

**Date:** Monday, November 13, 2006

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

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



## AGENDA

### SPECIAL MEETING

Orange County Transportation Authority Board Meeting  
OCTA Headquarters  
First Floor - Room 109, 600 South Main Street  
Orange, California  
***Monday, November 13, 2006, at 8:30 a.m.***

ACTIONS

#### Agenda Descriptions

The agenda descriptions are intended to give notice to members of the public of 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 be heard 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.

#### 1. Closed Session

Pursuant to Government Code Section 54957 to review the performance of the Chief Executive Officer.

#### Adjournment

The regular meeting of the OCTA/OCSAFE/OCSAAV/OCLTA/OCTD follows at **9:00 a.m. on November 13, 2006**, at OCTA Headquarters at 600 South Main Street, First Floor - Room 154, Orange, California.

A handwritten signature in black ink, appearing to read "Art Brown", is written over a horizontal line.

Arthur C. Brown  
Chairman





## AGENDA

Orange County Transportation Authority Board Meeting  
OCTA Headquarters  
First Floor - Room 154, 600 South Main Street  
Orange, California  
***Monday, November 13, 2006, 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

Director Rosen

### Pledge of Allegiance

Director Winterbottom

### Agenda Descriptions

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## AGENDA

### ACTIONS

### Special Matters

1. **Recognition of OCTA's 2006 Annual Rodeo Winners**

2. **Special Recognition for 30 Years of Safe Driving**

Recognition of Coach Operator Sherrie L. Matteson for achieving thirty years of safe driving.

3. **Sacramento Advocate Presentation**

Chris Kahn

4. **Public Hearing for Federal Fiscal Year 2006-07 Federal Transit Administration Section 5307 Program of Projects**

Ben Ku/Paul C. Taylor

#### **Overview**

The Orange County Transportation Authority has prepared the federal fiscal year 2006-07 Program of Projects that outlines the use of \$50.8 million in federal fiscal year 2006-07 Section 5307 Urbanized Area Formula Program funds and \$450,000 in Congestion Mitigation and Air Quality Improvement Program funds. A public hearing and Board of Directors approval are required to meet Federal Transit Administration requirements for receiving these funds.

#### **Recommendations**

- A. Conduct a public hearing for federal fiscal year 2006-07 Section 5307 Program of Projects.
- B. Authorize the Chief Executive Officer to submit and execute the federal fiscal year 2006-07 Section 5307 grant application.



## AGENDA

### ACTIONS

### Consent Calendar (Items 5 through 25)

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

**5. Approval of Minutes**

Of the Orange County Transportation Authority and affiliated agencies' regular meeting of October 23, 2006.

**6. Fiscal Year 2006-07 Internal Audit Plan, First Quarter Update**  
Kathleen M. O'Connell

**Overview**

The Orange County Transportation Authority Board of Directors adopted the Annual Internal Audit Plan for Fiscal Year 2006-07. This update is for the first quarter of the fiscal year.

**Recommendation**

Receive and file the Orange County Transportation Authority Internal Audit Department Fiscal Year 2006-07 Internal Audit Plan First Quarter Update.

**7. Orange County Transportation Authority 2007 Federal Legislative Platform**  
Kristine L. Murray/Richard J. Bacigalupo

**Overview**

Staff has revised the Draft 2007 Federal Legislative Platform based upon input received from the distribution of the platform to legislators, advisory committees, local governments, affected agencies, the business community, and other interested parties. The platform is submitted for consideration and adoption.



## AGENDA

### ACTIONS

#### 7. (Continued)

##### ***Recommendations***

- A. Adopt the Orange County Transportation Authority 2007 Federal Legislative Platform.
- B. Direct staff to distribute the adopted federal platform to legislators, advisory committees, local governments, affected agencies, the business community, and other interested parties.

#### 8. **Orange County Transportation Authority 2007 State Legislative Platform** Wendy Villa/P. Sue Zuhlke

##### ***Overview***

Staff has revised, based upon input, the draft 2007 State Legislative Platform. The platform is submitted for consideration and adoption.

##### ***Committee Recommendations***

- A. Adopt the Orange County Transportation Authority 2007 State Legislative Platform.
- B. Direct staff to modify the platform as needed following the November 7, 2006, election.
- C. Direct staff to distribute the adopted platforms to legislators, advisory committees, local governments, affected agencies, the business community, and other interested parties.
- D. Amend Section VII e) to read: "Monitor legislation affecting drivers' license privileges and standards related to age."



## AGENDA

### ACTIONS

9. **Amendment to Cooperative Agreement with the City of Buena Park for Construction of Intermodal Facility**  
Anh-Tuan Le/Paul C. Taylor

#### **Overview**

On January 31, 2001, the Board of Directors approved a cooperative agreement with the City of Buena Park, subsequently amended to \$9,526,990, to establish the roles, responsibilities, funding, and process for the construction of the Buena Park Intermodal Facility. An amendment is requested to increase the funding for construction of the facility by \$1,146,000, bringing total funding for the project to \$10,672,990.

#### **Recommendations**

- A. Authorize the Chief Executive Officer to execute Amendment No. 3 to Cooperative Agreement C-0-1150 between the Orange County Transportation Authority and the City of Buena Park, in an amount not to exceed \$1,146,000, to provide additional funding for incorporating bus passenger facilities and adding homeland security improvements to current construction.
- B. Authorize the use of \$630,000 in Commuter and Urban Rail Endowment funds for the incorporation of the bus passenger facilities into the station.
- C. Authorize the use of \$516,000 in Department of Homeland Security and Federal Transit Administration funds for the incorporation of a video surveillance system in the station.
- D. Amend the Fiscal Year 2006-07 Orange County Transportation Authority budget for \$1,146,000, which includes \$630,000 in Commuter and Urban Rail Endowment Funds and \$516,000 in Department of Homeland Security and Federal Transit Administration funds for the Buena Park Intermodal Facility.
- E. Authorize staff to make any necessary amendments to federal Transportation Improvement Program to facilitate the above actions.



## AGENDA

### ACTIONS

10. **Office Space for Garden Grove Freeway (State Route 22) Phase II Team**  
Paul C. Taylor

#### ***Overview***

On August 29, 2006, the Board of Directors approved the advancement of the Garden Grove Freeway (State Route 22) Phase II project. Planning efforts are underway to provide office space for internal and external staff.

#### ***Recommendation***

Authorize the Chief Executive Officer to execute Amendment No. 11 to Agreement C-9-5172 between the Orange County Transportation Authority and UBS Partners (Colton Real Estate Group) for additional office space at the headquarters building at 600 South Main Street for space requirements associated with Phase II of the Garden Grove Freeway (State Route 22) expansion, at a monthly cost of \$25,117.

11. **Selection of Firm for Right-of-Way Services**  
James Staudinger/Paul C. Taylor

#### ***Overview***

As part of the Orange County Transportation Authority's Fiscal Year 2006-07 Budget, the Board of Directors approved the procurement of on-call right-of-way services. Proposals 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-6-0653 between the Orange County Transportation Authority and Overland, Pacific & Cutler, Inc., in an amount not to exceed \$600,000, for right-of-way services.



## AGENDA

### ACTIONS

#### 12. **Santa Ana River Crossings Memorandum of Understanding Recommendation**

Wendy Garcia/Paul C. Taylor

##### **Overview**

The cities of Costa Mesa, Fountain Valley, and Huntington Beach have responded positively to a proposal to pursue an alternative to the construction of the planned Garfield-Gisler bridge over the Santa Ana River. A Memorandum of Understanding regarding agency responsibilities for implementing the consensus alternative recommendation is presented for approval.

##### **Recommendations**

- A. Approve the Memorandum of Understanding between the Orange County Transportation Authority and the cities of Costa Mesa, Fountain Valley, and Huntington Beach regarding the proposed Garfield Gisler bridge crossing over the Santa Ana River, contingent on city council approvals.
- B. Authorize the Chief Executive Officer to execute the final Memorandum of Understanding.
- C. Approve amendment of the Master Plan of Arterial Highways to re designate the Garfield-Gisler bridge crossing as a "right-of-way reserve" corridor, subject to approval of General Plan amendments by the cities of Costa Mesa, Fountain Valley, and Huntington Beach.

#### 13. **Go Local Cooperative Agreements with Cities of Anaheim, Orange, Villa Park, Aliso Viejo, Laguna Beach, and San Clemente**

Jeanne Spinner LaMar/Paul C. Taylor

##### **Overview**

The Orange County Transportation Authority proposes to enter into cooperative agreements with the cities of Anaheim, Orange, Villa Park, Aliso Viejo, Laguna Beach, and San Clemente. Each Go Local cooperative agreement is required to establish roles and responsibilities and to define proposed project concepts.



## AGENDA

### ACTIONS

#### 13. (Continued)

##### *Recommendations*

- A. Authorize the Chief Executive Officer to execute Cooperative Agreement C-6-0668 between the Orange County Transportation Authority and the City of Anaheim, in an amount not to exceed \$100,000, for a citywide transit needs study and supporting technical studies.
- B. Authorize the Chief Executive Officer to execute Cooperative Agreement C-6-0695 between the Orange County Transportation Authority and the City of Orange, in an amount not to exceed \$100,000, to assess pedestrian connections to the Orange Metrolink station and the City of Orange feeder service to Anaheim stations.
- C. Authorize the Chief Executive Officer to execute Cooperative Agreement C-6-0769 between the Orange County Transportation Authority and the City of Villa Park, in an amount not to exceed \$100,000, to assess community interest in and opportunities for transit service connecting Villa Park to nearby Metrolink stations.
- D. Authorize the Chief Executive Officer to execute Cooperative Agreement C-6-0742 between the Orange County Transportation Authority and the City of Aliso Viejo, in an amount not to exceed \$100,000, to identify transit services and other support facilities which will attract riders to a future shuttle service operating between the Aliso Viejo Town Center and the Laguna Niguel/Mission Viejo Metrolink station.
- E. Authorize the Chief Executive Officer to execute Cooperative Agreement C-6-0774 between the Orange County Transportation Authority and the City of Laguna Beach, in an amount not to exceed \$100,000, to investigate partnering opportunities and options to link the City's transit system with either the Irvine or Laguna Niguel/Mission Viejo Metrolink station.



## AGENDA

### ACTIONS

#### 13. (Continued)

- F. Authorize the Chief Executive Officer to execute Cooperative Agreement C-6-0686 between the Orange County Transportation Authority and the City of San Clemente, in an amount not to exceed \$100,000, to create a multi-purpose circulator trolley service connecting San Clemente's Metrolink station to the city's downtown area and other points of interest.
- G. Authorize the Chief Executive Officer to amend the fiscal year 2006-07 budget, expense account 0010-7831/T5410, Contributions to Other Agencies, Local Transportation Authority, in the amount of \$3.4 million.

#### 14. 511 Traveler Information System Status Report

Barry Engelberg/Paul C. Taylor

##### **Overview**

The Orange County Transportation Authority is working with other transportation agencies in Southern California to implement a regionwide traveler information system.

##### **Recommendations**

- A. Direct staff to continue to work with other agencies toward a regionwide traveler information system.
- B. Direct staff to report back on budget implications prior to seeking approval to participate in 511 traveler information system.





## AGENDA

### ACTIONS

#### 15. **Orange County Transportation Authority's Board Members' Health Care Benefits**

Lisa Arosteguy/James S. Kenan

##### **Overview**

In accordance with Section 18 of the Fiscal Year 2007 Personnel and Salary Resolution, which was adopted by the Board of Directors in June 2006, health care benefits are offered to members of the Orange County Transportation Authority's Board of Directors. For Board Members whose term of office commenced prior to June 27, 2005, the Board Members and their dependents have the entire cost of their premiums paid by the Orange County Transportation Authority. For Board Members whose term of office, or new term of office, commenced on or after June 27, 2005, the Board Members and their dependents pay the same premium costs as the Orange County Transportation Authority's full-time employees. On September 13, 2006, at the Finance and Administration Committee meeting, Director Pringle requested that staff re-visit premium payments for health benefits available to Board Members.

##### **Committee Recommendations**

- A. For Board Members whose term of office commenced prior to June 27, 2005, continue to provide health care benefits at no cost to the Board Member.
- B. For Board Members whose term of office commenced on or after June 27, 2005, but before the date of Board approval, continue to offer health benefits at the same premium cost paid by the Orange County Transportation Authority's full-time employees.
- C. For Board Members whose term of office commences on or after the date of Board approval, and who do not receive health benefits from the public entity they are elected to serve, offer health care benefits at the same premium costs paid by the Orange County Transportation Authority's full-time employees.



## AGENDA

### ACTIONS

#### 15. (Continued)

- D. For Board Members whose term of office commences on or after the date of Board approval, and who choose to receive health benefits from the public entity they are elected to serve, offer health care benefits at 100 percent of the premium costs paid by the Orange County Transportation Authority.
- E. Amend the Fiscal Year 2007 Personnel and Salary Resolution to reflect these changes.

#### 16. **91 Express Lanes Traffic Operation Center Upgrade Including Leasehold Improvements Amendment and Video Camera Procurement** Kirk Avila/James S. Kenan

##### **Overview**

As part of the Orange County Transportation Authority's Fiscal Year 2007 Budget, the Board of Directors approved funding to upgrade the 91 Express Lanes Traffic Operation Center. The upgrade includes replacing the current video camera system and the building of a new Traffic Operations Center. Offers were received in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services for the camera and support hardware systems. In addition, the new Traffic Operations Center will undergo substantial leasehold improvements. The property owner, FKC Properties has submitted Lease Amendment No. 9 to cover the agreement for such improvements.

##### **Recommendations**

- A. Authorize the Chief Executive Officer to execute Agreement C-6-0469 between the Orange County Transportation Authority and Delcan Corporation, in an amount not to exceed \$755,097, for the Traffic Operation Center upgrade.
- B. Authorize the Chief Executive Officer to execute Amendment No. 9 to the lease between Orange County Transportation Authority and FKC Properties to cover leasehold improvements for the 91 Express Lanes Traffic Operations Center, in an amount not to exceed \$422,000.



## AGENDA

### ACTIONS

17. **Agreement for On-Call Financial Management Consultant Services**  
Andrew Oftelie/James S. Kenan

#### **Overview**

As part of the Orange County Transportation Authority's Fiscal Year 2006-07 Budget, the Board approved funds for on-call financial management services. Offers 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 agreements between the Orange County Transportation Authority and the following firms:

- Booz Allen Hamilton, Agreement C-6-0606
- Darrel Cohoon and Associates, Agreement C-6-0734
- Kelly Hines Consulting, Agreement C-6-0735
- LMS Consulting, Agreement C-6-0736
- Sharon Greene and Associates, Agreement C-6-0737

These pre-qualified firms will provide specialized financial services on an on-call basis, in an amount not to exceed \$300,000 (for all services), for a three-year contract period.

18. **Purchase Order for Property Insurance Policy**  
Al Gorski/James S. Kenan

#### **Overview**

The Orange County Transportation Authority has a property insurance policy with Continental Casualty Company. This policy is scheduled to expire on November 30, 2006.

#### **Recommendation**

Authorize the Chief Executive Officer to issue Purchase Order C-6-0755, in the amount not to exceed \$325,000, for the purchase of property insurance on behalf of the Orange County Transportation Authority for the period of December 01, 2006, to November 30, 2007.



## AGENDA

### ACTIONS

#### 19. **Vanpool Program Update** Stella Lin/Ellen S. Burton

##### **Overview**

The Board of Directors has approved initial funding for a vanpool program with the Orange County Transportation Authority Fiscal Year 2006-2007 Budget. This report provides an update on program details and requests approval of evaluation criteria to include in the Request for Proposals for vanpool contractors.

##### **Recommendations**

- A. Incorporate the vanpool program in the Orange County Transportation Authority Comprehensive Funding Strategy and direct staff to return to the Board of Directors in the first quarter of 2007 for approval of an amendment.
- B. Approve the guiding principles for the regional agreement, which dictates how vanpool miles will be reported in the National Transit Database.
- C. Approve the evaluation criteria and authorize staff to release a Request for Proposals for vanpool providers.



## AGENDA

### ACTIONS

### Orange County Local Transportation Authority Consent Calendar Matters

20. **Measure M Quarterly Progress Report**  
Roger M. Lopez/Paul C. Taylor

#### **Overview**

Staff has prepared a Measure M progress report for the third quarter of 2006. This is a regular report that highlights the Measure M projects and programs currently under development.

#### **Recommendation**

Receive and file as an information item.

21. **Measure M Eligibility Review for Fiscal Year 2006-07**  
Jennifer Bergener/Paul C. Taylor

#### **Overview**

The Measure M Ordinance requires all local jurisdictions in Orange County to submit elements of their Measure M Growth Management Program to the Orange County Transportation Authority to remain eligible for receiving Measure M turnback and competitive funds. The eligibility review process for fiscal year 2006-07 has been completed.

#### **Recommendation**

Approve Measure M turnback and competitive funding eligibility for all local jurisdictions in Orange County.



## AGENDA

### ACTIONS

### Orange County Transit District Consent Calendar Matters

22. **Laidlaw Contract Compliance and Close-out Audit**  
Kathleen M. O'Connell and Erin Rogers

#### **Overview**

Internal Audit has completed a close-out audit of Agreement C-4-0301 between the Orange County Transportation Authority and Laidlaw Transit Services. The audit, conducted by Mayer Hoffman McCann P.C., indicates that invoiced amounts were generally supported and in compliance with contract terms. However, Internal Audit has recommended a negotiated settlement of disputed amounts resulting from this and a prior contract compliance audit (Internal Audit Report No. 05-030).

#### **Recommendation**

Direct staff to release \$678,864 as final payment to Laidlaw Transit Services, Inc. for services provided during the 39-month period April 1, 2003, through June 30, 2006.

23. **Cooperative Agreement with Acacia Adult Day Services**  
Dana Wiemiller/John D. Byrd

#### **Overview**

The Orange County Transportation Authority proposes to enter into a cooperative agreement with Acacia Adult Day Services. A cooperative agreement is required to establish roles, responsibilities, and process for a demonstration program to provide alternative transportation services to ACCESS riders attending the Acacia Adult Day Services program.

#### **Recommendation**

Authorize the Chief Executive Officer to execute Cooperative Agreement C-6-0752 between the Orange County Transportation Authority and Acacia Adult Day Services, in an amount not to exceed \$668,800, to share in the cost of providing adult day healthcare transportation through June 30, 2008.



## AGENDA

### ACTIONS

#### 24. **Agreement to Purchase and Install 232 Replacement Liquefied Natural Gas Engines**

Al Pierce/John D. Byrd

##### **Overview**

As part of the Orange County Transportation Authority's Fiscal Year 2006-07 Budget, the Board approved funds for the replacement of liquefied natural gas engines in the North American Bus Industries bus fleet. Board approval is requested to execute an agreement.

##### **Recommendation**

Authorize the Chief Executive Officer to execute Agreement C-6-0453 between the Orange County Transportation Authority and Cummins Cal Pacific, LLC, in an amount not to exceed \$20,057,452, for the replacement of natural gas engines in 232 transit buses, using the Cummins ISL engine model at a reduced oxides of nitrogen level of 0.2 gram.

#### 25. **On-Board Video Equipment in Bus Procurements**

Brian Champion/John D. Byrd

##### **Overview**

Although the Orange County Transportation Authority bus system is a safe environment for passengers and employees, it seems prudent to enhance safety where feasible and in an orderly manner. In recent years, many transit agencies have installed on-board video systems as an enhancement to safety. To that end, the Orange County Transportation Authority Security Working Group met and discussed on-board video equipment in future bus procurements and agreed to move this issue forward to the Transit Planning and Operations Committee for consideration. Over the past two and half years a variety of supportive tasks were completed to augment knowledge and experience with this technology such that deployment on new buses should result in minimal risk.



## AGENDA

### ACTIONS

#### 25. (Continued)

##### *Recommendation*

Authorize the Chief Executive Officer to include on-board video equipment as standard equipment on future bus procurements.

### Regular Calendar

There are no Regular Calendar matters.

### Other Matters

#### 26. Update on the City Selection Committee Appointments

#### 27. Measure M Post-Election Update Monte Ward

#### 28. Garden Grove Freeway (State Route 22) Project Update T. Rick Grebner/Paul C. Taylor

#### 29. ACCESS Service Update Erin Rogers/John D. Byrd

#### 30. California Department of Transportation Report on Freeway Landscape Maintenance and Refuse Removal James Pinheiro, Caltrans District 12

#### 31. Chief Executive Officer's Report

#### 32. Directors' Reports

#### 33. 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.





## AGENDA

### 34. Closed Session

Pursuant to Government Code Section 54957 to review the performance of the Chief Executive Officer.

### 35. Adjournment

The next regularly scheduled meeting of the OCTA/OCTD/OCLTA/OCSAFE/OCSAAV Board will be held at **9:00 a.m. on November 27, 2006**, at OCTA Headquarters at 600 South Main Street First Floor - Room 154, Orange, California.

ACTIONS





**Orange County Transportation Authority  
Board of Directors Meeting  
November 13, 2006**

1. Re-cap of the 2006 Legislative Session
2. Re-cap of the 2006 Election
  - a. Constitutional Offices
  - b. Senate and Assembly Changes
  - c. New Orange County Delegation
  - d. Propositions
3. Preview of the 2007-2008 Legislative Session-
  - a. Potential Issues
  - b. Important dates and events
4. Late Breaking Developments
5. Questions/Comments





**November 13, 2006**

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

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

**Subject:** Public Hearing for Federal Fiscal Year 2006-07 Federal Transit Administration Section 5307 Program of Projects

**Overview**

The Orange County Transportation Authority has prepared the federal fiscal year 2006-07 Program of Projects that outlines the use of \$50.8 million in federal fiscal year 2006-07 Section 5307 Urbanized Area Formula Program funds and \$450,000 in Congestion Mitigation and Air Quality Improvement Program funds. A public hearing and Board of Directors approval are required to meet Federal Transit Administration requirements for receiving these funds.

**Recommendations**

- A. Conduct a public hearing for federal fiscal year 2006-07 Section 5307 Program of Projects.
- B. Authorize the Chief Executive Officer to submit and execute the federal fiscal year 2006-07 Section 5307 grant application.

**Background**

The Section 5307 Urbanized Area Formula Grant Program makes federal funds available for transit capital assistance to urbanized areas with populations of 50,000 or more. Funding is apportioned on the basis of legislative formulas. For areas with populations of 200,000 and more, the formula is based on a combination of bus revenue vehicle miles, bus passenger miles, fixed guideway revenue vehicle miles, and fixed guideway route miles, as well as population and population density.

Congestion Mitigation and Air Quality (CMAQ) Improvement Program funds originate from the Federal Highway Administration (FHWA) and are apportioned based on population and severity of pollution. The CMAQ funds may be used for either transit or certain highway projects with air quality benefits. If used for a transit

purpose, the funds must be transferred to the Federal Transit Administration (FTA) and then become subject to the Section 5307 Urbanized Area Formula Program regulations.

The FTA regulations require public participation and Board approval in the development of the Section 5307 Program of Projects (POP) in order to receive these funds.

The Orange County Transportation Authority (OCTA) Board of Directors (Board) authorized the public hearing on September 20, 2006. Since that time, staff has advertised in local newspapers and notified interested public agencies regarding the hearing.

### ***Discussion***

OCTA is expected to receive approximately \$51.3 million in federal Section 5307 funds for federal fiscal year (FFY) 2006-07, which lasts from October 1, 2006 to September 30, 2007. The estimated local match share is approximately \$29.6 million for the Section 5307 funds. Should the federal apportionment vary from OCTA's estimate, the operating and capital line items in the POP will be adjusted accordingly (either increased or decreased).

The FFY 2006-07 POP was developed based on OCTA's Comprehensive Business Plan and the Long-Range Transportation Plan, where the growth and expansion of the transit system is outlined. These plans provide the framework for identifying current and future transit capital needs for OCTA. An interdepartmental staff committee was also involved in the development of the POP to ensure that the most accurate estimates and current schedules were reflected. Accordingly, the FFY 2006-07 POP was developed consistent with the following goals:

- Fund critical projects first, including replacement vehicles, debt service payments, preventive maintenance, and paratransit operating assistance.
- Set aside at least 1 percent of the total Section 5307 funding for federally required transit enhancements.
- Evaluate the long-term cash flow impacts of projects included in the grant.
- Leverage grant opportunities and use of local dollars on transit capital needs.

The proposed Section 5307 FFY 2006-07 POP is included as Attachment A. Key proposed projects and activities include \$47.9 million for non-fixed route operating assistance and preventive maintenance, \$16.6 million for the acquisition of 41 alternative fuel 40- and 30-foot replacement buses, \$5 million for the acquisition

of 12 alternative fuel 30-foot express expansion buses, \$8.8 million for the acquisition of 79 replacement paratransit vans, \$635,148 for bus stop accessibility projects, CMAQ rideshare for \$450,000, and debt service payments, in the amount of \$1.3 million.

The proposed bus and van purchases have been coordinated with OCTA's 10-year fleet plan and the ACCESS growth management strategies. Federal Section 5307 guidelines require a minimum 1 percent set aside for transit enhancements. The FTA allows the flexibility to refine the Section 5307 POP as OCTA strategies are more clearly defined.

The Section 5307 FFY 2006-07 POP, including all fund sources, totals \$80.8 million as shown below:

Estimated FFY 2006-07 Section 5307 funds:	\$ 50,811,858
Local, non-federal matching funds for Section 5307:	\$ 29,553,231
CMAQ rideshare transfer from FHWA:	<u>\$ 450,000</u>
	\$ 80,815,089

#### **Fiscal Impact**

A minimum 20 percent non-federal match is required for Section 5307 funds. There is one exception, which requires only a 17 percent non-federal match for the acquisition of alternative fuel vehicles. Staff proposes to use local transit funds as the match for the Section 5307 program grant. These funds were previously approved in the OCTA Fiscal Year 2006-07 Budget as the required match to the Section 5307 funds.

The schedule for adopting the POP allows OCTA to complete the required processes in a timely manner so that the agency is able to seek federal reimbursement for all items included in the POP. The proposed POP will become final if there are no public comments or Board changes received on the draft. If comments are received and changes are made, OCTA will publish the new POP through a second public hearing process.

#### **Summary**

The Section 5307 FFY 2006-07 POP totals \$80.8 million. A public hearing and Board approval are required to meet Federal Transit Administration requirements for these funds sources.

***Attachment***

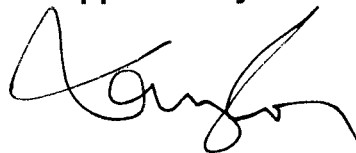
- A. Proposed Program of Projects (POP) for Section 5307 Grant Revenue  
(FFY 07)

**Prepared by:**



Ben Ku  
Associate Transportation Analyst  
Capital Programs  
(714) 560-5473

**Approved by:**



Paul C. Taylor, P.E.  
Executive Director, Development  
(714) 560-5431



Proposed Program of Projects (POP) for Section 5307 Grant Revenue (FFY 2007)				
Line Item Description	Federal Share	Local Match	Total	Federal Percentage
<b>Other Bus Capital Assistance</b>	<b>\$ 24,194,814</b>	<b>\$ 23,712,160</b>	<b>\$ 47,906,974</b>	<b>0.505037</b>
Non-Fixed Route Paratransit Ops Assistance @ 10% (max.)	4,165,135	18,816,408	22,981,543	0.181238
Non-Fixed Route Paratransit Ops Assistance (Mission Viejo)*	916,051	117,345	1,033,396	0.886447
Preventive Maintenance - Salaries & Benefits	10,960,777	2,740,194	13,700,971	0.800000
Preventive Maintenance - Salaries & Benefits (Mission Viejo)*	8,152,851	2,038,213	10,191,064	0.800000
<b>Transit Enhancements</b>	<b>\$ 508,119</b>	<b>\$ 127,030</b>	<b>\$ 635,148</b>	<b>0.800000</b>
ADA Bus Stop Modifications - Construction @ 1% (min.)	416,514	104,128	520,642	0.800000
ADA Bus Stop Modifications - Construction (Mission Viejo)*	91,605	22,901	114,506	0.800000
<b>Replacement CNG 40' Buses</b>	<b>\$ 5,255,685</b>	<b>\$ 1,076,466</b>	<b>\$ 6,332,151</b>	<b>0.830000</b>
(14) Alternative Fuel 40' Buses	5,255,685	1,076,466	6,332,151	
<b>Expansion CNG 30' Buses</b>	<b>\$ 4,191,336</b>	<b>\$ 858,466</b>	<b>\$ 5,049,802</b>	<b>0.830000</b>
(12) Alternative Fuel 30' Buses - Express Bus	4,191,336	858,466	5,049,802	
<b>Replacement CNG 30' Buses</b>	<b>\$ 8,551,593</b>	<b>\$ 1,751,531</b>	<b>\$ 10,303,124</b>	<b>0.830000</b>
(27) Alternative Fuel 30' Buses	8,551,593	1,751,531	10,303,124	
<b>Replacement Paratransit Vans</b>	<b>\$ 7,044,507</b>	<b>\$ 1,761,127</b>	<b>\$ 8,805,634</b>	<b>0.800000</b>
(79=59+20) Paratransit/Contracted Fixed Route Vans	7,044,507	1,761,127	8,805,634	
<b>Debt Service (COPS)</b>	<b>\$ 1,065,805</b>	<b>\$ 266,451</b>	<b>\$ 1,332,256</b>	<b>0.800000</b>
('90 and '93 Certificates of Participation)				
Debt Service - Maintenance Facility	182,093	45,523	227,616	0.800000
Debt Service - 40' Buses	675,403	168,851	844,254	0.800000
Debt Service - <30' Buses	208,309	52,077	260,386	0.800000
<b>Grand Total</b>	<b>\$ 50,811,858</b>	<b>\$ 29,553,231</b>	<b>\$ 80,365,089</b>	
<b>Total Transfers from FHWA for CMAQ/High Priority Projects</b>	<b>\$ 450,000</b>	<b>\$ -</b>	<b>\$ 450,000</b>	<b>1.000000</b>
OCTA Rideshare - CMAQ **	450,000	-	450,000	1.000000
*** does not count against Section 5307 Apportionment				
<b>Gross Project Cost</b>	<b>\$ 51,261,858</b>	<b>\$ 29,553,231</b>	<b>\$ 80,815,089</b>	
<b>Adjustment Amount</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total Eligible Cost</b>	<b>\$ 51,261,858</b>	<b>\$ 29,553,231</b>	<b>\$ 80,815,089</b>	

\* Mission Viejo is its own designated urbanized area (UZA) (based on designated urbanized area boundaries as defined by the Federal Government). As such, Mission Viejo receives a separate apportionment of 5307 funds.



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  
October 23, 2006

**Call to Order**

The October 23, 2006, regular meeting of the Orange County Transportation Authority and affiliated agencies was called to order by Chairman Brown at 9:03 a.m. at the Orange County Transportation Authority Headquarters, Orange, California.

**Roll Call**

Directors Present: Arthur C. Brown, Chairman  
Carolyn Cavecche, Vice Chair  
Peter Buffa  
Lou Correa  
Richard Dixon  
Michael Duvall  
Cathy Green  
Chris Norby  
Miguel Pulido  
Susan Ritschel  
Mark Rosen  
James W. Silva  
Thomas W. Wilson  
Gregory T. Winterbottom  
Cindy Quon, Governor's Ex-Officio Member

Also Present: Arthur T. Leahy, Chief Executive Officer  
Richard J. Bacigalupo, Deputy Chief Executive Officer  
Laurena Weinert, Assistant Clerk of the Board  
Mary Burton, Deputy Clerk of the Board  
Kennard R. Smart, Jr., General Counsel  
Members of the Press and the General Public

Directors Absent: Bill Campbell  
Curt Pringle  
Gary Monahan

## **Invocation**

Director Green gave the invocation.

## **Pledge of Allegiance**

Director Norby led the Board and audience in the Pledge of Allegiance to the Flag of the United States of America.

## **Public Comments on Agenda Items**

Chairman Brown 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 October 2006**

Chairman Brown presented the Orange County Transportation Authority Resolutions of Appreciation Nos. 2006-119, 2006-120, 2006-121 to Kimilla Reece, Coach Operator; Minh Quach, Maintenance; and Paul Burciaga, Administration, as Employees of the Month for October 2006.

### **2. Recognition of "Poetry on the Move" Contest Winners**

Chairman Brown recognized Cody Emrick, Kendra Mayer, and Taylor Strickland as the "Poetry on the Move" contest winners, and he presented each of them with a framed version of their winning poem. Frankie Bastone, who was not able to attend, was also recognized.

Mifanwy Kaiser, President/CEO, Tebot Bach, presented a book of poems written by the homeless in Orange County as a thank you to the Board for promoting literary education in Orange County.

Director Green stated that she would be donating her book of poems to the Huntington Beach library in Ms. Kaiser's name.

Chairman Brown also presented to Chief Executive Officer (CEO), Arthur T. Leahy, the Women's Transportation Seminar Orange County Chapter Employer of the Year award for outstanding dedication in the transportation industry, as well as a certificate of recognition signed by Supervisor and OCTA Board Member Campbell.

## **Consent Calendar (Items 3 through 13)**

Chairman Brown announced 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.

Vice Chair Cavecche pulled item 3.

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

#### **3. Approval of Minutes**

Vice Chair Cavecche pulled this item and requested her comments be noted under Other Matters, Item 8 – Veolia Performance Update. She stated that Veolia has increased the taxi service to cover regular coach service; therefore, the taxi service should be within the scope of Veolia's original contract and staff needs to monitor.

A motion was made by Vice Chair Cavecche, seconded by Director Winterbottom, and declared passed by those present, to approve the minutes with the revision of the Orange County Transportation Authority and affiliated agencies' regular meeting of October 6, 2006.

#### **4. Approval of Resolutions of Appreciation for Employees of the Month for October 2006**

A motion was made by Director Wilson, seconded by Director Buffa, and declared passed by those present, to adopt the Orange County Transportation Authority Resolutions of Appreciation Nos. 2006-119, 2006-120, 2006-121 to Kimilla Reece, Coach Operator; Minh Quach, Maintenance; and Paul Burciaga, Administration, as Employees of the Month for October 2006.

#### **5. Agreement for Triennial Performance Audit**

A motion was made by Director Wilson, seconded by Director Buffa, and declared passed by those present, to authorize the Chief Executive Officer to execute Agreement No. C-6-0545 between the Orange County Transportation Authority and LMS Consulting, in an amount not to exceed \$198,500, for the Triennial Performance Audit of the Orange County Transportation Authority, the Orange County Transit District and the Laguna Beach Transit Lines.

#### **6. Cofiroute Contract Compliance and Operational Audit**

A motion was made by Director Wilson, seconded by Director Buffa, and declared passed by those present, to direct staff to implement the recommendations made in the Cofiroute Contract Compliance and Operational Audit.

**7. State Legislative Status Report**

A motion was made by Director Wilson, seconded by Director Buffa, and declared passed by those present, to receive and file as an information item.

**8. Funding for Fullerton Transportation Center Parking Structure**

A motion was made by Director Wilson, seconded by Director Buffa, and declared passed by those present, to direct staff to work with the Fullerton Redevelopment Agency to acquire the identified property in a manner that retains State Transportation Improvement Program interregional funds for use in Orange County.

**9. Purchase Order for Excess Liability Insurance Policy**

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

- A. Authorize the Chief Executive Officer to issue Purchase Order C-6-0673, in the amount not to exceed \$340,000, for the purchase of \$10 million coverage in primary excess liability insurance.
- B. Authorize the Chief Executive Officer to issue Purchase Order C-6-0674, in the amount not to exceed \$160,000, for the purchase of \$10 million coverage in secondary excess liability insurance.
- C. Request staff to provide materials on the current practices for insurance renewals for Directors Campbell and Duvall to review and bring back to the November Finance and Administration meeting.

**10. Third Quarter 2006 Debt and Investment Report**

A motion was made by Director Wilson, seconded by Director Buffa, and declared passed by those present, to receive and file the Quarterly Debt and Investment Report prepared by the Treasurer as an information item.

**11. Fourth Quarter Fiscal Year 2005-06 Bus Operations Monthly Performance Measurements Report**

A motion was made by Director Wilson, seconded by Director Buffa, and declared passed by those present, to receive and file as an information item.

## **Orange County Transit District Consent Calendar Matters**

### **12. Fixed Asset Inventory Observation Compliance Review**

A motion was made by Director Wilson, seconded by Director Buffa, and declared passed by those present, to direct staff to implement recommendations made in the Fixed Asset Inventory Observation Compliance Review, Internal Audit Report No. 06-024.

### **13. Amendment to Agreement for Plan Check and Construction Management Services for the Santa Ana Bus Base**

A motion was made by Director Wilson, seconded by Director Buffa, and declared passed by those present, to authorize the Chief Executive Officer to execute Amendment No. 11 to Agreement C-1-2282 between the Orange County Transportation Authority and MARRS Services, in an amount not to exceed \$140,000, for additional analysis services of construction claims to assist during settlement discussions with contractor for the Santa Ana Bus Base and to extend the contract period to April 30, 2007.

## **Regular Calendar**

There were no Regular Calendar items.

## **Other Matters**

### **14. Radio Frequency Communications Quarterly Update**

Arthur T. Leahy, CEO, gave opening comments that this is a report on the radio system and actions taken in the last quarter that have improved the system.

Dennis Elefante, Manager of Maintenance Support Services, and Joe Tiernan, Manager of Information Technology, gave a combined PowerPoint presentation on the status of the Integrated Transportation Communications System, recent accomplishments, the radio consultant study, state of 500 megahertz Community Transportation Services (CTS) voice system, and next steps.

Public comment was heard from Darrell Nolte, City of Westminster resident, who stated his concerns regarding the cell site interference, \$12 million spent on the radio system, and additional requests for money to replace or upgrade the equipment.

Director Winterbottom commended staff for the work done, because it is difficult to keep the radio system running; however, staff needs to get CTS on-line as soon as possible.

## **15. Video Security System Project Update**

Arthur T. Leahy, CEO, gave opening comments that last week staff gave a detailed presentation on video surveillance to the Board's Security Working Group and discussed a number of issues to do with crime reduction. Today's discussion will be about passenger notification of a video camera on-board the buses. Later this year, there will be a recommendation to install cameras on all the new buses.

Brian Champion, Project Manager, gave a verbal update on the installation timelines for the video security system project. In May, the Board authorized the installation of 82 on-board camera systems on 32 paratransit buses and 50 40-foot buses. The project involves two phases - the installation of wireless infrastructure at two bases, and the installation of on-board camera equipment.

Wireless equipment has been installed and completed at the Irvine Base and is being installed at the Santa Ana Base. The on-board cameras for the paratransit routes will be completed by the mid December 2006. The on-board cameras for the fixed route buses are expected to be completed by May 2007.

Mr. Champion addressed the legal requirement for public notification of video surveillance system on-board buses. There is no legal requirement to notice the public and no expectation of privacy on-board a bus. Staff recommends that OCTA does notice the passengers out of courtesy and it could be a deterrent factor value.

Staff has begun an education process with the unions and began in December 2005. Union Stewards attended a presentation at Montebello Municipal Transit Lines, who provided demonstrations of how the system operates and where the cameras are located. There have also been formal meetings with union representatives and Shop Stewards for Coach Operators and Mechanics, and additional trips have been scheduled for union representatives to attend presentations of the system in Montebello.

Public comment was heard from Darrell Nolta, City of Westminster resident, who stated his opposition to the installation of video surveillance cameras. He is also concerned about possible technology discussed in the Los Angeles Times and Orange County Register that could make an object or person invisible through microwaves.

Chairman Brown stated that the camera system is not looking for the one percent of terrorists; however, it is for the protection of the general public and the Coach Operators.



## **16. Garden Grove Freeway (State Route 22) Project Update**

Rick Grebner, Project Manager of the State Route 22 (SR-22) Design-Build Project, introduced the SR-22 project delivery team: David Smith, Principal, Granite Construction, Terry Martin, Field Project Manager, Granite-Myers-Rados, and Jack Meifert, Project Manager Consultant, Parsons Transportation Group.

Mr. Grebner provided a verbal update and PowerPoint presentation regarding the three major milestones, public outreach, and aerial views of the progress on the project. He also stated that Director Winterbottom started this project during his tenure as Chairman.

Director Winterbottom inquired about the State Route 57 (SR-57) south to the SR-22 west easement and free flowing lanes. Mr. Grebner responded that there would be two lanes and five free-flowing lanes when completed.

Director Rosen inquired about the Trask Avenue and SR-22 laying of the rubberized asphalt schedule and asked if it would be completed in one day. Mr. Grebner responded that OCTA would be working with the City of Garden Grove staff regarding Trask Avenue and the timelines. As far as the SR-22, the Euclid Avenue to Magnolia Avenue portion is on hold pending the opening of Magnolia Avenue and warmer temperatures. Staff is looking at late spring or early summer for completion, and the work would be done during multiply evenings.

Chairman Brown referenced slide 28, the little building above Knott Avenue, and inquired about the landscaping for noise mitigation. Mr. Grebner responded that landscaping in that area is for visual impact. Chairman Brown also stated that there was a public speaker a few years ago that made a presentation about the noise concerns in that area. Mr. Grebner responded that staff continues to work with him, and heard that he was pleased with the enhanced landscaping progress in that area.

Vice Chair Cavecche referenced slide 14, Connector 4, and inquired about the detour for the three-week closure. Mr. Grebner provided the detour routes.

## **17. Veolia Performance Update**

Erin Rogers, Manager of Community Transportation Services, provided a verbal and PowerPoint presentation regarding the background, service quality indicators for on-time performance, service delivery failure, on-time performance from January 2006 to present, summary of late trips from January 2006 to present, validated customer comments, actions taken, and next steps.

Director Winterbottom stated that Laidlaw appears to have rarely met the standard and inquired as to how that occurred. Ms. Rogers responded that the standard is higher compared to the previous Laidlaw contract, and she believes the customer tolerance is lower.

**17. (Continued)**

Chairman Brown inquired about driver judgment and what that includes. Ms. Rogers responded that it is a catch-all, is very subjective, and provided a few examples.

Ms. Rogers introduced Veolia's Local Project Director, Sharon Crenchaw, who gave an update on Veolia's submitted 30-day plan outlining the remedies to bring the service quality up to OCTA's standards.

Director Green suggested Veolia purchase a portable navigation system that could be assigned to drivers in order to address the problem of lack of map reading skills.

Director Green inquired about the taxicab usage and how the form of payment will be communicated to the taxi drivers and customers, what the problem is with driver shortage, and why many of the drivers from Laidlaw not come over to Veolia (i.e., less pay and less benefits).

Ms. Crenchaw responded that Veolia is working with Call Oscar (Taxi Company) to train the taxi drivers on the form of payment procedures. Regarding the recruiting of drivers, Veolia is facing the same problems as other transportation agencies, and she does not know the reason why Laidlaw drivers did not want to work for Veolia. In addition, Veolia is not paying less, and the health insurance offered is a reasonable plan.

Director Buffa inquired about the taxi service payment procedures. Ms. Crenchaw responded that it depended on the type of customer and if the trip is covered by an agency. The taxi drivers have been trained on the variations of payment for a trip (i.e., coupon provided by an agency, cash, etc.)

Director Winterbottom inquired what the general malfunction was and had Veolia experience a similar situation. Ms. Crenchaw responded that she believes that there were moral issues, and higher expectations for performance. Veolia's Regional Vice President, Justin Augustine, responded that the issues were quickly accessed, and Ms. Crenchaw's team has taken an approach to explain the process to every employee.

Chairman Brown commented that his end of term would probably be December 11. On November 27, he will recommend that the Board bring back to the December 11 Board meeting to either terminate this contract and looks for another firm or says that Veolia has come into compliance with the contract. He also stated that if Veolia does not show substantial improvements by the November 27, 2006, Board meeting, his recommendation to the Board will be to terminate the contract and look for another firm.

**17. (Continued)**

Director Rosen referenced slide 5 showing a bar chart where Veolia is exceeding the performance of Laidlaw and asked if the 94 percent performance rate is realistic under these circumstances.

Director Green stated that the 94 percent performance rate was a requirement of the contract and Veolia did not agree to anything less. OCTA would hold any other firm to the same standards.

CEO, Mr. Leahy, responded that he had spoken to the President and the Chief Operating Officer of Veolia regarding the 94 percent performance standards. Both individuals said that the standards are acceptable as reasonable and achievable.

Director Dixon asked how long Laidlaw had the contract. CEO, Mr. Leahy, responded six to seven years. Director Dixon also stated that perhaps part of the problem with drivers not coming to Veolia was their loyalty to their prior employer.

Vice Chair Cavecche commented that Veolia did lose staff and if they had responded adequately when it happened, she probably would not be so upset. She hopes that Veolia will convince her within the next 30 days that it was just a "blip".

Director Silva commented that a few years ago, the Board had the same conversation with Laidlaw and this is a difficult issue. OCTA staff has done a good job on this challenge and believes that it will all come together.

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

CEO, Arthur T. Leahy, reported that:

- OCTA staff Rick Grebner, Project Manager, and Christina Byrne, Construction Outreach, for the SR-22 Design-Build Project, have done a great job managing the contracts and working with the public regarding the SR-22 design-build project.
- The Rodeo is scheduled for Saturday, October 28, at the Irvine Base on Construction Circle.
- On Thursday, November 16, the Legislative and Government Affairs/Public Communications Committee will be meeting with OCTA's Washington DC advocates to discuss strategy and approach for next year.
- OCTA staff and Manager of Safety and State Relations, Sue Zuhlke, are working with the California Transportation Commission staff regarding the guidelines for the transportation bonds.

## **18. Directors' Reports**

Director Duvall commented on the newspaper report regarding Caltrans issues with properties taken for different freeway projects, which have not been done. Caltrans, OCTA, local cities, and local governments need to meet to address and re-evaluate the issues.

Director Green requested a presentation and accurate information on the towing contract.

CEO, Mr. Leahy, responded to Director Duvall's comment that he met with Caltrans Director, Will Kempton, last week regarding the properties topic. Mr. Kempton offered to give a presentation to the Board to discuss this issue.

## **20. Public Comments**

At this time, Chairman Brown offered members of the public to address the Board of Directors regarding any items within the subject matter jurisdiction of the Board of Directors, but advised that no action may be taken on off-agenda items unless authorized by law. He further stated that comments would be limited to three (3) minutes per speaker, unless different time limits were set by the Chairman subject to the approval of the Board of Directors.

Darrell Nolta, resident of Westminster, offered comments regarding his opposition to Measure M monies given to the cities and that the City of Westminster has no representation. He also stated his concerns on street racing, subsidizing of Orange County Metrolink commuters, and opposition to the renewal of Measure M vote on November 7.

Chairman Brown responded to Mr. Nolta's remarks regarding Measure M. He stated that the Measure M funding per city is determined on the amount of sales tax paid into the coffers, city population, and road miles. The City Selection Committee, which includes the Orange County city mayors, will determine the OCTA Board Member representatives in November.

Director Dixon stated that an independent third party did an analysis of Measure M, and the document has not been marketed in anyway.

Director Rosen responded to Mr. Nolta's remarks regarding city representatives on the Board. He said that Miguel Pulido's seat for the First District is determined by population-weighted factors, and the dollar figures are misleading. Directors Correa and Rosen lobbied for the City of Westminster, Mayor Rice and the other officials' choice for the widening of the Interstate 405.

**21. Closed Session**

General Counsel, Kennard R. Smart, Jr., stated that a Closed Session would be held pursuant to Government Code Section 54957.

Directors Campbell, Monahan, Norby, Pringle, and Pulido were not present.

**22. Adjournment**

The meeting adjourned at 10:55 a.m. Chairman Brown announced that the next regularly scheduled meeting of the OCTA/OCTD/OCLTA/OCSAFE/OCSAAV Board would be held at **9:00 a.m. on November 13, 2006**, at OCTA Headquarters at 600 South Main Street, First Floor - Room 154, Orange, California.

ATTEST

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Laurena Weinert  
Assistant Clerk of the Board

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Arthur C. Brown  
OCTA Chairman





*BOARD COMMITTEE TRANSMITTAL*

**November 13, 2006**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject:** Fiscal Year 2006-07 Internal Audit Plan, First Quarter Update

Finance and Administration Committee

October 25, 2006

**Present:** Directors Campbell, Cavecche, Correa, Duvall, Pringle and Wilson  
**Absent:** None

***Committee Vote***

This item was passed by all Committee Members present.

Director Pringle was not present to vote on this item.

***Committee Recommendation***

Receive and file the Orange County Transportation Authority Internal Audit Department Fiscal Year 2006-07 Internal Audit Plan First Quarter Update.







**October 25, 2006**

**To:** Finance and Administration Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Fiscal Year 2006-07 Internal Audit Plan, First Quarter Update

### **Overview**

The Orange County Transportation Authority Board of Directors adopted the Annual Internal Audit Plan for Fiscal Year 2006-07. This update is for the first quarter of the fiscal year.

### **Recommendation**

Receive and file the Orange County Transportation Authority Internal Audit Department Fiscal Year 2006-07 Internal Audit Plan First Quarter Update.

### **Background**

The Internal Audit Department is an independent appraisal function whose purpose is to examine and evaluate the Orange County Transportation Authority's (OCTA) operations and activities as a tool for management and to assist management in the discharge of their duties and responsibilities.

### **Discussion**

The Internal Audit Department performs a wide range of auditing services that includes overseeing the annual financial audit, operational reviews, contract compliance reviews, internal control assessments, investigations, pre-award Buy America award reviews, and pre-award price reviews. Internal Audit also monitors and provides guidance in computer software system implementation to help ensure that proper controls are built into systems prior to implementation. All audits initiated by entities outside of OCTA are coordinated through the Internal Audit Department.

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The Orange County Transportation Authority Internal Audit Department Fiscal Year 2006-07 Internal Audit Plan First Quarter Update (Attachment A) reflects the status of each of the projects.

During the first quarter, four audit reports (Attachment B) were completed. All four reports have been presented to the Committee.

***Summary***

The Internal Audit Department will continue to implement the Annual Internal Audit Plan for Fiscal Year 2006-07, and report to the Board of Directors on a quarterly basis the status of the plan.

***Attachments***

- A. Orange County Transportation Authority Internal Audit Department  
Fiscal Year 2006-07 Internal Audit Plan First Quarter Update
- B. Listing of Audit Reports Issued in First Quarter 2006-2007

**Prepared by:**



Kathleen M. O'Connell  
Manager, Internal Audit  
(714) 560-5669

**ORANGE COUNTY TRANSPORTATION AUTHORITY  
INTERNAL AUDIT DEPARTMENT  
FISCAL YEAR 2006-07 INTERNAL AUDIT PLAN  
First Quarter Update**

Audit	Description	Minimum Frequency	Audit Type	Quarter Work Starts	Status	Internal Staff Planned Hours	Internal Staff Hours To Date	Under (Over)
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**Mandatory External Independent Audits**

Annual Financial Audit	Annual financial audit for fiscal year 2005-06; contracted to a CPA firm with oversight and assistance provided by Internal Audit. Includes financial statements for LTF, STAF, and SR-91; NTD compliance; Single Audit.	Annually	Fiscal	1st	In Process	455	91	364
Annual Transportation Development Act Audits	Coordination of legally required annual audits of the recipients of Local Transportation Funds for fiscal year 2005-06, in accordance with the Transportation Development Act.	Annually	Fiscal / Compliance	1st	In Process	200	25	175
State Triennial Performance Audit	Coordination of legally required triennial performance audit of OCTA as the Regional Transportation Planning entity and of all transit operators in the County of Orange for fiscal years 2003-04 through 2005-06, in accordance with the Transportation Development Act.	Triennially	Performance	1st	In Process	150	7	143
Federal Triennial Audit	Legally required triennial performance audit to be conducted by the Federal Transit Administration on the OCTA in 2007.	Triennially	Performance	4th	N/A	50		50

**Internal Audits**

**Authority-Wide**

Price Reviews	Cost and price analyses as required per OCTA procurement policies and procedures.	As needed	Cost avoidance	All	In Process	500	285	215
System-Wide Purchasing and Payment Cycle	To ensure procedures are in place and operating effectively and efficiently.	As needed	Internal Controls / Operational / Fiscal	3rd	N/A	88		88
System-Wide Policies and Procedures	To assess OCTA's system of policies and procedures to ensure procedures are in place and operating effectively and efficiently.	As needed	Internal Controls / Operational	1st	In Process	125	21	104
System-Wide Record Retention Policies	To ensure procedures are in place and operating effectively and efficiently.	As needed	Internal Controls / Operational	2nd	N/A	125		125
Risk Assessment/Annual Audit Plan	Annual review to prepare the audit plan for next fiscal year; periodic assessment of risk throughout the year.	Annually	Risk Assessment	4th	N/A	130		130
Special Requests	Time allowed for requests from management.	As needed	Varies	All	N/A	204		204
Unscheduled Reviews	Time allowed for reviews identified during the year.	As needed	Varies	All	N/A	184		184

**Deputy CEO**

Environmental Safety	Review to improve efficiencies and ensure compliance with external regulations and established practices.	As needed	Compliance / Operational / Internal Controls	1st	In Process	228	89	139
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**Transit**

Buy America Reviews	Pre-award and post-delivery reviews to ensure vendor is in compliance with federal Buy America requirements.	As needed	Mandatory	All	N/A	142	5	137
Farebox Operations/GFI Application System	Operational review to improve efficiencies and to analyze the accuracy of GFI fareboxes.	As needed	Internal Controls / Operational	3rd	N/A	195		195

**ORANGE COUNTY TRANSPORTATION AUTHORITY  
INTERNAL AUDIT DEPARTMENT  
FISCAL YEAR 2006-07 INTERNAL AUDIT PLAN  
First Quarter Update**

<b>Audit</b>	<b>Description</b>	<b>Minimum Frequency</b>	<b>Audit Type</b>	<b>Quarter Work Starts</b>	<b>Status</b>	<b>Internal Staff Planned Hours</b>	<b>Internal Staff Hours To Date</b>	<b>Under (Over)</b>
Applied LNG Technology Contract	Review to ensure contract stipulations are being complied with and to verify the propriety of payments.	As needed	Compliance / Fiscal	2nd	N/A	125		125
Operations Training	Review to improve efficiencies and ensure compliance with regulations and established practices.	As needed	Compliance / Operational	3rd	N/A	175		175
Laidlaw Close-out Audit	Review to ensure contract stipulations are being complied with and to verify the propriety of payments.	At close-out	Compliance / Cost Recovery	1st	In Process	80	260	(180)
Veolia Contract Audit	Review halfway through first contract year to ensure contract stipulations are being complied with and to verify the propriety of payments.	Annually	Compliance / Cost Recovery	2nd	N/A	96		96
ACCESS Eligibility Administration	Review to improve efficiencies and ensure compliance with ADA regulations and established practices.	As needed	Compliance / Operational	4th	N/A	190		190
<b>Planning, Development and Commuter Services</b>								
CTFP Project Audits/CTFP System	Review of selected projects funded by the CTFP and review of the related CTFP database.	Annually	Compliance / Internal Controls	All	N/A	188	7	181
OCTAP	Compliance and operational review to improve efficiencies and ensure compliance with external regulations and established practices.	As needed	Compliance / Operational / Internal Controls	2nd	N/A	175		175
Freeway Service Patrol	Compliance and operational review to improve efficiencies and ensure compliance with external regulations and established practices.	As needed	Compliance / Operational / Internal Controls	3rd	In Process	153	24	129
<b>Construction &amp; Engineering</b>								
SR-22 Contract Close-out Audit	Review to ensure contract stipulations are being complied with and to verify the propriety of payments.	At close-out	Compliance / Fiscal	2nd	N/A	100		100
I-5 Gateway Contract Audits	Review to ensure contract stipulations are being complied with and to verify the propriety of payments.	During construction	Compliance / Fiscal	4th	N/A	116		116
<b>External Affairs</b>								
Bus Advertising Revenue Contract	Review to ensure contract stipulations are being complied with and to verify the propriety of payments.	Annually	Compliance / Fiscal / Operational	4th	N/A	200	58	142
<b>Finance, Administration &amp; Human Resources</b>								
Fixed Asset Inventory Observation	Observation of the annual physical inventory of fixed assets to verify the existence and working condition of assets and ensure they are properly recorded.	Annually	Compliance / Internal Controls / Operational	4th	N/A	140	23	117
Payroll Reviews	Unannounced payroll reviews to ensure the accuracy of the payroll files.	Semi-annually	Internal Controls	2nd & 4th	N/A	80		80
Treasury	Financial and compliance reviews of the treasury function, including investment and bond compliance.	Quarterly	Compliance / Internal Controls / Operational	All	In Process	178	53	125
Cycle Counts	Unannounced inventory cycle counts to ensure the accuracy of inventory balances.	Semi-annually	Internal Controls / Performance	1st & 3rd	In Process	184	16	168

**ORANGE COUNTY TRANSPORTATION AUTHORITY  
INTERNAL AUDIT DEPARTMENT  
FISCAL YEAR 2006-07 INTERNAL AUDIT PLAN  
First Quarter Update**

<b>Audit</b>	<b>Description</b>	<b>Minimum Frequency</b>	<b>Audit Type</b>	<b>Quarter Work Starts</b>	<b>Status</b>	<b>Internal Staff Planned Hours</b>	<b>Internal Staff Hours To Date</b>	<b>Under (Over)</b>
Grant Close-out Audits	Fiscal and compliance audits of grants at close-out to ensure propriety of expenditures.	As needed	Compliance / Internal Controls	2nd, 3rd, & 4th	In Process	127	13	114
Legal Counsel and Legal Services Contracts	Review to ensure contract stipulations are being complied with and to verify the propriety of payments.	As needed	Compliance / Fiscal / Internal Controls	3rd	N/A	94	24	70
Access Card Key Program	Operational review to improve efficiencies and ensure compliance with established practices.	As needed	Internal Controls / Operational	1st	In Process	140	126	14
Database Management	Operational review to improve efficiencies and ensure compliance with established practices.	As needed	Operational / Performance / Internal Controls	1st	In Process	268		268
HIPPA Compliance	Review to ensure compliance with HIPPA regulations.	As needed	Compliance / Internal Controls	4th	N/A	200		200
OCERS	Compliance and operational review to improve efficiencies and ensure compliance with external regulations and established practices.	As needed	Compliance / Operational / Internal Controls	4th	N/A	288		288
In-house Liability Claims Administration	Compliance and operational review to improve efficiencies and ensure compliance with external regulations and established practices.	As needed	Compliance / Operational / Internal Controls / Cost Recovery	1st	In Process	298	35	263
<b>Employee &amp; Labor Relations and Civil Rights</b>								
DBE Program	Compliance and operational review to improve efficiencies and ensure compliance with external regulations and established practices.	As needed	Compliance / Operational / Internal Controls / Performance	3rd	N/A	148		148

**Carryover Projects from FY2005-06**

General Accounting	Review of National Transit Database procedures.	As needed	Compliance / Internal Controls	1st	N/A	50		50
Cofiroute Contracts Audit	Compliance and operational review of contracted operations.	As needed	Compliance / Operational	1st	Complete	60	94	(34)

**Monitoring Projects**

Transportation Development Act	On-going compliance review and follow up of recommendations made in previous Transportation Development Act audits.	Continuous		All	In Process	60	4	56
Measure M COC	Coordination of audit activities with the Audit Committee of the Measure M Citizens Oversight Committee.	Continuous		All	In Process	115	10	106
Bus Camera Surveillance System	On-going monitoring to keep apprised of activities and significant issues.	During planning and implementation		All	N/A	96		96
91 Express Lanes	On-going monitoring of 91 Express Lanes activities and participation in roundtables.	Continuous		All	In Process	58	15	43
SR-22 Project	On-going monitoring to keep apprised of activities and significant issues.	During construction		All	In Process	48	10	38
I-5 Gateway Project	On-going monitoring to keep apprised of activities and significant issues.	During construction		All	In Process	48	2	46
CNG Station Project	On-going monitoring to keep apprised of activities and significant issues.	During construction		All	N/A	80		80

**ORANGE COUNTY TRANSPORTATION AUTHORITY  
INTERNAL AUDIT DEPARTMENT  
FISCAL YEAR 2006-07 INTERNAL AUDIT PLAN  
First Quarter Update**

Audit	Description	Minimum Frequency	Audit Type	Quarter Work Starts	Status	Internal Staff Planned Hours	Internal Staff Hours To Date	Under (Over)
Minicom Implementation	On-going monitoring of the implementation of the new inventory, maintenance and procurement system to help ensure proper internal controls are established.	During implementation		All	In Process	67	10	57
BRT	On-going monitoring to keep apprised of activities and significant issues.	During planning and implementation		All	In Process	80	22	58
ITCS Radio System	On-going monitoring to keep apprised of activities and significant issues.	Continuous		All	In Process	60	10	50
Other Monitoring (Software, Security, etc)				All	In Process		104	(104)

**Follow-up Reviews**

Measure M Compliance Review	Recommendations were made to ensure compliance with the Measure M Ordinance and to improve procedures.		All	In Process	100	23	77
Lawson System	Follow-up on the fairly new system.		1st	N/A	23		23
Project Controls	Recommendations were made to strengthen internal controls and make operations more efficient.		1st	In Process	20	4	16
Maintenance Tire Lease	Recommendations were made to strengthen internal controls.		2nd	N/A	20		20
Employee Expense Reports	Recommendations were made to strengthen internal controls, make operations more efficient, and ensure compliance with applicable policies.		2nd	N/A	20		20
Santa Ana Base Construction	Recommendations were made to improve management oversight of the applicable contract.		2nd	N/A	20	5	15
DMV Pull Notice	Recommendations were made to strengthen internal controls and make operations more efficient.		3rd	N/A	20		20
Pass Sales	Recommendations were made to strengthen internal controls and make operations more efficient.		3rd	N/A	20	2	18
Transit Police Services	Recommendations were made to strengthen internal controls, make operations more efficient, and ensure contract compliance.		3rd	N/A	20		20
Payroll Reviews	Recommendations were made to strengthen internal controls.		3rd	N/A	20		20
Bus Advertising	Recommendations were made to collect monies owed to OCTA and to strengthen internal controls.		3rd	N/A	20		20
Cofiroute Contract Audits	Recommendations were made to improve management oversight, make operations more efficient, and ensure contract compliance.		3rd	N/A	20		20
Other Follow-ups			All	N/A		29	(29)
<b>Total Audit Hours</b>					<b>7,664</b>	<b>1,506</b>	<b>6,159</b>
					<b>Expended:</b>		<b>19.6%</b>

**LISTING OF AUDIT REPORTS ISSUED  
IN FIRST QUARTER FY 2006-07**

<i>Issue Date</i>	<i>Report No.</i>	<i>Name of Report</i>	<i>Date to Finance and Administration Committee</i>
07/11/06	06-032	Fourth Quarter Parts Inventory Count	08/23/06
07/31/06	06-024	Fixed Asset Inventory Observation Review	10/11/06
08/02/06	06-021	Cofiroute Contract Compliance and Operational Audit	10/11/06
08/09/06	06-033	Review of Investment Activities October 2005 through March 2006	09/13/06







BOARD COMMITTEE TRANSMITTAL

**November 13, 2006**

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

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

**Subject:** Orange County Transportation Authority 2007 Federal Legislative Platform

Legislative and Government Affairs/Public  
Communications Committee

November 2, 2006

**Present:** Directors Buffa, Campbell, Cavecche, Correa, Ritschel, Rosen,  
and Silva

**Absent:** Director Wilson

***Committee Vote***

This item was passed by all Committee Members present.

***Committee Recommendations***

- A. Adopt the Orange County Transportation Authority 2007 Federal Legislative Platform.
- B. Direct staff to distribute the adopted federal platform to legislators, advisory committees, local governments, affected agencies, the business community, and other interested parties.

**Note:** The corrected Orange County Transportation Authority 2007 Federal Legislative Platform is included.



# **Orange County Transportation Authority 2007 Federal Legislative Platform**

## **INTRODUCTION**

With a population of over three million, Orange County is the second largest county in California and the fifth largest county in the nation. Orange County is also one of the most densely populated areas in the country and is second only to San Francisco for the most densely populated county in the state of California. National and global attractions include Disneyland, Knott's Berry Farm, and over 42 miles of beaches, making Orange County a worldwide vacation destination.

Among metro areas in the United States, Orange County has the 11th largest gross domestic product and is home to the 12th busiest airport in the nation. In addition, Orange County provides highway and rail corridors that facilitate an increasing level of international trade entering the Southern California ports. With regard to federal revenues, Orange County is consistently a donor county within a donor state.

OCTA's Federal Legislative Platform outlines the statutory, regulatory, and administrative goals and objectives of the transportation authority. The following platform was adopted by the OCTA Board of Directors to provide direction to staff and federal legislative advocates for the first session of the 110<sup>th</sup> Congress.

### **I. Fiscal Year 2008 Transportation Appropriations**

The annual appropriations process will play a significant roll in the OCTA 2007 federal legislative platform. Given that the federal surface transportation authorization bill, the Safe Accountable Flexible Efficient Transportation Equity Act - A Legacy for Users (SAFETEA-LU), fully obligated the federal highway trust fund and to a lesser degree, the mass transit account, there is limited discretionary funding available year to year for surface transportation earmarks. To more effectively work within the limitations on federal transportation funding at this time, OCTA will focus on strategic, high priority county and regional projects, to include: highway and transit infrastructure, homeland security, and goods movement. As part of the fiscal year 2008 transportation appropriations bill, OCTA will to work with its Congressional delegation to secure greater levels of federal investment in the following projects:

- a) Riverside Freeway (State Route 91) widening and Orange County/Riverside chokepoint projects congestion relief projects.
- b) Grade separation improvements along Orangethorpe corridor in north Orange County.
- c) San Diego Freeway (Interstate 405) widening and improvements. Including interchange improvements, as well as bridges and overcrossings.
- d) San Diego Freeway (Interstate 5) and Ortega Highway chokepoint and interchange improvements.
- e) Improvements to relieve chokepoint congestion at the Interstate 5 (I-5) and Costa Mesa Freeway (State Route 55).
- f) Phase I of the I-5 South high occupancy lane (HOV) project.

## **Orange County Transportation Authority 2007 Federal Legislative Platform**

- g) The Orange County Rapid Transit project, which includes Metrolink service enhancements and Bus Rapid Transit.
- h) Improvements along the Bristol Street multi-modal corridor in Santa Ana.
- i) Phase II of the Garden Grove Freeway (State Route 22) project and federal authorization for easements to the Seal Beach Naval Weapons Center.

Other funding priorities for OCTA include:

- a) Support appropriations and additional funding of transit security grant programs for the Department of Homeland Security to protect county surface transportation systems, including highways, transit facilities, rail lines, and related software systems.
- b) Support Small Start funding for the Orange County Rapid Transit project.
- c) Support full funding of Section 5309 (m)(1)(a) rail modernization grant funds.
- d) Support bus and bus-related OCTA projects under Section 5309 (m)(1)(c).
- e) In concert with regional transportation agencies, seek funding for the Southern California Regional Training Consortium to develop bus maintenance training information to the transit agencies throughout Southern California.
- j) Inter-county express bus service to assist commuters between Orange, Los Angeles and Riverside counties.

### **II. Highways, Transit, and Rail – Next Round of Reauthorization Begins**

The federal surface transportation bill, SAFETEA-LU, included a significant level of funding for OCTA and authorized funding for critical highway and transit projects. However, there are a number of vital infrastructure projects – both highway and rail – that continue to require authorization to address specific highway, rail, and transit needs throughout the County and Southern California region. As Congress gears up for the next round of reauthorization of the federal surface transportation bill, OCTA will seek authorization and funding for the following projects:

#### **PROJECT AUTHORIZATION**

- a) Support legislative efforts to authorize the State Route 91 (SR-91) congestion relief projects.
- b) Support authorization and funding for the Anaheim Regional Transportation Intermodal Center (ARTIC).
- c) Support continued authorization of and funding for the four-county Alameda Corridor East (ACE) project.
- d) Support amendments to the Los Angeles-San Diego-San Luis Obispo (LOSSAN) Rail Corridor Agency (LOSSAN Corridor) to ensure federal authorization for all counties, including Orange County, that serve and are impacted by the rail corridor. As currently authorized, only projects within 10 percent of the corridor would be eligible. Because of the shared use of the LOSSAN Corridor, improvements along any stretch of rail line would have positive impacts to other areas.

## **Orange County Transportation Authority 2007 Federal Legislative Platform**

- e) Support efforts to authorize and fund Maglev transportation from Anaheim to Ontario Airport and Ontario to Las Vegas. Support funding to augment state and local efforts for high speed rail service to and from Anaheim.
- f) Monitor and with OCTA Board approval, support Intelligent Transportation System (ITS) measures to advance the safety, security and efficiency of the multi-modal transportation system, reduce fuel consumption and environmental impacts, ease congestion, and facilitate emergency response times.

### **REGULATORY CHANGES**

- a) Designate the Orange County portion of the BNSF/Orangethorpe corridor as part of the Alameda Corridor East/national goods movement corridor.
- b) The Federal Highway Administration (FHWA) recently began to require that agencies prepare a 30-year cash flow analysis for the long range Regional Transportation Plan (RTP). OCTA and other planning agencies already perform this level of analysis for the six-year Transportation Improvement Program (TIP) and doing a 30-year analysis for the RTP is redundant and costly.
- c) SAFTEA-LU implementing regulations, shifted the approval of RTP amendments involving Transportation Control Measures (TCM) from FHWA to the Environmental Protection Agency (EPA). OCTA requests that this approval process revert back to FHWA and maintain a consultation process with EPA.
- d) Request Federal Transportation Enhancement (TE) program guidelines be amended to permit use of TE funds for soundwalls as a local option. The FHWA does not permit the use of highway funds to retrofit soundwalls, yet federal trade policies have lead to increased freight traffic along goods movement corridors and hence noise along the freeways. OCTA requests that the policy be amended to allow highway funds to be used to mitigate the impacts of freight traffic on local communities adjacent to goods movement corridors.

### **III. Advocacy Efforts for Existing Federal Highway and Transit Programs**

- a) Work with regional agencies to advocate for a high ranking of the ACE project as part of the U.S. Department of Transportation's Projects of National and Regional Significance (PNRS) program.
- b) Seek support from the Federal Transit Administration and Orange County Congressional delegation for the Orange County Rapid Transit Project.
- c) Pursue funding for applicable transit programs newly authorized by SAFETEA-LU, including Small Starts, Jobs Access Reverse Commute (JARC), and New Freedom program for new transportation services and public transportation alternatives beyond those required by the Americans with Disabilities Act (ADA).
- d) Support expanded design-build authorization for federally-funded highway and surface transportation projects.

## **Orange County Transportation Authority 2007 Federal Legislative Platform**

- e) Support environmental streamlining and stewardship efforts by the relevant federal agencies.
- f) Support expedited federal review and payments to local agencies and their contractors for project development, right-of-way acquisition, and construction activities.
- g) Support bond measures for Amtrak improvements in high-speed rail corridors.
- h) Work with the Southern California Regional Transit Training Consortium on its fiscal year (FY) 2007 legislative efforts to obtain federal funds to streamline bus maintenance training for alternative fuel buses.

### **IV. Homeland Security**

OCTA continues to work cooperatively with neighboring transit agencies, Urban Area Security Initiative (UASI) partners, state Homeland Security grant partners, and local jurisdictions to develop regional and countywide strategic plans for terrorism preparedness. Last year, the Department of Homeland Security (DHS) released the first level of federal funding to enhance the security of regional bus and rail systems as part of the FY 2005 Transit Security Grant Program (TSGP). In addition to seeking additional grant funding in FY 2007 to secure the county's highways, rail and transit systems, OCTA will pursue the following regulatory and statutory changes to address homeland security needs:

- a) Support increased federal funding to transit agencies for operational security improvements for highways, transit, and rail security in the United States.
- b) Support a fair distribution of grant funds based on the risk of terrorism as estimated by the DHS, in lieu of formulas based solely on size of population.
- c) Support programs that reach out to state homeland security officials to improve information exchange protocols, refine the Homeland Security Advisory System, and support state and regional data coordination.
- d) Congress passed the Terrorism Risk Insurance Act (TRIA) in 2002 and its extension in 2005, but the legislation is scheduled to expire December 31, 2007. Monitor and support Congressional action to adopt a long-term private/public terrorism risk insurance program.

### **V. Goods Movement**

OCTA will continue to support Southern California regional goods movement efforts to ease congestion and facilitate the significant international trade entering the Southern California ports. OCTA will seek funding for the following goods movement projects:

- a) Support additional funding for Alameda Corridor East (ACE) grade separation projects in Orange County along the Orangethorpe corridor.
- b) Support funding for highway improvements along Orange County trade corridors, including the SR-91, Orange Freeway (State Route 57), I-5, and I-405.

## **Orange County Transportation Authority 2007 Federal Legislative Platform**

### **VI. Energy Issues**

Legislation addressing U.S. policies on energy is likely to play a greater role in the 110<sup>th</sup> Congress. The transportation sector is the largest consumer of petroleum in the United States. Therefore, the focus by Congress to further develop energy efficient policies is likely to have an impact on OCTA operations.

- a) Monitor legislation and federal rulemaking that addresses new or emerging energy policies such as: incentives for alternative fuel technology and use, developer incentives supporting transit programs, as well as research and technology.”
- b) Provide federal legislative reports to the OCTA Board of Directors outlining any energy-related legislation introduced in the next Congress that potentially impacts OCTA operations.
- c) Work with industry associations to comment on Congressional actions and/or federal policies that impact the public transportation sector.

### **VII. Environmental Policy and Regulatory Requirements**

Federal environmental laws and regulations affecting OCTA include the National Environmental Protection Act (NEPA), the Federal Clean Air Act, Federal Water Pollution Control Act, and the Endangered Species Act. OCTA’s historical positions with regard to these acts and related regulations include:

- a) Seek opportunities to streamline the environmental process for federally funded projects.
- b) Support implementation of a NEPA pilot project, authorized by SAFETEA-LU, to apply to OCTA federally-funded projects.
- c) Support legislation and federal grant programs that encourage ridesharing and related congestion relief programs for Orange County commuters.

In addition, OCTA takes the following positions with regard to U.S. Departments providing federal oversight, specifically:

- a) Support efforts to work with the Administration to equitably resolve the FHWA interpretation of the Americans with Disabilities Act (ADA) compliance guidelines that retroactively requires the implementation of costly curb-ramp upgrades within the boundaries of federally-funded projects. According to state officials implementing these regulations on behalf of FHWA, the requirements apply even if curb ramps are already in place but considered to be out of date according to the most recent ADA guidelines or when the project would not require ground disturbance (i.e. signal synchronization projects funded with Congestion Mitigation and Air Quality funds).
- b) Oppose any regulations or administrative guidance seeking to extend through administrative actions the statutory requirements of ADA.
- c) Support expedited federal review and payments to local agencies and their contractors for project development, right-of-way acquisition, and construction activities.

## **Orange County Transportation Authority 2007 Federal Legislative Platform**

- d) Support streamlined federal reporting and monitoring requirements to ensure efficiency and usefulness of data and to eliminate redundant state and federal requirements.

### **VIII. Employment Issues**

Federal employment laws affecting OCTA include the Fair Labor Standards Act, Family and Medical Leave Act, Occupational Safety and Health Act and the Omnibus Transportation Employee Testing Act of 1991. While there is not anticipated to be significant changes to these federal laws next year, OCTA historical positions have included:

- a) Support income tax reductions for employees receiving employer-provided transit passes, vanpool benefits, or parking spaces currently counted as income.
- b) Oppose legislation and regulations adversely affecting the agency's ability to effectively and efficiently address labor relations, employee rights, benefits, and working conditions including health, safety, and ergonomics standards in the workplace.





**November 2, 2006**

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

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

**Subject:** Orange County Transportation Authority 2007 Federal Legislative Platform

**Overview**

Staff has revised the Draft 2007 Federal Legislative Platform based upon input received from the distribution of the platform to legislators, advisory committees, local governments, affected agencies, the business community, and other interested parties. The platform is submitted for consideration and adoption.

**Recommendations**

- A. Adopt the Orange County Transportation Authority 2007 Federal Legislative Platform.
- B. Direct staff to distribute the adopted federal platform to legislators, advisory committees, local governments, affected agencies, the business community, and other interested parties.

**Discussion**

The Orange County Transportation Authority (OCTA) Draft 2007 Federal Legislative Platform was reviewed by the Board of Directors and approved for further circulation at the September 25, 2006, meeting. The draft platform was again circulated to over 300 groups and individuals to comment on the proposed changes. Staff has made additional revisions based upon input received in this process. The resulting document is included as Attachment A.

Major changes are designated by underlined and strikethrough text and have been included since the document was approved for recirculation at the September 25, 2006, meeting of the OCTA Board of Directors:

#### **Staff Modifications**

Staff continued to research issues that may require further legislative or regulatory action and the following issues are proposed to be added to the 2007 Federal Legislative Platform.

- Add Section IV (d) to read, "Congress passed the Terrorism Risk Insurance Act (TRIA) in 2002 and its extension in 2005. TRIA creates a federal backstop to prevent a significant tightening or collapse of the insurance market in the event of a major terrorist incident. The legislation is scheduled to expire December 31, 2007. Monitor and support Congressional action to adopt a long-term private/public terrorism risk insurance program."

#### **Community/Public Modifications**

Input from members of the public has also been received, including overall support from the City of Westminster and the City of Costa Mesa. The item below is a modification requested by the City of Costa Mesa to more actively support the use of intelligent transportation management systems. An additional change was included to address an inquiry from the City of Westminster regarding improvements to the San Diego Freeway (Interstate 405).

- Modified Section II (f) to read, "Monitor and with OCTA Board approval, support Intelligent Transportation System (ITS) measures to advance the safety, security and efficiency of the multi-modal transportation system, reduce fuel consumption and environmental impacts, ease congestion, and facilitate emergency response times."
- Modified Section I (c) to read, "San Diego Freeway (I-405) widening and improvements. Including interchange improvements, as well as bridges and overcrossings."

In addition, input was received from members of the public. The items below are the modifications that were requested.

- Modified Section I to read, "The annual appropriations process will play a significant role in the OCTA 2007 federal legislative platform. Given that the

federal surface transportation authorization bill, the Safe Accountable Flexible Efficient Transportation Equity Act - A Legacy for Users (SAFETEA-LU), fully obligated the federal highway trust fund and to a lesser degree, the mass transit account, there is limited discretionary funding available year to year for surface transportation earmarks. To more effectively work within the limitations on federal transportation funding at this time, OCTA will focus on strategic, high priority county and regional projects, to include: highway and transit infrastructure, homeland security, and goods movement. As part of the fiscal year 2008 transportation appropriations bill, OCTA will to work with its Congressional delegation to secure greater levels of federal investment in the following projects."

- Modified Section VI. Energy Issues, to read, "Legislation addressing U.S. policies on energy is likely to play a greater role in the 110<sup>th</sup> Congress. The transportation sector is the largest consumer of petroleum in the United States. Therefore, the focus by Congress to further develop energy efficient policies is likely to have an impact on OCTA operations."
- Modified Section VI (a) to read, "Monitor legislation and federal rulemaking that addresses new or emerging energy policies such as: incentives for alternative fuel technology and use, developer incentives supporting transit programs, as well as research and technology."
- Modified Section VI (b) to read, "Provide federal legislative reports to the OCTA Board of Directors outlining any energy-related legislation introduced in the next Congress that potentially impacts OCTA operations."
- Modified Section VI (c) to read, "Work with industry associations to comment on Congressional actions and/or federal policies that impact the public transportation sector."

### **Summary**

The Board of Directors is respectfully requested to approve the adoption and distribution of the Orange County Transportation Authority 2007 Federal Legislative Platform.

***Attachment***

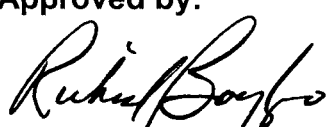
- A. Draft Orange County Transportation Authority 2007 Federal Legislative Platform

**Prepared by:**



Kristine L. Murray  
Manager Federal Relations  
(714) 560-5906

**Approved by:**



Richard J. Bacigalupo  
Deputy Chief Executive Officer  
(714) 560-5901

**Draft**  
**Orange County Transportation Authority**  
**2007 Federal Legislative Platform**

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**PROJECT AUTHORIZATION**

- a) Support legislative efforts to authorize the State Route 91 (SR-91) congestion relief projects.
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- c) Support continued authorization of and funding for the four-county Alameda Corridor East (ACE) project.
- d) Support amendments to the Los Angeles-San Diego-San Luis Obispo (LOSSAN) Rail Corridor Agency (LOSSAN Corridor) to ensure federal authorization for all counties, including Orange County, that serve and are impacted by the rail corridor. As currently authorized, only projects within 10 percent of the corridor would be eligible. Because of the shared use of the LOSSAN Corridor, improvements along any stretch of rail line would have positive impacts to other areas.

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- e) Support efforts to authorize and fund Maglev transportation from Anaheim to Ontario Airport and Ontario to Las Vegas. Support funding to augment state and local efforts for high speed rail service to and from Anaheim.
- f) Monitor and with OCTA Board approval, support Intelligent Transportation System (ITS) measures to advance the safety, security and efficiency of the multi-modal transportation system, reduce fuel consumption and environmental impacts, ease congestion, and facilitate emergency response times.

**REGULATORY CHANGES**

- a) Designate the Orange County portion of the BNSF/Orangethorpe corridor as part of the Alameda Corridor East/national goods movement corridor.
- b) The Federal Highway Administration (FHWA) recently began to require that agencies prepare a 30-year cash flow analysis for the long range Regional Transportation Plan (RTP). OCTA and other planning agencies already perform this level of analysis for the six-year Transportation Improvement Program (TIP) and doing a 30-year analysis for the RTP is redundant and costly.
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- b) Seek support from the Federal Transit Administration and Orange County Congressional delegation for the Orange County Rapid Transit Project.
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- d) Support expanded design-build authorization for federally-funded highway and surface transportation projects.
- e) Support environmental streamlining and stewardship efforts by the relevant federal agencies.
- f) Support expedited federal review and payments to local agencies and their contractors for project development, right-of-way acquisition, and construction activities.
- g) Support bond measures for Amtrak improvements in high-speed rail corridors.
- h) Work with the Southern California Regional Transit Training Consortium on its fiscal year (FY) 2007 legislative efforts to obtain federal funds to streamline bus maintenance training for alternative fuel buses.

**IV. Homeland Security**

OCTA continues to work cooperatively with neighboring transit agencies, Urban Area Security Initiative (UASI) partners, state Homeland Security grant partners, and local jurisdictions to develop regional and countywide strategic plans for terrorism preparedness. Last year, the Department of Homeland Security (DHS) released the first level of federal funding to enhance the security of regional bus and rail systems as part of the FY 2005 Transit Security Grant Program (TSGP). In addition to seeking additional grant funding in FY 2007 to secure the county's highways, rail and transit systems, OCTA will pursue the following regulatory and statutory changes to address homeland security needs:

- a) Support increased federal funding to transit agencies for operational security improvements for highways, transit, and rail security in the United States.
- b) Support a fair distribution of grant funds based on the risk of terrorism as estimated by the DHS, in lieu of formulas based solely on size of population.
- c) Support programs that reach out to state homeland security officials to improve information exchange protocols, refine the Homeland Security Advisory System, and support state and regional data coordination.
- d) Congress passed the Terrorism Risk Insurance Act (TRIA) in 2002 and its extension in 2005, but the legislation is scheduled to expire December 31, 2007. Monitor and support Congressional action to adopt a long-term private/public terrorism risk insurance program.

**V. Goods Movement**

OCTA will continue to support Southern California regional goods movement efforts to ease congestion and facilitate the significant international trade entering the Southern California ports. OCTA will seek funding for the following goods movement projects:

- a) Support additional funding for Alameda Corridor East (ACE) grade separation projects in Orange County along the Orangethorpe corridor.
- b) Support funding for highway improvements along Orange County trade corridors, including the SR-91, Orange Freeway (State Route 57), I-5, and I-405.



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**VI. Energy Issues**

Legislation addressing U.S. policies on energy is likely to play a greater role in the 110<sup>th</sup> Congress. The transportation sector is the largest consumer of petroleum in the United States. Therefore, the focus by Congress to further develop energy efficient policies is likely to have an impact on OCTA operations.

- a) Monitor legislation and federal rulemaking that addresses new or emerging energy policies such as: incentives for alternative fuel technology and use, developer incentives supporting transit programs, as well as research and technology.”
- b) Provide federal legislative reports to the OCTA Board of Directors outlining any energy-related legislation introduced in the next Congress that potentially impacts OCTA operations.
- c) Work with industry associations to comment on Congressional actions and/or federal policies that impact the public transportation sector.

**VII. Environmental Policy and Regulatory Requirements**

Federal environmental laws and regulations affecting OCTA include the National Environmental Protection Act (NEPA), the Federal Clean Air Act, Federal Water Pollution Control Act, and the Endangered Species Act. OCTA’s historical positions with regard to these acts and related regulations include:

- a) Seek opportunities to streamline the environmental process for federally funded projects.
- b) Support implementation of a NEPA pilot project, authorized by SAFETEA-LU, to apply to OCTA federally-funded projects.
- c) Support legislation and federal grant programs that encourage ridesharing and related congestion relief programs for Orange County commuters.

In addition, OCTA takes the following positions with regard to U.S. Departments providing federal oversight, specifically:

- a) Support efforts to work with the Administration to equitably resolve the FHWA interpretation of the Americans with Disabilities Act (ADA) compliance guidelines that retroactively requires the implementation of costly curb-ramp upgrades within the boundaries of federally-funded projects. According to state officials implementing these regulations on behalf of FHWA, the requirements apply even if curb ramps are already in place but considered to be out of date according to the most recent ADA guidelines or when the project would not require ground disturbance (i.e. signal synchronization projects funded with Congestion Mitigation and Air Quality funds).
- b) Oppose any regulations or administrative guidance seeking to extend through administrative actions the statutory requirements of ADA.
- c) Support expedited federal review and payments to local agencies and their contractors for project development, right-of-way acquisition, and construction activities.

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- d) Support streamlined federal reporting and monitoring requirements to ensure efficiency and usefulness of data and to eliminate redundant state and federal requirements.

**VIII. Employment Issues**

Federal employment laws affecting OCTA include the Fair Labor Standards Act, Family and Medical Leave Act, Occupational Safety and Health Act and the Omnibus Transportation Employee Testing Act of 1991. While there is not anticipated to be significant changes to these federal laws next year, OCTA historical positions have included:

- a) Support income tax reductions for employees receiving employer-provided transit passes, vanpool benefits, or parking spaces currently counted as income.
- b) Oppose legislation and regulations adversely affecting the agency's ability to effectively and efficiently address labor relations, employee rights, benefits, and working conditions including health, safety, and ergonomics standards in the workplace.





## BOARD COMMITTEE TRANSMITTAL

**November 13, 2006**

**To:** Members of the Board of Directors  
**From:** Wendy Knowles, Clerk of the Board  
**Subject:** Orange County Transportation Authority 2007 State Legislative Platform

Legislative and Government Affairs/Public  
Communications Committee

November 2, 2006

**Present:** Directors Silva, Campbell, Cavecche, Ritschel, Correa, Rosen, Buffa  
**Absent:** Director Wilson

***Committee Vote***

This item was passed by all Committee Members present.

Director Correa voted to oppose Section V b) of the platform.

***Committee Recommendations***

- A. Adopt the Orange County Transportation Authority 2007 State Legislative Platform.
- B. Direct staff to modify the platform as needed following the November 7, 2006, election.
- C. Direct staff to distribute the adopted platforms to legislators, advisory committees, local governments, affected agencies, the business community, and other interested parties.
- D. Amend Section VII e) to read: "Monitor legislation affecting drivers' license privileges and standards related to age."

**Note:** The corrected Orange County Transportation Authority 2007 State Legislative Platform is included.



# **Orange County Transportation Authority 2007 State Legislative Platform**

## **Key Transportation Policy Issues in 2007**

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.

### **Infrastructure Bonds**

In 2006, the Governor and the Legislature agreed upon a \$39 billion infrastructure bond package to be placed on the November 2006 ballot. Propositions 1B-1E together constitute the single largest investment in state infrastructure in decades. Specifically, Proposition 1B allocates over \$19 billion for transportation purposes and will be the subject of implementing legislation in the 2007 legislative session should it pass in November. 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.

In 2007, OCTA will:

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

### **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, appearing on the November 2006 ballot, would close 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 would also only be permitted twice in a 10-year period and each loan

would have to be fully repaid before subsequent loans could 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.
- b) Cooperate with the Riverside County Transportation Commission on the possible extension of the existing 91 Express Lanes into Riverside County.

### **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.

## **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. Most significantly, 50 to 70 percent of the freight coming through POLA/LB is destined for other parts of the country.



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.

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, appearing on the November 2006 ballot.

In 2007, 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.

## **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 billion in the last six 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.
- c) 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) Oppose cost shifts or changes in responsibility for projects funded by the state to the local transportation entities.

- e) Oppose allocation of OCTA's statutory portions of the state highway and transit funding programs for alternative purposes.
- f) 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) Seek additional funding for paratransit operations, including service for persons with disabilities and senior citizens.
- h) 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.
- l) Support increased flexibility in state guidelines related to the use of state highway funds for soundwalls.

### **III. STIP REFORM**

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 funded from the State Highway Account (SHA).

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) 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.
- c) Support legislation to clarify that programming of county shares has priority over advancement of future county shares.
- e) 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.
- f) Support a formula based guaranteed disbursement of the ITIP.
- g) 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.

- h) 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.
- i) 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 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, 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.

## **VI. RAIL PROGRAMS**

Metrolink is Southern California's commuter rail system that links residential communities to employment and activity centers. In 2006, Metrolink celebrated its 12<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.
- b) Support legislation that encourages mixed-use development around rail corridors.
- c) Support equitable distribution of bond revenue for feeder rail service.
- d) 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.
- c) Oppose legislation that restricts road construction by superseding existing broad-based environmental review and mitigation processes.
- d) Support creative use of paths, roads, and abandoned rail lines using existing established rights of way to promote bike trails and pedestrian paths.
- e) Support incentives for development, testing, and purchase of clean fuel commercial vehicles.
- f) Support an income tax credit to employers for subsidizing employee transit passes.
- g) Support efforts to seek funding for retrofitting or re-powering heavy duty trucks and buses for cleaner engines to attain air quality standards.
- h) 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) 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)

## **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, 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 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, 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.



**November 2, 2006**

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

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

**Subject:** Orange County Transportation Authority 2007 State Legislative Platform

**Overview**

Staff has revised, based upon input, the draft 2007 State Legislative Platform. The platform is submitted for consideration and adoption.

**Recommendations**

- A. Adopt the Orange County Transportation Authority 2007 State Legislative Platform.
- B. Direct staff to modify the platform as needed following the November 7, 2006, election.
- C. Direct staff to distribute the adopted platforms to legislators, advisory committees, local governments, affected agencies, the business community, and other interested parties.

**Discussion**

The Orange County Transportation Authority (OCTA) Draft 2007 State Legislative Platform was reviewed by the Board of Directors and approved for further circulation at the September 25, 2006, meeting. The draft platform was again circulated to over 300 groups and individuals to comment on the proposed changes. Staff has made additional revisions based upon input received in this process. The resulting document is included as Attachment A. Proposed changes from the 2006 State Legislative Platform are designated by underlined and strikeout text.

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## 2007 State Legislative Platform Modifications and Highlights

Major changes that have been included since the document was approved for circulation include:

### Board Actions

At the September 25, 2006, meeting of the OCTA Board of Directors, the following items were included in the action to approve the document for circulation.

- Added Item (d) in the Goods Movement Key Issues section to read, "Seek mitigation for the impacts of goods movement on local communities."
- Removed Section V (a) regarding eminent domain
- Modified Section V (k) to read, "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."
- Added Section VII (d) to read, "Support legislation that would provide for consistency of campaign contribution limits applied to both elected and appointed bodies." (relates to the 1982 Levine Act)
- Modified Section VIII (a) to read, "Oppose efforts to grant special interest groups or new bureaucracies control or influence over the CEQA process."

### Staff Modifications

Staff has continued to research issues that may require further legislative or regulatory remedy and the following issues are proposed to be added to the 2007 State Legislative Platform.

- Add Section I (l) to read, "Seek legislation to keep Orange County's share of Service Authority for Abandoned Vehicles (SAAV) funding in Orange County."
- Add Section II (l) to read, "Support increased flexibility in state guidelines related to the use of state highway funds for soundwalls."
- Add Section IV (h) to read, "Support legislation to reauthorize the yield-to-bus sign program in order to help buses flow smoothly back into traffic after a stop."
- Add Section VII (e) to read, "Monitor legislation affecting drivers' license privileges and standards."

The item related to SAAV funding is derived from an issue of a narrowly defined statute that describes how SAAV funds can be used to reimburse local

jurisdictions for their costs in removing abandoned vehicles. This narrow definition could result in Orange County having to return unused funds to the state, though a legal opinion is still being sought on the matter. In either case, OCTA will seek to retain SAAV funding collected in Orange County for use in Orange County.

The issue related to soundwall funding has arisen due to cost-effectiveness measures established by the California Department of Transportation (Caltrans) that may disqualify the use of state highway funding for this purpose. If the guidelines were based on "net" rather than "gross" costs, the costs of soundwalls could be effectively "bought down" by local dollars increasing the ability to fund the remainder of the project with state highway funds.

The "yield-to-bus" program was established as a pilot program in the counties of Santa Cruz, Orange, Alameda-Contra Costa, and Santa Clara in 2001 to require vehicles to yield to buses re-entering the roadway or merging into lanes after stopping at a designated bus stop. This program sunset in 2003 and may be reintroduced by Santa Cruz and Santa Clara counties in 2007. One of the key instances where passenger injuries occur on buses can be associated with the hard starts and stops associated with re-entering traffic. This bill is designed to increase the safety of passengers on buses and the traffic moving around the bus.

The monitoring of drivers' license privileges and standards results from a request from Director Norby and also by recent actions by the Department of Motor Vehicles to consider changing the standards for older drivers. This could affect the nature of OCTA ridership and should be monitored.

#### **Community/Public Modifications**

Input from members of the public has also been received, including overall support from the City of Fullerton and the County of Orange. The item below is a modification requested by the City of Costa Mesa to more actively support the use of intelligent transportation management systems. It also addresses an inquiry from the City of Westminster regarding traffic signal synchronization on state highways, such as Beach Boulevard.

- Modified Section V (i) to read, "Seek cooperation from the state, the county, cities, and other local jurisdictions to implement street signal coordination, prioritization, preemption, and use of intelligent transportation system measures."

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**November 7, 2006 Election**

The results of the election on November 7, 2006, may impact certain sections of the report, requiring a few revisions. Specifically, the outcomes of Propositions 1A and 1B impact some of the policy areas discussed in the report.

Proposition 1A, known as the "Proposition 42 fix," allows for a suspension of Proposition 42 funds, in whole or in part, under certain circumstances, but prohibits a suspension from occurring more than twice during a ten year period. It also requires repayment with interest within three years and a second loan cannot be taken until prior loans are repaid. If this measure fails, the following changes would need to be made to the legislative platform:

- Remove paragraph two from "Proposition 42" in the Key Issues section on page one.
- Reinsert Section I (j) supporting constitutional protection for borrowed transportation funds.

Proposition 1B authorizes \$19.925 billion in general obligation bonds for transportation corridor improvements, trade infrastructure and port security projects, school bus retrofit, transportation improvements, transit and rail improvements, state-local transportation projects, transit security, local bridge retrofit, highway-railroad grade and crossing projects, highway rehabilitation, and local street and road improvements. If this measure were to fail, the following changes would need to be made to the legislative platform:

- Remove entire "Infrastructure Bond" section from the Key Issues noted on page one.
- Remove paragraph four from "Goods Movement" in the Key Issues section on page four.

**Summary**


The Board of Directors is respectfully requested to approve the adoption and distribution of the Orange County Transportation Authority 2007 State Legislative Platform.

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**Attachment**

- A. Draft Orange County Transportation Authority 2007 State Legislative Platform

**Prepared by:**



Wendy Villa  
Principal Government Relations  
Representative  
(714) 560-5595

**Approved by:**



P. Sue Zuhlke  
Manager, Safety and State Relations  
(714) 560-5574



**DRAFT**  
**Orange County Transportation Authority**  
**2007 State Legislative Platform**

**Key Transportation Policy Issues in 2007**

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.

**Infrastructure Bonds**

In 2006, the Governor and the Legislature agreed upon a \$39 billion infrastructure bond package to be placed on the November 2006 ballot. Propositions 1B-1E together constitute the single largest investment in state infrastructure in decades. Specifically, Proposition 1B allocates over \$19 billion for transportation purposes and will be the subject of implementing legislation in the 2007 legislative session should it pass in November. 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.

In 2007, OCTA will:

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

**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, appearing on the November 2006 ballot, would close 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 would also only be permitted twice in a 10-year period and each loan would have to be fully repaid before subsequent loans could be taken. Lastly, Proposition 1A specifies a repayment schedule for prior Proposition 42 suspensions.

In 2007, OCTA will continue to:

- a) Support legislative efforts to ~~amend Proposition 42~~ 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 ~~change the allocation of~~ 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.
- b) Cooperate with the Riverside County Transportation Commission on the possible extension of the existing 91 Express Lanes into Riverside County.

### **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.

## **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. Most significantly, 50 to 70 percent of the freight coming through POLA/LB is destined for other parts of the country.

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.

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, appearing on the November 2006 ballot.

In 2007, 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.

## **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 billion in the last six 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.
- c) 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) Oppose cost shifts or changes in responsibility for projects funded by the state to the local transportation entities.
- e) Oppose allocation of OCTA's statutory portions of the state highway and transit funding programs for alternative purposes.
- f) ~~Oppose efforts to utilize any future statewide transportation funds to cover Bay Bridge cost overruns.~~
- g) ~~Support the allocation of OCTA's STIP reserve.~~
- h) 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.
- i) Seek additional funding for paratransit operations, including service for persons with disabilities and senior citizens.
- j) ~~Support a Constitutional amendment to require the state to pay back with interest any funds loaned to it from the transportation accounts.~~
- k) Support the Constitutional protection of all transportation funding resources.
- l) 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.
- l) Support increased flexibility in state guidelines related to the use of state highway funds for soundwalls.

### III. STIP REFORM

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 funded from the State Highway Account (SHA).

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) ~~Sponsor legislation to provide a stable base of funding used to calculate the amount of STIP funding that regional transportation planning agencies and county transportation commissions can use for planning, programming, and monitoring purposes.~~

- c) 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.
- d) Support legislation to clarify that programming of county shares has priority over advancement of future county shares.
- e) 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.
- f) Support a formula based guaranteed disbursement of the ITIP.
- g) ~~Support establishing a consistent four-year time period for all phases of the STIP funding cycle including programming, implementing, and auditing of local share funding.~~
- h) 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.
- i) 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.
- j) ~~Support requiring TCRP projects that are advanced with non-TCRP funds be reimbursed from the TCRF before advancing other TCRP projects.~~
- k) 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 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 studying the policies, funding options, and need for rail/highway grade separations including any impact on existing state highway and transit funding sources.~~ (MOVED TO ROADS AND HIGHWAYS SECTION)
- e) Support the siting of transit oriented development projects (i.e. authorize extra credit towards housing element requirements for these developments).
- f) Support additional funding for paratransit operations, including service for persons with disabilities and senior citizens.
- g) ~~Support legislation to update the California Vehicle Code with respect to technological advances in bus destination signs that provide effective communication to OCTA's customers, but prevent distraction to other motorists.~~
- h) 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, OCTA will focus on the following:

- a) ~~Oppose changes to eminent domain laws that would otherwise inhibit construction of public transportation projects.~~
- b) Oppose efforts to create a conservancy that would affect the delivery of transportation projects under study or being implemented in the region.
- c) 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.
- d) Support improvements in major trade gateways in California to facilitate the movement of intrastate, interstate, and international trade beneficial to the state's economy.
- e) Support streamlining of the Caltrans review process for projects, simplification of processes, and reduction of red tape, without compromising environmental safeguards.



- f) Explore viability of statutory authorization to manage construction projects on state highways similar to the authority vested in the Santa Clara Valley Transportation Authority.
- g) Support customer privacy rights while maintaining OCTA's ability to effectively communicate with customers and operate the 91 Express Lanes.
- h) Work with Caltrans to ensure design specifications for bridges are free from defect.
- i) Seek cooperation from ~~Explore options with~~ the state, the county, cities, and other local jurisdictions to implement ~~ensure greater cooperation in the control of~~ street signal coordination, prioritization, preemption, and use of intelligent transportation management systems measures.
- j) 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.
- k) ~~Explore opportunities with Caltrans to~~ 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.
- l) Support studying the policies, funding options, and need for rail/highway grade separations including any impact on existing state highway and transit funding sources. (MOVED FROM TRANSIT SECTION)

## VI. RAIL PROGRAMS

Metrolink is Southern California's commuter rail system that links residential communities to employment and activity centers. In 2006, Metrolink celebrated its 12<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.
- b) Support legislation that encourages mixed-use development around rail corridors.
- c) Support equitable distribution of bond revenue for feeder rail service.
- d) 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.

## **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.

- c) Oppose legislation that restricts road construction by superseding existing broad-based environmental review and mitigation processes.
- d) Support creative use of paths, roads, and abandoned rail lines using existing established rights of way to promote bike trails and pedestrian paths.
- e) Support incentives for development, testing, and purchase of clean fuel commercial vehicles.
- f) Support an income tax credit to employers for subsidizing employee transit passes.
- g) Support efforts to seek funding for retrofitting or re-powering heavy duty trucks and buses for cleaner engines to attain air quality standards.
- h) 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) 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)

## **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, 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 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, 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



**November 7, 2006**

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

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

**Subject:** Amendment to Cooperative Agreement with the City of Buena Park for Construction of Intermodal Facility

This item will be considered by the Transit Planning and Operations Committee on November 9, 2006. Following Committee consideration of this matter, staff will provide you with a summary of the discussion and action taken by the Committee.

Please call me if you have any comments or questions concerning this correspondence. I can be reached at (714) 560-5676.





**November 9, 2006**

**To:** Transit Planning and Operations Committee

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

**Subject:** Amendment to Cooperative Agreement with the City of Buena Park for Construction of Intermodal Facility

**Overview**

On January 31, 2001, the Board of Directors approved a cooperative agreement with the City of Buena Park, subsequently amended to \$9,526,990, to establish the roles, responsibilities, funding, and process for the construction of the Buena Park Intermodal Facility. An amendment is requested to increase the funding for construction of the facility by \$1,146,000, bringing total funding for the project to \$10,672,990.

**Recommendations**

- A. Authorize the Chief Executive Officer to execute Amendment No. 3 to Cooperative Agreement C-0-1150 between the Orange County Transportation Authority and the City of Buena Park, in an amount not to exceed \$1,146,000, to provide additional funding for incorporating bus passenger facilities and adding homeland security improvements to current construction.
- B. Authorize the use of \$630,000 in Commuter and Urban Rail Endowment funds for the incorporation of the bus passenger facilities into the station.
- C. Authorize the use of \$516,000 in Department of Homeland Security and Federal Transit Administration funds for the incorporation of a video surveillance system in the station.
- D. Amend the Fiscal Year 2006-07 Orange County Transportation Authority budget for \$1,146,000, which includes \$630,000 in Commuter and Urban Rail Endowment Funds and \$516,000 in Department



of Homeland Security and Federal Transit Administration funds for the Buena Park Intermodal Facility.

- E. Authorize staff to make any necessary amendments to federal Transportation Improvement Program to facilitate the above actions.

***Background***

The Buena Park Intermodal Facility (BPIF) encompasses a 3.5-acre site located at Lakeknoll Drive and Dale Avenue in the City of Buena Park (City). Station facilities to be constructed include platforms, a pedestrian overpass, elevator and stairs, waiting area canopies and benches, ticket vending machines, passenger drop-off area, surface parking for approximately 300 vehicles, restrooms, equipment rooms, landscaping, and an irrigation system.

The original cooperative agreement, approved on January 31, 2001, was in the amount of \$1,942,990. On December 31, 2004, Amendment No. 1 extended the time period to December 31, 2006, and increased the Orange County Transportation Authority (OCTA) funding to \$6,026,990. Amendment No. 2, approved on September 12, 2005, increased OCTA funding to \$9,526,990 and the time period to December 31, 2007.

***Discussion***

Amendment No. 3 proposes to increase the total funding for the BPIF project to provide facilities for bus passenger transfer and add security cameras. Timely issuance of contract changes now will allow for completion of the station currently scheduled for spring 2007.

Current construction provides 300 automobile parking spaces. This parking capacity met the minimum Metrolink standard at the time; however, given the constrained 3.5-acre site, accommodating 300 spaces did not provide sufficient space for bus transfer and bus layover operations for three OCTA bus routes scheduled to transfer passengers at the new station.

Recently, an adjoining half-acre site was made available by the City, thus enabling redesign of the site to provide both 300-space parking capacity and adequate bus transfer and bus layover operations to support OCTA's Metrolink service expansion plan.

The probable costs for incorporating bus transfer and layover operations are:

Estimated Cost of Bus Layover-Related Change Order	\$ 490,000
Consultant Fee for Design and Construction Phase Support Services	\$ 110,000
5 Percent Contingency	\$ 30,000
<b>TOTAL</b>	<b>\$ 630,000</b>

Staff proposes to fund the cost of the bus layover change order with \$630,000 in Commuter and Urban Rail Endowment (CURE) funds.

Amendment No. 3 also proposes to incorporate homeland security improvements to the station. The BPIF is considered a high-priority station and qualifies for Department of Homeland Security (DHS) funding. Video images would be monitored via links to police headquarters located at Buena Park city hall, supplemented by a software system and an emergency phone system located at the station. The probable costs for these improvements are as follows:

Estimated Cost of Change Order to Station Construction	\$ 75,000
Estimated Cost of Change Order to City's Video Surveillance System Contract	\$ 350,000
Professional Consultant Fees (Plans and Specifications for Change Orders, Construction Phase Support Services)	\$ 66,000
5 Percent Contingency	\$ 25,000
<b>TOTAL</b>	<b>\$ 516,000</b>

Staff proposes to fund the cost of the video surveillance system change order with \$516,000 in DHS and Federal Transit Administration (FTA) funds.

The proposed amendment will allow changes in current station construction without significant delay and cost impacts. The \$1,146,000 proposed in Amendment No. 3 will increase OCTA's funding commitment from \$9,526,990 to \$10,672,990.

#### **Fiscal Impact**

The additional work described in Amendment No. 3 was not included in the fiscal year 2006-07 budget, which will require a budget amendment

of \$1,146,000. It is proposed that the expense for this amendment be recorded within Account 0010-7831-T3301-3SA.

The revenue sources include a transfer of \$630,000 in CURE funds to the Local Transportation Authority Fund and \$516,000 through a combination of DHS and FTA funds.

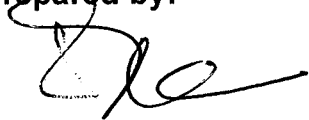
***Summary***

Staff recommends approval of Amendment No. 3, in an amount not to exceed \$1,146,000, to Cooperative Agreement C-0-1150 with the City of Buena Park for the construction of the intermodal facility.

***Attachment***

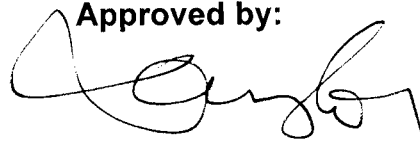
- A. Cooperative Agreement C-0-1150 Fact Sheet

**Prepared by:**



✓ Anh-Tuan Le, P.E.  
Senior Civil Engineer, Development  
(714) 560-5432

**Approved by:**



Paul C. Taylor, P.E.  
Executive Director, Development  
(714)560-5431

## **ATTACHMENT A**

### **Cooperative Agreement C-0-1150 Fact Sheet**

1. January 31, 2001, Agreement C-0-1150 for \$1,942,990, approved by the Board of Directors.
  - For initiating design of the intermodal commuter rail facility with Federal Transit Administration, Section 5309 Capital Grants funds.
2. December 13, 2004, Amendment No. 1 to Agreement C-0-1150, for a total of \$6,026,990, approved by the Board of Directors.
  - Identified various funding sources for the construction of the intermodal commuter rail facility.
  - Extended the term of the agreement to December 31, 2006.
3. September 12, 2005, Amendment No. 2 to Agreement C-0-1150, for \$3,500,000, approved by the Board of Directors.
  - Covers certified low bid, and costs associated with Burlington Northern Santa Fe Railway and the Southern California Regional Rail Authority.
  - Total committed to the City of Buena Park of Agreement C-0-1150 becomes \$9,526,990.
4. November 13, 2006, Amendment No. 3 to Agreement C-0-1150, for \$1,146,000, pending approval by Board of Directors.
  - Provide additional funding to incorporate bus layover operation on an expanded site.
  - Incorporate homeland security improvements into current construction.

Total committed to City of Buena Park, Agreement C-0-1150 is \$10,672,990.





MEMORANDUM

**November 7, 2006**

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

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

**Subject:** Office Space for Garden Grove Freeway (State Route 22)  
Phase II Team

This item will be considered by the Finance and Administration Committee on November 8, 2006. Following Committee consideration of this matter, staff will provide you with a summary of the discussion and action taken by the Committee.

Please call me if you have any comments or questions concerning this correspondence. I can be reached at (714) 560-5676.





**November 8, 2006**

**To:** Finance and Administration Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Office Space for Garden Grove Freeway (State Route 22)  
Phase II Team

### **Overview**

On August 29, 2006, the Board of Directors approved the advancement of the Garden Grove Freeway (State Route 22) Phase II project. Planning efforts are underway to provide office space for internal and external staff.

### **Recommendation**

Authorize the Chief Executive Officer to execute Amendment No. 11 to Agreement C-9-5172 between the Orange County Transportation Authority and UBS Partners (Colton Real Estate Group) for additional office space at the headquarters building at 600 South Main Street for space requirements associated with Phase II of the Garden Grove Freeway (State Route 22) expansion, at a monthly cost of \$25,117.

### **Background**

A number of internal processes are moving forward to begin the Garden Grove Freeway (State Route 22) Phase II project. A Request for Proposals has been advertised and interviews have been held. The award of a contract is the subject of a separate staff report scheduled for the Orange County Transportation Authority (OCTA) Regional Highways and Planning Committee on November 6, 2006.

As the first design-build widening of an active freeway and the first freeway project managed by the OCTA, the State Route 22 (SR-22) project looks to be a singular success. There are fewer than 30 days until substantial project completion, the project is on-schedule and is trending on budget, and all claims to date have been resolved. A key component of that success has been the "Team 22" approach.



Under that approach, OCTA, the California Department of Transportation, and the various contractors built a solid team by locating all non-construction functions in one place - a single floor of an office building located on Metropolitan Drive.

As Phase I comes to a close, so does the current Team 22 office.

### ***Discussion***

Phase II is a \$300 million constructed-value project to link the new high-occupancy vehicle (HOV) lanes on SR-22 to HOV lanes on the San Diego Freeway (Interstate 405) and the San Gabriel River Freeway (Interstate 605). Preliminary work is anticipated to begin by January 2007, and, depending on whether traditional or design-build methods are used, the project is scheduled to be completed by either 2010 or 2011.

In order to duplicate the successful approach of teaming all non-construction functions in one place, it has become necessary to seek new office space. It is estimated that approximately 10,000 to 12,000 square feet of space is needed.

In March 2006, OCTA hired an appraiser to analyze the OCTA Headquarters lease and potential purchase price as part of a negotiated lease extension. At that time, the appraisal stated that OCTA's monthly rental rate of \$2.14 per square foot compared favorably to rates of between \$1.95 and \$2.65 per square foot for similar space in the area.

As part of the successful negotiations with UBS Partners (Colton Real Estate Group), OCTA secured substantial tenant improvement benefits, a fixed lease rate of \$2.32 per square foot from May 1, 2007 through April 30, 2013, and the right of first refusal for additional office space, at OCTA's effective lease rate.

The opportunity to lease 11,263 square feet of additional space in the OCTA Headquarters has arisen due to the pending relocation of the existing tenant. Considering the very favorable terms in OCTA's lease with UBS Partners (Colton Real Estate Group), and the distinct advantages of locating the Team 22 project office within the headquarters building, it is recommended that OCTA exercise its right to lease this additional space. At the current lease rate of \$2.23 per square foot (\$2.32 in May 2007), this additional office space will cost \$25,117 per month (\$26,131 in May 2007).

**Fiscal Impact**

The additional lease space described in Amendment No. 11 to Agreement C-9-5172 was not included in the fiscal year 2006-07 budget. A budget amendment to the Finance, Administration and Human Resources/General Services, Account 1290-7691 is required, in the amount of \$152,712. These costs will be charged to the SR-22 Phase II project through the OCTA cost allocation plan.

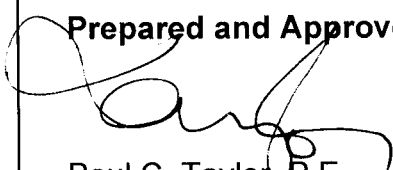
***Summary***

As part of the planning for the SR-22 Phase II project, office space to accommodate Team 22 staff, both internal and external, must be co-located. Staff seeks direction to execute Amendment No. 11 to Agreement C-9-5172 between the Orange County Transportation Authority and UBS Partners (Colton Real Estate Group) for additional office space at the headquarters building.

***Attachment***

- A. Agreement C-9-5172 Fact Sheet, Orange Administration Building Lease

**Prepared and Approved by:**



Paul C. Taylor, P.E.  
Executive Director, Development  
(714) 560-5431



**AGREEMENT C-9-5172 FACT SHEET**

**ORANGE ADMINISTRATION BUILDING LEASE**

1. May 13, 1992, building lease approved for ten years – total base rent pay out for ten years is \$13,727,555.
  - To provide office space for OCTA administrative staff in Orange.
2. October 12, 1992, Amendment No. 1 – add \$239,520 base rent to life of lease.
  - Relocated ground floor portion of the 600 South Main Street building (600 building) from the eastern to western side – adds 1,597 square feet.
3. February 22, 1993, Amendment No. 2 – no additional rent dollars.
  - Tenant improvement allowance reduced from \$37.50 to \$37.10 per usable square feet. Additional \$350,000 in tenant improvement allowance added.
4. March 25, 1993, Amendment No. 3 – no dollars added.
  - Change in wording because plans for 550 South Main Street building not complete. Lease commencement date set for May 1, 1993.
5. March 23, 1994, Amendment No. 4 – add \$2,207,820 base rent to life of lease.
  - Adds floors 2 and 8 to existing lease.
6. May 10, 1999, Amendment No. 5 – add \$11,453,603 base rent to life of lease.
  - Extend term of lease to April 30, 2008, and lease remaining 3,811 square feet of 600 building lobby.
7. November 15, 2001, Amendment No. 6 – add \$79,443 base rent to life of lease.
8. March 18, 2002, Amendment No. 7 – add \$908,796 base rent to life of lease.
  - Add 7,045 square feet on floors 9 and 11.
9. November 15, 2004, Amendment No. 8 – add \$104,981 base rent to life of lease.
  - Add 2,016 square feet of storage space in basement of the 530 South Main Street building.

10. February 24, 2005, Amendment No. 9 – add \$672,752 base rent to life of lease.
  - Add 7,600 square feet on floor 11 of the 600 building – have entire floor.
11. July 12, 2006, Amendment No. 10 – new 10 year lease - value of \$38,202,650.
  - Extend existing lease for 120 months, through April 30, 2018, with option to buy 550/600 South Main Street buildings on or before July 31, 2012.

Monthly rent constant at \$2.32 during first five years and not to exceed \$2.69 through year ten. At landlord's sole cost, landlord shall repaint walls, replace carpet, and replace window tinting/ceiling tiles, as needed. OCTA has right of first refusal for space in the 600 building.

12. Pending Board approval – add 11,263 square feet of office space on floor 12 of the 600 Building – adds \$3,633,023 to new ten year lease (Amendment No. 11).

Total base rent committed to Orange administration office space through April 30, 2008: \$30,067,222.





BOARD COMMITTEE TRANSMITTAL

**November 13, 2006**

**To:** Members of the Board of Directors  
**From:** Wendy Knowles, Clerk of the Board  
**Subject:** Selection of Firm for Right-of-Way Services

Regional Planning and Highways Committee

November 6, 2006

**Present:** Directors Cavecche, Correa, Dixon, Green, Monahan, Norby, Pringle, and Rosen  
**Absent:** Director Ritschel

**Committee Vote**

This item was passed by all Committee Members present.

**Committee Recommendation**

Authorize the Chief Executive Officer to execute Agreement C-6-0653 between the Orange County Transportation Authority and Overland, Pacific & Cutler, Inc., in an amount not to exceed \$600,000, for right-of-way services.







**November 6, 2006**

**To:** Regional Planning and Highways Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Selection of Firm for Right-of-Way Services

### **Overview**

As part of the Orange County Transportation Authority's Fiscal Year 2006-07 Budget, the Board of Directors approved the procurement of on-call right-of-way services. Proposals 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-6-0653 between the Orange County Transportation Authority and Overland, Pacific & Cutler, Inc., in an amount not to exceed \$600,000, for right-of-way services.

### **Background**

For the past five years, the Orange County Transportation Authority (Authority) has worked with the California Department of Transportation (Caltrans) to identify and improve chokepoint areas. Chokepoints are freeway areas with localized and chronic congestion where bottlenecks occur. Remedies include the addition of auxiliary lanes between interchanges, interchange or ramp modifications, re-striping and/or signing, and connection of auxiliary lanes when warranted by traffic volume. The initial list of chokepoint areas and proposed projects were identified by Caltrans after evaluating operational studies in conjunction with regional transportation studies.

Recognizing the benefits of this program, in September 2001, the freeway chokepoint program was made part of the Authority's "Ten Initiatives for the Next Ten Years." On March 11, 2002, the Board of Directors (Board) approved the programming of \$89.3 million in the State Transportation Improvement Program (STIP) to initiate project reports incorporating preliminary engineering,

environmental assessments, and design for the Culver Drive and Oso Parkway projects, among others.

The preparation and completion of the plans, specifications, and estimates (PS&E), engineering, and right-of-way work will be a joint undertaking between Caltrans and the Authority. The Authority will serve as the lead agency for the delivery of the PS&E for this project.

On June 27, 2005, the Board approved the preparation of the PS&E and right-of-way work for the Culver Drive and Oso Parkway chokepoint improvement projects. The PS&E is nearing completion, and right-of-way acquisition will begin in late 2006. The Authority will not be performing acquisition and relocation services for the chokepoint projects because it does not have the legal authority to do so.

In addition to the chokepoint projects, the Authority has a need for on-call right-of-way services such as site identification, property ownership identification and investigation, and other miscellaneous right-of-way services.

The broad range of right-of-way activities include, but are not limited to the following:

- Review and approval of preliminary title reports, appraisal maps (surveys) and legal descriptions.
- Internal review of appraisal reports.
- Quality assurance and quality control to ensure compliance with applicable federal, state, and local laws, policies, ordinances, rules and regulations, and assist with budget control.
- Attend public meetings and hearings, as necessary, to support the projects.

### ***Discussion***

This competitive 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. 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 requirements, and technical expertise in the field.

A Request for Proposals was posted on CAMMNET on September 8, 2006, and was advertised on September 11 and 18, 2006, in a newspaper of general circulation. A pre-proposal meeting was held on September 19, 2006, and was attended by 12 firms. On October 5, 2006, six proposals were received. An evaluation committee consisting of Authority staff from the Contract Administration and Materials Management and Development departments was established to review all proposals submitted. The proposals were evaluated and scored based upon qualifications of the firm, staffing and project organization, work plan, and cost and price. On October 18, 2006, three firms were invited to interview. Interviews were based on a question and answer session related to each firm's proposal. At the completion of the interviews, the evaluation committee reviewed their scores and finalized their recommendation. Based on their findings, the evaluation committee recommends the following firm to the Regional Planning and Highways Committee for consideration of award:

Firm and Location

Overland, Pacific & Cutler, Inc.  
Irvine, California

The evaluation committee, therefore, recommends the selection of Overland, Pacific & Cutler, Inc., to provide right-of-way services.

**Fiscal Impact**

These projects were approved in the Authority's Fiscal Year 2006-07 Budget, Development Division, Account 0010-7514-F1110-A15, funded through the Local Transportation Authority, and accounts 0051-7514-A9205-DUG and 0051-7514-A9210-DU5, funded through the STIP.

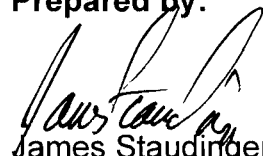
**Summary**

Based on the information provided, staff recommends award of Agreement C-6-0653 to Overland, Pacific & Cutler, Inc., in an amount not to exceed \$600,000, for right-of-way services.

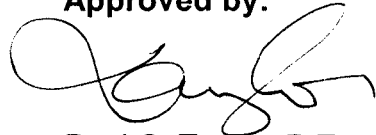
**Attachment**

None.

**Prepared by:**

  
James Staudinger  
Manager, Right-of-Way  
(714) 560-5746

**Approved by:**

  
Paul C. Taylor, P.E.  
Executive Director, Development  
(714) 560-5431





BOARD COMMITTEE TRANSMITTAL

**November 13, 2006**

**To:** Members of the Board of Directors  
**From:** Wendy Knowles, Clerk of the Board  
**Subject:** Santa Ana River Crossings Memorandum of Understanding Recommendation

Regional Planning and Highways Committee

November 6, 2006

**Present:** Directors Cavecche, Correa, Dixon, Green, Monahan, Norby, Pringle, and Rosen  
**Absent:** Director Ritschel

**Committee Vote**

This item was passed by all Committee Members present.

**Committee Recommendations**

- A. Approve the Memorandum of Understanding between the Orange County Transportation Authority and the cities of Costa Mesa, Fountain Valley, and Huntington Beach regarding the proposed Garfield Gisler bridge crossing over the Santa Ana River, contingent on city council approvals.
- B. Authorize the Chief Executive Officer to execute the final Memorandum of Understanding.
- C. Approve amendment of the Master Plan of Arterial Highways to re designate the Garfield-Gisler bridge crossing as a "right-of-way reserve" corridor, subject to approval of General Plan amendments by the cities of Costa Mesa, Fountain Valley, and Huntington Beach.





**November 6, 2006**

**To:** Regional Planning and Highways Committee

**From:** Arthur T. Leahy, <sup>AV</sup> Chief Executive Officer

**Subject:** Santa Ana River Crossings Memorandum of Understanding Recommendation

### **Overview**

The cities of Costa Mesa, Fountain Valley, and Huntington Beach have responded positively to a proposal to pursue an alternative to the construction of the planned Garfield-Gisler bridge over the Santa Ana River. A Memorandum of Understanding regarding agency responsibilities for implementing the consensus alternative recommendation is presented for approval.

### **Recommendations**

- A. Approve the Memorandum of Understanding between the Orange County Transportation Authority and the cities of Costa Mesa, Fountain Valley, and Huntington Beach regarding the proposed Garfield-Gisler bridge crossing over the Santa Ana River, contingent on city council approvals.
- B. Authorize the Chief Executive Officer to execute the final Memorandum of Understanding.
- C. Approve amendment of the Master Plan of Arterial Highways to re-designate the Garfield-Gisler bridge crossing as a "right-of-way reserve" corridor, subject to approval of General Plan amendments by the cities of Costa Mesa, Fountain Valley, and Huntington Beach.

### **Background**

The Garfield-Gisler bridge crossing, over the Santa Ana River, has a long history dating back to 1956 when the County of Orange adopted the Orange County Master Plan of Arterial Highways (MPAH). The Garfield-Gisler bridge is one of four crossings over the Santa Ana River identified in the MPAH to



facilitate east-west traffic flow between the San Diego Freeway (Interstate 405) and Pacific Coast Highway in Orange County. Two of the four bridge crossings, Hamilton Avenue/Victoria Street and Adams Street, have been completed. The remaining two designated bridge crossings, Banning Avenue/19<sup>th</sup> Street and Garfield Avenue/Gisler Avenue, have been the subject of several studies to evaluate their potential deletion from the MPAH in response to city and community concerns with traffic impacts.

### ***Discussion***

On August 7, 2006, the Regional Planning and Highways Committee directed staff to work with affected cities' staffs on a draft Memorandum of Understanding (MOU) (Attachment A) that memorializes the Garfield-Gisler Ad-Hoc Policy Advisory Committee's direction. The draft MOU was presented to the Garfield-Gisler Ad-Hoc Policy Advisory Committee on October 16, 2006. The MOU has been subsequently revised to reflect the consensus reached at the meeting. The policy committee recommended presenting the MOU to the Fountain Valley and Huntington Beach City Councils and the Orange County Transportation Authority (OCTA) Board of Directors (Board) for approval in November. The Costa Mesa City Council unanimously approved the MOU on October 3, 2006, and gave authority to the city manager to execute the final version.

### **Next Steps**

The consensus MOU is scheduled to be considered by the Huntington Beach City Council on November 6, 2006, and the Fountain Valley City Council on November 7, 2006. Following city approvals of the MOU and city General Plan amendments, OCTA will act to amend the MPAH to move the Garfield-Gisler bridge from a planned roadway category to the right-of-reserve category.

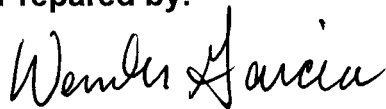
### ***Summary***

The *Circulation Feasibility Study and Cost Estimate for the Garfield-Gisler Crossing of the Santa Ana River* was completed in June 2006. The Garfield-Gisler Ad-Hoc Policy Advisory Committee recommended entering into an agreement to build the "Smart Street and Bridge Widening Alternative A" improvements, preserve the Garfield-Gisler bridge right-of-way on the Orange County MPAH, and refrain from using the bridge for General Plan purposes or traffic analysis. This agreement has been formalized in an MOU, which has been approved unanimously by the Costa Mesa City Council and will be presented for approval to the Huntington Beach and Fountain Valley City Councils on November 6 and 7, 2006, respectively.

***Attachments***

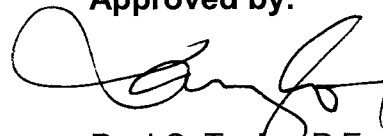
- A. Memorandum of Understanding among Cities of Costa Mesa, Fountain Valley and Huntington Beach and the Orange County Transportation Authority regarding Agency Responsibilities for Implementing the Consensus Recommendation for the Garfield-Gisler Bridge Crossing over the Santa Ana River, October 18, 2006
- B. Smart Street and Bridge Widening Strategy A

**Prepared by:**



Wendy Garcia  
Transportation Analyst  
(714) 560-5738

**Approved by:**



Paul C. Taylor, P.E.  
Executive Director, Development  
(714) 560-5431



**Memorandum of Understanding**  
among  
Cities of Costa Mesa, Fountain Valley and Huntington Beach  
and  
The Orange County Transportation Authority  
regarding  
Agency Responsibilities for Implementing the Consensus Recommendation  
for the  
Garfield-Gisler Bridge Crossing over the Santa Ana River

This Memorandum of Understanding (MOU) is entered into among the Orange County Transportation Authority, hereinafter referred to as the OCTA, and the Cities of Fountain Valley, Costa Mesa and Huntington Beach, hereinafter referred to as Cities.

Consistent with the Garfield-Gisler ad-hoc Policy Advisory Committee's consensus recommendation on June 15, 2006, each of the parties to this MOU agrees to support the designation of the Garfield-Gisler Bridge as a "Right-of-Way Reserve"<sup>1</sup> corridor on the Orange County Master Plan of Arterial Highways (MPAH) and, within their respective General Plans/Long Range Plans, implement the Smart Street and Bridge Widening Strategy A (Strategy A) improvements within their jurisdictions and ensure that buildout of the Garfield-Gisler Bridge is not assumed for land use planning or traffic analysis purposes. This MOU describes the specific duties and responsibilities of each party with respect to supporting these actions.

**This document establishes obligations on all parties, and constitutes an exchange of promises.**

**Recital**

The parties acknowledge that this MOU requires that certain actions be taken with regard to amending the general plans and capital improvement programs of the parties hereto and that the parties hereto cannot predetermine those actions that are the subject of public hearings. Nevertheless, the parties agree that the benefits of this MOU are dependent on such actions and therefore commit to conducting said hearings within 6 months of the effective date of this agreement. If such action is not taken within said time line, the benefits of this agreement shall not be available to the parties unless all parties consent to an extension or other arrangement.

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<sup>1</sup> The Right-of-Way Reserve classification allows local jurisdictions considering deletion of a planned MPAH facility to request OCTA to re-designate the adopted facility as a "Right of Way Reserve" corridor for a specific length of time in order to assess the actual need for it. If OCTA agrees to re-designate the subject facility as a "Right-of-Way Reserve" corridor on the MPAH, then all appropriate City General Plan Circulation Elements shall be revised to reflect such re-designation. During the "reserve" period, the right-of-way shall be preserved however, the planned street shall not be considered as mitigation for development planning purposes. At the end of the designated period, a final decision shall be made regarding reinstatement or deletion of the street on the MPAH.

## **Section 1. MPAH and General Plan/Long Range Plan Designations**

### **1.1 OCTA Responsibilities**

#### **1.1.1 Amend Master Plan of Arterial Highways**

After the cities have amended their General Plans, OCTA shall amend the MPAH to re-designate the Garfield-Gisler Bridge, and the eastbound and westbound approaches thereto, as a "Right-of-Way Reserve" corridor. Consistent with the MPAH's original concept for the Garfield-Gisler Bridge, the right-of-way reservation shall be for a secondary arterial highway in Costa Mesa and a primary arterial in Fountain Valley and Huntington Beach.

#### **1.1.2 Amend Orange County Long Range Transportation Plan**

After the MPAH has been amended and during the next update to the Orange County Long Range Transportation Plan (LRTP), OCTA shall ensure that the Garfield-Gisler Bridge, and the eastbound and westbound approaches thereto, are reflected as a "Right-of-Way Reserve" corridor in the LRTP.

### **1.2 Cities' Responsibilities**

#### **1.2.1 Amend General Plans**

The Cities shall pursue amendment of their General Plan Circulation Elements to reflect that the Garfield- Gisler Bridge and the eastbound and westbound approaches thereto have been designated as a "Right-of-Way Reserve" corridor in the MPAH. Consistent with the MPAH's original concept for the Garfield-Gisler Bridge, the City of Costa Mesa's General Plan shall reserve right-of-way for a secondary arterial highway within the Garfield-Gisler corridor and the Fountain Valley and Huntington Beach General Plans shall reserve right-of-way for a primary arterial highway within the Garfield-Gisler corridor. Cities shall endeavor to complete the General Plan amendment process within 6 months of final adoption of this MOU.

## **Section 2. Reasonable Progress Toward Implementing Strategy A Improvements**

### **2.1 OCTA Responsibilities**

#### **2.1.1 OCTA Responsibilities for Strategy A Improvements**

To ensure reasonable progress toward implementation of Strategy A improvements, OCTA shall:

- a. Make funding for implementation of the Strategy A improvements, as defined in the *Circulation Feasibility Study and Cost Estimate for the Garfield-Gisler Crossing Over the Santa Ana River* (LSA, June 2006), available to the Cities through the Combined Transportation Funding Programs (CTFP). A list of the improvements included in Strategy A is provided as Attachment A hereto.

- b. Utilize the renewed Measure M Signal Synchronization Program and other CTFP programs as funding sources for implementation of the roadway improvements included in Strategy A.

## **2.2 Cities' Responsibilities**

### **2.2.1 Cities' Responsibilities for Strategy A Improvements**

To ensure reasonable progress toward implementation of Strategy A improvements, the Cities shall:

- a. Include Strategy A improvements, as defined in the *Circulation Feasibility Study and Cost Estimate for the Garfield-Gisler Crossing Over the Santa Ana River* (LSA, June 2006), in their Capital Improvement Programs. All projects that emanate from Strategy A shall be considered multi-jurisdictional projects and shall, therefore, be eligible for additional points in OCTA's project prioritization process under the CTFP. A list of the improvements included in Strategy A is provided as Attachment A hereto.
- b. Make applications to OCTA for CTFP funding to implement Strategy A improvements. Such applications shall be supported by local match commitments consistent with the requirements of the CTFP programs from which funds are being requested.
  - 1. Cities agree to make Strategy A projects a priority for available GMA or other interregional funding programs.
- c. Implement Strategy A improvements as expeditiously as possible.
  - 1. Cities agree to initiate Smart Street improvements on Harbor, Brookhurst, Adams and Fairview by the end of calendar year 2010. For purposes of this MOU, Smart Street improvements are defined as synchronization of traffic signals, removal of on-street parking and re-striping within existing right-of-way.
  - 2. Cities agree to make reasonable progress on the Capital Projects by 2015, subject to funding availability. "Reasonable progress" shall be defined as inclusion of noted projects in Capital Improvement Programs (CIPs), preparation of preliminary plans, environmental studies, etc. For the purposes of this MOU, Capital Projects are defined as construction of bus turnouts, consolidation of driveways, construction of turn-pockets, street widening or bridge widening.
  - 3. Cities agree that all Strategy A improvements shall be completed by 2020. If the Cities of Costa Mesa and Huntington Beach do not complete their portions of Strategy A improvements by end of calendar year 2020, then the Garfield-Gisler Bridge will automatically be re-instated on the MPAH as a planned facility. If the City of Fountain Valley has not completed the Strategy A improvements in their city, the Garfield-Gisler Bridge will remain designated "Right of Way Reserve" corridor until all improvements are completed.

### **Section 3. Land Use and Transportation Planning and Traffic Analysis**

#### **3.1 OCTA Responsibilities**

##### **3.1.1 OCTA Responsibilities with Respect to Transportation Planning and Traffic Analysis**

- a. OCTA shall ensure that buildout of the Garfield-Gisler Bridge, and the eastbound and westbound approaches thereto, is not assumed in any of its transportation planning or traffic modeling activities.
- b. OCTA shall ensure that implementation of the Strategy A program of projects is assumed in its transportation planning, modeling, and analysis activities.

#### **3.2 Cities' Responsibilities**

##### **3.2.1 Land Use Planning**

The Cities shall ensure that buildout of the Garfield-Gisler Bridge, and the eastbound and westbound approaches thereto, is not assumed in any of its land use planning activities.

##### **3.2.2 Transportation Planning and Traffic Analysis**

The Cities shall ensure that buildout of the Garfield-Gisler Bridge, and the eastbound and westbound approaches thereto, is not assumed in any of its transportation planning, traffic modeling, or traffic analysis activities.

### **Section 4. Compliance Monitoring and Reporting**

#### **4.1 OCTA Responsibilities**

##### **4.1.1 OCTA Responsibilities for Monitoring & Reporting City Compliance**

- a. OCTA shall monitor the Cities' compliance with the provisions of this MOU every two years through the MPAH Certification Review Process to ensure that the Cities are complying fully with the provisions of this agreement and making reasonable progress toward implementation of the Strategy A improvements. Progress reports shall be presented to the OCTA Board of Directors and the Cities every two years, at the conclusion of the review process.
- b. Upon completion of all the Strategy A improvements, and consistent with OCTA guidance for MPAH Right-of-Way Reserve corridors, OCTA in coordination with the cities shall re-evaluate traffic levels of service in the project study area to determine whether to delete, continue the reserve, or re-instate the Garfield-Gisler Bridge onto the MPAH as a planned facility.

## **4.2 Cities' Responsibilities**

### **4.2.1 Cities Responsibilities for Reporting Compliance**

The Cities shall provide progress reports to OCTA every two years through the MPAH Certification Review Process as a means of communicating that the provisions included herein are being implemented fully and expeditiously and that reasonable progress is being made toward implementation of the Strategy A improvements.

## **Section 5. Amendment**

### **5.1 Amendment**

This MOU may be amended by the written consent of all four parties which are signatories hereto.

\_\_\_\_\_  
**THE ORANGE COUNTY TRANSPORTATION AUTHORITY**

\_\_\_\_\_  
**(Date)**

\_\_\_\_\_  
**MAYOR, CITY OF COSTA MESA**

\_\_\_\_\_  
**(Date)**

\_\_\_\_\_  
**MAYOR, CITY OF FOUNTAIN VALLEY**

\_\_\_\_\_  
**(Date)**

\_\_\_\_\_  
**MAYOR, CITY OF HUNTINGTON BEACH**

\_\_\_\_\_  
**(Date)**





## Project List and Implementing Agencies for Smart Street and Bridge Widening Strategy A Improvements

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### ***Introduction***

Through its General Plan Circulation Element, each of the cities within the Garfield/Gisler Bridge Crossing Study Area has established traffic level of service (LOS) D or better as representative of acceptable operating conditions on roadways within its jurisdiction. The Garfield/Gisler Study Area currently experiences significant traffic delay at several locations. In addition, the OCTAM model predicts that several intersections in the project study area will operate below LOS D in the Year 2030 if no improvements are made. To help the cities achieve and/or maintain LOS D operations, where feasible, throughout the project study area, Smart Street and Bridge Widening Strategy A includes a list of improvements to offset the traffic impacts associated with projected growth in traffic volumes. That program of projects is presented below.

One of the key concepts included in the “Consensus MOU<sup>1</sup>” is that each of the cities within the Garfield/Gisler Bridge Crossing Study Area will make “reasonable progress” toward implementing the improvements included in Smart Street and Bridge Widening Strategy A. The intent of this concept is that the cities will, individually and collectively, make reasonable efforts to implement the proposed improvement(s) before traffic levels of service fall below the cities’ LOS D standard at any of the locations included in the Smart Street and Bridge Widening Strategy A program of projects.

It should be noted that although the Smart Street and Bridge Widening Strategy A program of projects is specific, it is not meant to be prescriptive. If a city is able to identify an alternative traffic flow improvement which meets the overall objective of achieving and/or maintaining LOS D at any location within the study area, then that improvement shall be considered an acceptable alternative and shall be implemented as a substitute solution to the original recommendation.

### ***City of Costa Mesa***

- CM-1      Implement and maintain synchronized traffic signals along Harbor Boulevard between I-405 and Adams Ave.
  
- CM-2      Implement and maintain synchronized traffic signals along Fairview Road between I-405 and Adams Avenue.
  
- CM-3      Implement and maintain synchronized traffic signals along Adams Avenue between the Santa Ana River and Fairview Road; coordinate cross-jurisdictional traffic synchronization with the City of Huntington Beach.
  
- CM-4      Install a bus turnout at the existing bus stop at northbound Harbor Boulevard at Adams Avenue.
  
- CM-5      Install a bus turnout at the existing bus stop at northbound Harbor Boulevard at MacArthur Boulevard.

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<sup>1</sup> i.e., the “Memorandum of Understanding among Cities of Costa Mesa, Fountain Valley and Huntington Beach and the Orange County Transportation Authority Regarding Agency Responsibilities for Implementing the Consensus Recommendation for the Garfield/Gisler Bridge Crossing Over the Santa Ana River”, October 27, 2006.

**Project List and Implementing Agencies  
for  
Smart Street and Bridge Widening Strategy A Improvements**

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- CM-6 Consolidate driveways on the northbound side of Harbor Boulevard at Adams Avenue.
- CM-7 Modify the existing traffic signal at W. Mesa Verde Drive/Adams Avenue to provide a northbound right-turn overlap with the westbound left-turn phase.
- CM-8 Maintain the existing northbound and southbound split phase at Hyland Avenue/ MacArthur Boulevard. Re-stripe the northbound approach to provide dual left-turn lanes, one shared left-through lane, and one right-turn lane.
- CM-9 Add a fourth through lane in the northbound approach Harbor Boulevard/Gisler Avenue.<sup>2</sup>
- CM-10 Add a third northbound left-turn lane at Harbor Boulevard/Adams Avenue, creating triple 200-foot northbound turn lanes with a 120-foot bay taper. Add a southbound right-turn lane for 150 feet with a 90-foot bay taper. Convert the fourth southbound through lane into a shared through-right lane. Add a third eastbound left-turn lane, creating triple 350-foot eastbound left-turn lanes with a 120-foot bay taper.
- CM-11 Modify the existing traffic signal at Fairview Road/Baker Avenue to provide a northbound right-turn overlap with the westbound left-turn phase.

***City of Fountain Valley***

- FV-1 Implement and maintain synchronized traffic signals along Brookhurst Street between Ellis Avenue and Garfield Avenue; coordinate cross-jurisdictional traffic synchronization with the City of Huntington Beach.
- FV-2 Under the lead of the County of Orange or the Orange County Transportation Authority and in coordination with the cities of Costa Mesa and Santa Ana, widen the Talbert Avenue/MacArthur Boulevard Bridge over the Santa Ana River from four to six lanes.
- FV-3 Remove on-street parking on northbound Brookhurst Street between Ellis Avenue and Garfield Avenue.
- FV-4 Modify the existing traffic signal at Ward Street/Talbert Avenue to provide a northbound right-turn overlap with the westbound left-turn phase.
- FV-5 Under the lead of Caltrans or the Orange County Transportation Authority, reconstruct the westbound right-turn lane at I-405 Southbound Ramp/Ellis Avenue as a channelized free right-turn lane onto the I-405 southbound on-ramp. Eliminate the eastbound left-turn movements by constructing a dedicated eastbound through lane that becomes a slip on-ramp to southbound I-405.<sup>3</sup>

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<sup>2</sup> Improvements to this intersection are already planned and funded.

<sup>3</sup> These improvements will be most effective with associated ramp and mainline improvements as part of a separate effort to improve traffic flow along I-405.

**Project List and Implementing Agencies  
for  
Smart Street and Bridge Widening Strategy A Improvements**

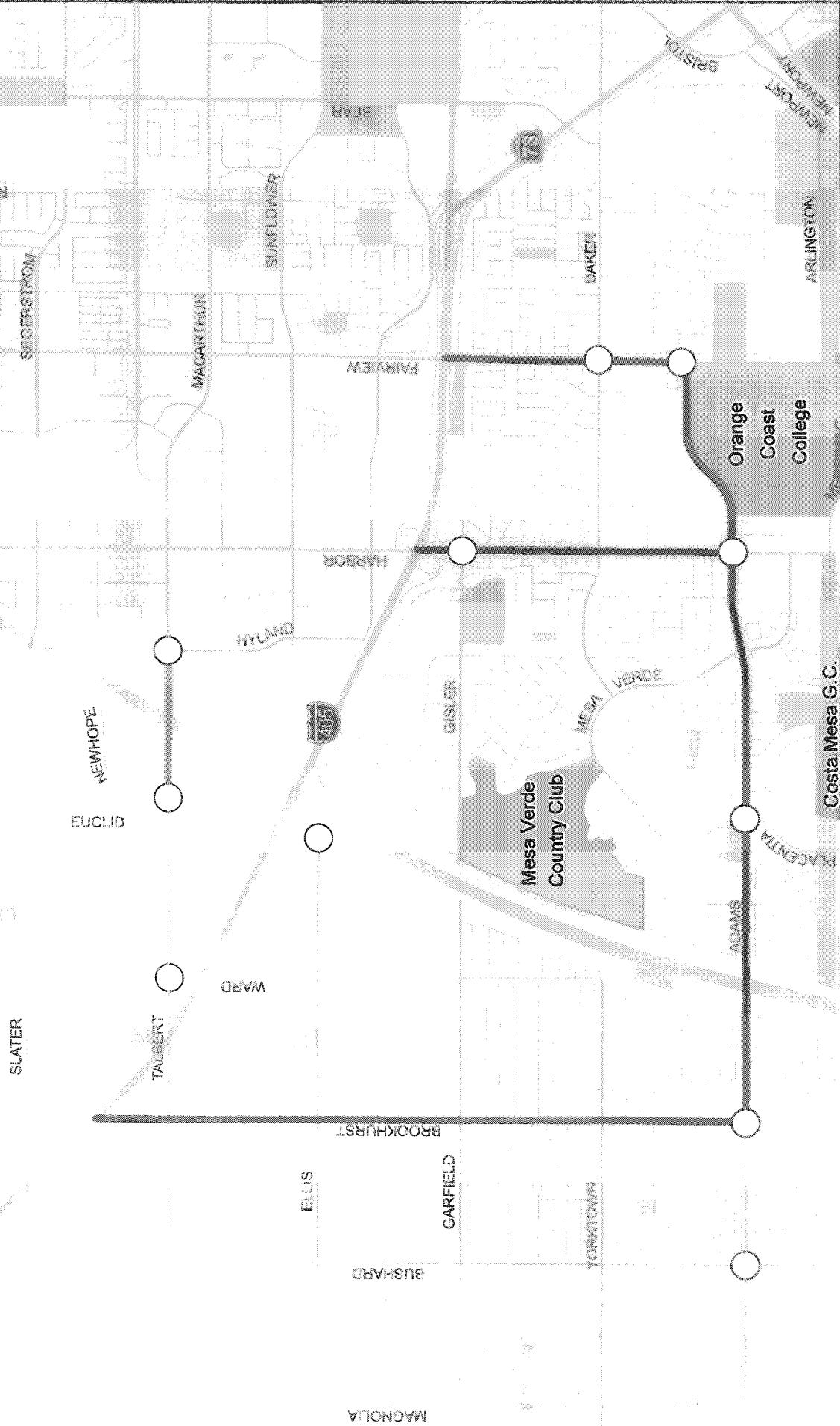
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- FV-6      Reconstruct the northbound right-turn lane on Newhope Street as a channelized free right-turn lane from to eastbound Talbert Avenue (or a City-defined alternative which would achieve LOS D or better in the year 2030).

***City of Huntington Beach***

- HB-1      Implement and maintain synchronized traffic signals along Brookhurst Street between Garfield Avenue and Adams Avenue; coordinate cross-jurisdictional traffic synchronization with the City of Fountain Valley.
- HB-2      Implement and maintain synchronized traffic signals along Adams Avenue between Brookhurst Street and the Santa Ana River; coordinate cross-jurisdictional traffic synchronization with the City of Costa Mesa.
- HB-3      Remove on-street parking on northbound Brookhurst Street between Garfield Avenue and Adams Avenue.
- HB-4      Install a bus turnout at the existing bus stop at northbound Brookhurst Street at Adams Avenue.
- HB-5      Install a bus turnout at the existing bus stop at southbound Brookhurst Street at Adams Avenue.
- HB-6      Consolidate driveways on the northbound and southbound sides of Brookhurst Street at Adams Avenue.
- HB-7      Add a fourth through lane in the north, south, east, and westbound approaches at Brookhurst Street/Adams Avenue. Add dedicated right-turn lanes in the north and southbound approaches.
- HB-8      Add a second southbound left-turn lane at Bushard Street/Adams Avenue, creating dual 200-foot southbound left-turn lanes with a 120-bay taper.

# Smart Street and Bridge Widening Strategy A



\* Traffic Implications - With implementation of Smart Street and Bridge Widening Alternative A, 24 of 36 intersections in the project study area would function at LOS D or better in the year 2030. The project study area would experience 1.92 million annual hours of vehicular delay in the year 2030 (2% more delay than the No Project alternative).

\* Estimated Cost ~ \$36,532,000

- Circulation Improvement
- Add Lanes
- Upgrade to Smart Street



**BOARD COMMITTEE TRANSMITTAL**



**November 7, 2006**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject:** Go Local Cooperative Agreements with Cities of Anaheim, Orange, Villa Park, Aliso Viejo, Laguna Beach, and San Clemente

This item will be considered by the Transit Planning and Operations Committee on November 9, 2006. Following Committee consideration of this matter, staff will provide you with a summary of the discussion and action taken by the Committee.

Please call me if you have any comments or questions concerning this correspondence. I can be reached at (714) 560-5676.







**November 9, 2006**

**To:** Transit Planning and Operations Committee

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

**Subject:** Go Local Cooperative Agreements with Cities of Anaheim, Orange, Villa Park, Aliso Viejo, Laguna Beach, and San Clemente

### **Overview**

The Orange County Transportation Authority proposes to enter into cooperative agreements with the cities of Anaheim, Orange, Villa Park, Aliso Viejo, Laguna Beach, and San Clemente. Each Go Local cooperative agreement is required to establish roles and responsibilities and to define proposed project concepts.

### **Recommendations**

- A. Authorize the Chief Executive Officer to execute Cooperative Agreement C-6-0668 between the Orange County Transportation Authority and the City of Anaheim, in an amount not to exceed \$100,000, for a citywide transit needs study and supporting technical studies.
- B. Authorize the Chief Executive Officer to execute Cooperative Agreement C-6-0695 between the Orange County Transportation Authority and the City of Orange, in an amount not to exceed \$100,000, to assess pedestrian connections to the Orange Metrolink station and the City of Orange feeder service to Anaheim stations.
- C. Authorize the Chief Executive Officer to execute Cooperative Agreement C-6-0769 between the Orange County Transportation Authority and the City of Villa Park, in an amount not to exceed \$100,000, to assess community interest in and opportunities for transit service connecting Villa Park to nearby Metrolink stations.

- D. Authorize the Chief Executive Officer to execute Cooperative Agreement C-6-0742 between the Orange County Transportation Authority and the City of Aliso Viejo, in an amount not to exceed \$100,000, to identify transit services and other support facilities which will attract riders to a future shuttle service operating between the Aliso Viejo Town Center and the Laguna Niguel/Mission Viejo Metrolink station.
- E. Authorize the Chief Executive Officer to execute Cooperative Agreement C-6-0774 between the Orange County Transportation Authority and the City of Laguna Beach, in an amount not to exceed \$100,000, to investigate partnering opportunities and options to link the City's transit system with either the Irvine or Laguna Niguel/Mission Viejo Metrolink station.
- F. Authorize the Chief Executive Officer to execute Cooperative Agreement C-6-0686 between the Orange County Transportation Authority and the City of San Clemente, in an amount not to exceed \$100,000, to create a multi-purpose circulator trolley service connecting San Clemente's Metrolink station to the city's downtown area and other points of interest.
- G. Authorize the Chief Executive Officer to amend the fiscal year 2006-07 budget, expense account 0010-7831/T5410, Contributions to Other Agencies, Local Transportation Authority, in the amount of \$3.4 million.

***Background***

The Board of Directors (Board) approved the Go Local program on August 14, 2006. The Go Local program is designed to utilize existing Measure M transit funds over the next five years to encourage local jurisdictions to identify ways to make Metrolink commuter rail service more convenient to more users. The Orange County Transportation Authority (OCTA) reviews the cities' project concepts to ensure the funds are spent consistent with the guidelines of Measure M ordinance. A matrix of all Go Local cooperative agreements outlining each agreement's project concept has been created for quick reference (Attachment A).

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***Discussion***

The City of Anaheim proposes to act as lead agency for a joint planning effort with the cities of Orange and Villa Park. Anaheim will combine its \$100,000 in Go Local funds with \$300,000 in city funds to conduct a comprehensive transit needs assessment and identify preferred transit service corridors within its city (Attachment B). The City of Orange's project concept is to allocate \$60,000 to study pedestrian access between the Metrolink station and the Orange plaza area and related destinations and to contribute \$40,000 to a multi-jurisdictional study assessing feeder service between Orange and Anaheim (Attachment C). The City of Villa Park's project concept is to assess demand for transit within Villa Park and identify any opportunities for feeder service to any nearby Metrolink stations (Attachment D).

The City of Aliso Viejo proposes to plan linking the Laguna Niguel/Mission Viejo Metrolink station to the Aliso Viejo Town Center through a multidisciplinary transit plan that includes transit route planning, ridership goals, performance measures, user-oriented support facilities, and strategies to attract private funding of rider enhancements (Attachment E).

The City of Laguna Beach proposes to partner with the Laguna Beach Chamber of Commerce and Visitors Bureau to develop a plan to link the city's existing fixed route transit system to the Metrolink station in either Laguna Niguel/Mission Viejo or Irvine. The city also expects to contribute up to 50 percent of its Go Local funding to coordination with the station city (Attachment F).

The City of San Clemente proposes to combine the planning work of the already operating Downtown Trolley Committee, chaired by Director Ritschel, with Go Local funding to address implementation issues related to creating a circulator service focused on connecting San Clemente's downtown, the beach, and the Metrolink station (Attachment G). The trolley system will have an intra-city focus, although planning could be coordinated with other south county communities.

A requirement of the Board-approved process is that the cities submit to OCTA a Mid-Project Progress Report, a Final Report, and a Project Expenditures Report. Staff will keep the Board apprised of progress and Measure M compliance by the cities through updates detailing the submitted reports.

**Fiscal Impact**

To accommodate the requests of all 34 cities eligible under the Go Local program, it is necessary to amend the fiscal year 2006-07 budget, expense account 0010-7831/T5410, Contributions to Other Agencies, Local Transportation Authority, in the amount of \$3.4 million.

***Summary***

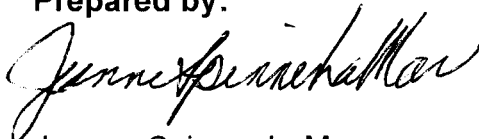
Staff recommends Board approval for the Chief Executive Officer to execute cooperative agreements, in an amount not to exceed \$100,000 each, with the cities of Anaheim, Orange, Villa Park, Aliso Viejo, Laguna Beach, and San Clemente.

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***Attachments***


- A. City Project Concepts Summary Table
- B. Cooperative Agreement No. C-6-0668 between Orange County Transportation Authority and City of Anaheim for City-initiated Transit Extensions to Metrolink
- C. Cooperative Agreement No. C-6-0695 between Orange County Transportation Authority and City of Orange for City-initiated Transit Extensions to Metrolink
- D. Cooperative Agreement No. C-6-0769 between Orange County Transportation Authority and City of Villa Park for City-initiated Transit Extensions to Metrolink
- E. Cooperative Agreement No. C-6-0742 between Orange County Transportation Authority and City of Aliso Viejo for City-initiated Transit Extensions to Metrolink
- F. Cooperative Agreement No. C-6-0774 between Orange County Transportation Authority and City of Laguna Beach for City-initiated Transit Extensions to Metrolink
- G. Cooperative Agreement No. C-6-0686 between Orange County Transportation Authority and City of San Clemente for City-initiated Transit Extensions to Metrolink

**Prepared by:**



Jeanne Spinner LaMar  
Manager, Local Initiatives  
714-560-5663

**Approved by:**



Paul C. Taylor, P.E.  
Executive Director, Development  
714-560-5431



**City Project Concepts Summary Table**

<b>City</b>	<b>Go Local Funds</b>	<b>Submitted to Board</b>	<b>Concept</b>
Anaheim	\$100,000 (augmenting \$300,00) in city funds)	11/13/2006	Lead city in a three-city collaboration of Anaheim, Orange, and Villa Park to devise better transit access to Anaheim Canyon Station and to/from key employment areas and both Orange and ARTIC stations.
Orange	\$100,000 \$60,000 to Orange station pedestrian access study; \$40,000 to three-city transit access/planning	11/13/2006	Improve pedestrian access by planning more accessible, pedestrian friendly continuous pedestrian access between downtown and Orange station. In city collaboration, particularly interested in identifying feeder service opportunities to both stations for those with Orange destinations.
Villa Park	\$100,000	11/13/2006	Assess community interest in having service to station, and if warranted prepare initial route plans.
Aliso Viejo	\$100,000	11/13/2006	Develop multidisciplinary transit plan maximizing appeal of transit service between Aliso Viejo Town Center and Laguna Niguel/Mission Viego station through wide range of employer, developer, transit and route planning amenities.
Laguna Beach	\$100,000	11/13/2006	In conjunction with tourism interests and adjacent station cities develop a plan to connect city's fixed route system to Metrolink to serve key markets.
San Clemente	\$100,000	11/13/2006	Address implementation issues of city's plan to operate a trolley service connecting the Metrolink station, beach area, and downtown San Clemente. Consider opportunities for coordination with adjacent communities.





**COOPERATIVE AGREEMENT NO. C- 6-0668**

**BETWEEN**

**ORANGE COUNTY TRANSPORTATION AUTHORITY**

**AND**

**CITY OF ANAHEIM**

**FOR**

**CITY-INITIATED TRANSIT EXTENSIONS TO METROLINK**

**THIS AGREEMENT** is made and entered into this 12th day of September 2006, by and between the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, California 92863-1584, a public corporation of the State of California (hereinafter referred to as "AUTHORITY"), acting on behalf of the Orange County Local Transportation Authority, and the City of Anaheim, 200 S. Anaheim Boulevard, Anaheim, California, 92805, a municipal corporation (hereinafter referred to as "CITY").

**RECITALS:**

**WHEREAS**, AUTHORITY considers its railroad lines linking Los Angeles and San Diego Counties and the Inland Empire to be the core of Orange County's future rail transit system; and

**WHEREAS**, CITY and AUTHORITY wish to work as partners to develop a community-based transit vision that increases use of Metrolink by Anaheim residents, visitors, and/or employees; and

**WHEREAS**, the funds allocated through this program must comply with the 1990 Measure M ordinance which states in part that the intent is to provide matching funds to encourage development of extensions to major activity centers and to provide access between the primary rail system and employment centers; and

**WHEREAS**, CITY is encouraged to enter into written agreements with other cities to collaborate in some or all facets of a planning and needs assessment to support this vision; and

**WHEREAS**, Measure M funds have been designated for cities to study ways to accomplish this; and

1       **WHEREAS**, CITY will develop a proposed Project Concept (further defined hereunder) which  
2 will factor in, among other elements, community interests and desires; and

3       **WHEREAS**, the AUTHORITY's Board of Directors on February 27, 2006, allocated Measure  
4 M funds to a program designed to enable cities that wish to develop a local transit vision including  
5 defined enhancements and transit extensions to Metrolink that work best with their local  
6 community's short and long-term priorities (hereinafter referred to as "GO LOCAL Step 1"); and

7       **WHEREAS**, CITY has completed the GO LOCAL Step 1 Project Concept form, and  
8 AUTHORITY has found such concept acceptable; and

9       **WHEREAS**, CITY, upon AUTHORITY's execution of this Agreement, will pursue the Project  
10 Concept; and

11       **NOW, THEREFORE**, it is mutually understood and agreed by AUTHORITY and CITY as  
12 follows:

13       **ARTICLE 1. COMPLETE AGREEMENT**

14       This Agreement, including all exhibits and documents incorporated herein and made  
15 applicable by reference, constitutes the complete and exclusive statement of the terms and  
16 conditions of the agreement between AUTHORITY and CITY concerning the GO LOCAL Step 1  
17 work and supersedes all prior representations, understandings and communications between the  
18 parties. The invalidity in whole or part of any term or condition of this Agreement shall not affect the  
19 validity of the other terms or conditions.

20       **ARTICLE 2. SCOPE**

21       A.     This Agreement specifies the procedures that AUTHORITY and CITY will follow in  
22 connection with the GO LOCAL Step 1 work to be performed by CITY. CITY agrees to provide all  
23 services identified in Project Concept, identified herein as Exhibit A to this Agreement. Both  
24 AUTHORITY and CITY agree that each will cooperate and coordinate with the other in all activities  
25 covered by this Agreement and any other supplemental agreements.

26       /

1 B. AUTHORITY's failure to insist upon CITY's performance of any terms or conditions of  
2 this Agreement shall not be construed as a waiver or relinquishment of AUTHORITY's right to such  
3 performance or to future performance of such terms or conditions and CITY's obligation in respect to  
4 performance shall continue in full force and effect.

5 C. Changes to any portion of this Agreement shall not be binding upon AUTHORITY unless  
6 confirmed in writing by an authorized representative of AUTHORITY by way of a written amendment to  
7 this Agreement and issued in accordance with the provisions of this Agreement.

8 **ARTICLE 3. RESPONSIBILITIES OF AUTHORITY**

9 AUTHORITY agrees to the following responsibilities for the GO LOCAL Step 1 work:

10 A. Payment- AUTHORITY shall pay CITY the amount identified in Article 5. PAYMENT,  
11 for the GO LOCAL Step 1 work within 30 days of receipt of acceptable invoice. Funds will not be  
12 distributed to CITY if AUTHORITY has not accepted CITY's Project Concept. CITY may resubmit an  
13 amended Project Concept for review by AUTHORITY. AUTHORITY has the sole and exclusive right  
14 to accept or reject any Project Concept.

15 B. Should CITY not complete the services identified in Exhibit A, or does not meet the  
16 terms and conditions of this Agreement, the CITY will return to AUTHORITY all monies funded to the  
17 CITY within sixty (60) days of AUTHORITY's written demand.

18 C. Additional Funding- Funding beyond what has been identified in Article 5.  
19 PAYMENT, shall be pursuant to a competitive process for projects initiated by AUTHORITY at a  
20 date to be determined. AUTHORITY does not guarantee that CITY will be selected to advance to  
21 the any future step in the GO LOCAL process.

22 **ARTICLE 4. RESPONSIBILITIES OF CITY**

23 CITY agrees to the following responsibilities for GO LOCAL Step 1 work:

24 A. Lead Agency- CITY will act as the lead agency for the GO LOCAL Step 1 work.  
25 However, CITY may designate pursuant to a written partnership letter of agreement that another city  
26 participating in the GO LOCAL program is serving as lead agency for a joint Project Concept.

AUTHORITY shall be provided a copy of this letter within ten (10) days after the agreement has been executed.

B. Third Party Partnerships- CITY is encouraged to collaborate with and enter into written agreements with adjacent cities to advance the project consistent with the Project Concept. CITY shall deliver to AUTHORITY a copy of each executed agreement within ten (10) days of execution.

C. Project Reporting- Within six months from the receipt of funds, CITY shall submit to AUTHORITY a progress report similar to that detailed in Exhibit B, entitled "GO LOCAL Initial Progress Report," attached to and, by this reference, incorporated in and made part of this Agreement. CITY shall be required to produce a final written report (Final Report) of its findings, recommendations, and next steps according to a mutually agreed upon date, but no later than the completion date of this Agreement. The Final Report will include the elements described in Exhibit C, entitled "GO LOCAL Project Concept Final Report Outline." Exhibit C is attached to and, by this reference, incorporated in and made part of this Agreement.

D. Use Of Funding- CITY shall use funding provided by AUTHORITY exclusively for the services identified in Exhibit A. All funding released to CITY shall be spent in accordance with Local Transportation Ordinance Number 2: The Revised Orange County Traffic Improvement and Growth Management Ordinance. If CITY fails to develop and/or pursue the Project Concept in accordance with said Ordinance, or the CITY uses the Funds to support or facilitate acquisition of property through eminent domain or as matching funds to implement land development, all monies funded to the CITY shall be returned to AUTHORITY within sixty (60) days of AUTHORITY's written demand. AUTHORITY shall have sole discretion in determining whether the Project Concept has been developed and/or pursued in accordance with said Ordinance. AUTHORITY may terminate this Agreement, in whole or part, if the AUTHORITY determines in its sole discretion that CITY has utilized funds in a manner leading to use of eminent domain powers. Upon AUTHORITY's determination and written request, CITY shall return all monies in accordance with this Article.

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E. Third Party Work- CITY shall deliver to AUTHORITY a copy of each executed agreement and scope of work for services to be performed by third parties in fulfillment of the Project Concept within thirty (30) days after the agreement has been executed.

F. Conduct- CITY shall conduct all of its activities in association with GO LOCAL Step 1 in a good and competent and professional manner and in compliance with all applicable federal, state and local rules and regulations.

G. Modeling—CITY shall utilize existing AUTHORITY modeling results to ensure that project results are compatible with AUTHORITY planning efforts. AUTHORITY shall make modeling available.

#### **ARTICLE 5. PAYMENT**

A. For CITY's full and complete performance of its obligations under this Agreement and subject to the maximum cumulative payment obligation provisions set forth in this Agreement, AUTHORITY shall pay CITY the not to exceed lump sum amount of One Hundred Thousand Dollars (\$100,000.00) within thirty (30) days after execution of this Agreement and upon receipt of acceptable invoice.

B. As a supplement to the Final Report, CITY shall submit to AUTHORITY a Project Expenditures Certification, as detailed in Exhibit D, which is attached to this Agreement, and incorporated by reference, for work performed under this Agreement. The Certification shall include, but not be limited to, period of performance, actual expenses; classification, hours and rates of in-house personnel, vendors, contractors, for work performed exclusively for the GO LOCAL Step 1 phase. Additionally, CITY may be required to submit this information to the AUTHORITY at any time during the performance of this Agreement. CITY will be required to submit to AUTHORITY all information requested within thirty (30) days from AUTHORITY's request.

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**ARTICLE 6. MAXIMUM OBLIGATION**

Notwithstanding any provisions of this Agreement to the contrary, AUTHORITY and CITY agree that AUTHORITY's maximum cumulative payment obligation hereunder (including CITY's direct and indirect costs) shall be One Hundred Thousand Dollars (\$100,000.00) which shall include all amounts payable incurred solely for the purposes of the GO LOCAL Step 1 work.

**ARTICLE 7. AUDIT AND INSPECTION**

CITY shall maintain a complete set of records in accordance with generally accepted accounting principles and in accordance with Local Transportation Ordinance Number 2: The Revised Traffic Improvement and Growth Management Ordinance. The original records shall be maintained within the CITY limits. Upon reasonable notice, CITY shall permit the authorized representatives of the AUTHORITY to inspect and audit all work, materials, payroll, books, accounts and other data and records of CITY for a period of not less than four (4) years after final payment, or until any on-going audit is completed whichever is longer. For purposes of audit, the date of completion of this Agreement shall be the date of AUTHORITY's payment for CITY's final billing (so noted on the invoice) under this Agreement. AUTHORITY shall also have the right to reproduce any documents related to this Agreement by whatever means necessary.

**ARTICLE 8. INDEMNIFICATION**

AUTHORITY and CITY as Parties to this Agreement shall indemnify, defend and hold harmless each other and their officers, directors, employees, and agents from and against any and all claims (including attorney's fees and reasonable expenses for litigation or settlement) for any loss or damages, bodily injuries, including death, damage to or loss of use of property caused by the negligent acts, omissions or willful misconduct by the Parties and their officers, directors, employees, and agents in connection with or arising out of the performance of this Agreement.

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**ARTICLE 9. ADDITIONAL PROVISIONS:**

The AUTHORITY and CITY agree to the following mutual responsibilities:

A. Term of Agreement- This Agreement shall continue in full force and effect through December 31, 2007, unless terminated by mutual written consent by both Parties. The term of this Agreement may only be extended upon mutual written agreement by both Parties.

B. Termination For Cause - AUTHORITY may terminate this Agreement any time for cause, in whole or part, by giving CITY written notice thereof.

C. Termination For Convenience - AUTHORITY or CITY may request to terminate this Agreement for convenience by giving, at a minimum, thirty (30) days written notice to the other party specifying the effective date of termination.

D. Modifications- This Agreement may be amended in writing at any time by the mutual consent of both Parties. No amendment shall have any force or effect unless executed in writing by both AUTHORITY and CITY.

E. Legal Authority- AUTHORITY and CITY hereto warrant that they are duly authorized to execute this Agreement on behalf of said Parties and that, by so executing this Agreement, the Parties hereto are formally bound to the provisions of this Agreement.

F. Notices- Any notices, requests or demands made between the parties pursuant to this Agreement are to be directed as followed:

To CITY:

City of Anaheim

200 S. Anaheim Boulevard

Anaheim, CA 92805

ATTENTION: Shohreh Dupuis

Transit Manager

(714/765-5048); sdupuis@anaheim.net

To AUTHORITY:

Orange County Transportation Authority

550 South Main Street

P. O. Box 14184

Orange, CA 92863-1584

Attention: Kathleen Murphy-Perez,

Section Manager, Capital Projects

(714/560-5743); kperez@octa.net

c: Gary Johnson, Public Works Director      c: Paul Taylor, Executive Director,  
Development Division

G. Severability- If any term, provision, covenant or condition of this Agreement is held to be invalid, void or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the remainder to this Agreement shall not be affected thereby, and each term, provision, covenant or condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

H. Counterparts of Agreement- This Agreement may be executed and delivered in any number of counterparts, each of which, when executed and delivered shall be deemed an original and all of which together shall constitute the same agreement. Facsimile signatures will be permitted.

I. Force Majeure- Either Party shall be excused from performing its obligations under this Agreement 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 the federal, state or local government; national fuel shortage; or a material act or omission by the other party; when satisfactory evidence of such cause is presented to the other Party, and provided further that such nonperformance is unforeseeable, beyond the control and is not due to the fault or negligence of the Party not performing.

J. Assignment- Neither this Agreement, nor any of a Party's rights, obligations, duties, or authority hereunder may be assigned in whole or in part by either Party without the prior written consent of the other Party. Any such attempt of assignment shall be deemed void and of no force and effect. Consent to one assignment shall not be deemed consent to any subsequent assignment, nor the waiver of any right to consent to such subsequent assignment.

K. Obligations Comply with Law- Nothing herein shall be deemed nor construed to authorize or require any Party to issue bonds, notes or other evidences of indebtedness under terms, in amounts, or for purposes other than as authorized by local, State or Federal law.

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L. Governing Law- The laws of the State of California and applicable Federal, State, local laws, regulations and guidelines shall govern hereunder.

This Agreement shall be made effective upon execution by both parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement No. C-6-0668 to be executed on the date first above written.

CITY OF ANAHEIM

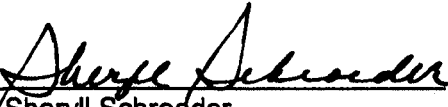
ORANGE COUNTY TRANSPORTATION AUTHORITY

By:   
Curt Pringle  
Mayor

By: \_\_\_\_\_  
Arthur T. Leahy  
Chief Executive Officer

ATTEST:

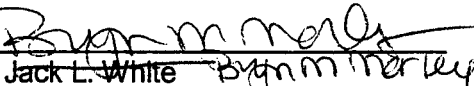
APPROVED AS TO FORM:

By:   
Sheryll Schroeder  
City Clerk

By: \_\_\_\_\_  
Kennard R. Smart, Jr.  
General Counsel

APPROVED AS TO FORM:

APPROVAL RECOMMENDED:

JACK WHITE, City Attorney  
By:   
Jack L. White  
City Attorney

By: \_\_\_\_\_  
Paul Taylor, Executive Director  
Development Division

Dated: 8/31/06

Dated: \_\_\_\_\_



GO LOCAL

**STEP ONE PROJECT CONCEPT**

To qualify for funds your city project must focus on assessing ways to provide transit connections to Metrolink. Complete the Project Concept, and return with a signed Cooperative Agreement.

**A. Study Type**

Project Concept assessments can cover or study any of the following topics. Please review the descriptions below and indicate the type of analysis you expect to perform by placing an (x) next to one (or more) of the following:

☒ **Needs Assessments**

What are the transit needs? Identify populations, congestion areas, etc.

☐ **Coordinating Transit and Land Use**

How can a transit project support your city's land use planning policies/projects and vice versa?

☒ **Route Planning**

Existing data has identified activity centers, populations or congestion hot spots which warrant transit service. What are possible routes and types of transit?

☐ **Public policy /public support**

Does the community support transit as evidenced by land use designations and the commitment of local stakeholders?

☒ **Project Concepts**

Does the city have one or more general transit concepts which it would like to explore more fully in a detailed technical analysis?

☐ **Make your own case**

Is there a concept that addresses a need in your city that you would like the Board of Directors to consider? Is this need consistent with the Measure M requirements that funds be spent on transit-related purposes to extend the reach of Metrolink?

**B. Project Overview**

The City of Anaheim (serving as the lead agency) in cooperation with the cities of Villa Park and Orange desires to conduct, manage, and oversee a multi-faceted transit study to analyze potential development of transit systems extending from the Anaheim Stadium Station, Anaheim Canyon Metrolink Station, Orange Metrolink Station and the future Anaheim Regional Transportation Intermodal Center (ARTIC) through the cities of Anaheim, Orange and Villa Park. In addition to the funding provided by OCTA, the City of Anaheim and the Anaheim Redevelopment Agency have provided \$300,000 to conduct public and stakeholder outreach, develop a Citywide Transit Master Plan and to develop a Master Site Plan for the Anaheim Canyon Metrolink Station.

More specifically, the multi-faceted transit study will include the following:

**1. Needs Assessment:**

- a. **Anaheim:** Through public outreach, data collection and technical analysis identify the transit needs and opportunities in City of Anaheim and identify preferred corridors for consideration in developing a local higher capacity transit service to operate as an extension to the proposed Metrolink Commuter Rail.
- b. **Villa Park:** Through public outreach, data collections, and technical analysis, identify the transit needs and opportunities in City of Villa Park. If warranted through the needs

assessment, evaluate the feasibility of a feeder service from Villa Park to Orange and/or Anaheim Metrolink stations

2. **Project Concept:** Conduct detailed technical analysis to further develop several of City of Anaheim locally preferred higher capacity transit service and community circulators and feeder routes to compete for the Step 2 of the OCTA Go-Local program (to compete for \$30 million).
3. **Route Planning:** Determine the possible feeder routes and type of transit services that are most suited for connecting the Orange Metrolink station to Anaheim station and/or other major employment centers and visitor attractions in the cities of Anaheim and Orange.
4. **Station Assessment and Master Site Plan:** Assess the Anaheim Canyon station to identify how the station should be expanded to maximize its usage. Develop a Master Site Plan for the station to serve the future land uses currently approved or proposed for surrounding areas and

### C. Partners

Please find attached, signed letters of participation from the cities of Orange and Villa Park. In summary, the City of Anaheim agrees to lead this study based on the above project concept, including coordinating the work effort, day-to-day management, hiring and managing outside consultants to conduct the required study, invoicing, and hosting project meetings. Our partnering cities, to the degree possible, agree to participate in reviewing proposal scope, consultant selection, attending project meetings and reviewing reports and/or studies produced as a result of this effort.

Additionally, the participating cities agree to allocate the following portion of their OCTA Go Local Funding to the City of Anaheim, as Lead Agency, for use in completing the study as follows:

Anaheim (Lead Agency)	\$100,000
Villa Park	\$85,000
Orange	\$40,000

GO LOCAL

**INITIAL PROGRESS REPORT**

City/Date: \_\_\_\_\_

Prepared By \_\_\_\_\_

**A. Project Overview Progress Report**

Please include a 200-300 word description of progress to date. *To the extent possible*, you should describe what you are working on, your methodology, key staff and/or stakeholders, and any preliminary results.

**B. Project Resources**

Please indicate all that apply:

- ◆ We've been utilizing consultants  
(Name(s): \_\_\_\_\_)
- ◆ We've been doing some or all  
of the work in-house
- ◆ We have partnerships with:  
(Include if not listed in Exhibit A)

**C. Financial Report**

Percentage of funding committed \_\_\_\_\_ expended \_\_\_\_\_

We foresee obstacles to completing the Project Concept scope with the funds available.

No \_\_\_\_\_ Yes \_\_\_\_\_

If yes, please explain in an attachment.

**Return to:** Jeanne Spinner LaMar, Manager, Local Initiative  
550 South Main Street  
P.O. Box 14184  
Orange, CA 92863-1584



**GO LOCAL****PROJECT CONCEPT  
FINAL REPORT OUTLINE**

At the conclusion of Project Concept work, all cities will submit a Final Report within \_\_\_\_\_ days utilizing the outline below. Sections Five and Six below will constitute your proposal for the next phase of work.

1. **Summary of Project** (1 page)
2. **Study Questions** (1 page)
3. **Methodology Used** (1 page)
4. **Results** (3-5 pages)  
*Report against the Evaluation Criteria, i.e. financial considerations, community factors, transportation benefit.*
5. **Findings** (4-5 pages)  
*Your analysis of the results*
6. **Next Steps** (5-7 pages)  
*Identify:*
  - *what you wish to do next,*
  - *the methods you would use,*
  - *the staff, resources, and time you would need;*
  - *what you would expect to determine, and*
  - *the budget, your agency contribution, any partnerships and their contributions.*

**Return to:** Jeanne Spinner LaMar, Manager, Local Initiative  
550 South Main Street  
P.O. Box 14184  
Orange, CA 92863-1584





**GO LOCAL**

**PROJECT CONCEPT**  
**Project Expenditures Certification**

**SAMPLE**

Consultant	Contract Number	Out-of-house Labor	In-house Labor	Total hours charged to project x fully burdened hourly rate	Out-of-house Labor	TOTAL add A & B
ABC	001	250 hours	Sr. Planner	500 hours x \$85/hr	\$42,500	
XYZ	002	200 hours	Admin Asst.	100 x \$25/hr	\$2,500	
						100,000

I hereby certify that the above is a true and correct statement of the work performed and costs incurred on the Project Concept.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Title

Return to: Jeanne Spinner LaMar, Manager, Local Initiative  
550 South Main Street  
P.O. Box 14184  
Orange, CA 92863-1584



**COOPERATIVE AGREEMENT NO. C- 6-0695**

**BETWEEN**

**ORANGE COUNTY TRANSPORTATION AUTHORITY**

**AND**

**CITY OF ORANGE**

**FOR**

**CITY-INITIATED TRANSIT EXTENSIONS TO METROLINK**

**THIS AGREEMENT** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2006, by and between the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, California 92863-1584, a public corporation of the State of California (hereinafter referred to as "AUTHORITY"), acting on behalf of the Orange County Local Transportation Authority, and the City of Orange, 300 E. Chapman Avenue, Orange, California, 92666, a municipal corporation (hereinafter referred to as "CITY").

**RECITALS:**

**WHEREAS**, AUTHORITY considers its railroad lines linking Los Angeles and San Diego Counties and the Inland Empire to be the core of Orange County's future rail transit system; and

**WHEREAS**, CITY and AUTHORITY wish to work as partners to develop a community-based transit vision that increases use of Metrolink by Orange residents, visitors, and/or employees; and

**WHEREAS**, the funds allocated through this program must comply with the 1990 Measure M ordinance which states in part that the intent is to provide matching funds to encourage development of extensions to major activity centers and to provide access between the primary rail system and employment centers; and

**WHEREAS**, CITY is encouraged to enter into written agreements with other cities to collaborate in some or all facets of a planning and needs assessment to support this vision; and

**WHEREAS**, Measure M funds have been designated for cities to study ways to accomplish this; and

**WHEREAS**, CITY will develop a proposed Project Concept (further defined hereunder) which will factor in, among other elements, community interests and desires; and

**WHEREAS**, the AUTHORITY's Board of Directors on February 27, 2006, allocated Measure M funds to a program designed to enable cities that wish to develop a local transit vision including defined enhancements and transit extensions to Metrolink that work best with their local community's short and long-term priorities (hereinafter referred to as "GO LOCAL Step 1"); and

**WHEREAS**, CITY has completed the GO LOCAL Step 1 Project Concept form, and AUTHORITY has found such concept acceptable; and

**WHEREAS**, CITY, upon AUTHORITY's execution of this Agreement, will pursue the Project Concept; and

**NOW, THEREFORE**, it is mutually understood and agreed by AUTHORITY and CITY as follows:

#### **ARTICLE 1. COMPLETE AGREEMENT**

This Agreement, including all exhibits and documents incorporated herein and made applicable by reference, constitutes the complete and exclusive statement of the terms and conditions of the agreement between AUTHORITY and CITY concerning the GO LOCAL Step 1 work and supersedes all prior representations, understandings and communications between the parties. The invalidity in whole or part of any term or condition of this Agreement shall not affect the validity of the other terms or conditions.

#### **ARTICLE 2. SCOPE**

A. This Agreement specifies the procedures that AUTHORITY and CITY will follow in connection with the GO LOCAL Step 1 work to be performed by CITY. CITY agrees to provide all services identified in Project Concept, identified herein as Exhibit A to this Agreement. Both AUTHORITY and CITY agree that each will cooperate and coordinate with the other in all activities covered by this Agreement and any other supplemental agreements.

/

B. AUTHORITY's failure to insist upon CITY's performance of any terms or conditions of this Agreement shall not be construed as a waiver or relinquishment of AUTHORITY's right to such performance or to future performance of such terms or conditions and CITY's obligation in respect to performance shall continue in full force and effect.

C. Changes to any portion of this Agreement shall not be binding upon AUTHORITY unless confirmed in writing by an authorized representative of <sup>both parties</sup> ~~AUTHORITY~~ by way of a written amendment to this Agreement and issued in accordance with the provisions of this Agreement.

### **ARTICLE 3. RESPONSIBILITIES OF AUTHORITY**

AUTHORITY agrees to the following responsibilities for the GO LOCAL Step 1 work:

A. Payment- AUTHORITY shall pay CITY the amount identified in Article 5. PAYMENT, for the GO LOCAL Step 1 work within 30 days of receipt of acceptable invoice. Funds will not be distributed to CITY if AUTHORITY has not accepted CITY's Project Concept. CITY may resubmit an amended Project Concept for review by AUTHORITY. AUTHORITY has the sole and exclusive right to accept or reject any Project Concept.

B. Should CITY not complete the services identified in Exhibit A, or does not meet the terms and conditions of this Agreement, the CITY will return to AUTHORITY all monies funded to the CITY within sixty (60) days of AUTHORITY's written demand.

C. Additional Funding- Funding beyond what has been identified in Article 5. PAYMENT, shall be pursuant to a competitive process for projects initiated by AUTHORITY at a date to be determined. AUTHORITY does not guarantee that CITY will be selected to advance to the any future step in the GO LOCAL process.

### **ARTICLE 4. RESPONSIBILITIES OF CITY**

CITY agrees to the following responsibilities for GO LOCAL Step 1 work:

A. Lead Agency- CITY will act as the lead agency for the GO LOCAL Step 1 work. However, CITY may designate pursuant to a written partnership letter of agreement that another city participating in the GO LOCAL program is serving as lead agency for a joint Project Concept.

1 AUTHORITY shall be provided a copy of this letter within ten (10) days after the agreement has been  
2 executed.

3 B. Third Party Partnerships- CITY is encouraged to collaborate with and enter into written  
4 agreements with adjacent cities to advance the project consistent with the Project Concept. CITY shall  
5 deliver to AUTHORITY a copy of each executed agreement within ten (10) days of execution.

6 C. Project Reporting- Within six months from the receipt of funds, CITY shall submit to  
7 AUTHORITY a progress report similar to that detailed in Exhibit B, entitled "GO LOCAL Initial  
8 Progress Report," attached to and, by this reference, incorporated in and made part of this  
9 Agreement. CITY shall be required to produce a final written report (Final Report) of its findings,  
10 recommendations, and next steps according to a mutually agreed upon date, but no later than the  
11 completion date of this Agreement. The Final Report will include the elements described in Exhibit  
12 C, entitled "GO LOCAL Project Concept Final Report Outline." Exhibit C is attached to and, by this  
13 reference, incorporated in and made part of this Agreement.

14 D. Use Of Funding- CITY shall use funding provided by AUTHORITY exclusively for the  
15 services identified in Exhibit A. All funding released to CITY shall be spent in accordance with Local  
16 Transportation Ordinance Number 2: The Revised Orange County Traffic Improvement and Growth  
17 Management Ordinance. If CITY fails to develop and/or pursue the Project Concept in accordance  
18 with said Ordinance, or the CITY uses the Funds to support or facilitate acquisition of property  
19 through eminent domain or as matching funds to implement land development, all monies funded to  
20 the CITY shall be returned to AUTHORITY within sixty (60) days of AUTHORITY's written demand.  
21 AUTHORITY shall have sole discretion in determining whether the Project Concept has been  
22 developed and/or pursued in accordance with said Ordinance. AUTHORITY may terminate this  
23 Agreement, in whole or part, if the AUTHORITY determines in its sole discretion that CITY has  
24 utilized funds in a manner leading to use of eminent domain powers. Upon AUTHORITY's  
25 determination and written request, CITY shall return all monies in accordance with this Article.

26 /

E. Third Party Work- CITY shall deliver to AUTHORITY a copy of each executed agreement and scope of work for services to be performed by third parties in fulfillment of the Project Concept within thirty (30) days after the agreement has been executed.

F. Conduct- CITY shall conduct all of its activities in association with GO LOCAL Step 1 in a good and competent and professional manner and in compliance with all applicable federal, state and local rules and regulations.

G. Modeling—CITY shall utilize existing AUTHORITY modeling results to ensure that project results are compatible with AUTHORITY planning efforts. The AUTHORITY shall make a good faith effort to make existing modeling results available to CITY within 2 business days of the CITY's written request.

#### **ARTICLE 5. PAYMENT**

A. For CITY's full and complete performance of its obligations under this Agreement and subject to the maximum cumulative payment obligation provisions set forth in this Agreement, AUTHORITY shall pay CITY the not to exceed lump sum amount of One Hundred Thousand Dollars (\$100,000.00) within thirty (30) days after execution of this Agreement and upon receipt of acceptable invoice.

B. As a supplement to the Final Report, CITY shall submit to AUTHORITY a Project Expenditures Certification, as detailed in Exhibit D, which is attached to this Agreement, and incorporated by reference, for work performed under this Agreement. The Certification shall include, but not be limited to, period of performance, actual expenses; classification, hours and rates of in-house personnel, vendors, contractors, for work performed exclusively for the GO LOCAL Step 1 phase. Additionally, CITY may be required to submit this information to the AUTHORITY at any time during the performance of this Agreement. CITY will be required to submit to AUTHORITY all information requested within thirty (30) days from AUTHORITY's request.

/

/

**ARTICLE 6. MAXIMUM OBLIGATION**

Notwithstanding any provisions of this Agreement to the contrary, AUTHORITY and CITY agree that AUTHORITY's maximum cumulative payment obligation hereunder (including CITY's direct and indirect costs) shall be One Hundred Thousand Dollars (\$100,000.00) which shall include all amounts payable incurred solely for the purposes of the GO LOCAL Step 1 work.

**ARTICLE 7. AUDIT AND INSPECTION**

CITY shall maintain a complete set of records in accordance with generally accepted accounting principles and in accordance with Local Transportation Ordinance Number 2: The Revised Traffic Improvement and Growth Management Ordinance. The original records shall be maintained within the CITY limits. Upon reasonable notice, CITY shall permit the authorized representatives of the AUTHORITY to inspect and audit all work, materials, payroll, books, accounts and other data and records of CITY for a period of not less than four (4) years after final payment, or until any on-going audit is completed whichever is longer. For purposes of audit, the date of completion of this Agreement shall be the date of AUTHORITY's payment for CITY's final billing (so noted on the invoice) under this Agreement. AUTHORITY shall also have the right to reproduce any documents related to this Agreement by whatever means necessary.

**ARTICLE 8. INDEMNIFICATION**

AUTHORITY and CITY as Parties to this Agreement shall indemnify, defend and hold harmless each other and their officers, directors, employees, and agents from and against any and all claims (including attorney's fees and reasonable expenses for litigation or settlement) for any loss or damages, bodily injuries, including death, damage to or loss of use of property caused by the negligent acts, omissions or willful misconduct by the Parties and their officers, directors, employees, and agents in connection with or arising out of the performance of this Agreement.

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**ARTICLE 9. ADDITIONAL PROVISIONS:**

The AUTHORITY and CITY agree to the following mutual responsibilities:

A. Term of Agreement- This Agreement shall continue in full force and effect through December 31, 2007, unless terminated by mutual written consent by both Parties. The term of this Agreement may only be extended upon mutual written agreement by both Parties.

B. Termination For Cause - AUTHORITY may terminate this Agreement any time for cause, in whole or part, by giving CITY written notice thereof.

C. Termination For Convenience - AUTHORITY or CITY may request to terminate this Agreement for convenience by giving, at a minimum, thirty (30) days written notice to the other party specifying the effective date of termination.

D. Modifications- This Agreement may be amended in writing at any time by the mutual consent of both Parties. No amendment shall have any force or effect unless executed in writing by both AUTHORITY and CITY.

E. Legal Authority- AUTHORITY and CITY hereto warrant that they are duly authorized to execute this Agreement on behalf of said Parties and that, by so executing this Agreement, the Parties hereto are formally bound to the provisions of this Agreement.

F. Notices- Any notices, requests or demands made between the parties pursuant to this Agreement are to be directed as followed:

To CITY:

City of Orange

300 E. Chapman Avenue

Orange, CA 92666

ATTENTION: Mary E. Murphy

City Clerk

(714/744-5500); clerk@cityoforange.org

To AUTHORITY:

Orange County Transportation Authority

550 South Main Street

P. O. Box 14184

Orange, CA 92863-1584

Attention: Kathleen Murphy-Perez,

Section Manager, Capital Projects

(714/560-5743); kperez@octa.net

c: Paul Taylor, Executive Director,  
Development Division

G. Severability- If any term, provision, covenant or condition of this Agreement is held to be invalid, void or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the remainder to this Agreement shall not be affected thereby, and each term, provision, covenant or condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

H. Counterparts of Agreement- This Agreement may be executed and delivered in any number of counterparts, each of which, when executed and delivered shall be deemed an original and all of which together shall constitute the same agreement. Facsimile signatures will be permitted.

I. Force Majeure- Either Party shall be excused from performing its obligations under this Agreement 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 the federal, state or local government; national fuel shortage; or a material act or omission by the other party; when satisfactory evidence of such cause is presented to the other Party, and provided further that such nonperformance is unforeseeable, beyond the control and is not due to the fault or negligence of the Party not performing.

J. Assignment- Neither this Agreement, nor any of a Party's rights, obligations, duties, or authority hereunder may be assigned in whole or in part by either Party without the prior written consent of the other Party. Any such attempt of assignment shall be deemed void and of no force and effect. Consent to one assignment shall not be deemed consent to any subsequent assignment, nor the waiver of any right to consent to such subsequent assignment.

K. Obligations Comply with Law- Nothing herein shall be deemed nor construed to authorize or require any Party to issue bonds, notes or other evidences of indebtedness under terms, in amounts, or for purposes other than as authorized by local, State or Federal law.

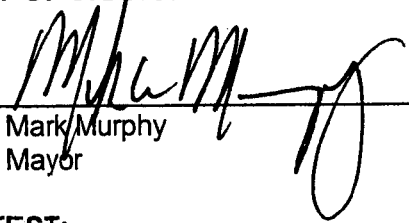
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L. Governing Law- The laws of the State of California and applicable Federal, State, local laws, regulations and guidelines shall govern hereunder.

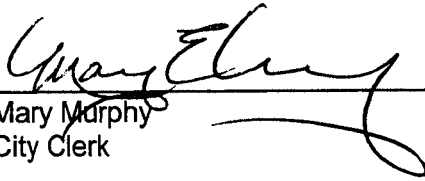
This Agreement shall be made effective upon execution by both parties.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement No. C-6-0695 to be executed on the date first above written.

**CITY OF ORANGE**

By:   
Mark Murphy  
Mayor

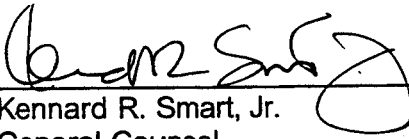
**ATTEST:**

By:   
Mary Murphy  
City Clerk

**ORANGE COUNTY TRANSPORTATION AUTHORITY**

By: \_\_\_\_\_  
Arthur T. Leahy  
Chief Executive Officer

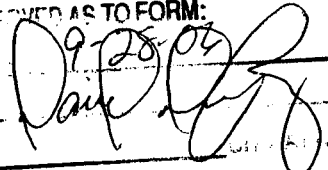
**APPROVED AS TO FORM:**

By:   
Kennard R. Smart, Jr.  
General Counsel

**APPROVAL RECOMMENDED:**

By: \_\_\_\_\_  
Paul Taylor, Executive Director  
Development Division

Dated: \_\_\_\_\_

APPROVED AS TO FORM:  
  
By: \_\_\_\_\_  
CITY ATTORNEY



**AGREEMENT C-6-0695  
EXHIBIT A**

**GO LOCAL**

**STEP ONE PROJECT CONCEPT**

To qualify for funds your city project must focus on assessing ways to provide transit connections to Metrolink. Complete the Project Concept, and return with a signed Cooperative Agreement.

**A. Study Type**

Project Concept assessments can cover or study any of the following topics. Please review the descriptions below and indicate the type of analysis you expect to perform by placing an (x) next to one (or more) of the following:

☒ **Needs Assessments**

What are the transit needs? Identify populations, congestion areas, etc.

☐ **Coordinating Transit and Land Use**

How can a transit project support your city's land use planning policies/projects and vice versa?

☒ **Route Planning**

Existing data has identified activity centers, populations or congestion hot spots which warrant transit service. What are possible routes and types of transit?

☐ **Public policy /public support**

Does the community support transit as evidenced by land use designations and the commitment of local stakeholders?

☒ **Project Concepts**

Does the city have one or more general transit concepts which it would like to explore more fully in a detailed technical analysis?

☐ **Make your own case**

Is there a concept that addresses a need in your city that you would like the Board of Directors to consider? Is this need consistent with the Measure M requirements that funds be spent on transit-related purposes to extend the reach of Metrolink?

**B. Project Overview**

The City of Orange will work with the City of Anaheim (serving as the lead agency) and in cooperation with the city of Villa Park to conduct, manage, and oversee a multi-faceted transit study to analyze potential development of transit systems extending from the Anaheim Stadium Station, Anaheim Canyon Metrolink Station, Orange Metrolink Station and the future Anaheim Regional Transportation Intermodal Center (ARTIC) through the cities of Anaheim, Orange and Villa Park. In addition to the funding provided by OCTA, the City of Anaheim and the Anaheim Redevelopment Agency have provided \$300,000 to conduct public and stakeholder outreach, develop a Citywide Transit Master Plan and to develop a Master Site Plan for the Anaheim Canyon Metrolink Station.

The multi-faceted transit study will include the following:

**1. Needs Assessment:**

- a. **Anaheim:** Through public outreach, data collection and technical analysis identify the transit needs and opportunities in City of Anaheim and identify preferred corridors for consideration in developing a local higher capacity transit service to operate as an extension to the proposed Metrolink Commuter Rail.
- b. **Villa Park:** Through public outreach, data collection, and technical analysis, identify the transit needs and opportunities in City of Villa Park. If warranted through the needs

- assessment, evaluate the feasibility of a feeder service from Villa Park to Orange and/or Anaheim Metrolink stations.
2. **Orange Route Planning:** Determine the possible feeder routes and type of transit services that are most suited for connecting the Orange Metrolink station area to major employment/visitor centers in Anaheim and Orange and/or the Anaheim station area.
  3. **Project Concept:** Conduct detailed technical analysis to further develop several of City of Anaheim locally preferred higher capacity transit service and community circulators and feeder routes to compete for the Step 2 of the OCTA Go-Local program (to compete for \$30 million).
  4. **Station Assessment and Master Site Plan:** Assess the Anaheim Canyon station to identify how the station should be expanded to maximize its usage. Develop a Master Site Plan for the station to serve the future land uses currently approved or proposed for surrounding areas.

### C. Partners

The City of Orange agrees to allocate \$ 40,000 of their OCTA Go Local Funding to the City of Anaheim, as Lead Agency, for use in completing the study described above. The City of Villa Park will contribute the majority of its Go Local funds as well.

The City of Anaheim agrees to lead this study based on the above project concept, including coordinating the work effort, day-to-day management, hiring and managing outside consultants to conduct the required study, invoicing, and hosting project meetings. The City of Orange agrees to participate in reviewing proposal scope, consultant selection, attending project meetings and reviewing reports and/or studies produced as a result of this effort.

GO LOCAL

**STEP ONE PROJECT CONCEPT**

To qualify for funds your city project must focus on assessing ways to provide transit connections to Metrolink. Complete the Project Concept, and return with a signed Cooperative Agreement.

**A. Study Type**

Project Concept assessments can cover or study any of the following topics. Please review the descriptions below and indicate the type of analysis you expect to perform by placing an (x) next to one (or more) of the following:

☒ **Needs Assessments**

What are the transit needs? Identify populations, congestion areas, etc.

☐ **Coordinating Transit and Land Use**

How can a transit project support your city's land use planning policies/projects and vice versa?

☒ **Route Planning**

Existing data has identified activity centers, populations or congestion hot spots which warrant transit service. What are possible routes and types of transit?

☒ **Public policy /public support**

Does the community support transit as evidenced by land use designations and the commitment of local stakeholders?

☒ **Project Concepts**

Does the city have one or more general transit concepts which it would like to explore more fully in a detailed technical analysis?

☐ **Make your own case**

Is there a concept that addresses a need in your city that you would like the Board of Directors to consider? Is this need consistent with the Measure M requirements that funds be spent on transit-related purposes to extend the reach of Metrolink?

**B. Project Overview**

Attached.

**C. Partners**

None.







## **DEPOT-PLAZA PEDESTRIAN CONNECTION PLAN**

The City is actively engaged in various efforts to improve community linkage to the Orange Transportation Center, which consists of the Metrolink and OCTA bus station. The historic Santa Fe Depot station anchors the Center and is located in the heart of the Old Towne district, the largest historic district in California. The Depot is located four blocks west of the City's business district and Plaza.

The efforts to improve pedestrian access include plans for an undercrossing at the Depot, update of the Santa Fe Depot Specific Plan and the General Plan, which proposes a mixed-use land use alternative for the industrial properties along the rail.

The City will solicit a partnership with the Plaza Design Collaborative, a group of volunteer Orange architects who developed a now outdated 1997 vision plan "Celebrate the Vision of the Orange Plaza District". The Plan was supported by the Orange Community Historical Society, Downtown Orange Business and Professional Association, Chamber Downtown Task Force, Downtown Property Owners Association, and Old Towne Preservation Association.

The City intends to study ways to link key areas to encourage a synergistic relationship between the Depot and Plaza and outlying areas such as the City's vibrant historic downtown business district, the Orange Senior Center, Civic Center and Old Towne neighborhoods. The City would study key pedestrian corridors or "Paseos" connecting the north and south sides of the Plaza and downtown business district to the Depot.

The City plans to use Go Local funds to retain a consultant to prepare the Depot-Plaza Pedestrian Connection Plan to enhance pedestrian activity to the Metrolink station. The City will request members of the Plaza Design Collaborative to reassemble and provide architectural and other community expertise.

City staff will take lead and provide consultant with the needed documentation and guidance for a successful Paseo project. City staff will also sponsor workshops for the public and specific groups such as senior citizens, Orange Barrio Historical Society and stakeholders mentioned above.



**GO LOCAL**

**INITIAL PROGRESS REPORT**

City/Date: \_\_\_\_\_

Prepared By \_\_\_\_\_

**A. Project Overview Progress Report**

Please include a 200-300 word description of progress to date. *To the extent possible*, you should describe what you are working on, your methodology, key staff and/or stakeholders, and any preliminary results.

**B. Project Resources**

Please indicate all that apply:

- ◆ We've been utilizing consultants  
(Name(s): \_\_\_\_\_)
  
- ◆ We've been doing some or all  
of the work in-house
  
- ◆ We have partnerships with:  
(Include if not listed in Exhibit A)

**C. Financial Report**

Percentage of funding committed \_\_\_\_\_ expended \_\_\_\_\_

We foresee obstacles to completing the Project Concept scope with the funds available.

No \_\_\_\_\_ Yes \_\_\_\_\_

If yes, please explain in an attachment.

**Return to: Jeanne Spinner LaMar, Manager, Local Initiative**  
**550 South Main Street**  
**P.O. Box 14184**  
**Orange, CA 92863-1584**



**GO LOCAL**

**PROJECT CONCEPT  
FINAL REPORT OUTLINE**

At the conclusion of Project Concept work, all cities will submit a Final Report within \_\_\_\_\_ days utilizing the outline below. Sections Five and Six below will constitute your proposal for the next phase of work.

1. **Summary of Project** (1 page)
2. **Study Questions** (1 page)
3. **Methodology Used** (1 page)
4. **Results** (3-5 pages)  
*Report against the Evaluation Criteria, i.e. financial considerations, community factors, transportation benefit.*
5. **Findings** (4-5 pages)  
*Your analysis of the results*
6. **Next Steps** (5-7 pages)  
*Identify:*
  - *what you wish to do next,*
  - *the methods you would use,*
  - *the staff, resources, and time you would need;*
  - *what you would expect to determine, and*
  - *the budget, your agency contribution, any partnerships and their contributions.*

Return to: **Jeanne Spinner LaMar, Manager, Local Initiative**  
**550 South Main Street**  
**P.O. Box 14184**  
**Orange, CA 92863-1584**



**GO LOCAL**

**PROJECT CONCEPT**  
**Project Expenditures Certification**

**SAMPLE**

Consultant	Contract Number	Cost Column A	In-house Labor	Total hours charged to project x fully burdened hourly rate	Cost Column B	TOTAL add A & B
ABC	001	25,000	Sr. Planner	500 hours x \$85/hr	25,000	
XYZ	002	30,000	Admin Asst.	100 x \$25/hr	2,500	
		55,000			27,500	100,000

I hereby certify that the above is a true and correct statement of the work performed and costs incurred on the Project Concept.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Title

Return to: Jeanne Spinner LaMar, Manager, Local Initiative  
550 South Main Street  
P.O. Box 14184  
Orange, CA 92863-1584





**OCT 19 2006**

**CITY OF VILLA PARK**

**COOPERATIVE AGREEMENT NO. C- 6-0769**

**BETWEEN**

**ORANGE COUNTY TRANSPORTATION AUTHORITY**

**AND**

**CITY OF VILLA PARK**

**FOR**

**CITY-INITIATED TRANSIT EXTENSIONS TO METROLINK**

**THIS AGREEMENT** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_

2006, by and between the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, California 92863-1584, a public corporation of the State of California (hereinafter referred to as "AUTHORITY"), acting on behalf of the Orange County Local Transportation Authority, and the City of Villa Park, 17855 Santiago Boulevard, Villa Park, California, 92861, a municipal corporation and charter city duly organized and existing under the constitution and laws of the State of California (hereinafter referred to as "CITY").

**RECITALS:**

**WHEREAS**, AUTHORITY considers its railroad lines linking Los Angeles and San Diego Counties and the Inland Empire to be the core of Orange County's future rail transit system; and

**WHEREAS**, CITY and AUTHORITY wish to work as partners to develop a community-based transit vision that increases use of Metrolink by Villa Park residents, visitors, and/or employees; and

**WHEREAS**, the funds allocated through this program must comply with the 1990 Measure M ordinance which states in part that the intent is to provide matching funds to encourage development of extensions to major activity centers and providing access between the primary rail system and employment centers; and

**WHEREAS**, CITY is encouraged to enter into written agreements with other cities to collaborate in some or all facets of a planning and needs assessment to support this vision; and

1       **WHEREAS**, Measure M funds have been designated for cities to study ways to accomplish  
2 this; and

3       **WHEREAS**, CITY will develop a proposed Project Concept (further defined hereunder) which  
4 will factor in, among other elements, community interests and desires; and

5       **WHEREAS**, the AUTHORITY's Board of Directors on February 27, 2006, allocated Measure  
6 M funds to a program designed to enable cities that wish to develop a local transit vision including  
7 defined enhancements and transit extensions to Metrolink that work best with their local  
8 community's short and long-term priorities (hereinafter referred to as "GO LOCAL Step 1"); and

9       **WHEREAS**, CITY has completed the GO LOCAL Step 1 Project Concept form, and  
10 AUTHORITY has found such concept acceptable; and

11       **WHEREAS**, CITY, upon AUTHORITY's execution of this Agreement, will pursue the Project  
12 Concept; and

13       **NOW, THEREFORE**, it is mutually understood and agreed by AUTHORITY and CITY as  
14 follows:

15       **ARTICLE 1. COMPLETE AGREEMENT**

16       This Agreement, including all exhibits and documents incorporated herein and made  
17 applicable by reference, constitutes the complete and exclusive statement of the terms and  
18 conditions of the agreement between AUTHORITY and CITY concerning the GO LOCAL Step 1  
19 work and supersedes all prior representations, understandings and communications between the  
20 parties. The invalidity in whole or part of any term or condition of this Agreement shall not affect the  
21 validity of the other terms or conditions.

22       /

23       /

24       /

25       /

26       /

**ARTICLE 2. SCOPE**

A. This Agreement specifies the procedures that AUTHORITY and CITY will follow in connection with the GO LOCAL Step 1 work to be performed. CITY agrees to provide all services identified in Project Concept, identified herein as Exhibit A to this Agreement. Both AUTHORITY and CITY agree that each will cooperate and coordinate with the other in all activities covered by this Agreement and any other supplemental agreements.

B. AUTHORITY's failure to insist upon CITY's performance of any terms or conditions of this Agreement shall not be construed as a waiver or relinquishment of AUTHORITY's right to such performance or to future performance of such terms or conditions and CITY's obligation in respect to performance shall continue in full force and effect.

C. Changes to any portion of this Agreement shall not be binding upon AUTHORITY unless confirmed in writing by an authorized representative of AUTHORITY by way of a written amendment to this Agreement and issued in accordance with the provisions of this Agreement.

**ARTICLE 3. RESPONSIBILITIES OF AUTHORITY**

AUTHORITY agrees to the following responsibilities for the GO LOCAL Step 1 work:

A. Payment- AUTHORITY shall pay CITY the amount identified in Article 5. PAYMENT, for the GO LOCAL Step 1 work within 30 days of receipt of acceptable invoice. Funds will not be distributed to CITY if AUTHORITY has not accepted CITY's Project Concept. CITY may resubmit an amended Project Concept for review by AUTHORITY. AUTHORITY has the sole and exclusive right to accept or reject any Project Concept.

B. Should CITY not complete the services identified in Exhibit A, or does not meet the terms and conditions of this Agreement, the CITY will return to AUTHORITY all monies funded to the CITY within sixty (60) days of AUTHORITY's written demand.

/

/

/

C. Additional Funding- Funding beyond what has been identified in Article 5. PAYMENT, shall be pursuant to a competitive process for projects initiated by AUTHORITY at a date to be determined. AUTHORITY does not guarantee that CITY will be selected to advance to the any future step in the GO LOCAL process.

**ARTICLE 4. RESPONSIBILITIES OF CITY**

CITY agrees to the following responsibilities for GO LOCAL Step 1 work:

A. Lead Agency- CITY will act as the lead agency for the GO LOCAL Step 1 work. However, CITY may designate pursuant to a written partnership letter of agreement that another city participating in the GO LOCAL program is serving as lead agency. AUTHORITY shall be provided a copy of this letter within ten (10) days after the agreement has been executed.

B. Third Party Partnerships- CITY is encouraged to collaborate with and enter into written agreements with adjacent cities to advance the project consistent with the Project Concept. CITY shall deliver to AUTHORITY a copy of each executed agreement within ten (10) days of execution.

C. Project Reporting- Within six months from the receipt of funds, CITY shall submit to AUTHORITY a progress report similar to that detailed in Exhibit B, entitled "GO LOCAL Initial Progress Report," attached to and, by this reference, incorporated in and made part of this Agreement. CITY shall be required to produce a final written report of its findings, recommendations, and next steps according to a mutually agreed upon date, but no later than the completion date of this Agreement. The Final Report will include the elements described in Exhibit C, entitled "GO LOCAL Project Concept Final Report Outline." Exhibit C is attached to and, by this reference, incorporated in and made part of this Agreement.

D. Use Of Funding- CITY shall use funding provided by AUTHORITY exclusively for the services identified in Exhibit A. All funding released to CITY shall be spent in accordance with Local Transportation Ordinance Number 2: The Revised Orange County Traffic Improvement and Growth Management Ordinance. If CITY fails to develop and/or pursue the Project Concept in accordance with said Ordinance, or the CITY uses the Funds to support or facilitate acquisition of property



# City of Villa Park

17855 Santiago Boulevard, Villa Park, California 92861-4187  
(714) 998-1500 • Fax: (714) 998-1508

[www.villapark.org](http://www.villapark.org)

RECEIVED

OCT 12 2006

CITY OF VILLA PARK

October 5, 2006

Mr. Dave Morgan, City Manager  
City of Anaheim  
200 South Anaheim Boulevard  
Anaheim, California 92805

**Subject: Partnership with City of Anaheim for OCTA Go Local Program**

Dear Mr. Morgan:

*Dave*  
This letter agreement confirms our prior discussion that the City of Villa Park intends to partner with the City of Anaheim for the Orange County Transportation Authority (OCTA) Go Local Program. The City of Anaheim, as the lead agency, will contract with outside consultants to perform a study and will provide the day to day management of the consultant, and manage all consultant administration and contracting and provide all required reports and documentation to OCTA. City of Villa Park staff will participate in the development of the scope of work, reviewing the proposals, and the selection of consultant. Furthermore, the technical studies and the final report will be reviewed by a Technical Steering committee comprised of the cities of Anaheim, Orange and Villa Park staff.

We understand that the City of Villa Park will be able to invoice OCTA directly for staff time charged against the project. We also understand that the City of Villa Park will be required to execute an agreement with OCTA for the project.

We will respectfully request that OCTA provide the City of Villa Park allocation of \$100,000, less City of Villa Park costs be provided directly to the City of Anaheim on behalf of City of Villa Park to lead the Transit Needs Assessment Study. This study through public outreach, data collections, and technical analysis, will identify the transit needs and opportunities in the City of Villa Park. If warranted through the needs assessment, the study will further evaluate the feasibility of a feeder service from Villa Park to Orange and/or Anaheim Metrolink stations.

assessment, evaluate the feasibility of a feeder service from Villa Park to Orange and/or Anaheim Metrolink stations

2. **Project Concept:** Conduct detailed technical analysis to further develop several of City of Anaheim locally preferred higher capacity transit service and community circulators and feeder routes to compete for the Step 2 of the OCTA Go-Local program (to compete for \$30 million).
3. **Route Planning:** Determine the possible feeder routes and type of transit services that are most suited for connecting the City of Villa Park with the Orange Metrolink station or Anaheim stations and/or other major employment centers and visitor attractions in the cities of Anaheim and Orange.
4. **Station Assessment and Master Site Plan:** Assess the Anaheim Canyon station to identify how the station should be expanded to maximize its usage. Develop a Master Site Plan for the station to serve the future land uses currently approved or proposed for surrounding areas and

### C. Partners

Please find attached a signed letter of participation from the City of Anaheim. In summary, the City of Anaheim has agreed to lead this study based on the above project concept, including coordinating the work effort, day-to-day management, hiring and managing outside consultants to conduct the required study, invoicing, and hosting project meetings. The City of Villa Park, to the degree possible, has agreed to participate in reviewing proposal scope, consultant selection, attending project meetings and reviewing reports and/or studies produced as a result of this effort.

Additionally, the participating cities agree to allocate the following portion of their OCTA-Go Local Funding to the City of Anaheim, as Lead Agency, for use in completing the study as follows:

Anaheim (Lead Agency)	\$100,000
Villa Park	\$85,000
Orange	\$40,000

through eminent domain or as matching funds to implement land development, all monies funded to the CITY shall be returned to AUTHORITY within sixty (60) days of AUTHORITY's written demand. AUTHORITY shall have sole discretion in determining whether the Project Concept has been developed and/or pursued in accordance with said Ordinance. AUTHORITY may terminate this Agreement, in whole or part, if the AUTHORITY determines in its sole discretion that CITY has utilized funds in a manner leading to use of eminent domain powers. Upon AUTHORITY's determination and written request, CITY shall return all monies in accordance with this Article.

E. Third Party Work- CITY shall deliver to AUTHORITY a copy of each executed agreement and scope of work for services to be performed by third parties in fulfillment of the Project Concept within thirty (30) days after the agreement has been executed.

F. Conduct- CITY shall conduct all of its activities in association with GO LOCAL Step 1 in a good and competent and professional manner and in compliance with all applicable federal, state and local rules and regulations.

G. Modeling—CITY shall utilize existing AUTHORITY modeling results to ensure that project results are compatible with AUTHORITY planning efforts. AUTHORITY shall make modeling available.

## ARTICLE 5. PAYMENT

A. For CITY's full and complete performance of its obligations under this Agreement and subject to the maximum cumulative payment obligation provisions set forth in this Agreement, AUTHORITY shall pay CITY the not to exceed lump sum amount of One Hundred Thousand Dollars (\$100,000.00) within thirty (30) days after execution of this Agreement and upon receipt of acceptable invoice.

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B. As a supplement to the Final Report, CITY shall submit to AUTHORITY a Project Expenditures Certification, as detailed in Exhibit D, which is attached to this Agreement, and incorporated by reference, for work performed under this Agreement. The Certification shall include, but not be limited to, period of performance, actual expenses; classification, hours and rates of in-house personnel, vendors, contractors, for work performed exclusively for the GO LOCAL Step 1 phase. Additionally, CITY may be required to submit this information to the AUTHORITY at any time during the performance of this Agreement. CITY will be required to submit to AUTHORITY all information requested within thirty (30) days from AUTHORITY's request.

**ARTICLE 6. MAXIMUM OBLIGATION**

Notwithstanding any provisions of this Agreement to the contrary, AUTHORITY and CITY agree that AUTHORITY's maximum cumulative payment obligation hereunder (including CITY's direct and indirect costs) shall be One Hundred Thousand Dollars (\$100,000.00) which shall include all amounts payable incurred solely for the purposes of the GO LOCAL Step 1 work.

**ARTICLE 7. AUDIT AND INSPECTION**

CITY shall maintain a complete set of records in accordance with generally accepted accounting principles and in accordance with Local Transportation Ordinance Number 2: The Revised Traffic Improvement and Growth Management Ordinance. The original records shall be maintained within the CITY limits. Upon reasonable notice, CITY shall permit the authorized representatives of the AUTHORITY to inspect and audit all work, materials, payroll, books, accounts and other data and records of CITY for a period of not less than four (4) years after final payment, or until any on-going audit is completed whichever is longer. For purposes of audit, the date of completion of this Agreement shall be the date of AUTHORITY's payment for CITY's final billing (so noted on the invoice) under this Agreement. AUTHORITY shall also have the right to reproduce any documents related to this Agreement by whatever means necessary.

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**ARTICLE 8. INDEMNIFICATION**

CITY shall indemnify, defend and hold harmless AUTHORITY, its officers, directors, employees and agents from and against any and all claims (including attorney's fees and reasonable expenses for litigation or settlement) for any loss or damages, bodily injuries, including death, worker's compensation subrogation claims, damage to or loss of use of property caused by the negligent acts, omissions or willful misconduct by CITY, its officers, directors, employees or agents in connection with or arising out of the performance of this Agreement.

**ARTICLE 9. ADDITIONAL PROVISIONS:**

The AUTHORITY and CITY agree to the following mutual responsibilities:

A. Term of Agreement- This Agreement shall continue in full force and effect through December 31, 2007, unless terminated by mutual written consent by both Parties. The term of this Agreement may only be extended upon mutual written agreement by both Parties.

B. Termination- The AUTHORITY may terminate this Agreement for its convenience any time, in whole or part, by giving CITY written notice thereof.

C. Modifications- This Agreement may be amended in writing at any time by the mutual consent of both Parties. No amendment shall have any force or effect unless executed in writing by both AUTHORITY and CITY.

D. Legal Authority- AUTHORITY and CITY hereto warrant that they are duly authorized to execute this Agreement on behalf of said Parties and that, by so executing this Agreement, the Parties hereto are formally bound to the provisions of this Agreement.

E. Notices- Any notices, requests or demands made between the parties pursuant to this Agreement are to be directed as followed:

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To CITY:

City of Villa Park

17855 Santiago Boulevard

Villa Park, CA 92861

ATTENTION: Warren Repke,

City Engineer

(714/ 998-1500)

To AUTHORITY:

Orange County Transportation Authority

550 South Main Street

P. O. Box 14184

Orange, CA 92863-1584

Attention: Kathleen Murphy-Perez,

Section Manager, Capital Projects

(714/560-5743); *kperez@octa.net*

c: Paul Taylor, Executive Director,

Development Division

F. Severability- If any term, provision, covenant or condition of this Agreement is held to be invalid, void or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the remainder to this Agreement shall not be affected thereby, and each term, provision, covenant or condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

G. Counterparts of Agreement- This Agreement may be executed and delivered in any number of counterparts, each of which, when executed and delivered shall be deemed an original and all of which together shall constitute the same agreement. Facsimile signatures will be permitted.

H. Force Majeure- Either Party shall be excused from performing its obligations under this Agreement 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 the federal, state or local government; national fuel shortage; or a material act or omission by the other party; when satisfactory evidence of such cause is presented to the other Party, and provided further that such nonperformance is unforeseeable, beyond the control and is not due to the fault or negligence of the Party not performing.

/

I. Assignment- Neither this Agreement, nor any of a Party's rights, obligations, duties, or authority hereunder may be assigned in whole or in part by either Party without the prior written consent of the other Party. Any such attempt of assignment shall be deemed void and of no force and effect. Consent to one assignment shall not be deemed consent to any subsequent assignment, nor the waiver of any right to consent to such subsequent assignment.


J. Obligations Comply with Law- Nothing herein shall be deemed nor construed to authorize or require any Party to issue bonds, notes or other evidences of indebtedness under terms, in amounts, or for purposes other than as authorized by local, State or Federal law.

K. Governing Law- The laws of the State of California and applicable Federal, State, local laws, regulations and guidelines shall govern hereunder.

This Agreement shall be made effective upon execution by both parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement No. C-6-0769 to be executed on the date first above written.

CITY VILLA PARK

By:   
Ken Domer  
City Manager

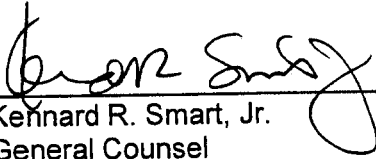
ORANGE COUNTY TRANSPORTATION AUTHORITY

By: \_\_\_\_\_  
Arthur T. Leahy  
Chief Executive Officer

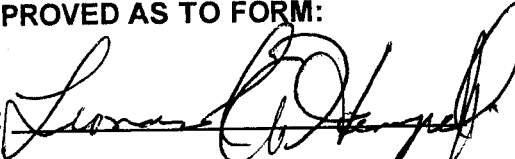
ATTEST:

By:   
Assistant to the  
Clerk of the Council

APPROVED AS TO FORM:

By:   
Kennard R. Smart, Jr.  
General Counsel

APPROVED AS TO FORM:

By: 

APPROVAL RECOMMENDED:

By: \_\_\_\_\_  
Paul Taylor, Executive Director  
Development Division

Dated: 10/20/06

Dated: \_\_\_\_\_



**AGREEMENT C-6-0769  
EXHIBIT A**

GO LOCAL

**STEP ONE PROJECT CONCEPT**

To qualify for funds your city project must focus on assessing ways to provide transit connections to Metrolink. Complete the Project Concept, and return with a signed Cooperative Agreement.

**A. Study Type**

Project Concept assessments can cover or study any of the following topics. Please review the descriptions below and indicate the type of analysis you expect to perform by placing an (x) next to one (or more) of the following:

☒ **Needs Assessments**

What are the transit needs? Identify populations, congestion areas, etc.

☐ **Coordinating Transit and Land Use**

How can a transit project support your city's land use planning policies/projects and vice versa?

☒ **Route Planning**

Existing data has identified activity centers, populations or congestion hot spots which warrant transit service. What are possible routes and types of transit?

☐ **Public policy /public support**

Does the community support transit as evidenced by land use designations and the commitment of local stakeholders?

☒ **Project Concepts**

Does the city have one or more general transit concepts which it would like to explore more fully in a detailed technical analysis?

☐ **Make your own case**

Is there a concept that addresses a need in your city that you would like the Board of Directors to consider? Is this need consistent with the Measure M requirements that funds be spent on transit-related purposes to extend the reach of Metrolink?

**B. Project Overview**

The City of Villa Park in cooperation with the City of Anaheim (serving as the lead agency) and the City of Orange desires to conduct, manage, and oversee a multi-faceted transit study to analyze potential development of transit systems extending from the Anaheim Stadium Station, Anaheim Canyon Metrolink Station, Orange Metrolink Station and the future Anaheim Regional Transportation Intermodal Center (ARTIC) through the cities of Anaheim, Orange and Villa Park. In addition to the funding provided by OCTA, the City of Anaheim and the Anaheim Redevelopment Agency have provided \$300,000 to conduct public and stakeholder outreach, develop a Citywide Transit Master Plan and to develop a Master Site Plan for the Anaheim Canyon Metrolink Station.

More specifically, the multi-faceted transit study will include the following:

**1. Needs Assessment:**

- a. **Anaheim:** Through public outreach, data collection and technical analysis identify the transit needs and opportunities in City of Anaheim and identify preferred corridors for consideration in developing a local higher capacity transit service to operate as an extension to the proposed Metrolink Commuter Rail.
- b. **Villa Park:** Through public outreach, data collections, and technical analysis, identify the transit needs and opportunities in City of Villa Park. If warranted through the needs



**GO LOCAL**

**PROJECT CONCEPT  
SIX-MONTH PROGRESS REPORT**

City/Date: \_\_\_\_\_

Prepared By \_\_\_\_\_

**A. Project Overview Progress Report**

Please include a 200-300 word description of progress to date. *To the extent possible*, you should describe what you are working on, your methodology, key staff and/or stakeholders, and any preliminary results.

**B. Project Resources**

Please indicate all that apply:

- ◆ We've been utilizing consultants  
(Name(s): \_\_\_\_\_)
  
- ◆ We've been doing some or all  
of the work in-house
  
- ◆ We have partnerships with:  
(Include if not listed in Exhibit A)

**C. Financial Report**

Percentage of funding Committed \_\_\_\_\_ Expended \_\_\_\_\_

We foresee obstacles to completion with funding. No \_\_\_\_\_ Yes \_\_\_\_\_  
If yes, please explain in attachment:

**Return to: Jeanne Spinner-LaMar, Manager, Local Initiative  
550 South Main Street  
P.O. Box 14184  
Orange, CA 92863-1584**





**GO LOCAL**

**PROJECT CONCEPT  
FINAL REPORT OUTLINE**

At the conclusion of Project Concept work, all cities will submit a Final Report within \_\_\_\_\_ days utilizing the outline below. Sections Five and Six below will constitute your proposal for the next phase of work.

1. **Summary of Project** (1 page)
2. **Study Questions** (1 page)
3. **Methodology Used** (1 page)
4. **Results** (3-5 pages)  
*Report against the Evaluation Criteria, i.e. financial considerations, community factors, transportation benefit.*
5. **Findings** (4-5 pages)  
*Your analysis of the results*
6. **Next Steps** (5-7 pages)  
*Identify:*
  - *what you wish to do next,*
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  - *the staff, resources, and time you would need;*
  - *what you would expect to determine, and*
  - *the budget, your agency contribution, any partnerships and their contributions.*

**Return to: Jeanne Spinner-La Mar, Manager, Local Initiatives  
550 South Main Street  
P.O. Box 14184  
Orange, CA 92863-1584**



**GO LOCAL**

**PROJECT CONCEPT**  
**Project Expenditures Certification**

**SAMPLE**

Consultant	Contract Number	Cost Column A	In-house Labor	Total hours charged to project x fully burdened hourly rate	Cost Column B	TOTAL add A & B
ABC	001	25,000	Sr. Planner	500 hours x \$85/hr	42,500	
XYZ	002	30,000	Admin Asst.	100 x \$25/hr	2,500	
		55,000			45,000	100,000

I hereby certify that the above is a true and correct statement of the work performed and costs incurred on the Project Concept.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Title

**Return to: Jeanne Spinner-LaMar, Manager, Local Initiative**  
**550 South Main Street**  
**P.O. Box 14184**  
**Orange, CA 92863-15**



**COOPERATIVE AGREEMENT NO. C- 6-0742**

**BETWEEN**

**ORANGE COUNTY TRANSPORTATION AUTHORITY**

**AND**

**CITY OF ALISO VIEJO**

**FOR**

**CITY-INITIATED TRANSIT EXTENSIONS TO METROLINK**

**THIS AGREEMENT** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_  
2006, by and between the Orange County Transportation Authority, 550 South Main Street, P.O.  
Box 14184, Orange, California 92863-1584, a public corporation of the State of California  
(hereinafter referred to as "AUTHORITY"), acting on behalf of the Orange County Local  
Transportation Authority, and the City of Aliso Viejo, 12 Journey, Aliso Viejo, California, 92656, a  
municipal corporation and charter city duly organized and existing under the constitution and laws of  
the State of California (hereinafter referred to as "CITY").

**RECITALS:**

**WHEREAS**, AUTHORITY considers its railroad lines linking Los Angeles and San Diego  
Counties and the Inland Empire to be the core of Orange County's future rail transit system; and

**WHEREAS**, CITY and AUTHORITY wish to work as partners to develop a community-based  
transit vision that increases use of Metrolink by Aliso Viejo residents, visitors, and/or employees; and

**WHEREAS**, the funds allocated through this program must comply with the 1990 Measure M  
ordinance which states in part that the intent is to provide matching funds to encourage development  
of extensions to major activity centers and providing access between the primary rail system and  
employment centers; and

**WHEREAS**, CITY is encouraged to enter into written agreements with other cities to  
collaborate in some or all facets of a planning and needs assessment to support this vision; and

/

1       **WHEREAS**, Measure M funds have been designated for cities to study ways to accomplish  
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3       **WHEREAS**, CITY will develop a proposed Project Concept (further defined hereunder) which  
4 will factor in, among other elements, community interests and desires; and

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7 defined enhancements and transit extensions to Metrolink that work best with their local  
8 community's short and long-term priorities (hereinafter referred to as "GO LOCAL Step 1"); and

9       **WHEREAS**, CITY has completed the GO LOCAL Step 1 Project Concept form, and  
10 AUTHORITY has found such concept acceptable; and

11       **WHEREAS**, CITY, upon AUTHORITY's execution of this Agreement, will pursue the Project  
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13       **NOW, THEREFORE**, it is mutually understood and agreed by AUTHORITY and CITY as  
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19 work and supersedes all prior representations, understandings and communications between the  
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21 validity of the other terms or conditions.

22       /

23       /

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26       /

**ARTICLE 2. SCOPE**

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B. AUTHORITY's failure to insist upon CITY's performance of any terms or conditions of this Agreement shall not be construed as a waiver or relinquishment of AUTHORITY's right to such performance or to future performance of such terms or conditions and CITY's obligation in respect to performance shall continue in full force and effect.

C. Changes to any portion of this Agreement shall not be binding upon AUTHORITY unless confirmed in writing by an authorized representative of AUTHORITY by way of a written amendment to this Agreement and issued in accordance with the provisions of this Agreement.

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B. Should CITY not complete the services identified in Exhibit A, or does not meet the terms and conditions of this Agreement, the CITY will return to AUTHORITY all monies funded to the CITY within sixty (60) days of AUTHORITY's written demand.

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C. Additional Funding- Funding beyond what has been identified in Article 5. PAYMENT, shall be pursuant to a competitive process for projects initiated by AUTHORITY at a date to be determined. AUTHORITY does not guarantee that CITY will be selected to advance to the any future step in the GO LOCAL process.

**ARTICLE 4. RESPONSIBILITIES OF CITY**

CITY agrees to the following responsibilities for GO LOCAL Step 1 work:

A. Lead Agency- CITY will act as the lead agency for the GO LOCAL Step 1 work. However, CITY may designate pursuant to a written partnership letter of agreement that another city participating in the GO LOCAL program is serving as lead agency. AUTHORITY shall be provided a copy of this letter within ten (10) days after the agreement has been executed.

B. Third Party Partnerships- CITY is encouraged to collaborate with and enter into written agreements with adjacent cities to advance the project consistent with the Project Concept. CITY shall deliver to AUTHORITY a copy of each executed agreement within ten (10) days of execution.

C. Project Reporting- Within six months from the receipt of funds, CITY shall submit to AUTHORITY a progress report similar to that detailed in Exhibit B, entitled "GO LOCAL Initial Progress Report," attached to and, by this reference, incorporated in and made part of this Agreement. CITY shall be required to produce a final written report of its findings, recommendations, and next steps according to a mutually agreed upon date, but no later than the completion date of this Agreement. The Final Report will include the elements described in Exhibit C, entitled "GO LOCAL Project Concept Final Report Outline." Exhibit C is attached to and, by this reference, incorporated in and made part of this Agreement.

D. Use Of Funding- CITY shall use funding provided by AUTHORITY exclusively for the services identified in Exhibit A. All funding released to CITY shall be spent in accordance with Local Transportation Ordinance Number 2: The Revised Orange County Traffic Improvement and Growth Management Ordinance. If CITY fails to develop and/or pursue the Project Concept in accordance with said Ordinance, or the CITY uses the Funds to support or facilitate acquisition of property



through eminent domain or as matching funds to implement land development, all monies funded to the CITY shall be returned to AUTHORITY within sixty (60) days of AUTHORITY's written demand. AUTHORITY shall have sole discretion in determining whether the Project Concept has been developed and/or pursued in accordance with said Ordinance. AUTHORITY may terminate this Agreement, in whole or part, if the AUTHORITY determines in its sole discretion that CITY has utilized funds in a manner leading to use of eminent domain powers. Upon AUTHORITY's determination and written request, CITY shall return all monies in accordance with this Article.

E. Third Party Work- CITY shall deliver to AUTHORITY a copy of each executed agreement and scope of work for services to be performed by third parties in fulfillment of the Project Concept within thirty (30) days after the agreement has been executed.

F. Conduct- CITY shall conduct all of its activities in association with GO LOCAL Step 1 in a good and competent and professional manner and in compliance with all applicable federal, state and local rules and regulations.

G. Modeling—CITY shall utilize existing AUTHORITY modeling results to ensure that project results are compatible with AUTHORITY planning efforts. AUTHORITY shall make modeling available.

#### ARTICLE 5. PAYMENT

A. For CITY's full and complete performance of its obligations under this Agreement and subject to the maximum cumulative payment obligation provisions set forth in this Agreement, AUTHORITY shall pay CITY the not to exceed lump sum amount of One Hundred Thousand Dollars (\$100,000.00) within thirty (30) days after execution of this Agreement and upon receipt of acceptable invoice.

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B. As a supplement to the Final Report, CITY shall submit to AUTHORITY a Project Expenditures Certification, as detailed in Exhibit D, which is attached to this Agreement, and incorporated by reference, for work performed under this Agreement. The Certification shall include, but not be limited to, period of performance, actual expenses; classification, hours and rates of in-house personnel, vendors, contractors, for work performed exclusively for the GO LOCAL Step 1 phase. Additionally, CITY may be required to submit this information to the AUTHORITY at any time during the performance of this Agreement. CITY will be required to submit to AUTHORITY all information requested within thirty (30) days from AUTHORITY's request.

**ARTICLE 6. MAXIMUM OBLIGATION**

Notwithstanding any provisions of this Agreement to the contrary, AUTHORITY and CITY agree that AUTHORITY's maximum cumulative payment obligation hereunder (including CITY's direct and indirect costs) shall be One Hundred Thousand Dollars (\$100,000.00) which shall include all amounts payable incurred solely for the purposes of the GO LOCAL Step 1 work.

**ARTICLE 7. AUDIT AND INSPECTION**

CITY shall maintain a complete set of records in accordance with generally accepted accounting principles and in accordance with Local Transportation Ordinance Number 2: The Revised Traffic Improvement and Growth Management Ordinance. The original records shall be maintained within the CITY limits. Upon reasonable notice, CITY shall permit the authorized representatives of the AUTHORITY to inspect and audit all work, materials, payroll, books, accounts and other data and records of CITY for a period of not less than four (4) years after final payment, or until any on-going audit is completed whichever is longer. For purposes of audit, the date of completion of this Agreement shall be the date of AUTHORITY's payment for CITY's final billing (so noted on the invoice) under this Agreement. AUTHORITY shall also have the right to reproduce any documents related to this Agreement by whatever means necessary.

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**ARTICLE 8. INDEMNIFICATION**

CITY shall indemnify, defend and hold harmless AUTHORITY, its officers, directors, employees and agents from and against any and all claims (including attorney's fees and reasonable expenses for litigation or settlement) for any loss or damages, bodily injuries, including death, worker's compensation subrogation claims, damage to or loss of use of property caused by the negligent acts, omissions or willful misconduct by CITY, its officers, directors, employees or agents in connection with or arising out of the performance of this Agreement.

**ARTICLE 9. ADDITIONAL PROVISIONS:**

The AUTHORITY and CITY agree to the following mutual responsibilities:

A. Term of Agreement- This Agreement shall continue in full force and effect through December 31, 2007, unless terminated by mutual written consent by both Parties. The term of this Agreement may only be extended upon mutual written agreement by both Parties.

B. Termination- The AUTHORITY may terminate this Agreement for its convenience any time, in whole or part, by giving CITY written notice thereof.

C. Modifications- This Agreement may be amended in writing at any time by the mutual consent of both Parties. No amendment shall have any force or effect unless executed in writing by both AUTHORITY and CITY.

D. Legal Authority- AUTHORITY and CITY hereto warrant that they are duly authorized to execute this Agreement on behalf of said Parties and that, by so executing this Agreement, the Parties hereto are formally bound to the provisions of this Agreement.

E. Notices- Any notices, requests or demands made between the parties pursuant to this Agreement are to be directed as followed:

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To CITY:

City of Aliso Viejo

12 Journey

Aliso Viejo, CA 92656

ATTENTION: John Whitman,

City Engineer

(949/ 425-2531)

To AUTHORITY:

Orange County Transportation Authority

550 South Main Street

P. O. Box 14184

Orange, CA 92863-1584

Attention: Kathleen Murphy-Perez,

Section Manager, Capital Projects

(714/560-5743); *kperez@octa.net*

c: Paul Taylor, Executive Director,

Development Division

F. Severability- If any term, provision, covenant or condition of this Agreement is held to be invalid, void or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the remainder to this Agreement shall not be affected thereby, and each term, provision, covenant or condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

G. Counterparts of Agreement- This Agreement may be executed and delivered in any number of counterparts, each of which, when executed and delivered shall be deemed an original and all of which together shall constitute the same agreement. Facsimile signatures will be permitted.

H. Force Majeure- Either Party shall be excused from performing its obligations under this Agreement 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 the federal, state or local government; national fuel shortage; or a material act or omission by the other party; when satisfactory evidence of such cause is presented to the other Party, and provided further that such nonperformance is unforeseeable, beyond the control and is not due to the fault or negligence of the Party not performing.

/

I. Assignment- Neither this Agreement, nor any of a Party's rights, obligations, duties, or authority hereunder may be assigned in whole or in part by either Party without the prior written consent of the other Party. Any such attempt of assignment shall be deemed void and of no force and effect. Consent to one assignment shall not be deemed consent to any subsequent assignment, nor the waiver of any right to consent to such subsequent assignment.

J. Obligations Comply with Law- Nothing herein shall be deemed nor construed to authorize or require any Party to issue bonds, notes or other evidences of indebtedness under terms, in amounts, or for purposes other than as authorized by local, State or Federal law.

K. Governing Law- The laws of the State of California and applicable Federal, State, local laws, regulations and guidelines shall govern hereunder.

This Agreement shall be made effective upon execution by both parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement No. C-6-0742 to be executed on the date first above written.

**CITY ALISO VIEJO**

By: Carmen F. Vali-Cave  
Carmen Vali-Cave  
Mayor

**ATTEST:**

By: Susan Robinson  
Susan Robinson  
Clerk of the Council

**APPROVED AS TO FORM:**

By: James L. Raymond  
for By: Scott Smith  
City Attorney

Dated: 10/26/2010

**ORANGE COUNTY TRANSPORTATION AUTHORITY**

By: \_\_\_\_\_  
Arthur T. Leahy  
Chief Executive Officer

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
Kennard R. Smart, Jr.  
General Counsel

**APPROVAL RECOMMENDED:**

By: \_\_\_\_\_  
Paul Taylor, Executive Director  
Development Division

Dated: \_\_\_\_\_



## GO LOCAL

### PROJECT CONCEPT

To qualify for funds your city project must focus on assessing ways to provide transit connections to Metrolink. Complete the Project Concept, and return with the Cooperative Agreement.

#### A. Study Type

Project Concept assessments can cover or study any of the following topics. Please review the descriptions below and indicate the type of analysis you expect to perform by placing an (x) next to one (or more) of the following:

☐ **Needs Assessments**

What are the transit needs? Identify populations, congestion areas, etc.

☐ **Coordinating Transit and Land Use**

How can a transit project support your city's land use planning policies/projects and vice versa?

☐ **Route Planning**

Existing data has identified activity centers, populations or congestion hot spots which warrant transit service. What are possible routes and types of transit?

☐ **Public policy /public support**

Does the community support transit as evidenced by land use designations and the commitment of local stakeholders?

☐ **Project Concepts**

Does the city have one or more general transit concepts which it would like to explore more fully in a detailed technical analysis?

☐ **Make your own case**

Is there a concept that addresses a need in your city that you would like the Board of Directors to consider? Is this need consistent with the Measure M requirements that funds be spent on transit-related purposes to extend the reach of Metrolink?

#### B. Project Overview

Please include a 250 to 300 word overview of your Project Concept.

#### C. Partners

Please attach any letters of agreements, which identify other jurisdictions participating in this Project Concept, and your respective roles (see Checklist on Website).





**GO LOCAL**

**PROJECT CONCEPT  
SIX-MONTH PROGRESS REPORT**

City/Date: \_\_\_\_\_  
By \_\_\_\_\_

Prepared

**A. Project Overview Progress Report**

Please include a 200-300 word description of progress to date. *To the extent possible*, you should describe what you are working on, your methodology, key staff and/or stakeholders, and any preliminary results.

**B. Project Resources**

Please indicate all that apply:

- ◆ We've been utilizing consultants  
(Name(s): \_\_\_\_\_)
- ◆ We've been doing some or all  
of the work in-house
- ◆ We have partnerships with:  
(Include if not listed in Exhibit A)

**C. Financial Report**

Percentage of funding Committed \_\_\_\_\_ Expended \_\_\_\_\_

We foresee obstacles to completion with funding. No \_\_\_\_\_ Yes \_\_\_\_\_  
If yes, please explain in attachment:

Return to: **Jeanne Spinner-LaMar, Manager, Local Initiative**  
550 South Main Street  
P.O. Box 14184  
Orange, CA 92863-1584



**GO LOCAL**

**PROJECT CONCEPT  
FINAL REPORT OUTLINE**

At the conclusion of Project Concept work, all cities will submit a Final Report within \_\_\_\_\_ days utilizing the outline below. Sections Five and Six below will constitute your proposal for the next phase of work.

1. **Summary of Project** (1 page)
2. **Study Questions** (1 page)
3. **Methodology Used** (1 page)
4. **Results** (3-5 pages)  
*Report against the Evaluation Criteria, i.e. financial considerations, community factors, transportation benefit.*
5. **Findings** (4-5 pages)  
*Your analysis of the results*
6. **Next Steps** (5-7 pages)  
*Identify:*
  - *what you wish to do next,*
  - *the methods you would use,*
  - *the staff, resources, and time you would need;*
  - *what you would expect to determine, and*
  - *the budget, your agency contribution, any partnerships and their contributions.*

**Return to: Jeanne Spinner-La Mar, Manager, Local Initiatives  
550 South Main Street  
P.O. Box 14184  
Orange, CA 92863-1584**



**GO LOCAL**

**PROJECT CONCEPT**  
**Project Expenditures Certification**

**SAMPLE**

Consultant	Contract Number	Cost Column A	In-house Labor	Total hours charged to project x fully burdened hourly rate	Cost Column B	TOTAL add A & B
ABC	001	25,000	Sr. Planner	500 hours x \$85/hr	42,500	
XYZ	002	30,000	Admin Asst.	100 x \$25/hr	2,500	
		55,000			45,000	100,000

I hereby certify that the above is a true and correct statement of the work performed and costs incurred on the Project Concept.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Title

Return to: Jeanne Spinner-LaMar, Manager, Local Initiative  
550 South Main Street  
P.O. Box 14184 Orange, CA 92863-15



## Go Local Project Concept

### A. Study Type

- ☐ Coordinating Transit and Land Use
- ☐ Route Planning
- ☐ Make our own case

### B. Project Overview

The City of Aliso Viejo wants to develop a shuttle bus service which accomplishes the following objectives:

1. Supports the use of the Aliso Viejo Town Center by providing a direct link between the Center and the Laguna Niguel Metrolink Station allowing combination trips for work, recreation, culture and shopping.
2. Provides City residents increased mobility and opportunities to and within the Town Center.
3. Provides added incentive to use the shuttle service through park and ride opportunities and an attractive experience on the shuttle bus.

The City of Aliso Viejo proposes to study land use policies and projects underway and proposed at Town Center which can be supported by transit and can support transit ridership. The City will also determine potential ridership, routes, transit stops, with park and ride support and type of transit vehicles which could generate ridership.

The project will examine ridership, identifying a complete package of transit and support facilities which can be co-located at Town Center and along transit route(s) between the City's commercial/cultural activity, multimodal transportation links (including the City planned extensive pedestrian/bicycle trail system.)

The project will focus on schemes to enhance the user's experience as they combine multipurpose/multimodal trips between to established trip generators/attractors. The project will develop a long range plan for putting the transit system in place which will seek public/private partnerships for funding ridership enhancement and operations.

The project will develop a data base which will be used as the base line to measure benefits of the transit improvement to the Citizens of Aliso Viejo.





**COOPERATIVE AGREEMENT NO. C- 6-0774**

**BETWEEN**

**ORANGE COUNTY TRANSPORTATION AUTHORITY**

**AND**

**CITY OF LAGUNA BEACH**

**FOR**

**CITY-INITIATED TRANSIT EXTENSIONS TO METROLINK**

**THIS AGREEMENT** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2006, by and between the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, California 92863-1584, a public corporation of the State of California (hereinafter referred to as "AUTHORITY"), acting on behalf of the Orange County Local Transportation Authority, and the City of Laguna Beach, 505 Forest Avenue, Laguna Beach, California, 92651, a municipal corporation (hereinafter referred to as "CITY").

**RECITALS:**

**WHEREAS**, AUTHORITY considers its railroad lines linking Los Angeles and San Diego Counties and the Inland Empire to be the core of Orange County's future rail transit system; and

**WHEREAS**, CITY and AUTHORITY wish to work as partners to develop a community-based transit vision that increases use of Metrolink by Laguna Beach residents, visitors, and/or employees; and

**WHEREAS**, the funds allocated through this program must comply with the 1990 Measure M ordinance which states in part that the intent is to provide matching funds to encourage development of extensions to major activity centers and to provide access between the primary rail system and employment centers; and

**WHEREAS**, CITY is encouraged to enter into written agreements with other cities to collaborate in some or all facets of a planning and needs assessment to support this vision; and

1       **WHEREAS**, Measure M funds have been designated for cities to study ways to accomplish  
2 this; and

3       **WHEREAS**, CITY will develop a proposed Project Concept (further defined hereunder) which  
4 will factor in, among other elements, community interests and desires; and

5       **WHEREAS**, the AUTHORITY's Board of Directors on February 27, 2006, allocated Measure  
6 M funds to a program designed to enable cities that wish to develop a local transit vision including  
7 defined enhancements and transit extensions to Metrolink that work best with their local  
8 community's short and long-term priorities (hereinafter referred to as "GO LOCAL Step 1"); and

9       **WHEREAS**, CITY has completed the GO LOCAL Step 1 Project Concept form, and  
10 AUTHORITY has found such concept acceptable; and

11       **WHEREAS**, CITY, upon AUTHORITY's execution of this Agreement, will pursue the Project  
12 Concept; and

13       **NOW, THEREFORE**, it is mutually understood and agreed by AUTHORITY and CITY as  
14 follows:

15       **ARTICLE 1. COMPLETE AGREEMENT**

16       This Agreement, including all exhibits and documents incorporated herein and made  
17 applicable by reference, constitutes the complete and exclusive statement of the terms and  
18 conditions of the agreement between AUTHORITY and CITY concerning the GO LOCAL Step 1  
19 work and supersedes all prior representations, understandings and communications between the  
20 parties. The invalidity in whole or part of any term or condition of this Agreement shall not affect the  
21 validity of the other terms or conditions.

22       **ARTICLE 2. SCOPE**

23       A.     This Agreement specifies the procedures that AUTHORITY and CITY will follow in  
24 connection with the GO LOCAL Step 1 work to be performed by CITY. CITY agrees to provide all  
25 services identified in Project Concept, identified herein as Exhibit A to this Agreement. Both  
26 AUTHORITY and CITY agree that each will cooperate and coordinate with the other in all activities

covered by this Agreement and any other supplemental agreements.

B. AUTHORITY's failure to insist upon CITY's performance of any terms or conditions of this Agreement shall not be construed as a waiver or relinquishment of AUTHORITY's right to such performance or to future performance of such terms or conditions and CITY's obligation in respect to performance shall continue in full force and effect.

C. Changes to any portion of this Agreement shall not be binding upon AUTHORITY unless confirmed in writing by an authorized representative of AUTHORITY by way of a written amendment to this Agreement and issued in accordance with the provisions of this Agreement.

### **ARTICLE 3. RESPONSIBILITIES OF AUTHORITY**

AUTHORITY agrees to the following responsibilities for the GO LOCAL Step 1 work:

A. Payment- AUTHORITY shall pay CITY the amount identified in Article 5. PAYMENT, for the GO LOCAL Step 1 work within 30 days of receipt of acceptable invoice. Funds will not be distributed to CITY if AUTHORITY has not accepted CITY's Project Concept. CITY may resubmit an amended Project Concept for review by AUTHORITY. AUTHORITY has the sole and exclusive right to accept or reject any Project Concept.

B. Should CITY not complete the services identified in Exhibit A, or does not meet the terms and conditions of this Agreement, the CITY will return to AUTHORITY all monies funded to the CITY within sixty (60) days of AUTHORITY's written demand.

C. Additional Funding- Funding beyond what has been identified in Article 5. PAYMENT, shall be pursuant to a competitive process for projects initiated by AUTHORITY at a date to be determined. AUTHORITY does not guarantee that CITY will be selected to advance to the any future step in the GO LOCAL process.

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participating in the GO LOCAL program is serving as lead agency for a joint Project Concept. AUTHORITY shall be provided a copy of this letter within ten (10) days after the agreement has been executed.

B. Third Party Partnerships- CITY is encouraged to collaborate with and enter into written agreements with adjacent cities to advance the project consistent with the Project Concept. CITY shall deliver to AUTHORITY a copy of each executed agreement within ten (10) days of execution.

C. Project Reporting- Within six months from the receipt of funds, CITY shall submit to AUTHORITY a progress report similar to that detailed in Exhibit B, entitled "GO LOCAL Initial Progress Report," attached to and, by this reference, incorporated in and made part of this Agreement. CITY shall be required to produce a final written report (Final Report) of its findings, recommendations, and next steps according to a mutually agreed upon date, but no later than the completion date of this Agreement. The Final Report will include the elements described in Exhibit C, entitled "GO LOCAL Project Concept Final Report Outline." Exhibit C is attached to and, by this reference, incorporated in and made part of this Agreement.

D. Use Of Funding- CITY shall use funding provided by AUTHORITY exclusively for the services identified in Exhibit A. All funding released to CITY shall be spent in accordance with Local Transportation Ordinance Number 2: The Revised Orange County Traffic Improvement and Growth Management Ordinance. If CITY fails to develop and/or pursue the Project Concept in accordance with said Ordinance, or the CITY uses the Funds to support or facilitate acquisition of property through eminent domain or as matching funds to implement land development, all monies funded to the CITY shall be returned to AUTHORITY within sixty (60) days of AUTHORITY's written demand. AUTHORITY shall have sole discretion in determining whether the Project Concept has been developed and/or pursued in accordance with said Ordinance. AUTHORITY may terminate this Agreement, in whole or part, if the AUTHORITY determines in its sole discretion that CITY has utilized funds in a manner leading to use of eminent domain powers. Upon AUTHORITY's determination and written request, CITY shall return all monies in accordance with this Article.

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F. Conduct- CITY shall conduct all of its activities in association with GO LOCAL Step 1 in a good and competent and professional manner and in compliance with all applicable federal, state and local rules and regulations.

G. Modeling—CITY shall utilize existing AUTHORITY modeling results to ensure that project results are compatible with AUTHORITY planning efforts. The AUTHORITY shall make a good faith effort to make existing modeling results available to CITY within 2 business days of the CITY's written request.

#### **ARTICLE 5. PAYMENT**

A. For CITY's full and complete performance of its obligations under this Agreement and subject to the maximum cumulative payment obligation provisions set forth in this Agreement, AUTHORITY shall pay CITY the not to exceed lump sum amount of One Hundred Thousand Dollars (\$100,000.00) within thirty (30) days after execution of this Agreement and upon receipt of acceptable invoice.

B. As a supplement to the Final Report, CITY shall submit to AUTHORITY a Project Expenditures Certification, as detailed in Exhibit D, which is attached to this Agreement, and incorporated by reference, for work performed under this Agreement. The Certification shall include, but not be limited to, period of performance, actual expenses; classification, hours and rates of in-house personnel, vendors, contractors, for work performed exclusively for the GO LOCAL Step 1 phase. Additionally, CITY may be required to submit this information to the AUTHORITY at any time during the performance of this Agreement. CITY will be required to submit to AUTHORITY all information requested within thirty (30) days from AUTHORITY's request.

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**ARTICLE 6. MAXIMUM OBLIGATION**

Notwithstanding any provisions of this Agreement to the contrary, AUTHORITY and CITY agree that AUTHORITY's maximum cumulative payment obligation hereunder (including CITY's direct and indirect costs) shall be One Hundred Thousand Dollars (\$100,000.00) which shall include all amounts payable incurred solely for the purposes of the GO LOCAL Step 1 work.

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CITY shall maintain a complete set of records in accordance with generally accepted accounting principles and in accordance with Local Transportation Ordinance Number 2: The Revised Traffic Improvement and Growth Management Ordinance. The original records shall be maintained within the CITY limits. Upon reasonable notice, CITY shall permit the authorized representatives of the AUTHORITY to inspect and audit all work, materials, payroll, books, accounts and other data and records of CITY for a period of not less than four (4) years after final payment, or until any on-going audit is completed whichever is longer. For purposes of audit, the date of completion of this Agreement shall be the date of AUTHORITY's payment for CITY's final billing (so noted on the invoice) under this Agreement. AUTHORITY shall also have the right to reproduce any documents related to this Agreement by whatever means necessary.

**ARTICLE 8. INDEMNIFICATION**

CITY shall indemnify, defend and hold harmless each other and their officers, directors, employees, and agents from and against any and all claims (including attorney's fees and reasonable expenses for litigation or settlement) for any loss or damages, bodily injuries, including death, damage to or loss of use of property caused by the negligent acts, omissions or willful misconduct by the Parties and their officers, directors, employees, and agents in connection with or arising out of the performance of this Agreement.

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**ARTICLE 9. ADDITIONAL PROVISIONS:**

The AUTHORITY and CITY agree to the following mutual responsibilities:

A. Term of Agreement- This Agreement shall continue in full force and effect through December 31, 2007, unless terminated by mutual written consent by both Parties. The term of this Agreement may only be extended upon mutual written agreement by both Parties.

B. Termination For Cause - AUTHORITY may terminate this Agreement any time for cause, in whole or part, by giving CITY written notice thereof.

C. Termination For Convenience - AUTHORITY may request to terminate this Agreement for convenience by giving, at a minimum, thirty (30) days written notice to the other party specifying the effective date of termination.

D. Modifications- This Agreement may be amended in writing at any time by the mutual consent of both Parties. No amendment shall have any force or effect unless executed in writing by both AUTHORITY and CITY.

E. Legal Authority- AUTHORITY and CITY hereto warrant that they are duly authorized to execute this Agreement on behalf of said Parties and that, by so executing this Agreement, the Parties hereto are formally bound to the provisions of this Agreement.

F. Notices- Any notices, requests or demands made between the parties pursuant to this Agreement are to be directed as followed:

To CITY:

City of Laguna Beach

505 Forest Avenue

Laguna Beach, CA 92651

ATTENTION: Steve May

Director of Public Works

(949/497-0351); smay@lagunabeachcity.net

To AUTHORITY:

Orange County Transportation Authority

550 South Main Street

P. O. Box 14184

Orange, CA 92863-1584

Attention: Kathleen Murphy-Perez,

Section Manager, Capital Projects

(714/560-5743); kperez@octa.net

c: Paul Taylor, Executive Director,  
Development Division

G. Severability- If any term, provision, covenant or condition of this Agreement is held to be invalid, void or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the remainder to this Agreement shall not be affected thereby, and each term, provision, covenant or condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

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I. Force Majeure- Either Party shall be excused from performing its obligations under this Agreement 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 the federal, state or local government; national fuel shortage; or a material act or omission by the other party; when satisfactory evidence of such cause is presented to the other Party, and provided further that such nonperformance is unforeseeable, beyond the control and is not due to the fault or negligence of the Party not performing.

J. Assignment- Neither this Agreement, nor any of a Party's rights, obligations, duties, or authority hereunder may be assigned in whole or in part by either Party without the prior written consent of the other Party. Any such attempt of assignment shall be deemed void and of no force and effect. Consent to one assignment shall not be deemed consent to any subsequent assignment, nor the waiver of any right to consent to such subsequent assignment.

K. Obligations Comply with Law- Nothing herein shall be deemed nor construed to authorize or require any Party to issue bonds, notes or other evidences of indebtedness under terms, in amounts, or for purposes other than as authorized by local, State or Federal law.

/



L. Governing Law- The laws of the State of California and applicable Federal, State, local laws, regulations and guidelines shall govern hereunder.

This Agreement shall be made effective upon execution by both parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement No. C-6-0774 to be executed on the date first above written.

**CITY OF LAGUNA BEACH**

**ORANGE COUNTY TRANSPORTATION AUTHORITY**

By: Kenneth Frank  
Kenneth Frank  
City Manager

By: \_\_\_\_\_  
Arthur T. Leahy  
Chief Executive Officer

**ATTEST:**

**APPROVED AS TO FORM:**

By: Martha Anderson  
Martha Anderson  
City Clerk

By: \_\_\_\_\_  
Kennard R. Smart, Jr.  
General Counsel

**APPROVED AS TO FORM:**

**APPROVAL RECOMMENDED:**

By: \_\_\_\_\_

By: \_\_\_\_\_  
Paul Taylor, Executive Director  
Development Division

Dated: \_\_\_\_\_



## GO LOCAL

### STEP ONE PROJECT CONCEPT

To qualify for funds your city project must focus on assessing ways to provide transit connections to Metrolink. Complete the Project Concept, and return with a signed Cooperative Agreement.

#### A. Study Type

Project Concept assessments can cover or study any of the following topics. Please review the descriptions below and indicate the type of analysis you expect to perform by placing an (x) next to one (or more) of the following:

☒ **Needs Assessments**

What are the transit needs? Identify populations, congestion areas, etc.

☐ **Coordinating Transit and Land Use**

How can a transit project support your city's land use planning policies/projects and vice versa?

☒ **Route Planning**

Existing data has identified activity centers, populations or congestion hot spots which warrant transit service. What are possible routes and types of transit?

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Does the community support transit as evidenced by land use designations and the commitment of local stakeholders?

☐ **Project Concepts**

Does the city have one or more general transit concepts which it would like to explore more fully in a detailed technical analysis?

☐ **Make your own case**

Is there a concept that addresses a need in your city that you would like the Board of Directors to consider? Is this need consistent with the Measure M requirements that funds be spent on transit-related purposes to extend the reach of Metrolink?

#### B. Project Overview

Please include a 250 to 300 word overview of your Project Concept.

#### C. Partners

Please attach any letters of agreements which identify other jurisdictions participating in this Project Concept and your respective roles (See Checklist on Website).



**GO LOCAL**

**INITIAL PROGRESS REPORT**

City/Date: \_\_\_\_\_

Prepared By \_\_\_\_\_

**A. Project Overview Progress Report**

Please include a 200-300 word description of progress to date. *To the extent possible*, you should describe what you are working on, your methodology, key staff and/or stakeholders, and any preliminary results.

**B. Project Resources**

Please indicate all that apply:

- ◆ We've been utilizing consultants

(Name(s): \_\_\_\_\_)

- ◆ We've been doing some or all of the work in-house

- ◆ We have partnerships with:  
(Include if not listed in Exhibit A)

**C. Financial Report**

Percentage of funding committed \_\_\_\_\_ expended \_\_\_\_\_

We foresee obstacles to completing the Project Concept scope with the funds available.

No \_\_\_\_\_ Yes \_\_\_\_\_

If yes, please explain in an attachment.

Return to: **Jeanne Spinner LaMar, Manager, Local Initiative**  
550 South Main Street  
P.O. Box 14184  
Orange, CA 92863-1584



## GO LOCAL

### **PROJECT CONCEPT FINAL REPORT OUTLINE**

At the conclusion of Project Concept work, all cities will submit a Final Report within \_\_\_\_\_ days utilizing the outline below. Sections Five and Six below will constitute your proposal for the next phase of work.

1. **Summary of Project** (1 page)
2. **Study Questions** (1 page)
3. **Methodology Used** (1 page)
4. **Results** (3-5 pages)  
*Report against the Evaluation Criteria, i.e. financial considerations, community factors, transportation benefit.*
5. **Findings** (4-5 pages)  
*Your analysis of the results*
6. **Next Steps** (5-7 pages)  
*Identify:*
  - *what you wish to do next,*
  - *the methods you would use,*
  - *the staff, resources, and time you would need;*
  - *what you would expect to determine, and*
  - *the budget, your agency contribution, any partnerships and their contributions.*

Return to: Jeanne Spinner LaMar, Manager, Local Initiative  
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**GO LOCAL**

**PROJECT CONCEPT**  
**Project Expenditures Certification**

**SAMPLE**

Consultant	Contract Number	Cost	In-house Labor	Total hours charged to project x fully burdened hourly rate	Cost	TOTAL add A & B
ABC	001	25,000	Sr. Planner	500 hours x \$85/hr	42,500	
XYZ	002	10,000	Admin Asst.	100 x \$25/hr	2,500	
		75,000			5,000	100,000

I hereby certify that the above is a true and correct statement of the work performed and costs incurred on the Project Concept.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Title

Return to: Jeanne Spinner LaMar, Manager, Local Initiative  
550 South Main Street  
P.O. Box 14184  
Orange, CA 92863-1584



# Go Local Metrolink Grant Project Concept

## City of Laguna Beach

October 17, 2006

### I. SUMMARY

Laguna Beach operates a fixed route transit system that carries roughly 500,000 passengers each year. Most of those passengers have vehicles parked somewhere within the city. The objective of the proposed study would be to find ways to reduce parking demand and vehicle trips within the city's congested streets by bringing in visitors via public transit from remote parking areas and by providing more public transit options for residents who travel outside of the City's transit system that would allow them to leave their vehicles at home.

### II. STUDY PROCESS

The City intends to retain a transportation consultant to perform the following services:

1. Survey existing transit customers to establish bench mark service parameters of the City's existing transit system.
2. Develop options for linking the City's transit system with outlying Metrolink stations.
3. Coordinate with neighboring agencies to identify and evaluate partnering or mutually beneficial options.
4. Produce a report of options to improve the City's existing transit system and to link with Metrolink.

It is expected that a preliminary report can be prepared by June of 2007. The schedule will depend upon the progress of neighboring cities on the Go Local program.

### III. PROJECT PARTNERS

Within the City of Laguna Beach, the Chamber of Commerce and the Visitors Bureau are always part of our transit planning process. They will be included in this proposed planning effort.

Any proposed Metrolink plan will need to be coordinated with the Metrolink Station host city. In our case, that would be either Laguna Niguel or Irvine. The City's consultant will coordinate all planning efforts with both of these cities as well as other neighboring cities. Laguna Beach will also enter a cooperative agreement with one or the other, or both, Metrolink Station host cities whereby Laguna Beach may contribute portions of its grant to that host city for planning and coordination. Laguna Beach expects to contribute roughly half of the total grant to coordination efforts with neighboring and Metrolink Station host cities.



## 1 COOPERATIVE AGREEMENT NO. C- 6-0686

2 BETWEEN

3 ORANGE COUNTY TRANSPORTATION AUTHORITY

4 AND

5 CITY OF SAN CLEMENTE

6 FOR

7 CITY-INITIATED TRANSIT EXTENSIONS TO METROLINK

8 THIS AGREEMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_

9 2006, by and between the Orange County Transportation Authority, 550 South Main Street, P.O.  
10 Box 14184, Orange, California 92863-1584, a public corporation of the State of California  
11 (hereinafter referred to as "AUTHORITY"), acting on behalf of the Orange County Local  
12 Transportation Authority, and the City of San Clemente, 100 Avenida Presidio, San Clemente,  
13 California, 92672, a municipal corporation (hereinafter referred to as "CITY").

14 RECITALS:

15 WHEREAS, AUTHORITY considers its railroad lines linking Los Angeles and San Diego  
16 Counties and the Inland Empire to be the core of Orange County's future rail transit system; and

17 WHEREAS, CITY and AUTHORITY wish to work as partners to develop a community-based  
18 transit vision that increases use of Metrolink by San Clemente residents, visitors, and/or employees;  
19 and

20 WHEREAS, the funds allocated through this program must comply with the 1990 Measure M  
21 ordinance which states in part that the intent is to provide matching funds to encourage development  
22 of extensions to major activity centers and to provide access between the primary rail system and  
23 employment centers; and

24 WHEREAS, CITY is encouraged to enter into written agreements with other cities to  
25 collaborate in some or all facets of a planning and needs assessment to support this vision; and

26 /

1       **WHEREAS**, Measure M funds have been designated for cities to study ways to accomplish  
2 this; and

3       **WHEREAS**, CITY will develop a proposed Project Concept (further defined hereunder) which  
4 will factor in, among other elements, community interests and desires; and

5       **WHEREAS**, the AUTHORITY's Board of Directors on February 27, 2006, allocated Measure  
6 M funds to a program designed to enable cities that wish to develop a local transit vision including  
7 defined enhancements and transit extensions to Metrolink that work best with their local  
8 community's short and long-term priorities (hereinafter referred to as "GO LOCAL Step 1"); and

9       **WHEREAS**, CITY has completed the GO LOCAL Step 1 Project Concept form, and  
10 AUTHORITY has found such concept acceptable; and

11       **WHEREAS**, CITY, upon AUTHORITY's execution of this Agreement, will pursue the Project  
12 Concept; and

13       **NOW, THEREFORE**, it is mutually understood and agreed by AUTHORITY and CITY as  
14 follows:

15       **ARTICLE 1. COMPLETE AGREEMENT**

16       This Agreement, including all exhibits and documents incorporated herein and made  
17 applicable by reference, constitutes the complete and exclusive statement of the terms and  
18 conditions of the agreement between AUTHORITY and CITY concerning the GO LOCAL Step 1  
19 work and supersedes all prior representations, understandings and communications between the  
20 parties. The invalidity in whole or part of any term or condition of this Agreement shall not affect the  
21 validity of the other terms or conditions.

22       **ARTICLE 2. SCOPE**

23       A.     This Agreement specifies the procedures that AUTHORITY and CITY will follow in  
24 connection with the GO LOCAL Step 1 work to be performed by CITY. CITY agrees to provide all  
25 services identified in Project Concept, identified herein as Exhibit A to this Agreement. Both  
26 AUTHORITY and CITY agree that each will cooperate and coordinate with the other in all activities

covered by this Agreement and any other supplemental agreements.

B. AUTHORITY's failure to insist upon CITY's performance of any terms or conditions of this Agreement shall not be construed as a waiver or relinquishment of AUTHORITY's right to such performance or to future performance of such terms or conditions and CITY's obligation in respect to performance shall continue in full force and effect.

C. Changes to any portion of this Agreement shall not be binding upon AUTHORITY unless confirmed in writing by an authorized representative of AUTHORITY by way of a written amendment to this Agreement and issued in accordance with the provisions of this Agreement.

### **ARTICLE 3. RESPONSIBILITIES OF AUTHORITY**

AUTHORITY agrees to the following responsibilities for the GO LOCAL Step 1 work:

A. Payment- AUTHORITY shall pay CITY the amount identified in Article 5. PAYMENT, for the GO LOCAL Step 1 work within 30 days of receipt of acceptable invoice. Funds will not be distributed to CITY if AUTHORITY has not accepted CITY's Project Concept. CITY may resubmit an amended Project Concept for review by AUTHORITY. AUTHORITY has the sole and exclusive right to accept or reject any Project Concept.

B. Should CITY not complete the services identified in Exhibit A, or does not meet the terms and conditions of this Agreement, the CITY will return to AUTHORITY all monies funded to the CITY within sixty (60) days of AUTHORITY's written demand.

C. Additional Funding- Funding beyond what has been identified in Article 5. PAYMENT, shall be pursuant to a competitive process for projects initiated by AUTHORITY at a date to be determined. AUTHORITY does not guarantee that CITY will be selected to advance to the any future step in the GO LOCAL process.

### **ARTICLE 4. RESPONSIBILITIES OF CITY**

CITY agrees to the following responsibilities for GO LOCAL Step 1 work:

A. Lead Agency- CITY will act as the lead agency for the GO LOCAL Step 1 work. However, CITY may designate pursuant to a written partnership letter of agreement that another city

participating in the GO LOCAL program is serving as lead agency for a joint Project Concept. AUTHORITY shall be provided a copy of this letter within ten (10) days after the agreement has been executed.

B. Third Party Partnerships- CITY is encouraged to collaborate with and enter into written agreements with adjacent cities to advance the project consistent with the Project Concept. CITY shall deliver to AUTHORITY a copy of each executed agreement within ten (10) days of execution.

C. Project Reporting- Within six months from the receipt of funds, CITY shall submit to AUTHORITY a progress report similar to that detailed in Exhibit B, entitled "GO LOCAL Initial Progress Report," attached to and, by this reference, incorporated in and made part of this Agreement. CITY shall be required to produce a final written report (Final Report) of its findings, recommendations, and next steps according to a mutually agreed upon date, but no later than the completion date of this Agreement. The Final Report will include the elements described in Exhibit C, entitled "GO LOCAL Project Concept Final Report Outline." Exhibit C is attached to and, by this reference, incorporated in and made part of this Agreement.

D. Use Of Funding- CITY shall use funding provided by AUTHORITY exclusively for the services identified in Exhibit A. All funding released to CITY shall be spent in accordance with Local Transportation Ordinance Number 2: The Revised Orange County Traffic Improvement and Growth Management Ordinance. If CITY fails to develop and/or pursue the Project Concept in accordance with said Ordinance, or the CITY uses the Funds to support or facilitate acquisition of property through eminent domain or as matching funds to implement land development, all monies funded to the CITY shall be returned to AUTHORITY within sixty (60) days of AUTHORITY's written demand. AUTHORITY shall have sole discretion in determining whether the Project Concept has been developed and/or pursued in accordance with said Ordinance. AUTHORITY may terminate this Agreement, in whole or part, if the AUTHORITY determines in its sole discretion that CITY has utilized funds in a manner leading to use of eminent domain powers. Upon AUTHORITY's determination and written request, CITY shall return all monies in accordance with this Article.



E. Third Party Work- CITY shall deliver to AUTHORITY a copy of each executed agreement and scope of work for services to be performed by third parties in fulfillment of the Project Concept within thirty (30) days after the agreement has been executed.

F. Conduct- CITY shall conduct all of its activities in association with GO LOCAL Step 1 in a good and competent and professional manner and in compliance with all applicable federal, state and local rules and regulations.

G. Modeling—CITY shall utilize existing AUTHORITY modeling results to ensure that project results are compatible with AUTHORITY planning efforts. AUTHORITY shall make modeling available.

#### ARTICLE 5. PAYMENT

A. For CITY's full and complete performance of its obligations under this Agreement and subject to the maximum cumulative payment obligation provisions set forth in this Agreement, AUTHORITY shall pay CITY the not to exceed lump sum amount of One Hundred Thousand Dollars (\$100,000.00) within thirty (30) days after execution of this Agreement and upon receipt of acceptable invoice.

B. As a supplement to the Final Report, CITY shall submit to AUTHORITY a Project Expenditures Certification, as detailed in Exhibit D, which is attached to this Agreement, and incorporated by reference, for work performed under this Agreement. The Certification shall include, but not be limited to, period of performance, actual expenses; classification, hours and rates of in-house personnel, vendors, contractors, for work performed exclusively for the GO LOCAL Step 1 phase. Additionally, CITY may be required to submit this information to the AUTHORITY at any time during the performance of this Agreement. CITY will be required to submit to AUTHORITY all information requested within thirty (30) days from AUTHORITY's request.

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**ARTICLE 6. MAXIMUM OBLIGATION**

Notwithstanding any provisions of this Agreement to the contrary, AUTHORITY and CITY agree that AUTHORITY's maximum cumulative payment obligation hereunder (including CITY's direct and indirect costs) shall be One Hundred Thousand Dollars (\$100,000.00) which shall include all amounts payable incurred solely for the purposes of the GO LOCAL Step 1 work.

**ARTICLE 7. AUDIT AND INSPECTION**

CITY shall maintain a complete set of records in accordance with generally accepted accounting principles and in accordance with Local Transportation Ordinance Number 2: The Revised Traffic Improvement and Growth Management Ordinance. The original records shall be maintained within the CITY limits. Upon reasonable notice, CITY shall permit the authorized representatives of the AUTHORITY to inspect and audit all work, materials, payroll, books, accounts and other data and records of CITY for a period of not less than four (4) years after final payment, or until any on-going audit is completed whichever is longer. For purposes of audit, the date of completion of this Agreement shall be the date of AUTHORITY's payment for CITY's final billing (so noted on the invoice) under this Agreement. AUTHORITY shall also have the right to reproduce any documents related to this Agreement by whatever means necessary

**ARTICLE 8. INDEMNIFICATION**

CITY shall indemnify, defend and hold harmless AUTHORITY, its officers, directors, employees and agents from and against any and all claims (including attorney's fees and reasonable expenses for litigation or settlement) for any loss or damages, bodily injuries, including death, worker's compensation subrogation claims, damage to or loss of use of property caused by the negligent acts, omissions or willful misconduct by CITY, its officers, directors, employees or agents in connection with or arising out of the performance of this Agreement.

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/

**ARTICLE 9. ADDITIONAL PROVISIONS:**

The AUTHORITY and CITY agree to the following mutual responsibilities:

A. Term of Agreement- This Agreement shall continue in full force and effect through December 31, 2007, unless terminated by mutual written consent by both Parties. The term of this Agreement may only be extended upon mutual written agreement by both Parties.

B. Termination- The AUTHORITY may terminate this Agreement for its convenience any time, in whole or part, by giving CITY written notice thereof.

C. Modifications- This Agreement may be amended in writing at any time by the mutual consent of both Parties. No amendment shall have any force or effect unless executed in writing by both AUTHORITY and CITY.

D. Legal Authority- AUTHORITY and CITY hereto warrant that they are duly authorized to execute this Agreement on behalf of said Parties and that, by so executing this Agreement, the Parties hereto are formally bound to the provisions of this Agreement.

E. Notices- Any notices, requests or demands made between the parties pursuant to this Agreement are to be directed as followed:

To CITY:

City of San Clemente

100 Avenida Presidio

San Clemente, CA 92672

Attention: G. Wayne Eggleston

Mayor

To AUTHORITY:

Orange County Transportation Authority

550 South Main Street

P. O. Box 14184

Orange, CA 92863-1584

Attention: Kathleen Murphy-Perez,

Section Manager, Capital Projects

(714/560-5743); [kperez@octa.net](mailto:kperez@octa.net)

c: Paul Taylor, Executive Director,

Development Division

/

F. Severability- If any term, provision, covenant or condition of this Agreement is held to be invalid, void or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the remainder to this Agreement shall not be affected thereby, and each term, provision, covenant or condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

G. Counterparts of Agreement- This Agreement may be executed and delivered in any number of counterparts, each of which, when executed and delivered shall be deemed an original and all of which together shall constitute the same agreement. Facsimile signatures will be permitted.

H. Force Majeure- Either Party shall be excused from performing its obligations under this Agreement 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 the federal, state or local government; national fuel shortage; or a material act or omission by the other party; when satisfactory evidence of such cause is presented to the other Party, and provided further that such nonperformance is unforeseeable, beyond the control and is not due to the fault or negligence of the Party not performing.

I. Assignment- Neither this Agreement, nor any of a Party's rights, obligations, duties, or authority hereunder may be assigned in whole or in part by either Party without the prior written consent of the other Party. Any such attempt of assignment shall be deemed void and of no force and effect. Consent to one assignment shall not be deemed consent to any subsequent assignment, nor the waiver of any right to consent to such subsequent assignment.

J. Obligations Comply with Law- Nothing herein shall be deemed nor construed to authorize or require any Party to issue bonds, notes or other evidences of indebtedness under terms, in amounts, or for purposes other than as authorized by local, State or Federal law.


K. Governing Law- The laws of the State of California and applicable Federal, State, local laws, regulations and guidelines shall govern hereunder.

This Agreement shall be made effective upon execution by both parties.

1           IN WITNESS WHEREOF, the parties hereto have caused this Agreement No. C-6-0686 to be  
2 executed on the date first above written.

3           CITY SAN CLEMENTE

          ORANGE COUNTY TRANSPORTATION AUTHORITY

4  
5 By:   
6       G. Wayne Eggleston  
          Mayor

By: \_\_\_\_\_  
      Arthur T. Leahy  
      Chief Executive Officer

7           APPROVED AS TO FORM:

8  
9 By: \_\_\_\_\_  
      Kennard R. Smart, Jr.  
      General Counsel

10          APPROVED AS TO FORM:

          APPROVAL RECOMMENDED:

11  
12 By: 

By: \_\_\_\_\_  
      Paul Taylor, Executive Director  
      Development Division

13  
14 Dated: 10-10-06

Dated: \_\_\_\_\_



## GO LOCAL

### STEP ONE PROJECT CONCEPT

To qualify for funds your city project must focus on assessing ways to provide transit connections to Metrolink. Complete the Project Concept, and return with a signed Cooperative Agreement.

#### A. Study Type

Project Concept assessments can cover or study any of the following topics. Please review the descriptions below and indicate the type of analysis you expect to perform by placing an (x) next to one (or more) of the following:

☒ **Needs Assessments**

What are the transit needs? Identify populations, congestion areas, etc.

☒ **Coordinating Transit and Land Use**

How can a transit project support your city's land use planning policies/projects and vice versa?

☒ **Route Planning**

Existing data has identified activity centers, populations or congestion hot spots which warrant transit service. What are possible routes and types of transit?

☒ **Public policy /public support**

Does the community support transit as evidenced by land use designations and the commitment of local stakeholders?

☐ **Project Concepts**

Does the city have one or more general transit concepts which it would like to explore more fully in a detailed technical analysis?

☐ **Make your own case**

Is there a concept that addresses a need in your city that you would like the Board of Directors to consider? Is this need consistent with the Measure M requirements that funds be spent on transit-related purposes to extend the reach of Metrolink?

#### B. Project Overview

Please include a 250 to 300 word overview of your Project Concept.

#### C. Partners

Please attach any letters of agreements which identify other jurisdictions participating in this Project Concept and your respective roles (See Checklist on Website).







## Project Concept Report

*A multi-purpose intra-city transit circulator for San Clemente*

---

San Clemente continues to evolve through the enhancement and revitalization of its Downtown center. The City's Downtown Vision and Strategic Plan (completed in April 2005) provide a roadmap to guide the City through this critical transformation. A key component of the Downtown Vision and Strategic Plan is transportation for Downtown San Clemente. Traffic congestion and parking concerns and the desire to protect and enhance the pedestrian-friendliness of the area led to the idea of a transit circulator or "trolley" to link the various Downtown districts.

The trolley will link key districts and amenities in San Clemente by connecting the train station and the parking lot at North Beach along El Camino Real to Avenida Del Mar and the Pier Bowl. San Clemente is an active transportation hub with Amtrak and Metrolink, and Orange County Transportation Authority (OCTA) providing service here. Preliminary trolley stops have been identified to include these destinations along El Camino Real and at the San Clemente Pier, in addition to upper Avenida Del Mar, the Library/Community Center and State Beach at Calafia. The Downtown Trolley Committee, which includes members from the community, City staff and is chaired by Councilmember Susan Ritschel, is also in discussions with the neighboring cities of Dana Point and San Juan Capistrano for a potential Tri-City Trolley System.

The trolley would also provide a valuable means of transportation for visitors who utilize the train, expanding their transportation opportunities once they arrive in San Clemente. In addition to the beach, visitors will be able to enjoy shopping and dining opportunities throughout the City's Downtown district and Marblehead Coastal specialty retail center (slated for spring 2008). And, with the recently expanded train service to San Clemente (to include weekends year round) the trolley would provide visitors transportation to other amenities and destinations while they are here.

The City sees the trolley as an integral component of the local transportation network as it would expand opportunities for mobility, alleviate traffic congestion and enhance the overall quality of life for residents and visitors. To envision how the trolley system would function within the local transportation network and help the City address major issues for implementation, a Vision/Goal Statement was created: ***"To create a multi-purpose circulator service connecting San Clemente's Downtown area, Metrolink station and other points of interest."***

The trolley system will have an intra-city focus, although it will coordinate with the Metrolink expansion to connect with stations in other communities such as Laguna Niguel, among others that are increasing the number of trains serving Orange County. It is anticipated that the popularity of the trolley, combined with the future shopping, dining and entertainment experiences planned for downtown, will increase demand for train service to San Clemente.



**GO LOCAL**

**INITIAL PROGRESS REPORT**

City/Date: \_\_\_\_\_

Prepared By \_\_\_\_\_

**A. Project Overview Progress Report**

Please include a 200-300 word description of progress to date. *To the extent possible*, you should describe what you are working on, your methodology, key staff and/or stakeholders, and any preliminary results.

**B. Project Resources**

Please indicate all that apply:

- ♦ We've been utilizing consultants

(Name(s): \_\_\_\_\_)

- ♦ We've been doing some or all of the work in-house

- ♦ We have partnerships with:  
(Include if not listed in Exhibit A)

**C. Financial Report**

Percentage of funding committed \_\_\_\_\_ expended \_\_\_\_\_

We foresee obstacles to completing the Project Concept scope with the funds available.

No \_\_\_\_\_ Yes \_\_\_\_\_

If yes, please explain in an attachment.

Return to: Jeanne Spinner LaMar, Manager, Local Initiative  
550 South Main Street  
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Orange, CA 92863-1584



## GO LOCAL

### **PROJECT CONCEPT FINAL REPORT OUTLINE**

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*Report against the Evaluation Criteria, i.e. financial considerations, community factors, transportation benefit.*
5. **Findings** (4-5 pages)  
*Your analysis of the results*
6. **Next Steps** (5-7 pages)  
*Identify:*
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  - *what you would expect to determine, and*
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Orange, CA 92863-1584



**GO LOCAL**

**PROJECT CONCEPT**  
**Project Expenditures Certification**

**SAMPLE**

Consultant	Contract Number	Cost Column A	In-house Labor	Total hours charged to project x fully burdened hourly rate	Cost Column B	TOTAL add A & B
ABC	001	25,000	Sr. Planner	500 hours x \$85/hr	42,500	
XYZ	002	30,000	Admin Asst.	100 x \$25/hr	2,500	
		55,000			45,000	100,000

I hereby certify that the above is a true and correct statement of the work performed and costs incurred on the Project Concept.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Title

Return to: Jeanne Spinner LaMar, Manager, Local Initiative  
550 South Main Street  
P.O. Box 14184  
Orange, CA 92863-1584







**BOARD COMMITTEE TRANSMITTAL**

**November 13, 2006**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject:** 511 Traveler Information System Status Report

**Regional Planning and Highways Committee**

November 6, 2006

**Present:** Directors Cavecche, Correa, Dixon, Green, Monahan, Norby, Pringle,  
and Rosen  
**Absent:** Director Ritschel

***Committee Vote***

This item was passed by all Committee Members present.

***Committee Recommendations***

- A. Direct staff to continue to work with other agencies toward a regionwide traveler information system.
- B. Direct staff to report back on budget implications prior to seeking approval to participate in 511 traveler information system.





**November 6, 2006**

**To:** Regional Planning and Highways Committee  
**From:** <sup>ATL/CL</sup> Arthur T. Leahy, Chief Executive Officer  
**Subject:** 511 Traveler Information System Status Report

### **Overview**

The Orange County Transportation Authority is working with other transportation agencies in Southern California to implement a regionwide traveler information system.

### **Recommendations**

- A. Direct staff to continue to work with other agencies toward a regionwide traveler information system.
- B. Direct staff to report back on budget implications prior to seeking approval to participate in 511 traveler information system.

### **Background**

In 1999, the United States Department of Transportation petitioned the Federal Communications Commission (FCC) to designate a nationwide three-digit telephone number for traveler information. At the time, there were over 300 different telephone numbers providing some sort of highway or public transportation-related information to the public. On July 21, 2000, the FCC designated 511 as the national travel information number. The FCC ruling leaves nearly all of the implementation issues to the states and local agencies. The ruling did not have a federal mandate regarding how the national system was to be paid for. That would also be left to the states and local agencies. Currently, according to the 511 Deployment Coalition, there are 29 511 systems in 25 states, available to over 93 million people.

In August 2005, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users was signed into law. Section 5306 requires that by 2010 a national traffic information system be established that includes a "user friendly" telephone service as well as a comprehensive website.

---

***Discussion***

The transportation agencies in the Southern California Association of Governments region are responsible for providing a variety of transportation, transit, and/or motorist-aid services in their respective counties. The Orange County Transportation Authority (OCTA), the Los Angeles Metropolitan Transportation Authority (Metro), the Riverside County Transportation Commission, the Ventura County Transportation Commission, the San Bernardino Associated Governments, and the California Department of Transportation (Caltrans) have formed a partnership to identify the need to implement a 511 traveler information system throughout the region.

Within the region there are currently two traveler information systems in operation, 1-800-Commute and CommuteSmart.Info, that provide regional functionality of a 511 system. Both of these systems have been developed and are operated with input/participation from OCTA. With the projected population growth and traffic congestion in the region, as well as the success of other 511 systems throughout the nation, the region's transportation agencies concluded that it would be beneficial to deploy and operate a traveler information system that supports travel modes and services accessible via the national 511 traveler information number.

Initially, Metro proposed to deploy a 511 system for Los Angeles County only; however, the other counties were able to convince Metro that it was in the best interest of the region to deploy a 511 system for the five-county area, given the inter-county commute patterns.

Metro has agreed to take the lead on developing and releasing a Request for Proposals (RFP). Working through Metro, the 511 regional partners developed a Scope of Work for proposals from qualified firms to develop, deploy, operate, and maintain the Motorist Aid and Traveler Information System (MATIS). Specifically, MATIS will be comprised of an Interactive Voice Response (IVR) telephone system and a web portal capable of providing a variety of traveler information to the public. The one element that the new 511 system proposes to provide, and is not currently available to the region, is a highway information system via the phone to provide real time travel speeds and incident information to callers. This information will be primarily based on detection data provided by Caltrans, as well as incident data provided by the California Highway Patrol.

In order for MATIS to be effective, the travel information supplied to it by the individual transportation agencies must be reliable. With that in mind, OCTA has been working with Caltrans District 12 regarding the veracity of the district's highway data. Highway transportation information is transmitted to

Caltrans through a system of loops embedded in the roadbed; the information is rationalized and interpreted in order to inform Caltrans, news media, and the traveling public regarding traffic conditions, etc.

Currently, throughout District 12 at any time an estimated 73 percent of the data-transmitting loops are operational. In order to bring that percentage closer to 90 percent, Caltrans estimates they would need an investment of over \$130,000 for which they have no source of funds. OCTA staff believes that the current 73 percent coverage will be sufficient to meet the initial needs of the 511 system.

The 511 contract will be let and administered through Metro with the current timeline for the procurement as follows:

- Mid to late September 2006 - Advertise RFP/procurement package
- Early to mid November 2006 - Proposals due
- November to December 2006 - Evaluate proposals and negotiations
- Early January 2007 - Metro Board approval
- January 2007 - Contractor starts work
- July 2007 - Start-up baseline 511 begins

A committee to evaluate the responses to the RFP will be created with the regional transportation commissions having one vote among them. The three affected Caltrans' districts (12, 7, and 8) will also have one vote among them. Remaining evaluation committee members will consist of Metro staff.

When considering what spread of information to make available to Orange County commuters, per the 511 information menu, OCTA staff recommends that Orange County travelers receive at least the same information they can access using the current CommuteSmart.info website and the 1-800-Commute telephone service. For example, they should receive at least the following information:

- bus and rail planner information
- traffic updates and incident information
- roadwork advisories
- carpool and ride matching information
- park-and-ride information

A cost parameter for developing and implementing MATIS has not been established by Metro. More details as to the exact costs and what cost sharing (if any) by the other four transportation agencies, will be determined after a successful proposer is selected. At that time, staff would bring back to the Board of Directors the anticipated cost impacts to OCTA, along with an

interagency agreement for Metro to operate and recover costs (if any) from the partnering transportation agencies. Should a transportation agency elect not to participate, then it is likely that their information will not be included in the IVR and web systems, even though the 511 number from that county would go to the Metro network.

**Summary**

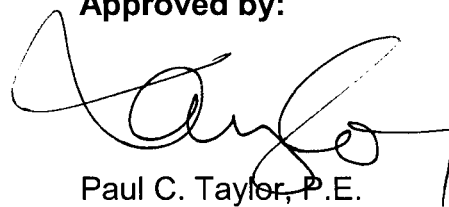
Working together, Southern California transportation agencies are developing a traveler transportation information network.

**Attachment**

None.

**Prepared by:**

Barry Engelberg  
Manager of Regional Initiatives  
(714) 560-5362

**Approved by:**

Paul C. Taylor, P.E.  
Executive Director, Development  
(714) 560-5431





**BOARD COMMITTEE TRANSMITTAL**

**November 13, 2006**

**To:** Members of the Board of Directors  
**From:** Wendy Knowles, Clerk of the Board <sup>WIK</sup>  
**Subject:** Orange County Transportation Authority's Board Members' Health Care Benefits

**Finance and Administration Committee**

October 11, 2006

**Present:** Directors Cavecche, Campbell, Correa, Duvall, and Pringle  
**Absent:** Director Wilson

***Committee Vote***

This item was passed by all Committee Members present.

***Committee Recommendations (reflects a change from staff recommendation)***

- A. For Board Members whose term of office commenced prior to June 27, 2005, continue to provide health care benefits at no cost to the Board Member.
- B. For Board Members whose term of office commenced on or after June 27, 2005, but before the date of Board approval, continue to offer health benefits at the same premium cost paid by the Orange County Transportation Authority's full-time employees.
- C. For Board Members whose term of office commences on or after the date of Board approval, and who do not receive health benefits from the public entity they are elected to serve, offer health care benefits at the same premium costs paid by the Orange County Transportation Authority's full-time employees.
- D. For Board Members whose term of office commences on or after the date of Board approval, and who choose to receive health benefits from the public entity they are elected to serve, offer health care benefits at 100 percent of the premium costs paid by the Orange County Transportation Authority.







## BOARD COMMITTEE TRANSMITTAL

### ***Committee Recommendations, Continued:***

- E. Amend the Fiscal Year 2007 Personnel and Salary Resolution to reflect these changes.

**NOTE – A correction to the staff report is needed as follows:**

On page 3, paragraph 3, sixth line of text: the word "not" should be deleted. The corrected sentence should read: "Board Members whose term of office commences on or after the date of Board approval and who do receive health benefits from the public entity they are elected to serve may also receive the Authority's health benefits if they pay 100 percent of the premium cost."





**October 11, 2006**

**To:** Finance and Administration Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Orange County Transportation Authority's Board Members Health Care Benefits

### **Overview**

In accordance with Section 18 of the Fiscal Year 2007 Personnel and Salary Resolution, which was adopted by the Board of Directors in June 2006, health care benefits are offered to members of the Orange County Transportation Authority's Board of Directors. For Board Members whose term of office commenced prior to June 27, 2005, the Board Members and their dependents have the entire cost of their premiums paid by the Orange County Transportation Authority. For Board Members whose term of office, or new term of office, commenced on or after June 27, 2005, the Board Members and their dependents pay the same premium costs as the Orange County Transportation Authority's full-time employees. On September 13, 2006, at the Finance and Administration Committee meeting, Director Pringle requested that staff re-visit premium payments for health benefits available to Board Members.

### **Recommendation**

Seek direction from the Orange County Transportation Authority's Board of Directors regarding premium payments for medical, dental, and vision benefits for Board Members whose terms of office commence on or after Board action.

### **Background**

Prior to June 27, 2005, the Orange County Transportation Authority (Authority) provided health care benefits to members of the Board of Directors (Board) and their dependents at no cost to the Board Members. On January 10, 2005, Director Pringle requested that staff review the health care policy, stating that many of the Board of Directors may have health insurance coverage through the county or city that they are elected to serve.

Staff reviewed the policy and submitted the information to the Board on April 11, 2005. On June 14, 2005, the Authority's legal counsel, Woodruff, Spradlin & Smart, advised that the Board does not have the authority to modify or eliminate the current health insurance benefits offered to existing Board Members. However, Board Members are not required to accept the health care benefits that are offered, or they may choose to participate in one of the plans and pay part of the cost for the health care benefit. The Board is authorized to eliminate or modify the current health care benefits and/or payments for the cost of the benefits for Board Members whose terms of office commence after the date of such a Board decision.

On June 27, 2005, the Board approved providing health care benefits for future Board Members at the same premium costs paid by the Authority's full-time employees. Health care benefits available to Board Members whose current term of office on the Board commenced prior to June 27, 2005, continue to receive the benefits at no cost.

On September 13, 2006, at the Finance and Administration Committee meeting, Director Pringle requested that staff re-visit the premium payment for health benefits available to Board Members.

### ***Discussion***

The Authority provides medical, dental, and vision benefits for Board Members and their dependents. Three medical benefit choices are offered: Kaiser Permanente (Kaiser), Cigna Health Maintenance Organization (HMO), and Cigna Open Access Plus (OAP). Two dental plans are offered: SmileSaver and MetLife Preferred Provider Organization. Two vision plans are offered: Kaiser vision plan is offered to those individuals selecting the Kaiser medical plan, and the Vision Service Plan is offered to those individuals selecting the Cigna HMO or the Cigna OAP Plan. The health plan rates and contribution rates for Board Members, administrative, and TCU employees for calendar year 2006 are included as Attachment A.

In 2006, the estimated cost to the Authority for providing medical, dental, and vision benefits to the 17-member Board is approximately \$169,000, for a one-year period. (This takes into account that two Board Members have waived medical, dental, and vision benefits.) The calculation of this amount and the plan selection for Board Members as of September 2006, is shown on Attachment B.

Options available to Board Members regarding the premium payment for medical, dental, and vision benefits include continuing the status quo or approving the policy recommended by Director Pringle.

Under the status quo, for Board Members whose term of office commenced prior to June 27, 2005, the Authority would continue to provide health care benefits at no cost to the Board Member. For Board Members whose term of office began on or after June 27, 2005, the Authority would continue to offer health benefits at the same cost paid by the full-time employees.

Director Pringle has recommended that the Authority provide health benefits at the same premium cost as for full-time Authority employees for Board Members whose term of office commences on or after the date of Board approval and who do not receive any health benefits from the public entity that they are elected to serve. Board Members whose term of office commences on or after the date of Board approval and who do not receive health benefits from the public entity they are elected to serve may also receive the Authority's health benefits if they pay 100 percent of the premium cost.

Current Board Members would not be affected and would continue to receive the Authority's health benefits, subject to the currently applicable premium payment obligations, if any.

Depending on the results of the November 2006 elections, as many as 11 Board Members will commence new terms beginning as early as December 2006. As many as three current Board Members will continue to be eligible to receive benefits at no cost to the Board Member. The remaining current Board Members will continue to be eligible to receive benefits at the same costs paid by the Authority's full-time employees.

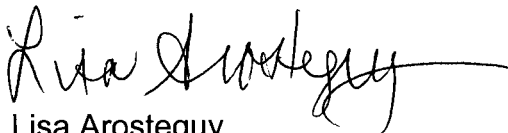
### ***Summary***

Seek direction from the Orange County Transportation Authority's Board of Directors regarding premium payments for medical, dental, and vision benefits for Board Members whose terms of office commence on or after Board action.

***Attachments***

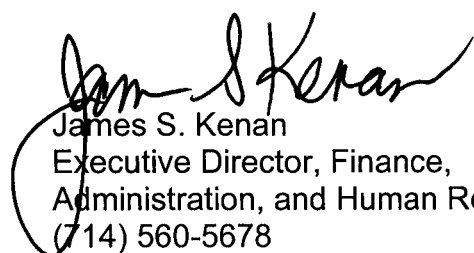
- A. Health Plan Rates and Contributions 2006
- B. Projected Health Care Benefit Costs – All Directors (17) – 12-month period Calendar Year 2006

**Prepared by:**



Lisa Arosteguy  
Department Manager,  
Human Resources  
(714) 560-5801

**Approved by:**



James S. Kenan  
Executive Director, Finance,  
Administration, and Human Resources  
(714) 560-5678

**Health Plan Rates and Contributions  
2006**

<b>Plan</b>	<b>2006 Monthly Premium</b>	
	<b>Plan Cost</b>	<b>Employee Contribution</b>
<b>Kaiser HMO</b>		
Employee Only	\$ 253.39	\$ 25.34
Employee + 1 Dependent	\$ 506.78	\$ 76.02
Employee + Family	\$ 717.09	\$ 107.56
<b>CIGNA HMO</b>		
Employee Only	\$ 252.48	\$ 24.26
Employee + 1 Dependent	\$ 542.83	\$ 78.23
Employee + Family	\$ 732.19	\$ 107.33
<b>CIGNA OAP Medical</b>		
Employee Only	\$ 422.19	\$ 55.13
Employee + 1 Dependent	\$ 907.71	\$ 165.38
Employee + Family	\$ 1,224.36	\$ 240.19
<b>SmileSaver</b>		
Employee Only	\$ 10.35	\$ 1.04
Employee + 1 Dependent	\$ 16.00	\$ 2.40
Employee + Family	\$ 21.00	\$ 3.30
<b>MetLife PPO Dental</b>		
Employee Only	\$ 49.95	\$ 6.07
Employee + 1 Dependent	\$ 107.39	\$ 18.20
Employee + Family	\$ 144.19	\$ 27.50
<b>Vision Service Plan</b>		
Employee Only	\$ 11.34	\$ 1.13
Employee + 1 Dependent	\$ 22.68	\$ 3.40
Employee + Family	\$ 32.40	\$ 4.86





**Projected Health Care Benefit Costs  
All Directors (17)  
12-Month Period  
Calendar Year 2006**

**Medical Plans**

				<b><u>Board Members' Monthly Contributions (estimated cost for the Period of 2/1/06 - 12/31/06)</u></b>	<b><u>Total Cost (\$) to Authority</u></b>
	<b><u>Number of Directors</u></b>	<b><u>Monthly Cost (\$)</u></b>	<b><u>Annual Cost (\$)</u></b>		
Cigna Open Access Plus					
Employee Only	3	422.19	15,198.84	551.30	
Employee+1 Dep	7	907.71	76,247.64	1,653.80	
Family Plan	4	1,224.36	58,769.28	7,205.70	
Kaiser HMO					
Employee+1 Dep	1	506.78	6,081.36		
Waived Medical Insurance	<u>2</u>	<u>0.00</u>	<u>0.00</u>		
	17		156,297.12	9,410.80	146,886.32

**Dental Plans**

MetLife PPO					
Employee Only	3	49.95	1,798.20	60.70	
Employee+1 Dep	8	107.39	10,309.44	182.00	
Family Plan	4	144.19	6,921.12	825.00	
SmileSaver	0	0.00	0.00		
Waived Dental Insurance	<u>2</u>	<u>0.00</u>	<u>0.00</u>		
	17		19,028.76	1,067.70	17,961.06

**Vision Plans**

Vision Service Plan					
Employee Only	3	11.34	408.24	11.30	
Employee+1 Dep	6	22.68	1,632.96	34.00	
Family Plan	5	32.40	1,944.00	145.80	
Kaiser Plan	1	0.00	0.00		
Waived Vision Insurance	<u>2</u>	<u>0.00</u>	<u>0.00</u>		
	17		3,985.20	191.10	3,794.10

<b>Total Estimated Annual Cost</b>			<b>179,311.08</b>	<b>10,669.60</b>	<b>168,641.48</b>
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BOARD COMMITTEE TRANSMITTAL

**November 13, 2006**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject:** 91 Express Lanes Traffic Operation Center Upgrade Including Leasehold Improvements Amendment and Video Camera Procurement

Finance and Administration Committee

October 25, 2006

**Present:** Directors Campbell, Cavecche, Correa, Duvall, Pringle and Wilson  
**Absent:** None

**Committee Vote**

This item was passed by all Committee Members present.

**Committee Recommendations**

- A. Authorize the Chief Executive Officer to execute Agreement C-6-0469 between the Orange County Transportation Authority and Delcan Corporation, in an amount not to exceed \$755,097, for the Traffic Operation Center upgrade.
- B. Authorize the Chief Executive Officer to execute Amendment No. 9 to the lease between Orange County Transportation Authority and FKC Properties to cover leasehold improvements for the 91 Express Lanes Traffic Operations Center, in an amount not to exceed \$422,000.





**October 25, 2006**

**To:** Finance and Administration Committee

**From:** <sup>Al✓</sup> Arthur T. Leahy, Chief Executive Officer

**Subject:** 91 Express Lanes Traffic Operation Center Upgrade Including Leasehold Improvements Amendment and Video Camera Procurement

### **Overview**

As part of the Orange County Transportation Authority's Fiscal Year 2007 Budget, the Board of Directors approved funding to upgrade the 91 Express Lanes Traffic Operation Center. The upgrade includes replacing the current video camera system and the building of a new Traffic Operations Center. Offers were received in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services for the camera and support hardware systems. In addition, the new Traffic Operations Center will undergo substantial leasehold improvements. The property owner, FKC Properties has submitted Lease Amendment No. 9 to cover the agreement for such improvements.

### **Recommendations**

- A. Authorize the Chief Executive Officer to execute Agreement C-6-0469 between the Orange County Transportation Authority and Delcan Corporation, in an amount not to exceed \$755,097, for the Traffic Operation Center upgrade.
- B. Authorize the Chief Executive Officer to execute Amendment No. 9 to the lease between Orange County Transportation Authority and FKC Properties to cover leasehold improvements for the 91 Express Lanes Traffic Operations Center, in an amount not to exceed \$422,000.

### **Background**

On January 3, 2003, the Orange County Transportation Authority (Authority) acquired the assets and franchise rights to operate the 91 Express Lanes toll road from the California Private Transportation Company (CPTC). The

Authority is required to abide by the Amended and Restated Franchise Agreement with the California Department of Transportation (Caltrans), dated July 16, 1993, and the Traffic Operations Plan, dated September 9, 1992. Those agreements require the Authority to maintain a Traffic Operation Center (TOC) and "use video, photographic, and other forms of surveillance equipment for traffic management, toll enforcement, and related purposes."

The existing TOC equipment is between 10 and 12 years old. Most of this equipment is not supported by the original manufacturers due to age and equipment lifecycles. While the Authority relies on our Contract Operator, Cofiroute USA (Cofiroute), to provide routine maintenance and to fix the equipment when it has failed, Cofiroute has advised the Authority that the equipment has begun to experience an increasing failure rate and that spare equipment and parts are not available. Cofiroute has urgently recommended that the Authority replace the TOC equipment as soon as possible to prevent the possibility of a breakdown of the Traffic Monitoring System for the 91 Express Lanes.

To accommodate and support the new TOC equipment and systems, a new TOC is required to handle the complexities of monitoring the traffic flow. The new TOC will be the focal point for visitors to the facility. Suite 245 at the 91 Express Lanes offices in Anaheim contains 1,336 square feet and has been designated for this project.

### ***Discussion***

The offices of the 91 Express Lanes are leased from property owners FKC Properties. FKC Properties recently purchased the building complex in August 2006. Since the offices are leased, the Authority is required to use contractors who deal directly with the property owner. FKC Properties has elected to continue working with the previous owner's project manager, contractor and architect. These companies have done extensive work at the 91 Express Lanes facilities and are familiar with the operational complexities. The Project Manager is David Hahn, the contractor is S.I. Commerford, and the architect is Rengel & Co. This project is quite complex with respect to the wiring and cabling requirements. Therefore, a substantial contingency of \$80,000 is included in the budget for "unforeseen" items. The contractors will be working very closely with the vendor of the new camera systems.

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**Camera System Procurement**

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 is being 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, and technical expertise in the field.

The project was advertised on June 19, 2006, and June 26, 2006, in a newspaper of general circulation, and on CAMMNET. The solicitation was emailed to 96 firms, and distributors of relevant camera systems were also contacted by email to alert the vendor community of the procurement. A pre-proposal meeting was held on June 21, 2006, and was attended by representatives from two firms.

On July 13, 2006, two offers were received.

**Firm and Location**

Delcan Corporation  
La Mirada, California

Climatec Building Technologies Group (BMG)  
Irvine, California

An evaluation committee composed of the General Manager of the 91 Express Lanes, the procurement administrator, a project manager from the Development Division, and representatives from Cofiroute, Caltrans, and LMS Consulting was established to review all offers submitted. Site visits and presentations by the vendors were conducted for each bidder. The offers were evaluated on the basis of project staffing, prior experience, and cost. Based on the proposals, interviews, site visits, and Best and Final Offers (BAFOs), the evaluation committee recommends the following firm to the Finance and Administration Committee for consideration of an award:



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Firm and Location

Delcan Corporation  
La Mirada, California

Both firms provided a competitive proposal. However, the evaluation committee recommends Delcan Corporation (Delcan) on the strength of the following factors:

1. Delcan's preparation and research for their proposal was unusually thorough and exhaustive. As an example, the company took over 100 pictures of the existing installation and has engineering plans for the replacement system.
2. Delcan's proposal and presentation demonstrated a thorough knowledge of 91 Express Lanes operations and the use of 91 Express Lanes' camera images by Caltrans Traffic Management Center in Irvine. Delcan's team includes the individual who helped install the existing camera and operations center equipment.
3. Delcan's proposal demonstrated superior project management experience, methodology, and control. Combined with the detailed engineering and planning that Delcan has accomplished in developing their proposal, Delcan provides substantially more assurance of an on time, on budget project.
4. Delcan has significant prior experience with toll road implementations, Cofiroute's technical staff, and with Caltrans operations. This is particularly valuable in integrating the camera controls and images into Caltrans emergency response systems (including the California Highway Patrol dispatch) at their Traffic Management Center in Irvine. Staff believes this capability will substantially improve the ability of Caltrans and the California Highway Patrol to respond effectively to incidents on both the general purpose and the toll lanes on the Riverside Freeway (State Route 91).
5. Delcan Corporation provided a comprehensive design of the technical interface, digital communications and system integration that will enable Caltrans and the California Highway Patrol to view all camera images on the 91 Express Lanes and control the remote focusing of the cameras when necessary.

**Fiscal Impact**

The project was approved in the Authority's Fiscal Year 2007 Budget and is being funded under the 91 Express Lanes fund. The budget line item is 0036-9027-B0001-CV8.

**Summary**

Based on the information provided, it is recommended that the Board of Directors authorize the Chief Executive Officer to execute Amendment No. 9 to Agreement C-4-0383, with FKC Properties, in an amount not to exceed \$422,000, for the construction of a new Traffic Operations Center at the Anaheim offices. In addition, after an assessment of which Request for Proposal respondent presented the greatest assurance of project success for the camera system, staff recommends award of Agreement C-6-0469 to Delcan Corporation, in an amount not to exceed \$755,097.

**Attachment**

- A. Agreement C-4-0383 Fact Sheet.

**Prepared by:**



Kirk Avila  
Treasurer  
Treasury/Public Finance  
(714) 560-5678

**Approved by:**



James Kenan  
Executive Director, Finance,  
Administration, and Human Resources  
(714) 560-5678



**AGREEMENT C-4-0383 FACT SHEET**

1. September 1, 2004, Seventh Amendment, New 60 month lease between LBA Realty and Orange County Transportation Authority – total base rent pay out over 60 months is \$1,110,881
  - This lease amends previous agreements between California Private Transportation Company and property owner and establishes Orange County Transportation Authority as lessee (square footage is 8,085 rentable square feet)
2. April 1, 2006, Amendment No. 8 to Agreement C-4-0383, Adds \$196,824 base rent to life of lease
  - Adds 1,307 square feet of office space for future new Traffic Operations Center
3. November 13, 2006, Amendment No. 9 to Agreement C-4-0383, \$422,000, pending approval by Board of Directors.
  - Amend lease with property owner to spend a not to exceed amount of \$422,000, for leasehold improvements to construct a new Traffic Operations Center, in conjunction with purchase of new camera system

Total base rent committed for 180 N. Riverview in Anaheim, through June 30, 2010, is \$1,729,705.





BOARD COMMITTEE TRANSMITTAL

**November 13, 2006**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject:** Agreement for On-Call Financial Management Consultant Services

Finance and Administration Committee

October 25, 2006

**Present:** Directors Campbell, Cavecche, Correa, Duvall, Pringle and Wilson  
**Absent:** None

***Committee Vote***

This item was passed by all Committee Members present.

Director Pringle was not present to vote on this item.

***Committee Recommendation***

Authorize the Chief Executive Officer to execute agreements between the Orange County Transportation Authority and the following firms:

- Booz Allen Hamilton, Agreement C-6-0606
- Darrel Cohoon and Associates, Agreement C-6-0734
- Kelly Hines Consulting, Agreement C-6-0735
- LMS Consulting, Agreement C-6-0736
- Sharon Greene and Associates, Agreement C-6-0737

These pre-qualified firms will provide specialized financial services on an on-call basis, in an amount not to exceed \$300,000 (for all services), for a three-year contract period.





**October 25, 2006**

**To:** Finance and Administration Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Agreement for On-Call Financial Management Consultant Services

### **Overview**

As part of the Orange County Transportation Authority's Fiscal Year 2006-07 Budget, the Board approved funds for on-call financial management services. Offers were received in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services.

### **Recommendations**

Authorize the Chief Executive Officer to execute agreements between the Orange County Transportation Authority and the following firms:

- Booz Allen Hamilton, Agreement C-6-0606
- Darrel Cohoon and Associates, Agreement C-6-0734
- Kelly Hines Consulting, Agreement C-6-0735
- LMS Consulting, Agreement C-6-0736
- Sharon Greene and Associates, Agreement C-6-0737

These pre-qualified firms will provide specialized financial services on an on-call basis, in an amount not to exceed \$300,000 (for all services), for a three-year contract period.

### **Background**

The Financial Planning and Analysis Department (FP&A) is responsible for developing and maintaining the financial plans for the Orange County Transportation Authority (OCTA) that include the annual budget, Comprehensive Business Plan, and fixed asset replacement planning. The department is also responsible for various fiscal studies, monitoring operating and capital expenditures, tracking and reporting on monthly performance measurements, and managing a variety of funding sources. In addition, the department ensures



that grant reports are completed in a timely and accurate manner to maximize regional, state, and federal grants as well as administering the Transportation Development Act program, property taxes, fare subsidy program, and gas tax exchange.

From time to time, specialized expertise, workload constraints, or third-party objectivity requires FP&A to look to the private sector to furnish various financial analyses and/or computer models. To ensure a timely response and to maximize the consulting resources available to FP&A, a list of pre-qualified consultants with expertise in financial management, transportation modeling, and econometric analysis is available.

A competitively established on-call list of pre-qualified firms will be required to perform specific job assignments that will bind them to either hourly rates or firm-fixed prices and the general terms and conditions of OCTA. Once a work assignment is identified, one or more firms from the on-call list will be asked to submit brief proposals addressing the scope of work. OCTA staff will evaluate the proposals and a firm will be selected pre-qualified for the assignment.

### ***Discussion***

This procurement was handled in accordance with OCTA'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, and technical expertise in the field.

The project was advertised on August 22, 2006 and August 28, 2006, in a newspaper of general circulation, and on CAMMNET. A pre-proposal meeting was held on September 7, 2006, and was attended by two consultants.

On September 21, 2006, six offers were received. An evaluation committee composed of staff from FP&A, Treasury and Public Finance, Transit, and Internal Audit was established to review all offers submitted. The offers were evaluated on the basis of a firm's qualifications, the qualifications and experience of project staff and key personnel, the depth of understanding and overall quality of a firm's conceptual work plan, the reasonableness of cost and price, and willingness to work on an as-needed basis. Based on their findings, the evaluation committee recommended the following firms be included on a pre-qualified list of consultants:

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Firm and Location

Booz Allen Hamilton  
San Francisco, California

Darrel Cohoon and Associates  
Huntington Beach, California

Kelly Hines Consulting  
Redondo Beach, California

LMS Consulting  
Trabuco Canyon, California

Sharon Greene and Associates  
Laguna Beach, California

Staff is recommending that the above listed firms be placed on a pre-qualified list of on-call financial service consultants. If the need for consulting services arises during the term of the agreement, a scope of work will be developed by the manager of the FP&A Department and issued to one or more of these pre-qualified firms depending upon their area of expertise. The selected firm(s) may be asked to submit brief proposals addressing the scope of work. OCTA staff will evaluate the proposal(s) and a pre-qualified firm will be selected for the assignment. OCTA does not guarantee that any or all pre-qualified firms will be selected for assignments during the term of the agreements.

It is anticipated that the agreements resulting from this solicitation will be for three years extending from December 1, 2006 through November 30, 2009.

**Fiscal Impact**

The project was approved in the OCTA's Fiscal Year 2006-07 Budget, FP&A, Account 1250-7519-FP420-CAV, and is funded through the General Fund.

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**Summary**

Based on the information provided, staff recommends award of agreements to:

- Booz Allen Hamilton, Agreement C-6-0606
- Darrel Cohoon and Associates, Agreement C-6-0734
- Kelly Hines Consulting, Agreement C-6-0735
- LMS Consulting, Agreement C-6-0736
- Sharon Greene and Associates, Agreement C-6-0737

The Agreements with the five pre-qualified firms provide for on-call financial services, in an amount not to exceed \$300,000, over a three year contract term.

**Attachment**

None.

**Prepared by:**



Andy Oftelie  
Department Manager, Financial Planning  
& Analysis  
(714) 560-5649

**Approved by:**



James S. Kenan  
Executive Director, Finance,  
Administration & Human Resources  
(714) 560-5678





*BOARD COMMITTEE TRANSMITTAL*

**November 13, 2006**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject:** Purchase Order for Property Insurance Policy

Finance and Administration Committee

October 25, 2006

**Present:** Directors Campbell, Cavecche, Correa, Duvall, Pringle and Wilson  
**Absent:** None

***Committee Vote***

This item was passed by all Committee Members present.

Director Pringle was not present to vote on this item.

***Committee Recommendation***

Authorize the Chief Executive Officer to issue Purchase Order C-6-0755, in the amount not to exceed \$325,000, for the purchase of property insurance on behalf of the Orange County Transportation Authority for the period of December 01, 2006, to November 30, 2007.





**October 25, 2006**

**To:** Finance and Administration Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Purchase Order for Property Insurance Policy

### **Overview**

The Orange County Transportation Authority has a property insurance policy with Continental Casualty Company. This policy is scheduled to expire on November 30, 2006.

### **Recommendation**

Authorize the Chief Executive Officer to issue Purchase Order C-6-0755, in the amount not to exceed \$325,000, for the purchase of property insurance on behalf of the Orange County Transportation Authority for the period of December 01, 2006 to November 30, 2007.

### **Background**

The Orange County Transportation Authority (OCTA) currently owns buildings, contents, and buses with an insurable value of \$573,428,594. OCTA purchases insurance to protect OCTA property from accidental loss. OCTA is currently insured with Continental Casualty Company for an annual premium of \$195,376, which is based on the stated property values of \$411,317,562, determined at the time this policy was purchased in November 2005 as summarized on Attachment A. Continental Casualty Company has been OCTA's property insurance carrier since 2005.

The 91 Express Lanes property is insured under a separate insurance policy.

### **Discussion**

Insurance companies determine property insurance quotes based upon current insurance market conditions affecting rates per \$100 in property values and the total value of property to be insured. The current rate with the incumbent

insurance carrier, Continental Casualty, is .0475 per \$100 of OCTA property value or \$195,376, which includes property coverage for OCTA's bus fleet and non-revenue vehicles. Due to the large number of insured buses included in this policy, a special insurance condition that OCTA buses are only insured while parked at the bus base and a \$50,000 deductible per bus is applied for collision damage in this policy.

OCTA has purchased property insurance at very reasonable rates in recent years due to a favorable loss history and a long relationship with prior carriers. However, as a result of underwriting losses experienced by insurers from their property policies in the Gulf Coast region last year, premium quotes this year for OCTA's property insurance policy are expected to increase. Another factor that will increase premiums for OCTA is the 28 percent increase in OCTA's insurable property values in the upcoming policy period. The increase in insurable values includes routine replacement value adjustments to existing property, the recent purchase of the Irvine property from Laidlaw, and the new bus procurement.

OCTA's Broker of Record, Marsh Risk and Insurance Services (Marsh), is surveying the market to competitively obtain the lowest quotes. Marsh is being paid a flat fee of \$55,000 to market and place property, crime and liability insurance coverage for fiscal year 2007 per Agreement C-4-0275 approved by the OCTA Board of Directors on June 28, 2004.

In addition to Continental Casualty Company, the current provider, the following 11 other insurance companies were contacted to provide quotes:

- Allianz Insurance Company
- AIG/Lexington Insurance Company
- Axis Specialty Insurance Company
- Fireman's Fund Insurance Company
- GE Capital Company
- Hartford Fire Insurance Company
- Industrial Risk Insurers
- Liberty Mutual Insurance Company
- Travelers Insurance Company
- XL Insurance Company
- Zurich Insurance Company

Since Marsh is compensated on a flat fee basis, they will not earn commissions even if the carriers offer commissions as part of premium. Any commissions offered by carriers will reduce the premium cost to OCTA. Marsh is required to disclose all commissions to OCTA when quotes are received on a form as



shown on Attachment B. As of October 12, 2006, no quotes have been received from the insurance market for this coverage.

It is the policy and procedure for the Finance Administration, and Human Resources Division to obtain the best pricing from Marsh for property insurance.

**Fiscal Impact**

Funds in the amount of \$189,583 are available in the fiscal year 2006-07 budget and \$135,417, will be requested in the fiscal year 2007-08 budget.

**Summary**

Marsh Risk and Insurance Services, Broker of Record under Agreement C-4-0275 for Marketing, Placement, and Administration of Property and Liability Insurance, will obtain competitive quotes from the insurance market and award to the insurance firm providing best pricing and property coverage to OCTA. Staff recommends the approval of purchase orders with Marsh Risk and Insurance Services to compete and purchase property insurance with a not-to-exceed amount of \$325,000, for a coverage period of December 1, 2006 through November 30, 2007.

**Attachments**

- A. Orange County Transportation Authority Property Insurance Summary  
December 1, 2005-06
- B. MMC Transparency Disclosure Form

**Prepared by:**

*Ada A. Hanes for  
Al Gorski*

Al Gorski  
Manager  
Risk Management  
(714) 560- 5817

**Approved by:**

*James S. Kenan*  
James S. Kenan  
Executive Director, Finance  
Administration, and Human Resources  
(714) 560-5678





**ORANGE COUNTY  
TRANSPORTATION AUTHORITY**

**PROPERTY INSURANCE SUMMARY  
DECEMBER 1, 2005-06**

*Dated January 23, 2006*

**General Information**

Insurer  
Policy Year  
A.M. Best's Rating

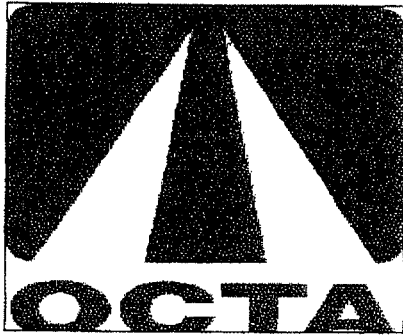
**2005-2006 Property**

C N A  
12/1/05-06  
A XV

**Limits**

Any one occurrence  
Real Property  
Business Personal Property  
Business Income  
Communications Equipment  
Rolling Stock (while at storage facility)  
Earthquake Sprinkler Leakage  
Fungi Limitation  
Fine Arts  
  
Trees Shrubs and Plants  
  
Building Ordinance Coverage  
Extra Expense  
Newly Acquired Property (120 days)  
Off Premise Service Interruption (Direct Damage  
Only)  
Unnamed Locations  
EDP (Including Software)  
Accounts Receivable  
Valuable Papers  
Transit  
  
Removal of Property  
Tradeshow or Exhibit  
Contract Penalty Clause  
Expediting Expenses  
Fire Department Service Charge  
Fire Protective Equipment  
Pollutant Clean up to land and water

\$175,000,000
Included
Included
Not Covered
Not excluded
Included
Policy Limit
Excluded
\$250,000
\$25,000 per occurrence, not to exceed \$2,500 per item
\$5,000,000
\$1,000,000
\$2,500,000
\$1,000,000 excl. Overhead Transmission lines
\$500,000
Included
\$1,000,000
\$500,000
\$500,000 Per Occ./\$500,000 per conveyance
Included
\$25,000
\$5,000
\$250,000
\$10,000
\$150,000
\$25,000



**ORANGE COUNTY  
TRANSPORTATION AUTHORITY**

**PROPERTY INSURANCE SUMMARY  
DECEMBER 1, 2005-06**

*Dated January 23, 2006*

**General Information**

Insurer  
Policy Year  
A.M. Best's Rating

**Limits - Continued**

**BOILER & MACHINERY**

Property Damage  
Business Income  
Extra Expense  
Water Damage  
Expediting Expenses  
Spoilage  
Hazardous Substance  
Service Interruption

**Deductibles (single largest applies in a  
combined loss)**

All Perils, except:  
EDP  
Transit  
Boiler & Machinery  
Boiler & Machinery Extra Expense  
Buses  
  
Earthquake Sprinkler Leakage

**Total Insurable Values:**

**Overall Composite Rate:**

**Premium**

Property  
Boiler & Machinery  
Engineering Fees

Combined Annual Premium

**2005-2006 Property**

C N A  
12/1/05-06  
A XV

Included
Not Covered
\$1,000,000
Included
Not Covered
\$50,000
\$250,000
\$250,000

\$25,000
No separate deductible applies
\$25,000
\$25,000
\$25,000
\$50,000 for collision damage to vehicles and buses
\$50,000

\$411,317,561

0.0475

\$195,376
Included
NA

**\$195,376**

# MMC Transparency Disclosure Form

Date: 10/12/2006

Profit Center #: 256

Client: O. C. Transportation Authority

BASYS #: 065839

Client Exec: Craig Morris

Eff Date: 12/1/2006

Exp Date: 12/1/2007

To: Mr. AJ Gorski

Address1: P.O. Box 14154

Address2: Orange

Address3: CA, 92663

State & Zip: 714-971-6566

Phone: 714-971-6566

Fax:

From: Craig Morris

Location: Marsh Risk & Insurance Services  
4695 MacArthur Court, Suite 700  
Newport Beach, CA 92660  
CA Lic. # 0437153

Phone No.: (949) 399-5900

Fax No.: (949) 833-3027

CSA Date: 07/01/2006

EL Date:

## A. Authorization / Quotes Received (Detailed recommendations, terms and conditions are included in proposal and/or available upon request)

Item	Line of Coverage	Limits / Layers	Insurance Co. / Issuing Paper	MMC Binding / Auth. (Yes/No)	Quote Included (Yes/No)	Quotation Authorization Indication	Realt Commission -- Percent \$ Amount	Non-Wholesaler Intermediary Commission Percent \$ Amount	Client Appear Full Comm. Percent	Fees & Third Party Compensation ---- \$ Amount Explanation
1										
2										
3										
4										
5										
6										
7										

## B. "Wholesale" Broker Information (Including MGAs)

Item	Line Of Coverage	Wholesale Brokerage Firm	Location	MMC Contractual Agreement with Wholesale Broker	MMC Ownership Interest	Wholesale Comm. --Percent \$ Amount	Wholesale Commission \$ Amount	Alternatives to Using This Wholesale Broker -----

## C. Declinations / Non-Responses

Item	Line Of Coverage	Insurance Co. / Issuing Paper	Declination (Yes/No)	No Response (Yes/No)	Explanation Concerning Declination -----
	Property	Allianz Insurance Company	Yes	Yes	Carriers are instructed to quote net of commission
	Property	AIG/Lexington Ins. Co.	Yes	Yes	Carriers are instructed to quote net of commission
	Property	Aire Specialty Ins. Co.	Yes	Yes	Carriers are instructed to quote net of commission
	Property	CNA/Continental Casualty Co.	Yes	Yes	Carriers are instructed to quote net of commission
	Property	Fremman's Fund Ins. Co.	Yes	Yes	Carriers are instructed to quote net of commission
	Property	GE Capital Company	Yes	Yes	Carriers are instructed to quote net of commission
	Property	Harford Fire Ins. Co.	Yes	Yes	Carriers are instructed to quote net of commission
	Property	Industrial Risk Insurers	Yes	Yes	Carriers are instructed to quote net of commission
	Property	Liberty Mutual Insurance Co.	Yes	Yes	Carriers are instructed to quote net of commission
	Property	Travelers Ins. Company	Yes	Yes	Carriers are instructed to quote net of commission
	Property	XL Insurance Company	Yes	Yes	Carriers are instructed to quote net of commission
	Property	Zurich Insurance Company	Yes	Yes	Carriers are instructed to quote net of commission

## D. Comments (For explanations of Sections A, B & C above. No premiums, commissions or fees should be indicated here)

Section Number	Item Number	Comments / Explanations -----

Notes: Fees, taxes and surcharges are not included in these premium figures. If applicable, the premiums may also be subject to audit and retrospective rating.  
 <-- SELECT APPROPRIATE FOOTNOTE NUMBER FROM DROP DOWN LIST

Detailed recommendations, terms and conditions are outlined in our proposal.  
 See Form 2A - MMC and Subsidiaries Direct & Indirect Investments in Insurance and Reinsurance Companies  
 See Form 2B - Disclosures of Contractual Agreements with Insurers and Wholesale Brokers



BOARD COMMITTEE TRANSMITTAL



**November 7, 2006**

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

This item will be considered by the Transit Planning and Operations Committee on November 9, 2006. Following Committee consideration of this matter, staff will provide you with a summary of the discussion and action taken by the Committee.

Please call me if you have any comments or questions concerning this correspondence. I can be reached at (714) 560-5676.







**November 9, 2006**

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

### **Overview**

The Board of Directors has approved initial funding for a vanpool program with the Orange County Transportation Authority Fiscal Year 2006-2007 Budget. This report provides an update on program details and requests approval of evaluation criteria to include in the Request for Proposals for vanpool contractors.

### **Recommendations**

- A. Incorporate the vanpool program in the Orange County Transportation Authority Comprehensive Funding Strategy and direct staff to return to the Board of Directors in the first quarter of 2007 for approval of an amendment.
- B. Approve the guiding principles for the regional agreement which dictates how vanpool miles will be reported in the National Transit Database.
- C. Approve the evaluation criteria and authorize staff to release a Request for Proposals for vanpool providers.

### **Background**

A vanpool is a group of seven to 15 people who regularly commute to work in a shared van. One person volunteers to be the driver/coordinator and all riders split costs such as the vanpool lease payment, fuel, parking, and tolls. The vanpool participants determine their daily route and riders meet at a designated pick-up location. Based on discussions with potential providers, it is estimated there are a potential 300 vanpools in Orange County.

Transit properties across the country, including the San Diego Association of Governments (SANDAG), Dallas Area Rapid Transit (DART), the Central Florida Regional Transportation Authority, and others have entered into contractual agreements with privately owned vanpool companies to subsidize vanpools.

Since early 2005, the Orange County Transportation Authority (OCTA) has been working with regional transportation agencies, National Transit Database (NTD) experts and vanpool providers to clarify roles, explore programs parameters and estimate the vanpool market size. With the fiscal year 2006/2007 budget, the Board of Directors approved initial funding for the vanpool program.

### ***Discussion***

Vanpool programs provide an additional transit mode and allow commuters to experience travel time savings if they take advantage of Orange County's extensive high occupancy vehicle lane network. They also can help Orange County fulfill air quality requirements and vanpool miles are eligible for funding under the Federal Transit Administration (FTA) Urbanized Area Formula grants (Section 5307).

As the County's public transit provider, OCTA is granted federal transit funds for services it subsidizes. To deliver the vanpool program, OCTA would contract with one or more private firms that offer vanpool vehicles, promote the program through its existing employer outreach, collect vehicle revenue and passenger miles data, and report data to the NTD. This data would also be provided to the Southern California Association of Governments (SCAG) that serves as the area's Metropolitan Planning Organization (MPO) which apportions federal funds to transit agencies in the region. To ensure all vanpool miles that are subsidized by OCTA are credited to Orange County, a cooperative agreement among five SCAG counties (Los Angeles, Orange, Riverside, San Bernardino, Ventura) is being drafted.

### **Inter-County Vanpool Trips – Guiding Principles**

Over the past year, OCTA has been discussing details of a vanpool program with the Los Angeles County Metropolitan Transportation Authority (LACMTA), Riverside County Transportation Commission (RCTC), San Bernardino Associated Governments (SANBAG) and SANDAG. This is because many vanpool trips are long distance that traverse county lines.

Each of the aforementioned agencies are in varying stages of developing a vanpool program. For example, SANDAG launched a program in 1995 with less than 50 vanpools and by September 2006 the program had grown to 532 vanpools. LACMTA anticipates initiating a program in early 2007. RCTC has an existing vanpool incentive program funded by a grant from the Southern California Air Quality Management District (Mobile Source Air Pollution Reduction Review Committee program) and SANBAG is in discussions with its local transit property, Omnitrans, to explore a vanpool program.

Staff from SCAG region agencies are forwarding a set of guiding principles for a regional agreement which will specify how vanpool miles will be reported in the NTD. These include two key assumptions:

1. Transit agencies in each county subsidize vanpools that terminate at worksites in their respective counties.
2. Agencies claim/receive federal Section 5307 funds based on the revenue miles and passenger revenue miles for the vanpools they subsidize.

An interagency agreement is being drafted to ensure guiding principles are memorialized and to provide credits to subsidized vanpools with the appropriate transit agency. Once this approach is approved by each agencies' board of directors, the agreement will be forwarded to SCAG for regional apportionments. If there is sufficient demand for vanpool subsidies in and between Orange and San Diego County, a separate agreement will be pursued with SANDAG.

#### Funding Approach

As noted, the Board of Directors has approved initial funding for vanpool subsidies with the fiscal year 2007 budget. In developing program details and in communicating with potential providers, it was learned that the provider cost for vans is amortized over a period of years. Therefore, it is recommended the provider contract(s) be multi-year. Based on an estimate of 300 vans in the base year and assuming a 10 percent growth rate, the provider contract maximum cumulative obligation for the initial term would be \$5.7 million as noted on the next page.

<u>Fiscal Year</u>	<u>Estimate</u>
2007 (4 months)	\$ 480,000
2008	1,584,000
2009	1,742,400
2010	<u>1,916,640</u>
Total Initial Term	\$ 5,723,040

The proposed funding source is Congestion Mitigation and Air Quality (CMAQ) funds. Actions required to program these funds include amending the OCTA Comprehensive Funding Strategy and Regional Transportation Improvement Program (RTIP). Recommendations will be forwarded to the Board of Directors in the first quarter of 2007; vanpool provider contract award(s) would be contingent on Board approval of these actions.

#### Private Provider Role

A scope of work for a Request for Proposals (RFP) for vanpool providers is being drafted. Private providers would:

- Supply vans, maintenance, maintenance-and-storage facilities, materials and supplies, insurance, customer service, billing, collection from vanpool participants, and related administrative services.
- Assume all vehicle responsibilities and liabilities related to the vanpool program.
- Determine, enroll, and provide primary communications with vanpool participants.

Per federal guidelines, OCTA would provide each vanpool a subsidy equal to approximately 20 to 30 percent of the monthly operating cost, estimated at \$400 each month per vanpool.

In order to establish a vanpool, which includes designating a lead driver/coordinator, a vanpool must have a minimum 80 percent start-up occupancy rate. For example, a 12-passenger van must have 10 people enrolled to qualify for the subsidy. In addition, open seats must be available to the general public. Vanpool riders share the lease, fuel, tolls, and parking costs. The vanpool coordinator tracks and reports the mileage traveled to and from the worksite to OCTA.

If approved by the Board of Directors, it is anticipated the RFP for vanpool contractors could be released within the next 60 days. OCTA would provide each vanpool a subsidy per month equal to approximately 20 to 30 percent of the operating cost, or \$400 each month. Funding would flow directly to the vanpool contractor. Contractors would be required to reduce the amount of each subsidized vanpool's lease price to participants by an amount at least equal to the amount of the subsidy.

It is recommended vanpool provider proposals be evaluated based on the following weighted criteria and as described on Attachment A:

- Qualifications of the firm            25 percent
- Staffing and Organization           25 percent
- Work Plan                                25 percent
- Cost and Price                         25 percent

#### Federal Grant Requirements

Transit properties that subsidize vanpools qualify for federal Section 5307 grant funding contingent on the following conditions:

- Open vanpool seats are available to the general public.
- Approximately 20 to 30 percent of the vanpool operating cost is subsidized by the transit agency.
- Miles are reported according to NTD guidelines.

As a note, the FTA allows transit agencies to report vanpool service data if the transit agency provides the service directly or through contracted service. The data is based on operating costs, vehicle revenue miles, and passenger revenue miles. These and other elements determine the amount of FTA Section 5307 grants the agency receives. To qualify for the increased funding the participating agency needs to collect, compile, and submit data to the NTD.

The OCTA currently files annual reports to the NTD documenting fixed route and ACCESS miles and costs and receives approximately \$47 million per year in Section 5307 funds. Assuming an initial subsidy of 300 vans with a 10 percent annual growth factor, with the addition of a vanpool-related apportionment, it is estimated OCTA would receive additional funds equating to more than twice the annual cost to subsidize vanpools.

The total nationwide appropriation for Section 5307 grant funding and certain factors used for apportioning the funds to agencies are subject to change annually. However, based on the history of annual appropriations and minimal annual changes in the factors used to apportion funds, the two-to-one, grant-to-cost estimate appears to be a conservative estimate into the near future. Given the federal funding cycle, it will take approximately 30 months to receive grant funds after the completion of the first fiscal year of subsidized vanpool service.

**Summary**

It is requested the Board direct staff to incorporate the vanpool program into the Comprehensive Funding Strategy and return to the Board in the first quarter 2007. In addition, guiding principles for a regional agreement which dictates how subsidized vanpool miles will be reported in the NTD are being forwarded along with evaluation criteria for a proposed vanpool provider RFP.

**Attachment**

- A. Vanpool Provider Evaluation Criteria

**Prepared by:**

Stella Lin  
Manager, Marketing  
(714) 560-5342

**Approved by:**

Ellen S. Burton  
Executive Director, External Affairs  
(714) 560-5923

**VANPOOL PROVIDER EVALUATION CRITERIA**

The Orange County Transportation Authority (OCTA) will evaluate the offers received based on the following criteria:

**1. Qualifications of the Firm 25 percent**

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 25 percent**

Qualifications of project staff, particularly key personnel and especially the project manager; key personnel's level of involvement in performing related work cited in "Qualifications of the Firm" section; logic of project organization; adequacy of labor commitment; concurrence in the restrictions on changes in key personnel.

**3. Work Plan 25 percent**

Depth of offeror's understanding of OCTA's requirements and overall quality of work plan; logic, clarity and specificity of work plan; appropriateness of labor distribution among the tasks; ability to meet the project deadline; reasonableness of proposed schedule; utility of suggested technical or procedural innovations.

**4. Cost and Price 25 percent**

Reasonableness of the total price and competitiveness of this amount with other offers received; adequacy of data in support of figures quoted; reasonableness of individual task budgets; basis on which prices are quoted (firm-fixed-price, cost-plus fixed-fee, time & expense).







**November 13, 2006**

**To:** Members of the Board of Directors  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Measure M Quarterly Progress Report

**Overview**

Staff has prepared a Measure M progress report for the third quarter of 2006. This is a regular report that highlights the Measure M projects and programs currently under development.

**Recommendation**

Receive and file as an information item.

**Background**

Measure M Ordinance No. 2 requires quarterly reports to the Orange County Transportation Authority's (OCTA) Board of Directors (Board), which present the progress of implementing the Measure M Expenditure Plan. The first quarterly report was presented to the Board on October 26, 1992. Quarterly reports highlight accomplishments for the freeway, streets and roads, and transit programs within Measure M. Reports also include summary financial information for the period and total program to date.

**Discussion**

This quarterly report updates progress in implementing the Measure M Expenditure Plan during the third quarter of 2006 (July through September). Highlights and accomplishments of work-in-progress for freeway, streets and roads, and transit programs along with expenditure information are presented for Board review.

**Freeway Program**

Prior Measure M construction projects along the Santa Ana Freeway (Interstate 5), Costa Mesa Freeway (State Route 55), and the Riverside

Freeway (State Route 91) are essentially complete with the California Department of Transportation (Caltrans) continuing to negotiate final change orders and claims. OCTA continued full-scale implementation of the Garden Grove Freeway (State Route 22) design-build project. The following are highlights and major accomplishments along each of the freeway corridors:

#### **Interstate 5 (I-5), South Projects**

Measure M provided funding for several high occupancy vehicle lanes and related improvement projects along the I-5 between El Toro Road and Pacific Coast Highway. These projects included soundwalls for noise mitigation. Because of certain physical constraints, some areas did not receive a soundwall under the original construction contract. One of those areas remaining is the Aliso Creek community in the City of Laguna Hills (City).

On January 1, 2006, the Board approved the execution of a cooperative agreement between OCTA and the City, in the amount of \$1,376,000, for the design and construction of the Aliso Creek soundwall project along the southbound I-5 between Los Alisos Boulevard and Alicia Parkway.

In accordance with the cooperative agreement, the City is acting as the lead agency for the project. The design effort is now complete, and the City has received easement rights from all of the affected homeowners. The construction contract has been advertised, with the contract award scheduled for December 2006. Construction is anticipated to begin in February 2007, with completion by mid 2007.

#### **I-5, North Projects**

Construction on the 13 I-5 projects from State Route 22 (SR-22) to just north of the I-5/State Route 91 (SR-91) interchange originally began in December 1996 and was substantially completed by the end of December 2000 as scheduled. The negotiating of final construction quantities, change orders, and construction claims for all of the completed I-5 projects is the responsibility of Caltrans. The negotiation work continued during the report period. The total anticipated Measure M construction payments are currently estimated at \$235.6 million, which includes an allowance of approximately \$5 million to settle outstanding change orders and construction claims.

#### **I-5, Gateway Project**

The two-mile stretch of the I-5, from just north of the I-5/SR-91 interchange to the Los Angeles County line, is the last phase of the I-5 in Orange County to be

improved. On February 27, 2006, the Board approved a revised funding plan and project estimate that increased the total project cost to \$314.3 million, with \$178.9 million coming from Measure M.

The freeway widening construction package was awarded to FCI Construction on April 18, 2006. Various construction activities continued during the report period. Clearing and grubbing work for the southbound lanes has begun. The installation of sewer and water lines at Mission Street in the City of Buena Park are currently underway. A total of 1,235 lineal feet of soundwalls will be constructed as part of the project, and the construction of the soundwall located along the 8<sup>th</sup> Street neighborhood in the City of Buena Park has begun. Pavement rehabilitation of the local streets surrounding the project is also in process, with the City of Buena Park taking the lead on the rehabilitation efforts. The rehabilitation projects are necessary due to the additional traffic anticipated as a result of planned freeway closures to take place throughout the project duration. The first phase of the work has been completed, the second phase has been advertised, and the second phase construction is to begin during the fourth quarter of 2006.

The necessary advance work for the relocation of the various utilities is still in progress. Union Pacific Railroad track crews continued work associated with the first phase of the storage track relocation effort. Relocation of the Kinder Morgan oil pipelines has been completed. Coordination meetings with the various utility companies impacted by the construction continued throughout the report period.

The acquisitions and documentation necessary for the initial right-of-way certification have been completed. In addition to the coordination meetings with the various partner cities and agencies, OCTA continues to meet with the local businesses and neighborhoods who will be affected to varying degrees by the project. As the project progresses, some local streets and bridges will be closed for periods of time as part of the overall construction effort. OCTA continues its public outreach effort with these meetings in an effort to mitigate any potential issues before they occur.

## **SR-22**

On August 23, 2004, the Board approved awarding the SR-22 design-build contract to Granite-Meyers-Rados. Actual construction activities began October 5, 2004. The contract requires substantial completion within 800 calendar days after the notice to proceed, or November 30, 2006. The total Board-approved overall project budget is \$549.6 million with \$244.5 million coming from Measure M.

Progress on the SR-22 advanced significantly during the report period with the overall effort now 87.7 percent complete. At the end of the report period, 739 contract days have elapsed with 61 days remaining until substantial completion.

Outstanding construction activities continued during the report period. Asphalt and concrete paving continued along the mainline freeway as well as at the various on and off ramps. The majority of the on and off ramps, temporarily closed as part of the construction effort, have now opened. The connector from the eastbound SR-22 to the northbound I-5 and Orange Freeway (State Route 57), commonly called "the horseshoe", has been completed and opened for traffic. The completion of this portion of the project removed one of the biggest chokepoints that existed at the "Orange Crush". The wet and dry utility relocations also continue towards their completion, and all relocations are currently on schedule.

Work on the various bridge structures is progressing rapidly towards completion, with bridge construction now complete at 30 of the 39 structures. All four of the pile-driving units were demobilized during the report period as the pile-driving work has now been completed at all structures.

To secure the required right-of-way for the SR-22 project, OCTA had to obtain an interest in an estimated 57 individual parcels. All parcels have been acquired or are in the final stages of settlement.

### **Street and Roads Programs**

Substantial additional funding to cities and the County is provided by the various programs within the Measure M Local and Regional Streets and Roads Programs through OCTA's Combined Transportation Funding Program (CTFP). The CTFP encompasses Measure M streets and roads competitive programs, as well as federal sources such as the Regional Surface Transportation Program. Funds are awarded on a competitive basis within the guidelines of each program and are used to fund a wide range of transportation projects.

During the third quarter, the CTFP contributed approximately \$9.1 million for streets and road improvements throughout the County. Notably, of that amount, about 45 percent was directed towards the closeout of existing CTFP projects. Some highlights of the projects completed during the report period are: the City of Anaheim completed State College Boulevard and Lincoln Avenue intersection improvements totaling nearly \$2.5 million; the City of Irvine completed the bridge widening project on Michelson Drive at San Diego Creek totaling nearly \$700,000; and the City of Garden Grove

completed the Haster Street and Chapman Avenue intersection improvements totaling nearly \$1.2 million.

### Transit Programs

#### Rail Program

The OCTA rail program is comprised mainly of the Metrolink Commuter Rail Program and the associated capital improvements intended to support existing service as well as future service expansion. On November 14, 2005, the Board authorized the implementation of the Metrolink Service Expansion (Expansion) plan. Not all improvements associated with the Expansion plan are funded by Measure M. Only those elements which are supported by Measure M funding will be discussed here.

#### Metrolink Commuter Rail Operations

Orange County's commuter rail service is provided by Metrolink (under a joint powers agreement with OCTA). Metrolink is the service operated by the Southern California Regional Rail Authority (SCRRA). Formed in 1991, the SCRRA is a joint powers authority of five member agencies, representing the five Southern California counties of Ventura, Los Angeles, San Bernardino, Riverside, and Orange.

Commuter rail service in Orange County includes three routes: the Orange County (OC) Line operating from Oceanside to downtown Los Angeles, the Inland Empire – Orange County (IEOC) Line, serving passengers who travel from San Bernardino and Riverside to the County of Orange, and the 91 Line operating from Riverside to downtown Los Angeles via Fullerton. The OC Line provides 19 weekday and six weekend trips between the County of Orange and Los Angeles, including two reverse-commute roundtrips that offer service from Los Angeles to employment centers in Orange County. The IEOC Line provides 16 weekday trips and five weekend trips, and the 91 Line provides nine weekday trips. In addition, under the Rail 2 Rail program, monthly pass holders are allowed to ride Amtrak trains providing weekday and up to 24 additional weekend trains for Orange County riders at no additional charge.

The expansion of the Rail 2 Rail program continues. Through the combined efforts of OCTA, Caltrans, Metrolink, and Amtrak, the Metrolink service area will be making a number of improvements. Currently, this program allows only those with a monthly Metrolink Pass to ride Amtrak trains within the service area at no additional fee; however, OCTA has continued to work with the various stakeholders to expand this to a new ten-trip ticket program. This new Amtrak

ten-trip ticket will be usable on Metrolink trains in the service area. This effort has been on-going for some time, with quality assurance and audit compliance testing continuing.

In the third quarter of 2006, Metrolink ridership in Orange County experienced continued growth on all three lines. The OC Line, including the Metrolink Riders on Amtrak trains under the Rail 2 Rail program, averaged 7,731 daily weekday passengers, which represents a 2 percent increase over the third quarter of 2005. Weekend service on the OC Line averaged 478 daily passengers. The IEOC Line averaged 4,589 daily passengers, a 22 percent increase over the third quarter of 2005. Weekend service on the IEOC Line averaged 992 daily passengers. The 91 Line averaged 2,461 riders, which is also a 29 percent increase over the third quarter of 2005.

On June 26, 2006, the Board approved the selection of Parson, Brinkerhoff, Quade, and Douglas (PB) as the project management consultant to assist OCTA in the oversight of the Expansion plan. A series of both operational and capital improvement projects are planned and in process in anticipation of providing 30 minute service on Orange County Metrolink lines. During the month of September PB began assisting OCTA staff in delivering these improvements.

#### **Metrolink Capital Improvement Projects**

Several capital projects continue to advance along the Orange County Metrolink lines. The pedestrian bridge at the Santa Ana Depot has been substantially completed. Only the inter-track fencing installation remains, and this is scheduled for October 2006. The design for the Orange Depot pedestrian undercrossing is progressing very well. The 60 percent design review has been completed, and the final design effort is underway. The construction of the underpassing requires modifications to the existing bus transfer facility at this site. The design team has worked closely with OCTA's Transit Division to minimize the adverse impacts this would have on transit riders and to ensure that the bus transfer facility will be able to accommodate existing and future transit service. Design is expected to be complete by December 2006. The SCRRA will be responsible for bidding and awarding this construction contract, which is scheduled to occur during the second quarter of 2007.

An ongoing project, aimed at improving the efficiency and capacity on this corridor, is the second main line, or double track, in Santa Ana. Metrolink is the lead agency on this project, which is currently in construction. Current activities are focused on the sub-surface utility relocations, as well as several

retaining walls and pier protection walls. Track work in this area is expected to begin in the first quarter of 2007.

Another significant capital improvement will be the addition of the Buena Park Intermodal Commuter Rail Facility (BPIF). The BPIF is the last station to be built on the OC Line, and will provide commuters with convenient bus and rail connections. The facility encompasses a 3.5-acre site located at Lakeknoll Drive and Dale Avenue in the City of Buena Park.

During the report period, the City of Buena Park continued to take the lead in managing the project's construction, and OCTA continued to provide project management oversight and technical assistance. General site work, foundations, platforms, and elevator pylon structures are completed. Structural steel fabrication of the pedestrian track overcrossing was completed, with the structure erected on September 30, 2006, before the cessation of all construction work near the railroad tracks. All work near the track was to be completed prior to the fourth quarter as required by the railroad agreement. The redesign of the site parking and access road to provide needed bus stop and layover operations is complete. The design of security cameras is complete. The bus layover redesign and the security cameras are scope changes to the project for which budget transfers are being arranged, subject to Board approval. Currently the project completion is scheduled for February 2007, although delays and schedule extensions resulting from the above mentioned scope changes may result in a completion in the late Spring 2007.

The commuter rail program was made possible by the rapid implementation of a comprehensive capital improvement plan made up of 36 percent Measure M funds. Also helping the commuter rail program is \$115 million in the long-term rail operating fund, the Commuter Rail Endowment, established in 1992 and funded by Measure M.

#### City-Initiated Transit Extensions to Metrolink

On August 14, 2006, the Board approved the Go Local program to launch the first step of the City-Initiated Transit Extensions to Metrolink. A Go Local project website has been established to provide information and data to city staff. An estimated 20 cities are currently reviewing cooperative agreements or have submitted project concepts for OCTA's consideration. Several city councils have received staff presentations on the Go Local program opportunities. Project concepts received to date demonstrate an interest in developing joint projects for public works and planning staff within a city and between multiple cities.

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**San Diego Freeway (Interstate 405)/State Route 55 (SR-55) Interchange and Transitway**

In February 2001, the construction began on the second phase of the Interstate 405 (I-405)/SR-55. Currently, the construction cost is estimated at \$64.3 million. The project closeout is on-going, with Caltrans taking the lead in the negotiation of outstanding change orders and construction claims.

On October 14, 2005, the Board approved the execution of cooperative agreements with the cities of Santa Ana and Costa Mesa (Cities) for a follow-on landscaping project at the interchanges at the I-405/Bristol Street and the SR-55/MacArthur Boulevard. Heavy use of these areas for construction staging made it difficult to maintain the existing landscaping during the four years of construction that were involved in both phases of the I-405/SR-55 interchange project. OCTA is funding the project, with the Cities implementing all elements of work.

Currently, the Cities are separately coordinating the work associated with their portion of the project. The City of Costa Mesa, in cooperation with Caltrans, has completed the design and the construction effort is now approximately 75 percent complete. The design for the City of Santa Ana's portion of the project has now been completed. The construction contract has been advertised and the award is currently scheduled for December 2006. Construction should begin in January 2007, and is anticipated to take approximately four months.

The project costs are estimated at \$1,343,000, with the Cities being responsible for providing OCTA with detailed monthly expenditure reports for the entire duration of the project. Any costs over the \$1.3 million committed by OCTA will be the responsibility of the Cities.

**Financial Status**

As required in Measure M, all Orange County eligible jurisdictions receive 14.6 percent of the sales tax revenue based on population ratio, Master Plan of Arterial Highways miles, and total taxable sales. There are no competitive criteria to meet, but there are administrative requirements, such as having a Growth Management Plan. This money can be used for local projects as well as ongoing maintenance of local streets and roads. The total amount of Measure M turnback funds distributed since program implementation is \$418.3 million. Distributions to individual agencies, from inception to-date and for the report period, are detailed in Attachment A.



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Net Measure M expenditures through September 30, 2006, total \$2.708 billion. Net expenditures include project specific reimbursements to Measure M from cities, local agencies, and Caltrans. Total net tax revenues consist primarily of Measure M sales tax revenues and non-bond interest minus estimated non-project related administrative expenses through 2011. Net revenues, expenditures, estimates at completion, and summary project budgets, per the Measure M Expenditure Plan, are presented in Attachment B. The basis for project budgets within each of the Measure M Expenditure Plan programs is identified in the notes accompanying Attachment B.

#### **Budget Variances**

Project budget verses estimate at completion variances generally relate to freeway and transitway elements as these programs have existing defined projects. Other programs, such as regional and local streets and roads, assume all net tax revenues will be spent on existing and yet to be defined future projects.

As discussed in previous reports, OCTA staff costs are now included in the Estimate at Completion and To Date Net Project Cost columns shown in Attachment B. The estimate of all direct project-related staff costs through the completion of the Measure M program has now been determined. The overall freeway program estimate at completion has been increased by \$3.04 million, and the transitway element has been increased by \$41,000. These increases to the estimates at completion reflect all future project-related staff costs to be incurred from the current report period through to the sunset of Measure M in 2011. Though the estimates at completion have been updated, no changes to the project budgets have been made. The impact of the project-related staff costs on the project budgets will be presented to the Board as a separate item.

#### ***Summary***

As required in Measure M Ordinance No. 2, a quarterly report is provided to update progress in implementing the Measure M Expenditure Plan. This report covers freeways, streets and roads, transit program highlights, and accomplishments from July through September 2006.

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***Attachments***

- A. Measure M Local Turnback Payments
- B. Measure M Revenue and Expenditure Summary as of September 30, 2006

**Prepared by:**



Roger M. Lopez  
Senior Project Controls Analyst  
(714) 560-5438

**Approved by:**



Paul C. Taylor, P.E.  
Executive Director, Development  
(714) 560-5431

**MEASURE M LOCAL TURNBACK PAYMENTS**

<b>Agency</b>	<b>Third Quarter 2006</b>	<b>Total Apportionment as of 9/30/06</b>
Aliso Viejo	\$ 71,816	\$ 2,144,963
Anaheim	671,801	45,970,564
Brea	104,688	7,503,044
Buena Park	160,674	11,204,414
Costa Mesa	281,133	19,855,937
Cypress	107,593	7,355,438
Dana Point	65,596	4,724,360
Fountain Valley	124,807	9,111,540
Fullerton	253,032	18,144,697
Garden Grove	294,891	20,605,561
Huntington Beach	375,523	27,116,101
Irvine	471,268	28,688,504
Laguna Beach	51,627	3,516,814
Laguna Hills	72,952	4,943,536
Laguna Niguel	135,226	8,853,629
Laguna Woods	27,876	1,129,601
La Habra	104,333	6,996,847
Lake Forest	155,285	8,931,869
La Palma	37,363	2,321,169
Los Alamitos	26,227	2,003,395
Mission Viejo	190,542	13,013,062
Newport Beach	203,152	12,697,228
Orange	319,736	21,726,940
Placentia	94,055	6,512,617
Rancho Santa Margarita	85,479	2,898,559
San Clemente	109,390	6,433,236
San Juan Capistrano	78,720	5,144,407
Santa Ana	575,281	41,497,608
Seal Beach	47,631	3,307,200
Stanton	60,208	4,134,148
Tustin	161,866	11,353,522
Villa Park	10,533	759,377
Westminster	175,576	12,424,534
Yorba Linda	114,288	7,745,936
County Unincorporated	343,037	27,552,272
<b>Total County:</b>	<b>\$ 6,163,206</b>	<b>\$ 418,322,628</b>



**Measure M Revenue and Expenditure Summary**  
as of September 30, 2006

**ATTACHMENT B**

Project Description (\$ in thousands, escalated to year of expenditure/revenue)	Total Net Tax Revenues A	Project Budget B	Estimate at Completion C	Variance		To Date Net Project Cost D	Percent Budget Expended (D / B)	Notes
				Total Net Tax Revenues to Est at Completion (A - C)	Budget to Est at Completion (B - C)			
<b>Freeways (43%)</b>								
I-5 between I-405 (San Diego Fwy) and I-605	\$ 1,041,671	\$ 810,010	\$ 801,777	\$ 239,894	\$ 8,233	\$ 653,703	80.7%	1, 3
I-5 between I-5/I-405 Interchange and San Clemente	72,222	56,875	58,979	13,243	(2,104)	57,608	101.3%	1
I-5/I-405 Interchange	91,667	72,802	73,075	18,592	(273)	73,075	100.4%	1
S.R. 55 between I-5 and S.R. 91	61,111	44,511	50,176	10,935	(5,665)	49,024	110.1%	1
S.R. 57 between I-5 and Lambert Road	30,556	24,128	22,750	7,806	1,378	22,750	94.3%	1
S.R. 91 between Riverside Co. line & Los Angeles Co. line	131,945	116,136	105,639	26,306	10,497	105,309	90.7%	1, 4
S.R. 22 between S.R. 55 and Valley View St.	411,112	244,460	247,852	163,260	(3,392)	192,518	78.8%	
Subtotal Projects	\$ 1,840,284	\$ 1,368,922	\$ 1,360,248	\$ 480,036	\$ 8,674	\$ 1,153,987	84.3%	
Net (Bond Revenue)/Debt Service		340,138	340,138	(340,138)	-	286,974		
<b>Total Freeways</b>	\$ 1,840,284	\$ 1,709,060	\$ 1,700,386	\$ 139,898	\$ 8,674	\$ 1,440,961	84.3%	
<b>Expenditures as a Percent of Total Program</b>						53.2%		
<b>Regional Street and Road Projects (11%)</b>								
Smart Streets	\$ 161,407	\$ 158,780	\$ 158,780	\$ 2,627	\$ -	\$ 113,954	71.8%	2
Regionally Significant Interchanges	\$ 94,154	94,154	94,154	-	-	40,869	43.4%	2
Intersection Improvement Program	\$ 134,506	134,506	134,506	-	-	57,617	42.8%	2
Traffic Signal Coordination	\$ 67,253	67,253	67,253	-	-	30,849	45.9%	2
Transportation Systems and Transportation Demand Mgmt	\$ 13,451	13,451	13,451	-	-	6,506	48.4%	2
Subtotal Projects	\$ 470,771	\$ 468,144	\$ 468,144	\$ 2,627	\$ -	\$ 249,795	53.4%	
Net (Bond Revenue)/Debt Service		2,627	2,627	(2,627)	-	2,217		
<b>Total Regional Street and Road Projects</b>	\$ 470,771	\$ 470,771	\$ 470,771	\$ -	\$ -	\$ 252,012	53.5%	2
<b>Expenditures as a Percent of Total Program</b>						9.3%		

**Measure M Revenue and Expenditure Summary**  
as of September 30, 2006

Project Description	Total	Variance		Variance		To Date Net Project Cost	Percent Budget Expended (D / B)	Notes
	Net Tax Revenues	Project Budget	Estimate at Completion	Total Net Tax Revenues to Est at Completion	Budget to Est at Completion			
(\$ in thousands, escalated to year of expenditure/revenue)								
Local Street and Road Projects (21%)								
Master Plan of Arterial Highway Improvements	\$ 176,536	\$ 176,536	\$ 176,536	\$ -	\$ -	\$ 54,182	30.7%	2
Streets and Roads Maintenance and Road Improvements	622,207	622,207	622,207	-	-	418,387	67.2%	2
Growth Management Area Improvements	100,000	100,000	100,000	-	-	54,218	54.2%	2
Subtotal Projects	\$ 898,743	\$ 898,743	\$ 898,743	\$ -	\$ -	\$ 526,787	58.6%	
Net (Bond Revenue)/Debt Service						-		
Total Local Street and Road Projects	\$ 898,743	\$ 898,743	\$ 898,743	\$ -	\$ -	\$ 526,787	58.6%	
Expenditures as a Percent of Total Program								
Transit Projects (25%)								
Pacific Electric Right-of-Way	\$ 20,708	\$ 15,000	\$ 13,760	\$ 6,948	\$ 1,240	\$ 13,670	91.1%	
Commuter Rail	379,653	369,784	385,474	(5,821)	(15,690)	259,175	70.1%	
High-Technology Advanced Rail Transit	469,390	457,328	464,580	4,810	(7,252)	27,070	5.9%	
Elderly and Handicapped Fare Stabilization	27,611	20,000	20,000	7,611	-	14,010	70.1%	
Transitways	172,570	146,381	124,679	47,891	21,702	122,756	83.9%	1
Subtotal Projects	\$ 1,069,932	\$ 1,008,493	\$ 1,008,493	\$ 61,439	\$ -	\$ 436,681	43.3%	
Net (Bond Revenue)/Debt Service		61,439	61,439	(61,439)	-	51,836		
Total Transit Projects	\$ 1,069,932	\$ 1,069,932	\$ 1,069,932	\$ -	\$ -	\$ 488,517	45.7%	
Expenditures as a Percent of Total Program								
Total Measure M Program	\$ 4,279,730	\$ 4,148,506	\$ 4,139,832	\$ 139,898	\$ 8,674	\$ 2,708,277	65.3%	

Notes:

1. Project Budget based on escalated value of 1996 Freeway Strategic Plan plus subsequent Board approved amendments.
2. Project Budget and Estimate at Completion equal to Total Net Tax Revenues as all funds collected will be expended on future projects.
3. Estimate at Completion increased by \$2,060,000 to reflect all future project-related staff costs through sunset of Measure M program.
4. Estimate at Completion increased by \$935,000 to reflect all future project-related staff costs through sunset of Measure M program.





BOARD COMMITTEE TRANSMITTAL

**November 13, 2006**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject:** Measure M Eligibility Review for Fiscal Year 2006-07

Regional Planning and Highways Committee

November 6, 2006

**Present:** Directors, Cavecche, Correa, Dixon, Green, Monahan, Norby  
Pringle, and Rosen  
**Absent:** Director Ritschel

***Committee Vote***

This item was passed by all Committee Members present.

***Committee Recommendation***

Approve Measure M turnback and competitive funding eligibility for all local jurisdictions in Orange County.







**November 6, 2006**

**To:** Regional Planning and Highways Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Measure M Eligibility Review for Fiscal Year 2006-07

### **Overview**

The Measure M Ordinance requires all local jurisdictions in Orange County to submit elements of their Measure M Growth Management Program to the Orange County Transportation Authority to remain eligible for receiving Measure M turnback and competitive funds. The eligibility review process for fiscal year 2006-07 has been completed.

### **Recommendation**

Approve Measure M turnback and competitive funding eligibility for all local jurisdictions in Orange County.

### **Background**

The Measure M Ordinance requires local jurisdictions to periodically update various elements of their Measure M Growth Management Program (GMP) eligibility packages and submit to the Orange County Transportation Authority (OCTA) on an annual basis. To maintain eligibility for fiscal year 2006-07 Measure M funds, all local jurisdictions are required to submit a seven-year Capital Improvement Program (CIP) and a Maintenance of Effort (MOE) certification. Some jurisdictions, based on an alternating year schedule, are required to submit a Pavement Management Plan (PMP) update that is consistent with the countywide pavement condition assessment standards as set forth in the Arterial Highway Rehabilitation Program.

The Citizens Oversight Committee (COC) is responsible for reviewing and approving the jurisdiction's CIP, and the Technical Advisory Committee (TAC) is responsible for approving the MOE and PMP requirements. Findings of both committees are forwarded to the OCTA Board of Directors for an eligibility determination.



***Discussion***

The required eligibility documentation was submitted to OCTA by June 30, 2006. OCTA staff reviewed the submittals to ensure the Measure M GMP eligibility packages were complete, and contacted local jurisdictions that needed to submit additional information and/or backup materials. Currently, all local jurisdictions have submitted complete Measure M GMP eligibility packages, and there are no outstanding issues.

The GMP subcommittee of the COC reviewed and approved the CIPs, and their recommendation was approved by the full COC at the October 10, 2006, meeting. On September 27, 2006, the TAC approved the MOE and PMP eligibility status for all jurisdictions.

***Summary***

All local jurisdictions in Orange County have submitted fiscal year 2006-07 Measure M GMP eligibility packages. The information was reviewed and approved by the appropriate committees. OCTA staff recommends a finding of Measure M turnback and competitive eligibility for all local jurisdictions.

***Attachment***

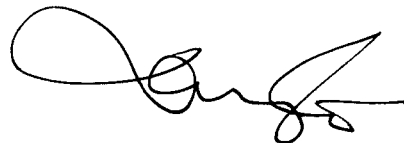
None.

**Prepared by:**



Jennifer Bergener  
Manager, Capital Programs  
(714) 560-5462

**Approved by:**



Paul C. Taylor, P.E.  
Executive Director, Development  
(714) 560-5431



MEMORANDUM



**November 7, 2006**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject:** Laidlaw Contract Compliance and Close-out Audit

This item will be considered by the Finance and Administration Committee on November 8, 2006. Following Committee consideration of this matter, staff will provide you with a summary of the discussion and action taken by the Committee.

Please call me if you have any comments or questions concerning this correspondence. I can be reached at (714) 560-5676.





**November 8, 2006**

**To:** Finance and Administration Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Laidlaw Contract Compliance and Close-out Audit

### **Overview**

Internal Audit has completed a close-out audit of Agreement C-4-0301 between the Orange County Transportation Authority and Laidlaw Transit Services. The audit, conducted by Mayer Hoffman McCann P.C., indicates that invoiced amounts were generally supported and in compliance with contract terms. However, Internal Audit has recommended a negotiated settlement of disputed amounts resulting from this and a prior contract compliance audit (Internal Audit Report No. 05-030).

### **Recommendation**

Direct staff to release \$678,864 as final payment to Laidlaw Transit Services, Inc. for services provided during the 39-month period April 1, 2003 through June 30, 2006.

### **Background**

Under contract with the Orange County Transportation Authority (OCTA), Laidlaw Transit Services Inc. (Laidlaw) provided management, operations, training and maintenance services for the Americans with Disabilities Act ACCESS paratransit services and contracted fixed route services in Orange County through June 30, 2006.

Mayer Hoffman McCann P.C (MHM) has completed a contract compliance and close-out audit of Agreement C-4-0301 between Laidlaw and OCTA for the 15-month period April 1, 2005 through June 30, 2006. MHM also completed a contract compliance audit on March 29, 2006, for the 24 months preceding this close-out audit. In total, MHM has audited the 39-month period ended June 30, 2006, during which time Laidlaw billed OCTA \$97,109,418 for services performed.



Because issues arising during both audits are similar, the resolution of the issues is being undertaken simultaneously.

**Discussion**

The primary focus of both audits was compliance with contract terms and the propriety of invoiced amounts for monthly services performed. Driver trip sheets were compared to invoices sent to OCTA on a monthly basis.

MHM auditors found that there were hours billed during both audit periods that appeared inappropriate. MHM auditors concluded that \$563,171 of billings were unsupported for the first 24-month audit period and that \$345,837 of billings were unsupported for the second audit period of 15 months. In total, for the 39-month period ended June 30, 2006, auditors have questioned \$909,008 of billings. OCTA has withheld \$888,171 from invoice payments.

The \$909,008 of questioned billings during these two audits result primarily from conflicting interpretations of the contract definition of vehicle service hours, most notably service cancellations surrounding drivers' lunch breaks. Over one-half of the questioned billings, or \$509,395, relate to these cancellations. Laidlaw has asserted that contract language does not specifically preclude it from billing for this time. Other questioned billings, however, represent clerical errors or variances arising from more concisely defined contract language and Laidlaw has conceded that some of these questioned billings may be inappropriate.

OCTA management categorized variances and, together with legal counsel, approached Laidlaw and its legal counsel to negotiate a settlement and avoid litigation. Based on these negotiations, a settlement is proposed whereby OCTA would retain \$209,307 of funds it has withheld and remit \$678,864 to Laidlaw.

Internal Audit reviewed the findings of the MHM auditors, the contract language giving rise to the questioned billings, as well as the methodology used for this proposed settlement. Internal Audit believes that a negotiated settlement is reasonable under the circumstances.

**Summary**

Internal Audit recommended that the Orange County Transportation Authority, together with legal counsel, negotiate with Laidlaw to settle audit claims resulting from two contract compliance audits of Laidlaw. Internal Audit also

recommended that improvements be made in contract language in future agreements. Management has concurred with both recommendations.

A resolution of the issues raised by the audits has been negotiated with Laidlaw representatives. It is recommended that \$678,864 be released as final payment to Laidlaw Transit Services, Inc. for services provided during the 39-month period April 1, 2003 through June 30, 2006.

**Attachments**

- A. Contract Compliance and Close-out Audit of Laidlaw Contract C-4-0301 For the Period April 1, 2005 through June 30, 2006, Internal Audit Report No. 07-001
- B. Audit Close-out Memo for Contract Compliance and Close-out Audit of Laidlaw Contract C-4-0301 For the Period April 1, 2005 through June 30, 2006, Internal Audit Report No. 07-001

**Prepared by:**



Kathleen M. O'Connell  
Manager, Internal Audit  
(714) 560-5669





INTEROFFICE MEMO

October 24, 2006

To: John Byrd, General Manager  
Transit

From: Gerry Dunning, Senior Internal Auditor *GD*  
Internal Audit

Subject: Contract Compliance and Close-out Audit of Laidlaw Contract  
C-4-0301 For the Period of April 1, 2005, through June 30, 2006,  
Internal Audit Report No. 07-001

A contract compliance and close-out audit of the contract between the Orange County Transportation Authority and Laidlaw Transit Services has been completed. Recommendations are included in the report to address areas needing improvements. The results of the audit are detailed in the attached Internal Audit Report.

This report requires a formal management response to the recommendations by October 30, 2006. Once you provide your response, Internal Audit will provide a close-out memo indicating agreement or disagreement.

If you have any questions, please feel free to contact me at extension 5875.

Attachment: Contract Compliance and Close-out Audit of Laidlaw Contract  
C-4-0301 For the Period of April 1, 2005 through  
June 30, 2006, Internal Audit Report No. 07-001

c: Jim Kenan  
Erin Rogers  
Curt Burlingame  
Robert Gebo  
Kathleen O'Connell



**ORANGE COUNTY TRANSPORTATION AUTHORITY  
INTERNAL AUDIT DEPARTMENT  
2006-07 AUDIT PLAN**



**Contract Compliance and Close-out Audit of  
Laidlaw Contract C-4-0301 For the Period  
April 1, 2005 through June 30, 2006**

INTERNAL AUDIT REPORT NO. 07-001

**Report Date: October 24, 2006**



**Audit Performed by:**  
**Internal Audit Project Manager:**

OCTA Internal Audit Department  
Gerry Dunning, CIA, CISA, CFE  
Senior Internal Auditor



ORANGE COUNTY TRANSPORTATION AUTHORITY  
INTERNAL AUDIT DEPARTMENT

**Contract Compliance and Close-out Audit of  
Laidlaw Contract C-4-0301 For the Period  
April 1, 2005 through June 30, 2006**

October 24, 2006

CONCLUSION .....	1
BACKGROUND .....	1
PURPOSE AND SCOPE .....	1
GENERAL DISCUSSION .....	2
AUDIT COMMENTS AND RECOMMENDATIONS .....	2
<i>Vehicle Service Hours Should be Reported in Accordance with the     Terms of the Contract.....</i>	<i>2</i>
<i>Agreement and Amendment Language Should be Clear.....</i>	<i>3</i>





**ORANGE COUNTY TRANSPORTATION AUTHORITY  
INTERNAL AUDIT DEPARTMENT**

**Contract Compliance and Close-out Audit of  
Laidlaw Contract C-4-0301 For the Period  
April 1, 2005 through June 30, 2006**

**October 24, 2006**

**CONCLUSION**

A contract compliance close-out audit was performed on Agreement C-4-0301 between the Orange County Transportation Authority and Laidlaw Transit Services. The audit, conducted by Mayer Hoffman McCann P.C., indicates that invoiced amounts were adequately supported and in compliance with the contract terms, except for \$345,837 in billings. Internal Audit recommends that Orange County Transportation Authority, together with legal council, begin negotiation with Laidlaw Transit Services to settle both this and a prior unsettled audit claim. Internal Audit also recommends that improvements be made in contract and contract amendment language in future agreements.

**BACKGROUND**

Mayer Hoffman McCann P.C. (MHM) has completed a contract compliance and close-out audit (attached) of Agreement C-4-0301 between Laidlaw Transit Services (Laidlaw) and the Orange County Transportation Authority (OCTA) for the 15-month period April 1, 2005 through June 30, 2006. This contract provides management, operations, training and maintenance services for the Americans with Disabilities Act (ADA), ACCESS Paratransit Services and Contracted Fixed Route Services in Orange County.

The original term of this agreement was for a period of 12 months beginning July 1, 2004, with a maximum obligation of \$31,733,233. The agreement was amended seven times for a total obligation of \$67,532,303, and the term was extended an additional 12 months through June 30, 2006.

**PURPOSE AND SCOPE**

The Internal Audit Plan for Fiscal Year 2006-07 included a contract close-out audit of Agreement C-4-0301 with Laidlaw. The primary focus of this audit was compliance with contract terms and the propriety of invoiced amounts for the monthly service performed. The total amount invoiced by Laidlaw during the 15-month audit period was \$37,599,077, or an average of \$2,506,605 per month. Individual driver trip sheets were the primary source documents used for this audit. The driver trip sheets were compared to the invoices sent to OCTA on a monthly basis.

ORANGE COUNTY TRANSPORTATION AUTHORITY  
INTERNAL AUDIT DEPARTMENT

**Contract Compliance and Close-out Audit of  
Laidlaw Contract C-4-0301 For the Period  
April 1, 2005 through June 30, 2006**

October 24, 2006

**GENERAL DISCUSSION**

In addition to the MHM audit report attached hereto, an audit by MHM of Laidlaw Agreements C-9-9236 and C-4-0301 was conducted for the 24-month period preceding this audit, or April 1, 2003 through March 31, 2005. Internal Audit Report No. 05-030 for that audit was issued on March 29, 2006. The auditors found \$563,171 of inadequately supported but invoiced amounts, and Internal Audit recommended the collection of these amounts from Laidlaw. Instead, this amount was withheld from Laidlaw's March, April and May 2006 invoice payment pending the finalization of this most recent audit, which began in May 2006.

For this most recent audit, MHM auditors found inadequate support for an additional \$345,837 of invoiced amounts. OCTA withheld \$325,000 from the June 2006 Laidlaw invoice pending the completion of this audit.

In total, for the 39-month period ended June 30, 2006, auditors have questioned \$909,008 of invoiced amounts and OCTA has withheld \$888,171, leaving a net amount due OCTA of \$20,837.

The \$909,008 of questioned billings during these two audits arise primarily from conflicting interpretations of vehicle service hours, most notably service cancellations surrounding drivers' lunch breaks. Laidlaw has contended that the contractual definition of vehicle service hour does not preclude billing for these cancellations.

**AUDIT COMMENTS AND RECOMMENDATIONS**

**Vehicle Service Hours Should be Reported in Accordance with the Terms of the Contract**

MHM found that the failure to report vehicle service hours in accordance with the terms of the contract has resulted in excess billings of \$345,837 for this audit and \$563,171 for a prior audit.

**Recommendation 1:** We recommend that OCTA, together with its legal counsel, negotiate the recovery of the net amount due of \$20,837 from Laidlaw for the inappropriate reporting of vehicle service hours.

ORANGE COUNTY TRANSPORTATION AUTHORITY  
INTERNAL AUDIT DEPARTMENT

**Contract Compliance and Close-out Audit of  
Laidlaw Contract C-4-0301 For the Period  
April 1, 2005 through June 30, 2006**

October 24, 2006

**Agreement and Amendment Language Should be Clear**

For the period August 1, 2005 through February 28, 2006, vehicle service hour rates to be paid, and their effective dates, were not clearly delineated in the amendments, nor was documentation provided to auditors as to how billing rates were determined. This resulted in the MHM auditors disclaiming an opinion on the billed rates for this period.

**Recommendation 2:** We recommend that all future amendments be reviewed prior to contract execution to ensure payment terms are clearly disclosed.



**LIDLAW TRANSIT SERVICES, INC.**

Report on Costs Incurred  
Under an Agreement With the  
Orange County Transportation Authority

For the Period  
April 1, 2005 through June 30, 2006



# LIDLAW TRANSIT SERVICES, INC.

## Report on Costs Incurred Under an Agreement With the Orange County Transportation Authority

For the Period April 1, 2005 through June 30, 2006

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**LIDLAW TRANSIT SERVICES, INC.**

**Report on Costs Incurred Under an Agreement With the  
Orange County Transportation Authority**

**For the Period April 1, 2005 through June 30, 2006**

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**Mayer Hoffman McCann P.C.**  
An Independent CPA Firm  
**Conrad Government Services Division**  
2301 Dupont Drive, Suite 200  
Irvine, California 92612  
949-474-2020 ph  
949-263-5520 fx  
www.mhm-pc.com

Orange County Transportation Authority  
Internal Audit  
Orange, California

## **INDEPENDENT AUDITORS' REPORT**

We have audited the invoices submitted by Laidlaw Transit Services, Inc. for the period April 1, 2005 through June, 2006 under Agreement Number C-4-0301 with the Orange County Transportation Authority (OCTA) to provide management, operations, training and maintenance services related to various transportation programs within the County of Orange. The financial schedules (Calculation of Amount Due To/From OCTA, as presented in Schedules A through C) are the responsibility of Laidlaw Transit Services, Inc. Our responsibility is to express an opinion on the accompanying financial schedules based on our audit.

Except as discussed in the following paragraphs, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial schedule presentation. We believe our audit provides a reasonable basis for our opinions.

For the period August 1, 2005 through February 28, 2006, we were unable to determine the billing rates for vehicle service hours because the rates to be paid and their effective dates were not clearly delineated in the amendments, nor was documentation provided as to how the billing rates were calculated. As such, we were unable to form an opinion regarding the billing rates for the period August 1, 2005 through February 28, 2006.

Due to OCTA terminating the agreement with Laidlaw Transit Services Inc. subsequent to the audit period, we were unable to obtain written representations regarding the financial information from Laidlaw Transit Services Inc.'s management.

The accompanying financial schedules were prepared to present only the Calculation of Amount Due To/From OCTA for the period April 1, 2005 through June, 2006 under an agreement with OCTA as described in Note 1, and are not intended to be a complete presentation of their financial position in conformity with accounting principles generally accepted in the United States of America.

As more fully described in Note 2, the financial schedules were prepared from invoices submitted by Laidlaw Transit Services, Inc. The accounting practices used to prepare the financial schedules may differ in some respects from accounting principles generally accepted in the United States of America. Accordingly, the accompanying financial schedules are not intended to present the financial position and results of operations of Laidlaw Transit Services, Inc. in conformity with accounting principles generally accepted in the United States of America.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the billing rates been clearly defined in the amendments to the agreement for the period August 1, 2005 through February 28, 2006 and had written representations been furnished to us by management, the financial schedules referred to above present fairly, in all material respects, the Calculation of Amount Due To/From OCTA for the period April 1, 2005 through June, 2006 under a agreement with OCTA in conformity with the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 9, 2006 on our consideration of Laidlaw Transit Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial schedules related to the Calculation of Amount Due To/From OCTA for the period April 1, 2005 through June, 2006 under an agreement with OCTA. The supplemental information as listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the financial schedules. The supplemental information has been subjected to the auditing procedures applied in the audit of the financial schedules and, in our opinion, is fairly stated in all material respects in relation to the financial schedules taken as a whole.

Orange County Transportation Authority  
Internal Audit  
Orange, California

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This report is intended solely for the information of the Orange County Transportation Authority and Laidlaw Transit Services, Inc. management and is not intended to be and should not be used by anyone other than those specified parties.

*Mayer Hoffman McCann P.C.*

Irvine, California  
August 9, 2006



SCHEDULE A

LAILAW TRANSIT SERVICES, INC.

Calculation of Amount Due To/From OCTA  
ADA ACCESS Paratransit Services

For the Period April 1, 2005 through June 30, 2006

Period Ended	Vehicle Service Hours	Variable Cost (1)	Fixed Cost (1)	Fares Collected	Total Payable	Total Paid (2)	Amount Due To (From) OCTA (3)
April 30, 2005	47,829.64	\$ 2,056,675	\$ 143,902	\$ 45,554	\$ 2,155,023	\$ 2,172,239	\$ 17,216
May 31, 2005	48,848.38	2,100,480	144,070	52,727	2,191,823	2,208,189	16,366
June 30, 2005	49,251.08	2,117,796	143,697	51,192	2,210,301	2,234,403	24,102
July 31, 2005	44,922.92	1,931,686	144,204	48,356	2,027,534	2,051,338	23,804
August 31, 2005	48,970.49	2,150,294	143,960	49,545	2,244,709	2,268,465	23,756
September 30, 2005	47,462.75	2,084,089	144,831	51,381	2,177,539	2,199,881	22,342
October 31, 2005	48,333.92	2,122,342	144,995	52,762	2,214,575	2,236,418	21,843
November 30, 2005	45,993.43	2,019,572	144,217	50,087	2,113,702	2,136,023	22,321
December 31, 2005	43,780.15	1,935,958	143,017	46,759	2,032,216	2,052,675	20,459
January 31, 2006	45,543.63	2,013,939	144,015	47,394	2,110,560	2,136,142	25,582
February 29, 2006	42,797.48	1,892,505	144,110	46,773	1,989,842	2,010,772	20,930
March 31, 2006	49,523.06	2,189,910	144,427	53,080	2,281,257	2,307,119	25,862
April 30, 2006	44,785.62	1,980,420	144,569	47,885	2,077,104	2,098,582	21,478
May 31, 2006	48,906.45	2,162,643	144,851	53,498	2,253,996	2,282,386	28,390
June 30, 2006	48,248.54	2,133,550	144,787	52,268	2,226,069	1,909,516	(316,553)
	<u>705,197.54</u>	<u>\$ 30,891,859</u>	<u>\$ 2,163,652</u>	<u>\$ 749,262</u>	<u>\$ 32,306,250</u>	<u>\$ 32,304,148</u>	<u>\$ (2,102)</u>

- (1) Variable costs were calculated per vehicle service hour. Fixed costs were allocated between ADA ACCESS paratransit services, contracted fixed route and stationlink based upon a percent of vehicle service hours for the service category to total vehicle service hours. The fixed cost and variable cost paid by OCTA agreed to the Agreement except for the period from August 1, 2005 through February 28, 2006 (see Finding Number 2). As such, we utilized the rates paid by OCTA in our calculations. Fixed and variable rates paid by OCTA for the period are as follows:

Period	Monthly Fixed Cost	Variable Cost
04/01/05 - 07/31/05	169,800	43.00
08/01/05 - 11/30/05	169,800	43.91
12/01/05 - 06/30/06	169,800	44.22

- (2) The amount paid includes adjustments made by OCTA except for adjustments applicable to the prior audit findings and penalties for missed trips. Additionally, the invoice for the month of June 2006 had not been paid as of the end of audit fieldwork (August 9, 2006).
- (3) See Note 3 for an explanation of amounts due to/(from) OCTA.

See accompanying notes to financial schedules

SCHEDULE B

LAILAW TRANSIT SERVICES, INC.

Calculation of Amount Due To/From OCTA  
Contracted Fixed Route

For the Period April 1, 2005 through June 30, 2006

Period Ended	Vehicle Service Hours	Variable Cost (1)	Fixed Cost (1)	Fares Collected (2)	Total Payable	Total Paid (3)	Amount Due To (From) OCTA (4)
April 30, 2005	6,913.15	\$ 297,265	\$ 20,799	\$ 44,067	\$ 273,997	\$ 278,001	\$ 4,004
May 31, 2005	6,985.01	300,355	20,601	46,597	274,359	272,595	(1,764)
June 30, 2005	7,120.18	306,168	20,774	46,673	280,269	300,681	20,412
July 31, 2005	6,765.39	290,912	21,717	39,287	273,342	273,909	567
August 31, 2005	7,400.29	324,947	21,755	43,931	302,771	302,965	194
September 30, 2005	6,913.68	303,580	21,097	44,452	280,225	278,081	(2,144)
October 31, 2005	6,999.90	307,366	20,999	42,966	285,399	289,877	4,478
November 30, 2005	6,890.18	302,548	21,605	42,504	281,649	281,886	237
December 31, 2005	6,970.34	308,228	22,770	39,296	291,702	291,575	(127)
January 31, 2006	6,945.95	307,150	21,964	41,660	287,454	287,108	(346)
February 29, 2006	6,478.43	286,476	21,815	38,806	269,485	269,874	389
March 31, 2006	7,376.63	326,195	21,513	44,682	303,026	302,959	(67)
April 30, 2006	6,665.74	294,759	21,517	39,946	276,330	275,924	(406)
May 31, 2006	7,157.84	316,520	21,200	44,317	293,403	292,683	(720)
June 30, 2006	7,069.43	312,610	21,214	43,909	289,916	287,877	(2,039)
	<u>104,652.14</u>	<u>\$ 4,585,079</u>	<u>\$ 321,340</u>	<u>\$ 643,092</u>	<u>\$ 4,263,327</u>	<u>\$ 4,285,995</u>	<u>\$ 22,668</u>

- (1) Variable costs were calculated per vehicle service hour. Fixed costs were allocated between ADA ACCESS paratransit services, contracted fixed route and stationlink based upon a percent of vehicle service hours for the service category to total vehicle service hours. The fixed cost and variable cost paid by OCTA agreed to the Agreement except for the period from August 1, 2005 through February 28, 2006 (see Finding Number 2). As such, we utilized the rates paid by OCTA in our calculations. Fixed and variable rates paid by OCTA for the period are as follows:

Period	Monthly Fixed Cost	Variable Cost
04/01/05 - 07/31/05	169,800	43.00
08/01/05 - 11/30/05	169,800	43.91
12/01/05 - 06/30/06	169,800	44.22

- (2) Differences were noted between cash collections reported by Laidlaw and cash per the GFI. Cash per the GFI was used for audit purposes.
- (3) The amount paid includes adjustments made by OCTA except for adjustments made for cash collection discrepancies applicable to the prior audit period, penalties for missed trips and an overpayment applicable to the prior audit period. Additionally, the invoice for the month of June 2006 had not been paid as of the end of audit fieldwork (August 9, 2006).
- (4) See Note 3 for explanation of amounts due to/(from) OCTA.

See accompanying notes to financial schedules

## SCHEDULE C

## LAIDLAW TRANSIT SERVICES, INC.

Calculation of Amount Due To/From OCTA  
Stationlink Route

For the Period April 1, 2005 through June 30, 2006

Period Ended	Vehicle Service Hours	Variable Cost (1)	Fixed Cost (1)	Fares Collected	Total Payable	Total Paid (2)	Amount Due To (From) OCTA (2)
April 30, 2005	1,694.83	\$ 77,979	\$ 5,099	\$ 73	\$ 83,005	\$ 83,012	\$ 7
May 31, 2005	1,739.18	80,020	5,129	54	85,096	85,082	(14)
June 30, 2005	1,826.42	84,034	5,329	8	89,355	89,288	(67)
July 31, 2005	1,208.40	55,598	3,879	96	59,381	59,417	36
August 31, 2005	1,389.66	65,286	4,085	-	69,371	69,333	(38)
September 30, 2005	1,268.83	59,610	3,872	136	63,346	63,408	62
October 31, 2005	1,268.82	59,609	3,806	195	63,220	63,376	156
November 30, 2005	1,268.82	59,609	3,979	122	63,466	63,520	54
December 31, 2005	1,228.48	58,119	4,013	65	62,067	62,076	9
January 31, 2006	1,208.34	57,167	3,821	168	60,820	60,903	83
February 29, 2006	1,150.80	54,444	3,875	5	58,314	58,281	(33)
March 31, 2006	1,323.42	62,611	3,860	197	66,274	66,391	117
April 30, 2006	1,150.50	54,430	3,714	158	57,986	58,096	110
May 31, 2006	1,265.89	59,889	3,749	213	63,425	63,555	130
June 30, 2006	1,265.88	59,889	3,799	151	63,537	63,196	(341)
	<u>20,258.27</u>	<u>\$ 948,294</u>	<u>\$ 62,009</u>	<u>\$ 1,641</u>	<u>\$ 1,008,663</u>	<u>\$ 1,008,933</u>	<u>\$ 271</u>

- (1) Variable costs were calculated per vehicle service hour. Fixed costs were allocated between ADA ACCESS paratransit services, contracted fixed route and stationlink based upon a percent of vehicle service hours for the service category to total vehicle service hours. The fixed cost and variable cost paid by OCTA agreed to the Agreement except for the period from August 1, 2005 through February 28, 2006 (see Finding Number 2). As such, we utilized the rates paid by OCTA in our calculations. Fixed and variable rates paid by OCTA for the period are as follows:

Period	Monthly Fixed Cost	Variable Cost
04/01/05 - 07/31/05	169,800	46.01
08/01/05 - 11/30/05	169,800	46.98
12/01/05 - 06/30/06	169,800	47.31

- (2) The invoice for the month of June 2006 had not been paid as of the end of audit fieldwork (August 9, 2006).
- (3) See Note 3 for explanation of amounts due to/(from) OCTA.

See accompanying notes to financial schedules





## **LIDLAW TRANSIT SERVICES, INC.**

### **Report on Costs Incurred Under an Agreement With the Orange County Transportation Authority**

#### **Notes to Financial Schedules**

**For the Period April 1, 2005 through June 30, 2006**

#### **(1) General Information**

On July 1, 2004, the Orange County Transportation Authority (OCTA) entered into Agreement Number C-4-0301 with Laidlaw Transit Services, Inc (Laidlaw) to provide management, operations, training and maintenance services for the ADA ACCESS paratransit services, contracted fixed route services and Stationlink services within the County of Orange. This agreement stipulated the following vehicle service hourly rates: ACCESS at the rate of \$43.00; fixed route at the rate of \$43.00; Stationlink at the rate of \$46.01; and a fixed fee of 169,800. The term of this agreement was from July 1, 2004 through June 30, 2005. The Agreement was amended seven times as follows:

- Amendment Number 1, dated June 30, 2004, changed the scope of work to add purchasing, overseeing the installation, vendor coordination and field testing of data communication mobile data terminals and automatic vehicle locator systems. In addition, the Agreement maximum was increased from \$31,733,223 to \$33,032,773.
- Amendment Number 2, dated July 1, 2004, added late night ACCESS service for sixty (60) days beginning July 1, 2004 through August 31, 2004. The total obligation for this service was set at \$79,250, thus increasing the maximum obligation for the Agreement to \$33,112,023.
- Amendment Number 3, dated February 23, 2005, extended the term of the Agreement for one month to July 31, 2005 and stipulated the rates as follows: ACCESS at the rate of \$43.00; fixed route at the rate of \$43.00; Stationlink at the rate of \$46.01 and a fixed fee of \$169,800. In addition, the maximum obligation was increased to \$36,104,723. The increase in cost resulted from providing 56,059 access service hours, 7,601 fixed route services hours, 250 off route service hours and 1,625 Stationlink service hours.
- Amendment Number 4, dated May 11, 2005, increased the maximum obligation to \$37,218,033. The increase in cost resulted from adding 30,000 ACCESS service hours at a vehicle service hourly rate of \$43.00, \$83,000 for late night access, \$250,000 for Major Maintenance, \$319,886 for fuel cost, \$36,000 for gasoline for demo vehicle and \$75,000 for tax. In addition, this amendment deducted \$940,576 as a fuel credit.

**LIDLAW TRANSIT SERVICES, INC.**

**Report on Costs Incurred Under an Agreement With the  
Orange County Transportation Authority**

**Notes to Financial Schedules (Continued)**

**For the Period April 1, 2005 through June 30, 2006**

**(1) General Information (Continued)**

- Amendment Number 5, dated July 1, 2005, increased the maximum obligation to \$47,444,407. The increase in cost resulted from adding 223,286 ACCESS service hours, 21,577 fixed route services hours, 5,509 Stationlink service hours \$83,000 for late night access, \$62,500 for major maintenance and \$5,000 for fuel cost. In addition, this amendment deducted \$550,800 as a fuel credit. The rates to be paid and their effective dates were not clearly delineated in this amendment, nor was documentation provided as to how the billing rates were calculated.
- Amendment Number 6, dated August 22, 2005, extended the term of the Agreement for seven months to February 28, 2006. In addition, the maximum obligation was increased to \$56,083,407. The increase in cost resulted from adding 155,218 ACCESS service hours, 22,508 fixed route services hours, 5,440 Stationlink service hours, \$62,500 for major maintenance and \$5,000 for fuel cost. In addition, this amendment deducted \$429,624 as a fuel credit. The rates to be paid and their effective dates were not clearly delineated in this amendment, nor was documentation provided as to how the billing rates were calculated.
- Amendment Number 7, dated November 23, 2005, extended the term of the Agreement for four months to June 30, 2006 and stipulated the following vehicle service hourly rates: ACCESS at the rate of \$44.22; fixed route at the rate of \$44.22; and Stationlink at the rate of \$47.31. This amendment also stipulated that the monthly fixed fee be \$169,800. The maximum obligation was increased to \$67,532,303.

**(2) Summary of Significant Accounting Policies**

The accompanying financial schedules were prepared from documentation submitted by Laidlaw to OCTA in accordance with the terms of the Agreement and amendments. The cash basis of accounting, which differs from accounting principles generally accepted in the United States, was utilized in the preparation of the financial schedules.

## LIDLAW TRANSIT SERVICES, INC.

Report on Costs Incurred Under an Agreement With the  
Orange County Transportation Authority

Notes to Financial Schedules (Continued)

For the Period April 1, 2005 through June 30, 2006

### **(3) Summary of Amount Due to/From OCTA**

As a result of the closeout, the following represents a summary of the questioned costs, by service category and service type. The questioned costs are documented in more detail in Findings 1 and 2 in the Findings and Recommendations section of this Report.

#### **ADA ACCESS Paratransit:**

<u>Nature of Variance</u>	<u>Amount Due To/(From) OCTA</u>	<u>Percent</u>
Cancellation just prior to or subsequent to the lunch period	\$ 245,661	76.08%
Cancellation at the end of a shift/standby time at the end of a shift	1,841	0.57%
Cancellation at start of a shift/arriving too early for first scheduled pick-up	5,457	1.69%
No supporting tripsheets	14,046	4.35%
Vehicle breakdown	13,207	4.09%
Drivers taking a shorter lunch when scheduled for a longer lunch	34,066	10.55%
Other	8,620	2.67%
Amount withheld by OCTA	<u>(325,000)</u>	<u>n/a</u>
Total	<u>\$ (2,102)</u>	<u>100.00%</u>

**LIDLAW TRANSIT SERVICES, INC.**

**Report on Costs Incurred Under an Agreement With the  
Orange County Transportation Authority**

**Notes to Financial Schedules (Continued)**

**For the Period April 1, 2005 through June 30, 2006**

**(3) Summary of Amount Due to/From OCTA (Continued)**

**Contracted Fixed Routes:**

<u>Nature of Variance</u>	<u>Amount Due To/(From) OCTA</u>	<u>Percent</u>
Cancellation just prior to or subsequent to the lunch period	\$ 3,396	14.98%
Key error at start of shift	523	2.31%
Key error at end of shift	4,298	18.96%
Other	<u>14,451</u>	<u>63.75%</u>
Total	<u>\$22,668</u>	<u>100.00%</u>

**Stationlink Routes:**

<u>Nature of Variance</u>	<u>Amount Due To/(From) OCTA</u>	<u>Percent</u>
Other	\$ 271	100.00%
Total	<u>\$ 271</u>	<u>100.00%</u>

Stationlink service is a fixed route service designed primarily to serve passengers connecting to/from a rail station. As this was a fixed route, OCTA only reimbursed Laidlaw for the hours on the schedule. During our audit, the hours supported by trip sheets were greater than the scheduled hours reimbursed by OCTA. As a result, there was no adjustment due to excess vehicle services hours. The amount due to OCTA of \$271 represents a reallocation of the fixed costs based upon the ratio of audited vehicle service hours.

**LIDLAW TRANSIT SERVICES, INC.**

**Report on Costs Incurred Under an Agreement With the  
Orange County Transportation Authority**

**Notes to Financial Schedules (Continued)**

**For the Period April 1, 2005 through June 30, 2006**

**(4) Objectives, Scope and Methodology**

The objectives of our audit were to determine whether:

- Laidlaw is in compliance with the financial and reporting terms of the contract;
- Internal controls surrounding cash collection and financial reporting were adequate; and
- The invoices submitted by Laidlaw were properly chargeable to the contract, reasonable in amount and supported by documented evidence.

The audit scope included testing of invoices for the period April 1, 2005 through June 30, 2006. The invoices within the audit period were statistically selected for testing. Our sampling methodology was as follows:

- The number of months and amount paid by OCTA was as follows:

<u>Strata Description</u>	<u>No. of Months</u>	<u>Amount Paid</u>
April 1, 2005 to June 30, 2006	15	\$37,599,077

- The sample size was determined using a 95% confidence level with an anticipated error rate of 2%. This resulted in a sample size as follows:

<u>Strata Description</u>	<u>No. of Months</u>	<u>Amount Paid</u>
April 1, 2005 to June 30, 2006	9	\$22,959,452

- The testing of the sampled months consisted of reviewing 100% of the Tripsheets and Drivers' Manifests for each month. The hours and cash collected per the Tripsheets and Driver's Manifests were compared to the summary schedules prepared by Laidlaw that accompany each invoice.

**LIDLAW TRANSIT SERVICES, INC.**

**Report on Costs Incurred Under an Agreement With the  
Orange County Transportation Authority**

**Notes to Financial Schedules (Continued)**

**For the Period April 1, 2005 through June 30, 2006**

**(5) Results of Testing**

The accompanying Calculation of Amount Due To/(From) OCTA, as presented in Schedules A through C, represents calculations of excess billings from Laidlaw to OCTA based upon the projection of the results of our sampled periods to the entire audit period. For the periods sampled, we identified \$226,326 of excess billings. These excess billings were converted to an error rate by category of service (ADA ACCESS paratransit, contracted fixed route and Stationlink routes) as documented below:

<u>Category of Service</u>	<u>Error Rate</u>	
	<u>Vehicle Service Hours</u>	<u>Fares Collected</u>
ADA ACCESS paratransit	(1.08)%	0.03%
Contracted fixed route	(0.25)%	590.91%
StationLink	n/a	305.64%

These error rates were then applied to the months not tested. This resulted in a total amount due to OCTA of \$345,837 for the period April 1, 2005 through June 30, 2006. OCTA withheld \$325,000 from the June 2006 invoice. As such, the net amount due to OCTA is \$20,837.



**Mayer Hoffman McCann P.C.**  
An Independent CPA Firm  
**Conrad Government Services Division**  
2301 Dupont Drive, Suite 200  
Irvine, California 92612  
949-474-2020 ph  
949-263-5520 fx  
www.mhm-pc.com

Orange County Transportation Authority  
Internal Audit  
Orange, California

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL SCHEDULES  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

We have audited the financial schedules (Calculation of Amount Due To/From OCTA), as presented in Schedules A through C, which summarize the amounts paid to Laidlaw Transit Services, Inc. (Laidlaw) for the period April 1, 2005 through June 30, 2006 under Agreement Number C-4-0301 with the Orange County Transportation Authority (OCTA) to provide management, operations, training and maintenance services for the Americans with Disabilities Act ACCESS paratransit services, contracted fixed route services, and Stationlink services in the County of Orange, and have issued our report thereon dated August 9, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

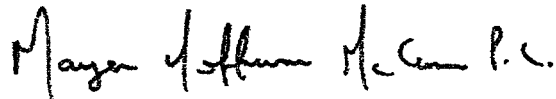
In planning and performing our audit, we considered Laidlaw's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial schedules and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted one matter involving the internal control over financial reporting and its operation that we consider to be material weakness. This material weakness has been described in the accompanying findings and recommendations as item 2.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial schedules are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial schedule amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying Findings and Recommendations as item 1.

This report is intended solely for the information of management of the Orange County Transportation Authority and Laidlaw Transit Services, Inc. and is not intended to be and should not be used by anyone other than those specified parties.



Irvine, California  
August 9, 2006

**LIDLAW TRANSIT SERVICES, INC.**

**Report on Costs Incurred Under an Agreement With the  
Orange County Transportation Authority**

**Findings and Recommendations**

**For the Period April 1, 2005 through June 30, 2006**

**(1) Need to Report Vehicle Service Hours in Accordance with the Terms of the Contract**

During our comparison of tripsheets with the supporting data submitted with the monthly invoices by Laidlaw Transit Services, Inc. (Laidlaw), we noted that Laidlaw was inconsistent in their calculation of vehicle service hours. Specifically, we noted the following:

- Key errors existed when Laidlaw employees transcribed hours from the tripsheets to their database used to support their billings to OCTA. On occasion, we noted that the pull out time was input as the in-service time in their database.
- Excess standby time as a result of cancellations immediately prior to or after lunch was not consistently excluded from the calculation of vehicle service hours.
- On occasion, Laidlaw charged time in excess of the allowable ten minutes prior to the scheduled first pickup as vehicle service hours.
- No supporting tripsheets were provided for some of the routes in which vehicle service hours were claimed.

Article 6, Paragraph A of Agreement Number C-4-0301 states, in part:

“For each approved vehicle service hour provided by CONTRACTOR during the billing period, AUTHORITY shall pay CONTRACTOR at the fixed and variable service hour (VSH) billing rates...”

Section IV – Definitions, Vehicle Service Hour, of Exhibit A of Agreement C-4-0301 states, in part:

“1. Definition for Paratransit Services: A Vehicle Service Hour shall be defined as any sixty minute increment of time a vehicle is available for passenger transport within the Contractor's established hours of service. A vehicle is available for passenger transport from the time it arrives at its

**LIDLAW TRANSIT SERVICES, INC.**

**Report on Costs Incurred Under an Agreement With the  
Orange County Transportation Authority**

**Findings and Recommendations (Continued)**

**For the Period April 1, 2005 through June 30, 2006**

**(1) Need to Report Vehicle Service Hours in Accordance with the Terms of the Contract (Continued)**

first pick-up address and ends when it has completed its last passenger drop-off (or when the last passenger is declared a no show at the origination address) and is released from service by the dispatcher, excluding any meal breaks, service breaks, mechanical breakdowns and time a vehicle is down due to an accident..."

Section IV – Definitions, On-Time Pickup, of Exhibit A of Agreement C-4-0301 states:

"For paratransit services, a vehicle shall be on time if it arrives at the designated pickup location no more than 10 minutes prior to the scheduled pickup time or no more than 10 minutes after that time..."

According to the terms of the contract, Laidlaw should calculate vehicle service hours from the time the driver arrives at the first passenger pick-up location and continue until released from service by the dispatcher, with the exception of meal breaks, service breaks, mechanical breakdowns and accidents. Furthermore, the driver cannot arrive at the first pick-up location more than ten minutes prior to the scheduled pick up time.

Failure to report vehicle service hours in accordance with the terms of the contract has resulted in excess billings. As a result, OCTA has withheld \$325,000 from the June 2006 invoice.

**Recommendation**

We recommend that OCTA recover \$20,837 from Laidlaw for the incorrect reporting in addition to the \$325,000 withheld on the June 2006 invoice.

**(2) Need to Ensure Agreement and Amendment Language is Clear**

During our audit, we were unable to determine whether the billing rates for vehicle service hours were paid in accordance with the terms of the Agreement and associated amendments. Specifically, for the period August 1, 2005 through February 28, 2006,

**LIDLAW TRANSIT SERVICES, INC.**

**Report on Costs Incurred Under an Agreement With the  
Orange County Transportation Authority**

**Findings and Recommendations (Continued)**

**For the Period April 1, 2005 through June 30, 2006**

**(2) Need to Ensure Agreement and Amendment Language is Clear (Continued)**

the rates to be paid and their effective dates were not clearly delineated in the amendments, nor was documentation provided as to how the billing rates were calculated.

This condition occurred as a result of the Agreement nearing its expiration and the need to extend the agreement to ensure the services were provided to the public while OCTA was in the middle of a procurement for a new agreement. In this effort, the amendments were not consistent in their language, presentation or rate specificity. Failure for amendments to contain clear language as to payment terms can result in an over or underpayment for services.

**Recommendation**

We recommend that all future amendments be reviewed prior to execution to ensure payment terms are clearly disclosed.



## Supplemental Data



**LAIDLAW TRANSIT SERVICES, INC.**

Summary of Vehicle Service Hours and Fares Collected  
ADA ACCESS Paratransit Services

May 2005

Date	Vehicle Service Hours			Fares Collected		
	Per Audit	As Reported	Variance	Per Audit	As Reported	Variance
May 1, 2005	538.78	548.57	(9.79)	\$ 890.50	\$ 885.90	\$ 4.60
May 2, 2005	2,009.35	2,027.70	(18.35)	1,909.65	1,871.45	38.20
May 3, 2005	2,052.08	2,066.14	(14.06)	2,285.20	2,265.90	19.30
May 4, 2005	2,214.90	2,224.22	(9.32)	2,422.64	2,403.59	19.05
May 5, 2005	2,116.30	2,132.42	(16.12)	2,327.70	2,305.70	22.00
May 6, 2005	1,961.43	1,989.70	(28.27)	1,867.35	1,851.05	16.30
May 7, 2005	641.32	646.90	(5.58)	1,086.80	1,080.95	5.85
May 8, 2005	564.18	569.35	(5.17)	993.04	993.04	-
May 9, 2005	1,984.05	2,015.13	(31.08)	1,817.95	1,809.20	8.75
May 10, 2005	2,048.48	2,058.17	(9.69)	2,185.53	2,177.88	7.65
May 11, 2005	2,155.75	2,179.17	(23.42)	2,433.32	2,411.37	21.95
May 12, 2005	2,068.03	2,088.00	(19.97)	2,143.55	2,112.93	30.62
May 13, 2005	2,005.70	2,024.40	(18.70)	1,989.05	1,985.80	3.25
May 14, 2005	613.73	625.35	(11.62)	941.80	939.05	2.75
May 15, 2005	526.88	533.72	(6.84)	653.55	653.55	-
May 16, 2005	2,061.77	2,075.97	(14.20)	1,982.15	1,976.10	6.05
May 17, 2005	2,070.98	2,073.52	(2.54)	2,233.16	2,233.16	-
May 18, 2005	2,144.97	2,164.88	(19.91)	2,405.42	2,399.27	6.15
May 19, 2005	2,080.53	2,089.97	(9.44)	2,186.26	2,181.41	4.85
May 20, 2005	2,031.82	2,040.31	(8.49)	1,946.50	1,942.00	4.50
May 21, 2005	575.48	576.82	(1.34)	832.00	832.00	-
May 22, 2005	575.57	579.85	(4.28)	825.70	825.70	-
May 23, 2005	1,984.72	1,996.12	(11.40)	1,789.90	1,779.85	10.05
May 24, 2005	2,051.00	2,055.76	(4.76)	2,096.10	2,090.00	6.10
May 25, 2005	2,149.78	2,165.70	(15.92)	2,215.52	2,215.27	0.25
May 26, 2005	2,078.85	2,086.52	(7.67)	2,149.30	2,143.05	6.25
May 27, 2005	1,964.13	1,975.13	(11.00)	1,952.05	1,943.80	8.25
May 28, 2005	554.02	557.10	(3.08)	829.05	816.10	12.95
May 29, 2005	514.50	519.50	(5.00)	731.20	731.20	-
May 30, 2005	525.73	529.65	(3.92)	720.35	720.35	-
May 31, 2005	1,983.57	2,003.82	(20.25)	1,884.48	1,869.33	15.15
Totals (1)	<u>48,848.38</u>	<u>49,219.56</u>	<u>(371.18)</u>	<u>\$ 52,726.77</u>	<u>\$ 52,445.95</u>	<u>\$ 280.82</u>

(1) Cash reported on the invoice was \$44,016.



**LIDLAW TRANSIT SERVICES, INC.**

**Summary of Vehicle Service Hours  
Contracted Fixed Route**

**May 2005**

Vehicle Service Hours			
Date	Per Audit	As Reported	Variance
May 1, 2005	77.71	77.73	(0.02)
May 2, 2005	295.21	295.19	0.02
May 3, 2005	295.32	295.30	0.02
May 4, 2005	287.50	291.13	(3.63)
May 5, 2005	294.40	294.39	0.01
May 6, 2005	294.93	295.27	(0.34)
May 7, 2005	86.56	86.57	(0.01)
May 8, 2005	77.43	77.45	(0.02)
May 9, 2005	295.79	295.78	0.01
May 10, 2005	295.26	295.25	0.01
May 11, 2005	294.02	294.55	(0.53)
May 12, 2005	290.37	294.18	(3.81)
May 13, 2005	291.18	293.65	(2.47)
May 14, 2005	86.52	86.53	(0.01)
May 15, 2005	76.26	76.27	(0.01)
May 16, 2005	293.06	293.10	(0.04)
May 17, 2005	293.78	295.65	(1.87)
May 18, 2005	296.18	296.32	(0.14)
May 19, 2005	295.34	295.33	0.01
May 20, 2005	295.99	296.00	(0.01)
May 21, 2005	86.68	86.70	(0.02)
May 22, 2005	77.50	77.52	(0.02)
May 23, 2005	296.15	296.14	0.01
May 24, 2005	296.14	296.13	0.01
May 25, 2005	295.67	295.67	-
May 26, 2005	290.38	293.45	(3.07)
May 27, 2005	295.66	295.67	(0.01)
May 28, 2005	85.97	85.97	-
May 29, 2005	77.18	77.18	-
May 30, 2005	77.37	77.38	(0.01)
May 31, 2005	293.50	293.49	0.01
Totals	6,985.01	7,000.94	(15.93)

**LIDLAW TRANSIT SERVICES, INC.**

Summary of Vehicle Service Hours and Fares Collected  
Stationlink Route

May 2005

Date	Vehicle Service Hours			Fares Collected		
	Per Audit	As Reported	Variance	Per Audit	As Reported	Variance
May 1, 2005	-	-	-	\$ -	\$ -	\$ -
May 2, 2005	102.15	102.87	(0.72)	-	-	-
May 3, 2005	103.16	103.98	(0.82)	1.25	1.25	-
May 4, 2005	105.53	105.68	(0.15)	1.25	1.25	-
May 5, 2005	109.18	109.69	(0.51)	-	-	-
May 6, 2005	102.28	103.37	(1.09)	-	-	-
May 7, 2005	-	-	-	-	-	-
May 8, 2005	-	-	-	-	-	-
May 9, 2005	103.52	102.85	0.67	2.50	2.50	-
May 10, 2005	103.93	103.73	0.20	5.00	5.00	-
May 11, 2005	103.54	103.80	(0.26)	6.25	2.50	3.75
May 12, 2005	104.36	104.62	(0.26)	-	-	-
May 13, 2005	103.89	104.02	(0.13)	1.25	-	1.25
May 14, 2005	-	-	-	-	-	-
May 15, 2005	-	-	-	-	-	-
May 16, 2005	103.60	104.03	(0.43)	4.75	1.25	3.50
May 17, 2005	102.90	103.58	(0.68)	3.75	3.75	-
May 18, 2005	103.85	103.87	(0.02)	5.00	2.50	2.50
May 19, 2005	104.28	104.40	(0.12)	1.25	-	1.25
May 20, 2005	103.51	103.62	(0.11)	1.25	1.25	-
May 21, 2005	-	-	-	-	-	-
May 22, 2005	-	-	-	-	-	-
May 23, 2005	104.11	104.12	(0.01)	2.50	1.25	1.25
May 24, 2005	99.68	103.36	(3.68)	8.75	3.75	5.00
May 25, 2005	102.79	103.43	(0.64)	2.50	2.50	-
May 26, 2005	104.35	104.35	-	2.50	1.25	1.25
May 27, 2005	104.06	104.08	(0.02)	2.50	1.25	1.25
May 28, 2005	-	-	-	-	-	-
May 29, 2005	-	-	-	-	-	-
May 30, 2005	-	-	-	-	-	-
May 31, 2005	104.03	104.03	-	1.25	1.25	-
Adjustment (1)	-	(448.30)	(448.30)	-	-	-
Totals	<u>2,178.70</u>	<u>1,739.18</u>	<u>(457.08)</u>	<u>\$ 53.50</u>	<u>\$ 32.50</u>	<u>\$ 21.00</u>

- (1) OCTA adjusted the vehicle service hours to the scheduled hours (see note 3).  
Since the audited hours are greater than the scheduled hours, we have  
accepted the scheduled hours without further adjustment.

**LIDLAW TRANSIT SERVICES, INC.**

Summary of Vehicle Service Hours and Fares Collected  
ADA ACCESS Paratransit Services

June 2005

Date	Vehicle Service Hours			Fares Collected		
	Per Audit	As Reported	Variance	Per Audit	As Reported	Variance
June 1, 2005	2,011.88	2,110.99	(99.11)	\$ 1,959.40	\$ 2,060.95	\$ (101.55)
June 2, 2005	2,017.30	2,034.69	(17.39)	2,145.65	2,144.60	1.05
June 3, 2005	2,048.22	2,057.72	(9.50)	2,025.66	2,025.15	0.51
June 4, 2005	635.02	641.60	(6.58)	968.35	968.35	-
June 5, 2005	528.42	536.10	(7.68)	748.40	748.40	-
June 6, 2005	2,038.40	2,049.85	(11.45)	2,005.65	2,005.45	0.20
June 7, 2005	2,061.63	2,075.27	(13.64)	2,082.90	2,077.90	5.00
June 8, 2005	2,143.72	2,156.37	(12.65)	2,401.65	2,398.65	3.00
June 9, 2005	2,051.53	2,064.10	(12.57)	2,136.70	2,139.71	(3.01)
June 10, 2005	1,956.83	1,990.16	(33.33)	1,830.55	1,850.55	(20.00)
June 11, 2005	605.60	615.50	(9.90)	1,037.10	1,025.30	11.80
June 12, 2005	514.78	528.73	(13.95)	658.75	658.75	-
June 13, 2005	1,992.80	2,017.60	(24.80)	1,681.80	1,694.40	(12.60)
June 14, 2005	2,054.47	2,085.18	(30.71)	2,091.40	2,114.50	(23.10)
June 15, 2005	2,112.95	2,131.23	(18.28)	2,260.40	2,253.65	6.75
June 16, 2005	2,043.52	2,054.25	(10.73)	2,019.44	2,049.44	(30.00)
June 17, 2005	1,928.78	1,943.50	(14.72)	2,044.25	2,030.15	14.10
June 18, 2005	591.95	604.95	(13.00)	928.50	923.90	4.60
June 19, 2005	531.65	536.90	(5.25)	778.35	778.35	-
June 20, 2005	1,962.08	1,985.15	(23.07)	1,750.40	1,752.85	(2.45)
June 21, 2005	2,065.33	2,078.49	(13.16)	2,049.05	2,031.30	17.75
June 22, 2005	2,110.47	2,131.70	(21.23)	2,109.40	2,039.85	69.55
June 23, 2005	2,043.27	2,054.35	(11.08)	1,999.99	1,993.09	6.90
June 24, 2005	1,936.58	1,960.47	(23.89)	1,873.60	1,819.36	54.24
June 25, 2005	600.10	618.90	(18.80)	787.70	782.40	5.30
June 26, 2005	531.73	539.48	(7.75)	717.00	719.25	(2.25)
June 27, 2005	1,990.50	2,008.17	(17.67)	1,836.51	1,826.16	10.35
June 28, 2005	2,026.85	2,050.81	(23.96)	2,069.79	2,041.49	28.30
June 29, 2005	2,092.37	2,106.35	(13.98)	2,142.35	2,155.35	(13.00)
June 30, 2005	2,022.35	2,036.76	(14.41)	2,051.50	2,046.50	5.00
Totals (1)	<u>49,251.08</u>	<u>49,805.32</u>	<u>(554.24)</u>	<u>\$ 51,192.19</u>	<u>\$ 51,155.75</u>	<u>\$ 36.44</u>

(1) Cash reported on the invoice was \$45,854.

# LIDLAW TRANSIT SERVICES, INC.

## Summary of Vehicle Service Hours Contracted Fixed Route

June 2005

Date	Vehicle Service Hours		
	Per Audit	As Reported	Variance
June 1, 2005	293.82	296.19	(2.37)
June 2, 2005	294.90	294.98	(0.08)
June 3, 2005	295.10	294.97	0.13
June 4, 2005	85.53	85.53	-
June 5, 2005	77.32	77.32	-
June 6, 2005	294.60	294.60	-
June 7, 2005	295.72	293.97	1.75
June 8, 2005	294.30	294.57	(0.27)
June 9, 2005	295.05	295.05	-
June 10, 2005	295.52	295.52	-
June 11, 2005	85.82	85.82	-
June 12, 2005	76.78	76.78	-
June 13, 2005	289.52	291.13	(1.61)
June 14, 2005	296.47	296.47	-
June 15, 2005	293.94	295.87	(1.93)
June 16, 2005	295.15	295.42	(0.27)
June 17, 2005	293.43	293.68	(0.25)
June 18, 2005	87.98	87.18	0.80
June 19, 2005	76.73	76.73	-
June 20, 2005	294.00	294.00	-
June 21, 2005	293.54	293.54	-
June 22, 2005	294.15	294.32	(0.17)
June 23, 2005	292.52	292.93	(0.41)
June 24, 2005	291.22	290.62	0.60
June 25, 2005	85.67	85.67	-
June 26, 2005	77.08	77.08	-
June 27, 2005	291.89	291.89	-
June 28, 2005	294.64	294.64	-
June 29, 2005	294.57	294.57	-
June 30, 2005	293.22	293.22	-
Totals	<u>7,120.18</u>	<u>7,124.26</u>	<u>(4.08)</u>

**LAIDLAW TRANSIT SERVICES, INC.**

Summary of Vehicle Service Hours and Fares Collected  
Stationlink Route

June 2005

Date	Vehicle Service Hours			Fares Collected		
	Per Audit	As Reported	Variance	Per Audit	As Reported	Variance
June 1, 2005	104.03	104.17	(0.14)	\$ -	\$ -	\$ -
June 2, 2005	104.30	104.30	-	-	1.25	(1.25)
June 3, 2005	104.40	104.62	(0.22)	1.25	-	1.25
June 4, 2005	-	-	-	-	-	-
June 5, 2005	-	-	-	-	-	-
June 6, 2005	102.62	103.25	(0.63)	1.25	-	1.25
June 7, 2005	103.81	103.95	(0.14)	-	3.75	(3.75)
June 8, 2005	104.48	104.48	-	-	1.25	(1.25)
June 9, 2005	104.75	104.89	(0.14)	1.75	0.50	1.25
June 10, 2005	103.65	103.87	(0.22)	-	-	-
June 11, 2005	-	-	-	-	-	-
June 12, 2005	-	-	-	-	-	-
June 13, 2005	105.37	104.88	0.49	-	-	-
June 14, 2005	104.73	104.73	-	-	6.25	(6.25)
June 15, 2005	104.20	104.20	-	-	-	-
June 16, 2005	103.53	103.67	(0.14)	-	-	-
June 17, 2005	104.85	104.75	0.10	-	-	-
June 18, 2005	-	-	-	-	-	-
June 19, 2005	-	-	-	-	-	-
June 20, 2005	104.30	104.22	0.08	-	-	-
June 21, 2005	105.58	105.58	-	-	1.25	(1.25)
June 22, 2005	104.62	104.62	-	-	-	-
June 23, 2005	104.35	104.35	-	-	2.50	(2.50)
June 24, 2005	103.17	103.17	-	-	-	-
June 25, 2005	-	-	-	-	-	-
June 26, 2005	-	-	-	-	-	-
June 27, 2005	104.49	104.49	-	-	2.50	(2.50)
June 28, 2005	103.83	103.83	-	1.25	-	1.25
June 29, 2005	103.07	103.07	-	2.50	2.25	0.25
June 30, 2005	105.15	105.15	-	-	1.25	(1.25)
Adjustment (1)	-	(467.82)	(467.82)	-	-	-
Totals	<u>2,293.28</u>	<u>1,826.42</u>	<u>(468.78)</u>	<u>\$ 8.00</u>	<u>\$ 22.75</u>	<u>\$ (14.75)</u>

(1) OCTA adjusted the vehicle service hours to the scheduled hours (see note 3).  
Since the audited hours are greater than the scheduled hours, we have  
accepted the scheduled hours without further adjustment.

**LIDLAW TRANSIT SERVICES, INC.**

Summary of Vehicle Service Hours and Fares Collected  
ADA ACCESS Paratransit Services

September 2005

Date	Vehicle Service Hours			Fares Collected		
	Per Audit	As Reported	Variance	Per Audit	As Reported	Variance
September 1, 2005	1,999.28	2,021.30	(22.02)	\$ 2,069.50	\$ 2,064.90	\$ 4.60
September 2, 2005	1,925.28	1,942.94	(17.66)	1,929.00	1,935.45	(6.45)
September 3, 2005	568.15	571.07	(2.92)	979.55	969.35	10.20
September 4, 2005	487.68	499.82	(12.14)	733.50	722.25	11.25
September 5, 2005	477.35	489.32	(11.97)	658.45	649.65	8.80
September 6, 2005	1,964.40	1,994.28	(29.88)	1,972.80	1,963.85	8.95
September 7, 2005	2,080.17	2,104.37	(24.20)	2,074.90	2,070.05	4.85
September 8, 2005	2,089.50	2,111.51	(22.01)	2,343.30	2,318.80	24.50
September 9, 2005	1,929.83	1,955.52	(25.69)	2,016.75	2,000.10	16.65
September 10, 2005	600.47	608.97	(8.50)	955.08	942.53	12.55
September 11, 2005	473.22	482.84	(9.62)	638.44	634.15	4.29
September 12, 2005	2,017.25	2,031.55	(14.30)	1,995.80	1,962.65	33.15
September 13, 2005	2,104.22	2,116.45	(12.23)	2,344.20	2,344.75	(0.55)
September 14, 2005	2,071.12	2,112.23	(41.11)	2,200.45	2,179.65	20.80
September 15, 2005	2,077.73	2,107.22	(29.49)	2,192.85	2,179.80	13.05
September 16, 2005	1,974.63	1,982.03	(7.40)	1,971.85	1,961.85	10.00
September 17, 2005	591.42	597.85	(6.43)	899.25	895.25	4.00
September 18, 2005	489.75	491.45	(1.70)	740.90	740.65	0.25
September 19, 2005	1,971.97	1,983.61	(11.64)	1,847.50	1,843.05	4.45
September 20, 2005	2,013.78	2,033.73	(19.95)	2,019.45	2,007.20	12.25
September 21, 2005	2,166.13	2,196.30	(30.17)	2,495.60	2,495.80	(0.20)
September 22, 2005	2,092.07	2,141.04	(48.97)	2,398.20	2,386.70	11.50
September 23, 2005	1,982.12	1,994.90	(12.78)	2,175.70	2,156.15	19.55
September 24, 2005	576.28	579.54	(3.26)	838.00	835.50	2.50
September 25, 2005	464.78	468.70	(3.92)	566.95	557.95	9.00
September 26, 2005	2,036.22	2,046.44	(10.22)	1,846.35	1,840.60	5.75
September 27, 2005	2,081.75	2,092.44	(10.69)	2,063.15	2,049.15	14.00
September 28, 2005	2,101.25	2,119.51	(18.26)	2,260.10	2,249.55	10.55
September 29, 2005	2,088.52	2,099.88	(11.36)	2,100.96	2,081.01	19.95
September 30, 2005	1,966.43	1,982.41	(15.98)	2,052.85	2,011.00	41.85
Totals	<u>47,462.75</u>	<u>47,959.22</u>	<u>(496.47)</u>	<u>\$ 51,381.38</u>	<u>\$ 51,049.34</u>	<u>\$ 332.04</u>

**LIDLAW TRANSIT SERVICES, INC.**

Summary of Vehicle Service Hours  
Contracted Fixed Route

September 2005

Date	Vehicle Service Hours		
	Per Audit	As Reported	Variance
September 1, 2005	293.54	293.54	-
September 2, 2005	294.85	294.85	-
September 3, 2005	85.97	85.97	-
September 4, 2005	77.25	77.25	-
September 5, 2005	77.08	77.22	(0.14)
September 6, 2005	293.95	293.95	-
September 7, 2005	294.77	294.77	-
September 8, 2005	296.45	296.83	(0.38)
September 9, 2005	293.42	293.42	-
September 10, 2005	86.42	86.42	-
September 11, 2005	76.05	77.05	(1.00)
September 12, 2005	293.82	293.82	-
September 13, 2005	294.00	294.00	-
September 14, 2005	293.75	293.75	-
September 15, 2005	294.28	294.72	(0.44)
September 16, 2005	294.65	294.65	-
September 17, 2005	86.27	86.27	-
September 18, 2005	77.53	77.53	-
September 19, 2005	294.05	294.05	-
September 20, 2005	295.67	295.84	(0.17)
September 21, 2005	292.72	294.70	(1.98)
September 22, 2005	294.85	294.85	-
September 23, 2005	294.00	294.00	-
September 24, 2005	86.80	86.80	-
September 25, 2005	77.05	77.05	-
September 26, 2005	294.33	294.33	-
September 27, 2005	296.10	296.10	-
September 28, 2005	296.25	296.25	-
September 29, 2005	293.89	294.04	(0.15)
September 30, 2005	293.92	294.17	(0.25)
Totals	<u>6,913.68</u>	<u>6,918.19</u>	<u>(4.51)</u>

**LIDLAW TRANSIT SERVICES, INC.**

Summary of Vehicle Service Hours and Fares Collected  
Stationlink Route

September 2005

Date	Vehicle Service Hours			Fares Collected		
	Per Audit	As Reported	Variance	Per Audit	As Reported	Variance
September 1, 2005	104.38	104.38	-	\$ 6.25	\$ 6.25	\$ -
September 2, 2005	105.69	105.69	-	-	-	-
September 3, 2005	-	-	-	-	-	-
September 4, 2005	-	-	-	-	-	-
September 5, 2005	-	-	-	-	-	-
September 6, 2005	95.73	93.47	2.26	7.50	2.50	5.00
September 7, 2005	104.43	104.43	-	11.25	3.75	7.50
September 8, 2005	106.13	106.13	-	7.50	5.00	2.50
September 9, 2005	106.07	106.07	-	5.00	1.25	3.75
September 10, 2005	-	-	-	-	-	-
September 11, 2005	-	-	-	-	-	-
September 12, 2005	104.50	104.50	-	5.00	-	5.00
September 13, 2005	104.92	104.92	-	5.00	1.25	3.75
September 14, 2005	106.22	106.22	-	3.75	1.25	2.50
September 15, 2005	102.62	103.97	(1.35)	7.50	1.25	6.25
September 16, 2005	100.80	101.80	(1.00)	2.50	2.50	-
September 17, 2005	-	-	-	-	-	-
September 18, 2005	-	-	-	-	-	-
September 19, 2005	107.53	107.68	(0.15)	6.75	-	6.75
September 20, 2005	102.42	102.42	-	7.50	3.75	3.75
September 21, 2005	106.92	106.92	-	13.50	2.50	11.00
September 22, 2005	105.28	105.28	-	6.25	2.50	3.75
September 23, 2005	105.52	105.52	-	6.25	2.50	3.75
September 24, 2005	-	-	-	-	-	-
September 25, 2005	-	-	-	-	-	-
September 26, 2005	104.13	104.13	-	6.25	-	6.25
September 27, 2005	103.20	104.40	(1.20)	5.00	-	5.00
September 28, 2005	104.68	104.68	-	8.00	-	8.00
September 29, 2005	105.00	105.00	-	7.50	2.50	5.00
September 30, 2005	106.30	106.30	-	7.50	-	7.50
Adjustment (1)	-	(925.08)	(925.08)	-	-	-
Totals	<u>2,192.47</u>	<u>1,268.83</u>	<u>(926.52)</u>	<u>\$ 135.75</u>	<u>\$ 38.75</u>	<u>\$ 97.00</u>

- (1) OCTA adjusted the vehicle service hours to the scheduled hours (see note 3).  
Since the audited hours are greater than the scheduled hours, we have  
accepted the scheduled hours without further adjustment.



# LIDLAW TRANSIT SERVICES, INC.

## Summary of Vehicle Service Hours and Fares Collected ADA ACCESS Paratransit Services

October 2005

Date	Vehicle Service Hours			Fares Collected		
	Per Audit	As Reported	Variance	Per Audit	As Reported	Variance
October 1, 2005	578.90	589.25	(10.35)	\$ 899.30	\$ 881.05	\$ 18.25
October 2, 2005	492.17	502.57	(10.40)	661.10	661.10	-
October 3, 2005	2,023.72	2,046.72	(23.00)	2,028.35	2,021.60	6.75
October 4, 2005	2,028.22	2,048.96	(20.74)	2,154.35	2,144.10	10.25
October 5, 2005	2,121.72	2,139.98	(18.26)	2,354.05	2,346.80	7.25
October 6, 2005	2,089.08	2,110.32	(21.24)	2,261.50	2,246.45	15.05
October 7, 2005	1,999.68	2,020.32	(20.64)	2,142.00	2,120.60	21.40
October 8, 2005	593.47	601.50	(8.03)	935.75	930.70	5.05
October 9, 2005	490.80	503.97	(13.17)	603.15	608.15	(5.00)
October 10, 2005	1,774.07	1,802.05	(27.98)	1,750.20	1,748.20	2.00
October 11, 2005	2,064.60	2,080.66	(16.06)	2,248.15	2,265.65	(17.50)
October 12, 2005	2,136.43	2,158.64	(22.21)	2,278.70	2,268.20	10.50
October 13, 2005	2,061.40	2,077.49	(16.09)	2,213.05	2,216.80	(3.75)
October 14, 2005	1,963.88	1,981.66	(17.78)	2,022.17	2,040.17	(18.00)
October 15, 2005	641.52	660.12	(18.60)	1,055.43	1,049.68	5.75
October 16, 2005	477.47	485.80	(8.33)	732.70	732.70	-
October 17, 2005	2,017.53	2,029.03	(11.50)	1,844.80	1,832.03	12.78
October 18, 2005	2,010.43	2,034.20	(23.77)	1,998.45	1,991.10	7.35
October 19, 2005	2,138.02	2,150.04	(12.02)	2,559.57	2,550.57	9.00
October 20, 2005	2,134.47	2,151.29	(16.82)	2,253.83	2,255.08	(1.25)
October 21, 2005	1,984.97	2,007.86	(22.89)	2,002.70	2,031.99	(29.29)
October 22, 2005	633.52	634.98	(1.46)	968.10	968.10	-
October 23, 2005	452.32	458.90	(6.58)	616.35	613.60	2.75
October 24, 2005	1,998.42	2,016.39	(17.97)	1,921.35	1,906.15	15.20
October 25, 2005	2,071.82	2,091.47	(19.65)	2,166.00	2,162.00	4.00
October 26, 2005	2,133.63	2,148.22	(14.59)	2,406.94	2,407.19	(0.25)
October 27, 2005	2,129.83	2,148.65	(18.82)	2,228.59	2,211.59	17.00
October 28, 2005	1,980.40	1,997.49	(17.09)	2,045.15	2,082.40	(37.25)
October 29, 2005	611.13	621.74	(10.61)	968.70	968.70	-
October 30, 2005	479.33	489.83	(10.50)	582.75	582.25	0.50
October 31, 2005	2,020.97	2,040.98	(20.01)	1,858.70	1,858.70	-
Totals	<u>48,333.92</u>	<u>48,831.08</u>	<u>(497.16)</u>	<u>\$ 52,761.93</u>	<u>\$ 52,703.40</u>	<u>\$ 58.54</u>

**LAIDLAW TRANSIT SERVICES, INC.**

Summary of Vehicle Service Hours  
Contracted Fixed Route

October 2005

Date	Vehicle Service Hours		
	Per Audit	As Reported	Variance
October 1, 2005	86.24	86.25	(0.01)
October 2, 2005	76.66	76.67	(0.01)
October 3, 2005	293.00	293.00	-
October 4, 2005	295.18	295.20	(0.02)
October 5, 2005	295.19	295.20	(0.01)
October 6, 2005	295.35	295.60	(0.25)
October 7, 2005	295.49	295.17	0.32
October 8, 2005	86.19	86.20	(0.01)
October 9, 2005	77.59	77.58	0.01
October 10, 2005	294.52	294.53	(0.01)
October 11, 2005	295.31	295.35	(0.04)
October 12, 2005	293.65	293.67	(0.02)
October 13, 2005	294.29	294.31	(0.02)
October 14, 2005	293.97	293.94	0.03
October 15, 2005	86.34	86.35	(0.01)
October 16, 2005	77.15	77.14	0.01
October 17, 2005	293.33	293.30	0.03
October 18, 2005	293.71	293.72	(0.01)
October 19, 2005	293.32	293.32	-
October 20, 2005	294.63	294.75	(0.12)
October 21, 2005	295.15	295.18	(0.03)
October 22, 2005	86.95	86.95	-
October 23, 2005	77.25	77.25	-
October 24, 2005	293.46	293.48	(0.02)
October 25, 2005	293.97	293.97	-
October 26, 2005	294.86	294.85	0.01
October 27, 2005	294.48	294.47	0.01
October 28, 2005	295.29	295.30	(0.01)
October 29, 2005	86.51	86.52	(0.01)
October 30, 2005	77.46	77.45	0.01
October 31, 2005	293.41	293.43	(0.02)
Adjustment (1)	-	102.88	(102.88)
Totals	<u>6,999.90</u>	<u>7,102.98</u>	<u>(103.08)</u>

(1) Adjustment due to a discrepancy between the hours invoiced and the hours on the data disk provided by Laidlaw.

**LAIDLAW TRANSIT SERVICES, INC.**

Summary of Vehicle Service Hours and Fares Collected  
Stationlink Route

October 2005

Date	Vehicle Service Hours			Fares Collected		
	Per Audit	As Reported	Variance	Per Audit	As Reported	Variance
October 1, 2005	-	-	-	\$ -	\$ -	\$ -
October 2, 2005	-	-	-	-	2.50	(2.50)
October 3, 2005	103.93	103.93	-	3.75	1.25	2.50
October 4, 2005	105.77	105.77	-	-	2.50	(2.50)
October 5, 2005	105.10	105.10	-	-	-	-
October 6, 2005	105.08	105.08	-	2.50	2.50	-
October 7, 2005	105.18	105.55	(0.37)	1.75	-	1.75
October 8, 2005	-	-	-	-	-	-
October 9, 2005	-	-	-	-	-	-
October 10, 2005	104.68	104.68	-	1.25	2.50	(1.25)
October 11, 2005	104.68	104.68	-	3.75	1.25	2.50
October 12, 2005	103.52	103.52	-	128.75	-	128.75
October 13, 2005	106.68	106.68	-	2.50	-	2.50
October 14, 2005	104.17	104.17	-	1.25	-	1.25
October 15, 2005	-	-	-	-	-	-
October 16, 2005	-	-	-	-	-	-
October 17, 2005	104.80	104.80	-	3.75	7.50	(3.75)
October 18, 2005	106.52	106.52	-	12.50	-	12.50
October 19, 2005	105.98	105.98	-	3.75	-	3.75
October 20, 2005	104.43	104.43	-	-	-	-
October 21, 2005	104.52	104.43	0.09	1.25	1.25	-
October 22, 2005	-	-	-	-	-	-
October 23, 2005	-	-	-	-	-	-
October 24, 2005	105.43	105.43	-	2.50	1.25	1.25
October 25, 2005	103.92	103.92	-	7.50	1.25	6.25
October 26, 2005	106.02	106.02	-	6.25	-	6.25
October 27, 2005	106.78	106.78	-	5.00	-	5.00
October 28, 2005	102.92	102.92	-	3.75	-	3.75
October 29, 2005	-	-	-	-	-	-
October 30, 2005	-	-	-	-	-	-
October 31, 2005	104.72	104.72	-	3.75	1.25	2.50
Adjustment (1)	-	(936.29)	(936.29)	-	-	-
Totals	<u>2,204.83</u>	<u>1,268.82</u>	<u>(936.57)</u>	<u>\$ 195.50</u>	<u>\$ 25.00</u>	<u>\$ 170.50</u>

- (1) OCTA adjusted the vehicle service hours to the scheduled hours (see note 3).  
Since the audited hours are greater than the scheduled hours, we have  
accepted the scheduled hours without further adjustment.

# LAIDLAW TRANSIT SERVICES, INC.

## Summary of Vehicle Service Hours and Fares Collected ADA ACCESS Paratransit Services

December 2005

Date	Vehicle Service Hours			Fares Collected		
	Per Audit	As Reported	Variance	Per Audit	As Reported	Variance
December 1, 2005	2,120.70	2,132.36	(11.66)	\$ 2,097.65	\$ 2,119.40	\$ (21.75)
December 2, 2005	2,013.85	2,036.89	(23.04)	2,081.97	2,096.85	(14.88)
December 3, 2005	565.37	572.37	(7.00)	880.05	880.05	-
December 4, 2005	481.38	500.50	(19.12)	645.15	651.70	(6.55)
December 5, 2005	2,013.08	2,031.46	(18.38)	1,883.33	1,927.02	(43.69)
December 6, 2005	2,089.05	2,099.05	(10.00)	2,430.90	2,439.87	(8.97)
December 7, 2005	2,121.83	2,137.60	(15.77)	2,453.49	2,507.49	(54.00)
December 8, 2005	2,105.88	2,117.20	(11.32)	2,419.16	2,502.06	(82.90)
December 9, 2005	1,980.55	1,994.05	(13.50)	2,023.60	2,098.35	(74.75)
December 10, 2005	633.57	640.85	(7.28)	959.05	961.30	(2.25)
December 11, 2005	508.50	519.08	(10.58)	668.10	668.10	-
December 12, 2005	1,976.23	1,997.96	(21.73)	1,878.15	1,904.35	(26.20)
December 13, 2005	2,017.72	2,026.80	(9.08)	2,133.90	2,135.97	(2.07)
December 14, 2005	2,092.35	2,106.76	(14.41)	2,298.30	2,295.30	3.00
December 15, 2005	2,040.62	2,054.06	(13.44)	2,072.95	2,070.70	2.25
December 16, 2005	1,939.88	1,964.43	(24.55)	1,819.70	1,819.70	-
December 17, 2005	606.57	619.23	(12.66)	913.35	913.35	-
December 18, 2005	476.15	484.47	(8.32)	645.65	645.65	-
December 19, 2005	1,789.65	1,805.03	(15.38)	1,669.90	1,669.90	-
December 20, 2005	1,770.25	1,793.05	(22.80)	1,814.00	1,814.00	-
December 21, 2005	1,884.98	1,899.73	(14.75)	1,860.95	1,876.70	(15.75)
December 22, 2005	1,773.53	1,792.11	(18.58)	1,634.95	1,646.45	(11.50)
December 23, 2005	1,210.43	1,227.33	(16.90)	1,318.80	1,318.80	-
December 24, 2005	527.68	547.22	(19.54)	760.00	760.00	-
December 25, 2005	484.92	492.52	(7.60)	643.85	643.85	-
December 26, 2005	500.60	512.70	(12.10)	543.05	543.05	-
December 27, 2005	1,351.70	1,375.74	(24.04)	1,272.80	1,272.80	-
December 28, 2005	1,444.93	1,463.61	(18.68)	1,408.05	1,389.05	19.00
December 29, 2005	1,469.60	1,492.43	(22.83)	1,425.70	1,425.70	-
December 30, 2005	1,320.35	1,335.40	(15.05)	1,368.10	1,372.10	(4.00)
December 31, 2005	468.25	473.50	(5.25)	734.85	732.60	2.25
Totals	<u>43,780.15</u>	<u>44,245.49</u>	<u>(465.34)</u>	<u>\$ 46,759.45</u>	<u>\$ 47,102.21</u>	<u>\$ (342.76)</u>

# LIDLAW TRANSIT SERVICES, INC.

## Summary of Vehicle Service Hours Contracted Fixed Route

December 2005

Date	Vehicle Service Hours		
	Per Audit	As Reported	Variance
December 1, 2005	293.70	294.17	(0.47)
December 2, 2005	294.55	294.85	(0.30)
December 3, 2005	86.33	86.33	-
December 4, 2005	77.23	77.23	-
December 5, 2005	294.17	294.17	-
December 6, 2005	296.32	296.40	(0.08)
December 7, 2005	292.09	291.97	0.12
December 8, 2005	294.28	294.28	-
December 9, 2005	291.05	294.53	(3.48)
December 10, 2005	86.83	86.83	-
December 11, 2005	77.02	77.02	-
December 12, 2005	294.27	294.59	(0.32)
December 13, 2005	295.36	294.21	1.15
December 14, 2005	292.25	292.57	(0.32)
December 15, 2005	295.92	295.93	(0.01)
December 16, 2005	291.84	291.84	-
December 17, 2005	86.63	86.63	-
December 18, 2005	76.68	79.35	(2.67)
December 19, 2005	294.00	292.88	1.12
December 20, 2005	293.37	292.52	0.85
December 21, 2005	295.30	294.02	1.28
December 22, 2005	291.85	290.86	0.99
December 23, 2005	293.65	292.53	1.12
December 24, 2005	85.75	85.75	-
December 25, 2005	76.87	76.87	-
December 26, 2005	76.73	76.73	-
December 27, 2005	287.68	291.25	(3.57)
December 28, 2005	291.37	291.37	-
December 29, 2005	290.45	290.45	-
December 30, 2005	290.97	290.97	-
December 31, 2005	85.85	85.85	-
Totals	6,970.36	6,974.95	(4.59)

**LAIDLAW TRANSIT SERVICES, INC.**

Summary of Vehicle Service Hours and Fares Collected  
Stationlink Route

December 2005

Date	Vehicle Service Hours			Fares Collected		
	Per Audit	As Reported	Variance	Per Audit	As Reported	Variance
December 1, 2005	103.13	103.58	(0.45)	\$ 2.50	\$ 2.50	\$ -
December 2, 2005	104.19	104.47	(0.28)	2.50	-	2.50
December 3, 2005	-	-	-	5.00	2.50	2.50
December 4, 2005	-	-	-	10.60	1.25	9.35
December 5, 2005	103.73	104.88	(1.15)	9.50	1.25	8.25
December 6, 2005	103.84	104.77	(0.93)	6.25	1.25	5.00
December 7, 2005	104.78	105.38	(0.60)	4.25	1.25	3.00
December 8, 2005	105.32	106.02	(0.70)	-	-	-
December 9, 2005	104.85	104.97	(0.12)	-	-	-
December 10, 2005	-	-	-	1.25	1.25	-
December 11, 2005	-	-	-	-	-	-
December 12, 2005	97.53	97.53	-	1.25	1.25	-
December 13, 2005	100.45	100.45	-	-	-	-
December 14, 2005	99.00	100.00	(1.00)	1.25	1.25	-
December 15, 2005	102.60	103.53	(0.93)	2.50	2.50	-
December 16, 2005	99.33	99.33	-	1.25	1.25	-
December 17, 2005	-	-	-	1.25	1.25	-
December 18, 2005	-	-	-	2.25	1.25	1.00
December 19, 2005	98.64	99.65	(1.01)	5.00	-	5.00
December 20, 2005	98.25	98.25	-	8.75	1.25	7.50
December 21, 2005	99.32	99.32	-	-	-	-
December 22, 2005	98.17	98.33	(0.16)	-	-	-
December 23, 2005	98.28	98.28	-	-	-	-
December 24, 2005	-	-	-	-	-	-
December 25, 2005	-	-	-	-	-	-
December 26, 2005	-	-	-	-	-	-
December 27, 2005	103.10	103.10	-	-	-	-
December 28, 2005	99.65	99.65	-	-	-	-
December 29, 2005	98.95	99.15	(0.20)	-	-	-
December 30, 2005	98.55	98.55	-	-	-	-
December 31, 2005	-	-	-	-	-	-
Adjustment (1)	-	(900.71)	(900.71)	-	-	-
Totals	<u>2,121.66</u>	<u>1,228.48</u>	<u>(908.24)</u>	<u>\$ 65.35</u>	<u>\$ 21.25</u>	<u>\$ 44.10</u>

- (1) OCTA adjusted the vehicle service hours to the scheduled hours (see note 3).  
Since the audited hours are greater than the scheduled hours, we have accepted the scheduled hours without further adjustment.

**LAIDLAW TRANSIT SERVICES, INC.**

Summary of Vehicle Service Hours and Fares Collected  
ADA ACCESS Paratransit Services

January 2006

Date	Vehicle Service Hours			Fares Collected		
	Per Audit	As Reported	Variance	Per Audit	As Reported	Variance
January 1, 2006	339.30	343.13	(3.83)	\$ 394.46	\$ 394.46	\$ -
January 2, 2006	723.08	756.01	(32.93)	475.45	471.45	4.00
January 3, 2006	1,863.98	1,880.27	(16.29)	1,639.65	1,636.65	3.00
January 4, 2006	1,947.47	1,985.28	(37.81)	1,896.30	1,890.75	5.55
January 5, 2006	1,931.30	1,972.21	(40.91)	1,906.35	1,942.28	(35.93)
January 6, 2006	1,896.23	1,904.88	(8.65)	1,898.30	1,893.80	4.50
January 7, 2006	540.58	544.20	(3.62)	933.60	929.60	4.00
January 8, 2006	495.33	499.34	(4.01)	673.75	694.00	(20.25)
January 9, 2006	1,858.30	1,896.95	(38.65)	1,943.78	1,932.35	11.43
January 10, 2006	1,924.70	1,968.47	(43.77)	2,004.06	2,043.76	(39.70)
January 11, 2006	2,015.62	2,048.01	(32.39)	2,360.60	2,349.55	11.05
January 12, 2006	1,997.82	2,039.85	(42.03)	2,069.70	2,067.40	2.30
January 13, 2006	1,922.78	1,935.77	(12.99)	1,910.25	1,906.92	3.33
January 14, 2006	516.50	524.16	(7.66)	775.40	763.90	11.50
January 15, 2006	473.40	476.90	(3.50)	644.70	644.52	0.18
January 16, 2006	1,438.80	1,461.09	(22.29)	1,259.90	1,250.72	9.18
January 17, 2006	1,987.60	1,992.21	(4.61)	2,072.60	2,101.63	(29.03)
January 18, 2006	1,996.78	2,008.23	(11.45)	2,102.40	2,131.65	(29.25)
January 19, 2006	1,997.57	2,017.34	(19.77)	2,024.75	2,039.50	(14.75)
January 20, 2006	1,914.25	1,956.14	(41.89)	2,014.05	2,036.90	(22.85)
January 21, 2006	601.35	616.90	(15.55)	908.95	905.45	3.50
January 22, 2006	435.90	457.18	(21.28)	586.00	584.00	2.00
January 23, 2006	1,855.35	1,906.97	(51.62)	1,657.70	1,687.15	(29.45)
January 24, 2006	1,996.87	2,005.99	(9.12)	1,954.55	1,935.05	19.50
January 25, 2006	2,013.60	2,011.48	2.12	2,112.85	2,129.34	(16.49)
January 26, 2006	2,013.53	2,023.29	(9.76)	2,062.65	2,062.55	0.10
January 27, 2006	1,907.67	1,925.79	(18.12)	1,843.75	1,826.62	17.13
January 28, 2006	564.67	565.42	(0.75)	919.40	912.90	6.50
January 29, 2006	504.58	509.50	(4.92)	650.55	650.05	0.50
January 30, 2006	1,885.50	1,896.63	(11.13)	1,778.60	1,794.17	(15.57)
January 31, 2006	1,983.22	1,989.51	(6.29)	1,919.30	1,916.55	2.75
Totals	<u>45,543.63</u>	<u>46,119.10</u>	<u>(575.47)</u>	<u>\$ 47,394.35</u>	<u>\$ 47,525.62</u>	<u>\$ (131.27)</u>

**LIDLAW TRANSIT SERVICES, INC.**

Summary of Vehicle Service Hours  
Contracted Fixed Route

January 2006

Date	Vehicle Service Hours		
	Per Audit	As Reported	Variance
January 1, 2006	76.73	76.73	-
January 2, 2006	76.93	76.93	-
January 3, 2006	291.60	291.60	-
January 4, 2006	292.25	292.25	-
January 5, 2006	292.13	292.13	-
January 6, 2006	289.60	289.60	-
January 7, 2006	84.68	84.68	-
January 8, 2006	77.23	77.23	-
January 9, 2006	293.02	293.02	-
January 10, 2006	291.05	291.05	-
January 11, 2006	293.20	293.70	(0.50)
January 12, 2006	289.89	289.89	-
January 13, 2006	291.49	291.49	-
January 14, 2006	86.23	86.23	-
January 15, 2006	76.85	76.85	-
January 16, 2006	290.72	290.72	-
January 17, 2006	294.03	294.03	-
January 18, 2006	293.02	293.02	-
January 19, 2006	293.40	293.40	-
January 20, 2006	294.85	294.85	-
January 21, 2006	86.53	86.53	-
January 22, 2006	76.88	76.88	-
January 23, 2006	293.20	293.20	-
January 24, 2006	293.93	293.93	-
January 25, 2006	293.80	293.80	-
January 26, 2006	293.04	293.04	-
January 27, 2006	293.00	293.00	-
January 28, 2006	86.02	86.02	-
January 29, 2006	76.73	76.73	-
January 30, 2006	290.84	293.07	(2.23)
January 31, 2006	293.08	293.08	-
Totals	<u>6,945.95</u>	<u>6,948.68</u>	<u>(2.73)</u>



**LAIDLAW TRANSIT SERVICES, INC.**

**Summary of Vehicle Service Hours and Fares Collected  
Stationlink Route**

January 2006

Date	Vehicle Service Hours			Fares Collected		
	Per Audit	As Reported	Variance	Per Audit	As Reported	Variance
January 1, 2006	-	-	-	\$ -	\$ -	\$ -
January 2, 2006	-	-	-	-	-	-
January 3, 2006	98.44	98.77	(0.33)	10.50	2.50	8.00
January 4, 2006	100.50	100.50	-	16.50	2.25	14.25
January 5, 2006	99.75	99.75	-	12.25	2.50	9.75
January 6, 2006	99.92	99.92	-	3.75	1.25	2.50
January 7, 2006	-	-	-	-	-	-
January 8, 2006	-	-	-	-	-	-
January 9, 2006	94.60	94.60	-	1.25	-	1.25
January 10, 2006	98.37	98.37	-	1.25	1.25	-
January 11, 2006	99.75	99.75	-	5.00	-	5.00
January 12, 2006	100.32	100.58	(0.26)	12.50	-	12.50
January 13, 2006	104.53	104.53	-	5.00	2.50	2.50
January 14, 2006	-	-	-	-	-	-
January 15, 2006	-	-	-	-	-	-
January 16, 2006	79.70	82.25	(2.55)	5.00	5.00	-
January 17, 2006	99.65	99.65	-	5.00	2.50	2.50
January 18, 2006	99.45	99.45	-	21.75	2.50	19.25
January 19, 2006	106.40	106.40	-	14.25	-	14.25
January 20, 2006	101.10	102.00	(0.90)	2.50	-	2.50
January 21, 2006	-	-	-	-	-	-
January 22, 2006	-	-	-	-	-	-
January 23, 2006	97.68	97.93	(0.25)	15.00	13.75	1.25
January 24, 2006	100.69	100.69	-	8.75	-	8.75
January 25, 2006	100.12	100.12	-	11.75	3.75	8.00
January 26, 2006	99.45	99.45	-	11.00	3.75	7.25
January 27, 2006	100.83	100.83	-	-	-	-
January 28, 2006	-	-	-	-	-	-
January 29, 2006	-	-	-	-	-	-
January 30, 2006	99.15	99.15	-	5.00	-	5.00
January 31, 2006	99.95	99.95	-	-	-	-
Adjustment (1)	-	(876.30)	(876.30)	-	-	-
<b>Totals</b>	<u>2,080.35</u>	<u>1,208.34</u>	<u>(880.59)</u>	<u>\$ 168.00</u>	<u>\$ 43.50</u>	<u>\$ 124.50</u>

(1) OCTA adjusted the vehicle service hours to the scheduled hours (see note 3).  
Since the audited hours are greater than the scheduled hours, we have  
accepted the scheduled hours without further adjustment.

# LIDLAW TRANSIT SERVICES, INC.

## Summary of Vehicle Service Hours and Fares Collected ADA ACCESS Paratransit Services

March 2006

Date	Vehicle Service Hours			Fares Collected		
	Per Audit	As Reported	Variance	Per Audit	As Reported	Variance
3/1/2006	2,051.17	2,066.42	(15.25)	\$ 2,111.25	\$ 2,111.15	0.10
3/2/2006	2,056.82	2,066.58	(9.76)	2,184.15	2,204.15	(20.00)
3/3/2006	1,886.30	1,911.05	(24.75)	1,818.30	1,939.62	(121.32)
3/4/2006	580.32	593.40	(13.08)	943.95	943.95	-
3/5/2006	462.95	483.50	(20.55)	655.55	662.12	(6.57)
3/6/2006	1,922.02	1,947.69	(25.67)	1,952.35	1,951.68	0.67
3/7/2006	2,005.22	2,029.04	(23.82)	2,154.25	2,194.21	(39.96)
3/8/2006	2,071.85	2,084.24	(12.39)	2,277.50	2,297.75	(20.25)
3/9/2006	2,107.90	2,125.36	(17.46)	2,159.25	2,159.25	-
3/10/2006	1,886.95	1,924.38	(37.43)	1,869.86	1,894.86	(25.00)
3/11/2006	535.58	549.50	(13.92)	743.70	743.70	-
3/12/2006	483.35	497.10	(13.75)	752.70	752.70	-
3/13/2006	1,926.32	1,942.15	(15.83)	1,888.85	1,888.52	0.33
3/14/2006	1,965.58	1,985.00	(19.42)	2,114.80	2,112.62	2.18
3/15/2006	2,047.02	2,063.10	(16.08)	2,270.15	2,268.55	1.60
3/16/2006	2,047.02	2,068.79	(21.77)	2,328.97	2,328.97	-
3/17/2006	1,912.73	1,925.40	(12.67)	1,881.85	1,877.35	4.50
3/18/2006	545.48	553.73	(8.25)	811.10	791.10	20.00
3/19/2006	451.70	467.53	(15.83)	628.97	628.97	-
3/20/2006	1,889.15	1,905.36	(16.21)	1,933.82	1,931.39	2.43
3/21/2006	1,972.48	1,987.96	(15.48)	1,930.20	1,929.41	0.79
3/22/2006	2,050.47	2,069.48	(19.01)	2,186.00	2,176.25	9.75
3/23/2006	2,043.40	2,058.28	(14.88)	2,070.00	2,119.07	(49.07)
3/24/2006	1,883.23	1,904.05	(20.82)	1,887.97	1,887.97	-
3/25/2006	621.85	632.27	(10.42)	907.95	907.85	0.10
3/26/2006	465.32	472.98	(7.66)	631.35	631.35	-
3/27/2006	1,856.63	1,880.21	(23.58)	1,872.20	1,912.34	(40.14)
3/28/2006	1,951.52	1,969.38	(17.86)	1,930.77	1,930.77	-
3/29/2006	1,963.38	2,015.24	(51.86)	2,150.60	2,146.94	3.66
3/30/2006	2,018.27	2,041.36	(23.09)	2,101.15	2,093.40	7.75
3/31/2006	1,861.08	1,889.14	(28.06)	1,930.70	1,968.70	(38.00)
Totals	49,523.06	50,109.67	(586.61)	\$ 53,080.21	\$ 53,386.66	\$ (306.45)

**LAIDLAW TRANSIT SERVICES, INC.**

Summary of Vehicle Service Hours  
Contracted Fixed Route

March 2006

Date	Vehicle Service Hours		
	Per Audit	As Reported	Variance
March 1, 2006	293.77	293.93	(0.16)
March 2, 2006	289.80	293.21	(3.41)
March 3, 2006	293.23	293.32	(0.09)
March 4, 2006	84.62	84.62	-
March 5, 2006	77.12	77.12	-
March 6, 2006	293.43	293.62	(0.19)
March 7, 2006	292.38	293.78	(1.40)
March 8, 2006	292.02	292.02	-
March 9, 2006	293.45	293.45	-
March 10, 2006	292.55	293.47	(0.92)
March 11, 2006	85.97	85.97	-
March 12, 2006	75.72	76.72	(1.00)
March 13, 2006	293.26	293.26	-
March 14, 2006	293.90	293.90	-
March 15, 2006	293.10	294.10	(1.00)
March 16, 2006	293.37	293.37	-
March 17, 2006	293.13	293.65	(0.52)
March 18, 2006	84.83	84.83	-
March 19, 2006	77.45	77.45	-
March 20, 2006	292.52	292.52	-
March 21, 2006	292.63	292.80	(0.17)
March 22, 2006	288.10	288.20	(0.10)
March 23, 2006	293.05	293.05	-
March 24, 2006	293.80	293.80	-
March 25, 2006	85.53	85.53	-
March 26, 2006	76.82	77.32	(0.50)
March 27, 2006	291.78	291.78	-
March 28, 2006	293.20	293.20	-
March 29, 2006	293.20	293.78	(0.58)
March 30, 2006	289.92	289.91	0.01
March 31, 2006	292.98	292.98	-
Totals	<u>7,376.63</u>	<u>7,386.66</u>	<u>(10.03)</u>

**LAIDLAW TRANSIT SERVICES, INC.**

**Summary of Vehicle Service Hours and Fares Collected  
Stationlink Route**

March 2006

Date	Vehicle Service Hours			Fares Collected		
	Per Audit	As Reported	Variance	Per Audit	As Reported	Variance
March 1, 2006	99.27	99.63	(0.36)	3.75	1.25	2.50
March 2, 2006	100.05	100.05	-	11.25	6.25	5.00
March 3, 2006	98.93	99.71	(0.78)	6.75	-	6.75
March 4, 2006	-	-	-	-	-	-
March 5, 2006	-	-	-	-	-	-
March 6, 2006	99.82	99.82	-	7.50	3.75	3.75
March 7, 2006	100.57	100.57	-	5.00	2.50	2.50
March 8, 2006	102.20	102.20	-	6.25	2.50	3.75
March 9, 2006	103.30	103.30	-	11.75	1.25	10.50
March 10, 2006	99.82	99.82	-	10.00	-	10.00
March 11, 2006	-	-	-	-	-	-
March 12, 2006	-	-	-	-	-	-
March 13, 2006	99.64	99.64	-	10.00	-	10.00
March 14, 2006	96.95	96.95	-	8.75	2.50	6.25
March 15, 2006	100.95	100.95	-	8.75	3.75	5.00
March 16, 2006	99.23	100.48	(1.25)	6.75	-	6.75
March 17, 2006	96.88	97.67	(0.79)	1.25	-	1.25
March 18, 2006	-	-	-	-	-	-
March 19, 2006	-	-	-	-	-	-
March 20, 2006	100.30	100.30	-	9.25	3.00	6.25
March 21, 2006	94.35	97.73	(3.38)	15.25	1.25	14.00
March 22, 2006	100.15	100.23	(0.08)	18.00	2.50	15.50
March 23, 2006	100.27	100.27	-	16.25	-	16.25
March 24, 2006	99.53	100.02	(0.49)	10.00	3.75	6.25
March 25, 2006	-	-	-	-	-	-
March 26, 2006	-	-	-	-	-	-
March 27, 2006	99.93	99.93	-	6.10	-	6.10
March 28, 2006	100.50	100.50	-	3.75	-	3.75
March 29, 2006	98.62	98.62	-	7.00	2.50	4.50
March 30, 2006	100.58	100.58	-	7.50	1.25	6.25
March 31, 2006	99.62	99.62	-	6.25	2.50	3.75
Adjustment (1)	-	(975.17)	(975.17)	-	-	-
Totals	<u>2,291.46</u>	<u>1,323.42</u>	<u>(982.30)</u>	<u>\$ 197.10</u>	<u>\$ 40.50</u>	<u>\$ 156.60</u>

- (1) OCTA adjusted the vehicle service hours to the scheduled hours (see note 3).  
Since the audited hours are greater than the scheduled hours, we have  
accepted the scheduled hours without further adjustment.

**LIDLAW TRANSIT SERVICES, INC.**

Summary of Vehicle Service Hours and Fares Collected  
ADA ACCESS Paratransit Services

April 2006

Date	Vehicle Service Hours			Fares Collected		
	Per Audit	As Reported	Variance	Per Audit	As Reported	Variance
April 1, 2006	540.77	564.62	(23.85)	\$ 844.80	\$ 844.80	\$ -
April 2, 2006	443.17	454.45	(11.28)	608.25	608.25	-
April 3, 2006	1,911.18	1,939.24	(28.06)	1,941.35	1,941.35	-
April 4, 2006	2,010.67	2,030.49	(19.82)	1,967.30	1,967.30	-
April 5, 2006	2,020.70	2,034.30	(13.60)	1,934.37	1,954.62	(20.25)
April 6, 2006	2,098.48	2,109.19	(10.71)	2,279.53	2,279.35	0.18
April 7, 2006	1,960.37	1,984.11	(23.74)	1,981.85	1,987.10	(5.25)
April 8, 2006	605.78	617.51	(11.73)	930.95	924.20	6.75
April 9, 2006	482.33	498.13	(15.80)	685.40	703.15	(17.75)
April 10, 2006	1,873.73	1,898.44	(24.71)	1,780.95	1,823.70	(42.75)
April 11, 2006	1,923.22	1,951.47	(28.25)	2,019.07	2,004.32	14.75
April 12, 2006	2,013.07	2,034.70	(21.63)	2,208.55	2,190.55	18.00
April 13, 2006	1,994.80	2,014.89	(20.09)	2,082.75	2,082.75	-
April 14, 2006	1,794.37	1,821.69	(27.32)	1,654.10	1,654.10	-
April 15, 2006	544.58	553.80	(9.22)	807.05	807.05	-
April 16, 2006	593.02	601.68	(8.66)	817.25	817.25	-
April 17, 2006	1,893.47	1,911.86	(18.39)	1,641.70	1,639.45	2.25
April 18, 2006	2,006.72	2,021.72	(15.00)	1,971.55	1,971.55	-
April 19, 2006	2,015.93	2,034.61	(18.68)	2,270.35	2,270.35	-
April 20, 2006	2,037.73	2,048.66	(10.93)	2,153.43	2,158.42	(4.99)
April 21, 2006	1,928.98	1,944.48	(15.50)	1,997.65	1,987.65	10.00
April 22, 2006	571.10	579.43	(8.33)	932.95	932.95	-
April 23, 2006	451.22	460.83	(9.61)	689.95	689.95	-
April 24, 2006	1,878.55	1,896.58	(18.03)	1,720.50	1,744.89	(24.39)
April 25, 2006	2,033.18	2,037.49	(4.31)	2,019.57	2,019.57	-
April 26, 2006	2,058.23	2,082.14	(23.91)	2,120.60	2,118.35	2.25
April 27, 2006	2,067.22	2,080.38	(13.16)	2,127.75	2,125.20	2.55
April 28, 2006	1,958.25	1,969.88	(11.63)	2,020.85	2,014.10	6.75
April 29, 2006	583.42	597.02	(13.60)	965.05	965.05	-
April 30, 2006	491.38	504.80	(13.42)	709.55	709.55	-
Totals	<u>44,785.62</u>	<u>45,278.59</u>	<u>(492.97)</u>	<u>\$ 47,884.97</u>	<u>\$ 47,936.87</u>	<u>\$ (51.90)</u>

**LIDLAW TRANSIT SERVICES, INC.**

**Summary of Vehicle Service Hours  
Contracted Fixed Route**

April 2006

Date	Vehicle Service Hours		
	Per Audit	As Reported	Variance
April 1, 2006	85.88	85.88	-
April 2, 2006	77.42	77.42	-
April 3, 2006	292.53	292.53	-
April 4, 2006	294.08	294.08	-
April 5, 2006	292.27	292.27	-
April 6, 2006	293.84	293.84	-
April 7, 2006	292.65	292.65	-
April 8, 2006	85.97	85.97	-
April 9, 2006	75.50	75.50	-
April 10, 2006	292.35	292.35	-
April 11, 2006	293.31	293.31	-
April 12, 2006	293.95	293.95	-
April 13, 2006	292.87	292.87	-
April 14, 2006	292.73	292.92	(0.19)
April 15, 2006	86.08	86.08	-
April 16, 2006	77.00	77.00	-
April 17, 2006	292.79	293.57	(0.78)
April 18, 2006	292.23	292.46	(0.23)
April 19, 2006	291.92	291.92	-
April 20, 2006	289.46	289.46	-
April 21, 2006	291.15	291.15	-
April 22, 2006	86.33	86.33	-
April 23, 2006	76.67	76.67	-
April 24, 2006	293.40	293.40	-
April 25, 2006	292.77	292.77	-
April 26, 2006	292.52	292.52	-
April 27, 2006	292.52	292.52	-
April 28, 2006	292.88	292.88	-
April 29, 2006	86.12	86.12	-
April 30, 2006	76.55	76.55	-
Totals	<u>6,665.74</u>	<u>6,666.94</u>	<u>(1.20)</u>

**LAIDLAW TRANSIT SERVICES, INC.**

Summary of Vehicle Service Hours and Fares Collected  
Stationlink Route

April 2006

Date	Vehicle Service Hours			Fares Collected		
	Per Audit	As Reported	Variance	Per Audit	As Reported	Variance
April 1, 2006	-	-	-	\$ -	\$ -	\$ -
April 2, 2006	-	-	-	-	-	-
April 3, 2006	97.18	97.18	-	7.50	1.25	6.25
April 4, 2006	99.20	99.20	-	16.00	3.75	12.25
April 5, 2006	97.53	97.53	-	5.50	1.25	4.25
April 6, 2006	102.12	102.12	-	2.50	-	2.50
April 7, 2006	100.37	100.37	-	1.25	1.25	-
April 8, 2006	-	-	-	-	-	-
April 9, 2006	-	-	-	-	-	-
April 10, 2006	99.97	99.97	-	6.25	-	6.25
April 11, 2006	99.77	99.77	-	12.75	-	12.75
April 12, 2006	104.10	104.27	(0.17)	6.25	-	6.25
April 13, 2006	101.07	101.07	-	8.75	2.50	6.25
April 14, 2006	98.80	99.03	(0.23)	2.50	1.25	1.25
April 15, 2006	-	-	-	-	-	-
April 16, 2006	-	-	-	-	-	-
April 17, 2006	99.00	99.49	(0.49)	11.25	2.50	8.75
April 18, 2006	99.73	100.58	(0.85)	8.75	-	8.75
April 19, 2006	99.33	99.63	(0.30)	6.75	1.25	5.50
April 20, 2006	102.38	102.53	(0.15)	5.00	1.25	3.75
April 21, 2006	96.33	99.28	(2.95)	6.25	2.50	3.75
April 22, 2006	-	-	-	-	-	-
April 23, 2006	-	-	-	-	-	-
April 24, 2006	100.23	100.23	-	13.75	2.50	11.25
April 25, 2006	104.52	105.73	(1.21)	10.50	1.25	9.25
April 26, 2006	99.97	99.97	-	18.00	5.00	13.00
April 27, 2006	98.29	100.39	(2.10)	3.75	1.25	2.50
April 28, 2006	101.05	101.05	-	5.00	-	5.00
April 29, 2006	-	-	-	-	-	-
April 30, 2006	-	-	-	-	-	-
Adjustment (1)	-	(858.89)	(858.89)	-	-	-
Totals	<u>2,000.94</u>	<u>1,150.50</u>	<u>(867.34)</u>	<u>\$ 158.25</u>	<u>\$ 28.75</u>	<u>\$ 129.50</u>

- (1) OCTA adjusted the vehicle service hours to the scheduled hours (see note 3).  
Since the audited hours are greater than the scheduled hours, we have  
accepted the scheduled hours without further adjustment.

# LIDLAW TRANSIT SERVICES, INC.

## Summary of Vehicle Service Hours and Fares Collected ADA ACCESS Paratransit Services

May 2006

Date	Vehicle Service Hours			Fares Collected		
	Per Audit	As Reported	Variance	Per Audit	As Reported	Variance
May 1, 2006	1,912.12	1,928.37	(16.25)	\$ 1,743.65	\$ 1,737.21	\$ 6.44
May 2, 2006	2,014.05	2,036.13	(22.08)	2,033.05	2,025.45	7.60
May 3, 2006	2,064.81	2,075.32	(10.51)	2,276.95	2,251.95	25.00
May 4, 2006	2,089.25	2,091.10	(1.85)	2,269.15	2,260.25	8.90
May 5, 2006	1,967.67	1,975.75	(8.08)	1,951.15	1,928.95	22.20
May 6, 2006	611.02	614.68	(3.66)	1,079.45	1,052.65	26.80
May 7, 2006	454.15	457.31	(3.16)	701.10	701.10	-
May 8, 2006	1,913.93	1,927.46	(13.53)	1,919.65	1,908.40	11.25
May 9, 2006	1,981.22	2,019.72	(38.50)	2,121.60	2,106.10	15.50
May 10, 2006	2,052.62	2,097.52	(44.90)	2,366.45	2,336.15	30.30
May 11, 2006	2,049.40	2,085.81	(36.41)	2,376.65	2,340.90	35.75
May 12, 2006	1,895.80	1,951.41	(55.61)	1,934.80	1,921.85	12.95
May 13, 2006	579.58	603.74	(24.16)	929.95	920.95	9.00
May 14, 2006	536.83	538.93	(2.10)	785.25	780.25	5.00
May 15, 2006	1,935.18	1,956.62	(21.44)	1,802.78	1,800.53	2.25
May 16, 2006	2,043.80	2,056.83	(13.03)	2,167.95	2,172.20	(4.25)
May 17, 2006	2,106.40	2,116.46	(10.06)	2,259.90	2,259.15	0.75
May 18, 2006	2,051.25	2,072.32	(21.07)	2,303.20	2,303.20	-
May 19, 2006	1,940.50	1,956.10	(15.60)	2,030.60	2,025.60	5.00
May 20, 2006	595.42	604.77	(9.35)	937.35	937.05	0.30
May 21, 2006	505.85	511.30	(5.45)	691.30	689.05	2.25
May 22, 2006	1,887.67	1,919.75	(32.08)	1,851.85	1,849.60	2.25
May 23, 2006	2,015.55	2,034.61	(19.06)	2,034.90	2,033.90	1.00
May 24, 2006	2,099.28	2,125.11	(25.83)	2,228.65	2,227.40	1.25
May 25, 2006	2,099.10	2,124.59	(25.49)	2,277.70	2,277.70	-
May 26, 2006	1,975.00	2,002.74	(27.74)	2,097.75	2,097.75	-
May 27, 2006	600.68	614.68	(14.00)	937.95	937.95	-
May 28, 2006	494.27	506.03	(11.76)	704.10	704.10	-
May 29, 2006	504.73	515.42	(10.69)	690.45	690.15	0.30
May 30, 2006	1,904.25	1,942.72	(38.47)	1,856.15	1,846.30	9.85
May 31, 2006	2,025.07	2,074.13	(49.06)	2,136.45	2,132.90	3.55
Totals	<u>48,906.45</u>	<u>49,537.43</u>	<u>(630.98)</u>	<u>\$ 53,497.88</u>	<u>\$ 53,256.69</u>	<u>\$ 241.19</u>



LIDLAW TRANSIT SERVICES, INC.

Summary of Vehicle Service Hours  
Contracted Fixed Route

May 2006

Date	Vehicle Service Hours		
	Per Audit	As Reported	Variance
May 1, 2006	293.19	293.19	-
May 2, 2006	292.90	293.07	(0.17)
May 3, 2006	292.95	292.95	-
May 4, 2006	293.27	293.27	-
May 5, 2006	294.80	294.80	-
May 6, 2006	86.15	86.15	-
May 7, 2006	77.23	77.23	-
May 8, 2006	293.08	293.08	-
May 9, 2006	288.73	288.73	-
May 10, 2006	293.53	293.53	-
May 11, 2006	293.48	293.48	-
May 12, 2006	293.70	293.70	-
May 13, 2006	86.61	86.61	-
May 14, 2006	76.86	76.86	-
May 15, 2006	291.62	291.80	(0.18)
May 16, 2006	294.45	294.45	-
May 17, 2006	293.30	293.30	-
May 18, 2006	290.20	290.20	-
May 19, 2006	293.02	293.02	-
May 20, 2006	86.50	86.50	-
May 21, 2006	76.65	76.65	-
May 22, 2006	291.25	292.67	(1.42)
May 23, 2006	291.82	291.82	-
May 24, 2006	291.33	291.60	(0.27)
May 25, 2006	292.12	292.12	-
May 26, 2006	293.05	293.05	-
May 27, 2006	85.98	85.98	-
May 28, 2006	77.10	77.10	-
May 29, 2006	76.55	76.95	(0.40)
May 30, 2006	293.06	293.06	-
May 31, 2006	283.36	291.10	(7.74)
Totals	7,157.84	7,168.02	(10.18)

# LIDLAW TRANSIT SERVICES, INC.

## Summary of Vehicle Service Hours and Fares Collected Stationlink Route

May 2006

Date	Vehicle Service Hours			Fares Collected		
	Per Audit	As Reported	Variance	Per Audit	As Reported	Variance
May 1, 2006	99.55	99.55	-	\$ 6.25	\$ 3.75	\$ 2.50
May 2, 2006	98.80	98.80	-	13.75	3.75	10.00
May 3, 2006	100.03	100.77	(0.74)	21.25	-	21.25
May 4, 2006	100.07	100.07	-	7.50	1.25	6.25
May 5, 2006	99.28	99.28	-	7.50	5.00	2.50
May 6, 2006	-	-	-	-	-	-
May 7, 2006	-	-	-	-	-	-
May 8, 2006	99.60	99.60	-	9.75	2.50	7.25
May 9, 2006	100.05	100.05	-	5.00	1.25	3.75
May 10, 2006	100.23	100.23	-	22.25	2.50	19.75
May 11, 2006	100.17	100.92	(0.75)	5.00	-	5.00
May 12, 2006	98.83	98.83	-	13.75	3.75	10.00
May 13, 2006	-	-	-	-	-	-
May 14, 2006	-	-	-	-	-	-
May 15, 2006	98.22	98.42	(0.20)	7.50	2.50	5.00
May 16, 2006	99.75	99.75	-	3.75	1.25	2.50
May 17, 2006	98.90	99.57	(0.67)	10.00	2.50	7.50
May 18, 2006	100.42	100.42	-	12.50	2.50	10.00
May 19, 2006	100.33	100.33	-	2.50	1.25	1.25
May 20, 2006	-	-	-	-	-	-
May 21, 2006	-	-	-	-	-	-
May 22, 2006	98.40	101.55	(3.15)	10.00	-	10.00
May 23, 2006	100.75	100.75	-	16.75	-	16.75
May 24, 2006	99.90	99.90	-	6.25	1.25	5.00
May 25, 2006	100.03	100.03	-	4.00	-	4.00
May 26, 2006	99.97	99.97	-	7.50	5.00	2.50
May 27, 2006	-	-	-	-	-	-
May 28, 2006	-	-	-	-	-	-
May 29, 2006	-	-	-	-	-	-
May 30, 2006	98.42	98.42	-	12.50	-	12.50
May 31, 2006	99.77	100.05	(0.28)	7.50	1.25	6.25
Adjustment (1)	-	(931.37)	(931.37)	-	-	-
Totals	<u>2,191.47</u>	<u>1,265.89</u>	<u>(937.16)</u>	<u>\$ 212.75</u>	<u>\$ 41.25</u>	<u>\$ 171.50</u>

- (1) OCTA adjusted the vehicle service hours to the scheduled hours (see note 3).  
Since the audited hours are greater than the scheduled hours, we have accepted the scheduled hours without further adjustment.





INTEROFFICE MEMO

October 30, 2006

To: John Byrd, General Manager  
Transit Division

From: Gerry Dunning, Senior Internal Auditor *GD*  
Internal Audit

Subject: **Audit Close-Out Memo, Contract Compliance and Close-Out  
Audit of Laidlaw Contract C-4-0301 For the Period  
April 1, 2005 through June 30, 2006, Internal Audit  
Report No. 07-001**

Internal Audit has received and concurs with management's responses to the recommendations issued in Internal Audit Report No. 07-001,. Contract Compliance and Close-Out Audit of Laidlaw Contract C-4-0301 for the period April 1, 2005 through June 30, 2006. Management has agreed to implement the recommendation to negotiate recovery of amounts due from Laidlaw and has agreed to ensure future contract language is consistent and thorough.

Attachment: Management Response to Contract Compliance and Close-Out Audit of Laidlaw Contract C-4-0301 For the Period April 1, 2005 through June 30, 2006, Internal Audit Report No. 07-001

c: Jim Kenan  
Erin Rogers  
Curt Burlingame  
Robert Gebo  
Kathleen O'Connell





INTEROFFICE MEMO

October 31, 2006

To: Gerry Dunning, Senior Internal Auditor  
Internal Audit

From: John Byrd, General Manager, Transit

Subject: **Management Response to Contract Compliance and  
Close-out Audit of Laidlaw Contract C-4-0301 For the Period  
April 30, 2005 through June 30, 2006, Internal Audit Report  
No. 07-001**

Background

An audit has been conducted of the contract with Laidlaw Transit Services for the provision of ACCESS and Contracted Fixed Route Service. The audit covered the period from April 1, 2005 through June 30, 2006. The audit findings, recommendations and management response to each item is provided below:

Findings and Recommendations

1. Need to Report Vehicle Service Hour in Accordance with the terms of the Contract: The audit report indicates that failure to report vehicle service hours in accordance with the terms of the contract resulted in excess billings of \$345,837. In anticipation of this audit finding, the Authority withheld \$325,000 from the June, 2006 invoice from Laidlaw Transit Services. Therefore, the audit recommends that OCTA recover \$20,837 from Laidlaw Transit Services.
2. Billing rates were not clearly defined in some of the contract amendments; all future amendments should be reviewed prior to execution to ensure payment terms are clearly disclosed.

*Management Response*

The majority of the questioned costs billed by Laidlaw to OCTA relate to the reporting of the vehicle service hour for ACCESS service specifically as it relates to cancellations and passenger no-shows just prior to and subsequent to lunch breaks. The audit contends that this time should have been excluded

from the billable vehicle service hour. The breakdown of the questioned costs is as follows:

1.	Cancel just prior to or subsequent to lunch	\$249,057
2.	Cancel at start of shift/arriving too early for pick-up	\$5,457
3.	Cancel at end of shift/stand by time at end of shift	\$1,841
4.	Drivers taking a shorter lunch than scheduled	\$34,066
5.	Vehicle Breakdown	\$13,207

The vehicle service hour definition does not define "excessive" stand-by time, nor does it include language that precludes billing for time prior to or subsequent to the lunch break when cancellations and no-shows occur. Late cancellations and passenger no-shows are not within the control of the contractor, and for that reason, are allowable billable time.

In consideration of this, management believes that the \$249,057 (item #1) in costs related to this issue were allowable under the vehicle service hour definition. However, the language in the vehicle service hour definition clearly defines billable time from the "first pick up to the last drop off", therefore stand-by time at the beginning or end of a shift should not be billable (item #2 and item #3). The questioned amount related to these two issues is a total of \$7,298.

Drivers taking a shorter lunch than scheduled could occur because the driver was needed by the dispatcher to go back into service to perform a requested trip, or because it was the driver's desire to be put "back on the clock". If the driver is put into service out of a service necessity, and a trip is being performed, this would be allowable. It is difficult to determine how much of this questioned amount relates to which circumstance. It is difficult to determine which portion of this amount should have been billed and which portion is in error. The questioned amount related to this issue is \$34,066.

The audit also identified time that was billed when vehicles were broken down. The definition of the vehicle service hour clearly defines that time associated with vehicle breakdown is excluded from the billable time. The questioned amount related to this item is \$13,207.

In addition to the items related to the interpretation of vehicle service hour, the following other items were identified during the audit:

6.	No supporting trip sheets	\$14,046
7.	Key errors	\$4,821
8.	Other	\$23,343

Paper trip sheets are printed daily for drivers to use in ACCESS service. The information from the trip sheet is made available through the Trapeze scheduling software and data is compiled using mobile data terminals on board the buses. The contractor is required to retain all paper trip sheets and submit them to the Authority to be archived. The electronic data is also available as a secondary data source to confirm that this work was performed. Therefore, it is the opinion of management that the amount in question that relates to this issue (\$14,046) should be considered allowable billable time.

There were \$4,821 in questioned costs that relate to key errors made while entering data. This amount should not be billable. Lastly, there were \$23,343 in questioned costs that were classified by the auditors as "other". It is unclear what is included in this amount; therefore, it is difficult to determine which portion of this amount should have been billed and which portion is in error.

### *Summary*

Of the \$345,837 in questioned costs identified by this audit, management believes that the amount questioned due to cancellations just prior to or after the lunch period (\$249,057) and the amount questioned due to missing trip sheets (\$14,046) should not be included in the total finding of this audit. As stated previously, the vehicle service hour definition does not preclude billing for this time, and there is a secondary data source to the missing trip sheets.

The questioned amounts that relate to "other" (\$23,343) and drivers taking a shorter lunch than scheduled (\$34,066) are difficult to identify which portion of this amount should have been billed and which portion is in error. Therefore, it is management's recommendation that Laidlaw be held responsible for fifty percent (\$28,704) of the questioned costs that relate to these two items. Therefore, management believes that Laidlaw has over billed in the amount of \$54,030.

In addition to the current audit, there is a prior audit that covered the period from April 1, 2003 through March 31, 2005 that identified similar issues resulting in an audit finding of over billing in the amount of \$563,171. This amount was withheld from Laidlaw's March, April and May, 2006 invoice payment pending the finalization of this most recent audit.

### *Conclusion*

OCTA staff and legal counsel have met with Laidlaw staff and legal counsel to discuss the audit findings and negotiate a settlement of the questioned



amounts. Attachment A details the questioned amounts and outlines the methodology used by OCTA staff and legal counsel in proposing a settlement to Laidlaw. Laidlaw has agreed that the methodology used is fair and reasonable and has agreed that of the \$888,171 (\$563,171 from first audit and \$325,000 from second audit) withheld from previous payments, OCTA will retain \$209,307 and \$678,864 will be paid to Laidlaw.

The issues identified in both of the subject audits primarily relate to the interpretation of the vehicle service hour for ACCESS service. The definition of the vehicle service hour was refined in the contract entered into with Veolia Transportation on July 1, 2006. In addition, the implementation of the use of Mobile Data Terminals (MDT's) for data collection and reporting will begin to reduce the amount of manual data entry that is required and reduce the margin for error.

The second audit finding relates to documentation of billing rates in contractual amendments. In order to ensure uninterrupted service during the final 12 months of the contract, seven amendments were executed. Management recognizes that two of these resulted in the auditors being unable to opine on the appropriateness of the billing rates for several months. Management will ensure that future contract amendments are handled in a consistent and thorough manner.

#### *Recommendation*

Approve the release of \$678,864 as a final payment to Laidlaw Transit Services, Inc. for services provided during the period April 1, 2003 through June 30, 2006, in accordance with Agreement C-9-9236 and Agreement C-4-0301.

c. Rick Bacigalupo  
Jim Kenan  
Erin Rogers  
Curt Burlingame

Attachment A

Laidlaw Transit Services Audit  
Categorization of Variances

April 1, 2003–March 31, 2005 (2005)  
April 1, 2005–June 30, 2006 (2006)

<u>Due to Laidlaw Transit Services, Inc.</u>	<u>Current</u>	<u>Total</u>
Cancellation prior to or after lunch	\$249,057	\$509,385
<i>Methodology: Contract language does not preclude billing for this time.</i>		
No supporting trip sheets	\$ 14,046	\$ 77,685
<i>Methodology: Secondary source of data is available to prove that the work was performed.</i>		
Total Due to Laidlaw Transit Services, Inc.	<u>\$263,103</u>	<u>\$587,070</u>
<u>Due to Orange County Transportation Authority (OCTA)</u>		
Cancel at start of shift	\$ 5,457	\$ 91,318
Cancel at end of shift	\$ 1,841	\$ 16,712
<i>Methodology: Vehicle service hour definition clearly defines billable time as "first pick up to last drop off".</i>		
Vehicle Break down	\$13,207	\$ 25,502
<i>Methodology: Vehicle service hour definition clearly defines billable time to exclude vehicle break down.</i>		
Key Errors	\$ 4,821	\$ 4,821
<i>Methodology: This represents mistakes in data entry.</i>		
Total Due to OCTA	<u>\$ 25,326</u>	<u>\$138,353</u>

Amounts Open to Negotiations Between Laidlaw and OCTA

Other	\$23,343	\$149,523
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*Methodology: Difficult to quantify what is included and who is responsible.*

Drivers taking shorter lunch than scheduled	\$34,066	\$ 34,066
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*Methodology: Could be in-service time or could be excess stand-by time.*

Total Amount Negotiable	<u>\$ 57,409</u>	<u>\$183,589</u>
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Resolution

There is a combined total outstanding audit finding of \$909,008. OCTA has withheld a total of \$888,171 from previous payments to Laidlaw pending the resolution of the contract close out audit. Of this amount, OCTA should retain \$209,307 and pay Laidlaw Transit Services the amount due of \$587,070 and one half of the amount open to negotiation(\$183,589) \$91,794, for a total of \$678,864.





BOARD COMMITTEE TRANSMITTAL

**November 13, 2006**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup>Wendy Knowles, Clerk of the Board  
**Subject:** Cooperative Agreement with Acacia Adult Day Services

Transit Planning and Operations Committee

October 26, 2006

**Present:** Directors Brown, Duvall, Green, Norby, Pulido, Silva, and Winterbottom  
**Absent:** None

***Committee Vote***

This item was passed by all Committee Members present.

Directors Brown, Pulido, and Silva were not present to vote on this item.

***Committee Recommendation***

Authorize the Chief Executive Officer to execute Cooperative Agreement C-6-0752 between the Orange County Transportation Authority and Acacia Adult Day Services, in an amount not to exceed \$668,800, to share in the cost of providing adult day healthcare transportation through June 30, 2008.





**October 26, 2006**

**To:** Transit Planning and Operations Committee  
**From:** <sup>ATL/EL</sup> Arthur T. Leahy, Chief Executive Officer  
**Subject:** Cooperative Agreement with Acacia Adult Day Services

### **Overview**

The Orange County Transportation Authority proposes to enter into a cooperative agreement with Acacia Adult Day Services. A cooperative agreement is required to establish roles, responsibilities, and process for a demonstration program to provide alternative transportation services to ACCESS riders attending the Acacia Adult Day Services program.

### **Recommendation**

Authorize the Chief Executive Officer to execute Cooperative Agreement C-6-0752 between the Orange County Transportation Authority and Acacia Adult Day Services, in an amount not to exceed \$668,800, to share in the cost of providing adult day healthcare transportation through June 30, 2008.

### **Background**

Currently, nearly 1,100 adult day healthcare (ADHC) participants in Orange County utilize ACCESS service for transportation to and from their day care programs. Many of these individuals require specialized service, beyond the minimum requirements of ACCESS, due to significant physical and/or cognitive disabilities. In addition, paratransit growth management efforts are resulting in service policy changes that impact the ADHC community. In recognition of this, the Orange County Transportation Authority (Authority) conducted a study in 2005 to explore alternative transportation services for ADHC riders. One of the study recommendations was to develop cost sharing agreements between the Authority and ADHC facilities to move ACCESS riders to an alternative transportation provider at a lower cost per trip. This partnership is advantageous to both parties and also supports the paratransit growth management strategy to coordinate with other agencies to develop alternative transportation resources.

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***Discussion***

Under this cooperative agreement (Attachment A), the Authority would contribute an operating subsidy of \$16.00 per trip for trips to Acacia Adult Day Services (Acacia), with facilities in Garden Grove and Cypress, that have been moved from ACCESS to services provided by Saint Anselm's Cross Cultural Community Center (St. Anselm's) and Abrazar, Inc. (Abrazar). Saint Anselm's and Abrazar are current service providers for the Orange County Senior Non-Emergency Medical Transportation Program. In addition, Abrazar is a member of the Authority's Senior Mobility Program. Under this agreement, approximately 78 Acacia clients would be moved from ACCESS to services provided by Saint Anselm's and Abrazar.

The Authority's participation in this demonstration program will decrease the overall cost of these trips using the average ACCESS cost per trip of \$21.65 compared to the \$16.00 subsidy that would be provided to Acacia. This could defer approximately \$131,670 in total expenses to the Authority during the term of the agreement (Attachment B). Moving Acacia clients from ACCESS to Saint Anselm's and Abrazar would also free ACCESS vehicle capacity during peak service hours.

**Fiscal Impact**

Funds for this agreement are included in the Authority's Fiscal Year 2006-07 Budget, Transit Division, Account 2131-7831-1208-33M, and is funded through the Local Transportation Fund.

***Summary***


Staff recommends the Board of Directors approval for the Chief Executive Officer to execute Cooperative Agreement C-6-0752, in the amount of \$668,800, with Acacia Adult Day Services.



**Attachments**

- A. Acacia Adult Day Services Agreement C-6-0752 Fact Sheet
- B. Operating Subsidy for Agreement C-6-0752 with Acacia Adult Day Services

**Prepared by:**

  
Dana Wiemiller  
Community Transportation Coordinator  
(714) 560-5718

**Approved by:**

  
John D. Byrd  
General Manager, Transit  
(714) 560-5341



**Acacia Adult Day Services  
Agreement C-6-0752 Fact Sheet**

1. November 13, 2006, Agreement C-6-0752, \$668,800, pending approval by Board of Directors.
  - Authority provides an operating subsidy of \$16.00 per trip for ACCESS eligible customers traveling to/from Acacia Adult Day Services using transportation services provided by St. Anselm's Cross Cultural Community Center and Abrazar, Inc.
  - Term of agreement December 1, 2006 through June 30, 2008.



# Operating Subsidy for Agreement C-6-0752 with Acacia Adult Day Services

		FY06/07		FY07/08		Totals
Annual Trips (one-way)*			15,400		26,400	41,800
OCTA subsidy @ 80%	\$ 16.00		\$ 246,400		\$ 422,400	\$ 668,800
Adult Day Services subsidy @ 20%	\$ 2.50		\$ 38,500		\$ 66,000	\$ 104,500
Total cost per trip	\$ 18.50		\$ 284,900		\$ 488,400	\$ 773,300
Estimated cost to ACCESS @ \$21.65/trip			\$ 333,410		\$ 571,560	\$ 904,970
Savings to ACCESS			\$ 48,510		\$ 83,160	\$ 131,670

\*One-way trips going to/from Acacia Adult Day Services = 2,200/mo. x 7 mos. FY06/07, 12 mos. FY07/08





**BOARD COMMITTEE TRANSMITTAL**

**November 13, 2006**

**To:** Members of the Board of Directors  
**From:** Wendy Knowles, Clerk of the Board <sup>WK</sup>  
**Subject:** Agreement to Purchase and Install 232 Replacement Liquefied Natural Gas Engines

Transit Planning and Operations Committee

October 26, 2006

**Present:** Directors Brown, Duvall, Green, Norby, Pulido, Silva, and Winterbottom  
**Absent:** None

**Committee Vote**

This item was passed by all Committee Members present.

**Committee Recommendation**

Authorize the Chief Executive Officer to execute Agreement C-6-0453 between the Orange County Transportation Authority and Cummins Cal Pacific, LLC, in an amount not to exceed \$20,057,452, for the replacement of natural gas engines in 232 transit buses, using the Cummins ISL engine model at a reduced oxides of nitrogen level of 0.2 gram.







**October 26, 2006**

**To:** Transit Planning and Operations Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Agreement to Purchase and Install 232 Replacement Liquefied Natural Gas Engines

### **Overview**

As part of the Orange County Transportation Authority's Fiscal Year 2006-07 Budget, the Board approved funds for the replacement of liquefied natural gas engines in the North American Bus Industries bus fleet. Board approval is requested to execute an agreement.

### **Recommendation**

Authorize the Chief Executive Officer to execute Agreement C-6-0453 between the Orange County Transportation Authority and Cummins Cal Pacific, LLC, in an amount not to exceed \$20,057,452, for the replacement of natural gas engines in 232 transit buses, using the Cummins ISL engine model at a reduced oxides of nitrogen level of 0.2 gram.

### **Background**

The Orange County Transportation Authority (Authority) had originally budgeted to perform the North American Bus Industries (NABI) engine replacement project over two fiscal years in two phases, beginning in fiscal year 2006, with the second phase commencing in fiscal year 2007. A Request For Proposals (RFP) was issued in 2005 for these services, however due to concerns raised over the evaluation of the proposals, the RFP was cancelled. As a result, the scope of the project and the evaluation scoring criteria were revised to better quantify the attributes of the project. This revised Scope of Work, evaluation criteria, and evaluation process were presented to the Transit Planning and Operations Committee and Board in June 2006, securing approval to proceed with a second RFP for the entire fleet of 232 buses. The RFP identified options such as the method of engine installation and engine selection. Firms were able to submit a proposal for an optional engine offering significant reduction in oxides of nitrogen (NOx). The lower NOx engine option

would reduce tail pipe emissions between 600 and 700 pounds per year per bus, or approximately 75 tons per year for the entire fleet with replacement engines.

***Discussion***

The subject RFP was processed as a competitive procurement in compliance with Authority policies, to include traditional elements such as a pre-proposal meeting, period of questions and answers, submittal of proposals, evaluation, interviews and site visits.

The Scope of Work included alternatives for performing and scheduling the engine installations. Firms were also asked to provide detailed information and include documented results for related operational engine attributes. For example, the scope offered two paths for installation, one in which the engine and installation would be performed completely by the contractor or subcontractor. The second alternative involved the Authority purchasing the engine in kit form and performing the actual installation in-house. The scope also offered a variety of elements for consideration such as experience with the engine being proposed, the number of properties that have the proposed engine installed, repair and parts support network, warranty, fuel economy, emissions, and cost.

The evaluation process and major topics of the evaluation were defined in the scope. These topics were weighted in the RFP to reflect actual importance. The evaluation committee scored the proposals according to the degree to which the item met the requirements identified in the Scope of Work.

The project was advertised on June 27, 2006, and July 10, 2006, in a newspaper of general circulation. Electronic notifications were sent to 298 firms on June 26, 2006. A pre-proposal meeting was held on July 11, 2006.

On August 21, 2006, three offers were received. The three firms were:

Firms and Locations

Complete Coach Works  
Riverside, California

Cummins Cal Pacific  
Montebello, California

Valley Power Systems  
City of Industry, California

An evaluation committee composed of staff from Contracts Administration and Materials Management, Transit Technical Services, Maintenance, and Financial Planning and Analysis departments and an external participant from the City of Santa Monica, was established to review all offers submitted. The offers were evaluated based on the value of the firm, deliverables, cost, and price. A detailed comparison of the three proposals is included in Attachment A.

Cummins Cal Pacific, LLC, achieved the highest score and met all of the criteria identified in the Request for Proposals, with the lowest proposed pricing. The Cummins proposal also offered an advanced alternative engine providing significant emissions reduction of NOx, at an incremental cost increase of \$5,540 per unit. A detailed price comparison of the existing emissions technology engine and the low emission technology engine is in Attachment B.

The overall project includes deliverables consisting of 232 engines and their installation, mechanic training, manuals, one spare engine, one spare engine assembly with cradle, replacement of the existing electrical generator, and a discount assuming the value of the existing engine core being replaced. The project will be conducted at the bidders site in two phases, production of an acceptable first article, followed by serial production of the remaining 231 units at a rate of five per week.

#### **Fiscal Impact**

This project was approved in the Authority's Fiscal Year 2006-07 Budget, Transit /Transit Technical Services Department, Account 2114-9024-D2108-D2A, and is funded through the Local Transportation Fund.

#### **Summary**

Staff recommends award of Agreement C-6-0453 to Cummins Cal Pacific, LLC, in an amount not to exceed \$20,057,452, for the engine replacement of 232 NABI low floor buses with the low NOx engine option.

***Attachments***

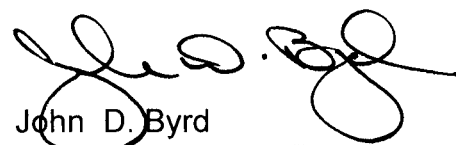
- A. Proposal Comparison Table
- B. Price Comparison of Emission Technology Engines

**Prepared by:**



Al Pierce  
Manager, Maintenance  
(714) 560-5975

**Approved by:**



John D. Byrd  
General Manager, Transit  
(714) 560-5341

Proposal Comparison Table

Item	Firm / Engine			Comment
	Complete Coach Works / John Deere	Valley Power System / John Deere	Cummins Cal Pacific / Cummins	
Schedule Rate of 5 per week	Met	Reduced rate by 1/2	Met	Valley Power Systems did not meet the specified production rate and meeting this requirement would have required supplementing their proposed site and significant staffing increases
Project Cost, base engine	\$ 19.7 million	\$ 26.7 million	\$ 18.7 million	Complete Coach Works & Cummins Cal Pacific with competitive bids
Project Cost, low NOx engine	Did not offer	Did not offer	\$ 20.1 million	Low NOx at 0.2 gram only offered by Cummins
In-Use engine experience	Hundreds	Hundreds	Thousands	Cummins had significantly more engines in transit use and over longer periods of time
Engine Repair / Parts Network	Limited on-hand inventory, must go a third party for parts and warranty services	Limited on-hand inventory, must go a third party for parts and warranty services	Local & Corp. support / inventory locally available	Cummins appeared to have the local & corporate support and local demonstrated repair experience with inventory available. Note, OCTA's experience would validate the same based on reliability and time to repair our two John Deere test engines
Ability to Perform Project	Capable with experience	Capable with experience	Capable with experience	All firms capable, further supported by conducting site visits
Reliability	Insufficient data to quantify long term reliability	Insufficient data to quantify long term reliability	Insufficient data to quantify long term reliability	OCTA's experience would indicate low reliability of John Deere engine further compounded by lack of timely repair
Fuel Economy	Suggested improvement, however without details to support statements	Suggested improvement, however without details to support statements	Improvement forecasted as insignificant, possibly 5 % better with low NOx engine	OCTA's in-service experience with the 4 test engines would indicate an insignificant difference between the two proposed engine models over the past year, John Deere at 1.71 MPG & Cummins at 1.72 MPG. Note our current fleet average for this bus series is ~1.6 MPG
Spark Plug Life	Met at 24,000 miles	Met at 24,000 miles	Met at 24,000 miles	All firms met the specification & all firms have the potential of exceeding the requirement
Oil Change Interval	Met at 12,000 miles	Met at 12,000 miles	Met at 12,000 miles	All firms met the specification & all firms have the potential of exceeding the requirement
Emissions / Low NOx option	1.2 gram / No low NOx option	1.2 gram / No low NOx option	~1.8 gram averaged at 1.2 gram / 0.2 NOx option	All firms in compliance with existing regulations, Cummins offered an advanced low NOx option
Warranty	Met	Met	Met	All firms met the 5 year warranty and offered training to support in-house warranty option



Item / Firm / Engine Model	Cummins Cal Pacific using "C Gas Plus" Engine Model		Cummins Cal Pacific using "ISL" low NOx (0.2 gram) Engine Model	
	First Article (FA)	Remaining 231 Production Units (per unit cost)	First Article (FA)	Remaining 231 Production Units (per unit cost)
	CCP / ISC	CCP / ISC	CCP / ISL	CCP / ISL
Engine Pkg	\$27,470	\$27,470	\$33,010	\$33,010
Additional Material	\$29,836	\$29,836	\$29,836	\$29,836
Trans Mod	\$1,464	\$1,464	\$1,464	\$1,464
Deliverables	\$237	\$237	\$237	\$237
Labor	\$65,000	\$12,280	\$65,000	\$12,280
NRE	\$75,000		\$75,000	
Tax	\$4,868	\$4,868	\$5,325	\$5,325
Total	\$203,875	\$76,155	\$209,872	\$82,152
Extended Total (231 production units)		\$17,591,805		\$18,977,112
<b>Total (FA + 231 Prod)</b>	<b>\$17,795,680</b>		<b>\$19,186,984</b>	
Additions / Subtractions / Options				
<b>Warranty Training (*)</b>	<b>\$55,550</b>		<b>\$55,550</b>	
Delco Alternator	\$3,253	\$751,443	\$3,253	\$751,443
Alternator Labor	\$160	\$36,960	\$160	\$36,960
Alternator Tax	\$268	\$61,908	\$268	\$61,908
Alternator Sub-Total	\$3,681	\$850,311	\$3,681	\$850,311
<b>Alternator Total (FA + 231 production)</b>	<b>\$853,992</b>		<b>\$853,992</b>	
One Spare Engine Assembly	\$27,470		\$33,010	
Engine Tax	\$2,129		\$2,723	
<b>Spare Engine Total</b>	<b>\$29,599</b>		<b>\$35,733</b>	
One Spare Engine / Cradle Assembly	\$30,666		\$36,206	
Engine / Cradle Tax	\$2,377		\$2,987	
<b>Engine / Cradle Total</b>	<b>\$33,043</b>		<b>\$39,193</b>	
Engine Core Rebate, noting only 227 of the 231 production buses will be included, OCTA will retain the Cummins & John Deere "test" engines	-\$500	-\$113,500	-\$500	-\$113,500
<b>Total Engine Offset</b>	<b>-\$114,000</b>		<b>-\$114,000</b>	
<b>Grand Total, Project Cost (Includes items in "Bold" above)</b>	<b>\$18,653,864</b>		<b>\$20,057,452</b>	
Note, the warranty training (*) assumes 25 Technicians at \$2,200 each and one administrator at \$550				





**BOARD COMMITTEE TRANSMITTAL**



**November 7, 2006**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject:** On-Board Video Equipment in Bus Procurements

This item will be considered by the Transit Planning and Operations Committee on November 9, 2006. Following Committee consideration of this matter, staff will provide you with a summary of the discussion and action taken by the Committee.

Please call me if you have any comments or questions concerning this correspondence. I can be reached at (714) 560-5676.





**November 9, 2006**

**To:** Transit Planning and Operations Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** On-Board Video Equipment in Bus Procurements

### **Overview**

Although the Orange County Transportation Authority bus system is a safe environment for passengers and employees, it seems prudent to enhance safety where feasible and in an orderly manner. In recent years, many transit agencies have installed on-board video systems as an enhancement to safety. To that end, the Orange County Transportation Authority Security Working Group met and discussed on-board video equipment in future bus procurements and agreed to move this issue forward to the Transit Planning and Operations Committee for consideration. Over the past two and half years a variety of supportive tasks were completed to augment knowledge and experience with this technology such that deployment on new buses should result in minimal risk.

### **Recommendation**

Authorize the Chief Executive Officer to include on-board video equipment as standard equipment on future bus procurements.

### **Background**

To date, staff has completed a variety of activities in support of proceeding with equipping new buses with an on-board video system, including:

- Conducted a consultant study to assess the state of camera systems, legal considerations, reviewing the experience of other transit agencies, and developing a specification for conducting a test of the available systems best meeting our requirements;
- Conducted an in-service test of five different supplier's systems with each of the five systems installed on three buses over a period of months;

- The results of the in-service test and gained operational experience provided the basis for issuing a Request for Proposals (RFP) and short listing to the three highest ranked suppliers. The RFP included a variety of options and features to include on-board video equipment, infrastructure at multiple Orange County Transportation Authority (Authority) sites, wireless communication between vehicles and sites, warranties, maintenance service agreements, and an overall means of system administration;
- Continued in-service testing of the successful vendor's on-board video equipment for system reliability, equipment durability, and acceptance criteria;
- Determined that all other surveyed transit properties have had positive experiences with on-board video equipment and their efforts to deploy such technology fleet-wide;
- Surveyed a number of transit properties to ascertain their public notification policy. Nearly all properties display signage notifying passengers that buses are equipped with video equipment; and
- Conducted first article testing of on-board video equipment and wireless infrastructure at the Sand Canyon/Irvine Base. On-board cameras and digital video recorder performed to specifications while the wireless download of video consistently exceeded project specifications (taking less than two minutes to download 30 minutes of video – exceeding the “10 minute” standard defined in the specifications). After purposefully interrupting connectivity, the system “marked” progress and routinely continued downloading video from the point it left off after re-establishing connectivity.

### ***Discussion***

In May 2006, the Board of Directors authorized the installation of on-board video equipment on 50 large buses and 32 paratransit buses and the installation of wireless technology. The technology has proven its reliability and durability in our transit application and environmental conditions and has concluded that system-wide implementation is justified.

**Fiscal Impact**

Over the next three years, the Authority plans on buying up to 509 buses consisting of 249 large buses (authorized), 102 mid-size buses, and 158 paratransit buses at an estimated cost of \$160 million. The cost of outfitting each bus with video equipment is approximately \$11,000, or \$5.6 million. This represents 3.5 percent of the total cost of the buses. The annual cost of full system maintenance and administration equates to \$642,000.

The cost of 249 large buses and the base order of mid-size buses (27) and paratransit buses (58) is included in the Authority's Fiscal Year 2006-07 Budget, Transit/Transit Technical Services Section/Account 2114-9024, while the options will be budgeted over the next two fiscal years and funded through a combination of federal grant funds and the Local Transportation Fund as earmarked in the Fiscal Year 2006 Comprehensive Business Plan. The cost of system maintenance and administration is budgeted in the Fiscal Year 2006-07 Budget, Transit/Electronics and Radio Administration Section/Account 2185-7612, and is funded using the Local Transportation Fund. Grants staff will pursue grant funds as they become available.

**Summary**

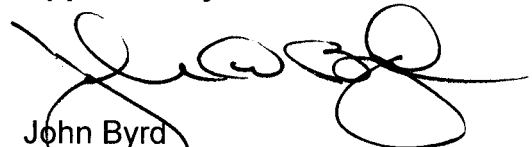
To enhance the general security of the Authority's passengers and employees and in light of completing a variety of supportive activities and in-service testing, it is recommended that the Board of Directors authorize the Chief Executive Officer to include on-board video equipment as standard equipment in future bus procurements.

**Attachment**

None.

**Prepared by:**

Brian Champion  
Manager, Operations Analysis  
(714) 560-5680

**Approved by:**

John Byrd  
General Manager, Transit  
(714) 560-5341