

Date: Monday, August 25, 2008

Time: 9:00 a.m.

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



BOARD AGENDA

Orange County Transportation Authority Board Meeting
Orange County Transportation Authority Headquarters
First Floor - Room 154, 600 South Main Street
Orange, California
Monday, August 25, 2008, 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.

Agenda Descriptions

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

Public Comments on Agenda Items

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

Public Availability of Agenda Materials

All documents relative to the items referenced in this agenda are available for public inspection at www.octa.net or through the Clerk of the Board's office at the OCTA Headquarters, 600 South Main Street, Orange, California.



BOARD AGENDA

ACTIONS

Call to Order

Invocation

Director Amante

Pledge of Allegiance

Director Mansoor

Special Matters

1. Recognition of OCTA's 2008 Annual Rodeo Winners

Recognize the winners of the 2008 Orange County Transportation Authority Annual Rodeo Competition: the Maintenance Competition winners were Ernie Booe, Ray Consiglio, and Paul Bagga; the Coach Operator Competition winner was Alonzo Valenzuela from the Anaheim Base.

2. Presentation of Resolutions of Appreciation for Employees of the Month for August 2008

Present Orange County Transportation Authority Resolutions of Appreciation Nos. 2008-52, 2008-53, 2008-54 to Arturo Corona, Coach Operator; Randy Binz, Maintenance; and Sara Grishkewich, Administration, as Employees of the Month for August 2008.

Consent Calendar (Items 3 through 19)

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

3. Approval of Minutes

Of the Orange County Transportation Authority and affiliated agencies' regular meeting of August 11, 2008.



BOARD AGENDA

ACTIONS

4. **Approval of Resolutions of Appreciation for Employees of the Month for August 2008**

Adopt Orange County Transportation Authority Resolutions of Appreciation Nos. 2008-52, 2008-53, and 2008-54 to Arturo Corona, Coach Operator; Randy Binz, Maintenance; and Sara Grishkewich, Administration, as Employees of the Month for August 2008.

5. **Fiscal Year 2007-08 Internal Audit Plan, Fourth Quarter Update**
Kathleen M. O'Connell

Overview

The Orange County Transportation Authority Board of Directors adopted the Orange County Transportation Authority Internal Audit Department Fiscal Year 2007-08 Internal Audit Plan on August 13, 2007. This update is for the fourth quarter of the fiscal year.

Recommendation

Receive and file the fourth quarter update to the Orange County Transportation Authority Internal Audit Department Fiscal Year 2007-08 Internal Audit Plan.

6. **Draft Fiscal Year 2008-09 Internal Audit Plan**
Kathleen M. O'Connell

Overview

At the direction of the Orange County Transportation Authority's Board of Directors, the Internal Audit Department develops and implements an annual Internal Audit Plan as an essential tool to assist management in the discharge of its responsibilities and to protect the integrity of the Orange County Transportation Authority's operations and assets.

Recommendations

- A. Approve the Draft Fiscal Year 2008-09 Internal Audit Plan.
- B. Direct the Internal Audit Manager to provide quarterly updates on the Internal Audit Plan.



BOARD AGENDA

ACTIONS

7. 2007 Transit Security Grant Award Authorization
Ric Teano/Paul C. Taylor

Overview

The United States Department of Homeland Security awarded the Orange County Transportation Authority \$1,550,000 in grant funds to support the purchase of video surveillance equipment on new buses and to develop and implement an emergency preparedness exercise and training program. Authorizing resolutions to accept the grant awards and enter grant-related agreements are presented for adoption as required by the program.

Recommendation

Adopt Orange County Transportation Authority resolutions No. 2008-55 and No. 2008-56 authorizing the Chief Executive Officer to accept grant funds and file grant-related agreements with the Governor's Office of Homeland Security and the United States Department of Homeland Security to support on-board video surveillance on new buses and an exercise and training program.

8. Section 5310 Grant Program Recommendations for Fiscal Year 2008
Ric Teano/Paul C. Taylor

Overview

The Federal Transit Administration Section 5310 Grant Program provides an opportunity for local agencies and non-profit organizations to purchase paratransit vehicles and related equipment to help meet the transportation needs of elderly persons and persons with disabilities. The Orange County Transportation Authority is responsible for assisting applicants, evaluating applications, and transmitting a prioritized list of projects to the California Department of Transportation for funding consideration.

Recommendations

- A. Approve the scores recommended by the Regional Evaluation Committee and authorize staff to include the recommended projects in the Regional Transportation Improvement Program.



BOARD AGENDA

ACTIONS

8. (Continued)

- B. Adopt Resolution No. 2008-57 authorizing the Chief Executive Officer to transmit the Section 5310 Regional Priority List and required Certification and Assurances to the California Department of Transportation for funding consideration.

9. **Federal Legislative Status Report**

Richard J. Bacigalupo

Overview

This report provides information on the status of federal legislation at the point of the congressional August recess, including appropriations activities, efforts to remedy the upcoming shortfall in the Highway Trust Fund and efforts to pass an authorization bill for Amtrak.

Recommendation

Receive and file as an information item.

10. **Agreement for On-Call Right-of-Way Services for the West County Connectors Project**

James Staudinger/Kia Mortazavi

Overview

Consultant services are required to assist the Orange County Transportation Authority to acquire right-of-way needed to implement the West County Connectors Project. A request for proposals was solicited and received for on-call right-of-way services 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 No. C-8-0822 between the Orange County Transportation Authority and Overland, Pacific & Cutler, Inc., in an amount not to exceed \$949,000, for an initial period of two years with two one-year options for on-call right-of-way services.



BOARD AGENDA

ACTIONS

11. Amendment to Agreements for Final Design of the San Diego Freeway (Interstate 405) West County Connectors

Niall Barrett/Kia Mortazavi

Overview

On May 14, 2007, the Board of Directors approved two contracts for the final design of the San Diego Freeway (Interstate 405) West County Connectors Project. The total value of the two contracts was set at \$26 million, with the value of each individual contract set at \$13 million until such time as the exact split of work between the two projects was determined. Work is progressing and staff now has a better assessment of the scope of services and is recommending contract amendments to align budget, scope, and level of effort.

Recommendations

- A. Authorize the Chief Executive Officer to execute Amendment No. 2 to Agreement No. C-6-0636 between the Orange County Transportation Authority and Parsons Transportation Group, Inc., to decrease the contract value, in the amount of \$1 million, to provide engineering services for the easterly segment of the West County Connectors Project, for a revised contract value not to exceed \$12 million.
- B. Authorize the Chief Executive Officer to execute Amendment No. 3 to Agreement No. C-7-0220 between the Orange County Transportation Authority and TRC Solutions, Inc., to increase the contract value, in the amount of \$1 million, to provide engineering services for the westerly segment of the West County Connectors Project, for a revised contract value not to exceed \$14 million.



BOARD AGENDA

ACTIONS

12. Cooperative Agreements with the Cities of Anaheim, Dana Point, Fullerton, Irvine, Orange, San Clemente, San Juan Capistrano, Santa Ana, and Tustin for the Rail-Highway Grade Crossing Safety Enhancement Program and Safety Measures Related to Quiet Zone Implementation

Mary Toutounchi/Kia Mortazavi

Overview

On August 27, 2007, the Orange County Transportation Authority Board of Directors approved the implementation strategy for the Rail-Highway Grade Crossing Enhancement Program and quiet zone improvements. This \$70 million program will make improvements at 52 at-grade rail-highway crossings in Orange County. The Orange County Transportation Authority proposes to enter into cooperative agreements with the subject cities to establish roles and responsibilities, including local funding contributions, to implement the program.

Recommendations

- A. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0854 between the Orange County Transportation Authority and the City of Anaheim, in an amount equal to 12 percent of program costs, estimated at \$559,982, for the City of Anaheim's share for early advancement of four rail-highway grade crossing safety enhancements and related improvements being advanced within its jurisdiction.
- B. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0855 between the Orange County Transportation Authority and the City of Anaheim, in an amount equal to 12 percent of program costs, estimated at \$1,114,612, for the City of Anaheim's share for rail-highway grade crossing safety enhancements and related improvements within its jurisdiction.
- C. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0856 between the Orange County Transportation Authority and the City of Dana Point, in an amount equal to 12 percent of program costs, estimated at \$203,819, for the City of Dana Point's share for railroad grade crossing safety enhancements and related improvements within its jurisdiction.



BOARD AGENDA

ACTIONS

12. (Continued)

- D. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0857 between the Orange County Transportation Authority and the City of Fullerton, in an amount equal to 12 percent of program costs, estimated at \$97,751, for the City of Fullerton share for rail-highway grade crossing safety enhancements and related improvements within its jurisdiction.
- E. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0858 between the Orange County Transportation Authority and the City of Irvine, in an amount equal to 12 percent of program costs, estimated at \$417,806, for the City of Irvine's share for rail-highway grade crossing safety enhancements and related improvements within its jurisdiction.
- F. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0859 between the Orange County Transportation Authority and the City of Orange, in an amount equal to 12 percent of program costs, estimated at \$2,615,338, for the City of Orange's share for rail-highway grade crossing safety enhancements and related improvements within its jurisdiction.
- G. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0860 between the Orange County Transportation Authority and the City of San Clemente, in an amount equal to 12 percent of program costs, estimated at \$237,962, for the City of San Clemente's share for rail-highway grade crossing safety enhancements and related improvements within its jurisdiction.
- H. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0861 between the Orange County Transportation Authority and the City of San Juan Capistrano, in an amount equal to 12 percent of program costs, estimated at \$864,372, for the City of San Juan Capistrano's share for rail-highway grade crossing safety enhancements and related improvements within its jurisdiction.



BOARD AGENDA

ACTIONS

12. (Continued)

- I. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0862 between the Orange County Transportation Authority and the City of Santa Ana, in an amount equal to 12 percent of program costs, estimated at \$1,670,420, for the City of Santa Ana's share for rail-highway grade crossing safety enhancements and related improvements within its jurisdiction.
- J. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0863 between the Orange County Transportation Authority and the City of Tustin, in an amount equal to 12 percent of program costs, estimated at \$307,158, for the City of Tustin's share for rail-highway grade crossing safety enhancements and related improvements within its jurisdiction.

13. **Status Report on Renewed Measure M Environmental Programs**

Hal McCutchan/Kia Mortazavi

Overview

Renewed Measure M authorized two environmental programs. Approximately \$240 million is available for program-level mitigation for the 13 freeway projects (Projects A – M), subject to an agreement between the Orange county Transportation Authority and state and federal resource agencies. A similar amount of funding is available under Project X for water quality improvements related to the runoff from roads and freeways. The Board of Directors included both of these programs in the five-year Renewed Measure M Early Action Plan.

Recommendation

Receive and file as an information item.



BOARD AGENDA

ACTIONS

14. Agreement for Radio Systems Support Specialist Services

Joe Tiernan/James S. Kenan

Overview

As part of the Orange County Transportation Authority's Fiscal Year 2009 Budget, the Board of Directors approved funding for radio systems support services to fortify support for the Orange County Transportation Authority's two radio communication systems. 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 Agreement No. C-8-0801 between the Orange County Transportation Authority and TEK Systems, in an amount not to exceed \$738,400 for a five-year term, for services to provide computer and software support for the Orange County Transportation Authority's two radio systems.

15. Administrative Employees Benefits Study

Lisa Arosteguy/James S. Kenan

Overview

On May 12, 2008, the Board of Directors approved an agreement with The Segal Company, in the amount of \$165,000, to provide a compensation and classification study for all administrative positions. Approval is requested to expand the agreement with The Segal Company to include a comprehensive benefits study to include review of health and welfare benefits, retirement, paid time off, and other benefit programs.

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement No. C-8-0516 between the Orange County Transportation Authority and The Segal Company, in the amount of \$90,000, for a comprehensive benefits study for administrative employees.



BOARD AGENDA

ACTIONS

Orange County Local Transportation Authority Consent Calendar Matters

16. **Measure M Quarterly Progress Report**
Norbert Lippert/Kia Mortazavi

Overview

Staff has prepared a Measure M progress report for the second quarter of 2008. This is a regular report that highlights the Measure M projects and programs currently under development.

Recommendation

Receive and file as an information item.

Orange County Transit District Consent Calendar Matters

17. **Amendment to Agreement for Maintenance of the Integrated Transportation Communication System Radio Service**
Dayle Withers/Beth McCormick

Overview

On August 27, 2007, the Board of Directors approved an agreement with M/A-COM, Inc., in the amount of \$100,000, to provide radio repair and maintenance service. An amendment is required to exercise the first of five option terms to ensure continuity of services provided. M/A-COM, Inc. was retained in accordance with the Orange County Transportation Authority's procurement procedures for sole source procurement for professional and technical services.

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement No. C-6-0567 between the Orange County Transportation Authority and M/A-COM, Inc., in an amount not to exceed \$100,000, for radio repair and maintenance service, for a total contract value of \$200,000.



BOARD AGENDA

ACTIONS

18. **Award of Agreement to Provide Consultant Services to Conduct a Fare Integration Study**
Erin Rogers/Beth McCormick

Overview

As part of the Orange County Transportation Authority's Fiscal Year 2008-09 Budget, the Board of Directors approved a fare integration study. A competitive procurement has been conducted to engage a consultant for this project. 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 No. C-8-0877 between the Orange County Transportation Authority and TranSystems, in the amount of \$239,656, to conduct a fare integration study.

19. **Agreement for Graphic Design and Production Services for Bus Public Information**
Stella Lin/Ellen S. Burton

Overview

The Orange County Transportation Authority updates bus service information for each quarterly bus service change. This includes printed public information as well as cassettes at the bus stops. Graphic design and production services are required to develop these materials.

Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-8-0760 between the Orange County Transportation Authority and Digital Graphics Centre, Inc., in an amount not to exceed \$420,000, for an initial term of two years with one two-year term option, for graphic design and production services for bus service information.



BOARD AGENDA

ACTIONS

Regular Calendar

Orange County Transportation Authority Regular Calendar Matters

20. **Metrolink Short-Distance Fares**
Abbe McClenahan/Kia Mortazavi

Overview

The current Metrolink fare structure is focused on the long-distance traveler. As a precursor to the start up of the 30-minute service, Orange County Transportation Authority staff would like to explore modified short-distance Metrolink fares, providing a more attractive alternative travel option within Orange County, as well as expanding the ridership base to include short-distance travelers.

Recommendation

Direct staff to work with the Southern California Regional Rail Authority to develop a demonstration program of short-distance one-way and round-trip fares within Orange County.

21. **Los Angeles - San Diego Rail Corridor Service Integration Focus Group Findings**
Ellen S. Burton

Overview

To support an initiative to improve rail service along the Los Angeles - San Diego Rail Corridor, four focus groups have been conducted. Customer and non-customer attitudes and perceptions about current transit service and service integration options have been gathered. This report provides a summary of key findings and lessons learned.

Recommendation

Receive and file as an information item.



BOARD AGENDA

ACTIONS

Discussion Items

22. 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.

23. Chief Executive Officer's Report

24. Directors' Reports

25. Closed Session

A Closed Session is not scheduled.

26. Adjournment

The next regularly scheduled meeting of this Board will be held at **9:00 a.m. on Monday, September 8, 2008**, at the OCTA Headquarters.

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
August 11, 2008

Call to Order

The August 11, 2008, regular meeting of the Orange County Transportation Authority and affiliated agencies was called to order by Chairman Norby at 9:00 a.m. at the Orange County Transportation Authority Headquarters, Orange, California.

Roll Call

Directors Present: Chris Norby, Chairman
Peter Buffa, Vice Chairman
Patricia Bates
Arthur C. Brown
Bill Campbell
Carolyn Cavecche
Paul Glaab
Cathy Green
Allan Mansoor
John Moorlach
Janet Nguyen
Curt Pringle
Miguel Pulido
Mark Rosen
Gregory T. Winterbottom
James Pinheiro, attended for Cindy Quon, Governor's
Ex-Officio Member

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

Directors Absent: Jerry Amante
Richard Dixon

Invocation

Director Pringle gave the invocation.

Pledge of Allegiance

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

Public Comments on Agenda Items

Chairman Norby 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

There were no Special Calendar Matters.

Consent Calendar (Items 1 through 6)

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

Orange County Transportation Authority Consent Calendar Matters

1. Approval of Minutes - Special Meeting

A motion was made by Director Green, seconded by Vice Chairman Buffa, and declared passed by those present, to approve the minutes of the Orange County Transportation Authority and affiliated agencies' special meeting of July 28, 2008.

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

2. Approval of Minutes - Regular meeting

A motion was made by Director Green, seconded by Vice Chairman Buffa, and declared passed by those present, to approve the minutes of the Orange County Transportation Authority and affiliated agencies' regular meeting of July 28, 2008.

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

3. Central County Corridor Major Investment Study Update

Chairman Norby pulled this item for discussion and informed the Board that Director Amante has been appointed Chairman of the Central County Major Investment Study Committee.

A motion was made by Chairman Norby, seconded by Director Rosen, and declared passed by those present, to receive and file this item for information.

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

4. Excess Liability Insurance Renewal

A motion was made by Director Green, seconded by Vice Chairman Buffa, and declared passed by those present, to authorize the Chief Executive Officer to issue Purchase Order No. A09337, in an amount not to exceed \$600,000, to Marsh Risk and Insurance Services, Inc., for the purchase of excess liability insurance for the period of November 1, 2008 to November 1, 2009.

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

Orange County Transit District Consent Calendar Matters

5. Agreement for Printing Services for Bus Service Change Materials

A motion was made by Director Green, seconded by Vice Chairman Buffa, and declared passed by those present, to authorize the Chief Executive Officer to execute Agreement No. C-8-0813 between the Orange County Transportation Authority and Pacific Litho, Inc., in an amount not to exceed \$68,292 for the first year, with two one-year option terms, for printing bus systems maps and individual timetables.

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

Orange County Local Transportation Authority Consent Calendar Matters

6. Amendment to Agreement for Construction Support Services for the Santa Ana Freeway (Interstate 5) Gateway Project

A motion was made by Director Green, seconded by Vice Chairman Buffa, and declared passed by those present, to authorize the Chief Executive Officer to execute Amendment No. 10 to Agreement No. C-2-0710 between the Orange County Transportation Authority and URS Corporation, in an amount not to exceed \$627,200, for the last phase of construction support services and to extend the term of agreement to June 30, 2011.

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

Regular Calendar

Orange County Transportation Authority Regular Calendar Matters

7. Annual Investment Policy Amendment and 91 Express Lanes Debt

Kirk Avila, Treasurer and General Manager of the 91 Express Lanes, presented this item to the Board, focusing on the status of the debt and investments as they relate to the 91 Express Lanes, as well as options available to amend the investment policy, with Board approval.

The staff recommendations would provide the authorization to do the investment. If the Authority decides to invest in the securities, this item will return to the Board for further discussion.

A motion was made by Director Moorlach, seconded by Director Winterbottom, and declared passed by those present, to:

- A. Approve and authorize the Chief Executive Officer to execute all appropriate documents to provide for the acquisition by the Orange County Transportation Authority, or an affiliated entity, of all or a portion of the Orange County Transportation Authority Toll Road Revenue Refunding Bonds (91 Express Lanes) Series 2003, with a final maturity date of December 15, 2030 (Acquisition).
- B. Approve amendments of the Orange County Transportation Authority Annual Investment Policy to accomplish the acquisition.

Director Pulido was not present to vote on this item.

Orange County Local Transportation Authority Regular Calendar Matters

8. Garden Grove Freeway (State Route 22) Rubberized Asphalt Concrete Paving Demonstration Project

Areg Gharabegian, consultant for Parsons Brinckerhoff, presented the results of a demonstration project performed to assess noise mitigation on State Route (SR) 22 since the installation of the rubberized asphalt, which was placed on the westbound lanes between Euclid and Magnolia Avenues.

Mr. Gharabegian stated that only a slight noise reduction has been realized. OCTA staff will continue studying the noise reduction results after the rubberized asphalt is applied along Trask Avenue.

8. (Continued)

Director Pringle requested that a study be done in the future on a highway project to assess sound mitigation provided by soundwalls.

Director Pulido requested that tests be conducted to obtain readings of noise levels inside different vehicles traveling on the SR 22 on the areas of rubberized asphalt versus those areas not surfaced with that material.

No action was taken on this receive and file item.

Discussion Items

9. Chief Executive Officer's Report

Chief Executive Officer (CEO), Arthur T. Leahy, reported:

- Marnie Primmer, formerly of the OCTA, has been named as the Executive Director of Mobility 21, a five-county group to develop coordination of messaging in Sacramento and Washington, D.C.
- Last week, Senate Bill 1316 (91 lanes toll extension bill) was unanimously approved by the Assembly Appropriations Committee; the bill now goes to the floor of both houses for potential approval.
- Last Friday, the Regional Chief Executive Officers' meeting, Doug Failing of Caltrans District 7 (Los Angeles) indicated that there may be concerns in Caltrans or with Secretary Bonner regarding Senate Bill 974 (the container fee bill). OCTA is in dialog with Caltrans trying to assess whether or not that is the situation.
- The OC Fair Flyer service had a triple increase in ridership in July over last year.
- Marines from Camp Pendleton will be making a first visit to OCTA in September as part of the upcoming transition program.
- Taxpayers' Oversight Committee meets on Tuesday, August 12.
- South Orange County Major Investment Study Committee will meet on August 13 in Mission Viejo at the city hall.
- Environmental Clean-up Allocation Committee meets on August 14 at OCTA.

9. (Continued)

CEO, Mr. Leahy, asked Monte Ward to address the Board on recent issues regarding Senate Bill (SB) 375 (related to greenhouse gas reduction issues). Mr. Ward provided an update on this bill, the recent amendments, and indicated it will likely be going to the Governor for signature.

10. Directors' Reports

Director Glaab informed Members that the Southern California Association of Governments changed their position on SB 375 from 'Oppose' to 'Monitor' as a result of the amendments that were submitted.

Director Campbell stated that he would like to serve on the Central County Corridor Major Investment Study Committee.

Vice Chairman Buffa reported that he attended a dinner last week at which Attorney General Brown was present and had an opportunity to discuss transportation issues with him. Vice Chairman Buffa also commented that the Attorney General is extremely aware of Orange County transportation issues and would be open to communicating with OCTA to address any concerns.

Director Green stated that last week, she had planned to take the Blue Line to Los Angeles, however, was unable to find parking at the station. She inquired if this is a common situation at the Metrolink stations, and was advised it is indeed a growing problem.

Chairman Norby reported that he was at the San Clemente pier over the week-end and observed a good number of people had taken Metrolink to the beach.

Chairman Norby stated that he met with a number of Board Members and San Diego representatives of the San Diego Association of Governments on July 30. He also met with other elected officials from that area and discussed better coordination and perhaps future consolidation of various rail service.

11. Public Comments

Chairman Norby 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.

Jerry Hudson, resident of Del Cerro Mobile Estates and Vistara in Placentia, addressed the Board and voiced his concern regarding Alternative D on the Interstate 5 Gateway project. Mr. Hudson provided informational documents which were delivered to the Board Members' mailboxes.

12. Closed Session

A Closed Session was not conducted at this meeting.

13. Adjournment

The meeting adjourned at 10:07 a.m. The next regularly scheduled meeting of this Board will be held at **9:00 a.m. on Monday, August 25, 2008**, at Orange County Transportation Authority Headquarters.

ATTEST

Wendy Knowles
Clerk of the Board

Chris Norby
OCTA Chairman



ORANGE COUNTY
TRANSPORTATION AUTHORITY

RESOLUTION

ARTURO CORONA

WHEREAS, the Orange County Transportation Authority recognizes and commends Arturo Corona; and

WHEREAS, be it known that Arturo Corona has earned an eight year Safe Driving Award, and has been with the Authority since September 20, 1999. He has distinguished himself by maintaining an outstanding record for safety, attendance, and customer relations; and

WHEREAS, Arturo's dedication to his duties and desire to excel are duly noted and he is recognized as an outstanding Authority employee who has consistently demonstrated a level of professionalism that is the embodiment of the Authority's core values; and

WHEREAS, be it known that Arturo Corona takes great pride in his driving skills, and exemplifies the excellent qualities of a professional coach operator.

NOW, THEREFORE, BE IT RESOLVED that the Authority does hereby declare Arturo Corona as the Orange County Transportation Authority Coach Operator Employee of the Month for August 2008; and

BE IT FURTHER RESOLVED that the Orange County Transportation Authority Board of Directors recognizes Arturo Corona's valued service to the Authority.

Dated: August 25, 2008

Chris Norby, Chairman
Orange County Transportation Authority

Arthur T. Leahy, Chief Executive Officer
Orange County Transportation Authority

OCTA Resolution No. 2008-53





ORANGE COUNTY
TRANSPORTATION AUTHORITY

RESOLUTION

RANDY BINZ

WHEREAS, the Orange County Transportation Authority recognizes and commends Randy Binz; and

WHEREAS, be it known that Randy Binz is a valued member of the Maintenance Department. Randy is the Lead Automotive Mechanic, with over 25 years of dedicated service to the Maintenance Department. Randy can be depended upon to diagnose and repair all support vehicles in a timely fashion. Supporting a large non-revenue fleet, Randy has demonstrated accuracy, thoroughness, and orderliness in performing work assignments; and

WHEREAS, Randy has consistently demonstrated a high level of achievement in providing our customers safe, clean, and ready vehicles at all of the Authority's locations. His commitment to teamwork, standards of excellence, and organizational pride make him a strong asset to the Automotive section of the Maintenance Department; and

WHEREAS, his dedication to his duties and desire to excel are duly noted, and he is recognized as an outstanding Authority employee.

NOW, THEREFORE, BE IT RESOLVED that the Authority does hereby declare Randy Binz as the Orange County Transportation Authority Maintenance Employee of the Month for August 2008; and

BE IT FURTHER RESOLVED that the Orange County Transportation Authority Board of Directors recognizes Randy Binz's valued service to the Authority.

Dated: August 25, 2008

Chris Norby, Chairman
Orange County Transportation Authority

Arthur T. Leahy, Chief Executive Officer
Orange County Transportation Authority





ORANGE COUNTY
TRANSPORTATION AUTHORITY

RESOLUTION

SARA GRISHKEWICH

WHEREAS, the Orange County Transportation Authority recognizes and commends Sara Grishkewich; and

WHEREAS, be it known that with her thoroughness, attention to detail, and commitment to excellence, Sara is an indispensable asset to the Development Division in the timely review and processing of the vast majority of the Division's payment obligations for a variety of high profile capital programs; and

WHEREAS, Sara's knowledge of the Authority's business practices, software applications, and relationships with staff in other Division's, has made her the go-to person for the Development Division's project management staff to resolve and expedite issues; and

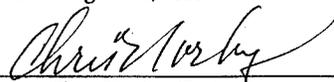
WHEREAS, Sara's integrity, knowledge, and commitment to assist others, has earned her the respect of co-workers throughout the Authority; and

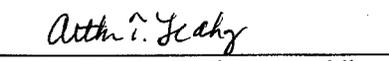
WHEREAS, Sara's commitment to getting vendors paid on time has enhanced the Authority's stature with the private sector "as an agency you want to do business with".

NOW, THEREFORE, BE IT RESOLVED that the Authority does hereby declare Sara Grishkewich as the Orange County Transportation Authority Administrative Employee of the Month for August 2008; and

BE IT FURTHER RESOLVED that the Orange County Transportation Authority Board of Directors recognizes Sara Grishkewich's valued service to the Authority.

Dated: August 25, 2008


Chris Norby, Chairman
Orange County Transportation Authority


Arthur T. Leahy, Chief Executive Officer
Orange County Transportation Authority

OCTA Resolution No. 2008-54





BOARD COMMITTEE TRANSMITTAL

August 25, 2008

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Fiscal Year 2007-08 Internal Audit Plan, Fourth Quarter Update

Finance and Administration Committee Meeting of August 13, 2008

Present: Directors Brown, Buffa, Campbell, and Green
Absent: Directors Amante and Moorlach

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Receive and file the fourth quarter update to the Orange County Transportation Authority Internal Audit Department Fiscal Year 2007-08 Internal Audit Plan.



August 13, 2008

To: Finance and Administration Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Fiscal Year 2007-08 Internal Audit Plan, Fourth Quarter Update

Overview

The Orange County Transportation Authority Board of Directors adopted the Orange County Transportation Authority Internal Audit Department Fiscal Year 2007-08 Internal Audit Plan on August 13, 2007. This update is for the fourth quarter of the fiscal year.

Recommendation

Receive and file the fourth quarter update to the Orange County Transportation Authority Internal Audit Department Fiscal Year 2007-08 Internal Audit Plan.

Background

The Internal Audit Department (Internal Audit) is an independent appraisal function, the purpose of which is to examine and evaluate the Orange County Transportation Authority's (OCTA) operations, activities, and contracts as a means of assisting management in the discharge of its duties and responsibilities.

Discussion

Internal Audit performs a wide range of auditing services including oversight of the annual financial and compliance audits, operational reviews, contract compliance reviews, internal control assessments, investigations, and pre-award price reviews. The department also monitors and provides internal control guidance during the implementation of computer system software. Audits initiated by entities outside of OCTA are generally coordinated through Internal Audit.

Internal Audit develops and implements an annual risk based audit plan. The Orange County Transportation Authority Internal Audit Department Fiscal

Year 2007-08 Internal Audit Plan (Plan) (Attachment A) reflects the status of each of the projects.

For the Plan year, Internal Audit completed 44 projects, including 23 pre-award price reviews. Actual staff hours came in under budget by approximately 450 as a result of a vacancy in the principal internal auditor position. The position was filled on July 14, 2008.

There are 16 open projects at June 30, 2008. Two of these are in the draft report phase, two will be outsourced and scopes of work are being developed, nine are in various phases of completion, and two have not yet been initiated. All 16 projects will be carried forward to the Fiscal Year 2008-09 Internal Audit Plan. One project, a database management audit, has been cancelled. Internal Audit contracted with an information systems audit firm to conduct an information systems risk assessment and develop a prioritized universe of audit projects. The consultant's recommendations for auditing OCTA's information systems environment did not identify database management as a priority project. In fact, business resumption planning, information security, system development, and change management were the highest ranked priorities for information system audits.

Several other projects and initiatives which deviated somewhat from the Plan are discussed below.

First, pre-award price review activity exceeded the Plan budget by approximately 500 hours in both fiscal year 2007 and 2008. In an effort to expedite these reviews and reduce the unpredictable disruption to other audit activities, Internal Audit recently completed the procurement of on-call audit consulting services. Price review projects will be sequentially awarded to a bench of four on-call audit firms thereby eliminating the time delays caused by competitively issued contract task orders.

Secondly, the safety monitoring audit was postponed. The American Public Transportation Association (APTA) conducted a review of OCTA's safety program during fiscal year 2008, and OCTA is awaiting a final report. Internal Audit's procedures during fiscal year 2009 will focus on any necessary follow-up to any issues that APTA identified.

Finally, the Veolia contract compliance audit was recently completed and staff hours exceeded budgeted hours by 981. Internal Audit had initially planned to outsource this audit but, in an effort to contain consultant costs, performed much of the work in-house. This additional effort resulted in delays of several other projects which are still open at June 30, 2008.

Internal Audit Initiatives

Internal Audit made significant progress on three important initiatives during the Plan year. First, the department's policies and procedures have been updated to reflect the requirements of Government Auditing Standards (GAS) issued by the Government Accountability Office. Staff have been trained on these policies and procedures, and ongoing revisions and training are planned.

Second, Internal Audit completed the procurement and implementation of an audit software package called Audit Leverage. It is a Microsoft Access-based package with modules for risk assessments, electronic workpapers, and timekeeping. It is capable of populating audit report templates, tracking the implementation of audit recommendations, and producing various statistical reports. The developer is currently customizing some of the reports that are routinely provided to the Board of Directors, including attachments to this staff report.

Third, Internal Audit is committed to passing a peer review and issued its first report in compliance with GAS on July 10, 2008. Over the next six to twelve months, Internal Audit will build a population of conforming audits from which a peer review team will select a sample and evaluate for GAS compliance. Internal Audit will also be conducting a thorough self-assessment prior to the peer review.

Two additional initiatives are in the preliminary investigation stage. Several members of the Board of Directors have requested that Internal Audit develop a manner by which to communicate the value or effectiveness of the internal audit function. The internal audit industry often refers to such communications as "Service Efforts and Accomplishments." Internal Audit will investigate the methodologies used within the industry to collect, value, summarize, and communicate internal audit efforts.

Internal Audit also recognizes the growing pervasiveness of fraud detection and prevention programs in government entities. With that in mind, the department will begin researching the utility of, and issues connected with, an ethics or fraud hotline.

Summary

The Fiscal Year 2006-07 Internal Audit Plan is being closed-out. Incomplete audits will be carried forward to the fiscal year 2008-09 audit plan.

Attachments

- A. Orange County Transportation Authority Internal Audit Department Fiscal Year 2006-07 Internal Audit Plan Fourth Quarter Update
- B. Unresolved Audit Findings and Recommendations (Audit Reports Issued prior to June 2008)

Prepared by:



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

**Orange County Transportation Authority
Internal Audit Department
Fiscal Year 2007-08 Internal Audit Plan
Fourth Quarter Update**

Audit Activity	Description	Primary Audit Type	Planned Staff Hours	Staff Hours to Date	Under (Over)	Contract Hours	Status (Date to F&A)	Notes (Contract Auditor)
Mandatory External Independent Audits								
Annual Financial Audit	Annual contracted financial audit for fiscal year 2006-07	Financial	375	111	264	2,800	Complete (01/23/08)	(Mayer Hoffman McCann)
Annual Transportation Development Act Audits	Coordination of legally required annual audits of the recipients of Local Transportation Funds for fiscal year 2006-07.	Compliance	100	43	57	700	Complete (01/23/08)	(Mayer Hoffman McCann)
Federal Triennial Audit	Legally required triennial performance audit conducted by the Federal Transit Administration in 2007.	Performance	75	84	(9)		Complete (10/24/07)	(Federal Transportation Administration)
Internal Audits								
Authority-Wide								
Price Reviews	Cost and price analyses as required by OCTA procurement policies and procedures.	Price Review	500	1,058	(558)	600	23 completed 2 in process	
Risk Assessment and Annual Audit Plan	Annual review to prepare the audit plan for next fiscal year; periodic assessment of risk throughout the year.	Risk Assessment	100	102	(2)		Complete (08/13/08)	
Unscheduled Reviews and Special Requests	Time allowed for unplanned audits and requests from the Board of Directors and management.	Varies	300	292	8	250		Numerous special projects completed
Executive								
Safety Monitoring	Review of policies and procedures over safety function.	Internal Controls	175	1	174		Carryover	Postponed. APTA audit conducted FY08.
Development								
Metrolink	Inventory and review of audit activities and results thereof for the Southern California Regional Rail Authority.	Operational	300	63	237		Carryover	In process
SR-22 Contract Close-Out	Review to ensure contract stipulations were complied with and to verify the propriety of payments.	Compliance	75	33	42	300	Carryover	Report in Draft (GCAP Services, Inc.)
I-5 Gateway Contract	Review to ensure contract stipulations are being complied with and to verify the propriety of payments.	Compliance	75	36	39	300	Carryover	Scope of Work under Development

**Orange County Transportation Authority
Internal Audit Department
Fiscal Year 2007-08 Internal Audit Plan
Fourth Quarter Update**

Audit Activity	Description	Primary Audit Type	Planned Staff Hours	Staff Hours to Date	Under (Over)	Contract Hours	Status (Date to F&A)	Notes (Contract Auditor)
Caltrans Cooperative Agreement 12-281 for I-405/SR-55	Review to ensure contract stipulations were complied with and to verify the propriety of payments.	Compliance	75	66	9	300	Carryover	Report in Draft (Mayer Hoffman McCann)
Carter Burgess Contract	Review of project management services contract for bus rapid transit (BRT) system.	Compliance	75	130	(55)		Complete (1/23/08)	
Combined Transportation Fund Project (CTFP) Audits/CTFP System	Periodic review of selected projects funded by the CTFP and review of the related CTFP database.	Compliance	100	2	98	600	Carryover	Scope of Work under Development
Transit								
Buy America	Pre-award and post-delivery reviews to ensure vendor is in compliance with federal Buy America requirements.	Compliance	100	1	99			None Required
Vehicle Maintenance	Review of policies, procedures, management reporting, and regulatory compliance.	Operational	250		250		Carryover	Not yet initiated
Operations Training	Review to improve efficiencies and ensure compliance with regulations and established practices.	Operational	250	141	109		Complete (04/09/08)	
Veolia Contract	Review to ensure contract stipulations are being complied with and to verify the propriety of payments.	Compliance	250	1,231	(981)	400	Complete (05/28/08)	
Government Relations								
Grant Close-Outs	As needed financial and compliance audits of grants at close-out to ensure propriety of expenditures.	Compliance	75	74	1		4 complete	(Thompson, Cobb, Bazilio & Associates and Mayer Hoffman McCann)
Finance								
Treasury	Biannual financial and compliance reviews of the treasury function, including investment and bond compliance.	Compliance	200	209	(9)		01/01-06/30/07 Complete (10/24/07) 07/01-12/31/07 Complete (04/09/08)	
Revenue Accounting	Review of controls over the collection and processing of sales tax receipts.	Operational	250		250		Carryover	In Process
Grants Management and Accounting	Review of policies, procedures, and regulatory compliance with grant requirements.	Operational	225	75	150		Carryover	In Process

**Orange County Transportation Authority
Internal Audit Department
Fiscal Year 2007-08 Internal Audit Plan
Fourth Quarter Update**

Audit Activity	Description	Primary Audit Type	Planned Staff Hours	Staff Hours to Date	Under (Over)	Contract Hours	Status (Date to F&A)	Notes (Contract Auditor)
Farebox Operations/GFI Application System	Operational review to improve efficiencies and to analyze the accuracy of GFI fareboxes.	Internal Controls	150	188	(38)		Complete (04/09/08)	
Armored Car Service Contract	Contract compliance review of contract for armored car services.	Compliance	100	46	54		Complete (04/09/08)	
Capital Assets	Review of policies and procedures for capital assets, including capitalization policy, classifications, depreciation, disposal	Internal Controls	225	199	26		Carryover	In Process
91 Express Lanes Collections	Review of contractual compliance and performance of collections contractor Law Enforcement Services (LES)	Compliance	100	141	(41)		Carryover	In Process
Human Resources								
Payroll	Full-scope audit of the payroll function including internal controls and analytics.	Operational	425	270	155	200	Carryover	In Process
Medical Examinations	Review of contracted services for medical examinations and programs.	Compliance	150	188	(38)		Carryover	In Process
Health Insurance Portability and Accountability Act (HIPAA) Compliance	Review to ensure compliance with HIPAA regulations.	Compliance	45	54	(9)		Complete (01/23/08)	(AON Consulting)
Orange County Employees' Retirement System (OCERS)	Compliance and operational review to improve efficiencies and ensure compliance with external regulations and established practices.	Operational	275	368	(93)		Complete (07/23/08)	
Teamsters Pension Trust Fund	Compliance and operational review of contract provisions and plan operations.	Compliance	50	99	(49)	200	Complete (02/13/08 and 05/28/08)	
Contracts & Materials								
Procurement Cycle (DCA and Related Contracts)	Operational review to identify efficiencies and determine compliance with established policies and procedures.	Operational	325	298	27		Complete	Management responses under revision
Contract Administration	Operational review to identify efficiencies and determine compliance with established policies and procedures.	Operational	275	140	135		Carryover	
Southern Counties Oil Company	Contract compliance review of C50467 - diesel and unleaded fuel supply.	Compliance	125	30	95		Carryover	In Process

**Orange County Transportation Authority
Internal Audit Department
Fiscal Year 2007-08 Internal Audit Plan
Fourth Quarter Update**

Audit Activity	Description	Primary Audit Type	Planned Staff Hours	Staff Hours to Date	Under (Over)	Contract Hours	Status (Date to F&A)	Notes (Contract Auditor)
Information Systems								
Database Management	Operational review to improve efficiencies and ensure compliance with established practices.	Operational	250	17	233		Cancel	I.S. Risk Assessment completed to identify and prioritize I.S. audits
Information Systems Risk Assessment	Full inventory and risk assessment of information systems.	Risk Assessment	100	259	(159)	350	Complete (07/23/08)	(Control Solutions, Inc.)
External Affairs								
Vanpool Program	Review of first year operations and contract compliance.	Operational	175		175		Carryover	Not yet initiated
Bus Advertising Revenue Contract	Review to ensure contract stipulations are being complied with and to verify the propriety of payments.	Compliance	175	216	(41)		Complete (04/09/08)	
Monitoring Activities								
Transportation Development Act	Ongoing compliance review and follow-up of recommendations made in previous Transportation Development Act audits.		25	43	(18)			Ongoing
Measure M Citizens Oversight Committee (COC) and Administrative Activities	Coordination of audit activities with the Audit Committee of the Measure M Citizens Oversight Committee.		75	122	(47)			Ongoing
91 Express Lanes	Ongoing monitoring of 91 Express Lanes activities and participation in roundtables.		20	8	12			Ongoing
I-5 Gateway Project	Ongoing monitoring to keep apprised of activities and significant issues.		25	2	23			Ongoing
Compressed Natural Gas (CNG) Station Project	Ongoing monitoring to keep apprised of activities and significant issues.		35	30	5			Ongoing
Mincom/Ellipse Project	Ongoing monitoring to keep apprised of activities and significant issues.		25	1	24			Ongoing
BRT	Ongoing monitoring to keep apprised of activities and significant issues.		25	16	9			Ongoing
Integrated Transportation Communication System (ITCS) Radio System	Ongoing monitoring to keep apprised of activities and significant issues.		25	3	22			Ongoing
Technology Review Committee	Ongoing monitoring to keep apprised of activities and significant issues.		25	2	23			Ongoing

**Orange County Transportation Authority
Internal Audit Department
Fiscal Year 2007-08 Internal Audit Plan
Fourth Quarter Update**

Audit Activity	Description	Primary Audit Type	Planned Staff Hours	Staff Hours to Date	Under (Over)	Contract Hours	Status (Date to F&A)	Notes (Contract Auditor)
Records Management	Ongoing participation on Records Management Task Force.		75	3	72			Ongoing
Follow-Up Reviews								
State Triennial Audit	Follow-up on internal control related findings and recommendations.		150	41	109			Complete. All recommendations taken to Board committees.
Other follow-Up Reviews and Reporting	Follow-up on audit findings and recommendations.		225	128	97			Ongoing
Internal Audit Department Initiatives								
Implement AuditLeverage Software			0	368	(368)			Unplanned Project
Internal Audit Department Policies and Procedures			0	112	(112)			Unplanned Project
Total Audit Hours			7,600	7,144	456	7,000		

UNRESOLVED AUDIT FINDINGS AND RECOMMENDATIONS

(Audit Reports Issued Prior to June 2008)

Audit Issue Date	Report Number	Division / Department / Agency	Audit Name	Recommendation	Next Update	Management Response	Auditor	Notes
5/12/2006	06-015	Transit	Transit Police Services Contract Compliance and Operational Audit	We recommend that support for all credits and charges made outside of the monthly recurring contract cost be reviewed by management before approving invoices for payment.	Dec-08	All requests for credits and changes made outside of the monthly recurring contract cost are now being reviewed and approved by the Manager of Bus Operations.	Ng	Supporting documents for vacancy and workers compensation credits are not included with the invoice. Internal Audit has recommended that the Orange County Transportation Authority (OCTA or Authority) request inclusion of such documents from the Orange County Sheriff's Department. Additional follow-up will be conducted in December 2008.
5/12/2006	06-015	Transit	Transit Police Services Contract Compliance and Operational Audit	We recommend that management analyze the total cost of providing transit police services and determine whether it is beneficial to separately account for these costs.	Dec-08	Currently, the contract cost is split between the Orange County Transit District (OCTD) and Commuter Urban Rail Endowment (CURE) funds. The allocation costs are based on the division of labor between Bus and Rail, 73 percent and 27 percent respectively. All other costs are absorbed by OCTD and not equitably allocated to other service recipients. For future contract cost consideration, the cost of personnel, capital and maintenance-related costs will be included and charged back to a Transit Police Services (TPS) cost center and allocated to recipients of the TPS services. Some of these costs are: <ul style="list-style-type: none"> • Manager of Bus Operations time for administering the TPS contract. • TPS office specialist salary and benefit cost. • Capital cost for TPS vehicles. • Fuel, parts and labor for TPS vehicles. 	Ng	Management indicated they will implement this in FY 2008-09. Additional follow up will be conducted in December 2008.
5/12/2006	06-015	Transit	Transit Police Services Contract Compliance and Operational Audit	An agreement be documented between OCTA and the County for rights to conduct routine fiscal and compliance monitoring of the contract by OCTA.	Dec-08	OCTA Internal Audit Department and the Contracts and Materials Management (CAMM) Department have provided copies of an AUDIT AND INSPECTION OF RECORDS clause that will be included into contract language for any future contracts entered into between OCTA and the Orange County Sheriff Department.	Ng	An "Audit and Inspection of Records" clause has been submitted to the County of Orange for review. Additional follow-up will be conducted in December 2008.

UNRESOLVED AUDIT FINDINGS AND RECOMMENDATIONS

(Audit Reports Issued Prior to June 2008)

Audit Issue Date	Report Number	Division / Department / Agency	Audit Name	Recommendation	Next Update	Management Response	Auditor	Notes
8/2/2006	06-021	Finance, Administration and Human Resources / Development	Cofiroute Contract Compliance and Operational Audit	The contract with the California Highway Patrol (CHP) should be updated to reflect current billing rates, level of service, responsibilities of each party.	Dec-08	Management concurs. CAMM will meet with the CHP to obtain current rates, level of service, responsibilities of each party and incorporate those items into a new contract.	Ng	A contract amendment will take place which will incorporate the contract changes. The contract amendment is up in Sacramento.
8/2/2006	06-021	Finance, Administration and Human Resources / Development	Cofiroute Contract Compliance and Operational Audit	In addition to Cofiroute's review of CHP invoices for accuracy, the invoices should be reviewed by OCTA staff for propriety with contract terms.	Sep-08	Management concurs. Management will review all CHP invoices for propriety with contract terms.	Ng	CHP invoice review process will begin once the CHP contract is amended.
3/16/2007	07-011	Development	Freeway Service Patrol Operational Audit	a) Management should carefully review each invoice to ensure contract requirements are met and charges are substantiated. b) Only approved subcontractors should be used by the contractor. c) The contract should be revised to specifically state hourly rates for the prime and any subcontractors. d) All billed costs should include adequate detail to identify the work performed. Additionally, progress reports should accompany all invoices, as required by the contract. e) Support should be included for any out-of-pocket expenses billed.	Sep-08	<ul style="list-style-type: none"> • Management now carefully reviews each invoice to ensure contract requirements are met and charges are substantiated. • Contract has been amended to add approved subcontractors and their billing rates. • Each bill from contractor now lists work performed and hours on each activity. • Support is now required for all out-of-pocket expenses. 	Bonelli	Follow-up was put on hold until March 2008 after a Darrel Cohoon & Associates (DCA) Contract review was complete. Follow-up review revealed that issues still exist. Additional follow-up will be conducted with the finalization of DCA follow-up report.
3/16/2007	07-011	Development	Freeway Service Patrol Operational Audit	A formal OCTA policy should be approved that includes major Freeway Service Patrol (FSP) policy issues, such as the purpose for providing an FSP program, responsible parties and legislation and regulations that govern FSP programs. Additionally, desktop procedures should be continuously updated.	Jun-08	In June 2007 Motorist Services, in seeking Board of Directors' approval for the award of several contracts to tow truck companies, included key program background and FSP policy information in the staff report. Updated desktop procedures are being updated as time permits. Management anticipates completion in early calendar year 2008.	Bonelli	Follow up in process.

UNRESOLVED AUDIT FINDINGS AND RECOMMENDATIONS

(Audit Reports Issued Prior to June 2008)

Audit Issue Date	Report Number	Division / Department / Agency	Audit Name	Recommendation	Next Update	Management Response	Auditor	Notes
6/12/2007	07-028	Transit	ACCESS Eligibility and Certification Process Review	We recommend that OCTA consider conducting an assessment on the cost of providing unlimited paratransit services for visitors and revise their policy accordingly.	Sep-08	In sampling some of the high-use customers, it is likely that either, 1) their client file has been coded "visitor" in error, or 2) they once lived in the County, utilized the service heavily, and have since moved out of the County but have retained visitor status eligibility. Community Transportation Services (CTS) staff will review and verify the status of those visitors utilizing the service most frequently to ensure that status is accurately coded. In addition, CTS staff will further research trends for visitor use of ACCESS service. If the trend is found to be problematic, change of policy will be further considered.	Dunning	Follow-up response received from management in March 2008. Three recommendations have been implemented and cleared. Additional inquiry and review will be conducted for remaining recommendations in September 2008.
6/12/2007	07-028	Transit	ACCESS Eligibility and Certification Process Review	We commend OCTA's efforts to initiate the drafting of an Information Protection Policy. However, we recommend that OCTA aggressively move forward with completing and adopting an information protection policy that communicates management's criteria for handling and sharing sensitive data with business partners.	Sep-08	The Authority's Information Systems Department recently hired a Trapeze software specialist and a senior security analyst, to address the information protection policy issues for handling and sharing sensitive data with our contractors. The Authority staff is currently working to develop such policies and a plan for implementing these policies.	Dunning	Follow-up response received from management in March 2008. Three recommendations have been implemented and cleared. Additional inquiry and review will be conducted for remaining recommendations in September 2008.
6/12/2007	07-028	Transit	ACCESS Eligibility and Certification Process Review	We recommend that OCTA management coordinate with CARE to implement password aging and forced password change functionality for ACCESS Services Management System (ASMS). We also recommend that OCTA management coordinate with CARE to implement password formatting functionality for ASMS.	Sep-08	Currently, Comprehensive Assessment Restorative Evaluation, LLC (CARE) does not have an automated system to require passwords be changed on a regular basis. CARE assigns all new users an access password and provides a manual notification to change passwords on a quarterly basis. CARE will remind staff of this requirement by e-mail notifications and at the OCTA ACCESS/CARE quarterly staff meetings. It was recommended and agreed upon that software is to be developed for an automated forced password change. The implementation of this will depend on financial programming resources, OCTA contractual requirements with business partners, and final implementation of an OCTA contractor policy for security standards.	Dunning	Follow-up response received from management in March 2008. Three recommendations have been implemented and cleared. Additional inquiry and review will be conducted for remaining recommendations in September 2008.

UNRESOLVED AUDIT FINDINGS AND RECOMMENDATIONS

(Audit Reports Issued Prior to June 2008)

Audit Issue Date	Report Number	Division / Department / Agency	Audit Name	Recommendation	Next Update	Management Response	Auditor	Notes
6/12/2007	07-028	Transit	ACCESS Eligibility and Certification Process Review	We recommend that ASMS access rights be reviewed and approved by CARE management on a periodic basis. This would require that management sign and date an ASMS access rights report as evidence of their review.	Jan-08	Currently, there is not an automated system to require user reviews on a regular basis. CARE has an annual review of users on the ASMS system and an automatic manual notification to the Information Systems Department (IS) when employees resign or are terminated. Any user that has resigned or is terminated is removed from the access users list. CARE will conduct a manual review of users on the ASMS system at all OCTA ACCESS quarterly staff meetings. A review action document will be developed which will list the current and recently terminated users. This will be made available for review by the Eligibility Administrator.	Dunning	Follow-up response received from management in March 2008. Three recommendations have been implemented and cleared. Additional inquiry and review will be conducted for remaining recommendations in September 2008.
6/14/2007	07-002	Safety/ Environmental Compliance	Environmental Compliance Review	Internal Audit recommends that comprehensive policies and procedures over environmental compliance be developed and formalized.	Sep-08	Numerous policies and procedures exist that guide the roles and responsibilities of the Health, Safety and Environmental Compliance (HSEC) Department. These policies are in need of updates and more detailed policies need to be developed directly related to environmental compliance. At this time, we are in the process of recruiting a department manager for the Health, Safety and Environmental Compliance Department. One of the first tasks of the new department manager will be a comprehensive review of the existing policies and drafting of new policies. Policies and procedures related to environmental compliance activities will be among those to be reviewed and updated in detail.	Ng	A new department manager for the HSEC Department has been appointed and one of the first priorities is to review all policies and procedures to determine applicability and to formalize the procedures. An action plan is being developed with due dates and assigned responsibilities. Follow-up review will be conducted September 2008.

UNRESOLVED AUDIT FINDINGS AND RECOMMENDATIONS

(Audit Reports Issued Prior to June 2008)

Audit Issue Date	Report Number	Division / Department / Agency	Audit Name	Recommendation	Next Update	Management Response	Auditor	Notes
6/14/2007	07-002	Safety/ Environmental Compliance	Environmental Compliance Review	Internal Audit recommends that the Health, Safety, and Environmental Compliance Department discuss with CMM a notification process for procurements of consumables, which may involve CMM periodically sending lists of new agreements with descriptions of procured items. Alternatively, consideration should be given to incorporating the Health, Safety, and Environmental Compliance Department's pre-approval in the procurement process for consumables with hazardous properties.	Sep-08	The Health, Safety, and Environmental Compliance Department has set up several meetings to discuss implementing a process for procurements of consumables with CMM, but due to various staff changes, a process has yet to be established. In order to best comply with the Hazardous Waste Reduction Act, the Health, Safety and Environmental Compliance Department highly recommends a procedure that requires pre-approval by the department prior to procurement. This process could ensure that proper quantities are procured and could provide for an opportunity to explore substituting current hazardous materials with non-hazardous materials that are of equal effectiveness. The Health, Safety, and Environmental Compliance Department will pursue implementation of this process with CMM.	Ng	Several meetings have taken place with CMM. They understand the need. A policy is being written to implement the changes. Follow-up review will be conducted September 2008.
6/14/2007	07-002	Safety/ Environmental Compliance	Environmental Compliance Review	Internal Audit recommends that the facility section of the scope of work include better definitions when revised.	Sep-08	When CMM, Community Transportation Services, and Veolia are prepared to amend the current contract, Facilities Maintenance and the Health, Safety, and Environmental Compliance Department will assist in rewriting the facilities section of the scope of work.	Ng	This action has not yet occurred. The contract has not been amended to change the scope of work. Follow-up review will be conducted September 2008.
6/15/2007	07-012	Finance, Administration and Human Resources	Legal Services Contract Review	Legal services should be appropriately reflected in the general ledger by coding to the different accounts according to the services provided to all departments or programs.	Jun-08	Charges are allocated to departments within a fund based on materiality. Management will review the current contract setup to ensure that charges are properly recorded at the department level.	O'Connell	Follow-up review will be initiated in July.
6/15/2007	07-032	Finance, Administration and Human Resources	LNG Contract Review	CMM should revise its policies and procedures to require formal Chief Executive Officer (CEO) approval for substantial changes to terms of inventory contracts.	Aug-08	CMM agrees to review the procurement policies and procedures as they relate to inventory and to update the Procurement Manual as needed. Funds have been budgeted in the fiscal year 2008 budget for this activity. It is anticipated that this effort will start in the September time frame and will include a procedure for handling inventory purchases as well as amendments to inventory contracts.	Bonelli	An Request for Proposal (RFP) has been issued for a consultant to assist with updating the procurement manual. A completed manual is anticipated by August 2008. We will follow up with this item at that time.

UNRESOLVED AUDIT FINDINGS AND RECOMMENDATIONS

(Audit Reports Issued Prior to June 2008)

Audit Issue Date	Report Number	Division / Department / Agency	Audit Name	Recommendation	Next Update	Management Response	Auditor	Notes
6/15/2007	07-032	Finance, Administration and Human Resources	LNG Contract Review	The monthly index prices for Liquefied Natural Gas (LNG) should be independently verified and retained with the invoices.	Aug-08	CAMM agrees to independently verify the index price from a published source and forward that information to Accounts Payable. Accounts Payable can retain this verification with the invoices.	Bonelli	Management is in the process of implementing a new procedure to verify fuel prices from an independent source. We will follow up with the implementation of this recommendation in August 2008.
6/25/2007	07-031	Deputy Chief Executive Officer	Records Management Assessment	OCTA should develop a plan for the implementation of a comprehensive program to manage records organization-wide. Policies and procedures for the systematic and orderly accumulation and storage of active records should be developed to provide a foundation upon which better records retention and destruction can be controlled.	Jul-08	(Audit findings for this assessment were referred to the Deputy Chief Executive Officer and the newly-created Records Management Task Force for further consideration and implementation of a comprehensive plan to address the issues identified in the assessment.)	O'Connell	
6/25/2007	07-031	Deputy Chief Executive Officer	Records Management Assessment	Employee awareness of their roles and responsibilities with regard to records management should be strengthened. A formal training program should be developed to drive greater accountability.	Jul-08	(Audit findings for this assessment were referred to the Deputy Chief Executive Officer and the newly-created Records Management Task Force for further consideration and implementation of a comprehensive plan to address the issues identified in the assessment.)	O'Connell	
6/25/2007	07-031	Deputy Chief Executive Officer	Records Management Assessment	OCTA should provide the technological resources necessary to allow consistent, organization-wide records retention, management, and retrieval. Electronic data and mail should be consistently classified, filed, sorted, and purged.	Jul-08	(Audit findings for this assessment were referred to the Deputy Chief Executive Officer and the newly-created Records Management Task Force for further consideration and implementation of a comprehensive plan to address the issues identified in the assessment.)	O'Connell	
6/25/2007	07-031	Deputy Chief Executive Officer	Records Management Assessment	The current policy and records retention schedules should be updated to include security, third party and electronic document considerations.	Jul-08	(Audit findings for this assessment were referred to the Deputy Chief Executive Officer and the newly-created Records Management Task Force for further consideration and implementation of a comprehensive plan to address the issues identified in the assessment.)	O'Connell	

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9/11/2007	08-028	Finance, Administration and Human Resources	STIP PPM Financial and Compliance Review, Fiscal Year 2004-05	We recommend that OCTA management improve its oversight and review of costs charged to the State Transportation Improvement Program (STIP) Planning, Programming and Monitoring Program (PPM).	Oct-08	OCTA staff concurs that all future reimbursement requests will be thoroughly reviewed and signed off by the Revenue Manager. In addition, staff has initiated contact with the California Department of Transportation (Caltrans) to reconcile the specific project within the Fiscal Year 2004-05 Work Program.	O'Connell	A contract auditor for the fiscal year 2003-04 STIP PPM Program will be selected in August 2008 and results will be used to evaluate effectiveness of program oversight.
9/11/2007	08-028	Finance, Administration and Human Resources	STIP PPM Financial and Compliance Review, Fiscal Year 2004-05	We recommend that OCTA management improve its oversight to ensure compliance with the Agreement reporting requirements.	Oct-08	OCTA staff concurs that all future oversight will be improved to ensure compliance with the STIP/PPM Agreement reporting requirements.	O'Connell	A contract auditor for the fiscal year 2003-04 STIP PPM Program will be selected in August 2008 and results will be used to evaluate effectiveness of program oversight.
10/27/2007	07-024	Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	In reviewing the health plans from a Health Insurance Portability and Accountability Act (HIPAA) privacy and data security standpoint, it was not entirely clear that all covered entities have been properly identified. For example, the Executive Management Physical Program (Program) may be a covered entity unless it is determined to fit within the exemption for plans with less than 50 participants and is self-administered. To the extent that the Executive Management Physical Program does not fit within this exemption, then it will be necessary for the Program to comply with HIPAA privacy and data security tasks.	Jun-08	Management agrees with the recommendation. We will engage in discussions with Legal Counsel to determine if the management physical program is a covered entity. If the program is determined to be a covered entity, we will take the necessary steps to ensure that the program complies with HIPAA.	Dunning	Follow-up review is in process.

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10/27/2007	07-024	Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	A determination of the potential tax implications of the Executive Management Physical Program or the potential impact on nondiscrimination testing for this self-funded benefit is outside the scope of this review. However, under Internal Revenue Code Section 105(h), a self-insured medical expense reimbursement plan may provide tax-free health care expense reimbursements to highly compensated individuals if the plan does not discriminate in favor of those highly compensated individuals. Should a certain benefit fail a nondiscrimination test, then the federal income tax advantages may not be available, and in certain instances, the value of the benefit or a portion of the benefit may become taxable to the highly compensated individuals or key employees. Additional federal income tax reporting may therefore result.	Jun-08	Management agrees with the recommendation. We will engage in discussions with payroll and Legal Counsel to determine any potential tax implications.	Dunning	Follow-up review is in process.
10/27/2007	07-024	Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	We recommend that OCTA adopt a "hands-off" approach for handling information from its fully insured plans. If a "hands-off" approach to PHI is adopted, the existing privacy policies and procedures should be updated to reflect the additional policies required for compliance, and training should be provided for the new policies and procedures.	Jun-08	Management agrees with the recommendation. We will take the necessary measures to adopt a "Hands-Off" approach and will amend our policies and procedures to ensure proper record keeping of this approach.	Dunning	Follow-up review is in process.

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10/27/2007	07-024	Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	For a "hands-off" approach, OCTA will need to obtain a HIPAA authorization to assist participant with claims and other customer service activities when Protected Health Information (PHI) is used or disclosed without the individual present.	Jun-08	Management agrees with the recommendation. We will institute a process that will require HIPAA authorization to assist participant with claims and other customer service activities when PHI is used or disclosed with out the individual present.	Dunning	Follow-up review is in process.
10/27/2007	07-024	Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	OCTA needs to formally appoint a Privacy Official and a Security Official to be accountable for the privacy and data security obligations under the HIPAA rules and regulations.	Jun-08	Management agrees with the recommendation. We will take the necessary measures to appoint a Privacy Official and a Security Official, and we will update our current record keeping documents to reflect the appointed officials.	Dunning	Follow-up review is in process.
10/27/2007	07-024	Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	OCTA should update its training materials to provide more comprehensive training on HIPAA Privacy and Data Security and conduct a refresher training ensuring that all members of the workforce who handle PHI are timely trained.	Jun-08	Management agrees with the recommendation. We will update our training materials to include the recommendations given and will conduct a refresher training for all members of our workforce who handle PHI. In addition to providing training for those directly responsible for protecting PHI related information, the Information Systems department will be conducting annual Authority wide general Information Security Awareness training. Security Awareness training has been identified as one of the top Authority security initiatives as it provides the greatest security benefits for each dollar spent.	Dunning	Follow-up review is in process.
10/27/2007	07-024	Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	OCTA should develop a training module that will highlight the importance of e-PHI security to the personnel performing services involving the health plans or e-PHI.	Jun-08	Management agrees with the recommendation. We will include e-PHI guidelines within the updated training materials.	Dunning	Follow-up review is in process.

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10/27/2007	07-024	Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	OCTA should finalize and implement HIPAA record retention policies for the Human Resources Department.	Jun-08	Management agrees with the recommendation. We will finalize and implement the HIPAA record retention policies after review with Legal Counsel. The Authority, under the guidance of the IS Department manager and Deputy CEO, is in the process of developing an enterprise wide data retention and classification process, that will ensure that any PHI related information is properly protected and archived.	Dunning	Follow-up review is in process.
10/27/2007	07-024	Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	We recommend OCTA obtain Business Associate agreements with its vendors for shredding services and records storage.	Jun-08	Management agrees with the recommendation. The IS Department will work with CAMM to amend the current contracts in order to remediate this gap.	Dunning	Follow-up review is in process.
10/27/2007	07-024	Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	OCTA should issue an addendum to its Business Associate agreement with Mercer Human Resource Consulting, Inc. (Mercer) to include adequate protections for the data security requirements under HIPAA.	Jun-08	Management agrees with the recommendation. We will hold discussions with Mercer and request an amendment to the Business Associate agreement to include adequate protections for the data security requirements.	Dunning	Follow-up review is in process.
10/27/2007	07-024	Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	We recommend OCTA receive confirmation of compliance with HIPAA's privacy and security rules from all service providers for the health plans.	Jun-08	Management agrees with the recommendation. We will receive confirmation of compliance from all service providers for the health plans (Mercer and Creative Benefits).	Dunning	Follow-up review is in process.
10/27/2007	07-024	Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	OCTA should review further and determine whether Chief Executive Office is properly included in the firewall and whether the categories listed in its Minimum Necessary Policy are appropriate and not too broadly defined.	Jun-08	Management agrees with the recommendation. We will review further and determine whether Chief Executive Office is properly included in the firewall and whether the categories listed in the Minimum Necessary Policy are appropriate and not too broadly defined.	Dunning	Follow-up review is in process.

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10/27/2007	07-024	Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	OCTA should to conduct a comprehensive inventory and risk assessment of e-PHI to ensure that OCTA's health plans have established the necessary data security safeguards to comply with HIPAA. OCTA has drafted a number of enterprise-wide policy statements for protecting and safeguarding sensitive electronic information, which we recommend OCTA finalize as soon as possible. Additionally, the Finance Administration and Human Resources (FAHR) Division needs to further develop, implement, and operate in compliance with these data security procedures/standards.	Jun-08	Management agrees with the recommendation. This recommendation requires both a review of the manual and technical process/flow of how PHI information moves through the organization. Once this has been completed a better risk assessment can be accomplished. Final adoption of the Authority's newly created security policies and standards is anticipated before year end 2007.	Dunning	Follow-up review is in process.
10/27/2007	07-024	Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	Once the enterprise-wide policy statements are adopted, OCTA should adopt by reference (or amend), on behalf of the health plans, the existing data security policy statements that apply within OCTA with appropriate modification to make certain that such policies specifically extend to e-PHI. In addition, OCTA should confirm that e-PHI should be treated as "Confidential" with respect to all such policies and procedures, and provide that access to such information will be limited solely to those individuals required to review such information.	Jun-08	Management agrees with the recommendation. Current draft policies have provisions that address this recommendation. As stated in response to recommendation 13, the security policies and standards are anticipated being adopted before year end 2007.	Dunning	Follow-up review is in process.

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10/27/2007	07-024	Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	OCTA should amend appropriate plan documents to reflect the requirements of the HIPAA data security rule. Additionally, the Flexible Benefits Plan HIPAA Amendment needs to be amended to provide data security language.	Jun-08	Management agrees with the recommendation. We will work with our Flexible Benefits Plan provider to ensure proper language is included in the plan documents on data security.	Dunning	Follow-up review is in process.
10/27/2007	07-024	Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	OCTA should re-examine the number of individuals who have access to e-PHI on a regular basis to reaffirm their need for receipt of or access to the data currently provided to them (i.e., do their job responsibilities require that they access e-PHI), and investigate alternative data forms that do not negatively impact their functions but mitigate the risk of unintentional violations of security standards.	Jun-08	Management agrees with the recommendation. However, this recommendation requires regular review by Human Resources. The Information Systems department can provide relevant reports on a normal basis to support this review and will modify access to PHI systems as directed by the data owner (HR). Information Systems department are considered the custodians of the information, which means it does not make decision on who access is granted to. We will re-examine the number of individuals who have access to e-PHI on a regular basis to reaffirm their need for receipt of or access to the data currently provided to them.	Dunning	Follow-up review is in process.
10/27/2007	07-024	Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	In concert with OCTA's Information Systems resources, OCTA's Human Resource/ Benefits personnel should establish a specific process for the ongoing evaluation of security policies for the health plans.	Jun-08	Management agrees with the recommendation. Human Resources will work in concert with Information Systems department to establish the process by which we operate for evaluation of our security policies for Creative Benefits health plan.	Dunning	Follow-up review is in process.

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10/27/2007	07-024	Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	OCTA should investigate the costs, required resources and vendor abilities to pursue a data encryption program for all internal and external e-PHI transmissions.	Jun-08	Management agrees with the recommendation and will analyze... Currently, majority of all e-PHI data transmissions inside and outside the organization has been identified and documented. All transmission of e-PHI data over the open Internet is currently being encrypted. IS and HR will need to verify that e-PHI approved users are not using any mechanism outside those documented (e.g. sending e-PHI via unprotected email) or stored on a unsecured location (e.g. Open file share). Once the e-PHI network data flow has been confirmed an internal review of transmission will be conducted in order to determine the best encryption mechanism to use.	Dunning	Follow-up review is in process.
10/27/2007	07-024	Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	After the health plans are in existence for at least a year, we recommend that OCTA perform an analysis of the flow of individually identifiable health information for its health plans that pertains to plan participants and their covered dependents. The analysis should encompass the uses of the health information, any disclosures of such health information, and the retention/recording of such health information. The overall objective of the analysis should be to identify any impermissible health information use or disclosure practices that must be revised to conform with the HIPAA standards and ensure the fully insured plans are operating in accordance with a "Hands-Off" Approach.	Jun-08	Management agrees with the recommendation. We will create a process flow chart for the Flexible Spending Account (FSA). In the report it indicates that when using the term "health plans" it is referencing the FSA account/ Creative Benefits. The reference is also being made when stating in the recommendation "After the health plans are in existence for at least a year".	Dunning	Follow-up review is in process.

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10/27/2007	07-024	Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	We recommend that OCTA store any and all sensitive health information related to these prior plans and obtain a business associate agreement with the outside document storage vendor. Aon has not reviewed, and there appears to be very little guidance available, as to whether OCTA still has HIPAA obligations with respect to these terminated health plans. As such, further discussion with legal counsel is recommended.	Jun-08	Management agrees with the recommendation. Human Resources will work with the Records Retention department to establish required language in the business associate agreements for the outside document storage vendor.	Dunning	Follow-up review is in process.
10/27/2007	07-024	Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	OCTA should confirm that the California Public Employees Retirement System (CalPERS) is HIPAA compliant with respect to its Long Term Care (LTC) Plan.	Jun-08	Management agrees with the recommendation. We will confirm that CalPERS is HIPAA compliant.	Dunning	Follow-up review is in process.
10/27/2007	07-024	Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	In future negotiation with these unions, OCTA should consider obtaining certification that the applicable unions are in compliance with HIPAA's rules and regulations.	Jun-08	Management agrees with the recommendation. We will address this recommendation with Employee Relations and Legal Counsel.	Dunning	Follow-up review is in process.
10/27/2007	07-024	Finance, Administration and Human Resources	Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment	We recommend that to the extent applicable, third parties such as medical, dental, vision and Employee Assistance Program (EAP) providers confirm compliance with the electronic transaction and unique health identifiers regulations on an annual basis with respect to the OCTA health plans.	Jun-08	Management agrees with the recommendation. We will establish an annual process to confirm compliance with HIPAA for all third party health care entities.	Dunning	Follow-up review is in process.

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10/31/2007	07-030	Finance, Administration and Human Resources	2007 Management Letter / Single Audit Report of Federal Awards, Year Ended 2006-07	We recommend that OCTA modify its current subrecipient monitoring policies and procedures to conform with federal requirements and communicate these policies and procedures to all managers of federal programs.	Sep-08	OCTA staff concurs and will subsequently modify its current subrecipient monitoring policies and procedures to conform with federal requirements and further communicate these policies and procedures to all managers of federal programs.	O'Connell	
10/31/2007	07-030	Transit	2007 Management Letter / Single Audit Report of Federal Awards, Year Ended 2006-07	We recommend that OCTA adhere to the Buy America requirements and ensure that all documentation is contained in the procurement files to support OCTA's compliance.	Sep-08	Staff provided the necessary quality assurance oversight for the referenced procurement, and the actual in-plant and acceptance inspections were conducted by OCTA mechanics. We did not use an individual checklist for each bus to confirm that each item of the Buy America Pre-Award Audit was verified by signature at the place and date of assembly by our resident inspectors. Since this delivery, we have expanded our inspection detail for our resident in-plant inspector's documentation and definition of the actual components used during the Pre-Award Audit to determine U.S. content and final assembly. We currently use the list of components, as approved by make and model, during the vehicles' assembly process.	O'Connell	
10/31/2007	07-030	Deputy Chief Executive Officer	2007 Management Letter / Single Audit Report of Federal Awards, Year Ended 2006-07	OCTA should develop and implement a policy on misconduct. Once developed, the policy should be acknowledged and signed by each employee on an annual basis as evidence of their reaffirmation that they understand the policy and have complied with its provisions.	Sep-08	Management will develop and implement a policy on misconduct; each new hire will be asked to acknowledge and sign the policy upon starting work at OCTA.	O'Connell	
10/31/2007	07-030	Finance, Administration and Human Resources	2007 Management Letter / Single Audit Report of Federal Awards, Year Ended 2006-07	We recommend that OCTA require departments using on-call contracts to comply with the existing Policies and Procedures Manual requirements governing the use of Contract Task Orders (CTOs).	Sep-08	Management agrees to ensure that all departments using on-call contracts comply with the existing Policies and Procedures Manual requirements governing the use of CTOs.	O'Connell	

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10/31/2007	07-030	Finance, Administration and Human Resources	2007 Management Letter / Single Audit Report of Federal Awards, Year Ended 2006-07	We recommend that OCTA acquire or develop an inventory system for passes that provides for proper tracking of unissued passes. Additionally, if the system also serves as a point of sales system, OCTA should ensure the system is compliant with current privacy regulations.	Sep-08	Management agrees that an inventory system is needed to track bus passes. For over 10 years, a manual Excel spreadsheet has been used to record pass receipts and sales. The spreadsheet was never reconciled to a physical inventory count until fiscal year 2006-2007. While investigating the discrepancies after the first inventory, it was determined that the Public Information and Customer Service (PICS) did not account for passes issued at no cost for promotional purposes. The adjustments to inventory were the result of cumulative transactions over a 10-year period. PICS has since been modified so that passes issued at no cost will be deducted from the excel spreadsheet inventory. Additionally, OCTA is in the process of procuring a point of sale and inventory software package for the pass sale function. Only applications that comply with privacy regulations are being considered.	O'Connell	
10/31/2007	07-030	Finance, Administration and Human Resources	2007 Management Letter / Single Audit Report of Federal Awards, Year Ended 2006-07	We recommend that OCTA develop and implement a formal change management process that documents the system development life cycle of changes to hardware applications and systems.	Sep-08	OCTA's IS Department Management Team recognizes the need for a more formal and consistent method to documenting and controlling change in its computing environment. A combination of internal Help Desk tickets, external vendor help desk tickets, and an internal tracking spreadsheet are being used and reviewed at least twice per week to coordinate, communicate and track when changes are implemented. OCTA has developed a scope of work to pilot practices and a software solution that will bring improvements in both Configuration Management and Change Management practices to the department. Our plan is currently on hold due to competing demands of other projects deemed more important. We plan to further evolve the practices into the department's operation.	O'Connell	

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10/31/2007	07-030	Finance, Administration and Human Resources	2007 Management Letter / Single Audit Report of Federal Awards, Year Ended 2006-07	We recommend that an individual within the IS Department be tasked with the responsibility of assigning access permissions within IFAS. Access permission should only be assigned upon receipt of a properly authorized request for access.	Sep-08	Since the implementation of IFAS, the Section Manager of General Accounting has been assigning access in IFAS as there was no one in the IS Department supporting the IFAS system. IS recently hired a Business Computing System Specialist (BCSS) to support the IFAS. As the BCSS gains IFAS expertise, the Accounting Department will transition the assignment of permissions to the BCSS.	O'Connell	
10/31/2007	07-030	Finance, Administration and Human Resources	2007 Management Letter / Single Audit Report of Federal Awards, Year Ended 2006-07	We recommend that management prepare written instructions for department heads to be included as part of OCTA's accounting policies and procedures manual. These instructions should document the basic concepts of proper cutoffs and the individuals responsible for accruing payables at the accounting period end.	Sep-08	Accounting distributes instructions and an accrual worksheet to department heads regarding the year end cutoff, seeking notification of any outstanding expenses that were incurred prior to year end. Next year, Accounting will supplement the written instructions with in-person meetings with staff responsible for submitting invoices. The Accounting Department will also require accounts payable supervisory review of all weekly check writes through October to ensure that all payments related to the previous fiscal year have been properly accrued.	O'Connell	
12/3/2007	07-037	Korean American Senior Association of Orange County (KASA) - passed through the City of Garden Grove	2006-07 Annual Transportation Development Act Audits	We recommend that KASA maintain mileage logs to support reimbursements paid to employees. The auditable mileage logs should contain the following at a minimum: data of trip, purpose of trip, beginning odometer reading, ending odometer reading and total miles. KASA should reimburse employees for business miles at the established Internal Revenue Service (IRS) mileage rate instead of paying 100 percent of the fuel, repair, and maintenance costs for employee vehicles.	Jul-08	(Internal Audit requested a management response from KASA by February 25, 2008.)	O'Connell	FY 2007-2008 TDA audit kick-off was conducted on July 15, 2008. MHM will evaluate corrective action.

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12/3/2007	07-037	Korean American Senior Association of Orange County (KASA) - passed through the City of Garden Grove	2006-07 Annual Transportation Development Act Audits	We recommend that KASA obtain and implement automated accounting software that will allow for double-entry accounting and result in the production of a trial balance and general ledger detailing all transactions.	Jul-08	(Internal Audit requested a management response from KASA by February 25, 2008.)	O'Connell	FY 2007-08 TDA audit kick-off was conducted on July 15, 2008. MHM will evaluate new software purchased by the KASA.
12/7/2007	07-035	Orange County Transportation Authority (Transit)	Agreed-Upon Procedures Performed with Respect to the National Transit Database Report, For the Period July 1, 2006 through June 30, 2007	We recommend that OCTA ensures that the contractor establishes written procedures requiring that the Data Entry Clerk document the reconciliation of the tripsheets and the Window Supervisor document the review of all tripsheets.	Jul-08	Management will ensure the contractor implements the recommendation	O'Connell	
12/7/2007	07-035	Orange County Transportation Authority (Transit)	Agreed-Upon Procedures Performed with Respect to the National Transit Database Report, For the Period July 1, 2006 through June 30, 2007	We recommend that OCTA develop and implement procedures to ensure the mathematical accuracy of the periodic data included on the worksheets and the periodic summaries for National Transit Database (NTD) reporting purposes.	Jul-08	OCTA Operations Analysis Department is in the process of developing written procedures to ensure formula calculations are accurate for NTD reporting purposes.	O'Connell	
12/19/2007	07-004	Orange County Transportation Authority (Finance, Administration and Human Resources)	2006-07 Annual Transportation Development Act Audits	We recommend that OCTA file claims for reimbursement for allowable Transportation Development Act (TDA) Article 3 expenses on at least a semi-annual basis. Additionally, we recommend that OCTA report its TDA revenue and expenses on the accrual basis of accounting.	Jul-08	In September 2006, staff recognized that the TDA Article 3 reserve balance established at the County Auditor-Controller was unusually high. An analysis determined that \$3.72 million should be claimed in the October 2006 submittal to the County Auditor-Controller. This analysis uncovered an inadequate process that has subsequently been addressed. Staff will file claims for reimbursement for allowable TDA Article 3 expenses on at least a semi-annual basis.	O'Connell	
12/19/2007	07-036	City of La Habra	2006-07 Annual Transportation Development Act Audits	We recommend that the City of La Habra competitively bid its contract for senior transportation services upon expiration.	Jul-08	The city agrees with the audit recommendation and plans to have a competitively bid contract in place within the next 60 days.	O'Connell	

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2/18/2008	07-015	External Affairs	Bus Advertising Program Contract Compliance Operational Review	Internal Audit recommends that OCTA periodically request detail supporting the gross revenue reported by Titan Advertising, Inc. (Titan). The contract manager should then periodically, and on a sample basis, confirm advertising revenue directly with the advertisers. Internal Audit also recommends that management perform periodic comparisons of bus advertising revenues among local transit agencies to determine whether trends in OCTA's bus advertising revenues are consistent with trends experienced by other transit agencies. Finally, Internal Audit recommends that future procurements relating to bus advertising revenue administration also solicit proposals for annual flat fee amounts in addition to revenue sharing percentages and minimum guaranteed payments in the Request For Proposal (RFP).	Aug-08	The contract manager will request that Titan provide OCTA with detailed individual sales invoices between Titan and their advertisers and conduct an annual spot check directly with the advertisers to verify the cost and quantity of purchased advertisements. In addition, the contract manager will select two to three Southern California transit agencies to compare revenue receipts on an annual basis. For future procurements, OCTA will solicit proposals for annual flat fee amounts in addition to revenue sharing and minimum guaranteed payments in the Request For Proposal (RFP).	Bonelli	
2/18/2008	07-015	External Affairs	Bus Advertising Program Contract Compliance Operational Review	We recommend that management request that Titan report gross revenue, adjustments to gross revenue including any applicable agency commissions or production costs, and net revenue in its monthly revenue reports. This will allow the Contract Manager to evaluate whether the adjustments to gross revenue are allowable under the terms of the Titan Contract.	Aug-08	The Contract Manager has begun working with Titan to include the gross revenue, adjustments from agency commission and net revenue in the monthly reports. Although some contracts include production costs, when Titan invoices the agencies, revenue and production costs are invoiced separately. Therefore, the production costs will not be included in the monthly reports as they report revenue only. Titan's new monthly reports, reflecting these changes, are expected to begin in March 2008.	Bonelli	

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(Audit Reports Issued Prior to June 2008)

Audit Issue Date	Report Number	Division / Department / Agency	Audit Name	Recommendation	Next Update	Management Response	Auditor	Notes
3/18/2008	07-019	Transit	Operations Training Program Operational Audit	Management should ensure that updated copies of required documents are kept in the training files.	Sep-08	A review of the finding indicated that Operations Training and the Operations base managers need to work more closely to develop a procedure to ensure that a copy of each coach operator's required documents are kept not only at the base, but are routinely sent to the Operations Training Manager. A log of these transactions will be developed and maintained by the office specialist in Operations Training.	O'Connell	
3/18/2008	07-019	Transit	Operations Training Program Operational Audit	Management should ensure that Department of Motor Vehicles (DMV) Form DL260 is kept current and is in the training files.	Sep-08	Procedures will be changed to update training within the month that a training requirement is fulfilled. All files will be kept current.	O'Connell	
3/18/2008	07-019	Transit	Operations Training Program Operational Audit	Management should ensure that instructors are giving road tests at least every 90 days. Additionally, road trip testing logs for each instructor should be kept in the training files.	Sep-08	A review of the Operations training files revealed two of the instructors did not conduct road trip testing due to medical leaves of absence. When they returned to work, they were reinstated and have since been current. The third instructor had completed the required road trips, but the information had been incorrectly recorded. That information has been corrected. The information for each individual instructor will now be kept in their training files.	O'Connell	
3/18/2008	07-019	Transit	Operations Training Program Operational Audit	To ensure efficiency of the training program, management should require behind-the-wheel trainers (BWTs) to commit to a minimum number of hours each year for training. Based on the number of hours needed, the number of trainers should also be determined.	Sep-08	The previous Collective Bargaining Agreement (CBA) in effect from May 2004 through April 2007, only allowed coach operators to work with Operations Training for a limited number of hours. This includes two categories, behind-the-wheel instructors (BWI), or working with the training class, and BWT, instructing new operators out on the street after completing the Student Coach Operator Training (SCOT). The new CBA does not renew that portion of the agreement. Operations Training is currently evaluating the best use of the BWI and BWT program.	O'Connell	

UNRESOLVED AUDIT FINDINGS AND RECOMMENDATIONS

(Audit Reports Issued Prior to June 2008)

Audit Issue Date	Report Number	Division / Department / Agency	Audit Name	Recommendation	Next Update	Management Response	Auditor	Notes
3/18/2008	07-019	Transit	Operations Training Program Operational Audit	Management should conduct records of hours, including overtime, used to back-fill route assignments for BWIs. This information should be used to determine the most efficient structure of the BWI program.	Sep-08	When coach operators are used as BWIs, their regular work is back-filled, but when they are BWTs, they mentor new operators on their own route assignments and no back-fill is required. The Bus Operations Manager will work with the Operations Training group to determine a method of recording the overtime required for the BWI program.	O'Connell	
3/24/2008	08-012	Finance, Administration and Human Resources	Investment Activities July 1 through December 31, 2007	Internal Audit recommends that the Treasury Department ensure that the reconciliation of all balances on the Portfolio Listing is accurate prior to inclusion in the debt and investment reports.	Oct-08	The account balances are reconciled on a monthly basis to the Account Balance worksheet. This is a manual process. The balances are used to create the quarterly investment report that contains the Portfolio Listing. The Treasury Department will work to ensure that the balances shown in the printed report from quarter-end are reflected accurately in the debt and investment reports.	Ng	Follow-up review will be rolled into the next Investment Activities audit.
4/10/2008	07-018	Finance, Administration and Human Resources / Development	Farebox Revenue Operations Operational Review	We recommend that management monitor and investigate cumulative farebox variances.	Oct-08	Management concurs and is aggressively seeking ways to improve the accuracy of revenue reports so variances can be detected and investigated promptly. Steps include: 1) Working with the maintenance department to minimize the unclassified revenues that result from low batteries and timing issues, making it easier to reconcile actual deposits to anticipated revenue on a bin-by-bin basis. 2) Investigating the practice of placing circuit boards with test data into actual fareboxes. This may be inflating the Genfare, Inc.(GFI) revenue. 3) Seeking additional training on the GFI system from the supplier to identify additional GFI tools that may help identify the causes of variances. 4) Randomly auditing individual cash boxes, reconciling the actual collection to the GFI revenue figures to validate the GFI revenue figures that result from the probing process. 5) Monitoring the unclassified revenue amounts on a daily basis to enable quicker responses to spikes in unclassified revenue figures.	Bonelli	

UNRESOLVED AUDIT FINDINGS AND RECOMMENDATIONS

(Audit Reports Issued Prior to June 2008)

Audit Issue Date	Report Number	Division / Department / Agency	Audit Name	Recommendation	Next Update	Management Response	Auditor	Notes
4/24/2008	08-005	Transit	Review of Agreement No. C-5-3021 with Veolia Transportation Services, Inc.	The Community Transportation Services (CTS) Department should document the evaluation of the performance standards and related penalties for all of the thirty-two standards from contract inception to date. CTS should develop policies and procedures for this evaluation process. CTS should apply the performance standards in a consistent manner as specified in the Contract and, with Board of Director approval, amend the Contract to delete performance standards that are impossible or impractical to measure. Any deviations from contract terms should be elevated to executive management and, possibly, the Board of Directors.	Oct-08	CTS staff concurs with the recommendation and will ensure that incentives and penalties are applied to all performance standards as stated in the contract, or delete non-applicable performance standards and seek to amend the contract accordingly. In addition, CTS will develop a performance standards checklist to be included with each monthly service invoice to provide the status of each standard along with the application of the standard (a penalty, incentive, N/A) to the approved payment to Veolia.	Dunning	
4/24/2008	08-005	Transit	Review of Agreement No. C-5-3021 with Veolia Transportation Services, Inc.	The Contract should be amended to more specifically address fuel expense. The amendment should specify the terms of such an agreement as well as documentation required for any reimbursement.	Oct-08	The CTS Department staff concur with the recommendation and will work with the Contracts and Material Management (CAMM) Department to draft contract language which addresses the responsibility of providing Compressed Natural Gas (CNG) fuel for OCTA vehicles assigned to the contract. The language addressing this item will be incorporated into an amendment to the current contract with Veolia.	Dunning	
4/24/2008	08-005	Transit	Review of Agreement No. C-5-3021 with Veolia Transportation Services, Inc.	The Contract should be amended to address Standby Service and its accompanying rates.	Oct-08	The CTS Department staff concurs with the recommendation and will develop a definition for Express Bus Standby Service and work with the CAMM Department to incorporate this into an amendment of the current contract with Veolia.	Dunning	

UNRESOLVED AUDIT FINDINGS AND RECOMMENDATIONS

(Audit Reports Issued Prior to June 2008)

Audit Issue Date	Report Number	Division / Department / Agency	Audit Name	Recommendation	Next Update	Management Response	Auditor	Notes
4/24/2008	08-005	Transit	Review of Agreement No. C-5-3021 with Veolia Transporation Services, Inc.	The CTS Department should clarify the maximum trips specified in the Contract or the Contract should be amended to be consistent with the terms of the Yellow Cab contract.	Oct-08	The maximum obligation of the contract with Yellow Cab of North Orange County for the provision of Same Day Taxi Service was developed using a maximum number of trips per day. There have been few occasions that the maximum number has been exceeded. There are many occasions that the number of trips requested under this program fall far below the maximum, particularly on weekends. Because of this variance, trips in excess of the maximum are generally accomodated because this can be done without exceeding the maximum obligation of the contract. The contract language could be clarified to specify that the maximum number of trips is an estimate.	Dunning	
4/24/2008	08-005	Transit	Review of Agreement No. C-5-3021 with Veolia Transporation Services, Inc.	We recommend that Veolia update current policies and procedures to ensure that the supervisory review (of trip sheets) has been completed by signing each trip sheet as they are submitted at the completion of routes.	Oct-08	CTS Department staff concur with the recommendation. CTS staff will work with Veolia staff to ensure that a "sign-off," or signature verifying trip sheet accuracy, is included on all ACCESS trip sheets.	Dunning (MHM)	
5/16/2008	08-009	Finance, Administration and Human Resources	Limited Review of Western Conference of Teamsters Pension Plan	Because OCTA pays for the Western Conference of Teamsters (WCT) Pension Plan benefit, Internal Audit recommends that OCTA acquaint new employees with the WCT Pension Plan during new coach operator and maintenance employee orientation.	Nov-08	We will add a slide to the new employee orientation materials indicating that the Coach Operators have a pension Plan through the Teamsters Union that is administered by Southwest Administrators and that any questions about this retirement benefit should be directed to Southwest Administrators or they should contact their union representative for additional information.	Ng	



BOARD COMMITTEE TRANSMITTAL

August 25, 2008

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Draft Fiscal Year 2008-09 Internal Audit Plan

Finance and Administration Committee Meeting of August 13, 2008

Present: Directors Brown, Buffa, Campbell, and Green
Absent: Directors Amante and Moorlach

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

- A. Approve the Draft Fiscal Year 2008-09 Internal Audit Plan.
- B. Direct the Internal Audit Manager to provide quarterly updates on the Internal Audit Plan.

Note

Staff verbally corrected Attachment A, Appendix B, page one under the "Audit Activity" column, section "Internal Audits", Price Reviews" "Outsourced Hours" column needs to include 750 outsourced hours.



August 13, 2008

To: Finance and Administration Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Draft Fiscal Year 2008-09 Internal Audit Plan

Overview

At the direction of the Orange County Transportation Authority's Board of Directors, the Internal Audit Department develops and implements an annual Internal Audit Plan as an essential tool to assist management in the discharge of its responsibilities and to protect the integrity of the Orange County Transportation Authority's operations and assets.

Recommendations

- A. Approve the Draft Fiscal Year 2008-09 Internal Audit Plan.
- B. Direct the Internal Audit Manager to provide quarterly updates on the Internal Audit Plan.

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 its duties and responsibilities.

Discussion

The Internal Audit Department is presenting the Draft Fiscal Year 2008-09 Internal Audit Plan (Audit Plan) for the Board of Directors' approval. The Audit Plan was developed using an enterprise-wide risk assessment with input from OCTA management. The Audit Plan will be implemented using Internal Audit Department staff and through the use of on-call consultants, the independent auditors for the annual financial audit of OCTA, and other firms to be contracted as needed.

During the fiscal year, priorities and circumstances are likely to change, requiring that changes be incorporated into the Audit Plan. This may require changing the timing and scope of some audits. Therefore, the Audit Plan is an active document which will be updated on a regular basis.

Fiscal Impact

The Audit Plan has been developed within the resources available in the adopted budget for fiscal year 2008-09.

Summary

The Audit Plan has been developed to support the Board of Directors and OCTA management in the discharge of duties and responsibilities to safeguard the assets of OCTA while ensuring those assets are used in an efficient and effective manner.

Attachment

- A. Draft Fiscal Year 2008-09 Internal Audit Plan

Prepared by:

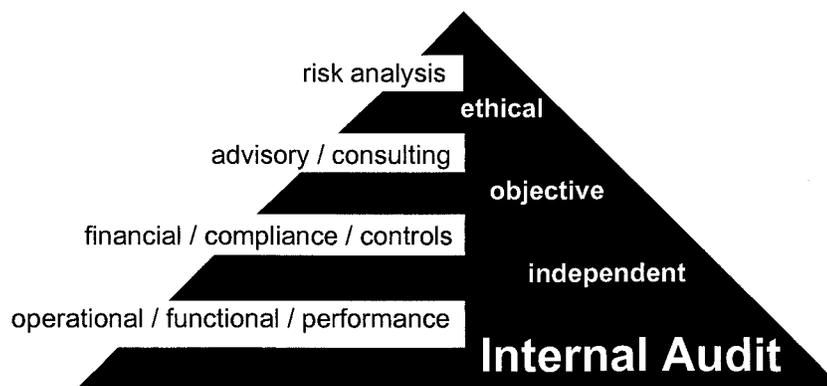


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(714) 560-5669

ORANGE COUNTY TRANSPORTATION AUTHORITY Internal Audit Department



Draft Fiscal Year 2008-09 Internal Audit Plan



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**ORANGE COUNTY TRANSPORTATION AUTHORITY
Internal Audit Department**

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ORANGE COUNTY TRANSPORTATION AUTHORITY

Internal Audit Department

Executive Summary

Mission Statement

The mission of the Internal Audit Department (Internal Audit) of the Orange County Transportation Authority (Authority) is to assist management and the Board of Directors (Board) in the effective discharge of their duties and responsibilities to safeguard the assets of the Authority while ensuring those assets are used in an efficient and effective manner. To this end, Internal Audit serves as an independent appraisal function to examine and evaluate the Authority's operations and activities.

Internal Audit Department Activities

Internal Audit is responsible for examining and evaluating financial, administrative and operational activities of the Authority, and supplying management personnel at all levels with information to assist in its control of the assets and operations for which it is responsible.

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

In July 2007, the Government Accountability Office (GAO) broadly defined audits as financial, attestation or performance audits. Performance audit objectives may vary widely and include assessments of program effectiveness, economy and efficiency, internal control, compliance and prospective analysis. While Internal Audit's activities are primarily related to performance, as defined by the GAO, the following descriptions are applied to each project to more specifically identify the primary objective of the audit. It is important to note, however, that many audit engagements include objectives consistent with one or more of these audit types.

Compliance – Compliance audits are performed to ensure that the terms and conditions of agreements are being followed and that there is compliance with Board adopted policies and procedures, management policies and procedures, contract provisions, or regulatory requirements.



ORANGE COUNTY TRANSPORTATION AUTHORITY

Internal Audit Department

Price Review – Price reviews are conducted to determine if proposed pricing or costs are fair, reasonable, and necessary. Certain price reviews are mandated by federal or state statutes, and others by Authority procurement policy.

Financial - Financial audits focus on verification of financial transactions and balances. Financial audits include the financial statement audits of the Authority and related legal entities, as well as other attestation audits performed by external auditors to ensure compliance with debt covenants and restrictions, or other legally mandated requirements.

Internal Control – Internal control audits are performed to ensure that there are adequate controls in place to protect assets or resources. Internal controls include processes for safeguarding assets as well as segregating incompatible duties.

Operational - An operational audit is performed to evaluate current operating procedures and to determine if there are more efficient or effective ways to accomplish the goals of the project, program, or activity. Operational audits generally include elements of an internal control audit or a compliance audit.

Information Systems – Information systems (IS) audits are designed to evaluate controls over the accuracy and reliability of electronic data. These audits focus on the IS system life-cycles of planning and organization, acquisition and implementation, delivery and support, and monitoring and evaluation.

Monitoring - Monitoring activities are carried out to gain insight into newly developed or developing programs, or projects to allow auditors to continuously identify associated risk.

FY 2006-07 Accomplishments

- Coordinated and assisted external auditors with the annual financial audit.
- Completed 44 audit projects and provided over 80 recommendations for improvements in operations, policies and procedures, internal controls, and compliance.
- Worked with the audit sub-committee of the Orange County Local Transportation Authority Taxpayers Oversight Committee to ensure the audit requirements of the sub-committee were achieved during the annual financial audit process.
- Implemented audit software (Audit Leverage) to improve Internal Audit's efficiency and accountability.
- Tracked the implementation of recommendations and reported progress quarterly to the Finance and Administration Committee.
- Updated the Internal Audit Department Policies and Procedures Manual to ensure compliance with Government Accountability Office (GAO) Government Auditing Standards requirements. Conducted in-house training for Internal Audit Department staff.

ORANGE COUNTY TRANSPORTATION AUTHORITY

Internal Audit Department

- Conducted an information systems risk assessment to inventory and prioritize information systems audits for inclusion in future Internal Audit annual audit plans.
- Participated on numerous committees and task forces.

FY 2008-09 Goals

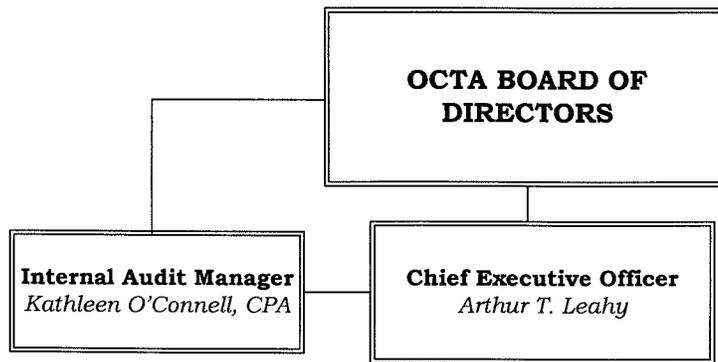
- Implement the risk assessment and audit findings, and recommendations modules of Audit Leverage.
- Customize Audit Leverage reports to improve the efficiency of the department.
- Conduct an in-house self assessment of Internal Audit's compliance with Government Auditing Standards and modify or update policies and procedures accordingly.
- Participate on a Quality Assurance (Peer) Review team to accrue reciprocal credit.
- Undergo the Authority's first Peer Review.
- Research costs and issues related to a fraud or ethics hotline.
- Develop a formal training assessment for each internal auditor in the department.
- Complete the Fiscal Year 2008-09 Internal Audit Plan.



ORANGE COUNTY TRANSPORTATION AUTHORITY Internal Audit Department

Internal Audit Organizational Chart

ORANGE COUNTY TRANSPORTATION AUTHORITY INTERNAL AUDIT DEPARTMENT Departmental Organization Chart



**Senior Internal Audit
Section Manager**
Janet Sutter, CPA

Senior Internal Auditors:

Ricco Bonelli

*Gerald Dunning, CIA,
CISA, CFE*

Serena Ng, CPA, CIA

Administrative Specialist
Teri Lepe

Intern
Vacant



ORANGE COUNTY TRANSPORTATION AUTHORITY

Internal Audit Department

Fiscal Year 2007-08 Risk Assessment

It is the responsibility of management of the Authority to identify, assess, and manage risk. It is Internal Audit's responsibility to facilitate the identification and assessment of risk, and to monitor and report on how well risks are being managed by the Authority. All organizations face risks, which are defined as those events, actions, or inactions that could cause key business objectives not to be achieved. To mitigate and manage these risks, an organization typically implements internal controls, anticipates and plans for disruptions, develops risk management programs, and engages in other risk mitigation activities.

The key business objective of the Orange County Transportation Authority is defined in its mission statement "*Enhancing the quality of life in Orange County by delivering safer, faster, and more efficient transportation solutions.*" Those solutions are imbedded in the core business units of the Authority which include transit operations and regional transportation planning, and development. These business units are supported by administrative functions. All of these services are delivered through a variety of projects, programs, and activities.

The internal audit risk assessment process assists in focusing and prioritizing limited internal audit resources on areas of highest risk to the organization. The risk assessment provides a consistent and rational method for selecting specific risks on which to focus audit resources. In developing a risk-based approach to planning audit activities for fiscal year 2008-09, Internal Audit reviewed project plans, contracts, prior risk ratings, audit reports for the last three fiscal years, and also sought the input of Authority management for the identification of risk related to various activities.

Internal Audit's risk assessment of the Authority focuses on the potential impact events or circumstances could have on the Authority's ability to meet its core business objectives. The risk assessment is found at Appendix A. Internal Audit started the risk assessment process by identifying the divisions and corresponding functions that support the Authority's core business objectives. Internal Audit then rated the impact of the function in achieving the Authority's core business objectives.

Mission Impact: The degree to which a function supports the Authority's core business objectives.

Internal Audit then identified the projects, programs, contracts (greater than \$2 million) or activities supporting the functions. These were evaluated using the following risk factors:



ORANGE COUNTY TRANSPORTATION AUTHORITY

Internal Audit Department

Safety & Security:	The risk that an event or circumstances will compromise the safety of customers, employees and the public, or the security of critical information, assets, or processes.
Image/Reputation:	The risk that the organization fails to comply with legal or regulatory requirements, or other events or circumstances that damage the image or reputation of the organization.
Service Delivery:	The risk of significant disruption to, or delay in, meeting established service goals.
Financial:	The risk that delays in service, facilities construction or delivery, contract management or oversight, or control of assets will result in financial harm to the organization.

Each particular risk applicable to a project, program, contract or activity was indicated with a “o” symbol. Where risk was found to be particularly pervasive for the project, program, contract or activity, Internal Audit summarized the risk with an “X” for that function.

Internal Audit then reviewed the portfolio of projects and programs to assign an overall risk rating for the function. This risk assessment was not a mathematical formula based on risk weightings, but rather a judgmental evaluation of the cumulative overall risk given the risk factors and mission impact. The risk assessment included a subjective evaluation of existing internal controls, Internal Audit’s experience with the project, program, contract or activity, management and staff experience and control-consciousness, and the external environment impacting the project or program.

The **Risk Assessment** is the degree to which identified risks are or are not managed through mitigating controls or other risk management techniques.



ORANGE COUNTY TRANSPORTATION AUTHORITY

Internal Audit Department

Fiscal Year 2008-09 Internal Audit Plan

The Internal Audit plan for fiscal year 2008-09 at Appendix A calls for approximately 7,700 Internal Audit hours and 5,100 contract audit hours. Of the 7,700 hours of Internal Audit time, approximately 500 relate to mandatory external audit activities and 450 relate to Internal Audit Department initiatives.

The Internal Audit plan seeks to align limited audit resources with risk throughout the organization while considering prior audit effort as identified at the Appendix B Risk Assessment.

The Internal Audit plan for fiscal year 2008-09 includes a variety of audit types. While the department seeks to maximize its operational auditing, thereby producing recommendations to enhance efficiency, the Authority's reliance on contractors for highway and transit projects results in a somewhat heavier mix of compliance type audits.

Of particular note is the planned information systems audit which was identified through a separately procured information systems risk assessment conducted by an IS auditor. Government Auditing Standards and prudent audit planning require that information systems auditing be considered within every organization. Internal Audit lacks the expertise to appropriately identify and assess risk in this portfolio of technological assets and programs. The information system risk assessment developed for the Authority identified a list of 25 auditable units for the department's consideration in future annual Internal Audit plans, and Internal Audit expects to procure the services of an IS auditor to conduct this audit.



**ORANGE COUNTY TRANSPORTATION AUTHORITY
Internal Audit Department**

**APPENDIX A – Orange County Transportation Authority Internal Audit
Department Risk Assessment by Program/Project Fiscal Year 2008-09**



Orange County Transportation Authority
Internal Audit Department
Risk Assessment by Program/Project
Fiscal Year 2008-09

Division	MISSION IMPACT	Safety & Security	Image & Reputation	Service Delivery	Financial Impact	RISK ASSESSMENT	3 Year Audit History
Functional Area							
Project/Program/Contract							
Executive							
Safety & Environmental Compliance	High	X	X		X	High	
Safety Programs		o	o	o	o		2008
Loss Control and Accident Analysis		o	o		o		
Department of Motor Vehicles Pull Notice Program		o	o				2006
Wellness Program			o				
Environmental Safety Monitoring		o	o		o		2007
Clerk of the Board	Moderate		X			Low	
Public Records Requests			o				
Assembly Bill 1234 Compliance Documentation							2009
Disadvantaged Businesses	Moderate		X		X	Moderate	2007
Security	High	X	X	X	X	High	
Disaster Preparedness and Business Resumption		o	o	o	o		
Legal Services	Low		X			Moderate	
Contracts > \$2 million (Woodruff, Spradlin and Smart P.C.)			o		o		2007
Employee and Labor Relations	High		X	X	X	Moderate	2006
Affirmative Action			o				
Contract Negotiations			o	o	o		
Unemployment Claims					o		
Grievances			o				
Employee Relations Training				o			
Equal Employment Opportunity			o				
Federal & State Government Relations	Moderate		X		X	Moderate	
Planning and Development							
Strategic Planning	High		X	X		Moderate	
Transit Project Delivery	High	X	X	X	X	High	
Transit Project Management		o	o	o	o		
Contracts > \$2 million: Bus Rapid Transit		o	o	o	o		2007
Highway Project Delivery	High	X	X	X	X	High	
Construction Project Management		o	o	o	o		
Contracts > \$2 million: SR-22		o	o	o	o		2008
I-5 Gateway		o	o	o	o		2008
I-405/SR-55		o	o	o	o		2008
I-405 Jamboree to SR-73 and SR-55		o	o	o	o		
SR-57		o	o	o	o		
On-call Environmental Services		o	o	o	o		2009
On-call Design Services		o	o	o	o		2009
Local Projects	Moderate	X	X	X	X	High	2006
Combined Transportation Funding Program			o	o	o		2008
Measure M Turnback			o	o	o		Annual
Go-Local Program			o	o			
Facility Projects	Moderate	X	X	X	X	High	
Contracts > \$2 million: Compressed Natural Gas Fueling Stations		o	o	o	o		2009
Irvine Trans Center Parking Structure		o	o	o	o		2009
City of Buena Park Metrolink Station		o	o	o	o		2008
Rail Right-of-Way Maintenance			o		o		
Metrolink	Moderate	X	X	X	X	High	
Contracts > \$2 million: Metrolink Capital Programs		o	o	o	o		2008
Metrolink Operations		o	o	o	o		2008
Project Management (Parsons Brinckerhoff)		o	o	o	o		
California High Speed Rail Authority	Low				X	Low	
Contracts > \$2 million: Cooperative Agreement for E.I.R.					o		

Orange County Transportation Authority
Internal Audit Department
Risk Assessment by Program/Project
Fiscal Year 2008-09

	MISSION IMPACT	Safety & Security	Image & Reputation	Service Delivery	Financial Impact	RISK ASSESSMENT	3 Year Audit History
Transit Operations							
Community Transportation Services	High	X	X	X	X	High	
ACCESS Eligibility		o	o	o	o		2007
Contracts > \$2 million: Veolia Transportation		o	o	o	o		2008
Senior Mobility Programs		o	o	o	o		Annual
Maintenance	High	X		X	X	High	
Base Facilities		o		o	o		2006
Vehicles		o	o	o	o		2008
Stops & Zones		o	o	o	o		
Fixed Route Operations	High	X	X	X	X	High	
Operations Training		o	o	o			2007
Company Equipment Assigned Vehicles				o			
Field Supervision		o	o	o			
Central Communications	High	X	X	X		High	
Radios and Dispatch		o	o	o			
Transit Police Services	High	X	X		X	Moderate	2006
Motorist Services	Moderate	X	X	X	X	Moderate	
Contracts > \$2 million: Freeway Service Patrol contracts		o	o	o	o		2007
Call Box Maintenance		o	o	o	o		2009
Finance							
Financial Planning & Analysis	High			X	X	Moderate	
Budget Development & Monitoring			o	o	o		
Performance Measures			o	o	o		
Comprehensive Business Plan				o			
Treasury / Public Finance Management	High		X		X	High	
Investments			o		o		2009
Contracts > \$2 million: Investment Advisory & Management Fees			o		o		2009
SR-91 Accounting & Reporting			o		o		Annual
SR-91 Revenue Collection			o	o	o		2008
Contracts > \$2 million - SR-91 (Cofiroute USA LLC)			o	o	o		2006
SR-91 Transponders (SIRIT Corp.)					o		
Investor Relations			o		o		
Deferred Compensation Administration					o		
Accounting and Financial Reporting	High		X		X	High	
General Accounting					o		2006
Financial Reporting			o		o		Annual
National Transit Data Reporting			o	o	o		Annual
Measure M Accounting & Reporting			o		o		Annual
Revenue Accounting			o	o	o		2008
Revenue Facilities, Fareboxes and Armored Car Service			o		o		2008
Grants Management & Accounting	High		X		X	High	2008
Accounts Payable	Moderate		X		X	Moderate	
Purchasing Cards			o		o		2009
Accounts Receivable	Moderate				X	Moderate	
Capital Assets	Moderate				X	Moderate	
Facilities							2008
Real Estate Administration					o		2009
General Services	Low			X	X	Low	
Printing and Reprographics			o				
Records Management			o				2007
Building Operations / Lease Administration					o		
Contracts > \$2 million - P M Realty (Admin Bldg Lease)					o		
Access & Identification Cards			o				2007
Risk Management	High	X	X		X	High	
Insurance Programs			o		o		
Liability Claims Management			o	o	o		2007
Workers Compensation				o	o		

Orange County Transportation Authority
Internal Audit Department
Risk Assessment by Program/Project
Fiscal Year 2008-09

	MISSION IMPACT	Safety & Security	Image & Reputation	Service Delivery	Financial Impact	RISK ASSESSMENT	3 Year Audit History
Human Resources							
Compensation, Payroll and Benefits	High		X	X	X	High	
Payroll			o	o	o		2008
Other Compensation			o	o	o		
Contracts > \$2 million: CIGNA Healthcare			o	o	o		
Family Medical Leave Act					o		
Flexible Benefits					o		
Orange County Employees Retirement System			o		o		2008
Health Insurance Portability and Accountability Act			o		o		2007
Teamsters Pension Trust Fund			o		o		2008
Employee Assistance Program			o				
Employment	High	X	X	X		High	
Recruitment, Selection and Hiring		o	o	o			2009
Performance Management and Discipline		o	o	o			
Medical Examinations		o	o	o	o		2008
Training & Development	High		X	X		Moderate	
Contracts & Materials							
Procurement	High		X	X	X	High	
Policies and Procedures Compliance		o	o	o	o		2008
Maintenance Inventory Management	High		X	X	X	High	2009
Warranty Administration		o	o	o	o		2009
Fuel Controls		o	o	o	o		2009
Contract Administration	High		X	X	X	High	2008
Contracts > \$2 million - New Flyer, Creative Bus Sales (Buses)		o	o	o	o		2007
Southern Counties Oil (Deisel/Unleaded)		o	o	o	o		2008
Bridgestone/Firestone (Tires)		o	o	o	o		2009
Applied Liquid Natural Gas Technologies (LNG Fuel)		o	o	o	o		2007
Information Systems							
Systems Continuity	High	X	X	X	X	High	2009
System Security	High	X	X	X	X	High	
Systems Development	Moderate			X	X	Moderate	
Change Management	Moderate			X	X	Moderate	
Operations	Moderate		X	X	X	Moderate	
Technical Services	Moderate		X	X	X	Moderate	
Telecommunications Equipment			o	o	o		2009
External Affairs							
Communications, Customer Relations, Marketing	Moderate		X	X		Moderate	
Bus Advertising			o	o	o		2007
Marketing Outreach and Programs			o	o			
Media Relations			o				
Local Government Relations			o				
Community and Customer Relations			o				
VanPool Program		o	o	o	o		2008
Web Development			o	o			
Pass Sales Programs			o	o	o		
Contracts > \$2 million - Customer Information Center			o	o	o		2009

**ORANGE COUNTY TRANSPORTATION AUTHORITY
Internal Audit Department**

**APPENDIX B – Orange County Transportation Authority Internal Audit
Department FY 2008-09 Internal Audit Plan**



**Orange County Transportation Authority
Internal Audit Department
FY 2008-09 Internal Audit Plan**

Audit Activity	Project Number	Description	Primary Audit Type	Staff Hours	Outsourced Hours	Total Hours
Mandatory External Independent Audits						
Annual Financial Audit	FY09-001-4	Annual contracted financial audit for fiscal year 2007-08	Financial	325	2,800	3,125
Annual Transportation Development Act Audits	FY09-005	Coordination of legally required annual audits of the recipients of Local Transportation Funds for fiscal year 2007-08.	Compliance	100	700	800
Triennial Performance Audits	FY09-027	Initiate procurement of external auditors to conduct the State triennial performance audit and renewed Measure M performance assessment for fiscal years 2007, 2008, and 2009	Compliance	50		50
Internal Audit Initiatives						
Risk Assessment and Annual Audit Plan	FY09-006	Annual preparation of the audit plan for next fiscal year; periodic assessment of risk throughout the year.	Risk Assessment	100		100
Quality Assurance and Self-Assessment	FY09-007	Self assessment of Internal Audit's compliance with Government Auditing Standards.	Quality Assurance	175		175
Peer Review Participation	FY09-008	Participation as a review committee member for reciprocal credit.	Peer Review	80		80
Service Efforts & Accomplishments	FY09-025	Evaluation and summarization of the value of Internal Audit activities.	Service Efforts Report	100		100
Internal Audits						
<i>Authority-Wide</i>						
Price Reviews	PR09-300	Cost and price analyses as required by OCTA procurement policies and procedures.	Price Review	500		500
Unscheduled Reviews and Special Requests	FY09-100	Time allowed for unplanned audits and requests from the Board of Directors and management.	Varies	250		250
<i>Executive</i>						
Safety Monitoring	FY08-031	Review and follow-up on any APTA Safety Review conducted in FY 2008.	Internal Controls	100		100
AB1234 Compliance	FY09-021	Review of Authority recordkeeping evidencing compliance with AB1234 requirements.	Compliance	150		150

**Orange County Transportation Authority
Internal Audit Department
FY 2008-09 Internal Audit Plan**

Audit Activity	Project Number	Description	Primary Audit Type	Staff Hours	Outsourced Hours	Total Hours
<i>Planning and Development</i>						
Metrolink	FY08-010	Inventory and review of audit activities and results thereof for the Southern California Regional Rail Authority.	Operational	200		200
SR-22 Contract Close-out	FY08-022	Review to ensure contract stipulations were complied with and to verify the propriety of payments.	Compliance	25	*	25
I-5 Gateway Contract	FY08-014	Review to ensure contract stipulations are being complied with and to verify the propriety of payments.	Compliance	50	300	350
CalTrans Cooperative Agreement for I-405/SR-55	FY08-011	Review to ensure contract stipulations were complied with and to verify the propriety of payments.	Compliance	50	*	50
CTFP Project Audits/CTFP System	FY08-019	Evaluation of program process and review of a sample of projects funded by the CTFP.	Compliance	100	800	900
Buena Park Metrolink Station Closeout Audit	FY08-007	Closeout audit of construction of Metrolink station.	Compliance	25	*	25
On-Call Service Contracts	FY09-012	Review of on-call contracts for contract compliance and 2008 compliance with procurement policies and procedures.	Compliance	300		300
Irvine Transportation Center	FY09-013	Review to ensure contract stipulations are being complied with and to verify the propriety of payments.	Compliance	75	250	325
Real Estate and Right-of-Way Administration	FY09-015	Review of right-of-way and other real estate operations and contracts.	Operational	300		300
<i>Transit Operations</i>						
Buy America	FY08-027	Pre-award and post-delivery reviews to ensure vendor is in compliance with federal Buy America requirements.	Compliance	100		100
Vehicle Maintenance	FY08-020	Review of policies, procedures, management reporting and regulatory compliance.	Operational	250		250
<i>Government Relations</i>						
Grant Close-outs	FY09-026	As needed financial and compliance audits of grants at close-out to ensure propriety of expenditures.	Compliance	75		75

* These fiscal year 2008 projects have been performed by audit consultants and reports are in draft at June 30, 2008.

**Orange County Transportation Authority
Internal Audit Department
FY 2008-09 Internal Audit Plan**

Audit Activity	Project Number	Description	Primary Audit Type	Staff Hours	Outsourced Hours	Total Hours
<i>Finance</i>						
Treasury	FY09-019	Biannual financial and compliance reviews of the treasury function, including investment and bond compliance.	Compliance	200		200
Revenue Accounting	FY08-024	Review of controls over the collection and processing of sales tax receipts.	Operational	275		275
Grants Management and Accounting	FY08-018	Review of policies, procedures and regulatory compliance with grant requirements.	Operational	150		150
Capital Assets	FY08-017	Review of policies and procedures for capital assets, including capitalization policy, classifications, depreciation, disposal.	Internal Controls	75		75
91 Express Lanes Collections	FY08-016	Review of contractual compliance and performance of collections contractor L.E.S.	Compliance	200		200
Purchasing Cards	FY09-029	Review of internal controls over purchasing cards	Internal Controls	120		120
Investment Management & Service Fees	FY09-011	Review of services and invoices for investment and debt advisory and management services	Compliance	250		250
<i>Human Resources</i>						
Payroll	FY08-001	Audit of the payroll function including internal controls and analytics.	Operational	155		155
Medical Examinations	FY08-006	Review of contracted services for medical examinations and programs.	Compliance	75		75
Employment Division	FY09-017	Review of controls and efficiency of candidate recruitment, selection and hiring.	Operational	350		350
<i>Contracts & Materials</i>						
Contract Administration	FY08-015	Operational review to identify efficiencies and determine compliance with established policies and procedures. Scope to be further refined.	Operational	200		200
Southern Counties Oil Company	FY08-026	Contract compliance review of C50467 - diesel and unleaded fuel supply.	Compliance	95		95

**Orange County Transportation Authority
Internal Audit Department
FY 2008-09 Internal Audit Plan**

Audit Activity	Project Number	Description	Primary Audit Type	Staff Hours	Outsourced Hours	Total Hours
Bridgestone/Firestone Tire Lease	FY09-014	Review of lease of bus tires.	Compliance	175		175
Maintenance Inventory Management	FY09-022	Review of inventory management policies, procedures, controls, and operational efficiency.	Operational	300		300
Warranty Administration	FY09-023	Review of internal controls over warranted equipment.	Internal Control	175		175
Fuel Controls	FY09-024	Review of controls over dispensing of petroleum products.	Internal Control	150		150
Information Systems						
Business Resumption Planning	FY09-009	Review of information systems recovery policies and procedures, testing, and post-event review.	Operational	75	250	325
Telecommunications Equipment	FY09-020	Review of telecommunications equipment usage and internal controls.	Internal Control	175		175
External Affairs						
Vanpool Program	FY08-023	Review of first year operations and contract compliance.	Operational	175		175
Customer Information Center (Alta Resources)	FY09-018	Review of contractually required service levels and contractor billing.	Contract Compliance	225		225
Motorist Services						
Call Box Maintenance Services	FY09-028	Review of contract for call box maintenance	Contract Compliance	150		150
Monitoring Activities						
Measure M COC and Administrative Issues	FY09-401	Coordination of audit activities with the Audit Committee of the Measure M Citizens Oversight Committee.	Monitoring	25		25
91 Express Lanes	FY09-402	On-going monitoring of 91 Express Lanes activities and participation in roundtables.	Monitoring	25		25
I-5 Gateway Project	FY09-403	On-going monitoring to keep apprised of activities and significant issues.	Monitoring	25		25

**Orange County Transportation Authority
Internal Audit Department
FY 2008-09 Internal Audit Plan**

Audit Activity	Project Number	Description	Primary Audit Type	Staff Hours	Outsourced Hours	Total Hours
CNG Station Project	FY09-404	On-going monitoring to keep apprised of activities and significant issues.	Monitoring	100		100
BRT	FY09-405	On-going monitoring to keep apprised of activities and significant issues.	Monitoring	25		25
Records Management	FY09-406	On-going participation on Records Management Task Force.	Monitoring	25		25
Follow-up Reviews						
Follow-up reviews and reporting	FY09-200	Follow-up on audit findings and recommendations.		250		250
Total Audit Hours				7,700	5,100	12,800



BOARD COMMITTEE TRANSMITTAL

August 25, 2008

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: 2007 Transit Security Grant Award Authorization

Finance and Administration Committee Meeting of August 13, 2008

Present: Directors Brown, Buffa, Campbell, and Green
Absent: Directors Amante and Moorlach

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Adopt Orange County Transportation Authority resolutions No. 2008-55 and No. 2008-56 authorizing the Chief Executive Officer to accept grant funds and file grant-related agreements with the Governor's Office of Homeland Security and the United States Department of Homeland Security to support on-board video surveillance on new buses and an exercise and training program.



August 13, 2008

To: Finance and Administration Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: 2007 Transit Security Grant Award Authorization

Overview

The United States Department of Homeland Security awarded the Orange County Transportation Authority \$1,550,000 in grant funds to support the purchase of video surveillance equipment on new buses and to develop and implement an emergency preparedness exercise and training program. Authorizing resolutions to accept the grant awards and enter grant-related agreements are presented for adoption as required by the program.

Recommendations

Adopt Orange County Transportation Authority resolutions No. 2008-55 and No. 2008-56 authorizing the Chief Executive Officer to accept grant funds and file grant-related agreements with the Governor's Office of Homeland Security and the United States Department of Homeland Security to support on-board video surveillance on new buses and an exercise and training program.

Background

The Transit Security Grant Program (TSGP) is one of five grant programs that constitutes the United States Department of Homeland Security's (DHS) Infrastructure Protection Program. The intent of the TSGP is to help strengthen the nation's critical rail, bus, and ferry transit systems against the risks associated with potential terrorist attacks. The Fiscal Year (FY) 2007 Department of Homeland Security Appropriations Act (Public Law 109-295) made \$171 million available to the TSGP. In addition, the U.S. Troop Readiness, Veterans Care, Katrina Recovery, and Iraq Accountability Appropriations Act of 2007 (Public Law 110-28) provided an additional \$100 million in supplemental funding to the program primarily to enhance security patrols and training. Based on an analysis of risk, DHS allocated the majority of funds to eight major urban regions across the nation, including the Los Angeles-Orange County urban area.

On May 9, 2007, DHS announced the availability of \$7 million to better secure eligible bus and rail systems in the Los Angeles-Orange County region. Eligible systems included the Orange County Transportation Authority (OCTA), Los Angeles County Metropolitan Transportation Authority, Southern California Regional Rail Authority, City of Los Angeles Department of Transportation, Foothill Transit, Santa Monica Big Blue Bus, and Long Beach Transit. Further, on August 16, 2007, DHS announced an additional \$4.3 million in supplemental funding to the region and extended grant eligibility to law enforcement agencies that provided transit security services. DHS also established strict funding priorities, which favored enhanced security patrols and security improvements to high-density, multimodal transit centers. Representatives from these member agencies convened to cooperatively develop regional transit security strategies and arrive at a consensus on the expenditure of funds allocated to the region. The Governor's Office of Homeland Security (OHS), as the designated administrative agency for DHS grant funds in the State of California, provided additional guidance to help ensure proposals were coordinated statewide and competitive nationally.

On December 21, 2007, OCTA submitted a proposal for review to OHS requesting \$1,550,000 in grant funds to support our security program. Proposals were forwarded for evaluation by a national review panel consisting of representatives from the Transportation Security Administration, Federal Emergency Management Agency, National Preparedness Directorate, and the Federal Transit Administration to determine which projects should be funded.

Discussion

On April 3, 2008, DHS awarded OCTA \$1,000,000 in grant funds followed by a supplemental award of \$550,000 granted on July 9, 2008. The total award of \$1,550,000 in grant funds are intended to equip approximately 126 fixed-route buses with on-board surveillance equipment (\$1,400,000), which is in addition to \$2.07 million in security funds previously awarded for the project. The award will also support an emergency preparedness exercise and training program for OCTA (\$150,000). Both projects have received prior approval from the OCTA Board of Directors and are in keeping with existing federal, state, and regional homeland security objectives, as well as the OCTA Security Project Portfolio, which currently identifies surveillance and preparedness training as a high-ranking priority for the agency. The grant funds do not require local match contributions or cost-sharing arrangements.

As part of the grant program, OCTA is required to document, by resolution, authorization to submit applications and enter grant-related agreements for each grant awarded. Since the base and supplemental grant awards are

considered separate grants, two board resolutions are presented for approval as Attachments A and B. OCTA has similar authorizing resolutions on file for prior year DHS grant awards, as well as with other grant agencies, including the Federal Transit Administration and the Governor's Office of Emergency Preparedness.

Summary

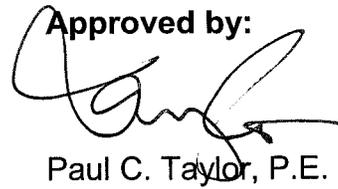
A total of \$1,550,000 in U.S. Department of Homeland Security grant funds have been awarded to support the purchase and installation of camera equipment on buses as well as to develop an exercise and training program to enhance OCTA's emergency preparedness. Authorization is requested to accept the awards and adopt resolutions authorizing the execution of grant-related agreements.

Attachments

- A. Resolution of the Orange County Transportation Authority 2007 Transit Security Grant Program Authorization: Base Allocation
- B. Resolution of the Orange County Transportation Authority 2007 Transit Security Grant Program Authorization: Supplemental Allocation

Prepared by:

Ric Teano
Grant Specialist
(714) 560-5716

Approved by:

Paul C. Taylor, P.E.
Deputy Chief Executive Officer
(714) 560-5431

**RESOLUTION
OF THE
ORANGE COUNTY TRANSPORTATION AUTHORITY**

**2007 TRANSIT SECURITY GRANT PROGRAM AUTHORIZATION:
BASE ALLOCATION**

WHEREAS, the United States Department of Homeland Security (DHS) provides federal financial assistance to eligible grantees, and;

WHEREAS, the State of California Governor's Office of Homeland Security (OHS) is the designated State Administrative Agency for federal DHS funds in the State of California, and;

WHEREAS, the Orange County Transportation Authority (OCTA) is an eligible grantee of DHS federal funds;

BE IT RESOLVED by the Board of Directors of the Orange County Transportation Authority that the Chief Executive Officer is hereby authorized to file and execute grant applications and agreements, certifications, assurances and other documents for and on behalf of OCTA, a public entity established under the laws of the State of California, any actions necessary for the purpose of obtaining federal financial assistance provided by the United States Department of Homeland Security and State of California Governor's Office of Homeland Security.

ADOPTED, SIGNED, AND APPROVED this _____ day of _____, 2008.

AYES:

NOES:

ABSENT:

ATTEST:

Wendy Knowles
Clerk of the Board

Chris Norby, Chairman
Orange County Transportation Authority

**RESOLUTION
OF THE
ORANGE COUNTY TRANSPORTATION AUTHORITY**

**2007 TRANSIT SECURITY GRANT PROGRAM AUTHORIZATION:
SUPPLEMENTAL ALLOCATION**

WHEREAS, the United States Department of Homeland Security (DHS) provides federal financial assistance to eligible grantees, and;

WHEREAS, the State of California Governor's Office of Homeland Security (OHS) is the designated State Administrative Agency for federal DHS funds in the State of California, and;

WHEREAS, the Orange County Transportation Authority (OCTA) is an eligible grantee of DHS federal funds;

BE IT RESOLVED by the Board of Directors of the Orange County Transportation Authority that the Chief Executive Officer is hereby authorized to file and execute grant applications and agreements, certifications, assurances and other documents for and on behalf of OCTA, a public entity established under the laws of the State of California, any actions necessary for the purpose of obtaining federal financial assistance provided by the United States Department of Homeland Security and State of California Governor's Office of Homeland Security.

ADOPTED, SIGNED, AND APPROVED this _____ day of _____, 2008.

AYES:

NOES:

ABSENT:

ATTEST:

Wendy Knowles
Clerk of the Board

Chris Norby, Chairman
Orange County Transportation Authority



BOARD COMMITTEE TRANSMITTAL

August 25, 2008

To: Members of the Board of Directors

From: ^{WK} Wendy Knowles, Clerk of the Board

Subject: Section 5310 Grant Program Recommendations for Fiscal Year 2008

Transit Committee meeting of August 14, 2008

Present: Directors Brown, Dixon, Green, Nguyen, and Winterbottom

Absent: Directors Buffa and Pulido

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

- A. Approve the scores recommended by the Regional Evaluation Committee and authorize staff to include the recommended projects in the Regional Transportation Improvement Program.
- B. Adopt Resolution No. 2008-57 authorizing the Chief Executive Officer to transmit the Section 5310 Regional Priority List and required Certification and Assurances to the California Department of Transportation for funding consideration.



August 14, 2008

To: Transit Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Section 5310 Grant Program Recommendations for Fiscal Year 2008

Overview

The Federal Transit Administration Section 5310 Grant Program provides an opportunity for local agencies and non-profit organizations to purchase paratransit vehicles and related equipment to help meet the transportation needs of elderly persons and persons with disabilities. The Orange County Transportation Authority is responsible for assisting applicants, evaluating applications, and transmitting a prioritized list of projects to the California Department of Transportation for funding consideration.

Recommendations

- A. Approve the scores recommended by the Regional Evaluation Committee and authorize staff to include the recommended projects in the Regional Transportation Improvement Program.
- B. Adopt Resolution No. 2008-57 authorizing the Chief Executive Officer to transmit the Section 5310 Regional Priority List and required Certification and Assurances to the California Department of Transportation for funding consideration.

Background

In existence since 1975, the Federal Transit Administration (FTA) Section 5310 Program is a capital grant program that facilitates the purchase and replacement of paratransit vehicles and related equipment to help local agencies and non-profits meet the transportation needs of seniors and disabled persons. Funds are allocated by FTA to all states based on the respective population share of elderly individuals and individuals with disabilities. As the designated state administrative agency, the California Department of

Transportation (Caltrans) makes funds available statewide on a competitive basis. Over \$12 million is available statewide for fiscal year (FY) 2008.

As a regional transportation planning agency (RTPA), the Orange County Transportation Authority (OCTA) is responsible for assisting applicants as well as evaluating and scoring applications in Orange County. The California Transportation Commission provides RTPAs with prescriptive project-scoring criteria, and successful applicants enter into agreements directly with Caltrans. Once grants are awarded, Caltrans is responsible for project management and ensuring that all applicants comply with federal regulations.

Discussion

To assist potential applicants in Orange County, OCTA hosted a Caltrans workshop to provide an opportunity to discuss the requirements and prepare for the upcoming FTA Section 5310 grant program. The local workshop, conducted March 13, 2008, was well attended with 24 representatives from 18 agencies present. Throughout the application development period, OCTA staff assisted applicants, reviewed draft applications, and provided suggestions to enhance the likelihood of grant funding.

On July 18, 2008, OCTA staff received final grant applications from five local agencies, including Abrazar Inc., City of Huntington Beach Senior Services, Irvine Adult Day Health Services, Orange County ARC, and South County Senior Services. The applications were reviewed by Regional Evaluation Committee members comprised of Mallory Vega, Chair of the OCTA Special Needs in Transit Advisory Committee; Chip Hazen, Los Angeles County Metropolitan Transportation Authority; Dana Wiemiller, OCTA Community Transportation Services; and Ric Teano, OCTA Grants Program. The committee scored the applications based on Caltrans' statewide scoring criteria and then met to review scores and discuss any variances.

Collectively, the five grant applications pursue over \$1.85 million in grant assistance for 9 paratransit vans, 21 buses, and related equipment. The requests were scored and ranked to arrive at the recommended Regional Priority List which is presented for consideration in Attachment A. Information regarding the types of vehicles and standard seating capacities are provided in Attachment B.

OCTA has cooperative agreements with four of the five applicants to coordinate transportation services. Abrazar Inc. and the City of Huntington Beach are participants in OCTA's Senior Mobility Program and together provided more than 37,000 trips in FY 2008. OCTA also has cooperative

agreements with Orange County ARC and South County Senior Services, which helped reduce demand on ACCESS by more than 36,000 trips and resulted in approximately \$430,000 in deferred expenses in FY 2008. An award of the Section 5310 grant funds to these agencies will help ensure quality transportation services are available to disabled and senior communities in Orange County.

Upon the Board of Directors (Board) approval, the Regional Priority List will be transmitted to Caltrans for statewide competition. As part of the transmittal, OCTA is required to provide a Certification and Assurances (Attachment C) and Board resolution (Attachment D). Both documents are general attestations that OCTA has complied with program requirements.

It should be noted that the Regional Priority List is advisory in nature and may be changed by the state for a variety of reasons. The local process is intended to ensure applications are complete and to encourage a cooperative spirit. Final funding recommendations are expected to be announced in November 2008.

Fiscal Impact

There are no fiscal impacts associated with this action. The federal share for projects under the Section 5310 Program may not exceed 88.53 percent of the total project cost. Successful applicants will be required to provide an 11.47 percent local, non-federal match contribution.

Summary

The Orange County Transportation Authority reviewed five proposals to assist in the pursuit of over \$1.85 million in FTA Section 5310 grant funds to help meet the transportation needs of elderly persons and persons with disabilities in Orange County. A Regional Evaluation Committee scored and ranked the proposals based on the prescribed criteria, and is presenting a Regional Priority List, Certification and Assurances, and resolution for Board approval.

Attachments

- A. Orange County FTA Section 5310 Grant Program Recommended Regional Priority List Fiscal Year 2008
- B. Available Vehicles Types FTA Section 5310 Grant Program FY 2008
- C. MPO/RTPA Section 5310 Certification and Assurances
- D. Resolution of the Board of Directors of the Orange County Transportation Authority

Prepared by:



Ric Teano
Grant Specialist
(714) 560-5716

Approved by:



Paul C. Taylor, P.E.
Deputy Chief Executive Officer
(714) 560-5431

**Orange County
FTA Section 5310 Grant Program
Recommended Regional Priority List Fiscal Year 2008**

Applicant	Project Description	Project Cost	Score (100 max)
Abrazar, Inc.	Small bus (Type IA) for replacement service, radio	\$56,000	94
Abrazar, Inc.	Small bus (Type IA) for replacement service, radio	\$56,000	94
Abrazar, Inc.	Small bus (Type IA) for replacement service, radio	\$56,000	94
City of Huntington Beach Senior Services	Large bus (Type VII) for replacement service	\$95,000	90
City of Huntington Beach Senior Services	Large bus (Type VII) for replacement service	\$95,000	90
Abrazar, Inc.	Minivan (Type IV) for service expansion, radio	\$43,000	89
Abrazar, Inc.	Minivan (Type IV) for service expansion, radio	\$43,000	89
Abrazar, Inc.	Minivan (Type IV) for service expansion, radio	\$43,000	89
Orange County ARC	Bus cameras, 8	\$40,000	88
Orange County ARC	Large bus (Type III) for service expansion	\$65,000	87
Orange County ARC	Large bus (Type III) for service expansion	\$65,000	87
Orange County ARC	Large bus (Type III) for service expansion	\$65,000	87
Orange County ARC	Large bus (Type III) for service expansion	\$65,000	87
Orange County ARC	Large bus (Type III) for service expansion	\$65,000	87
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Orange County ARC	Large bus (Type III) for service expansion	\$65,000	87
Orange County ARC	Large bus (Type III) for service expansion	\$65,000	87
Orange County ARC	Large bus (Type III) for service expansion	\$65,000	87
City of Huntington Beach Senior Services	Minivan (Type IV) for service expansion	\$42,000	86
Abrazar, Inc.	Vehicle radios, 2	\$2,000	84
South County Senior Services	Small bus (Type 1B) for service expansion	\$58,000	84
South County Senior Services	Small bus (Type 1B) for service expansion	\$58,000	84
South County Senior Services	Small bus (Type 1B) for service expansion	\$58,000	84
South County Senior Services	Large bus (Type III) for service expansion	\$65,000	84
South County Senior Services	Large bus (Type III) for service expansion	\$65,000	84
South County Senior Services	Large bus (Type III) for service expansion	\$65,000	84
South County Senior Services	Minivan (Type IV) for service expansion	\$42,000	81
South County Senior Services	Minivan (Type IV) for service expansion	\$42,000	81
South County Senior Services	Minivan (Type IV) for service expansion	\$42,000	81
City of Huntington Beach Senior Services	Minivan (Type IV) for replacement service	\$42,000	80
City of Huntington Beach Senior Services	Minivan (Type IV) for replacement service	\$42,000	80
Irvine Adult Day Health Services	Small bus (Type 1A) for service expansion	\$55,000	79
Total		\$1,855,000	
Total Request per Applicant			
Abrazar, Inc.		\$299,000	
City of Huntington Beach Senior Services		\$316,000	
Irvine Adult Day Health Services		\$55,000	
Orange County ARC		690,000	
South County Senior Services		495,000	
Total		\$1,855,000	

Available Vehicles Types
FTA Section 5310 Grant Program FY 2008

Available Vehicle Types	Standard Seating Capacity	Unit Cost²
Minivan (Type IV)	5 Ambulatory Passengers	\$42,000
Modified Van (Type V)	8 Ambulatory Passengers	\$50,000
Small Bus (Type IA-Ford)	8 Ambulatory Passengers; 2 Wheelchairs ¹	\$55,000
Small Bus (Type IB-Chevy)	8 Ambulatory Passengers; 2 Wheelchairs ¹	\$58,000
Medium Bus (Type II)	12 Ambulatory Passengers; 2 Wheelchairs ¹	\$60,000
Medium Bus (Type II) opt Compressed Natural Gas	12 Ambulatory Passengers; 2 Wheelchairs ¹	\$85,000
Large Bus (Type III)	16 Ambulatory Passengers; 2 Wheelchairs ¹	\$65,000
Large Bus (Type III) opt Compressed Natural Gas	16 Ambulatory Passengers; 2 Wheelchairs ¹	\$90,000
Larger Bus (Type VII)	20 Ambulatory Passengers; 2 Wheelchairs ¹	\$95,000
Larger Bus (Type VIII) opt Compressed Natural Gas	22 Ambulatory Passengers; 2 Wheelchairs ¹	\$186,000

¹ Rear wheelchair lift floor plan

² Costs shown includes accessibility equipment

**MPO/RTPA SECTION 5310
CERTIFICATION AND ASSURANCES**

The Orange County Transportation Authority certifies and assures that the requirements and conditions of 49 U.S.C. 5310 have been met by all applicants recommended for funding.

The Orange County Transportation Authority certifies and assures that the Section 5310 applications recommended for funding were included in the region's public participation process as required by Statewide and MPO Planning Regulations.

The Orange County Transportation Authority certifies by resolution, *attached*, that the projects recommended for funding are consistent with the local area's Regional Transportation Plan. In an urbanized area, the projects recommended for funding will also be included in the Federal Transportation Improvement Program (TIP).

Certifying Representative:

Name: Arthur T. Leahy

Signature: _____

Title: Chief Executive Officer

Date: _____

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE ORANGE COUNTY TRANSPORTATION AUTHORITY**

**FEDERAL TRANSIT ADMINISTRATION SECTION 5310
REGIONAL PRIORITY LIST**

WHEREAS, the Federal Transit Administration Section 5310 Program makes funding available to private nonprofit corporations and public agencies under certain circumstances, for capital expenditures to provide transportation services to meet the special needs of elderly persons and persons with disabilities, for whom mass transportation is otherwise unavailable, insufficient, or inappropriate;

WHEREAS, the Orange County Transportation Authority, at the designation of the California Department of Transportation, has assumed and carried out the responsibilities of the Regional Transportation Planning Agency for the Section 5310 Fiscal Year 2008 Program in Orange County;

WHEREAS, all applications submitted for the Section 5310 Fiscal Year 2008 Program were reviewed and scored by the Regional Evaluation Committee;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Orange County Transportation Authority;

1. That the Fiscal Year 2008 Section 5310 Regional Priority List has been presented and approved by the Board of Directors.
2. That the Fiscal Year 2008 Section 5310 Regional Priority List shall be forwarded from the Orange County Transportation Authority's Chief Executive Officer to the California Department of Transportation for inclusion in the Statewide Priority List.

ADOPTED, SIGNED AND APPROVED this ____ day of _____, 2008.

AYES:

NOES:

ABSENT:

ATTEST:

Wendy Knowles
Clerk of the Board

Chris Norby, Chairman
Orange County Transportation Authority



MEMO

August 20, 2008

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: **Board Committee Transmittal for Agenda Item**

The following item is being discussed at a Committee meeting which takes place subsequent to distribution of the Board agenda. Therefore, you will be provided a transmittal following that Committee meeting (and prior to the Board meeting) informing you of Committee action taken.

Thank you.



August 21, 2008

To: Legislative and Communications Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Federal Legislative Status Report

Overview

This report provides information on the status of federal legislation at the point of the congressional August recess, including appropriations activities, efforts to remedy the upcoming shortfall in the Highway Trust Fund and efforts to pass an authorization bill for Amtrak.

Recommendation

Receive and file as an information item.

Background

On Friday, August 1, Congress adjourned for its summer recess and will not return until September 8 after both the Democratic (August 21-25) and Republican (September 1-4) conventions. While attempts were made in the last few days before recess to advance key legislation, partisan disputes, primarily over the proper response to the energy crisis, have thwarted efforts to hold necessary votes and make any significant progress.

Discussion

Appropriations

At present, all federal agency funding bills are on hold and are unlikely to pass before the end of the federal fiscal year on September 30. Even the Defense Department appropriation bill, which is usually on a separate track to enactment, has not progressed to the floor of either house. Such a situation would set up the prospect of a continuing resolution to keep the government operating until after the elections, or possibly until a new Congress is seated in January, 2009.

The House subcommittee with jurisdiction over transportation appropriations completed its recommended bill near the end of June and set overall appropriation levels consistent with the amounts guaranteed by the Safe, Affordable, Flexible, Efficient Transportation Equity Act: a Legacy for Users (SAFETEA-LU) at \$ 41.2 billion for highways and \$10.3 billion for transit. However, in mid-July an impasse took place when the appropriations committee chair, Representative Obey (D-WI), suspended action on all further mark-ups in response to Republican attempts to offer amendments permitting offshore oil drilling.

A similar impasse also developed in the Senate. The Senate Appropriations Committee has approved \$41.2 billion for highways and just over \$10 billion for transit in fiscal year 2009. Most important, the Senate Appropriation Committee mark-up included an \$8 billion budget transfer from the general fund to the Highway trust Fund (HTF) to avoid a projected insolvency of the HTF and permit highway projects to be funded at the SAFETEA-LU guaranteed levels for fiscal year 2009. This approach to the projected insolvency has already been adopted in the House by a vote of 387-37 as part of H. R. 6532, a stand-alone bill authorizing federal operating assistance for transit in response to the recent energy crisis-induced ridership gains. That House bill was opposed by the President and he would likely veto any bill reaching his desk which permitted a transfer from the general fund to the HTF. Notwithstanding this issue, by July 23 all Senate action on appropriations had also been suspended due to the oil drilling controversy.

Other Senate Attempts to fix the Highway Trust Fund.

With appropriations stalled, the Senate made another attempt to attach a trust fund fix similar to that contained in the Senate transportation appropriations bill, into S 3335, a bill to extend a number of expiring tax provisions. However, when that bill reached the floor near the end of session, Republicans raised objections to allowing debate to begin and the Democratic leadership was not able to produce the 60 votes needed to invoke cloture and proceed with the bill. Attention is now focused on adding the provision to a planned second supplemental economic stimulus bill which the Senate is proposing to take up upon returning in September.

Amtrak authorization.

One significant piece of legislation which has passed both houses and is headed for conference is the Amtrak authorization bill. Last October, the Senate passed a version of the legislation which authorizes funding for Amtrak and intercity rail capital and operating purposes over a five-year period.

On June 11, the House approved H.R. 6003 "The passenger Rail Investment and Improvement Act of 2008", which provides similar funding. This House version of the bill contains numerous provisions which would promote the development of passenger rail, including authorization of a \$1.750 billion high-speed rail program (\$350 million per year) to finance the construction of high-speed rail corridor projects, including facilities such as the Anaheim Regional Transit Intermodal Center (ARTIC).

The Orange County Transportation Authority (OCTA) is working with the Chair of the rail subcommittee of the House Transportation and Infrastructure Committee and others to add language in the selection criteria section for these projects which would favorably recognize the ability of intermodal terminals such as ARTIC to coordinate transportation services and extend the reach of high-speed rail in urban areas.

The House has named conferees for the Amtrak bills and the Senate is expected to do the same upon return in September. Staff has already been meeting to attempt to resolve outstanding issues between the bills. A significant difference between the bills is a House provision which would authorize private companies to submit proposals for a new high-speed rail line in the Washington to Boston Northeast Corridor. Senator Lautenberg (D-NJ) reportedly has major concerns with the provision, but may be willing to yield in an effort to pass the bill this year.

The President continues to threaten to veto the Amtrak authorization bill because of concerns over the size of the funding levels and the lack of adequate Amtrak reforms. Both the Senate and House versions of the bill passed with veto-proof majorities.

Summary

Congress has recessed for the summer and will return in the second week of September after the Democratic and Republican party conventions. Little progress has been made to date on any appropriations bills due to partisan disputes over energy issues. An Amtrak authorization bill has passed both houses and is headed to conference in September. Lastly, the monthly reports for June and July from Smith, Dawson and Andrews (Attachments A and B) and from Potomac Partners (Attachments C and D) are included.

Attachments

- A. Potomac Partners Federal Legislative Status Report June 2008
- B. Potomac Partners Federal Legislative Status Report July 2008
- C. Report to the Orange County Transportation Authority from Smith, Dawson & Andrews June 2008
- D. Report to the Orange County Transportation Authority from Smith, Dawson & Andrews July 2008

Prepared by:



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***Federal Legislative Status Report
June 2008***

Partners contributing to the work described in this report include: Rick Alcalde, Dr. Lesli McCollum Gooch, Jim Holton, and Dan Feliz.

1. FY 09 Appropriations Update

The Transportation-HUD Subcommittee marked up its FY09 Appropriations bill on June 20th. According to the committee's summary of the draft bill, it will provide \$10.3 billion for public transit, including \$1.8 billion for new commuter lines and over \$8.3 billion in formula and discretionary funds for bus service. The committee has not yet released the complete text of the bill, which they planned to present at the full committee markup. The full Committee action was originally scheduled for June 26th, but was postponed until after the July 4th recess. Another attempt was tentatively scheduled for July 9th, but was again postponed.

Sources on the committee have indicated that the earmarks for the THUD bill should be added in a Manager's amendment that was planned to be presented at the full committee markup. We have been working closely with Congressmen Gary Miller, Joe Knollenberg and Jerry Lewis in advancing OCTA projects with a special emphasis on the SR-91 that we believe is well-positioned for an earmark. We have also re-emphasized with Mr. Knollenberg the strong arguments for this project and reminded him of his trip to Orange County where the SR-91 improvements were prominently discussed, his meeting with Supervisor Bates, the joint OCTA and OCBC meeting in Washington DC, and the subsequent meeting with OCTA staff in Washington DC that reiterated how federal funding for SR-91 could improve one of Southern California's most congested freeways.

Under the current circumstances, our strategy is to secure as many OCTA project earmarks in the House T-HUD appropriations bill through the manager's amendment and work to keep earmarks in the underlying bill should the Appropriations committee decide to package all the appropriations bills into one "Omnibus" bill. We expect attempts from some Republicans prior to the election to take issue with earmarks and attempt to strip them from any free standing spending bill that may move to House floor.

The Senate is currently marking up its appropriation bills. On July 9th the Senate THUD subcommittee marked up its appropriation bill and released some of the details of its bill to include a proposed fix for the Highway Trust Fund (HTF) that transfers \$8.017 billion from the General Fund to the HTF to ensure adequate resources are available to invest in highway infrastructure in 2009 at

the levels assumed in the SAFETEA-LU law. The Senate bill also provides \$8,261 billion for Formula and Bus Grant. Senate leaders, however, have signaled their intention to wait to move the bills to the floor until after the fall elections, due to the fact that the President has stated he will veto any bill that is over his budget or contains earmarks. In order to maintain funding for the Federal Government, Congress will need to pass a Continuing Resolution (CR) in September.

2. Department of Transportation and July Board Member Trip Update

We are scheduling meetings to support the OCTA Board Members' trip at the end of July. We have scheduled a meeting with Deputy Assistant Secretary, Joel Szbat on July 30th. We also have a tentative meeting with DOT General Council, D.J. Gribbin.

Other recommended meetings subject to Members availability for Board Members making the trip include:

- Meetings with Chairman and Ranking Members of Transportation and Infrastructure Committee, Congressman Oberstar and Congressman Mica, to discuss reauthorization issues.
- Meetings with Chairwoman and Ranking Member of Railroads Subcommittee, Congresswoman Brown and Congressman Shuster, to discuss county rail issues including grade crossings, the innovative ARTIC proposal, and goods movement.

Should such meeting be desired we should begin scheduling as soon as possible.

3. Reauthorization Update and Hearing Schedule

On June 10th the House Transportation and Infrastructure Committee held a hearing to address a variety of legislative proposals that are currently pending before the committee that touch on the financing mechanisms for transportation infrastructure around the county. Each proposal may be considered as a potential way to fund federal surface transportation programs in the next transportation reauthorization bill. The lead sponsor of each piece of legislation testified before the full committee.

- Rep. DeLauro testified on H.R. 3896, the National Infrastructure Development Corporation Act.
- Rep. Blumenauer testified on H.R. 5976, the United States Commission on Rebuilding America for the 21st Century Act.

- Rep. Ellison testified on H.R. 3401, the National Infrastructure Bank Act.
- Rep. Calvert testified on H.R. 5102, the On-Time Act.

Chairman Oberstar also reiterated in his opening remarks that the financing of infrastructure will be a major policy component of the next reauthorization and should include a creative mix of funding mechanisms.

The House Transportation and Infrastructure Committee held another hearing on June 24th to explore the condition and performance of rural and small urban roadways. Testifying before the committee were two Secretaries of Transportation from largely non-urbanized states (Montana and South Carolina), a General Manager of a small urban transit agency, a Director of State Government Affairs for a busing company, an Executive Director for a regional planning agency, and an Executive Director for a paratransit provider. Each member of the panel touched on the growth of the commuting population and the increased use of the transportation network, which places a greater demand on the highway maintenance budgets. Another topic stressed throughout the hearing was the concern that the gas tax alone would not be able to keep the Highway Trust Fund from running out of money. Some of the other concerns raised during the hearing included the inability of rural communities to engage in tolling to raise revenue for highway maintenance.

No additional hearings on reauthorization or surface transportation issues have been scheduled for the month of July. Committee staff has indicated that they are currently considering the timing and subject matter of additional hearings in September and October to help prepare the committee for reauthorization. Both the majority and minority staffs have remarked to us that they have enjoyed good bipartisan working relationships on the committee as reflected in the past hearings and by the recent passage of the Amtrak reauthorization bill and the Public Transportation bill, H.R. 6052. The committee's ability to move this legislation in particular bodes well for passing a new reauthorization bill before SAFETEA LU expires in September of 2009. We are continuing to inquire with the committee on the potential for OCTA to provide testimony at an appropriate hearing this fall to highlight key policy positions of the Board.

4. Amtrak Reauthorization Update

The Amtrak Reauthorization bill that passed the House on June 11th has now moved to conference with a version of the Senate bill (S. 294) that passed in October 2007. We have been told by House Members on the Committee that conferees are already meeting to discuss key provisions. On such provision, the high speed rail component, we have also been told is likely to remain in a final version of the bill. If the high speed rail title does remain in the bill, it would be

very beneficial for the CAL-NEV Maglev project and have direct benefit to the ARTIC Center.

5. Congressional Legislation Updates to Matrix

S. 1926 and H.R. 3401 Infrastructure Bank Legislation	Senate Committee on Banking Housing and Urban Affairs held a second hearing on 6/12. On June 10 th the full House T&I held a hearing with testimony from the lead Sponsor.	This will continue to be an important topic for Transportation re-authorization.
S. 1499 & H.R. 2548 Maritime Vessel Emissions Reduction	Senate EPW marked up the bill May 22. A tentative house T&I hearing was schedule to discuss the Federal Maritime Commission's regulation of international shipping in late June but was postponed for a later date.	Will continue to monitor for hearings and markups
H.R. 3621 (Kilpatrick) Surface Transportation Private Contract Requirements	No hearings have been scheduled	Will continue to monitor for hearings
H.R. 2485 (Filner) Requires Surface Transportation Projects Inspections	No hearings have been scheduled	Will continue to monitor for hearings
H.R. 5102 "On Time Act" for Import/Export Fee on goods to be used for Transportation Projects in the corridor	T&I committee hearing held on 6/10.	We will continue to seek the opportunity to testify to the impact that goods movement has on surrounding communities and infrastructure
S. 1125 and H.R. 2116 Freight Rail Infrastructure Capacity Expansion Act of 2007	No hearing are scheduled in the Senate Finance Committee or House Ways and Means	Will continue to Monitor for hearings
S. 953 Railroad Competition & Service Improvement Act of 2007.	S.953 had a hearing on October 23, 2007. No additional hearings are scheduled	Will continue to Monitor for hearings
H.R. 6052 Increase Public Transportation Use	Passed the House on 6/26. Now pending before the Senate committee on Banking and Urban Affairs	No hearings or markups have been scheduled in the Senate.
H.R. 6003- Passenger Rail Investment and Improvement Act of 2008 & S. 294 Amtrak Reauthorization	Passed the House on 6/11. S. 294 passed the Senate on 10/30/07 by a voice vote of 70-22	The two bills are now in Conference and a uniform bill is expected to be produced.

***Federal Legislative Status Report
July 2008***

Partners contributing to the work described in this report include: Rick Alcalde, Dr. Lesli McCollum Gooch, Jim Holton, and Dan Feliz.

1. Congressional Visits to Orange County

During the month of July, Potomac Partners DC facilitated a trip to Orange County, California for Congresswoman Corinne Brown, Chairwomen of the Railroads Subcommittee. The purpose of the trip was to showcase important rail projects in the County, the ARTIC center and the LOSSAN Corridor and build a long term working relationship between the Congresswoman and the County. Potomac Partners will continue follow up with other specific requests for Congresswoman Brown including:

- The need for full authorization of ARTIC in the next-TEA bill.
- Adding language in the conference version of Title V of the AMTRAK Re-authorization bill (HR 6003), which would be favorable for multimodal terminals (terminals that use other transportation modes to expand the reach of High Speed Rail).
- The need for a dedicated federal source of funding (consistent with OCTA container fee principles) to mitigate freight movement impact, particularly in the BNSF corridor.
- The need for funding on the LOSSAN corridor to facilitate passenger movement and the need for better service integration with AMTRAK along the LA-SD right of way.

Congresswoman Brown is very interested in learning more about how communities are utilizing passenger rail as well as how to improve the long term sustainability of rail corridors. She will play a prominent role in the Transportation Reauthorization Bill.

The Chairwoman has also been a strong advocate of improving rail service around the country and has made it a point to tour the busiest rail corridors including the LOSSAN Corridor. We have also been working closely with Congresswoman Brown and her office on advancing the Cal-Nevada Maglev projects. These projects will qualify as "High Speed Rail" projects that may receive additional authorized funding in the Amtrak Reauthorization bill, HR 6003.

2. Amtrak Reauthorization Update

During the month of July the Amtrak Reauthorization bill made significant progress in Congress. On July 22, the House voted on a companion Senate Bill (S. 294) under suspension of the rules where it was not subject to amendments and required two-thirds majority vote for passage. The Senate passed the bill by a vote of 70 to 22 on Oct. 30, 2007. As part of the motion to suspend the rules and pass the bill, the floor manager, Rep. Oberstar, offered an amended version of the bill that replaced the Senate-passed language with the text of the House-passed Amtrak reauthorization bill (HR 6003). The House previously passed this measure (HR 6003) by a vote of 311 to 104 on June 11. This action allowed the House and Senate to go to conference on Amtrak reauthorization legislation. The House has already named its conferees to include Reps. Oberstar (D-MN), Brown (D-FL), Cummings (D-MD), Capauno (D-MA), Bishop (D-NY), Napolitano (D-CA), Lipinski (D-IL), Braley (D-IA), Acuri (D-NY), Mica (R-FL), Petri (R-WI), LaTourette (R-OH), Brown (R-SC), Mario Diaz-Balart (R-FL), Westmoreland (R-GA), and Shuster (R-PA). The Senate conferees have not yet been announced.

House Republican and Democratic staff have already been meeting with their Senate counterparts to “pre-conference” the bill. According to the Chairwoman of the Railroad subcommittee, the only remaining provision of the bill that needs to be agreed upon to finalize the Conference report is Title V, High Speed Rail. The Title V is generally considered a Mica provision, and it is unlikely he will help move the bill without it. Without the help of Rep. Mica, Chairman Oberstar is also unlikely to move the bill, which is facing a Presidential veto threat. Member conferees are scheduled to work through the end of the month and into the recess period. A Conference report will hopefully be finalized by the beginning of September. Once the conference report is finalized it will most likely be taken up quickly on the House and Senate floors.

3. FY 09 Appropriations Update and Economic Stimulus

The House Appropriations Committee continues to delay action on the FY09 THUD bill leaving the possibility that only the Defense spending bills may reach the House floor before the end of the fiscal year. Potomac Partners continue to advance OCTA projects with Congressmen Gary Miller, Joe Knollenberg and Jerry Lewis. We are placing a special emphasis on the SR-91 that we believe is well-positioned for an earmark in the THUD bill or could ultimately be packaged into an Omnibus spending bill.

The Senate, however, had begun work on a supplemental spending bill for economic stimulus. The bill was expected to contain billions of dollars for infrastructure-related stimulus and other items the Senate tried to include in the last supplemental bill, but which the House decided to reject. The full Senate committee markup schedule for July 22nd was postponed till after the August recess. Senator Feinstein’s staff believes the supplemental bill will likely be taken up in September.

4. Congressional Legislation Updates to Matrix

S. 1926 and H.R. 3401 Infrastructure Bank Legislation	Senate Committee on Banking Housing and Urban Affairs held a second hearing on 6/12. On June 10 th the full House T&I held a hearing with testimony from the lead Sponsor.	7/24 The House T&I committee held a hearing on the financing aspects of public-private partnerships that touched on the topic of an Infrastructure bank.
S. 1499 & H.R. 2548 Maritime Vessel Emissions Reduction	Senate EPW marked up the bill May 22. A tentative house T&I hearing was schedule to discuss the Federal Maritime Commission's regulation of international shipping in late June but was postponed for a later date.	S. 1499 was placed on the Senate legislative calendar.
H.R. 3621 (Kilpatrick) Surface Transportation Private Contract Requirements	No hearings have been scheduled	Will continue to monitor for hearings
H.R. 2485 (Filner) Requires Surface Transportation Projects Inspections	7/10 T&I committee held a hearing on strengthening and improving federal safety programs.	Will continue to monitor for hearings
H.R. 5102 "On Time Act" for Import/Export Fee on goods to be used for Transportation Projects in the corridor	T&I committee hearing held on 6/10.	We will continue to seek the opportunity to testify to the impact that goods movement has on surrounding communities and infrastructure
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**Report to the Orange County Transportation Authority from
Smith, Dawson
June 2008**

Focus: Federal Transportation programs and Transportation Reauthorization Activity
June 2008

Highlights

Washington activity has been focused on the programs and legislative discussions that affect OCTA's federal funds: extension of the alternative fuel tax credit; transportation reauthorization information gathering and discussions about potential Board visits to Washington as well Congressional staff visits to Orange County.

On June 18, Congress overrode the Presidential veto of the farm bill for the second time. It required a second veto, when 35 pages of measures were omitted from the first bill that passed and was also overridden in May by the Congress. Again, this law does not include an extension of alternative fuel tax exemption.

Although the House Subcommittee on Highways and Transit staff tentatively set a June date for a reauthorization field hearing in southern California, the hearing did not materialize. Two transportation-related hearings were held in Washington: the House Transportation & Infrastructure Committee discussed financing infrastructure investment and the Senate Surface Transportation and Merchant Marine Infrastructure, Safety, and Security Subcommittee discussed freight movement. Both of these hearings reviewed myriad models for addressing the significant mobility and infrastructure investment challenges confronting Congressional panels that will contribute to and author the next transportation reauthorization law. Detailed summaries of both hearings are attached.

Discussion is underway to maximize the results of an OCTA Board trip to Washington and develop a post November elections strategy for OCTA federal goals. Conversations with Congressional Members and staff to secure potential tours of OCTA facilities and operations continue, but focus over the summer is generally targeted at winding down legislative action as the upcoming party conventions approach.

SDA Outreach

Contact on Capitol Hill on behalf of OCTA

- Gaines and Andrew with *Sen. Murray* regarding travel to California

Contact with relevant organizations on behalf of OCTA

- Garson—weekly updates from US Conference of Mayors transportation and environment legislative staff
- SDA group--outreach to Republican and Democratic leadership regarding activities related to earmark preparations and reauthorization discussions
- SDA group--review of important Congressional hearings and press conferences related to OCTA goals

Miscellaneous

Smith, Dawson Andrews and Garson hosted meeting with OCTA Federal Relations Manager Rick Bacigalupo with Gaines, Burrell and Potomac Partners Rick Alcalde and Dan Feliz attending by conference call. Garson updates legislative matrix.

Summaries of June Washington Hearings on Transportation Topics June 10: House Transportation & Infrastructure Committee, “Financing Infrastructure Investment”

There were segments of this hearing that were extremely helpful in understanding where Congress is moving to finance the nation’s future infrastructure. The first panel consisted of Representatives Rosa DeLauro (CT), Ken Calvert (CA), Earl Blumenauer (OR) and Keith Ellison (MN). Committee Chairman James Oberstar (MN) let Ranking Congressman John Mica (FL) begin the discussion. Rep. Mica clearly indicated he wants more transportation dollars. He wants individual states to become more active in helping the federal government come up with solutions. He believes that each state should know its infrastructure needs immediately, a model that New York has displayed effectively. He further goes on to say that \$500 billion is not going to be enough for infrastructure, namely transportation for the next reauthorization. He believes that the dollar number should be more like \$1.5 trillion. Rep. Mica gets to this number by increasing the last highway bill of \$266 billion to \$500 billion, adding \$500 billion through creative funding such as bonding and leveraged financing and adding an additional \$500 billion from public-private partnerships (PPP) through avenues such as tolling. Ranking member Mica discussed these large numbers and then contrasted his vision with the plans of Reps. DeLauro and Blumenauer. He flat out thought they weren’t thinking big enough with their bills. Blumenauer went on to explain that the commission would only be created as a guide for the development of our national infrastructure. Mica replied that he was worried that it would be hard to go from a guide to getting the project into law. Mica also commended Calvert’s plan, but thought it needed to be bigger in scope and more strategic—he was thinking more of a nationwide plan that addressed all ports of entry.

Rep. DeLauro touted her bill that would create an insurance corporation and a development corporation. It would be front loaded through \$9 billion in appropriations over a 3 year period and would look for self sustaining projects. This would essentially be a GSE like Fannie Mae or Freddie Mac.

Rep. Blumenauer is in favor of a commission to determine a national strategic vision for our infrastructure. He believes to make it more centralized will make it more efficient and less costly.

Rep. Ellison has sponsored a bill along with Rep. Barney Frank (MA) that would create a national infrastructure bank. This bank would finance infrastructure through tax credit bonds. The figure right now is that the bank would have roughly \$60 billion for the tax credit bonds. This bank is modeled after the highly successful European National Bank. The infrastructure bank would supplement any other long standing infrastructure bills and would target large capacity projects that are not able to get the necessary funding. These projects would qualify if they required at least \$75 million in financing and were of regional and national significance. Rep. Ellison believes that more infrastructure projects will bring more jobs that cannot be shipped overseas. He stated that every billion dollars invested would create 47,500 American jobs.

Rep. Calvert discussed his On Time Act, HR 5102, which he has co-sponsored with Rep. Jackson. This act would work to fund construction of high priority corridors and would be limited to transportation projects in the national gateway corridor. The bill projects that the ad valorem tax would provide \$63 billion over 10 years, which would be deposited in a separate trust fund. This fee would not necessarily be placed on the shipper, but would affect the benefited cargo owner. The U.S. government would collect the fee and it would then go to transportation improvement projects within the national gateway corridor. Rep. Calvert realizes that this bill's concept will need to be included in the reauthorization of SAFETEA-LU, but he at least is hoping that the DOT will designate a national trade corridor.

Chairman Oberstar likes all four of the ideas that were presented. He questioned how Rep. DeLauro's corporation would finance infrastructure projects and she explained that it would be through public & private investment. She calculates that the initial investment will reap somewhere in the ballpark of \$55.8 billion dollars of economic activity. However, there are no criteria for what projects will be financed yet. The board of the corporation will determine this once it is up and running. She further explained that the goal of this corporation is to leverage private capital, not privatize infrastructure. Oberstar next questioned Rep. Blumenauer's commission concept. What exactly would they do? Blumenauer stated that the commission would create a streamlined approach to solve our infrastructure financing problems. The commission would synthesize information and come up with criteria for important infrastructure

projects. Oberstar retorted that he worries about the time frame for Commission conclusions. He believes that most of the time you have a commission they often take too long and he wants a more expedited process. Chairman Oberstar liked Rep. Calvert's suggestion of the container fee. In fact, he tried it a few years back, but he couldn't get the administration on board.

Rep. Nadler questioned DeLauro's corporation because he thought there would be many projects that wouldn't be self-sustaining. Rep. DeLauro emphasized that the development corporation was only meant to supplement other funding and that she realized not all important projects would be self-sustaining.

The second panel consisted of Everett Ehrlich—president, ESC Co., Mark Florian—managing director, Goldman, Sachs and Co, Rudolph Penner—senior fellow at the Urban Institute and Bernard Schwartz—Chairman and CEO, BLS Investment LLC.

Mark Florian discussed several different avenues to fund our infrastructure. (1) fuel tax increase, which isn't politically advantageous, (2) index fuel tax for construction inflation or EPI, (3) greater use of user fees, which would use direct travel; however, this may be problematic because lower income persons couldn't afford this, (4) expand the tax exempt debt (bond market) for infrastructure investment, (5) private investment. Mr. Florian thought Rep. Ellison's investment bank bill could be good because it could raise the necessary financing for higher risk projects, it could allow for faster delivery of projects, and would create an additional revenue source.

Dr. Penner brought up both raising the fuel tax and tolling & congestion fees as a way to finance our infrastructure, but cautioned the highly political nature of both these sources of financing. He did not think creating a GSE would be a good idea in light of the Freddie Mac and Fannie Mae problems, unless the GSE was heavily regulated. He brought up the idea of issuing more tax-exempt municipal bonds and also federal subsidies for highways.

Mr. Schwartz was a big fan of having the federal government capitalize financing. However, he had one caveat; the federal government must be disciplined in order to embark on this path. There would need to be heavy oversight, so that the federal government met its objectives. He favors the Dodd/Hagel & Ellison method of financing through an infrastructure bank. Mr. Schwartz brought up the stimulus package that sent out checks to Americans. He believes that an infrastructure stimulus would have been far more effective because it produces long term economic impact, especially because the cost is relatively low now.

Chairman Oberstar emphasized his admiration for the European model of infrastructure financing. In the European model, every country designates a

minister to determine a list of several projects. Then the Europeans collectively prioritize which projects are most important for the infrastructure and work from there. Oberstar signaled that he favors capital budgeting, but he also didn't run away from the fact that it is tough to budget this way. The advantage of capital budgeting is that the users are the ones who pay for it, but to effectively use this type of financing you need a balanced budget, which we haven't seen in several years. Oberstar seems to think the European model is the way to go. Instead of ministers from each country, it would be representatives from each state. They would come together and determine projects with the most national significance. The Chairman knows that we are going to need to come up with financing beyond the gas tax. Possibly go to vehicle miles traveled (VMT). In Oregon, they are running a VMT pilot program and it has been highly effective. They use a transponder that is attached to the odometer and it communicates with a satellite that tells a computer how far the vehicle has traveled. Oberstar also mentioned that increased tolling may also be an avenue that will be explored.

June 10: Senate Surface Transportation and Merchant Marine Infrastructure, Safety, and Security Subcommittee (Commerce, Science & Transportation Committee), "Freight Movement"

The witness panel included Mr. Brubaker, Ms. Glynn of (AASHTO), Mr. Hamburger of the Association of American Railroads, Mr. Larrabee of the Port Authority of NY/NJ and Mr. Vanselow of the Pacific Waterways Association. Mr. Brubaker started his testimony with facts about freight movement. By 2025, freight movement in the U.S. will double. The logistics' cost of moving freight has exponentially increased in recent years—between 2004-2005 the logistics' costs increased \$156 billion. The price of gasoline is another factor increasing the cost of freight movement. He suggested some solutions for solving the nation's freight financing issues may be to (1) use differential GPS to track and charge truck movement; GPS could also increase national safety, (2) use public-private-partnerships (PPP) to help with funding and efficiency. As of now, DOT does not have a good way to track freight movement throughout the U.S. in a timely fashion; all analysis takes between 15-18 months. The commodity flow survey (CFS) is the measure that the DOT uses to track movement. However, the CFS is not efficient and does not do a very good job of finding bottlenecks. One solution to this problem is to utilize university transportation centers. These centers find efficient and cutting edge ways to analyze data.

Ms. Glynn of AASHTO noted the disturbing rise in logistical costs—10% of GDP goes to logistical costs. She emphasized that solving the freight movement problem cannot be solved by private business alone and the government must remain a key player. She also discussed transit's role in freight movement. It is the last mile of moving the freight that is often the most difficult part of freight movement and this is where transit becomes a key factor.

Mr. Hamburger touted the efficiency of railroads from the start. Rail freight gets 436 miles per gallon of gas. There are 11,000 more rail freight employees today than two years ago. Since 1980, rail freight has tallied \$420

billion in spending on infrastructure and equipment and \$.40 cents out of each revenue dollar goes into maintenance of rail freight, which is a big reason why this mode of freight transportation has been efficient and cost effective. The witness believes that PPPs are the best way to increase the use of rail freight and he used the example of the Alameda Corridor's success.

Mr. Larrabee discussed the effect that 9/11 has had on the ports and what the future holds for port efficiency. Since 9/11, ports have really only had the money and time to concentrate on security and maintaining the operations of ports. This means that little money is available for capital investment, which is an enormous problem because of the rate of goods that are coming into the U.S. He stated that without further investment by 2020, only half of the imports to the ports will be able to be handled. Thus, we need significant investment to handle future imports.

Subcommittee Chairman Frank Lautenberg (NJ) summed up all the testimony into a cohesive statement. As of now, the U.S. lacks a comprehensive national freight strategy. He went on to explain that without a strategy the administration can't effectively shape future policy. Mr. Brubaker echoed this assessment and admitted that the U.S. (DOT) lacks a complete picture of existing freight flow. He believes that in order to understand where the bottlenecks and chokepoints are located, we need to have real time capabilities of tracking the supply chain.

Ranking Senator Gordon Smith (OR) reiterated that our transportation freight system is acting at near capacity. He expressed his concern that if a terrorism event or natural disaster shut down a port, serious damage could be done to the U.S. economy. He used the staggering figure that each day a California port is closed the U.S. economy loses a billion dollars.

Senator Thomas Carper (DE) had a lengthy discussion with Mr. Hamburger about investing in more freight rail. Mr. Hamburger believes that because freight rail is privately owned, the best way to help with its development is through higher and more tax credits. The short line tax credits that expired in 2007 were very helpful for freight rail investment. PPPs would be another avenue for financing freight rail infrastructure. Additionally, the private activity bonds that were issued through SAFTEA-LU have been extremely helpful with freight corridors and loosening bottlenecks.

**Report to the Orange County Transportation Authority From
Smith, Dawson & Andrew
July 2008**

Focus: Transportation Appropriations and Reauthorization Activity
July 2008

Highlights

Washington activity has been focused on the programs and legislative discussions that affect OCTA's federal funds: transportation appropriations movement; transportation reauthorization information gathering and discussions about potential second stimulus.

By the last week of July, Speaker of the House Nancy Pelosi (CA) indicated she believes a second stimulus package is definitely needed. Without outlining all its aspects, she indicated its elements would be determined by negotiations with the administration, but expected such items as: an increase in food stamp and home heating assistance; assistance for states confronting soaring Medicaid costs; and infrastructure investments to create jobs. A not-less-than \$50 billion figure was reported as its potential cost. Majority Leader Steny Hoyer was reported targeting the end of the 110th Congress for passage of a stimulus. Adjournment for this Congress is tentatively set for September 26.

On July 23, the House completed action on a measure to shore up the funding gap in the Highway Trust Fund. The House passed HR 6532 by a vote of 387-37 to transfer \$8 billion from the General Fund to the Highway Trust Fund (HTF) with overwhelming bipartisan and presidential veto-proof support. This stand-alone legislation, sponsored by Ways and Means Committee Chairman Charles B. Rangel (NY), Transportation & Infrastructure (T&I) Committee Chairman James L. Oberstar (MN), and Transportation & Infrastructure Committee Ranking Member John Mica (FL), was one of several attempts to address the projected shortfall.

Chairman Oberstar has said the House T&I Committee will incorporate creative financing mechanisms as part of the rewrite of the surface transportation law expected next year. In the meantime, he found willing supporters who agreed that there is a race against the clock to address the expected highway trust fund shortfall immediately.

On July 28, Senate Finance Chairman Max Baucus attached an \$8 billion boost for the federal Highway Trust Fund to the tax "extenders" package. The provision is similar to the House passed-legislation, HR 6532. It basically permits an intergovernmental transfer of general funds to the highway fund, which is expected to continue to capture less and less revenue each year, as Americans drive less. Both Houses of Congress agree the measure is necessary to permit hundreds of authorized transportation projects the ability to start, continue and

finish. But the Senate bill is languishing with all others as a political stalemate continues.

Although the Subcommittee on Transportation Appropriations, chaired by Rep. John Olver (MA) completed its approval of 2009 fiscal transportation funds before the end of June, it remains part of a House stalemate on moving funding bills forward. The stalemate began in mid July when Chairman Obey (WI) suspended action in a mark up where amendments related to drilling oil as a response to climbing gas prices emerged. Ranking Member Jerry Lewis (CA) sent a letter to request action, but no further mark ups have been scheduled. By the end of July, the House Appropriations Committee had only acted on five of 12 spending bills.

Then a similar stalemate unfolded in the Senate. By July 23 Senate action on appropriations bills was suspended because of partisan political back and forth again over drilling measures to address rising gas prices. Up until that point, the Senate had approved nine of its 12 fiscal 2009 spending bills, with only Interior, Defense and Legislative Branch bills yet to be considered. As of July 31, neither chamber has permitted a 2009 spending bill to begin debate on either floor.

For transportation, the Senate Appropriations Committee approved a little over \$10 billion for transit, an increase of 8% over the FY 08 appropriated level, yet still \$113 million short of the authorized SAFETEA-LU levels. It also included the \$8 billion budget transfer to thwart the projected insolvency of the Highway Trust Fund and allow for highway projects to be funded at the level authorized in SAFETEA-LU for FY 09. The House version appropriated the full \$10.3 billion authorized by SAFETEA-LU.

Congressional floor action is not expected to move, especially as the month of August approaches and both parties head to their conventions to complete the presidential nominating process. Various parliamentary maneuverings begin and then are pulled back, as gridlock remains.

Transportation issues briefings and discussions continue on the hill, especially as gas prices and the economy emerge as two front runner issues of concern for the country. On July 17, a Congressional briefing, "Moving Away from High Gas Prices: Transportation Policy and Oil Independence" was organized by the Environmental and Energy Study Institute. Participants included Representatives Doris Matsui (CA), Earl Blumenauer (OR), Christopher Shays (CT), and James P. Moran (VA). Each spoke about their respective bills as part of the transportation solutions mix that must be addressed in this country. The bills include HR 6495—Transportation and Housing Choices for Gas Price Relief introduced by Blumenauer to require land use planning in context with all infrastructure development; HR 5951---the Safe and Complete Streets introduced by Matsui to create a blueprint process to manage growth similar to Sacramento's ongoing efforts; and HR 6052---Saving Energy through Public

Transportation introduced by T&I Chairman Oberstar. This bill was passed by the House in June and is still pending action in the Senate.

HR 6052 authorizes \$750 million per year for two years for public transportation. There are five categories in which OCTA may qualify for this money:

- If OCTA is able to certify to the Secretary of DOT that it has reduced one or more fares, it may qualify for federal funding to pay for operating costs of equipment and facilities, which it is no longer able to pay because of the decrease in fare revenue resulting from the reduced fare(s).
- If OCTA is able to certify to the Secretary of DOT that it has expanded its public transportation services, it may qualify for federal funding to pay for the operating and capital costs of equipment and facilities that resulted from this capacity expansion.
- If OCTA is able to certify to the Secretary of the DOT that it avoided increasing fares or decreasing services even though there were increases in transportation related fuel costs or transportation related equipment or maintenance facility needs, it may qualify for federal funding to pay for these increases.
- If OCTA is able to certify to the Secretary of the DOT that it acquired clean fuel or alternative fuel vehicle-related equipment or facilities for improving fuel efficiency, it may qualify for federal funding to pay for the costs of acquiring the equipment or facilities.
- If OCTA is able to certify to the Secretary of the DOT that it acquired clean fuel or alternative fuel vehicle-related equipment or facilities for purposes of complying with or maintaining compliance with the Clean Air Act, it may qualify for 100% of the net project cost of the equipment or facility attributable to compliance with the Act.

SDA Outreach

Contact on Capitol Hill on behalf of OCTA

- Burrell at EESI briefing on three transportation bills, where *Rep. Blumenauer*, *Rep. Matsui* and *Rep. Shays* discussed the bills
- Gaines with *Rep. Sanchez*. Congresswoman Sanchez has hired **Adrienne Elrod** as her new chief of staff. Ms. Elrod was most recently Communications Director, Texas Office, Hillary Clinton for President. Prior to this position, she served as Chief of Staff/Communications Director, for Rep. Ron Klein (D-FL), (2007). She began her Washington career as a Staff Assistant, Office of National Drug Control Policy (1998). Executive

Assistant, White House Intergovernmental Affairs (1999). Intergovernmental Affairs Associate, United States Department of Housing and Urban Development (2000). Staff, The Thompson Group (2001). Communications Director, Rep. Mike Ross (D-AR), (2004-2005). Regional Press Secretary, Communications Division, Democratic Congressional Campaign Committee, (2005-2007).

Contact with relevant organizations on behalf of OCTA

- Garson—weekly updates from US Conference of Mayors transportation and environment legislative staff
- SDA group--outreach to Republican and Democratic leadership regarding activities related to earmark preparations and reauthorization discussions
- SDA group--review of important Congressional hearings and press conferences related to OCTA goals
- Burrell—Environmental and Energy Institute briefing on federal transportation issues

Miscellaneous

Burrell meeting with David Kim of LAMetro.

Burrell introduced to Orange County Assessor Webster Guillory in Oakland

Garson updates legislative matrix.

Garson notes from:

Senate Finance Committee Hearing, July 18—“Transportation Infrastructure: Issues and Options.”

The panel consisted of Peter R. Orszag, director, Congressional Budget Office and JayEtta Z. Hecker, director, Physical Infrastructure Issues for the General Accounting Office. Senate Finance Committee Chairman Max Baucus (MT) began this hearing with current factoids: recent decrease in driving has resulted in decreases in fuel tax revenue, gas tax receipts down \$43 million this year, etc. He then mentioned the GAO report that stated the next transportation reauthorization efforts must include solutions that involve more transportation modes and funding mechanisms. Ranking Member Charles Grassley (IA) followed with a similar context for the discussion. He gave an example of smart funding through the use of excise tax credits for school buses that use alternative fuels. He also asked a blanket question to the panel, “How much funding is needed for the next highway bill?”

Dr. Orszag began his testimony by discussing the enormous part that highways play in our country’s infrastructure. He stated that within America’s infrastructure, transportation is the largest part, and further, that within transportation, highways dominate the sector. Dr. Orszag said that the nation is currently spending \$70 billion on highways and that in order to keep up with maintenance there is a price tag of an additional \$80 billion. Yet, the country does not reach economic efficiency until \$100 billion is spent for upkeep. He brought up congestion pricing as one solution, but thinks in no way is this a

complete fix. He also raised concerns about current tracking of state and local government spending on transportation infrastructure. He posed one way of tracking this spending more efficiently would be through tax credit bonds.

Ms. Hecker stated her belief that the whole system is broken at the beginning of her testimony. She views this as a major reason why infrastructure is deteriorating. The system is broken for several reasons: no accountability, it is not sustainable, it continues to operate in the same manner as it did 50 years ago, and it does not address the country's needs. She believes the solution is to take on comprehensive reform and comprehensive guidelines. The nation's transportation goals need to be clarified—both performance goals and quantifiable goals. The new system needs built in accountability. As of now, sporadic reporting from states is part of the problem. An effective system requires an in-depth look at return on investment on a state-by-state nature. There needs to be an end to the era of whitepapers, so real solutions can emerge. She further mentioned the difference between funding and financing mechanisms; there are only two sources of public funding--taxes and fees; all other ideas are financing mechanisms.

Chairman Baucus asked both panelists about innovative financing mechanisms. Dr. Orszag suggested that a carbon tax would generate a significant amount of revenue as would taxes on freight. He cautioned that public private partnerships (PPP) can be effective, but the private investment must be efficient. Chairman Baucus asked Dr. Orszag about a national infrastructure bank and Orszag responded that he didn't think state and local governments would necessarily want to borrow money from this type of bank.

Ranking Member Grassley asked about the possibility of a miles traveled system or Vehicle Miles Traveled (VMT). Dr. Orszag thinks that this could work as long as it is efficient. Ms. Hecker thinks this it will be hard to get people on board with this type of system; this type of legislation would be hard to move at the national level, but should continued to be reviewed as it has been effective in Oregon.

Senator Jeff Bingaman (AZ) asked both witnesses about congestion pricing. Orszag discussed the success of the London model of congestion pricing. In London, congestion pricing has reduced and shifted people driving into the city. However, congestion pricing can disproportionately burden lower income folks. Bingaman asked a question about freight movement and Orszag responded that the country does not impose taxes on trucks commensurate with the wear and tear they impose on the roads and this is very problematic. It must change. Dr. Orszag also shared his thinking on project specific spending as passable cost-benefit model, where increased funding for these projects would be beneficial.

Garson notes from:

Senate Energy and Natural Resources Committee Hearing, July 18---“Tax and Financing Aspects of Highway Public-Private Partnerships”

This hearing held by Chairman Jeff Bingaman (NM) and Ranking Member Bunning had five witnesses. The witnesses included, Edward Kleinbard, Chief of Staff for Joint Committee on Taxation, JayEtta Hecker, Director of Physical Infrastructure Issues for GAO, Pat Choate, an economist and director for the Manufacturing Policy Project, Linda Carlisle, Partner at White and Case LLP, and Dennis Enright, Principal at NW Financial. Chairman Bingaman began the hearing by going over recent Public-Private-Partnerships (PPP) such as the Chicago Skyway and the Indiana Toll Road. He is not sure that state and local governments should be selling off their highways, but is open to the idea. He was under the impression that PPP leases go for a long time—at least 45 years—so that the private entity can take advantage of the tax code. He thinks this lease is excessive.

Senator Jim Bunning (KY) used his opening to discuss a recent GAO study of PPPs. Senator Bunning thinks PPPs provide a reasonable alternative for a growing demand, but like Bingaman, believes that the tax laws must remain natural for PPP transactions.

Mr. Kleinbard presented a few rhetorical questions that focused on tax policy. He asked whether PPPs are taking advantage of favorable public tax benefits and whether tax consequences to private parties in these deals are similar to circumstances in everyday private transactions. He concluded that PPPs have advantages because of the nature of the transaction going from federal to private. The deals are also advantageous because they have an accelerated depreciation, 15 years, when the lease goes for a much greater time period.

Ms. Hecker discussed the benefits of PPPs. The transfer of risks is beneficial for the federal government, because the private sector is much better at dealing with risks such as building and pricing risks. The added efficiency of PPPs is noticeable. The privately owned highway must be maintained for the life of the lease and private companies do this more efficiently than the federal government. Private companies also manage tolling more efficiently than the federal government because they understand the costs. The costs of a PPP are that the tolls are higher and the extensive length of the deal is largely dictated by effective ownership for tax purposes. She explains that PPPs can be problematic for the U.S., because there is not a rigorous up-front analysis of possible deals, which is the case in foreign countries that utilize PPPs. Also, the federal government has had little intervention in PPPs. The Chicago and Indiana projects were negotiated at the state level and so the national interest on these deals was never discussed.

Mr. Choate began his statement by highlighting the massive underinvestment in highways that plagues the United States. He partially blamed the fact that the gas tax was not indexed for inflation. He went on to explain why PPPs aren't always great for states. In the instance of the Chicago deal, \$200 million of the up-front money was used to pay for debt. This was a significant portion of the final amount and in the eyes of Mr. Choate a troublesome fact. He thinks that if PPPs are going to be a big part of the highway's financing future, two concepts need to be realized. First, the federal government doesn't have a capital budget that determines priorities, which is a major fiscal omission—both state governments and private business have a capital budget. Second, the areas that should utilize PPPs are where congestion is rampant. These roads should have high tolls, less congested roads should not.

Ms. Carlisle thinks that PPPs do not provide private enterprises any significant advantage through the current tax structure. She thinks that investors like toll roads because they produce predictable returns over a long period of time.

Mr. Enright used most of his time to explain that PPPs are used because they provide states with a large amount of up-front capital and that PPPs are created to turn a profit and that is why they are more expensive.

Senator Bingaman asked whether the tax code treats private enterprises more favorably in PPPs, but did not indicate he got a satisfactory answer. Ms. Carlisle kept reiterating that PPPs have the same tax treatment as any private transaction. The Chairman also seemed to be concerned with the non-compete clause attached to PPPs. Essentially, when a PPP is created, the government is not allowed to build a highway/road for a certain amount of miles on either side of the private entity's toll road. If it does, they must pay the private business the money that was lost due to the new road that was built. The Chairman was concerned that this could lead to severely congested roads.

Senator Bunning asked a similar question about the tax treatment of PPPs and received similar answers from both Ms. Carlisle and Mr. Kleinbard. The Senator also asked about the difference in quality of PPPs and public roadways. Mr. Enright explained that they did an extensive study of the Chicago Skyway and found that the government could have maintained the road just as effectively with lower tolls. Ms. Hecker added that PPPs are a premium way of building/maintaining roads. She explained this point by comparing the PPP bidding system in the U.S. to Europe/Australia. In Europe and Australia, the winning bid goes to the private entity that can provide the lowest toll; whereas, in the United States, the government wants to maximize cash out of the asset, so the winning bid goes to the entity that will put up the most money.



BOARD COMMITTEE TRANSMITTAL

August 25, 2008

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Agreement for On-Call Right-of-Way Services for the West County Connectors Project

Transportation 2020 Committee Meeting of August 18, 2008

Present: Directors Amante, Buffa, Campbell, Cavecche, Dixon, and Pringle
Absent: Director Brown

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-8-0822 between the Orange County Transportation Authority and Overland, Pacific & Cutler, Inc., in an amount not to exceed \$949,000, for an initial period of two years with two one-year options for on-call right-of-way services.



August 18, 2008

To: Transportation 2020 Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Agreement for On-Call Right-of-Way Services for the West County Connectors Project

Overview

Consultant services are required to assist the Orange County Transportation Authority to acquire right-of-way needed to implement the West County Connectors Project. A request for proposals was solicited and received for on-call right-of-way services 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 No. C-8-0822 between the Orange County Transportation Authority and Overland, Pacific & Cutler, Inc., in an amount not to exceed \$949,000, for an initial period of two years with two one-year options for on-call right-of-way services.

Background

On August 28, 2006, the Orange County Transportation Authority (Authority) Board of Directors (Board) approved an implementation plan for the San Diego Freeway (Interstate 405) West County Connectors (WCC) Project. The funding for the final design and construction of the project has been approved by the Federal Highway Administration and the California Transportation Commission, and the funding timetable has been set. The approved funding timetable requires the Authority to complete final design and begin construction on the project by March 2010. To meet this schedule, the Authority must proceed with right-of-way (ROW) acquisition work immediately.

The Authority has a need for on-call ROW services to support property acquisition, preparation of appraisals and appraisal reviews, relocation of persons, property, and businesses, and other miscellaneous activities in order to proceed with the WCC Project.

On May 12, 2008, the Authority issued a request for proposals (RFP) for on-call ROW services for the WCC Project.

The broad range of ROW activities include, but are not limited to, the following:

- Acquisition and review of preliminary title reports, appraisal maps, surveys, and legal descriptions; hazardous waste and environmental inspections and reports; preparation of rights of entry, data sheets and certifications; utility relocation coordination; preparation of appraisals and appraisal reviews; facilitating the acquisition of property through the presentation of offers to purchase and closing of escrows; coordinating the relocation of persons, property, and businesses; coordination of eminent domain activities; and all other ROW related activities, if required.
- 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.
- Attendance at public meetings and hearings, as necessary, to support the projects.

Discussion

This procurement was handled in accordance with the Authority's procedures for professional and technical services. In addition to cost, many other factors are considered in an award for professional and technical services. 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.

Evaluation criteria were: Qualifications of the Firm – 25 percent, Staffing and Project Organization – 30 percent, Work Plan – 25 percent, and Cost and Price – 20 percent. The criteria were weighted higher for Staffing and Project Organization because of the complex nature of the required professional services and the need to have adequate staff with appropriate skills, knowledge, and experience. Cost and Price criteria were weighted lower because technical qualifications are considered more important than pricing. The rates can also be negotiated prior to drawing the contract.

On May 12, 2008, an RFP was posted on CAMM NET and advertised in a newspaper of general circulation. A pre-proposal meeting was held on May 22, 2008, and was attended by seven firms. On June 26, 2008, six

proposals were received. An evaluation committee consisting of Authority staff from the Development Division and Contracts Administration and Materials Management Department and a member of the California Department of Transportation ROW Division 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 July 8, 2008, three firms were invited to interview. Those firms were Overland, Pacific & Cutler, Inc., Epic Land Solutions, Inc., and HDR Engineering, Inc. Interviews were held on July 14, 2008, and were based on a question and answer session related to the firms' proposals. At the completion of the interviews, the evaluation committee reviewed the scores and finalized the recommendation. An evaluation matrix (Attachment A) and a proposal evaluation criteria matrix (Attachment B) are included for review. Based on its findings, the evaluation committee recommends the following firm to the Board for consideration of award:

Firm and Location

Overland, Pacific & Cutler, Inc.
Irvine, California

Overland, Pacific & Cutler, Inc. had significant relevant experience and demonstrated the greatest knowledge and understanding of the project and its particular ROW issues. Additionally, the firm's proposed staffing plan exhibited the best combination of experience and skills necessary to ensure timely and cost-effective delivery of services. The hourly cost for its services is higher than other respondents, but Overland, Pacific & Cutler, Inc., team members are more knowledgeable and experienced in dealing with complex ROW issues, such as the acquisition of Navy property, which is the largest and most time intensive acquisition required for the WCC Project. Failure to obtain the Navy property in a timely manner will result in significant and potentially costly delays in project construction.

If approved by the Board, the agreement will be issued for a period of two years with two one-year options on a reimbursable contract, in an amount not to exceed \$949,000. The one-year options will be exercised if more time is needed to complete all of the ROW activities; however, the dollar amount of the contract will not be increased.

Fiscal Impact

The project is included in the Authority's Fiscal Year 2008-09 Budget, Development Division, Account 0010-7514-F7200-N1C, and is funded through the Congestion Mitigation and Air Quality Program.

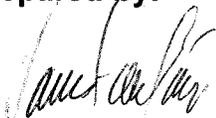
Summary

In order to ensure the ability of the Authority to deliver the WCC Project, ROW services are required. Staff recommends award of Agreement No. C-8-0822 to Overland, Pacific & Cutler, Inc., in an amount not to exceed \$949,000, for an initial period of two years with two one-year options, for on-call ROW services.

Attachments

- A. Evaluation Matrix, Request for Proposals (RFP) No. 8-0822 for On-Call Right-of-Way Services for the West County Connectors Project
- B. Proposal Evaluation Criteria Matrix, Request for Proposals (RFP) No. 8-0822, On-Call-Right-of-Way Services for the West County Connectors Project

Prepared by:



James Staudinger
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(714) 560-5746

Approved by:



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

EVALUATION MATRIX
Request for Proposals (RFP) No. 8-0822 for On-Call Right-of-Way Services for the West County Connectors Project

Six (6) Proposals Received; Three (3) Offerors Interviewed; Top Firm Selected

Overall Ranking	Overall Score	Firm & Location	Sub-Contractors	Evaluation Committee Comments	Estimated Average Hourly Rate*
1	84.9	Overland, Pacific & Cutler, Inc. Irvine, California	Seventeen (17) Subcontractors	Highly experienced in right-of-way field Strong California Department of Transportation and Navy experience Staff has strong credentials and relevant experience. Comprehensive and thorough work scope Thorough understanding of scope of work requirements	\$158.14
2	81.5	Epic Land Solutions, Inc. Huntington Beach, California	Fifteen (15) Subcontractors	Good experience in right-of-way field Acceptable Caltrans experience Staff has relevant general right-of-way experience and Navy experience Generally comprehensive work scope with some weaknesses	\$137.87
3	76.7	HDR Engineering, Inc. Irvine, California	Seven (7) Subcontractors	Experience in right-of-way field less than other proposers Staff appears technically very capable, but most are located out of state which raises concerns about ability to support project effectively Comprehensive work plan and good understanding of work requirements, although schedule not detailed	\$138.00

Evaluation Panel: (6)	Proposal Criteria	Weight Factor
OCTA:	Qualifications of Firm	25%
Contracts Administration and Materials Management (1)	Staffing and Project Organization	30%
Development (4)	Work Plan	25%
California Department of Transportation (1)	Cost and Price	20%

*The average hourly rate is the unweighted average of the proposed hourly rates of all professional and technical personnel.

**PROPOSAL EVALUATION CRITERIA MATRIX
REQUEST FOR PROPOSALS (RFP) No. 8-0822
ON-CALL RIGHT-OF-WAY SERVICES
FOR THE WEST COUNTY CONNECTORS PROJECT**

							Weights	Average Weighted Score
FIRM: OVERLAND, PACIFIC AND CUTLER, INC.								
Evaluator Number	1	2	3	4	5	6		
Qualifications of Firm	5.0	5.0	4.0	4.0	5.0	5.0	5	28.0
Staffing and Project Organization	5.0	4.5	4.0	4.0	4.5	5.0	6	32.4
Work Plan	4.0	4.0	3.0	4.0	4.5	5.0	5	24.5
Cost and Price	4.0	4.0	4.0	4.0	4.0	4.0	4	19.2
Overall Score	91.0	88.0	75.0	80.0	90.5	96.0		84.9
PROPOSED RECOMMENDATION FOR AWARD								
Firm: EPIC LAND SOLUTIONS								
Evaluator Number	1	2	3	4	5	6		
Qualifications of Firm	4.0	4.0	3.0	4.0	4.0	4.0	5	23.0
Staffing and Project Organization	4.0	3.8	3.0	4.0	4.0	4.0	6	27.3
Work Plan	4.0	4.5	3.0	4.0	4.5	4.0	5	24.0
Cost and Price	5.0	5.0	5.0	5.0	5.0	5.0	4	24.0
Overall Score	84.0	85.0	68.0	84.0	86.5	84.0		81.5
Firm: HDR ENGINEERING								
Evaluator Number	1	2	3	4	5	6		
Qualifications of Firm	3.0	3.5	3.0	4.0	4.0	4.0	5	21.5
Staffing and Project Organization	3.0	4.0	2.0	4.0	3.0	4.0	6	24.0
Work Plan	4.0	4.5	3.0	4.0	4.5	4.0	5	24.0
Cost and Price	5.0	5.0	5.0	5.0	5.0	5.0	4	24.0
Overall Score	73.0	84.0	62.0	84.0	80.5	84.0		76.7



BOARD COMMITTEE TRANSMITTAL

August 25, 2008

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Amendment to Agreement for Final Design of the San Diego Freeway (Interstate 405) West County Connectors

Transportation 2020 Committee Meeting of August 18, 2008

Present: Directors Amante, Buffa, Campbell, Cavecche, Dixon, and Pringle
Absent: Director Brown

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

- A. Authorize the Chief Executive Officer to execute Amendment No. 2 to Agreement No. C-6-0636 between the Orange County Transportation Authority and Parsons Transportation Group, Inc., to decrease the contract value, in the amount of \$1 million, to provide engineering services for the easterly segment of the West County Connectors Project, for a revised contract value not to exceed \$12 million.
- B. Authorize the Chief Executive Officer to execute Amendment No. 3 to Agreement No. C-7-0220 between the Orange County Transportation Authority and TRC Solutions, Inc., to increase the contract value, in the amount of \$1 million, to provide engineering services for the westerly segment of the West County Connectors Project, for a revised contract value not to exceed \$14 million.



August 18, 2008

To: Transportation 2020 Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Amendment to Agreements for Final Design of the San Diego Freeway (Interstate 405) West County Connectors

Overview

On May 14, 2007, the Board of Directors approved two contracts for the final design of the San Diego Freeway (Interstate 405) West County Connectors Project. The total value of the two contracts was set at \$26 million, with the value of each individual contract set at \$13 million until such time as the exact split of work between the two projects was determined. Work is progressing and staff now has a better assessment of the scope of services and is recommending contract amendments to align budget, scope, and level of effort.

Recommendations

- A. Authorize the Chief Executive Officer to execute Amendment No. 2 to Agreement No. C-6-0636 between the Orange County Transportation Authority and Parsons Transportation Group, Inc., to decrease the contract value, in the amount of \$1 million, to provide engineering services for the easterly segment of the West County Connectors Project, for a revised contract value not to exceed \$12 million.
- B. Authorize the Chief Executive Officer to execute Amendment No. 3 to Agreement No. C-7-0220 between the Orange County Transportation Authority and TRC Solutions, Inc., to increase the contract value, in the amount of \$1 million, to provide engineering services for the westerly segment of the West County Connectors Project, for a revised contract value not to exceed \$14 million.

Background

The San Diego Freeway (Interstate 405) West County Connectors Project will construct direct high-occupancy vehicle (HOV) connectors from the Garden Grove Freeway (State Route 22) to Interstate 405 and from Interstate 405 to the

San Gabriel River Freeway (Interstate 605), with a second HOV lane in each direction on Interstate 405 between the two direct HOV connectors. The project will reconstruct the Valley View Street bridge crossing over State Route 22 and the Seal Beach Boulevard bridge crossing over Interstate 405.

The project is being developed as two separate design and construction segments. This is due to the large size of the project and to enhance construction industry bidding and competition. The easterly segment is from Valley View Street to east of the Seal Beach Boulevard bridge, encompassing the State Route 22/Interstate 405 interchange. The westerly segment is from east of the Seal Beach Boulevard bridge to Interstate 605, encompassing the Interstate 405/Interstate 605 interchange. At this time the 35 percent design submittal is complete and both design firms are working towards the 65 percent design submittal.

The total value of the two final design contracts was set at \$26 million with each of the individual contracts set at \$13 million until such time as the exact split of work between the two contracts was determined.

Discussion

A final split of work scope between the two project segments has been determined based on a more advanced level of project definition. The portion of work assigned to Parsons Transportation Group, Inc. (Parsons) is approximately 46 percent of the total project scope and construction value, and the portion assigned to TRC Solutions, Inc. (TRC) is approximately 54 percent of the total value. Therefore, staff is recommending that the maximum total value of \$26 million for the two contracts be set as \$12 million for the Parsons contract and \$14 million for the TRC contract.

Amendment No. 2 will decrease the total amount of Agreement No. C-6-0636 with Parsons by \$1 million for a revised contract total not to exceed \$12 million. Amendment No. 3 will increase the total amount of Agreement No. C-7-0220 with TRC by \$1 million for a revised contract total not to exceed \$14 million. The total budgeted to provide engineering for both project segments will remain at \$26 million.

Fiscal Impact

This work is included in the Orange County Transportation Authority's Fiscal Year 2008-09 Budget, Development Division, Account 0010-7519/F7210-HEE, and is funded through the Congestion Mitigation and Air Quality Program.

Summary

Staff recommends approval of Amendment No. 2 to Agreement No. C-6-0636 with Parsons to decrease the total contract amount by \$1 million, and approval of Amendment No. 3 to Agreement No. C-7-0220 with TRC to increase the total contract amount by \$1 million. The total budgeted to provide engineering services for the West County Connector Project will remain at \$26 million.

Attachments

- A. Parsons Transportation Group, Inc., Agreement No. C-6-0636 Fact Sheet
- B. TRC Solutions, Inc., Agreement No. No. C-7-0220 Fact Sheet

Prepared by:



Niall Barrett
Project Manager, Highway Project Delivery
(714) 560-5879

Approved by:



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

**Parsons Transportation Group, Inc.
Agreement No. C-6-0636 Fact Sheet**

1. May 14, 2007, Agreement No. C-6-0636, \$13,000,000, approved by Board of Directors.
 - Provide design services for easterly segment of the Garden Grove Freeway (State Route 22)/West Orange County Connection.
2. August 20, 2008, Amendment No. 1 to Agreement No. C-6-0636, \$0, pending approval by contract administrator.
 - Revising scope of work from a “Design-Build” approach to a “Design-Bid-Build” approach. Extending term of agreement from December 31, 2012 to March 1, 2015. Incorporating other administrative changes. This amendment is pending execution.
3. September 8, 2008, Amendment No. 2 to Agreement No. C-6-0636, \$1,000,000 reduction, pending approval by Board of Directors.
 - Adjust value of contract to reflect adjusted project definition.

Total committed to Parsons Transportation Group, Inc., after approval of Amendment No. 2 to Agreement No. C-6-0636: \$12,000,000.

**TRC Solutions, Inc.
Agreement No. C-7-0220 Fact Sheet**

1. May 14, 2007, Agreement No. C-7-0220, \$13,000,000, approved by Board of Directors.
 - Provide design services for westerly segment of the Garden Grove Freeway (State Route-22)/West Orange County Connection.
2. November 14, 2007, Amendment No. 1 to Agreement No. C-7-0220, \$0, approved by the contract administrator.
 - Administrative change only. No changes made to term or dollar amount.
3. August 20, 2008, Amendment No. 2 to Agreement No. C-7-0220, \$0, pending approval by the contract administrator.
 - Revising scope of work from a “Design-Build” approach to a “Design-Bid-Build” approach. Extending term of agreement from December 31, 2012 to March 1, 2015. Incorporating other administrative changes. This amendment is pending execution.
4. September 8, 2008, Amendment No. 3 to Agreement No. C-7-0220, \$1,000,000, pending approval by Board of Directors.
 - Adjust value of contract to reflect adjusted project definition.

Total committed to TRC Solutions, Inc., after approval of Amendment No. 3 to Agreement No. C-7-0220: \$14,000,000.



BOARD COMMITTEE TRANSMITTAL

August 25, 2008

To: Members of the Board of Directors

From: ^{WK} Wendy Knowles, Clerk of the Board

Subject: Cooperative Agreements with the Cities of Anaheim, Dana Point, Fullerton, Irvine, Orange, San Clemente, San Juan Capistrano, Santa Ana, and Tustin for the Rail-Highway Grade Crossing Safety Enhancement Program and Safety Measures Related to Quiet Zone Implementation

Transit Committee meeting of August 14, 2008

Present: Directors Brown, Dixon, Green, Nguyen, and Winterbottom
Absent: Directors Buffa and Pulido

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

- A. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0854 between the Orange County Transportation Authority and the City of Anaheim, in an amount equal to 12 percent of program costs, estimated at \$559,982, for the City of Anaheim's share for early advancement of four rail-highway grade crossing safety enhancements and related improvements being advanced within its jurisdiction.

- B. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0855 between the Orange County Transportation Authority and the City of Anaheim, in an amount equal to 12 percent of program costs, estimated at \$1,114,612, for the City of Anaheim's share for rail-highway grade crossing safety enhancements and related improvements within its jurisdiction.



- C. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0856 between the Orange County Transportation Authority and the City of Dana Point, in an amount equal to 12 percent of program costs, estimated at \$203,819, for the City of Dana Point's share for railroad grade crossing safety enhancements and related improvements within its jurisdiction.
- D. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0857 between the Orange County Transportation Authority and the City of Fullerton, in an amount equal to 12 percent of program costs, estimated at \$97,751, for the City of Fullerton share for rail-highway grade crossing safety enhancements and related improvements within its jurisdiction.
- E. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0858 between the Orange County Transportation Authority and the City of Irvine, in an amount equal to 12 percent of program costs, estimated at \$417,806, for the City of Irvine's share for rail-highway grade crossing safety enhancements and related improvements within its jurisdiction.
- F. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0859 between the Orange County Transportation Authority and the City of Orange, in an amount equal to 12 percent of program costs, estimated at \$2,615,338, for the City of Orange's share for rail-highway grade crossing safety enhancements and related improvements within its jurisdiction.
- G. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0860 between the Orange County Transportation Authority and the City of San Clemente, in an amount equal to 12 percent of program costs, estimated at \$237,962, for the City of San Clemente's share for rail-highway grade crossing safety enhancements and related improvements within its jurisdiction.
- H. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0861 between the Orange County Transportation Authority and the City of San Juan Capistrano, in an amount equal to 12 percent of program costs, estimated at \$864,372, for the City of San Juan Capistrano's share for rail-highway grade crossing safety enhancements and related improvements within its jurisdiction.



BOARD COMMITTEE TRANSMITTAL

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- I. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0862 between the Orange County Transportation Authority and the City of Santa Ana, in an amount equal to 12 percent of program costs, estimated at \$1,670,420, for the City of Santa Ana's share for rail-highway grade crossing safety enhancements and related improvements within its jurisdiction.

- J. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0863 between the Orange County Transportation Authority and the City of Tustin, in an amount equal to 12 percent of program costs, estimated at \$307,158, for the City of Tustin's share for rail-highway grade crossing safety enhancements and related improvements within its jurisdiction.



August 14, 2008

To: Transit Committee

From: Arthur T. Leahy, Chief Executive Officer

Subject: Cooperative Agreements with the Cities of Anaheim, Dana Point, Fullerton, Irvine, Orange, San Clemente, San Juan Capistrano, Santa Ana, and Tustin for the Rail-Highway Grade Crossing Safety Enhancement Program and Safety Measures Related to Quiet Zone Implementation

Overview

On August 27, 2007, the Orange County Transportation Authority Board of Directors approved the implementation strategy for the Rail-Highway Grade Crossing Enhancement Program and quiet zone improvements. This \$70 million program will make improvements at 52 at-grade rail-highway crossings in Orange County. The Orange County Transportation Authority proposes to enter into cooperative agreements with the subject cities to establish roles and responsibilities, including local funding contributions, to implement the program.

Recommendations

- A. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0854 between the Orange County Transportation Authority and the City of Anaheim, in an amount equal to 12 percent of program costs, estimated at \$559,982, for the City of Anaheim's share for early advancement of four rail-highway grade crossing safety enhancements and related improvements being advanced within its jurisdiction.
- B. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0855 between the Orange County Transportation Authority and the City of Anaheim, in an amount equal to 12 percent of program costs, estimated at \$1,114,612, for the City of Anaheim's share for rail-highway grade crossing safety enhancements and related improvements within its jurisdiction.

Cooperative Agreements with the Cities of Anaheim, Dana Point, Fullerton, Irvine, Orange, San Clemente, San Juan Capistrano, Santa Ana, and Tustin for the Rail-Highway Grade Crossing Safety Enhancement Program and Safety Measures Related to Quiet Zone Implementation

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- C. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0856 between the Orange County Transportation Authority and the City of Dana Point, in an amount equal to 12 percent of program costs, estimated at \$203,819, for the City of Dana Point's share for railroad grade crossing safety enhancements and related improvements within its jurisdiction.
- D. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0857 between the Orange County Transportation Authority and the City of Fullerton, in an amount equal to 12 percent of program costs, estimated at \$97,751, for the City of Fullerton share for rail-highway grade crossing safety enhancements and related improvements within its jurisdiction.
- E. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0858 between the Orange County Transportation Authority and the City of Irvine, in an amount equal to 12 percent of program costs, estimated at \$417,806, for the City of Irvine's share for rail-highway grade crossing safety enhancements and related improvements within its jurisdiction.
- F. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0859 between the Orange County Transportation Authority and the City of Orange, in an amount equal to 12 percent of program costs, estimated at \$2,615,338, for the City of Orange's share for rail-highway grade crossing safety enhancements and related improvements within its jurisdiction.
- G. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0860 between the Orange County Transportation Authority and the City of San Clemente, in an amount equal to 12 percent of program costs, estimated at \$237,962, for the City of San Clemente's share for rail-highway grade crossing safety enhancements and related improvements within its jurisdiction.
- H. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0861 between the Orange County Transportation Authority and the City of San Juan Capistrano, in an amount equal to 12 percent of program costs, estimated at \$864,372, for the City of San Juan

Cooperative Agreements with the Cities of Anaheim, Dana Point, Fullerton, Irvine, Orange, San Clemente, San Juan Capistrano, Santa Ana, and Tustin for the Rail-Highway Grade Crossing Safety Enhancement Program and Safety Measures Related to Quiet Zone Implementation

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Capistrano's share for rail-highway grade crossing safety enhancements and related improvements within its jurisdiction.

- I. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0862 between the Orange County Transportation Authority and the City of Santa Ana, in an amount equal to 12 percent of program costs, estimated at \$1,670,420, for the City of Santa Ana's share for rail-highway grade crossing safety enhancements and related improvements within its jurisdiction.
- J. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0863 between the Orange County Transportation Authority and the City of Tustin, in an amount equal to 12 percent of program costs, estimated at \$307,158, for the City of Tustin's share for rail-highway grade crossing safety enhancements and related improvements within its jurisdiction.

Background

As part of planned increases in passenger and freight rail traffic on the three rail lines in Orange County, a renewed focus has been placed on at-grade rail-highway crossing (grade crossing) enhancements. Improvements to grade crossings can cover a wide spectrum, beginning with additional safety features (improving crossing surfaces, re-applying of pavement markings, and enhancing signing), to the installation of supplemental safety measures that allow for the discontinuance of locomotive horn blowing (quiet zones).

On August 27, 2007, the Orange County Transportation Authority (OCTA) Board of Directors (Board) approved the implementation strategy for the Rail-Highway Grade Crossing Safety Enhancement Program (Program). This included additional improvements needed to meet Federal Railroad Administration standards for reduced sounding of locomotive horns. The Board also authorized the Chief Executive Officer to enter into a cooperative agreement with the Southern California Regional Rail Authority (SCRRA) to act as the lead agency to design and construct the grade crossing safety enhancements and additional improvements. The Board approved the Program budget of \$60 million to be funded by \$10 million in Commuter Urban Rail Endowment, \$42.8 million in Renewed Measure M (M2) funds, and local matching of \$7.2 million, based on a cost-sharing formula of 88 percent provided by OCTA and 12 percent provided by the participating cities.

Cooperative Agreements with the Cities of Anaheim, Dana Point, Fullerton, Irvine, Orange, San Clemente, San Juan Capistrano, Santa Ana, and Tustin for the Rail-Highway Grade Crossing Safety Enhancement Program and Safety Measures Related to Quiet Zone Implementation

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On June 23, 2008, the Board approved a budget amendment for an additional \$10 million for additional safety improvements such as pedestrian gates and railroad traffic signal interconnections to be funded by \$8.8 million of M2 funds and \$1.2 million of local city funds. Since the Board update on June 23, 2008, progress continues to be made on the design plans, which are expected to be completed by August 15, 2008, and approved by the respective cities no later than September 15, 2008.

The grade crossing safety enhancements are expected to be constructed in coordination with the track and infrastructure projects required for the Metrolink Service Expansion Program (MSEP). Combining the two construction packages requires the Program to maintain a parallel schedule with the MSEP schedule, which calls for an invitation for bids (IFB) to be issued by SCRRA in September 2008.

Discussion

Coordination with each city is vital to the successful delivery of the grade crossing safety enhancements and quiet zone improvements. To date, this has been accomplished by holding individual meetings with each of the nine affected cities. These meetings were also attended by OCTA, SCRRA, and project consultants. The meetings allowed the team to address issues including, but not limited to, design review, pedestrian treatments, coordination with planned city improvements, funding responsibilities, right-of-way requirements, traffic signal interconnections, and roles and responsibilities to be included in the cooperative agreements. In addition to the individual city meetings, each of the cities was invited to attend a quiet zone implementation workshop provided by OCTA to support the cities' efforts in the establishment of quiet zones.

Since then, staff has continued working with each city to address each city's specific concerns, including meetings with general counsels present to address concerns regarding the draft cooperative agreements. The general purpose and content of these cooperative agreements is to identify the roles and responsibilities of both OCTA and each city for implementation of the grade crossing safety enhancements and to support the establishment of the quiet zones within each city, as shown below:

The cooperative agreements require OCTA to:

- Enter into an agreement with SCRRA for the design, construction management, cost estimates, materials procurement, and construction of safety-related improvements and the quiet zone-related improvements set forth in the attached scope of work for each city.
- Fund 88 percent of the actual cost of the improvements, including but not limited to, design, right-of-way, utility relocations, materials procurement, construction, and construction management.
- Serve as the lead in providing public outreach and community relations for implementation of the Program.
- Provide Program oversight and project development oversight.

The cooperative agreements require the cities to:

- Cooperate with OCTA and SCRRA during the design and construction.
- Relocate or protect utilities within city's right-of-way.
- Acquire environmental compliance and right-of-way needed with OCTA providing technical support.
- Review and approve final design plans in a timely manner to meet Program schedule.
- Reimburse OCTA based on the cost-sharing formula.
- Enter into a separate construction and maintenance agreement with SCRRA prior to allocation of any funding by OCTA.
- Apply for quiet zone establishment, at the city's option, after construction is completed.

Program Schedule

The SCRRA is on schedule to issue an IFB for this major construction project in September 2008. During the bid period, OCTA and the cities will be required to finalize the cooperative agreements and environmental compliance, as well as resolve right-of-way needs and utility conflicts. The cities will also need to execute the construction and maintenance agreement with SCRRA.

The SCRRA is willing to proceed with the construction procurement while these issues are being addressed; however, if OCTA or a city are unable to complete the items identified above by October 31, 2008, the proposed bid opening date, the affected grade crossings will be deferred to the end of construction, currently expected to take two years. Any deferred grade crossings

improvement may not be constructed until late 2010, at the conclusion of the MSEP. This schedule is being driven by the MSEP, which must begin service in January 2010. The Board directed staff to advance both programs on the same schedule in order to minimize community impacts (i.e., construction impacts, train horn noise) resulting from lack of local opportunity to apply for quiet zone passenger rail service on the corridor.

Early Advancement of Grade Crossing Safety Improvements – City of Anaheim

As part of the Board's actions in August 2007, staff was directed to work with cities who chose to advance the Program ahead of SCRRA's Program schedule. The City of Anaheim decided to advance four grade crossings, adjacent to a new housing development. The City of Anaheim hired its own consultant to design the non-railroad elements of the required improvements. OCTA staff is proposing to fund these grade crossings under Cooperative Agreement No. C-8-0854. The funding arrangement remains at 88 percent OCTA's share and 12 percent city's share for these grade crossings. The cooperative agreement accounts for OCTA's share of costs incurred by the City of Anaheim for non-railroad design and construction, which is being led by the City of Anaheim. The City of Anaheim expects to begin non-railroad construction of the four grade crossings in the current calendar year. The railroad improvements will be coordinated with the City of Anaheim and its contractor through SCRRA as part of the overall Program and the MSEP.

Program Costs

The cost estimates included in the draft cooperative agreements are based upon 30 percent design plans. Once design is completed and approved by the cities, the cost estimates will be updated and incorporated into the cooperative agreements prior to execution. The final amounts will also reflect design comments received from cities. The total Program cost is estimated at \$70 million.

Fiscal Impact

The reimbursement by the cities under cooperative agreement nos. C-8-0854, C-8-0855, C-8-0856, C-8-0857, C-8-0858, C-8-0859, C-8-0860, C-8-0861, C-8-0862, C-8-0863 is included in OCTA's Fiscal Year 2008-09 Budget, Development Division, Account 0017-7831/TR001-N37, Reimbursement from Cities.

Cooperative Agreements with the Cities of Anaheim, Dana Point, Fullerton, Irvine, Orange, San Clemente, San Juan Capistrano, Santa Ana, and Tustin for the Rail-Highway Grade Crossing Safety Enhancement Program and Safety Measures Related to Quiet Zone Implementation

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Summary

Staff recommends approval of ten cooperative agreements with nine cities needed for the Rail-Highway Grade Crossing Safety Enhancement Program and quiet zone-related improvements, in the amount of \$70 million, which consists of \$8,400,000 of local cities funds, and \$61,600,000 funded through OCTA. The Board is being asked to approve the draft cooperative agreements at this time to ensure that the cities and OCTA can meet the schedule discussed earlier.

Attachments

- A. Cooperative Agreement No. C-8-0854 Between Orange County Transportation Authority and City of Anaheim for Railroad Grade Crossing Safety Enhancements and Safety Measures Related to Quiet Zone Implementation for Cities for Improvements at Orange Line Crossings at East Broadway, Santa Ana Street, East South Street, Vermont Avenue
- B. Cooperative Agreement No. C-8-0855 Between Orange County Transportation Authority and City of Anaheim for Railroad Grade Crossing Safety Enhancements and Safety Measures Related to Quiet Zone Implementation for Cities for Improvements at State College Boulevard, Ball Road, La Palma Avenue, Sycamore Street, Cerritos Avenue, Orangethorpe Avenue, La Palma Avenue, Jefferson Street, Miraloma Avenue, and Tustin Avenue
- C. Cooperative Agreement No. C-8-0856 Between Orange County Transportation Authority and City of Dana Point for Railroad Grade Crossing Safety Enhancements and Safety Measures Related to Quiet Zone Implementation for Cities
- D. Cooperative Agreement No. C-8-0857 Between Orange County Transportation Authority and City of Fullerton for Railroad Grade Crossing Safety Enhancements and Safety Measures Related to Quiet Zone Implementation for Cities
- E. Cooperative Agreement No. C-8-0858 Between Orange County Transportation Authority and City of Irvine for Railroad Grade Crossing Safety Enhancements and Safety Measures Related to Quiet Zone Implementation for Cities
- F. Cooperative Agreement No. C-8-0859 Between Orange County Transportation Authority and City of Orange for Railroad Grade Crossing

Cooperative Agreements with the Cities of Anaheim, Dana Point, Fullerton, Irvine, Orange, San Clemente, San Juan Capistrano, Santa Ana, and Tustin for the Rail-Highway Grade Crossing Safety Enhancement Program and Safety Measures Related to Quiet Zone Implementation

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- Safety Enhancements and Safety Measures Related to Quiet Zone Implementation for Cities
- G. Cooperative Agreement No. C-8-0860 Between Orange County Transportation Authority and City of San Clemente for Railroad Grade Crossing Safety Enhancements and Safety Measures Related to Quiet Zone Implementation for Cities
 - H. Cooperative Agreement No. C-8-0861 Between Orange County Transportation Authority and City of San Juan Capistrano for Railroad Grade Crossing Safety Enhancements and Safety Measures Related to Quiet Zone Implementation for Cities
 - I. Cooperative Agreement No. C-8-0862 Between Orange County Transportation Authority and City of Santa Ana for Railroad Grade Crossing Safety Enhancements and Safety Measures Related to Quiet Zone Implementation for Cities
 - J. Cooperative Agreement No. C-8-0863 Between Orange County Transportation Authority and City of Tustin for Railroad Grade Crossing Safety Enhancements and Safety Measures Related to Quiet Zone Implementation for Cities
 - K. Program Status Summary Sheet, OCTA Grade Crossing Safety Enhancement Program

Prepared by:



Mary Toutounchi
Project Manager, Grade Crossings
(714) 560-5833

Approved by:



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

COOPERATIVE AGREEMENT NO. C-8-0854

COOPERATIVE AGREEMENT No. C-8-0854
BETWEEN
ORANGE COUNTY TRANSPORTATION AUTHORITY
AND
CITY OF ANAHEIM
FOR
RAILROAD GRADE CROSSING SAFETY ENHANCEMENTS
AND
SAFETY MEASURES RELATED TO QUIET ZONE IMPLEMENTATION FOR CITIES
FOR
IMPROVEMENTS AT ORANGE LINE CROSSINGS AT EAST BROADWAY, SANTA ANA
STREET, EAST SOUTH STREET, VERMONT AVENUE

This Cooperative Agreement (“AGREEMENT”) is effective this ____day of 2008, by and between the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, CA 92863-1584, a public corporation of the State of California (herein after referred to as “AUTHORITY”), and the City of Anaheim, 200 S. Anaheim Boulevard, Anaheim, CA 92805 (herein after referred to as “CITY”).

RECITALS:

WHEREAS, AUTHORITY commissioned a report titled “OCTA Grade Crossing Study” dated December 31, 2003, providing an assessment of conditions at railroad grade crossings located in Orange County and which provided recommendations for enhancements for both motorist and pedestrian safety consistent with current California Public Utilities Commission (“CPUC”) grade crossing safety standards; and

WHEREAS, AUTHORITY, at its June 13, 2005 Board of Directors’ meeting, adopted the recommendation to proceed with the selected implementation strategy for a

comprehensive railroad grade crossing enhancement program (PROGRAM) as set forth therein; and

WHEREAS, AUTHORITY, CITY, CPUC and Southern California Regional Rail Authority (SCRRA) conducted field diagnostic review meetings between May 22 and May 24, 2006 for all grade crossings under the jurisdiction of the CITY; and

WHEREAS, SCRRA is an independent joint powers authority created and existing pursuant to California Public Utilities Code Section 130255 and California Government Code Sections 6500 et seq.; and

WHEREAS, SCRRA will be responsible for the delivery of the PROJECT in accordance with the scope of work and agreement established with the AUTHORITY and SCRRA's Joint Powers Agreement budget process; and

WHEREAS, AUTHORITY, at its August 27, 2007 Board of Directors' meeting, adopted a recommendation to include into the grade crossing enhancement program improvements designed to help enable CITY to establish a quiet zones; and

WHEREAS, in consideration of the implementation strategy, diagnostic reviews and quiet zone considerations, CITY and AUTHORITY desire to cooperate to complete highway-rail grade crossing enhancements, as set forth in **Exhibit A-1 & A-2**, at the grade crossings under the jurisdiction of the CITY, herein referred to as the "PROJECT;" and

WHEREAS, the AUTHORITY and CITY agree to a cost sharing formula of 88 percent provided by the AUTHORITY and 12 percent provided by the CITY for railroad grade crossing enhancements, Quiet Zone, and improvements within the CITY's jurisdiction; and

WHEREAS, CITY intends to construct the highway-rail grade crossing enhancements within the CITY's right of way and CITY intends to be reimbursed (88%) by AUTHORITY for design and construction in the CITY right of way; and AUTHORITY intends to construct the highway-rail enhancements within the SCRRA right of way (and signal interconnects) and intends to be reimbursed (12%) by CITY for construction in the SCRRA right of way; and

WHEREAS, the intent of the parties is that the PROJECT shall be implemented with the least amount of disruption to vehicle and rail traffic; and

WHEREAS, CITY and AUTHORITY wish to enter this AGREEMENT to specify the roles, responsibilities, terms and conditions under which the PROGRAM is to be financed, designed, and constructed.

WHEREAS, CITY and AUTHORITY acknowledge that AUTHORITY's obligation is to fund and oversee the PROJECT under this AGREEMENT and AUTHORITY'S obligations under this AGREEMENT are contingent upon CITY's approval of environmental review of the PROJECT pursuant to the California Environmental Quality Act; and

WHEREAS, AUTHORITY's obligations under this AGREEMENT are subject to CITY'S approval of CITY's review of the PROGRAM pursuant to the California Environmental Quality Act, Public Resources Code section 21000 et seq ("CEQA"). AUTHORITY shall have no obligations under this AGREEMENT, and the AGREEMENT shall have no force and effect, unless and until AUTHORITY determines, in its sole and absolute discretion, that CITY has completed and approved all applicable CEQA reviews and made any and all appropriate and applicable findings under CEQA as required by law.

NOW, THEREFORE, it is mutually understood and agreed by CITY and AUTHORITY 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 this AGREEMENT concerning the work identified herein and 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 OF SERVICES

A. This AGREEMENT specifies the procedures that AUTHORITY and CITY will follow in connection with the work to be performed. CITY agrees to provide all improvements identified in **Exhibit A-1, "Scope of Work"**, which by this reference is incorporated into this AGREEMENT subject to ARTICLE 5. AUTHORITY agrees to provide all improvements identified in **Exhibit A-2, "Scope of Work"**, which by this reference is incorporated into this AGREEMENT subject to ARTICLE 5. 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. The Scope of Work in **Exhibit A-1 (City Work) & Exhibit A-2 (SCRRA Work)** relating to safety enhancements and quiet zone improvements, are based upon the report titled "OCTA Grade Crossing Study" dated December 31, 2003, and as refined during the diagnostic meetings discussed above, as well as subsequent discussions and recommendations by SCRRA. Enhancements to be included as part of this AGREEMENT designed by JMD and constructed by the City of Anaheim are limited to those described in Exhibit A-1 (City Work) only.

ARTICLE 3. RESPONSIBILITY OF THE AUTHORITY

AUTHORITY agrees to the following, subject to the requirements of Article 5 of the AGREEMENT:

A. AUTHORITY will enter into and maintain an agreement with SCRRA for design, CPUC crossing modification applications, construction management, material procurement, cost estimates and construction of highway-rail grade crossing enhancements, which include safety related improvements and quiet zone related improvements set forth in **Exhibit A-2.**

B. AUTHORITY will fund the actual cost of improvements including right of way, utility relocations, excluding CITY costs using funding provided by Commuter Urban Rail Endowment Funds, Renewed Measure M funds, and the required 12 percent funding match provided by CITY.

C. AUTHORITY will retain program oversight by controlling the funding and by establishing program milestones and overseeing the PROJECT development.

D. AUTHORITY staff will maintain active communications with CITY staff and provide CITY with public outreach support for the PROJECT. AUTHORITY will assist in building consensus among affected parties in regard to the required enhancements.

E. AUTHORITY will submit detailed monthly invoices to CITY for payment of CITY's required twelve percent local matching funds.

F. AUTHORITY will pay CITY the entire cost of any AUTHORITY/SCRRA/Metrolink requested betterments or enhancements not included in the Scope of Work.

G. AUTHORITY and/or SCRRA/Metrolink will review and provide comments on CITY's design plans within 30 days of receipt, and will not unreasonably withhold approval of final plans and record drawings for all CITY improvements. Said plan reviews and approvals shall be at no cost to CITY.

H. AUTHORITY and/or SCRRA/Metrolink shall not charge fees or assessments to the CITY or its contractor for any permits or licenses required for implementation of CITY project; if any charges or fees are required, they shall be reimbursed to CITY at 100% by AUTHORITY.

I. AUTHORITY shall reimburse CITY, within 30 days of submittal of proof of payment, 88% of the costs for design and construction of CITY improvements with the

estimated project cost of \$ 145,882 and a maximum reimbursement to the CITY capped at \$128,376 based upon the agree to cost sharing formula of 88 percent provided by the AUTHORITY and 12 percent provided by the CITY for railroad grade crossing enhancements, and improvements within the CITY's jurisdiction.

J. AUTHORITY and or SCRRA/Metrolink will provide any construction inspection services, at its discretion, in a timely fashion, as necessary to satisfy AUTHORITY that work is being conducted in accordance with CITY-approved plans.

ARTICLE 4. RESPONSIBILITIES OF CITY

CITY agrees to the following, subject to the requirements of Article 5 of the AGREEMENT:

A. CITY will advise AUTHORITY as early as possible of current, and a minimum of thirty (30) days in advance of any planned work in the vicinity of the crossings during the term of the PROJECT.

B. CITY will provide AUTHORITY, within thirty (30) days of request by AUTHORITY, access to its record plans and survey data of CITY infrastructure that may assist in design of the PROJECT.

C. CITY, as the improvements desired herein are in part funded by CITY and therefore considered in part City improvements, shall be responsible for arranging for the relocation or protection of all private and public utilities impacted by the PROJECT and enforcing all utility agreements entered into by the AUTHORITY in accordance with the PROJECT schedule.

D. CITY will review and provide comments on progress plans. CITY will review and approve final plans and as-builts for all street, civil and traffic signal improvements, including providing a CITY approval signature on final plans, in a timely manner, at no cost to AUTHORITY, SCRRA or the PROJECT. Reviews and approvals by CITY shall be complete within 30 days of receipt of plan submittals. CITY will ensure all applicable CITY departments, including field representatives, participate in said reviews.

E. CITY will not charge any fees or assessment to SCRRA for any permits or licenses required for implementation of this PROJECT.

F. CITY is responsible for Right-of-Way acquisition, including Temporary Construction Easements, any and all environmental clearances, and securing any and all necessary environmental or other approvals for the PROJECT.

G. CITY will apply for Quiet Zone Status after all of the construction improvements are completed.

H. CITY will provide construction inspection services, at its discretion, in a timely fashion, and at no cost to AUTHORITY, SCRRA or the PROJECT, as necessary to satisfy CITY that work is being conducted in accordance with CITY-approved plans. Should City fail to provide services within seven (7) days of the request for service, the AUTHORITY may take necessary action to perform inspection services and will furnish CITY with a report of such service, if requested.

I. CITY will, during the construction phase of the PROJECT, work with SCRRA, and SCRRA's construction contractor(s) to approve requests by SCRRA and/or SCRRA's contractor(s) to temporarily close individual grade crossings over weekend work windows (work windows will be from Friday night, no earlier than 8:00 pm, to Monday morning, no later than 6:00 am), for the purposes of constructing the PROJECT. At least 30 day advance notice shall be provided to CITY by SCRRA and/or SCRRA's contractor(s) for any desired closures. No adjacent grade crossings shall be closed without written approval from the

CITY.

J. CITY will, within thirty (30) days of submittal to CITY, review and not unreasonably withhold approval of SCRRA's and/or SCRRA's contractor(s) traffic control plans for closing a crossing and detouring traffic.

K. CITY will pay to AUTHORITY, within 30 days of submittal of invoice(s) from AUTHORITY, the requested portion of the CITY's 12 percent local matching funds for the PROJECT. Invoices shall be based on actual costs and shall not be limited to current estimated costs at the time of the AGREEMENT.

L. CITY will be responsible for implementing a Public Awareness Campaign (PAC), which advises city, local businesses, residents, motorists, and media of PROJECT and construction-related activities. AUTHORITY shall provide its public outreach expertise and presentation materials for CITY. This effort is to advise city, local business, residents, motorists and media of the PROJECT and construction related activities.

M. Should the CITY advance grade crossing improvements, in order for these improvements to be funded by AUTHORITY, they must meet SCRRA standards.

The estimated expenditure schedule for CITY's local matching funds is as follows:

FISCAL YEAR	CITY'S SHARE (12 percent) OF ESTIMATED PROJECT COST
2007/2008	\$0
2008/2009	\$TBD
2009/2010	\$TBD
Total	\$TBD

N. CITY will pay to AUTHORITY the entire cost of any CITY-requested betterments or enhancements not included in the Scope of Work described in **Exhibits A-1 & A-2**.

O. CITY will, at its option, initiate and apply to the Federal Railroad Administration for establishment of a quiet zone. Quiet zone is defined as a segment of the rail line, wherein is situated one or a number of consecutive public highway-rail crossings at which locomotives horns are not routinely sounded (49 CFR 222.9). CITY will ensure that they follow SCRRRA Quiet Zone Implementation Guidelines and Procedures, which can be accessed through SCRRRA's website www.metroinktrains.com, sub-sections "About US," then "Public Project," and then "Grade Crossing Section."

P. CITY will, prior to allocation of any construction funding by AUTHORITY or commencement of any construction activity, enter into a separate Construction and Maintenance Agreement (C&M Agreement) with SCRRRA. The C&M Agreement will establish the rights and obligations of each party relating to the construction and maintenance of the subject crossings.

Q. CITY will provide traffic signal data to AUTHORITY for use by the railroad crossing predictor. This data will be used to facilitate traffic signal preemption by the railroad crossing.

ARTICLE 5. CALIFORNIA ENVIRONMENTAL QUALITY ACT

AUTHORITY's obligations under this AGREEMENT are subject to CITY'S successful completion of CITY's review of the PROJECT pursuant to the California Environmental Quality Act, Public Resources Code section 21000 et seq ("CEQA"). AUTHORITY shall have no obligations under this AGREEMENT, and the AGREEMENT shall have no force and effect, unless and until AUTHORITY determines, in its sole and absolute discretion, that CITY has completed all applicable CEQA review and made any and all appropriate and applicable findings under CEQA as required by law.

ARTICLE 6. DELEGATED AUTHORITY

The actions required to be taken by CITY in the implementation of this AGREEMENT are delegated to its City Manager, or his designee, and the actions required to be taken by AUTHORITY in the implementation of this AGREEMENT are delegated to its Chief Executive Officer.

ARTICLE 7. AUDIT AND INSPECTION

AUTHORITY and CITY shall maintain a complete set of records in accordance with generally accepted accounting principles. Upon reasonable notice, AUTHORITY shall permit the authorized representatives of the CITY to inspect and audit all work, materials, payroll, books, accounts, and other data and records of AUTHORITY for a period of four (4) years after final payment, or until any on-going audit is completed. For purposes of audit, the date of completion of this AGREEMENT shall be the date of CITY's payment of AUTHORITY's final billing (so noted on the invoice) under this AGREEMENT. CITY shall have the right to reproduce any such books, records, and accounts. The above provision with respect to audits shall extend to and/or be included in contracts with AUTHORITY'S contractors, including SCRRA and its contractors.

ARTICLE 8. INDEMNIFICATION AND INSURANCE

A. AUTHORITY shall defend, indemnify and hold harmless the CITY, its officers, agents, elected officials, and employees, from all liability, claims, losses and demands, including defense costs and reasonable attorneys' fees, whether resulting from court action or otherwise, arising out of the acts or omissions of AUTHORITY, its officers, agents, or employees, in the performance of the AGREEMENT, excepting acts or omissions directed by the CITY, its officers, agents, or employees, acting within the scope of their employment, for which the CITY agrees to defend and indemnify AUTHORITY in a like manner. CITY shall defend, indemnify and hold harmless the AUTHORITY, its officers, agents, elected officials, and employees, from all liability, claims, losses and demands, including defense costs and reasonable attorneys' fees, whether resulting from court action or otherwise, arising out of the acts or omissions of the CITY, its officers, agents, or employees, in the performance of the AGREEMENT, excepting acts or omissions directed by the AUTHORITY, its officers, agents, or employees, acting within the scope of their employment, for which the AUTHORITY agrees to defend and indemnify AUTHORITY in a like manner. This indemnity shall survive even after the termination of this AGREEMENT.

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

shall survive even after the termination of this AGREEMENT.

ARTICLE 9. ADDITIONAL PROVISIONS

The AUTHORITY and CITY agree to the following mutual responsibilities for PROJECT:

A. AUTHORITY and CITY will jointly participate in progress, coordination and additional field diagnostic team meetings as needed to implement the PROJECT.

B. Term of Agreement - All work must be completed pursuant to the PROJECT schedule identified in Exhibit A-1 & A-2 and no later than December 31, 2009. This AGREEMENT shall continue in full force and effect through December 31, 2009, unless terminated earlier, or extended, by mutual written consent by both Parties.

C. 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 parties.

D. Notices - Any notices, requests, or demands made between the Parties pursuant to this AGREEMENT sent by first class mail, postage paid, to the address and addressee, shall be deemed to have been given when in the ordinary course it would be delivered. The representatives of the parties who are primarily responsible for the administration of this COOPERATIVE Agreement, and to whom notices, demands and communications shall be given are as follows:

To CITY:

Mark Vukojevic
City Engineer
Department of Public Works
City of Anaheim
200 South Anaheim Blvd., 2nd Floor
Anaheim, CA 92805

E-mail: mvukojevic@anaheim.net

To AUTHORITY:

Darrell Johnson
Director, Transit Project Delivery Commuter Rail
Orange County Transportation Authority
550 South Main Street
P. O. Box 14184
Orange, CA 92863-1584

E-mail: djohnson@OCTA.net

COOPERATIVE AGREEMENT NO. C-8-0854

Telephone: (714) 765-5183

Telephone: (714) 560-5343

Facsimile: (714) 765-4667

Facsimile: (714) 560-5794

If there are any changes in the above names and/or addresses, the party desiring to make such change shall give a written notice to the other respective party within five (5) days of such change.

E. The provision of this AGREEMENT shall bind and inure to the benefit of each of the parties hereto and all successors or assigns of the parties hereto.

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 of 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 the Parties 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 in its sole, and absolute, discretion. 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 To 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 the 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 local and federal laws, regulations and guidelines shall govern this AGREEMENT.

L. Legal Authority – Signators of AUTHORITY and CITY hereto warrant that they are duly authorized to execute this AGREEMENT on behalf of said respective Parties and that, by so executing this AGREEMENT, the Parties hereto are formally bound to the provisions of this AGREEMENT.

This AGREEMENT shall be effective upon execution by both parties.

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT No. C-8-0854 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: _____
Linda Andal
City Clerk

By: _____
Kennard R. Smart, Jr.
General Counsel

_____, City Attorney

APPROVAL RECOMMENDED:

Date: _____
Development

By: _____
Kia Mortazavi, Executive Director,

Date: _____

EXHIBIT "A-1"

OCTA GRADE CROSSING SAFETY ENHANCEMENT PROGRAM

CITY SCOPE OF WORK A, B, C, D

Anaheim

(A) EAST BROADWAY –

- Mobilization, demobilization, and traffic control.
- Restripe RR stop bars, RXR marking and edge of pavement lines.
- Upgrade street signing and striping to MUTCD standards.
- Extend raised medians east and west of crossing. Length and shape of medians to match existing pavement striping. Extend both medians towards the tracks to 10' from track centerline.
- Remove wall corner and install wrought iron fence on northwest quadrant.
- Construct 4' concrete sidewalk (4" depth) from existing sidewalk to park area.

(B) SANTA ANA STREET –

- Mobilization, demobilization, and traffic control.
- Restripe RR stop bars, RXR marking and edge of pavement lines.
- Upgrade street signing and striping to MUTCD standards.
- Repaint curb red on northeast quadrant.
- Install pedestrian barricade on southeast.
- Install crossing panels for sidewalk, north of the crossing.
- Relocate crossing signal on southwest quadrant to a standard location, with sufficient clearance around the back of the signal.
- Extend medians to nearest intersection or driveway, both east and west of the crossing.

(C) EAST SOUTH STREET –

- Mobilization, demobilization, and traffic control.
- Stripe edge of pavement lines across the crossing.
- Upgrade street signing and striping to MUTCD standards.

(D) VERMONT AVENUE –

- Mobilization, demobilization, and traffic control.
- Stripe edge of pavement lines across the crossing.
- Upgrade street signing and striping to MUTCD standards.
- Extend and widen (to 9') the east median to 100' from the crossing gate.
- Extend and widen (to 9') the west median to 100' from the crossing gate.
- Check queuing from pedestrian signal to see if pre-emption is needed.
- Install K-rail along right-of-way on southeast quadrant to deter access.

EXHIBIT "A-2"

OCTA GRADE CROSSING SAFETY ENHANCEMENT PROGRAM

SCRRA SCOPE OF WORK A,B,C & D

Anaheim

(A) – EAST BROADWAY

- A. General Notes:
 - 1. Verify existing condition and location of utilities.
 - 2. Obtain necessary construction permits.
 - 3. Complete Mobilization, Demobilization and Traffic Control.
 - 4. Protect existing utilities.
- B. Pedestrian Treatments:
 - 1. Install swing gate(s) and railing.
 - 2. Install automatic pedestrian gate(s).
 - 3. Install Pedestrian truncated domes.
 - 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements: By city
- D. Railroad Improvements:
 - 1. Install Concrete Crossing Panels and Remove Rubber Crossing Panels.
 - 2. Install Grade Crossing Improvements.
 - 3. Install Signal Improvements and Active Warning Devices
- E. Traffic Improvements: By city

(B) – SANTA ANA STREET

- A. General Notes:
 - 1. Verify existing condition and location of utilities.
 - 2. Obtain necessary construction permits.
 - 3. Complete Mobilization, Demobilization and Traffic Control.
 - 4. Protect existing utilities.
- B. Pedestrian Treatments:
 - 1. Install swing gate(s) and railing.
 - 2. Install automatic pedestrian gate(s).
 - 3. Install Pedestrian truncated domes.
 - 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements: By city
- D. Railroad Improvements:
 - 1. Install Concrete Crossing Panels and Remove Rubber Crossing Panels.
 - 2. Install Grade Crossing Improvements.
 - 3. Install Signal Improvements and Active Warning Devices
- E. Traffic Improvements: By city

(C) – EAST SOUTH STREET

- A. General Notes:
 - 1. Verify existing condition and location of utilities.
 - 2. Obtain necessary construction permits.
 - 3. Complete Mobilization, Demobilization and Traffic Control.
 - 4. Protect existing utilities.
- B. Pedestrian Treatments:
 - 1. Install swing gate(s) and railing.
 - 2. Install automatic pedestrian gate(s).
 - 3. Install Pedestrian truncated domes.
 - 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements: By city
- D. Railroad Improvements:
 - 1. Install Concrete Crossing Panels and Remove Rubber Crossing Panels.
 - 2. Install Grade Crossing Improvements.
 - 3. Install Signal Improvements and Active Warning Devices
- E. Traffic Improvements: By city

(D) – VERMONT AVENUE

- A. General Notes:
 - 1. Verify existing condition and location of utilities.
 - 2. Obtain necessary construction permits.
 - 3. Complete Mobilization, Demobilization and Traffic Control.
 - 4. Protect existing utilities.
- B. Pedestrian Treatments:
 - 1. Install swing gate(s) and railing.
 - 2. Install automatic pedestrian gate(s).
 - 3. Install Pedestrian truncated domes.
 - 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements: By city
- D. Railroad Improvements:
 - 1. Install Concrete Crossing Panels and Remove Rubber Crossing Panels.
 - 2. Install Grade Crossing Improvements.
 - 3. Install Signal Improvements and Active Warning Devices
- E. Traffic Improvements: By city

EXHIBIT "B"

OCTA GRADE CROSSING SAFETY ENHANCEMENT PROGRAM

COST ESTIMATE

	PROJECT TASK	Est. Project Total Cost	Est. City Local Match (12%)
	ANAHEIM -		
	OCTA Agency Costs: includes Agency, Survey, Design, Inspect, Project Mgmt, Flagging, Permitting, Signal-RR.	909,739	109,169
	Traffic Signal Interface (IEEE 1570 Protocol): includes Admin, Pavement Signing & Striping.	2,000	240
	Safety Enhancements (CIVIL IMP):	1,812,854	217,542
	RR Improvements:	1,200,000	144,000
	Right-Of-Way Costs:	4,510	541
	Right-Of-Way Contingency (50%)	2,255	271
	Project Contingency & Inflation:	735,155	88,219
	TOTAL ESTIMATED COSTS:	4,666,513	559,982

COOPERATIVE AGREEMENT NO. C-8-0855

COOPERATIVE AGREEMENT No. C-8-0855

BETWEEN

ORANGE COUNTY TRANSPORTATION AUTHORITY

AND

CITY OF ANAHEIM

FOR

RAILROAD GRADE CROSSING SAFETY ENHANCEMENTS

AND

SAFETY MEASURES RELATED TO QUIET ZONE IMPLEMENTATION FOR CITIES

FOR

IMPROVEMENTS AT STATE COLLEGE BOULEVARD, BALL ROAD, LA PALMA AVENUE, SYCAMORE STREET, CERRITOS AVENUE, ORANGETHORPE AVENUE, LA PALMA AVENUE, JEFFERSON STREET, MIRALOMA AVENUE, AND TUSTIN AVENUE

This Cooperative Agreement ("AGREEMENT") is effective this ____day of 2008, by and between the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, CA 92863-1584, a public corporation of the State of California (herein after referred to as "AUTHORITY"), and the City of Anaheim, 200 S. Anaheim Boulevard, Anaheim, CA 92805 (herein after referred to as "CITY").

RECITALS:

WHEREAS, AUTHORITY commissioned a report titled "OCTA Grade Crossing Study" dated December 31, 2003, providing an assessment of conditions at railroad grade crossings located in Orange County and which provided recommendations for enhancements for both motorist and pedestrian safety consistent with current California Public Utilities Commission ("CPUC") grade crossing safety standards; and,

WHEREAS, AUTHORITY, at its June 13, 2005 Board of Directors' meeting, adopted the recommendation to proceed with the selected implementation strategy for a comprehensive railroad grade crossing enhancement program (PROGRAM) as set forth therein; and

WHEREAS, AUTHORITY, CITY, CPUC and Southern California Regional Rail Authority (SCRRA) conducted field diagnostic review meetings between May 22 and May 24, 2006 for all grade crossings under the jurisdiction of the CITY; and,

WHEREAS, SCRRA is an independent joint powers authority created and existing pursuant to California Public Utilities Code Section 130255 and California Government Code Sections 6500 et seq.; and

WHEREAS, SCRRA will be responsible for the delivery of the PROJECT in accordance with the scope of work and agreement established with the AUTHORITY and SCRRA's Joint Powers Authority budget process; and

WHEREAS, AUTHORITY, at its August 27, 2007 Board of Directors' meeting, adopted a recommendation to include into the grade crossing enhancement program improvements designed to enable CITY to establish a quiet zone; and,

WHEREAS, in consideration of the implementation strategy, diagnostic reviews and quiet zone considerations, CITY and AUTHORITY desire to cooperate to complete highway-rail grade crossing enhancements, as set forth in **Exhibit A**, at the grade crossings under the jurisdiction of the CITY, herein referred to as the "PROJECT;" and,

WHEREAS, the AUTHORITY and CITY agree to a cost sharing formula of 88 percent provided by the AUTHORITY and 12 percent provided by the CITY for railroad grade crossing enhancements, Quiet Zone, and other improvements within the CITY's jurisdiction; and,

WHEREAS, CITY intends to construct the highway-rail grade crossing enhancements within the CITY's right of way and CITY intends to be reimbursed (88%) by AUTHORITY for

design and construction in the CITY right of way; and AUTHORITY intends to construct the highway-rail enhancements within the SCRRA right of way (and signal interconnects) and intends to be reimbursed (12%) by CITY for construction in the SCRRA right of way; and

WHEREAS, the intent of the parties is that the PROJECT shall be implemented with the least amount of disruption to vehicle and rail traffic; and

WHEREAS, CITY and AUTHORITY wish to enter this AGREEMENT to specify the roles, responsibilities, terms and conditions under which the PROGRAM is to be financed, designed, and constructed; and

WHEREAS, CITY and AUTHORITY acknowledge that AUTHORITY's obligation is to fund and oversee the PROJECT under this AGREEMENT and AUTHORITY'S obligations under this AGREEMENT are contingent upon CITY's approval of environmental review of the PROJECT pursuant to the California Environmental Quality Act; and

WHEREAS, AUTHORITY's obligations under this AGREEMENT are subject to CITY'S approval of CITY's review of the PROGRAM pursuant to the California Environmental Quality Act, Public Resources Code section 21000 et seq ("CEQA"). AUTHORITY shall have no obligations under this AGREEMENT, and the AGREEMENT shall have no force and effect, unless and until AUTHORITY determines, in its sole and absolute discretion, that CITY has completed and approved all applicable CEQA reviews and made any and all appropriate and applicable findings under CEQA as required by law.

NOW, THEREFORE, it is mutually understood and agreed by CITY and AUTHORITY 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 this AGREEMENT concerning the work identified herein and 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 OF SERVICES

A. This AGREEMENT specifies the procedures that AUTHORITY and CITY will follow in connection with the work to be performed. AUTHORITY agrees to provide all improvements identified in **Exhibit A, "Scope of Work"**, which by this reference is incorporated into this AGREEMENT subject to ARTICLE 5. 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. The Scope of Work in **Exhibit A** relating to safety enhancements and quiet zone improvements, are based upon the report titled "OCTA Grade Crossing Study" dated December 31, 2003, and as refined during the diagnostic meetings discussed above, as well as subsequent discussions and recommendations by SCRRRA.

ARTICLE 3. RESPONSIBILITY OF THE AUTHORITY

AUTHORITY agrees to the following, subject to the requirements of Article 5 of the AGREEMENT:

A. AUTHORITY will enter into and maintain an agreement with SCRRRA for design, CPUC crossing modification applications, construction management, material procurement, cost estimates and construction of highway-rail grade crossing enhancements, which include safety related improvements and quiet zone related improvements set forth in **Exhibit A**.

B. AUTHORITY will fund the actual cost of improvements including right of way, utility relocations, and excluding CITY costs using funding provided by Commuter Urban Rail

Endowment Funds, Renewed Measure M funds, and the required 12 percent funding match provided by CITY.

C. AUTHORITY will retain program oversight by controlling the funding and by establishing program milestones and overseeing the PROJECT development.

D. AUTHORITY staff will maintain active communications with CITY staff and provide CITY with public outreach support for the PROJECT. AUTHORITY will assist in building consensus among affected parties in regard to the required enhancements.

E. AUTHORITY will submit detailed monthly invoices to CITY for payment of CITY's required twelve percent local matching funds.

F. AUTHORITY will pay CITY the entire cost of any AUTHORITY/SCRRRA/Metrolink requested betterments or enhancements not included in the Scope of Work.

G. AUTHORITY and or SCRRRA/Metrolink will review and provide comments on CITY's design plans within 30 days of receipt, and will not unreasonably withhold approval of final plans and record drawings for all CITY improvements. Said plan reviews and aprovals shall be at no cost to CITY.

H. AUTHORITY and or SCRRRA/Metrolink shall not charge fees or assessments to the CITY or its contractor for any permits or licenses required for implementation of CITY project; if any charges or fees are required, they shall be reimbursed to CITY at 100% by AUTHORITY.

I. AUTHORITY and or SCRRRA/Metrolink will provide any construction inspection services, at its discretion, in a timely fashion, as necessary to satisfy AUTHORITY that work is being conducted in accordance with CITY-approved plans.

ARTICLE 4. RESPONSIBILITIES OF CITY

CITY agrees to the following, subject to the requirements of Article 5 of the AGREEMENT:

A. CITY will advise AUTHORITY as early as possible of current, and a minimum of thirty (30) days in advance of any planned work in the vicinity of the crossings during the term of the PROJECT.

B. CITY will provide AUTHORITY, within thirty (30) days of request by AUTHORITY, access to its record plans and survey data of CITY infrastructure that may assist in design of the PROJECT.

C. CITY, as the improvements desired herein are in part funded by CITY and therefore considered in part City improvements, shall be responsible for arranging for the relocation or protection of all private and public utilities impacted by the PROJECT and enforcing all utility agreements entered into by the AUTHORITY in accordance with the PROJECT schedule.

D. CITY will review and provide comments on progress plans. CITY will review and approve final plans and as-builts for all street, civil and traffic signal improvements, including providing a CITY approval signature on final plans, in a timely manner, at no cost to AUTHORITY, SCRRA or the PROJECT. Reviews and approvals by CITY shall be complete within 30 days of receipt of plan submittals. CITY will ensure all applicable CITY departments, including field representatives, participate in said reviews.

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F. CITY is responsible for Right-of-Way acquisition, including Temporary Construction Easements, any and all environmental clearances, and securing any and all necessary environmental or other approvals for the PROJECT.

G. CITY will apply for Quiet Zone status after all of the construction

improvements are completed.

H. CITY will provide construction inspection services, at its discretion, in a timely fashion, and at no cost to AUTHORITY, SCRRA or the PROJECT, as necessary to satisfy CITY that work is being conducted in accordance with CITY-approved plans. Should City fail to provide services within seven (7) days of the request for service, the AUTHORITY may take necessary action to perform inspection services and will furnish CITY with a report of such service, if requested.

I. CITY will, during the construction phase of the PROJECT, work with SCRRA, and SCRRA's construction contractor(s) to approve requests by SCRRA and/or SCRRA's contractor(s) to temporarily close individual grade crossings over weekend work windows (work windows will be from Friday night, no earlier than 8:00 pm, to Monday morning, no later than 6:00 am), for the purposes of constructing the PROJECT. At least 30 day advance notice shall be provided to CITY by SCRRA and/or SCRRA's contractor(s) for any desired closures. No adjacent grade crossings shall be closed without written approval from the CITY.

J. CITY will, within thirty (30) days of submittal to CITY, review and not unreasonably withhold approval of SCRRA's and/or SCRRA's contractor(s) traffic control plans for closing a crossing and detouring traffic.

K. CITY will pay to AUTHORITY, within 30 days of submittal of invoice(s) from AUTHORITY, the requested portion of the CITY's 12 percent local matching funds for the PROJECT. Invoices shall be based on actual costs and shall not be limited to current estimated costs at the time of the AGREEMENT.

L. CITY will be responsible for implementing a Public Awareness Campaign (PAC), which advises city, local businesses, residents, motorists, and media of PROJECT and construction-related activities. AUTHORITY shall provide its public outreach expertise and presentation materials for CITY. This effort is to advise city, local business, residents,

motorists and media of the PROJECT and construction related activities.

M. Should the CITY advance grade crossing improvements, in order for these improvements to be funded by AUTHORITY, they must meet SCRRRA standards.

The estimated expenditure schedule for CITY's local matching funds is as follows:

FISCAL YEAR	CITY'S SHARE (12 percent) OF ESTIMATED PROJECT COST
2007/2008	\$0
2008/2009	\$TBD
2009/2010	\$TBD
Total	\$TBD

N. CITY will pay to AUTHORITY the entire cost of any CITY-requested betterments or enhancements not included in the Scope of Work described in **Exhibits A**.

O. CITY will, at its option, initiate and apply to the Federal Railroad Administration for establishment of a quiet zone. Quiet zone is defined as a segment of the rail line, wherein is situated one or a number of consecutive public highway-rail crossings at which locomotives horns are not routinely sounded (49 CFR 222.9). CITY will ensure that they follow SCRRRA Quiet Zone Implementation Guidelines and Procedures, which can be accessed through SCRRRA's website www.metrolinktrains.com, sub-sections "About US," then "Public Project," and then "Grade Crossing Section."

P. CITY will, prior to allocation of any construction funding by AUTHORITY or commencement of any construction activity, enter into a separate Construction and Maintenance Agreement (C&M Agreement) with SCRRRA. The C&M Agreement will establish the rights and obligations of each party relating to the construction and maintenance of the subject crossings.

Q. CITY will provide traffic signal data to AUTHORITY for use by the railroad crossing predictor. This data will be used to facilitate traffic signal preemption by the railroad

crossing.

ARTICLE 5. CALIFORNIA ENVIRONMENTAL QUALITY ACT

AUTHORITY's obligations under this AGREEMENT are subject to CITY'S successful completion of CITY's review of the PROJECT pursuant to the California Environmental Quality Act, Public Resources Code section 21000 et seq ("CEQA"). AUTHORITY shall have no obligations under this AGREEMENT, and the AGREEMENT shall have no force and effect, unless and until AUTHORITY determines, in its sole and absolute discretion, that CITY has completed all applicable CEQA review and made any and all appropriate and applicable findings under CEQA as required by law.

ARTICLE 6. DELEGATED AUTHORITY

The actions required to be taken by CITY in the implementation of this AGREEMENT are delegated to its City Manager, or his designee, and the actions required to be taken by AUTHORITY in the implementation of this AGREEMENT are delegated to its Chief Executive Officer.

ARTICLE 6. AUDIT AND INSPECTION

AUTHORITY and CITY shall maintain a complete set of records in accordance with generally accepted accounting principles. Upon reasonable notice, AUTHORITY shall permit the authorized representatives of the CITY to inspect and audit all work, materials, payroll, books, accounts, and other data and records of AUTHORITY for a period of four (4) years after final payment, or until any on-going audit is completed. For purposes of audit, the date of completion of this AGREEMENT shall be the date of CITY's payment of AUTHORITY's final billing (so noted on the invoice) under this AGREEMENT. CITY shall have the right to reproduce any such books, records, and accounts. The above provision with respect to audits shall extend to and/or be included in contracts with AUTHORITY'S contractors, including SCRRA and its contractors.

ARTICLE 7. INDEMNIFICATION AND INSURANCE

A. AUTHORITY shall defend, indemnify and hold harmless the CITY, its officers, agents, elected officials, and employees, from all liability, claims, losses and demands, including defense costs and reasonable attorneys' fees, whether resulting from court action or otherwise, arising out of the acts or omissions of AUTHORITY, its officers, agents, or employees, in the performance of the AGREEMENT, excepting acts or omissions directed by the CITY, its officers, agents, or employees, acting within the scope of their employment, for which the CITY agrees to defend and indemnify AUTHORITY in a like manner. CITY shall defend, indemnify and hold harmless the AUTHORITY, its officers, agents, elected officials, and employees, from all liability, claims, losses and demands, including defense costs and reasonable attorneys' fees, whether resulting from court action or otherwise, arising out of the acts or omissions of the CITY, its officers, agents, or employees, in the performance of the AGREEMENT, excepting acts or omissions directed by the AUTHORITY, its officers, agents, or employees, acting within the scope of their employment, for which the AUTHORITY agrees to defend and indemnify CITY in a like manner. This indemnity shall survive even after the termination of this AGREEMENT.

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

shall survive even after the termination of this AGREEMENT.

ARTICLE 8. ADDITIONAL PROVISIONS

The AUTHORITY and CITY agree to the following mutual responsibilities for PROJECT:

A. AUTHORITY and CITY will jointly participate in progress, coordination and additional field diagnostic team meetings as needed to implement the PROJECT.

B. Term of Agreement - All work must be completed pursuant to the PROJECT schedule identified in Exhibit A and no later than December 31, 2009. This AGREEMENT shall continue in full force and effect through December 31, 2009, unless terminated earlier, or extended, by mutual written consent by both Parties.

C. 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 parties.

D. Notices - Any notices, requests, or demands made between the Parties pursuant to this AGREEMENT sent by first class mail, postage paid, to the address and addressee, shall be deemed to have been given when in the ordinary course it would be delivered. The representatives of the parties who are primarily responsible for the administration of this COOPERATIVE Agreement, and to whom notices, demands and communications shall be given are as follows:

To CITY:

Mark Vukojevic
City Engineer
Department of Public Works
City of Anaheim
200 South Anaheim Blvd., 2nd Floor
Anaheim, CA 92805
E-mail: mvukojevic@anaheim.net

To AUTHORITY:

Darrell Johnson
Director, Transit Project Delivery Commuter Rail
Orange County Transportation Authority
550 South Main Street
P. O. Box 14184
Orange, CA 92863-1584
E-mail: djohnson@OCTA.net

COOPERATIVE AGREEMENT NO. C-8-0855

Telephone: (714) 765-5183

Telephone: (714) 560-5343

Facsimile: (714) 765-4667

Facsimile: (714) 560-5794

If there are any changes in the above names and/or addresses, the party desiring to make such change shall give a written notice to the other respective party within five (5) days of such change.

E. The provision of this AGREEMENT shall bind and inure to the benefit of each of the parties hereto and all successors or assigns of the parties hereto.

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 of 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 the Parties 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 in its sole, and absolute, discretion. 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 To 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 the 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 local and federal laws, regulations and guidelines shall govern this AGREEMENT.

L. Legal Authority – Signators of AUTHORITY and CITY hereto warrant that they are duly authorized to execute this AGREEMENT on behalf of said respective Parties and that, by so executing this AGREEMENT, the Parties hereto are formally bound to the provisions of this AGREEMENT.

This AGREEMENT shall be effective upon execution by both parties.

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT No. C-8-0855 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: _____
Linda Andal
City Clerk

By: _____
Kennard R. Smart, Jr.
General Counsel

_____, City Attorney

APPROVAL RECOMMENDED:

Date: _____
Development

By: _____
Kia Mortazavi, Executive Director,

Date: _____

EXHIBIT "A"

OCTA GRADE CROSSING SAFETY ENHANCEMENT PROGRAM

SCOPE OF WORK

Anaheim

(E) State College Boulevard -

A. General Notes:

1. Verify existing condition and location of utilities.
2. Obtain necessary construction permits.
3. Complete Mobilization, Demobilization and Traffic Control.
4. Protect existing utilities.

B. Pedestrian Treatments:

1. Install swing gate(s) and railing.
2. Install automatic pedestrian gate(s).
3. Install Pedestrian truncated domes.
4. Compliance with ADA requirements.

C. Miscellaneous Street Improvements:

1. Install new curb and curb & gutter.
2. Remove existing and install new raised Median Island including finish, south of railroad right-of-way.
3. Install new concrete pavement.
4. Remove concrete driveway.
5. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.

D. Railroad Improvements:

1. Install Concrete Crossing Panels and Remove Rubber Crossing Panels.
2. Install Grade Crossing Improvements.
3. Install Signal Improvements and Active Warning Devices

E. Traffic Improvements:

1. Install new northbound Pre-signal.

(F) Ball Road -

A. General Notes:

1. Verify existing condition and location of utilities.
2. Obtain necessary construction permits.
3. Complete Mobilization, Demobilization and Traffic Control.
4. Protect existing utilities.

B. Pedestrian Treatments:

1. Install swing gate(s) and railing.
2. Install automatic pedestrian gate(s).
3. Install Pedestrian truncated domes.
4. Compliance with ADA requirements.

C. Miscellaneous Street Improvements:

1. Install new curb and gutter.
2. Remove existing and install new raised Median Island including finish.
3. Install new AC overlay.
4. Remove/install AC pavement.
5. Remove existing concrete curb and gutter.
6. Cold plane existing AC Pavement as required to place AC pavement.
7. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.

D. Railroad Improvements:

1. Install Concrete Crossing Panels and Remove Rubber Crossing Panels.
2. Install Grade Crossing Improvements.
3. Install Signal Improvements and Active Warning Devices
4. Railroad Track Street Adjustment.

E. Traffic Improvements:

1. Install new eastbound queue cutter signal.

(G) La Palma Avenue (Olive Sub)-

A. General Notes:

1. Verify existing condition and location of utilities.
2. Obtain necessary construction permits.
3. Complete Mobilization, Demobilization and Traffic Control.
4. Protect existing utilities.

B. Pedestrian Treatments:

1. Install swing gate(s) and railing.
2. Install automatic pedestrian gate(s).
3. Install Pedestrian truncated domes.
4. Compliance with ADA requirements.

C. Miscellaneous Street Improvements:

1. Remove existing and install new raised Median Island including finish, west of railroad right-of-way.
2. Install new curb and gutter.
3. Install new, maintain existing, and remove conflicting Traffic control devices including signing, striping, pavement legends and curb painting.

D. Railroad Improvements:

1. Install concrete crossing panels.
2. Install Grade Crossing Improvements.
3. Install Signal Improvements and Active Warning Devices

(H) Sycamore Street -

A. General Notes:

1. Verify existing condition and location of utilities.
2. Obtain necessary construction permits.
3. Complete Mobilization, Demobilization and Traffic Control.
4. Protect existing utilities.

B. Pedestrian Treatments:

1. Install swing gate(s) and railing.
 2. Install automatic pedestrian gate(s).
 3. Install Pedestrian truncated domes.
 4. Compliance with ADA requirements.
- C. Automatic Vehicular Gates:
1. None.
- D. Miscellaneous Street Improvements:
1. Install new curb.
 2. Remove existing and install new raised Median Island including finish.
 3. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- E. Railroad Improvements:
1. Install Concrete Crossing Panels and Remove Rubber Crossing Panels.
 2. Install Grade Crossing Improvements.
 3. Install Signal Improvements and Active Warning Devices

(I) Cerritos Avenue -

- A. General Notes:
1. Verify existing condition and location of utilities.
 2. Obtain necessary construction permits.
 3. Complete Mobilization, Demobilization and Traffic Control.
 4. Protect existing utilities.
- B. Pedestrian Treatments:
1. Install swing gate(s) and railing.
 2. Install automatic pedestrian gate(s).
 3. Install Pedestrian truncated domes.
 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
1. Install new curb and curb & gutter.
 2. Remove existing and install new raised Median Island including finish.
 3. Install new chain link fence.
 4. Remove concrete driveway.
 5. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
1. Install Concrete Crossing Panels and Remove Rubber Crossing Panels.
 2. Install Grade Crossing Improvements.
 3. Install Signal Improvements and Active Warning Devices

(J) Orangethorpe Avenue -

- A. General Notes:
1. Verify existing condition and location of utilities.
 2. Obtain necessary construction permits.

3. Complete Mobilization, Demobilization and Traffic Control.
 4. Protect existing utilities.
- B. Pedestrian Treatments:
1. Install swing gate(s) and railing.
 2. Install automatic pedestrian gate(s).
 3. Install Pedestrian truncated domes.
 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
1. Install new curb.
 2. Remove existing and install new raised Median Island including finish, east of railroad right-of-way. Modify and extend existing raised Median Island including finish, west of railroad right-of-way.
 3. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
1. Install concrete crossing panels.
 2. Install Grade Crossing Improvements.
 3. Install Signal Improvements and Active Warning Devices

(K) La Palma Avenue (west of East Street) (Orange Sub)-

- A. General Notes:
1. Verify existing condition and location of utilities.
 2. Obtain necessary construction permits.
 3. Complete Mobilization, Demobilization and Traffic Control.
 4. Protect existing utilities
- B. Pedestrian Treatments:
1. Install swing gate(s) and railing.
 2. Install automatic pedestrian gate(s).
 3. Install Pedestrian truncated domes.
 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
1. Install new curb.
 2. Remove existing and install new raised Median Islands including finish.
 3. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
1. Install concrete crossing panels.
 2. Install Grade Crossing Improvements.
 3. Install Signal Improvements and Active Warning Devices

(L) Jefferson Street -

- A. General Notes:
1. Verify existing condition and location of utilities.
 2. Obtain necessary construction permits.
 3. Complete Mobilization, Demobilization and Traffic Control.

4. Protect existing utilities.
- B. Pedestrian Treatments:
 1. Install swing gate(s) and railing.
 2. Install automatic pedestrian gate(s).
 3. Install pedestrian truncated domes.
 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
 1. Remove existing and install new raised Median Island including finish, along north side of railroad right-of-way.
 2. Construct street improvements including curb and gutter.
 3. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
 4. Install concrete crossing panels.
 5. Install Grade Crossing Improvements.
 6. Install Signal Improvements and Active Warning Devices

(M) Miraloma Avenue -

- A. General Notes:
 1. Verify existing condition and location of utilities.
 2. Obtain necessary construction permits.
 3. Complete Mobilization, Demobilization and Traffic Control.
 4. Protect existing utilities.
- B. Pedestrian Treatments:
 1. Install swing gate(s) and railing.
 2. Install automatic pedestrian gate (s).
 3. Install pedestrian truncated domes.
 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
 1. Install new curb and gutter.
 2. Install K-rail.
 3. Modify existing median to the east of railroad, and extend existing median to the west of railroad.
- D. Railroad Improvements:
 1. Install concrete crossing panels.
 2. Install Grade Crossing Improvements.
 3. Install Signal Improvements and Active Warning Devices

(N) Tustin Avenue -

- A. General Notes:
 1. Verify existing condition and location of utilities.
 2. Obtain necessary construction permits.
 3. Complete Mobilization, Demobilization and Traffic Control.
 4. Protect existing utilities.
- B. Pedestrian Treatments:
 1. Install swing gate(s) and railing.
 2. Install automatic pedestrian gate(s).

3. Install pedestrian truncated domes.
 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
1. Remove existing and install new raised Median Island including finish.
 2. Install new curb and gutter.
 3. Install new, maintain existing, and remove conflicted traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
1. Install concrete crossing panels.
 2. Install Grade Crossing Improvements.
 3. Install Signal Improvements and Active Warning Devices

DRAFT

EXHIBIT "B"

OCTA GRADE CROSSING SAFETY ENHANCEMENT PROGRAM

COST ESTIMATE CITY OF ANAHEIM

	PROJECT TASK	Est. Project Total Cost	Est. City Local Match (12%)
	ANAHEIM -		
	OCTA Agency Costs: includes Agency, Survey, Design, Inspect, Project Mgmt, Flagging, Permitting, Signal-RR.	1,791,073	214,929
	Traffic Signal Interface (IEEE 1570 Protocol): includes Admin, Pavement Signing & Striping.	712,335	85,480
	Safety Enhancements (CIVIL IMP):	2,567,482	308,098
	RR Improvements:	2,325,300	279,036
	Right-Of-Way Costs:	4,510	541
	Right-Of-Way Contingency (50%)	2,255	271
	Project Contingency & Inflation:	1,885,480	226,258
	TOTAL ESTIMATED COSTS:	9,288,434	1,114,612

COOPERATIVE AGREEMENT NO. C-8-0856

COOPERATIVE AGREEMENT NO. C-8-0856
BETWEEN
ORANGE COUNTY TRANSPORTATION AUTHORITY
AND
CITY OF DANA POINT
FOR
RAILROAD GRADE CROSSING SAFETY ENHANCEMENTS
AND
SAFETY MEASURES RELATED TO QUIET ZONE IMPLEMENTATION FOR CITIES

This Cooperative Agreement ("AGREEMENT") is effective this ____ day of 2008, by and between the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, CA 92863-1584, a public corporation of the State of California (herein after referred to as "AUTHORITY"), and the City of Dana Point, 33282 Golden Lantern, Dana Point, CA (herein after referred to as "CITY").

RECITALS:

WHEREAS, AUTHORITY commissioned a report titled "OCTA Grade Crossing Study" dated December 31, 2003, providing an assessment of conditions at railroad grade crossings located in Orange County and which provided recommendations for enhancements for both motorist and pedestrian safety consistent with current California Public Utilities Commission ("CPUC") grade crossing safety standards; and,

WHEREAS, AUTHORITY, at its June 13, 2005 Board of Directors' meeting, adopted the recommendation to proceed with the selected implementation strategy for a comprehensive railroad grade crossing enhancement program (PROGRAM) as set forth therein; and

WHEREAS, AUTHORITY, CITY, CPUC and Southern California Regional Rail Authority (SCRRA) conducted field diagnostic review meetings between May 22 and May 24, 2006 for all grade crossings under the jurisdiction of the CITY; and,

WHEREAS, SCRRA is an independent joint powers authority created and existing pursuant to California Public Utilities Code Section 130255 and California Government Code Sections 6500 et seq.; and,

WHEREAS, SCRRA will be responsible for the delivery of the PROJECT in accordance with the scope of work and agreement established with the AUTHORITY and SCRRA's Joint Powers Agreement budget process; and,

WHEREAS, AUTHORITY, at its August 27, 2007 Board of Directors' meeting, adopted a recommendation to include into the grade crossing enhancement program improvements designed to help enable CITY to establish a quiet zone; and,

WHEREAS, in consideration of the implementation strategy, diagnostic reviews and quiet zone considerations, CITY and AUTHORITY desire to cooperate and complete highway-rail grade crossing enhancements, as set forth in **Exhibit A**, at the grade crossings under the jurisdiction of the CITY, herein referred to as the "PROJECT;" and,

WHEREAS, the AUTHORITY and CITY agree to a cost sharing formula of 88 percent provided by the AUTHORITY and 12 percent provided by the CITY for rail-highway grade crossing enhancements and improvements within CITY's jurisdiction; and

WHEREAS, the intent of the parties is that the PROJECT shall be implemented with the least amount of disruption to vehicle and rail traffic; and

WHEREAS, CITY and AUTHORITY wish to enter this AGREEMENT to specify the roles, responsibilities, terms and conditions under which the PROGRAM is to be financed, designed, and constructed; and

WHEREAS, CITY and AUTHORITY acknowledge that AUTHORITY's obligation is to

fund and oversee the PROJECT under this AGREEMENT and AUTHORITY'S obligations under this AGREEMENT are contingent upon CITY'S approval of environmental review of the PROJECT pursuant to the California Environmental Quality Act; and

WHEREAS, AUTHORITY'S obligations under this AGREEMENT are subject to CITY'S approval of CITY'S review of the PROGRAM pursuant to the California Environmental Quality Act, Public Resources Code section 21000 et seq ("CEQA"). AUTHORITY shall have no obligations under this AGREEMENT, and the AGREEMENT shall have no force and effect, unless and until AUTHORITY determines, in its sole and absolute discretion, that CITY has completed and approved all applicable CEQA reviews and made any and all appropriate and applicable findings under CEQA as required by law.

NOW, THEREFORE, it is mutually understood and agreed by CITY and AUTHORITY 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 this AGREEMENT concerning the work identified herein and 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 OF SERVICES

A. This AGREEMENT specifies the procedures that AUTHORITY and CITY will follow in connection with the work to be performed. AUTHORITY agrees to provide all improvements identified in **Exhibit A, "Scope of Work"**, which by this reference is incorporated into this AGREEMENT subject to ARTICLE 5. 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. The Scope of Work in **Exhibit A** relating to safety enhancements and quiet zone improvements is based upon the report titled "OCTA Grade Crossing Study" dated December 31, 2003, and as refined during the diagnostic meetings discussed above, as well as subsequent discussions and recommendations by SCRRA. Enhancements to be included as part of this AGREEMENT are limited to those described in Exhibit A only.

ARTICLE 3. RESPONSIBILITY OF THE AUTHORITY

AUTHORITY agrees to the following subject to the requirements of Article 5 of the AGREEMENT:

A. AUTHORITY will enter into and maintain an agreement with SCRRA for design, CPUC crossing modification applications, construction management, material procurement, cost estimates and construction of highway-rail grade crossing enhancements, which include safety related improvements and quiet zone related improvements set forth in **Exhibit A**.

B. AUTHORITY will fund the actual cost of improvements including right of way, utility relocations, and excluding CITY costs using funding provided by Commuter Urban Rail Endowment Funds, Renewed Measure M funds, and the required 12 percent funding match provide by CITY.

C. AUTHORITY will retain program oversight by controlling the funding and by establishing program milestones and overseeing the PROJECT development.

D. AUTHORITY staff will maintain active communications with CITY staff and provide CITY with public outreach support for the PROJECT. AUTHORITY will assist in building consensus among affected parties in regard to the required enhancements.

E. AUTHORITY will submit detailed monthly invoices to CITY for payment of CITY's required twelve percent local matching funds.

ARTICLE 4. RESPONSIBILITIES OF CITY

CITY agrees to the following subject to the requirements of Article 5 of the AGREEMENT:

A. CITY will advise AUTHORITY as early as possible of current, and a minimum of thirty (30) days in advance of any planned work in the vicinity of the crossings during the term of the PROJECT.

B. CITY will provide AUTHORITY, within thirty (30) days of request by AUTHORITY, access to its record plans and survey data of CITY infrastructure that may assist in design of the PROJECT.

C. CITY, as the improvements desired herein are in part funded by CITY and therefore considered in part City improvements, shall be responsible for arranging for the relocation or protection of all private and public utilities impacted by the PROJECT and enforcing all utility agreements entered into by the CITY in accordance with the PROJECT schedule.

D. CITY will review and provide comments on progress plans. CITY will review and approve final plans and as-builts for all street, civil and traffic signal improvements, including providing a CITY approval signature on final plans, in a timely manner, at no cost to AUTHORITY, SCRRA or the PROJECT. Reviews and approvals by CITY shall be complete within 30 days of receipt of plan submittals. CITY will ensure all applicable CITY departments, including field representatives, participate in said reviews.

E. CITY will not charge any fees or assessment to SCRRA for any permits or licenses required for implementation of this PROJECT.

F. CITY is responsible for Right-of-Way acquisition, including Temporary Construction Easements, any and all environmental clearances, and securing any and all

necessary environmental or other approvals for the PROJECT.

G. CITY may establish Quiet Zone status after all of the construction improvements are completed.

H. CITY may, at its discretion, provide construction inspection services in a timely fashion, and at no cost to AUTHORITY, SCRRA or the PROJECT, as necessary to satisfy CITY that work is being conducted in accordance with CITY-approved plans. Should City fail to provide services within seven (7) days of the request for service, the AUTHORITY may take necessary action to perform inspection services and will furnish CITY with a report of such service, if requested.

I. CITY will, during the construction phase of the PROJECT, work with SCRRA, and SCRRA's construction contractor(s) to approve requests by SCRRA and/or SCRRA's contractor(s) to temporarily close individual grade crossings over weekend work windows (work windows will be from Friday night, no earlier than 8:00 pm, to Monday morning, no later than 6:00 am), for the purposes of constructing the PROJECT. At least 30 day advance notice shall be provided to CITY by SCRRA and/or SCRRA's contractor(s) for any desired closures. No adjacent grade crossings shall be closed without written approval from the CITY.

J. CITY will, within thirty (30) days of submittal to CITY, review and approve SCRRA's and/or SCRRA's contractor(s) traffic control plans for closing a crossing and detouring traffic.

K. CITY will pay to AUTHORITY, within 30 days of submittal of invoice(s) from AUTHORITY, the requested portion of the CITY's 12 percent local matching funds for the PROJECT. Invoices shall be based on actual costs and shall not be limited to current estimated costs at the time of the AGREEMENT.

L. CITY will be responsible for implementing a Public Awareness Campaign (PAC), which advises city, local businesses, residents, motorists, and media of PROJECT and construction-related activities.

M. Should the CITY advance grade crossing improvements, in order for these improvements to be funded by AUTHORITY, they must meet SCRRA standards.

The estimated expenditure schedule for CITY's local matching funds is as follows:

FISCAL YEAR	CITY'S SHARE (12 percent) OF ESTIMATED PROJECT COST
2007/2008	\$0
2008/2009	\$TBD
2009/2010	\$TBD
Total	\$TBD

N. CITY will pay to AUTHORITY the entire cost of any CITY-requested betterments or enhancements not included in the Scope of Work described in **Exhibits A**.

O. CITY will, at its option, initiate and apply to the Federal Railroad Administration for establishment of a quiet zone. Quiet zone is defined as a segment of the rail line, wherein is situated one or a number of consecutive public highway-rail crossings at which locomotives horns are not routinely sounded (49 CFR 222.9). CITY will ensure that they follow SCRRA Quiet Zone Implementation Guidelines and Procedures, which can be accessed through SCRRA's website www.metrolinktrains.com, sub-sections "About US," then "Public Project," and then "Grade Crossing Section."

P. CITY will, prior to allocation of any construction funding by AUTHORITY or commencement of any construction activity, enter into a separate Construction and Maintenance Agreement (C&M Agreement) with SCRRA. The C&M Agreement will establish the rights and obligations of each party relating to the construction and maintenance of the subject crossings.

Q. CITY will provide traffic signal data to AUTHORITY for use by the railroad crossing predictor. This data will be used to facilitate traffic signal preemption by the railroad

crossing.

ARTICLE 5. CALIFORNIA ENVIRONMENTAL QUALITY ACT

AUTHORITY's obligations under this AGREEMENT are subject to CITY'S successful completion of CITY's review of the PROJECT pursuant to the California Environmental Quality Act, Public Resources Code section 21000 et seq ("CEQA"). AUTHORITY shall have no obligations under this AGREEMENT, and the AGREEMENT shall have no force and effect, unless and until AUTHORITY determines, in its sole and absolute discretion, that CITY has completed all applicable CEQA review and made any and all appropriate and applicable findings under CEQA as required by law.

ARTICLE 6. DELEGATED AUTHORITY

The actions required to be taken by CITY in the implementation of this AGREEMENT are delegated to its City Manager, or his designee, and the actions required to be taken by AUTHORITY in the implementation of this AGREEMENT are delegated to its Chief Executive Officer.

ARTICLE 7. AUDIT AND INSPECTION

AUTHORITY and CITY shall maintain a complete set of records in accordance with generally accepted accounting principles. Upon reasonable notice, AUTHORITY shall permit the authorized representatives of the CITY to inspect and audit all work, materials, payroll, books, accounts, and other data and records of AUTHORITY for a period of four (4) years after final payment, or until any on-going audit is completed. For purposes of audit, the date of completion of this AGREEMENT shall be the date of CITY's payment of AUTHORITY's final billing (so noted on the invoice) under this AGREEMENT. CITY shall have the right to

reproduce any such books, records, and accounts. The above provision with respect to audits shall extend to and/or be included in contracts with AUTHORITY'S contractors, including SCRRA and its contractors.

ARTICLE 8. INDEMNIFICATION AND INSURANCE

A. AUTHORITY shall defend, indemnify and hold harmless the CITY, its officers, agents, elected officials, and employees, from all liability, claims, losses and demands, including defense costs and reasonable attorneys' fees, whether resulting from court action or otherwise, arising out of the acts or omissions of AUTHORITY, its officers, agents, or employees, in the performance of the AGREEMENT, excepting acts or omissions directed by the CITY, its officers, agents, or employees, acting within the scope of their employment, for which the CITY agrees to defend and indemnify AUTHORITY in a like manner. CITY shall defend, indemnify and hold harmless the AUTHORITY, its officers, agents, elected officials, and employees, from all liability, claims, losses and demands, including defense costs and reasonable attorneys' fees, whether resulting from court action or otherwise, arising out of the acts or omissions of the CITY, its officers, agents, or employees, in the performance of the AGREEMENT, excepting acts or omissions directed by the AUTHORITY, its officers, agents, or employees, acting within the scope of their employment, for which the AUTHORITY agrees to defend and indemnify CITY in a like manner. This indemnity shall survive even after the termination of this AGREEMENT.

B. CITY shall defend, indemnify and hold harmless the SCRRA and its member agencies, including the AUTHORITY, as well as their respective board members, officers, agents, volunteers, contractors, operating railroads, and employees (SCRRA Indemnities) from any and all liability, loss, expense (including reasonable attorneys' fees and other defense costs), demands, suits, liens, damages, costs, claims, including but not limited to claims for bodily injury, death, personal injury, or property damage, that are incurred by or asserted

against the SCRRRA Indemnities arising out of or connected with any negligent acts or omissions on the part of the CITY, its council, officers, agents, contractors, or employees under or in connection with any work, authority or jurisdiction delegated to the CITY related to establishment and operation of a Quiet Zone at a railroad grade crossing. This indemnity shall survive even after the termination of this AGREEMENT.

ARTICLE 9. ADDITIONAL PROVISIONS

The AUTHORITY and CITY agree to the following mutual responsibilities for PROJECT:

A. AUTHORITY and CITY will jointly participate in progress, coordination and additional field diagnostic team meetings as needed to implement the PROJECT.

B. Term of Agreement - All work must be completed pursuant to the PROJECT schedule identified in Exhibit A and no later than December 31, 2009. This AGREEMENT shall continue in full force and effect through December 31, 2009, unless terminated earlier, or extended, by mutual written consent by both Parties.

C. 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 parties.

D. Notices - Any notices, requests, or demands made between the Parties pursuant to this AGREEMENT sent by first class mail, postage paid, to the address and addressee, shall be deemed to have been given when in the ordinary course it would be delivered. The representatives of the parties who are primarily responsible for the administration of this COOPERATIVE Agreement, and to whom notices, demands and communications shall be given are as follows:

To CITY:

Matthew Sinacori, City Engineer

Brad Fowler, Director of Public Works

To AUTHORITY:

Darrell Johnson

Director, Transit Project Delivery Commuter

Rail

Department of Public Works

City of Dana Point

33282 Golden Lantern

Dana Point, CA 92629-1805

Orange County Transportation Authority

550 South Main Street

P. O. Box 14184

Orange, CA 92863-1584

E-mail: msinacori@danapoint.org

Telephone: (949) 248-3574

Facsimile: (949) 248-7372

E-mail: djohnson@OCTA.net

Telephone: (714) 560-5343

Facsimile: (714) 560-5794

If there are any changes in the above names and/or addresses, the party desiring to make such change shall give a written notice to the other respective party within five (5) days of such change.

E. The provision of this AGREEMENT shall bind and inure to the benefit of each of the parties hereto and all successors or assigns of the parties hereto.

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 of 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 the Parties 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 in its sole, and absolute, discretion. 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 To 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 the 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 local and federal laws, regulations and guidelines shall govern this AGREEMENT.

L. Legal Authority – Signators of AUTHORITY and CITY hereto warrant that they are duly authorized to execute this AGREEMENT on behalf of said respective Parties and that, by so executing this AGREEMENT, the Parties hereto are formally bound to the provisions of this AGREEMENT.

This AGREEMENT shall be effective upon execution by both parties.

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT No. C-8-056 to be executed on the date first above written.

CITY OF DANA POINT

ORANGE COUNTY TRANSPORTATION

AUTHORITY

By: _____
Douglas C. Chothevys
City Manager

By: _____
Arthur T. Leahy
Chief Executive Officer

ATTEST:

APPROVED AS TO FORM:

By: _____
Kathy Ward
City Clerk

By: _____
Kennard R. Smart, Jr.
General Counsel

_____, City Attorney

APPROVAL RECOMMENDED:

Date: _____
Development

By: _____
Kia Mortazavi, Executive Director,

Date: _____

EXHIBIT "A"

OCTA GRADE CROSSING SAFETY ENHANCEMENT PROGRAM

SCOPE OF WORK CITY OF DANA POINT

Dana Point

Palisades/Beach Road

- A. General Notes:
 - 1. Verify existing condition and location of utilities.
 - 2. Obtain necessary construction permits.
 - 3. Complete Mobilization, Demobilization, and Traffic Control.
 - 4. Protect existing utilities.
- B. Pedestrian Treatments:
 - 1. Install swing gate(s) and railing.
 - 2. Install automatic pedestrian gate(s).
 - 3. Install Pedestrian truncated domes.
 - 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
 - 1. Install new chain link fence in various areas per City/OCTA.
 - 2. Install new raised Median Island including finish.
 - 3. Install new, maintain existing, and remove conflicted traffic control devices including signage, striping, pavement legends, and curb painting.
 - 4. Complete drainage and street improvements to improve pedestrian access/control.
 - 5. Construction of curb and gutter on both side of Beach Road.
 - 6. Construction of Pavement overlay and slurry seal of portions of Beach Road.
 - 7. Construction of Concrete sidewalk on west side of Beach Road.
 - 8. Construction of Concrete driveway to capo Bay District service road.
- D. Railroad Improvements:
 - 1. Install Grade Crossing Improvements.
 - 2. Install Signal Improvements and Active Warning Devices.
- E. Traffic Signal Improvements:
 - 1. Install new northbound Pre-signal.
 - 2. Install new advanced warning devices to various directions of travel.
 - 3. Install new advanced warning devices to various directions of travel.
 - 4. Install new signal controller and all associated equipment.
- F. Construction Management:
 - 1. Oversee all construction.
 - 2. Provide for pedestrian and vehicular travel during construction.
- G. Miscellaneous:
 - 1. Other required construction activities per the City of Dana Point.
 - 2. Restripe Beach Road after work is done.
- H. Bicycle Circulation Improvements:

1. Required safety/signage and other improvements to address bicycle traffic and access.

DRAFT

EXHIBIT "B"

OCTA GRADE CROSSING SAFETY ENHANCEMENT PROGRAM

COST ESTIMATE CITY OF DANA POINT

	PROJECT TASK	Est. Project Total Cost	Est. City Local Match (12%)
	DANA POINT -		
	OCTA Agency Costs: includes Agency, Survey, Design, Inspect, Project Mgmt, Flagging, Permitting, Signal-RR.	318,268	38,192
	Traffic Signal Interface (IEEE 1570 Protocol): includes Admin, Pavement Signing & Striping.	253,066	30,368
	Safety Enhancements (CIVIL IMP):	166,879	20,025
	RR Improvements:	615,250	73,830
	Project Contingency & Inflation:	345,033	41,404
	TOTAL ESTIMATED COSTS:	1,698,495	203,819

COOPERATIVE AGREEMENT NO. C-8-0857

COOPERATIVE AGREEMENT NO. C-8-0857

BETWEEN

ORANGE COUNTY TRANSPORTATION AUTHORITY

AND

CITY OF FULLERTON

FOR

RAILROAD GRADE CROSSING SAFETY ENHANCEMENTS

AND

SAFETY MEASURES RELATED TO QUIET ZONE IMPLEMENTATION FOR CITIES

This Cooperative Agreement (“AGREEMENT”) is effective this ____ day of 2008, by and between the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, CA 92863-1584, a public corporation of the State of California (herein after referred to as “AUTHORITY”), and the City of Fullerton, 303 W. Commonwealth Avenue, Fullerton, CA (herein after referred to as “CITY”).

RECITALS:

WHEREAS, AUTHORITY commissioned a report titled “OCTA Grade Crossing Study” dated December 31, 2003, providing an assessment of conditions at railroad grade crossings located in Orange County and which provided recommendations for enhancements for both motorist and pedestrian safety consistent with current California Public Utilities Commission (“CPUC”) grade crossing safety standards; and,

WHEREAS, AUTHORITY, at its June 13, 2005 Board of Directors’ meeting, adopted the recommendation to proceed with the selected implementation strategy for a comprehensive railroad grade crossing enhancement program (PROGRAM) as set forth therein; and

WHEREAS, AUTHORITY, CITY, CPUC and Southern California Regional Rail Authority (SCRRA) conducted field diagnostic review meetings between May 22 and May 24, 2006 for all grade crossings under the jurisdiction of the CITY; and,

WHEREAS, SCRRA is an independent joint powers authority created and existing pursuant to California Public Utilities Code Section 130255 and California Government Code Sections 6500 et seq.; and

WHEREAS, SCRRA will be responsible for the delivery of the PROJECT in accordance with the scope of work and agreement established with the AUTHORITY and SCRRA's Joint Powers Agreement budget process; and

WHEREAS, AUTHORITY, at its August 27, 2007 Board of Directors' meeting, adopted a recommendation to include into the grade crossing enhancement program improvements designed to help enable CITY to establish a quiet zone; and,

WHEREAS, in consideration of the implementation strategy, diagnostic reviews and quiet zone considerations, CITY and AUTHORITY desire to cooperate and complete highway-rail grade crossing enhancements, as set forth in **Exhibit A**, at the grade crossings under the jurisdiction of the CITY, herein referred to as the "PROJECT;" and,

WHEREAS, the AUTHORITY and CITY agree to a cost sharing formula of 88 percent provided by the AUTHORITY and 12 percent provided by the CITY for railroad grade crossing enhancements and improvements within the CITY's jurisdiction; and

WHEREAS, the intent of the parties is that the PROJECT shall be implemented with the least amount of disruption to vehicle and rail traffic; and

WHEREAS, CITY and AUTHORITY wish to enter this AGREEMENT to specify the roles, responsibilities, terms and conditions under which the PROGRAM is to be financed, designed, and constructed.

WHEREAS, CITY and AUTHORITY acknowledge that AUTHORITY's obligation is to fund and oversee the PROJECT under this AGREEMENT and AUTHORITY'S obligations

under this AGREEMENT are contingent upon CITY's approval of environmental review of the PROJECT pursuant to the California Environmental Quality Act; and

WHEREAS, AUTHORITY's obligations under this AGREEMENT are subject to CITY'S approval of CITY's review of the PROGRAM pursuant to the California Environmental Quality Act, Public Resources Code section 21000 et seq ("CEQA"). AUTHORITY shall have no obligations under this AGREEMENT, and the AGREEMENT shall have no force and effect, unless and until AUTHORITY determines, in its sole and absolute discretion, that CITY has completed and approved all applicable CEQA reviews and made any and all appropriate and applicable findings under CEQA as required by law.

NOW, THEREFORE, it is mutually understood and agreed by CITY and AUTHORITY 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 this AGREEMENT concerning the work identified herein and 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 OF SERVICES

A. This AGREEMENT specifies the procedures that AUTHORITY and CITY will follow in connection with the work to be performed. AUTHORITY agrees to provide all improvements identified in **Exhibit A, "Scope of Work"**, which by this reference is incorporated into this AGREEMENT subject to ARTICLE 5. 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. The Scope of Work in **Exhibit A** relating to safety enhancements and quiet zone improvements, are based upon the report titled "OCTA Grade Crossing Study" dated December 31, 2003, and as refined during the diagnostic meetings discussed above, as well as subsequent discussions and recommendations by SCRRRA. Enhancements to be included as part of this AGREEMENT are limited to those described in Exhibit A only.

ARTICLE 3. RESPONSIBILITY OF THE AUTHORITY

AUTHORITY agrees to the following, subject to the requirements of ARTICLE 5 of the AGREEMENT:

A. AUTHORITY will enter into and maintain an agreement with SCRRRA for design, CPUC crossing modification applications, construction management, material procurement, cost estimates and construction of highway-rail grade crossing enhancements, which include safety related improvements and quiet zone related improvements set forth in **Exhibit A**.

B. AUTHORITY will fund the actual cost of improvements including right of way, utility relocations, and excluding CITY costs using funding provided by Commuter Urban Rail Endowment Funds, Renewed Measure M funds, and the required 12 percent funding match provided by CITY.

C. AUTHORITY will retain program oversight by controlling the funding and by establishing program milestones and overseeing the PROJECT development.

D. AUTHORITY staff will maintain active communications with CITY staff and provide CITY with public outreach support for the PROJECT. AUTHORITY will assist in building consensus among affected parties in regard to the required enhancements.

E. AUTHORITY will submit detailed monthly invoices to CITY for payment of CITY's required twelve percent local matching funds.

ARTICLE 4. RESPONSIBILITIES OF CITY

CITY agrees to the following, subject to the requirements of ARTICLE 5 of the AGREEMENT:

A. CITY will advise AUTHORITY as early as possible of current, and a minimum of thirty (30) days in advance of any planned work in the vicinity of the crossings during the term of the PROJECT.

B. CITY will provide AUTHORITY, within thirty (30) days of request by AUTHORITY, access to its record plans and survey data of CITY infrastructure that may assist in design of the PROJECT.

C. CITY, as the improvements desired herein are in part funded by CITY and therefore considered in part City improvements, shall be responsible for arranging for the relocation or protection of all private and public utilities impacted by the PROJECT and enforcing all utility agreements entered into by the AUTHORITY in accordance with the PROJECT schedule.

D. CITY will review and provide comments on progress plans. CITY will review and approve final plans and as-builts for all street, civil and traffic signal improvements, including providing a CITY approval signature on final plans, in a timely manner, at no cost to AUTHORITY, SCRRA or the PROJECT. Reviews and approvals by CITY shall be complete within 30 days of receipt of plan submittals. CITY will ensure all applicable CITY departments, including field representatives, participate in said reviews.

E. CITY will not charge any fees or assessment to SCRRA for any permits or licenses required for implementation of this PROJECT.

F. CITY is responsible for Right-of-Way acquisition, including Temporary

Construction Easements, any and all environmental clearances, and securing any and all necessary environmental or other approvals for the PROJECT.

G. CITY may apply for Quiet Zone Status after all of the construction improvements are completed.

H. CITY will provide construction inspection services, at its discretion, in a timely fashion, and at no cost to AUTHORITY, SCRRA or the PROJECT, as necessary to satisfy CITY that work is being conducted in accordance with CITY-approved plans. Should City fail to provide services within seven (7) days of the request for service, the AUTHORITY may take necessary action to perform inspection services and will furnish CITY with a report of such service, if requested.

I. CITY will, during the construction phase of the PROJECT, work with SCRRA, and SCRRA's construction contractor(s) to approve requests by SCRRA and/or SCRRA's contractor(s) to temporarily close individual grade crossings over weekend work windows (work windows will be from Friday night, no earlier than 8:00 pm, to Monday morning, no later than 6:00 am), for the purposes of constructing the PROJECT. At least 30 day advance notice shall be provided to CITY by SCRRA and/or SCRRA's contractor(s) for any desired closures. No adjacent grade crossings shall be closed without written approval from the CITY.

J. CITY will, within thirty (30) days of submittal to CITY, review and approve SCRRA's and/or SCRRA's contractor(s) traffic control plans for closing a crossing and detouring traffic.

K. CITY will pay to AUTHORITY, within 30 days of submittal of invoice(s) from AUTHORITY, the requested portion of the CITY's 12 percent local matching funds for the PROJECT. Invoices shall be based on actual project costs for completed work and shall not be limited to current estimated costs at the time of the AGREEMENT. The AUTHORITY shall not bill more frequently than monthly.

L. CITY will be responsible for implementing a Public Awareness Campaign

(PAC), which advises city, local businesses, residents, motorists, and media of PROJECT and construction-related activities.

M. Should the CITY advance grade crossing improvements, in order for these improvements to be funded by AUTHORITY, they must meet SCRRRA standards.

The estimated expenditure schedule for CITY's local matching funds is as follows:

FISCAL YEAR	CITY'S SHARE (12 percent) OF ESTIMATED PROJECT COST
2007/2008	\$0
2008/2009	\$TBD
2009/2010	\$TBD
Total	\$TBD

N. CITY will pay to AUTHORITY the entire cost of any CITY-requested betterments or enhancements not included in the Scope of Work described in **Exhibits A**.

O. CITY may, at its option, initiate and apply to the Federal Railroad Administration for establishment of a quiet zone. Quiet zone is defined as a segment of the rail line, wherein is situated one or a number of consecutive public highway-rail crossings at which locomotives horns are not routinely sounded (49 CFR 222.9). CITY will ensure that they follow SCRRRA Quiet Zone Implementation Guidelines and Procedures, which can be accessed through SCRRRA's website www.metrolinktrains.com, sub-sections "About US," then "Public Project," and then "Grade Crossing Section."

P. CITY will, prior to allocation of any construction funding by AUTHORITY or commencement of any construction activity, enter into a separate Construction and Maintenance Agreement (C&M Agreement) with SCRRRA. The C&M Agreement will establish the rights and obligations of each party relating to the construction and maintenance of the subject crossings.

Q. CITY will provide traffic signal data to AUTHORITY for use by the railroad crossing predictor. This data will be used to facilitate traffic signal preemption by the railroad crossing.

ARTICLE 5. CALIFORNIA ENVIRONMENTAL QUALITY ACT

AUTHORITY's obligations under this AGREEMENT are subject to CITY'S successful completion of CITY's review of the PROJECT pursuant to the California Environmental Quality Act, Public Resources Code section 21000 et seq ("CEQA"). AUTHORITY shall have no obligations under this AGREEMENT, and the AGREEMENT shall have no force and effect, unless and until AUTHORITY determines, in its sole and absolute discretion, that CITY has completed all applicable CEQA review and made any and all appropriate and applicable findings under CEQA as required by law.

ARTICLE 6. DELEGATED AUTHORITY

The actions required to be taken by CITY in the implementation of this AGREEMENT are delegated to its City Manager, or his designee, and the actions required to be taken by AUTHORITY in the implementation of this AGREEMENT are delegated to its Chief Executive Officer.

ARTICLE 7. AUDIT AND INSPECTION

AUTHORITY and CITY shall maintain a complete set of records in accordance with generally accepted accounting principles. Upon reasonable notice, AUTHORITY shall permit the authorized representatives of the CITY to inspect and audit all work, materials, payroll, books, accounts, and other data and records of AUTHORITY for a period of four (4) years after final payment, or until any on-going audit is completed. For purposes of audit, the date of completion of this AGREEMENT shall be the date of CITY's payment of AUTHORITY's final

billing (so noted on the invoice) under this AGREEMENT. CITY shall have the right to reproduce any such books, records, and accounts. The above provision with respect to audits shall extend to and/or be included in contracts with AUTHORITY'S contractors, including SCRRRA and its contractors.

ARTICLE 8. INDEMNIFICATION AND INSURANCE

A. AUTHORITY shall defend, indemnify and hold harmless the CITY, its officers, agents, elected officials, and employees, from all liability, claims, losses and demands, including defense costs and reasonable attorneys' fees, whether resulting from court action or otherwise, arising out of the acts or omissions of AUTHORITY, its officers, agents, or employees, in the performance of the AGREEMENT, excepting acts or omissions directed by the CITY, its officers, agents, or employees, acting within the scope of their employment, for which the CITY agrees to defend and indemnify AUTHORITY in a like manner. CITY shall defend, indemnify and hold harmless the AUTHORITY, its officers, agents, elected officials, and employees, from all liability, claims, losses and demands, including defense costs and reasonable attorneys' fees, whether resulting from court action or otherwise, arising out of the acts or omissions of the CITY, its officers, agents, or employees, in the performance of the AGREEMENT, excepting acts or omissions directed by the AUTHORITY, its officers, agents, or employees, acting within the scope of their employment, for which the AUTHORITY agrees to defend and indemnify AUTHORITY in a like manner. This indemnity shall survive even after the termination of this AGREEMENT.

B. CITY shall defend, indemnify and hold harmless the SCRRRA and its member agencies, including the AUTHORITY, as well as their respective board members, officers, agents, volunteers, contractors, operating railroads, and employees (SCRRRA Indemnities) from any and all liability, loss, expense (including reasonable attorneys' fees and other defense costs), demands, suits, liens, damages, costs, claims, including but not limited to

claims for bodily injury, death, personal injury, or property damage, that are incurred by or asserted against the SCRRRA Indemnities arising out of or connected with any negligent acts or omissions on the part of the CITY, its council, officers, agents, contractors, or employees under or in connection with any work, authority or jurisdiction delegated to the CITY related to establishment and operation of a Quiet Zone at a railroad grade crossing. This indemnity shall survive even after the termination of this AGREEMENT.

ARTICLE 9. ADDITIONAL PROVISIONS

The AUTHORITY and CITY agree to the following mutual responsibilities for PROJECT:

A. AUTHORITY and CITY will jointly participate in progress, coordination and additional field diagnostic team meetings as needed to implement the PROJECT.

B. Term of Agreement - All work must be completed pursuant to the PROJECT schedule identified in Exhibit A and no later than December 31, 2009. This AGREEMENT shall continue in full force and effect through December 31, 2009, unless terminated earlier, or extended, by mutual written consent by both Parties.

C. 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 parties.

D. Notices - Any notices, requests, or demands made between the Parties pursuant to this AGREEMENT sent by first class mail, postage paid, to the address and addressee, shall be deemed to have been given when in the ordinary course it would be delivered. The representatives of the parties who are primarily responsible for the administration of this COOPERATIVE Agreement, and to whom notices, demands and communications shall be given are as follows:

To CITY:

To AUTHORITY:

Chris Meyer
City Manager
City of Fullerton
303 W. Commonwealth Avenue
Fullerton, CA. 92832-1775

E-mail: CityManager@ci.fullerton.ca.us

Telephone: (714) 738-6310

Facsimile: (714) 738-6758

Darrell Johnson
Director, Transit Project Delivery Commuter Rail
Orange County Transportation Authority
550 S. Main Street
P. O. Box 14184
Orange, CA 92863-1584

E-mail: djohnson@octa.net

Telephone: (714) 560-5343

Facsimile: (714) 560-5794

If there are any changes in the above names and/or addresses, the party desiring to make such change shall give a written notice to the other respective party within five (5) days of such change.

E. The provision of this AGREEMENT shall bind and inure to the benefit of each of the parties hereto and all successors or assigns of the parties hereto.

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 of 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 the Parties 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 in its sole, and absolute, discretion. 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 To 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 the 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 local and federal laws, regulations and guidelines shall govern this AGREEMENT.

L. Legal Authority – Signators of AUTHORITY and CITY hereto warrant that they are duly authorized to execute this AGREEMENT on behalf of said respective Parties and that, by so executing this AGREEMENT, the Parties hereto are formally bound to the provisions of this AGREEMENT.

This AGREEMENT shall be effective upon execution by both parties.

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT No. C-8-0857 to be executed on the date first above written.

CITY OF FULLERTON

ORANGE COUNTY TRANSPORTATION

AUTHORITY

By: _____
Chris Meyer
City Manager

By: _____
Arthur T. Leahy
Chief Executive Officer

ATTEST:

APPROVED AS TO FORM:

By: _____
Beverly White
City Clerk

By: _____
Kennard R. Smart, Jr.
General Counsel

_____, City Attorney

APPROVAL RECOMMENDED:

Date: _____
Development

By: _____
Kia Mortazavi, Executive Director,

Date: _____

EXHIBIT “A”

OCTA GRADE CROSSING SAFETY ENHANCEMENT PROGRAM

SCOPE OF WORK CITY OF FULLERTON

Fullerton

Acacia Avenue -

- A. General Notes:
 - 1. Verify existing condition and location of utilities.
 - 2. Obtain necessary construction permits.
 - 3. Complete Mobilization, Demobilization and Traffic Control.
 - 4. Protect existing utilities.
- B. Pedestrian Treatments:
 - 1. Install swing gate(s) and railing.
 - 2. Install automatic pedestrian gate(s).
 - 3. Install Pedestrian truncated domes.
 - 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
 - 1. Install new curb.
 - 2. Remove existing and install new raised Median Island including finish.
 - 3. Install new, maintain existing, and remove conflicted traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
 - 1. Install Concrete Crossing Panels and Remove Rubber Crossing Panels.
 - 2. Install Grade Crossing Improvements.
 - 3. Install Signal Improvements and Active Warning Devices

EXHIBIT "B"

OCTA GRADE CROSSING SAFETY ENHANCEMENT PROGRAM

COST ESTIMATE CITY OF FULLERTON

	PROJECT TASK	Est. Project Total Cost	Est. City Local Match (12%)
	FULLERTON -		
	OCTA Agency Costs: includes Agency, Survey, Design, Inspect, Project Mgmt, Flagging, Permitting, Signal-RR.	161,599	19,392
	Traffic Signal Interface (IEEE 1570 Protocol): includes Admin, Pavement Signing & Striping.	52,051	6,246
	Safety Enhancements (CIVIL IMP):	412,981	49,558
	RR Improvements:	0	0
	Right-Of-Way Costs:	18,810	2,257
	Right-Of-Way Contingency (50%)	9,405	1,129
	Project Contingency & Inflation:	159,744	19,169
	TOTAL ESTIMATED COSTS:	814,589	97,751

COOPERATIVE AGREEMENT No. C-8-0858
BETWEEN
ORANGE COUNTY TRANSPORTATION AUTHORITY
AND
CITY OF IRVINE
FOR
RAILROAD GRADE CROSSING SAFETY ENHANCEMENTS
AND
SAFETY MEASURES RELATED TO QUIET ZONE IMPLEMENTATION FOR CITIES

This Cooperative Agreement (“AGREEMENT”) is effective this ____ day of 2008, by and between the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, CA 92863-1584, a public corporation of the State of California (herein after referred to as “AUTHORITY”), and the City of Irvine, One Civic Center Plaza, Irvine, CA (herein after referred to as “CITY”).

RECITALS:

WHEREAS, AUTHORITY commissioned a report titled “OCTA Grade Crossing Study” dated December 31, 2003, providing an assessment of conditions at railroad grade crossings located in Orange County and which provided recommendations for enhancements for both motorist and pedestrian safety consistent with current California Public Utilities Commission (“CPUC”) grade crossing safety standards; and,

WHEREAS, AUTHORITY, at its June 13, 2005 Board of Directors’ meeting, adopted the recommendation to proceed with the selected implementation strategy for a comprehensive railroad grade crossing enhancement program (PROGRAM) as set forth therein; and

WHEREAS, AUTHORITY, CITY, CPUC and Southern California Regional Rail Authority (SCRRA) conducted field diagnostic review meetings between May 22 and May 24, 2006 for all grade crossings under the jurisdiction of the CITY; and,

WHEREAS, SCRRA is an independent joint powers authority created and existing pursuant to California Public Utilities Code Section 130255 and California Government Code Sections 6500 et seq.; and

WHEREAS, SCRRA will be responsible for the delivery of the PROJECT in accordance with the scope of work and agreement established with the AUTHORITY and SCRRA's Joint Powers Agreement budget process; and

WHEREAS, AUTHORITY, at its August 27, 2007 Board of Directors' meeting, adopted a recommendation to include into the grade crossing enhancement program improvements designed to help enable CITY to establish a quiet zone; and,

WHEREAS, in consideration of the implementation strategy, diagnostic reviews and quiet zone considerations, CITY and AUTHORITY desire to cooperate and complete highway-rail grade crossing enhancements, as set forth in **Exhibit A**, at the grade crossings under the jurisdiction of the CITY, herein referred to as the "PROJECT;" and

WHEREAS, the AUTHORITY and CITY agree to a cost sharing formula of 88 percent provided by the AUTHORITY and 12 percent provided by the CITY for railroad grade crossing enhancements and improvements within the CITY's jurisdiction; and

WHEREAS, the intent of the parties is that the PROJECT shall be implemented with the least amount of disruption to vehicle and rail traffic; and

WHEREAS, CITY and AUTHORITY wish to enter this AGREEMENT to specify the roles, responsibilities, terms and conditions under which the PROGRAM is to be financed, designed, and constructed.

WHEREAS, CITY and AUTHORITY acknowledge that AUTHORITY's obligation is to fund and oversee the PROJECT under this AGREEMENT and AUTHORITY'S obligations

under this AGREEMENT are contingent upon CITY's approval of environmental review of the PROJECT pursuant to the California Environmental Quality Act; and

WHEREAS, AUTHORITY's obligations under this AGREEMENT are subject to CITY'S approval of CITY's review of the PROGRAM pursuant to the California Environmental Quality Act, Public Resources Code section 21000 et seq ("CEQA"). AUTHORITY shall have no obligations under this AGREEMENT, and the AGREEMENT shall have no force and effect, unless and until AUTHORITY determines, in its sole and absolute discretion, that CITY has completed and approved all applicable CEQA reviews and made any and all appropriate and applicable findings under CEQA as required by law.

NOW, THEREFORE, it is mutually understood and agreed by CITY and AUTHORITY 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 this AGREEMENT concerning the work identified herein and 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 OF SERVICES

A. This AGREEMENT specifies the procedures that AUTHORITY and CITY will follow in connection with the work to be performed. AUTHORITY agrees to provide all improvements identified in **Exhibit A, "Scope of Work"**, which by this reference is incorporated into this AGREEMENT subject to ARTICLE 5. 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. The Scope of Work in **Exhibit A** relating to safety enhancements and quiet zone improvements, are based upon the report titled "OCTA Grade Crossing Study" dated December 31, 2003, and as refined during the diagnostic meetings discussed above, as well as subsequent discussions and recommendations by SCRRRA. Enhancements to be included as part of this AGREEMENT are limited to those described in Exhibit A only.

ARTICLE 3. RESPONSIBILITY OF THE AUTHORITY

AUTHORITY agrees to the following, subject to the requirements of ARTICLE 5 of the AGREEMENT:

A. AUTHORITY will enter into and maintain an agreement with SCRRRA for design, CPUC crossing modification applications, construction management, material procurement, cost estimates and construction of highway-rail grade crossing enhancements, which include safety related improvements and quiet zone related improvements set forth in **Exhibit A**.

B. AUTHORITY will fund the actual cost of improvements including right of way, utility relocations, excluding CITY costs using funding provided by Commuter Urban Rail Endowment Funds, Renewed Measure M funds, and the required 12 percent funding match provided by CITY.

C. AUTHORITY will retain program oversight by controlling the funding and by establishing program milestones and overseeing the PROJECT development.

D. AUTHORITY staff will maintain active communications with CITY staff and provide CITY with public outreach support for the PROJECT. AUTHORITY will assist in building consensus among affected parties in regard to the required enhancements.

E. AUTHORITY will submit detailed monthly invoices to CITY for payment of CITY's required twelve percent local matching funds.

F. AUTHORITY shall carry out the construction of the improvements in conformity with all applicable laws, including all applicable federal and state labor standards. AUTHORITY shall cause the construction of the PROJECT to be performed as a public work; provide, however, that if the California Department of Industrial Relations ("DIR") makes a final determination that the development of the PROJECT or a part thereof pursuant to this AGREEMENT is not subject to the payment of prevailing wages, then AUTHORITY shall not be required to pay prevailing wages for construction of the PROJECT (or the portion thereof which the DIR determined is not a public work).

G. AUTHORITY shall take all steps necessary to ensure that each improvement covered by this AGREEMENT shall be in compliance with all applicable federal, state, and local laws, regulations and standards.

ARTICLE 4. RESPONSIBILITIES OF CITY

CITY agrees to the following, subject to the requirements of ARTICLE 5 of the AGREEMENT:

A. CITY will advise AUTHORITY as early as possible of current, and a minimum of thirty (30) days in advance of any planned work in the vicinity of the crossings during the term of the PROJECT.

B. CITY will provide AUTHORITY, within thirty (30) days of request by AUTHORITY, access to its record plans and survey data of CITY infrastructure that may assist in design of the PROJECT.

C. CITY, as the improvements desired herein are in part funded by CITY and therefore considered in part City improvements, shall be responsible for arranging for the relocation or protection of all private and public utilities impacted by the PROJECT and enforcing all utility agreements entered into by the AUTHORITY in accordance with the PROJECT schedule.

D. CITY will review and provide comments on progress plans. CITY will review and approve final plans and as-builts for all street, civil and traffic signal improvements, including providing a CITY approval signature on final plans, in a timely manner, at no cost to AUTHORITY, SCRRA or the PROJECT. Reviews and approvals by CITY shall be complete within 30 days of receipt of plan submittals. CITY will ensure all applicable CITY departments, including field representatives, participate in said reviews.

E. CITY will not charge any fees or assessment to SCRRA for any permits or licenses required for implementation of this PROJECT.

F. CITY is responsible for Right-of-Way acquisition, including Temporary Construction Easements, any and all environmental clearances, and securing any and all necessary environmental or other approvals for the PROJECT.

G. CITY may apply for Quiet Zone status after all of the construction improvements are completed.

H. CITY will provide construction inspection services, at its discretion, in a timely fashion, and at no cost to AUTHORITY, SCRRA or the PROJECT, as necessary to satisfy CITY that work is being conducted in accordance with CITY-approved plans. Should City fail to provide services within seven (7) days of the request for service, the AUTHORITY may take necessary action to perform inspection services and will furnish CITY with a report of such service, if requested.

I. CITY will, during the construction phase of the PROJECT, work with SCRRA, and SCRRA's construction contractor(s) to approve requests by SCRRA and/or SCRRA's contractor(s) to temporarily close individual grade crossings over weekend work windows (work windows will be from Friday night, no earlier than 8:00 pm, to Monday morning, no later than 6:00 am), for the purposes of constructing the PROJECT. At least 30 day advance notice shall be provided to CITY by SCRRA and/or SCRRA's contractor(s) for any desired closures. No adjacent grade crossings shall be closed without written approval from the CITY.

J. CITY will, within thirty (30) days of submittal to CITY, review and approve SCRRA's and/or SCRRA's contractor(s) traffic control plans for closing a crossing and detouring traffic.

K. CITY will pay to AUTHORITY, within 30 days of submittal of invoice(s) from AUTHORITY, the requested portion of the CITY's 12 percent local matching funds for the PROJECT. Invoices shall be based on actual costs incurred and shall not be limited to current estimated costs at the time of the AGREEMENT.

L. CITY will be responsible for implementing a Public Awareness Campaign (PAC), which advises city, local businesses, residents, motorists, and media of PROJECT and construction-related activities.

M. Should the CITY advance grade crossing improvements, in order for these improvements to be funded by AUTHORITY, they must meet SCRRA standards.

The estimated expenditure schedule for CITY's local matching funds is as follows:

FISCAL YEAR	CITY'S SHARE (12 percent) OF ESTIMATED PROJECT COST
2007/2008	\$0
2008/2009	\$TBD
2009/2010	\$TBD
Total	\$TBD

N. CITY will pay to AUTHORITY the entire cost of any CITY-requested betterments or enhancements not included in the Scope of Work described in **Exhibits A**.

O. CITY will, at its option, initiate and apply to the Federal Railroad Administration for establishment of a quiet zone. Quiet zone is defined as a segment of the rail line, wherein is situated one or a number of consecutive public highway-rail crossings at which locomotives horns are not routinely sounded (49 CFR 222.9). CITY will ensure that they follow SCRRA

Quiet Zone Implementation Guidelines and Procedures, which can be accessed through SCRRA's website www.metrolinktrains.com, sub-sections "About US," then "Public Project," and then "Grade Crossing Section."

P. CITY will, prior to allocation of any construction funding by AUTHORITY or commencement of any construction activity, enter into a separate Construction and Maintenance Agreement (C&M Agreement) with SCRRA. The C&M Agreement will establish the rights and obligations of each party relating to the construction and maintenance of the subject crossings.

Q. CITY will provide traffic signal data to AUTHORITY for use by the railroad crossing predictor. This data will be used to facilitate traffic signal preemption by the railroad crossing.

ARTICLE 5. CALIFORNIA ENVIRONMENTAL QUALITY ACT

AUTHORITY's obligations under this AGREEMENT are subject to CITY'S successful completion of CITY's review of the PROJECT pursuant to the California Environmental Quality Act, Public Resources Code section 21000 et seq ("CEQA"). AUTHORITY shall have no obligations under this AGREEMENT, and the AGREEMENT shall have no force and effect, unless and until AUTHORITY determines, in its sole and absolute discretion, that CITY has completed all applicable CEQA review and made any and all appropriate and applicable findings under CEQA as required by law.

ARTICLE 6. DELEGATED AUTHORITY

The actions required to be taken by CITY in the implementation of this AGREEMENT are delegated to its City Manager, or his designee, and the actions required to be taken by AUTHORITY in the implementation of this AGREEMENT are delegated to its Chief Executive

Officer.

ARTICLE 7. AUDIT AND INSPECTION

AUTHORITY and CITY shall maintain a complete set of records in accordance with generally accepted accounting principles. Upon reasonable notice, AUTHORITY shall permit the authorized representatives of the CITY to inspect and audit all work, materials, payroll, books, accounts, and other data and records of AUTHORITY for a period of four (4) years after final payment, or until any on-going audit is completed. For purposes of audit, the date of completion of this AGREEMENT shall be the date of CITY's payment of AUTHORITY's final billing (so noted on the invoice) under this AGREEMENT. CITY shall have the right to reproduce any such books, records, and accounts. The above provision with respect to audits shall extend to and/or be included in contracts with AUTHORITY'S contractors, including SCRRA and its contractors.

ARTICLE 8. INDEMNIFICATION AND INSURANCE

A. AUTHORITY shall defend, indemnify and hold harmless the CITY, its officers, agents, elected officials, and employees, from all liability, claims, losses and demands, including defense costs and reasonable attorneys' fees, whether resulting from court action or otherwise, arising out of the acts or omissions of AUTHORITY, its officers, agents, or employees, in the performance of the AGREEMENT, excepting acts or omissions directed by the CITY, its officers, agents, or employees, acting within the scope of their employment, for which the CITY agrees to defend and indemnify AUTHORITY in a like manner. CITY shall defend, indemnify and hold harmless the AUTHORITY, its officers, agents, elected officials, and employees, from all liability, claims, losses and demands, including defense costs and reasonable attorneys' fees, whether resulting from court action or otherwise, arising out of the acts or omissions of the CITY, its officers, agents, or employees, in the performance of the AGREEMENT, excepting acts or omissions directed by the AUTHORITY, its officers, agents, or employees, acting within the scope of their employment, for which the AUTHORITY agrees to defend and indemnify AUTHORITY in a like manner. This indemnity shall survive even after the termination of this AGREEMENT.

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

survive even after the termination of this AGREEMENT.

C. AUTHORITY shall indemnify and hold CITY harmless from and against any and all claims, demands, causes of action, obligations, damages, liabilities, costs and expenses, including reasonable attorneys' fees that may be asserted against or incurred by CITY with respect to or in any way arising from AUTHORITY'S compliance with or failure to comply with applicable laws, including all applicable federal and state labor standards including without limitation the requirements of Labor Code Section 1720.

ARTICLE 9. ADDITIONAL PROVISIONS

The AUTHORITY and CITY agree to the following mutual responsibilities for PROJECT:

A. AUTHORITY and CITY will jointly participate in progress, coordination and additional field diagnostic team meetings as needed to implement the PROJECT.

B. Term of Agreement - All work must be completed pursuant to the PROJECT schedule identified in Exhibit A and no later than December 31, 2009. This AGREEMENT shall continue in full force and effect through December 31, 2009, unless terminated earlier, or extended, by mutual written consent by both Parties.

C. 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 parties.

D. Notices - Any notices, requests, or demands made between the Parties pursuant to this AGREEMENT sent by first class mail, postage paid, to the address and addressee, shall be deemed to have been given when in the ordinary course it would be delivered. The representatives of the parties who are primarily responsible for the administration of this COOPERATIVE Agreement, and to whom notices, demands and communications shall be given are as follows:

To CITY:

Manuel Gomez

Director of Public Works

Department of Public Works

City of Irvine

One Civic Center Plaza

Irvine, CA 92623-9525

E-mail: mgomez@ci.irvine.ca.us

Telephone: (949) 724-7509

Facsimile: (949) 724-7517

To AUTHORITY:

Darrell Johnson

Director, Transit Project Delivery Commuter
Rail

Orange County Transportation Authority

550 South Main Street

P. O. Box 14184

Orange, CA 92863-1584

E-mail: djohnson@OCTA.net

Telephone: (714) 560-5343

Facsimile: (714) 560-5794

If there are any changes in the above names and/or addresses, the party desiring to make such change shall give a written notice to the other respective party within five (5) days of such change.

E. The provision of this AGREEMENT shall bind and inure to the benefit of each of the parties hereto and all successors or assigns of the parties hereto.

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 of 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 the Parties 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 in its sole, and absolute, discretion. 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 To 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 the 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 local and federal laws, regulations and guidelines shall govern this AGREEMENT.

L. Legal Authority – Signators of AUTHORITY and CITY hereto warrant that they are duly authorized to execute this AGREEMENT on behalf of said respective Parties and that, by so executing this AGREEMENT, the Parties hereto are formally bound to the provisions of this AGREEMENT.

M. This AGREEMENT constitutes the entire understanding and agreement of the parties. This AGREEMENT integrates all of the terms and conditions mentioned herein or

incidental thereto and supersedes all prior negotiations, discussions and previous agreements between the parties hereto concerning all or any part of the subject matter or this AGREEMENT.

This AGREEMENT shall be effective upon execution by both parties.

DRAFT

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT No. C-8-0858 to be executed on the date first above written.

CITY OF IRVINE

ORANGE COUNTY TRANSPORTATION

AUTHORITY

By: _____
Sean Joyce
City Manager

By: _____
Arthur T. Leahy
Chief Executive Officer

ATTEST:

APPROVED AS TO FORM:

By: _____
Sharie Apodaca
City Clerk

By: _____
Kennard R. Smart, Jr.
General Counsel

_____, City Attorney APPROVAL RECOMMENDED:

Date: _____
Development

By: _____
Kia Mortazavi, Executive Director,

Date: _____

EXHIBIT "A"

OCTA GRADE CROSSING SAFETY ENHANCEMENT PROGRAM

SCOPE OF WORK CITY OF IRVINE

Irvine

Sand Canyon Avenue -

- A. General Notes:
 - 1. Verify existing condition and location of utilities.
 - 2. Obtain necessary construction permits.
 - 3. Complete Mobilization, Demobilization and Traffic Control.
 - 4. Protect existing utilities
- B. Pedestrian Treatments:
 - 1. Install swing gate(s) and railing.
 - 2. Install automatic pedestrian gate(s).
 - 3. Install pedestrian truncated domes.
 - 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
 - 1. Install new curb.
 - 2. Remove and install raised Median Island including finish.
 - 3. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
 - 1. Install Concrete Crossing Panels and Remove Rubber Crossing Panels.
 - 2. Install Grade Crossing Improvements.
 - 3. Install Signal Improvements and Active Warning Devices
- E. Traffic Improvements:
 - 1. Install new northbound queue cutter signal.

Harvard Avenue -

- A. General Notes:
 - 1. Verify existing condition and location of utilities.
 - 2. Obtain necessary construction permits.
 - 3. Complete Mobilization, Demobilization and Traffic Control.
 - 4. Protect existing utilities.
- B. Pedestrian Treatments:
 - 1. Install swing gate(s) and railing.
 - 2. Install automatic pedestrian gate(s).
 - 3. Install pedestrian truncated domes.
 - 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
 - 1. Install new curb, curb & gutter.
 - 2. Remove and install raised Median Island including finish.

3. Install new concrete pavement.
4. Install new concrete driveway.
5. Remove existing AC pavement.
6. Remove existing concrete pavement.
7. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.

D. Railroad Improvements

1. Install Concrete Crossing Panels and Remove Rubber Crossing Panels.
2. Install Grade Crossing Improvements.
3. Install Signal Improvements and Active Warning Devices

DRAFT

EXHIBIT "B"

OCTA GRADE CROSSING SAFETY ENHANCEMENT PROGRAM

COST ESTIMATE CITY OF IRVINE

	PROJECT TASK	Est. Project Total Cost	Est. City Local Match (12%)
	IRVINE -		
	OCTA Agency Costs: includes Agency, Survey, Design, Inspect, Project Mgmt, Flagging, Permitting, Signal-RR.	653,199	78,384
	Traffic Signal Interface (IEEE 1570 Protocol): includes Admin, Pavement Signing & Striping.	227,703	27,324
	Safety Enhancements (CIVIL IMP):	648,089	77,771
	RR Improvements:	1,245,450	149,454
	Project Contingency & Inflation:	707,277	84,873
	TOTAL ESTIMATED COSTS:	3,481,719	417,806

COOPERATIVE AGREEMENT NO. C-8-0859

COOPERATIVE AGREEMENT NO. C-8-0859

BETWEEN

ORANGE COUNTY TRANSPORTATION AUTHORITY

AND

CITY OF ORANGE

FOR

RAILROAD GRADE CROSSING SAFETY ENHANCEMENTS

AND

SAFETY MEASURES RELATED TO QUIET ZONE IMPLEMENTATION FOR CITIES

This Cooperative Agreement ("AGREEMENT") is effective this ____ day of _____, 2008, by and between the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, CA 92863-1584, a public corporation of the State of California (herein after referred to as "AUTHORITY"), and the City of Orange, 300 E. Chapman Avenue, Orange, CA 92866-1591 (herein after referred to as "CITY").

RECITALS:

WHEREAS, AUTHORITY commissioned a report titled "OCTA Grade Crossing Study" dated December 31, 2003, providing an assessment of conditions at railroad grade crossings located in Orange County and which provided recommendations for enhancements for both motorist and pedestrian safety consistent with current California Public Utilities Commission ("CPUC") grade crossing safety standards; and

WHEREAS, AUTHORITY, at its June 13, 2005 Board of Directors' meeting, adopted the recommendation to proceed with the selected implementation strategy for a comprehensive railroad grade crossing enhancement program (PROGRAM) as set forth therein; and

WHEREAS, AUTHORITY, CITY, CPUC and Southern California Regional Rail Authority (SCRRA) conducted field diagnostic review meetings between May 22 and May 24, 2006, for all grade crossings under the jurisdiction of the CITY; and

WHEREAS, SCRRA is an independent joint powers authority created and existing pursuant to California Public Utilities Code Section 130255 and California Government Code Sections 6500 et seq.; and

WHEREAS, SCRRA will be responsible for the delivery of the PROJECT in accordance with the scope of work and agreement established with the AUTHORITY and SCRRA's Joint Powers Agreement budget process; and

WHEREAS, AUTHORITY, at its August 27, 2007 Board of Directors' meeting, adopted a recommendation to include into the grade crossing enhancement program improvements designed to help enable CITY to establish a quiet zone; and

WHEREAS, in consideration of the implementation strategy, diagnostic reviews and quiet zone considerations, CITY and AUTHORITY desire to cooperate to complete highway-rail grade crossing enhancements, as set forth in **Exhibit A**, at the grade crossings under the jurisdiction of the CITY, herein referred to as the "PROJECT;" and

WHEREAS, the AUTHORITY and CITY agree to a cost sharing formula of 88 percent provided by the AUTHORITY and 12 percent provided by the CITY for railroad grade crossing enhancements and improvements within the CITY'S jurisdiction; and

WHEREAS, the intent of the parties is that the PROJECT shall be implemented with the least amount of disruption to vehicle and rail traffic, residents and businesses; and

WHEREAS, CITY and AUTHORITY wish to enter this AGREEMENT to specify the roles, responsibilities, terms and conditions under which the PROGRAM is to be financed, designed, and constructed; and

WHEREAS, CITY and AUTHORITY acknowledge that AUTHORITY'S obligation is to fund and oversee the PROJECT under this AGREEMENT and AUTHORITY'S obligations

under this AGREEMENT are contingent upon CITY'S approval of environmental review of the PROJECT pursuant to the California Environmental Quality Act; and

WHEREAS, AUTHORITY'S obligations under this AGREEMENT are subject to CITY'S approval of CITY'S review of the PROGRAM pursuant to the California Environmental Quality Act, Public Resources Code section 21000 et seq ("CEQA"). AUTHORITY shall have no obligations under this AGREEMENT, and the AGREEMENT shall have no force and effect, unless and until AUTHORITY determines, in its sole and absolute discretion, that CITY has completed and approved all applicable CEQA review and made any and all appropriate and applicable findings under CEQA as required by law.

NOW, THEREFORE, it is mutually understood and agreed by CITY and AUTHORITY 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 this AGREEMENT concerning the work identified herein and 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 OF SERVICES

A. This AGREEMENT specifies the procedures that AUTHORITY and CITY will follow in connection with the work to be performed. AUTHORITY agrees to provide all improvements identified in **Exhibit A, "Scope of Work"**, which by this reference is incorporated into this AGREEMENT subject to ARTICLE 5. 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. The Scope of Work in **Exhibit A** relating to safety enhancements and quiet zone improvements, are based upon the report titled "OCTA Grade Crossing Study" dated December 31, 2003, and as refined during the diagnostic meetings discussed above, as well as subsequent discussions and recommendations by SCRRA. Enhancements to be included as part of this AGREEMENT are limited to those described in **Exhibit A** only.

ARTICLE 3. RESPONSIBILITY OF THE AUTHORITY

AUTHORITY agrees to the following, subject to the requirements of Article 5 of the AGREEMENT:

A. AUTHORITY has entered into and will maintain an agreement with SCRRA for design, CPUC crossing modification applications, construction management, material procurement, materials testing, construction inspection services, cost estimates and construction of rail-highway grade crossing enhancements, which include safety related improvements and quiet zone related improvements set forth in **Exhibit A**.

B. Subject to CITY'S 12% matching funds contribution and the work and services described in Article 4 as being the responsibility of CITY, to fund, AUTHORITY will fund the actual cost of all PROJECT improvements including, but not limited to, right of way acquisition and utility relocations deemed necessary and appropriate by AUTHORITY and CITY for implementation of the PROJECT using funding provided by Commuter Urban Rail Endowment Funds, Renewed Measure M funds.

C. AUTHORITY will retain program oversight by controlling the funding and by establishing program milestones and overseeing the PROJECT development.

D. AUTHORITY staff will maintain active communications with CITY staff and provide CITY with public outreach materials and support for the PROJECT. AUTHORITY will assist in building consensus among affected parties in regard to the required enhancements. AUTHORITY will submit detailed quarterly invoices to CITY for payment of CITY'S required twelve percent local matching funds. Prior to submitting invoices for any and all PROJECT

Contract Change Orders, AUTHORITY shall submit drafts of such Change Orders to CITY for review and approval.

E. CITY currently has the sum of \$__2.3 million available for its share/local match for the PROJECT. If the CITY'S local match requirement exceeds the available funds at time of invoice, then AUTHORITY agrees to meet with the CITY to discuss options to address the payment of costs in excess of CITY's available funds.

F. AUTHORITY will establish a PROJECT schedule for safety enhancements and Quiet Zone-related improvements, and the CITY will agree to adhere to same.

G. AUTHORITY acknowledges and agrees that AUTHORITY may make modifications to the schedule with the prior written consent of CITY, which consent shall not be unreasonably withheld, conditioned or delayed.

H. Upon completion of PROJECT construction and prior to AUTHORITY'S submittal of final project invoice to CITY, AUTHORITY shall obtain from SCRRA written notification of PROJECT acceptance approved by CITY.

ARTICLE 4. RESPONSIBILITIES OF CITY

CITY agrees to the following, subject to the requirements of Article 5 of the AGREEMENT:

A. CITY will advise AUTHORITY as early as possible of current, and a minimum of thirty (30) days in advance of any planned, work in the vicinity of the crossings during the term of the PROJECT.

B. CITY will provide AUTHORITY, within thirty (30) days of request by AUTHORITY, access to its record plans within its jurisdiction and survey data of CITY infrastructure that may assist in design of the PROJECT.

C. CITY, as the improvements desired herein are in part funded by CITY and therefore considered in part City improvements, shall be responsible for the relocation or protection of all private and public utilities impacted by the PROJECT within its jurisdiction

and enforcing all utility agreements entered into by the CITY in accordance with the PROJECT schedule.

D. CITY will review and provide comments on progress plans. CITY will review and approve final plans and as-builts for all street, civil and traffic signal improvements, including providing a CITY approval signature on final plans, in a timely manner, at no cost to AUTHORITY, SCRRA, or the PROJECT. Reviews and approvals by CITY shall be complete within 30 days of receipt of plan submittals. CITY will ensure all applicable CITY departments, including field representatives, participate in said reviews.

E. CITY is responsible for Right-of-Way acquisition, including Temporary Construction Easements, any and all environmental clearances, and securing any and all necessary environmental or other approvals for the PROJECT.

F. CITY may, at its discretion, provide construction inspection services, at its discretion, in a timely fashion, and at no cost to AUTHORITY, SCRRA or the PROJECT, as necessary to satisfy CITY that work is being conducted in accordance with CITY-approved plans. AUTHORITY acknowledges that CITY is under no obligation to supervise, inspect, or inform the AUTHORITY of the progress of construction, and the AUTHORITY shall not rely upon CITY therefor.

G. CITY will pay to AUTHORITY, within 30 days of submittal of invoice(s) from AUTHORITY, the requested portion of the CITY'S twelve percent local matching funds for the PROJECT. Invoices shall be based on actual costs of completed improvements and shall not be limited to current estimated costs at the time of the AGREEMENT.

H. CITY will be responsible for implementing a Public Awareness Campaign (PAC), which advises city, local businesses, residents, motorists, and media of PROJECT and construction-related activities. AUTHORITY shall provide its public outreach expertise and presentation materials for CITY. This effort is to advise city, local business, residents, motorists and media of the PROJECT and construction related activities.

I. Should the CITY, in advance of construction of the PROJECT by SCRRA, wish to itself construct any grade crossing improvements, in order for these improvements to be funded by AUTHORITY, CITY will give advance written notice to AUTHORITY and SCRRA and obtain their prior written approval. Any grade crossing improvements constructed by CITY must meet SCRRA standards.

J. The estimated expenditure schedule for CITY'S local matching funds is as follows:

FISCAL YEAR	CITY'S SHARE (12 percent) OF ESTIMATED PROJECT COST
2008/2009	\$TBD
2009/2010	\$TBD
Total	\$TBD

K. CITY will pay to AUTHORITY the entire cost of any CITY-requested betterments or enhancements not included in the Scope of Work described in **Exhibits A**.

L. CITY will, at its option, initiate and apply to the Federal Railroad Administration for establishment of a quiet zone; however, CITY shall not apply for Notice of Establishment (NOE) until all construction is complete. Quiet zone is defined as a segment of the rail line, wherein is situated one or a number of consecutive public highway-rail crossings at which locomotives horns are not routinely sounded (49 CFR 222.9). CITY will ensure that they follow SCRRA Quiet Zone Implementation Guidelines and Procedures, which can be accessed through SCRRA's website www.metrolinktrains.com, sub-sections "About US," then "Public Project," and then "Grade Crossing Section."

M. CITY, with the assistance of AUTHORITY, will, prior to commencement of any construction activity, enter into a separate Construction and Maintenance Agreement (C&M Agreement) with SCRRA. The C&M Agreement will establish the rights and obligations of

each party relating to the construction and maintenance of the subject crossings.

N. CITY will provide traffic signal data to AUTHORITY for use by the railroad crossing predictor. This data will be used to facilitate traffic signal preemption by the railroad crossing.

ARTICLE 5. CALIFORNIA ENVIRONMENTAL QUALITY ACT

AUTHORITY's obligations under this AGREEMENT are subject to CITY'S successful completion of CITY'S review of the PROGRAM pursuant to the California Environmental Quality Act, Public Resources Code section 21000 et seq ("CEQA"). AUTHORITY shall have no obligations under this AGREEMENT, and the AGREEMENT shall have no force and effect, unless and until AUTHORITY determines, in its sole and absolute discretion, that CITY has completed and approved all applicable CEQA review and made any and all appropriate and applicable findings under CEQA as required by law.

ARTICLE 6. DELEGATED AUTHORITY

The actions required to be taken by CITY in the implementation of this AGREEMENT are delegated to its City Manager, or his designee, and the actions required to be taken by AUTHORITY in the implementation of this AGREEMENT are delegated to its Chief Executive Officer.

ARTICLE 7. AUDIT AND INSPECTION

AUTHORITY and CITY shall maintain a complete set of records in accordance with generally accepted accounting principles. Upon reasonable notice, AUTHORITY shall permit the authorized representatives of the CITY to inspect and audit all work, materials, payroll, books, accounts, and other data and records of AUTHORITY for a period of four (4) years after final payment, or until any on-going audit is completed. For purposes of audit, the date of completion of this AGREEMENT shall be the date of CITY'S payment of AUTHORITY's final billing (so noted on the invoice) under this AGREEMENT. CITY shall have the right to reproduce any such books, records, and accounts. The above provision with respect to

audits shall extend to and/or be included in contracts with AUTHORITY'S contractors, including SCRRA and its contractors.

ARTICLE 8. INDEMNIFICATION AND INSURANCE

A. AUTHORITY shall defend, indemnify and hold harmless the CITY, its officers, agents, elected officials, and employees, from all liability, claims, losses and demands, including defense costs and reasonable attorneys' fees, whether resulting from court action or otherwise, arising out of the acts or omissions of AUTHORITY, its officers, agents, contractors or employees, in the performance of the AGREEMENT, excepting acts or omissions directed by the CITY, its officers, agents, or employees, acting within the scope of their employment, for which the CITY agrees to defend and indemnify AUTHORITY in a like manner. CITY shall defend, indemnify and hold harmless the AUTHORITY, its officers, agents, contractors, elected officials, and employees, from all liability, claims, losses and demands, including defense costs and reasonable attorneys' fees, whether resulting from court action or otherwise, arising out of the acts or omissions of the CITY, its officers, agents, or employees, in the performance of the AGREEMENT, excepting acts or omissions directed by the AUTHORITY, its officers, agents, or employees, acting within the scope of their employment, for which the AUTHORITY agrees to defend and indemnify CITY in a like manner. This indemnity shall survive even after the termination of this AGREEMENT.

B. CITY shall defend, indemnify and hold harmless SCRRA and its member agencies, including the AUTHORITY, as well as their respective board members, officers, agents, volunteers, contractors, operating railroads, and employees (SCRRA Indemnities) from any and all liability, loss, expense (including reasonable attorneys' fees and other defense costs), demands, suits, liens, damages, costs, claims, including but not limited to claims for bodily injury, death, personal injury, or property damage, that are incurred by or asserted against AUTHORITY or the SCRRA Indemnities arising out of or connected with any negligent acts or omissions on the part of the CITY, its council, officers, agents, contractors,

or employees under or in connection with any work, authority or jurisdiction delegated to the CITY related to establishment of a Quiet Zone at a railroad grade crossing. This indemnity shall survive even after the termination of this AGREEMENT.

ARTICLE 9. ADDITIONAL PROVISIONS

The AUTHORITY and CITY agree to the following mutual responsibilities for PROJECT:

A. AUTHORITY and CITY will jointly participate in progress, coordination and additional field diagnostic team meetings as needed to implement the PROJECT.

B. Term of Agreement – Unless otherwise agreed to by the parties, all work must be completed pursuant to the PROJECT schedule identified in Exhibit A and no later than December 31, 2009. This AGREEMENT shall continue in full force and effect through December 31, 2009, unless terminated earlier, or extended, by mutual written consent by both Parties.

C. 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 parties.

D. Notices - Any notices, requests, or demands made between the Parties pursuant to this AGREEMENT sent by first class mail, postage paid, to the address and addressee, shall be deemed to have been given when in the ordinary course it would be delivered. The representatives of the parties who are primarily responsible for the administration of this COOPERATIVE Agreement, and to whom notices, demands and communications shall be given are as follows:

To CITY:

Ms. Gail Farber
Director
Department of Public Works
City of Orange

To AUTHORITY:

Darrell Johnson
Director, Transit Project Delivery
Commuter Rail
Orange County Transportation Authority

300 E. Chapman Avenue

550 South Main Street

Orange, CA 92866-1591

P. O. Box 14184

Orange, CA 92863-1584

E-mail: gfarber@cityoforange.org

E-mail: djohnson@OCTA.net

Telephone: (714) 744-5544

Telephone: (714) 560-5343

Facsimile: (714) 744-5573

Facsimile: (714) 560-5794

If there are any changes in the above names and/or addresses, the party desiring to make such change shall give a written notice to the other respective party within five (5) days of such change.

E. The provision of this AGREEMENT shall bind and inure to the benefit of each of the parties hereto and all successors or assigns of the parties hereto.

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 of 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 the Parties' 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 in its sole, and absolute, discretion. 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 To 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 the 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 local and federal laws, regulations and guidelines shall govern this AGREEMENT.

L. Legal Authority – Signators of AUTHORITY and CITY hereto warrant that they are duly authorized to execute this AGREEMENT on behalf of said respective Parties and that, by so executing this AGREEMENT, the Parties hereto are formally bound to the provisions of this AGREEMENT.

This AGREEMENT shall be effective upon execution by both parties.

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT No.

C-8-0859 to be executed on the date first above written.

CITY OF ORANGE

**ORANGE COUNTY TRANSPORTATION
AUTHORITY**

By: _____
Carolyn Cavecche
Mayor

By: _____
Arthur T. Leahy
Chief Executive Officer

ATTEST:

APPROVED AS TO FORM:

By: _____
Mary E. Murphy
City Clerk

By: _____
Kennard R. Smart, Jr.
General Counsel

APPROVED AS TO FORM:

APPROVAL RECOMMENDED:

By: _____
Theodore J. Reynolds
Assistant City Attorney

By: _____
Kia Mortazavi
Executive Director, Development

Date: _____

Date: _____

EXHIBIT "A"

OCTA GRADE CROSSING SAFETY ENHANCEMENT PROGRAM

SCOPE OF WORK

Orange

Chapman Avenue -

- A. General Notes:
 - 1. Verify existing condition and location of utilities.
 - 2. Obtain necessary construction permits.
 - 3. Complete Mobilization, Demobilization and Traffic Control.
 - 4. Protect existing utilities.
- B. Pedestrian Treatments:
 - 1. Install swing gate(s) and railing.
 - 2. Install automatic pedestrian gate(s).
 - 3. Install Pedestrian truncated domes.
 - 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
 - 1. Install new curb and sidewalk.
 - 2. Remove existing and install new raised Median Island including finish.
 - 3. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
 - 1. Install concrete crossing panels.
 - 2. Install Grade Crossing Improvements.
 - 3. Install Signal Improvements and Active Warning Devices
- E. Traffic Improvements:
 - 1. Install new eastbound queue-cutter signal.

Glassell Street -

- A. General Notes:
 - 1. Verify existing condition and location of utilities.
 - 2. Obtain necessary construction permits.
 - 3. Complete Mobilization, Demobilization and Traffic Control.
 - 4. Protect existing utilities.
- B. Pedestrian Treatments:
 - 1. Install swing gate(s) and railing.
 - 2. Install automatic pedestrian gate(s).
 - 3. Install Pedestrian truncated domes.
 - 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
 - 1. Install new curb and sidewalk.
 - 2. Remove existing and install new raised Median Island.

3. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
1. Install concrete crossing panels.
 2. Install Grade Crossing Improvements.
 3. Install Signal Improvements and Active Warning Devices

Batavia Street -

- A. General Notes:
1. Verify existing condition and location of utilities.
 2. Obtain necessary construction permits.
 3. Complete Mobilization, Demobilization and Traffic Control.
 4. Protect existing utilities.
- B. Pedestrian Treatments:
1. Install swing gate(s) and railing.
 2. Install automatic pedestrian gate(s).
 3. Install Pedestrian truncated domes.
 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
1. Install new curb.
 2. Remove existing and install new raised Median Island including finish.
 3. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
1. Install concrete crossing panels.
 2. Install Grade Crossing Improvements.
 3. Install Signal Improvements and Active Warning Devices

Riverdale Avenue -

- A. General Notes:
1. Verify existing condition and location of utilities.
 2. Obtain necessary construction permits.
 3. Complete Mobilization, Demobilization and Traffic Control
 4. Protect existing utilities.
- B. Pedestrian Treatments:
1. Install swing gate(s) and railing.
 2. Install automatic pedestrian Gate (s).
 3. Install pedestrian truncated domes.
 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
1. Reconfigure the parking lot on northwest corner of railroad track to provide new parking lot, driveway, and fence including grading and drainage modification.

2. Remove existing and install new raised Median Island.
 3. Construct street improvements including curb and gutter.
 4. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
1. Install concrete crossing panels.
 2. Install Grade Crossing Improvements.
 3. Install Signal Improvements and Active Warning Devices

Meats Avenue -

- A. General Notes:
1. Verify existing condition and location of utilities.
 2. Obtain necessary construction permits.
 3. Complete Mobilization, Demobilization and Traffic Control
 4. Protect existing utilities.
- B. Pedestrian Treatments:
1. Install swing gate(s) and railing.
 2. Install automatic pedestrian gate(s).
 3. Install Pedestrian truncated domes.
 4. Compliance with ADA requirements
- C. Miscellaneous Street Improvements:
1. Install new curb.
 2. Remove existing and install new raised Median Island.
 3. Install new, maintain existing, and remove conflicting Traffic control devices including signing, striping, pavement legends and curb painting.
 4. Install reinforced concrete slab
- D. Railroad Improvements:
1. Install concrete crossing panels.
 2. Install Grade Crossing Improvements.
 3. Install Signal Improvements and Active Warning Devices
- E. Traffic signal Improvements:
1. Install new eastbound pre-signal.

Lincoln Avenue -

- A. General Notes:
1. Verify existing condition and location of utilities.
 2. Obtain necessary construction permits.
 3. Complete Mobilization, Demobilization and Traffic Control.
 4. Protect existing utilities.
- B. Pedestrian Treatments:
1. Install swing gate(s) and railing.
 2. Install automatic pedestrian gate(s).
 3. Install pedestrian truncated domes.
 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:

1. Install new curb.
 2. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
 3. Remove existing and install new raised Median Island.
- D. Railroad Improvements:
1. Install concrete crossing panels.
 2. Install Grade Crossing Improvements.
 3. Install Signal Improvements and Active Warning Devices
- E. Traffic Signal Improvements:
1. Install new eastbound pre-signal.

Main Street -

- A. General Notes:
1. Verify existing condition and location of utilities.
 2. Obtain necessary construction permits.
 3. Complete Mobilization, Demobilization and Traffic Control.
 4. Protect existing utilities.
- B. Pedestrian Treatments:
1. Install swing gate(s) and railing.
 2. Install automatic pedestrian gate(s).
 3. Install Pedestrian truncated domes.
 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
1. Install new curb.
 2. Remove existing and install new raised Median Island including finish.
 3. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
1. Install concrete crossing panels.
 2. Install Grade Crossing Improvements.
 3. Install Signal Improvements and Active Warning Devices

Taft Avenue -

- A. General Notes:
1. Verify existing condition and location of utilities.
 2. Obtain necessary construction permits.
 3. Complete Mobilization, Demobilization and Traffic Control.
 4. Protect existing utilities.
- B. Pedestrian Treatment:
1. Install swing gate(s) and railing.
 2. Install automatic pedestrian gate(s).
 3. Install Pedestrian truncated domes.
 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:

1. Install new curb.
 2. Remove existing and install new raised Median Island.
 3. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
1. Install concrete crossing panels.
 2. Install Grade Crossing Improvements.
 3. Install Signal Improvements and Active Warning Devices
- E. Traffic signal Improvements:
1. Install new eastbound pre-signal.

Collins Avenue -

- A. General Notes:
1. Verify existing condition and location of utilities.
 2. Obtain necessary construction permits.
 3. Complete Mobilization, Demobilization and Traffic Control.
 4. Protect existing utilities.
- B. Pedestrian Treatments:
1. Install swing gate(s) and railing.
 2. Install automatic pedestrian gate(s).
 3. Install Pedestrian truncated domes.
 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
1. Install new curb and curb & gutter.
 2. Remove existing and install new raised Median Island including finish.
 3. Install concrete sidewalk.
 4. Install new concrete driveway.
 5. Remove existing driveway.
 6. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
1. Install concrete crossing panels.
 2. Install Grade Crossing Improvements.
 3. Install Signal Improvements and Active Warning Devices

Walnut Street -

- A. General Notes:
1. Verify existing condition and location of utilities.
 2. Obtain necessary construction permits.
 3. Complete Mobilization, Demobilization and Traffic Control.
 4. Protect existing utilities.
- B. Pedestrian Treatments:

1. Install swing gate(s) and railing.
 2. Install automatic pedestrian gate(s).
 3. Install Pedestrian truncated domes.
 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements.
1. Install new curb.
 2. Remove existing and install new raised Median Island including finish.
 3. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
1. Install Concrete crossing panels and remove rubber crossings panels.
 2. Install Grade Crossing Improvements.
 3. Install Signal Improvements and Active Warning Devices

Palmyra Avenue -

- A. General Notes:
1. Verify existing condition and location of utilities
 2. Obtain necessary construction permits
 3. Complete Mobilization and Demobilization
 4. Protect existing utilities
- B. Pedestrian Treatments:
1. Install swing gate(s) railing.
 2. Install automatic pedestrian gate(s).
 3. Install Pedestrian truncated domes.
 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
1. Install new curb
 2. Remove existing and install new raised Median Island including finish.
 3. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
1. Install Concrete crossing panels.
 2. Install Grade Crossing Improvements.
 3. Install Signal Improvements and Active Warning Devices

Katella Avenue -

- A. General Notes:
1. Verify existing condition and location of utilities.
 2. Obtain necessary construction permits.
 3. Complete Mobilization, Demobilization and Traffic Control.
 4. Protect existing utilities.

- B. Pedestrian Treatments:
 - 1. Install swing gate(s) and railing.
 - 2. Install automatic pedestrian gate(s) and railing.
 - 3. Install Pedestrian truncated domes.
 - 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
 - 1. Install new curb and curb & gutter.
 - 2. Remove existing and install new raised Median Island including finish.
 - 3. Remove existing driveway.
 - 4. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
 - 1. Install Concrete crossing panels.
 - 2. Install Grade Crossing Improvements.
 - 3. Install Signal Improvements and Active Warning Devices
 - 4. Remove existing track
- E. Traffic signal Improvements:
 - 1. Install new westbound pre-signal.
 - 2. Relocate existing pre-signal.

La Veta Avenue -

- A. General Notes:
 - 1. Verify existing condition and location of utilities
 - 2. Obtain necessary construction permits
 - 3. Complete Mobilization, Demobilization and Traffic Control
 - 4. Protect existing utilities
- B. Pedestrian Treatments:
 - 1. Install swing gate(s) and railing.
 - 2. Install automatic pedestrian gate(s).
 - 3. Install Pedestrian truncated domes.
 - 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
 - 1. Install new curb
 - 2. Install new raised Median Island including finish.
 - 3. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
 - 1. Install Concrete crossing panels.
 - 2. Install Grade Crossing Improvements.
 - 3. Install Signal Improvements and Active Warning Devices

Palm Avenue -

- A. General Notes:

1. Verify existing condition and location of utilities.
 2. Obtain necessary construction permits.
 3. Complete Mobilization, Demobilization and Traffic Control.
 4. Protect existing utilities.
- B. Pedestrian Treatments:
1. Install swing gate(s) and railing.
 2. Install automatic pedestrian gate(s).
 3. Install Pedestrian truncated domes.
 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
1. Install new curb and curb & gutter.
 2. Remove existing and install new raised Median Island including finish.
 3. Install concrete sidewalk.
 4. Remove existing driveway.
 5. Remove existing AC pavement and base
 6. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
1. Install concrete crossing panels.
 2. Install Grade Crossing Improvements.
 3. Install Signal Improvements and Active Warning Devices

Almond Avenue -

- A. General Notes:
1. Verify existing condition and location of utilities.
 2. Obtain necessary construction permits.
 3. Complete Mobilization, Demobilization and Traffic Control.
 4. Protect existing utilities.
- B. Pedestrian Treatments;
1. Install swing gate(s) and railing.
 2. Install automatic pedestrian gate(s).
 3. Install Pedestrian truncated domes.
 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
1. Install new curb.
 2. Remove existing and install new raised Median Island including finish.
 3. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
1. Install concrete crossing panels remove Rubber Crossing Panels
 2. Install Grade Crossing Improvements.
 3. Install Signal Improvements and Active Warning Devices

Eckhoff Street -

A. General Notes:

1. Verify existing condition and location of utilities.
2. Obtain necessary construction permits.
3. Complete Mobilization, Demobilization and Traffic Control.
4. Protect existing utilities.

B. Pedestrian Treatments:

1. Install swing gate(s) and railing.
2. Install automatic pedestrian gate(s).
3. Install Pedestrian truncated domes.
4. Compliance with ADA requirements.

C. Miscellaneous Street Improvements:

1. Install new curb.
2. Remove existing and install new raised Median Island including finish.
3. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.

D. Railroad Improvements:

1. Install concrete crossing panels
2. Install Grade Crossing Improvements.
3. Install Signal Improvements and Active Warning Devices

EXHIBIT "B"

OCTA GRADE CROSSING SAFETY ENHANCEMENT PROGRAM

COST ESTIMATE CITY OF ORANGE

	PROJECT TASK	Est. Project Total Cost	Est. City Local Match (12%)
	ORANGE -		
	OCTA Agency Costs: includes Agency, Survey, Design, Inspect, Project Mgmt, Flagging, Permitting, Signal-RR.	4,008,364	481,004
	Traffic Signal Interface (IEEE 1570 Protocol): includes Admin, Pavement Signing & Striping.	1,170,999	140,520
	Safety Enhancements (CIVIL IMP):	3,858,327	462,999
	RR Improvements:	8,070,700	968,484
	Right-Of-Way Costs:	216,480	25,978
	Right-Of-Way Contingeny (50%)	108,240	12,989
	Project Contingency & Inflation:	4,361,371	523,365
	TOTAL ESTIMATED COSTS:	21,794,482	2,615,338

COOPERATIVE AGREEMENT No. C-8-0860
BETWEEN
ORANGE COUNTY TRANSPORTATION AUTHORITY
AND
CITY OF SAN CLEMENTE
FOR
RAILROAD GRADE CROSSING SAFETY ENHANCEMENTS
AND
SAFETY MEASURES RELATED TO QUIET ZONE IMPLEMENTATION FOR CITIES

This Cooperative Agreement (“AGREEMENT”) is effective this ____ day of 2008, by and between the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, CA 92863-1584, a public corporation of the State of California (herein after referred to as “AUTHORITY”), and the City of San Clemente, 100 Avenida Presidio, San Clemente, CA (herein after referred to as “CITY”).

RECITALS:

WHEREAS, AUTHORITY commissioned a report titled “OCTA Grade Crossing Study” dated December 31, 2003, providing an assessment of conditions at railroad grade crossings located in Orange County and which provided recommendations for enhancements for both motorist and pedestrian safety consistent with current California Public Utilities Commission (“CPUC”) grade crossing safety standards; and

WHEREAS, AUTHORITY, at its June 13, 2005 Board of Directors’ meeting, adopted the recommendation to proceed with the selected implementation strategy for a comprehensive railroad grade crossing enhancement program (PROGRAM) as set forth therein; and

WHEREAS, AUTHORITY, CITY, CPUC and Southern California Regional Rail Authority (SCRRA) conducted field diagnostic review meetings between May 22 and May 24, 2006 for all grade crossings under the jurisdiction of the CITY; and

WHEREAS, SCRRA is an independent joint powers authority created and existing pursuant to California Public Utilities Code Section 130255 and California Government Code Sections 6500 et seq.; and

WHEREAS, SCRRA will be responsible for the delivery of the PROJECT in accordance with the scope of work and agreement established with the AUTHORITY and SCRRA's Joint Powers Agreement budget process; and

WHEREAS, AUTHORITY, at its August 27, 2007 Board of Directors' meeting, adopted a recommendation to include into the grade crossing enhancement program improvements designed to help enable CITY to establish a quiet zone; and

WHEREAS, in consideration of the implementation strategy, diagnostic reviews and quiet zone considerations, CITY and AUTHORITY desire to cooperate and complete highway-rail grade crossing enhancements, as set forth in **Exhibit A**, at the grade crossings under the jurisdiction of the CITY, herein referred to as the "PROJECT;" and

WHEREAS, the AUTHORITY and CITY agree to a cost sharing formula of 88 percent provided by the AUTHORITY and 12 percent provided by the CITY for railroad grade crossing enhancements and improvements within the CITY's jurisdiction; and

WHEREAS, the intent of the parties is that the PROJECT shall be implemented with the least amount of disruption to vehicle and rail traffic; and

WHEREAS, CITY and AUTHORITY wish to enter this AGREEMENT to specify the roles, responsibilities, terms and conditions under which the PROGRAM is to be financed, designed, and constructed.

WHEREAS, CITY and AUTHORITY acknowledge that AUTHORITY's obligation is to fund and oversee the PROJECT under this AGREEMENT and AUTHORITY'S obligations

under this AGREEMENT are contingent upon CITY's approval of environmental review of the PROJECT pursuant to the California Environmental Quality Act; and

WHEREAS, AUTHORITY's obligations under this AGREEMENT are subject to CITY'S approval of CITY's review of the PROGRAM pursuant to the California Environmental Quality Act, Public Resources Code section 21000 et seq ("CEQA"). AUTHORITY shall have no obligations under this AGREEMENT, and the AGREEMENT shall have no force and effect, unless and until AUTHORITY determines, in its sole and absolute discretion, that CITY has completed and approved all applicable CEQA reviews and made any and all appropriate and applicable findings under CEQA as required by law.

NOW, THEREFORE, it is mutually understood and agreed by CITY and AUTHORITY 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 this AGREEMENT concerning the work identified herein and 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 OF SERVICES

A. This AGREEMENT specifies the procedures that AUTHORITY and CITY will follow in connection with the work to be performed. AUTHORITY agrees to provide all improvements identified in **Exhibit A, "Scope of Work"**, which by this reference is incorporated into this AGREEMENT subject to ARTICLE 5. 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. The Scope of Work in **Exhibit A** relating to safety enhancements and quiet zone improvements, are based upon the report titled "OCTA Grade Crossing Study" dated December 31, 2003, and as refined during the diagnostic meetings discussed above, as well as subsequent discussions and recommendations by SCRRA. Enhancements to be included as part of this AGREEMENT are limited to those described in Exhibit A only.

ARTICLE 3. RESPONSIBILITY OF THE AUTHORITY

AUTHORITY agrees to the following, subject to the requirements of ARTICLE 5 of the AGREEMENT:

A. AUTHORITY will enter into and maintain an agreement with SCRRA for design, CPUC crossing modification applications, construction management, material procurement, cost estimates and construction of highway-rail grade crossing enhancements, which include safety related improvements and quiet zone related improvements set forth in **Exhibit A**.

B. AUTHORITY will fund the actual cost of improvements including right of way, utility relocations, and excluding CITY costs using funding provided by Commuter Urban Rail Endowment Funds, Renewed Measure M funds, and the required 12 percent funding match provided by CITY.

C. AUTHORITY will retain program oversight by controlling the funding and by establishing program milestones and overseeing the PROJECT development.

D. AUTHORITY staff will maintain active communications with CITY staff and provide CITY with public outreach support for the PROJECT. AUTHORITY will assist in building consensus among affected parties in regard to the required enhancements.

E. AUTHORITY will submit detailed monthly invoices to CITY for payment of CITY's required twelve percent local matching funds.

ARTICLE 4. RESPONSIBILITIES OF CITY

CITY agrees to the following, subject to the requirements of ARTICLE 5 of the AGREEMENT:

A. CITY will advise AUTHORITY as early as possible of current, and a minimum of thirty (30) days in advance of any planned work in the vicinity of the crossings during the term of the PROJECT.

B. CITY will provide AUTHORITY, within thirty (30) days of request by AUTHORITY, access to its record plans and survey data of CITY infrastructure that may assist in design of the PROJECT.

C. CITY, as the improvements desired herein are in part funded by CITY and therefore considered in part City improvements, shall be responsible for arranging for the relocation or protection of all private and public utilities impacted by the PROJECT and enforcing all utility agreements entered into by the AUTHORITY in accordance with the PROJECT schedule.

D. CITY will review and provide comments on progress plans. CITY will review and approve final plans and as-builts for all street, civil and traffic signal improvements, including providing a CITY approval signature on final plans, in a timely manner, at no cost to AUTHORITY, SCRRA or the PROJECT. Reviews and approvals by CITY shall be complete within 30 days of receipt of plan submittals. CITY will ensure all applicable CITY departments, including field representatives, participate in said reviews.

E. CITY will not charge any fees or assessment to SCRRA for any permits or licenses required for implementation of this PROJECT.

F. CITY is responsible for Right-of-Way acquisition, including Temporary

Construction Easements, any and all environmental clearances, and securing any and all necessary environmental or other approvals for the PROJECT.

G. CITY will apply for Quiet Zone Status after all of the construction improvements are completed.

H. CITY will provide construction inspection services, at its discretion, in a timely fashion, and at no cost to AUTHORITY, SCRRA or the PROJECT, as necessary to satisfy CITY that work is being conducted in accordance with CITY-approved plans. Should City fail to provide services within seven (7) days of the request for service, the AUTHORITY may take necessary action to perform inspection services and will furnish CITY with a report of such service, if requested.

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J. CITY will, within thirty (30) days of submittal to CITY, review and approve SCRRA's and/or SCRRA's contractor(s) traffic control plans for closing a crossing and detouring traffic.

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L. CITY will be responsible for implementing a Public Awareness Campaign (PAC), which advises city, local businesses, residents, motorists, and media of PROJECT and

construction-related activities.

M. Should the CITY advance grade crossing improvements, in order for these improvements to be funded by AUTHORITY, they must meet SCRRRA standards.

The estimated expenditure schedule for CITY's local matching funds is as follows:

FISCAL YEAR	CITY'S SHARE (12 percent) OF ESTIMATED PROJECT COST
2007/2008	\$0
2008/2009	\$TBD
2009/2010	\$TBD
Total	\$TBD

N. CITY will pay to AUTHORITY the entire cost of any CITY-requested betterments or enhancements not included in the Scope of Work described in **Exhibits A**.

O. CITY will, at its option, initiate and apply to the Federal Railroad Administration for establishment of a quiet zone. Quiet zone is defined as a segment of the rail line, wherein is situated one or a number of consecutive public highway-rail crossings at which locomotives horns are not routinely sounded (49 CFR 222.9). CITY will ensure that they follow SCRRRA Quiet Zone Implementation Guidelines and Procedures, which can be accessed through SCRRRA's website www.metrolinktrains.com, sub-sections "About US," then "Public Project," and then "Grade Crossing Section."

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Q. CITY will provide traffic signal data to AUTHORITY for use by the railroad

crossing predictor. This data will be used to facilitate traffic signal preemption by the railroad crossing.

ARTICLE 5. CALIFORNIA ENVIRONMENTAL QUALITY ACT

AUTHORITY's obligations under this AGREEMENT are subject to CITY'S successful completion of CITY's review of the PROJECT pursuant to the California Environmental Quality Act, Public Resources Code section 21000 et seq ("CEQA"). AUTHORITY shall have no obligations under this AGREEMENT, and the AGREEMENT shall have no force and effect, unless and until AUTHORITY determines, in its sole and absolute discretion, that CITY has completed all applicable CEQA review and made any and all appropriate and applicable findings under CEQA as required by law.

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The actions required to be taken by CITY in the implementation of this AGREEMENT are delegated to its City Manager, or his designee, and the actions required to be taken by AUTHORITY in the implementation of this AGREEMENT are delegated to its Chief Executive Officer.

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reproduce any such books, records, and accounts. The above provision with respect to audits shall extend to and/or be included in contracts with AUTHORITY'S contractors, including SCRRRA and its contractors..

ARTICLE 8. INDEMNIFICATION AND INSURANCE

A. AUTHORITY shall defend, indemnify and hold harmless the CITY, its officers, agents, elected officials, and employees, from all liability, claims, losses and demands, including defense costs and reasonable attorneys' fees, whether resulting from court action or otherwise, arising out of the acts or omissions of AUTHORITY, its officers, agents, or employees, in the performance of the AGREEMENT, excepting acts or omissions directed by the CITY, its officers, agents, or employees, acting within the scope of their employment, for which the CITY agrees to defend and indemnify AUTHORITY in a like manner. CITY shall defend, indemnify and hold harmless the AUTHORITY, its officers, agents, elected officials, and employees, from all liability, claims, losses and demands, including defense costs and reasonable attorneys' fees, whether resulting from court action or otherwise, arising out of the acts or omissions of the CITY, its officers, agents, or employees, in the performance of the AGREEMENT, excepting acts or omissions directed by the AUTHORITY, its officers, agents, or employees, acting within the scope of their employment, for which the AUTHORITY agrees to defend and indemnify AUTHORITY in a like manner. This indemnity shall survive even after the termination of this AGREEMENT.

B. CITY shall defend, indemnify and hold harmless the SCRRRA and its member agencies, including the AUTHORITY, as well as their respective board members, officers, agents, volunteers, contractors, operating railroads, and employees (SCRRRA Indemnities) from any and all liability, loss, expense (including reasonable attorneys' fees and other defense costs), demands, suits, liens, damages, costs, claims, including but not limited to claims for bodily injury, death, personal injury, or property damage, that are incurred by or asserted

against the SCRRRA Indemnities arising out of or connected with any negligent acts or omissions on the part of the CITY, its council, officers, agents, contractors, or employees under or in connection with any work, authority or jurisdiction delegated to the CITY related to establishment and operation of a Quiet Zone at a railroad grade crossing. This indemnity shall survive even after the termination of this AGREEMENT.

ARTICLE 9. ADDITIONAL PROVISIONS

The AUTHORITY and CITY agree to the following mutual responsibilities for PROJECT:

A. AUTHORITY and CITY will jointly participate in progress, coordination and additional field diagnostic team meetings as needed to implement the PROJECT.

B. Term of Agreement - All work must be completed pursuant to the PROJECT schedule identified in Exhibit A and no later than December 31, 2009. This AGREEMENT shall continue in full force and effect through December 31, 2009, unless terminated earlier, or extended, by mutual written consent by both Parties.

C. 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 parties.

D. Notices - Any notices, requests, or demands made between the Parties pursuant to this AGREEMENT sent by first class mail, postage paid, to the address and addressee, shall be deemed to have been given when in the ordinary course it would be delivered. The representatives of the parties who are primarily responsible for the administration of this COOPERATIVE Agreement, and to whom notices, demands and communications shall be given are as follows:

To CITY:

William Cameron

City Engineer

To AUTHORITY:

Darrell Johnson

Director, Transit Project Delivery Commuter

Engineering Division	Rail
City of San Clemente	Orange County Transportation Authority
910 Calle Negocio, Suite 100	550 South Main Street
San Clemente, CA 92673	P. O. Box 14184
E-mail: cameronw@san-clemente.org	Orange, CA 92863-1584
	E-mail: djohnson@OCTA.net
Telephone: (949) 361-6120	Telephone: (714) 560-5343
Facsimile: (949) 361-8316	Facsimile: (714) 560-5794

If there are any changes in the above names and/or addresses, the party desiring to make such change shall give a written notice to the other respective party within five (5) days of such change.

E. The provision of this AGREEMENT shall bind and inure to the benefit of each of the parties hereto and all successors or assigns of the parties hereto.

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 of 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 the Parties 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 in its sole, and absolute, discretion. 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 To 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 the 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 local and federal laws, regulations and guidelines shall govern this AGREEMENT.

L. Legal Authority – Signators of AUTHORITY and CITY hereto warrant that they are duly authorized to execute this AGREEMENT on behalf of said respective Parties and that, by so executing this AGREEMENT, the Parties hereto are formally bound to the provisions of this AGREEMENT.

This AGREEMENT shall be effective upon execution by both parties.

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT No. C-8-0860 to be executed on the date first above written.

CITY OF SAN CLEMENTE

ORANGE COUNTY TRANSPORTATION AUTHORITY

By: _____
Joe Anderson
Mayor

By: _____
Arthur T. Leahy
Chief Executive Officer

ATTEST:

APPROVED AS TO FORM:

By: _____
Joanne Baade
City Clerk

By: _____
Kennard R. Smart, Jr.
General Counsel

_____, City Attorney

APPROVAL RECOMMENDED:

Date: _____

By: _____
Kia Mortazavi, Executive Director, Development

Date: _____

EXHIBIT "A"

OCTA GRADE CROSSING SAFETY ENHANCEMENT PROGRAM

SCOPE OF WORK

San Clemente

Senda De La Playa -

- A. General Notes:
 - 1. Verify existing condition and location of utilities.
 - 2. Obtain necessary construction permits.
 - 3. Complete Mobilization, Demobilization and Traffic Control.
 - 4. Protect existing utilities.
- B. Pedestrian Treatments:
 - 1. Install swing gate(s) and railing.
 - 2. Install automatic pedestrian gate(s).
 - 3. Install Pedestrian truncated domes.
 - 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
 - 1. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
 - 1. Install Concrete Crossing Panel and Upgrade Rubber Crossing Panels
 - 2. Install Grade Crossing Improvements.
 - 3. Install Signal Improvements and Active Warning Devices

Pedestrian Crossing at Pier -

- A. General Notes:
 - 1. Verify existing condition and location of utilities.
 - 2. Obtain necessary construction permits.
 - 3. Complete Mobilization, Demobilization and Traffic Control.
 - 4. Protect existing utilities.
- B. Pedestrian Treatments:
 - 1. Install swing gate(s) and railing.
 - 2. Install automatic pedestrian gate(s).
 - 3. Install Pedestrian truncated domes.
 - 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
 - 1. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
 - 1. Install Concrete Crossing Panel and Upgrade Rubber Crossing Panels
 - 2. Install Grade Crossing Improvements.
 - 3. Install Signal Improvements and Active Warning Devices

EXHIBIT "B"

OCTA GRADE CROSSING SAFETY ENHANCEMENT PROGRAM

COST ESTIMATE CITY OF SAN CLEMENTE

	PROJECT TASK	Est. Project Total Cost	Est. City Local Match (12%)
	SAN CLEMENTE -		
	OCTA Agency Costs: includes Agency, Survey, Design, Inspect, Project Mgmt, Flagging, Permitting, Signal-RR.	374,724	44,967
	Traffic Signal Interface (IEEE 1570 Protocol): includes Admin, Pavement Signing & Striping.	50,518	6,062
	Safety Enhancements (CIVIL IMP):	441,048	52,926
	RR Improvements:	727,950	87,354
	Project Contingency & Inflation:	388,777	46,653
	TOTAL ESTIMATED COSTS:	1,983,018	237,962

COOPERATIVE AGREEMENT NO. C-8-0861

COOPERATIVE AGREEMENT NO. C-8-0861

BETWEEN

ORANGE COUNTY TRANSPORTATION AUTHORITY

AND

CITY OF SAN JUAN CAPISTRANO

FOR

RAILROAD GRADE CROSSING SAFETY ENHANCEMENTS

AND

SAFETY MEASURES RELATED TO QUIET ZONE IMPLEMENTATION FOR CITIES

This Cooperative Agreement ("AGREEMENT") is effective this ____day of 2008, by and between the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, CA 92863-1584, a public corporation of the State of California (herein after referred to as "AUTHORITY"), and the City of San Juan Capistrano, 32400 Paseo Adelanto, San Juan Capistrano, CA (herein after referred to as "CITY").

RECITALS:

WHEREAS, AUTHORITY commissioned a report titled "OCTA Grade Crossing Study" dated December 31, 2003, providing an assessment of conditions at railroad grade crossings located in Orange County and which provided recommendations for enhancements for both motorist and pedestrian safety consistent with current California Public Utilities Commission ("CPUC") grade crossing safety standards; and

WHEREAS, AUTHORITY, at its June 13, 2005 Board of Directors' meeting, adopted the recommendation to proceed with the selected implementation strategy for a comprehensive railroad grade crossing enhancement program (PROGRAM) as set forth therein; and

WHEREAS, AUTHORITY, CITY, CPUC and Southern California Regional Rail Authority (SCRRA) conducted field diagnostic review meetings between May 22 and May 24, 2006 for all grade crossings under the jurisdiction of the CITY; and

WHEREAS, SCRRA is an independent joint powers authority created and existing pursuant to California Public Utilities Code Section 130255 and California Government Code Sections 6500 et seq.; and

WHEREAS, SCRRA will be responsible for the delivery of the PROJECT in accordance with the scope of work and agreement established with the AUTHORITY and SCRRA's Joint Powers Agreement budget process; and

WHEREAS, AUTHORITY, at its August 27, 2007 Board of Directors' meeting, adopted a recommendation to include into the grade crossing enhancement program improvements designed to help enable CITY to establish quiet zones; and

WHEREAS, in consideration of the implementation strategy, diagnostic reviews and quiet zone considerations, CITY and AUTHORITY desire to cooperate and complete highway-rail grade crossing enhancements, as set forth in **Exhibit A**, at the grade crossings under the jurisdiction of the CITY, herein referred to as the "PROJECT;" and

WHEREAS, the AUTHORITY and CITY agree to a cost sharing formula of 88 percent provided by the AUTHORITY and 12 percent provided by the CITY for railroad grade crossing enhancements and improvements within the CITY's jurisdiction; and

WHEREAS, the intent of the parties is that the PROJECT shall be implemented with the least amount of disruption to vehicle and rail traffic; and

WHEREAS, CITY and AUTHORITY wish to enter this AGREEMENT to specify the roles, responsibilities, terms and conditions under which the PROGRAM is to be financed, designed, and constructed.

WHEREAS, CITY and AUTHORITY acknowledge that AUTHORITY's obligation is to fund and oversee the PROJECT under this AGREEMENT and AUTHORITY'S obligations

under this AGREEMENT are contingent upon CITY's approval of environmental review of the PROJECT pursuant to the California Environmental Quality Act; and

WHEREAS, AUTHORITY's obligations under this AGREEMENT are subject to CITY'S approval of CITY's review of the PROGRAM pursuant to the California Environmental Quality Act, Public Resources Code section 21000 et seq ("CEQA"). AUTHORITY shall have no obligations under this AGREEMENT, and the AGREEMENT shall have no force and effect, unless and until AUTHORITY determines, in its sole and absolute discretion, that CITY has completed and approved all applicable CEQA reviews and made any and all appropriate and applicable findings under CEQA as required by law.

NOW, THEREFORE, it is mutually understood and agreed by CITY and AUTHORITY 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 concerning the work identified herein and 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 OF SERVICES

A. This AGREEMENT specifies the procedures that AUTHORITY and CITY will follow in connection with the work to be performed. AUTHORITY agrees to provide all improvements identified in **Exhibit A, "Scope of Work"**, which by this reference is incorporated into this AGREEMENT subject to ARTICLE 5. 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. The Scope of Work in **Exhibit A** relating to safety enhancements and quiet zone improvements, are based upon the report titled "OCTA Grade Crossing Study" dated December 31, 2003, and as refined during the diagnostic meetings discussed above, as well as subsequent discussions and recommendations by SCRRA. Enhancements to be included as part of this AGREEMENT are limited to those described in Exhibit A only.

ARTICLE 3. RESPONSIBILITY OF THE AUTHORITY

AUTHORITY agrees to the following, subject to the requirements of ARTICLE 5 of the AGREEMENT:

A. AUTHORITY will enter into and maintain an agreement with SCRRA for design, CPUC crossing modification applications, construction management, material procurement, cost estimates and construction of highway-rail grade crossing enhancements, which include safety related improvements and quiet zone related improvements set forth in **Exhibit A**.

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F. AUTHORITY will submit traffic control plans, including responses and revisions to City comments in an expeditious manner.

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To CITY:

Alan Oswald
City Traffic Engineer

Engineering and Building Department
City of San Juan Capistrano

To AUTHORITY:

Darrell Johnson
Director, Transit Project Delivery
Commuter Rail
Orange County Transportation Authority
550 South Main Street

COOPERATIVE AGREEMENT NO. C-8-0861

32400 Paseo Adelanto
San Juan Capistrano, CA 92675
E-mail: aoswald@sanjuancapistrano.org
Telephone: (949) 493-6356
Facsimile: (949) 493-1251

P. O. Box 14184
Orange, CA 92863-1584
E-mail: djohnson@OCTA.net
Telephone: (714) 560-5343
Facsimile: (714) 560-5794

If there are any changes in the above names and/or addresses, the party desiring to make such change shall give a written notice to the other respective party within five (5) days of such change.

E. The provision of this AGREEMENT shall bind and inure to the benefit of each of the parties hereto and all successors or assigns of the parties hereto.

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 of 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 the Parties 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 in its sole, and absolute, discretion. 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 To 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 the 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 local and federal laws, regulations and guidelines shall govern this AGREEMENT.

L. Legal Authority – Signators of AUTHORITY and CITY hereto warrant that they are duly authorized to execute this AGREEMENT on behalf of said respective Parties and that, by so executing this AGREEMENT, the Parties hereto are formally bound to the provisions of this AGREEMENT.

This AGREEMENT shall be effective upon execution by both parties.

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT No. C-8-0861 to be executed on the date first above written.

**CITY OF SAN JUAN CAPISTRANO
AUTHORITY**

ORANGE COUNTY TRANSPORTATION

By: _____
David Adams
City Manager

By: _____
Arthur T. Leahy
Chief Executive Officer

ATTEST:

APPROVED AS TO FORM:

By: _____
Meg Monahan
City Clerk

By: _____
Kennard R. Smart, Jr.
General Counsel

_____, City Attorney

APPROVAL RECOMMENDED:

Date: _____
Development

By: _____
Kia Mortazavi, Executive Director,

Date: _____

EXHIBIT “A”

OCTA GRADE CROSSING SAFETY ENHANCEMENT PROGRAM

SCOPE OF WORK CITY OF SAN JUAN CAPISTRANO

San Juan Capistrano

Oso Road -

- A. General Notes:
 - 1. Verify existing condition and location of utilities.
 - 2. Obtain necessary construction permits.
 - 3. Complete Mobilization, Demobilization and Traffic Control.
 - 4. Protect existing utilities.
- B. Pedestrian Treatments:
 - 1. Install swing gate(s) and railing.
 - 2. Install automatic pedestrian gate(s).
 - 3. Install Pedestrian truncated domes.
 - 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
 - 1. Install new curb and curb & gutter.
 - 2. Remove existing and install new raised Median Island including finish.
 - 3. Install concrete sidewalk and ADA ramp, including pedestrian safety enhancements, where necessary.
 - 4. Trim vegetation for better line of sight.
 - 5. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
 - 1. Install Concrete Crossing Panel and Remove Rubber Crossing Panels
 - 2. Install Grade Crossing Improvements.
 - 3. Install Signal Improvements and Active Warning Devices
- E. Traffic Improvements:
 - 1. New eastbound pre-signal.

Del Obispo Street -

- A. General Notes:
 - 1. Verify existing condition and location of utilities.
 - 2. Obtain necessary construction permits.
 - 3. Complete Mobilization and Demobilization
 - 4. Protect existing utilities.
- B. Pedestrian Treatments:
 - 1. Install swing gate(s) and railing.

2. Install automatic pedestrian gate(s).
 3. Install Pedestrian truncated domes.
 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
1. Install new curb and curb & gutter.
 2. Install new raised Median Island including finish.
 3. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
1. Install Concrete Crossing Panel and Remove Rubber Crossing Panels
 2. Install Grade Crossing Improvements.
 3. Install Signal Improvements and Active Warning Devices
- E. Traffic signal Improvements:
1. New eastbound and westbound queue cutter signals.

La Zanja Street -

- A. General Notes:
1. Verify existing condition and location of utilities.
 2. Obtain necessary construction permits.
 3. Complete Mobilization, Demobilization and Traffic Control.
 4. Protect existing utilities.
- B. Pedestrian Treatments:
1. Install swing gate(s) and railing.
 2. Install automatic pedestrian gate(s).
 3. Install Pedestrian truncated domes.
 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
1. Install new curb.
 2. Install new raised Median Island including finish.
 3. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
1. Install Concrete Crossing Panel and Remove Rubber Crossing Panels
 2. Install Grade Crossing Improvements.
 3. Install Signal Improvements and Active Warning Devices
- E. Traffic Signal Improvements:
1. New westbound pre-signal and improvements to existing signal at La Zanja and Camino Capistrano.

Avenida Aeropuerto -

- A. General Notes:
1. Verify existing condition and location of utilities.
 2. Obtain necessary construction permits.

3. Complete Mobilization, Demobilization and Traffic Control.
 4. Protect existing utilities.
- B. Pedestrian Treatments:
1. Install swing gate(s) and railing.
 2. Install automatic pedestrian gate(s).
 3. Install Pedestrian truncated domes.
 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
1. Install new curb
 2. Install new raised Median Island including finish.
 3. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
1. Install Concrete Crossing Panel and Remove Rubber Crossing Panels
 2. Install Grade Crossing Improvements.
 3. Install Signal Improvements and Active Warning Devices

Schuller – Private Crossing Rancho Capistrano -

- A. General Notes:
1. Verify existing condition and location of utilities.
 2. Obtain necessary construction permits.
 3. Complete Mobilization, Demobilization and Traffic Control.
 4. Protect existing utilities.
- B. Pedestrian Treatment:
1. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
1. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
1. Install Concrete Crossing Panel and Remove Rubber Crossing Panels
 2. Install Grade Crossing Improvements.
 3. Install Signal Improvements and Active Warning Devices

COOPERATIVE AGREEMENT NO. C-8-0862

BETWEEN

ORANGE COUNTY TRANSPORTATION AUTHORITY

AND

CITY OF SANTA ANA

FOR

RAILROAD GRADE CROSSING SAFETY ENHANCEMENTS

AND

SAFETY MEASURES RELATED TO QUIET ZONE IMPLEMENTATION FOR CITIES

This Cooperative Agreement (“AGREEMENT”) is effective this ____ day of 2008, by and between the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, CA 92863-1584, a public corporation of the State of California (herein after referred to as “AUTHORITY”), and the City of Santa Ana, 20 Civic Center Plaza, Santa Ana, CA (herein after referred to as “CITY”).

RECITALS:

WHEREAS, AUTHORITY commissioned a report titled “OCTA Grade Crossing Study” dated December 31, 2003, providing an assessment of conditions at railroad grade crossings located in Orange County and which provided recommendations for enhancements for both motorist and pedestrian safety consistent with current California Public Utilities Commission (“CPUC”) grade crossing safety standards; and

WHEREAS, AUTHORITY, at its June 13, 2005 Board of Directors’ meeting, adopted the recommendation to proceed with the selected implementation strategy for a comprehensive railroad grade crossing enhancement program (PROGRAM) as set forth therein; and

WHEREAS, AUTHORITY, CITY, CPUC and Southern California Regional Rail Authority (SCRRA) conducted field diagnostic review meetings between May 22 and May 24, 2006 for all grade crossings under the jurisdiction of the CITY; and

WHEREAS, SCRRA is an independent joint powers authority created and existing pursuant to California Public Utilities Code Section 130255 and California Government Code Sections 6500 et seq.; and

WHEREAS, SCRRA will be responsible for the delivery of the PROJECT in accordance with the scope of work and agreement established with the AUTHORITY and SCRRA's Joint Powers Agreement budget process; and

WHEREAS, AUTHORITY, at its August 27, 2007 Board of Directors' meeting, adopted a recommendation to include into the grade crossing enhancement program improvements designed to help enable CITY to establish a quiet zone; and

WHEREAS, in consideration of the implementation strategy, diagnostic reviews and quiet zone considerations, CITY and AUTHORITY desire to cooperate and complete highway-rail grade crossing enhancements, as set forth in **Exhibit A**, at the grade crossings under the jurisdiction of the CITY, herein referred to as the "PROJECT;" and

WHEREAS, the AUTHORITY and CITY agree to a cost sharing formula of 88 percent provided by the AUTHORITY and 12 percent provided by the CITY for railroad grade crossing enhancements and improvements within the CITY's jurisdiction; and

WHEREAS, the intent of the parties is that the PROJECT shall be implemented with the least amount of disruption to vehicle and rail traffic; and

WHEREAS, CITY and AUTHORITY wish to enter this AGREEMENT to specify the roles, responsibilities, terms and conditions under which the PROGRAM is to be financed, designed, and constructed.

WHEREAS, CITY and AUTHORITY acknowledge that AUTHORITY's obligation is to fund and oversee the PROJECT under this AGREEMENT and AUTHORITY'S obligations

under this AGREEMENT are contingent upon CITY's approval of environmental review of the PROJECT pursuant to the California Environmental Quality Act; and

WHEREAS, AUTHORITY's obligations under this AGREEMENT are subject to CITY'S approval of CITY's review of the PROGRAM pursuant to the California Environmental Quality Act, Public Resources Code section 21000 et seq ("CEQA"). AUTHORITY shall have no obligations under this AGREEMENT, and the AGREEMENT shall have no force and effect, unless and until AUTHORITY determines, in its sole and absolute discretion, that CITY has completed and approved all applicable CEQA reviews and made any and all appropriate and applicable findings under CEQA as required by law.

NOW, THEREFORE, it is mutually understood and agreed by CITY and AUTHORITY 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 this AGREEMENT concerning the work identified herein and 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 OF SERVICES

A. This AGREEMENT specifies the procedures that AUTHORITY and CITY will follow in connection with the work to be performed. AUTHORITY agrees to provide all improvements identified in **Exhibit A, "Scope of Work"**, which by this reference is incorporated into this AGREEMENT subject to ARTICLE 5. 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. The Scope of Work in **Exhibit A** relating to safety enhancements and quiet zone improvements, are based upon the report titled "OCTA Grade Crossing Study" dated December 31, 2003, and as refined during the diagnostic meetings discussed above, as well as subsequent discussions and recommendations by SCRRA, the City, the PUC, and the City's follow-up Final Report dated September 15, 2004, entitled: "Santa Ana Grade Crossing Mobility Study." Enhancements to be included as part of this AGREEMENT are limited to those described in Exhibit A only.

ARTICLE 3. RESPONSIBILITY OF THE AUTHORITY

AUTHORITY agrees to the following, subject to the requirements of ARTICLE 5 of the AGREEMENT:

A. AUTHORITY will enter into and maintain an agreement with SCRRA for design, CPUC crossing modification applications, construction management, material procurement, cost estimates and construction of highway-rail grade crossing enhancements, which include safety related improvements and quiet zone related improvements set forth in **Exhibit A**.

B. AUTHORITY will fund the actual cost of improvements including right of way, utility relocations, and excluding CITY costs using funding provided by Commuter Urban Rail Endowment Funds, Renewed Measure M funds, and the required 12 percent funding match provided by CITY.

C. AUTHORITY will retain program oversight by controlling the funding and by establishing program milestones and overseeing the PROJECT development.

D. AUTHORITY staff will maintain active communications with CITY staff and provide CITY with public outreach support for the PROJECT. AUTHORITY will assist in building consensus among affected parties in regard to the required enhancements.

E. AUTHORITY will submit detailed monthly invoices to CITY for payment of CITY's required twelve percent local matching funds.

ARTICLE 4. RESPONSIBILITIES OF CITY

CITY agrees to the following, subject to the requirements of Article 5 of the AGREEMENT:

A. CITY will advise AUTHORITY as early as possible of current, and a minimum of thirty (30) days in advance of any planned work in the vicinity of the crossings during the term of the PROJECT.

B. CITY will provide AUTHORITY, within thirty (30) days of request by AUTHORITY, access to its record plans and survey data of CITY infrastructure that may assist in design of the PROJECT.

C. CITY, as the improvements desired herein are in part funded by CITY and therefore considered in part City improvements, shall be responsible for arranging for the relocation or protection of all private and public utilities impacted by the PROJECT and enforcing all utility agreements entered into by the AUTHORITY in accordance with the PROJECT schedule.

D. CITY will review and provide comments on progress plans. CITY will review and approve final plans and as-builts for all street, civil and traffic signal improvements, including providing a CITY approval signature on final plans, in a timely manner, at no cost to AUTHORITY, SCRRA or the PROJECT. Reviews and approvals by CITY shall be complete within 30 days of receipt of plan submittals. CITY will ensure all applicable CITY departments, including field representatives, participate in said reviews.

E. CITY will not charge any fees or assessment to SCRRA for any permits or licenses required for implementation of this PROJECT.

F. CITY is responsible for Right-of-Way acquisition, including Temporary

Construction Easements, any and all environmental clearances, and securing any and all necessary environmental or other approvals for the PROJECT.

G. CITY will not establish a Quiet Zone until after all of the construction improvements are completed.

H. CITY may, at its discretion, provide construction inspection services in a timely fashion, and at no cost to AUTHORITY, SCRRA or the PROJECT, as necessary to satisfy CITY that work is being conducted in accordance with CITY-approved plans. Should City fail to provide services within seven (7) days of the request for service, the AUTHORITY may take necessary action to perform inspection services and will furnish CITY with a report of such service, if requested.

I. CITY will, during the construction phase of the PROJECT, work with SCRRA, and SCRRA's construction contractor(s) to approve requests by SCRRA and/or SCRRA's contractor(s) to temporarily close individual grade crossings over weekend work windows (work windows will be from Friday night, no earlier than 8:00 pm, to Monday morning, no later than 6:00 am), for the purposes of constructing the PROJECT. At least 30 day advance notice shall be provided to CITY by SCRRA and/or SCRRA's contractor(s) for any desired closures. No adjacent grade crossings shall be closed without written approval from the CITY.

J. CITY will, within thirty (30) days of submittal to CITY, review and approve SCRRA's and/or SCRRA's contractor(s) traffic control plans for closing a crossing and detouring traffic.

K. CITY will pay to AUTHORITY, within 30 days of submittal of invoice(s) from AUTHORITY and subject to the CITY's normal accounting procedures, the requested portion of the CITY's 12 percent local matching funds for the PROJECT. Invoices shall be based on actual costs and shall not be limited to current estimated costs at the time of the AGREEMENT.

L. CITY will be responsible for implementing a Public Awareness Campaign (PAC), which advises city, local businesses, residents, motorists, and media of PROJECT and

construction-related activities. AUTHORITY shall provide its public outreach expertise and presentation materials for CITY.

M. Should the CITY advance grade crossing improvements, in order for these improvements to be funded by AUTHORITY, they must meet SCRRA standards.

The estimated expenditure schedule for CITY's local matching funds is as follows:

FISCAL YEAR	CITY'S SHARE (12 percent) OF ESTIMATED PROJECT COST
2007/2008	\$0
2008/2009	\$TBD
2009/2010	\$TBD
Total	\$TBD

N. CITY will pay to AUTHORITY the entire cost of any CITY-requested betterments or enhancements not included in the Scope of Work described in **Exhibits A**.

O. CITY will, at its option, initiate and apply to the Federal Railroad Administration for establishment of a quiet zone. Quiet zone is defined as a segment of the rail line, wherein is situated one or a number of consecutive public highway-rail crossings at which locomotives horns are not routinely sounded (49 CFR 222.9). CITY will ensure that they follow SCRRA Quiet Zone Implementation Guidelines and Procedures, which can be accessed through SCRRA's website www.metrolinktrains.com, sub-sections "About US," then "Public Project," and then "Grade Crossing Section."

P. CITY will, prior to allocation of any construction funding by AUTHORITY or commencement of any construction activity, enter into a separate Construction and Maintenance Agreement (C&M Agreement) with SCRRA. The C&M Agreement will establish the rights and obligations of each party relating to the construction and maintenance of the subject crossings.

Q. At crossings at which interconnected City traffic signals exist or are proposed, CITY will provide requested advance preemption time to AUTHORITY for use in designing the railroad crossing warning system.

ARTICLE 5. CALIFORNIA ENVIRONMENTAL QUALITY ACT

AUTHORITY's obligations under this AGREEMENT are subject to CITY's successful completion of CITY's review of the PROJECT pursuant to the California Environmental Quality Act, Public Resources Code section 21000 et seq ("CEQA"). AUTHORITY shall have no obligation under this AGREEMENT, and the AGREEMENT shall have no force and effect, unless and until AUTHORITY determines, in its sole and absolute discretion, that CITY has completed all applicable CEQA reviews and made any and all appropriate and applicable findings under CEQA as required by law. AUTHORITY commits to cooperate with CITY in preparation of required environmental documents.

ARTICLE 6. DELEGATED AUTHORITY

The actions required to be taken by CITY in the implementation of this AGREEMENT are delegated to its City Manager, or his designee, and the actions required to be taken by AUTHORITY in the implementation of this AGREEMENT are delegated to its Chief Executive Officer.

ARTICLE 7. AUDIT AND INSPECTION

AUTHORITY and CITY shall maintain a complete set of records in accordance with generally accepted accounting principles. Upon reasonable notice, AUTHORITY shall permit the authorized representatives of the CITY to inspect and audit all work, materials, payroll, books, accounts, and other data and records of AUTHORITY for a period of four (4) years after final payment, or until any on-going audit is completed. For purposes of audit, the date of

completion of this AGREEMENT shall be the date of CITY's payment of AUTHORITY's final billing (so noted on the invoice) under this AGREEMENT. CITY shall have the right to reproduce any such books, records, and accounts. The above provision with respect to audits shall extend to and/or be included in contracts with AUTHORITY'S contractors, including SCRRA and its contractors.

ARTICLE 8. INDEMNIFICATION AND INSURANCE

A. AUTHORITY shall defend, indemnify and hold harmless the CITY, its officers, agents, elected officials, and employees, from all liability, claims, losses and demands, including defense costs and reasonable attorneys' fees, whether resulting from court action or otherwise, arising out of the acts or omissions of AUTHORITY, its officers, agents, or employees, in the performance of the AGREEMENT, excepting acts or omissions directed by the CITY, its officers, agents, or employees, acting within the scope of their employment, for which the CITY agrees to defend and indemnify AUTHORITY in a like manner. CITY shall defend, indemnify and hold harmless the AUTHORITY, its officers, agents, elected officials, and employees, from all liability, claims, losses and demands, including defense costs and reasonable attorneys' fees, whether resulting from court action or otherwise, arising out of the acts or omissions of the CITY, its officers, agents, or employees, in the performance of the AGREEMENT, excepting acts or omissions directed by the AUTHORITY, its officers, agents, or employees, acting within the scope of their employment, for which the AUTHORITY agrees to defend and indemnify AUTHORITY in a like manner. This indemnity shall survive even after the termination of this AGREEMENT.

B. CITY shall defend, indemnify and hold harmless the SCRRA and its member agencies, including the AUTHORITY, as well as their respective board members, officers, agents, volunteers, contractors, operating railroads, and employees (SCRRA Indemnities) from any and all liability, loss, expense (including reasonable attorneys' fees and other defense

costs), demands, suits, liens, damages, costs, claims, including but not limited to claims for bodily injury, death, personal injury, or property damage, that are incurred by or asserted against the SCRRRA Indemnities arising out of or connected with any negligent acts or omissions on the part of the CITY, its council, officers, agents, contractors, or employees under or in connection with any work, authority or jurisdiction delegated to the CITY related to establishment and operation of a Quiet Zone at a railroad grade crossing. This indemnity shall survive even after the termination of this AGREEMENT.

ARTICLE 9. ADDITIONAL PROVISIONS

The AUTHORITY and CITY agree to the following mutual responsibilities for PROJECT:

A. AUTHORITY and CITY will jointly participate in progress, coordination and additional field diagnostic team meetings as needed to implement the PROJECT.

B. Term of Agreement - All work must be completed pursuant to the PROJECT schedule identified in Exhibit A and no later than December 31, 2009. This AGREEMENT shall continue in full force and effect through December 31, 2009, unless terminated earlier, or extended, by mutual written consent by both Parties.

C. 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 parties.

D. Notices - Any notices, requests, or demands made between the Parties pursuant to this AGREEMENT sent by first class mail, postage paid, to the address and addressee, shall be deemed to have been given when in the ordinary course it would be delivered. The representatives of the parties who are primarily responsible for the administration of this COOPERATIVE Agreement, and to whom notices, demands and communications shall be given are as follows:

To CITY:

To AUTHORITY:

COOPERATIVE AGREEMENT NO. C-8-0862

George Alvarez
City Engineer
Public Works Agency
City of Santa Ana

P.O. Box 1988

Santa Ana, CA 92702

E-mail: galvarez@ci.santa-ana.ca.us

Telephone: (714) 647-5659

Facsimile: (714) 647-5670

Darrell Johnson

Director, Transit Project Delivery Commuter
Rail

Orange County Transportation Authority

550 South Main Street

P. O. Box 14184

Orange, CA 92863-1584

E-mail: djohnson@OCTA.net

Telephone: (714) 560-5343

Facsimile: (714) 560-5794

If there are any changes in the above names and/or addresses, the party desiring to make such change shall give a written notice to the other respective party within five (5) days of such change.

E. The provision of this AGREEMENT shall bind and inure to the benefit of each of the parties hereto and all successors or assigns of the parties hereto.

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 of 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 the Parties 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 in its sole, and absolute, discretion. 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 To 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 the 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 local and federal laws, regulations and guidelines shall govern this AGREEMENT.

L. Legal Authority – Signators of AUTHORITY and CITY hereto warrant that they are duly authorized to execute this AGREEMENT on behalf of said respective Parties and that, by so executing this AGREEMENT, the Parties hereto are formally bound to the provisions of this AGREEMENT.

This AGREEMENT shall be effective upon execution by both parties.

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT No. C-8-0862 to be executed on the date first above written.

CITY OF SANTA ANA

By: _____
David N. Ream
City Manager

ATTEST:

By: _____
Patricia E. Healy
City Clerk

APPROVAL RECOMMENDED:

By: _____
James G. Ross,
Executive Director, Public Works
Agency

Date: _____

_____, City Attorney

Date: _____

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: _____
Kia Mortazavi
Executive Director, Development

Date: _____

EXHIBIT "A"

OCTA GRADE CROSSING SAFETY ENHANCEMENT PROGRAM

SCOPE OF WORK CITY OF SANTA ANA

Santa Ana

McFadden Avenue -

- A. General Notes:
 - 1. Verify existing condition and location of utilities.
 - 2. Verify existing ROW and related encroachments.
 - 3. Obtain necessary construction permits.
 - 4. Complete Mobilization, Demobilization and Traffic Control.
 - 5. Protect existing utilities.
- B. Pedestrian Treatments:
 - 1. Install swing gate(s) and railing.
 - 2. Install automatic pedestrian gate(s).
 - 3. Install Pedestrian truncated domes.
 - 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
 - 1. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
 - 1. Install Concrete Crossing Panel and Remove Rubber Crossing Panels.
 - 2. Install Grade Crossing Improvements.
 - 3. Install Signal Improvements and Active Warning Devices
- E. Traffic Improvements:
 - 1. New eastbound queue cutter signal.

Lyon Street -

- A. General Notes:
 - 1. Verify existing condition and location of utilities.
 - 2. Verify existing ROW and related encroachments.
 - 3. Obtain necessary construction permits.
 - 4. Complete Mobilization, Demobilization and Traffic Control.
 - 5. Protect existing utilities.
- B. Pedestrian Treatment
 - 1. Install swing gate(s) and railing.
 - 2. Install automatic pedestrian gate(s).
 - 3. Install Pedestrian truncated domes.
 - 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
 - 1. Install new curb.

2. Remove existing and install new raised Median Island including finish.
 3. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
1. Install Grade Crossing Improvements.
 2. Install Signal Improvements and Active Warning Devices
- E. Traffic signal Improvements:
1. Install new southbound queue cutter signal.
 2. Signalization of Lyon Street / Normandie.
 3. Install northbound Pre-signal.

17th Street -

- A. General Notes:
1. Verify existing condition and location of utilities.
 2. Verify existing ROW and related encroachments.
 3. Obtain necessary construction permits.
 4. Complete Mobilization, Demobilization and Traffic Control.
 5. Protect existing utilities.
- B. Pedestrian Treatments:
1. Install swing gate(s) and railing.
 2. Install automatic pedestrian gate(s).
 3. Install Pedestrian truncated domes.
 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
1. Install new curb.
 2. Remove existing and install new raised Median Island including finish.
 3. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
1. Install Concrete Crossing Panel
 2. Install Grade Crossing Improvements.
 3. Install Signal Improvements and Active Warning Devices
- E. Traffic signal Improvements.
1. Install new westbound Pre-signal.

Santa Ana Boulevard -

- A. General Notes:
1. Verify existing condition and location of utilities.
 2. Verify existing ROW and related encroachments.
 3. Obtain necessary construction permits.
 4. Complete Mobilization, Demobilization and Traffic Control.
 5. Protect existing utilities.

- B. Pedestrian Treatments:
 - 1. Install swing gate(s) and railing.
 - 2. Install automatic pedestrian gate(s).
 - 3. Install Pedestrian truncated domes.
 - 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
 - 1. Install railing and match to existing station railing.
 - 2. Install decorative railing.
 - 3. Install concrete sidewalk.
 - 4. Install 4" diameter crushed rock infill.
 - 5. Install AC pavement.
 - 6. Install reinforced concrete block wall and chain link fence.
 - 7. Install new curb.
 - 8. Install tiled pavement, match existing.
 - 9. Install edge of platform.
 - 10. Protect in place billboard foundation.
 - 11. Protect in place communication utility box.
 - 12. Protect in place signal house.
 - 13. Install direct burial signal cable.
 - 14. Remove existing AC pavement.
 - 15. Remove existing railing.
 - 16. Remove concrete curb.
 - 17. Remove existing fence.
 - 18. Remove existing ramp.
 - 19. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
 - 1. Install Concrete Crossing Panel
 - 2. Install Grade Crossing Improvements.
 - 3. Install Signal Improvements and Active Warning Devices
- E. Traffic signal Improvements:
 - 1. None.
- F. Station
 - 1. Remove existing platform – east side only.

Ritchey Street -

- A. General Notes:
 - 1. Verify existing condition and location of utilities.
 - 2. Verify existing ROW and related encroachments.
 - 3. Obtain necessary construction permits.
 - 4. Complete Mobilization, Demobilization and Traffic Control
 - 5. Protect existing utilities.
- B. Pedestrian Treatments:
 - 1. Install swing gate(s) and railing.
 - 2. Install automatic pedestrian gate(s).
 - 3. Install Pedestrian truncated domes.
 - 4. Compliance with ADA requirements.

- C. Miscellaneous Street Improvements:
 - 1. Install new curb
 - 2. Install new raised Median Island including finish.
 - 3. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
 - 1. Install Concrete Crossing Panel and Remove Rubber Crossing Panels
 - 2. Install Grade Crossing Improvements.
 - 3. Install Signal Improvements and Active Warning Devices
- E. Traffic Improvements:
 - 1. New northbound queue cutter signal.

Grand Avenue -

- A. General Notes:
 - 1. Verify existing condition and location of utilities.
 - 2. Verify existing ROW and related encroachments.
 - 3. Obtain necessary construction permits.
 - 4. Complete Mobilization, Demobilization and Traffic Control.
 - 5. Protect existing utilities.
- B. Pedestrian Treatment:
 - 1. Install swing gate(s) and railing.
 - 2. Install automatic pedestrian gate(s).
 - 3. Install Pedestrian truncated domes.
 - 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
 - 1. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
 - 1. Install Concrete Crossing Panel and Remove Rubber Crossing Panel
 - 2. Install Grade Crossing Improvements.
 - 3. Install Signal Improvements and Active Warning Devices

4th Street -

- A. General Notes:
 - 1. Verify existing condition and location of utilities.
 - 2. Verify existing ROW and related encroachments.
 - 3. Obtain necessary construction permits.
 - 4. Complete Mobilization, Demobilization and Traffic Control.
 - 5. Protect existing utilities.
- B. Pedestrian Treatments:
 - 1. Install swing gate(s) and railing.
 - 2. Install automatic pedestrian gate(s).
 - 3. Install Pedestrian truncated domes.
 - 4. Compliance with ADA requirements.

C. Miscellaneous Street Improvements:

1. Install new curb.
2. Install new raised Median Island including finish.
3. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.

D. Railroad Improvements:

1. Install Concrete Crossing Panel and Remove Rubber Crossing Panel
2. Install Grade Crossing Improvements.
3. Install Signal Improvements and Active Warning Devices

Chestnut Avenue -

A. General Notes:

1. Verify existing condition and location of utilities.
2. Verify existing ROW and related encroachments.
3. Obtain necessary construction permits.
4. Complete Mobilization and Demobilization
5. Protect existing utilities.

B. Pedestrian Treatments:

1. Install swing gate(s) and railing.
2. Install automatic pedestrian gate(s).
3. Install Pedestrian truncated domes.
4. Compliance with ADA requirements.

C. Miscellaneous Street Improvements:

1. Install new curb.
2. Remove existing and Install new raised Median Island including finish.
3. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.

D. Railroad Improvements:

1. Install Concrete Crossing Panel and Remove Rubber Crossing Panel
2. Install Grade Crossing Improvements.
3. Install Signal Improvements and Active Warning Devices

Santa Clara Avenue -

A. General Notes:

1. Verify existing condition and location of utilities.
2. Verify existing ROW and related encroachments.
3. Obtain necessary construction permits.
4. Complete Mobilization, Demobilization and Traffic Control.
5. Protect existing utilities.

B. Pedestrian Treatments:

1. Install swing gate(s) and railing.
2. Install automatic pedestrian gate(s).
3. Install Pedestrian truncated domes.

4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
 1. Install new raised Median Island including finish.
 2. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
 1. Install Concrete Crossing Panels
 2. Rehabilitate crossing surface track and approaching AC pavement.

Fairhaven Avenue (Temporary Closed) -

- A. General Notes:
 1. Verify existing condition and location of utilities.
 2. Verify existing ROW and related encroachments.
 3. Obtain necessary construction permits.
 4. Complete Mobilization, Demobilization and Traffic Control.
 5. Protect existing utilities.
- B. Pedestrian Treatments:
 1. None.
- C. Miscellaneous Street Improvements:
 1. Install new curb and gutter.
 2. Install sidewalk.
 3. Install concrete driveway.
 4. Install chain link fence.
 5. Install decorative wall and column.
 6. Remove existing and install new raised Median Island including finish.
 7. Install decomposed granite.
 8. Protect existing concrete sidewalk.
 9. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
 1. Remove all AC pavements within the railroad right of way.
 2. Remove grade crossing signal equipment and salvage to SCRRRA.
 3. Remove and salvage railroad grade crossing panels.
 4. Replace wood ties with concrete ties.

EXHIBIT "B"

OCTA GRADE CROSSING SAFETY ENHANCEMENT PROGRAM

COST ESTIMATE CITY OF SANTA ANA

	PROJECT TASK	Est. Project Total Cost	Est. City Local Match (12%)
	SANTA ANA -		
	OCTA Agency Costs:	2,591,146	310,938
	includes Agency, Survey, Design, Inspect,		
	Project Mgmt, Flagging, Permitting, Signal-RR.		
	Traffic Signal Interface (IEEE 1570 Protocol):	1,129,710	135,565
	includes Admin, Pavement Signing & Striping.		
	Safety Enhancements (CIVIL IMP):	2,481,720	297,806
	RR Improvements:	4,770,200	572,424
	Right-Of-Way Costs:	100,100	12,012
	Right-Of-Way Contingency (50%)	50,050	6,006
	Project Contingency & Inflation:	2,797,244	335,669
	TOTAL ESTIMATED COSTS:	13,920,170	1,670,420

COOPERATIVE AGREEMENT No. C-8-0863

BETWEEN

ORANGE COUNTY TRANSPORTATION AUTHORITY

AND

CITY OF TUSTIN

FOR

RAILROAD GRADE CROSSING SAFETY ENHANCEMENTS

AND

SAFETY MEASURES RELATED TO QUIET ZONE IMPLEMENTATION FOR CITIES

This Cooperative Agreement ("AGREEMENT") is effective this ____ day of 2008, by and between the Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange, CA 92863-1584, a public corporation of the State of California (herein after referred to as "AUTHORITY"), and the City of Tustin, 300 Centennial Way, Tustin, CA (herein after referred to as "CITY").

RECITALS:

WHEREAS, AUTHORITY commissioned a report titled "OCTA Grade Crossing Study" dated December 31, 2003, providing an assessment of conditions at railroad grade crossings located in Orange County and which provided recommendations for enhancements for both motorist and pedestrian safety consistent with current California Public Utilities Commission ("CPUC") grade crossing safety standards; and

WHEREAS, AUTHORITY, at its June 13, 2005 Board of Directors' meeting, adopted the recommendation to proceed with the selected implementation strategy for a comprehensive railroad grade crossing enhancement program (PROGRAM) as set forth therein; and

WHEREAS, AUTHORITY, CITY, CPUC and Southern California Regional Rail Authority (SCRRA) conducted field diagnostic review meetings between May 22 and May 24, 2006 for all grade crossings under the jurisdiction of the CITY; and

WHEREAS, SCRRA is an independent joint powers authority created and existing pursuant to California Public Utilities Code Section 130255 and California Government Code Sections 6500 et seq.; and

WHEREAS, SCRRA will be responsible for the delivery of the PROJECT in accordance with the scope of work and agreement established with the AUTHORITY and SCRRA's Joint Powers Agreement budget process; and

WHEREAS, AUTHORITY, at its August 27, 2007 Board of Directors' meeting, adopted a recommendation to include into the grade crossing enhancement program improvements designed to help enable CITY to establish a quiet zone; and

WHEREAS, in consideration of the implementation strategy, diagnostic reviews and quiet zone considerations, CITY and AUTHORITY desire to cooperate and complete highway-rail grade crossing enhancements, as set forth in **Exhibit A**, at the grade crossings under the jurisdiction of the CITY, herein referred to as the "PROJECT;" and

WHEREAS, the AUTHORITY and CITY agree to a cost sharing formula of 88 percent provided by the AUTHORITY and 12 percent provided by the CITY for railroad grade crossing enhancements and improvements within the CITY's jurisdiction; and

WHEREAS, the intent of the parties is that the PROJECT shall be implemented with the least amount of disruption to vehicle and rail traffic; and

WHEREAS, CITY and AUTHORITY wish to enter this AGREEMENT to specify the roles, responsibilities, terms and conditions under which the PROGRAM is to be financed, designed, and constructed.

WHEREAS, CITY and AUTHORITY acknowledge that AUTHORITY's obligation is to fund and oversee the PROJECT under this AGREEMENT and AUTHORITY'S obligations

under this AGREEMENT are contingent upon CITY's approval of environmental review of the PROJECT pursuant to the California Environmental Quality Act; and

WHEREAS, AUTHORITY's obligations under this AGREEMENT are subject to CITY'S approval of CITY's review of the PROGRAM pursuant to the California Environmental Quality Act, Public Resources Code section 21000 et seq ("CEQA"). AUTHORITY shall have no obligations under this AGREEMENT, and the AGREEMENT shall have no force and effect, unless and until AUTHORITY determines, in its sole and absolute discretion, that CITY has completed and approved all applicable CEQA reviews and made any and all appropriate and applicable findings under CEQA as required by law.

NOW, THEREFORE, it is mutually understood and agreed by CITY and AUTHORITY 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 this AGREEMENT concerning the work identified herein and 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 OF SERVICES

A. This AGREEMENT specifies the procedures that AUTHORITY and CITY will follow in connection with the work to be performed. AUTHORITY agrees to provide all improvements identified in **Exhibit A, "Scope of Work"**, (based upon latest drawing, latest cost estimates) which by this reference is incorporated into this AGREEMENT subject to ARTICLE 5. 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. The Scope of Work in **Exhibit A** relating to safety enhancements and quiet zone improvements, are based upon the report titled "OCTA Grade Crossing Study" dated December 31, 2003, and as refined during the diagnostic meetings discussed above, as well as subsequent discussions and recommendations by SCRRA. Enhancements to be included as part of this AGREEMENT are limited to those described in Exhibit A only.

ARTICLE 3. RESPONSIBILITY OF THE AUTHORITY

AUTHORITY agrees to the following, subject to the requirements of ARTICLE 5 of the AGREEMENT:

A. AUTHORITY will enter into and maintain an agreement with SCRRA for design, CPUC crossing modification applications, construction management, material procurement, cost estimates and construction of highway-rail grade crossing enhancements, which include safety related improvements and quiet zone related improvements set forth in **Exhibit A**.

B. AUTHORITY will fund the actual cost of improvements including right of way, utility relocations, and excluding CITY costs using funding provided by Commuter Urban Rail Endowment Funds, Renewed Measure M funds, and the required 12 percent funding match provided by CITY.

C. AUTHORITY will retain program oversight by controlling the funding and by establishing program milestones and overseeing the PROJECT development.

D. AUTHORITY staff will maintain active communications with CITY staff and provide CITY with public outreach support for the PROJECT. AUTHORITY will assist in building consensus among affected parties in regard to the required enhancements.

E. AUTHORITY will submit detailed monthly invoices to CITY for payment of CITY's required twelve percent local matching funds.

ARTICLE 4. RESPONSIBILITIES OF CITY

CITY agrees to the following, subject to the requirements of Article 5 of the AGREEMENT:

A. CITY will advise AUTHORITY as early as possible of current, and a minimum of thirty (30) days in advance of any planned work in the vicinity of the crossings during the term of the PROJECT.

B. CITY will provide AUTHORITY, within thirty (30) days of request by AUTHORITY, access to its record plans and survey data of CITY infrastructure that may assist in design of the PROJECT.

C. CITY, as the improvements desired herein are in part funded by CITY and therefore considered in part City improvements, shall be responsible for arranging for the relocation or protection of all private and public utilities impacted by the PROJECT and enforcing all utility agreements entered into by the AUTHORITY in accordance with the PROJECT schedule. Utility protection/relocation costs are project costs in accordance with Article 3, Subsection B.

D. CITY will review and provide comments on progress plans. CITY will review and approve final plans and as-builts for all street, civil and traffic signal improvements, including providing a CITY approval signature on final plans, in a timely manner, at no cost to AUTHORITY, SCRRA or the PROJECT. Reviews and approvals by CITY shall be complete within 30 days of receipt of plan submittals. CITY will ensure all applicable CITY departments, including field representatives, participate in said reviews.

E. CITY will not charge any fees or assessment to SCRRA for any permits or licenses required for implementation of this PROJECT.

F. CITY is responsible for Right-of-Way acquisition, including Temporary Construction Easements, any and all environmental clearances, and securing any and all necessary environmental or other approvals for the PROJECT.

G. CITY will apply for Quiet Zone Status to become effective after all of the construction improvements are completed.

H. CITY will provide construction inspection services, at its discretion, in a timely fashion, and at no cost to AUTHORITY, SCRRA or the PROJECT, as necessary to satisfy CITY that work is being conducted in accordance with CITY-approved plans. Should City fail to provide services within seven (7) days of the request for service, the AUTHORITY may take necessary action to perform inspection services and will furnish CITY with a report of such service, if requested.

I. CITY will, during the construction phase of the PROJECT, work with SCRRA, and SCRRA's construction contractor(s) to approve requests by SCRRA and/or SCRRA's contractor(s) to temporarily close individual grade crossings over weekend work windows (work windows will be from Friday night, no earlier than 8:00 pm, to Monday morning, no later than 6:00 am), for the purposes of constructing the PROJECT. At least 30 day advance notice shall be provided to CITY by SCRRA and/or SCRRA's contractor(s) for any desired closures, additionally SCRRA and/or SCRRA's contractor(s) will post notification of such closure on Red Hill Avenue at least 30 days prior to closure if reasonably possible. No adjacent grade crossings shall be closed without written approval from the CITY.

J. CITY will, within thirty (30) days of submittal to CITY, review and approve SCRRA's and/or SCRRA's contractor(s) traffic control plans for closing a crossing and detouring traffic.

K. CITY will pay to AUTHORITY, within 30 days of submittal of invoice(s) from AUTHORITY, the requested portion of the CITY's 12 percent local matching funds for the PROJECT. Invoices shall be based on actual costs and shall not be limited to current estimated costs at the time of the AGREEMENT.

L. CITY will be responsible for implementing a Public Awareness Campaign (PAC), which advises city, local businesses, residents, motorists, and media of PROJECT and construction-related activities. AUTHORITY shall provide its public outreach expertise and presentation materials for CITY.

M. Should the CITY advance grade crossing improvements, in order for these improvements to be funded by AUTHORITY, they must meet SCRRRA standards.

The estimated expenditure schedule for CITY's local matching funds is as follows:

FISCAL YEAR	CITY'S SHARE (12 percent) OF ESTIMATED PROJECT COST
2007/2008	\$0
2008/2009	\$TBD
2009/2010	\$TBD
Total	\$TBD

N. CITY will pay to AUTHORITY the entire cost of any CITY-requested betterments or enhancements not included in the Scope of Work described in **Exhibits A**.

O. CITY will, at its option, initiate and apply to the Federal Railroad Administration for establishment of a quiet zone. Quiet zone is defined as a segment of the rail line, wherein is situated one or a number of consecutive public highway-rail crossings at which locomotives horns are not routinely sounded (49 CFR 222.9). CITY will ensure that they follow SCRRRA Quiet Zone Implementation Guidelines and Procedures, which can be accessed through SCRRRA's website www.metrolinktrains.com, sub-sections "About US," then "Public Project,"

and then "Grade Crossing Section."

P. CITY will, prior to allocation of any construction funding by AUTHORITY or commencement of any construction activity, enter into a separate mutually agreeable Construction and Maintenance Agreement (C&M Agreement) with SCRRA. The C&M Agreement will establish the rights and obligations of each party relating to the construction and maintenance of the subject crossings.

Q. CITY will provide traffic signal data to AUTHORITY for use by the railroad crossing predictor. This data will be used to facilitate traffic signal preemption by the railroad crossing.

ARTICLE 5. CALIFORNIA ENVIRONMENTAL QUALITY ACT

AUTHORITY's obligations under this AGREEMENT are subject to CITY'S successful completion of CITY's review of the PROJECT pursuant to the California Environmental Quality Act, Public Resources Code section 21000 et seq ("CEQA"). AUTHORITY shall have no obligations under this AGREEMENT, and the AGREEMENT shall have no force and effect, unless and until AUTHORITY determines, in its sole and absolute discretion, that CITY has completed all applicable CEQA review and made any and all appropriate and applicable findings under CEQA as required by law.

ARTICLE 6. DELEGATED AUTHORITY

The actions required to be taken by CITY in the implementation of this AGREEMENT are delegated to its City Manager, or his designee, and the actions required to be taken by AUTHORITY in the implementation of this AGREEMENT are delegated to its Chief Executive Officer.

ARTICLE 7. AUDIT AND INSPECTION

AUTHORITY shall maintain a complete set of records in accordance with generally accepted accounting principles. Upon reasonable notice, AUTHORITY shall permit the authorized representatives of the CITY to inspect and audit all work, materials, payroll, books, accounts, and other data and records of AUTHORITY for a period of four (4) years after final payment, or until any on-going audit is completed, whichever is later. For purposes of audit, the date of completion of this AGREEMENT shall be the date of CITY's payment of AUTHORITY's final billing (so noted on the invoice) under this AGREEMENT. CITY shall have the right to reproduce any such books, records, and accounts. The above provision with respect to audits shall extend to and/or be included in contracts with AUTHORITY'S contractors, including SCRRA and its contractors.

ARTICLE 8. INDEMNIFICATION

A. AUTHORITY shall defend, indemnify and hold harmless the CITY, its officers, agents, elected officials, and employees, from all liability, claims, losses and demands, including defense costs and reasonable attorneys' fees, whether resulting from court action or otherwise, arising out of the acts or omissions of AUTHORITY, its officers, agents, or employees, in the performance of the AGREEMENT, excepting acts or omissions directed by the CITY, its officers, agents, or employees, acting within the scope of their employment, for which the CITY agrees to defend and indemnify AUTHORITY in a like manner. CITY shall defend, indemnify and hold harmless the AUTHORITY, its officers, agents, elected officials, and employees, from all liability, claims, losses and demands, including defense costs and reasonable attorneys' fees, whether resulting from court action or otherwise, arising out of the acts or omissions of the CITY, its officers, agents, or employees, in the performance of the AGREEMENT, excepting acts or omissions directed by the AUTHORITY, its officers, agents, or employees, acting within the scope of their employment, for which the AUTHORITY agrees to defend and indemnify CITY in a like manner. This indemnity shall survive even after the termination of this AGREEMENT.

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

survive even after the termination of this AGREEMENT.

ARTICLE 9. ADDITIONAL PROVISIONS

The AUTHORITY and CITY agree to the following mutual responsibilities for PROJECT:

A. AUTHORITY and CITY will jointly participate in progress, coordination and additional field diagnostic team meetings as needed to implement the PROJECT.

B. Term of Agreement - All work must be completed pursuant to the PROJECT schedule identified in Exhibit A and no later than December 31, 2009. This AGREEMENT shall continue in full force and effect through December 31, 2009, unless terminated earlier, or extended, by mutual written consent by both Parties.

C. 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 parties.

D. Notices - Any notices, requests, or demands made between the Parties pursuant to this AGREEMENT sent by first class mail, postage paid, to the address and addressee, shall be deemed to have been given when in the ordinary course it would be delivered. The representatives of the parties who are primarily responsible for the administration of this COOPERATIVE Agreement, and to whom notices, demands and communications shall be given are as follows:

To CITY:

Tim D. Serlet
Director of Public Works

City of Tustin
300 Centennial Way

To AUTHORITY:

Darrell Johnson
Director, Transit Project Delivery
Commuter Rail
Orange County Transportation Authority
550 South Main Street
P. O. Box 14184

COOPERATIVE AGREEMENT NO. C-8-0863

Tustin, CA 92780-3715

Orange, CA 92863-1584

E-mail: tserlet@tustinca.org

E-mail: djohnson@OCTA.net

Telephone: (714) 573-3150

Telephone: (714) 560-5343

Facsimile: (714) 734-8991

Facsimile: (714) 560-5794

If there are any changes in the above names and/or addresses, the party desiring to make such change shall give a written notice to the other respective party within five (5) days of such change.

E. The provision of this AGREEMENT shall bind and inure to the benefit of each of the parties hereto and all successors or assigns of the parties hereto.

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 of 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 the Parties 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 in its sole, and absolute, discretion. 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 To 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 the 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 local and federal laws, regulations and guidelines shall govern this AGREEMENT.

L. Legal Authority – Signators of AUTHORITY and CITY hereto warrant that they are duly authorized to execute this AGREEMENT on behalf of said respective Parties and that, by so executing this AGREEMENT, the Parties hereto are formally bound to the provisions of this AGREEMENT.

This AGREEMENT shall be effective upon execution by both parties.

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT No. C-8-0863 to be executed on the date first above written.

CITY OF TUSTIN

ORANGE COUNTY TRANSPORTATION

AUTHORITY

By: _____
William Huston
City Manager

By: _____
Arthur T. Leahy
Chief Executive Officer

ATTEST:

APPROVED AS TO FORM:

By: _____
Pamela Stoker
City Clerk

By: _____
Kennard R. Smart, Jr.
General Counsel

_____, City Attorney

APPROVAL RECOMMENDED:

Date: _____
Development

By: _____
Kia Mortazavi, Executive Director,

Date: _____

EXHIBIT "A"

OCTA GRADE CROSSING SAFETY ENHANCEMENT PROGRAM

SCOPE OF WORK

Tustin

Red Hill Avenue -

- A. General Notes:
 - 1. Verify existing condition and location of utilities.
 - 2. Obtain necessary construction permits.
 - 3. Complete Mobilization, Demobilization and Traffic Control.
 - 4. Protect/relocate existing utilities.
- B. Pedestrian Treatments:
 - 1. Install swing gate(s) and railing.
 - 2. Install automatic pedestrian gate(s).
 - 3. Install Pedestrian truncated domes.
 - 4. Compliance with ADA requirements.
- C. Miscellaneous Street Improvements:
 - 1. Install new curb.
 - 2. Install new, maintain existing, and remove conflicting traffic control devices including signing, striping, pavement legends and curb painting.
- D. Railroad Improvements:
 - 1. Install Concrete Crossing Panels and Remove Rubber Crossing Panels
 - 2. Install Grade Crossing Improvements.
 - 3. Install Signal Improvements and Active Warning Devices
- E. Traffic signal Improvements:
 - 1. Install new northbound and southbound queue cutter signals.

EXHIBIT "B"

OCTA GRADE CROSSING SAFETY ENHANCEMENT PROGRAM

COST ESTIMATE CITY OF TUSTIN

	PROJECT TASK	Est. Project Total Cost	Est. City Local Match (12%)
	TUSTIN -		
	OCTA Agency Costs:	492,933	59,152
	includes Agency, Survey, Design, Inspect, Project Mgmt, Flagging, Permitting, Signal-RR.		
	Traffic Signal Interface (IEEE 1570 Protocol):	277,817	33,338
	includes Admin, Pavement Signing & Striping.		
	Safety Enhancements (CIVIL IMP):	607,683	72,922
	RR Improvements:	661,250	79,350
	Project Contingency & Inflation:	519,968	62,396
	TOTAL ESTIMATED COSTS:	2,559,651	307,158

PROGRAM STATUS SUMMARY SHEET

OCTA Grade Crossing Safety Enhancement Program

City	Number of Crossings	Total Estimated Project Cost*	Estimated Cost to OCTA*	Estimated Cost to City*
Anaheim	4	\$4.70	\$4.14	\$0.56
Anaheim	10	\$9.30	\$8.19	\$1.11
Dana Point	1	\$1.70	\$1.50	\$0.20
Fullerton	1	\$0.80	\$0.70	\$0.10
Irvine	2	\$3.50	\$3.08	\$0.42
Orange	16	\$21.80	\$19.18	\$2.62
San Clemente	2	\$2.00	\$1.76	\$0.24
San Juan Capistrano	5	\$7.20	\$6.34	\$0.86
Santa Ana	10	\$13.90	\$12.23	\$1.67
Tustin	1	\$2.60	\$2.29	\$0.31
	52			
Subtotal		\$67.50	\$59.41	\$8.09
Contingency		\$2.50	\$2.19	\$0.31
Total		\$70.00	\$61.60	\$8.40

* Cost in million



BOARD COMMITTEE TRANSMITTAL

August 25, 2008

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Status Report on renewed Measure M Environmental Programs

Transportation 2020 Committee Meeting of August 18, 2008

Present: Directors Amante, Buffa, Campbell, Cavecche, Dixon, and Pringle
Absent: Director Brown

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Receive and file as an information item.



August 18, 2008

To: Transportation 2020 Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Status Report on Renewed Measure M Environmental Programs

Overview

Renewed Measure M authorized two environmental programs. Approximately \$240 million is available for program-level mitigation for the 13 freeway projects (Projects A – M), subject to an agreement between the Orange County Transportation Authority and state and federal resource agencies. A similar amount of funding is available under Project X for water quality improvements related to the runoff from roads and freeways. The Board of Directors included both of these programs in the five-year Renewed Measure M Early Action Plan.

Recommendation

Receive and file as an information item.

Background

Since the Orange County Transportation Authority (Authority) Board of Directors (Board) approved the Renewed Measure M (M2) Early Action Plan (EAP) on August 13, 2008, work has proceeded on implementation of the authorized environmental programs. These are both new programs, not included in the first Measure M (M1). As such the programs will require significant effort on the front end for program definition and design and the appropriate framing of policy and priority choices for the Transportation 2020 Committee and the Board of Directors to consider.

On October 22, 2007, the Board approved the membership for the two environmental program advisory committees (one for each program) authorized by the M2 Ordinance to advise on program design and funding recommendations. The Environmental Oversight Committee (EOC) is chaired by Director Patricia Bates and deals with the freeway mitigation program. The Environmental Cleanup Allocation Committee (Allocation Committee) is chaired by Garry Brown, president and chief executive officer of the Orange County

Coast Keeper, and is working on the water quality funding program. The charters and memberships for the EOC and the Allocation Committee are shown in Attachment A and B respectively. The Transportation 2020 Committee and the full Board must consider and approve any program, policy or funding recommendation developed by the committees. Staff provides committee support.

Neither committee recommends policy or program actions at this time, but both have made considerable progress on program definition and basic groundwork for program design. A status report on current progress and pending issues is presented.

Discussion

Program-Level Freeway Mitigation

Significant progress has been made on the precursors for a master agreement among the Authority, the United States Fish and Wildlife Service (USFWS), and the California Department of Fish and Game (CDFG) to mitigate the potential biological impacts of all 13 freeway projects in Renewed Measure M and enable a streamlined project approval and permitting process. The EOC has provided a public forum for development of these building blocks and the overall program framework. The EOC has also formed two ad-hoc working groups – one dealing with how to inventory and document freeway impacts and mitigation opportunities; the other researching how to structure a draft agreement. The ad-hoc working groups' participants consist of staff from the state and federal resources agencies, non-profit environmental organizations, and the Authority.

Progress has been made as follows:

- A comprehensive countywide database of biological resources has been assembled in a digital format. Using the Authority's geographic information systems (GIS), the information can be mapped and displayed in relation to the 13 M2 freeway projects. The boundaries of the projects' impacts can be easily adjusted to accommodate different potential scenarios and designs and assess its impacts. The County of Orange, state and federal resource agencies, non-governmental environmental organizations, and other public agencies that have gathered or studied biological resources in Orange County have contributed to the development of this crucial tool.

- Draft criteria to assist in the evaluation of potential mitigation opportunities are nearing completion. These criteria are based on input from the resource agencies and members of the EOC. The criteria is intended to provide guidance to property owners and conservation organizations to help

evaluate the potential resource and conservation value of properties that might be available for acquisition or restoration. These criteria will be submitted for approval by the EOC in September and recommended to the Transportation 2020 Committee and the Board of Directors shortly thereafter.

- The EOC began developing an inventory of potential conservation sites for acquisition or restoration in order to provide for program-level mitigation of the freeway projects. The baseline for the inventory is formed by the Green Vision Plan, a comprehensive listing of potential conservation opportunities in Orange County developed by a consortium of non-governmental environmental groups. An informational and outreach process is under development to solicit additional suggestions from landowners, local governments, conservation organizations, and community groups. In addition, these interests have had the opportunity to make presentations to the EOC regarding conservation opportunities. To date, representatives from the County of Orange and the City of San Juan Capistrano have made presentations, and the City of Brea is scheduled to do so in September.
- Staff and legal counsel from the Authority, USFWS, and CDFG began discussions on how to structure an agreement and provide the necessary analysis and documentation to support it. These discussions have focused on balancing four key factors – early action on conservation opportunities; strong assurances regarding processing and permitting of projects; and timeliness and cost. Several options are being vetted for consideration by the EOC and ultimately by the resource agencies and the Authority. These include development of a Habitat Conservation Plan (HCP) and Natural Community Conservation Plan (NCCP). A recommendation on a framework and approach is expected to go to the Board of Directors this fall, with a goal to present a draft agreement for approval by the Authority and the resource agencies in mid-2009.

Looking ahead, there are several additional key issues that are anticipated to come to the EOC, the Transportation 2020 Committee and the Board of Directors in future months. These include:

- Participation in the agreement by the Army Corps of Engineers and the regional water quality control boards, agencies that also have potential permitting authority for the 13 M2 freeway projects.
- Risk and potential costs for analysis and documentation to support, for example, an HCP/NCCP process, and whether the costs would be paid from mitigation funds or the M2 freeway program as a whole.

- The staffing capacity of the resource agencies to participate as needed in the analysis and documentation efforts.
- The nature and type of environmental review that may be required under the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA) and any risks these processes may represent to timely implementation of the M2 Early Action Plan.
- The eventual need, if an agreement is reached, to support assessment, valuation, acquisition and management or restoration of conservation properties

Water Quality

Significant progress has also been made on the M2 water quality program under the leadership of the Allocation Committee. This technical working committee was formed to make recommendations on a competitive funding process to implement road-related and highway-related water quality improvement projects. In that regard, it functions much like the Authority Technical Advisory Committee (TAC) that performs the same roles for Measure M with respect to road capacity and maintenance allocations.

The Allocation Committee is working toward making recommendations to the Authority Board on water quality program guidelines by mid-2009 and recommending an initial funding call for projects in late 2009 or early 2010. The discussion of early funding priorities has focused on:

- A catch basin system funding program, which encompasses screens, filters, inserts, and in-line deflection separator units such as continuous deflective separation units; and
- New capital and operation projects identified in a watershed management area plan or proposed by a Measure M eligible jurisdiction (city or the County of Orange).

A request for proposals seeking consultant assistance to prepare the program funding guidelines was issued on August 1, 2008. The consultant will work with the Allocation Committee in developing program guidelines. These guidelines will be used by eligible local agencies to submit project applications and funding requests starting fiscal year (FY) 2009-10. The funding guidelines are expected to be complete, including Board adoption, by summer 2009.

A presentation on the program was made to the Authority TAC in June 2008. The program was described and the TAC was made aware that its input was needed on a possible initial prioritization for funding in scaling and scoping a

potential catch basin funding program. A questionnaire was disseminated in July to all cities within Orange County soliciting the number and type of catch basins in each jurisdiction, the extent of screens/filters already installed, any existing experience with equipment life cycles and maintenance intervals, and costs, as well as a sense of the level of interest and priority a catch basin system funding program would have for each jurisdiction. At a later time, a similar questionnaire will be disseminated for new capital and operation projects involving water quality improvements to determine a countywide interest.

Based on the questionnaire for the potential catch basin system-funding program, more than 90 percent of the cities indicated interest in applying for funds. Another key finding is that less than 10 percent of catch basins in the County have some type of device to screen trash and debris. This suggests that significant benefits could accrue in the short term with a focus on these improvements. Staff is currently utilizing the data collected from the questionnaire to formulate a cost analysis, targeting the number and type of catch basin storm water mitigation devices that may be eligible. Results of this process will provide input into the funding program guidelines and a potential future call for projects.

Looking ahead, there are several other key issues pending that will be under consideration by the Allocation Committee and may be recommended for policy direction by the Transportation 2020 Committee and the Board of Directors. These include:

- The timing and scope for a major capital improvements program. The Allocation Committee supports an initial focus on a catch basin program to provide early results, and because screening trash and debris is a necessary precursor to effective treatment for other more difficult to treat pollutants, such as heavy metals, hydrocarbons, and organic material. Efforts are underway by the Allocation Committee to consider how a major capital program could be structured, recognizing existing countywide efforts to establish watershed management areas and capital improvement programs aimed to attract state grant funding.
- Whether, and under what circumstances, funding should be made available for operations and maintenance costs. The M2 Ordinance indicates a preference for funding of capital improvements, but does not specifically prohibit expenditures for maintenance and operations. A policy recommendation is likely as part of the funding program guidelines development.
- Opportunities for pooled purchasing and maintenance of improvements such as catch basin screens and filters. It is possible that administrative and

per unit cost savings could result from countywide or regional pooling of efforts.

Summary

Program development efforts are in progress for both of the environmental programs under Renewed Measure M – program-level mitigation of freeway projects and water quality improvements related to roads and freeways. A report on progress made to date is presented.

Attachments

- A. Mitigation and Resource Protection Program Oversight Committee Environmental Oversight Committee Charter and Roster
- B. Environmental Cleanup Allocation Committee (Allocation Committee) Charter and Roster

Prepared by:


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(714) 560-5759

Approved by:


Monte Ward
Director of Special Projects
(714) 560-5582



**Mitigation and Resource Protection Program Oversight Committee
Environmental Oversight Committee
Committee Charter**

Purpose

Renewed Measure M (M2) provides for the allocation of at least 5 percent of net freeway program revenues (or \$243.5 million in 2005 dollars) for programmatic mitigation of freeway projects, subject to a Master Agreement between the Orange County Transportation Authority (OCTA) and state and federal resource agencies. The intent is to provide for comprehensive, rather than piecemeal, mitigation of the impacts of freeway projects and to do so in a way that results in high-value environmental benefits in exchange for streamlined project approvals and greater certainty in the delivery of the freeway program as a whole.

The Environmental Oversight Committee (EOC) makes recommendations to the OCTA Board of Directors regarding the allocation of revenues for programmatic mitigation and monitors the implementation of the Master Agreement.

Line of Reporting

The EOC will provide recommendations to the OCTA Board of Directors. Currently, all matters related to M2 are considered first by the OCTA Transportation 2020 Committee, a subcommittee of the OCTA, for recommendation to the full OCTA Board.

Responsibilities

The EOC provides advice on the development and implementation of programmatic mitigation of freeway projects under M2. Activities undertaken by the EOC may consist of the following:

- Inventory and assessment of freeway impacts.
- Inventory and assessment of mitigation opportunities.
- Review and provide input on funding opportunities, including M2 financing, matching funds and grant funding.
- Review and provide input on both the monetary and environmental value of property or other mitigation elements.
- Review and provide input on the Master Agreement.
- Monitor implementation of the Master Agreement, including acquisitions, management, operations and maintenance activities.



Environmental Oversight Committee Roster

Chairman Patricia Bates

OCTA Board of Directors
Orange County Supervisor, 5th District
County of Orange

Debbie Townsend

Assistant Executive Director, Land
Acquisition Program
California Wildlife Conservation Board

Vice Chairman Melanie Schlotterbeck

Environmental Consultant
Measure M Support Groups

Sylvia Vega

Office of Chief Environmental Planning
Caltrans

Cathy Green

OCTA Board of Directors
Huntington Beach City Council Member
City of Huntington Beach

Vacant

Taxpayers Oversight Committee
OCTA

Mark Cohen

Senior Project Manager
US Army Corps of Engineers

Stephanie Hall (alternate)

Physical Scientist/Project Manager
US Army Corps of Engineers

Judy McKeehan

Environmental Consultant

Erinn Wilson

CA Department of Fish & Game

Adam Probolsky

Chairman & CEO
Probolsky Research

Dan Silver

Executive Director
Endangered Habitats League

Jonathan Snyder

Wildlife Biologist
US Fish and Wildlife Service



**Environmental Cleanup Allocation Committee
(Allocation Committee)
Committee Charter**

Purpose

Renewed Measure M (M2) provides for the allocation of 2 percent of gross revenues (or \$237.2 million in 2005 dollars) to help protect Orange County beaches and waterways from transportation-generated pollution, or “urban runoff”. The intent is to allocate, on a countywide competitive basis, funds to help meet federal Clean Water Act standards using Best Management Practices. The program is meant to supplement, not replace, existing transportation related pollution reduction efforts and to fund high-impact capital improvements over local operations and maintenance.

The Allocation Committee (AC) makes recommendations to the Orange County Transportation Authority (OCTA) Board of Directors regarding the development and implementation of a comprehensive funding allocation program, including a grant process, matching requirements, maintenance of effort requirements and an annual reporting and benefit assessment process.

Line of Reporting

The AC will provide recommendations to the OCTA Board of Directors. Currently, all matters related to M2 are considered first by the OCTA Transportation 2020 Committee, a subcommittee of the OCTA, for recommendation to the full OCTA Board.

Responsibilities

The AC provides advice on the development and implementation of a funding program for transportation-related water quality improvements. Activities undertaken by the AC may consist of the following:

- Development of a comprehensive countywide capital improvement program for transportation-related water quality improvements.
- Development of a competitive grants process with priority given to:
 - High impact capital improvements;
 - Capital improvements in a Watershed Management Area; and
 - Cost-effective projects that leverage other funding sources
- Evaluations of grant requests and recommendations on the award of funds.
- Development a matching requirement to leverage other funds for water quality improvements.
- Development of maintenance of effort requirement to ensure that funds augment, not replace existing water quality programs.

- Development of an annual reporting and benefits assessment process and procedures.

Membership

The AC shall consist of 12 voting and two non-voting members, none of whom can be elected officials, and selected by the OCTA Board of Directors as follows:

- One member representing the County of Orange;
- One member representing Caltrans;
- Five members representing the Orange County cities, one from each supervisorial district;
- Two members representing water or wastewater public agencies;
- One member representing the development industry;
- One member representing the scientific/academic community;
- One member representing private non-profit organizations involved in water quality;
- One non-voting member representing the Santa Ana Regional Water Quality Control Board;
- One non-voting member representing the San Diego Regional Water Quality Control Board.

Members are expected to be able to devote at least 25 hours per year to Committee business. Alternates are not permitted.

Terms of Office

Terms of office are three years with no term limitations.

Meeting Time and Location

Committee meetings will take place on the second Thursday of the month from 10:30 a.m. to 12:30 p.m. at the Orange County Transportation Authority, 600 South Main Street in Orange.

Selection of the Chair and Vice-Chair

The Chair and the Vice-Chair will be selected by the AC from among its members.

Duration of Existence

The AC will continue throughout the duration of the implementation of Renewed Measure M.



Environmental Cleanup Allocation Committee Roster

Chairman Garry Brown

President & Chief Executive Officer
Orange County Coast Keeper

Vice Chairman Mary Anne Skorpanich

Director
Watershed and Coastal Resources Program
County of Orange

Mark Adelson

Senior Environmental Scientist
Santa Ana Regional Water Quality Control
Board

John Bahorski

City Manager
City of Cypress

Karen I. Baroldi

Regulatory Specialist
Orange County Sanitation District

Tim Casey

City Manager
City of Laguna Niguel

William J. Cooper

Professor
UC Irvine, Department of Civil and
Environmental Engineering

Paul D. Jones

General Manager
Irvine Ranch Water District

Joe Parco

Senior Civil Engineer
City of Santa Ana

Hector B. Salas

Associate Environmental Planner, NPDES/
Storm Water Unit
Caltrans

James Smith

Northern Watershed Unit Supervisor
San Diego Regional Water Quality Control
Board

Sat Tamaribuchi

Vice President of Environmental Affairs
The Irvine Company

Dick Wilson

Environmental Services Manager
City of Anaheim

Vacant

Third supervisorial district city
representative



BOARD COMMITTEE TRANSMITTAL

August 25, 2008

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: Agreement for Radio Systems Support Specialist Services

Finance and Administration Committee Meeting of August 13, 2008

Present: Directors Brown, Buffa, Campbell, and Green
Absent: Directors Amante and Moorlach

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-8-0801 between the Orange County Transportation Authority and TEK Systems, in an amount not to exceed \$738,400 for a five-year term, for services to provide computer and software support for the Orange County Transportation Authority's two radio systems.

Note

A revised Attachment A was distributed to Committee members that corrected Sedona's Cost and Price evaluation numbers from 4 to 5. This change adjusted the overall score from 63 to 68 but did not change their second place ranking among the three firms evaluated.

**PROPOSAL EVALUATION CRITERIA MATRIX
RFP NO. 8-0801
RADIO SYSTEMS SUPPORT SPECIALIST**

TEK SYSTEMS					Weights	Overall Score
Evaluation Number	1	2	3			
Qualifications of Firm	3.50	4.00	4.00		4	15
Staffing and Project Organization	4.00	3.50	3.50		7	26
Work Plan	4.00	4.00	4.00		4	16
Cost and Price	3.00	3.00	3.00		5	15
TEK SYSTEMS Overall Score	73.00	71.50	71.50			72
SEDONA					Weights	Overall Score
Evaluation Number	1	2	3			
Qualifications of Firm	4.00	4.00	4.00		4	16
Staffing and Project Organization	2.00	2.00	2.00		7	14
Work Plan	3.00	3.50	3.50		4	13
Cost and Price	5.00	5.00	5.00		5	25
SEDONA Overall Score	67.00	69.00	69.00			68
SEGULA					Weights	Overall Score
Evaluation Number	1	2	3			
Qualifications of Firm	4.00	4.00	4.00		4	16
Staffing and Project Organization	2.00	2.00	2.00		7	14
Work Plan	3.00	4.00	3.00		4	13
Cost and Price	2.00	2.00	2.00		5	10
SEGULA Overall Score	52.00	56.00	52.00			53



August 13, 2008

To: Finance and Administration Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Agreement for Radio Systems Support Specialist Services

Overview

As part of the Orange County Transportation Authority's Fiscal Year 2009 Budget, the Board of Directors approved funding for radio systems support services to fortify support for the Orange County Transportation Authority's two radio communication systems. 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 Agreement No. C-8-0801 between the Orange County Transportation Authority and TEK Systems, in an amount not to exceed \$738,400 for a five-year term, for services to provide computer and software support for the Orange County Transportation Authority's two radio systems.

Background

The Orange County Transportation Authority (Authority) operates two radio communication systems. These systems are the means by which coach operators communicate with the central dispatch functions in the fixed route and paratransit bus operations.

Both radio systems are critical to the Authority's operations and ultimately to the service experienced by Authority customers. The systems are considered mission-critical and safety-sensitive. Adequate manpower resources are needed to ensure that both systems are properly maintained and well understood, both as stand-alone radio systems and within the context of the Authority's broader technology infrastructure and linkages to business processes.

Support for the two radio systems is divided between two organizations within the Authority. The Transit Division's Maintenance Department is responsible for the support of mobile equipment, fixed over-the-air communications equipment, facilities and frequencies. In fiscal year 2006, the Finance, Administration and Human Resources Division's Information Systems (IS) Department assumed responsibility for all fixed computing systems. Both organizations maintain annual maintenance and support agreements with firms for various components of the systems as a means to ensure viable operation through expedient resolutions to problems encountered.

Currently, one full-time IS staff member is responsible for the fixed computing assets of both systems, a major duty among several other important duties. This individual coordinates his own expertise with that of the resources provided under Authority maintenance agreements to maintain the radio systems. While this level of support has allowed the Authority to successfully sustain radio system operations, it is a risky condition for such important systems.

This individual understands how this infrastructure integrates with the various business processes and other computing systems outside the domain of the radio systems. This knowledge and expertise takes significant time to develop. This is a highly specialized and unique role for which the Authority has no current means of providing for an immediately productive replacement in the event of an unexpected or long-term absence of this key individual.

Staff believes it is appropriate to assign an additional full-time resource on a long-term basis to support the radio systems and to function primarily as a backup to the primary IS employee. The Authority has a need to contract with a firm for these services.

Discussion

This procurement was handled in accordance with the Authority's procedures for professional and technical services. In addition to cost, many other factors are considered in an award for professional and technical services. Therefore, the requirement was handled as a competitive negotiated procurement. Award is recommended to the firm offering the most effective overall proposal considering such factors as staffing, prior experience with similar projects, approach to the requirement, and technical expertise in the field.

The project was advertised on May 8, 2008 and May 19, 2008, in a newspaper of general circulation, and on CAMM NET on May 8, 2008. CAMM NET emailed

notification of the project to 1,032 firms. A pre-proposal meeting was held on May 22, 2008, and was attended by four firms. A firm was asked to submit no more than three qualified candidates for full-time commitment in the firm's proposals.

On June 17, 2008, three offers were received from TEK Systems (TEK), Segula Technologies, and Sedona Group. Two firms proposed two candidates, and one firm proposed one for a total of five candidates. An evaluation committee composed of staff from the IS and Contract Administration and Materials Management departments was established to review all offers submitted.

The evaluation committee requested interviews of all three firms' proposed candidates. Interviews were conducted on July 1, 2008. During the interviews, candidates were given the opportunity to convince the panel they had the related experience, motivation, and skills to meet the requirements of the scope of work.

The offers were evaluated based on the following criteria:

- Qualifications of the Firm 20 percent
- Proposed Staffing / Interview 35 percent
- Work Plan / Recruitment 20 percent
- Cost and Price 25 percent

The customary scoring factor for each criterion is 25 percent; however, due to the nature of this procurement as a supplemental staff recruitment, the proposed staffing/interview criteria was raised to 35 percent to reflect the importance of the experience, skills, and fit of the proposed candidates to the duties described in the scope of work. The qualifications of the firm and the work plan/recruitment criteria were reduced by 5 percent each to accommodate the corresponding increase in the proposed staffing/interview criteria.

Based on its findings, the evaluation committee recommends the following firm:

Firm and Location

TEK Systems
Newport Beach, California

Following is a discussion of the four evaluation criteria categories.

Qualifications of the Firm

All three proposing firms nearly equally demonstrated having the resource pool and experience to meet the Authority's requirements for this project. TEK was rated just one point lower than the other two firms.

Proposed Staffing/Interview

All three firms demonstrated a good account management structure for this project.

TEK's proposed candidate stood out among all the candidates. TEK's candidate performed very well in the interview process, demonstrating the confidence, experience, skills, and fit that the evaluation team assessed will best meet the Authority's requirements for this project. As an additional advantage, the candidate has direct experience with radio communications and frequency licensing.

Regarding the firm with the lowest proposed costs, one of the two interviewed candidates from this firm was rated as marginal with a low probability of success in the project. Further, the other candidate who was scheduled for an interview first had to reschedule the day of the interview, then failed to show for that rescheduled interview. The proposing firm admitted this individual was not reliable. This was of concern to the evaluation team and reflected in the staffing scores for this firm.

Work Plan/Recruitment

TEK demonstrated a good understanding of the Authority's scope of work as demonstrated by the match of its candidate to the description of duties in the scope. Additionally, TEK described well its recruiting process and access to talent pool which instilled confidence that a replacement candidate could be successfully supplied if that event ever became necessary.

Cost and Price

TEK provided competitive, fully burdened rates for the candidate. Of the three proposals offered, the total cost over the full five-year term of the agreement of TEK's proposal was second lowest among four possible choices and was within the estimated budget for this project. The four choices resulted from one

firm proposing two candidates at different rates, both of which were over the estimated budget for this project.

The firm with the lowest rate was significantly lower over the five-year term by \$158,392. That firm received the highest rating in this category.

Overall, TEK's proposal and candidate provides the combination of the candidate most qualified to fulfill the obligations of the scope of work with a competitive and responsive rates that fit within the Authority's estimated budget for this project.

Fiscal Impact

The project was approved in the Orange County Transportation Authority's Fiscal Year 2009 Budget, Transit Division/Maintenance Department, Account 2185-7519-D1111-PA3, and is funded through Local Transportation Funds. Funding for each subsequent year of the agreement will be requested on an annual basis as a normal course of fiscal year budget activity. The total maximum cumulative obligation for this contract will be \$738,400, over a five-year period.

Summary

Based on the information provided, staff recommends award of a time and materials Agreement No. C-8-0801 to TEK Systems, in an amount not to exceed \$738,400, for radio systems support specialist services.

Attachments

- A. Proposal Evaluation Criteria Matrix RFP 8-0801 Radio System Support Specialist
- B. Agreement for Radio Systems Support Specialist Review of Proposals – RFP No. 8-0801

Prepared by:



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Information Systems
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Approved by:



James S. Kenan
Executive Director, Finance,
Administration and Human Resources
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**PROPOSAL EVALUATION CRITERIA MATRIX
RFP NO. 8-0801
RADIO SYSTEMS SUPPORT SPECIALIST**

TEK SYSTEMS					Weights	Overall Score
Evaluation Number	1	2	3			
Qualifications of Firm	3.50	4.00	4.00		4	15
Staffing and Project Organization	4.00	3.50	3.50		7	26
Work Plan	4.00	4.00	4.00		4	16
Cost and Price	3.00	3.00	3.00		5	15
TEK SYSTEMS Overall Score	73.00	71.50	71.50			72
SEDONA					Weights	Overall Score
Evaluation Number	1	2	3			
Qualifications of Firm	4.00	4.00	4.00		4	16
Staffing and Project Organization	2.00	2.00	2.00		7	14
Work Plan	3.00	3.50	3.50		4	13
Cost and Price	4.00	4.00	4.00		5	20
SEDONA Overall Score	62.00	64.00	64.00			63
SEGULA					Weights	Overall Score
Evaluation Number	1	2	3			
Qualifications of Firm	4.00	4.00	4.00		4	16
Staffing and Project Organization	2.00	2.00	2.00		7	14
Work Plan	3.00	4.00	3.00		4	13
Cost and Price	2.00	2.00	2.00		5	10
SEGULA Overall Score	52.00	56.00	52.00			53

Agreement for Radio Systems Support Specialist
Review of Proposals - RFP No. 8-0801

3 proposals were received, 3 firms were interviewed

Overall Ranking	Overall Score	Firm and Location	Sub-Contractors	Evaluation Committee Comments	Initial Year and Options	Hourly Rates
1	72	TEK SYSTEMS Newport Beach, California	None	Highest ranked overall proposal. TEK proposed candidate rated most qualified TEK candidate has direct experience with radio communications TEK demonstrated a good understanding of the scope of work TEK provided competitive full burdened rates for candidate TEK's cost and price proposal was second and within budget Excellent references Complete and responsive work plan	1 2 3 4 5	\$ 70 \$ 70 \$ 71 \$ 72 \$ 72
2	68	SEDONA GROUP Irvine, California	None	Second highest ranked proposal. Excellent relevant experience Lowest cost proposal References were good Complete and responsive work plan While work plan and overall proposal was good candidates qualifications and experience were not a good fit for the position requirement	1 2 3 4 5	\$ 52 \$ 54 \$ 56 \$ 58 \$ 60
3	53	SEGULA Huntington Beach, California	None	Third highest ranked proposal. Highest cost and price proposal Complete and responsive work plan While work plan and overall proposal was good candidates qualifications and experience were not a good fit for the position requirement	1 2 3 4 5	\$ 75 \$ 78 \$ 81 \$ 84 \$ 88

Evaluation Panel: (3)

OCTA:
 CAMM (1)
 Information Systems (1)
 Business Support Services (1)

Proposal Criteria

Qualifications of Firm
 Staffing and Project Organization
 Work Plan
 Cost and Price

Weight Factor

20%
 35%
 20%
 25%



BOARD COMMITTEE TRANSMITTAL

August 25, 2008

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: Administrative Employees Benefits Study

Finance and Administration Committee Meeting of August 13, 2008

Present: Directors Brown, Buffa, Campbell, and Green
Absent: Directors Amante and Moorlach

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement No. C-8-0516 between the Orange County Transportation Authority and The Segal Company, in the amount of \$90,000, for a comprehensive benefits study for administrative employees.



August 13, 2008

To: Finance and Administration Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Administrative Employees Benefits Study

Overview

On May 12, 2008, the Board of Directors approved an agreement with The Segal Company, in the amount of \$165,000, to provide a compensation and classification study for all administrative positions. Approval is requested to expand the agreement with The Segal Company to include a comprehensive benefits study to include review of health and welfare benefits, retirement, paid time off, and other benefit programs.

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement No. C-8-0516 between the Orange County Transportation Authority and The Segal Company, in the amount of \$90,000, for a comprehensive benefits study for administrative employees.

Background

On May 12, 2008, the Board of Directors (Board) awarded a contract for a compensation and classification study for 500 administrative (non-represented executive, management, professional, technical, and clerical) employees to The Segal Company. The purpose of the study is to provide an equitable and consistent plan for strategically managing the Orange County Transportation Authority's (Authority) compensation functions. The study will ensure consistent selection, promotion, and compensation practices that are based on duties and responsibilities, as well as performance and merit.

The study includes development of an overall compensation philosophy as well as bringing compensation methodologies into alignment with the Authority's future goals and objectives. The following are being reviewed as part of the direct compensation study: classification structure, pay structure, internal and external equity, compression issues, market study, and analysis.

Discussion

This procurement was originally handled in accordance with the Authority's procedures for professional and technical services. The original agreement was awarded on a competitive basis. Staff is recommending that the agreement be amended to include a benefits study.

Staff originally planned to assign one of the Human Resources on-call consultants to conduct a benefits study independent of the compensation and classification study. After a more thorough review, staff is recommending that the benefits study be included with the compensation and classification study as a comprehensive total rewards strategy to be reviewed by one consultant which will result in a more cohesive approach in reviewing the Authority's total compensation package for administrative employees.

A benefits study will assist with determining how employees value the different benefits offered at the Authority and how the Authority compares with other public and private sector employers. Employee benefits are a significant factor in the Authority's total budget and the total compensation reward package offered to employees. In addition to direct compensation, the ability of the organization to attract and retain employees is dependent upon a benefits package that meets the needs of employees, is cost-effective and affordable, and complies with local, state, and federal laws and regulations.

It is incumbent on the Authority to develop an employee benefits package that sufficiently fulfills the objectives of the employer and the employee. This is best accomplished by gathering data first through a needs assessment and then through a comprehensive market survey. But the end result should be that the benefits provided match the overall business strategies, support the organization's mission and vision, and meet employee needs.

If the Board approves, The Segal Company will conduct an administrative (non-represented) benefits assessment that includes a series of activities and culminates in a gap analysis. The project will include the following: reviewing the Authority's strategy with regard to the market and the direct effect on the benefits offered to employees, reviewing the total rewards philosophy, developing a communications strategy, analyzing demographics of the workforce, reviewing the design and utilization of plans, conducting a gap analysis, and making recommendations.

The compensation and classification study along with the benefits study will ensure the Authority is competitive to attract, reward, and retain top talent to meet the agency's overall goals and objectives.

Fiscal Impact

Funding for the additional work described in Amendment No. 1 to Agreement No. C-8-0516, in the amount of \$90,000, is available in the Orange County Transportation Authority's Fiscal Year 2008-09 Budget, Human Resources accounts 1330-7519-A0001-KJQ and 1331-7631-A2207-E31.

Summary

Staff recommends approval of Amendment No. 1, in the amount of \$90,000, to Agreement No. C-8-0516 with The Segal Company, which allows a comprehensive benefits study to be included with the compensation and classification study.

Attachment

- A. The Segal Company, Agreement No. C-8-0516 Fact Sheet

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Approved by:



James S. Kenan
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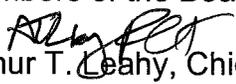
**The Segal Company
Agreement No. C-8-0516
Fact Sheet**

1. May 12, 2008, Agreement No. C-8-0516, \$165,000, approved by Board of Directors.
 - To conduct a comprehensive direct compensation and classification study.
2. August 25, 2008, Amendment No. 1 to Agreement No. C-8-0516, \$90,000, pending approval by Board of Directors.
 - To extend the services of the contract to include a comprehensive benefits study.

Total committed to The Segal Company, Agreement No. C-8-0516: \$255,000.



August 25, 2008

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 second quarter of 2008. 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. 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 second quarter of 2008 (April through June). 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), Orange Freeway (State Route 57), and the Riverside Freeway (State Route 91) are complete, with the California

Department of Transportation (Caltrans) continuing to negotiate final change orders and claims. The following are highlights and major accomplishments along each of the freeway corridors:

Interstate 5 (I-5), Gateway Project

The two-mile stretch of the I-5, from just north of the I-5/State Route 91(SR-91) interchange to the Los Angeles County line, is the last phase of the I-5 in Orange County to be improved. On April 18, 2006, the freeway widening construction package was awarded to FCI Constructors/Balfour Beatty.

During the quarter, I-5 northbound traffic was moved onto newly constructed lanes from Beach Boulevard to the Los Angeles County line. A temporary suspension bridge was built over I-5 next to Beach Boulevard for the protection of AT&T phone lines that were in the west half of the Beach Boulevard bridge being demolished. Retaining wall construction is in full swing as the contractor is nearing the 50 percent completion stage. Southbound I-5 traffic is scheduled to be detoured onto new lanes in July 2008 so that the Artesia Boulevard southbound bridge demolition work can begin. Traffic alerts continue to be issued weekly to assist the community in negotiating the various project detours.

Garden Grove Freeway (State Route 22)

Final inspection and punch list activities were completed during the quarter and the State Route 22 (SR-22) Design-Build Project was accepted by Caltrans in May 2008. Granite-Meyers-Rados (GMR) is still responsible for maintaining the landscape and irrigation systems through February 2011. In March 2008, OCTA and GMR reached an agreement to settle outstanding claims filed on the project. The Board approved lump sum settlement of \$39.3 million, which was paid to GMR in late April 2008.

There are currently several other items of work underway related to the SR-22 project that are not part of the GMR design-build contract. OCTA and local public agencies are working together to complete the remaining items. On April 28, 2008, the Board approved a \$1.6 million agreement with the Garden Grove Sanitation District for the design, construction, and maintenance of a new sanitary sewer lift station and re-routed sewer lines adjacent to the Thunderbird Mobile Home Park. A \$1.35 million agreement with the City of Garden Grove for the design, construction, and maintenance of rubberized asphalt concrete on Trask Avenue was approved by the Board on June 23, 2008.

State Route 57 (SR-57)

In November 1992, OCTA completed the Measure M carpool lane project on the SR-57, between the I-5 and Lambert Road. In September 2007, the Board approved amending the Measure M Expenditure Plan to include additional projects along SR-57 that are currently included in Project J in the Renewed Measure M. The amendment allocated \$22 million in Measure M freeway program savings to pay for design and right-of-way pre-construction costs to add a new northbound lane along SR-57 from Orangewood Avenue to Lambert Road.

Three projects to provide the additional freeway capacity are currently underway. The design Notice to Proceed for the Orangethorpe Avenue to Yorba Linda Boulevard project was issued on February 18, 2008. The project's design schedule is very aggressive at 22 months. Overall design is currently 20 percent complete. The 35 percent draft roadway design plans will be submitted to Caltrans for review and comment in July 2008.

The design Notice to Proceed for the Yorba Linda Boulevard to Lambert Road project was also issued on February 18, 2008. This project also has a compressed design duration of only 22 months. Overall design is currently 20 percent complete. The 35 percent draft roadway design plans were submitted on schedule to Caltrans for review and comment in June 2008.

Work is also underway on the SR-57 project between Katella Avenue and Lincoln Avenue. To expedite project delivery, OCTA awarded a consultant contract combining both environmental and design services. The combined effort is scheduled to be completed in an accelerated 31 month schedule. The Notice to Proceed was issued on April 10, 2008. The environmental phase is currently 24 percent complete with the consultant team expediting the technical studies.

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 second quarter of 2008, the CTFP provided over \$14 million towards streets and roads projects throughout the County. This included the

commencement of \$9.5 million in projects and the closeout of an additional \$4.5 million. Some of the projects of significance include: the City of Anaheim's Katella Smart Street project from Humor Drive to Jean Street was issued \$4.9 million toward the right-of-way phase; and the City of Lake Forest was issued \$1.4 million for efforts in improving El Toro Road from the I-5 to Jutewood Place/Cornelius Drive.

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.

Metrolink Service Expansion Program

On November 14, 2005, the Board authorized the implementation of the Metrolink Service Expansion Program (Expansion). The Expansion includes all of the capital and operational improvements necessary to accomplish 30-minute service between the stations located in Fullerton and Laguna Niguel/Mission Viejo. When feasible and appropriate, local, state, and federal funds are used to fund program elements. Only those elements supported by Measure M funding are discussed here.

A cooperative agreement is in place between the Southern California Regional Rail Authority (SCRRA) and OCTA. Under the agreement, SCRRA is the lead for the design, construction, and construction management effort necessary for the Expansion. OCTA is responsible for the environmental analysis and approval, right-of-way acquisition, utility relocation, as well as providing funding to SCRRA for construction. In accordance with the cooperative agreement, SCRRA issued a Notice to Proceed to its design team in July 2007. Staff provided a report to the Board on April 28, 2008, and updated the list of capital infrastructure improvements and associated cost estimates based on preliminary engineering efforts. The new cost estimate is \$95 million for the rail infrastructure improvements. SCRRA expects to issue an invitation for bids in September 2008, with construction projected to start in the first quarter of 2009.

Preparation of required environmental documentation was initiated by OCTA in June 2007. A categorical exemption was obtained for the parking and rail improvements at the Laguna Niguel/Mission Viejo station on November 9, 2007. A mitigated negative declaration has been completed for the Fullerton turnback facility. The environmental clearance allows OCTA staff to move forward with the acquisition of properties needed for the Expansion as previously authorized

by the Board. Staff continues to meet with individual station cities in order to develop conceptual plans for expansion of parking facilities necessary to support the Metrolink service expansion. It is anticipated that the City of Orange will complete a parking study that will be utilized for site selection of a parking facility in the third quarter of 2008.

City-Initiated Transit Extensions to Metrolink

On May 12, 2008, the Board approved the first round of Go Local Step Two funds awarding \$5.9 million to the City of Anaheim for detailed planning, alternatives analysis, conceptual engineering, and state and federal environmental clearance for the Anaheim Regional Transportation Intermodal Center to The Platinum Triangle to Anaheim Resort Connector and \$5.9 million to the City of Santa Ana to undergo similar activities, in partnership with the City of Garden Grove, for the Fixed-Guideway: Santa Ana Regional Transportation Center to Harbor Boulevard proposal.

Consistent with previous Board direction, the Irvine Guideway Demonstration Project was formally included in the Go Local Step Two process, although the project had already been funded through \$5.2 million of Congestion Mitigation and Air Quality funds, and \$1.3 million of local City of Irvine match funds.

As part of Go Local Step Two, all proposed mixed-flow bus/shuttle routes need to be evaluated to refine the proposed concepts and routings prior to further action by the Board. In May, the Board directed that staff procure outside resources that would work directly with the participating cities to conduct the service planning according to a set of service planning guidelines established by OCTA. This approach will ensure uniformity in merging existing and new service into a cohesive transit system by maximizing the overall transit service and avoid duplication of services. The Board also directed staff to procure additional resources to supplement the Step Two programmatic development of the three fixed-guideway proposals and the mixed-flow bus/shuttle proposals, including program management oversight and technical support.

The deadline for Go Local Step One final reports was June 30, 2008.

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 transportation projects as well as ongoing maintenance of local streets and roads. The total

amount of Measure M turnback funds distributed since program implementation is \$494.3 million. Distributions to individual agencies, from inception-to-date and for the report period, are detailed in Attachment A.

Net Measure M expenditures through June 30, 2008, total \$3.102 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 section of Attachment B. Additional details and supporting information to the Measure M Revenue and Expenditure Summary are provided under Attachment C.

Budget Variances

Project budget versus estimate at completion variances relate to freeway and transitway elements as these programs have defined projects. Other programs, such as regional and local streets and roads, assume all net tax revenues will be spent on existing or yet to be defined future projects.

The project budget and estimate at completion for the SR-22, between State Route 55 and Valley View Street, was increased during the report period by approximately \$45.5 million. The increase is comprised of additional scope included in the \$39.3 million claim settlement with GMR, addition of the Thunderbird sewer lift station, and additional Caltrans quality assurance costs over the duration of the SR-22 project.

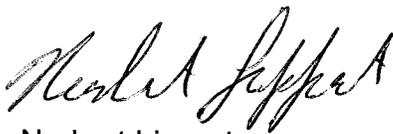
Summary

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 April through June 2008.

Attachments

- A. Measure M Local Turnback Payments
- B. Measure M Revenue and Expenditure Summary as of June 30, 2008
- C. Supporting Information to Measure M Revenue and Expenditure Summary

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Approved by:



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MEASURE M LOCAL TURNBACK PAYMENTS

Agency	Second Quarter 2008	Total Apportionment as of 06/30/08
Aliso Viejo	\$ 151,434	\$ 3,035,609
Anaheim	1,394,724	54,217,377
Brea	224,463	8,825,873
Buena Park	355,029	13,245,239
Costa Mesa	584,059	23,319,894
Cypress	228,164	8,695,274
Dana Point	137,994	5,534,825
Fountain Valley	260,605	10,651,252
Fullerton	525,603	21,254,656
Garden Grove	609,446	24,212,742
Huntington Beach	784,213	31,741,918
Irvine	1,001,632	34,551,303
Laguna Beach	106,837	4,148,559
Laguna Hills	149,587	5,834,922
Laguna Niguel	280,139	10,514,061
Laguna Woods	57,915	1,472,107
La Habra	220,331	8,291,678
Lake Forest	322,433	10,838,067
La Palma	76,217	2,773,650
Los Alamitos	54,757	2,325,446
Mission Viejo	398,368	15,373,419
Newport Beach	433,697	15,237,128
Orange	668,448	25,665,545
Placentia	195,059	7,666,054
Rancho Santa Margarita	179,449	3,954,341
San Clemente	229,833	7,784,060
San Juan Capistrano	162,333	6,105,604
Santa Ana	1,195,846	48,569,687
Seal Beach	100,540	3,897,883
Stanton	124,586	4,871,390
Tustin	329,223	13,316,522
Villa Park	22,004	889,340
Westminster	362,515	14,576,662
Yorba Linda	240,637	9,162,996
County Unincorporated	717,881	31,791,481
Total County:	\$ 12,886,001	\$ 494,346,563

**Measure M Revenue and Expenditure Summary
as of June 30, 2008**

Project Description	Total Net Tax Revenues	Project Budget	Estimate at Completion	Variance Total Net Tax Revenues to Est at Completion	Variance Project Budget to Est at Completion	To Date Net Project Cost	Percent Budget Expended	Notes
<i>(\$ in thousands, escalated to year of expenditure/revenue)</i>	A	B	C	(A - C)	(B - C)	D	(D / B)	
Freeways (43%)								
I-5 between I-405 and I-605	\$ 987,505	\$ 810,010	\$ 804,897	\$ 182,608	\$ 5,113	\$ 695,169	85.8%	1
I-5 between I-5/I-405 Interchange and San Clemente	70,633	57,836	59,935	10,698	(2,099)	59,936	103.6%	1
I-5/I-405 Interchange	89,650	72,802	73,075	16,575	(273)	73,075	100.4%	1
SR-55 between I-5 and SR-91	59,767	44,511	50,196	9,571	(5,685)	49,193	110.5%	1
SR-57 between I-5 and Lambert Road	51,617	46,128	44,596	7,021	1,532	22,758	49.3%	1
SR-91 between Riverside Co. line & Los Angeles Co. line	129,042	116,136	105,666	23,376	10,470	105,389	90.7%	1
SR-22 between SR-55 and Valley View Street	411,575	295,050	299,490	112,085	(4,440)	290,833	98.6%	1, 4
Subtotal Projects	\$ 1,799,789	\$ 1,442,473	\$ 1,437,855	\$ 361,934	\$ 4,618	\$ 1,296,353	89.9%	
Net (Bond Revenue)/Debt Service		307,304	307,304	(307,304)	-	302,722		
Total Freeways	\$ 1,799,789	\$ 1,749,777	\$ 1,745,159	\$ 54,630	\$ 4,618	\$ 1,599,075	91.4%	3
Expenditures as a Percent of Total Program							51.6%	
Regional Street and Road Projects (11%)								
Smart Streets	\$ 157,855	\$ 155,481	\$ 155,481	\$ 2,374	\$ -	\$ 141,416	91.0%	2
Regionally Significant Interchagnes	92,082	92,082	92,082	-	-	53,096	57.7%	2
Intersection Improvement Program	131,546	131,546	131,546	-	-	65,040	49.4%	2
Traffic Signal Coordination	65,773	65,773	65,773	-	-	42,042	63.9%	2
Transportation Systems and Transporation Demand Mgmt	13,155	13,155	13,155	-	-	7,312	55.6%	2
Subtotal Projects	\$ 460,411	\$ 458,037	\$ 458,037	\$ 2,374	\$ -	\$ 308,906	67.4%	
Net (Bond Revenue)/Debt Service		2,374	2,374	(2,374)	-	2,338		
Total Regional Street and Road Projects	\$ 460,411	\$ 460,411	\$ 460,411	\$ -	\$ -	\$ 311,244	67.6%	2
Expenditures as a Percent of Total Program							10.0%	

ATTACHMENT B

**Measure M Revenue and Expenditure Summary
as of June 30, 2008**

Project Description <i>(\$ in thousands, escalated to year of expenditure/revenue)</i>	Total Net Tax Revenues	Project Budget	Estimate at Completion	Variance Total Net Tax Revenues to Est at Completion	Variance Project Budget to Est at Completion	To Date Net Project Cost	Percent Budget Expended	Notes
	A	B	C	(A - C)	(B - C)	D	(D / B)	
Local Street and Road Projects (21%)								
Master Plan of Arterial Highway Improvements	\$ 170,452	\$ 170,452	\$ 170,452	\$ -	\$ -	\$ 73,948	43.4%	2
Streets and Roads Maintenance and Road Improvements	608,516	608,516	608,516	-	-	494,411	81.2%	2
Growth Management Area Improvements	100,000	100,000	100,000	-	-	67,013	67.0%	2
Subtotal Projects	\$ 878,968	\$ 878,968	\$ 878,968	\$ -	\$ -	\$ 635,372	72.3%	
Net (Bond Revenue)/Debt Service						-		
Total Local Street and Road Projects	\$ 878,968	\$ 878,968	\$ 878,968	\$ -	\$ -	\$ 635,372	72.3%	
Expenditures as a Percent of Total Program						20.5%		
Transit Projects (25%)								
Pacific Electric Right-of-Way	\$ 20,253	\$ 15,000	\$ 14,000	\$ 6,253	\$ 1,000	\$ 13,782	91.9%	
Commuter Rail	378,304	365,716	365,955	12,349	(239)	289,640	79.2%	
High-Technology Advanced Rail Transit	459,061	443,786	464,580	(5,519)	(20,794)	56,815	12.8%	
Elderly and Handicapped Fare Stabilization	20,000	20,000	20,000	-	-	16,010	80.1%	
Transitways	168,773	146,381	126,348	42,425	20,033	125,233	85.6%	1
Subtotal Projects	\$ 1,046,391	\$ 990,883	\$ 990,883	\$ 55,508	\$ -	\$ 501,480	50.6%	
Net (Bond Revenue)/Debt Service		55,508	55,508	(55,508)	-	54,681		
Total Transit Projects	\$ 1,046,391	\$ 1,046,391	\$ 1,046,391	\$ -	\$ -	\$ 556,161	53.2%	
Expenditures as a Percent of Total Program						17.9%		
Total Measure M Program	\$ 4,185,559	\$ 4,135,547	\$ 4,130,929	\$ 54,630	\$ 4,618	\$ 3,101,852	75.0%	

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. Due to a change in reporting practices, Estimates at Completion now include approximately \$10 million of OCTA direct project labor not included in Project Budgets.
4. Budget and Estimate at Completion increased by \$45.5 million for added scope in GMR claim settlement, Thunderbird lift station, and additional Caltrans QA costs.

ATTACHMENT C

Schedule 1

Supporting Information to Measure M Revenue and Expenditure Summary

<i>(\$ in thousands)</i>	Quarter Ended June 30, 2008	Year to Date June 30, 2008	Period from Inception to June 30, 2008
	(A)	(A)	(B)
Revenues:			
Sales taxes	\$ 73,657	\$ 269,118	\$ 3,341,793
Other agencies share of Measure M costs			
Project related	(1,391)	(2,164)	380,022
Non-project related	-	518	614
Interest:			
Operating:			
Project related	61	201	813
Non-project related	1,094	19,997	213,954
Bond proceeds	-	-	136,067
Debt service	2,741	7,274	77,813
Commercial paper	32	135	6,046
Orange County bankruptcy recovery	-	-	42,268
Capital grants	9,984	11,884	141,557
Right-of-way leases	191	648	4,422
Miscellaneous	-	-	801
Total revenues	86,369	307,611	4,346,170
Expenditures:			
Supplies and services:			
State Board of Equalization (SBOE) fees	689	2,673	48,971
Professional services:			
Project related	13,945	21,600	157,688
Non-project related	606	2,188	27,163
Administration costs:			
Project related	487	1,914	15,713
Non-project related	1,329	5,350	72,509
Orange County bankruptcy loss	-	-	78,618
Other:			
Project related	19	62	1,138
Non-project related	72	231	15,279
Payments to local agencies:			
Turnback	12,886	41,061	494,395
Competitive projects	18,041	48,459	477,097
Capital outlay	45,673	77,504	1,893,067
Debt service:			
Principal payments on long-term debt	-	71,290	767,400
Interest on long-term debt and commercial paper	700	18,482	534,522
Total expenditures	94,447	290,814	4,583,560
Excess (deficiency) of revenues over (under) expenditures	(8,078)	16,797	(237,390)
Other financing sources (uses):			
Transfers out:			
Project related	152	(1,000)	(251,369)
Non-project related	-	-	(5,116)
Transfers in project related	(486)	123	1,791
Proceeds on sale of capital assets	537	2,147	19,744
Bond proceeds	-	-	1,169,999
Advance refunding escrow	-	-	(931)
Payment to refunded bond escrow agent	-	-	(152,930)
Total other financing sources (uses)	203	1,270	781,188
Excess (deficiency) of revenues over (under) expenditures and other sources (uses)	\$ (7,875)	\$ 18,067	\$ 543,798

Measure M
Schedule of Calculations of Net Tax Revenues and Net Bond Revenues (Debt Service)
30-Jun-08

<i>(\$ in thousands)</i>	Quarter Ended June 30, 2008 (actual)	Year Ended June 30, 2008 (actual)	Period from Inception through June 30, 2008 (actual)	Period from July 1, 2008 through March 31, 2011 (forecast)	Total
	(C.1)	(D.1)	(E.1)	(F.1)	
Tax revenues:					
Sales taxes	\$ 73,657	\$ 269,118	\$ 3,341,793	\$ 789,447	\$ 4,131,240
Other agencies share of Measure M costs	-	518	614	-	614
Operating interest	1,094	19,997	213,954	31,395	245,349
Orange County bankruptcy recovery	-	-	20,683	-	20,683
Miscellaneous	-	-	801	-	801
Total tax revenues	<u>74,751</u>	<u>289,633</u>	<u>3,577,845</u>	<u>820,842</u>	<u>4,398,687</u>
Administrative expenditures:					
SBOE fees	689	2,673	48,971	7,342	56,313
Professional services, non-project related	565	2,075	18,358	4,876	23,234
Administration costs, non-project related	1,329	5,350	72,509	16,172	88,681
Operating transfer out, non-project related	-	-	5,116	-	5,116
Orange County bankruptcy loss	-	-	29,792	-	29,792
Other, non-project related	72	231	6,180	3,812	9,992
	<u>2,655</u>	<u>10,329</u>	<u>180,926</u>	<u>32,202</u>	<u>213,128</u>
Net tax revenues	<u>\$ 72,096</u>	<u>\$ 279,304</u>	<u>\$ 3,396,919</u>	<u>\$ 788,640</u>	<u>\$ 4,185,559</u>
Bond revenues:					
Proceeds from issuance of bonds	\$ -	\$ -	\$ 1,169,999	\$ -	\$ 1,169,999
Interest revenue from bond proceeds	-	-	136,067	-	136,067
Interest revenue from debt service funds	2,741	7,274	77,813	10,779	88,592
Interest revenue from commercial paper	32	135	6,046	-	6,046
Orange County bankruptcy recovery	-	-	21,585	-	21,585
Total bond revenues	<u>2,773</u>	<u>7,409</u>	<u>1,411,510</u>	<u>10,779</u>	<u>1,422,289</u>
Financing expenditures and uses:					
Professional services, non-project related	41	113	8,805	-	8,805
Payment to refunded bond escrow	-	-	153,861	-	153,861
Bond debt principal	-	71,290	767,400	236,555	1,003,955
Bond debt interest expense	700	18,482	534,522	28,407	562,929
Orange County bankruptcy loss	-	-	48,826	-	48,826
Other, non-project related	-	-	9,099	-	9,099
Total financing expenditures and uses	<u>741</u>	<u>89,885</u>	<u>1,522,513</u>	<u>264,962</u>	<u>1,787,475</u>
Net bond revenues (debt service)	<u>\$ 2,032</u>	<u>\$ (82,476)</u>	<u>\$ (111,003)</u>	<u>\$ (254,183)</u>	<u>\$ (365,186)</u>

See accompanying notes to Measure M Schedules

Measure M
Schedule of Revenues and Expenditures Summary
30-Jun-08

Project Description	Net Tax Revenues Program to date Actual	Total Net Tax Revenues	Project Budget	Estimate at Completion	Variance Total Net Tax Revenues to Est at Completion	Variance Project Budget to Est at Completion	Expenditures through June 30, 2008	Reimbursements through June 30, 2008	Net Project Cost	Percent of Budget Expended
(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)	(Q)
<i>(\$ in thousands)</i>										
Freeways (43%)										
I-5 between I-405 (San Diego Fwy) and I-605 (San Gabriel Fwy)	\$ 801,441	\$ 987,505	\$ 810,010	\$ 804,897	\$ 182,608	\$ 5,113	\$ 775,494	\$ 80,325	\$ 695,169	85.8%
I-5 between I-5/I-405 Interchange and San Clemente	57,325	70,633	57,836	59,935	10,698	(2,099)	70,294	10,358	59,936	103.6%
I-5/I-405 Interchange	72,758	89,650	72,802	73,075	16,575	(273)	98,157	25,082	73,075	100.4%
S.R. 55 (Costa Mesa Fwy) between I-5 and S.R. 91 (Riverside Fwy)	48,505	59,767	44,511	50,196	9,571	(5,685)	55,365	6,172	49,193	110.5%
S.R. 57 (Orange Fwy) between I-5 and Lambert Road	41,891	51,617	46,128	44,596	7,021	1,532	25,617	2,859	22,758	49.3%
S.R. 91 (Riverside Fwy) between Riverside Co. line & Los Angeles Co. line	104,728	129,042	116,136	105,666	23,376	10,470	123,995	18,606	105,389	90.7%
S.R. 22 (Garden Grove Fwy) between S.R. 55 and Valley View St.	334,026	411,575	295,050	299,490	112,085	(4,440)	584,939	294,106	290,833	98.6%
Subtotal Projects	1,460,674	1,799,789	1,442,473	1,437,855	361,934	4,618	1,733,861	437,508	1,296,353	
Net (Bond Revenue)/Debt Service			307,304	307,304	(307,304)	-	302,722		302,722	
Total Freeways	\$ 1,460,674	\$ 1,799,789	\$ 1,749,777	\$ 1,745,159	\$ 54,630	\$ 4,618	\$ 2,036,583	\$ 437,508	\$ 1,599,075	
%				42.2%					51.6%	
Regional Street and Road Projects (11%)										
Smart Streets	\$ 128,112	\$ 157,855	\$ 155,481	\$ 155,481	\$ 2,374	\$ -	\$ 144,905	\$ 3,489	\$ 141,416	91.0%
Regionally Significant Interchanges	74,732	92,082	92,082	92,082	-	-	53,242	146	53,096	57.7%
Intersection Improvement Program	106,760	131,546	131,546	131,546	-	-	65,254	214	65,040	49.4%
Traffic Signal Coordination	53,380	65,773	65,773	65,773	-	-	42,174	132	42,042	63.9%
Transportation Systems Management and Transportation Demand Management	10,676	13,155	13,155	13,155	-	-	7,461	149	7,312	55.6%
Subtotal Projects	373,660	460,411	458,037	458,037	2,374	-	313,036	4,130	308,906	
Net (Bond Revenue)/Debt Service			2,374	2,374	(2,374)	-	2,338		2,338	
Total Regional Street and Road Projects	\$ 373,660	\$ 460,411	\$ 460,411	\$ 460,411	\$ -	\$ -	\$ 315,374	\$ 4,130	\$ 311,244	
%				11.1%					10.0%	

Measure M
Schedule of Revenues and Expenditures Summary
30-Jun-08

Project Description (G)	Net Tax Revenues Program to date Actual (H)	Total Net Tax Revenues (I)	Project Budget (J)	Estimate at Completion (K)	Variance Total Net Tax Revenues to Est at Completion (L)	Variance Project Budget to Est at Completion (M)	Expenditures through June 30, 2008 (N)	Reimbursements through June 30, 2008 (O)	Net Project Cost (P)	Percent of Budget Expended (Q)
Local Street and Road Projects (21%)										
Master Plan of Arterial Highway Improvements	\$ 119,494	\$ 170,452	\$ 170,452	\$ 170,452	\$ -	\$ -	\$ 74,047	\$ 99	\$ 73,948	43.4%
Streets and Roads Maintenance and Road Improvements	493,860	608,516	608,516	608,516	-	-	494,411	-	494,411	81.2%
Growth Management Area Improvements	100,000	100,000	100,000	100,000	-	-	67,444	431	67,013	67.0%
Subtotal Projects	713,354	878,968	878,968	878,968	-	-	635,902	530	635,372	
Net (Bond Revenue)/Debt Service							-		-	
Total Local Street and Road Projects	\$ 713,354	\$ 878,968	\$ 878,968	\$ 878,968	\$ -	\$ -	\$ 635,902	\$ 530	\$ 635,372	20.5%
%				21.3%						20.5%
Transit Projects (25%)										
Pacific Electric Right-of-Way	\$ 16,437	\$ 20,253	\$ 15,000	\$ 14,000	\$ 6,253	\$ 1,000	\$ 16,350	\$ 2,568	\$ 13,782	91.9%
Commuter Rail	303,256	378,304	365,716	365,955	12,349	(239)	350,193	60,553	289,640	79.2%
High-Technology Advanced Rail Transit	372,565	459,061	443,786	464,580	(5,519)	(20,794)	63,170	6,355	56,815	12.8%
Elderly and Handicapped Fare Stabilization	20,000	20,000	20,000	20,000	-	-	16,010	-	16,010	80.1%
Transitways	136,973	168,773	146,381	126,348	42,425	20,033	161,920	36,687	125,233	85.6%
Subtotal Projects	849,231	1,046,391	990,883	990,883	55,508	-	607,643	106,163	501,480	
Net (Bond Revenue)/Debt Service			55,508	55,508	(55,508)	-	54,681		54,681	
Total Transit Projects	\$ 849,231	\$ 1,046,391	\$ 1,046,391	\$ 1,046,391	\$ -	\$ -	\$ 662,324	\$ 106,163	\$ 556,161	17.9%
%				25.3%						17.9%
Total Measure M Program	\$ 3,396,919	\$ 4,185,559	\$ 4,135,547	\$ 4,130,929	\$ 54,630	\$ 4,618	\$ 3,650,183	\$ 548,331	\$ 3,101,852	

See accompanying notes to Measure M Schedules



BOARD COMMITTEE TRANSMITTAL

August 25, 2008

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Amendment to Agreement for Maintenance of the Integrated Transportation Communication System Radio Service

Transit Committee meeting of August 14, 2008

Present: Directors Brown, Dixon, Green, Nguyen, and Winterbottom
Absent: Directors Buffa and Pulido

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement No. C-6-0567 between the Orange County Transportation Authority and M/A-COM, Inc., in an amount not to exceed \$100,000, for radio repair and maintenance service, for a total contract value of \$200,000.



August 14, 2008

To: Transit Committee
From: Arthur T. Leahy, ^{ATL} Chief Executive Officer
Subject: Amendment to Agreement for Maintenance of the Integrated Transportation Communication System Radio Service

Overview

On August 27, 2007, the Board of Directors approved an agreement with M/A-COM, Inc., in the amount of \$100,000, to provide radio repair and maintenance service. An amendment is required to exercise the first of five option terms to ensure continuity of services provided. M/A-COM, Inc. was retained in accordance with the Orange County Transportation Authority's procurement procedures for sole source procurement for professional and technical services.

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement No. C-6-0567 between the Orange County Transportation Authority and M/A-COM, Inc., in an amount not to exceed \$100,000, for radio repair and maintenance service, for a total contract value of \$200,000.

Background

The Orange County Transportation Authority (Authority) operates a digital M/A-COM, Inc., (M/A-COM) OpenSky 800 megahertz (MHz) radio system that transmits voice and data between the Transit Division's Central Communications dispatch center and the fixed route bus fleet. The system utilizes radio equipment at one Authority dispatching site, four County of Orange radio sites, and a radio site on Santa Catalina Island. This contract provides a maintenance agreement for regular preventive maintenance and emergency repair services on that equipment. Additionally, the contract has provisions for a time and materials rate for normal maintenance and emergency repairs to help ensure continuity and system operability.

Discussion

This procurement was originally handled in accordance with the Authority's procedures for sole source procurement for professional and technical services. It has become necessary to amend the agreement to exercise the first of five option years. Due to ongoing studies that may result in changes to radio system hardware, only the first option is recommended at this time.

The original agreement awarded on August 27, 2007, was in the amount of \$100,000. Amendment No. 1, in the amount of \$100,000, will increase the total agreement amount to \$200,000 (Attachment A).

The Authority's Internal Audit Department conducted a price review. Repeated requests were made for M/A-COM to provide information on how prices were determined. M/A-COM is unwilling to provide information regarding the mark-up of its price on parts and labor. Without this information, the Internal Audit Department was unable to determine if the price is fair and reasonable. M/A-COM stated that the information requested is never disclosed to any customer as a matter of policy. The Authority's radio system is a proprietary system and no other firm is available to provide these services.

Fiscal Impact

The work described in Amendment No. 1 to Agreement No. C-6-0567 was approved in the Authority's Fiscal Year 2008-09 Budget, Transit, Maintenance, Account 2185-7612-D1111-CVT, and is funded through the Local Transportation Fund.

Summary

Staff recommends approval of Amendment No. 1 to Agreement No. C-6-0567, in the amount of \$100,000, with M/A-COM, Inc., for a total contract value of \$200,000.

Attachment

A. M/A COM, Inc. Agreement No. C-6-0567 Fact Sheet

Prepared by:



Dayle Withers
Section Manager, Maintenance
Support Services
(714) 560-5680

Approved by:



Beth McCormick
General Manager, Transit,
(714) 560-5964

**M/A-COM, Inc.
Agreement No. C-6-0567 Fact Sheet**

1. August 27, 2007, Agreement No. C-6-0567, \$100,000, approved by the Board of Directors.
 - Provide the repair and maintenance of the M/A-COM radio equipment located in Southern California
2. August 25, 2008, Amendment No. 1 to Agreement No. C-6-0567, \$100,000, pending approval by Board of Directors.
 - To exercise the first option term to ensure continuity of services provided.

Total committed to M/A-COM, Inc, Agreement No. C-6-0567: \$200,000.



BOARD COMMITTEE TRANSMITTAL

August 25, 2008

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Award of Agreement to Provide Consultant Services to Conduct a Fare Integration Study

Transit Committee meeting of August 14, 2008

Present: Directors Brown, Dixon, Green, Nguyen, and Winterbottom
Absent: Directors Buffa and Pulido

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-8-0877 between the Orange County Transportation Authority and TranSystems, in the amount of \$239,656, to conduct a fare integration study.



August 14, 2008

To: Transit Committee
From: Arthur T. Leahy, ^{AL} Chief Executive Officer
Subject: Award of Agreement to Provide Consultant Services to Conduct a Fare Integration Study

Overview

As part of the Orange County Transportation Authority's Fiscal Year 2008-09 Budget, the Board of Directors approved a fare integration study. A competitive procurement has been conducted to engage a consultant for this project. Proposals 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 Agreement No. C-8-0877 between the Orange County Transportation Authority and TranSystems, in the amount of \$239,656, to conduct a fare integration study.

Background

The Orange County Transportation Authority (Authority) provides public transit through its extensive bus and paratransit services, as well as through its participation as a member-agency of Metrolink, Southern California's regional commuter rail system. The Authority operates local, community, rail feeder and express bus routes with more than 212,000 riders every weekday. The Authority currently utilizes both a flat fare and a service-based fare (express routes) structure. The fare collection method is on-board payment using fareboxes. Passengers are offered a variety of fare media options including single ride cash fares and various discounted pre-paid passes.

In addition to the transit services currently operating in the County, the transit component of Renewed Measure M includes provisions for expanded service on Metrolink and new localized transit programs. The localized transit programs are intended to provide improved connections to Metrolink stations and broaden the reach of the rail system to other activity centers and

communities. With the implementation of these transit services, as well as the Authority's bus rapid transit (BRT) program and the Anaheim Regional Transportation Intermodal Center (ARTIC), the need to evaluate fare policy and collection methods, technologies, and integration is great. The primary goal of the fare integration study is to provide the Authority with fare collection alternatives for increasing operational efficiency, facilitating inter-agency compatibility, and offering customers seamless travel throughout Orange County and into neighboring counties.

Discussion

The procurement was handled in accordance with the Authority's procedures for professional and technical services. In addition to cost, other factors are considered in an award for professional and technical services. Award is recommended to the firm offering the most effective overall proposal at the most competitive cost. The evaluation criteria established for this procurement are as follows:

Qualifications of the Firm	20 percent
Project Staffing	25 percent
Work Plan	35 percent
Cost and Price	20 percent

The project was advertised on May 21, 2008 and May 25, 2008, in a newspaper of general circulation. The notice for this project and a request for proposals (RFP) was issued on May 21, 2008, and sent to 849 firms registered on CAMM NET. A pre-proposal conference was held on June 2, 2008, and was attended by five firms. One addendum to the RFP was issued making administrative changes and responding to questions.

On June 25, 2008, four proposals were received. An evaluation committee comprised of staff from the Contracts Administration and Materials Management Department, the Transit Division, and the Development Division was established to evaluate the proposals submitted. The committee evaluated all proposals and on July 16, 2008, interviewed the two highest ranked firms, TranSystems and Booz Allen Hamilton.

The two firms are ranked as follows:

Firm and Location

TranSystems
Medford, Massachusetts

Booz Allen Hamilton
Los Angeles, California

Based on its findings, the evaluation committee recommends TranSystems for consideration of the contract award.

Both firms interviewed demonstrated competencies in the tasks required in this scope of work. Both firms have engaged in studies of similar scope and nature. The areas in which the TranSystems proposal received higher scores than the Booz Allen Hamilton proposal are project staffing and work plan. TranSystems has over 20 years of experience with fare policy/structure/technology studies and has assembled a project team of nationally known experts on this topic. The TranSystems project manager has extensive experience conducting this type of study and has conducted similar studies in San Diego, Los Angeles, San Francisco, Chicago, and Denver. The firm and the project manager received excellent references from current and previous clients such as the San Diego Association of Governments (SANDAG) and Bay Area Rapid Transit (BART). The project manager was described as knowledgeable and very responsive.

The TranSystems proposal included a subcontract firm, Dan Boyle and Associates. The president of this firm has extensive experience with fare policy development including recent work on the Go Local program. The evaluation team members felt that this understanding of the local and regional issues made the TranSystem team uniquely qualified to conduct this study. In addition, Authority staff have had positive results with work previously completed by this firm.

The work plan is the greatest measurement of project success, and therefore was 35 percent of the overall evaluation criteria. The work plan demonstrates the depth of understanding and expertise for the project and defines how the project will be conducted. The TranSystems work plan was very detailed and demonstrated an in-depth understanding of the project requirements and the issues associated with the project.

The TranSystems work plan detailed a process used to bring the research conducted together with a ranking system to evaluate possible alternatives. The project approach was detailed from beginning to end, and used both qualitative and quantitative methods. The firm also demonstrated competence in project management, including budget and schedule. Lastly, a deliverable of this project is preparation and submittal of reports. The TranSystems proposal was very well written and the evaluation committee members felt confident that the product submitted by TranSystems would be superior in this area.

Fiscal Impact

This project was approved in the Authority's Fiscal Year 2008-09 Budget, Transit Division, Account 2111-7519-D4106, and is funded through the Local Transportation Fund.

Summary

A fare integration study has become necessary to provide the Authority with fare policy and collection alternatives for increasing operational efficiency, facilitating inter-agency compatibility, and offering customers seamless travel throughout Orange County and into neighboring counties. A competitive procurement has been conducted and staff recommends award of a contract to TranSystems to conduct a fare integration study.

Attachments

- A. Proposal Evaluation Summary Matrix Short-List RFP 8-0877 Fare Integration Study
- B. RFP 8-0877 Fare Integration Study Review of Proposals

Prepared by:


Erin Rogers
Assistant General Manager, Transit
(714) 560-5367

Approved by:


Beth McCormick *for*
General Manager, Transit
(714) 560-5964

PROPOSAL EVALUATION SUMMARY MATRIX "SHORT-LIST"									
RFP 8-0877 "FARE INTEGRATION STUDY"									
TranSystems							Weights	Overall Score	
Evaluation Number	1	2	3	4	5				
Qualifications of Firm	4.00	4.00	4.00	4.50	4.00			4	16.40
Staffing/Project Organization	5.00	4.50	5.00	4.50	4.00			5	23.00
Work Plan	4.00	5.00	4.50	5.00	4.00			7	31.50
Cost and Price	4.00	4.00	4.00	4.00	4.00			4	16.00
	85.00	89.50	88.50	91.50	80.00				87
Booz Allen Hamilton, Inc.							Weights	Overall Score	
Evaluation Number	1	2	3	4	5				
Qualifications of Firm	5.00	5.00	4.50	4.00	4.00			4	18.00
Staffing/Project Organization	4.00	4.00	4.00	3.50	4.00			5	19.50
Work Plan	4.00	4.00	4.50	4.50	4.00			7	29.40
Cost and Price	4.00	4.00	4.00	4.00	4.00			4	16.00
	84.00	84.00	85.50	81.00	80.00				83
PROPOSAL EVALUATION SUMMARY MATRIX "NOT SHORT-LIST"									
Offeror #3									
Evaluation Number	1	2	3	4	5				
Qualifications of Firm	3.00	3.00	3.00	3.00	3.00			4	12.00
Staffing/Project Organization	3.00	3.00	3.00	3.50	3.00			5	15.50
Work Plan	3.00	3.00	3.50	3.50	3.00			7	22.40
Cost and Price	5.00	5.00	5.00	5.00	5.00			4	20.00
	68.00	68.00	71.50	74.00	68.00				70
Offeror #4									
Evaluation Number	1	2	3	4	5				
Qualifications of Firm	2.00	2.00	3.00	2.00	3.00			4	9.60
Staffing/Project Organization	3.00	2.00	3.00	2.00	3.00			5	13.00
Work Plan	2.00	2.00	3.00	2.50	2.00			7	16.10
Cost and Price	1.00	1.00	1.00	1.00	1.00			4	4.00
	41.00	36.00	52.00	39.50	45.00				43

RFP 8-0877 Fare Integration Study Review of Proposals
 PRESENTED TO THE TRANSIT COMMITTEE MEETING August 14, 2008
 Four proposals were received, two firms were interviewed

Overall Ranking	Overall Score	Firm & Location	Sub-Contractors	Evaluation Committee Comments	Price
1	87	TransSystems Medford, MA	Dan Boyle & Associates, Inc. LTK Engineering Services, Inc.	Highest ranked overall proposal. Firm has extensive experience with fare policy and technology studies. Project Manager has over 20 years experience with fare integration studies. Firm demonstrated excellent understanding of fare policy and technology requirements in the work plan. Subconsultant Dan Boyle and Associates has extensive experience with fare policy development. Team provided an excellent presentation and answers to questions. Pricing slightly higher but competitive and within budget.	\$239,656
2	83	Booz Allen Hamilton, Inc. Los Angeles, CA	GCTech, Inc.	Second ranked proposal. Firm has very good firm experience with fare integration studies. Project Manager strong in fare policy requirements not technology. Staffing less experienced in managing fare integration studies. Team provided a good presentation and answers to questions. Pricing lower and within budget.	\$233,601

Evaluation Panel

Orange County Transportation Authority
 Community Transportation Services
 Transit Project Delivery
 Transit Development BRT
 Service Planning and Customer Advocacy
 Contracts Administration and Materials Management

Proposal Criteria

Qualifications of the Firm
 Staffing/Project Organization
 Work Plan
 Cost and Price

Weight Factor

20 Percent
 25 Percent
 35 Percent
 20 Percent



MEMO

August 20, 2008

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: **Board Committee Transmittal for Agenda Item**

The following item is being discussed at a Committee meeting which takes place subsequent to distribution of the Board agenda. Therefore, you will be provided a transmittal following that Committee meeting (and prior to the Board meeting) informing you of Committee action taken.

Thank you.



August 21, 2008

To: Legislative and Communications Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Agreement for Graphic Design and Production Services for Bus Public Information

Overview

The Orange County Transportation Authority updates bus service information for each quarterly bus service change. This includes printed public information as well as cassettes at the bus stops. Graphic design and production services are required to develop these materials.

Recommendation

Authorize the Chief Executive Officer to execute Agreement No. C-8-0760 between the Orange County Transportation Authority and Digital Graphics Centre, Inc., in an amount not to exceed \$420,000, for an initial term of two years with one two-year option term, for graphic design and production services for bus service information.

Background

The Orange County Transportation Authority (OCTA) operates 81 fixed bus routes with approximately 6,500 countywide bus stops, and in March 2008, weekday boardings exceeded 221,000. OCTA provides bus service information through both printed materials and on-line. Printed materials include bus books, bus system maps, individual line timetables, information panels at 6,500 bus stops, and kiosk displays at transportation centers. Three ways customers obtain bus information are the bus book, information at bus stops, and individual line timetables. These materials are updated quarterly based on each service change.

Discussion

The conclusion of the current contract makes it necessary for OCTA to seek a new agreement with a qualified firm to provide graphic design and production services for bus service information materials.

This procurement was handled in accordance with OCTA's procedures for professional and technical services and was awarded on a competitive basis. The project was advertised on April 17, 2008, in a newspaper of general circulation. Requests for proposals (RFP) were e-mailed to 746 firms registered on CAMM NET on April 17, 2008. A pre-proposal meeting was held April 24, 2008, and there were seven attendees.

This is proposed to be a two-year, time and expense contract at \$210,000 annually (\$420,000 over the two-year contract period), with one two-year option term for renewal at \$210,000 annually (\$420,000 over the two-year contract amendment period). The maximum cumulative obligation, assuming the option term is exercised, is \$840,000 over the four years.

The annual amount of \$210,000 is divided among several bus marketing materials with an average amount of \$140,000 used to produce, print, and laminate information panels for metal cassettes at 6,500 bus stops and an average amount of \$70,000 used in the graphic design services for the bus book, system map, individual line timetables, and other service change information. Printing of these latter materials is subject to another agreement.

On May 15, 2008, five offers were received. An evaluation committee composed of staff from Marketing and Contracts Administration and Materials Management departments was established to review all offers. The proposals were evaluated consistent with Board-adopted policies and procedures. The proposals were evaluated based on the following criteria:

- Qualifications of the Firm 30 percent
- Staffing and Project Organization 30 percent
- Work Plan 15 percent
- Cost and Price 25 percent

The weighting for each criteria was changed from the standard because of the complicated structure and links between the maps and schedules in the graphical software used to perform the quarterly updates. The qualification of the firm and the staffing (graphic designer) were weighted more heavily to

reflect OCTA's need for a knowledgeable firm and designer that had experience with the software and had performed similar work in the past.

After reviewing the proposed work plans, staffing and project organization, and firm qualifications, the evaluation committee held two rounds of interviews to ensure all proposers understood the scope of work and level of effort required to produce the various products. A best and final offer (BAFO) was requested and received from all five proposing firms. The committee convened subsequent to the receipt of the BAFOs and determined that two firms were competitively qualified to perform the scope of work. The other firms' scores were at least 20 percent lower than the top two firms were.

Firm and Location

Digital Graphics Centre, Inc.
Los Alamitos, California

J – U
Irvine, California

Based on its evaluations of the proposals, the evaluation committee recommends Digital Graphics Center, Inc. (DGC) for consideration of an award. Both firms were technically qualified to do the work under this RFP; however, DGC scored higher because of the firm's experience and superior understanding of the requirements in the scope of work. DGC had the most competitive price proposal as well. DGC was chosen by the committee to be the most qualified and best value for this work.

Qualifications of Firm

Established in 2003, DGC is a graphics design and production company. It operates a 24-hour service that has performed similar work for OCTA for the past three years. DGC is well qualified with relevant experience creating educational workbooks and a variety of informational pamphlets for the public. DGC has performed design services for other large entities such as Kaiser, Mattel Toys, Raytheon, and Hughes Aircraft.

Staffing and Project Organization

DGC has assigned a project manager and graphic production/designer to this account. The evaluation committee highly rated the firm's personnel and found the staff proposed for this contract to be exceptionally qualified, each with many years of experience working with similar products. The interview with

DGC further demonstrated the firm's extensive experience and capabilities to perform the work as required. J – U is technically capable of performing this work; however, a greater number of personnel were assigned to the work plan.

Work Plan

The DGC work plan described the firm's step-by-step methodology of meeting with the OCTA project manager during the quarterly review cycle and the processes needed to change the multiple products. DGC provided the best work plan, which demonstrated the firm's knowledge and experience in tracking and creating these types of technical products.

Cost and Price

DGC's price proposal was the lowest of the five firms. After the interview with each firm, BAFO were requested and received. After the offers were received, DGC was still the lowest price. DGC has demonstrated its ability to perform this work at the cost proposed.

Fiscal Impact

Resources for the graphic production services for bus public information was approved in the OCTA's fiscal year 2008-09 Budget, External Affairs, Marketing, accounts 1837-7629-A3311-JGG, 1837-7629-A3311-JGH, and 1837-7629-A3311-JGJ, and is funded through the Orange County Transit District Fund 30.

Summary

Based on the review of all offers submitted, OCTA staff recommends approval of Agreement No. C-8-0760 with Digital Graphics Centre, Inc., in an amount not to exceed \$420,000, over a two-year initial term to provide graphic design and production services for bus public information. The maximum cumulative obligation, assuming the option term is exercised, is \$840,000 over the four-year term.

Attachments

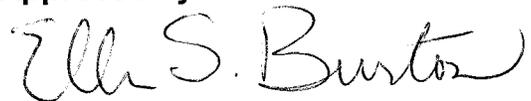
- A. Proposal Evaluation Criteria Matrix – RFP No. 8-0760 Graphic Production Services
- B. Graphic Production Services – Review of Proposal – RFP No. 8-0760

Prepared by:



Trisha Krinke
Marketing Production Administrator
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Approved by:



Ellen S. Burton
Executive Director, External Affairs
(714) 560-5923

**PROPOSAL EVALUATION CRITERIA MATRIX
RFP NO. 8-0760 Graphic Production Services**

Firm: Digital Graphics Centre (DGC)						Weights	Overall Score
Evaluation Number	1	2	3	4	5		
Qualification of Firm	4.5	5.0	5.0	4.5	5.0	6	28.8
Staffing/Project Organization	4.5	4.5	5.0	5.0	5.0	6	28.8
Work Plan	3.5	4.0	4.5	5.0	4.0	3	12.6
Cost and Price	5.0	5.0	5.0	5.0	5.0	5	25.0
Overall Score	89.5	94.0	98.5	97.0	97.0		95

Firm: J - U						Weights	Overall Score
Evaluation Number	1	2	3	4	5		
Qualifications of Firm	4.0	4.0	4.0	4.5	4.5	6	25.2
Staffing/Project Organization	4.5	4.0	4.0	4.5	4.5	6	25.8
Work Plan	3.5	3.0	4.0	3.5	3.5	3	10.5
Cost and Price	4.5	4.5	4.5	4.5	4.5	5	22.5
Overall Score	84.0	79.5	82.5	87.0	87.0		84

Graphic Production Services

Review of Proposal- RFP 8-0760

Presented to Legislative and Communications Committee on August 21, 2008

5 proposals were received, 2 firms were short-listed.

Overall Ranking	Proposal Score	Firm & Location	Sub-Contractors	Evaluation Committee Comments	TIME AND EXPENSE	Price
1	95	Digital Graphics Centre Los Alamitos, CA	None	Highest ranked firm Firm has wealth of experience with providing this service to OCTA Lowest price Low over-head Single point of contact for OCTA program manager	Graphic design, production and proofing of the Bus Book Graphic design, production, proofing and printing of Bus Stop Cassettes Hourly production rate for graphic production	\$ 13.50 Per page proof \$ 5.95 Per cassette \$ 32.00 Hour
2	84	J - U Irvine, CA	None	Firm has very good experience with providing simular services. Company overview presented in the Interview by the owner and employees was very well done. Knowledgeable and experienced staff Excellent company	Graphic design, production and proofing of the Bus Book Graphic design, production, proofing and printing of Bus Stop Cassettes Hourly production rate for graphic production	\$ 28.00 Per page proof \$ 7.75 Per cassette \$ 55.00 Hour

Evaluation Panel:

Contracts Administration and Materials Management
External Affairs

Evaluation Criteria

Qualifications of Firm
Staffing and Project Organization
Work Plan
Cost and Price

Weight Factors

30%
30%
15%
25%



BOARD COMMITTEE TRANSMITTAL

August 25, 2008

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Metrolink Short-Distance Fares

Transit Committee meeting of August 14, 2008

Present: Directors Brown, Dixon, Green, Nguyen, and Winterbottom
Absent: Directors Buffa and Pulido

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Direct staff to work with the Southern California Regional Rail Authority to develop a demonstration program of short-distance one-way and round-trip fares within Orange County.



August 14, 2008

To: Transit Committee
AL
From: Arthur T. Leahy, Chief Executive Officer
Subject: Metrolink Short-Distance Fares

Overview

The current Metrolink fare structure is focused on the long-distance traveler. As a precursor to the start up of the 30-minute service, Orange County Transportation Authority staff would like to explore modified short-distance Metrolink fares, providing a more attractive alternative travel option within Orange County, as well as expanding the ridership base to include short-distance travelers.

Recommendation

Direct staff to work with the Southern California Regional Rail Authority to develop a demonstration program of short-distance one way and round trip fares within Orange County.

Background

In April 2004, the Southern California Regional Rail Authority (SCRRA) Board of Directors adopted a new fare pricing structure based on driving mileage distances between stations as opposed to zone pricing. While the distance-based pricing provided some reduced cost for short trips compared to long trips, the overall fare pricing structure favors the long-distance commuter. The current Metrolink trip length averages 38.8 miles for Orange County Line riders and works very well for removing cars from the parallel freeway system. The Orange County Transportation Authority (OCTA) is making a major investment in rail system capacity, as well as planning significant investments as part of the Go Local Program. These investments, coupled with increases in transit oriented development activities around the Metrolink stations in Orange County, are leading OCTA to explore a series of actions to make Metrolink more attractive and usable to short-distance travelers in addition to providing relief to climbing gasoline prices. Lastly, providing short-distance Metrolink fares could

also make the system more accessible to those passengers who currently use the bus transit system in Orange County.

Discussion

Staff is proposing to examine a equitable fare program for those traveling within Orange County, with a focus on short trips of a few stations. As gas prices rise and the 30-minute Orange County service comes on line, the time is right to encourage more people to use public transportation in Orange County.

The current Metrolink fare structure is not designed to be conducive to short trips. For example, the one way fare from Anaheim to Los Angeles is \$7.50 and the one way fare from Fullerton to Los Angeles is \$6.75, a differential of only \$.75 for the longer trip; however, the fare from Anaheim to Fullerton is \$5.25, or \$4.50 more than the price differential between the starting trip in Anaheim or Fullerton to Los Angeles. Another example of how the fare structure discourages short trips is the one way fare from Anaheim to San Juan Capistrano, which is \$7.50 compared to \$8.50 from Anaheim to San Clemente, a differential cost of \$1.00. The fare from San Juan Capistrano to San Clemente is \$5.75.

OCTA staff is recommending that the Board of Directors direct staff to work with SCRRA to develop and implement a demonstration program of short-distance one way and round trip fares within Orange County. The service plan to support the demonstration program should consider available capacity, hours of service, fares, schedules, stationlink/bus connections, and any parking capacity constraints. This test could be conducted on an experimental basis for a significant period of time and be conducted in a manner such that an analysis could be performed to assess the actual impacts to ridership and revenue over the demonstration period. It is anticipated that the demonstration program could potentially be revenue neutral since there is no fare reduction for the current long-distance commuter and relatively few travelers currently use Metrolink for short trips in Orange County (Attachment A). Additionally, the analysis should take into account any proposed changes to the OCTA bus system fare structure.

The recently conducted focus groups indicated that people would ride short distances within Orange County if the fares were substantially reduced. In addition to the recent focus groups, OCTA is in the process of selecting a firm to study fare integration including reduced fares on Metrolink. This study should be underway in the second quarter of this fiscal year and will examine fare policy options for Metrolink service in Orange County.

Summary

The current Metrolink fare structure is designed for the long-distance traveler. In order to attract the short-distance rider, staff is proposing exploration of reduced short-distance fares to make the Metrolink service more attractive and ultimately create a new rider base, as well as opportunities to increase ridership and revenue.

Attachment

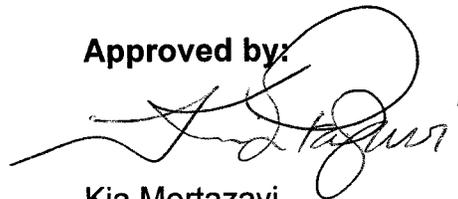
- A. Analysis of Metrolink Ridership within Orange County – May 2008

Prepared by:



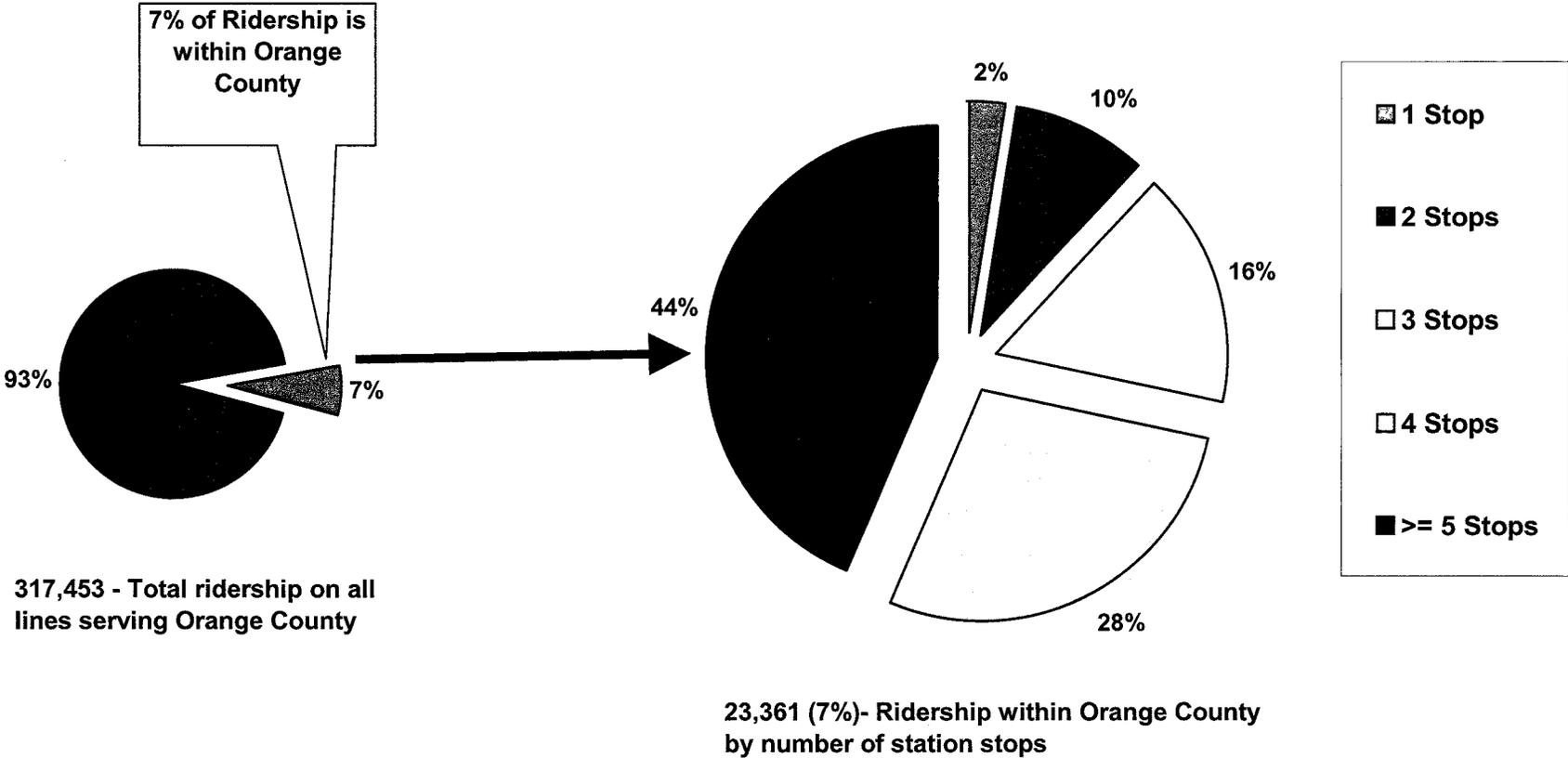
Abbe McClenahan
Principal Transportation Analyst
(714) 560-5673

Approved by:



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

Analysis of Metrolink Ridership within Orange County - May 2008





BOARD COMMITTEE TRANSMITTAL

August 25, 2008

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Los Angeles – San Diego Rail Corridor Service Integration Focus Group Findings

Transit Committee meeting of August 14, 2008

Present: Directors Brown, Dixon, Green, Nguyen, and Winterbottom
Absent: Directors Buffa and Pulido

Committee Vote

No action was taken.

Staff Recommendation

Receive and file as an information item.



August 14, 2008

To: Transit Committee
From: ^{AL} Arthur T. Leahy, Chief Executive Officer
Subject: Los Angeles – San Diego Rail Corridor Service Integration Focus Group Findings

Overview

To support an initiative to improve rail service along the Los Angeles – San Diego Rail Corridor, four focus groups have been conducted. Customer and non-customer attitudes and perceptions about current transit service and service integration options have been gathered. This report provides a summary of key findings and lessons learned.

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority (OCTA), in cooperation with the California Department of Transportation (Caltrans), the Los Angeles County Metropolitan Transportation Authority (Metro), the North County Transit District (NCTD), the San Diego Association of Governments (SANDAG), the Southern California Regional Rail Authority (SCRRA) and the Los Angeles-San Diego-San Luis Obispo (LOSSAN) Rail Corridor Agency, is exploring options to coordinate and improve commuter and intercity rail services between Los Angeles and San Diego (LOSSAN corridor).

The varying services, station stops, fares, and schedules often confuse passengers and generate a multitude of inquiries and suggestions for improvement. The overall goal of integrating rail services is to make the LOSSAN corridor easier to use and a more attractive transit option to expand the market and increase ridership. To support this goal, market research is being conducted. The first phase, qualitative focus group research, is complete. Quantitative research is under development and is scheduled for later this year.

Discussion

Rea & Parker Research has implemented four focus groups to explore attitudes and perceptions about LOSSAN corridor rail transit service in order to make improvements and attract new riders. Below are findings from existing rail transit riders.

Existing Rail Transit Riders

Two focus group discussions were conducted with existing Metrolink and Amtrak customers, some of which also used the Coaster (San Diego commuter rail) service on occasion. Participants were selected using monthly pass holder data and screened to ensure they had used the train at least twice per week during the past three months.

On June 11, 2008, a focus group discussion with Orange County residents living in or north of Santa Ana was held and on June 24, 2008, a discussion with Orange County residents living in or south of Santa Ana was held.

Findings were:

- Participants who regularly commute by train are primarily interested in service improvements to support their daily commute. They lobby for earlier and later trains during the week and wish to alleviate crowded conditions during peak periods. They indicate that the feeder system in downtown Los Angeles is much more developed than the one in Orange County.
- Riders view Amtrak and Metrolink as interchangeable and are willing to ride whatever train meets their scheduling needs. The time a train is scheduled is far more important than the particular train (Amtrak or Metrolink). However, they report that parking at some train stations is not adequate and the station one parks at dictates the system he/she uses for the return trip. Amtrak does not stop at all stations so there may be difficulty in returning to the station where the car is parked.
- Participants would like to have the option of purchasing Coaster tickets at Amtrak/Metrolink stations and vice versa. They also want to be able to purchase one ticket from point A to point B irrespective of the train system. In addition, it was felt that all systems should be consolidated so that schedules and tickets are similar in appearance.

- The prospect of a unified schedule for the three train systems was well received. Participants were positive about the possibility of having the schedule for all trains in the corridor on one page. The schedule could appear on a consolidated website, where it could be viewed on a computer and could be printed for reference. It could also be attached to the walls at train stations.
- Participants indicate they currently do not use the service extensively on weekends or during other non-peak periods. They view the train as a weekday mode and generally do not wish to endure scheduling challenges on the weekends. In many cases, the lack of late night trains and the overall infrequency of trains on weekends inhibit train travel for special events and for other recreational travel and shopping. However, they would ride if schedules were enhanced.
- Train riders are willing to use the train if the time commitment is no more than 50 percent greater than the driving commitment.
- They would entertain using the train to travel to San Diego to visit such attractions as Petco Park and the San Diego Zoo. They would also visit beaches, South Coast Plaza, the Irvine Spectrum, and various other tourist attractions on weekends. There also was some interest in attending night games at Anaheim Stadium if trains were available after the game.
- Riders report Amtrak trains have more room in the seating area than Metrolink trains and Amtrak seats are more comfortable. Amtrak trains tend to be dirtier (especially windows) but the participants enjoy the refreshments that are available. They also say the Amtrak website is more user friendly and helpful than the Metrolink website and Amtrak communicates better with its clientele and is more dependable than Metrolink.
- Regular train users view the availability of electronic real-time information at the stations, transmitting information about delays to cell phones, a consolidated LOSSAN timetable and website, and on-board information as the most important potential service features or ones that should be enhanced. It is important this information be simple and straightforward with reports on train arrival times, delays, and the cause of the delay. On-train information should be visual only and not have an audio component.

-
- Important selling points to attract train riders are convenience of the service and system reliability. However, riders feel the greatest single motivator for recruiting new train riders is the high cost of gas.
 - To attract new train riders, some participants suggested additional businesses and companies, especially along the LOSSAN corridor, should become actively involved in an incentive program that provides transportation reimbursements and other incentives to employees who use transit for their commute.
 - The flat fare of \$1.00 per stop for short trips is seen by many as an incentive to recruit new train riders. If the \$1.00 per stop fare were adopted, it would be important that new riders have a positive experience or their ridership is not likely to be sustained.
 - Riders commented they felt the use of television, the Internet, and radio should be used to promote rail ridership.
 - Train rider focus group participants view the following possible service features as less important to them: freeway signs that show train information, airport connections, a café car on the train, and the availability of wireless internet at the stations.

Non-Users of the Train

On June 25, 2008 and July 1, 2008, two non-rider focus group discussions were held. The first consisted of Orange County residents who were non-regular users of the train but had used transit at least 15-20 times in their adult life. The second were residents that had used transit less than 15-20 times in their adult life. These groups report:

- There is a lack of easily accessible information available to those who would like to consider commuting or traveling by train for recreational purposes. The thought of using the train provokes anxiety in some and even fear in others. Non-users have minimal knowledge about the location of stations near their home or work, and they are not confident about how to use the available feeder system to move them from the train station to their final destination.
- Non-riders with some train experience point to rail systems in other parts of the world and in other parts of the United States. They believe other

systems are much more effective in transporting people efficiently to a greater number of places.

- The concept of having a consolidated timetable and single, multi-modal (bus and rail) ticket for an entire trip is very appealing. This can be compared with the single roundtrip airline ticket itinerary that shows all departure and arrival times for the main flights as well as connecting flights.
- Some non-users feel a short trip on the train might be a beneficial addition to one-daily travel routine; others are concerned that a short trip at midday would take too long. The prospect of paying only \$1.00 per stop serves to motivate those who otherwise would not consider a short train trip. It was viewed as a very good idea – reasonably priced and very easy to understand.
- Non-riders would take the train to the Staples Center, San Diego, and Anaheim. The major constraints are price, fear of being stranded, and a feeling there would not be adequate connections.
- There would be interest among non-users in using the train to travel from Orange County to a place in north San Diego County (e.g. Tustin to Carlsbad Village) but the time commitment by train is viewed as a major obstacle. Given that the drive time is 1 hour, some non-user participants do not wish to exceed 1.5 to 2 hours by train; others expect the train to compete directly with the automobile.
- Non-rider focus group participants stated that young people might be interested in riding the train – especially college age students. In addition, they stated children are likely to be future train riders because it is possible to educate them to use transit in their daily lives.
- Non-rider focus group participants feel that the most important service features of the train or those features that should be enhanced are as follows: a consolidated LOSSAN website and timetable that integrates train system schedules, the \$1.00 per stop fare concept, and the single ticket for the entire trip. They also favor on-board information.
- Non-user participants view freeway signs that show train information as unimportant to them because they would rarely use the freeway to get to the stations.

Lessons Learned

Below are lessons learned from this focus group research. Most interesting was information gleaned from non-rider groups who at first viewed transit as for someone else. There was much anxiety about using the train. However, resistance diminished when concepts of simplifying the system, providing easy to understand tariffs, and providing better schedule and connecting route information were discussed. In addition, the following observations were made.

1. We need to make the service easier to use.

Both riders and non-rider focus group participants like the concept of integrating services on the LOSSAN corridor so it is easy to use. This includes schedules, fares, and system information.

Added efforts should be made to enhance communications – at the stations (preferably with agents on site at major stations), on the train, and on the internet. In particular, regular riders think accident and incident data needs to be readily available so they can make a decision about whether to stick with the train or use another commute option. They want to be able to “opt in” to a program where accident/incident/schedule information can be pushed directly to their cell phone in real time.

2. The train is initially viewed as a long-distance travel option.

When first discussing LOSSAN corridor travel, focus group participants perceived the train as a modal option for long trips. Regular riders think about their existing commute trip. Non-riders think of the train in terms of trips to Los Angeles or San Diego or Santa Barbara. Subsequently, the notion of using trains that operate on the LOSSAN corridor for short trips is new to both groups. This indicates a need for a comprehensive public education program when service expands along the corridor. The idea to offer a simple, low fare for short distances was well received and participants felt it could be useful in attracting riders.

3. Pricing matters.

For non-riders, train fares are perceived as expensive. Some recall experiences trying to take family members on a trip. They report the car turned out to be a much less expensive option. To attract new riders, pricing must be a strong consideration. Promotional fares, tie-ins with

recreational or sporting events, and the \$1.00 per station fare seemed appealing in this regard.

4. Promotional tie-ins might attract new riders.

In discussions with all groups, the idea of being able to take the train to sporting events or entertainment venues was well received. This was to avoid parking prices and traffic congestion. Special “fan trains” were cited in other markets as being something to consider here. One point underscored by participants was there needs to be certainty that there will be a train for the return trip and convenient connections. Current schedules are viewed by both train and non-train focus group participants as restrictive.

5. A range of market segments should be assessed to determine their potential. Existing customers, people who live / work near stations, youth, and other markets should be assessed to determine their potential for ridership.

Next Steps

Based on the focus group findings, it is evident OCTA needs to continue to work with partner agencies to make services more convenient for customers and potential customers is a good one. It will be especially important to focus on schedule integration, trip planning, and connector services. Support for the development of communication systems that can disseminate real-time passenger information will also be important. This includes enhanced information at stations, better station signage, and website and cell phone communication systems.

In addition, it was clear in the discussion with the non-rider focus group participants that there was a general feeling of anxiety and a lack of awareness of how to use services and even a resistance to trying them. Marketing programs that create awareness of how to use the system – station and destination locations, ticketing, costs, connection information, etc. would be useful.

One way to address resistance to trying the train might be to develop more cooperative marketing programs. Collaborating with event venues that focus on specific trips might break down some barriers to using the train. With these trips, people can sample the train in a more relaxed environment with very specific trip information. As more service is added, destination programs (including short trip opportunities) might warrant special promotion.

Currently, staff is developing a scope of work for rail transit marketing services; findings from the focus group research will be helpful in this effort. Action on this procurement is scheduled for review by the Board of Directors before the end of the calendar year.

Also, OCTA had planned to conduct complementary quantitative research (on-board survey) to probe existing riders about unanswered questions from the focus group research. However, it is recommended that resources for this effort be redirected to further gather information from non-rider market segments where questions remain. These questions include:

- Are people aware of LOSSAN corridor services, expansion plans or trip options?
- What is the best way to build awareness and ridership?
- Who are the primary and secondary market segments?
- What are barriers to use of the train and how can we address them?
- What are the most appealing trip purposes – work, entertainment, recreational, shopping?
- What service features would attract new users? Do they differ from focus group findings?
- How can we attract riders for both long and short trips?
- What connecting services are valued – bus, auto, taxi, other?

Summary

OCTA is working to identify opportunities to integrate rail transit service along the LOSSAN corridor. Focus group discussions are complete providing insight on how to improve the customer experience, build the transit market, and improve rail ridership. Findings from this effort will be integrated into the Comprehensive Strategic Assessment of the LOSSAN Corridor underway now; information will be shared with other counties.

Attachments

None.

Prepared & Approved by:

A handwritten signature in black ink that reads "Ellen S. Burton". The signature is written in a cursive style with a large initial "E" and "B".

Ellen S. Burton
Executive Director, External Affairs
(714) 560-5923

PowerPoint Presentation

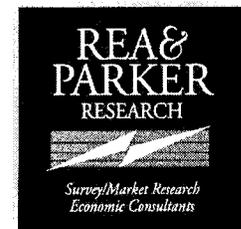
Attached

Los Angeles–San Diego Corridor Rail Service Integration

Focus Groups

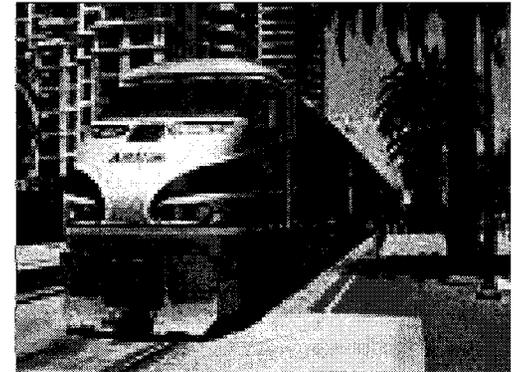


August 2008



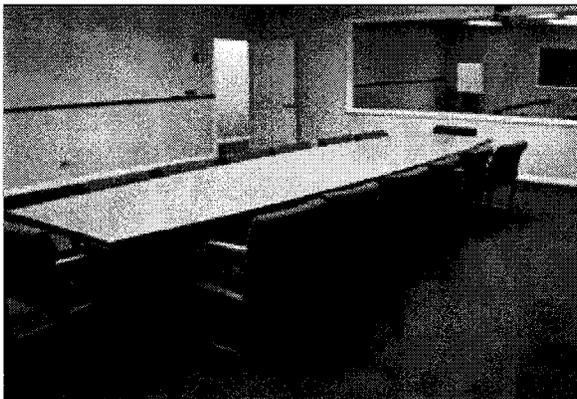
Goals

- Identify service improvements
- Determine best communication methods
- Assess perceptions about:
 - Scheduling
 - Ticketing, fares
 - Connections
 - Station, on-board amenities
- Identify new ridership opportunities



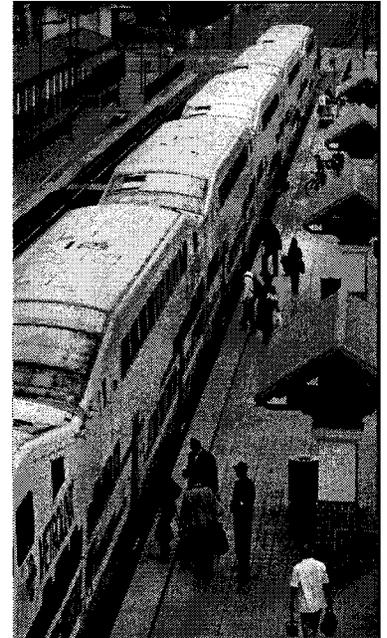
Methodology

- 2 rider groups
 - North Orange County trip origins
 - South Orange County trip origins
- 2 non-rider groups
 - Some transit experience
 - Little or no transit experience



Riders

- Less stressful, relaxing, saves money
- View Amtrak, Metrolink as interchangeable
- Want earlier, later weekday trains
- Don't ride much off-peak or weekends
- Report trains are crowded
- Need more parking / feeders



Non-Riders

- Minimal awareness of trains
- Lack confidence, some anxiety
 - Question service availability, reliability
 - Fear being stranded
 - Not enough parking
 - Safety concerns
- Other systems better
- Train expensive (especially for family trips)



Most Appealing

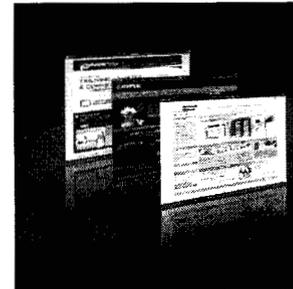
- Consistently positive feedback about:

Consolidated schedules, website

Electronic, real-time information

- Schedules
- Travel, delay information*

On-board information



•Riders want schedule info - causes of delay – accident, incident, switching problem? (push to cell phone)

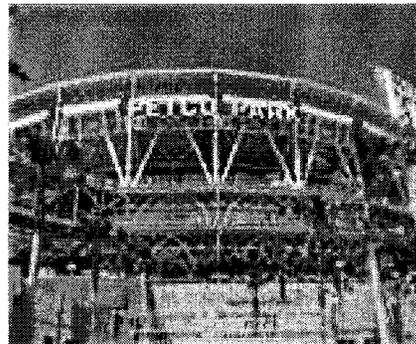
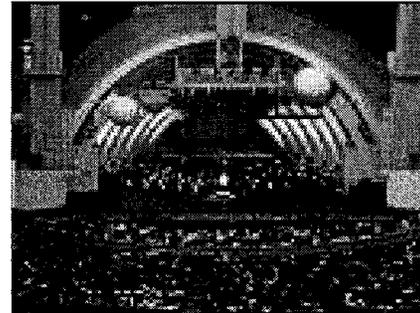
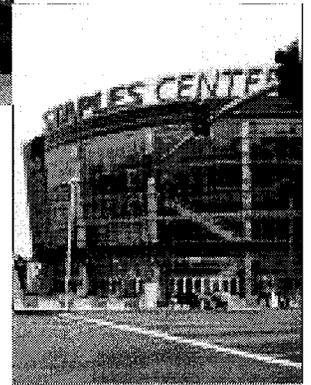
Other Feedback

- Most participants favored:
 - \$1.00 per stop - incentive to ride
 - Single trip ticketing – including bus, rail
- Not as important:
 - Freeway signs with train info



Where They'd Travel

- Los Angeles – Staples, Hollywood Bowl
- Anaheim - Angel Stadium, Disneyland
- San Diego – Petco Park
- Del Mar
- Santa Barbara
- Irvine Spectrum
- Beach



Noted Ridership Opportunities

- Existing riders, new trips
- Employers near stations
 - Could offer incentives through ridesharing programs
- Youth
 - College age: impacted by gas prices



Lessons Learned

1. Non-riders expressed anxiety about using train.

- Need to make service easier to use
 - More service, better connections

- Need better communications

Consolidated schedules

Web based

More info at station, on trains

Real-time

Agents at major stations

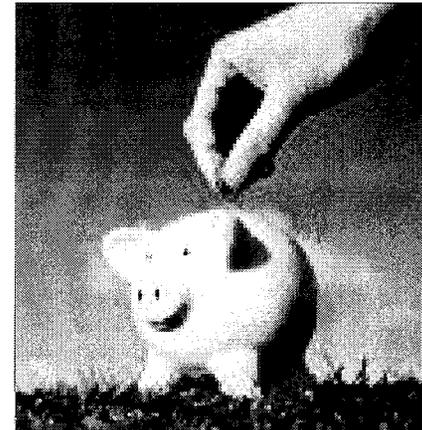


			TIME	TRK	STATUS
BUS	209	METROLINK-NCESA	1:50P	6B	ON TIME
IVED	578	SURFLINER SOUTH	2:00P	9B	BOARDING
TIME	310	METROLINK-SANBERN	2:20P	7B	ON TIME
TIME	684	METROLINK-LCNA NT	2:25P	8B	ON TIME
TIME	422	TEXAS EAGLE	2:30P		ON TIME
TIME	02	SUNSET LIMITED	2:30P		ON TIME
TIME	8536	LAS VEGAS BUS	2:45P		ON TIME
TIME	5702	LONG BEACH BUS	2:45P		ON TIME
TIME	775	SURFLINER NORTH	2:55P		ON TIME
TIME	5703	BAKERSFIELD BUS	3:00P		ON TIME
TIME	307	METROLINK-BUR AIR	3:05P	6B	ON TIME
TIME	5803	BAKERSFIELD BUS	3:10P		ON TIME

Lessons Learned

2. Train is initially viewed as long distance option
 - Public education needed

3. Pricing matters
 - Key in decision-making
 - \$1.00 fare per station reasonable



Lessons Learned

4. Promotional tie-ins might attract riders
 - “Fan train” concept well-received
 - Need to know you can get home

5. Further assessment of potential markets beneficial



Next Steps

- Work with partners to make service improvements
- Develop marketing to build ridership
 - Pursue promotional tie-ins to stimulate trial
 - Create awareness, education programs
 - Include “short trip” element
- Test short-distance fares
- Redirect quantitative research efforts

