenues and Expenses

*In Thousands*

Description	Budget	Actual	Variance	%
Federal Capital Grants	\$ 111,662	\$ 15,609	\$ (96,053)	-86.0%
Farebox Revenue	54,272	53,009	(1,262)	-2.3%
Other Financial Assistance	23,975	23,008	(967)	-4.0%
Federal Operating Grants	24,195	23,478	(717)	-3.0%
Advertising Revenue	4,610	4,573	(36)	-0.8%
Rental Income	429	501	72	16.7%
Taxes/Fees	10,056	10,338	282	2.8%
Insurance Recoveries	219	1,025	805	367.0%
Interest Income	3,876	8,370	4,494	115.9%
<b>Total Revenues</b>	<b>\$ 233,293</b>	<b>\$ 139,910</b>	<b>\$ 93,383</b>	<b>40.0%</b>
Other Benefits	3,997	2,722	1,275	31.9%
Extra Help Employees	1,139	817	322	28.3%
Insurances	1,535	1,709	(174)	-11.3%
Total Salaries and Benefits	8,445	8,845	(399)	-4.7%
Salaries-Regular Employees	71,297	71,792	(495)	-0.7%
Pensions	13,341	16,098	(2,757)	-20.7%
<b>Total Salaries and Benefits</b>	<b>\$ 99,755</b>	<b>\$ 101,983</b>	<b>\$ (2,229)</b>	<b>-2.2%</b>
Total Services and Supplies				
Total Services and Supplies	21,050	16,399	4,650	22.1%
Outside Services	12,524	9,978	2,545	20.3%
Professional Services	4,470	4,123	348	7.8%
Maintenace Expense	11,028	10,816	211	1.9%
Leases	877	725	152	17.3%
Office Expense	1,178	1,057	121	10.3%
Total Services and Supplies	2,241	2,162	79	3.5%
Advertising Fees	204	161	43	21.3%
Miscellaneous Expense	514	502	11	2.2%
Other Materials and Supplies	1,714	1,705	8	0.5%
Insurance Claim Expense	-	3	(3)	100.0%
Travel, Training, and Mileage	257	293	(36)	-14.2%
Contract Transportation	31,269	31,556	(287)	-0.9%
Utilities	1,100	1,538	(438)	-39.8%
Contributions to other Agencies	\$ 1,385	\$ 2,510	\$ (1,124)	-81.2%
Debt Service	362	2,194	(1,832)	-506.7%
<b>Total Services and Supplies</b>	<b>\$ 90,171</b>	<b>\$ 85,722</b>	<b>\$ 4,449</b>	<b>4.9%</b>
Capital Expense-Locally Funded	194,729	170,871	23,858	12.3%
Work in Process	3,693	5,679	(1,986)	-53.8%
<b>Total Capital</b>	<b>\$ 198,422</b>	<b>\$ 176,550</b>	<b>\$ 21,872</b>	<b>11.0%</b>
<b>Total Expenses</b>	<b>\$ 388,348</b>	<b>\$ 364,255</b>	<b>\$ 24,093</b>	<b>6.2%</b>

\*Revenues - (under) / over

\*Expenses - under / (over)

## 91 Express Lanes Fund Revenues and Expenses

*In Thousands*

Description	Budget	Actual	Variance	%
Insurance Recovery	\$ 14	\$ 65	\$ 51	369.8%
Toll Road Revenue	36,800	38,353	1,553	4.2%
Interest Income	1,796	3,496	1,700	94.6%
Miscellaneous Toll Road Revenue	5,000	11,485	6,485	129.7%
<b>Total Revenues</b>	<b>\$ 43,609</b>	<b>\$ 53,399</b>	<b>\$ 9,789</b>	<b>22.4%</b>
Outside Services	1,842	993	848	46.1%
Insurance Claims Expense	1,000	352	648	64.8%
Professional Services	4,755	4,149	606	12.7%
Advertising Fees	390	149	240	61.7%
Leases	483	382	101	20.9%
Debt Service	10,747	10,663	84	0.8%
Office Expense	238	196	42	17.7%
Travel, Training, and Mileage	27	7	20	72.4%
Total Salaries and Benefits	-	-	-	0.0%
Utilities	\$ 20	\$ 27	\$ (7)	-32.6%
Contract Transportation	5,603	5,630	(28)	-0.5%
Total Salaries and Benefits	208	1,001	(792)	-380.8%
<b>Total Services and Supplies</b>	<b>\$ 25,312</b>	<b>\$ 23,549</b>	<b>\$ 1,763</b>	<b>7.0%</b>
Capital Expense-Locally Funded	\$ 6,270	\$ 3,935	\$ 2,335	37.2%
<b>Total Capital</b>	<b>\$ 6,270</b>	<b>\$ 3,935</b>	<b>\$ 2,335</b>	<b>37.2%</b>
<b>Total Expenses</b>	<b>\$ 31,582</b>	<b>\$ 27,484</b>	<b>\$ 4,098</b>	<b>13.0%</b>

*\*Revenues - (under) / over  
Total Services and Supplies*

## Internal Service Funds Revenues and Expenses

*In Thousands*

Description	Budget	Actual	Variance	%
Charges for Services	150	1,246	1,096	730.2%
Insurance Recoveries	\$ 317	\$ 126	\$ (191)	-60.4%
Interest Income	1,721	2,883	1,162	67.5%
<b>Total Revenues</b>	<b>\$ 2,188</b>	<b>\$ 4,254</b>	<b>\$ 2,067</b>	<b>94.5%</b>
Insurance Claims Expense	35,238	22,577	12,661	35.9%
Professional Services	1,299	580	719	55.4%
Outside Services	103	69	34	33.5%
Miscellaneous Expense	\$ 3	\$ 3	\$ 0	1.9%
<b>Total Services and Supplies Expenses</b>	<b>\$ 36,737</b>	<b>\$ 23,311</b>	<b>\$ 13,426</b>	<b>36.5%</b>

*\*Revenues - (under) / over*

*\*Expenses - under / (over)*





BOARD COMMITTEE TRANSMITTAL

October 5, 2007

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject:** Agreement for Health Insurance Services

Finance and Administration Committee

September 26, 2007

**Present:** Directors Amante, Bates, Brown, Buffa, Campbell, Moorlach, and Nguyen  
**Absent:** None

**Committee Vote**

This item was passed by all Committee Members present.

**Committee Recommendations (reflects change from staff recommendations)**

- A. Authorize the Chief Executive Officer to execute Amendment No. 3 to Agreement C-5-0455 between the Orange County Transportation Authority and Kaiser Foundation Health Plan, Inc., in an estimated annual amount of \$1.1 million, for prepaid medical services through December 31, 2008.
- B. Authorize the Chief Executive Officer to execute Amendment No. 2 to Agreement C-5-2860 between the Orange County Transportation Authority and CIGNA Healthcare of California, in an estimated annual amount of \$1.2 million, for prepaid medical services through December 31, 2008.
- C. Authorize the Chief Executive Officer to execute Amendment No. 2 to Agreement C-5-2861 between the Orange County Transportation Authority and CIGNA Healthcare of California, in an estimated annual amount of \$3 million, for open access plus medical services through December 31, 2008.



BOARD COMMITTEE TRANSMITTAL

- D. Authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement C-5-2862 between the Orange County Transportation Authority and MetLife, in an estimated annual amount of \$570,000, for a preferred dental plan through December 31, 2008. **Amendment No.1 includes increasing the employee share for costs of out-of-network services to 30%.**
- E. Authorize the Chief Executive Officer to execute Amendment No. 2 to Agreement C-5-0458 between the Orange County Transportation Authority and SmileSaver, in an estimated annual amount of \$25,500, for prepaid dental services through December 31, 2009.

NOTE: The Committee requested that the Board transmittal clarify that there are no healthcare benefit plan changes, except for the change noted in Recommendation D above.



**September 26, 2007**

**To:** Finance and Administration Committee  
**From:**  Arthur T. Leahy, Chief Executive Officer  
**Subject:** Agreement for Health Insurance Services

**Overview**

The Orange County Transportation Authority presently has agreements with various companies to provide medical and dental services for administrative employees and employees represented by the Transportation Communications Union.

**Recommendations**

- A. Authorize the Chief Executive Officer to execute Amendment No. 3 to Agreement C-5-0455 between the Orange County Transportation Authority and Kaiser Foundation Health Plan, Inc., in an estimated annual amount of \$1.1 million, for prepaid medical services through December 31, 2008.
- B. Authorize the Chief Executive Officer to execute Amendment No. 2 to Agreement C-5-2860 between the Orange County Transportation Authority and CIGNA Healthcare of California, in an estimated annual amount of \$1.2 million, for prepaid medical services through December 31, 2008.
- C. Authorize the Chief Executive Officer to execute Amendment No. 2 to Agreement C-5-2861 between the Orange County Transportation Authority and CIGNA Healthcare of California, in an estimated annual amount of \$3 million, for open access plus medical services through December 31, 2008.
- D. Authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement C-5-2862 between the Orange County Transportation Authority and MetLife, in an estimated annual amount of \$570,000, for a preferred dental plan through December 31, 2008.

- E. Authorize the Chief Executive Officer to execute Amendment No. 2 to Agreement C-5-0458 between the Orange County Transportation Authority and SmileSaver, in an estimated annual amount of \$25,500, for prepaid dental services through December 31, 2009.

***Background***

The Orange County Transportation Authority (Authority) has implemented a Board of Directors (Board) approved benefits program designed to attract and retain a productive workforce in a competitive labor market. Health insurance is an essential element of this benefits program.

**Medical Services**

The Authority has offered three choices of medical plans to its employees and their families since 1981. On September 25, 2006, the Board approved new contracts for CIGNA Healthcare of California (CIGNA) to provide an open access plus (OAP) plan and a health maintenance organization (HMO) plan for the period January 1, 2007 through December 31, 2007. In addition, the Board approved an amendment to the agreement with Kaiser Foundation Health Plan, Inc. (Kaiser) to provide an HMO plan for the period January 1, 2007 through December 31, 2007.

**Dental Services**

The Authority has offered two choices of dental plans to its employees and their families since 1981. On June 14, 2005, the Board approved a new agreement with SmileSaver for the period July 1, 2005 through June 30, 2006, for prepaid dental services. On October 20, 2005, the Board approved extending the contract with SmileSaver from July 1, 2006 through December 31, 2007. Additionally, on October 20, 2005, the Board approved a new contract with MetLife to provide a preferred dental plan (PDP) for the period January 1, 2006 through December 31, 2007. There were no increases in dental plan rates for calendar year 2007.

***Discussion***

Requests for renewal were e-mailed to Kaiser, CIGNA, MetLife, and SmileSaver.

On June 15, 2007, initial renewal quotes were received from Kaiser, CIGNA, MetLife, and SmileSaver. A Healthcare Advisory Committee comprised of representatives from the Finance, Administration and Human Resources Division met with Mercer, the Authority's broker of record, on July 5, 2007, to evaluate the

renewals. Mercer, negotiated with each of the current providers to ensure the best possible renewal rates for the Authority. The annual 2008 premium costs are estimates due to the fact the actual total annual premium will vary in accordance with actual enrollment.

### Medical Services

Kaiser offered a 13.2 percent premium renewal increase, which is lower than last year's 17.3 percent for calendar year 2008. Amendment No. 2 to Agreement C-5-0455 was approved by the Board to extend the prior contract an additional year for period January 1, 2007 through December 31, 2007. Effective January 1, 2007, Kaiser changed their rating methodology, applying higher group-specific risk adjustment factors rather than spreading the risk among many employers. The heavier weighting applied to risk factors was the main contributor to the, relatively higher rate increase last year, which was 17.3 percent. This year's rate increase is significantly lower than 2007, which seems to be a leveling off of the change in Kaiser's rating methodology.

CIGNA offered a 7 percent renewal premium increase that was successfully negotiated down to a 6 percent renewal increase for calendar year 2008 for both the HMO and OAP plans. This renewal rate is based on the claims experience during the period of May 1, 2006 through April 28, 2007. Due to the increased amount of time for the claims experience of 12 months versus last year's six months, CIGNA was able to come in with a renewal rate lower than industry average of 12 percent as well as significantly lower than last year's increase, of 18 percent. The Authority's claims experience and favorable utilization of the CIGNA disease management programs have had a positive impact on the renewal rates.

### Dental Services

MetLife initially provided a renewal premium increase of 38.5 percent with an estimated gross cost increase of \$185,000. The current plan design does not differentiate the benefits between in-network and out-of-network services. The renewal increase is driven by high out-of-network utilization (45 percent) which results in higher average charges (\$101.38 in-network versus \$172.17 out-of-network).

Additional plan design options were requested by Mercer to lower the overall renewal increase. By choosing a plan with a higher cost share for out-of-network utilization, the Authority can reduce the renewal increase of 38.5 percent to 27.4 percent, for an estimated gross cost increase of \$131,492. With an additional two months of claims experience to review, Mercer was able

to negotiate a final renewal increase of 18.2 percent for an estimated gross cost increase of \$87,312.

#### **Employee Contributions**

The employee contribution levels were changed in calendar year 2007, no new contribution changes are being recommended for calendar year 2008.

#### **Future Initiatives**

This year the Benefits Department and Mercer have been working with CIGNA to study the feasibility of implementing CIGNA's Healthy Awards program for the entire employee population, including coach operators and maintenance employees. In addition a consumer driven plan is being evaluated for Administrative and Transportation Communications Union employees.

CIGNA's Healthy Awards program allows employers to offer incentive programs to all employees regardless of their medical coverage. Programs include disease management, smoking cessation, personal health risk appraisal, etc. These types of programs encourage wellness and a healthy lifestyle, which assists in decreasing the experience rate resulting in lower healthcare costs overall. The target implementation is first quarter 2008.

The Healthcare Advisory Committee is reviewing other strategies, such as, consumerism, Consumer Driven Health Plans (CDHP), and medical management tools to generate a healthier work force, more informed consumers, and long-range medical cost control.

#### **Summary**

Based on the information provided, staff recommends approval of agreements with Kaiser Foundation Health Plan Inc., CIGNA Healthcare of California, SmileSaver, and MetLife to provide continuity of health coverages for the Orange County Transportation Authority employees and their families.

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**Attachments**

- A. Annual Premium Comparison 2007 Versus 2008
- B. Proposed Plan Rates and Contributions Effective January 1, 2008
- C. Fact Sheet Kaiser Foundation Health Plan, Inc., Agreement C-5-0455
- D. Fact Sheet CIGNA Healthcare, Agreement C-5-2860
- E. Fact Sheet CIGNA Healthcare, Agreement C-5-2861
- F. Fact Sheet MetLife, Agreement C-5-2862
- G. Fact Sheet SmileSaver, Agreement C-5-0458

**Prepared by:**



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Department Manager  
Human Resources  
(714) 560-5801

**Approved by:**



James S. Kenan  
Executive Director, Finance,  
Administration and Human Resources  
(714) 560-5678

**Annual Premium Comparison  
2007 Versus 2008**

<b>Coverage</b>	<b>Current Enrollment*</b>	<b>2007 Current Rates/Fees</b>	<b>2008 Proposed Rates/Fees</b>	<b>2007/2008 \$ Change</b>	<b>2007/2008 % Change</b>
<b>CIGNA Healthcare HMO</b>					
Employee Only	66	\$298.56	\$316.47		
Employee + One	35	641.90	680.41		
Family	58	865.81	917.76		
<b>Total Estimated Annual Premium</b>	<b>159</b>	<b>\$1,108,661</b>	<b>\$1,175,177</b>	<b>\$66,516</b>	<b>6.00%</b>
<b>CIGNA Healthcare OAP</b>					
Employee Only	69	\$499.24	\$529.19		
Employee + One	54	1,073.37	1,137.77		
Family	94	1,447.81	1,534.68		
<b>Total Estimated Annual Premium</b>	<b>217</b>	<b>\$2,742,044</b>	<b>\$2,906,563</b>	<b>\$164,519</b>	<b>6.00%</b>
<b>Kaiser Permanente</b>					
Employee Only	51	\$296.54	\$335.57		
Employee + One	34	593.08	671.14		
Family	53	839.21	949.66		
<b>Total Estimated Annual Premium</b>	<b>138</b>	<b>\$957,197</b>	<b>\$1,083,178</b>	<b>\$125,981</b>	<b>13.20%</b>
<b>Total Medical</b>	<b>514</b>	<b>\$4,807,902</b>	<b>\$5,164,918</b>	<b>\$357,016</b>	<b>7.40%</b>
<b>MetLife</b>					
Employee Only	137	\$49.95	\$59.04		
Employee + One	97	107.39	126.82		
Family	158	144.19	170.43		
<b>Total Estimated Annual Premium</b>	<b>392</b>	<b>\$480,504</b>	<b>\$567,816</b>	<b>\$87,312</b>	<b>18.20%</b>
<b>SmileSaver</b>					
Employee Only	51	\$10.35	\$10.97		
Employee + One	29	16.00	16.96		
Family	48	21.00	22.26		
<b>Total Estimated Annual Premium</b>	<b>128</b>	<b>\$23,998</b>	<b>\$25,437</b>	<b>\$1,439</b>	<b>6.00%</b>
<b>Total Dental</b>	<b>520</b>	<b>\$504,502</b>	<b>\$593,253</b>	<b>\$88,751</b>	<b>17.60%</b>

\*As of June 2007

**Proposed Plan Rates and Contributions  
Effective January 1, 2008**

Plan	Monthly Premium		Employee Share (%)	Cost Per Pay Period Full-Time Employee Contribution	Cost Per Pay Period Part-Time Employee Contribution
	Plan Cost	Proposed Employee Contribution			
<b>Kaiser HMO</b>					
Employee Only	\$ 335.57	\$ 33.56	10%	\$ 15.49	\$ 77.44
Employee + 1 Dependent	671.14	100.67	15%	46.46	154.88
Employee + Family	949.66	142.45	15%	65.75	219.15
<b>CIGNA HMO</b>					
Employee Only	\$ 316.47	\$ 31.65	10%	\$ 14.61	\$ 73.03
Employee + 1 Dependent	680.41	102.06	15%	47.11	157.02
Employee + Family	917.76	137.66	15%	63.54	211.79
<b>CIGNA OAP Medical</b>					
Employee Only	\$ 529.19	\$ 52.92	10%	\$ 24.42	\$ 122.12
Employee + 1 Dependent	1,137.77	170.67	15%	78.77	262.56
Employee + Family	1,534.68	230.20	15%	106.25	354.16
<b>SmileSaver</b>					
Employee Only	\$ 10.97	\$ 1.10	10%	\$ 0.51	\$ 2.53
Employee + 1 Dependent	16.96	2.54	15%	1.17	3.91
Employee + Family	22.26	3.34	15%	1.54	5.14
<b>MetLife PDP Dental</b>					
Employee Only	\$ 59.04	\$ 5.90	10%	\$ 2.72	\$ 13.62
Employee + 1 Dependent	126.82	19.02	15%	8.78	29.27
Employee + Family	170.43	25.56	15%	11.80	39.33

**ATTACHMENT C**

**Fact Sheet  
Kaiser Foundation Health Plan, Inc.  
Agreement C-5-0455**

1. May 23, 2005, Agreement C-5-0455, \$850,000, approved by Board of Directors.
  - To provide prepaid medical services for Authority's administrative employees and employees represented by Transportation Communications Union for the period July 1, 2005 through June 30, 2006.
2. November 14, 2005, Amendment No. 1 to Agreement C-5-0455, \$450,000, approved by Board of Directors.
  - To extend the termination date to December 31, 2006.
3. September 25, 2006, Amendment No. 2 to Agreement C-5-0455, \$881,000, pending approval by Board of Directors.
  - To extend contract for period January 1, 2007 through December 31, 2007.
4. October 5, 2007, Amendment No. 3 to Agreement C-5-0455, \$1,100,000, pending approval by Board of Directors.
  - To extend contract for period January 1, 2008 through December 31, 2008.

Total committed to Kaiser Foundation Health Plan, Inc., Agreement C-5-0455 for the amount of \$3,281,000.

**ATTACHMENT D**

**Fact Sheet  
CIGNA Healthcare  
Agreement C-5-2860**

1. November 14, 2005, Agreement C-5-2860, \$850,000, approved by Board of Directors.
  - To provide prepaid medical services for Authority's administrative employees and employees represented by Transportation Communications Union for the period January 1, 2006 through December 31, 2006.
2. September 25, 2006, Amendment No. 1 to Agreement C-5-2860, \$1,014,000, pending approval by Board of Directors.
  - To extend contract for period January 1, 2007 through December 31, 2007.
3. October 5, 2007, Amendment No. 2 to Agreement C-5-2860, \$1,200,000, pending approval by Board of Directors.
  - To extend contract for period January 1, 2008 through December 31, 2008.

Total committed to CIGNA Healthcare, Agreement C-5-2860 for the amount of \$3,064,000.

## ATTACHMENT E

### **Fact Sheet CIGNA Healthcare Agreement C-5-2861**

1. November 14, 2005, Agreement C-5-2861, \$2,800,000, approved by Board of Directors.
  - To provide open access plus medical services for Authority's administrative employees and employees represented by Transportation Communications Union for the period January 1, 2006 through December 31, 2006.
2. September 25, 2006, Amendment No. 1 to Agreement C-5-2861, \$3,068,000, pending approval by Board of Directors.
  - To extend contract for period January 1, 2007 through December 31, 2007.
3. October 5, 2007, Amendment No. 2 to Agreement C-5-2861, \$3,000,000, pending approval by Board of Directors.
  - To extend contract for January 1, 2008 through December 31, 2008.

Total committed to CIGNA Healthcare, Agreement C-5-2861 for the amount of \$8,868,000.

**ATTACHMENT F**

**Fact Sheet  
MetLife  
Agreement C-5-2862**

1. November 14, 2005, Agreement C-5-2862, \$880,000, approved by Board of Directors.
  - To provide a preferred dental plan (PDP) for Authority's administrative employees and employees represented by Transportation Communications Union for the period January 1, 2006 through December 31, 2007.
2. October 5, 2007, Amendment No. 1 to Agreement C-5-2862, \$570,000, pending approval by Board of Directors.
  - To extend contract for period January 1, 2008, through December 31, 2008.

Total committed to MetLife, Agreement C-5-2862 for the amount of \$1,450,000.

**Fact Sheet  
SmileSaver  
Agreement C-5-0458**

1. May 23, 2005, Agreement C-5-0458, \$105,000, approved by Board of Directors.
  - To provide prepaid dental services for Authority's administrative employees and employees represented by Transportation Communications Union for the period July 1, 2005 through June 30, 2007.
2. November 14, 2005, Amendment No. 1 to Agreement C-5-0458, \$13,000, pending approval by Board of Directors.
  - To extend the termination date to December 31, 2007.
3. October 5, 2007, Amendment No. 2 to Agreement C-5-0458, \$51,000, pending approval by Board of Directors.
  - To extend contract for period January 1, 2008, through December 31, 2009.

Total committed to SmileSaver, Agreement C-5-0458 for the amount of \$169,000.

# **Agreement for Health Insurance Services**

## **Administrative and Transportation Communications International Union Employees**

Finance and Administration Committee  
September 26, 2007



# Cost Comparison: Medical Plans



Coverage	2007 Current Rates/Fees	2008 Proposed Rates/Fees	2007/2008	
				% Change
<b>CIGNA Healthcare HMO</b>				
Employee Only	\$ 298.56	\$ 316.47		6.00%
Employee + One	641.90	680.41		6.00%
Family	865.81	917.76		6.00%
<b>CIGNA Healthcare OAP</b>				
Employee Only	\$ 499.24	\$ 529.19		6.00%
Employee + One	1,073.37	1,137.77		6.00%
Family	1,447.81	1,534.68		6.00%
<b>Kaiser Permanente</b>				
Employee Only	\$ 296.54	\$ 335.57		13.16%
Employee + One	593.08	671.14		13.16%
Family	839.21	949.66		13.16%

# Cost Comparison: Dental Plans



Coverage	2007 Current Rates/Fees	2008 Proposed Rates/Fees	2007/2008	
				% Change
<b>MetLife</b>				
Employee Only	\$ 49.95	\$ 59.04		18.20%
Employee + One	107.39	126.82		18.09%
Family	144.19	170.43		18.20%
<b>SmileSaver</b>				
Employee Only	\$ 10.35	\$ 10.97		5.65%
Employee + One	16.00	16.96		5.66%
Family	21.00	22.26		5.66%

# Proposed 2008 Employee Contribution Schedule - Medical



Plan	Proposed Plan Cost	Proposed Employee Contribution
<b>Kaiser</b>		
Employee Only	\$ 335.57	\$ 33.56
Employee Plus One	671.14	100.67
Family	949.66	142.45
<b>CIGNA HMO</b>		
Employee Only	\$ 316.47	\$ 31.65
Employee Plus One	680.41	102.06
Family	917.76	137.66
<b>CIGNA OAP</b>		
Employee Only	\$ 529.19	\$ 52.92
Employee Plus One	1,137.77	170.67
Family	1,534.68	230.20

# Proposed 2008 Employee Contribution Schedule - Dental



Plan	Proposed Plan Cost	Proposed Employee Contribution
<b>MetLife</b>		
Employee Only	\$ 59.04	\$ 5.90
Employee Plus One	126.82	19.02
Family	170.43	25.56
<b>SmileSaver</b>		
Employee Only	\$ 10.97	\$ 1.10
Employee Plus One	16.96	1.70
Family	22.26	2.23





*BOARD COMMITTEE TRANSMITTAL*

**October 5, 2007**

**To:** Members of the Board of Directors

**From:** <sup>WK</sup>  
Wendy Knowles, Clerk of the Board

**Subject:** Cooperative Agreement Between the Orange County Transportation Authority and the California High-Speed Rail Authority for Preparation of Environmental Impact Report/Statement

Transit Planning and Operations Committee

September 27, 2007

**Present:** Directors Brown, Dixon, Green, Moorlach, Nguyen, Norby, Pulido, and Winterbottom

**Absent:** None

***Committee Vote***

The Committee's recommendation was passed by those present.

Director Moorlach voted to oppose.

***Committee Recommendation***

Authorize the Chief Executive Officer to negotiate and execute Cooperative Agreement C-7-0860 between the Orange County Transportation Authority and the California High-Speed Rail Authority, in an amount not to exceed \$7 million, towards the preparation of a project-level environmental impact report/environmental impact statement for the Anaheim to Los Angeles segment of the high-speed rail network.



**September 27, 2007**

**To:** Transit Planning and Operations Committee

**From:** Arthur T. Leany, Chief Executive Officer

**Subject:** Cooperative Agreement Between the Orange County Transportation Authority and the California High-Speed Rail Authority for Preparation of Environmental Impact Report/Statement

### **Overview**

The Orange County Transportation Authority proposes to enter into a cooperative agreement with the California High-Speed Rail Authority to fund project-level environmental analysis of the Anaheim to Los Angeles segment of the state high-speed rail network.

### **Recommendation**

Authorize the Chief Executive Officer to negotiate and execute Cooperative Agreement C-7-0860 between the Orange County Transportation Authority and the California High-Speed Rail Authority, in an amount not to exceed \$7 million, towards the preparation of a project-level environmental impact report/environmental impact statement for the Anaheim to Los Angeles segment of the high-speed rail network.

### **Background**

In September 2006, the Orange County Transportation Authority (Authority) Board of Directors (Board) authorized the Chief Executive Officer to negotiate and execute a Memorandum of Understanding (MOU) with the California High-Speed Rail Authority (CHSRA) to perform a project-level environmental analysis for the Anaheim to Los Angeles segment of the high-speed rail network and an environmental assessment/feasibility study of the route from Orange County to the Ontario International Airport (Attachment A).

In the MOU, the Board endorsed the use of \$7 million of local funds as a contribution to the environmental analysis, to be funded over two fiscal years, beginning fiscal year 2007-08, subject to a future cooperative agreement.

**Cooperative Agreement Between the Orange County  
Transportation Authority and the California High-Speed Rail  
Authority for Preparation of Environmental Impact  
Report/Statement**

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**Page 2**

The funds were identified in the Comprehensive Funding Strategy and Policy Direction, adopted by the Board in November 2005.

The state budget for fiscal year 2007-08 includes \$20.7 million for the CHSRA to continue the environmental analysis for the high-speed rail program. The funding sources are as follows:

Proposition 116:	\$15.0 million
General Fund:	\$ 2.2 million
Measure M:	\$ 3.5 million

The Measure M funds will be used exclusively towards the Orange County segment of the corridor from Anaheim to the Orange/Los Angeles County border.

***Discussion***

In September 2006, MOU C-6-0732 between the Authority and the CHSRA was executed. The MOU addresses the roles and responsibilities of both agencies regarding the preparation of an environmental impact report/environmental impact statement (EIR/EIS) for the Los Angeles to Anaheim segment of the high-speed rail network.

Under the proposed cooperative agreement, the Authority will provide \$7 million to the CHSRA to be used exclusively on the Orange County segment of the study. The funds will be made available over two years, beginning in fiscal year 2007-08. The Authority will reimburse the CHSRA for development and execution of work orders necessary for the preparation of the technical studies, as well as the studies themselves. The CHSRA will provide the Authority with a detailed summary of expenditures on a monthly basis, as well as a monthly progress report showing project status. The progress report will also include percent of work completed and its correlation to costs incurred.

**Fiscal Impact**

The cooperative agreement is included in the Authority's Fiscal Year 2007-08 Budget, Development Division, Account 0010-7831-T5420-G2C, and is funded through the Local Transportation Authority.

**Cooperative Agreement Between the Orange County  
Transportation Authority and the California High-Speed Rail  
Authority for Preparation of Environmental Impact  
Report/Statement** **Page 3**

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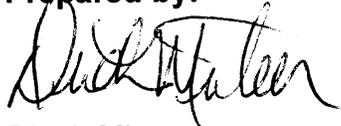
**Summary**

The Authority and the CHSRA seek authorization to enter into Cooperative Agreement C-7-0860, in the amount of \$7 million, to be funded over two fiscal years towards the preparation of an EIR/EIS for the Anaheim to Los Angeles segment of the high-speed rail network.

**Attachment**

- A. Memorandum of Understanding C-6-0732 By and Between Orange County Transportation Authority and California High Speed Rail Authority for Preparation of an EIR/EIS Report and an Environmental Assessment

**Prepared by:**



Dinah Minter  
Manager, Metrolink Service Expansion  
(714) 560-5740

**Approved by:**



Kia Mortazavi  
Executive Director, Development  
(714) 560-5741

1                   **MEMORANDUM OF UNDERSTANDING C-6-0732**

2                   **BY AND BETWEEN**

3                   **ORANGE COUNTY TRANSPORTATION AUTHORITY**

4                   **AND**

5                   **CALIFORNIA HIGH SPEED RAIL AUTHORITY**

6                   **FOR**

7                   **PREPARATION OF AN EIR/EIS REPORT AND AN ENVIROMENTAL ASSESSMENT**

8                   **RECITALS:**

9                   **THIS MEMORANDUM OF UNDERSTANDING (MOU)** is made and entered into on this

10 <sup>25<sup>th</sup></sup> *Sept* day of 2006, by and between the Orange County Transportation Authority  
11 ("AUTHORITY") and the California High Speed Rail Authority (CHSRA), (AUTHORITY and CHSRA  
12 collectively referred to herein as "PARTIES" and "PARTY" means one of the PARTIES to this  
13 MOU), regarding the preparation of a Project-Level High-Speed Train (HST) Environmental Impact  
14 Report (EIR)/Environmental Impact Statement (EIS) for the LOSSAN Rail Corridor between Los  
15 Angeles and Anaheim, and an Environmental/Feasibility Assessment for a potential HST feeder  
16 service in the Anaheim to Ontario corridor (collectively hereinafter referred to as "PROJECTS," and  
17 "PROJECT" means one of the PROJECTS to this MOU) with regard to the following matters:

18                   **WHEREAS**, CHSRA in partnership with the Federal Railroad Administration (FRA) has  
19 completed and certified a Program EIR/EIS for a proposed California High-Speed Train (HST)  
20 network linking the major metropolitan areas of the State of California. The HST system approved  
21 by CHSRA includes the "LOSSAN" rail corridor as the preferred alignment linking Los Angeles to  
22 Orange County; and

23                   **WHEREAS**, within the LOSSAN rail corridor, the California Department of Transportation  
24 currently operates intercity passenger rail service, the "Surfliner", and the Southern California  
25 Regional Rail Authority (SCRRA) operates the Metrolink commuter rail service. AUTHORITY is  
26 considering proposing to enhance portions of the rail line over which existing services operate to

1 enhance services in a manner that would plan for, preserve the right-of-way, and lay the foundation  
2 for future HST service in this corridor. In the course of considering these enhancements,  
3 AUTHORITY believes it will benefit from the preparation of a Project-Level EIR/EIS document  
4 between Los Angeles and Anaheim by CHSRA and some of the technical studies which will be  
5 generated in the course of preparation of this Project-Level EIR/EIS; and

6 **WHEREAS**, the LOSSAN rail corridor Project-Level EIR/EIS studies will examine options for  
7 developing the LOSSAN corridor to accommodate HST, as well as Metrolink, Amtrak, and  
8 conventional freight. The Project-Level EIR/EIS document will evaluate in detail the alternatives for  
9 incremental phased implementation and will address site specific environmental impacts, in a  
10 manner which takes into account all existing rail services as well as incremental phases of  
11 development; and

12 **WHEREAS**, the authority and responsibility for the planning, construction, and operation of  
13 high-speed passenger train service at speeds exceeding 125 miles per hour in California is  
14 exclusively granted to CHSRA by Public Utilities Code Section 185032.a.2; and

15 **WHEREAS**, CHSRA has the authority to accept grants, fees, and allocations from the state,  
16 from political subdivisions of the state or from the federal government, foreign governments, and  
17 private sources (Public Utilities Code section 185034(4); and

18 **WHEREAS**, AUTHORITY adopted the 2006 Long-Range Transportation Plan (LRTP) to  
19 identify the facilities, services and programs necessary to meet the Orange County region's travel  
20 needs through the year 2030, and that document recognizes the need for high-speed ground  
21 transportation to serve these needs; and

22 **WHEREAS**, AUTHORITY is considering pursuing a high-speed passenger train service  
23 between Anaheim (ARTIC Station) and the Ontario Airport. The Anaheim to Ontario service is not  
24 included as part of CHSRA's preferred alignment. However, such a potential service could  
25 complement the statewide HST system and help to integrate it with other transit services as a  
26 "feeder" service with potential multi-modal connections to the statewide system at both ARTIC

1 Station in Anaheim and at the Ontario Airport. CHSRA involvement in assessing the feasibility of  
2 an Anaheim to Ontario Airport link will foster and ensure coordination in the design of the multi-  
3 modal hub stations to accommodate HST service and other transit services. AUTHORITY believes  
4 it will benefit from the preparation of an environmental/feasibility assessment between Anaheim  
5 (ARTIC Station) and the Ontario Airport by CHSRA and the technical studies which will be  
6 generated in the course of preparation of an environmental/feasibility assessment. Preparation of a  
7 feasibility assessment by CHSRA is an initial step in planning for high-speed train service; and

8 **WHEREAS**, it is the intent and purpose of this MOU to demonstrate the continuing desire of  
9 the PARTIES to cooperate and to share the results of their studies and to share their respective  
10 views on the subject of improvements and enhancements to the LOSSAN Rail Corridor (between  
11 Los Angeles and Anaheim), and the Anaheim to Ontario corridor in a manner which best  
12 contributes to the public good, and in a manner which reduces or eliminates unnecessary  
13 duplicative effort; and

14 **NOW, THEREFORE**, it is mutually understood and agreed to by the PARTIES as follows:

15 1. The PARTIES agree to continue to work cooperatively throughout the preparation of  
16 CHSRA's Project-Level EIR/EIS for the Los Angeles to Anaheim segment of the LOSSAN Rail  
17 Corridor and a potential HST environmental/feasibility assessment by CHSRA of the Anaheim to  
18 Ontario corridor.

19 2. CHSRA will manage the Project-Level EIR/EIS process between Los Angeles and  
20 Anaheim and obtain funding for the non Orange County (Los Angeles County) portion of the  
21 process estimated at up to \$13 million, and expend these funds over three fiscal years starting  
22 Fiscal Year 2006/2007, subject to state budget allocations and spending authorization and  
23 consistent with statutory authority. CHSRA will prepare, or contract for the preparation of, the  
24 EIR/EIS, supporting documentation (all required reports, presentations, and deliverables), and  
25 public noticing, and furnish all personnel, facilities, and equipment necessary to complete and  
26 certify the EIR/EIS. CHSRA will maintain and retain all records associated with the EIR/EIS.

1           3.       AUTHORITY will fund the Orange County portion of the Los Angeles to Anaheim  
2 Project-Level EIR/EIS (estimated at up to \$7 million) in local funds over two fiscal years starting  
3 Fiscal year 2007/2008 (\$3.5 million each year) with details of the funding subject to a future  
4 Agreement. AUTHORITY will provide technical and policy input in the preparation of the Project-  
5 Level EIR/EIS including providing reviews, comments and technical support in a timely manner.  
6 AUTHORITY will support CHSRA in seeking such additional state funding as may be needed to  
7 complete these studies.

8           4.       In preparing its Project-Level EIR/EIS, CHSRA will take into account and coordinate  
9 with, to the extent it is appropriate to do so, the other technical studies and proposed improvements  
10 which have been prepared and will be prepared with reference to the greater LOSSAN Corridor  
11 (including AUTHORITY's planned Metrolink expansion). CHSRA will be responsible for obtaining  
12 the necessary documents to do such.

13           5.       The PARTIES recognize that realistic planning for the future of the LOSSAN Rail  
14 Corridor requires recognition of existing constraints along this corridor and also requires recognition  
15 of the need for cooperation and coordination among all of the agencies which have responsibilities  
16 to address public transportation needs along that corridor. Staff of CHSRA and AUTHORITY, will  
17 cooperate fully in the exchange of information and will work together, under the oversight of CHSRA,  
18 in order to satisfy this need.

19           6.       Contingent on federal and/or future state funding, CHSRA will actively manage and  
20 contract for an environmental/feasibility assessment for the Anaheim to Ontario corridor, estimated  
21 to cost up to \$3 million and to take two years to complete. CHSRA will seek \$3 million in federal  
22 funds starting in Fiscal Year 2006/2007 for the work effort, and will seek state funding for the portion  
23 of federal funds, up to \$3 million, if not available. If adequate funding is provided, CHSRA will  
24 prepare the environmental/feasibility assessment and supporting documentation, furnish all  
25 personnel, facilities, equipment necessary to perform scope, all required reports, presentations and  
26 deliverables, and maintain and retain all records associated with the studies. CHSRA staff will meet  
regularly with OCTA staff and with the staff of local and regional agencies with regard to the

1  
2 Anaheim to Ontario corridor to discuss technical matters related to this project.

3 7. AUTHORITY will actively participate in the Anaheim to Ontario  
4 environmental/feasibility assessment effort and support CHSRA in seeking federal and state  
5 funding. AUTHORITY will provide technical and policy input and technical support, review and  
6 comment on documents in a timely manner, and its staff will actively work with CHSRA's staff for  
7 this corridor.

8 8. Each PARTY agrees to encourage public awareness of and involvement in the  
9 environmental review processes in which the agencies are engaged.

10 9. The PARTIES agree that the primary purpose, intent and spirit of this MOU are to  
11 continue and to expand cooperation among the PARTIES and to develop the framework for future  
12 Cooperative Agreements. To this end, the PARTIES agree to share the results of their work,  
13 including technical studies, and to confer at regular and frequent intervals.

14 10. Each PARTY intends to use the products of the technical studies consistent with its  
15 respective authority and to the maximum extent possible.

16 11. The PARTIES recognize that under state and federal law, any PARTY preparing an  
17 environmental document has certain obligations and responsibilities with respect to the preparation  
18 of that document, and with respect to intermediate decisions which must be made in the course of  
19 preparation of the document. The PARTIES further recognize that there are obligations and  
20 responsibilities which cannot be delegated or assigned by the preparing PARTY to someone else or  
21 to another agency. Nothing in this MOU is intended to affect those obligations and responsibilities,  
22 nor to affect in any way which is contrary to the law the decision-making responsibilities of either  
23 PARTY to this MOU. Each PARTY to this MOU is responsible for making its own determination as  
24 to the usefulness or as to the propriety of its use of or reliance upon the work product of the other  
25 PARTY to this MOU. It is not intended by this MOU that either PARTY to this MOU represents or  
26 warrants that its work product is sufficient for the purposes to which the other PARTY may wish to  
apply that work product. This MOU does not reduce, expand, transfer, or alter in any way, any of  
the statutory or regulatory authorities and responsibilities of any of the signatories.

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12. It is noted that there may be differences in the nature of what CHSRA is studying and that which AUTHORITY will be considering. This MOU does not constitute a decision by CHSRA or by its staff regarding the selection, timing or phasing of one HST corridor or segment over another as part of the system defined in the certified Program EIR/EIS and approved by CHSRA. This MOU is not intended to constitute and does not constitute any limitation on the CHSRA's decision making.

13. Each PARTY shall provide a technical lead to exchange information between each other concerning the PROJECTS.

14. Each PARTY agrees to cooperate and coordinate with the other PARTY, its staff, contractors, consultants, vendors, etc. providing services required under this MOU to the extent practicable in the performance of the PROJECTS and in their other respective responsibilities under this MOU.

15. The PARTIES agree to work diligently together and in good faith, using their best efforts to resolve any unforeseen issues and disputes arising out of the performance of this MOU.

16. This MOU may only be modified or amended in writing. All modifications, amendments, changes and revisions of this MOU in whole or part, and from time to time, shall be binding upon the PARTIES, so long as the same shall be in writing and executed by the PARTIES.

17. This MOU shall be governed by and construed with the Federal, State and Local laws. The PARTIES warrant that in the performance of this MOU, each shall comply with all applicable Federal, State and Local laws, statutes and ordinances and all lawful orders, rules and regulations promulgated thereunder.

18. This MOU, including all exhibits and documents incorporated herein and made applicable by reference, constitutes the complete and exclusive statement of the term(s) and condition(s) of the MOU between the PARTIES and it supersedes all prior representations, understandings and communications. The invalidity in whole or part of any term or condition of this MOU shall not affect the validity of other term(s) or condition(s).

/

19. Each PARTY shall be excused from performing its obligations under this MOU during the time and to the extent that it is prevented from performing by an unforeseeable cause beyond its control, including but not limited to: any incidence of fire, flood; acts of God; commandeering of material, products, plants or facilities by federal, state or local government; national fuel shortage; or a material act or omission by any PARTY; when satisfactory evidence of such cause is presented to the other PARTY, and provided further such nonperformance is unforeseeable, beyond the control and is not due to the fault or negligence of the PARTY not performing.

20. Any notice sent by first class mail, postage paid, to the address and addressee, shall be deemed to have been given when in the ordinary course it would be delivered. The representatives of the PARTIES who are primarily responsible for the administration of this MOU, and to whom notices, demands and communications shall be given are as detailed as follows:

To CHSRA:	To AUTHORITY:
California High Speed Rail Authority	Orange County Transportation Authority
925 L Street	550 South Main Street
Suite 1425	P. O. Box 14184
Sacramento, CA 95814	Orange, CA 92863-1584
Attention: Dan Leavitt, Deputy Director	Attention: Kathleen Perez, Section Manager
(916/324-1541), dleavitt@hsr.ca.gov	Capital Projects (714/560-5643), kperez@octa.net
c:	c: Paul Taylor, Executive Director, Development

If there are any changes in the names and/or addresses listed above, the PARTY desiring to make such changes shall give a written notice to the other PARTY within five (5) days of such change.

21. This MOU shall continue in full force and effect through December 31, 2011, unless terminated earlier by mutual written consent by the PARTIES, or terminated by either Party for its convenience on 30 days written notice. The term of this MOU may only be extended upon mutual written agreement by the PARTIES.

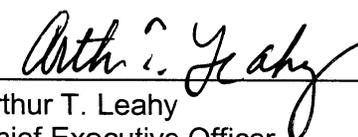
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IN WITNESS WHEREOF, the PARTIES hereto have caused this Memorandum of Understanding No. C-6-0732 to be executed on the date first above written.

**CALIFORNIA HIGH SPEED RAIL AUTHORITY**

**ORANGE COUNTY TRANSPORTATION AUTHORITY**

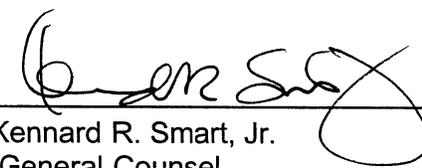
By:   
Medhi Morshed  
Executive Director

By:   
Arthur T. Leahy  
Chief Executive Officer

APPROVED AS TO FORM:

APPROVED AS TO FORM:

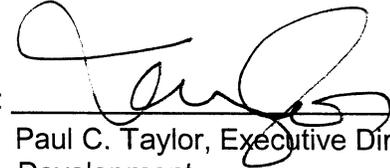
By: \_\_\_\_\_  
Name:  
Title:

By:   
Kennard R. Smart, Jr.  
General Counsel

APPROVAL RECOMMENDED:

APPROVAL RECOMMENDED:

By: \_\_\_\_\_  
Name:  
Title:

By:   
Paul C. Taylor, Executive Director,  
Development

Date: \_\_\_\_\_

Date: 1/16/07







BOARD COMMITTEE TRANSMITTAL

October 5, 2007

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject:** Approval to Release Request for Proposals for Project Management Support Services for the Renewed Measure M Highway Program and Amendment to Hatch Mott MacDonald Agreement for Interim Support Services

Regional Planning and Highways Committee

October 1, 2007

**Present:** Directors Amante, Cavecche, Dixon, Glaab, Green, Mansoor, Norby, Pringle, and Rosen  
**Absent:** None

**Committee Vote**

This item was passed by all Committee Members present.

**Committee Recommendations**

- A. Approve the proposed evaluation criteria and weightings.
- B. Approve the release of Request for Proposals 7-1196 for project management support services for the Renewed Measure M highway program.
- C. Authorize the Chief Executive Officer to execute Amendment No. 9 to Agreement C-3-0994 with Hatch Mott MacDonald, in an amount not to exceed \$675,000, for interim project management support services for the Renewed Measure M highway program.



*October 1, 2007*

**To:** Regional Planning and Highways Committee

**From:** Arthur T. Leahy, <sup>AL</sup> Chief Executive Officer

**Subject:** Approval to Release Request for Proposals for Project Management Support Services for the Renewed Measure M Highway Program and Amendment to Hatch Mott MacDonald Agreement for Interim Support Services

### **Overview**

The Orange County Transportation Authority staff has developed a draft Request for Proposals to initiate a procurement process to retain a consultant to provide project management support services for the Renewed Measure M highway program. These services are needed to support the freeway projects to be developed over the next five years under the Renewed Measure M Early Action Plan.

### **Recommendations**

- A. Approve the proposed evaluation criteria and weightings.
- B. Approve the release of Request for Proposals 7-1196 for project management support services for the Renewed Measure M highway program.
- C. Authorize the Chief Executive Officer to execute Amendment No. 9 to Agreement C-3-0994 with Hatch Mott MacDonald, in an amount not to exceed \$675,000, for interim project management support services for the Renewed Measure M highway program.

### **Background**

On August 13, 2007, the Orange County Transportation Authority's (Authority) Board of Directors (Board) approved a Renewed Measure M (M2) Early Action Plan for the implementation of the program. The purpose of the M2 Early Action Plan was to advance the start of many M2 projects over the next five years (2007 to 2012). This will require the advancement of many projects by

**Approval to Release Request for Proposals for Project Management Support Services for the Renewed Measure M Highway Program and Amendment to Hatch Mott MacDonald Agreement for Interim Support Services**

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four years over the original start of the M2 program in 2011. To support this advanced level of activity, the Board also approved an adjustment to the Authority's Fiscal Year (FY) 2007-08 Budget to provide additional support to help manage the M2 Early Action Plan program.

The Development Division, who manages the freeway program under M2 and the M2 Early Action Plan, did not ask for additional staff in the Authority's FY 2007-08 Budget amendment to manage this increase level of activity. Instead, the Development Division asked that its current contract for project management support be renewed for another four years to provide staff or technical support needed to manage its increased work load. The Development Division has used private-sector contract staff to help manage its highway projects for many years. The Development Division's current contract for these services does not include services or monies related to the M2 program or the M2 Early Action Plan; therefore, a new contract for these services must be procured.

***Discussion***

On April 23, 2007, the Board approved procurement procedures and policies requiring the Board to approve all Requests for Proposals (RFP) over \$1 million, as well as approve the evaluation criteria and weightings. Authority staff is hereby submitting for Board approval the attached draft RFP (Attachment A) and evaluation criteria and weights, which will be used to evaluate proposals received in response to the RFP. The evaluation criteria and weights are as follows:

- Qualifications of the Firm 35 percent
- Staffing and Project Organization 40 percent
- Work Plan 25 percent

The evaluation criteria are similar with those developed for other architectural and engineering (A&E) procurements. In assessing the criteria weights, several factors were considered. Authority staff assigned the greatest importance to staffing and project organization, as the qualifications of staff assigned to provide project management support will be critical to the firm's success. Authority staff assigned the next level of importance to the qualifications of the firm, since this factor relates directly to their ability to provide as-needed support for technical and administrative functions. The work plan was given the lowest level of importance since the firm's eventual work scope will be dependent on the actual assignments given to them during the

**Approval to Release Request for Proposals for Project Management Support Services for the Renewed Measure M Highway Program and Amendment to Hatch Mott MacDonald Agreement for Interim Support Services**

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**Page 3**

course of the contract. As this is an A&E procurement, price is not an evaluation criteria pursuant to state and federal law.

**Interim Project Management Support Services**

The Authority's current contract for project management support services is with Hatch Mott MacDonald (HMM) under Agreement C-3-0994. This contract was awarded over three years ago and did not anticipate the approval of M2; therefore, the current contract does not have funding to provide the services needed to support the M2 Early Action Plan. The only work being supported by the present HMM contract is the Garden Grove Freeway (State Route 22) design-build project, which was funded under the original Measure M freeway program.

It is anticipated that the procurement for the renewed project management support services could take up to eight months to complete. During this time period, the Development Division will not have adequate management support to help start the M2 Early Action Plan freeway projects. This lack of management support over this period will likely delay or hamper the implementation of the M2 Early Action Plan freeway program.

For these reasons, staff is requesting that the Board approve an amendment to the current HMM agreement to provide interim project management support while the contract is being re-competed. This will allow the Development Division to fully implement the M2 Early Action Plan without delay, beginning this month.

The original HMM agreement, in the amount of \$3,600,000, was awarded on November 24, 2003. The contract has been amended a number of times and is now valued at \$4,684,000. The contract has an expiration date of May 31, 2008. A summary of these previous contract changes is given in Attachment B. The total amount after approval of Amendment No. 9 to Agreement C-3-0994 will be \$5,359,000.

**Fiscal Impact**

The budget for the new contract for project management support services is included in the Authority's FY 2007-08 Budget, Project Management Department/Development Division, Account 0017-7519/FC002-HGL, and is funded through the Local Transportation Authority. The additional work for

**Approval to Release Request for Proposals for Project Management Support Services for the Renewed Measure M Highway Program and Amendment to Hatch Mott MacDonald Agreement for Interim Support Services**

**Page 4**

Amendment No. 9 to Agreement C-3-0994 with HMM is also in the Authority's FY 2007-2008 Budget, Account 0017-7519/FG002-7RQ, and is funded through the Local Transportation Authority.

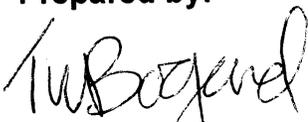
**Summary**

It is requested that the Board approve the draft RFP and evaluation criteria and weightings to evaluate proposals received in response to the RFP for project management support services for the M2 program. Staff also recommends approval of Amendment No. 9, in the amount of \$675,000, to Agreement C-3-0994 with HMM to provide interim project management support services for the Early Action Plan.

**Attachments**

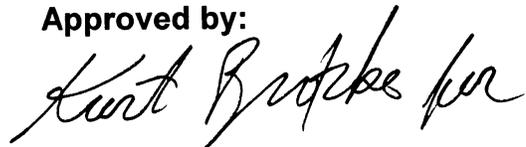
- A. Draft Request for Proposals (RFP) 7-1196, Project Management Support Services
- B. Hatch Mott MacDonald, Agreement C-3-0994 Fact Sheet

**Prepared by:**



Tom Bogard  
Director, Highway Project Delivery  
(714) 560-5918

**Approved by:**



Kia Mortazavi  
Executive Director of Development  
(714) 560-5741

**DRAFT**

**REQUEST FOR PROPOSALS (RFP) 7-1196**

**PROJECT MANAGEMENT SUPPORT SERVICES**



**ORANGE COUNTY TRANSPORTATION AUTHORITY**

**550 South Main Street  
P.O. Box 14184  
Orange, CA 92863-1584  
(714) 560-6282**

**Key RFP Dates**

<b>Issued:</b>	<b>October 9, 2007</b>
<b>Pre-Proposal Conference:</b>	<b>October 16, 2007</b>
<b>Written Questions:</b>	<b>October 19, 2007</b>
<b>Proposal Due:</b>	<b>November 7, 2007</b>
<b>Interview Date:</b>	<b>November 27, 2007</b>

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BOARD OF DIRECTORS

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*Gregory T. Winterbottom*  
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*Cindy Quon*  
Governor's  
Ex-Officio Member

CHIEF EXECUTIVE OFFICE

*Arthur T. Leahy*  
Chief Executive Officer

October 9, 2007

**SUBJECT: NOTICE OF REQUEST FOR PROPOSALS  
RFP 7-1196: PROJECT MANAGEMENT SUPPORT  
SERVICES**

Gentlemen/Ladies:

The Orange County Transportation Authority invites proposals from qualified consultants to assist the Authority in the planning, management and control of its capital development program.

**Proposals must be submitted at or before 2:00 p.m. on November 7, 2007.**

Proposals delivered in person or by means other than the U.S. Postal Service shall be submitted to the following:

**Orange County Transportation Authority  
Contracts Administration and Materials Management  
600 South Main Street, 4th Floor  
Orange, California 92868  
Attention: Kathy Peale, Senior Contract Administrator**

Proposals delivered using the U.S. Postal Service shall be addressed as follows:

**Orange County Transportation Authority  
Contracts Administration and Materials Management  
P.O. Box 14184  
Orange, California 92863-1584  
Attention: Kathy Peale, Senior Contract Administrator**

Proposals, and amendments to proposals, received after the date and time specified above will be returned to the Offerors unopened.

Parties interested in obtaining a copy of this Request for Proposals (RFP) 7-1196 may do so by faxing their request to (714) 560-5792, or e-mail your request to [rfp\\_ifb\\_Requests@octa.net](mailto:rfp_ifb_Requests@octa.net) or calling (714) 560-5922. Please include the following information:

- Name of Firm
- Address
- Contact Person
- Telephone and Facsimile Number
- Request For Proposal (RFP) 7-1196

All firms interested in doing business with the Authority are required to register their business on-line at CAMMNet, the Authority's interactive website. The website can be found at [www.octa.net](http://www.octa.net). From the site menu, click on CAMMNet to register.

To receive all further information regarding this RFP 7-1196, firms must be registered on CAMMNet with at least one of the following commodity codes for this solicitation selected as part of the vendor's on-line registration profile:

Commodities for this solicitation are:

<u>Category(s):</u>	<u>Commodity(s):</u>
Construction	Construction Management Services
Professional Consulting	Consultant Services – Transportation Planning
Professional Services	Engineering-Civil; Engineering-Right of Way

A pre-proposal conference will be held on October 16, 2007, at 9:00 a.m. at the Authority's Administrative Office, 600 South Main Street, Orange, California, in Conference Room 103/104. All prospective Offerors are encouraged to attend the pre-proposal conference.

Offeror's are asked to submit written statements of technical qualifications and describe in detail their work plan for completing the work specified in the Request for Proposal. **No cost proposal or estimate of work hours is to be included in this phase of the RFP process.**

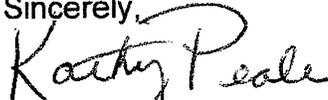
The Authority has established **November 27, 2007** as the date to conduct interviews. All prospective Offeror's will be asked to keep this date available.

Offerors are encouraged to subcontract with small businesses to the maximum extent possible.

The Offeror will be required to comply with all applicable equal opportunity laws and regulations.

The award of this contract is subject to receipt of federal, state and/or local funds adequate to carry out the provisions of the proposed agreement including the identified Scope of Work.

Sincerely,

A handwritten signature in black ink that reads "Kathy Peale". The signature is written in a cursive style with a large, looping initial "K".

Kathy Peale

Senior Contract Administrator

Contracts Administration and Materials Management

**SECTION I**  
**INSTRUCTIONS TO OFFERORS**

**SECTION I. INSTRUCTIONS TO OFFERORS**

**A. PRE-PROPOSAL CONFERENCE**

A pre-proposal conference will be held on October 16, 2007, at 9:00 a.m. at the Authority's Administrative Office, 600 South Main Street, Orange, California, in Conference Room 103/104. All prospective Offerors are strongly encouraged to attend the pre-proposal conference.

**B. EXAMINATION OF PROPOSAL DOCUMENTS**

By submitting a proposal, Offeror represents that it has thoroughly examined and become familiar with the work required under this RFP and that it is capable of performing quality work to achieve the Authority's objectives.

**C. ADDENDA**

Any Authority changes to the requirements will be made by written addendum to this RFP. Any written addenda issued pertaining to this RFP shall be incorporated into the terms and conditions of any resulting Agreement. The Authority will not be bound to any modifications to or deviations from the requirements set forth in this RFP as the result of oral instructions. Offeror's shall acknowledge receipt of addenda in their proposals.

**D. AUTHORITY CONTACT**

All questions and/or contacts with Authority staff regarding this RFP are to be directed to the following Contract Administrator:

Kathy Peale, Senior Contract Administrator  
Contracts Administration and Materials Management Department  
600 South Main Street, P.O. Box 14184  
Orange, CA 92863-1584  
Phone: 714.560., Fax: 714.560.5792, or E-Mail:kpeale@octa.net

**E. CLARIFICATIONS**

**1. Examination of Documents**

Should an Offeror require clarifications of this RFP, the Offeror shall notify the Authority in writing in accordance with Section E.2 below. Should it be found that the point in question is not clearly and fully set forth, the Authority will issue a written addendum clarifying the matter which will be sent to all firms registered on CAMMNet under the commodity codes specified in this RFP.

**2. Submitting Requests**

- a. All questions, including questions that could not be specifically answered at the pre-proposal conference, must be put in writing and must be received by the Authority no later than 4:00 p.m., October 19, 2007.
- b. Requests for clarifications, questions and comments must be clearly labeled, "Written Questions". The Authority is not responsible for failure to respond to a request that has not been labeled as such Kathy Peale, Senior Contract Administrator.
- c. Any of the following methods of delivering written questions are acceptable as long as the questions are received no later than the date and time specified above:
  - (1) U.S. Mail: Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, California 92863-1584.
  - (2) Personal Courier: Contracts Administration and Materials Management Department, 600 South Main Street, 4<sup>th</sup> Floor, Orange, California.
  - (3) Facsimile: The Authority's fax number is (714) 560-5792.
  - (4) E-Mail: Kathy Peale, Senior Contract Administrator e-mail address is [kpeale@octa.net](mailto:kpeale@octa.net).

**3. Authority Responses**

Responses from the Authority will be posted on CAMM NET, the Authority's interactive website, no later than close of business October 25, 2007. Offerors may download responses from CAMM NET at [www.octa.net/cammnet](http://www.octa.net/cammnet), or request responses be sent via U.S. Mail by e-mailing or faxing the request to Kathy Peale, Senior Contract Administrator.

To receive e-mail notification of Authority responses when they are posted on CAMM NET, firms must be registered on CAMM NET with at least one of the following commodity codes for this solicitation selected as part of the vendor's on-line registration profile:

Commodities for this solicitation are:

<u>Category(s):</u> Construction	<u>Commodity(s):</u> Construction Management Services
Professional Consulting	Consultant Services – Transportation Planning
Professional Services	Engineering-Civil; Engineering- Right of Way

Inquiries received after October 19, 2007, will not be responded to.

**F. SUBMISSION OF PROPOSALS**

**1. Date and Time**

**Proposals must be submitted at or before 2:00 p.m. on November 7, 2007**

Proposals received after the above specified date and time will be returned to Offerors unopened.

**2. Address**

Proposals delivered in person or by a means other than the U.S. Postal Service shall be submitted to the following:

**Orange County Transportation Authority  
Contracts Administration and Materials Management  
600 South Main Street, 4th Floor  
Orange, California 92868  
Attention: Kathy Peale, Senior Contract Administrator**

Proposals delivered using the U.S. Postal Services shall be addressed as follows:

**Orange County Transportation Authority  
Contracts Administration and Materials Management  
P.O. Box 14184  
Orange, California 92863-1584  
Attention: Kathy Peale, Senior Contract Administrator**

Firms must obtain a Visitor Badge from the Receptionist in the lobby of the 600 Building, before delivering any information to CAMM.

**3. Identification of Proposals**

Offeror shall submit an **original and 10 copies** of its proposal in a sealed package, addressed as shown above, bearing the Offeror's name and address and clearly marked as follows:

**“RFP 7-1196: PROJECT MANAGEMENT SUPPORT SERVICES”**

**4. Acceptance of Proposals**

- a. The Authority reserves the right to accept or reject any and all proposals, or any item or part thereof, or to waive any informalities or irregularities in proposals.
- b. The Authority reserves the right to withdraw or cancel this RFP at any time without prior notice, and the Authority makes no representations that any contract will be awarded to any Offeror responding to this RFP.
- c. The Authority reserves the right to postpone proposal openings for its own convenience.
- d. Proposals received by the Authority are public information and must be made available to any person upon request.
- e. Submitted proposals are not to be copyrighted.

**G. PRE-CONTRACTUAL EXPENSES**

The Authority shall not, in any event, be liable for any pre-contractual expenses incurred by Offeror in the preparation of its proposal. Offeror shall not include any such expenses as part of its proposal.

Pre-contractual expenses are defined as expenses incurred by Offeror in:

1. Preparing its proposal in response to this RFP;
2. Submitting that proposal to the Authority;
3. Negotiating with the Authority any matter related to this proposal; or
4. Any other expenses incurred by Offeror prior to date of award, if any, of the Agreement.

**H. JOINT OFFERS**

Where two or more Offerors desire to submit a single proposal in response to this RFP, they should do so on a prime-subcontractor basis rather than as a joint venture. The Authority intends to contract with a single firm and not with multiple firms doing business as a joint venture.

**I. TAXES**

Offerors' proposals are subject to State and Local sales taxes. However, the Authority is exempt from the payment of Federal Excise and Transportation Taxes.

**J. PROTEST PROCEDURES**

The Authority has on file a set of written protest procedures applicable to this solicitation that may be obtained by contacting the Procurement Administrator responsible for this procurement. Any protests filed by an Offeror in connection with this RFP must be submitted in accordance with the Authority's written procedures.

**K. CONTRACT TYPE**

It is anticipated that the Agreement resulting from this solicitation, if awarded, will be a time and expense price contract specifying hourly rates for effort specified in the Scope of Work included in this RFP as Section V.

**L. PREVAILING WAGES**

Certain labor categories under this project are subject to prevailing wages as identified in the State of California Labor Code commencing in Section 1770 et. se9. It is required that all mechanics and laborers employed or working at the site be paid not less than the basic hourly rates of pay and fringe benefits as shown in the current minimum wage schedules. Offerors must use the current wage schedules applicable at the time the work is in progress.

**M. CONFLICT OF INTEREST PROHIBITION**

Offerors are advised that the successful Consultant will be precluded from proposing on any engineering, technical or construction related work on the projects that the firm is managing for the Highway Project Delivery Department during the period of this contract.

**SECTION II**  
**PROPOSAL CONTENT**

**SECTION II. PROPOSAL CONTENT AND FORMS****A. PROPOSAL FORMAT AND CONTENT****1. Presentation**

Proposals shall be typed, with 12 point font, double spaced and submitted on 8 1/2 x 11" size paper, using a single method of fastening. Charts and schedules may be included in 11" x 17" format. Offers should not include any unnecessarily elaborate or promotional material. Lengthy narrative is discouraged, and presentations should be brief and concise. Proposals should not exceed fifty (50) pages in length, excluding any appendices.

**2. Letter of Transmittal**

The Letter of Transmittal shall be addressed to Kathy Peale, Senior Contract Administrator, and must, at a minimum, contain the following:

- a. Identification of Offeror that will have contractual responsibility with the Authority. Identification shall include legal name of company, corporate address, telephone and fax number. Include name, title, address, and telephone number of the contact person identified during period of proposal evaluation.
- b. Identification of all proposed subcontractors including legal name of company, contact persons name and address, phone number and fax number. Relationship between Offeror and subcontractors, if applicable.
- c. Acknowledgment of receipt of all RFP addenda, if any.
- d. A statement to the effect that the proposal shall remain valid for a period of not less than 180 days from the date of submittal.
- e. Signature of a person authorized to bind Offeror to the terms of the proposal.
- f. Signed statement attesting that all information submitted with the proposal is true and correct.

**3. Technical Proposal****a. Qualifications, Related Experience and References of Offeror**

This section of the proposal should establish the ability of Offeror to satisfactorily perform the required work by reasons of: experience in performing work of the same or similar nature; Demonstrated

experience working with local agencies and cities directly involved in this project; strength and stability of the Offeror; staffing capability; work load; record of meeting schedules on similar projects; and supportive client references. Equal weighting will be given to firms for past experience performing work of a similar nature whether with the authority or elsewhere.

Offeror to:

- (1) Provide a brief profile of the firm, including the types of services offered; the year founded; form of the organization (corporation, partnership, sole proprietorship); number, size and location of offices; number of employees.
- (2) Provide a general description of the firm's financial condition, identify any conditions (e.g., bankruptcy, pending litigation, planned office closures, impending merger) that may impede Offeror's ability to complete the project. The Authority does not have a policy for debarring or disqualifying.
- (3) Describe the firm's experience in performing work of a similar nature to that solicited in this RFP, and highlight the participation in such work by the key personnel proposed for assignment to this project.
- (4) Describe experience in working with the various government agencies that may have jurisdiction over the approval of the work specified in this RFP. Please include specialized experience and professional competence in areas directly related to this RFP.
- (5) Provide a list of past joint work by the Offeror and each subcontractor, if applicable. The list should clearly identify the project and provide a summary of the roles and responsibilities of each party.
- (6) A minimum of three (3) references should be given. Furnish the name, title, address and telephone number of the person(s) at the client organization who is most knowledgeable about the work performed. Offeror may also supply references from other work not cited in this section as related experience.

**b. Proposed Staffing and Project Organization**

This section of the proposal should establish the method that will be used by the Offeror to manage the project as well as identify key personnel assigned.

Offeror to:

- (1) Provide education, experience and applicable professional credentials of project staff. Include applicable professional credentials of "key" project staff.
- (2) Furnish brief resumes (not more than two [2] pages each) for the proposed Project Manager and other key personnel.
- (3) Identify key personnel proposed to perform the work in the specified tasks and include major areas of subcontract work. Include the person's name, current location, proposed position for this project, current assignment, level of commitment to that assignment, availability for this assignment and how long each person has been with the firm.
- (4) Include a project organization chart that clearly delineates communication/reporting relationships among the project staff, including subconsultants.
- (5) Include a statement that key personnel will be available to the extent proposed for the duration of the project, acknowledging that no person designated as "key" to the project shall be removed or replaced without the prior written concurrence of the Authority.

**c. Work Plan**

Offeror shall provide a narrative that addresses the Scope of Work and shows Offeror's understanding of Authority's needs and requirements.

Offeror to:

- (1) Describe the approach and work plan for completing the effort specified in the Scope of Work. The work plan shall be of such detail to demonstrate the Offeror's ability to accomplish the project objectives and overall schedule.
- (2) Specify who in the firm will perform the effort and provide a labor resource allocation chart.
- (3) Identify methods that Offeror will use to ensure quality control as well as budget and schedule control for the project.
- (4) Identify any special issues or problems that are likely to be encountered during this project and how the Offeror would propose to address them.

- (5) Offeror is encouraged to propose enhancements or procedural or technical innovations to the Scope of Work that do not materially deviate from the objectives or required content of the project.

**d. Exceptions/Deviations**

State any exceptions to or deviations from the requirements of this RFP, segregating "technical" exceptions from "contractual" exceptions. Where Offeror wishes to propose alternative approaches to meeting the Authority's technical or contractual requirements, these should be thoroughly explained. If no contractual exceptions are noted, Offeror will be deemed to have accepted the contract requirements as set forth in Section IV. Proposed Agreement.

**4. Cost and Price Proposal**

Offerors are asked to submit only the technical qualifications as requested in this RFP. **No cost proposal or work hours are to be included in this phase of the RFP process.** Upon completion of the initial evaluations and interviews, if conducted, the highest ranked Offeror will be asked to submit a detailed cost proposal and negotiations will commence based on both the cost and technical proposals.

**5. Appendices**

Information considered by Offeror to be pertinent to this project and which has not been specifically solicited in any of the aforementioned sections may be placed in a separate appendix section. Offerors are cautioned, however, that this does not constitute an invitation to submit large amounts of extraneous materials; appendices should be relevant and brief.

**B. FORMS**

**1. Party and Participant Disclosure Forms**

In conformance with the statutory requirements of the State of California Government Code Section 84308, part of the Political Reform Act and Title 2, California Code of Regulations 18438 through 18438.8, regarding campaign contributions to members of appointed Boards of Directors, Offeror is required to complete and sign the forms provided in this RFP and submit as part of the proposal. Offeror is required to submit only **one** copy of the completed form(s) as part of its proposal and it should be included in only the **original** proposal. The form entitled "Party Disclosure Form" must be completed by the prime contractor and subcontractors. The form entitled "Participant Disclosure Form" must be completed by

lobbyists or agents representing the prime contractor in this procurement. Reporting of Campaign Contributions is required up and until the Authority's Board of Directors makes a selection. Therefore, the prime Consultant, subcontractors and agents will be required to report all Campaign Contributions from the date of proposal submittal up and until the Board takes action.

**2. Status of Past and Present Contracts Form**

Offeror is required to complete and sign the form entitled "Status of Past and Present Contracts" provided in this RFP and submit as part of the proposal. Offeror shall list the status of past and present contracts where the firm has either provided services as a prime contractor or a subcontractor during the past five (5) years and the contract has ended or will end in a termination, settlement, or litigation. A separate form must be completed for each contract. Offeror shall provide an accurate contact name and telephone number for each contract and indicated the term of the contract and the original contract value. If the contract was terminated, Offeror must list the reason for termination. Offeror must identify and state the status of any litigation, claims or settlement agreements related to any of the contracts. Each form must be signed by the Offeror confirming that the information provided is true and accurate. Offeror is required to submit only **one** copy of the completed form(s) as part of its proposal and it should be included in only the **original** proposal. The Authority does not have a policy for debaring or disqualifying firms who are in a dispute with the Authority, and who submit proposals on future work.

**SECTION III**  
**EVALUATION AND AWARD**

### SECTION III. EVALUATION AND AWARD

#### A. EVALUATION CRITERIA

The Authority will evaluate the offers received based on the following criteria:

1. **Qualifications of the Firm** **35 %**  
 Technical experience in performing work of a closely similar nature; experience working with public agencies; strength and stability of the firm; strength, stability, experience and technical competence of subcontractors; assessment by client references.
  
2. **Staffing and Project Organization** **40%**  
 Qualifications of "key personnel", especially the Project Manager, including their relevant past experience. Key personnel's level of involvement in performing related work cited in "Qualifications of the Firm" section; adequacy of labor commitment; references from past projects; logic of project organization; concurrence in the restrictions on changes in key personnel.
  
3. **Work Plan** **25 %**  
 Depth of Offeror's understanding of Authority's requirements and overall quality of work plan; logic, clarity and specificity of work plan; appropriateness of labor resource allocation; utility of suggested technical or procedural innovations.

#### B. EVALUATION PROCEDURE

An Evaluation Committee will be appointed to review all proposals received. The committee is comprised of Authority staff and may include outside personnel. The committee members will evaluate the written proposals. Each member of the evaluation committee will then evaluate each proposal using the criteria identified in Section III. A. to arrive at a "proposal score" for each proposal. Based on the proposal scores, a list of Offeror's within a competitive range will be developed based upon the totals of each committee member's score for each proposal.

The Authority has established November 27, 2007 as the date to conduct interviews. All prospective Offerors will be asked to keep this date available. No other interview dates will be provided, therefore, if an Offeror is unable to attend the interview on this date, its proposal may be eliminated from further consideration. The interview may consist of a short presentation by the Offeror after which the evaluation committee will ask questions related to the Offeror's proposal and qualifications.

At the conclusion of the evaluation process, the evaluation committee will rank proposals and will recommend to the Regional Planning and Highways Committee, the Offeror(s) with the highest ranking. The Board Committee(s) will review the evaluation committee's recommendation and forward its recommendation to the Board of Directors for final action.

**C. AWARD**

In conjunction with its action of selecting a firm, the Authority's Board of Directors will authorize staff to request a cost proposal from the selected Offeror and to negotiate a contract price and other terms and conditions. The Board will also grant staff the ability to terminate negotiations with the selected Offeror if no satisfactory agreement can be reached and to begin negotiations with the next highest-ranked Offeror until a satisfactory agreement has been achieved. The selected Offeror may be asked to submit a Best and Final Offer (BAFO). In the BAFO request, the Offeror may be asked to provide additional information, confirm or clarify issues and submit a final cost/price offer. A deadline for submission of the BAFO will be stipulated.

The Authority reserves the right to award its total requirements to one Offeror or to apportion those requirements among several Offerors as the Authority may deem to be in its best interest. In addition, negotiations may or may not be conducted with Offerors; therefore, the proposal submitted should contain Offeror's most favorable terms and conditions, since the selection and award may be made without discussion with any Offeror.

The selected Offeror may be required to submit to an audit of its financial records to confirm its financial stability and the Offeror's accounting system.

**D. NOTIFICATION OF AWARD AND DEBRIEFING**

Offerors who submit a proposal in response to this RFP shall be notified regarding the Offeror who was awarded the contract. Such notification shall be made within three (3) days of the date the contract is awarded.

Offerors who were not awarded the contract may obtain a prompt explanation concerning the strengths and weaknesses of their proposal. Unsuccessful Offerors who wish to be debriefed, must request the debriefing in writing or electronic mail and it must be received by the Authority within three (3) days of notification of the award of contract.

**SECTION IV**  
**PROPOSED AGREEMENT**



1 B. AUTHORITY's failure to insist in any one or more instances upon CONSULTANT's  
2 performance of any term(s) or condition(s) of this Agreement shall not be construed as a waiver or  
3 relinquishment of AUTHORITY's right to such performance or to future performance of such term(s) or  
4 condition(s) and CONSULTANT's obligation in respect thereto shall continue in full force and effect.  
5 Changes to any portion of this Agreement shall not be binding upon AUTHORITY except when  
6 specifically confirmed in writing by an authorized representative of AUTHORITY by way of a written  
7 amendment to this Agreement and issued in accordance with the provisions of this Agreement.

8 **ARTICLE 2. AUTHORITY DESIGNEE**

9 The Chief Executive Officer of AUTHORITY, or designee, shall have the authority to act for and  
10 exercise any of the rights of AUTHORITY as set forth in this Agreement.

11 **ARTICLE 3. SCOPE OF WORK**

12 A. CONSULTANT shall perform the work necessary to complete in a manner satisfactory to  
13 AUTHORITY the services set forth in Exhibit A, entitled "Scope of Work," attached to and, by this  
14 reference, incorporated in and made a part of this Agreement. All services shall be provided at the  
15 times and places designated by AUTHORITY.

16 B. CONSULTANT shall provide the personnel listed below to perform the above-specified  
17 services, which persons are hereby designated as key personnel under this Agreement.

18 **Names** **Functions**

19  
20  
21  
22  
23 C. No person named in paragraph B of this Article, or his/her successor approved by  
24 AUTHORITY, shall be removed or replaced by CONSULTANT, nor shall his/her agreed-upon function  
25 or level of commitment hereunder be changed, without the prior written consent of AUTHORITY.  
26 Should the services of any key person become no longer available to CONSULTANT, the resume and

1 qualifications of the proposed replacement shall be submitted to AUTHORITY for approval as soon as  
2 possible, but in no event later than seven (7) calendar days prior to the departure of the incumbent key  
3 person, unless CONSULTANT is not provided with such notice by the departing employee.  
4 AUTHORITY shall respond to CONSULTANT within seven (7) calendar days following receipt of these  
5 qualifications concerning acceptance of the candidate for replacement.

6 **ARTICLE 4. TERM OF AGREEMENT**

7 This Agreement shall commence upon execution by both parties, and shall continue in full force  
8 and effect through June 30, 2012, unless earlier terminated or extended as provided in this Agreement.

9 **ARTICLE 5. PAYMENT**

10 A. For CONSULTANT's full and complete performance of its obligations under this Agreement  
11 and subject to the maximum cumulative payment obligation provisions set forth in Article 6,  
12 AUTHORITY shall pay CONSULTANT on a time and expense basis in accordance with the following  
13 provisions.

14 B. For each full hour of labor satisfactorily performed by CONSULTANT's personnel under this  
15 Agreement, AUTHORITY shall pay CONSULTANT at the hourly rates specified in Exhibit B, which is  
16 attached to, by this referenced incorporated in, and made part of this Agreement and are acknowledged  
17 to include CONSULTANT's direct labor costs, indirect costs, and profit. Furthermore, AUTHORITY  
18 shall reimburse CONSULTANT for the exact costs of the expenses shown in Exhibit B, which are  
19 directly incurred by its personnel in the performance of work under this Agreement.

20 C. CONSULTANT shall invoice AUTHORITY on a monthly basis for payments corresponding  
21 to the work actually completed by CONSULTANT. Work completed shall be documented in a monthly  
22 progress report prepared by CONSULTANT, which shall accompany each invoice submitted by  
23 CONSULTANT. CONSULTANT shall also furnish such other information as may be requested by  
24 AUTHORITY to substantiate the validity of an invoice. At its sole discretion, AUTHORITY may decline  
25 to make full payment as noted in paragraph B of this Article until such time as CONSULTANT has  
26 documented to AUTHORITY's satisfaction, that CONSULTANT has fully completed all work required.

1 AUTHORITY's payment in full shall not constitute AUTHORITY's final acceptance of CONSULTANT's  
2 work. AUTHORITY's payment in full for any task completed shall not constitute AUTHORITY's final  
3 acceptance of CONSULTANT's work under such task; final acceptance shall occur only when  
4 AUTHORITY's release of the retention described in paragraph A.

5 D. As partial security against CONSULTANT's failure to satisfactorily fulfill all of its obligations  
6 under this Agreement, AUTHORITY shall retain ten percent (10%) of the amount of each invoice  
7 submitted for payment by CONSULTANT. All retained funds shall be released by AUTHORITY and  
8 shall be paid to CONSULTANT within sixty (60) calendar days of payment of final invoice, unless  
9 AUTHORITY elects to audit CONSULTANT's records in accordance with Article 16 of this Agreement.  
10 If AUTHORITY elects to audit, retained funds shall be paid to CONSULTANT within thirty (30) calendar  
11 days of completion of such audit in an amount reflecting any adjustment required by such audit.

12 E. Invoices shall be submitted by CONSULTANT on a monthly basis and shall be submitted in  
13 duplicate to AUTHORITY's Accounts Payable office. Each invoice shall be accompanied by the  
14 monthly progress report specified in paragraph C of this Article. AUTHORITY shall remit payment  
15 within thirty (30) calendar days of the receipt and approval of each invoice. Each invoice shall include  
16 the following information:

- 17 1. Agreement No. C- 7-1196;
- 18 2. Labor (staff name, actual hours expended, hourly billing rate, current charges and  
19 cumulative charges) performed during the billing period;
- 20 3. Expenses (actual expenses incurred as well as back-up documentation that  
21 supports the expenses) incurred during the billing period;
- 22 4. The time period covered by the invoice;
- 23 5. Monthly Progress Report;
- 24 6. Total monthly invoice (including project-to-date cumulative invoice amount) and  
25 retention;
- 26 7. Certification signed by the CONSULTANT or his/her designated alternate that a) The

1 invoice is a true, complete and correct statement of reimbursable costs and progress; b) The invoice is  
2 a true, complete and correct statement of reimbursable costs; c) The backup information included with  
3 the invoice is true, complete and correct in all material respects; d) All payments due and owing to  
4 subcontractors and suppliers have been made; e) Timely payments will be made to subcontractors and  
5 suppliers from the proceeds of the payments covered by the certification and; f) The invoice does not  
6 include any amount which CONSULTANT intends to withhold or retain from a subcontractor or supplier  
7 unless so identified on the invoice.

8 8. Any other information as agreed or requested by AUTHORITY to substantiate the  
9 validity of an invoice.

10 **ARTICLE 6. MAXIMUM OBLIGATION**

11 Notwithstanding any provisions of this Agreement to the contrary, AUTHORITY and  
12 CONSULTANT mutually agree that AUTHORITY's maximum cumulative payment obligation (including  
13 obligation for CONSULTANT's profit) shall be \_\_\_\_\_Dollars (\$\_\_\_\_\_.00) which shall include all  
14 amounts payable to CONSULTANT for its subcontracts, leases, materials and costs arising from, or  
15 due to termination of, this Agreement.

16 **ARTICLE 7. NOTICES**

17 All notices hereunder and communications regarding the interpretation of the terms of this  
18 Agreement, or changes thereto, shall be effected by delivery of said notices in person or by depositing  
19 said notices in the U.S. mail, registered or certified mail, returned receipt requested, postage prepaid  
20 and addressed as follows:

21 /  
22 /  
23 /  
24 /  
25 /  
26 /

To CONSULTANT:

To AUTHORITY:

Orange County Transportation Authority

550 South Main Street

P.O. Box 14184

Orange, CA 92863-1584

ATTENTION:

ATTENTION: Kathy Peale

Senior Contract Administrator

(714) 560 – 5609; kpeale@octa.net

**ARTICLE 8. INDEPENDENT CONTRACTOR**

CONSULTANT's relationship to AUTHORITY in the performance of this Agreement is that of an independent contractor. CONSULTANT's personnel performing services under this Agreement shall at all times be under CONSULTANT's exclusive direction and control and shall be employees of CONSULTANT and not employees of AUTHORITY. CONSULTANT shall pay all wages, salaries and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers' compensation and similar matters.

**ARTICLE 9. INSURANCE**

A. CONSULTANT shall procure and maintain insurance coverage during the entire term of this Agreement. Coverage shall be full coverage and not subject to self-insurance provisions. CONSULTANT shall provide the following insurance coverage:

1. Commercial General Liability, to include Products/Completed Operations, Independent Contractors', Contractual Liability, and Personal Injury Liability with a minimum limit of \$1,000,000.00 per occurrence and \$2,000,000.00 general aggregate.
2. Automobile Liability Insurance to include owned, hired and non-owned autos with a combined single limit of \$1,000,000.00 each accident;
3. Workers' Compensation with limits as required by the State of California including a

1 waiver of subrogation in favor of AUTHORITY, its officers, directors, employees or agents;

2 4. Employers' Liability with minimum limits of \$1,000,000.00; and

3 5. Professional Liability with minimum limits of \$1,000,000.00 per claim.

4 B. Proof of such coverage, in the form of an insurance company issued policy endorsement  
5 and a broker-issued insurance certificate, must be received by AUTHORITY prior to commencement of  
6 any work. Proof of insurance coverage must be received by AUTHORITY within ten (10) calendar days  
7 from the effective date of this Agreement with the AUTHORITY, its officers, directors, employees and  
8 agents designated as additional insured on the general and automobile liability. Such insurance shall  
9 be primary and non-contributive to any insurance or self-insurance maintained by the AUTHORITY.

10 C. CONSULTANT shall include on the face of the Certificate of Insurance the Agreement  
11 Number C- 7-1196; and Kathy Peale, Senior Contract Administrator.

12 D. CONSULTANT shall also include in each subcontract the stipulation that subcontractors  
13 shall maintain insurance coverage in the amounts required from CONSULTANT as provided in this  
14 Agreement.

15 **ARTICLE 10. ORDER OF PRECEDENCE**

16 Conflicting provisions hereof, if any, shall prevail in the following descending order of  
17 precedence: (1) the provisions of this Agreement, including all exhibits; (2) the provisions of RFP 7-  
18 1196; (3) CONSULTANT's proposal dated \_\_\_\_\_ and Cost Proposal dated \_\_\_\_\_; (4) all other  
19 documents, if any, cited herein or incorporated by reference.

20 **ARTICLE 11. CHANGES**

21 By written notice or order, AUTHORITY may, from time to time, order work suspension and/or  
22 make changes in the general scope of this Agreement, including, but not limited to, the services  
23 furnished to AUTHORITY by CONSULTANT as described in the Scope of Work. If any such work  
24 suspension or change causes an increase or decrease in the price of this Agreement, or in the time  
25 required for its performance, CONSULTANT shall promptly notify AUTHORITY thereof and assert its  
26 claim for adjustment within ten (10) calendar days after the change or work suspension is ordered, and

1 an equitable adjustment shall be negotiated. However, nothing in this clause shall excuse  
2 CONSULTANT from proceeding immediately with the agreement as changed.

3 **ARTICLE 12. DISPUTES**

4 A. Except as otherwise provided in this Agreement, any dispute concerning a question of fact  
5 arising under this Agreement which is not disposed of by supplemental agreement shall be decided by  
6 AUTHORITY's Director, Contracts Administration and Materials Management (CAMM), who shall  
7 reduce the decision to writing and mail or otherwise furnish a copy thereof to CONSULTANT. The  
8 decision of the Director, CAMM, shall be the final administrative remedy.

9 B. The provisions of this Article shall not be pleaded in any suit involving a question of fact  
10 arising under this Agreement as limiting judicial review of any such decision to cases where fraud by  
11 such official or his representative or board is alleged, provided, however, that any such decision shall  
12 be final and conclusive unless the same is fraudulent or capricious or arbitrary or so grossly erroneous  
13 as necessarily to imply bad faith or is not supported by substantial evidence. In connection with any  
14 appeal proceeding under this Article, CONSULTANT shall be afforded an opportunity to be heard and  
15 to offer evidence in support of its appeal.

16 C. Pending final decision of a dispute hereunder, CONSULTANT shall proceed diligently with  
17 the performance of this Agreement and in accordance with the decision of AUTHORITY's Director,  
18 CAMM. This Disputes clause does not preclude consideration of questions of law in connection with  
19 decisions provided for above. Nothing in this Agreement, however, shall be construed as making final  
20 the decision of any AUTHORITY official or representative on a question of law, which questions shall be  
21 settled in accordance with the laws of the state of California.

22 **ARTICLE 13. TERMINATION**

23 A. AUTHORITY may terminate this Agreement for its convenience at any time, in whole or  
24 part, by giving CONSULTANT written notice thereof. Upon said notice, AUTHORITY shall pay  
25 CONSULTANT its allowable costs incurred to date of termination and those allowable costs determined  
26 by AUTHORITY to be reasonably necessary to effect such termination. Thereafter, CONSULTANT

1 shall have no further claims against AUTHORITY under this Agreement.

2 B. AUTHORITY may terminate this Agreement for CONSULTANT's default if a federal or state  
3 proceeding for the relief of debtors is undertaken by or against CONSULTANT, or if CONSULTANT  
4 makes an assignment for the benefit of creditors, or if CONSULTANT breaches any term(s) or violates  
5 any provision(s) of this Agreement and does not cure such breach or violation within ten (10) calendar  
6 days after written notice thereof by AUTHORITY. CONSULTANT shall be liable for any and all  
7 reasonable costs incurred by AUTHORITY as a result of such default including, but not limited to,  
8 procurement costs of the same or similar services defaulted by CONSULTANT under this Agreement.

9 **ARTICLE 14. INDEMNIFICATION**

10 CONSULTANT shall indemnify, defend and hold harmless AUTHORITY, its officers, directors,  
11 employees and agents from and against any and all claims (including attorneys' fees and reasonable  
12 expenses for litigation or settlement) for any loss or damages, bodily injuries, including death, damage  
13 to or loss of use of property caused by the negligence, recklessness or willful misconduct by  
14 CONSULTANT, its officers, directors, employees, agents, subcontractors or suppliers in connection  
15 with or arising out of the performance of this Agreement.

16 **ARTICLE 15. ASSIGNMENTS AND SUBCONTRACTS**

17 A. Neither this Agreement nor any interest herein nor claim hereunder may be assigned by  
18 CONSULTANT either voluntarily or by operation of law, nor may all or any part of this Agreement be  
19 subcontracted by CONSULTANT, without the prior written consent of AUTHORITY. Consent by  
20 AUTHORITY shall not be deemed to relieve CONSULTANT of its obligations to comply fully with all  
21 terms and conditions of this Agreement.

22 B. AUTHORITY hereby consents to CONSULTANT's subcontracting portions of the Scope of  
23 Work to the parties identified below for the functions described in CONSULTANT's proposal.  
24 CONSULTANT shall include in the subcontract agreement the stipulation that CONSULTANT, not  
25 AUTHORITY, is solely responsible for payment to the subcontractor for the amounts owing and that the  
26 subcontractor shall have no claim, and shall take no action, against AUTHORITY, its officers, directors,

1 employees or sureties for nonpayment by CONSULTANT.

2 <u>Subcontractor Name/Addresses</u>	3 <u>Subcontractor Amounts</u>
	.00
	.00

5 **ARTICLE 16. AUDIT AND INSPECTION OF RECORDS**

6 CONSULTANT shall provide AUTHORITY, or other agents of AUTHORITY, such access to  
7 CONSULTANT's accounting books, records, payroll documents and facilities as AUTHORITY deems  
8 necessary. CONSULTANT shall maintain such books, records, data and documents in accordance  
9 with generally accepted accounting principles and shall clearly identify and make such items readily  
10 accessible to such parties during CONSULTANT's performance hereunder and for a period of four (4)  
11 years from the date of final payment by AUTHORITY. AUTHORITY's right to audit books and records  
12 directly related to this Agreement shall also extend to all first-tier subcontractors identified in Article 15  
13 of this Agreement. Consultant shall permit any of the foregoing parties to reproduce documents by any  
14 means whatsoever or to copy excerpts and transcriptions as reasonably necessary.

15 **ARTICLE 17. FEDERAL, STATE AND LOCAL LAWS**

16 CONSULTANT warrants that in the performance of this Agreement, it shall comply with all  
17 applicable federal, state and local laws, statutes and ordinances and all lawful orders, rules and  
18 regulations promulgated thereunder.

19 **ARTICLE 18. EQUAL EMPLOYMENT OPPORTUNITY**

20 In connection with its performance under this Agreement, CONSULTANT shall not discriminate  
21 against any employee or applicant for employment because of race, religion, color, sex, age or national  
22 origin. CONSULTANT shall take affirmative action to ensure that applicants are employed, and that  
23 employees are treated during their employment, without regard to their race, religion, color, sex, age or  
24 national origin. Such actions shall include, but not be limited to, the following: employment, upgrading,  
25 demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other  
26 forms of compensation; and selection for training, including apprenticeship.

1           **ARTICLE 19. PROHIBITED INTERESTS**

2           CONSULTANT covenants that, for the term of this Agreement, no director, member, officer or  
 3 employee of AUTHORITY during his/her tenure in office or for one (1) year thereafter shall have any  
 4 interest, direct or indirect, in this Agreement or the proceeds thereof.

5           **ARTICLE 20. OWNERSHIP OF REPORTS AND DOCUMENTS**

6           A. The originals of all letters, documents, reports and other products and data produced under  
 7 this Agreement shall be delivered to, and become the property of AUTHORITY. Copies may be made  
 8 for CONSULTANT's records but shall not be furnished to others without written authorization from  
 9 AUTHORITY. Such deliverables shall be deemed works made for hire and all rights in copyright therein  
 10 shall be retained by AUTHORITY.

11           B. All ideas, memoranda, specifications, plans, manufacturing, procedures, drawings,  
 12 descriptions, and all other written information submitted to CONSULTANT in connection with the  
 13 performance of this Agreement shall not, without prior written approval of AUTHORITY, be used for any  
 14 purposes other than the performance under this Agreement, nor be disclosed to an entity not connected  
 15 with the performance of the project. CONSULTANT shall comply with AUTHORITY's policies regarding  
 16 such material. Nothing furnished to CONSULTANT which is otherwise known to CONSULTANT or is or  
 17 becomes generally known to the related industry shall be deemed confidential. CONSULTANT shall not  
 18 use AUTHORITY's name, photographs of the project, or any other publicity pertaining to the project in  
 19 any professional publication, magazine, trade paper, newspaper, seminar or other medium without the  
 20 express written consent of AUTHORITY.

21           C. No copies, sketches, computer graphics or graphs, including graphic artwork, are to be  
 22 released by CONSULTANT to any other person or agency except after prior written approval by  
 23 AUTHORITY, except as necessary for the performance of services under this Agreement. All press  
 24 releases, including graphic display information to be published in newspapers, magazines, etc., are to  
 25 be handled only by AUTHORITY unless otherwise agreed to by CONSULTANT and AUTHORITY.

26 /

**ARTICLE 21. PATENT AND COPYRIGHT INFRINGEMENT**

A. In lieu of any other warranty by AUTHORITY or CONSULTANT against patent or copyright infringement, statutory or otherwise, it is agreed that CONSULTANT shall defend at its expense any claim or suit against AUTHORITY on account of any allegation that any item furnished under this Agreement or the normal use or sale thereof arising out of the performance of this Agreement, infringes upon any presently existing U. S. letters patent or copyright and CONSULTANT shall pay all costs and damages finally awarded in any such suit or claim, provided that CONSULTANT is promptly notified in writing of the suit or claim and given authority, information and assistance at CONSULTANT's expense for the defense of same. However, CONSULTANT will not indemnify AUTHORITY if the suit or claim results from: (1) AUTHORITY's alteration of a deliverable, such that said deliverable in its altered form infringes upon any presently existing U.S. letters patent or copyright; or (2) the use of a deliverable in combination with other material not provided by CONSULTANT when such use in combination infringes upon an existing U.S. letters patent or copyright.

B. CONSULTANT shall have sole control of the defense of any such claim or suit and all negotiations for settlement thereof. CONSULTANT shall not be obligated to indemnify AUTHORITY under any settlement made without CONSULTANT's consent or in the event AUTHORITY fails to cooperate fully in the defense of any suit or claim, provided, however, that said defense shall be at CONSULTANT's expense. If the use or sale of said item is enjoined as a result of such suit or claim, CONSULTANT, at no expense to AUTHORITY, shall obtain for AUTHORITY the right to use and sell said item, or shall substitute an equivalent item acceptable to AUTHORITY and extend this patent and copyright indemnity thereto.

**ARTICLE 22. FINISHED AND PRELIMINARY DATA**

A. All of CONSULTANT's finished technical data, including but not limited to illustrations, photographs, tapes, software, software design documents, including without limitation source code, binary code, all media, technical documentation and user documentation, photoprints and other graphic information required to be furnished under this Agreement, shall be AUTHORITY's property upon

1 payment and shall be furnished with unlimited rights and, as such, shall be free from proprietary  
2 restriction except as elsewhere authorized in this Agreement. CONSULTANT further agrees that it  
3 shall have no interest or claim to such finished, AUTHORITY-owned, technical data; furthermore, said  
4 data is subject to the provisions of the Freedom of Information Act, 5 USC 552.

5 B. It is expressly understood that any title to preliminary technical data is not passed to  
6 AUTHORITY but is retained by CONSULTANT. Preliminary data includes roughs, visualizations,  
7 software design documents, layouts and comprehensives prepared by CONSULTANT solely for the  
8 purpose of demonstrating an idea or message for AUTHORITY's acceptance before approval is given  
9 for preparation of finished artwork. Preliminary data title and right thereto shall be made available to  
10 AUTHORITY if CONSULTANT causes AUTHORITY to exercise Article 13, and a price shall be  
11 negotiated for all preliminary data.

12 **ARTICLE 23. ALCOHOL AND DRUG POLICY**

13 AUTHORITY and CONSULTANT shall provide under this Agreement, a safe and healthy work  
14 environment free from the influence of alcohol and drugs. Failure to comply with this Article may result  
15 in nonpayment or termination of this Agreement.

16 **ARTICLE 24. FORCE MAJEURE**

17 Either party shall be excused from performing its obligations under this Agreement during the  
18 time and to the extent that it is prevented from performing by an unforeseeable cause beyond its  
19 control, including but not limited to: any incidence of fire, flood; acts of God; commandeering of material,  
20 products, plants or facilities by the federal, state or local government; national fuel shortage; or a  
21 material act or omission by the other party; when satisfactory evidence of such cause is presented to  
22 the other party, and provided further that such nonperformance is unforeseeable, beyond the control  
23 and is not due to the fault or negligence of the party not performing.

24 /  
25 /  
26 /

**ARTICLE 25. CONFLICT OF INTEREST PROHIBITION**

Offerors are advised that the successful Consultant will be precluded from proposing on any engineering, technical or construction related work on the projects that the firm is managing for the Highway Project Delivery Department during the period of this contract.

**ARTICLE 26. REQUIREMENTS FOR REGISTRATION OF DESIGNERS**

All design and engineering work furnished by CONSULTANT shall be performed by or under the supervision of persons licensed to practice architecture, engineering or surveying (as applicable) in the State of California, by personnel who are care, skilled, experienced and competent in their respective trades or professions, who are professionally qualified to perform the work in accordance with the contract documents, and who shall assume professional responsibility for the accuracy and completeness of the design documents and construction documents prepared or checked by them.

This Agreement shall be made effective upon execution by both parties.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement No. C- 7-1196 to be executed on the date first above written.

**CONSULTANT**

**ORANGE COUNTY TRANSPORTATION AUTHORITY**

By \_\_\_\_\_

By \_\_\_\_\_

Arthur T. Leahy  
Chief Executive Officer

APPROVED AS TO FORM:

By \_\_\_\_\_

Kennard R. Smart, Jr.  
General Counsel

APPROVED:

By \_\_\_\_\_

Kia Mortazavi  
Executive Director, Development

**SECTION V**  
**SCOPE OF WORK**

**SCOPE OF WORK  
PROJECT MANAGEMENT SUPPORT**

**1.0 GENERAL DESCRIPTION OF SERVICES**

The Orange County Transportation Authority (AUTHORITY) is responsible for managing a large number of transportation projects in Orange County including projects associated with freeway, highway, and transit facilities. The AUTHORITY'S management of these projects includes oversight of environmental clearance, engineering, right of way acquisition, and construction activities. The projects include those funded by Measure M, the half-cent sales tax program, and state and federal funding sources. The AUTHORITY is obligated to deliver these projects using the funds available and in a timely manner. The project management support consultant (CONSULTANT) shall assist the AUTHORITY in this challenge by providing staff assistance and technical expertise to help manage its capital development projects.

The CONSULTANT shall assist the AUTHORITY's Highway Project Delivery (HPD) Department in planning, monitoring, and controlling the overall capital development program. The CONSULTANT shall also provide the AUTHORITY additional project management staff to assist in managing individual projects. The CONSULTANT shall provide technical and administrative assistance to the AUTHORITY in environmental, engineering, right of way, and construction matters.

The CONSULTANT's support shall be provide in the three areas listed below. The specific tasks included in these three areas are described in Section 2.0

- Program management assistance
- Project management assistance
- Technical and administrative assistance

**2.0 SPECIFIC SCOPE OF SERVICES**

**2.1 Program Management Assistance**

The CONSULTANT shall assist the AUTHORITY in the planning, management, and control of its capital development program. The areas of assistance may include:

Program Planning: Assist in establishing the management policies and organizational structures needed to manage the overall program of projects. Help in defining the scope, schedule, budget, and funding for projects included in the capital development program.

Development of Policies and Procedures: Assist in preparing policies, procedures, and reports required to manage the overall program of projects. Help develop a Project Management Guide to define the policies and procedures for managing the overall capital development program and the individual projects.

Project Controls: Assist in planning, scheduling, and controlling project work. Help establish project schedules, budgets, monitor design consultants, contractors, Caltrans, and local agency efforts in support of these goals.

Cost Estimating: Develop and/or review cost estimates for capital projects. Help establish a standard for project cost estimating and maintain a history of recent unit price bids and other capital cost items.

Cost Control: Assist in maintaining current cost and funding budgets for each project and in evaluating and incorporating any cost or scope changes.

Progress Reporting: Assist in reporting the progress of individual projects and provide an overall summary of the status of all projects in the program. Prepare monthly progress reports and publish summaries of the overall status of the program.

Quality Management: Assist in preparing policies and procedures for the overall quality management program for the capital development program. Review and audit the quality control efforts of consultants and contractors working for the AUTHORITY under the program.

## **2.2 Project Management Assistance**

The CONSULTANT shall assist the AUTHORITY in managing individual transportation development projects. CONSULTANT shall work with the AUTHORITY, Caltrans, County of Orange, and various cities to develop and construct these projects. The areas of assistance may include:

Project Management: Provide personnel to act as project managers for individual projects. Perform project related functions including planning, monitoring, and overseeing Caltrans, local agency, and design consultant's and contractor's work. Take responsibility for the quality and efficient and timely completion of all project work. Coordinate design and construction reviews with other governmental agencies. Establish project delivery plans and monitor adherence to them.

Construction Management: Monitor construction activities being funded by the AUTHORITY and managed by the AUTHORITY, Caltrans, or other government agencies. Review construction change orders for schedule and cost impacts. Review and coordinate proposed construction changes that effect project scope, cost, or schedules. Coordinate and provide construction status and project

information to the AUTHORITY, other public agencies, and public relations consultants.

Agency Coordination: Assist in coordinating projects with Caltrans, FHWA, County of Orange, cities, and other local agencies. Coordinate the development of projects with these agencies and the local communities to ensure that their concerns are properly addressed.

Contract Management: Assist AUTHORITY in preparing and managing cooperative agreements and consultant and contractor agreements. Monitor invoicing and payments required under the agreements.

### **2.3 Technical and Administrative Assistance**

The CONSULTANT shall assist in technical matters relating to environmental, engineering, right of way, and construction issues on projects. The CONSULTANT shall advise the AUTHORITY in technical matters and help resolve technical issues and problems. The technical assistance will include reviews and audits of work done by others. The CONSULTANT shall also provide administrative assistance related to document management, project invoicing and payments, and other general administrative activities. The areas of assistance may include:

Engineering: Analyze issues related to the design of freeways, highway, and transit projects. The CONSULTANT shall have knowledge of traffic engineering, route alignment, roadway and structure design, hydraulic analysis, surveying, geotechnical analysis, and related design standards and specifications.

Construction Planning: Assist in the review construction phasing and staging plans to improve coordination between projects and minimize overall construction durations. Review specific construction performance requirements for lane and ramp closures and for coordination with adjacent projects.

Schedule Delay and Claims Review: Provide technical expertise for evaluating contractor requests for time extensions and/or schedule delay cost impacts. This will involve the review and analysis of contractor Critical Path Method schedules, determination of possible delay impacts, and a review and analysis of possible entitlement. Provide technical assistance related to the review of construction change orders and potential claims. Services may include change order price analysis, claims evaluation, risk assessment, and productivity analysis.

Document Control: Keep accurate records of correspondence, reports, and other project related documents. Maintain a list of drawings and reports for all projects. Administer the flow of documents and communications between the AUTHORITY staff, design consultants, contractors, Caltrans, and local agencies. Maintain project files for individual projects.

Administration of Contract Payments: Review consultant, contractor, Caltrans, and local agency invoices for compliance with contract or cooperative agreement terms. Review invoices for accuracy and consistency with accepted accounting practices.

Other Expertise: Provide other as-needed engineering, technical, and administrative expertise for capital development projects.

### **3.0 PROJECT ADMINISTRATION**

#### **3.1 Program and Project Management Service**

The CONSULTANT shall assign staff to provide management assistance to the AUTHORITY on a full-time and part-time basis. The full-time individuals will work directly with HPD staff and shall be assigned to the AUTHORITY's office in Orange, California.

CONSULTANT shall initially assign three full-time individuals to provide project management assistance. These individuals will provide service in the following positions:

- project manager
- project controls specialist
- project administrator

Project Manager: The project manager will work under the supervision of the AUTHORITY'S program manager in overseeing and monitoring the development of freeway, highway, or transit projects. The project manager will develop and monitor project budgets and schedules, review construction cost estimates, and represent the AUTHORITY at meeting with consultants, contractors, other agencies, and the public. The project manager should have at least ten years of related experience, with a degree in engineering and a professional registration as a Civil Engineer preferred.

Project Controls Specialist: The project controls specialist shall have experience in scheduling and monitoring projects, reviewing and tracking project budgets and costs, cost estimating, analyzing contract changes, and in preparing project status reports. The project controls specialist shall have at least six years of experience in project controls, with a degree in a related area preferred.

Project Administrator: The project administrator shall have experience performing project support tasks including maintaining contract files, interpreting contract payment terms and methods, reviewing and processing consultant and contractor invoices, and interfacing with accounting personnel and systems. The project administrator shall have at least five years of related experience.

### **3.2 Technical and Administrative Services**

The CONSULTANT shall provide technical assistance on an "as needed" basis. This work may be performed by CONSULTANT staff assigned to the AUTHORITY's office or by others working out of the CONSULTANT's office. Support in technical areas will be specifically requested and identified by the AUTHORITY as it is needed.

### **4.0 LEVEL OF SUPPORT**

The level of effort required by the PMC under this contract is estimated to be the equivalent of five persons per year. The level of effort will be re-evaluated periodically to assure that the appropriate level of support is maintained.

### **5.0 SCHEDULE OF PERFORMANCE**

The durations of the project management support contract shall be for three-year period. Personnel assigned to the contract on a full-time basis shall to remain on the contract for duration of the contract.

### **6.0 CONFLICT OF INTEREST PROHIBITION**

The CONSULTANT shall be prohibited from proposing on any engineering, technical, or construction related work on the projects that they are managing for the Highway Project Delivery department during the period of this contract.

### **7.0 MATERIAL AND SERVICES PROVIDED BY AUTHORITY**

The AUTHORITY will provide office space, furniture, computers, administrative software, telephones, office supplies, and printing services to individuals assigned to the AUTHORITY's office in Orange, California. Any special equipment, software, or supplies required by these individuals shall be provided by the CONSULTANT.

**SECTION VI**  
**FORMS**

**PARTY DISCLOSURE FORM****Information Sheet****ORANGE COUNTY TRANSPORTATION AUTHORITY  
AND AFFILIATED AGENCIES**

The attached Party Disclosure Form must be completed by applicants for, or persons who are the subject of, any proceeding involving a license, permit, or other entitlement for use pending before the Board of Directors of the Orange County Transportation Authority or any of its affiliated agencies. (Please see next page for definitions of these terms.)

**IMPORTANT NOTICE**

## Basic Provisions of Government Code Section 84308

- A. If you are an applicant for, or the subject of, any proceeding involving a license, permit, or other entitlement for use, you are prohibited from making a campaign contribution of more than \$250 to any board member or his or her alternate. This prohibition begins on the date your application is filed or the proceeding is otherwise initiated, and the prohibition ends three months after a final decision is rendered by the Board of Directors. In addition, no board member or alternate may solicit or accept a campaign contribution of more than \$250 from you during this period.
- B. These prohibitions also apply to your agents, and, if you are a closely held corporation, to your majority shareholder as well. These prohibitions also apply to your subcontractor(s), joint venturer(s), and partner(s) in this proceeding. Also included are parent companies and subsidiary companies directed and controlled by you, and political action committees directed and controlled by you.
- C. You must file the attached disclosure form and disclose whether you or your agent(s) have in the aggregate contributed more than \$250 to any board member or his or her alternate during the 12-month period preceding the filing of the application or the initiation of the proceeding.
- D. If you or your agent have in the aggregate contributed more than \$250 to any individual board member or his/or her alternate during the 12 months preceding the decision on the application or proceeding, that board member or alternate must disqualify himself or herself from the decision. However, disqualification is not required if the board member or alternate returns the campaign contribution within 30 days from the time the director knows, or should have known, about both the contribution and the fact that you are a party in the proceeding. The Party Disclosure Form should be completed and filed with your proposal, or with the first written document you file or submit after the proceeding commences.

1. A proceeding involving "a license, permit, or other entitlement for use" includes all business, professional, trade and land use licenses and permits, and all other entitlements for use, including all entitlements for land use, all contracts (other than competitively bid, labor or personal employment contracts), and all franchises.
2. Your "agent" is someone who represents you in connection with a proceeding involving a license, permit or other entitlement for use. If an individual acting as an agent is also acting in his or her capacity as an employee or member of a law, architectural, engineering, consulting firm, or similar business entity, both the business entity and the individual are "agents."
3. To determine whether a campaign contribution of more than \$250 has been made by you, campaign contributions made by you within the preceding 12 months must be aggregated with those made by your agent within the preceding 12 months or the period of the agency, whichever is shorter. Contributions made by your majority shareholder (if a closely held corporation), your subcontractor(s), your joint venturer(s), and your partner(s) in this proceeding must also be included as part of the aggregation. Campaign contributions made to different directors or their alternates are not aggregated.
4. A list of the members and alternates of the Board of Directors is attached.

This notice summarizes the major requirements of Government Code Section 84308 of the Political Reform Act and 2 Cal. Adm. Code Sections 18438-18438.8.



**ORANGE COUNTY TRANSPORTATION AUTHORITY  
AND AFFILIATED AGENCIES**

**Board of Directors**

**Carolyn Cavecche, Chairman**

**Chris Norby, Vice-Chairman**

**Jerry Amante, Director**

**Patricia Bates, Director**

**Art Brown, Director**

**Peter Buffa, Director**

**Bill Campbell, Director**

**Richard Dixon, Director**

**Paul G. Glaab, Director**

**Cathy Green, Director**

**Allan Mansoor, Director**

**John Moorlach, Director**

**Janet Nguyen, Director**

**Curt Pringle, Director**

**Miguel A. Pulido, Director**

**Mark Rosen, Director**

**Gregory T. Winterbottom, Director**

**PARTICIPANT DISCLOSURE FORM**

**Information Sheet**

**ORANGE COUNTY TRANSPORTATION AUTHORITY  
AND AFFILIATED AGENCIES**

The attached Participant Disclosure Form must be completed by participants in a proceeding involving a license, permit, or other entitlement for use. (Please see next page for definitions of these terms.)

**IMPORTANT NOTICE**

Basic Provisions of Government Code Section 84308

- A. If you are a participant in a proceeding involving a license, permit, or other entitlement for use, you are prohibited from making a campaign contribution of more than \$250 to any board member or his or her alternate. This prohibition begins on the date you begin to actively support or oppose an application for license, permit, or other entitlement for use pending before the Orange County Transportation Authority or any of its affiliated agencies, and continues until three months after a final decision is rendered on the application or proceeding by the Board of Directors.

No board member or alternate may solicit or accept a campaign contribution of more than \$250 from you and/or your agency during this period if the board member or alternate knows or has reason to know that you are a participant.

- B. The attached disclosure form must be filed if you or your agent have contributed more than \$250 to any board member or alternate for the Orange County Transportation Authority or any of its affiliated agencies during the 12-month period preceding the beginning of your active support or opposition. (The disclosure form will assist the board members in complying with the law.)
- C. If you or your agent have made a contribution of more than \$250 to any board member or alternate during the 12 months preceding the decision in the proceeding, that board member or alternate must disqualify himself or herself from the decision. However, disqualification is not required if the member or alternate returns the campaign contribution within 30 days from the time the director knows, or should have known, about both the contribution and the fact that you are a participant in the proceeding.

The Participant Disclosure Form should be completed and filed with the proposal submitted by a party, or should be completed and filed the first time that you lobby in person, testify in person before, or otherwise directly act to influence the vote of the board members of the Orange County Transportation Authority or any of its affiliated agencies.

1. An individual or entity is a "participant" in a proceeding involving an application for a license, permit or other entitlement for use if:
  - a. The individual or entity is not an actual party to the proceeding, but does have a significant financial interest in the Orange County Transportation Authority's or one of its affiliated agencies' decision in the proceeding.

AND

- b. The individual or entity, directly or through an agent, does any of the following:
    - (1) Communicates directly, either in person or in writing, with a board member or alternate of the Orange County Transportation Authority or any of its affiliated agencies for the purpose of influencing the member's vote on the proposal;
    - (2) Communicates with an employee of the Orange County Transportation Authority or any of its affiliated agencies for the purpose of influencing a member's vote on the proposal; or
    - (3) Testifies or makes an oral statement before the Board of Directors of the Orange County Transportation Authority or any of its affiliated agencies.
2. A proceeding involving "a license, permit, or other entitlement for use" includes all business, professional, trade and land use licenses and permits, and all other entitlements for use, including all entitlements for land use; all contracts (other than competitively bid, labor, or personal employment contracts) and all franchises.
3. Your "agent" is someone who represents you in connection with a proceeding involving a license, permit, or other entitlement for use. If an agent acting as an employee or member of a law, architectural, engineering, or consulting firm, or a similar business entity or corporation, both the business entity or corporation and the individual are agents.
4. To determine whether a campaign contribution of more than \$250 has been made by a participant or his or her agent, contributions made by the

participant within the preceding 12 months shall be aggregated with those made by the agent within the preceding 12 months or the period of the agency, whichever is shorter. Campaign contributions made to different members or alternates are not aggregated.

5. A list of the members and alternates of the Board of Directors is attached.

This notice summarizes the major requirements of Government Code Section 84308 and 2 Cal. Adm. Code Sections 18438-18438.8.

**ORANGE COUNTY TRANSPORTATION AUTHORITY**  
**AND ITS AFFILIATED AGENCIES**

To be completed only if campaign contributions have been made in the preceding 12 months.

Party's Name: \_\_\_\_\_

Party's Address: \_\_\_\_\_

Street

City

State

Zip

Phone

Application or Proceeding  
Title and Number: \_\_\_\_\_

Board Member(s) or Alternate(s) to whom you and/or your agent made campaign contributions and dates of contribution(s) in the preceding 12 months:

Name of Member: \_\_\_\_\_

Name of Contributor (if other than Party): \_\_\_\_\_

Date(s): \_\_\_\_\_

Amount(s): \_\_\_\_\_

Name of Member: \_\_\_\_\_

Name of Contributor (if other than Party): \_\_\_\_\_

Date(s): \_\_\_\_\_

Amount(s): \_\_\_\_\_

Name of Member: \_\_\_\_\_

Name of Contributor (if other than Party): \_\_\_\_\_

Date(s): \_\_\_\_\_

Amount(s): \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of Party and/or Agent

**ORANGE COUNTY TRANSPORTATION AUTHORITY  
AND AFFILIATED AGENCIES**

**Board of Directors**

**Carolyn Cavecche, Chairman**

**Chris Norby, Vice-Chairman**

**Jerry Amante, Director**

**Patricia Bates, Director**

**Art Brown, Director**

**Peter Buffa, Director**

**Bill Campbell, Director**

**Richard Dixon, Director**

**Paul G. Glaab, Director**

**Cathy Green, Director**

**Allan Mansoor, Director**

**John Moorlach, Director**

**Janet Nguyen, Director**

**Curt Pringle, Director**

**Miguel A. Pulido, Director**

**Mark Rosen, Director**

**Gregory T. Winterbottom, Director**

**Status of Past and Present Contracts Form**

On the form provided below, Offeror shall list the status of past and present contracts where the firm has either provided services as a prime contractor or a subcontractor during the past five (5) years in which the contract has ended or will end in a termination, settlement or in legal action. A separate form must be completed for each contract. Offeror shall provide an accurate contact name and telephone number for each contract and indicate the term of the contract and the original contract value.

If the contract was terminated, list the reason for termination. Offeror must also identify and state the status of any litigation, claims or settlement agreements related to any of the identified contracts. Each form must be signed by an officer of the Offeror confirming that the information provided is true and accurate.

<b>Project city/agency/other:</b>	
<b>Contact name:</b>	<b>Phone:</b>
<b>Project award date:</b>	<b>Original Contract Value:</b>
<b>Term of Contract:</b>	
<b>1) Status of contract:</b>	
<b>2) Identify claims/litigation or settlements associated with the contract:</b>	

By signing this Form entitled "Status of Past and Present Contracts," I am affirming that all of the information provided is true and accurate.

\_\_\_\_\_  
Name \_\_\_\_\_

\_\_\_\_\_  
Date

Title \_\_\_\_\_

**Hatch Mott MacDonald**

**Agreement C-3-0994 Fact Sheet**

1. November 24, 2003, Agreement C-3-0994, \$3,600,000, approved by Board of Directors.
  - Consultant to provide project management support services and technical expertise to assist in delivering freeway and other transportation related projects.
2. May 24, 2004, Amendment No. 1 to Agreement C-3-0994, \$0, approved by purchasing agent.
  - Add Epic Land Solutions, Southland Geotechnical, and Southern California Soil and Testing as approved sub-consultants.
3. September 29, 2004, Amendment No. 2 to Agreement C-3-0994, \$0, approved by purchasing agent.
  - Add Johnson-Frank and Associates as an approved sub-consultant.
4. March 8, 2005, Amendment No. 3 to Agreement C-3-0994, \$0, approved by purchasing agent.
  - Revise rate schedules to reflect annual salary adjustments.
5. March 15, 2006, Amendment No. 4 to Agreement C-3-0994, \$0, approved by purchasing agent.
  - Revise rate schedules to reflect annual salary adjustments.
6. November 8, 2006, Amendment No. 5 to Agreement C-3-0994, \$0, approved by purchasing agent.
  - Add DR McNatty & Associates as an approved sub-consultant.
7. January 22, 2007, Amendment No. 6 to Agreement C-3-0994, \$568,000, approved by Board of Directors.
  - Extend term of agreement by six months to August 31, 2007, revise rate schedules to reflect annual salary adjustments, and increase maximum obligation to \$4,168,000.

8. July 17, 2007, Amendment No. 7 to Agreement C-3-0994, \$0, approved by purchasing agent.
  - Extend term of agreement to December 31, 2007.
9. August 27, 2007, Amendment No. 8 to Agreement C-3-0994, \$516,000, approved by Board of Directors.
  - Extend term of agreement to May 31, 2008, and increase maximum obligation to \$4,684,000.
10. October 5, 2007, Amendment No. 9 to Agreement C-3-0994, \$675,000, pending approval by Board of Directors.
  - Increase maximum obligation to \$5,359,000.

Total committed to Hatch Mott MacDonald, after approval of Amendment No. 9 to Agreement C-3-0994: \$5,359,000.





BOARD COMMITTEE TRANSMITTAL

**October 5, 2007**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject:** Release Request for Proposals for Management Services for Modifying Bus Stops for Bus Rapid Transit

Transit Planning and Operations Committee

September 27, 2007

**Present:** Directors Brown, Dixon, Green, Moorlach, Nguyen, Norby, Pulido, and Winterbottom  
**Absent:** None

***Committee Vote***

This item was passed by all Committee Members present.

Directors Nguyen and Pulido were not present to vote on this item.

***Committee Recommendations***

- A. Approve the proposed evaluation criteria and weightings.
- B. Approve the release of a Request for Proposals for a consultant for the management services to modify bus stops in the Bus Rapid Transit project.



**September 27, 2007**

**To:** Transit Planning and Operations Committee

**From:** Arthur T. Leahy, Chief Executive Officer

**Subject:** Release Request for Proposals for Management Services for Modifying Bus Stops for Bus Rapid Transit

### **Overview**

Staff has developed the proposed weighting of evaluation criteria to initiate the competitive process for selection of a firm to provide management services for modifying bus stops on the public works portion of the bus rapid transit project.

### **Recommendations**

- A. Approve the proposed evaluation criteria and weightings.
- B. Approve the release of a Request for Proposals for a consultant for the management services to modify bus stops in the Bus Rapid Transit project.

### **Background**

In order to satisfy air quality commitments and offer more effective and efficient transit solutions to County citizens, The Orange County Transportation Authority (Authority) plans to launch a bus rapid transit (BRT) program to provide differentiated service for riders that travel longer distances over core County corridors. In addition to limited stops, the BRT planned in Orange County will differ from the local fixed-route service by a combination of characteristics including limited stops, Real Time Passenger Information Systems (RTPIS), and Traffic Signal Priority (TSP), which by communicating with traffic signal equipment, facilitates more efficient bus travel through the corridors. Bus rapid transit seeks to optimize commute efficiency with a blend of technology and operational elements.

On October 14, 2005, the Orange County Transportation Authority Board of Directors approved the BRT Implementation Strategy to provide BRT service. Subsequently, on June 11, 2007, the Board approved the Implementation Plan, which outlined the required procurements to implement the program.

The Authority is issuing two design solicitations. The technology design proposal was previously submitted to the board for approval. The management services for modifying bus stop elements address the infrastructure such as shelters, pads, and benches that will support the technology as well as the brick and mortar components of the project.

### ***Discussion***

The procurement of the management services for modifying bus stops will be handled in accordance with the Authority's policies and procedures for professional services and competitive procurements. The evaluation criteria for selecting a firm are based on meeting Authority requirements. Cost is not a criterion in proposals of this type under state and federal law.

Staff requests approval of the evaluation criteria weighting which will be used to evaluate proposals received in response to the Request for Proposals (RFP). In developing the evaluation criteria, several factors were considered. The qualifications of the firm, as well as the staffing will define their level of experience in handling this type of project, as well as the type of individuals committed to the project. The proposing firms' work plan will be its greatest measurement of project success. The work plan will demonstrate the depth of understanding and application of expertise for this project. As a result, the recommended weighting is as follows:

Qualifications of Firm	25 percent
Staffing and Organization	35 percent
Work Plan	40 percent
Cost and Price	N/A

### ***Summary***

Staff recommends approval of the proposed evaluation criteria and authorization to release a Request for Proposals for the management services to modify bus stop enhancements to the bus rapid transit project.

***Attachment***

- A. DRAFT Request for Proposals RFP 7-0972 Design Services for Bus Stop Enhancements for Bus Rapid Transit Project

**Prepared by:**



Mark Schaff  
Bus Rapid Transit  
Interim Project Manager  
(714) 560-5658

**Approved by:**



Beth McCormick  
General Manager, Transit  
(714) 560-5964

**ATTACHMENT A**

**DRAFT REQUEST FOR PROPOSALS RFP 7-0972**

**DESIGN SERVICES FOR BUS STOP ENHANCEMENTS FOR BUS**

**RAPID TRANSIT PROJECT**

**THIS REQUEST FOR PROPOSALS IS A BOUND REPORT**

**AND IS PROVIDED AS A SEPARATE ATTACHMENT**

**WITH THIS AGENDA PACKET**





BOARD COMMITTEE TRANSMITTAL

**October 5, 2007**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject:** Agreement for Hazardous and Non-Hazardous Waste Transportation and Disposal Services

Transit Planning and Operations Committee

September 27, 2007

**Present:** Directors Brown, Dixon, Green, Moorlach, Nguyen, Norby, Pulido, and Winterbottom  
**Absent:** None

**Committee Vote**

This item was passed by all Committee Members present.

Directors Nguyen and Pulido were not present to vote on this item.

**Committee Recommendation**

Authorize the Chief Executive Officer to execute Agreement C-7-1065 between the Orange County Transportation Authority and Ecology Control Industries, Inc., in an amount not to exceed \$180,000, for a one-year period with two one-year options for hazardous and non-hazardous waste transportation and disposal services.



**September 27, 2007**

**To:** Transit Planning and Operations Committee

**From:** Arthur T. Leahy, Chief Executive Officer *ATL by FOT*

**Subject:** Agreement for Hazardous and Non-Hazardous Waste Transportation and Disposal Services

**Overview**

The Orange County Transportation Authority generates non-hazardous waste and hazardous waste. It is necessary to procure the services of registered companies during the normal course of business to properly store, transport, treat, and dispose of such waste. Offers to supply these services were received in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services.

**Recommendation**

Authorize the Chief Executive Officer to execute Agreement C-7-1065 between the Orange County Transportation Authority and Ecology Control Industries, Inc., in an amount not to exceed \$180,000, for a one-year period with two one-year options for hazardous and non-hazardous waste transportation and disposal services.

**Background**

Annually, the Orange County Transportation Authority (Authority) generates over 125,000 gallons of liquid and 20,000 pounds of solid waste from daily operations. As a hazardous waste generator, the Authority must comply with federal, state, and local regulations in regards to acceptable storage, transportation, treatment, and disposal practices. To facilitate disposal in an expeditious cost-effective manner and to minimize long-term liability, the Authority requires the services of a registered hazardous waste transporter to analyze, package, transport, and dispose of waste. This service provider must also be able to provide emergency response in the event of an accidental spill or leak.

***Discussion***

This procurement was handled in accordance with the Authority's procedures for professional and technical services. In addition to cost, many other factors are considered in an award for professional and technical services. Therefore, the requirement was handled as a competitive negotiated procurement. Award is recommended to the firm offering the most effective overall proposal considering such factors as staffing, prior experience with similar projects, approach to the requirement, technical expertise in the field, and price.

The project was advertised on July 26, 2007 and July 31, 2007, in a newspaper of general circulation, and on CAMM NET. A pre-proposal meeting was held on August 2, 2007, and was attended by four contractors.

On August 20, 2007, four offers were received. An evaluation committee composed of staff from Facility Maintenance, Maintenance, Safety and Environmental Compliance, and Contracts Administration and Materials Management was established to review all offers submitted. The offers were evaluated on the basis of qualifications, staffing and project organization, work plan, and cost and price. Based on their findings, the evaluation committee is recommending the following firm for consideration of an award:

Firm and Location

Ecology Control Industries, Inc.  
Torrance, California

Ecology Control Industries, Inc. (ECI) is the incumbent and has been providing these services to the Authority for over 10 years. ECI's cost for services is roughly 5 percent more expensive than the other short-listed firm, PSC Industrial Services, Inc., but their project manager has over 30 years of experience and is personally on-site for every service call made to the Authority, including emergency responses.

**Fiscal Impact**

The project was approved in the Authority's Fiscal Year 2007-08 Budget, Transit Division/Maintenance Department, Account 2166-7611-D3107-2W4, and is funded through the Local Transportation Fund.

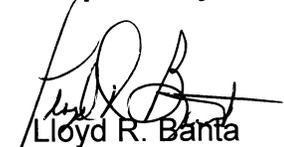
***Summary***

Staff recommends award of Agreement C-7-1065 to Ecology Control Industries, Inc., in an amount not to exceed \$180,000, for a one-year period with two one-year options for hazardous and non-hazardous waste transportation and disposal services.

***Attachment***

None.

**Prepared by:**



Lloyd R. Banta  
Acting Department Manager, Maintenance  
(714) 560-5975

**Approved by:**



Beth McCormick  
General Manager, Transit  
(714) 560-5964





*BOARD COMMITTEE TRANSMITTAL*

**October 5, 2007**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject:** Guiding Principles for the Anaheim Regional Transportation Intermodal Center

Executive Committee

October 1, 2007

**Present:** Chairman Cavecche, Vice Chair Norby, Directors Bates, Pringle, Rosen, and Winterbottom  
**Absent:** Director Campbell

***Committee Vote***

The item was passed unanimously by those present.

***Committee Recommendations***

- A. Adopt guiding principles to provide policy direction to staff on the Orange County Transportation Authority's interests regarding the Anaheim Regional Transportation Intermodal Center.
- B. Direct staff to negotiate a cooperative agreement with the City of Anaheim pursuant to the guiding principles and return to the Board of Directors in 30 to 60 days for approval.
- C. Request the City of Anaheim take the lead on site development, subject to the approval of the Board of Directors as appropriate.
- D. Request the City of Anaheim solicit the Anaheim Regional Transportation Intermodal Center complex development proposals and contract with one or more private partners.
- E. Direct staff to closely monitor project progress and to provide quarterly reports to the Board of Directors.

***Committee Comments***

The Committee suggested several changes to the guiding principles and a Revised Attachment B is attached for Board approval.

**Guiding Principles for the  
Anaheim Regional Transportation Intermodal Center**

1. The Orange County Transportation Authority (OCTA) and the City of Anaheim (City) will collaborate in planning the 15 plus-acres known as the Anaheim Regional Transportation Intermodal Center (ARTIC) complex.
2. The ARTIC complex site will be used for a multimodal transportation facility.
3. ~~A Private-sector participation, including but not limited to,~~ privately funded development may also be included at the ARTIC complex to offset the public expense of transportation and facilities.
4. As the major landowner, OCTA will have oversight and approval responsibilities regarding anything that affects the financial performance of the site or access to the transportation facility.
5. The City will function as project manager during the ~~developer~~ private-sector participation solicitation process (including a Request for Qualifications and Request for Proposals) and during development of a site plan, subject to OCTA oversight and approval. The City will provide in-kind support by including key staff from various departments experienced in the various disciplines.
6. OCTA will fund the City to perform the project manager duties listed under No. 5 above, pursuant to a cooperative agreement approved by the OCTA Board of Directors. This cooperative agreement will define OCTA and City roles and responsibilities and the amount and scope of funding provided.



**October 1, 2007**

**To:** Executive Committee  
**From:** *ATL* Arthur T. Leahy, Chief Executive Officer  
**Subject:** Guiding Principles for the Anaheim Regional Transportation Intermodal Center

**Overview**

A cooperative agreement with the City of Anaheim for Anaheim Regional Transportation Intermodal Center site development is recommended. Guiding principles to provide overall direction for the cooperative agreement are also presented. A recommendation for the City of Anaheim to pursue private development proposals is also presented.

**Recommendations**

- A. Adopt guiding principles to provide policy direction to staff on the Orange County Transportation Authority's interests regarding the Anaheim Regional Transportation Intermodal Center.
- B. Direct staff to negotiate a cooperative agreement with the City of Anaheim pursuant to the guiding principles and return to the Board of Directors in 30 to 60 days for approval.
- C. Request the City of Anaheim take the lead on site development, subject to the approval of the Board of Directors as appropriate.
- D. Request the City of Anaheim solicit the Anaheim Regional Transportation Intermodal Center complex development proposals and contract with one or more private partners.
- E. Direct staff to closely monitor project progress and to provide quarterly reports to the Board of Directors.

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***Background***

The existing Metrolink/Amtrak station at the Angel Stadium of Anaheim has been in existence for more than 25 years. That site now has access and space constraints, which make it unsuitable for the Orange County Transportation Authority's (OCTA) expanded Metrolink program and 14 other transit services planned to connect in the vicinity.

Therefore, in November 2005, OCTA and the City of Anaheim (City) executed a Memorandum of Understanding (MOU) to jointly plan the Anaheim Regional Transportation Intermodal Center (ARTIC) to replace the existing station and provide a connecting hub for current and future transportation services. In November 2006, OCTA purchased a site and 90 days later began work on a project concept report (PCR), defining what ARTIC should achieve, the transportation services it should support, and how this might be accomplished (Attachment A). As work progressed, the Board of Directors (Board) directed staff to address the agencies' roles and responsibilities. The PCR was approved by the Board on May 28, 2007.

Although a staff report containing an amended and restated MOU between OCTA and the City was approved by the Executive Committee (Committee) on September 10, 2007, discussions at the Committee, as well as discussion between OCTA and City staff, have led to this alternate staff report. This staff report replaces action taken by the Committee on September 10, 2007, relative to the MOU between OCTA and the City.

***Discussion***

Staff is seeking an affirmative policy statement that the ARTIC site should be developed with a joint use to offset the public infrastructure cost. This has been implied in the project concept report and is stated in the adopted Long Range Transportation Plan and the Renewed Measure M Plan. Therefore, staff recommends that the Board apply these implicit policies, specifically to ARTIC, by adopting the guiding principles for ARTIC (Attachment B).

A related issue is the proper role for OCTA in joint development on OCTA-owned property. The ARTIC site has associated air and development rights that the transportation facility probably will not require, but which are potentially important opportunities for private partners and which could produce revenue to OCTA while reinforcing demand for transit; however, commercial development will affect site access and can have an impact on the transportation center's general quality and long-term viability. It is in OCTA's

best interest to exercise an ongoing influence over property matters that may impact OCTA's transportation or financial responsibilities. As a property owner investing public funds in a regional project with potential revenue-generating capability, OCTA should protect its interests and fulfill its responsibilities. There are numerous business models to achieve this:

1. Contract with the City to serve as OCTA's agent/representative to lead the solicitation and to retain a private developer or contractor or team.
2. OCTA retain a management agent to oversee development, with or without the City retaining the firm to do the same.
3. OCTA perform direct project oversight, either through a directly contracted firm or with its own staff.
4. Sale or lease of some portion of the land to either the City or a private property owner with conditions in perpetuity.

Staff believes these models should be evaluated on a project-by-project basis. The successful model will reflect the available resources, nature of the task, timing, and project circumstances. Based on this and the experiences of the last nine months working in collaboration with staff from the City, OCTA staff believes business model No. 1, designating the City as the agent for OCTA for the development community subject to oversight responsibility of OCTA, is most suitable for the ARTIC complex project. The City is therefore recommended to function as the agent of OCTA as outlined in Attachment B.

### ***Summary***

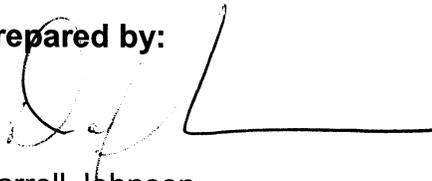
OCTA and the City have been collaborating on ARTIC planning for nine months. Staff requests Board approval of guiding principles defining OCTA's interest in ARTIC. Board direction to negotiate a cooperative agreement with the City is requested. Staff will return to the Board for final approval of the cooperative agreement.

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***Attachments***

- A. Anaheim Regional Transportation Intermodal Center Overview
- B. Guiding Principles for the Anaheim Regional Transportation Intermodal Center

**Prepared by:**



Darrell Johnson  
Director, Transit Project Delivery  
(714) 560-5343

**Approved by:**



Kia Mortazavi  
Executive Director, Development  
(714) 560-5741

## **Anaheim Regional Transportation Intermodal Center Overview**

The project concept report (PCR) approved by the Board of Directors on May 28, 2007, states that Anaheim Regional Transportation Intermodal Center (ARTIC) is to be a multi-modal transportation facility built in phases consistent with future transit demand, with joint development planned and included to minimize taxpayer expense for the development of the transportation facility.

The initial phase will include a fully-enclosed transportation facility serving existing and future Metrolink and Amtrak passengers, Orange County Transportation Authority (OCTA) bus services, Ontario International Airport remote check-in airport FlyAway bus service, connections to planned Go Local and Anaheim Transportation Network circulators, privately funded joint development, pedestrian access trail, parking, and specific related infrastructure.

The PCR focuses primarily on a vision and the purpose and need for ARTIC and the facilities to be provided, and as such, a financing plan was premature; however, financing strategy framework is included. It states that OCTA will finance the facility building and parking for Amtrak/Metrolink and rubber-tire transit services while any additional improvements directly related to any specific additional transit service will be borne by that service. Thus, more capital-intensive improvements, such as additional tracks, a new rail bridge over the Santa Ana River, parking for the higher speed train services, and drop ramps from the Orange Freeway (State Route 57) are not included in the initial phase of ARTIC.

## **Guiding Principles for the Anaheim Regional Transportation Intermodal Center**

1. The Orange County Transportation Authority (OCTA) and the City of Anaheim (City) will collaborate in planning the 15 plus-acres known as the Anaheim Regional Transportation Intermodal Center (ARTIC) complex.
2. The ARTIC complex site will be used for a multimodal transportation facility.
3. A privately funded development may also be included at the ARTIC complex to offset the public expense of transportation and facilities.
4. As the major landowner, OCTA will have oversight and approval responsibilities regarding anything that affects the financial performance of the site or access to the transportation facility.
5. The City will function as project manager during the developer solicitation process (including a Request for Qualifications and Request for Proposals) and during development of a site plan, subject to OCTA oversight and approval. The City will provide in-kind support by including key staff from various departments experienced in the various disciplines.
6. OCTA will fund the City to perform the project manager duties listed under No. 5 above, pursuant to a cooperative agreement approved by the OCTA Board of Directors. This cooperative agreement will define OCTA and City roles and responsibilities and the amount and scope of funding provided.





BOARD COMMITTEE TRANSMITTAL

**October 5, 2007**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject:** San Diego Freeway (Interstate 405) West County Connectors Projects Implementation Strategy

Regional Planning and Highways Committee

October 1, 2007

**Present:** Directors Amante, Cavecche, Dixon, Glaab, Green, Mansoor, Norby, Pringle, and Rosen  
**Absent:** None

**Committee Vote**

This item was passed by all Committee Members present.

**Committee Recommendation**

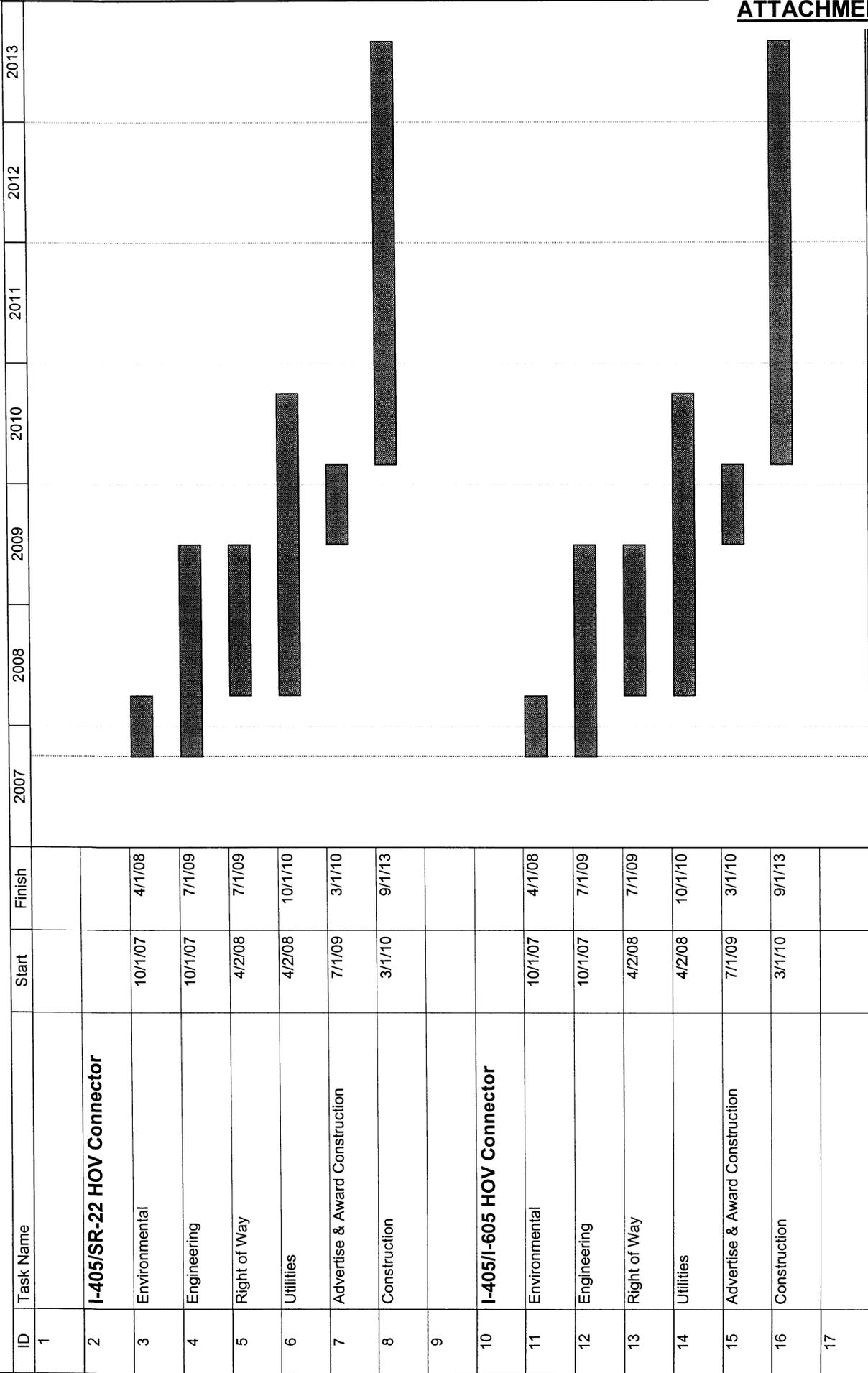
Authorize Orange County Transportation Authority staff to proceed with the development of the San Diego Freeway (Interstate 405) West County Connectors projects using a traditional design-bid-build delivery strategy.

**Committee Comment**

The Committee requested the new timelines for the project (Transmittal Attachment A).

**OCTA  
I-405 West County Connectors**

Project Timeline



◆ Milestone

■ Progress

■ Task

Task

Date: 10/1/07



**October 1, 2007**

**To:** Regional Planning and Highways Committee

**From:** Arthur T. Leahy, Chief Executive Officer

**Subject:** San Diego Freeway (Interstate 405) West County Connectors Projects Implementation Strategy

### **Overview**

On August 28, 2006, the Orange County Transportation Authority Board of Directors approved an implementation plan for the San Diego Freeway (Interstate 405) West County Connectors projects, which assumed the possible use of a design-build delivery approach for the projects. At this time, it is unlikely that the California legislature will grant the Orange County Transportation Authority legal authority to use design-build for these projects. Board of Directors approval is requested to proceed with the development of the projects using a traditional design-bid-build approach to meet Proposition 1B schedule commitments.

### **Recommendation**

Authorize Orange County Transportation Authority staff to proceed with the development of the San Diego Freeway (Interstate 405) West County Connectors projects using a traditional design-bid-build delivery strategy.

### **Background**

The San Diego Freeway (Interstate 405) West County Connectors projects were formerly referred to as the Garden Grove Freeway (State Route 22) Phase II project because they were part of the environmental document for the State Route 22 (SR-22) design-build project. The purpose of these projects is to provide two direct high-occupancy vehicle (HOV) lane connectors between Interstate 405 (I-405) and the SR-22 and between the I-405 and the San Gabriel River Freeway (Interstate 605). In addition, each project provides a second HOV lane in each direction between Interstate 605 (I-605) and the SR-22. One of the I-405 West County Connectors projects will construct the direct HOV connector between the SR-22 and the I-405, from

Valley View Street to Seal Beach Boulevard. The second project will construct the HOV connector between I-405 and I-605, from Seal Beach Boulevard to Katella Avenue.

On August 28, 2006, the Orange County Transportation Authority (Authority) Board of Directors (Board) approved an implementation plan for the I-405 West County Connectors projects, which held open the possibility that they will be delivered using a design-build approach. An important aspect of this plan was to proceed with the final design of the projects in stages to allow the option of switching to a design-build approach some time in the future. This plan attempted to subdivide the early engineering work into phases while pursuing legislation to authorize the use of design-build on these projects. The plan assumed that a decision on the delivery method would be made by summer 2007.

On November 27, 2006, the Board approved the selection of Parsons Transportation Group, Inc., for the design of the easterly segment, from Valley View Street to Seal Beach Boulevard and TRC Solutions, Inc., for the design of the westerly segment from Seal Beach Boulevard to Katella Avenue. On May 7, 2007, the Board approved the design services agreements with the two firms and authorized the Chief Executive Officer to sign the contract agreements.

### ***Discussion***

The Authority is at a point where a decision on the project delivery approach for the I-405 West County Connectors improvements needs to be made. The funding for the final design and construction of the projects has been approved by the Federal Highway Administration (FHWA) and the California Transportation Commission (CTC), and the funding timetable has been set. The approved funding timetable requires the Authority to complete final design and begin construction on the projects by March 2010. To meet this schedule, the Authority must proceed with final design and right-of-way acquisition work immediately.

The Authority was trying to hold open the option to deliver these projects using a design-build approach while they pursued legislation to authorize this method. Current California law does not allow the use of design-build for state highway projects. The Authority sponsored SB 442 (Ackerman, R-Tustin) to approve the use of the design-build delivery method for the I-405 West County Connectors projects. The proposed bill did not receive sufficient support in its first senate policy committee and was dropped. Authority staff believes that it is highly

unlikely that design-build authority will be approved for these projects in the near future.

For this reason, staff is recommending to proceed with the development of the I-405 West County Connectors using a traditional design-bid-build approach. This approach will allow the Authority to begin a continuous effort to complete the final design, without multiple phases or uncertainty regarding the final form and use of the design documents. Also, the current federal and state funding for the project assumes the use of a traditional design-bid-build approach. At this time, an adjustment to the timetable to accommodate a design-build approach may not be allowed by the funding agencies or may jeopardize the current funding allocations.

#### **Funding and Project Timetable**

The funding for construction of the projects will be provided by state Proposition 1B bond funds. These funds will be provided under the Corridor Mobility Investment Account (CMIA) program. The funding for final design and right-of-way acquisition will be provided by the federal Congestion Management and Air Quality (CMAQ) program.

The funding policies of the CMIA program required the Authority to make a formal commitment to the CTC to meet specific dates for the start and completion of final design and construction of the I-405 West County Connectors projects. The start date for final design was set for May 2007. Unfortunately, the federal CMAQ funds needed to start design were not authorized by the FHWA until September 12, 2007. This delay in federal funding authorization required that the Authority delay the start of final design until September 18, 2007.

If this new implementation strategy is approved, staff will negotiate a lump sum contract with each consultant to proceed with the final design of the projects.

The Authority, the California Department of Transportation, and the design teams must develop an accelerated completion schedule for final design and right-of-way acquisition to meet the CMIA funding timetable. This need to expedite completion of the final design makes a decision on the delivery approach for the project all the more urgent. The target schedule for completing the project is shown in the following page.

<b>Task</b>	<b>Date</b>
FHWA Funding Authorization	September 12, 2007
Issue Notice to Proceed for Final Design	September 21, 2007
Complete Final Design	July 2009
Complete Right-of-Way Acquisition	July 2009
Advertise Project for Construction	October 2009
Award Construction Contract	January 2010
Start Construction	March 2010
Finish Construction	September 2013

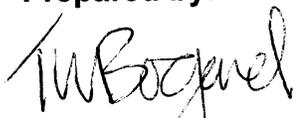
**Summary**

The Authority staff requests approval of an implementation strategy for the development of I-405 West County Connectors projects using a traditional design-bid-build delivery approach. Upon approval, staff will negotiate lump sum contracts with the selected design firms to complete the final design of the projects.

**Attachment**

None.

**Prepared by:**



Tom Bogard  
Director, Highway Project Delivery  
(714) 560-5918

**Approved by:**



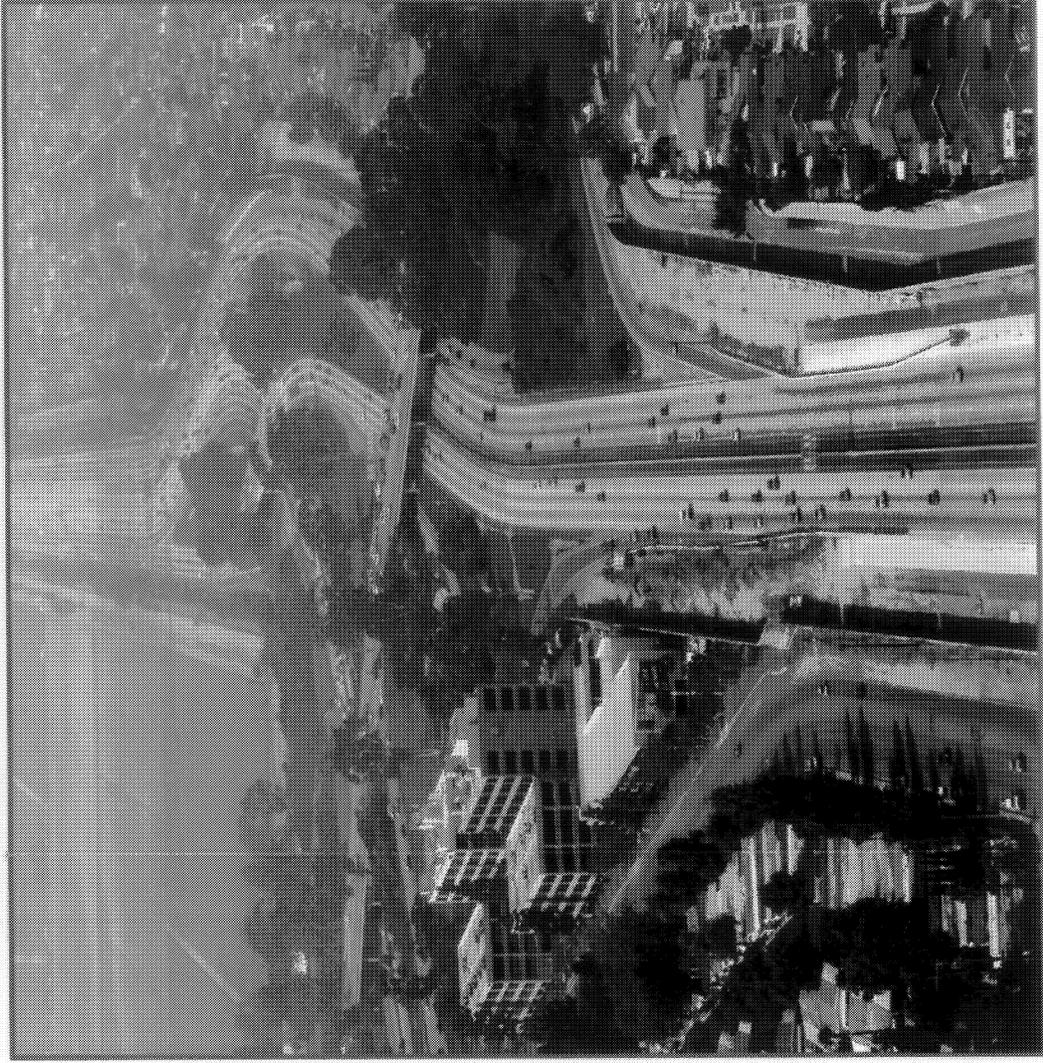
Kia Mortazavi  
Executive Director, Development  
(714) 560-5741

**POWERPOINT  
PRESENTATION**



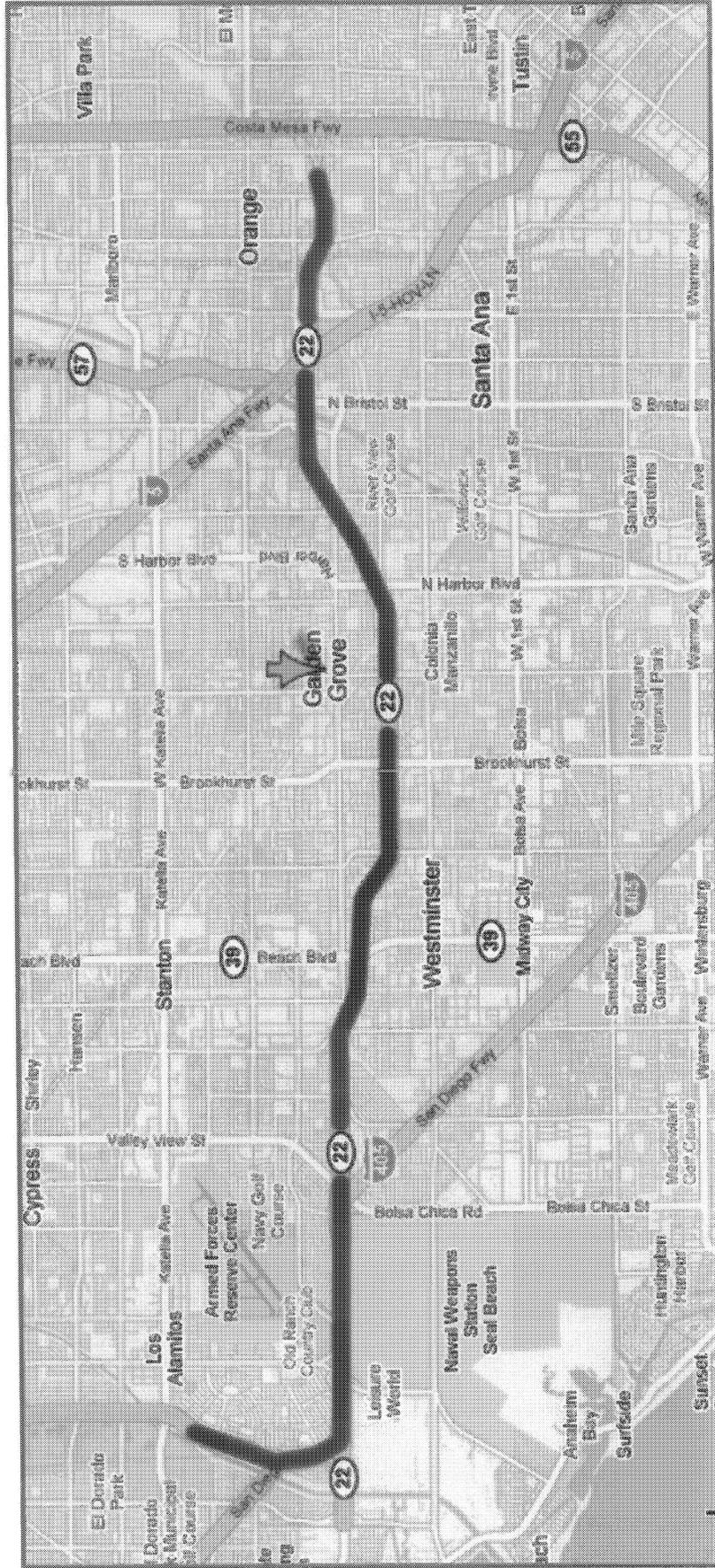
# West County Connectors

October 5, 2007



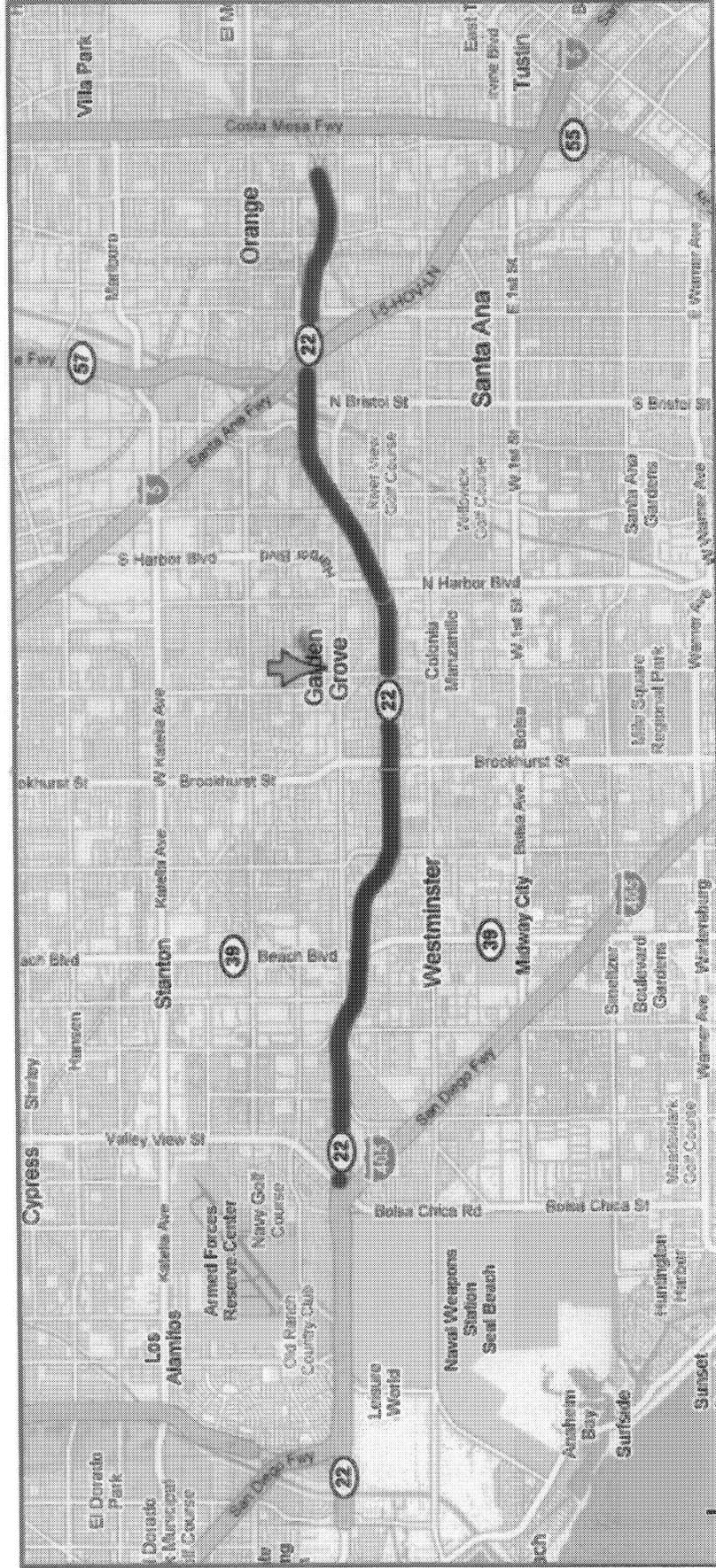


# State Route 22 Corridor





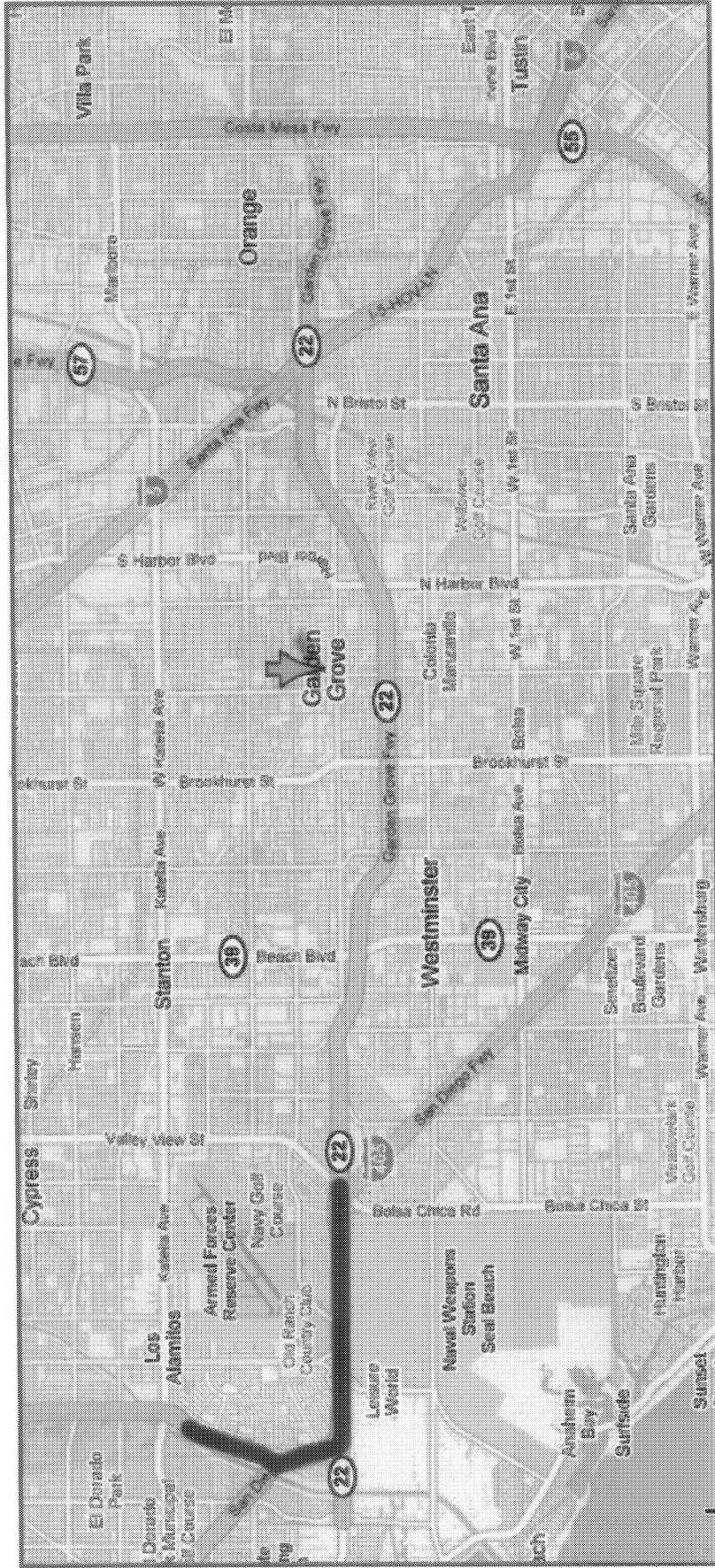
# State Route 22 Corridor



## SR-22 Design-Build



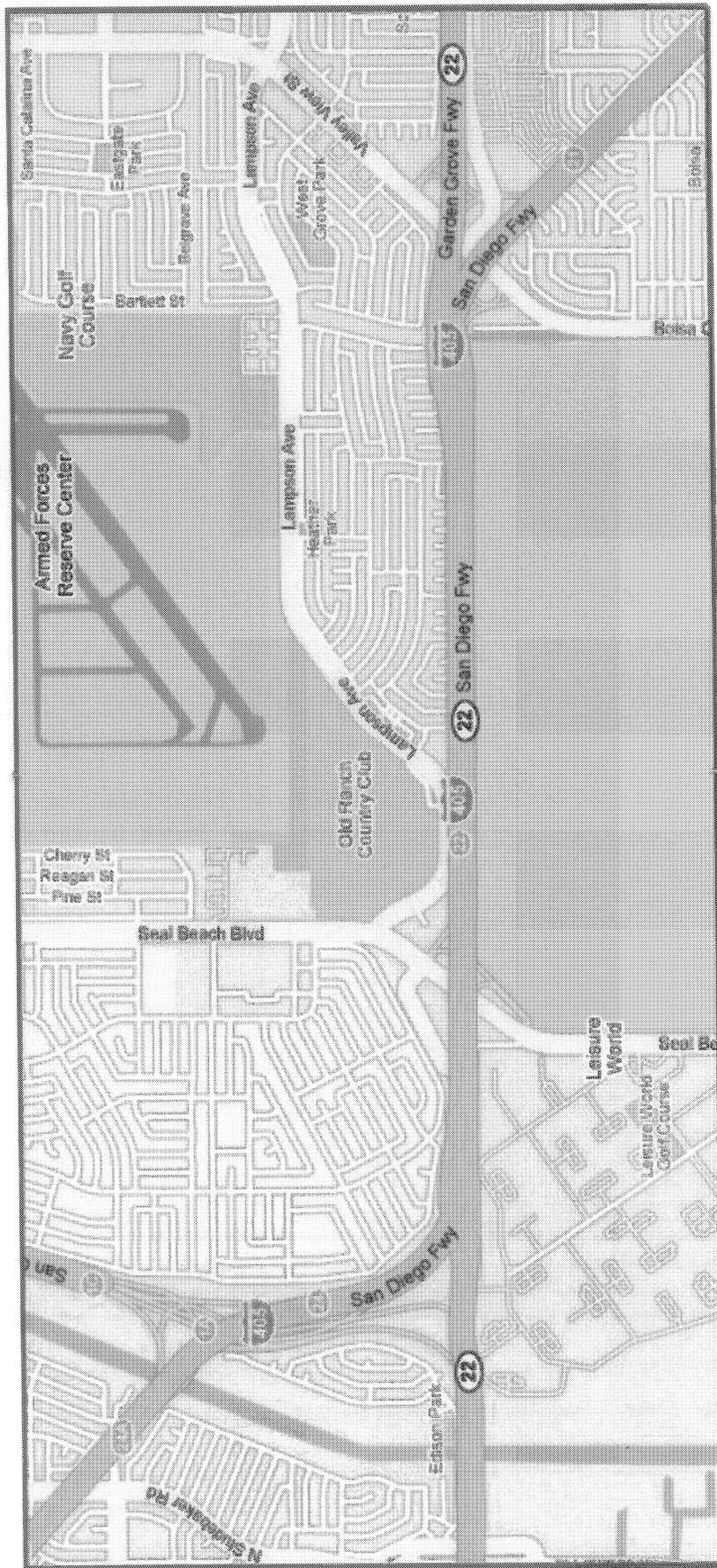
# State Route 22 Corridor



## West County Connectors



# West County Connectors

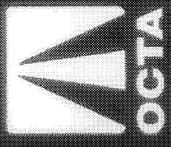


# West County Connectors



# West County Connectors

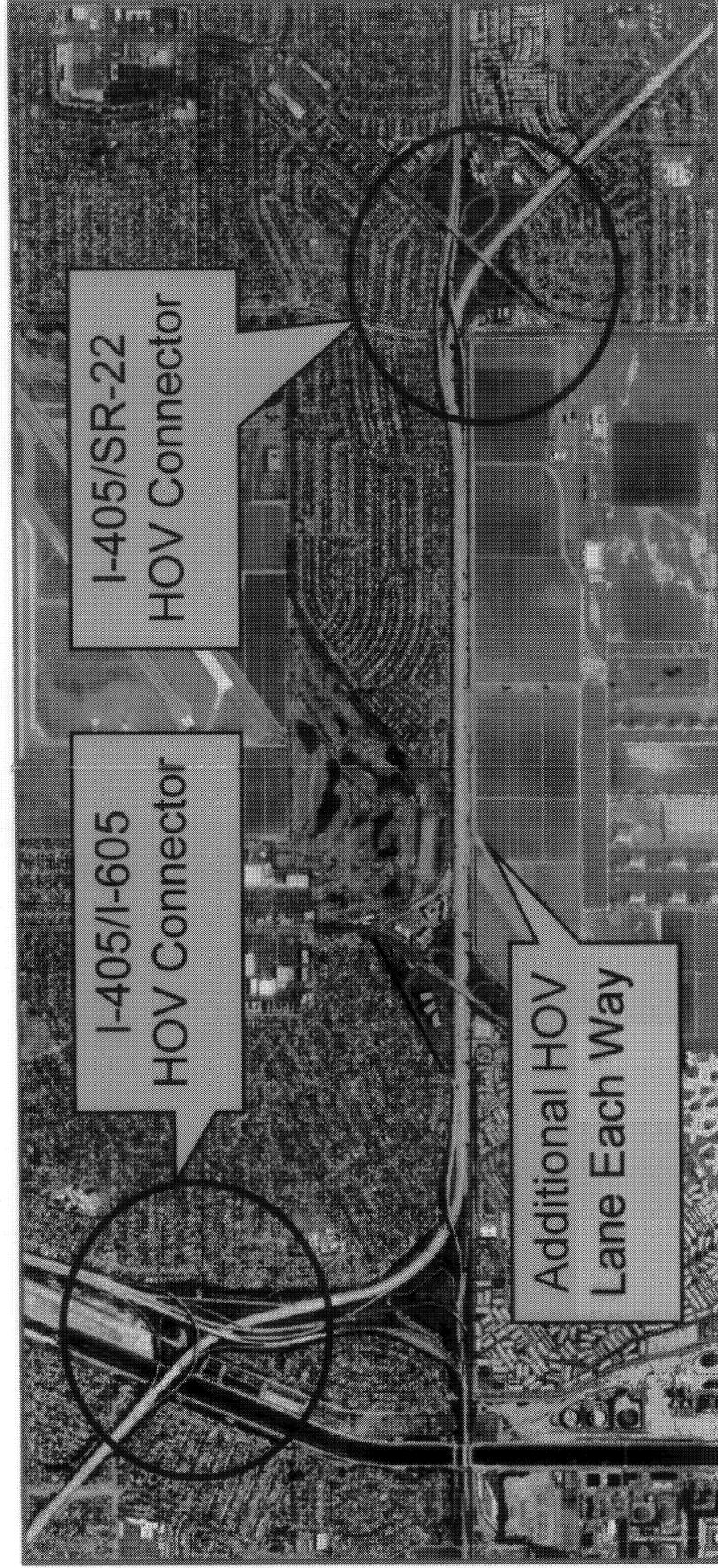




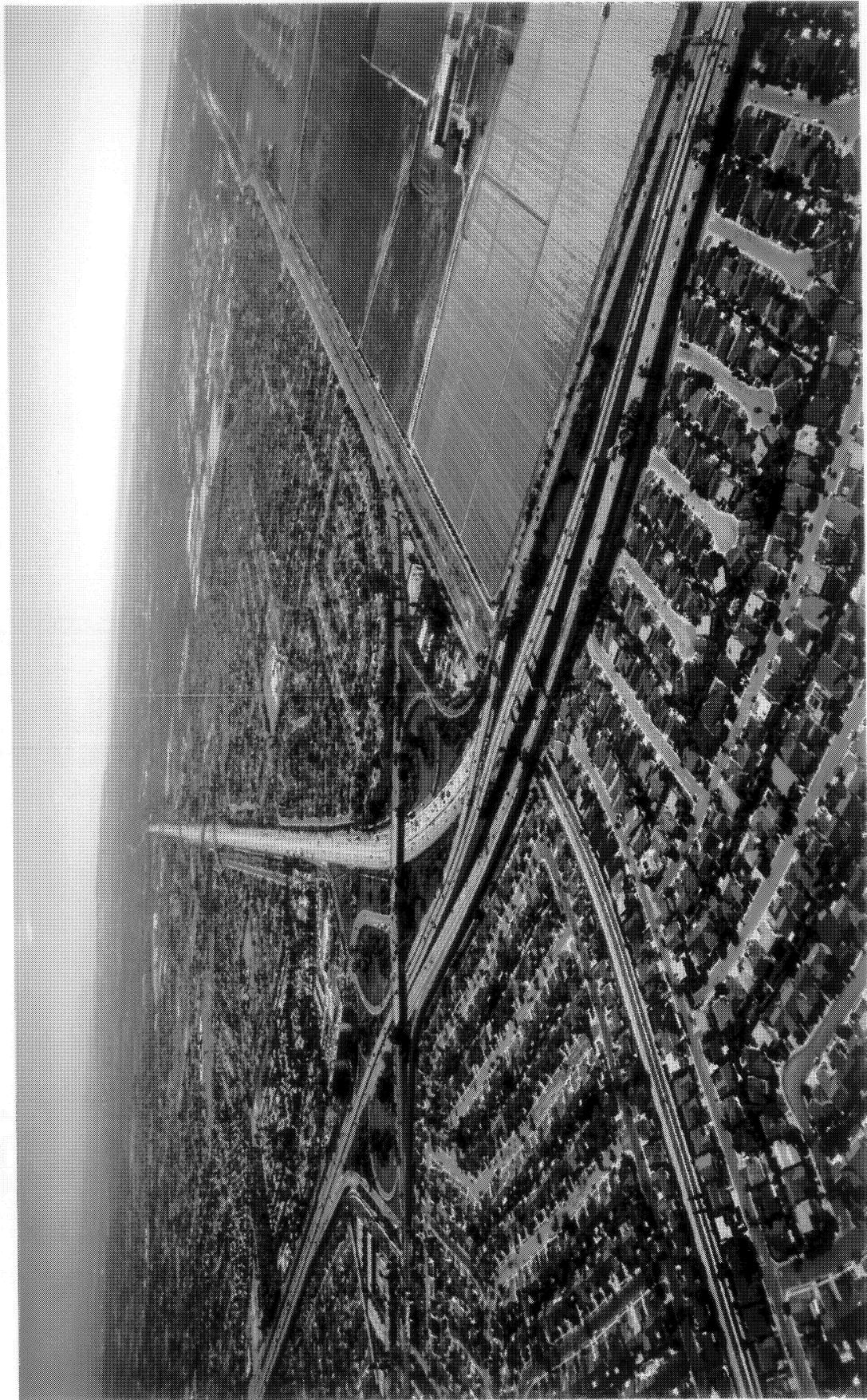
# West County Connectors



# West County Connectors

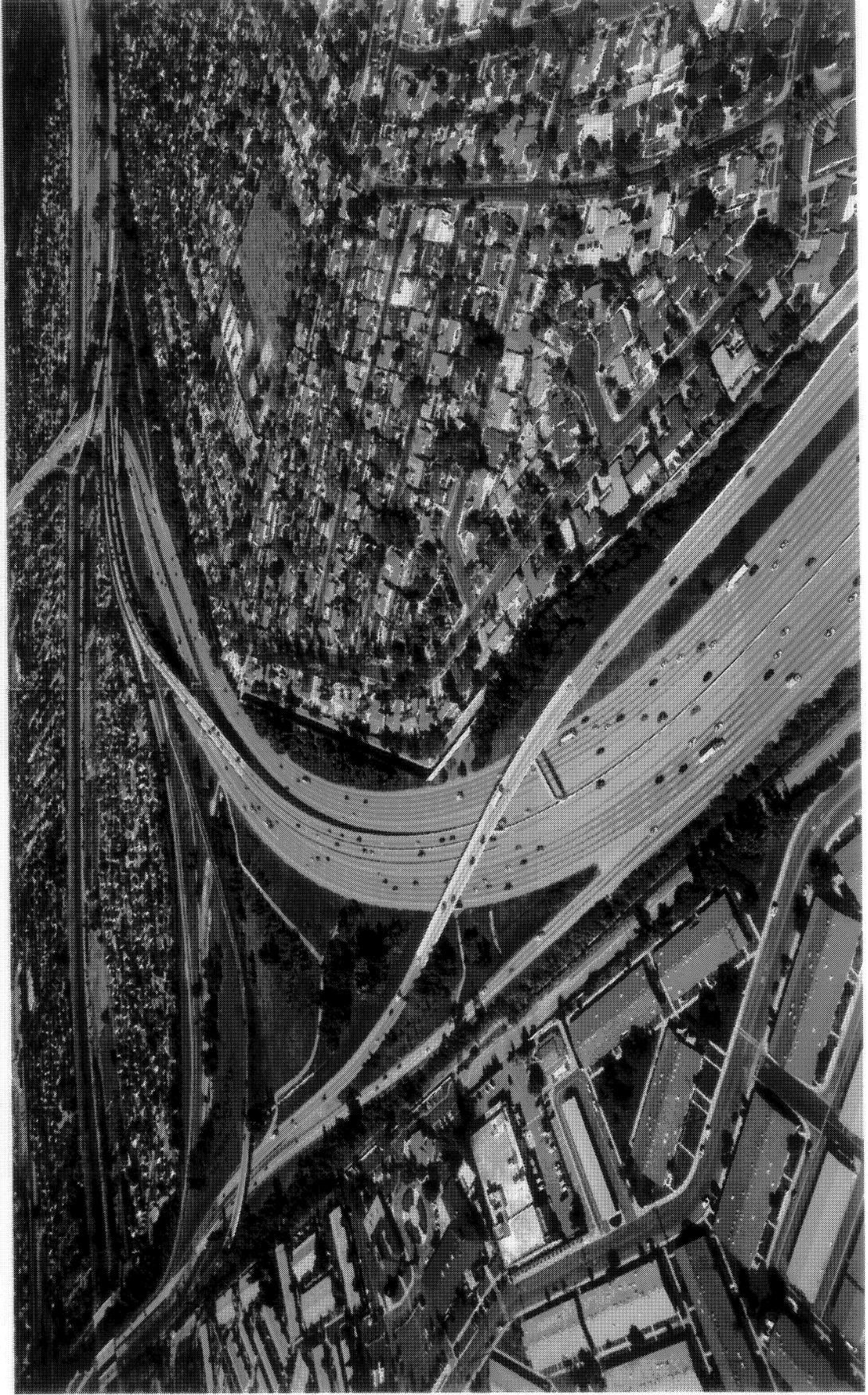


# I-405/SR-22 HOV Connector

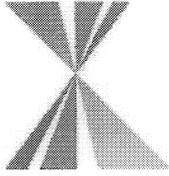




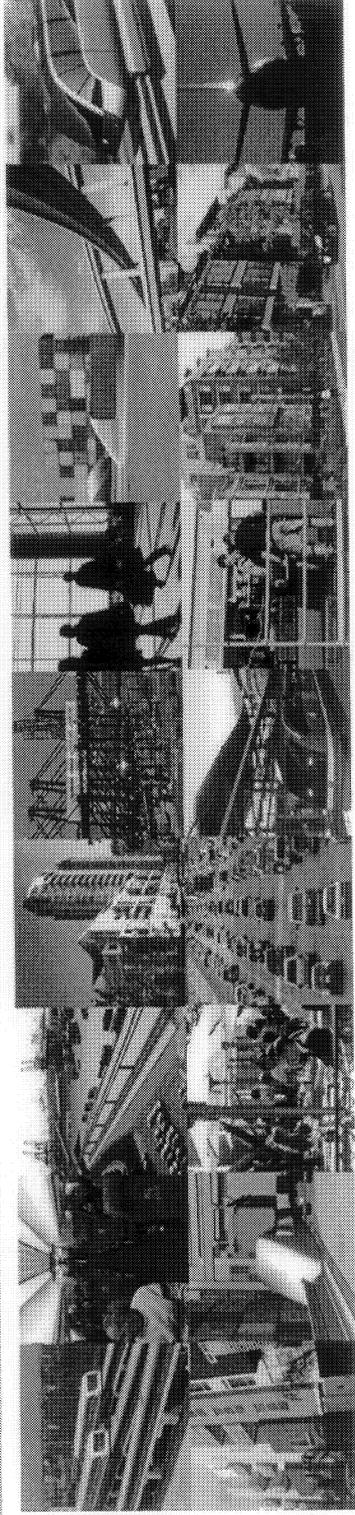
# I-405/I-605 HOV Connector







**SOUTHERN CALIFORNIA  
ASSOCIATION OF GOVERNMENTS**



# **High-Speed Regional Transport (HSRT)**

**OCTA Board Meeting**

**October 5, 2007**

## Introduction

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- SCAG has developed a planning framework for a High-Speed Regional Transport (HSRT) system over the past decade which encompasses a 275-mile network within Southern California.
- The system was originally designed for passenger service only.
- SCAG adopted a 2004 Regional Transportation Plan (RTP) that included a Maglev program in the Constrained Plan.
- Funding hinged on private sector contributions and self-sustaining dollars from service revenue.

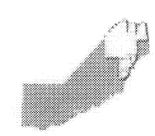
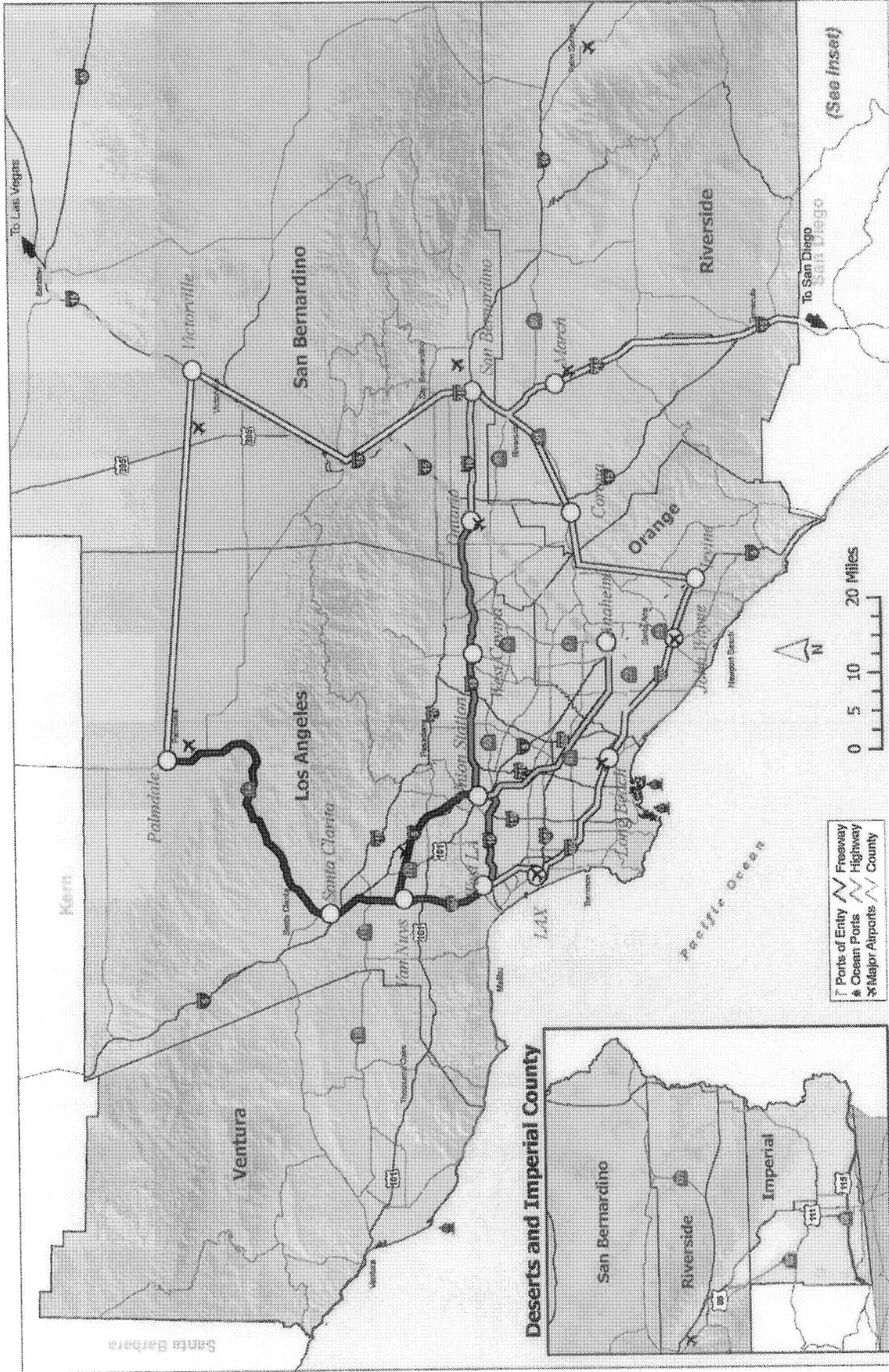


# Introduction

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- The HSRT system will be included in 2008 RTP.
  - It is yet to be determined whether the HSRT system will be financially self-sustainable through private sector investment or if it will be unconstrained due to a lack of available funding.
- Goods movement is now part of HSRT system.
  - The Initial Operation Segment (IOS) is to have a link to the San Pedro Bay Ports to transport freight on the IOS to the Inland Empire.
- A Business Plan was recently completed for the HSRT system.





# Maglev System

Exhibit 4.9

- Station
- IOS (by 2018)
- LAX to March (by 2020)
- LAX to Palmdale (by 2024)
- LAX to Irvine (by 2030) to San Bernardino (post-2030)
- LAX to Irvine (conceptual for further study)
- LA Union Station to Central Orange County (by 2030)
- Anaheim to Las Vegas/Alliance (under study)
- Long-Term (Post-2030)



# REGIONAL SOLUTION

**All three challenges can be addressed by a HSRT system, a high-performance and environmentally sensitive transportation mode.**

## REGIONAL MOBILITY

- Ability to link the urban centers, serving the needs of commuters
- Reduce the number of private vehicles on the road
- Enable intensification of land uses in conjunction with transit accessibility, encouraging more effective land use patterns (2% Strategy)

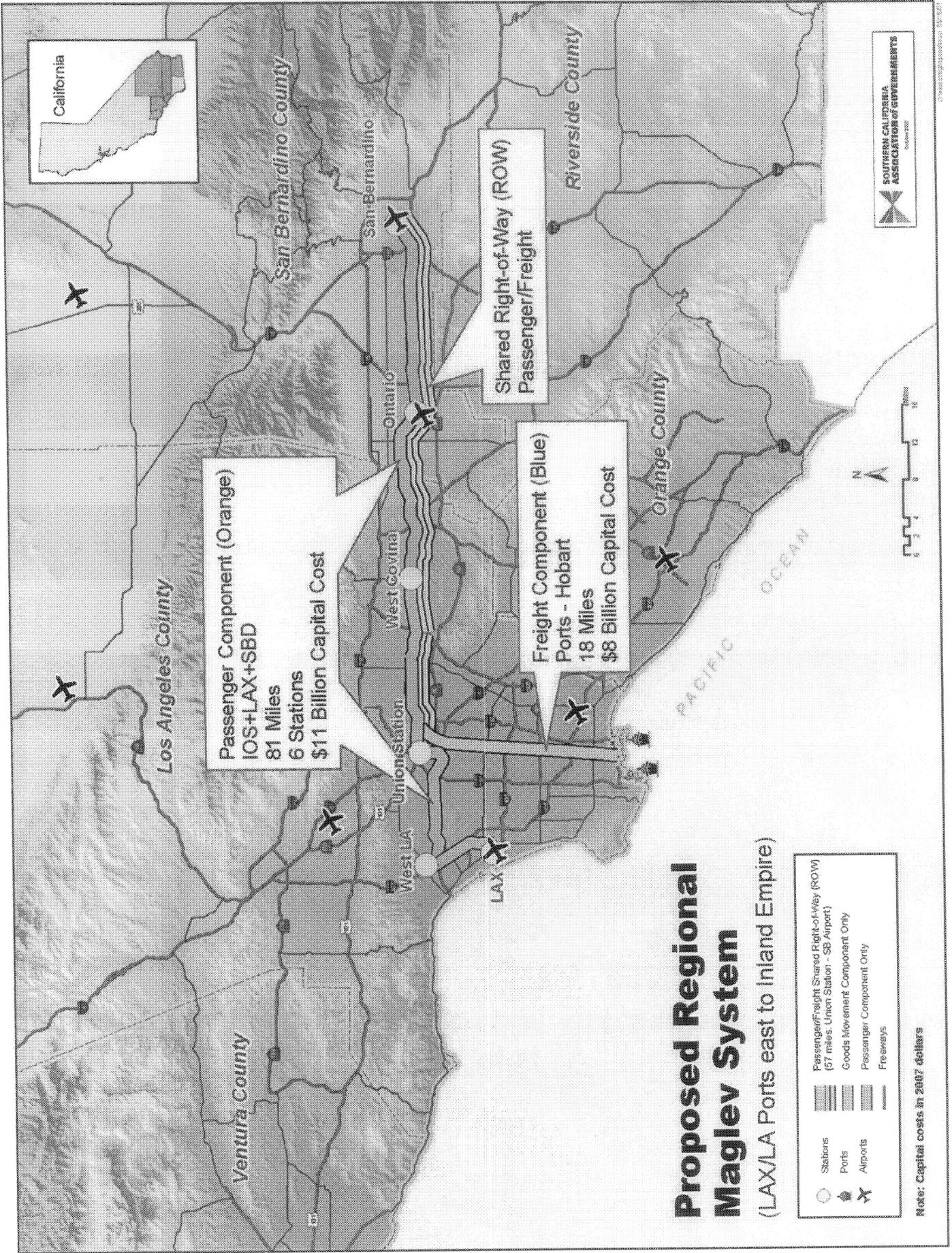
## AVIATION DEMAND

- Create a reliable and fast link between urban centers and airports
- Enable a higher level of service for airport access and connecting passengers
- Improve airport operations and optimize investment of aviation infrastructure

## GOODS MOVEMENT

- Link the San Pedro Ports with planned inland port facilities outside the basin
- Provide capacity to handle and move containers with little or no impacts





# Business Case Conclusions

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The system is a financially competitive and a viable solution for the region.

1. The regional problems are eminent and strategically critical to the nation and the region.
2. The problems can only be resolved from a regional perspective. Incremental and partial solutions will not work.
3. The challenges must be solved on a financially viable basis. Otherwise it will be too costly.
4. Viability achieved through multiple use and competitive with today's cost and significantly less than future costs with the ability to be financially robust.
5. The system can be implemented in stages, becoming more viable as additional lines and greater regional connectivity is achieved.



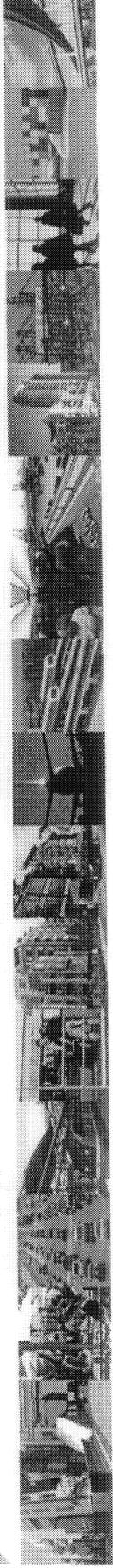
## Issues

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- Formation of a **JPA for the IOS** is critical. The Cities of L.A., West Covina and Ontario will likely form the JPA this fall. The IOS is a 54-mile stretch in the I-10 corridor from West L.A. to Ontario Airport. Senator Feinstein secured funding for the IOS corridor.
- **Orangeline JPA:** As with all of the Maglev projects, the Orangeline was in the Constrained Plan of the 2004 RTP.

However, federal financial constraint requirements dictate a secure financial commitment for this project, as well as all other projects in the RTP.

Furthermore, the concept of High Speed Transport conflicts with a lower speed type of project more appropriate for this route (14 stops in 33 miles) from Union Station to central Orange County.



# Issues

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- Instead, the **LAX-South** route down the I-405 from West L.A. to Irvine and Central Orange County was selected as the preferred link to Orange County from L.A. by the Maglev Task Force. OCTA has not been involved much in the HSRT. Need more input from O.C. and OCTA.
- General Atomics in San Diego is hosting a **Maglev field trip** to look at their test track on October 12. OCTA Board members are invited.

