

**Date:** **Monday, September 22, 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, September 22, 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](http://www.octa.net) or through the Clerk of the Board's office at the OCTA Headquarters, 600 South Main Street, Orange, California.



## BOARD AGENDA

### Call to Order

ACTIONS

### Invocation

Director Rosen

### Pledge of Allegiance

Vice Chairman Buffa

### Special Matters

#### 1. Presentation of Resolutions of Appreciation for Employees of the Month for September 2008

Present Orange County Transportation Authority Resolutions of Appreciation Nos. 2008-58, 2008-59, 2008-60 to Leticia Rivera, Coach Operator; Kelton Ross, Maintenance; and Monica Roman, Administration, as Employees of the Month for September 2008.

#### 2. Presentation of Resolution of Appreciation to Orange County Sheriff's Department Employee of the Quarter

Present Orange County Transportation Authority Resolution of Appreciation No. 2008-61 to Orange County Sheriff's Sergeant Keith Godfrey.

### Consent Calendar (Items 3 through 20)

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 Resolutions of Appreciation for Employees of the Month for September 2008

Adopt Orange County Transportation Authority Resolutions of Appreciation Nos. 2008-58, 2008-59, and 2008-60 to Leticia Rivera, Coach Operator; Kelton Ross, Maintenance; and Monica Roman, Administration, as Employees of the Month for September 2008.



## BOARD AGENDA

- 4. Approval of Resolution of Appreciation to Orange County Sheriff's Department Employee of the Quarter**

Adopt Orange County Transportation Authority Resolution of Appreciation No. 2008-61 for Orange County Sheriff's Sergeant Keith Godfrey.

ACTIONS

- 5. Approval of Minutes**

Of the Orange County Transportation Authority and affiliated agencies' regular meeting of September 8, 2008.

- 6. Approval of Board Member Travel**

Approval is requested for Director Paul Glaab to travel to Baltimore, MD, September 21-24, 2008, to participate in the International Bridge, Tunnel and Turnpike Association (IBTTA) Annual Meeting.

- 7. Orange County Transportation Authority Draft 2009 State Legislative Platform**

Kristen Essner/P. Sue Zuhlke

### ***Overview***

An initial draft of the Orange County Transportation Authority's 2009 State Legislative Platform has been prepared for the Board of Directors' consideration to direct staff to circulate for further review and comment by interested parties.

### ***Recommendation***

Authorize staff to circulate copies of the Draft 2009 State Legislative Platform to advisory groups, Orange County legislative delegations, cities, and interested members of the public.



## BOARD AGENDA

8. **Federal Legislative Status Report**  
Richard J. Bacigalupo

ACTIONS

### ***Overview***

This report provides recent information regarding the positions and principles of groups and organizations relating to the authorization of new federal transportation legislation, which will be needed when the current legislation expires on September 30, 2009.

### ***Recommendation***

Receive and file as an information item.

9. **Agreements for Design Support During Construction for the San Diego Freeway (Interstate 5) at Oso Parkway Interchange Improvement Project**  
Dipak Roy/Kia Mortazavi

### ***Overview***

The Orange County Transportation Authority has a cooperative agreement with the California Department of Transportation to provide state funding to improve the San Diego Freeway (Interstate 5) at Oso Parkway. Changes to this agreement are required to provide funding for design support services during the construction phase of the project.

### ***Recommendations***

- A. Authorize the Chief Executive Officer to execute Agreement No. C-7-1426 between the Orange County Transportation Authority and the California Department of Transportation, in an amount not to exceed \$676,000, to cover additional costs for design and right-of-way services to improve the San Diego Freeway (Interstate 5) and Oso Parkway interchange.
- B. Authorize the Chief Executive Officer to execute Amendment No. 1 to Cooperative Agreement No. C-5-2595 between the Orange County Transportation Authority and the California Department of Transportation to transfer a total of \$135,200 from Agreement No. C-7-1426 to Agreement No. C-5-2595 for design and construction support services to improve the San Diego Freeway (Interstate 5) and Oso Parkway interchange.



## BOARD AGENDA

### 9. (Continued)

ACTIONS

- C. Authorize the Chief Executive Officer to execute Amendment No. 3 to Agreement No. C-5-2712 between the Orange County Transportation Authority and CH2M HILL, in an amount not to exceed \$147,613, for construction support services to improve the San Diego Freeway (Interstate 5) and Oso Parkway interchange, bringing the total contract value to \$1,819,810.
- 10. **Cooperative Agreements with California Department of Transportation for the Soundwall Projects Along the San Diego Freeway (Interstate 5) in the City of San Clemente**  
George B. Saba/Kia Mortazavi

#### **Overview**

The Orange County Transportation Authority proposes to enter into cooperative agreements with the California Department of Transportation to establish roles and responsibilities for the final design for the two soundwalls on the San Diego Freeway (Interstate 5) in San Clemente, located at El Camino Real and Avenida Vaquero.

#### **Recommendations**

- A. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0721 between the Orange County Transportation Authority and the California Department of Transportation for the preparation of plans, specifications, and estimate for the El Camino Real soundwall project on the San Diego Freeway (Interstate 5) in San Clemente.
- B. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0720 between the Orange County Transportation Authority and the California Department of Transportation for the preparation of plans, specifications, and estimate for the Avenida Vaquero soundwall project on the San Diego Freeway (Interstate 5) in San Clemente.



## BOARD AGENDA

11. **Award of Construction Contract for Americans with Disabilities Act Bus Stop Modifications**  
Dipak Roy/Kia Mortazavi

ACTIONS

### **Overview**

The Orange County Transportation Authority is leading an initiative to make Americans with Disabilities Act improvements at bus stops countywide. Bids for the final construction package in the program were received in accordance with the Orange County Transportation Authority's public works procurement procedures.

### **Recommendations**

- A. Request the Board of Directors to determine the low bidder, S. Parker Engineering, Inc., non-responsive.
- B. Authorize the Chief Executive Officer to execute Agreement No. C-8-0939 between the Orange County Transportation Authority and L.H. Engineering Company, Inc., the lowest responsive, responsible bidder, in an amount not to exceed \$427,280, for construction of Americans with Disabilities Act bus stop modifications in the cities of Brea, Fountain Valley, Huntington Beach, La Habra, and Westminster.

12. **Commuter Bikeways Strategic Plan Update Status Report**  
Gregory Nord/Kia Mortazavi

### **Overview**

A major update to the Commuter Bikeways Strategic Plan is underway. The Commuter Bikeways Strategic Plan will fulfill the State of California eligibility requirements for Bicycle Transportation Account funds, allowing local agencies eligible to apply for state bicycle transportation funds. A status report on the plan update is presented for review.

### **Recommendation**

Receive and file as an information item.



## BOARD AGENDA

ACTIONS

13. **Agreement for Rideshare Marketing and Outreach**  
Sandy Boyle/Ellen S. Burton

### **Overview**

The Orange County Transportation Authority conducts outreach to Orange County employers, commuters, and the public to create awareness and increase usage of our multimodal transportation services.

### **Recommendation**

Authorize the Chief Executive Officer to execute Agreement No. C-8-0811 between the Orange County Transportation Authority and MOB Media Inc., in an amount not to exceed \$588,700 for an initial term of two years with one two-year option term, to perform various marketing activities including market research, analysis, planning, implementation and production.

14. **Preliminary Criteria for Property Acquisition and Restoration for Renewed Measure M Program-Level Freeway Mitigation**  
Marissa Espino/Ellen S. Burton

### **Overview**

Renewed Measure M provides for program-level biological mitigation, through acquisition or restoration of habitat, for 13 freeway projects subject to agreement between the Orange County Transportation Authority and state and federal resource agencies. The Environmental Oversight Committee, appointed by the Board of Directors to provide guidance on developing and implementing such an agreement, is recommending preliminary criteria for evaluating the biological mitigation potential of properties that may be acquired or restored. The criteria will help direct outreach efforts and guide property owners and managers who may be interested in participation.

### **Recommendations**

- A. Adopt the preliminary criteria for evaluating the biological mitigation potential of properties that may be acquired or restored, which will help guide outreach efforts.
- B. Direct staff to implement a public outreach plan to build an inventory of potential conservation sites.



## BOARD AGENDA

ACTIONS

15. **Fourth Quarter Fiscal Year 2007-08 Grant Status Report**  
Christine McCandless/James S. Kenan

### ***Overview***

The Quarterly Grant Status Report summarizes grant activities for information purposes for the Orange County Transportation Authority Board of Directors. This report focuses on significant activity for the period of April through June 2008. The Quarterly Grant Status Report summarizes future and pending grant applications, executed and current grant agreements, and closed-out grant agreements.

### ***Recommendation***

Receive and file as an information item.

16. **Fiscal Year 2007-08 Fourth Quarter Budget Status Report**  
Victor Velasquez/James S. Kenan

### ***Overview***

The Orange County Transportation Authority's staff has been monitoring the budget to actual activity for the fiscal year 2007-08 annual budget and reporting the progress to the Board of Directors on a quarterly basis. This report summarizes the material variances between the budget plan and un-audited actual revenues and expenses through the fourth quarter.

### ***Recommendation***

Receive and file as an information item.



## BOARD AGENDA

17. **Excess Workers' Compensation Insurance Policy**  
Al Gorski/James S. Kenan

ACTIONS

### **Overview**

The Orange County Transportation Authority has an Excess Workers' Compensation Insurance Policy that will expire on October 1, 2008.

### **Recommendation**

Authorize the Chief Executive Officer to issue Purchase Order No. A09980, in an amount not to exceed \$550,000, to purchase the excess workers' compensation insurance policy for the period October 1, 2008 to October 1, 2009.

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

18. **Cooperative Agreements with the Cities of Anaheim and Santa Ana for Go Local Step Two Fixed-Guideway Project Development**  
Kelly Hart/Kia Mortazavi

### **Overview**

On May 12, 2008, the Orange County Transportation Authority Board of Directors allocated \$5.9 million to the City of Anaheim and \$5.9 million to the City of Santa Ana to conduct detailed planning as part of Step Two of the Go Local Program. The Orange County Transportation Authority proposes to enter into cooperative agreements with the subject cities to establish roles and responsibilities for Step Two.

### **Recommendations**

- A. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-1156 with the City of Anaheim, in an amount not to exceed \$5.9 million, for detailed planning, alternatives analysis, conceptual engineering, and state and federal environmental clearance for the proposed fixed-guideway from the Anaheim Regional Transportation Intermodal Center to the Platinum Triangle to Anaheim Resort Connector.



## BOARD AGENDA

**18. (Continued)**

ACTIONS

- B. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-1157 with the City of Santa Ana, in an amount not to exceed \$5.9 million, for detailed planning, alternatives analysis, conceptual engineering, and state and federal environmental clearance for the proposed fixed-guideway from Santa Ana Regional Transportation Center to Harbor Boulevard.

**19. Selection of Consultants for On-Call Traffic Engineering Services**

Ronald Keith/Kia Mortazavi

### **Overview**

Consultant traffic engineering services are needed to support the Proposition 1B Traffic Light Synchronization Program. This program will provide funding to implement signal synchronization on over 150 miles of Orange County streets over the next three fiscal years. As part of the Orange County Transportation Authority's Fiscal Year 2008-09 Budget, the Board of Directors approved funding for consultant services for on-call traffic engineering support. Offers were received in accordance with the Orange County Transportation Authority's procurement procedures for architectural and engineering services. Board of Directors approval is requested to execute agreements with the recommended firms.

### **Committee Recommendations**

- A. Approve the selection of Advantec Consulting Engineers Agreement No. C-8-0612, Albert Grover and Associates Agreement No. C-8-1166, DKS Associates Agreement No. C-8-1167, Fehr & Peers Associates, Inc., Agreement No. C-8-1168, Iteris, Inc., Agreement No. C-8-1169, Kimley-Horn Agreement No. C-8-1170, KOA Corporation Agreement No. C-8-1171, and RBF Consulting Agreement No. C-8-1172 to provide on-call traffic engineering services for the Proposition 1B Traffic Light Synchronization Program.
- B. Authorize staff to request cost proposals from the recommended firms and negotiate agreements for services.



## BOARD AGENDA

### 19. (Continued)

ACTIONS

- C. Authorize the Chief Executive Officer to execute the final agreements. Direct staff to bring contract task orders, for work associated with the Proposition 1B Traffic Light Synchronization Program, to the Board for review and approval. Background data to be included shall indicate the number of firms originally selected and their respective ranking; justification for awarding services; and information on the firm's previous work for the Proposition 1B Traffic Light Synchronization Program.

### Orange County Transit District Consent Calendar Matters

#### 20. Amendment to Agreement for Compressed Natural Gas Fueling Stations at Anaheim and Garden Grove Bases

James J. Kramer/Kia Mortazavi

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

On May 14, 2007, the Board of Directors approved an agreement with California Trillium Company, in an amount not to exceed \$24,100,000, to provide lease-to-own compressed natural gas fueling facilities at the Anaheim and Garden Grove bases. The scope of electrical service upgrades required to power the new compressed natural gas fueling station at the Garden Grove Base have now been defined. An amendment is needed to add these improvements to the agreement.

##### ***Recommendation***

Authorize the Chief Executive Officer to execute Amendment No. 4 to Agreement No. C-6-0890 between the Orange County Transportation Authority and California Trillium Company, in the amount of \$130,967, for electrical service upgrades at the Garden Grove Base.



## BOARD AGENDA

### Regular Calendar

ACTIONS

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

21. **Renewed Measure M Transit Funding Program Guidelines**  
Kurt Brotcke/Kia Mortazavi

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

Work has started on developing the competitive process for the Renewed Measure M transit program. An initial framework and competitive scoring criteria for Project T (Convert Metrolink Stations to Regional Gateways) are provided for review and direction.

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

- A. Provide direction to staff on the proposed framework and competitive scoring criteria for Project T (Convert Metrolink Stations to Regional Gateways).
- B. Direct staff to review the proposed Project T (Convert Metrolink Stations to Regional Gateways) framework and competitive scoring criteria with the Metrolink rail corridor cities in Orange County and return in September 2008 with recommendations.

### Discussion Items

22. **Bravo! Bus Rapid Transit Conceptual Shelter Designs**  
Gordon Robinson/Beth McCormick
23. **State Legislative Status Report**  
Wendy Villa/P. Sue Zuhlke



## BOARD AGENDA

### 24. Public Comments

ACTIONS

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.

### 25. Chief Executive Officer's Report

### 26. Directors' Reports

### 27. Closed Session

A Closed Session is not scheduled.

### 28. Adjournment

The next regularly scheduled meeting of this Board will be held at **9:00 a.m.** on **FRIDAY, OCTOBER 10, 2008**, at the OCTA Headquarters.





ORANGE COUNTY  
TRANSPORTATION AUTHORITY

**RESOLUTION**

**LETICIA RIVERA**

**WHEREAS**, the Orange County Transportation Authority recognizes and commends Leticia Rivera; and

**WHEREAS**, be it known that Leticia Rivera has earned a five (5) year Safe Driving Award and has been with the Authority since January 3, 2003. She has distinguished herself by maintaining an outstanding record for safety, attendance and customer relations; and

**WHEREAS**, Leticia's dedication to her duties and desire to excel are duly noted, and she 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 Leticia Rivera takes great pride in her driving skills and exemplifies the excellent qualities of a professional Coach Operator; and

**NOW, THEREFORE, BE IT RESOLVED** that the Authority does hereby declare Leticia Rivera as the Orange County Transportation Authority Coach Operator Employee of the Month for September 2008; and

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

Dated: September 22, 2008

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Chris Norby, Chairman  
Orange County Transportation Authority

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

OCTA Resolution No. 2008-59





ORANGE COUNTY  
TRANSPORTATION AUTHORITY

**RESOLUTION**

**KELTON ROSS**

**WHEREAS**, the Orange County Transportation Authority recognizes and commends Kelton Ross; and

**WHEREAS**, be it known that Kelton Ross is a valued member of the Maintenance Department. Kelton takes every opportunity to improve himself and become one of the most exceptional mechanics. Kelton's skills and superb "can do attitude" in performing all facets of vehicle maintenance have earned him the respect of all who work with him. Kelton has consistently demonstrated a high level of achievement in providing our customers safe, clean and ready vehicles at the Santa Ana base. His commitment to teamwork, standards of excellence and organizational pride make him a strong asset to the base.

**WHEREAS**, Kelton's 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 Kelton Ross as the Orange County Transportation Authority Maintenance Employee of the Month for September 2008; and

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

Dated: September 22, 2008

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Chris Norby, Chairman  
Orange County Transportation Authority

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

OCTA Resolution No. 2008-58





ORANGE COUNTY  
TRANSPORTATION AUTHORITY

**RESOLUTION**

***Monica Roman***

**WHEREAS**, the Orange County Transportation Authority recognizes and commends Monica Roman; and

**WHEREAS**, be it known that with her outstanding customer service, attention to detail, and commitment to excellence, Monica is an indispensable asset to the Human Resources Department; and

**WHEREAS**, Monica's knowledge of the Authority's business practices, recruiting techniques and relationships with hiring managers throughout the Authority, has enabled her to identify and recommend top applicants for career opportunities at the Authority; and

**WHEREAS**, Monica's integrity, knowledge, and commitment to customer services, has earned her the respect of co-workers throughout the Authority; and

**WHEREAS**, Monica's commitment to coordinating the College Internship program, ensuring students have the opportunity to gain "real work" experience as they complete their educational goals.

**NOW, THEREFORE, BE IT RESOLVED** that the Authority does hereby declare Monica Roman as the Orange County Transportation Authority Administrative Employee of the Month for September 2008; and

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

Dated: September 22, 2008

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Chris Norby, Chairman  
Orange County Transportation Authority

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

OCTA Resolution No. 2008-60



4.



## ORANGE COUNTY TRANSPORTATION AUTHORITY

# RESOLUTION

### **SERGEANT KEITH GODFREY**

**WHEREAS**, the Orange County Transportation Authority recognizes and commends Sergeant Keith Godfrey; and

**WHEREAS**, Sergeant Godfrey has been assigned to Transit Police Services since July 2005, supervising deputies assigned to the Fixed Route Operations and is responsible for the officer training programs. He provides his teams with a clear understanding of his expectations and demands a high quality of work production and the best service possible to OCTA, its employees and patrons who utilize the transportation system; and

**WHEREAS**, Sergeant Godfrey uses his extensive training experience to teach deputies the necessary knowledge and skills to perform their day to day duties of the Orange County Transportation Authority. He creates an environment of excitement among the deputies and motivates staff to strive for excellence; and

**WHEREAS**, Sergeant Godfrey successfully applied for grant funding for the new OCTA Special Threat Interdiction Team which is designed to protect public transportation and to respond to any threats directed at the transit community.

**NOW, THEREFORE, BE IT RESOLVED** that the Authority does hereby declare Sergeant Keith Godfrey as the Orange County Transportation Authority Transit Police Services Employee of the Quarter for September 2008; and

**BE IT FURTHER RESOLVED** that the Orange County Transportation Authority Board of Directors recognizes Sergeant Keith Godfrey's valued service to the Authority.

**Dated:** September 22, 2008

Chris Norby, Chairman  
Orange County Transportation Authority

OCTA Resolution No. 2008-61

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



5.

Minutes of the Meeting of the  
Orange County Transportation Authority  
Orange County Service Authority for Freeway Emergencies  
Orange County Local Transportation Authority  
Orange County Transit District  
Board of Directors  
September 8, 2008

## **Call to Order**

The September 8, 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  
Jerry Amante  
Patricia Bates  
Arthur C. Brown  
Bill Campbell  
Carolyn Cavecche  
Richard Dixon  
Paul Glaab  
Cathy Green  
Allan Mansoor  
John Moirlach  
Janet Nguyen  
Curt Pringle  
Miguel Pulido  
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: Mark Rosen

## **Invocation**

Director Pringle gave the invocation.

## **Pledge of Allegiance**

Chairman Norby 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**

A motion was made by Director Green, seconded by Director Brown, and declared passed by those present, to approve the minutes of the Orange County Transportation Authority and affiliated agencies' regular meeting of August 25, 2008.

Vice Chairman Buffa and Directors Bates, Campbell, and Cavecche were not present to vote on this item.

#### **2. Customer Relations Report for Fourth Quarter Fiscal Year 2007-08**

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

Vice Chairman Buffa and Directors Bates, Campbell, and Cavecche were not present to vote on this item.

### **3. Property Insurance Policy Renewal**

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

Authorize the Chief Executive Officer to issue Purchase Order No. A09865, in an amount not to exceed \$500,000 to Marsh Risk and Insurance Services, Inc., for the purchase of property insurance on behalf of the Orange County Transportation Authority for the period of December 1, 2008, to December 1, 2009.

Vice Chairman Buffa and Directors Bates, Campbell, and Cavecche were not present to vote on this item.

### **4. Workers' Compensation Program Review**

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

Vice Chairman Buffa and Directors Bates, Campbell, and Cavecche were not present to vote on this item.

### **5. Agreements for Health Insurance Services and Health Brokerage Services**

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

- A. Authorize the Chief Executive Officer to execute Amendment No. 4 to Agreement No. C-5-0455 between the Orange County Transportation Authority and Kaiser Foundation Health Plan, Inc., on a cost per employee basis for prepaid medical services through December 31, 2009. The annual 2009 Kaiser Foundation Health Plan, Inc. premium costs will vary in accordance with actual enrollment.
- B. Authorize the Chief Executive Officer to execute Agreement No. C-8-1054 between the Orange County Transportation Authority and Aetna, on a cost per employee basis, for prepaid medical services through December 31, 2009. The annual 2009 Aetna health maintenance organization premium costs will vary in accordance with actual enrollment.
- C. Authorize the Chief Executive Officer to execute Agreement No. C-8-1055 between the Orange County Transportation Authority and Aetna, on a cost per employee basis, for open access managed choice medical services through December 31, 2009. The annual 2009 Aetna open access managed choice premium costs will vary in accordance with actual enrollment.

**5. (Continued)**

- D. Authorize the Chief Executive Officer to execute Amendment No. 2 to Agreement No. C-5-2862 between the Orange County Transportation Authority and MetLife Life Insurance Company dental preferred provider organization, on a cost per employee basis, for preferred provider organization dental services through December 31, 2009. The annual 2009 MetLife Insurance Company dental preferred provider organization premium costs will vary in accordance with actual enrollment.
- E. Authorize the Chief Executive Officer to execute Amendment No. 3 to Agreement No. C-5-0458 between the Orange County Transportation Authority and SmileSaver dental health maintenance organization, on a cost per employee basis, for prepaid dental services through December 31, 2010. The annual 2009 and 2010 SmileSaver dental health maintenance organization premium costs will vary in accordance with actual enrollment.
- F. Authorize the Chief Executive Officer to execute Purchase Order No. C-6-0658 between the Orange County Transportation Authority and Lincoln Financial Group, on a cost per employee basis, for life and accidental death and dismemberment insurance through December 31, 2010. The annual 2009 and 2010 Lincoln Financial Group premium costs will vary in accordance with actual employee participation in the plan.
- G. Authorize the Chief Executive Officer to execute Purchase Order No. C-6-0659 between the Orange County Transportation Authority and Lincoln Financial Group, on a cost per employee basis, for short-term and long-term disability insurance through December 31, 2010. The annual 2009 and 2010 Lincoln Financial Group premium costs will vary in accordance with actual employee participation in the plan.
- H. Authorize the Chief Executive Officer to execute Amendment No. 4 to Agreement No. C-4-1271 to exercise first option term between the Orange County Transportation Authority and Mercer through November 30, 2009, in an amount not to exceed \$80,000, to continue to provide health brokerage services.

Vice Chairman Buffa and Directors Bates, Campbell, and Cavecche were not present to vote on this item.

## **Orange County Service Authority for Freeway Emergencies Consent Calendar Matters**

### **6. Review of Agreement No. C-4-0793 Darrel Cohoon & Associates and Other Related Agreements**

A motion was made by Director Green, seconded by Director Brown, and declared passed by those present, to direct staff to implement recommendations in the Review of Agreement No. C-4-0793 Darrel Cohoon & Associates and Other Related Agreements, Internal Audit Report No. 08-008, with Revised Management Responses August 1, 2008.

Vice Chairman Buffa and Directors Bates, Campbell, and Cavecche were not present to vote on this item.

## **Regular Calendar**

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

#### **7. Metrolink Ridership and On-Time Performance Report**

Darrell Johnson, Director of Transit Project Delivery, presented this report to the Board, informing the Board regarding Metrolink ridership and providing an overview of the on-time performance report.

Chairman Norby asked if there is a way to gauge how many people drive to the station and park as opposed to those who get dropped off, and Mr. Johnson indicated that information would be provided. Chairman Norby also stated it would be helpful to learn what the pattern is for station connections.

Director Pringle asked if on-site reviews have been conducted with passengers to determine from where they come to catch the train and what their final destination would be. He stated that he would like to see an assessment done to determine if it would be a reasonable investment to expand parking facilities.

Chairman Norby asked that staff conduct a study to learn how people get to their final destinations after they alight from the train and report back with that information.

Extensive discussion followed, with a consensus for this issue to come back for discussion at the Transit Committee following further data being gathered regarding what the situation is at each station in terms of station parking, boardings, destination station connections, arrival modes at stations, and a review of other systems' policies.

**7. (Continued)**

A motion was made by Director Amante, seconded by Director Pulido, and declared passed by those present, for staff to bring a discussion to the Transit Committee to address the issues discussed and to request Committee direction for future studies to determine needs for parking at Metrolink stations.

## **Discussion Items**

**8. 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.

No public comments were received.

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

Chief Executive Officer, Arthur T. Leahy, reported:

- A hand-out was provided on the Bravo! bus rapid transit program and a presentation will be provided at a future meeting;
- The State Route 55 Access Study will be discussed at the Southern California Association of Governments' (SCAG) forum on Wednesday, September 10, to address the impact of current high gasoline prices;
- The Environmental Clean-up Allocation Committee meets on Thursday at 10:00 a.m. at the OCTA Headquarters;
- OCTA received word last Friday that as a result of the condition of the Highway Trust Fund, the Federal Highway Administration will delay financial reimbursements to all states, and it is possible that the reimbursements which are considerably less than the requested amounts. Caltrans Director Kempton has stated that this may affect a number of projects throughout the State of California and could result in delay, reduction, or even cancellation of certain transportation projects.

Director Quon commented the press release was issued last Friday, and Director Kempton is committed to working with the Federal Government to seek resolution on this issue and is concerned for the "domino effect" this could create throughout the state

## **10. Directors' Reports**

Director Brown stated that he represented OCTA at the Los Angeles/San Diego (LOSSAN) Rail Corridor meeting last week. He further stated that Brian Humphries brought up items related to the Metrolink delays. He stated that individuals may text "40404 follow Metrolink" on their cell phones to receive updates on delays on the system and what trains are affected, or on the computer, go to TWITTER.com to get Metrolink updates.

Director Dixon stated that he also attended the LOSSAN Board meeting last week. He also stated that Senator Steinberg will be at the SCAG forum on September 10 and has offered to meet with Director Dixon and his officers, as well as Chief Executive Officer, Arthur T. Leahy.

Director Amante informed Members that the Orange County Division of the League of Cities is taking a different position than its state board on Senate Bill 375. There is concern regarding this bill and feel it impacts local land use significantly. A letter regarding this issue will be forthcoming.

Director Amante also advised Members that the Transportation Corridor Agencies' (TCAs) public hearing on the proposed 241 extension will be held on Monday, September 22, in Del Mar.

He further stated that a new marketing plan has been adopted by TCAs and shows new ads for cable on the toll roads, which advertises timesavings. Director Amante stated he'll arrange to have the ads brought to the Board to show at a future meeting.

## **11. Closed Session**

A Closed Session was held:

- A. Pursuant to Government Code Section 54956.8 to meet with OCTA negotiator James Staudinger to discuss the purchase of real property interest identified as follows:

<u>Assessor Parcel Number (APN)</u>	<u>Street Address</u>	<u>City</u>
390-291-08	582 S. Devon Rd.	Orange

The negotiator for the property interest is the owner of the property.

<u>Assessor Parcel Number (APN)</u>	<u>Street Address</u>	<u>City</u>
339-442-01	450 S. Placentia Ave.	Placentia

The negotiator for the property interest is the owner of the property and Robert Kauppi, real estate broker.

**11. (Continued)**

- B. Pursuant to Government Code Section 54957.6 to meet with designated representative Marva Phillips to discuss negotiations with Teamsters Local 952, representing maintenance employees.

A report out of Closed Session was not made.

Directors Cavecche, Pulido, and Nguyen were not present at this session.

**12. Adjournment**

The meeting adjourned at 10:30 a.m. The next regularly scheduled meeting of this Board will be held at **9:00 a.m. on Monday, September 22, 2008**, at the OCTA Headquarters.

ATTEST

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Wendy Knowles  
Clerk of the Board

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Chris Norby  
OCTA Chairman

6.



# OUT-OF-STATE TRAVEL

Board Member Only - Travel Authorization/Request For Payment

Attach copy of the **Travel Worksheet, Registration Forms, and other pertinent documentation** for this claim.  
Travel will not be processed until all information is received.

## CONFERENCE/SEMINAR INFORMATION

Name: Director Paul Glaab      Job Title: Board Member  
Department: Board of Directors      Destination: Baltimore, MD  
Program Name: International Bridge, Tunnel and Turnpike Association (IBTTA) 76th Annual Meeting

**Description/Justification:** Transportation and toll industry experts from all over the world will explore the challenges and opportunities our industry faces now including the credit crisis, sustainable mobility and the environment, transportation payment integration, new toll - concession models, open road tolling, interoperability, connecting with customers, going cashless, and congestion pricing. These are a few of the many topics discussed at the annual meeting.

## COMMENTS

Meal Rate- \$59 - \$3 = \$56 per day  
Lodging- Will be paid for by IBTTA      Other- Airport parking and ground transportation  
Conference/Seminar Date:      Departure Date: 9/21/08       Mail  Hand Carry  
Payment Due Date:      Return Date: 9/24/08      Course Hours:

ESTIMATED EXPENDITURES	
Transportation	\$1,000.00
Meals	\$224.00
Lodging	\$0.00
Registration	\$0.00
Other	\$50.00
Total	\$1,274.00

APPROVALS	
Please Initial:	9/9/08
Finance*	Date
* Funds are available for this travel request.	
Please Sign:	
Clerk of the Board	Date

## ACCOUNTING CODES

Org. Key: 1120	Object: 7655	Job Key: A0001	JL: EV9
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Ref #: Sept. 2008	Board Date: Septmeber 22, 2008	T/A #: FY 08/09 -113
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7.



MEMO

September 16, 2008

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



**September 18, 2008**

**To:** Legislative and Communications Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Orange County Transportation Authority's Draft 2009 State Legislative Platform

### ***Overview***

An initial draft of the Orange County Transportation Authority's 2009 State Legislative Platform has been prepared for the Board of Director's consideration to direct staff to circulate for further review and comment by interested parties.

### ***Recommendation***

Authorize staff to circulate copies of the Draft 2009 State Legislative Platform to advisory groups, Orange County legislative delegations, cities, and interested members of the public.

### ***Discussion***

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

### **2009 State Legislative Platform**

The Draft 2009 State Legislative Platform, presented as Attachment A, is proposed to update the adopted 2008 program based upon what has transpired in Sacramento this year and what is anticipated to be the key issues next year.

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Proposed changes from the 2008 State Legislative Platform are designated by underlined and strikeout text. The attachment incorporates new suggestions and initiatives solicited by OCTA staff from the following groups:

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

Over 300 groups and individuals were asked to consider issues important to OCTA or problems currently affecting Orange County transportation that might be addressed by legislative solutions. State Relations staff considered the ideas and input received when writing the Draft 2009 State Legislative Platform.

Major new sections and concepts included in this year's platform reflect current and anticipated issues in the 2009 legislative session. However, due to this year's extended budget impasse and related hold on legislation for the Governor's signature, some new issues or resolutions may take place which staff will review to reflect in the final draft of the 2009 State Legislative Platform. With budget proposals thus far seeming to propose the diversion of transportation dollars to cover General Fund expenditures, securing future transportation funding will remain a top priority for transportation agencies throughout the state. Additionally, the Scoping Plan for AB 32 – the Global Warming Solutions Act of 2006 (Chapter 488, Statutes of 2006) is to be adopted by the California Air Resources Board (CARB) by January 1, 2009. The associated regulations regarding transportation and land use will have impacts to transportation agency planning and programming functions, with potential effects to all future planned transportation projects, including those funded pursuant to Renewed Measure M.

#### Sponsor Legislation

A major bill proposed to be sponsored is legislation that clarifies that a programmatic approach should be used to analyze greenhouse gas emissions for transportation projects under the California Environmental Quality Act (CEQA).

The signing of AB 32 – the Global Warming Solutions Act of 2006 (Chapter 488, Statutes of 2006) led to a proliferation of litigation and piecemeal

settlement agreements attempting to address how greenhouse gas (GHG) emissions are to be analyzed under CEQA. Due to the inconsistency present in these agreements, and lack of clear modeling techniques or thresholds, many projects remain vulnerable to challenge under CEQA. In order to assist in a resolution of these issues, the Governor signed SB 97 (Chapter 185, Statutes of 2007), which directs the Office of Planning and Research (OPR) to provide guidelines for analyzing GHG emissions under CEQA. The OPR is to release their recommendations by January 1, 2009, to be adopted by CARB by January 1, 2010. However, the OPR released informal guidance through a technical advisory in June 2008, where it stressed that some projects may not be appropriately analyzed at the project level due to the analysis not being feasible or effective. For these projects, it is recommended that program level policies be adopted to analyze GHG emissions. Moreover, in CARB's Draft Scoping Plan, also released in June 2008, it stated that CARB will work with the OPR to ensure projects consistent with adopted programmatic planning documents meeting regional GHG targets receive recognition under CEQA.

Notably missing from SB 375 (Steinberg, D-Sacramento) was a process for resolving this issue. Although, SB 375 is touted as a comprehensive tool for reducing GHG emissions from the transportation and land use sectors, elaboration was only given for how to analyze GHG emissions under CEQA for specific development projects. It was acknowledged by multiple stakeholders involved in the process that legislation is necessary to clarify that a programmatic analysis is to be used to analyze GHG emissions under CEQA for transportation projects. Not addressing this issue would create additional hurdles for meeting regional GHG targets by extending the time needed to complete environmental analysis for transportation projects, and creating further potential delays due to litigation challenges. The pitfalls associated with continued lack of proper guidance and the reliance on conjectures to perform project by project analysis can be seen in the recent delays to the Highway 50 project due to the lack of a statewide policy on this issue.

There were also a few suggestions that were received that are still being evaluated and researched including updates to deadline requirements provided under the SB 457 (Chapter 263, Statutes of 1996) program governing the Los Angeles-San Diego Rail Corridor Agency (LOSSAN), and the exclusion of paratransit from calculations for farebox recovery ratios under the Transportation Development Act.

Other ideas that were submitted for potential sponsor legislation include further examination of the allowance created under AB 608 (Chapter 815, Statutes of

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2001), which allows the California Transportation Commission (CTC) to return unused State Transportation Improvement Program (STIP) regional transportation improvement program (RTIP), or interregional transportation improvement program (ITIP) funds to the applicable agency of a contract for the specified project if its total cost is less than 80 percent of the engineer's original estimate. Another suggestion was to amend the STIP AB 3090 (Chapter 1243, Statutes of 1992) process governing the ability of local agencies to use their own funding to advance fund a STIP project so to allow direct reimbursement rather than replacement project approval. For both of these ideas, it is felt that it would be more appropriate to explore each at a later time due to the recent passage of amendments to the STIP process.

#### Added and Updated Provisions

Based on both internal and external input, various additions were made in the Draft 2009 State Legislative Platform. Under the AB 32 Implementation section under Key Issues, additional principles were included to appropriately reflect developments that took place this year with SB 375 and the Draft Scoping Plan, including efforts to support and maintain local decision making, ensure that existing transportation funding sources are not reprioritized, and the support of provisions to secure transit funding sources in the meeting of AB 32 goals. Some of the other additions include additional consistency between the exemptions provided for farebox recovery requirements under the Transportation Development Act and State Transit Assistance program, expansion of the use of public-private partnerships that maintains local authority and flexibility, and the support of efforts at creating an equitable distribution of funding pursuant to a high-speed rail bond.

In an effort to keep the platform as up-to-date as possible, it is being reviewed for items that no longer apply or have been achieved. This includes a provision that sought a legislative or administrative remedy to allow for continuous ingress/egress in high-occupancy vehicle lanes and support for income tax credits for employers who subsidize transit passes, both of which have been achieved.

#### Next Steps

With the Board's authorization, staff will circulate the Draft 2009 State Legislative Platform to key audiences for additional comment and revision. After further refinement, the Legislative and Communications Committee will provide a final review and make a recommendation to the Board on

November 6, 2008. The final 2009 State Legislative Platform will be forwarded to the Board for adoption at its November 10, 2008, meeting.

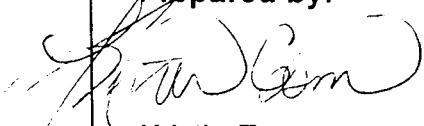
***Summary***

Upon Board authorization, the Draft 2009 State Legislative Platform will be circulated for review and will return to the Board in November for further review and possible adoption.

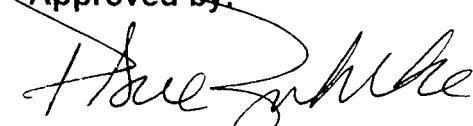
***Attachment***

- A. Draft Orange County Transportation Authority 2009 State Legislative Platform

**Prepared by:**

  
Kristin Essner  
Government Relations  
Representative  
(714) 560-5754

**Approved by:**

  
P. Sue Zuhlke  
Chief of Staff  
(714) 560-5574

## **Draft Orange County Transportation Authority 20089 State Legislative Platform**

The 2009 State Legislative Platform serves as a framework document to guide the Orange County Transportation Authority's (OCTA) state legislative, regulatory, and administrative activities in the coming year. The Key Transportation Policy Issues section briefly describes the issues that are anticipated to be the major focus of the upcoming legislative session and offers guiding policy direction for those issues. The later sections present guiding policy statements for other major issue areas that may arise during the year.

Although this document generally serves to guide legislative activities and recommendations, positions on individual items will be brought to the Board of Directors for formal action.

### **Key Transportation Policy Issues in 20089**

A number of significant transportation issues are expected to be discussed in the 20089 legislative session. A few of these key issues are highlighted in this section including: Transportation Funding, Goods Movement, Infrastructure Bonds, and AB 32 Implementation.

In order to better understand how resources are anticipated to be allocated during the 20089 legislative session, each issue in the Key Transportation Issues section is designated with a "Lobbying Action Level." The level is derived from the expected impact the issue could have on the Orange County Transportation Authority (OCTA), the context in which the issue is moving forward, and the amount of resources that are expected to be devoted to the issue in pursuit of the objective.

A "Lobbying Action Level - High" designation means that all resources and actions necessary will be devoted to this particular issue due not only to the direct, significant, or long-term impacts that the outcome poses to OCTA, but also priority items of the OCTA Board of Directors (Board). A strategically targeted, comprehensive array of actions will be taken in addition to those used for other Lobbying Action Levels.

A "Lobbying Action Level - Medium" designation means that a full range of resources will be explored for the particular issue depending on the current status. Such actions could include formal correspondence and personal involvement of staff or Board Members through the legislative process.

A "Lobbying Action Level - Low" designation means that a smaller amount of resources will be devoted to the issue due to the low level of activity anticipated for that particular item. These issues will be monitored for potential amendments which increase the issue's significance and warrant a higher level of activity.

## Transportation Funding

NOTE: TRANSPORTATION FUNDING SECTION WILL BE UPDATED ONCE THE FISCAL YEAR 2008-2009 BUDGET IS SIGNED.

California's fiscal year (FY) 2007-2008 budget diverts an estimated \$1.3 billion from the Public Transportation Account (PTA) to cover General Fund expenditures. Funds derived from the PTA are used for transit capital improvement projects and public transit operational expenses. The ongoing state budget deficit has lead to the Legislature diverting significant sums of transportation dollars to balance the state's fiscal deficiencies. This year's diversion will cause public transit agencies throughout the State to consider making serious cuts to transportation projects and/or reduce services. Two of the most strongly debated funding sources at the state level are "spillover" and Proposition 42.

"Spillover" revenue is generated through a calculation of the difference between a portion of the state sales tax on all goods and the sales tax on gasoline. "Spillover" revenue is required by statute to be deposited into the PTA to cover public transit expenditures, but has historically been largely diverted to non-public transportation purposes. A significant amount of this year's \$1.3 billion transportation funding diversion came from "spillover". Additionally, the FY 2007-2008 state budget permanently redirected ~~fifty~~ 50 percent of "spillover" revenue annually to cover General Fund expenditures. The remaining "spillover" revenues will be distributed in the following manner: two-thirds will be distributed to the State Transit Assistance Fund and one-third will be distributed into the PTA. However, in the signing message for this measure, the Governor indicated that such statutory protection must be evaluated on a year-to-year basis, leaving open the possibility of additional funds being diverted in future years.

Passed in 2002, Proposition 42 requires the transfer of the state sales tax on gasoline from the General Fund to the Transportation Investment Fund to fund transportation improvements around the state. In 2006, California voters passed Proposition 1A which closed the "loop-hole" in Proposition 42 by only permitting loans to the General Fund, rather than full or partial suspensions. These loans would be required to be repaid with interest within three years. The FY 2007-2008 state budget fully funds Proposition 42, which is projected to generate \$1.48 billion for transportation projects statewide. Additionally, \$83 million from the "spillover" diversion was used to repay past Proposition 42 suspensions to provide General Fund relief.

In 2008~~9~~, OCTA will continue to:

- a) Oppose efforts to divert transportation revenue *Lobbying Action Level High* sources to be used for General Fund expenditures
- b) Oppose the diversion of various transportation revenue sources to be allocated towards Proposition 42 repayments or future repayment of general fund obligation bonds *Lobbying Action Level High*

- c) Support the expedited repayment of all *Lobbying Action Level Low Medium*  
Proposition 42 loans

#### Infrastructure Bond Implementation

In 2006, voters approved a \$39 billion infrastructure bond package constituting the single largest investment in state infrastructure in decades. Specifically, Proposition 1B allocates over \$19 billion for transportation purposes with several programs being subject to implementing legislation in the 2008 legislative session. The FY 2007-2008 State Budget included trailer bill language that creates the structure and process to implement Proposition 1B programs such as Local Streets and Roads, Public Transportation Modernization, State Transportation Improvement, Corridor Mobility Improvement, State Highway Operations and Protection, and Air Quality along with Transit and Port Security. OCTA is actively involved in the implementation of these programs and will continue to monitor the implementation for potential changes, supporting efforts to optimize funding for Orange County projects.

In 20089, OCTA will:

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

#### AB 32 Implementation

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

On January 1, 2009, CARB is to adopt a Scoping Plan that will outline all measures to be used to achieve the aggressive goals outlined in ~~the Act AB 32~~. These measures, in turn, must be enforceable by January 2012. Many different sectors will be affected by these regulations, including the transportation industry. In order to ensure that regulations are adopted which both help meet emission reduction targets and encourage the development of necessary infrastructure to meet the needs of California's growing population, in 20089 OCTA will:

a)	<u>Support efforts to ensure local flexibility in meeting the goals of AB 32, that maintains local decision making authority</u>	<u>Lobbying Action Level High</u>
b)	<u>Support efforts to clarify a programmatic approach should be used to analyze greenhouse gas emissions for transportation projects under the California Environmental Quality Act (CEQA)</u>	<u>Lobbying Action Level High</u>
bc)	Support incentive-based compliance measures rather than punitive policies	<i>Lobbying</i> Action      Level <u>Medium</u>
ed)	Support efforts to prevent pre-emptive litigation under <del>the California Environmental Quality Act CEQA</del> before the necessary guidelines are established	<i>Lobbying</i> Action      Level <u>Medium</u>
e)	<u>Support efforts to provide secure transit funding for capital and operating expenses to assist in meeting AB 32 goals</u>	<i>Lobbying</i> Action      Level <u>Medium</u>
f)	<u>Support efforts to ensure the availability of proven technology and adequate funding prior to the implementation of zero emission bus regulations</u>	<i>Lobbying</i> Action      Level <u>Medium</u>
g)	<u>Support efforts to allow for third-party independent review of the short and long term economic costs associated with the implementation of AB 32</u>	<i>Lobbying</i> Action      Level <u>Medium</u>
eh)	Support efforts at inter-agency collaboration to prevent piecemeal regulation	<i>Lobbying Action Level Low</i>
fi)	Support the creation of grant programs to assist with compliance of the adopted regulations	<i>Lobbying Action Level Low</i>
aj)	Oppose legislation seeking to accelerate the implementation of AB 32 prior to thorough analysis by CARB and an appropriate opportunity for public notice and comment	<i>Lobbying Action Level High</i>
k)	<u>Oppose efforts to link or reprioritize local and state transportation funding through AB 32</u>	<u>Lobbying Action Level High</u>

		<i>Lobbying</i>	Action	Level
¶l)	Oppose efforts to create regulations that are not currently economically practicable or technologically feasible	Medium		
m)	<u>Oppose efforts to create new oversight provisions under CEQA for entities not previously granted such authority</u>	Lobbying Medium	Action	Level

## Goods Movement

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

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

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

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

In March of 2007, the Board adopted a Goods Movement Policy intended to guide OCTA decisions regarding goods movement. Further, in July of 2007, the Board adopted Principles for a Container Fee Program, which are intended to guide negotiations and analysis of either a voluntary or mandatory container fee program. OCTA will use these two policies to evaluate any state legislative proposals regarding goods movement.

In 20089, OCTA's advocacy efforts in this regard will emphasize the following:

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

#### Foothill-South Toll Road (State Route 241)(SR-241)/Foothill-South Extension

With an estimated 320,000 daily trips, Orange County's toll road system is widely used by Southern California drivers. As the population continues to grow, the number of commuters increase, and drive-times become exacerbated, the demand for traffic congestion relief becomes greater. The Transportation Corridor Agencies (TCA) plans to extend the State Route 241 (SR-241) toll road through Southern Orange County to the Orange/San Diego County line, which would provide substantial relief to the County's freeway system.

In 20089 OCTA will:

- a) Support the ~~Transportation Corridor Agencies'~~ *Lobbying Action Level High* Foothill South Toll Road Extension Plan to connect SR-241 to Interstate 5 in South Orange County

#### Sponsored Legislation

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

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

- a) Sponsor legislation that will clarify that a programmatic approach is to be taken when analyzing greenhouse gas emissions for transportation projects under CEQA. Lobbying Action Level High

## I. STATE BUDGET

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

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

Key actions by OCTA will include:

- a) Oppose further loans from state highway and transit accounts to the state General Fund, deferral of existing loan repayment provisions, taking of "spillover" revenue from the Public Transportation Account, or relaxation of payback with interest provisions
- b) Oppose unfunded mandates for transportation agencies and local governments in providing transportation improvements and services
- c) Oppose cost shifts or changes in responsibility for projects funded by the state to the local transportation entities
- d) Oppose the diversion of OCTA's share of state highway and transit funding for alternative purposes
- e) Support legislation to treat the property tax of single-county transit districts the same as multi-county districts and correct other Educational Revenue Augmentation Fund (ERAF) inequities between like agencies
- f) Seek additional funding for paratransit operations, including service for persons with disabilities and senior citizens
- g) Support the Constitutional protection of all transportation funding resources

## **II. STATE/LOCAL FISCAL REFORMS AND ISSUES**

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

Therefore, OCTA will:

- a) Oppose efforts to reduce local prerogative over regional program funds
- b) Oppose levying any new and/or increase in gasoline sales taxes or user fees unless a direct nexus exists between revenues and transportation projects and the additional revenues are controlled by the county transportation commission
- c) Oppose efforts to increase the one and one-half percent cap on administrative fees charged by the Board of Equalization on the collection of local sales taxes measures
- d) Oppose efforts to redirect Proposition 116 funds outside of the county/region approved by the voters upon passage of the initiative
- e) Oppose efforts to transfer traditional federal funding sources from local agencies to the state and support equitable distribution of new federal funding programs in the state implementation legislation for the federal surface transportation act
- f) Support legislation protecting or expanding local decision-making in programming expenditures of transportation funds
- g) Support efforts to ease or simplify local matching requirements for state and federal grants and programs
- h) Support the retention of existing local revenue sources
- i) Support legislation to protect the flexibility of federal aid highway funds by requiring state compliance with federal highway safety requirements
- j) Support flexibility for obligating regional federal transportation funds through interim exchange instead of loss of the funds by the local agency
- k) Support increased flexibility in state guidelines related to the use of state highway funds for soundwalls

### **III. STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP) STREAMLINING**

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

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

Key provisions to be sought by the OCTA include:

- a) Support legislation that maintains equitable "return to source" allocations of transportation tax revenues, such as updating north/south formula distribution of county shares and ITIP allocations
- b) Support legislation to clarify that programming of county shares has priority over advancement of future county shares
- c) Support maintaining the current STIP formula, which provides 75 percent of the STIP funding to the locally nominated RTIP and 25 percent to the ITIP Program
- d) Support a formula based guaranteed disbursement of the ITIP
- e) Support removing the barriers for funding transportation projects including allowing local agencies to advance projects with local funds when state funds are unavailable due to budgetary reasons, and allowing regions to pool federal, state, and local funds in order to limit lengthy amendment processes and streamline project delivery time
- f) Support legislation to involve county transportation commissions in development and prioritization of SHOPP projects

### **IV. TRANSIT PROGRAMS**

In 2005, OCTA was recognized by the American Public Transportation Association as the "Outstanding Public Transportation System of the Year." OCTA's legislative efforts in 20089 will focus on allowing the agency to continue to provide the reliable, safe, and efficient bus service that riders have come to count on.

To that end, OCTA will focus on the following:

- a) Oppose unfunded transit mandates that may occur as part of California's Olmstead Plan, which encourages independence in the disabled community
- b) Support legislation to encourage the interoperability of smart card technology within California
- c) Support legislation to limit the liability of transit districts for the location of bus stops (Bonanno v. Central Contra Costa Transit Authority)
- d) Support the siting of transit oriented development projects (i.e. authorize extra credit towards housing element requirements for these developments), including incentives for development
- e) Support additional funding for paratransit operations, including service for persons with disabilities and senior citizens
- f) Support legislation aligning Transportation Development Act farebox recovery requirement exclusions to those provided under the State Transit Assistance program
- g) Support legislation that would align administration rules under the State Transit Assistance program to those under the Transportation Development Act

## V. ROADS AND HIGHWAYS

OCTA's commitment to continuously improve mobility in Orange County is reflected through a dynamic involvement in such innovative highway endeavors as the ownership of the 91 Express Lanes and the use of design-build authority on the Garden Grove Freeway (State Route 22) SR-22 project. OCTA will continue to seek new and innovative ways to deliver road and highway projects to the residents of Orange County and to that end, in 20089, OCTA will focus on the following:

- a) Oppose efforts to create a conservancy that would inhibit the delivery of transportation projects under study or being implemented in the region
- b) Support administrative policy changes to lower the oversight fee charged by Caltrans to ensure that project support costs are equivalent whether the project is administered by Caltrans or a local agency
- c) Support improvements in major trade gateways in California to facilitate the movement of intrastate, interstate, and international trade beneficial to the state's economy
- d) Support streamlining of the Caltrans review process for projects, simplification of processes, and reduction of red tape, without compromising environmental safeguards

- e) Support customer privacy rights while maintaining OCTA's ability to effectively communicate with customers and operate the 91 Express Lanes
- g) Support the use of new technology to enhance toll agency enforcement efforts
- h) Work with Caltrans to ensure design specifications for bridges are free from defect
- i) Seek cooperation from the state, the county, cities, and other local jurisdictions to implement street signal coordination, prioritization, preemption, and use of intelligent transportation system measures
- j) Work with Caltrans to further improve street signal coordination by permitting the coordination of on and off-ramp signals with local street signal synchronization efforts
- ~~k) Seek an administrative/legislative remedy that increases utilization of High Occupancy Vehicle (HOV) lanes, including unlimited ingress/egress and use by single occupant vehicles during off peak hours~~
- ~~l) Monitor efforts to increase fines for HOV lane violations, and if implemented, ensure fines are dedicated to enforcement purposes~~
- ~~m) Support studying the policies, funding options, and need for rail/highway grade separations including any impact on existing state highway and transit funding sources~~
- ~~n) Support legislation authorizing the use of design-build for transportation infrastructure without limiting the type of funding that can be used on the projects~~
- ~~o) Support the use of public-private partnerships that increase highway capacity without limiting the ability to improve public facilities and that maintains local authority and flexibility in decision making~~
- p) Cooperate with the Riverside County Transportation Commission on the possible extension of the existing 91 Express Lanes into Riverside County
- p) Support methods to address toll violations due to the absence of license plates or use of temporary plates

## VI. RAIL PROGRAMS

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

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

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

Key advocacy efforts will emphasize the following:

- a) Support legislation that encourages mixed-use development around rail corridors
- b) Support legislation that will aid in the development, approval, and construction of projects to expand goods movement capacity and reduce congestion
- c) Support efforts at creating additional efficiency in rail program oversight, including consideration of possible program consolidation
- d) Support efforts at creating an equitable distribution of high-speed rail bond funding, if approved by voters

## VII. ADMINISTRATION/GENERAL

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

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

## **VIII. ENVIRONMENTAL POLICIES**

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

Key positions include:

- a) Oppose efforts to grant special interest groups or new bureaucracies control or influence over the CEQA process
- b) Oppose legislation that restricts road construction by superseding existing broad-based environmental review and mitigation processes
- c) Support creative use of paths, roads, and abandoned rail lines using existing established rights of way to promote bike trails and pedestrian paths
- d) Support incentives for development, testing, and purchase of clean fuel commercial vehicles
- e) ~~Support an income tax credit to employers for subsidizing employee transit passes~~
- f) Support efforts to seek funding for retrofitting or re-powering heavy duty trucks and buses for cleaner engines to attain air quality standards
- gf) Support legislation to require the South Coast Air Quality Management District (AQMD) to grant transit demonstration projects a temporary relief from having to initiate or test new services with alternative fuel vehicles
- hg) Support legislation to further integrate state and federal environmental impact studies

## **IX. EMPLOYMENT ISSUES**

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

Key advocacy positions include:

- a) Oppose efforts to impose state labor laws on currently exempt public agencies
- b) Oppose legislation that circumvents the collective bargaining process
- c) Oppose legislation and regulations adversely affecting OCTA's ability to efficiently and effectively deal with labor relations, employee rights, benefits, Family Medical

Leave Act, and working conditions, including health, safety, and ergonomic standards for the workplace

- d) Support legislation that reforms and resolves inconsistencies in the worker's compensation and unemployment insurance systems, and labor law requirements that maintain protection for employees and allow businesses to operate efficiently
- e) Work closely with the County of Orange on legislation that is introduced that may affect membership in the Orange County Employees Retirement System

## X. TRANSPORTATION SECURITY

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

Heightened security awareness, an active public safety campaign, and greater surveillance efforts, all require additional financial resources. Consequently, in 2008<sup>9</sup>, OCTA's advocacy position will highlight:

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

8.



MEMO

September 16, 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.



**September 18, 2008**

**To:** Legislative and Communications Committee

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

**Subject:** Federal Legislative Status Report

### ***Overview***

This report provides recent information regarding the positions and principles of groups and organizations relating to the authorization of new federal transportation legislation, which will be needed when the current legislation expires on September 30, 2009.

### ***Recommendation***

Receive and file as an information item.

### ***Background***

Transportation authorization legislation is a prerequisite to federal surface transportation funding and sets the national policy direction with respect to federal transportation programs. Each surface transportation authorization bill covers a five-to six-year period and establishes overall and program-specific limits on funding, as well as requirements for the receipt of that funding. The current federal authorization is the Safe Affordable Flexible Efficient Transportation Equity Act—A Legacy for Users (SAFETEA—LU). This act will expire next year on September 30, 2009.

On February 25, 2008, staff presented to the Board of Directors (Board) a panel of experts, each of whom discussed their current thinking regarding transportation authorization legislation. At that time the Board heard about the history of the federal highway program from Hamid Bahadori of the Automobile Club of Southern California, the construction industry viewpoint from Larry Russell of the American Road and Transportation Builders Association (ARTBA), and the recommendations of the National Transportation Policy and Revenue Study Commission from one of its commissioners, Steve Heminger, who is also Executive Director of the Metropolitan Transportation Commission, the planning entity for the San Francisco area.

***Discussion***

There has been much national discussion and debate regarding the future direction of federal transportation policy since the February 25 Board presentation. Several individuals, groups, and organizations have set down concepts and principles which they believe should be a part of the new surface transportation authorizing legislation. No reauthorization legislation has been formally proposed in this Congress and it is widely believed that any comprehensive legislative package will not emerge until early next year. With this in mind, staff has postponed full discussion of next year's Orange County Transportation Authority (OCTA) Federal Legislative Platform until late in the fourth quarter of this year and early in the first quarter of 2009.

However, there has been much written about transportation reauthorization over the past six months. Attached to this report for the Board's information are several documents which are relevant to this national transportation authorization discussion. They are identified and described as follows:

Attachment A - A summary from Secretary Peters of the United States Department of Transportation reauthorization proposal entitled: "Refocus, Reform, Renew: A New Transportation Approach for America."

Attachment B - A summary from a recent Government Accountability Office Report, which identifies key stakeholder themes for reauthorization and provides principles that might be used to evaluate funding and restructuring proposals.

Attachment C - A synopsis and preliminary findings contained in the interim report of the National Surface Transportation Infrastructure Financing Commission, established by SAFETEA-LU to look at the future of surface transportation.

Attachment D - Draft transportation authorization principles prepared by transportation stakeholders throughout California under the direction and coordination of California Department of Transportation (Caltrans).

Attachment E - September 3, 2008, testimony of Caltrans Director Will Kempton to the U. S. Senate Environment and Public Works Committee regarding the Caltrans authorization principles.

Attachment F - September 3, 2008, statement of Senator Barbara Boxer (D-CA), Chair of the Environment and Public Works Committee regarding authorization principles in Congress.

Attachment G - An article from the August 2008 edition of Better Roads magazine entitled; "The Next Highway Program; The Truth About Earmarks"

Attachment H - Authorization principles prepared by the California Transit Association relating to the transit portion of reauthorization.

Attachment I - ARTBA's SAFETEA—LU reauthorization recommendations.

Attachment J - American Public Transportation Association recommendations on Federal Public Transportation Authorizing Law (Draft).

***Summary***

Recent information is provided regarding positions and principles of groups and organizations relating to the authorization of new federal surface transportation legislation.

***Attachments***

- A. United States Department of Transportation Document
- B. United States Government Accountability Office Document
- C. Financing Commission Document
- D. California Department of Transportation Consensus Document
- E. California Department of Transportation Director Testimony
- F. Senator Boxer Statement
- G. California Transit Association Document
- H. Better Roads Article
- I. American Road and Transportation Builders Association Document
- J. American Public Transportation Association Document

**Prepared by:**

  
Richard J. Bacigalupo  
Federal Relations Manager  
(714) 560-5901

## United States Department of Transportation Document

THE SECRETARY OF TRANSPORTATION  
WASHINGTON, D.C. 20590

Americans have long enjoyed the benefits of what is without a doubt the world's safest, most efficient, effective, and extensive transportation network ever constructed. Our highways connect cities, citizens, and commerce. Everyday, our transit systems move millions of people to work and home again. It is a system that helps keep shipping costs low, while enabling Americans to live where and how they want.

Unfortunately, it also is a system at risk. Over the past few decades, we've lost our focus when it comes to transportation and now spread money over more than a hundred different programs, diluting the record levels of federal funds taxpayers are investing every year. Meanwhile, projects to nowhere are lavished with funds while projects to everywhere else languish in red tape and regulation.

Without a doubt, our approach to transportation is absolutely broken in a way that no amount of tweaking, adjusting or adding new layers will improve. And the sad reality is that Americans have lost confidence in our ability to invest their transportation dollars either wisely or well. It is time instead for a new, a different, and a better approach.

In this plan, we offer just such a new approach. It is an approach that creates easier and more sustainable ways to pay for and build roads and transit systems. It delivers fewer traffic tie ups, better transit services and a stronger economy. It will make our roads and bridges even safer. It will protect and improve the environment. And it will give Americans new confidence that the money they invest in transportation will actually deliver results.

In short, the plan lays out the Administration's framework for completely overhauling the way U.S. transportation decisions and investments are made. It is intended to spur local, state and federal debate about how best to incorporate the new reforms into the highway legislation Congress will begin work on this fall.

As you will see, we have not included funding levels as part of this plan. Clearly, the next Administration and the next Congress should exercise their prerogative for setting those levels. But far more important, no conversation about transportation spending should take place without first establishing a coherent strategy and framework for investing Americans' hard earned money.

Trying something new is never easy. But we must if we are going to keep our cities competitive. We must if we are going to keep our economy vibrant. And we must if we are going to get America moving again.

Sincerely,

A handwritten signature in black ink that appears to read "Mary E. Peters".

Mary E. Peters

## Central Themes in the Reform Proposal

### **1. A clearer and more focused Federal role.**

The proposal focuses and clarifies the Federal role in surface transportation by...

- Focusing most Federal formula funding on the areas of the greatest Federal interest: (1) transportation safety, (2) the Interstate Highway System plus other highway facilities of national interest and (3) major metropolitan areas; and
- Providing discretionary grant funding to support multi-state corridor projects, bottleneck projects, projects of national or regional significance, and innovative metropolitan responses to urban congestion.

### **2. A data- and technology-driven approach to safety.**

The proposal strengthens the effectiveness and efficiency of Federal surface transportation safety programs by...

- Emphasizing the importance of risk-based, data and technology driven approaches that recognize the diversity of safety challenges across the U.S.;
- Replacing a variety of narrowly-focused safety programs with an integrated safety grant program that builds on the successes of the existing State-level Strategic Highway Safety Plans; and
- Encouraging the use of crash avoidance technologies.

### **3. Increased State and municipal flexibility.**

The proposal increases States' and metropolitan areas' flexibility to fund their greatest transportation priorities by ...

- Consolidating dozens of stove-piped highway and transit programs into three multi-modal funding programs;
- Empowering a single institutional body, chosen through consensus, to plan and fund a major metropolitan-area's transportation projects, regardless of mode; and
- Granting funding recipients broad eligibility to invest in the projects likely to yield the greatest returns.

### **4. More rational (and accountable) investment decisions.**

The proposal strengthens the basis for making transportation investment decisions by...

- Asking States and metro areas to set performance goals and document progress toward meeting them;
- Offering the potential for additional Federal grant funds to high performing grant recipients; and
- Utilizing benefit-cost analyses for projects receiving substantial Federal support.

### **5. Encouragement of more efficient pricing and leveraging of Federal resources.**

The proposal encourages States and metro areas to explore innovative transportation financing mechanisms by...

- Allowing jurisdictions to toll Interstates and other major highways (while conditioning their use of toll revenues);
- Expanding the use of public private partnerships;
- Broadening the availability of Transportation Infrastructure Finance and Innovation Act credit assistance;
- Removing the volume cap on private activity bonds and making them more flexible; and
- Allowing jurisdictions greater flexibility to create and use state infrastructure banks.

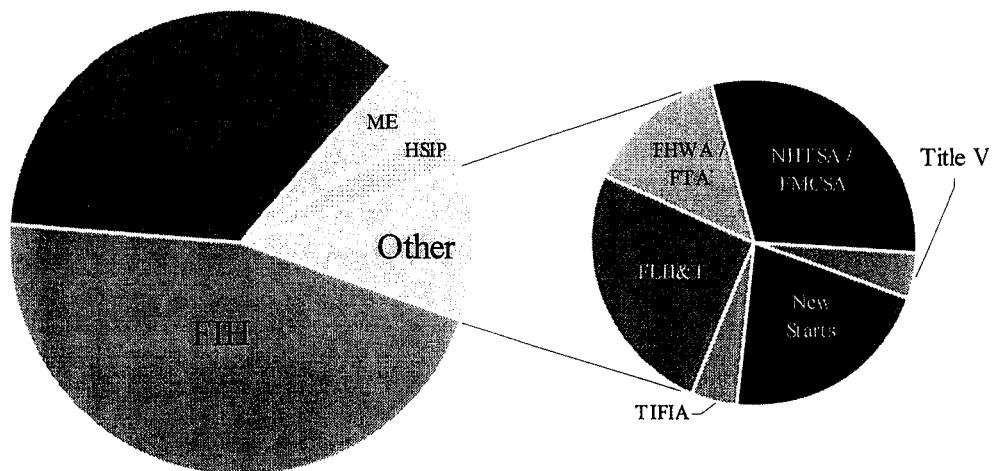
### **6. More efficient and effective environmental stewardship.**

The proposal allows States and metro areas to protect the environment more efficiently and effectively by...

- Requiring State and metropolitan grant recipients to set and track progress toward environmental performance goals;
- Reforming the environmental process; and
- Creating a pilot program under which participating States and metro areas are required to meet Federally-designated performance targets, in exchange for which they receive substantial regulatory relief and a clear mandate to consider impacts other than those to historic properties and parkland when selecting a transportation alternative.

## Ratio for the Distribution of Overall Funding

This reform proposal does not recommend program-specific funding levels. However, the pie chart below indicates an approximate ratio for distribution of overall funding (regardless of its level) between various programs.



- Federal Interest Highway Program ("FIH")
- Metro Mobility Program ("MM")
- Mobility Enhancement Program ("ME")
- Highway Safety Improvement Program ("HSIP")
- New Starts capital grants
- Transportation Infrastructure Finance & Innovation Act ("TIFIA") Program
- Federal Lands Highways & Transit ("FLH&T") Program
- FHWA and FTA research & administration
- NHTSA and FMCSA activities
- Research programs previously funded under Title V of SAFETEA-LU ("Title V")

# United States Government Accountability Office Document



United States Government Accountability Office  
Washington, DC 20548

July 29, 2008

Congressional Requesters

Subject: *Surface Transportation Programs: Proposals Highlight Key Issues and Challenges in Restructuring the Programs*

The nation's economic vitality and the quality of life of its citizens depend significantly on the availability, dependability, and security of its surface transportation network. Our nation has built a vast surface transportation system of roads, railways, ports, and transit systems that facilitate commerce and improve our quality of life. The flow of people and goods is enormous: The nation moved about 5 trillion ton miles of freight and 5 trillion passenger miles of people in 2004. In total, about 4 million miles of roads, 117,000 miles of rail, 600,000 bridges, 19,000 airports, 11,000 miles of transit lines, and 500 train stations make up the surface transportation network.

For the past several decades, demand has outpaced the capacity of the surface transportation system, and population growth, technological change, and the increased globalization of the economy will further strain the system. For example, according to the Transportation Research Board, an expected population growth of 100 million people could double the demand for passenger travel. Moreover, this population growth will be concentrated in certain regions and states, intensifying the demand for transportation in these areas. Likewise, freight traffic is projected to grow substantially, putting additional strain on ports, highways, and railroads. Furthermore, as we have recently reported, federal surface transportation programs are not effectively addressing key challenges, such as congestion, or ensuring that transportation dollars are well spent, because federal goals and roles are unclear, many programs lack links to needs or performance, and the programs often do not employ the best tools and approaches. As a result, we and others have called for a fundamental reexamination and refocusing of the nation's surface transportation policies—and we have recommended that Congress consider restructuring these programs so that they (1) have goals with direct links to an identified national interest and role, (2) make grantees more accountable through more performance-based links between funding and program outcomes, (3) use tools and approaches that emphasize the return on federal investment, and (4) address the current imbalance between federal surface transportation revenues and spending.<sup>1</sup> Although reexamining and reshaping surface transportation programs is a challenging endeavor, it provides an opportunity to address both current and emerging needs by

<sup>1</sup>GAO, *Surface Transportation: Restructured Federal Approach Needed for More Focused, Performance-Based, and Sustainable Programs*, GAO-08-400 (Washington, D.C.: Mar. 6, 2008).

eliminating outdated or ineffective programs, more sharply defining the federal role in relation to state and local roles, and modernizing those programs and policies that remain relevant.

Through our prior analyses of and recommendations for existing programs, we identified a framework of principles that could be used to evaluate proposals for restructuring and funding federal surface transportation programs.<sup>2</sup> These principles include (1) defining the federal role based on identified areas of national interest and goals, (2) incorporating performance and accountability into funding decisions, (3) employing the best tools and approaches to improve results and return on investment, and (4) ensuring fiscal sustainability. We developed these principles based on prior analyses of existing surface transportation programs as well as a body of work that we have developed for Congress, including GAO's high-risk and performance and accountability reports.

Recognizing many of these challenges and the importance of the surface transportation system, Congress established the National Surface Transportation Policy and Revenue Study Commission (Policy Commission) and the National Surface Transportation Infrastructure Financing Commission (Financing Commission) to examine current and future needs of the system, recommend needed changes to surface transportation programs, and recommend alternative approaches to financing transportation infrastructure, among other things. The Policy Commission issued its report in January 2008, and the Financing Commission, which issued its interim report in February 2008, plans to issue its final report in November of this year. Various other transportation industry associations and research organizations have also issued, or plan to issue in the coming months, proposals for restructuring and funding surface transportation programs.

You asked that we assist Congress in evaluating the range of proposals and recommendations being put forward by various stakeholders. Accordingly, this report (1) identifies key themes emphasized in proposals by stakeholders, including associations and research organizations, for restructuring and funding surface transportation programs and (2) discusses the extent to which the Policy Commission's recommendations align with principles we have developed for evaluating proposals to restructure and fund surface transportation programs. To identify key themes emphasized in transportation stakeholders' proposals for restructuring and funding surface transportation programs, we interviewed a broad range of associations and research organizations about issues that should be addressed in a reform of the programs. We also asked these stakeholders about the extent to which they had developed proposals or other documents for restructuring and funding surface transportation programs. Given that many stakeholders have not yet developed formal restructuring proposals, we identified seven proposals for

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<sup>2</sup>GAO-08-400.

inclusion in our review, four of which are final.<sup>3</sup> We reviewed and analyzed these proposals and synthesized the information to draw out key themes. To determine the extent to which the Policy Commission's recommendations align with principles we have developed for evaluating proposals to restructure and fund surface transportation programs, we reviewed and synthesized the proposed recommendations, interviewed commissioners and commission staff to get a fuller understanding of the recommendations, developed criteria for applying our principles, and applied those criteria to the recommendations. We limited the application of our restructuring principles to our evaluation of the Policy Commission's proposal for restructuring and funding surface transportation programs because (1) the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) established this commission to provide a comprehensive review of existing programs, and (2) the number of final restructuring proposals that have been developed by other stakeholders is limited.

We briefed congressional staff on the results of our review (see enc. I for a copy of the briefing). This report formally conveys the information provided during the briefings. A more detailed description of our scope and methodology can also be found in enclosure I, and the criteria we used to evaluate the Policy Commission's proposal are listed in enclosure II. We conducted this performance audit from October 2007 through July 2008 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

### **Background**

As previously noted, we have identified a number of principles that could be used to evaluate proposals for restructuring and funding surface transportation programs to ensure that both current and emerging challenges are being addressed. The principles do not prescribe a specific approach to restructuring or funding and are not mutually exclusive, but they do provide key attributes that will help ensure that restructured surface transportation programs address the transportation challenges facing the nation. A description of the principles follows.

- **Define the federal role based on identified areas of national interest and goals.** Identifying areas of national interest is an important first step in any proposal to restructure and fund surface transportation programs. In identifying

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<sup>3</sup>For the purposes of this analysis, a proposal could be a report, recommendation, policy position, white paper, or other publication by one of the organizations included in our work. We reviewed proposals from the following organizations: the (1) National Surface Transportation Policy and Revenue Study Commission (final), (2) National Surface Transportation Infrastructure Financing Commission, (3) American Association of State Highway and Transportation Officials (final), (4) American Road and Transportation Builders Association (final), (5) Bipartisan Policy Center's National Transportation Policy Project, (6) Brookings Institution's Blueprint for American Prosperity (final), and (7) Transportation for America Campaign.

areas of national interest, proposals should consider existing current and emerging challenges and how future trends could affect emerging areas of national importance—as well as how the national interest and federal role may vary by area. For example, experts have suggested that federal transportation policy should recognize emerging national and global imperatives, such as reducing the nation’s dependence on foreign fuel sources and minimizing the impact of the transportation system on the global climate. Once the various national interests in surface transportation have been identified, proposals should also clarify specific goals for federal involvement in surface transportation programs. Goals should be specific and outcome-based to ensure that resources are targeted to projects that further the national interest. After the various national interests and specific goals for federal involvement in surface transportation have been identified, the federal role in working toward each goal should be established. The federal role should be defined in relation to the roles of state and local governments, regional entities, and the private sector. Where the national interest is greatest, the federal government may play a more direct role in setting priorities and allocating resources as well as fund a higher share of program costs. Conversely, where the national interest is less evident—for example, where the economic benefits are more locally focused or there are varying regional preferences—state and local governments and others could be expected to assume more responsibility. For example, efforts to reduce transportation’s impact on greenhouse gas emissions may warrant a greater federal role than other initiatives, such as reducing urban congestion, since the impacts of greenhouse gas emissions are widely dispersed, whereas the impacts of urban congestion may be more localized.

- **Incorporate performance and accountability into funding decisions.** An increased focus on performance and accountability for results could help the federal government target resources to programs that best achieve intended outcomes and national transportation priorities. Tracking specific outcomes that are clearly linked to program goals could provide a strong foundation for holding grant recipients responsible for achieving federal objectives and measuring overall program performance. In particular, substituting specific performance measures for the current federal procedural requirements could help make programs more outcome-oriented. For example, if reducing congestion were an established federal goal, outcome measures for congestion, such as reduced travel time, could be incorporated into the programs to hold state and local governments responsible for meeting specific performance targets. Furthermore, directly linking the allocation of resources to program outcomes would increase the focus on performance and accountability for results. Incorporating incentives or penalty provisions into grants can further hold grantees and recipients accountable for achieving results.
- **Employ the best tools and approaches to improve results and return on investment.** The effectiveness of any overall federal program design can be increased by promoting and facilitating the use of the best tools and approaches to improve results and emphasize return on investment. Given the projected

growth in federal deficits, constrained state and local budgets, and looming Social Security and Medicare spending commitments, the resources available for discretionary programs will be more limited—making it imperative to maximize the national public benefits of any federal investment through a rigorous examination of the use of such funds.<sup>4</sup> A number of specific tools and approaches can be used to improve results and return on investment including using economic analysis, such as cost-benefit analysis, in project selection; requiring grantees to conduct postproject evaluations; creating incentives to better utilize existing infrastructure; providing states and localities with greater flexibility to use certain tools, such as tolling and congestion pricing; and requiring maintenance-of-effort provisions in grants.<sup>5</sup> Using these tools and approaches could help surface transportation programs more directly address national transportation priorities.

- **Ensure fiscal sustainability.** Transportation funding sources, and the Highway Trust Fund in particular, face an imbalance of revenues and expenditures—raising concerns about both the Highway Trust Fund's short-term sustainability and the long-term sustainability of the current funding approach. Furthermore, the sustainability of transportation funding sources should be seen in the context of the broader, governmentwide problem of fiscal imbalance. The federal role in transportation funding must be reexamined to ensure that it is sustainable in this new fiscal reality. The long-term pressures on the Highway Trust Fund and the governmentwide fiscal condition highlight the need for more efficient, redesigned programs based on the principles we have identified. Sustainable surface transportation programs will require targeted investment, with adequate return on investment, from not only the federal government but also state and local governments and the private sector. Moreover, mechanisms to better manage existing capacity and improve the performance of existing facilities can be used to facilitate efficient investment decisions and ensure the sustainability of surface transportation programs.

### **Results in Brief**

Stakeholders we interviewed agree that the current federal approach to surface transportation is not working and called for reform and a new direction to effectively address a wide range of challenges facing the nation's surface transportation network. Although the stakeholders we interviewed have different policy agendas and represent different constituencies, some of their key issues for restructuring and funding surface transportation programs overlapped. In reviewing the seven restructuring proposals, we identified the following common themes:

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<sup>4</sup>GAO, *Freight Transportation: National Policy and Strategies Can Help Improve Freight Mobility*. GAO-08-287 (Washington, D.C.: Jan. 7, 2008).

<sup>5</sup>Maintenance-of-effort provisions require that states or local grantees maintain their own level of funding in order to receive federal funds.

- *defining a federal role in freight and goods movement* given the regional benefits provided by freight corridors and the importance of interstate commerce;
- *linking transportation policy and funding to the environment and energy sectors* given transportation's contribution to greenhouse gas emissions and concerns about energy security;
- *promoting better management of existing assets* through more efficient use of existing infrastructure or asset management strategies;<sup>6</sup>
- *incorporating performance and accountability into transportation programs* to ensure projects that receive funding result in commensurate public benefits; and
- *using multiple funding sources* to ensure the long-term sustainability of the programs.

In its report, the Policy Commission discusses concepts that generally align with principles we have developed for evaluating proposals to restructure and fund surface transportation programs, but certain inconsistencies between the Policy Commission's recommendations and these principles highlight the challenges and complexity of developing effective mechanisms to achieve desired results. For example, the Policy Commission identifies areas of national interest and recommends generally reorganizing the federal role around those interests. However, the Policy Commission does not identify measurable goals for most of its proposed programs. Furthermore, the Policy Commission recommends an 80/20 federal-state cost-sharing arrangement for most of the proposed programs—that is, the federal government would fund 80 percent of the project costs and the grantee (e.g., state government) would fund 20 percent—raising questions about the extent to which the federal role would vary based on the identified areas of national interest and goals. The Policy Commission also emphasizes the need for performance-based surface transportation programs and the development of national performance standards. However, it does not provide specific detail on performance outcomes for most of the recommended programs or clearly discuss the link between the distribution of funds and performance in meeting national goals. The Policy Commission also recognizes the importance of cost-benefit analysis, data collection, and other tools for targeting resources to projects that provide the greatest net benefits, but does not discuss how projects would be prioritized given current funding constraints or fully consider other tools that could improve efficiency and system performance, such as congestion mitigation techniques or the use of technology. Finally, the Policy Commission recognizes that there is no silver bullet funding solution for the nation's surface transportation programs and identifies a variety of approaches for funding the programs in the short and long terms.

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<sup>6</sup>Asset management strategies involve the systematic process of maintaining, upgrading, and operating transportation assets cost-effectively by applying engineering principles, sound business and economic practices, and a framework for planning and decision making.

However, the federal government's fiscal position and the ability of states to fund their share of any proposed investment increases raise questions about the long-term sustainability of some of the Policy Commission's funding recommendations.

### **Agency Comments and Our Evaluation**

We provided a draft of this report to the Department of Transportation (DOT) for review and comment. On July 22, 2008, DOT provided comments on the draft report via e-mail. DOT generally agreed with the report's findings and provided some technical clarifications and comments, which we incorporated as appropriate. In particular, DOT commented that GAO's reexamination principles are closely interrelated. For example, DOT noted that the principle of using the best tools to improve results and return on investment, such as cost-benefit analysis, is closely linked to the principle of ensuring performance and accountability. We agree that the principles are interrelated. We added clarifying language to the report to acknowledge this interrelationship. DOT also noted that there was greater support for the use of cost-benefit analysis and pricing strategies among the proposals than was conveyed by the draft report. The draft report recognized the proposals' emphasis on such tools as cost-benefit analysis and pricing as a means to better manage existing assets. However, we added language to clarify the broad-based support for these tools among the proposals.

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We are sending copies of this report to interested Members of Congress and the Secretary of Transportation. We will also make copies available to others upon request. In addition, the report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staff have any questions about this correspondence, please contact JayEtta Z. Hecker at (202) 512-2834. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this correspondence. Key contributors are listed on the scope and methodology page of enclosure I.



JayEtta Z. Hecker  
Director, Physical Infrastructure Issues

Enclosures

**Financing Commission Document**

# Synopsis

If American travelers from three decades ago were suddenly transported to the present day, they would be aghast at the condition of our national surface transportation system, particularly by the chronic congestion and delays. If we are to ensure that American travelers three decades hence do not look back with longing on how “good” our system was in 2008, and if we are to remain competitive in a global economy, we must thoroughly re-assess the current approach to funding surface transportation infrastructure.

With this goal in mind, the U.S. Congress established the National Surface Transportation Infrastructure Financing Commission (the “Financing Commission” as authorized in section 11142 of SAFETEA-LU) to analyze options and recommend changes for federal policy makers to consider in funding the system.

In addition to the Financing Commission, Congress directed the National Surface Transportation Policy and Revenue Study Commission (the “Policy Commission” as authorized in section 1909(b) of SAFETEA-LU) to study the current condition and future needs of the surface transportation system and offer recommendations for a new vision, goals, policies and programs to guide the future federal role. We expect the recently released report of the Policy Commission, as well as the analyses of many stakeholders, to spark a lively debate that will inform Congress and our work.<sup>1</sup> Over the next year we will craft specific recommendations for funding and financing a federal role based on our own work, the Policy Commission’s recommendations and the debate that follows.

In this, our interim report, we present the mandate and the goals of the Financing Commission and outline how we plan to meet those goals. We explain how we currently view the transportation infrastructure funding problem and how we plan to approach our mandate, as well as to solicit feedback on our preliminary thinking.

Our starting point is specifying the scope of the funding problem as we initially see it and the consequences of the problem for mobility, the economy, and our quality of life. In brief, we perceive the current surface transportation funding approach as suffering from three main problems:

- Revenue is insufficient to maintain the national network and build needed improvements to the system;
- Current funding mechanisms and levels of revenue are not closely linked to use of the transportation system, allowing demand and costs to grow faster than revenue; and
- Critical components of the current approach to investing transportation revenue are not structurally driven toward cost effectiveness, dissipating the effectiveness of existing revenue.

We provide in this report the criteria by which we plan to evaluate various funding sources and financing techniques. We describe the broader surface transportation system issues and challenges that provide the context for examining possible funding recommendations. And we sincerely invite stakeholder feedback on all aspects of our approach in order to help us develop constructive and specific recommendations that will support our nation's future transportation needs.

Finally we identify some preliminary observations and invite comment on them as well. In brief:

- System demands are outpacing investment;
- System maintenance costs are competing with necessary expansion of the system;
- The fuel tax, which has been the key federal funding source for our system, is no longer sufficient at current rates;
- More direct user charges should be explored; and
- We need not only more investment in our system, but more intelligent investment complemented by better operation of the system.

Our challenge is to examine carefully all options and develop recommendations for funding the vision, goals, policies and programs suggested by the Policy Commission and others. We invite all stakeholders to help us meet this challenge by providing comments and suggestions on this interim report.

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## Preliminary Observations

**A**s the Financing Commission looks ahead to developing recommendations for Congress and the Executive Branch, certain realities will guide our thinking. At this early stage, we identify some preliminary observations. We invite comment on these and other observations we will make as we continue to research and develop recommendations.

- System demands are outpacing investment. Given reasonable projections of system use, the current levels of investment from federal, state and local governments will be insufficient to meet demand.
- System maintenance can be so costly and necessary that it becomes difficult to address necessary expansion of the system. Current investment levels are not sufficient to adequately maintain the system and make needed cost-beneficial improvements. An increasing share of limited transportation funding necessarily is being used to maintain aging systems. This has led to modest improvements in highway and public transportation conditions in recent years, but still left significant lane miles of urban and rural roads in poor condition. As states and localities have allocated larger and larger shares of their transportation funds to maintenance, they have increasingly sacrificed needed capacity enhancements. Furthermore, as major deferred capital rehabilitation comes due, even the maintenance funding will fall well short of required levels.
- The fuel tax, which has been the key federal funding source for our system, is no longer sufficient at current rates. The revenues raised through the federal fuel tax at current levels cannot support many of the visions that exist for the federal contribution to total investment in the system. While an increase in the federal fuel tax could help address the investment shortfall in the near term, the political will and public acceptance required for even modest

increases may be lacking. Furthermore, a funding approach that relies principally on fuel consumption may not be a sustainable strategy in the long run. As a result, additional approaches should be explored.

- More direct user charges should be explored. While more funding is needed at all levels of government—regardless of the source—funding more of the system costs through direct user charges, rather than indirect fees such as the fuel tax or general revenues, can encourage more efficient use of system capacity. This behavioral change could reduce the need to build new capacity and therefore reduce the level of funding required in certain areas. Efficient system use also reduces negative externalities such as vehicle greenhouse gas emissions and pollution. Transit users pay their user charges directly; it would be better if road users did as well. New technologies appear to enable new tools that make direct user charges easier to administer and more user-friendly.
- We need not only more investment in our system, but more intelligent investment complemented by better system operations. We can improve the utilization of current capacity through better incentives for optimal system operation. Investment decision-making should be based more on life-cycle cost-benefit analysis and other measures of performance outcomes.

After World War II, America's political leaders worked together to craft and implement a vision and funding approach that led to the world's best surface transportation system. Although the challenges and opportunities are very different today, they will require an equal if not greater commitment and vision to meet them.



# California Department of Transportation Consensus Document

## California Consensus on Federal Transportation Authorization 2008

Under the leadership of Governor Arnold Schwarzenegger, the California Business, Transportation and Housing Agency, and the California Department of Transportation, stakeholders from across California have united on a basic set of principles that we ask our delegation in Washington, DC to adopt in the upcoming debate on the future of this nation's transportation policies.

### ***1. Ensure the financial integrity of the Highway and Transit Trust Funds***

The financial integrity of the transportation trust fund is at a crossroads. Current user fees are not keeping pace with needs or even the authorized levels in current law. In the long-term, the per-gallon fees now charged on current fuels will not provide the revenue or stability needed, especially as new fuels enter the marketplace. This authorization will need to stabilize the existing revenue system and prepare the way for the transition to new methods of funding our nation's transportation infrastructure.

- Maintain the basic principle of a user-based, pay-as-you-go system.
- Continue the budgetary protections for the Highway Trust Fund and General Fund supplementation of the Mass Transportation Account.
- Assure a federal funding commitment that supports a program size based on an objective analysis of national needs, which will likely require additional revenue.
- To diversify and augment trust fund resources, authorize states to implement innovative funding mechanisms such as tolling, variable pricing, carbon offset banks, freight user fees, and alternatives to the per-gallon gasoline tax that are accepted by the public, and fully dedicated to transportation.
- Minimize the number and the dollar amount of earmarks, reserving them only for those projects in approved transportation plans and programs.

### ***2. Rebuild and maintain transportation infrastructure in a good state of repair.***

Conditions on California's surface transportation systems are deteriorating while demand is increasing. This is adversely affecting the operational efficiency of our key transportation assets, hindering mobility, commerce, quality of life and the environment.

- Give top priority to preservation and maintenance of the existing system of roads, highways, bridges and transit.
- Continue the historic needs-based nature of the federal transit capital replacement programs.

### ***3. Establish goods movement, as a national economic priority.***

Interstate commerce is the historic cornerstone defining the federal role in transportation. The efficient movement of goods, across state and international boundaries increases the nation's ability to remain globally competitive and generate jobs.

- Create a new federal program and funding sources dedicated to relieving growing congestion at America's global gateways that are now acting as trade barriers and creating environmental hot spots.
- Ensure state and local flexibility in project selection.
- Recognize that some states have made a substantial investment of their own funds in nationally significant goods movement projects and support their investments by granting them priority for federal funding to bridge the gap between need and local resources.
- Include adequate funding to mitigate the environmental and community impacts associated with goods movement.

### ***4. Enhance mobility through congestion relief within and between metropolitan areas.***

California is home to the six of the 25 most congested metropolitan areas in the nation. These mega-regions represent a large majority of the population affected by travel delay and exposure to air pollutants.

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- Increase funding for enhanced capacity for all modes aimed at reducing congestion and promoting mobility in the most congested areas.
- Provide increased state flexibility to implement performance-based infrastructure projects and public-private partnerships, including interstate tolling and innovative finance programs.
- Consolidate federal programs by combining existing programs using needs, performance-based, and air quality criteria.
- Expand project eligibility within programs and increase flexibility among programs.

### ***5. Strengthen the federal commitment to safety and security, particularly with respect to rural roads and access.***

California recognizes that traffic safety involves saving lives, reducing injuries and optimizing the uninterrupted flow of traffic on the state's roadways. California has completed a comprehensive Strategic Highway Safety Plan.

- Increase funding for safety projects aimed at reducing fatalities, especially on the secondary highway system where fatality rates are the highest.
- Support behavioral safety programs – speed, occupant restraint, driving under the influence of alcohol or drugs, road-sharing, etc. -- through enforcement and education.
- Address licensing, driver improvement, and adjudication issues and their impact on traffic safety.
- Assess and integrate emerging traffic safety technologies, including improved data collection systems.
- Fund a national program to provide security on our nation's transportation systems, including public transit.

### ***6. Strengthen comprehensive environmental stewardship.***

Environmental mitigation is part of every transportation project and program. The federal role is to provide the tools that will help mitigate future impacts and to cope with changes to our environment.

- Integrate consideration of climate change and joint land use-transportation linkages into the planning process.
- Provide funding for planning and implementation of measures that have the potential to reduce emissions and improve health such as new vehicle technologies, alternative fuels, clean transit vehicles, transit-oriented development and increased transit usage, ride-sharing, and bicycle and pedestrian travel.
- Provide funding to mitigate the air, water and other environmental impacts of transportation projects.

### ***7. Streamline Project Delivery***

Extended processing time for environmental clearances, federal permits and reviews, etc. add to the cost of projects. Given constrained resources, it is all the more critical that these clearances and reviews be kept to the minimum possible consistent with good stewardship of natural resources.

- Increase opportunities for state stewardship through delegation programs for NEPA, air quality conformity, transit projects, etc.
- Increase state flexibility for using at-risk design and design-build.
- Ensure that federal project oversight is commensurate to the amount of federal funding.
- Require federal permitting agencies to engage actively and collaboratively in project development and approval.
- Integrate planning, project development, review, permitting, and environmental processes to reduce delay.

**U.S. Senate  
Environmental and Public Works Committee  
Field Hearing, Sacramento California**

**Written Testimony of Mr. Will Kempton  
Wednesday, September 3, 2008**

My name is Will Kempton. I am the Director of the California Department of Transportation, also known as Caltrans. I am also the Chairman of the American Association of State Highway and Transportation Officials (AASHTO) Standing Committee on Finance and Administration and its Finance and Funding Legislative Team. I would like to thank you for the invitation to testify before you today.

I believe that it is time to change the direction of the federal transportation program to respond to an increasingly complex world of international competition. Unfortunately, if allowed to continue in its current direction, the national transportation program would do just the opposite. The Highway Trust Fund is in jeopardy of insolvency, there is no federal program that directly responds to globalization, and it takes too long to effectively deliver transportation projects. These problems will be exacerbated if the next authorization follows the current approach of layering on additional programs, failing to address financial needs, and ignoring performance and accountability.

Caltrans has been working with a group of California transportation stakeholders to develop a set of principles that we believe should underpin the next authorization. Generally, we recommend that the next program should encourage performance and accountability standards to optimize transportation benefits to the public. Within this framework, we have reached consensus on the following seven principles for the next federal transportation program:

- Ensure the financial integrity of the Highway Trust Fund.
- Rebuild and maintain transportation infrastructure in a good state of repair.
- Establish goods movement as a national economic priority.
- Enhance mobility through congestion relief within and between metropolitan areas.
- Strengthen the federal commitment to safety and security, particularly with respect to rural roads and access.
- Strengthen comprehensive environmental stewardship.
- Streamline project delivery.

In the interest of time, I would briefly like to highlight four of those principles that I think are of direct interest to the members of this committee.

The first principle of our consensus is “Ensure the financial integrity of the Highway Trust Fund.” The Highway Trust Fund is the nation’s instrument of transportation policy; and continued, stable, and predictable federal funding at a level to meet identified needs is of paramount importance. Federal program support for transportation has been steadily declining; in California, it is now approximately 20 percent of our State’s total highway program.

Current estimates are that in 2009, the Highway Trust Fund, Highway Account will experience a \$3.1 billion shortfall that will cause a highway program reduction of approximately 30 percent. California receives more than \$3 billion in federal funding for highways per year. If no action is

taken to avert the shortfall, the State could face a potential revenue reduction of \$930 million. In 2011, The Highway Trust Fund, Mass Transportation Account will experience a similar shortfall. The impact of these shortfalls will translate into delays and cancellation of rehabilitation and capital projects affecting local agencies, state highways, transit systems, and bridges. This situation will compromise the reliability of California's transportation system. I know that finding a "fix" for this shortfall is a difficult undertaking and that Congress has made several attempts to do so, and I very much appreciate that Senator Boxer has been instrumental in that effort.

However, in addition to addressing the immediate shortfall problem, I need to stress the importance of continuing to work to find a long-term solution to restore stability to the Highway Trust Fund. The Congressional Budget Office estimates that even with an adjustment to fully fund the last year of the current authorization, Highway Trust Fund balances will fall below 2005 levels in 2010. What is worse is that they will remain at or below 2007 levels through at least 2018. The potential consequences of this setback point to a clear need to restore integrity for the long-term.

I expect that solutions will require thinking outside of the box, but there are a range of options available. The best approach will be to diversify the revenue base of the Highway Trust Fund and to prepare for the day when fossil fuels no longer drive our revenue sources.

The second principle is to "Establish goods movement as a national economic policy." It is clear that the future of our country will depend on the efficient movement of goods to and from international gateways. Right now, there is no program directed at this purpose, nor is there adequate funding to support this need. California is the gateway for approximately 40 percent of the containerized trade entering the United States. The impacts from this volume of goods has overwhelmed our system capacity to the point that the State's voters were concerned enough to approve \$2.0 billion in Proposition 1B bond funding for trade corridor improvements. Since then, the State has committed to seek funding for another \$1.1 billion.

Recognizing the relationship between transportation as a cornerstone of the economy and the environmental impacts of goods movement, Proposition 1B also provides \$1.0 billion for mitigating air quality impacts that arise from this volume of trade. This simultaneous and continuous approach to funding infrastructure and environmental mitigation should be mirrored in the next authorization.

However, this total commitment of \$4.1 billion is still not enough to deal with the need. It must be a national priority to develop a program that provides for the infrastructure, operational improvements, environmental mitigation, and technology development necessary to meet the objective of unimpeded goods movement. This should be done through a firewalled, autonomous freight program designed to enhance throughput, reliability, and efficiency. The program should be based on a mode-neutral national freight plan that establishes priorities and identifies the best federal investments in goods movement infrastructure. The program should include mandatory funding for the most critical national and regional infrastructure projects and concurrent mitigation. In addition, it should identify key regions and gateways disproportionately bearing the burden of goods movement – related environmental and community impacts and provide funding for necessary mitigation.

The third principle is “Enhance mobility through congestion relief within and between metropolitan areas.” California is the home to six of the 25 most congested metropolitan areas in the nation. Urbanized areas account for approximately 85 percent of the State’s population and are the chief source of its productivity. Yet, the citizens of these areas are the most affected by congestion and its concurrent air quality and health impacts. Urban areas would benefit from a consolidated but very flexible program that provides funding for all modes for projects aimed at reducing congestion and enhancing mobility. This program should include air quality criteria and be inclusive of highways, transit, passenger rail, local streets and roads, and bicycle and pedestrian solutions to facilitate greater mobility as well as green house gas emission reduction and air quality improvement.

The fourth principle is “Streamline project delivery.” The Surface Transportation Policy and Revenue Study Commission determined that it takes an average of 16 years to deliver transportation infrastructure. California’s experience with project delivery mirrors the Commission’s findings.

During the lengthy project development process, project costs increase due to inflation and increasing global competition for raw materials; congestion impacts continue to mount with corresponding damage to the economy through time lost to delay and decreased competitiveness, and the users of our system suffer personal loss of time and money. Because of the rapid growth in international trade through our ports, there is national urgency for freight project development. Yet, this countervailing delay of project development drives up project and national economic costs and prevents timely implementation of mitigation measures in a sector where we can least afford it.

California has been successful in implementing the National Environmental Policy Act (NEPA) delegation pilot program established by the Safe, Accountable, Flexible and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA – LU). We are saving as much as a half year on the process. For this reason, we are seeking continuance of the program in the next authorization as well as expansion to include freight and transit projects. In addition, we would recommend looking at other ways to expedite the process without compromising the integrity of the intent of environmental laws.

The next authorization should be very different from what we have today. It should provide flexibility to states and regions to respond quickly to changing economic and environmental conditions. In addition, it should provide tools to improve transportation and land use planning so that states can address global climate change and mitigate the air quality and other environmental impacts of transportation decisions. It needs to increase our ability to tap into the resources of the private sector to supplement local, state, and federal investment. Underlying all, it should be performance-based and provide for the accountability that will ensure that funds are used where they are most needed and that states and regions can demonstrate the benefits provided by their investments. I expect that it will be a very difficult process to achieve this change, but, given the high stakes involved, it is extremely critical that we do so.

Thank you.

## Senator Boxer Statement

Statement of Senator Boxer: Transportation Field Briefing in Sacramento, CA

September 3, 2008

### Remarks as prepared for delivery

Thank you, everyone, for joining me here today to discuss the next authorization of the Federal highway, transit, and highway safety programs. This legislation will impact all Americans because it sets the policy and provides funding for surface transportation nationwide.

The current authorization bill will expire on September 30, 2009. As Chair of the Senate Environment and Public Works Committee, I am leading the effort to develop the new transportation bill.

The Committee has already begun the authorization process by holding several hearings in Washington, D.C. We will continue to hold hearings, meetings, and listening sessions to make sure all points of view are considered.

I am here today to hear from Californians about their priorities so that I can incorporate them into our legislation. I will leave the record open for two weeks following this briefing so those who are not testifying can submit testimony in writing.

I have been working with the leadership of the Environment and Public Works Committee to develop a set of principles for the next bill. These principles include:

- o Maintaining the National character of the interstate and federal highway system
- o Efficient movement of people and goods (including intermodal)
- o Safety (including condition and design of infrastructure)
- o Reducing congestion and its impacts
- o Sustainable funding (Trust Fund Including Alternatives)
- o Consolidating programs substantially to refocus the program
- o Establishing funding and performance criteria

These principals are reflected in the title for the bill, "MAP 21" (Moving Ahead for Progress in the 21st Century).

One of my primary goals for this bill is to improve air quality. All of these goals are critical to improving the quality of life and flow of commerce in California and across the Nation.

Nowhere is the need to improve goods movement more obvious than in California. For example, 45% of all containerized cargo destined for the continental U.S. passes through California's ports.

The high volume of cargo truck traffic has a huge impact on roads and communities in California. Freight handled by trucks is projected to double by 2035. Traffic through West Coast ports alone could nearly triple over the same period.

Not only does congestion cost time and money due to delays, it is a major contributor to increased transportation related pollution.

The movement of goods has a serious impact on air quality and global warming. Freight transportation is still largely driven by fossil fuel combustion. With that combustion comes emission of greenhouse gases, carbon dioxide, nitrous oxide, and particulate matter.

According to the California Air Resources Board (CARB), approximately 75 percent of diesel particulate emissions in California are related to goods movement.

In addition, CARB has attributed 2,400 premature deaths to diesel emissions, and estimates that the cumulative health costs of diesel emissions from 2005 through 2020 are an astonishing \$200 billion dollars.

Reducing congestion will improve air quality and public health. We need to find a way to reduce congestion while our population is growing and placing new and greater demands on the existing transportation systems.

According to the Census Bureau, by the middle of the Century, the Nation will have grown to 420 million people from the 300 million mark hit in 2007. This equates to 11 new Los Angeles metropolitan areas and a population increase of 50 percent in 50 years nationwide.

In addition to addressing congestion and improving our transportation systems, the transportation projects included in our bill will create good jobs and stimulate our economy. According to the Federal Highway Administration, every \$1 billion in Federal funding for highways supports 35,000 jobs.

Another challenge that must be addressed in the next bill is that the Highway Trust Fund, which funds the legislation primarily through gas tax receipts, is expected to run out of funding before the end of the 2009.

The tragic bridge collapse in Minneapolis demonstrated the need to increase investment in infrastructure, not decrease it. The discussion of funding options will be a key element of the next bill.

We have great challenges before us. It's time to start rebuilding America. Investing in our transportation infrastructure helps America compete in the global economy and maintain our quality of life. It is that basic.

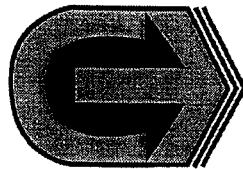
At the end of the day it's a matter of setting the right priorities and crafting innovative and effective means to address them. The next transportation bill provides an opportunity to take a fresh look at these programs and make the changes necessary to ensure our transportation system will meet the Nation's needs in the coming years.

I look forward to hearing your perspectives and working with you in the year ahead.

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Majority Office  
410 Dirksen Senate Office Bldg. Washington, DC 20510-6175  
phone: 202-224-6176

Minority Office  
456 Dirksen Senate Office Bldg. Washington, DC 20510-6175  
phone: 202-224-8832



**CALIFORNIA  
TRANSIT  
ASSOCIATION**

*DRAFT*

1415 L Street, Suite 200 • Sacramento, CA 95814

Phone (916) 446-4656 • FAX (916) 446-4318

E-Mail: [info@caltransit.org](mailto:info@caltransit.org)

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

**California Transit Association Document**

**Federal Transportation Authorization Principles**

Overarching Principles

The California Transit Association....

1. Supports maintaining a strong federal leadership role in providing a national surface transportation system and opposes efforts to significantly reduce or eliminate the federal role in funding surface transportation.
2. Supports the retention of key elements already a part of the surface transportation program, including flexible funding of surface transportation projects, an appropriate balance between highway and transit investments, administrative and environmental process streamlining, community enhancements and public participation in the funding process.
3. Supports the continuation of guaranteed funding levels for the transit and highway programs.
4. Supports maintaining the federal and local match for transportation projects in such a manner that the required local match for projects does not increase, but that a higher local match is permitted at the discretion of state or local grantees.
5. Supports the continuation of the mass transit account as a separate and distinct account within the highway trust fund, and opposes any efforts to transfer or loan funds from the mass transit account for any other purpose within or outside of the highway trust fund.
6. Supports authorizing individual programs under the transit title at increasing funding levels which are sufficient to address current and future transit needs, including increased federal investment to modernize and expand the capacity of our nation's aging rail infrastructure.
7. Supports authorizing appropriate transit-eligible programs under the highway title at increasing funding levels to address identified needs.
8. Supports retention of a central formula program supplemented by discretionary programs.

9. Supports the need to address the transportation impact of the movement of goods by rail and truck, using infrastructure shared with transit or causing transportation congestion on adjacent infrastructure, in such a way as to benefit all uses.
10. Supports an authorization bill of 6 years in duration which will provide a predictable and stable source of long term capital and operating funding.
11. Supports initiatives to develop the workforce necessary to successfully deliver transit services including flexibility of federal funds for training purposes as well as continued and expanded funding of regional training consortium programs which provide advanced transit specific training through local community colleges and similar educational institutions.
12. Supports the need to provide additional federal transportation funding for strategies to reduce greenhouse gas emissions and to financially assist local transportation systems implementing these strategies.

#### Program/Regulatory Issues

The California Transit Association calls for changes in certain program structure and regulatory processes, and continuation of others, as specified below:

1. For transit agencies in urbanized areas (UZA's) moving from less than 200,000 to more than 200,000 (i.e. into the UZA classification where formula dollars can no longer be used for operations) we support permitting the continuation of allowing the use of formula dollars for operations for some limited transition period.
2. Support continuation and expansion of the Small Transit Intensive Cities Program (STIC), which provides supplemental formula funds to smaller transit systems on the basis of performance in six qualifying performance areas, and provide that the value of qualifying in each of the six areas shall be increased by the same percentage as the increase in the overall formula program each year of the authorization.
3. In the 5311 program, we support a transfer of the Intercity Bus Program set aside to the more flexible discretionary program, as was done prior to ISTEA, where it can be used for paratransit, local or commuter bus capital projects.
4. We support further streamlining of federal audit requirements and the triennial review process, including allowing concurrent state and federal audits.
5. We support development of guidelines specifying that representatives of labor (associated unions) can only comment on issues and lodge objections related to the specific impacts of a transit project contained within a grant application and must explain and justify such objections. All other unrelated objections should be deemed ineligible by the Department of Labor and cause no schedule impact to

the approval of the grant request. The Federal Transit Administration must ensure that there is a timely review period for 13c comments but a maximum review time (to be determined) must be approved after which it is assumed that there are no comments against the applicable project and or grant application. This is not meant to diminish the importance of labor review of federally funded projects and grant applications but to streamline the review process and ensure timely approval of funds to transit agencies.

6. We support reforms to FTA's evaluation/rating process for New Starts projects as follows: (a) utilizing a multi-measure approach to determine whether a project is recommended for funding; (b) ensuring that transit-supportive land use and economic benefits are treated as separate and distinct criteria on par with financial and project justification criteria; (c) rewarding those communities that step forward with significant local and non-federal resources for their projects; (d) basing the cost-effectiveness measure on the federal contribution to the project, rather than on total project costs; and (e) keeping the New Starts evaluation/rating process separate and distinct from the issuance of a Record of Decision (ROD) under NEPA.
7. We support a program which will provide funds to transit systems to compensate them for their efforts to reduce greenhouse gases either on their own initiative or in response to state and/or federal requirements.
8. We support the continuation of the ability to transfer CMAQ and RSTP funding from FHWA to FTA for transit projects, the streamlining of the transfer process, the ability to use these funds in any percentage combination with other federal or non federal funding and the continued use of CMAQ funds for the first three years of operation of new start projects.
9. We support continuing the concept of allowing section 5307 funds to be used to pay for capitalized preventive maintenance costs.
10. We support development of a mechanism or procedures for all regional transportation planning agencies, which do not otherwise have proscribed procedures, to consider the needs of all eligible public transit operators in the region in the allocation of all transit-eligible federal formula funds.
11. We support continuing the concept of allowing section 5310 funds to be used to pay for contracted transit operations costs.
12. We support a strong federal commitment, separate from traditional transportation funding sources, for transit security. These funds should be provided with a minimum of mandates and restrictions, so long as they meet the long term federal goals for system security.

13. Require that FTA review the recently issued charter and school bus regulations to remove onerous provisions which prevent transit systems from fairly serving their communities.
14. Eliminate the requirement that a Small Start project operating cost cannot exceed 3% of the agency's operating budget. This requirement can result in a lower level of planned service and ridership than would be the optimum just to keep the cost within the 3% requirement.
15. We support the greatest possible representation of transit agencies in the transportation planning process conducted by MPOs.

by Joseph Ryan, Contributing Editor

**Better Roads Article**

## The Next Highway Program

# The Truth About Earmarks

**Congressional earmarks will be a controversial part of the next transportation act, but how wasteful are they? We survey the critics, pro and con, and look for the most elusive thing of all in this debate — hard facts.**

**A**ble to draw the unblinking eye of the national media as the Republican presidential nominee, John McCain recently turned to the horrific Minneapolis bridge collapse to crystallize his dogmatic opposition to so-called "earmarks."

"The bridge in Minneapolis didn't collapse because there wasn't enough money," he told reporters this spring on his campaign bus in Pennsylvania. "The

bridge in Minneapolis collapsed because so much money was spent on wasteful, unnecessary pork-barrel projects."

The Arizona senator was forced to back off that assertion less than 24 hours later as Democrats and even some Republicans blasted it as misleading and exploitive.

Nonetheless, the statement, and the fact that McCain felt he could make such a damning connection, shows just how charged the debate over earmarks has become.

It also shows just how far those opposed to earmarks will go to turn the public's attention to a normally dry subject steeped in wonk lingo.

But even though McCain was forced to back down, don't think the debate about earmarks will become less rabid.

"There is no uncertainty at all as to how corrupt (the earmark) process is," says Ronald Utt, a senior research fellow with the Heritage Foundation, a conservative think tank. "These things are bought and sold like bails of cotton."

As transportation interests begin waging a fiery debate this year about the future of federal transportation funding, there is little doubt that the growing contention about



## A Rising Problem?



earmarks will play a noticeable role.

"Earmarks are going to be a battle in a much bigger overall war," says Matt Jeanneret, spokesman for the American Road and Transportation Builders Association.

Supporters of an expanded federal role in transportation funding – one that meets the needs to at least maintain the current system – can't stand to lose many battles in this war.

This polarizing issue threatens to distract from a much larger and more vexing problem. Federal funding for road and transit projects is expiring and there is no money left in the bank to cover the needed future road projects without difficult tax or fee increases. Many experts and industry organizations are pushing for a gas tax hike as a necessity, while other interests are hoping to ship funding responsibilities off to the states and wager tolling and privatization expansion can fill the gap.

Earmarks, some fear, could become a poison pill in this prolonged and expansive debate.

"Talking about earmarks is a great way to remind the American people that a few bad apples can spoil the bunch," says Janet Kavinoky, director of transportation infrastructure for the U.S. Chamber of Commerce.

### What is the big deal?

To be sure, though, many in the industry acknowledge earmarks do have problems to be addressed. Among the issues are the following:

- Inherently, the earmarking process is not subject to federal, state, or local planning processes intended to identify priorities and direct limited funding where it is most needed.
- Earmarking can overwhelm a particular funding category, leading to an overall reduction in

funding for all projects in that category.

- Projects selected by lawmakers for funding can get priority over projects considered more vital by state departments of transportation.

- It can take years to scrape together local matching funds for projects that have been earmarked, tying up those federal dollars that could be used sooner somewhere else.

Yet, there is little hard data to answer the key question, "How many earmarked projects are truly unnecessary pork that take away from other, much-needed road and transit improvements?"

Into this void of information steps misinformation marked by sweeping generalizations from earmark opponents and federal transportation funding critics. Without an adequate measure of how many earmarks are truly pork, the public is left with repeated accounts of the so-called "bad apples."

Tiny Gravina Island in Alaska is now nationally famous as the prospective home of the "Bridge to Nowhere" pushed by U.S. Rep. Don Young (R-Alaska) and U.S. Sen. Ted Stevens (R-Alaska). The pair helped set aside more than \$223 million for the bridge, which was to replace a reportedly reliable ferry service from a city of about 8,000 to the island of 50 or so residents.

Following massive public and political pressure, the project was pulled by state officials.

Then there is Coconut Road in Florida for which Young secured \$10 million in a 2006 transportation funding measure. The project would create an interstate interchange in a currently desolate area. The problem is, local officials oppose the plan, and Young is accused of securing the funding based on a \$40,000 fundraiser thrown by a developer who stands to gain from the interchange.

## Transportation Reauthorization Special

Failing any legislative reform, others are seeking greater transparency and public pressure to keep earmarking lawmakers on their toes.

These kinds of earmarks are causing the public to view all such projects in a bad light.

"Earmarks have been given a bad name because of a few highly publicized earmarks that made no sense," says transportation expert Kenneth Orski, author of "Innovation Briefs," a public policy consultant and former principal of the Urban Mobility Corporation.

In the fallout come accusations like those from John McCain and negative assertions from other groups like the Heritage Foundation.

"Earmarks for the most part are local projects that couldn't pass muster with the local states or jurisdictions," the Heritage Foundation's Utt says. "They are heretofore rejected projects."

Many experts oppose earmarks solely because they inherently circumvent planning processes. To them, issues such as Coconut Road and the Bridge to Nowhere are the extreme examples of what can come of an unregulated process run by politicians angling for re-election and clout.

"Earmarks do not have to pass any cost-benefit test and that is a basic economics 101 principal," says Rick Geddes, policy analysis associate professor at Cornell University and a Bush appointee to the National Surface Transportation Policy and Revenue Study Commission.

"There is no reason to believe that earmarks will be the best option because they are the result of horse trading," he said.

### Are they all bad?

Yet, for every example of potentially corrupt and wasteful projects, there is at least an equal number that represents a high priority for state and local groups.

"Not all earmarks are bad," says John Horsley, executive director of the American Association of State Highway and Transportation Officials.

Take the Chicago Region Environmental and Transportation Efficiency Program, more commonly

known as CREATE, aimed at reducing economically choking delays on Chicago's ancient freight rail system. The \$1.5 billion project has long been a priority for state planners. After years of inactivity, lawmakers were joyous to bring home \$100 million in federal seed money to kickstart the project through SAFETEA-LU.

### Earmarks do not have to pass any cost-benefit test and that is a basic economics 101 principal.

—Ronald Utt, senior fellow, Heritage Foundation

Today, several key elements in the plan — including the elimination of an outdated intersection that forced all trains to come to a complete stop — have been completed, speeding traffic along and keeping jobs in the city.

"Not an insignificant share of earmarks are decent projects," notes Robert Atkinson, chair of the National Surface Transportation Infrastructure Financing Commission. "They are not all Bridges to Nowhere."

As for an authority to determine the amount of pork in earmarks, the most recently cited source, and perhaps the most authoritative, is a 2007 audit of transportation-related earmarks conducted by the U.S. Department of Transportation inspector general.

The report concludes that nearly all 8,056 U.S. DOT earmarks in fiscal year 2006 (including SAFETEA-LU), naturally circumvented established planning procedures. But this analysis doesn't outline how many were not already on local, state or federal priority lists. In fact, the report revealed several cases where the majority of projects were seen as a high priority.

Mary Peters  
U.S. Secretary of  
Transportation

Bill Beuchner  
Vice President of the  
American Road and  
Transportation  
Builders Association

John Horsley  
Executive Director  
American Association  
of State and Highway  
Transportation  
Officials

Jeremy Meadows  
Director  
National Conference  
of State Legislatures  
Senior Policy

Rick Geddes  
Professor  
Cornell University

J. Richard Capka  
Former Federal  
Highway  
Administration  
Administrator

Robert Atkinson  
President  
Information  
Technology and  
Innovation  
Foundation

In the Interstate Maintenance Discretion Program, 49 of 65 earmarks met the program's criteria. The remaining 16 amounted to \$14 million. In the Federal Transit Authority's budget for bus and bus facilities, 90 percent of 1,000 projects passed the planning and requirements necessary.

Still, the report underscores some well-known problems with earmarks. The report highlights an earmark for a hospital parking garage that bypassed rules in its transit-related funding category.

The study specifically illustrates how the process plays havoc with the logistics of federal funding measures. The Surface Transportation Research, Development, and Deployment Program had \$234 million in earmarks but only \$196.4 million in authorized funding, causing an across-the-board cut of 16 percent.

Ultimately, the study concludes earmarks are a problem, but offers little hard data to back it up. In 8 of 11 federal highway fund categories, the report says "many" earmarked projects were of "low priority" and "some" earmarks funded ineligible projects.

The report does not give specific numbers.

## What is the solution?

Even without much solid analysis detailing the true extent of earmark corruption and waste, many transportation officials agree corrective action is needed as the industry works toward the next round of federal funding. It will be hard to achieve gas tax hikes and major federal funding increases if voters are worried the money won't be properly spent.

Three leading voices in the field — ARTBA, AASHTO, and the National Surface Transportation Policy and Revenue Study Commission — have all endorsed some sort of restrictions on earmarks to make sure state and local planners back them up.

ARTBA's major transportation funding report calls for requiring that all earmarks

get spent within the life of the funding measure—usually 5 years. However, the legislation hasn't been clearly defined.

The recommendations from NSTPRSC, a panel put in place by the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, or SAFETEA-LU, to spearhead future funding programs, is vague. The panel's report pushes for a national strategic plan that could help reduce earmarks, but would not mandate earmarks conform to the plan.

AASHTO urges reform, but doesn't outline a direct legislative path pertaining to earmark regulation. "It would help restore public confidence to know that in the future, funds apportioned to the states will be systematically programmed by states and local governments, who are in the best position to determine priorities that give taxpayers the best value for their dollars," according to AASTHO's March report.

Adds Horsley: "The (earmarks) that are not contained in a well-developed state and local plan, we think hurt the system."

The lack of clear direction toward reform could stem from the realization that lawmakers will balk or that it may be legally challenging to limit Congress' power to direct funding.

"I don't think you can legislate your way out of this," says the U.S. Chamber of Commerce's Kavynoky.

Failing any legislative reform, others are seeking greater transparency and public pressure to keep earmarking lawmakers on their toes.

"Congress is unwilling to fix this because they think the public doesn't really care," Utt says. "Voting people out of office is the only solution."

Orski seems to agree. "Certainly some of the more flagrant uses of the earmarks could be avoided by



## Transportation Reauthorization Special

just shaming the congressman into not doing it," he says.

For now, several watchdog groups are doing their parts to keep an eye on earmarks and reporters are becoming more adept at connecting the dots between campaign contributions and multi-million dollar earmarks.

This public pressure is forcing politicians to make sure they at least look like they are searching for earmark reform solutions. President George W. Bush, coming under fire from fellow conservatives for signing pork-heavy legislation, called on Congress in 2007 to cut earmarks in half. So far, the push has worked to an extent, but many anti-earmark groups sense more rhetoric than action.

In addition, Republican lawmakers have instituted their own self-imposed rules, such as a ban on last-minute pork add-ons to legislation. For their part, Democrats have approved new transparency measures.

A variety of proposals have been introduced in Congress, but not yet approved, including an all-out moratorium, an ethics board to review earmarks, and a panel to study a system overhaul.

Ultimately, though, the best solution to earmark corruption and abuse may just be greater funding

for transportation needs, several experts say. If federal funding continues to fall far short of national needs, earmarks will only increase, further eroding public confidence in transportation projects, they say.

Regardless, earmarks probably won't disappear, but perhaps more scrutiny and better funding will keep them from being a constant distraction to the more critical debate over the nation's infrastructure needs.

"I'm sure the question of earmark reform will come up in the re-authorization debates," Orski says. "But I'm equally sure the next re-authorization will contain earmarks again, but hopefully to a much lesser extent." BR

*Joseph Ryan is a newspaper reporter who has covered transportation issues in Illinois for several years.*

*"What About Earmarks?" is the second in a six-part series examining the issues that will be raised when Congress begins debating the next federal transportation bill next year. In September, "Does Anyone Here Have a Plan?" compares how the presidential candidates may address the transportation funding crisis.*

## Impact Absorption's TAS System Saves Lives!

Two incidents in the last 3 years precipitated the design and installation of this new shorter TAS application.

3 years ago 5 people were killed at the western base of Avon Mountain in Avon Connecticut. Last August another truck went out of control and destroyed a furniture store at the base of Avon Mountain. There were no casualties in the second incident.

Connecticut DOT installed a state of the art TAS application. The entire system from design to completion was on a fast track and took just 3 months to complete. This application will also feature a warming system under the ramp surface to keep the TAS snow free during winter months.

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e-mail: [mkempen@nyc.rr.com](mailto:mkempen@nyc.rr.com)  
[www.impactabsorption.com](http://www.impactabsorption.com)

# ARTBA's SAFETEA-LU Reauthorization Recommendations



**A**ddressing these challenges will require a new strategic vision—and a national plan—recognizing both short- and long-term needs.

The U.S. Constitution provides a foundation for a strong and permanent federal role in surface transportation policy by giving Congress the responsibility of regulating commerce among the states and among other nations.

A new approach and vision for improving America's surface transportation network clearly requires a strengthened federal government role. Individual states do not compete with China or the European Union, and individual states don't have the authority to ensure mobility beyond their borders. Such responsibilities belong to the federal government, and only through federal leadership will the potential economic and quality of life benefits of the nation's transportation network be realized in the future.

As part of the scheduled 2009 reauthorization of SAFETEA-LU, ARTBA believes the federal highway program should be restructured to consist of **two separate, but equal priority components:**

## **Part I: Enhanced Core Highway & Transit Investment Programs**

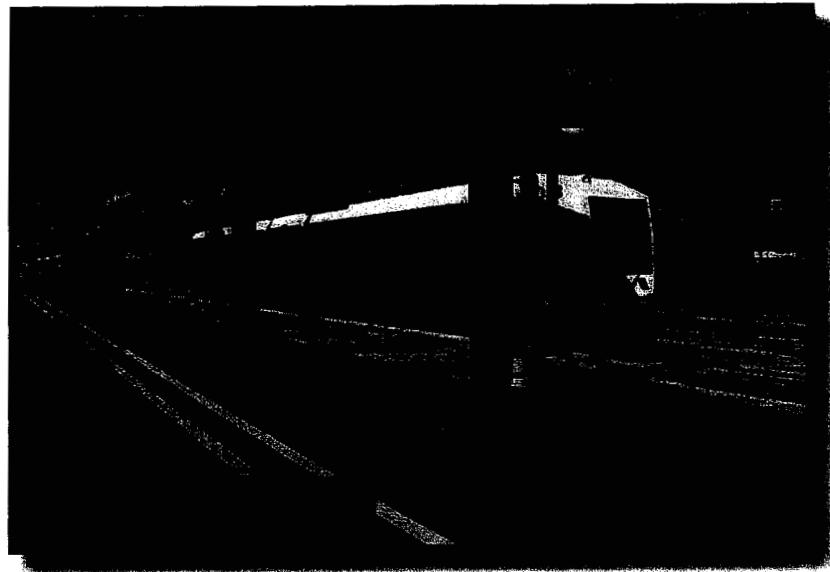
ARTBA is advocating an evolutionary approach to meeting the nation's growing infrastructure demands by proposing significantly better-funded and more efficient federal highway/transit programs aimed at improving regional mobility and protecting past investments in the nation's transportation infrastructure network, particularly in Interstate highways and bridges.

Accomplishing this goal will require a multi-modal strategy that includes new capacity, programmatic improvements, and a wide array of funding options. There is no silver bullet or single solution to the nation's transportation challenges.

Public-private partnerships, innovative financing, tolling, and new user fees are all part of the solution. The foundation of any successful financing structure for the next surface transportation reauthorization bill, however, should continue to be the federal motor fuels tax.

ARTBA's recommendations in key areas include:

- 1. Meeting Highway & Transit Investment Needs:** Increase the federal motor fuels tax by at least 10 cents-per-gallon and index the tax to inflation to help: reduce traffic congestion; preserve highway and bridge physical conditions and performance levels; upgrade and expand critical public transportation facilities; and restore purchasing power for both programs lost through inflation and increased construction material prices.
- 2. Utilizing All Revenue Options:** ARTBA supports providing states with toll financing options, including congestion pricing, high occupancy toll lanes, and truck only lanes, if the revenue raised is used for transportation capital improvements. Furthermore, states should be able to use appropriately structured toll systems on existing portions of the Interstate Highway System. Debt financing is also a viable funding source for long-term capital improvements to complement the core highway and transit programs.
- 3. Preparing for the Future:** Start to transition to new financing mechanisms, such as a motor vehicle mileage tax, recognizing that alternative fuels and fuel efficiency will eventually dilute the ability of the federal gasoline tax to be the primary financing source for surface transportation im-



provements. ARTBA believes the next reauthorization bill should implement a specific transition timeline to ensure the implementation of this new financing architecture.

- 4. Improving Project Delivery & Protecting the Natural Environment:** Ensure the timely delivery of transportation benefits by enhancing the U.S. DOT's authority over the planning process and provide opportunity for all interested and qualified states to have control over environmental

reviews. Transportation Enhancement Program funds should also be eligible for environmental stewardship measures—above and beyond minimum mitigation requirements.

5. **Defending Public Safety:** Boost infrastructure investment to improve motorist and highway worker safety in pursuit of a zero traffic fatality goal. ARTBA is also recommending increased resources for SAFETEA-LU's High Risk Rural Road Safety Program to improve roadways that represent a documented safety threat.

## Part II: “Critical Commerce Corridors”

There is currently no comprehensive strategic initiative to address America’s freight challenges and handle the expected doubling of truck traffic in the next 25 years. Once again, strong federal leadership is necessary to fill this policy void. To complement the expanded investments in existing federal highway and transit programs outlined above in Part One, ARTBA is calling for the creation of a bold new program—“**Critical Commerce Corridors**” (3C)—to provide new surface transportation system capacity and operational improvements exclusively focused on securing the safe and efficient movement of freight. These corridors could also be used to help evacuate the American people in times of national emergencies or natural disasters.

The 3C program is a logical evolution of the existing federal surface transportation programs. The current highway and public transportation programs must continue and be strengthened, but 3C is also necessary to help ensure future U.S. economic strength.

The 3C initiative would be financed with dedicated and protected user fees levied on freight shipments. Public-private partnerships and debt financing could also play roles in supporting the 3C program, as freight capacity enhancements are well-suited to these financing mechanisms. The U.S. DOT would assume the lead role in developing the 3C system in collaboration with public and private sector stakeholders. This cooperative public-private sector process would develop the specific components of the 3C system and its costs.

The 3C network could include:

- Most—if not all—of the existing Interstate Highway System and a portion of the non-Interstate National Highway System;
- New multi-modal trade corridors;
- New capacity “truck only” lanes allowing increased productivity and improved safety through commercial/personal vehicle separation;
- “Last mile” military base, port, airport, inland waterway and rail connections;
- Tunneling and elevated road and railways on existing right-of-way;
- International gateways;
- Bottleneck relief;

- Multi-modal freight transfer centers; and
- Integrated telecommunications corridors.

ARTBA's 3C plan also calls for:

- Utilization of existing right-of-way to the greatest extent possible to minimize environmental footprint;
- Use of "best-of-class" environmental protection/mitigation design and construction techniques and environmental stewardship principles; and
- Application of the world's most advanced materials, communications and safety technologies.

### **Part III: Other Legislative & Regulatory Recommendations**

While ARTBA's new vision of a restructured, two-part federal surface transportation program offers a holistic solution to the nation's transportation challenges, the association is also advocating a host of other legislative recommendations aimed at achieving specific goals.

### **Potential "Critical Commerce Corridors" Freight-related Funding Sources**

Potential Funding Source	Mechanism for Fee Generation	Amount Raised per 1% Fee	Amount Raised per Penny Fee	Amount Raised per Dollar Fee
U.S. Truck Freight Bills	Total annual U.S. billing > \$622.9 Billion	> \$6.2 Billion	N.A.	N.A.
U.S. All Modes Freight Bills	Total annual U.S. billing > \$739 Billion	> \$7.4 Billion	N.A.	N.A.
Ton-Based Freight Movement by Trucks	> 10.69 billion tons shipped	N.A.	> \$107 Million (at each 1¢ per ton assessment)	\$10.7 Billion (at \$1 per ton assessment)
Ton-Based Freight Movement by All Modes	> 15.5 billion tons shipped	N.A.	> \$155 Million (at each 1¢ per ton assessment)	\$15.5 Billion (at \$1 per ton assessment)
Trucking Ton-Mile Freight Movement	> 1.2 trillion ton-miles traveled	N.A.	> \$12 Billion (at 1¢ per ton-mile traveled assessment)	N.A.
All Modes Ton-Mile Freight Movement	> 4.1 trillion ton-miles traveled	N.A.	> \$41 Billion (at 1¢ per ton-mile traveled assessment)	N.A.
National Vehicle Safety Inspection Tag	241 million registered vehicles	N.A.	N.A.	\$241 Million

"U.S. Freight Transportation Forecast to 2017." (2006 edition) American Trucking Associations (by Global Insight). ARTBA revenue extrapolation.

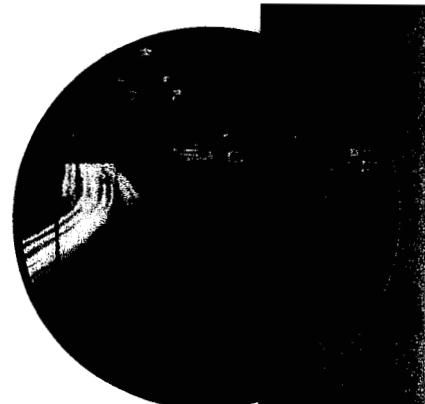
"Transportation in America" (2007 edition) Eno Transportation Foundation. ARTBA revenue extrapolation.

"2005 Highway Statistics." Federal Highway Administration. ARTBA revenue extrapolation.



Among them:

- **Earmark Reform**—all congressional or executive branch designated spending under the next federal surface transportation reauthorization bill should include a requirement that funds provided be committed during the bill's life. This reform would ensure earmarked projects have appropriate support at the state and local level.
- **Maintenance of Effort Requirement**—to ensure necessary financial commitments to improve the nation's transportation network from all levels of government, a maintenance of effort requirement should be adopted that makes increased federal highway or transit investment contingent on a state or local government, at minimum, maintaining its own level of transportation infrastructure investment.
- **Transportation Research**—increased federal investment and a stakeholder-developed strategic transportation research plan are essential to an integrated and effective national surface transportation system.
- **Hours of Service**—existing regulations of the amount of time drivers may operate commercial motor vehicles should be re-crafted to reflect the fact that transportation construction industry drivers do not drive long distances.



## Conclusion

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Today, the U.S. is living in a world market. The American people have heard the phrase "global economy" for the last 10 to 15 years. Now, they believe it!

ARTBA's comprehensive approach that advocates significant increases in the current core highway and transit investment programs, creation of "Critical Corridors" and specific programmatic improvements prove the effectiveness of federal transportation policies are the keys to meeting the America's infrastructure challenges and ensuring its competitiveness in the 21st global economy.



# American Public Transportation Association Document

## PRINCIPLES FOR APTA Recommendations on Next Authorization Bill

Public transportation can help to ensure a secure and sustainable future for America. For the last half century, America's national transportation vision focused on building a system of interstate roads to connect the geography of the nation. The next 50 years needs to focus on travel options which connect people and enable prosperity in America's bustling economic growth centers. Just as the interstate system resulted from federal policy and participation, future transportation options will also require the continuation of that leadership.

- 1) Congress should authorize a significant increase in the federal transit program, with a total investment of no less than \$123 billion over the six year authorization period, with a goal of meeting at least 50% of the estimated \$60 billion in annual capital needs by the end of the authorization period and to support a projected doubling of ridership over the next 20 years.
- 2) Transit funding guarantees should be strengthened to ensure that authorized funds are appropriated each year to allow for the long-range planning, financing, and leveraging needed to advance necessary investment in transit capital projects and preserve and maintain the existing transit infrastructure in a "state of good repair."
- 3) Congress should take necessary steps to restore, maintain and increase the purchasing power of the federal motor fuel user fee to support a significant increase in the federal investment for the transit program.
- 4) Congress should promote the development of new, innovative financing mechanisms to supplement current revenue streams, such as public private partnerships, tolling, congestion pricing and the capture of revenue generated from changes in federal energy and climate change policies.
- 5) The federal transit program should retain no less than an 80% federal match ratio for all capital transit projects, including the New Starts program.
- 6) Preserve a "needs based" approach to the distribution of funds under the federal transit program which builds on the current program structure and begins to address unmet program needs.
- 7) Congress should create incentives to increase state and local investment levels in public transportation.
- 8) Federal authorizing legislation for surface transportation investment should ensure that transit programs receive no less than 20% of all federal funds invested in surface transportation infrastructure.
- 9) Congress should simplify and streamline the current federal grant approval process to speed project delivery and reduce costs.

- 10) The federal transit program should recognize the cost of compliance with federal requirements and provide capital and operating assistance to meet those requirements and to help transit providers address costs which are beyond their ability to control. Federal law should also encourage state, local and private sector support for such expenses.
- 11) The federal transit program should support greater investment in research and development programs that will enhance service delivery, promote "best practices" through technical standards, and increase the operational efficiency of transportation systems.
- 12) The federal transit program should provide program funding to promote workforce development and career opportunities in the public transportation industry.
- 13) Federal authorizing law should ensure the consideration of public transportation alternatives within a multimodal regional and statewide transportation planning process, which is designed to achieve sustainable outcomes in plans, programs, and projects. There should be a balance of environmental (including greenhouse gas and climate change considerations), economic and social equity objectives in the process.  
*and provide the necessary resources*
- 14) **(DRAFT)** The federal transit program should promote increased transit ridership to achieve national goals to reduce greenhouse gas emissions and conserve limited energy resources. It should also offer increased investment in sustainable practices within the transit industry. By promoting energy efficient transit vehicles and facilities and encouraging efficient land use near transit routes, Congress can enhance the environmental and fuel conservation benefits that result from public transportation.

## **FUNDING AND FINANCE PRINCIPLES**

### Recommendations for the Next Authorization Bill

*"America will be a thriving nation whose multi-modal, environmentally-responsive transportation system is the envy of the world."*

Public transportation provides mobility that significantly contributes to national goals and policies in support of global economic competitiveness, energy independence, environmental sustainability, congestion mitigation and emergency preparedness. On an individual user basis, public transportation saves money, reduces the carbon footprint of households and provides people with choices, freedom, and opportunities. To sustain public transportation's many contributions at the national and local levels, and to accommodate a doubling of public transportation ridership over the next twenty-year period to address the aforementioned national goals and policies, the American Public Transportation Association (APTA) recommends a minimum federal transit investment level of \$123 billion over the next six-year authorization period. To address this minimum federal investment level, APTA has adopted the following Funding and Finance Authorization Principles.

- Authorize guaranteed investment levels for the federal transit program that by the final year of the next authorization bill finance no less than 50 percent of the total unaddressed costs of bringing existing public transportation capital assets into a state of good repair.
- Maintain the existing federal transit program funding guarantees.
- Authorize guaranteed investment levels for the federal transit program that support at least a doubling of transit ridership over the next 20 years (3.5% annual compounded growth).
- Preserve the current 80 percent federal match shares on all transit capital investment (and higher federal match ratios under existing incentive programs) and increase the actual share to the 80 percent level in appropriations.
- Ensure stable and reliable investments in public transportation supported from federal, state and local governments, from transit-generated revenues, and from public-private partnerships.
- Convert the federal transit program from a "grant-based" program to a locally-driven federally-assisted contract authority program similar in concept to the state-driven federally-assisted contract authority highway program.

### **EXISTING PROGRAM FUNDING**

#### *Background*

Federal transit programs are currently funded from two sources: the Mass Transit Account (MTA) of the Highway Trust Fund (HTF) and from General Revenues of the Treasury -- also called General Funds. Until fiscal year (FY) 1983 all transit funding was provided from General Revenues. The Surface Transportation Assistance Act of 1982 (STAA) created the MTA as a separate account in the HTF for accrual of a portion of revenues from the federal motor fuel tax for transit uses. The 1982 STAA increased the federal motor fuel tax on gasoline from 4 cents per gallon to 9 cents per gallon and specified that 1 cent of the 5 cents

per gallon increase would be deposited in the newly created MTA. Since then, 20 percent of each subsequent increase in the motor fuel tax has been deposited in the MTA. In 2008 a total of 2.86 cents per gallon is credited to the MTA. Currently, 15.5 percent of the total per gallon tax on gasoline and 11.7 percent of the total per gallon tax on diesel fuel are dedicated to the MTA.

In addition, until FY 1999, unexpended balances in the MTA drew interest revenue. Unexpended balances are created when the FTA obligates funds, that is, commits to fund an eligible transit project such as a bus garage, but does not actually pay for the project until it is completed. TEA 21 eliminated the accrued interest revenue for both the MTA and the HA beginning in FY 1999.

#### *Existing Program Funding Principles*

- Continue to credit the MTA with, at minimum 20 percent of each future increase in the motor fuel (or successor) tax.
- Preserve, at minimum the current 20 percent general fund contribution necessary to support the federal transit program.
- Restore the purchasing power of dedicated revenue for public transportation and other surface transportation investment to 1998 levels (when federal motor fuels taxes were last raised) and those revenue sources should be indexed to account for future inflation of construction costs.
- Establish clearly that revenues used to support federal surface transportation programs will be used only for purposes set forth under authorizing law.
- Ensure that the HTF is appropriately credited for ethanol motor fuels and other new and/or currently exempt alternative fuels.
- Restore the earning of interest income to the HTF/MTA.
- Support efforts to fix the short-term deficit in the Highway Account of the HTF in FY 2009 while strongly opposing efforts to “borrow” unexpended balances from the MTA to support the Highway Account of the HTF.

### **NEW PROGRAM FUNDING**

#### *Background*

According to the National Surface Transportation Policy and Revenue Study Commission, existing MTA revenues are inadequate to support existing commitments as well as support required investment levels. According to the Commission, much more should be invested in public transportation infrastructure annually. This chronic underinvestment in America's transportation infrastructure has put our nation at a competitive disadvantage in the global economy. China currently spends 9 percent of its gross domestic product (GDP) on infrastructure and India budgets 3.5 percent while aiming to increase its allocation to 8 percent. By comparison, the United States budgets less than one percent (0.93) of its GDP, and sidesteps the reality of a ballooning \$1.6 trillion deficit for necessary upgrades over the next five years. Absent significant additional federal investment, the condition of our nation's transportation infrastructure will only continue to decline. To reverse this trend new and diversified revenue sources

will be required. Current and projected trust fund receipts are inadequate to support required program growth. Over the next six-year period the MTA is expected to generate only \$33 billion in new resources to support a recommended federal investment level of \$123 billion. In addition, the most recent Congressional Budget Office (CBO) report on MTA revenues projects that the MTA cash balance will be negative (insolvent) by the end of FY 2012 absent federal intervention. Failure to address the revenue imbalance of the MTA will result in continued inadequate investment levels that will result in lost jobs, reduced economic competitiveness, more congestion and limitations on personal mobility. To address the need for an enhanced and diversified portfolio of revenues to support the MTA, APTA recommends the following funding options to supplement the existing motor fuel tax and general fund contributions that support the federal transit program:

#### *New Program Funding Options*

- Include a new defined revenue source to pay debt service on bonds for large scale highway/transit core capacity/expansion improvements.
- Support longer-term efforts to transition the trust fund from motor fuel taxes/fees to a vehicle mileage tax and/or a vehicle weight/mile tax.
- Dedicate a portion of a new national sales tax to support the MTA.
- Examine the longer-term viability of innovative financing techniques, including: public-private partnerships, federal loan guarantees, tax exempt/tax credit bonds, tolling and congestion pricing, value capture increment financing, and other mechanisms that consider changes in energy use and reduce state and regional carbon footprints.

**SPECIFIC PROGRAM STRUCTURE RECOMMENDATIONS**  
**Recommendations for the Next Authorization Bill**

**BUS & BUS FACILITIES PROGRAM**

- 1) **PENDING:** New Bus Program Proposal - Modify the current Bus and Bus Facilities Program so that "bus facilities" funds would be distributed under a discretionary program and "bus" rolling stock funds would be distributed under factors used to distribute funds under the bus tier of the urban formula and the rural formula. Funds would be distributed among large, medium, and small urban areas, and rural areas, in the same relative proportion by which they are distributed under the current formula programs.

**Under the proposed Bus Program:**

- 50% of funds would be used to create a new "Bus Formula Program" which would remain separate from current formula programs. Funds would be distributed under current bus tier of the urbanized area formula and rural area formula to replace and maintain rolling stock.
  - 50% of funds would be used for a discretionary "Bus Facilities" program which would distribute grants for bus facilities eligible for funding under current Sec. 5309 program, except rolling stock. Funds to be distributed under a competitive grants process.
  - Bus formula funds not eligible for operations or preventative maintenance;
  - Time limit to obligate bus funds would be extended to 4 years, including the year in which the amount is made available or appropriated.
- 2) **APPROVED:** Provide up to 100% funding for alternative fuel buses that are purchased by Transit properties. Based upon local considerations of a transit system, federal share for purchase of alternative fuel buses (including hybrid electric and alternatives fuels other than clean diesel) could be funded with 100% federal share (no local match required). (**Match provided for full or incremental cost?**)
  - 3) **APPROVED:** Tax credit for alternative fuel consumption. The current 50 cent per gasoline gallon equivalent (gge) tax credit should be made permanent. New law should make clear that all vehicles used by transit systems, including staff and other agency vehicles are eligible for the tax credit.

**FIXED GUIDEWAY MODERNIZATION PROGRAM**

- 1) **PENDING:** Fixed Guideway Modernization Program

**Assumptions**

- Program funding will double (overall and in each category)
- Program elements should be simple. (KISS)
- Program should be needs based
- Use current NTD statistics
- Maintain and guarantee a 40/40/20 split between Fixed Guideway/New Starts/Bus
- New elements should be based on rational justifiable factors (eliminate the "political" solutions)





## BOARD COMMITTEE TRANSMITTAL

**September 22, 2008**

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

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

**Subject:** Agreements for Design Support During Construction for the San Diego Freeway (Interstate 5) at Oso Parkway Interchange Improvement Project

### Highways Committee Meeting of September 15, 2008

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

### **Committee Vote**

This item was passed by all Committee Members present.

### **Committee Recommendations**

- A. Authorize the Chief Executive Officer to execute Agreement No. C-7-1426 between the Orange County Transportation Authority and the California Department of Transportation, in an amount not to exceed \$676,000, to cover additional costs for design and right-of-way services to improve the San Diego Freeway (Interstate 5) and Oso Parkway interchange.
- B. Authorize the Chief Executive Officer to execute Amendment No. 1 to Cooperative Agreement No. C-5-2595 between the Orange County Transportation Authority and the California Department of Transportation to transfer a total of \$135,200 from Agreement No. C-7-1426 to Agreement No. C-5-2595 for design and construction support services to improve the San Diego Freeway (Interstate 5) and Oso Parkway interchange.
- C. Authorize the Chief Executive Officer to execute Amendment No. 3 to Agreement No. C-5-2712 between the Orange County Transportation Authority and CH2M HILL, in an amount not to exceed \$147,613, for construction support services to improve the San Diego Freeway (Interstate 5) and Oso Parkway interchange, bringing the total contract value to \$1,819,810.



**September 15, 2008**

**To:** Highways Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Agreements for Design Support During Construction for the San Diego Freeway (Interstate 5) at Oso Parkway Interchange Improvement Project

### **Overview**

The Orange County Transportation Authority has a cooperative agreement with the California Department of Transportation to provide state funding to improve the San Diego Freeway (Interstate 5) at Oso Parkway. Changes to this agreement are required to provide funding for design support services during the construction phase of the project.

### **Recommendations**

- A. Authorize the Chief Executive Officer to execute Agreement No. C-7-1426 between the Orange County Transportation Authority and the California Department of Transportation, in an amount not to exceed \$676,000, to cover additional costs for design and right-of-way services to improve the San Diego Freeway (Interstate 5) and Oso Parkway interchange.
- B. Authorize the Chief Executive Officer to execute Amendment No. 1 to Cooperative Agreement No. C-5-2595 between the Orange County Transportation Authority and the California Department of Transportation to transfer a total of \$135,200 from Agreement No. C-7-1426 to Agreement No. C-5-2595 for design and construction support services to improve the San Diego Freeway (Interstate 5) and Oso Parkway interchange.
- C. Authorize the Chief Executive Officer to execute Amendment No. 3 to Agreement No. C-5-2712 between the Orange County Transportation Authority and CH2M HILL, in an amount not to exceed \$147,613, for construction support services to improve the San Diego Freeway (Interstate 5) and Oso Parkway interchange, bringing the total contract value to \$1,819,810.

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***Background***

The Orange County Transportation Authority (Authority) has worked cooperatively with the California Department of Transportation (Caltrans) to identify and improve congested areas of the freeways. The San Diego Freeway (Interstate 5) southbound at Oso Parkway is one of these target projects. Funding for the project is through the State Transportation Improvement Program (STIP) and the Regional Interchange Program (RIP).

On December 12, 2005, the Authority Board of Directors approved an agreement with CH2M HILL to provide final design services for the Oso Parkway project. The funding for design services during construction was not included in the original contract value.

***Discussion***

On February 9, 2006, the California Transportation Commission approved \$676,000 in STIP/RIP funds to the Authority for right-of-way capital costs for the project. The total amount of these funds will be required for right-of-way purposes; therefore, Caltrans was asked to transfer \$135,200 of the right-of-way allocation to the project design phase for the Authority to pay for related work by the consultant. A new cooperative agreement with Caltrans, Agreement No. C-7-1426, is needed to authorize the \$676,000 for right-of-way costs and an amendment to an existing agreement, Agreement No. C-5-2595, is needed to transfer the \$135,200 for design costs.

The transfer of dollars from the right-of-way phase will help fund a portion of the required design services during construction by CH2M HILL. The remaining funds needed to fully fund these services are available under the existing design cooperative agreement with Caltrans.

Authority staff requested a proposal from CH2M HILL to perform this additional work and has negotiated the price of \$147,613. The original agreement, awarded on December 12, 2005, was in the amount of \$1,450,158. This agreement was previously amended (Attachment E). After approval of Amendment No. 3 to Agreement No. C-5-2712, the total contract amount will be \$1,819,810.

**Fiscal Impact**

The additional work described in Amendment No. 3 to Agreement No. C-5-2712 was approved in the Authority's Fiscal Year 2008-09 Budget, Development Division, Account 0051-7519-A9210-BJY, and is funded through the STIP.

**Summary**

Based on the material provided, staff requests approval of the proposed agreement, and an amendment to agreement between the Authority and Caltrans to cover additional costs for design and right-of-way services, to improve the San Diego Freeway (Interstate 5) and Oso Parkway interchange. Staff also requests approval of Amendment No. 3 to Agreement No. C-5-2712 with CH2M HILL, in the amount of \$147,613, for the construction support phase of the project.

**Attachments**

- A. California Department of Transportation Cooperative Agreement No. C-7-1426 Fact Sheet
- B. Cooperative Agreement No. C-7-1426
- C. California Department of Transportation Agreement No. C-5-2595 Fact Sheet
- D. Amendment to Agreement No. C-5-2595
- E. CH2M HILL Agreement C-5-2712 Fact Sheet

**Prepared by:**



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

**Approved by:**



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

**ATTACHMENT A**

**California Department of Transportation  
Cooperative Agreement No. C-7-1426 Fact Sheet**

1. September 22, 2008, Agreement No. C-7-1426, \$135,200, pending approval by the Board of Directors.
  - Caltrans and Authority mutually agree on the allocation of \$676,000 by the California Transportation Commission for right-of-way component for the chokepoint improvement project on the San Diego Freeway (Interstate 5) at Oso Parkway.
  - Caltrans agrees to transfer \$135,200 to Cooperative Agreement No. C-5-2595 to cover additional design costs.
  - Caltrans agrees to reimburse qualifying invoices of up to \$540,800.

Total available from the Caltrans after approval of Amendment No. 1 to Cooperative Agreement No. C-5-2595 will be \$540,800.

COOPERATIVE AGREEMENT NO. C-7-1426

12-ORA-5; KP 24.86 / 26.67  
PM 15.16 / 16.39 From  
400m North of S/B Oso  
Parkway off Ramp to Oso  
Parkway S/B Off-Ramp.  
Construct Auxiliary lane and  
On and Off ramps  
12231- 0E0701

District Agreement No.12- 548  
Authority Agreement No. C-7-1426

COOPERATIVE AGREEMENT

THIS AGREEMENT, ENTERED INTO EFFECTIVE ON \_\_\_\_\_,  
2008, is between the STATE OF CALIFORNIA, acting by and through its  
Department of Transportation, referred to herein as "STATE," and

**ORANGE COUNTY TRANSPORTATION AUTHORITY,**  
a public corporation of the State of California, referred to  
herein as "AUTHORITY"

**RECITALS**

1. STATE and AUTHORITY, pursuant to Streets and Highways Code Section 114 and Government Code Section 14030, are authorized to enter into a Cooperative Agreement for proposed improvements to State highways within the Cities of Laguna Hills and Mission Viejo, County of Orange.
2. STATE and Authority mutually desire State highway improvements consisting of constructing a 400-m southbound auxiliary lane in advance of the southbound I-5 from La Paz On-ramp to Oso Parkway Off-ramp and widening the I-5 southbound and northbound Off-ramp intersection approaches to Oso Parkway at 12-ORA-5-KP 24.86/26.67 (PM 15.16/16.39) on Route 5 at Oso Parkway OC, referred to herein as "PROJECT"
3. The California Transportation Commission (CTC) approved the application for PROJECT submitted by AUTHORITY at its Feb. 9, 2006 meeting and directed STATE to allocate to AUTHORITY, using STIP/RIP funds, the amount of \$ 676,000 to be expended on Phase 3 for PROJECT. This Agreement supersedes any prior Memorandum of Understanding (MOU) relating to PROJECT.
4. STATE and AUTHORITY agree to have AUTHORITY perform project development for PROJECT in order to bring about the earliest possible construction of the desired STATE highway improvements. Construction of PROJECT will be the subject of a separate future Agreement.
5. STATE and AUTHORITY mutually desire to cooperate in project development for Phase 3 of the PROJECT and desire to specify herein the terms and conditions under which PROJECT is to be financed and right of way acquisition, capital and support activities performed.
6. STATE and AUTHORITY mutually recognize allocation of 2006 CTC of \$676,000 for right of way component.
7. The parties now define herein below the terms and conditions under which PROJECT is to be developed and financed.

**SECTION I**

**AUTHORITY AGREES:**

1. To perform all work to complete the right of way activities designated as their responsibility on Exhibit B.
2. To not use STATE funds for any PROJECT capital and support costs except as set forth in this Agreement.

3. All PROJECT work performed by AUTHORITY, or performed on AUTHORITY's behalf, shall be performed in accordance with all State and Federal laws, regulations, policies, procedures, and standards that STATE would normally follow. All such PROJECT work shall be submitted to STATE for STATE's review, comment, concurrence, and/or approval at appropriate stages of development.
4. All PROJECT work, except as set forth in this Agreement, is to be performed by AUTHORITY. Should AUTHORITY request that STATE perform any portion of PROJECT work, except as otherwise set forth in this Agreement, AUTHORITY shall first agree to reimburse STATE for such work pursuant to an amendment to this Agreement or a separate executed agreement.
5. To have all necessary right of way maps and documents used to acquire right of way by AUTHORITY prepared by or under the direction of a person authorized to practice land surveying in the State of California. Each right of way map and document shall bear the appropriate professional seal, certificate number, expiration date of registration certification and signature of the licensed person in Responsible Charge of Work.
6. To permit STATE to monitor and participate in the selection of personnel who will prepare and provide the right of way engineering services, and to permit STATE to oversee the performance of right of way activities. AUTHORITY agrees to consider any request by STATE to discontinue the services of any personnel considered by STATE to be unqualified on the basis of credentials, professional expertise, failure to perform in accordance with the scope of work and/or other pertinent criteria.
7. To submit to STATE for review, comment, concurrence, and/or approval all Right of Way Engineering Land-Net Maps and Right of Way Appraisal Maps, Records of Survey, and Right of Way Record Maps all prepared in accordance with STATE's Right of Way Manual, Chapter 6, Right of Way Engineering, STATE's Plans Preparation Manual, STATE's Survey Manual, applicable State laws, and other pertinent reference materials and examples as provided by STATE.
8. Personnel who prepare the right of way maps documents, and related materials shall be made available to STATE, at no cost to STATE, through completion of construction of PROJECT to discuss problems which may arise during construction and/or to make design revisions for contract change orders.
9. To make written application to STATE for necessary encroachment permits authorizing entry of AUTHORITY onto the State highway right of way to perform surveying and other investigative activities required for right of way acquisition, capital and support for PROJECT.
10. To identify and locate all high and low risk underground facilities within the area of PROJECT and to protect or otherwise provide for such facilities, all in accordance with STATE's "Manual on High and Low Risk Underground Facilities Within Highway Rights of Way". AUTHORITY hereby acknowledges receipt of STATE's "Manual on High and Low Risk Underground Facilities Within Highway Rights of Way".

11. If any existing public and/or private utility facilities conflict with the construction of PROJECT or violate STATE's encroachment policy, AUTHORITY shall make all necessary arrangements with the owners of such facilities for their timely accommodation, protection, relocation, or removal in accordance with STATE's policy and procedure for those facilities located within the limits of work included in the improvement to the STATE highway and in accordance with AUTHORITY's policy for those facilities which are or will be located outside of the limits of the STATE highway. The total costs to PROJECT of such protection, relocation, or removal within the present or future STATE highway right of way shall be determined in accordance with STATE's policies and procedures.
12. To furnish evidence to STATE, in a form acceptable to STATE, that arrangements have been made for the protection, relocation, or removal of all conflicting facilities within the STATE highway right of way and that such work will be completed prior to the award of the contract to construct PROJECT or as covered in the PS&E for said contract. This evidence shall include a reference to all required STATE highway encroachment permits.
13. AUTHORITY shall require any utility owner and/or its contractor performing the protection or relocation work within the STATE highway right of way to obtain an encroachment permit from STATE prior to the performance of said work.
14. To acquire and furnish all right of way, if any, outside of the existing STATE highway right of way and to perform all right of way activities, including all eminent domain activities, if necessary, at no cost to STATE, and in accordance with procedures acceptable to STATE. These activities shall comply with all applicable State and Federal laws and regulations, subject to STATE's quality assurance to insure that the completed work is acceptable for incorporation into the STATE highway right of way.
15. To utilize the services of a qualified public agency or a qualified consultant, as determined by STATE's District Division Chief of Right of Way, in all matters related to the acquisition of right of way in accordance with STATE's procedures as published in STATE's current Right of Way Manual. Whenever personnel other than personnel of a qualified public agency are utilized, administration of the personnel contract shall be performed by a qualified Right of Way person employed or retained by AUTHORITY.
16. To deliver to STATE legal title to the right of way, including access rights, free and clear of all encumbrances detrimental to STATE's present and future uses not later than the date of acceptance by STATE of maintenance and operation of the highway facility. Acceptance of said title by STATE is subject to a review of a Policy of Title Insurance in the name of the State of California to be provided and paid for by AUTHORITY.
17. To be responsible for, and to the STATE's satisfaction, the investigation of potential hazardous material sites within and outside existing SHS right of way that could impact PROJECT as a part of performing any work pursuant to the Agreement. If AUTHORITY discovers hazardous material or contamination within the PROJECT study area during said investigation, AUTHORITY shall immediately notify STATE.
18. If AUTHORITY desires to have STATE advertise, award, and administer the construction contract for PROJECT, AUTHORITY shall provide STATE with plans in a format acceptable to STATE. Reimbursement to STATE for costs incurred by STATE to advertise, award, and administer the construction contract for PROJECT will be covered in a separate Cooperative Agreement.

19. To obtain, at AUTHORITY's expense, all necessary permits and/or agreements from appropriate regulatory agencies. All mitigation, monitoring, and/or remedial action required by said permits shall constitute parts of the cost of PROJECT.
20. All aerial photography and photogrammetric mapping shall conform to STATE's latest standards.
21. A copy of all original survey documents resulting from surveys performed for PROJECT, including original field notes, adjustment calculations, final results, and appropriate intermediate documents, shall be delivered to STATE and shall become property of STATE. For aerial mapping, survey documents to be furnished are three sets of contract prints, with one set showing control, a complete photo index - two prints and a copy of the negative, and the original aerial photography negative.
22. STATE's quality assurance activities referred to in Article I of Section II of this Agreement does not include performance of any engineering services required for PROJECT. These services are to be performed by Authority. If Authority requests STATE to perform any of these services, Authority shall reimburse STATE for such services. An Amendment to this Agreement authorizing STATE's performance of such services will be required prior to performance of any engineering work by STATE.
23. AUTHORITY agrees to accept and directly pay invoices for right of way-related design charges from Consultant for an amount of up to \$413,800.

## **SECTION II**

### **STATE AGREES:**

1. At no cost to AUTHORITY, to provide quality assurance activities of all work on PROJECT done by AUTHORITY, including, but not limited to, investigation of potential hazardous material sites and all right of way activities undertaken by AUTHORITY or its designee, to provide prompt reviews and approvals, as appropriate, of submittals by AUTHORITY, and to cooperate in timely processing of PROJECT.
2. Upon proper application by AUTHORITY, to issue, at no cost to AUTHORITY, an encroachment permit to Authority authorizing entry onto the State highway right of way to perform survey and other investigative activities required for preparation of the right of way capital and support. If AUTHORITY uses consultants rather than its own staff to perform required work, the consultants will also be required to obtain a separate encroachment permit. These permits will be issued at no cost upon proper application by the consultants.
3. STATE will do Certification of right of way.
4. STATE agrees to transfer \$ 135,200 to Design Cooperative agreement 12-509 executed on August 3, 2005, to cover additional design expenses.
5. STATE agrees to reimburse qualifying invoices of up to \$ 540,800.

6. To certify legal and physical control of right of way ready for construction and that all right of way parcels were acquired in accordance with applicable State and Federal laws and regulations, subject to review and concurrence by STATE prior to the advertisement for bids for the contract to construct PROJECT.

### SECTION III

#### **IT IS MUTUALLY AGREED:**

1. All obligations of STATE under the terms of this Agreement are subject to the appropriation of resources by the Legislature, State Budget Act authority, and the allocation of funds by the California Transportation Commission (CTC)
2. The parties to this Agreement understand and agree that STATE's Independent Quality Assurance (IQA) is defined as providing STATE policy and procedural guidance through to completion of the PROJECT right of way phase administered by AUTHORITY. This guidance includes prompt reviews by STATE to assure that all work and products delivered or incorporated into the PROJECT by AUTHORITY conform with then existing STATE standards. IQA does not include any PROJECT related work deemed necessary to actually develop and deliver the PROJECT, nor does it involve any validation to verify and recheck any work performed by AUTHORITY and/or its consultants or contractors and no liability will be assignable to STATE, its officers and employees by AUTHORITY under the terms of this Agreement or by third parties by reason of STATE's IQA activities. All work performed by STATE that is not direct IQA shall be chargeable against PROJECT funds as a service for which STATE will invoice its actual costs and AUTHORITY will pay or authorize STATE to reimburse itself from then available PROJECT funds pursuant to an amendment to this Agreement authorizing such services to be performed by STATE.
3. The parties hereto will carry out PROJECT in accordance with the Scope of Work, attached and made a part of the Agreement as Exhibit B, which outlines the specific responsibilities of the parties hereto. The attached Scope of Work may be modified in writing in the future to reflect changes in the responsibilities of the respective parties. Such modifications shall be concurred with by AUTHORITY's Project Manager or other official designated by AUTHORITY and STATE's District Director for District 12 and become a part of this Agreement after execution of amendment or amendments to this agreement by the respective officials of the parties.
4. The Project Report ( PR) for PROJECT, approved July 25, 2005, is by this reference, made an express part of this Agreement.
5. The basic design features (as defined in Attachment 3 of the Scope of Work for PROJECT) shall comply with those addressed in the approved PR, unless modified as required for environmental clearance and/or FHWA approval of PROJECT.
6. The right of way acquisition, for PROJECT shall be performed in accordance with all applicable Federal and STATE standards and practices current as of the date of performance. STATE will approve Certification of right of way.

7. AUTHORITY agrees to obtain, as a PROJECT cost, all necessary PROJECT permits, agreements, and/or approvals from appropriate regulatory agencies, unless the parties agree otherwise in writing. If STATE agrees in writing to obtain said PROJECT permits, agreements, and/or approvals,, those said costs shall be a PROJECT cost.

8. AUTHORITY shall be fully responsible for complying with and implementing any and all environmental commitments set forth in the environmental documentation, permit(s), agreement(s), and/or approvals for PROJECT. The costs of said compliance and implementation shall be a PROJECT cost.

9. If there is a legal challenge to the environmental documentation, including supporting investigative studies and/or technical environmental report(s), permit(s), agreement(s), and/or approvals for PROJECT, all legal costs associated with those said legal challenges shall be a PROJECT cost.

10. All administrative reports, studies, materials, and documentation, including, but not limited to, all administrative drafts and administrative finals, relied upon, produced, created or utilized for PROJECT will be held in confidence pursuant to Government Code section 6254.5(e). The parties agree that said material will not be distributed, released or shared with any other organization, person or group other than the parties' employees, agents and consultants whose work requires that access without the prior written approval of the party with the authority to authorize said release and except as required or authorized by statute or pursuant to the terms of this Agreement.

11. If, during performance of right of way activities or performance of PROJECT construction, new information is obtained which requires the preparation of additional environmental documentation to comply with CEQA and if applicable, NEPA, this Agreement will be amended to include completion of those additional tasks.

12. The party that discovers HM will immediately notify the other party(ies) to this Agreement.

HM-1 is defined as hazardous material (including but not limited to hazardous waste) that requires removal and disposal pursuant to federal or state law, whether it is disturbed by PROJECT or not.

HM-2 is defined as hazardous material (including but not limited to hazardous waste) that may require removal and disposal pursuant to federal or state law, only if disturbed by PROJECT.

13. STATE, independent of PROJECT, is responsible for any HM-1 found within existing SHS right of way. STATE will undertake HM-1 management activities with minimum impact to PROJECT schedule and will pay all costs for HM-1 management activities.

AUTHORITY, independent of PROJECT, is responsible for any HM-1 found outside existing SHS right of way. AUTHORITY will undertake HM-1 management activities with minimum impact to PROJECT schedule and will pay all costs for HM-1 management activities.

14. If HM-2 is found within the limits of PROJECT, the public agency responsible for advertisement, award, and administration (AAA) of the PROJECT construction contract will be responsible for HM-2 management activities.

Any management activity cost related to HM-2 is a PROJECT construction cost.

15. Management activities related to either HM-1 or HM-2 include, without limitation, any necessary manifest requirements and designation of disposal facility.

16. STATE's acquisition or acceptance of title to any property on which any hazardous material is found will proceed in accordance with STATE's policy on such acquisition.

17. A separate Cooperative Agreement will be required to cover responsibilities and funding for the construction phase of PROJECT.

18. Nothing in the provisions of this Agreement is intended to create duties or obligations to or rights of third parties not parties to this Agreement or to affect the legal liability of either party to the Agreement by imposing any standard of care with respect to the development, design, construction, operation or maintenance of State highways and public facilities different from the standard of care imposed by law.

19. Neither STATE nor any officer or employee thereof is responsible for any injury, damage, or liability occurring by reason of anything done or omitted to be done by AUTHORITY under or in connection with any work, authority, or jurisdiction conferred upon AUTHORITY or arising under this agreement. It is understood and agreed that, AUTHORITY will fully defend, indemnify, and save harmless STATE and all of its officers and employees from all claims, suits, or actions of every name, kind and description brought forth under, including, but not limited to, tortious, contractual, inverse condemnation, or other theories or assertions of liability occurring by reason of anything done or omitted to be done by AUTHORITY under this agreement.

20. Neither AUTHORITY nor any officer or employee thereof is responsible for any injury, damage, or liability occurring by reason of anything done or omitted to be done by AUTHORITY under or in connection with any work, authority, or jurisdiction conferred upon AUTHORITY or arising under this agreement. It is understood and agreed that, AUTHORITY will fully defend, indemnify, and save harmless STATE and all of its officers and employees from all claims, suits, or

actions of every name, kind and description brought forth under, including, but not limited to, tortious, contractual, inverse condemnation, or other theories or assertions of liability occurring by reason of anything done or omitted to be done by AUTHORITY under this agreement.

21. Prior to the commencement of any work pursuant to this Agreement, either STATE or AUTHORITY may terminate this Agreement by written notice to the other party.
22. No alteration or variation of the terms of this Agreement shall be valid unless made by a formal amendment executed by the parties hereto and no oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.
23. This Agreement shall terminate upon satisfactory completion of all post-PROJECT construction obligations of AUTHORITY and the delivery of required PROJECT construction documents, with the concurrence of STATE, or on June 30, 2012, whichever is earlier in time, except that the indemnification, environmental commitments, and legal challenges articles shall remain in effect until terminated or modified, in writing, by mutual agreement. Should any construction related or other claims arising out of PROJECT be asserted against one of the parties, the parties agree to extend the fixed termination date of this Agreement, until such time as the construction related or other claims are settled, dismissed or paid.

STATE OF CALIFORNIA

DEPARTMENT OF TRANSPORTATION

Will Kempton

Director of Transportation

By: \_\_\_\_\_

Jim Beil

Deputy District Director

Capital Projects Outlay Program

ORANGE COUNTY

TRANSPORTATION AUTHORITY

By: \_\_\_\_\_

Arthur T. Leahy

Chief Executive Officer

APPROVED AS TO FORM AND PROCEDURE:

By: \_\_\_\_\_

Attorney

Department of Transportation

APPROVED AS TO FORM:

By: \_\_\_\_\_

Kennard R. Smart, Jr.

AUTHORITY General Counsel

CERTIFIED AS TO FUNDS:

By: \_\_\_\_\_

District Budget Manager

APPROVED:

By: \_\_\_\_\_

Kia Mortazavi

Executive Director, Development

Certified as to Financial Terms and Conditions:

By: \_\_\_\_\_

Accounting Administrator

EXHIBIT A

\$676,000 AUTHORITY R/W Capital Cost STIP/RIP 2006 Allocation

-413,800 AUTHORITY agrees to accept and directly pay invoiced for Right of Way related design changes from consultants for an amount up to \$ 413,800

262,200

\$135,200 State to transfer to OCTA PS&E to cover additional design charges (Co-op 12-509)

-127,000

\$540,800 State agrees to pay up to \$540,800 (Total R/W Capital Costs \$676,000-\$135,200)

EXHIBIT B

**SCOPE OF WORK**

This Scope of Work outlines the specific areas of responsibility for various project development activities for the proposed construction of a 400-m southbound auxiliary lane in advance of the southbound I-5 Off-Ramp from La Paz On-Ramp to Oso Parkway Off-Ramp and widening the I-5 southbound and northbound Off-Ramp intersection approaches to Oso Parkway.

**Optional Article for categorically exempt/excluded projects.**

AUTHORITY will provide the necessary environmental compliance for PROJECT. AUTHORITY will perform all studies to document and defend the Categorical Exemption/Categorical Exclusion (CE/CE) determination. STATE will sign the CE/CE determination sheet. If, during the right of way Capital and right of way support, new information is obtained which requires the preparation of an environmental compliance document, this Agreement will be amended to include completion of these additional tasks by AUTHORITY.

1. AUTHORITY and STATE concur that the proposal is a Category 4B as defined in STATE's Project Development Procedures Manual.
2. STATE will review, monitor, and approve all project development reports, studies, and plans, and provide all necessary implementation activities up to but not including advertising of PROJECT.
3. The existing freeway agreement need not be revised.
4. All phases of PROJECT, from inception through construction, whether done by AUTHORITY or STATE, will be developed in accordance with all policies, procedures, practices, and standards that STATE would normally follow.
5. Detailed steps in the project development process are attached to this Scope of Work. These Attachments are intended as a guide to STATE's and AUTHORITY's staff.

PROJECT ACTIVITY	RESPONSIBILITY	
	STATE	AUTHORITY
<b>1. R/W ACQUISITION &amp; UTILITIES</b> (Used when <u>qualified</u> Local Agency is performing R/W activities.)		
Request Utility Verification	X	
Request Preliminary Utility Relocation Plans from Utilities	X	
Prepare R/W Requirements	X	
Prepare R/W and Utility Relocation Cost Estimates	X	
Submit R/W Requirements & Utility Relocation Plans for Review	X	
Review and Comment on R/W Requirements	X	
Longitudinal Encroachment Review	X	
Longitudinal Encroachment Application to District		X
Approve Longitudinal Encroachment Application	X	
Request Final Utility Relocation Plans		X
Check Utility Relocation Plans		X
Submit Utility Relocation Plans for Approval		X
Approve Utility Relocation Plans	X	
Submit Final R/W Requirements for Review & Approval		X
Fence and Excess Land Review	X	
R/W Layout Review	X	
Approve R/W Requirements	X	
Obtain Title Reports		X
Complete Appraisals		X
Review and Approve Appraisals for Setting Just Compensation		X
Prepare Acquisition Documents		X
Acquire R/W		X
Open escrows and Make Payments		X
Obtain Resolution of Necessity		X
Perform Eminent Domain Proceedings		X
Provide Displacee Relocation Services		X
Prepare Relocation Payment Valuations		X
Provide Displacee Relocation Payments		X
Perform Property Management Activities		X
Perform R/W Clearance Activities		X
Prepare and Submit Certification of R/W		X
Review and Approve Certification of R/W	X	
Transfer R/W to STATE		X
Approve & Record Title Transfer Documents	X	

Prepare R/W Record Maps

X

**ATTACHMENT 3**  
**DEFINITIONS**

Basic Design Features - A general description of the facility:

- Design speed of State highway facility and Local Agency roads and streets.
- Number of through lanes, auxiliary lanes and locations of interchanges and separations.
- Widths of through lanes, medians, and shoulders for both the State highway facility and local roads and streets.
- Need for special feature such as soundwalls, transportation system management plans, HOV lanes, bridge widening, ramp metering, etc. See Figure 2-1.3A of State Project Development Procedures Manual for additional discussion of items to be considered as basic design features.

Mandatory and Advisory Design Standards - See Index 82.3 of State's Highway Design Manual for the definition and listing of these items.

**ATTACHMENT C**

**California Department of Transportation  
Agreement No. C-5-2595 Fact Sheet**

1. June 27, 2005, Agreement No. C-5-2595, approved by the Board of Directors.
  - Address the reimbursement of funds, and outlines the roles and responsibilities of each party in the preparation of plans, specifications, and estimate, and the right-of-way work for the chokepoint improvement project on the San Diego Freeway (Interstate 5) at Oso Parkway.
2. September 22, 2008, Amendment No. 1 to Agreement No. C-5-2595, \$135,200, pending approval by the Board of Directors.
  - Transfers funds from Phase 3 (Agreement No. C-7-1426) to Phase 2 (Agreement No. C-5-2595 A-1) to pay for previous design work and for new design work to support construction.

Total available from Caltrans after approval of Amendment No. 1 to Cooperative Agreement No. C-5-2595 will be \$135,200.

AMENDMENT TO  
AGREEMENT NO. C-5-2595

ATTACHMENT D

12-ORA-5 KP 24.86 / 26.67  
(PM 15.16 / 16.39) From 400m  
North of S/B Oso Parkway off  
Ramp to Oso Parkway S/B off  
Ramp. Construct Auxiliary lane  
And Widen On and off ramps  
12231-0E0701  
District Agreement No. 12-509 A-1  
Authority Agreement No. C-5-2595

AMENDMENT TO AGREEMENT

This AMENDMENT NO. 1 TO AGREEMENT, ENTERED INTO EFFECTIVE ON

\_\_\_\_\_, 2008, is between the STATE OF CALIFORNIA, acting by and  
through its Department of Transportation, referred to herein as "STATE", and

ORANGE COUNTY TRANSPORTATION AUTHORITY,  
A public corporation of the State of California, referred to  
herein as "AUTHORITY"

RECITALS

1. The parties hereto entered into an Agreement on August 3, 2005, said Agreement defining the terms and conditions of a project to provide operational improvements on Route 5 at Oso Parkway Overcrossing, referred to herein as "PROJECT."
2. It has been determined that PROJECT and IMPROVEMENTS will not be completed prior to the termination date of original agreement 12-509.
3. The purpose of this Amendment No. 1 to Agreement is to extend the expiration date from June 30, 2008 to June 30, 2012 and to update this Agreement to a current status by replacing three superseded articles with three current articles.
4. The purpose of this Amendment No.1 is to transfer funds from phase 3 (Cooperative Agreement 12-548) to phase 2 (Cooperative Agreement 12-509) of this project.

IT IS THEREFORE MUTUALLY AGREED:

1. Article 3, under Recitals, in the original agreement is revised in its entirety to read:

The California Transportation Commission (CTC) approved the application for PROJECT submitted by AUTHORITY at its July 13, 2005, meeting. CTC directed STATE to allocate to AUTHORITY, using Regional Improvement Program (RIP) funds, the amount of \$1,632,600 to be expended on Phase 2 for PROJECT (final design engineering and PS&E) and the California Transportation Commission (CTC) approved the application for PROJECT submitted by AUTHORITY at its Feb. 9, 2006, meeting and directed STATE to allocate to AUTHORITY, using (State Transportation Improvement Program) STIP/RIP funds, the amount of \$ 676,000 to be expended on Phase 3 for PROJECT. AUTHORITY elected to transfer \$135,200 from Phase 3 to Phase 2. This action will increase Phase 2 limit to \$1,767,800 and decrease phase 3 limit to \$540,800.

2. Article 4 under SECTION III, of the original agreement is revised in its entirety to read:

The CTC-approved application for PS&E work on PROJECT will stipulate, STATE's maximum obligation for PS&E costs on PROJECT, using RIP funds, to be \$ 1,767,800 for Phase 2 (PS&E) instead of \$1,632,600. Actual costs reimbursed, direct, and indirect, shall be in conformance with procedures set forth in the Cost Principles and Procedures, Chapter 1, Part 31, CFR 48. AUTHORITY also agrees to comply with Federal procedures in accordance with CFR 49, Part 18, and Uniform Administrative Requirement for Grants and Cooperative Agreements to State and Local Governments.

3. Article 14 under SECTION III, of the original agreement is revised in its entirety to read:

This Agreement shall terminate upon STATE's final approval of the completion of PS&E work for PROJECT or on June 30, 2012, whichever is earlier in time, unless all parties agree to an extension of time in an amendment to this Agreement.

4. The other terms and conditions of said Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this AMENDMENT to AGREEMENT by their duly authorized officers.

STATE OF CALIFORNIA  
Department of Transportation

WILL KEMPTON  
Director of Transportation

By: \_\_\_\_\_  
JIM BEIL  
Deputy District Director  
Capitol Outlay

APPROVED AS TO FORM  
AND PROCEDURE:

*Denise Springer*  
Attorney  
Department of Transportation

ORANGE COUNTY  
TRANSPORTATION AUTHORITY

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

APPROVED AS TO FORM:

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

CERTIFIED AS TO FINANCIAL TERMS AND CONDITIONS:

*Shelly Mortazavi*  
HQ Accounting Administrator

APPROVED

By: \_\_\_\_\_  
Kia Mortazavi  
Director, Development

CERTIFIED AS TO FUNDS:

\_\_\_\_\_  
District Budget Manager

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

**ATTACHMENT E**

**CH2M HILL  
Agreement C-5-2712 Fact Sheet**

1. December 12, 2005, Agreement No. C-5-2712, \$1,450,158, approved by the Board of Directors.
  - Provide professional and technical consultant services for the development of plans, specifications, and estimate for the improvement project on the San Diego Freeway (Interstate 5) at Oso Parkway.
2. April 13, 2007, Amendment No. 1 to Agreement No. C-5-2712, \$72,844 approved by procurement administrator.
  - Provide additional design changes to convert from metric units to United States customary units, revise and update air quality technical report, and add asphalt concrete overlay rehabilitation of Oso Parkway.
3. November 26, 2007, Amendment No. 2 to Agreement No. C-5-2712, \$149,195, pending approval by Board of Directors.
  - Provide additional design services to add new structural approach slabs for the overhead and overcrossing structures, design non-standard sign structures, design retaining walls to support standard and non-standard sign structures, relocate existing fiber optic and closed circuit television lines, potholing to positively identify utility relocation, and right-of-way engineering for the new structures.
4. September 22, 2008, Amendment No. 3 to Agreement No. C-5-2712, \$147,613, pending approval by the Board of Directors.
  - Provide support during the bidding and construction phases, and complete as-built drawings for the project.

Total committed to CH2M HILL after approval of Amendment No. 3 to Agreement No. C-5-2712 will be \$1,819,810.

10.



## BOARD COMMITTEE TRANSMITTAL

**September 22, 2008**

**To:** Members of the Board of Directors  
*WK*  
**From:** Wendy Knowles, Clerk of the Board  
**Subject:** Cooperative Agreements with California Department of Transportation for the Soundwall Projects Along the San Diego Freeway (Interstate 5) in the City of San Clemente

### Highways Committee Meeting of September 15, 2008

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

### **Committee Vote**

This item was passed by all Committee Members present.

### **Committee Recommendations**

- A. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0721 between the Orange County Transportation Authority and the California Department of Transportation for the preparation of plans, specifications, and estimate for the El Camino Real soundwall project on the San Diego Freeway (Interstate 5) in San Clemente.
- B. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0720 between the Orange County Transportation Authority and the California Department of Transportation for the preparation of plans, specifications, and estimate for the Avenida Vaquero soundwall project on the San Diego Freeway (Interstate 5) in San Clemente.



**September 15, 2008**

**To:** Highways Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Cooperative Agreements with California Department of Transportation for the Soundwall Projects Along the San Diego Freeway (Interstate 5) in the City of San Clemente

### **Overview**

The Orange County Transportation Authority proposes to enter into cooperative agreements with the California Department of Transportation to establish roles and responsibilities for the final design for the two soundwalls on the San Diego Freeway (Interstate 5) in San Clemente, located at El Camino Real and Avenida Vaquero.

### **Recommendations**

- A. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0721 between the Orange County Transportation Authority and the California Department of Transportation for the preparation of plans, specifications, and estimate for the El Camino Real soundwall project on the San Diego Freeway (Interstate 5) in San Clemente.
- B. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-0720 between the Orange County Transportation Authority and the California Department of Transportation for the preparation of plans, specifications, and estimate for the Avenida Vaquero soundwall project on the San Diego Freeway (Interstate 5) in San Clemente.

### **Background**

The Orange County Freeway Retrofit Soundwall Program was created by the Orange County Transportation Authority (OCTA) Board of Directors (Board) to mitigate freeway noise at residential neighborhoods due to overall growth in traffic volume.

---

On June 7, 2007, the California Transportation Commission adopted the State Transportation Improvement Fund (STIP) which included funding for the El Camino Real and Avenida Vaquero soundwall projects. Design and right-of-way (ROW) allocations are programmed in fiscal year (FY) 2007-08 and construction funds are programmed in FY 2008-09.

On September 24, 2007, the OCTA Board approved the award of a design contract for the preparation of plans, specifications, and estimate (PS&E) for the El Camino Real soundwall project to RMC, Inc. Another design contract was awarded on October 22, 2007, to PBS&J, Inc. for the preparation of PS&E for the Avenida Vaquero soundwall project. Design activities for both projects are now well underway and scheduled for completion in winter 2008. The construction phase for both projects is scheduled to start in summer 2009 depending on the availability of STIP funds.

### ***Discussion***

Both soundwall projects require a working partnership between OCTA and the California Department of Transportation (Caltrans) to complete the final design. Cooperative agreements are needed to define each party's role and responsibilities during the PS&E phase of the projects. OCTA will be the lead for design and ROW engineering for the projects.

The following briefly describes the purpose and content of the cooperative agreements with Caltrans and summarizes some of the major responsibilities of both OCTA and Caltrans.

The cooperative agreements require OCTA to:

- Develop project PS&E
- Perform ROW engineering

The cooperative agreements require Caltrans to:

- Provide, at no cost to OCTA, independent quality assurance reviews and approvals
- Perform quality assurance reviews for all ROW activities
- Acquire necessary temporary construction easements
- Prepare ROW certification for project, which includes utility relocation

Staff is seeking Board approval to execute the proposed agreements (Attachments A and B).

**Fiscal Impact**

Both projects are included in OCTA's FY 2007-08 Budget, Account 1752-7519-A9220-DYR for the El Camino Real soundwall project and Account 1752-7519-A9215-DYQ for the Avenida Vaquero soundwall and funded through STIP.

**Summary**

Staff requests Board approval to enter into two cooperative agreements between the OCTA and Caltrans to establish roles and responsibilities for the preparation of PS&E for the two soundwall projects on Interstate 5 in San Clemente, located at El Camino Real and Avenida Vaquero.

**Attachments**

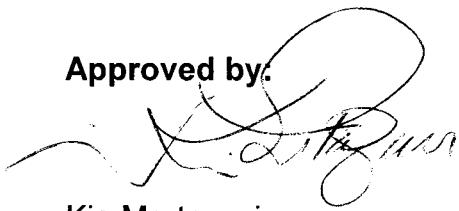
- A. Cooperative Agreement No. C-8-0721 (Caltrans Agreement No. 12-589)
- B. Cooperative Agreement No. C-8-0720 (Caltrans Agreement No. 12-588)

**Prepared by:**



George Saba, P.E.  
Senior Civil Engineer, Development  
(714) 560-5432

**Approved by:**



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

12-Ora-5-P.M.1.18/1.685 (KP 1.90/2.71)  
Construct Soundwall on SB I-5 between  
El Camino Real and Avenida Ramona in  
City of San Clemente

EA 12-0G9401

District Agreement No.12-589  
Authority Agreement No. C-8-0721

**COOPERATIVE AGREEMENT**

This AGREEMENT, entered into effective on \_\_\_\_\_, 2008, is between the  
STATE OF CALIFORNIA, acting by and through its Department of Transportation, referred  
to herein as "STATE," and the

ORANGE COUNTY TRANSPORTATION  
AUTHORITY, a public corporation of the  
State of California, referred to herein as  
"AUTHORITY"

## **RECITALS**

1. STATE and AUTHORITY, pursuant to Streets and Highways Code sections 114 and 130, are authorized to enter into a Cooperative Agreement for improvements to the State Highway System (SHS) within Authority's jurisdiction.
2. AUTHORITY desires to Construct Soundwall on Southbound I-5 between El Camino Real and Avenida Ramona in the City of San Clemente, in the County of Orange, referred to herein as "PROJECT."
3. AUTHORITY is willing to fund one hundred percent (100%) of all capital outlay and support costs, except that the costs of STATE's Independent Quality Assurance (IQA) of PROJECT development will be borne by STATE.
4. Project is to be funded one hundred percent (100%) using State Transportation Improvement Program / Regional Improvement Program (STIP/RIP) funds.
5. The California Transportation Commission (CTC) approved the application for project submitted by AUTHORITY dated September 20, 2007 and directed STATE to allocate to AUTHORITY, using RTIP funds, the amount of \$ 646,000 to be expended for PROJECT PS&E phase (Final Design Engineering).
6. The terms of this Agreement shall supersede any inconsistent terms of any prior Memorandum of Understanding (MOU) or agreement relating to PROJECT.
7. PROJECT landscape maintenance and construction will be the subject of a separate future agreement or agreements.
8. The parties now define herein below the terms and conditions under which PROJECT (as defined in the attached Scope of Work) is to be developed, designed, and financed.

## **SECTION I**

### **AUTHORITY AGREES:**

1. To fund one hundred percent (100%) of all PROJECT development costs except for costs of STATE's IQA, using STIP/RIP.
2. All PROJECT work performed by AUTHORITY, or performed on AUTHORITY's behalf, shall be performed in accordance with all State and Federal laws, regulations, policies, procedures, and standards that STATE would normally follow. All such PROJECT work shall be submitted to STATE for STATE's review, comment, and concurrence at appropriate stages of development.
3. All PROJECT work, except as set forth in this Agreement, is to be performed by AUTHORITY. Should AUTHORITY request that STATE perform any portion of PROJECT work, except as otherwise set forth in this Agreement, AUTHORITY shall first agree to reimburse STATE for such work pursuant to an amendment to this Agreement or a separate executed agreement.
4. To have detailed Plans, Specifications, and Estimates (PS&E) including Potholing and Right of Way engineering, prepared and submit to STATE for STATE's review and concurrence at appropriate stages of development. The final PS&E for PROJECT shall be signed on behalf of AUTHORITY by a Civil Engineer registered in the State of California.
5. Landscape plans shall be prepared and signed by a licensed California Landscape Architect.
6. To have all necessary right of way maps and documents used to acquire right of way by STATE prepared by or under the direction of a person authorized to practice land surveying in the State of California. Each right of way map and document shall bear the appropriate professional seal, certificate number, expiration date of registration certification and signature of the licensed person in Responsible Charge of Work.
7. To permit STATE to monitor, participate, and oversee the selection of personnel who will prepare the PS&E, and provide right of way engineering services. AUTHORITY agrees to consider any request by STATE to discontinue the services of any personnel considered by STATE to be unqualified on the basis of credentials, professional expertise, failure to perform, and/or other pertinent criteria.
8. To submit to STATE for review and concurrence all Right of Way Engineering Land-Net Maps and Right of Way Appraisal Maps, Records of Survey, and Right of Way Record Maps in accordance with STATE's Right of Way Manual, Chapter 6, Right of Way Engineering, STATE's Plans Preparation Manual, STATE's Surveys Manual, applicable State laws, and other pertinent reference materials and examples as provided by STATE.

9. Personnel who prepare the PS&E shall be made available to STATE, at no cost to STATE, through completion of PROJECT construction to discuss problems, which may arise during PS&E, right of way acquisition, construction, and/or to make design revisions for contract change orders.
10. Personnel who prepare right of way maps, documents, and related materials shall be made available to STATE, at no cost to STATE, during and after construction of PROJECT until completion and acceptance by STATE of Right of Way Record Maps, Records of Survey, and title to any property intended to be transferred to STATE.
11. To submit to STATE signed itemized invoices monthly, in triplicate, with specific details of all costs incurred during the period of the invoice. Invoices will meet format and content requirements specified by STATE. Each invoice shall be submitted to STATE's Project Manager for approval and forwarding to the appropriate Accounting Office for payment to the account for PROJECT.
12. To submit a final report of expenditure in the same format as the after mentioned invoice detail within ninety (90) days after completion of all project development for PROJECT.
13. To make written application to STATE for necessary encroachment permits authorizing entry of AUTHORITY onto the State Highway System (SHS) right of way to perform surveying and other investigative activities required for preparation of the PS&E.
14. To identify and locate all utility facilities within the area of PROJECT as part of the design responsibility for PROJECT. All utility facilities not relocated or removed in advance of construction shall be identified on the PS&E for PROJECT.
15. If any existing utility facilities conflict with the construction of PROJECT or violate STATE's encroachment policy, AUTHORITY shall make all necessary arrangements with the owners of such facilities for their timely accommodation, protection, relocation, or removal.
16. The costs for the PROJECT's positive identification and location, protection, relocation, or removal of utility facilities whether inside or outside STATE's right of way shall be determined in accordance with Federal and California laws and regulations, and STATE's policies and procedures, standards, practices, and applicable agreements including, but not limited to, Freeway Master Contracts.
17. To furnish evidence to STATE, in a form acceptable to STATE, that arrangements have been made for the protection, relocation, or removal of all conflicting facilities within the SHS right of way and that such work will be completed prior to the award of the contract to construct PROJECT or as covered in the PS&E for said contract. This evidence shall include a reference to all required SHS encroachment permits.
18. To be responsible for, and to the STATE's satisfaction, the investigation of potential hazardous material sites within and outside of the existing SHS right of way that could impact PROJECT as part of performing any preliminary engineering work. If

AUTHORITY discovers hazardous material or contamination within the PROJECT study area during said investigation, AUTHORITY shall immediately notify STATE.

19. If AUTHORITY desires to have STATE advertise, award, and administer the construction contract for PROJECT, AUTHORITY shall provide STATE with acceptable plans prepared by AUTHORITY or AUTHORITY's consultant on either 80 min/700mb CDs or DVDs 4.7 GB or 8.5 GB double capacity DVDs using Micro Station Version 08.05.02.47 .dgn files, CaiCE Visual Transportation Version 10. SP5 (CaiCE VT). One copy of the data on CD/DVD, including the Engineers electronic signature and seal, shall be provided to STATE upon completion of the final PROJECT PS&E. STATE reserves the right to modify these CD/DVD requirements and STATE shall provide AUTHORITY advance notice of any such modifications. Files may be submitted on up to five (5) CDs or, if larger, on DVDs. All submittal files shall be compressed and shall be successfully run through AXIOM FILEFIXER software or EDG. Reimbursement to STATE for costs incurred by STATE to advertise, award, and administer the construction contract for PROJECT will be covered in the separate Cooperative Agreement referred to in Article 20 of Section III of this Agreement.
20. All aerial photography and photogrammetric mapping shall conform to STATE's current standards.
21. A copy of all original survey documents resulting from surveys performed for PROJECT, including original field notes, adjustment calculations, final results, and appropriate intermediate documents, shall be delivered to STATE and shall become property of STATE. For aerial mapping, all information and materials listed in the document "Materials Needed to Review Consultant Photogrammetric Mapping" shall be delivered to STATE and shall become property of STATE.
22. All original recorded land title documents created by PROJECT shall be delivered to STATE and become property of STATE.
23. To submit to STATE a list of STATE horizontal and vertical control monuments which will be used to control surveying activities for PROJECT.
24. To fund 100% of all Right of Way and utilities related capital costs using STIP/RIP funds.
25. If unanticipated cultural, archaeological, paleontological, or other protected material are encountered during construction of PROJECT, COUNTY shall stop work in that area until a qualified professional can evaluate the nature and significance of the find and a plan is approved for the removal or protection of that material. The costs for any removal or protection of that material shall be covered as a PROJECT cost contemplated by the Agreement.

## **SECTION II**

### **STATE AGREES:**

1. At no cost to AUTHORITY, to provide IQA of all AUTHORITY work necessary for completion of the PS&E for PROJECT done by AUTHORITY, including, but not limited to, investigation of potential hazardous material sites and all right of way activities undertaken by AUTHORITY or its designee, and provide prompt reviews and concurrence, as appropriate, of submittals by AUTHORITY, while cooperating in timely processing of documents necessary for completion of the PS&E for PROJECT.
2. Upon proper application by AUTHORITY and by AUTHORITY's consultant, to issue, at no cost to AUTHORITY and AUTHORITY's consultant, the necessary encroachment permits for required work within the SHS right of way as more specifically defined elsewhere in this Agreement.
3. To perform Right of Way activities and provide Right of Way certification for the PROJECT. STATE will use the STIP/RIP funds for Right of way phase activities.
4. To reimburse AUTHORITY one hundred percent (100%) of the actual allowable costs of the PS&E for PROJECT up to \$646,000 as stipulated in Article 5 of the Recitals.
5. To reimburse AUTHORITY within thirty (30) days of the receipt of each quarterly billing from AUTHORITY, for all actual allowable costs incurred by AUTHORITY and consultant forces on project development work for PROJECT. Allowable costs include non-salary expenses, actual and direct labor costs plus fringe benefits and overhead, and actual acceptable consultant payments.
6. To provide, at no cost to AUTHORITY, all necessary rights of entry and encroachment permits to enter onto the State highway right of way to perform work related to the PS&E preparation for PROJECT, including, but not limited to, those permits required for design investigations and surveys.

### **SECTION III**

#### **IT IS MUTUALLY AGREED:**

1. All obligations of STATE under the terms of this Agreement are subject to the appropriation of resources by the Legislature, State Budget Act authority and the allocation of funds by the California Transportation Commission (CTC).
2. The parties to this Agreement understand and agree that STATE's IQA is defined as providing STATE policy and procedural guidance through to completion of the PROJECT right of way engineering and PS&E phases administered by AUTHORITY. This guidance includes prompt reviews by STATE to assure that all work and products delivered or incorporated into the PROJECT by AUTHORITY conform to the existing STATE standards. IQA does not include any PROJECT related work deemed necessary to actually develop and deliver the PROJECT, nor does it involve any validation to verify and recheck any work performed by AUTHORITY and/or its consultants or contractors and no liability will be assignable to STATE, its officers and employees by AUTHORITY under the terms of this Agreement or by third parties by reason of STATE's IQA activities.
3. All work performed by STATE pursuant to an amendment to this agreement that is not direct IQA shall be chargeable against PROJECT funds as a service for which STATE will invoice its actual costs and AUTHORITY will pay or authorize STATE to reimburse itself from then available PROJECT funds.
4. NOISE BARRIER SCOPE STUDY REPORT for PROJECT "NBSSR," approved on August 5, 2004, is by this reference made an express part of this Agreement.
5. The basic design features shall comply with those addressed in the approved NBSSR.
6. The design for PROJECT shall be performed in accordance with all applicable Federal and STATE standards and practices current as of the date of performance. Any exceptions to applicable design standards shall first be considered by STATE for approval via the processes outlined in STATE's Highway Design Manual and appropriate memoranda and design bulletins published by STATE. In the event that STATE proposes and/or requires a change in design standards, implementation of new or revised design standards shall be done as part of the work on PROJECT in accordance with STATE's current Highway Design Manual Section 82.5, "Effective Date for Implementing Revisions to Design Standards." STATE shall consult with AUTHORITY in a timely manner regarding the effect of proposed and/or required changes on PROJECT.
7. If, during preparation of the PS&E, performance of right of way activities, or performance of PROJECT construction, new information is obtained which requires the preparation of additional environmental documentation to comply with CEQA and if applicable, NEPA, this Agreement will be amended to include completion of those additional tasks.

8. AUTHORITY agrees to obtain, as a PROJECT cost, all necessary PROJECT permits, agreements and/or approvals from appropriate regulatory agencies, unless the parties agree otherwise in writing. If STATE agrees in writing to obtain said PROJECT permits, agreements, and/or approvals, those said costs shall be paid by AUTHORITY, as a PROJECT cost.
9. AUTHORITY shall be fully responsible for complying with and implementing any and all environmental commitments set forth in the environmental documentation, permit(s), agreement(s) and/or environmental approvals for PROJECT. The costs of said compliance and implementation shall be a PROJECT cost.
10. If there is a legal challenge to the environmental documentation, including investigative studies and/or technical environmental report(s), permit(s), agreement(s), environmental commitments and/or environmental approval(s) for PROJECT, all legal costs associated with those said legal challenges shall be a PROJECT cost.
11. All administrative reports, studies, materials, and documentation, including, but not limited to, all administrative drafts and administrative finals, relied upon, produced, created or utilized for PROJECT will be held in confidence pursuant to Government Code section 6254.5(e). The parties agree that said material will not be distributed, released or shared with any other organization, person or group other than the parties' employees, agents and consultants whose work requires that access without the prior written approval of the party with the authority to authorize said release and except as required or authorized by statute or pursuant to the terms of this Agreement.
12. AUTHORITY's share of all changes in development and construction costs associated with modifications to the basic design features as described above shall be in the same proportion as described in this Agreement, unless mutually agreed to the contrary by STATE and AUTHORITY in a subsequent amendment to this Agreement.
13. The party that discovers HM will immediately notify the other party (ies) to this Agreement. HM-1 is defined as hazardous material (including but not limited to hazardous waste) that requires removal and disposal pursuant to federal or state law, whether it is disturbed by PROJECT or not. HM-2 is defined as hazardous material (including but not limited to hazardous waste) that may require removal and disposal pursuant to federal or state law, only if disturbed by PROJECT.
14. STATE, independent of PROJECT, is responsible for any HM-1 found within existing SHS right of way. STATE will undertake HM-1 management activities with minimum impact to PROJECT schedule and will pay all costs for HM-1 management activities.
15. AUTHORITY, independent of PROJECT, is responsible for any HM-1 found outside existing SHS right of way. AUTHORITY will undertake HM-1 management

activities with minimum impact to PROJECT schedule and will pay all costs for HM-1 management activities.

16. If HM-2 is found within the limits of PROJECT, the public agency responsible for advertisement, award, and administration (AAA) of the PROJECT construction contract will be responsible for HM-2 management activities.
17. Any management activity cost related to HM-2 is a PROJECT construction cost.
18. Management activities related to either HM-1 or HM-2 include, without limitation, any necessary manifest requirements, and designation of disposal facility.
19. STATE's acquisition or acceptance of title to any property on which hazardous material is found will proceed in accordance with STATE's policy on such acquisition.
20. A separate Cooperative Agreement or agreements will be required to address Landscape Maintenance, and to cover responsibilities and funding for the construction phase of PROJECT.
21. Nothing within the provisions of this Agreement is intended to create duties or obligations to or rights in third parties not parties to this Agreement or to affect the legal liability of either party to the Agreement by imposing any standard of care with respect to the development, design, construction, operation, or maintenance of the SHS and public facilities different from the standard of care imposed by law.
22. Neither STATE nor any officer or employee thereof is responsible for any injury, damage, or liability occurring by reason of anything done or omitted to be done by AUTHORITY under or in connection with any work, authority, or jurisdiction conferred upon AUTHORITY or arising under this agreement. It is understood and agreed that AUTHORITY will fully defend, indemnify and save harmless STATE and all its officers and employees from all claims, suits or actions of every name, kind and description brought forth under, including, but not limited to, tortuous, contractual, inverse condemnation or other theories or assertions of liability occurring by reason of anything done or omitted to be done by AUTHORITY under this agreement.
23. Neither AUTHORITY nor any officer or employee thereof is responsible for any injury, damage, or liability occurring by reason of anything done or omitted to be done by STATE, under or in connection with any work, authority, or jurisdiction conferred upon STATE or arising under this agreement. It is understood and agreed that STATE will fully defend, indemnify and save harmless AUTHORITY and all its officers and employees from all claims, suits or actions of every name, kind and description brought forth under, including, but not limited to, tortuous, contractual, inverse condemnation or other theories or assertions of liability occurring by reason of anything done or omitted to be done by STATE under this agreement.

24. Prior to the commencement of any work pursuant to this Agreement, either STATE or AUTHORITY may terminate this Agreement by written notice to the other party.
25. No alteration or variation of the terms of this Agreement shall be valid unless made by a formal amendment executed by the parties hereto and no oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.
26. This Agreement shall terminate upon the satisfactory completion of all post-PROJECT construction obligations of AUTHORITY and the delivery of required PROJECT construction documents, with concurrence of STATE, or on December 30, 2013, whichever is earlier in time, except that the ownership, operation, maintenance, indemnification, environmental commitments, legal challenges, and claims articles shall remain in effect until terminated or modified, in writing, by mutual agreement. Should any construction related or other claims arising out of PROJECT be asserted against one of the parties, the parties agree to extend the fixed termination date of this Agreement, until such time as the construction related or other claims are settled, dismissed or paid.

STATE OF CALIFORNIA  
DEPARTMENT OF TRANSPORTATION

ORANGE COUNTY  
TRANSPORTATION AUTHORITY

WILL KEMPTON  
Director

By: \_\_\_\_\_

Jim Beil  
Deputy District Director  
Capital Outlay Program

APPROVED AS TO FORM  
AND PROCEDURE:

---

Attorney  
Department of Transportation

CERTIFIED AS TO FUNDS:

---

District Budget Manager

CERTIFIED AS TO FINANCIAL TERMS  
AND CONDITIONS:

---

HQ Accounting Administrator

By: \_\_\_\_\_

Arthur T. Leahy  
Chief Executive Officer

APPROVED AS TO FORM:

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Kennard R. Smart, Jr.  
General Counsel

APPROVED

By: \_\_\_\_\_

Kia Mortazavi  
Executive Director, Development

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

## **SCOPE OF WORK**

This Scope of Work outlines the specific areas of responsibility for various project development activities for the proposed construction of a soundwall on the Southbound of I-5 between El Camino Real and Avenida Ramona in the city of San Clemente.

1. AUTHORITY and STATE concur that the proposal is a Category 4B as defined in STATE's Project Development Procedures Manual.
2. STATE will review, monitor, and approve all project development reports, studies, and plans, and provide all necessary implementation activities.
3. The existing freeway agreement need not be revised.
4. All phases of PROJECT, from inception through construction, whether done by AUTHORITY or STATE, will be developed in accordance with all policies, procedures, practices, and standards that STATE would normally follow.

Detailed steps in the project development process are attached to this Scope of Work. These Attachments are intended as a guide to STATE's and AUTHORITY'S staff.

<b>PROJECT ACTIVITIES</b>		
	<b>RESPONSIBILITY</b>	
	<b>STATE</b>	<b>LOCAL AGENCY</b>
<b>PHASE 2 ACTIVITY</b>		
<b>1. PRELIMINARY COORDINATION</b>		
Request 1 - Phase EA	X	
Field Review of Site	X	X
Provide Geometrics		X
Approve Geometrics	X	
Obtain Surveys & Aerial Mapping		X
Obtain Copies of Assessor Maps and Other R/W Maps		X
Obtain Copies of As-Builts		X
Send Approved Geometrics to Local Agencies for Review	X	
Revise Approved Geometrics if Required		X
Approve Final Geometrics	X	
Determine Need for Permits from Other Agencies	X	X
Request Permits		X
Initial Hydraulics Discussion with District Staff		X
Initial Electrical Design Discussion with District Staff		X
Initial Traffic & Signing Discussion with District Staff		X
Initial Landscape Design Discussion with District Staff		X
Plan Sheet Format Discussion	X	X
<b>2. ENGINEERING STUDIES AND REPORTS</b>		
Prepare & Submit Materials Report & Typical Section		X
Review and Approve Materials Report & Typical Section	X	
Prepare & Submit Landscaping Recommendation		X
Review & Approve Landscaping Recommendation	X	
Prepare & Submit Hydraulic Design Studies		X
Review & Approve Hydraulic Design Studies	X	
Prepare & Submit Bridge General Plan & Structure Type Selection		X
Review & Approve Bridge General Plan & Structure Type Selection	X	
<b>3. RIGHT OF WAY ENGINEERING &amp; UTILITIES</b>		
Request Utility Verification		X
Request Preliminary Utility Relocation Plans from Utilities	X	
Prepare R/W Requirements		X
Prepare R/W and Utility Relocation Cost Estimates	X	
Submit R/W Requirements & Utility Relocation Plans for Review		X
Review and Comment on R/W Requirements	X	
Longitudinal Encroachment Review	X	X
Longitudinal Encroachment Application to District		X

Approve Longitudinal Encroachment Application	X
Request Final Utility Relocation Plans	X
Check Utility Relocation Plans	X
Submit Utility Relocation Plans for Approval	X
Approve Utility Relocation Plans	X
Submit Final R/W Requirements for Review & Approval	X
<b>4. PREPARATION OF PLANS, SPECIFICATIONS AND ESTIMATES</b>	
Prepare and Submit Preliminary Stage Construction Plans	X
Review Preliminary Stage Construction Plans	X
Calculate and Plot Geometrics	X
Cross-Sections & Earthwork Quantities Calculation	X
Prepare and Submit Estimate	X
Input Estimate in BEES	X
Local Review of Preliminary Drainage Plans and Sanitary Sewer and Adjustment Details	X
Prepare & Submit Preliminary Drainage Plans	X
Review Preliminary Drainage Plans	X
Prepare Traffic Striping and Roadside Delineation Plans & Submit for Review	X
Review Traffic Striping and Roadside Delineation Plans	X
Prepare & Submit Landscaping and/or Erosion Control Plans	X
Review Landscaping and/or Erosion Control Plans	X
Prepare & Submit Preliminary Electrical Plans	X
Review Preliminary Electrical Plans	X
Prepare & Submit Preliminary Signing Plans	X
Review Preliminary Signing Plans	X
Quantity Calculations	X
Safety Review	X
Prepare Specifications	X
Prepare & Submit Checked Structure Plans	X
Review & Approve Checked Structure Plans	X
Prepare Final Contract Plans	X
Prepare Lane Closure Requirements	X
Review and Approve Lane Closure Requirements	X
Prepare & Submit Striping Plan	X
Review & Approve Striping Plan	X
Prepare Final Estimate	X
Prepare & Submit Draft PS&E	X
Review Draft PS&E	X
Finalize & Submit PS&E to District	X

12-Ora-5-P.M.5.1/5.4 KP 8.2/8.7  
Construct Soundwall on NB I-5  
between Camino de Estrella/Camino  
de los Mares and Avenida Vista  
Hermosa in City of San Clemente  
EA 0G9301  
District Agreement No.12-588  
Authority Agreement No. C-8-0720

**COOPERATIVE AGREEMENT**

This AGREEMENT, entered into effective on \_\_\_\_\_, 2008, is between the  
STATE OF CALIFORNIA, acting by and through its Department of Transportation, referred  
to herein as "STATE," and the

ORANGE COUNTY TRANSPORTATION  
AUTHORITY, a public corporation of the  
State of California, referred to herein as  
"AUTHORITY"

## **RECITALS**

1. STATE and AUTHORITY, pursuant to Streets and Highways Code sections 114 and 130, are authorized to enter into a Cooperative Agreement for improvements to the State Highway System (SHS) within Authority's jurisdiction.
2. AUTHORITY desires to Construct Soundwall on Northbound I-5 between Camino de Estrella/Camino de los Mares and Avenida Vista Hermosa interchanges in the City of San Clemente, in the County of Orange, referred to herein as "PROJECT."
3. AUTHORITY is willing to fund one hundred percent (100%) of all capital outlay and support costs, except that the costs of STATE's Independent Quality Assurance (IQA) of PROJECT development will be borne by STATE.
4. Project is to be funded one hundred percent (100%) using State Transportation Improvements Program /Regional Improvement Program (STIP/RIP) funds.
5. The California Transportation Commission (CTC) approved the application for project submitted by AUTHORITY dated September 20, 2007 and directed STATE to allocate to AUTHORITY, using RTIP funds, the amount of \$ 620,000 to be expended for PROJECT PS&E phase (Final Design Engineering).
6. The terms of this Agreement shall supersede any inconsistent terms of any prior Memorandum of Understanding (MOU) or agreement relating to PROJECT.
7. PROJECT landscape maintenance and construction will be the subject of a separate future agreement or agreements.
8. The parties now define herein below the terms and conditions under which PROJECT (as defined in the attached Scope of Work) is to be developed, designed, and financed.

## **SECTION I**

### **AUTHORITY AGREES:**

1. To fund one hundred percent (100%) of all PROJECT development costs except for costs of STATE's IQA, using STIP/RIP.
2. All PROJECT work performed by AUTHORITY, or performed on AUTHORITY's behalf, shall be performed in accordance with all State and Federal laws, regulations, policies, procedures, and standards that STATE would normally follow. All such PROJECT work shall be submitted to STATE for STATE's review, comment, and concurrence at appropriate stages of development.
3. All PROJECT work, except as set forth in this Agreement, is to be performed by AUTHORITY. Should AUTHORITY request that STATE perform any portion of PROJECT work, except as otherwise set forth in this Agreement, AUTHORITY shall first agree to reimburse STATE for such work pursuant to an amendment to this Agreement or a separate executed agreement.
4. To have detailed Plans, Specifications, and Estimates (PS&E), including Potholing and right of way engineering, prepared and to submit to STATE for STATE's review and concurrence at appropriate stages of development. The final PS&E for PROJECT shall be signed on behalf of AUTHORITY by a Civil Engineer registered in the State of California.
5. Landscape plans shall be prepared and signed by a licensed California Landscape Architect.
6. To have all necessary right of way maps and documents used to acquire right of way by STATE, prepared by or under the direction of a person authorized to practice land surveying in the State of California. Each right of way map and document shall bear the appropriate professional seal, certificate number, expiration date of registration certification and signature of the licensed person in Responsible Charge of Work.
7. To permit STATE to monitor, participate, and oversee the selection of personnel who will prepare the PS&E and provide right of way engineering services. AUTHORITY agrees to consider any request by STATE to discontinue the services of any personnel considered by STATE to be unqualified on the basis of credentials, professional expertise, failure to perform, and/or other pertinent criteria.
8. To submit to STATE for review and concurrence all Right of Way Engineering Land-Net Maps and Right of Way Appraisal Maps, Records of Survey, and Right of Way Record Maps in accordance with STATE's Right of Way Manual, Chapter 6, Right of Way Engineering, STATE's Plans Preparation Manual, STATE's Surveys Manual, applicable State laws, and other pertinent reference materials and examples as provided by STATE.

9. Personnel who prepare the PS&E shall be made available to STATE, at no cost to STATE, through completion of PROJECT construction to discuss problems, which may arise during PS&E, right of way acquisition, construction, and/or to make design revisions for contract change orders.
10. Personnel who prepare Right of Way maps, documents, and related materials shall be made available to STATE, at no cost to STATE, during and after construction of PROJECT until completion and acceptance by STATE of Right of Way Record Maps, Records of Survey, and title to any property intended to be transferred to STATE.
11. To submit to STATE signed itemized invoices monthly, in triplicate, with specific details of all costs incurred during the period of the invoice. Invoices will meet format and content requirements specified by STATE. Each invoice shall be submitted to STATE's Project Manager for approval and forwarding to the appropriate Accounting Office for payment to the account for PROJECT.
12. To submit a final report of expenditure in the same format as the after mentioned invoice detail within ninety (90) days after completion of all project development for PROJECT.
13. To make written application to STATE for necessary encroachment permits authorizing entry of AUTHORITY onto the State Highway System (SHS) right of way to perform surveying and other investigative activities required for preparation of the PS&E.
14. To identify and locate all utility facilities within the area of PROJECT as part of the design responsibility for PROJECT. All utility facilities not relocated or removed in advance of construction shall be identified on the PS&E for PROJECT.
15. If any existing utility facilities conflict with the construction of PROJECT or violate STATE's encroachment policy, AUTHORITY shall make all necessary arrangements with the owners of such facilities for their timely accommodation, protection, relocation, or removal as part of right of way engineering activities.
16. The costs for the PROJECT's positive identification and location, protection, relocation, or removal of utility facilities whether inside or outside STATE's right of way shall be determined in accordance with Federal and California laws and regulations, and STATE's policies and procedures, standards, practices, and applicable agreements including, but not limited to, Freeway Master Contracts.
17. To furnish evidence to STATE, in a form acceptable to STATE, that arrangements have been made for the protection, relocation, or removal of all conflicting facilities within the SHS right of way and that such work will be completed prior to the award of the contract to construct PROJECT or as covered in the PS&E for said contract. This evidence shall include a reference to all required SHS encroachment permits.

18. To be responsible for, and to the STATE's satisfaction, the investigation of potential hazardous material sites within and outside of the existing SHS right of way that could impact PROJECT as part of performing any preliminary engineering work. If AUTHORITY discovers hazardous material or contamination within the PROJECT study area during said investigation, AUTHORITY shall immediately notify STATE.
19. If AUTHORITY desires to have STATE advertise, award, and administer the construction contract for PROJECT, AUTHORITY shall provide STATE with acceptable plans prepared by AUTHORITY or AUTHORITY's consultant on either 80 min/700mb CDs or DVDs 4.7 GB or 8.5 GB double capacity DVDs using Micro Station Version 08.05.02.47 .dgn files, CaiCE Visual Transportation Version 10. SP5 (CaiCE VT). One copy of the data on CD/DVD, including the Engineers electronic signature and seal, shall be provided to STATE upon completion of the final PROJECT PS&E. STATE reserves the right to modify these CD/DVD requirements and STATE shall provide AUTHORITY advance notice of any such modifications. Files may be submitted on up to five (5) CDs or, if larger, on DVDs. All submittal files shall be compressed and shall be successfully run through AXIOM FILEFIXER software or EDG. Reimbursement to STATE for costs incurred by STATE to advertise, award, and administer the construction contract for PROJECT will be covered in the separate Cooperative Agreement referred to in Article 20 of Section III of this Agreement.
20. All aerial photography and photogrammetric mapping shall conform to STATE's current standards.
21. A copy of all original survey documents resulting from surveys performed for PROJECT, including original field notes, adjustment calculations, final results, and appropriate intermediate documents, shall be delivered to STATE and shall become property of STATE. For aerial mapping, all information and materials listed in the document "Materials Needed to Review Consultant Photogrammetric Mapping" shall be delivered to STATE and shall become property of STATE.
22. All original recorded land title documents created by PROJECT shall be delivered to STATE and become property of STATE.
23. To submit to STATE a list of STATE horizontal and vertical control monuments which will be used to control surveying activities for PROJECT.
24. To fund 100% of all Right of Way and utilities related capital costs using STIP/RIP funds.
25. If unanticipated cultural, archaeological, paleontological, or other protected material are encountered during construction of PROJECT, AUTHORITY shall stop work in that area until a qualified professional can evaluate the nature and significance of the find and a plan is approved for the removal or protection of that material. The costs for any removal or protection of that material shall be covered as a PROJECT cost contemplated by the Agreement.

## **SECTION II**

### **STATE AGREES:**

1. At no cost to AUTHORITY, to provide IQA of all AUTHORITY work necessary for completion of the PS&E for PROJECT done by AUTHORITY, including, but not limited to, investigation of potential hazardous material sites and all right of way activities undertaken by AUTHORITY or its designee, and provide prompt reviews and concurrence, as appropriate, of submittals by AUTHORITY, while cooperating in timely processing of documents necessary for completion of the PS&E for PROJECT.
2. Upon proper application by AUTHORITY and by AUTHORITY's consultant, to issue, at no cost to AUTHORITY and AUTHORITY's consultant, the necessary encroachment permits for required work within the SHS right of way as more specifically defined elsewhere in this Agreement.
3. To perform Right of Way activities and provide Right of Way certification for the PROJECT. STATE will use the STIP/RIP funds allocated for right of way phase activities.
4. To reimburse AUTHORITY one hundred percent (100%) of the actual allowable costs of the PS&E for PROJECT up to \$620,000 as stipulated in Article 5 of the Recitals.
5. To reimburse AUTHORITY within thirty (30) days of the receipt of each quarterly billing from AUTHORITY, for all actual allowable costs incurred by AUTHORITY and consultant forces on project development work for PROJECT. Allowable costs include non-salary expenses, actual and direct labor costs plus fringe benefits and overhead, and actual acceptable consultant payments.
6. To provide, at no cost to AUTHORITY, all necessary rights of entry and encroachment permits to enter onto the State highway right of way to perform work related to the PS&E preparation for PROJECT, including, but not limited to, those permits require for design investigations and surveys.

### **SECTION III**

#### **IT IS MUTUALLY AGREED:**

1. All obligations of STATE under the terms of this Agreement are subject to the appropriation of resources by the Legislature, State Budget Act authority and the allocation of funds by the California Transportation Commission (CTC).
2. The parties to this Agreement understand and agree that STATE's IQA is defined as providing STATE policy and procedural guidance through to completion of the PROJECT right of way engineering, and PS&E phases administered by AUTHORITY. This guidance includes prompt reviews by STATE to assure that all work and products delivered or incorporated into the PROJECT by AUTHORITY conform with then existing STATE standards. IQA does not include any PROJECT related work deemed necessary to actually develop and deliver the PROJECT, nor does it involve any validation to verify and recheck any work performed by AUTHORITY and/or its consultants or contractors and no liability will be assignable to STATE, its officers and employees by AUTHORITY under the terms of this Agreement or by third parties by reason of STATE's IQA activities.
3. All work performed by STATE pursuant to an amendment to this agreement that is not direct IQA shall be chargeable against PROJECT funds as a service for which STATE will invoice its actual costs and AUTHORITY will pay or authorize STATE to reimburse itself from then available PROJECT funds.
4. SUPPLEMENTAL NOISE BARRIER SCOPE STUDY REPORT "SNBSSR" for PROJECT, approved on December 15, 2004, is by this reference, made an express part of this Agreement.
5. The basic design features shall comply with those addressed in the approved SNBSSR.
6. The design for PROJECT shall be performed in accordance with all applicable Federal and STATE standards and practices current as of the date of performance. Any exceptions to applicable design standards shall first be considered by STATE for approval via the processes outlined in STATE's Highway Design Manual and appropriate memoranda and design bulletins published by STATE. In the event that STATE proposes and/or requires a change in design standards, implementation of new or revised design standards shall be done as part of the work on PROJECT in accordance with STATE's current Highway Design Manual Section 82.5, "Effective Date for Implementing Revisions to Design Standards." STATE shall consult with AUTHORITY in a timely manner regarding the effect of proposed and/or required changes on PROJECT.
7. If, during preparation of the PS&E, performance of right of way activities, or performance of PROJECT construction, new information is obtained which requires the preparation of additional environmental documentation to comply with CEQA

and if applicable, NEPA, this Agreement will be amended to include completion of those additional tasks.

8. AUTHORITY agrees to obtain, as a PROJECT cost, all necessary PROJECT permits, agreements and/or approvals from appropriate regulatory agencies, unless the parties agree otherwise in writing. If STATE agrees in writing to obtain said PROJECT permits, agreements, and/or approvals, those said costs shall be paid by AUTHORITY, as a PROJECT cost.
9. AUTHORITY shall be fully responsible for complying with and implementing any and all environmental commitments set forth in the environmental documentation, permit(s), agreement, and/or environmental approvals for PROJECT. The costs of said compliance and implementation shall be a PROJECT cost.
10. If there is a legal challenge to the environmental documentation, including investigative studies and/or technical environmental report(s), permit(s), agreement(s), environmental commitments and/or environmental approval(s) for PROJECT, all legal costs associated with those said legal challenges shall be a PROJECT cost.
11. All administrative reports, studies, materials, and documentation, including, but not limited to, all administrative drafts and administrative finals, relied upon, produced, created or utilized for PROJECT will be held in confidence pursuant to Government Code section 6254.5(e). The parties agree that said material will not be distributed, released or shared with any other organization, person or group other than the parties' employees, agents and consultants whose work requires that access without the prior written approval of the party with the authority to authorize said release and except as required or authorized by statute or pursuant to the terms of this Agreement.
12. AUTHORITY's share of all changes in development and construction costs associated with modifications to the basic design features as described above shall be in the same proportion as described in this Agreement, unless mutually agreed to the contrary by STATE and AUTHORITY in a subsequent amendment to this Agreement.
13. The party that discovers HM will immediately notify the other party (ies) to this Agreement. HM-1 is defined as hazardous material (including but not limited to hazardous waste) that requires removal and disposal pursuant to federal or state law, whether it is disturbed by PROJECT or not. HM-2 is defined as hazardous material (including but not limited to hazardous waste) that may require removal and disposal pursuant to federal or state law, only if disturbed by PROJECT.
14. STATE, independent of PROJECT, is responsible for any HM-1 found within existing SHS right of way. STATE will undertake HM-1 management activities with minimum impact to PROJECT schedule and will pay all costs for HM-1 management activities.

15. AUTHORITY, independent of PROJECT, is responsible for any HM-1 found outside existing SHS right of way. AUTHORITY will undertake HM-1 management activities with minimum impact to PROJECT schedule and will pay all costs for HM-1 management activities.
16. If HM-2 is found within the limits of PROJECT, the public agency responsible for advertisement, award, and administration (AAA) of the PROJECT construction contract will be responsible for HM-2 management activities.
17. Any management activity cost related to HM-2 is a PROJECT construction cost.
18. Management activities related to either HM-1 or HM-2 include, without limitation, any necessary manifest requirements, and designation of disposal facility.
19. STATE's acquisition or acceptance of title to any property on which hazardous material is found will proceed in accordance with STATE's policy on such acquisition.
20. A separate Cooperative Agreement or agreements will be required to address Landscape Maintenance, and to cover responsibilities and funding for the construction phase of PROJECT.
21. Nothing within the provisions of this Agreement is intended to create duties or obligations to or rights in third parties not parties to this Agreement or to affect the legal liability of either party to the Agreement by imposing any standard of care with respect to the development, design, construction, operation, or maintenance of the SHS and public facilities different from the standard of care imposed by law.
22. Neither STATE nor any officer or employee thereof is responsible for any injury, damage, or liability occurring by reason of anything done or omitted to be done by AUTHORITY under or in connection with any work, authority, or jurisdiction conferred upon AUTHORITY or arising under this agreement. It is understood and agreed that AUTHORITY will fully defend, indemnify and save harmless STATE and all its officers and employees from all claims, suits or actions of every name, kind and description brought forth under, including, but not limited to, tortious, contractual, inverse condemnation or other theories or assertions of liability occurring by reason of anything done or omitted to be done by AUTHORITY under this agreement.
23. Neither AUTHORITY nor any officer or employee thereof is responsible for any injury, damage, or liability occurring by reason of anything done or omitted to be done by STATE, under or in connection with any work, authority, or jurisdiction conferred upon STATE or arising under this agreement. It is understood and agreed that STATE will fully defend, indemnify and save harmless AUTHORITY and all its officers and employees from all claims, suits or actions of every name, kind and description brought forth under, including, but not limited to, tortious, contractual,

inverse condemnation or other theories or assertions of liability occurring by reason of anything done or omitted to be done by STATE under this agreement.

24. Prior to the commencement of any work pursuant to this Agreement, either STATE or AUTHORITY may terminate this Agreement by written notice to the other party.
25. No alteration or variation of the terms of this Agreement shall be valid unless made by a formal amendment executed by the parties hereto and no oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.
26. This Agreement shall terminate upon the satisfactory completion of all post-PROJECT construction obligations of AUTHORITY and the delivery of required PROJECT construction documents, with concurrence of STATE, or on December 30, 2013, whichever is earlier in time, except that the ownership, operation, maintenance, indemnification, environmental commitments, legal challenges, and claims articles shall remain in effect until terminated or modified, in writing, by mutual agreement. Should any construction related or other claims arising out of PROJECT be asserted against one of the parties, the parties agree to extend the fixed termination date of this Agreement, until such time as the construction related or other claims are settled, dismissed or paid.

STATE OF CALIFORNIA  
DEPARTMENT OF TRANSPORTATION

WILL KEMPTON  
Director

By: \_\_\_\_\_

Jim Beil  
Deputy District Director  
Capital Outlay Program

APPROVED AS TO FORM  
AND PROCEDURE:

\_\_\_\_\_  
Attorney  
Department of Transportation

CERTIFIED AS TO FUNDS:

\_\_\_\_\_  
District Budget Manager

CERTIFIED AS TO FINANCIAL TERMS  
AND CONDITIONS:

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

ORANGE COUNTY  
TRANSPORTATION AUTHORITY

By: \_\_\_\_\_

Arthur T. Leahy  
Chief Executive Officer

APPROVED AS TO FORM:

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

APPROVED

By: \_\_\_\_\_

Kia Mortazavi  
Executive Director, Development

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

### **SCOPE OF WORK**

This Scope of Work outlines the specific areas of responsibility for various project development activities for the proposed construction of a soundwall on the Northbound side of I-5 between Camino de Estrella/Camino de los Mares and Avenida Vista Hermosa

Interchanges in the city of San Clemente.

1. AUTHORITY and STATE concur that the proposal is a Category 4B as defined in STATE's Project Development Procedures Manual.
2. STATE will review, monitor, and approve all project development reports, studies, and plans, and provide all necessary implementation activities.
3. The existing freeway agreement need not be revised.
4. All phases of PROJECT, from inception through construction, whether done by AUTHORITY or STATE, will be developed in accordance with all policies, procedures, practices, and standards that STATE would normally follow.

Detailed steps in the project development process are attached to this Scope of Work. These Attachments are intended as a guide to STATE's and AUTHORITY'S staff.

**PROJECT ACTIVITIES**

	RESPONSIBILITY		
	STATE	LOCAL	
		AGENCY	
<b>PHASE 2 ACTIVITY</b>			
<b>1. PRELIMINARY COORDINATION</b>			
Request 1 - Phase EA	X		
Field Review of Site	X	X	
Provide Geometrics		X	
Approve Geometrics	X		
Obtain Surveys & Aerial Mapping		X	
Obtain Copies of Assessor Maps and Other R/W Maps		X	
Obtain Copies of As-Builts		X	
Send Approved Geometrics to Local Agencies for Review	X		
Revise Approved Geometrics if Required		X	
Approve Final Geometrics	X		
Determine Need for Permits from Other Agencies	X	X	
Request Permits		X	
Initial Hydraulics Discussion with District Staff		X	
Initial Electrical Design Discussion with District Staff		X	
Initial Traffic & Signing Discussion with District Staff		X	
Initial Landscape Design Discussion with District Staff		X	
Plan Sheet Format Discussion	X	X	
<b>2. ENGINEERING STUDIES AND REPORTS</b>			
Prepare & Submit Materials Report & Typical Section		X	
Review and Approve Materials Report & Typical Section	X		
Prepare & Submit Landscaping Recommendation		X	
Review & Approve Landscaping Recommendation	X		
Prepare & Submit Hydraulic Design Studies		X	
Review & Approve Hydraulic Design Studies	X		
Prepare & Submit Bridge General Plan & Structure Type Selection		X	
Review & Approve Bridge General Plan & Structure Type Selection	X		
<b>3. RIGHT OF WAY ENGINEERING &amp; UTILITIES</b>			
Request Utility Verification		X	
Request Preliminary Utility Relocation Plans from Utilities	X		
Prepare R/W Requirements		X	
Prepare R/W and Utility Relocation Cost Estimates	X		
Submit R/W Requirements & Utility Relocation Plans for Review		X	
Review and Comment on R/W Requirements	X		

Longitudinal Encroachment Review	X	X
Longitudinal Encroachment Application to District		X
Approve Longitudinal Encroachment Application	X	
Request Final Utility Relocation Plans	X	
Check Utility Relocation Plans	X	
Submit Utility Relocation Plans for Approval	X	
Approve Utility Relocation Plans	X	
Submit Final R/W Requirements for Review & Approval		X
<b>4. PREPARATION OF PLANS, SPECIFICATIONS AND ESTIMATES</b>		
Prepare and Submit Preliminary Stage Construction Plans		X
Review Preliminary Stage Construction Plans	X	
Calculate and Plot Geometrics		X
Cross-Sections & Earthwork Quantities Calculation		X
Prepare and Submit Estimate		X
Input Estimate in BEES	X	
Local Review of Preliminary Drainage Plans and Sanitary Sewer and Adjustment Details		X
Prepare & Submit Preliminary Drainage Plans		X
Review Preliminary Drainage Plans	X	
Prepare Traffic Striping and Roadside Delineation Plans & Submit for Review		X
Review Traffic Striping and Roadside Delineation Plans	X	
Prepare & Submit Landscaping and/or Erosion Control Plans		X
Review Landscaping and/or Erosion Control Plans	X	
Prepare & Submit Preliminary Electrical Plans		X
Review Preliminary Electrical Plans	X	
Prepare & Submit Preliminary Signing Plans		X
Review Preliminary Signing Plans	X	
Quantity Calculations		X
Safety Review	X	X
Prepare Specifications		X
Prepare & Submit Checked Structure Plans		X
Review & Approve Checked Structure Plans	X	
Prepare Final Contract Plans		X
Prepare Lane Closure Requirements		X
Review and Approve Lane Closure Requirements	X	
Prepare & Submit Striping Plan		X
Review & Approve Striping Plan	X	
Prepare Final Estimate		X
Prepare & Submit Draft PS&E		X
Review Draft PS&E	X	
Finalize & Submit PS&E to District		X





## BOARD COMMITTEE TRANSMITTAL

**September 22, 2008**

**To:** Members of the Board of Directors  
**From:** Wendy Knowles, Clerk of the Board  
**Subject:** Award of Construction Contract for Americans with Disabilities Act Bus Stop Modifications

Transit Committee meeting of September 11, 2008

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

**Committee Vote**

This item was passed by all Committee Members present.

Director Buffa was not present to vote on this item.

**Recommendations**

- A. Request the Board of Directors to determine the low bidder, S. Parker Engineering, Inc., non-responsive.
- B. Authorize the Chief Executive Officer to execute Agreement No. C-8-0939 between the Orange County Transportation Authority and L.H. Engineering Company, Inc., the lowest responsive, responsible bidder, in an amount not to exceed \$427,280, for construction of Americans with Disabilities Act bus stop modifications in the cities of Brea, Fountain Valley, Huntington Beach, La Habra, and Westminster.



**September 11, 2008**

**To:** Transit Committee  
*ATL by PZ*  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Award of Construction Contract for Americans with Disabilities Act Bus Stop Modifications

### **Overview**

The Orange County Transportation Authority is leading an initiative to make Americans with Disabilities Act improvements at bus stops countywide. Bids for the final construction package in the program were received in accordance with the Orange County Transportation Authority's public works procurement procedures.

### **Recommendations**

- A. Request the Board of Directors to determine the low bidder, S. Parker Engineering, Inc., non-responsive.
- B. Authorize the Chief Executive Officer to execute Agreement No. C-8-0939 between the Orange County Transportation Authority and L.H. Engineering Company, Inc., the lowest responsive, responsible bidder, in an amount not to exceed \$427,280, for construction of Americans with Disabilities Act bus stop modifications in the cities of Brea, Fountain Valley, Huntington Beach, La Habra, and Westminster.

### **Background**

This procurement is for the final construction package of the Bus Stop Accessibility Program. Once this package is completed, the Orange County Transportation Authority (Authority) will have modified approximately 6,000 bus stops throughout Orange County at a cost of \$15.8 million. Construction Package 11 will improve 47 locations in the cities of Brea, Fountain Valley, Huntington Beach, La Habra, and Westminster.

***Discussion***

This procurement was handled in accordance with the Authority's procedures for public works and construction projects, which conform to federal and state requirements. Public works projects are handled as sealed bids and award is made to the lowest responsive, responsible bidder.

Construction Package 11, Invitation for Bids 8-0939, was released on June 12, 2008, and posted on CAMM NET with an electronic notification being sent to 757 firms. Construction Package 11 was advertised on June 26 and June 30, 2008, in a newspaper of general circulation. A pre-bid conference was held on June 25, 2008, and was attended by ten contractors. Addendum No. 1 was issued on July 10, 2008, to address administrative issues. On July 21, 2008, five bids were received.

All bids were reviewed by staff from the Development Division and the Contracts Administration and Materials Management Department (CAMM) to ensure compliance with the terms and conditions, specifications, and drawings. Listed below are the three lowest responsive, responsible bids received for Construction Package 11. State law requires award to the lowest responsive, responsible bidder.

<u>Firm and Location</u>	<u>Bid Price</u>
L.H. Engineering Company, Inc. Anaheim, California	\$427,280
C.J. Concrete Construction, Inc. Santa Fe Springs, California	\$442,530
Elite Bobcat Services, Inc. Corona, California	\$495,000

S. Parker Engineering, Inc., offered the lowest price of \$420,000, but the Director of CAMM has found them to be non-responsive because S. Parker Engineering, Inc., does not have surveyor on staff. Staff recommends award of the Construction Package 11 contract to L.H. Engineering Company, Inc., the lowest responsive, responsible bidder, in an amount not to exceed \$427,280.

***Fiscal Impact***

Funding for Agreement No. C-8-0939 was approved in the Authority's Fiscal Year 2008-09 Budget, Account 0051-9084/A4201-G6U, through Transportation Development Act, Article 3 funds.

***Summary***

Staff has reviewed bids received for Americans with Disabilities Act bus stop improvements for Construction Package 11 and has determined that L.H. Engineering Company, Inc., is the lowest responsive, responsible bidder. Award of a contract, in an amount not to exceed \$427,280, is recommended.

***Attachment***

None.

**Prepared by:**

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

**Approved by:**



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





## BOARD COMMITTEE TRANSMITTAL

**September 22, 2008**

**To:** Members of the Board of Directors  
**From:** Wendy Knowles, Clerk of the Board *WK*  
**Subject:** Commuter Bikeways Strategic Plan Update Status Report

Transit Committee meeting of September 11, 2008

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

**Committee Vote**

No action was taken.

**Staff Recommendation**

Receive and file as an information item.



**September 11, 2008**

**To:** Transit Committee  
*KW*  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Commuter Bikeways Strategic Plan Update Status Report

### ***Overview***

A major update to the Commuter Bikeways Strategic Plan is underway. The Commuter Bikeways Strategic Plan will fulfill the State of California eligibility requirements for Bicycle Transportation Account funds, allowing local agencies eligible to apply for state bicycle transportation funds. A status report on the plan update is presented for review.

### ***Recommendation***

Receive and file as an information item.

### ***Background***

The last complete update of the Commuter Bikeways Strategic Plan (CBSP) was in 2001. The CBSP is a countywide master plan of regional bikeway network. The plan is also used to meet the requirements for the state Bicycle Transportation Account (BTA), a fund source that is managed by the California Department of Transportation (Caltrans) and annually distributes \$7.5 million for bicycle projects statewide.

In 2005, the existing conditions and planned facilities maps were updated, allowing local agencies to adopt an updated CBSP and extend agencies' BTA eligibility. Agencies that adopted the CBSP in 2005 will be able to apply for BTA funds through the 2010 fiscal year. The CBSP is currently being updated so that local agencies can seek future grants. The plan is on schedule to be completed in 2009, roughly one year ahead of when local agencies will need to adopt a new plan.

### ***Discussion***

Orange County Transportation Authority (OCTA) staff has retained Alta Planning and Design (Alta) to build upon the previous CBSP and update the vision for a regional bikeway network. This will be done by developing regional priorities and the planning strategies to bring the vision to reality. As a first step, data are needed to document the existing facilities and local plans, identify the key needs of the regional network and the public's concerns, and define the criteria by which projects will be prioritized.

At the beginning of the CBSP development process, a Technical Stakeholders Advisory Group (TSAG) was formed consisting of staff from all 34 Orange County cities, the County of Orange, and Caltrans. OCTA staff has worked closely with the TSAG to update the existing facilities and plans data from 2005. This data is crucial to the development of the CBSP as it provides a snapshot of existing bikeways, as well as future facilities that have been planned by the local agencies. This data will also be used in the future development of OCTA bikeways maps that will be made available to the public.

Other local agency data collected during this phase of CBSP update included land-use patterns, population, estimated number of bicycle commuters, bicycle related accidents, end-of-trip facilities, multi-modal facilities, safety and education programs, and past expenditures for bicycle facilities. The data collected will be used to partially satisfy the requirements for the state BTA.

The TSAG is also participating in the development of the performance criteria that will be used to prioritize improvements (Attachment A). These criteria are being designed to assign priority to projects that have the most potential for increasing the number of bicycle commuters. The prioritization of projects is also a requirement for BTA eligibility. These criteria will also be considered for inclusion in the Transportation Development Act guidelines for scoring projects submitted to OCTA in future calls for projects.

Public input is a high priority in the development of the CBSP. Prior to the start of the technical work OCTA staff began working with the Citizens Advisory Committee's (CAC) Bicycle Ad Hoc Committee. This committee played a significant role in developing the goals and expectations of the CBSP. A Public Stakeholders Advisory Group (PSAG) was also formed at the outset of the CBSP update. The PSAG consists of bicycle advocates from various Orange County bicycling clubs and advocacy groups, as well as CAC members.

The PSAG was integral in public outreach efforts and for providing input during the needs analysis phase of the CBSP update. In order to gather data for the needs analysis an online survey was made available. A project website ([www.altaprojects.net/octa](http://www.altaprojects.net/octa)) was created by Alta, which contained the survey and links to the survey were provided on the OCTA website.

Additionally, OCTA hosted a public workshop which offered the opportunity for the public to interact with OCTA and consultants to share their opinions. The workshop drew over 50 attendees and nearly 1,100 surveys were completed online and at the workshop, thanks in great part to the PSAG members' outreach efforts.

The public input is currently being used to help identify improvement opportunities that are key to creating a complete regional bikeway network. The CBSP could identify some of these opportunities as regional improvement opportunities. These improvement opportunities can be grouped as spot, connection, linear, corridor, or system opportunities, as described in Attachment B. By identifying these regional improvement opportunities, OCTA is highlighting areas where improvements could best benefit the bikeway network from a regional perspective. The CBSP will not prescribe solutions to address these opportunities but will rather encourage local agencies to develop and implement local solutions.

Identifying the regional improvement opportunities and prioritizing the existing plans will be the final development phase for the CBSP before a draft is written and circulated for comment. The opportunities and priorities will be reviewed by both stakeholder groups, as well as the CAC Bicycle Ad Hoc Committee, CAC, and Technical Advisory Committee before they are incorporated into a draft document. It is anticipated that the draft CBSP will be released for comment in mid- to late-fall upon approval by the Transit Committee and a final draft will be brought to the OCTA Board of Directors (Board) for adoption in early 2009.

Once the CBSP is adopted by OCTA, it will be sent to Caltrans for a finding of compliance with the BTA requirements. Once approved by Caltrans, local agencies in Orange County can then adopt the CBSP as each agency's own bicycle transportation plan and fulfill one of the eligibility requirements for BTA grants for projects in the plan.

### ***Summary***

OCTA has been working closely with Orange County local agencies and the public to gather the necessary data and input for the development of an

updated CBSP. Local agency and public input will continue to be considered through the final stages of development. Staff will bring the draft CBSP to the Transit Committee and the Board to release the document and return to the Board for adoption. Caltrans will then be asked to find that the adopted CBSP meets BTA requirements before local agencies can adopt it in order to become eligible for BTA funds.

**Attachments**

- A. Commuter Bikeways Strategic Plan Performance Criteria (Draft)
- B. Improvement Opportunities for the Regional Bikeway Network (Draft)

**Prepared by:**

Gregory Nord  
Transportation Analyst  
(714) 560-5885

**Approved by:**

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

## **Commuter Bikeways Strategic Plan Performance Criteria (Draft)**

**Regional significance:** Describe how the project will contribute to the overall region? List any regional strategies (as identified in the Orange County Transportation Authority {OCTA} Commuter Bikeways Strategic Plan) that are addressed by the project, and provide a brief explanation. Does the project extend, or connect to, an existing regional bikeway?

**Coordination:** A project must be either on the Orange County Master Plan of Trails or similar regional or city plan for bicycle or pedestrian facilities. List which one. (Examples: OCTA Commuter Bikeways Strategic Plan, local Bicycle Master Plan, Safe Routes to School Plan.)

**Accessibility:** Is the project within 1 mile of important origins and destinations?

- a) Check the boxes next to all origins/destinations that are within one mile of the project. (You could give more points to particular land uses)
  - residential area
  - transit center (i.e. Metrolink stations and/or OCTA transportation centers)
  - bus stop
  - school
  - employment center (500 employees or more)
  - shopping center
  - park
  - other (please describe below)
- b) Describe how the project will support or enhance the ease with which destinations can be reached.

**Directness:** Does the project provide a shorter distance and/or trip time, compared with existing facilities, between important origins and destinations? Describe the expected improvements regarding directness.

**Continuity:** Does the project improve continuity? List any segments of the project that will close gaps between existing facilities.

**Safety:** Does the project address an existing safety problem? How does it enhance safety? Please describe.

**Conflict reduction:** Describe how the project will reduce conflicts between motorists and cyclists and/or pedestrians. (Applicants could be asked to provide ADT volumes, the number of driveways per block, average vehicular speeds, and accident data.)

**Cost:** List the costs both to build and maintain the project.

**Ease of implementation:** Describe the anticipated difficulty of building the project according to available right-of-way and existing traffic operations.

**Support facilities and programs:** Does the project include any of the following support facilities or programs? (These are important elements and projects including them should be rewarded.)

- bicycle parking (including lockers)
- showers
- signage/street markings
- signal detection
- lighting
- water fountains
- other (please describe below)

**Route aesthetics:** Does the project provide such factors as separation from motor traffic, visual aesthetics, a sense of personal safety, or other similar factors along the facility? (This could be determined on OCTA field visits.)

**Public Support:** Describe any public outreach efforts relating to this project, as well as the level of support it received. (Applicants can submit letters of support from homeowner's associations, advocacy and community groups, and local businesses. This is especially important for Class I bike path projects with alignments adjacent to residential properties.)

## **Improvement Opportunities for the Regional Bikeway Network (Draft)**

There are many improvements in the regional bikeway network that would provide continuity and connectivity for bicycle commuters. This section discusses the methodology for identifying local and regional bikeway network improvements.

### **Defining Bikeway Improvement Opportunities**

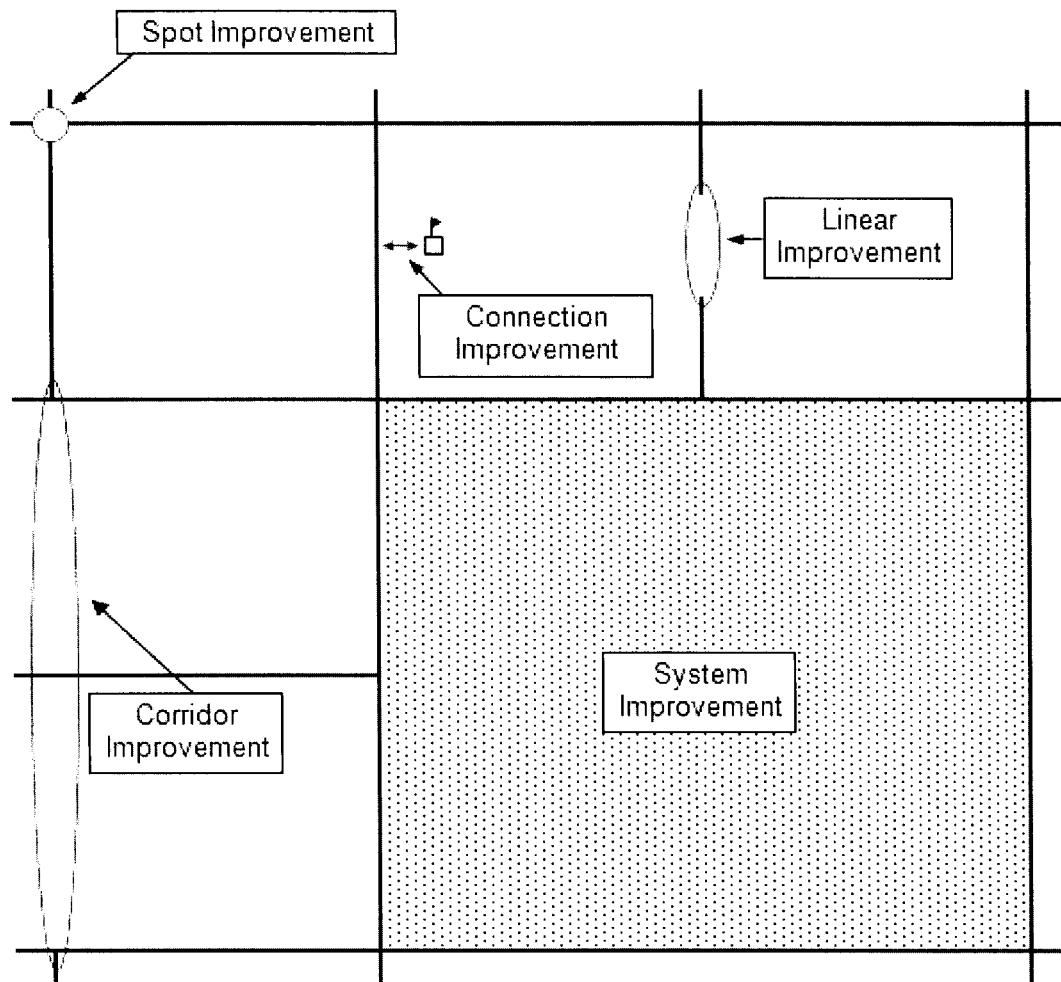
Bikeway improvements exist in various forms, ranging from short “missing links” on a specific street or path corridor, to larger geographic areas with few or no bicycle facilities at all. Determining specifically what constitutes an “improvement opportunity”, requires set parameters for the bikeway network to determine which activity centers require direct links to the bikeway network. For example, a regional bikeway network can be identified as a grid with approximately two-mile spacing in developed areas – a network density of approximately one mile of bikeway per square mile. Under this scenario, areas where parallel bikeways are more than two miles apart would be identified as improvements. Likewise, if it is determined that all transit stations should be directly served by the bikeway network, the space between a transit station and the closest bikeway would constitute an improvement. Improvements can be identified as “local” or “regional” and based on length and other characteristics. This analysis classifies bikeway improvements into five main categories, described below:

- Spot improvements (local): Spot improvements refer to point-specific locations lacking dedicated bicycle facilities or other treatments to accommodate safe and comfortable bicycle travel. Spot improvements primarily include intersections and other vehicle/bicycle conflict areas posing challenges for riders. Examples include bike lanes on a major street “dropping” to make way for right turn lanes at intersections, or a lack of intersection crossing treatments for bicyclists on a route or path as they approach a major street.
- Connection improvements (local): Connection improvements are missing segments (generally one mile long or less) on a clearly defined and otherwise well-connected bikeway. Major barriers standing between bicycle destinations and clearly defined routes also represent connection improvements. Examples include bike lanes on a major street “dropping” for several blocks to make way for on-street parking, a discontinuous off-street path, or a freeway standing between a major bicycle route and a school.
- Linear improvements (local or regional): Similar to connection improvements, linear improvements are one-half to one-mile long missing link segments on a clearly defined and otherwise well-connected bikeway.
- Corridor improvements (regional): Corridor improvements are missing links longer than one mile. These improvements will sometimes encompass an entire street corridor where bicycle facilities are desired but do not currently exist.

- System improvements (regional): Larger geographic areas where few or no bikeways exist are identified as system improvements. System gaps exist in areas where a minimum of two intersecting bikeways would be required to achieve the target network density. System improvements can cover areas ranging from an entire city to a neighborhood or business district.

Improvements typically exist where physical or other constraints impede bikeway network development. Typical constraints include narrow bridges on existing roadways, severe cross-slopes, and potential environmental concerns. Traffic mobility standards, economic development strategies, and other policy decisions may also lead to improvements in a bikeway network. For instance, a community's strong desire for on-street parking or increased vehicle capacity may hinder efforts to install continuous bike lanes along a major street. Figure 1 presents a theoretical diagram illustrating the five bikeway improvement types described above.

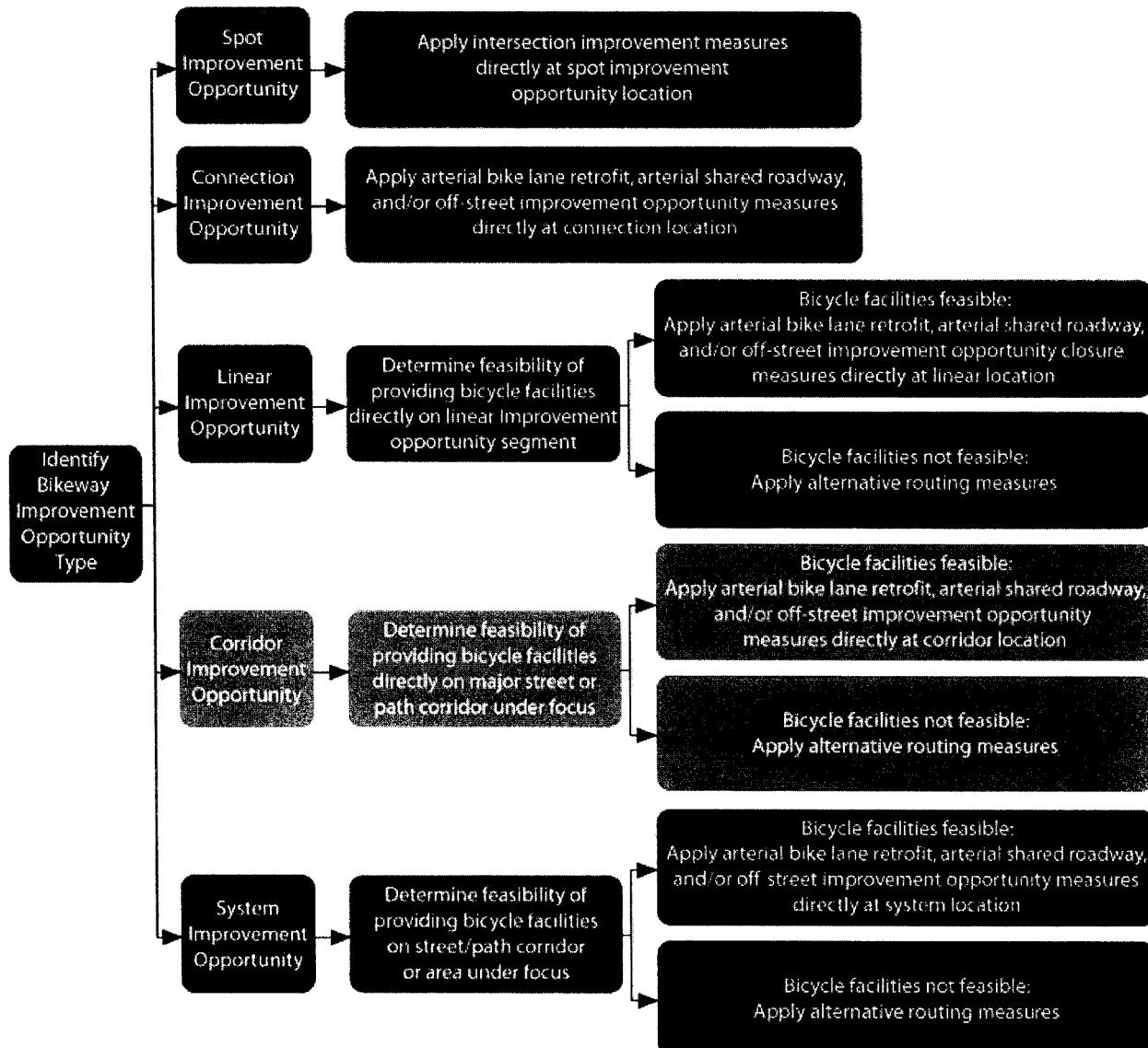
**Figure 1 – Bikeway Improvement Types**



## Improvement Opportunities in the Existing Bikeway Network

The following improvements were identified either through a combination of public input, surveys, working group meetings, and an analysis of the existing network. This plan identifies improvement opportunities in the existing bikeway network. Therefore, an improvement must be between two existing bikeways or between an existing bikeway and a key destination such as a regional transit center, educational institution, or a major shopping/employment center. Improvements in the network of local or proposed bikeways identified in this plan should be addressed through local planning efforts.

**Figure 2 – Improvement Opportunity Procedures**







MEMO

September 16, 2008

To: Members of the Board of Directors  
W<sup>K</sup>  
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.



**September 18, 2008**

**To:** Legislative and Communications Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Agreement for Rideshare Marketing and Outreach

### ***Overview***

The Orange County Transportation Authority conducts outreach to Orange County employers, commuters, and the public to create awareness and increase usage of our multimodal transportation services.

### ***Recommendation***

Authorize the Chief Executive Officer to execute Agreement No. C-8-0811 between the Orange County Transportation Authority and MOB Media Inc., in an amount not to exceed \$588,700 for an initial term of two years with one two-year option term, to perform various rideshare marketing activities including market research, analysis, planning, implementation, and production.

### ***Background***

The Commuter Solutions rideshare program covers all of the OCTA rideshare programs and services and provides Orange County commuters and employers with a variety of options to choose from to make their daily home-to-work trip. These options include carpooling, vanpooling, using bus and rail transit, bicycling, walking, and telecommuting. The goal of OCTA's rideshare program, partially funded by federal Congestion Mitigation and Air Quality funds, is to provide employers, commuters, and the general public with information on alternatives to driving alone and to encourage the use of carpooling, vanpooling, and public transportation options.

In an effort to better serve Orange County employers, commuters, and the general public, the Commuter Solutions program serves as an "umbrella" that highlights several rideshare options under one name, creating an easily identifiable brand and a one-stop-shop for any rideshare needs.

The Commuter Solutions program also provides a variety of support services at the corporate level, helping employers to promote alternative modes of transportation to their employees and meet the requirements of the South Coast Air Quality Management District (SCAQMD). The SCAQMD provides employers of 250 or more employees with a menu of options to reduce mobile-source emissions generated from employee commutes and with a variety of options for compliance with SCAQMD rules. Employers must register with SCAQMD annually. The Commuter Solutions programs and services include:

- Average Vehicle Ridership (AVR) surveying for compliance with air quality mandates
- Ride matching and vanpool formation services
- Distribution of Ride Guides, which provide rideshare participants with personalized ride matching and transportation information based on commute patterns
- Employee Transportation Coordinator networking meetings
- SCAQMD-certified marketing classes
- Participation in employer rideshare fairs/outreach events
- The Employer Pass program
- The Metrolink Corporate Pass program
- The University Pass and College Pass programs
- The Vanpool Subsidy program
- The Guaranteed Ride Home program

The Employer Pass program has shown a steady increase in use and saw its biggest increase in July, accounting for over 83,000 bus boardings in the month. The AVR survey processing program grew 11 percent in fiscal year 2006-2007 and 14 percent in fiscal year 2007-2008. The Vanpool Subsidy program is the latest addition to the Commuter Solutions program. It was launched in July 2007 and currently has 218 participating vans.

All rideshare programs are supported by the following three marketing campaigns: Rideshare Week, Bike-to-Work Week, and Dump the Pump. Each campaign coincides with national efforts to encourage use of transportation options including bus, train, carpool or vanpool, walking, and bicycling. Each campaign has a unique look and requires creative services to help promote the campaign throughout the County. The Rideshare Week campaign has gained momentum with over 8,000 participants in 2007. The latest rideshare campaign, Dump the Pump, was well received by employers and commuters alike, accounting for 44,000 bus boardings and more than 14,000 coupon pass redemptions for the week.

With gas prices at record highs, commuters are looking for alternatives to driving their cars. Employers are also starting to re-evaluate their current commuter benefits programs and/or are considering the creation of new commuter programs to help ease the strain on their employees. Along with the increase in fuel costs, the heightened interest in the environment is a great way to leverage the Commuter Solutions rideshare programs.

Continuing to promote all of the Commuter Solutions rideshare programs is extremely important. Employers, commuters, and the general public need to have easily accessible rideshare information and be able to choose the alternative to driving alone that best fits their needs.

### ***Discussion***

In previous years, OCTA contracted with several firms to produce individual program and campaign materials. This year, OCTA is seeking to retain one firm to oversee its Rideshare marketing and outreach efforts to create more synergy, consistency and cost-effectiveness among all programs. With the conclusion of the previous years' contracts, it is necessary for OCTA to seek a new agreement to provide:

1. General marketing and advertising
2. Graphic design and copywriting
3. Event planning and execution/point-of-purchase installation
4. Promotional items
5. Mailhouse services
6. Printing
7. Outreach coordination and presentation

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 June 5, 2008 and June 12, 2008, in a newspaper of general circulation. Requests for proposals (RFP) were e-mailed to 1,455 firms registered on CAMM NET on June 5, 2008. A pre-proposal meeting was held on June 11, 2008, and there were 20 attendees.

This is proposed to be a two-year, time and expense contract at \$290,000 annually, with one two-year option term for renewal at \$298,700 annually (\$588,700 over the one two-year contract amendment period).

On July 15, 2008, 11 offers were received. An evaluation committee composed of staff from Marketing, Community Relations, Finance, 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 | 15 percent |
| • Work Plan                         | 30 percent |
| • Cost and Price                    | 25 percent |

The change in percent in the evaluation criteria from the standard is to ensure OCTA has a highly qualified full service marketing firm. The work plan increase in percentage was used to place emphasis on a firm's past performance with projects of similar scope and complexity.

After reviewing the proposed work plans, staffing and project organization, and firm qualifications, the evaluation committee held interviews with the four top rated proposers. These firms were:

Firm and Location

MOB Media Inc.  
Foothill Ranch, California

RLR Advertising & Marketing  
Pasadena, California

Concrete Advertising  
Los Angeles, California

Joven Orozco Design  
Newport Beach, California

A best and final offer (BAFO) was requested and received from all four proposing firms. The committee convened subsequent to the receipt of the BAFOs and determined that MOB Media Inc. was the most competitively qualified to perform the scope of work. Based on the committee's evaluations of the proposals, the evaluation committee recommends MOB Media, Inc. for consideration of an award. All short-listed firms were technically qualified to do the work under this RFP; however, MOB Media Inc. scored higher because of the firm's experience and superior understanding of the requirements in the scope of work. MOB Media Inc. has a competitive price proposal, although it is not the lowest of the short-listed firms. The lowest proposed cost was from Joven Orozco Design. However, Joven Orozco Design received the lowest

technical scores because during the interview the firm did not show it had the experience and background to be the prime contractor for this program. MOB Media Inc. was chosen by the committee to be the most qualified and best value for this work.

#### **Qualifications of Firm**

Established in 1988, MOB Media Inc. is a full-service advertising agency certified as a small business in the state of California. It has expertise in the disciplines of marketing, advertising, graphic design, outreach, and planning. The firm has collaborated with Acire Incorporated who has 18 years of commute management experience. MOB Media Inc. is well qualified with relevant experience in work performed for OCTA, The California Managed Risk Medical Insurance Board, Orange County Immunization Coalition, California Department of Boating and Waterways, and County of San Diego.

#### **Staffing and Project Organization**

MOB Media Inc. has assigned a project manager, media director, printing and promotions director, creative services director, graphic designer, and a commuter solutions outreach specialist 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 MOB Media, Inc. further demonstrated the firm's extensive experience and capabilities to perform the work as required.

#### **Work Plan**

The MOB Media Inc. work plan described the firm's step-by-step methodology for collaborating with the OCTA project manager during the contract. MOB Media Inc. provided a work plan and case studies that demonstrated its knowledge and experience in tracking and creating the types of services and products required.

#### **Cost and Price**

The MOB Media Inc. price proposal was not the lowest received for this procurement. After the interview with each firm, BAFOs were requested and received. After the offers were received, Joven Orozco Design was the lowest price. Joven Orozco Design is a creative design company that has provided excellent work for OCTA; however, it was determined that the scope of this

procurement was beyond the firm's current capability. MOB Media Inc. has demonstrated its ability to perform this work at the cost proposed.

**Fiscal Impact**

Resources for marketing for Commuter Services was approved in the OCTA's Fiscal Year 2008-09 Budget, External Affairs, Marketing, accounts 1837-7519-A3311-PKX, 1841-7519-A2217-L75, and 1842-7519-D4621-L76, and is funded through a combination of sources including Congestion Mitigation Air Quality funds.

**Summary**

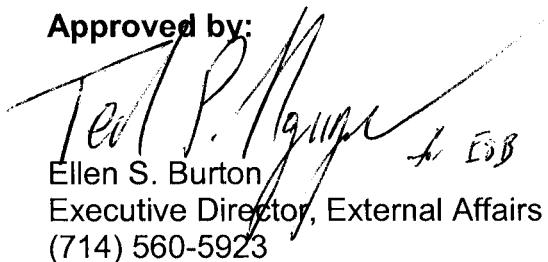
Based on the review of all offers submitted, OCTA staff recommends approval of Agreement No. C-8-0811 with MOB Media, Inc., in an amount not to exceed \$588,700 over a two-year initial term to provide rideshare marketing services. The maximum cumulative obligation, assuming the option term is exercised, is \$1,213,252 over the four-year term.

**Attachments**

- A. Rideshare Marketing and Outreach Services – Review of Proposal – RFP No. 8-0811
- B. Proposal Evaluation Criteria Matrix – RFP No. 8-0811 Rideshare Marketing and Outreach Services

**Prepared by:**

Sandy Boyle  
Section Manager, Marketing Research  
(714) 560-5893

**Approved by:**

Ellen S. Burton  
Executive Director, External Affairs  
(714) 560-5923

**Rideshare Marketing and Outreach Services**

Review of Proposal- RFP No. 8-0811

Presented to Legislative and Communications Committee on September 18, 2008

11 proposals were received, 4 firms were short-listed.

Overall Ranking	Proposal Score	Firm and Location	Sub-Contractors	Evaluation Committee Comments	Time and Expense	Price
1	89	MOB Media, Inc. Foothill Ranch, California	Acire, Inc. Trabuco Canyon, CA  Language Translation, Inc. San Diego, CA  Pacific Litho, Inc. Huntington Beach, CA	Highest ranked firm  Full service advertising agency  Excellent project manager leading an outstanding creative staff for this program Superior methodology for developing market plans and creative advertisement Single point of contact for OCTA program manager for development and implementation of marketing plans Interview was very creative with multi-media presentation	Blended Hourly Rate	\$ 89.10 per hour
2	83	RLR Advertising & Marketing Pasadena, California	Joven Orozco Design Newport Beach, CA	Firm is capable of performing work but was ranked 2nd in all evaluation categories  Excellent staff, but does not have relevant transit commuter experience Motivated staff with good creative ideas for OCTA during interview Excellent company	Blended Hourly Rate	\$ 88.98 per hour
3	71	Concrete Advertising, Inc. Los Angeles, California	Asian Languages Typesetting Services Monterey Park, CA  Translingua Rancho Santa Fe, CA  Digital2Visual Hollywood, CA  Pacific Litho, Inc. Huntington Beach, CA	Most expensive price  Project manager did not listen to evaluation team comments during interview  Highly capable staff with relevant transit experience  Has done market research for Southern California transit region, but not specifically for OCTA	Blended Hourly Rate	\$ 114.33 per hour
4	71	Joven Orozco Design Newport Beach, California	CALTROP Corp Santa Ana, CA  Encite Marketing Culver City, CA  Luis Alvarado Design Costa Mesa, CA  Lista Design Studio Costa Mesa, CA Anchor Point Design La Mesa, CA  The Buddy Group Irvine, CA  Lazar & Associates Los Angeles, CA  Meeting Planners Plus Costa Mesa, CA  Promotional Source Long Beach, CA	Too many sub-contractors to classify as a full service firm  No experience as a prime contractor managing a marketing program  During the interview, the firm was not prepared and the presentation was poor  Although firm has done outstanding creative design for OCTA in the past, they are not ready to manage a full service firm contract.	Blended Hourly Rate	\$ 80.68 per hour

**Evaluation Panel:**

Marketing  
Community Relations  
Finance  
Contracts Administration and Materials Management

**Evaluation Criteria**

Qualifications of Firm  
Staffing and Project Organization  
Work Plan  
Cost and Price

**Weight Factors**

30%  
15%  
30%  
25%

PROPOSAL EVALUATION CRITERIA MATRIX						Weights	Overall Score
Mob Media	1	2	3	4	5		
<b>Eval. Number</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>		
Qualifications of Firm	4.5	4.5	4.5	4.5	4.5	6	27.0
Staffing/Project Organization	4.5	4.0	4.5	4.5	4.0	3	12.9
Work Plan	4.0	4.5	4.0	5.0	4.5	6	26.4
Cost and Price	4.5	4.5	4.5	4.5	4.5	5	22.5
<b>Overall Score</b>	<b>87.0</b>	<b>88.5</b>	<b>87.0</b>	<b>93.0</b>	<b>88.5</b>		<b>89</b>
<b>RLR</b>						<b>Weights</b>	<b>Overall Score</b>
<b>Eval. Number</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>		
Qualifications of Firm	4.0	4.0	4.0	4	4.5	6	24.6
Staffing/Project Organization	4.0	4.0	4.0	4	4.0	3	12.0
Work Plan	4.0	4.0	4.0	4	4.0	6	24.0
Cost and Price	4.5	4.5	4.5	4.5	4.5	5	22.5
<b>Overall Score</b>	<b>82.5</b>	<b>82.5</b>	<b>82.5</b>	<b>82.5</b>	<b>85.5</b>		<b>83</b>
<b>Concrete Advertising</b>						<b>Weights</b>	<b>Overall Score</b>
<b>Eval. Number</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>		
Qualifications of Firm	3.0	4.0	4.0	4.0	4.5	6	23.4
Staffing/Project Organization	3.0	3.5	3.5	3.0	3.5	3	9.9
Work Plan	2.0	3.0	4.0	3.0	3.0	6	18.0
Cost and Price	4.0	4.0	4.0	4.0	4.0	5	20.0
<b>Overall Score</b>	<b>59.0</b>	<b>72.5</b>	<b>78.5</b>	<b>71.0</b>	<b>75.5</b>		<b>71</b>
<b>Joven Orozco Design</b>						<b>Weights</b>	<b>Overall Score</b>
<b>Eval. Number</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>		
Qualifications of Firm	3.0	3.0	3.0	3.0	2.0	6	16.8
Staffing/Project Organization	3.0	3.0	3.0	3.0	3.0	3	9.0
Work Plan	4.0	4.0	3.0	3.0	3.0	6	20.4
Cost and Price	5.0	5.0	5.0	5.0	5.0	5	25.0
<b>Overall Score</b>	<b>76.0</b>	<b>76.0</b>	<b>70.0</b>	<b>70.0</b>	<b>64.0</b>		<b>71</b>

14.



## BOARD COMMITTEE TRANSMITTAL

**September 22, 2008**

**To:** Members of the Board of Directors  
**From:** Wendy Knowles, Clerk of the Board *WK*  
**Subject:** Preliminary Criteria for Property Acquisition and Restoration for Renewed Measure M Program-Level Freeway Mitigation

### Transportation 2020 Committee Meeting of September 15, 2008

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

### **Committee Vote**

This item was passed by all Committee Members present.

### **Committee Recommendations**

- A. Adopt the preliminary criteria for evaluating the biological mitigation potential of properties that may be acquired or restored, which will help guide outreach efforts.
- B. Direct staff to implement a public outreach plan to build an inventory of potential conservation sites.



**September 15, 2008**

**To:** Transportation 2020 Committee  
*[Handwritten mark resembling a checkmark or 'W' is placed here]*

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

**Subject:** Preliminary Criteria for Property Acquisition and Restoration for Renewed Measure M Program-Level Freeway Mitigation

### ***Overview***

Renewed Measure M provides for program-level biological mitigation, through acquisition or restoration of habitat, for 13 freeway projects subject to agreement between the Orange County Transportation Authority and state and federal resource agencies. The Environmental Oversight Committee, appointed by the Board of Directors to provide guidance on developing and implementing such an agreement, is recommending preliminary criteria for evaluating the biological mitigation potential of properties that may be acquired or restored. The criteria will help direct outreach efforts and guide property owners and managers who may be interested in participation.

### ***Recommendations***

- A. Adopt the preliminary criteria for evaluating the biological mitigation potential of properties that may be acquired or restored, which will help guide outreach efforts.
- B. Direct staff to implement a public outreach plan to build an inventory of potential conservation sites.

### ***Background***

Since the Orange County Transportation Authority (OCTA) 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 Freeway Mitigation and Resource Protection Program. Because this is a new program and is not included in the first Measure M (M1), the program 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 to consider.

On October 22, 2007, the Board approved the membership for the Environmental Oversight Committee (EOC), authorized by the M2 Ordinance, to advise on program design and funding recommendations. The EOC is chaired by Director Patricia Bates and oversees the freeway mitigation program. The Transportation 2020 Committee and the Board must consider and approve any program, policy, or funding recommendation developed by the committees. Staff provides committee support.

### ***Discussion***

Significant progress has been made on the precursors for a master agreement among OCTA, the United States Fish and Wildlife Service, and the California Department of Fish and Game to mitigate the potential biological impacts of all 13 freeway projects in M2 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 also has 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 OCTA.

Draft criteria to assist in the evaluation of potential mitigation opportunities have been approved by the EOC and are being presented for approval by the Transportation 2020 Committee and the Board (Attachments A, B, and C). These criteria are based on input from the resource agencies and EOC members. The criteria is intended to provide guidance to both the EOC and property owners and conservation organizations to help evaluate the potential resource and conservation value of properties that may be available for acquisition or restoration. At a future date, these criteria will include a mechanism for evaluating potential restoration projects that will ultimately lead to the selection of eligible properties.

At the same time the draft criteria was being developed, the EOC began creating an inventory of potential conservation sites for acquisition or restoration. 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. The Green Vision map (Attachment D) documents public and private protected lands and properties to purchase and restore in Orange County.

### Public Outreach Plan

To build the inventory of potential conservation sites and share the preliminary criteria with potential property owners and conservation organizations, a general public outreach plan has been developed. The EOC is recommending a fair and open process that engages and solicits additional suggestions from the various target audiences, which include: landowners, local governments, conservation organizations, and community groups.

The primary goals of the communications plan are to increase awareness of the mitigation program and build an inventory of potential properties for mitigation with the use of the preliminary criteria as a guideline.

The strategy and tactics for implementing the public outreach program is as follows:

- Develop a database of key target audiences
- Identify distributors to help communicate the goals of the outreach program
- Coordinate with key environmental leaders to communicate with the environmental community
- Produce a web page under the M2 Environmental Programs page that allows target audiences to access information and enter their property information online
- Distribute a direct mail piece and an email-based solicitation flyer that directs the target audiences to the web site and to key contacts for further information

Implementation of the public outreach plan would begin in fall 2008 with a goal of having inventory by early 2009.

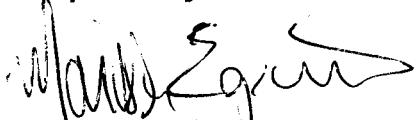
### ***Summary***

The Environmental Oversight Committee is recommending preliminary criteria for evaluating the biological mitigation potential of properties that may be acquired or restored. The criteria will help direct a public outreach plan and guide property owners and managers who may be interested in participation.

**Attachments**

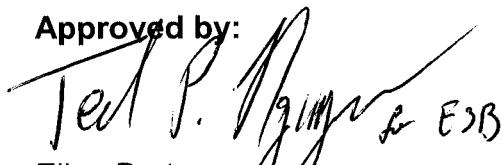
- A. Renewed Measure M Restoration Criteria
- B. Renewed Measure M Property Acquisition Criteria
- C. Renewed Measure M Property and Habitat Management Criteria
- D. Orange County Green Vision Map

**Prepared by:**



Marissa Espino  
Senior Community Relations Specialist  
(714) 560-5607

**Approved by:**



Ellen Burton  
Executive Director of External Affairs  
(714) 560-5923

**Renewed Measure M Restoration Criteria**

These restoration criteria were prepared for discussion with members of the Environmental Oversight Committee. The criteria are separated into four distinct categories.

**BIOLOGICAL ASSESSMENT CRITERIA**

The following criteria are intended to guide the permitting/resource agencies in the recommendation of restoration for the mitigation of habitat impacts by Renewed Measure M freeway projects. Each criterion includes a brief definition to clarify any potential misunderstandings. At a future date, and after more research and input, it is expected these criteria will include a mechanism for evaluating potential restoration projects.

**Benefits Targeted Species**

The potential restoration site includes a net benefit (both immediate and long term) in the ecological value for target species through increased breeding/foraging habitat and increases connectivity between areas of suitable habitat.

**Considers the Threat of Habitat Degradation and Urgency**

The threat of increasing the amount and coverage of non-native species determines restoration urgency, and there may be unique opportunities for restoration, such as burn areas.

**Enhances Natural Lands Contiguity**

Restoration of this site will limit edge effect, supplement existing open space and improve the quantity and quality of core habitat.

**Enhances Already Conserved Lands for Habitat and Wildlife Connectivity**

Allows funding of restoration and management endowments on previously conserved lands to benefit species and wildlife connectivity in situations deemed appropriate by the permitting/resource agencies.

**Evaluates Adequacy of Protection and Management**

The existing level of protection, anticipated public use inside and adjacent to the restoration site should be considered.

**Restores Impacted Habitats**

An inventory of the property shows it includes the same vegetative communities as those habitats lost to freeway projects, including habitats such as: coastal sage scrub, riparian woodlands, grasslands, etc. and possibly includes ties to historical land coverage.

**Restores Sensitive Habitats**

The property's habitat restoration includes the restoration of species, sub-species, and natural communities ranked as sensitive under the California Natural Diversity Database (CNDDB).

## **OTHER CRITERIA**

This list includes the secondary tier of evaluation criteria after the biological criteria are considered. It is expected that these criteria would require a simpler evaluation (such as yes, no, maybe) and the answers may merely play an informational role.

**Aligns with Resource Agency Priorities**

Proposed restoration meets resource agencies' particular requirements (e.g., the restoration satisfies the agencies' (Army Corp of Engineers, Regional Water Quality Control Board, and Department of Fish and Game) definition of habitat creation for the purposes of no-net loss policies for wetlands) and/or is determined to otherwise benefit fish and wildlife resources and the habitats upon which they depend.

**Includes Support from Local and State Governments**

This acquisition is supported by local cities, appropriate JPAs, the county or other governmental entities.

**Includes Support from the Community**

This acquisition is supported by the public, environmental and community organizations.

**Utilizes Partnership and Leveraging Opportunities**

Working on this restoration project would be enhanced by existing conservation efforts, partnerships and/or includes existing funding.

## **CO-BENEFITS**

Where applicable, the following criteria would assist in the event the above criteria are roughly equal. These may take on a simpler evaluation (such as yes, no, or maybe) and the answers may merely play an informational role.

Includes:

- Watershed Protection
- Proximity to Underserved Area
- Scenic/Viewshed/Enhanced recreation experience
- Economic Benefits (supports local businesses)
- Public Access
- Archeological Sites
- Cultural and Historical Sites
- Paleontological Sites
- Trail Connectors

## **RESTORATION CONSTRAINTS**

The following criteria are potential constraints to restoration, but detailed information regarding some of these constraints may not be available until later in the evaluation process.

- Considers Cost**  
In addition to streamlining OCTA's regulatory process, the intent of the comprehensive environmental mitigation program is to provide the greatest possible biological benefit for the region with the available funding. Consequently, the cost of potential restoration will be an important factor in selecting mitigation sites.
- Determines Hazardous Conditions**  
Through a Phase I – Environmental Site Assessment, determine the property's historical use and any potential or known hazardous materials on-site.
- Includes Access to Site**  
The restoration site is accessible for restoration work, maintenance and management.
- Includes Availability and Delivery of Water**  
The water used for the restoration is available, does not increase environmental impacts when delivered to the site and works with local water agencies to ensure groundwater sources are not impacted by water withdrawal.

**Renewed Measure M Property Acquisition Criteria**

These acquisition criteria were prepared for discussion with members of the Environmental Oversight Committee of M2. The criteria are separated into four distinct categories.

**BIOLOGICAL ASSESSMENT CRITERIA**

The following criteria are intended to guide the permitting/resource agencies in the recommendation of sites for the mitigation of habitat impacts by Renewed Measure M freeway projects. Each criterion includes a brief definition to clarify any potential misunderstandings. At a future date, and after more research and input, it is expected these criteria will include a mechanism for evaluating potential acquisitions.

 **Aligns with Impacted Habitats**

An inventory of the property shows it includes the same vegetative communities as those habitats lost to freeway projects, including habitats such as: coastal sage scrub, riparian woodlands, grasslands, etc.

 **Conserves Sensitive Habitats**

The property's habitat includes the conservation and possible restoration of species, sub-species, and natural communities ranked as sensitive under California Natural Diversity Database (CNDDB).

 **Considers Property Acreage**

Generally larger properties are better.

 **Contains Target Species**

The potential property includes the presence of endangered, threatened, species of special concern, and other sensitive species impacted by freeway projects.

 **Considers the Threat of Development and Urgency**

The evaluation considers where the landowner is in CEQA and other permitting processes, quantifies the degree of the development threat, and determines if this acquisition creates an opportunity for leveraging expiring conservation funding.

 **Enhances Natural Lands Connectivity, including significant Wildlife Corridors**

Acquisition of this property would connect to existing protected areas, examine the effects on multiple taxa (such as birds, large mammals) and could be identified as an essential habitat linkage in regional or local plans.

 **Enhances Natural Lands Contiguity**

The property borders existing open spaces and acquisition increases the amount of core habitat or reduces edge effects.

 **Includes Species/Habitat Diversity**

The property includes a wide variety of habitat types and species (including subspecies, if known). Special emphasis would be provided for properties with examples of various

stages of vegetative structural diversity and functional ecosystem diversity present (e.g., habitat with a natural flood regime).

**Provides for Quality Habitat or Potential for Quality Habitat**

The property includes mature habitats or property constraints are minimal and property has a high potential to support high-quality habitat after acquisition.

#### **OTHER CRITERIA**

This list includes the secondary tier of evaluation criteria after the biological criteria are considered. It is expected that these criteria would require a simpler evaluation (such as yes, no, maybe) and the answers may merely play an informational role.

**Aligns with Resource Agency Priorities**

The property is included on the Department of Fish and Game and United States Fish and Wildlife Service's list of acquisition priorities.

**Includes a Cooperative Landowner**

The landowner effectively coordinates with the entity responsible for acquisition to complete tasks required for acquisition.

**Includes Support from Local and State Governments**

This acquisition is supported by local cities, appropriate JPAs, the county or other governmental entities.

**Includes Support from the Community**

This acquisition is supported by the public, environmental and community organizations.

**Utilizes Partnership and Leveraging Opportunities**

Working on this acquisition would be enhanced by existing conservation efforts, partnerships and/or includes existing funding.

#### **CO-BENEFITS**

The following criteria would assist in the event the above criteria are roughly equal. These may take on a simpler evaluation (such as yes, no, or maybe) and the answers may merely play an informational role.

Includes:

- Archeological Sites
- Cultural and Historical Sites
- Paleontological Sites
- Watershed Protection
- Proximity to Underserved Area
- Scenic/Viewshed
- Trail Connectors
- Economic Benefits (supports local businesses)

## **PROPERTY CONSTRAINTS**

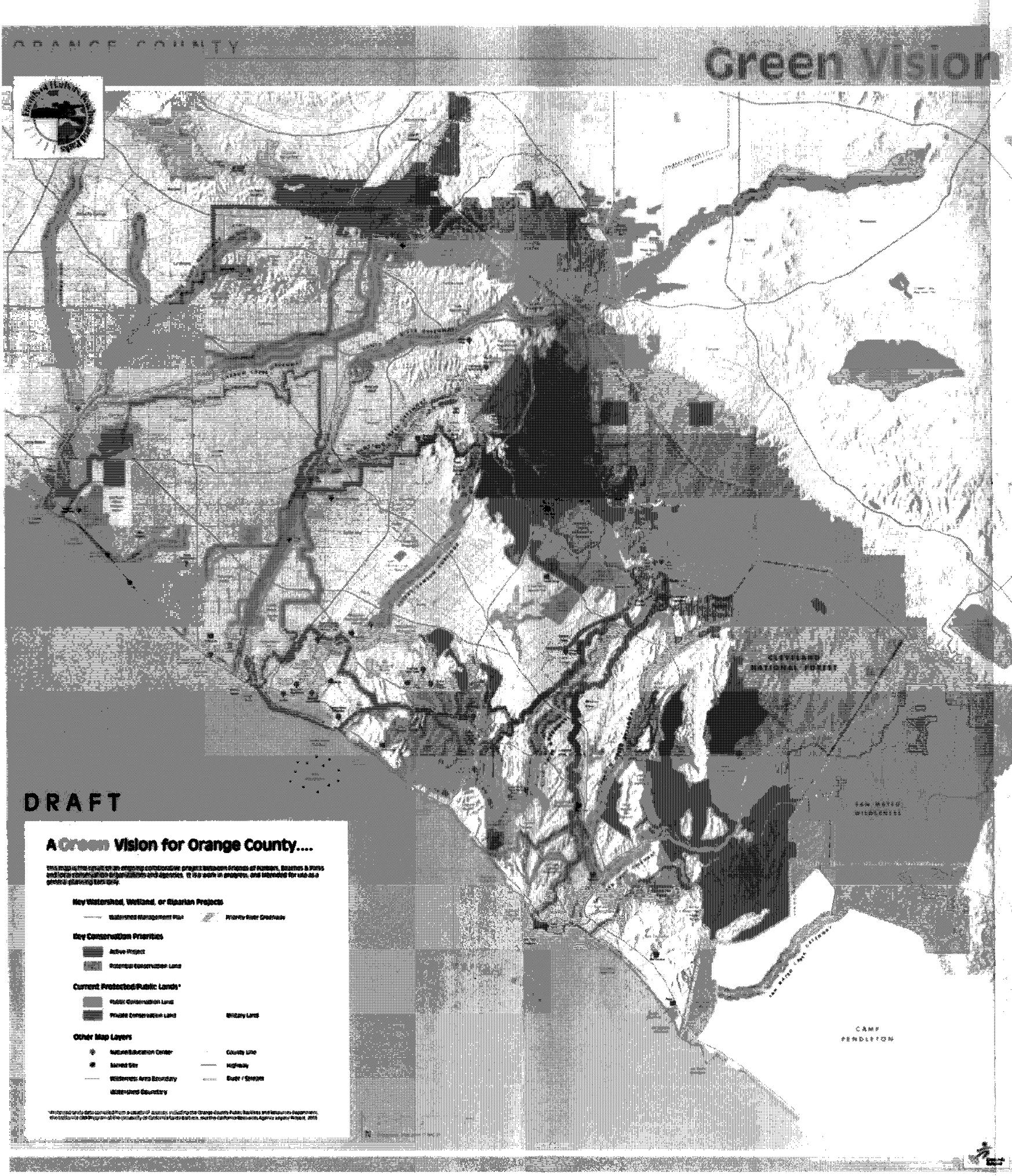
The following criteria are potential constraints to property acquisition, but detailed information regarding some of these constraints may not be available until later in the evaluation process.

- Considers Cost**  
In addition to streamlining OCTA's regulatory process, the intent of the comprehensive environmental mitigation program is to provide the greatest possible biological benefit for the region with the available funding. Consequently, the cost of potential acquisitions will be an important factor in selecting mitigation sites.
- Consider Conflicting Easements or Inholdings**  
The property may have restrictive deeds, easements, other agreements, and/or inholdings that would limit management/public use options.
- Considers Neighboring Land Uses**  
Neighboring land uses may decrease the habitat mitigation value of the mitigation property.
- Considers Other Complications**  
The property may have unidentified complications associated with acquisition and management including, vector control, vandalism, inadequate access, significant obstacles to restoring water quality (toxics, pesticides, salts), etc.
- Considers the extent of Isolation or Habitat Fragmentation**  
The property may be fragmented or isolated from other valuable habitats that may impede its long-term biological value. Fragmented or isolated habitats would make it challenging to have a variety of flora and fauna.
- Determines Hazardous Conditions**  
Through a Phase I – Environmental Site Assessment, determine the property's historical use and any potential or known hazardous materials on-site.
- Understands Management Encroachments**  
The property may have unauthorized users; there are adopted plans for future infrastructure that may be inconsistent with habitat mitigation; or the type and quantity of public use inside or adjacent to the property (e.g. vegetative fuel modification zones are adjacent).

## **ATTACHMENT C**

### **Renewed Measure M Property and Habitat Management Criteria**

Endowments will be provided through Measure M funding for long term management of the acquired and restored properties. The amount of funding provided will be determined in each case through the preparation of Property Analysis Record (PAR) or an equivalent method. A PAR analysis involves application of a computer database methodology developed by the Center for Natural Lands Management for estimating the required amount for endowments. Every effort will be made to work with partners to leverage the available Measure M funding to accomplish the necessary long-term management of acquired and restored habitat.



15.



**BOARD COMMITTEE TRANSMITTAL**

**September 22, 2008**

**To:** Members of the Board of Directors  
*WK*  
**From:** Wendy Knowles, Clerk of the Board  
**Subject:** Fourth Quarter Fiscal Year 2007-08 Grant Status Report

**Finance and Administration Committee Meeting of September 10, 2008**

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

***Committee Vote***

This item was passed by all Committee Members present.

***Committee Recommendation***

Receive and file as an information item.



**September 10, 2008**

**To:** Finance and Administration Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Fourth Quarter Fiscal Year 2007-08 Grant Status Report

### **Overview**

The Quarterly Grant Status Report summarizes grant activities for information purposes for the Orange County Transportation Authority Board of Directors. This report focuses on significant activity for the period of April through June 2008. The Quarterly Grant Status Report summarizes future and pending grant applications, executed and current grant agreements, and closed-out grant agreements.

### **Recommendation**

Receive and file as an information item.

### **Background**

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

### **Discussion**

The ongoing grant activities are categorized by future grant applications, pending grant applications, awarded/executed grant agreements, current grant agreements, other discretionary grants, and closed grant agreements.

#### **Future Grant Applications**

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

**Fiscal Year (FY) 2009 FTA, Congestion Mitigation and Air Quality (CMAQ) Fund Transfer**

- The transfer of \$5.2 million in CMAQ funds from Federal Highway Administration (FHWA) to the Federal Transit Administration (FTA) to support the Irvine Guideway Demonstration Project Study is undergoing the federal review process. The fund transfer paperwork submitted on March 18, 2008, has been approved by California Department of Transportation (Caltrans) and forwarded to FHWA. A grant agreement with FTA is being reviewed concurrently, and is expected to clear the federal review process for execution by mid September 2008.

**FY 2008 FTA Congestion Mitigation and Air Quality (CMAQ) Fund Transfer**

- Work is underway to transfer \$17.2 million of CMAQ funds from the FHWA to the FTA, of which \$16.5 million will fund the parking expansion at the Tustin Rail Station. The remaining \$735,000 will support rideshare services. The fund transfer paperwork submitted on July 16, 2008, is currently under review by Caltrans as the designated administrative agency for FHWA. To expedite the transfer, a grant agreement with FTA was submitted concurrently on July 17, 2008, and is anticipated to be executed by mid September 2008, pending the approval of an amendment to the Regional Transportation Improvement Program (RTIP).

**FY 2009 FTA Section 5309 Discretionary Bus Capital Grant Program**

- This grant will include the development of transit earmarks appropriated in FY 2008, which include \$490,000 for intercounty express bus (requested by Representative Loretta Sanchez [D-CA]) and \$588,000 for the Anaheim Regional Transportation Intermodal Center (requested by Senator Diane Feinstein [D-CA], Representative Ed Royce, [R-CA] and Representative Loretta Sanchez [D-CA]). This upcoming grant will also include \$247,507 in federal earmark funds for the City of Costa Mesa compressed natural gas (CNG) project that have been successfully reprogrammed to support the OCTA bus system. Grant applications are being developed and will be submitted throughout the fiscal year based on project readiness. The federal funds require up to a 20 percent local match contribution and are to be applied for and awarded by September 2008.

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**FY 2008 FTA Section 5310 Transportation for Elderly Persons and Persons with Disabilities**

- FTA's Section 5310 program presents 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. To assist applicants in Orange County, OCTA hosted a local grant workshop on March 13, 2008, and reviewed draft proposals and recommended improvements throughout the proposal development period to enhance the likelihood of gaining grant funding. On July 18, 2008, a multi-agency evaluation committee scored and ranked five proposals requesting over \$1.85 million for nine paratransit vans, 21 accessible buses, and related equipment. Staff anticipates seeking Board of Directors (Board) approval to submit recommended projects to Caltrans for statewide competition in August 2008. An award of grant funds to these local agencies will help ensure quality transportation to disabled and senior communities in Orange County while alleviating demand on OCTA's ACCESS services.

**Pending Grant Applications**

The OCTA has three pending grant applications awaiting award or approval, which are summarized on Attachment B.

**FY 2008 FTA Section 5309 Discretionary Bus Capital Grant Program**

- The FY 2008 FTA Discretionary Bus Capital Grant was submitted for federal review on July 9, 2008, following approval by the Southern California Association of Governments (SCAG). The grant captures over \$7 million in earmarked funds to support a variety of transit projects, including video surveillance systems at commuter rail stations (\$3,218,209), support for bus rapid transit (BRT) (\$1,485,000) and BRT vehicle purchases (\$608,357), countywide planning studies on behalf of the Orange County Council of Governments (\$608,357), and renovations at the Santa Ana Transit Terminal (\$608,357). The grant also secures funds earmarked to report the preliminary engineering and design phase of an intermodal parking structure for the Discovery Science Center in Santa Ana (\$297,000) and support for senior mobility programs in the cities of La Habra (\$155,430) and Yorba Linda (\$40,590). All of the above projects have received prior Board approval. Staff will seek Board approval to enter into agreements with the grantee agencies once project details are finalized. The earmark funds require up to a 20 percent local match contribution. The grant was certified by the United States Department of Labor on July 31, 2008, and is anticipated to be awarded in August 2008. Information regarding the

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requesting Congressional delegate is unavailable for these earmarks since they were appropriated prior to FY 2008 disclosure requirements.

**FY 2008 Mobile Source Air Pollution Reduction Review Committee (MSRC): South Coast Air Quality Management District (AQMD)**

- On February 14, 2008, staff submitted a proposal pursuing up to \$600,000 in competitive funds from the FY 2008 MSRC On-Road Heavy-Duty Alternative Fuel Engine Program. If successful, the funding would provide OCTA's local match for federal funds already awarded for bus purchases. The proposal seeks the funding to support the purchase of 20 new transit buses equipped with advanced low emission natural gas engines. This MSRC funding program was developed specifically to promote cleaner heavy-duty engines that are certified to meet the 2010 nitrogen oxides (NOx) emissions standard. Since the MSRC program is receiving requests far beyond available funding limits, staff is exploring alternative funding opportunities through AQMD's Carl Moyer Program.
- On March 25, 2008, staff submitted a proposal seeking up to \$800,000 in grant funds from the MSRC Alternative Fuels Infrastructure Program to offset the capital costs of new CNG fueling stations at the Anaheim and Garden Grove base facilities. Should funds be awarded, the effort will help facilitate new cleaner burning alternative fuel fleet vehicles while allowing local funds to be used towards other OCTA projects and programs. Award notifications are anticipated in August 2008.

**Awarded/Executed Grant Agreements**

Four grants were awarded or executed in the current quarter.

**FY 2008 California Transit Security Grant Program (CTSGP), Proposition 1B Transit System Safety, Security, and Disaster Response Account**

- On June 30, 2008, OCTA received an award notification for \$3.52 million in Proposition 1B funds allocated through the FY 2008 CTSGP. As directed by the OCTA Board on June 9, 2008, the funds will support commuter rail right-of-way fencing (\$818,450), video surveillance systems (\$802,124), and key card access systems (\$754,000) at OCTA base facilities, on-board bus surveillance cameras (\$732,900), rail crossing monitors (\$273,000), and a video surveillance system at the Irvine commuter rail station (\$140,000). The awarded funds do not require local match contributions or cost-sharing arrangements.

**FY 2008 FTA, Section 5307 Formula Grant Program**

- The FY 2008 FTA Section 5307 Formula Grant was awarded by FTA on June 6, 2008, and executed on June 11, 2008. The grant captures \$52.6 million in federal capital and operating assistance to support OCTA's fixed route and paratransit operations, including the purchase of 118 transit vehicles for replacement service and the expansion of the bus fleet.

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

- On April 3, 2008, Office of Homeland Security (OHS), on behalf of the DHS, awarded OCTA \$1 million in FY 2007 TSGP grant funds followed by a supplemental award of \$550,000 granted on July 9, 2008, for a total amount of \$1.55 million. Together, the grant awards are to support the total cost of on-board bus cameras for approximately 127 transit vehicles (\$1.4 million), as well as implement an emergency preparedness-training program for OCTA (\$150,000). Both projects have received prior Board approval. Staff will request the authorization needed to accept the award and enter grant-related agreements in August 2008.

**Federal Emergency Management Agency (FEMA): Governor's Office of Emergency Services (OES)**

- On May 5, 2008, OCTA received \$8,192 for reimbursable overtime labor and vehicle expenses incurred by OCTA in assisting with the October 2007 Southern California wildfires. Staff is awaiting further instructions on any additional grant closeout requirements.

**Current Grant Agreements**

OCTA has nine current capital formula grants and four current capital discretionary grants, which are summarized on Attachments C and D (operating assistance only).

**Capital Formula Grants:** OCTA receives an annual formula capital grant from the FTA. There are nine active formula capital grants, totaling \$830.3 million. A total of \$720.2 million of these grants have been expended or obligated for procurement, leaving a remaining and available balance of \$110.1 million. Of the \$110.1 million available balance, \$74.5 million represents future procurements of alternative fuel buses for the expansion and replacement of OCTA's current fixed route fleet.

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**Capital Discretionary Grants:** There are four active discretionary capital grants, totaling \$12.1 million. A total of \$8 million of these grants has been expended or obligated for procurement, leaving a remaining and available balance of \$4.1 million. The \$4.1 million available balance represents the construction of the Harbor Boulevard BRT demonstration project, security camera system at the Fullerton Transportation Center, and mobile fare equipment for OCTA and the City of Anaheim.

#### **Other Discretionary Grants**

OCTA has \$341.8 million in current other discretionary grants, which are summarized on Attachment E.

In addition to the specific grants outlined above, OCTA receives a variety of discretionary grants from sources such as SCAG, AQMD, MSRC, FHWA, CMAQ, Traffic Congestion Relief Program (TCRP), Caltrans, and the State Highway Fund. The remaining and available balance on these discretionary grants is \$50 million. These funds will be received on a reimbursement of eligible expense basis.

#### **Closed Grant Agreements**

There were no closed grants during the current quarter as summarized on Attachment F.

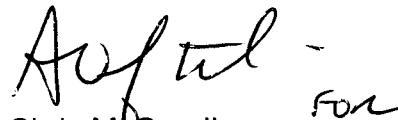
#### ***Summary***

This report provides an update of the grant funded activities for the fourth quarter of fiscal year 2007-08, April through June 2008. Staff recommends this report be received and filed as an information item.

**Attachments**

- A. Quarterly Grant Status Report, April through June 2008, Future Grant Applications
- B. Quarterly Grant Status Report, April through June 2008, Pending Grant Applications
- C. Quarterly Grant Status Report, April through June 2008, Current Formula and Discretionary Grants
- D. Quarterly Grant Status Report, April through June 2008, Operating Assistance Only
- E. Quarterly Grant Status Report, April through June 2008, Current Other Discretionary Grants
- F. Quarterly Grant Status Report, April through June 2008, Federal Transit Administration Capital Grant Index

**Prepared by:**

  
Chris McCandless  
Financial Analyst  
Financial Planning and Analysis  
(714) 560-5895

**Approved by:**

  
James S. Kenan  
Executive Director, Finance,  
Administration and Human Resources  
(714) 560-5678

**ATTACHMENT A**

**Quarterly Grant Status Report**  
**April thru June 2008**  
**Future Grant Applications**

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Federal Transit Administration Section 5307 - Urbanized Area Formula Capital Grant Program						
GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	ESTIMATED SUBMITTAL DATE	ESTIMATED APPROVAL DATE	STATUS
Fiscal Year 2009 Congestion Mitigation and Air Quality	\$ 5,200,000	\$ 1,144,000	\$ 6,344,000	August 2008	September 2008	Application is under review at Federal Transit Administration
Fiscal Year 2008 Congestion Mitigation and Air Quality	17,235,000	3,791,700	21,026,700	July 2008	September 2008	Application is under review at Federal Transit Administration
<b>Formula Grant Sub-Total</b>	<b>\$ 22,435,000</b>	<b>\$ 4,935,700</b>	<b>\$ 27,370,700</b>			

Federal Transit Administration Section 5309 (c) - Bus and Bus Related Facilities Program						
Discretionary grants are funded by Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users/Transportation Equity Act for the 21st Century. Grants provide capital funds for projects that improve efficiency and coordination of transportation systems.						
GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	ESTIMATED SUBMITTAL DATE	ESTIMATED APPROVAL DATE	STATUS
Fiscal Year 2008 Earmark: Intercounty Express Bus (Sanchez)	\$ 490,000	\$ 122,500	\$ 612,500	January 2009	March 2009	Scope of work finalized; application anticipated in January 2009
Fiscal Year 2008 Earmark: Anaheim Regional Transportation Intermodal Center (Feinstein, Royce and Sanchez)	588,000	147,000	735,000	TBD	TBD	Pending scope of work; to be awarded by fiscal year 2010
Fiscal Year 2002 City of Costa Mesa	247,507	61,877	309,384	January 2009	September 2008	Scope of work finalized; application anticipated in January 2009
<b>Discretionary Grant Sub-Total</b>	<b>\$ 1,325,507</b>	<b>\$ 331,377</b>	<b>\$ 1,656,884</b>			

Fiscal Year 2008 FTA Section 5310 Transportation for Elderly Persons and Persons with Disabilities						
GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	ESTIMATED SUBMITTAL DATE	ESTIMATED APPROVAL DATE	STATUS
Fiscal Year 2008 Earmark: Transportation for Elderly Persons	\$ 1,850,000	\$ 462,500	\$ 2,312,500	August 2008	TBD	Board approval to submit project to California Department of Transportation for statewide competition in August 2008
<b>Discretionary Grant Sub-Total</b>	<b>\$ 1,850,000</b>	<b>\$ 462,500</b>	<b>\$ 2,312,500</b>			

<b>FUTURE GRANTS TOTAL</b>	<b>\$ 25,610,507</b>	<b>\$ 5,729,577</b>	<b>\$ 31,340,084</b>
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**ATTACHMENT B**

**Quarterly Grant Status Report**  
**April thru June 2008**  
**Pending Grant Applications**

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<b>Fiscal Year 2008 Section 5309 Bus Application</b>						
These grants are to be used for the protection of the Orange County's transportation system and the strengthening of Orange County Transportation Authority's critical facilities.						
GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	SUBMITTAL DATE	ESTIMATED APPROVAL DATE	STATUS
Fiscal Year 2006 thru 2008: Earmark: Orange County Transportation Authority Security Surveillance and Monitoring Equipment	\$ 3,218,209	\$ 804,552	\$ 4,022,761	July 2008	September 2008	Scope of work being finalized; Application required to be awarded by September 2008
Fiscal Year 2006 Earmark: Orange County Transportation Authority Bus Rapid Transit	1,485,000	371,250	1,856,250	July 2008	September 2008	Scope of work being finalized; Application required to be awarded by September 2008
Fiscal Year 2006 thru 2008 Earmark: Orange County Purchase Buses for Rapid Transit	608,357	124,603	732,960	July 2008	September 2008	Scope of work being finalized; Application required to be awarded by September 2008
Fiscal Year 2006 thru 2008 Earmark: Orange County Projects to Encourage Use of Transit to Reduce Congestion	608,357	152,089	760,446	July 2008	September 2008	Scope of work being finalized; Application required to be awarded by September 2008
Fiscal Year 2006 thru 2008 Earmark: Santa Ana, Improve Santa Ana Transit Terminal	608,357	152,089	760,446	July 2008	September 2008	Scope of work being finalized; Application required to be awarded by September 2008
Fiscal Year 2006 Earmark: Intermodal Park and Ride Facility at Discovery	297,000	74,250	371,250	July 2008	September 2008	Scope of work being finalized; Application required to be awarded by September 2008
Fiscal Year 2006 Earmark: La Habra Shuttle Senior Transportation Program	155,430	38,858	194,288	July 2008	September 2008	Scope of work being finalized; Application required to be awarded by September 2008
Fiscal Year 2006 Earmark: Yorba Linda Senior Mobility Program	40,590	10,148	50,738	July 2008	September 2008	Scope of work being finalized; Application required to be awarded by September 2008
<b>Discretionary Grant Sub-Total</b>	<b>\$ 7,021,300</b>	<b>\$ 1,727,839</b>	<b>\$ 8,749,139</b>			

<b>Mobile Source Air Pollution Reduction Review Committee</b>						
GRANT	GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	SUBMITTAL DATE	ESTIMATED APPROVAL DATE	STATUS
Fiscal Year 2008 - On-Road Heavy-Duty Engine Program	\$ 600,000	\$ -	\$ 600,000	February 2008	To be determined	Proposal Submitted
Fiscal Year 2008 - Alternative Fuels Infrastructure Program	800,000	-	800,000	March 2008	September 2008	Proposal Submitted
<b>Discretionary Grant Sub-Total</b>	<b>\$ 1,400,000</b>	<b>\$ -</b>	<b>\$ 1,400,000</b>			
<b>PENDING GRANTS TOTAL</b>	<b>\$ 8,421,300</b>	<b>\$ 1,727,839</b>	<b>\$ 10,149,139</b>			

## Quarterly Grant Status Report

ATTACHMENT C

April thru June 2008

## Current Formula and Discretionary Grants

**Federal Transit Authority SECTION 5307, 5309 AND 5313 GRANT FUNDS****Federal Transit Authority Section 5307 - Urbanized Area Formula Capital Grant Program**

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

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

CURRENT GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	EXPENDED TO DATE	UNLIQUIDATED OBLIGATIONS	REMAINING BALANCE
Fiscal Year 2008	\$ 52,551,072	\$ 5,703,100	\$ 58,254,172	\$ -	\$ -	\$ 58,254,172
Fiscal Year 2007 Congestion Mitigation and Air Quality	5,616,267	651,984	6,268,251	434,931	1,059,735	4,773,585
Fiscal Year 2007	48,631,827	5,303,905	53,935,732	24,516,458	-	29,419,274
Fiscal Year 2006	47,043,235	4,916,870	51,960,105	27,003,109	12,794,500	12,162,496
Fiscal Year 2005	88,923,097	10,001,392	98,924,489	56,522,380	42,402,038	71
Fiscal Year 2004 **	52,130,309	7,058,512	59,188,821	55,357,567	3,502,372	328,882
Fiscal Year 2002-03 *	138,042,215	18,030,709	156,072,924	153,272,788	396,424	2,403,712
Fiscal Year 2001	35,613,774	4,620,113	40,233,887	36,055,983	1,382,245	2,795,659
Fiscal Year 2000	88,838,958	15,103,475	103,942,433	98,634,632	5,307,801	-
<b>Formula Grants</b>						
<b>Total</b>	<b>\$ 557,390,754</b>	<b>\$ 71,390,060</b>	<b>\$ 628,780,814</b>	<b>\$ 451,797,848</b>	<b>\$ 66,845,115</b>	<b>\$ 110,137,851</b>

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

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

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

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

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

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

CURRENT GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	EXPENDED TO DATE	UNLIQUIDATED OBLIGATIONS	REMAINING BALANCE
Fiscal Year 2006 Bus Application	\$ 970,874	\$ 242,719	\$ 1,213,593	\$ -	\$ -	\$ 1,213,593
Fiscal Year 2005 Bus Application	4,344,932	1,037,983	5,382,915	2,500,443	10,273	2,872,199
Fiscal Year 2001-02 Cities of Anaheim and Brea and Santa Ana Bus Base	1,930,671	469,249	2,399,920	2,304,246	95,674	-
Fiscal Year 2001 Irvine Transportation Center Transitway	2,481,380	620,345	3,101,725	1,993,074	1,108,651	-
<b>Discretionary Grants</b>						
<b>Total</b>	<b>\$ 9,727,857</b>	<b>\$ 2,370,296</b>	<b>\$ 12,098,153</b>	<b>\$ 6,797,763</b>	<b>\$ 1,214,598</b>	<b>\$ 4,085,792</b>

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

The federal funds allocated for operating assistance can be found in Attachment D.

<b>Formula and Discretionary Grant Sub-Total</b>	<b>\$ 567,118,611</b>	<b>\$ 73,760,356</b>	<b>\$ 640,878,967</b>
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**ATTACHMENT D**

**Quarterly Grant Status Report**  
**April thru June 2008**  
**Operating Assistance Only**

**FEDERAL TRANSIT ADMINISTRATION SECTION 5307 GRANT FUNDS**

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

Note: Operating Assistance Only

CURRENT GRANT	FEDERAL GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	Federal Transit Administration DATE PAID
Fiscal Year 2008 *	\$ 5,255,107	\$ 18,759,832	\$ 24,014,939	June 6, 2008
Fiscal Year 2007 *	4,863,183	19,151,756	24,014,939	December 12, 2007
Fiscal Year 2006 *	4,659,324	19,355,615	24,014,939	October 3, 2006
Fiscal Year 2005 *	5,341,510	24,844,621	30,186,131	October 4, 2005
Fiscal Year 2004 *	3,010,031	15,503,544	18,513,575	August 30, 2004
Fiscal Year 2002-03 *	6,966,007	37,562,925	44,528,932	August 21, 2003
Fiscal Year 2001 *	3,155,000	16,411,495	19,566,495	March 8, 2002
Fiscal Year 2000 *	2,889,244	13,818,506	16,707,750	September 29, 2000
<b>Formula Grants</b>				
<b>Total</b>	<b>\$ 36,139,406</b>	<b>\$ 165,408,294</b>	<b>\$ 201,547,700</b>	

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

**Quarterly Grant Status Report**  
**April thru June 2008**  
**Current Other Discretionary Grants**

<b>DISCRETIONARY ALLOCATIONS</b>					
<b>Air Quality Management District Grant Program and Mobile Source Air Pollution Reduction Review Committee</b> Provides grants for the purchase of clean fuel revenue vehicles and other activities to reduce mobile source emissions.					
<b>CURRENT GRANT</b>	<b>STATE GRANT AMOUNT</b>	<b>LOCAL SHARE AMOUNT</b>	<b>TOTAL GRANT AMOUNT</b>	<b>REMAINING BALANCE</b>	<b>PROJECT STATUS</b>
Fiscal Year 2002-03 Mobile Source Air Pollution Reduction Committee Contract #MS03041 Revenue Contract #C60123	\$ 1,360,000	\$ -	\$ 1,360,000	\$ 136,000	Grant funds 68 liquefied natural gas buses at \$20,000 each. On June 1, 2004, Orange County Transportation Authority executed a contract with Mobile Source Air Pollution Reduction Committee with an expiration date of 2008. The funds have been reprogrammed to the current compressed natural gas bus procurement. A reimbursement request for \$1,224,000 was sent in March with payment received April 16th. Retention held by Mobile Source Air Pollution Reduction Committee will be reimbursed with a six-month performance report in September.
Fiscal Year 2002-03 Mobile Source Air Pollution Reduction Committee Contract #MS04006 Revenue Contract #C60430	405,000	-	405,000	40,500	This grant was executed in November 2004 to fund 10 hybrid buses at \$40,000 each and \$5,000 for training. Reimbursement for two hybrids, less retentions, was received for \$72,000. Approval was given to utilize the remaining balance on 20 compressed natural gas buses at \$16,000 each and in January 2008 reimbursement was requested and received for \$292,500. Project to date total reimbursement is \$364,500. A six-month performance report and retentions invoice for \$40,500 will be submitted in July.
Fiscal Year 2002-03 Air Quality Management District Contract #07320 Revenue Contract #C71248	1,000,000	-	1,000,000	1,000,000	Funds were awarded in October 2002 for liquefied natural gas fueling infrastructure at the Garden Grove and Anaheim facilities. On December 3, 2004, Air Quality Management District approved Orange County Transportation Authority's request to direct funds towards liquefied natural gas fuel tank upgrades for the bus fleet and an liquefied natural gas fueling station at the Santa Ana Base. Due to delays with the liquefied natural gas tank improvement project and new commitment towards compressed natural gas fuel technologies, staff began discussions with Air Quality Management District to realign the total grant award to support compressed natural gas fueling at the Santa Ana facility. Negotiations with the compressed natural gas fueling vendor were completed in May 2006, a detailed project scope was forwarded to Air Quality Management District staff to develop emissions benefit calculations needed to redirect awarded funds. On February 2, 2007, the Air Quality Management District governing Board approved the use of grant funds to Orange County Transportation Authority. The reimbursement is being prepared.
Fiscal Year 2004-05 Mobile Source Air Pollution Reduction Committee Contract #MS05040 Revenue Contract #C60060	200,000	-	200,000	20,000	Executed in March 2006, this grant funds 25 natural gas buses at \$8,000 per bus. A reimbursement request for \$180,000 on 25 buses less retentions, was sent in December 2007 with the funds received in January 2008. The six month performance report and retentions invoice for \$20,000 was submitted in June 2008.
Fiscal Year 2004-05 Mobile Source Air Pollution Reduction Committee Contract #PT05063 Revenue Contract #C52915	425,000	-	425,000	425,000	Grant awarded for \$150,000 in February 2005 to purchase and install 71 catalyzed diesel particulate filter systems to retrofit certain diesel-fueled buses. In June 2005, the Mobile Source Air Pollution Reduction Committee Board increased award amount to \$603,500. The contract was executed in March 2006 and budgeted in fiscal year 2007. Requisition 41263 was approved in January 2007. In June 2007, the Board approved a reduction of the number of filters to 50, resulting in a new award amount of \$425,000. The project is now incurring expenses and a reimbursement invoice is being prepared.
Fiscal Year 2006 Mobile Source Air Pollution Reduction Committee Contract #MS06002 Revenue Contract #C71246	928,000	-	928,000	628,580	Executed November 2007, this grant provides funding for the purchase and implementation of automated vehicle locator and mobile data terminal equipment to increase the efficiency of the Freeway Service Patrol. The award requires a minimum 25 percent match funded through the Orange County Service Authority for Freeway Emergencies. To date reimbursements from the Mobile Source Air Pollution Reduction Committee total \$299,420 and a reimbursement invoice for \$43,000 was sent in June 2008.
Fiscal Year 2006 Mobile Source Air Pollution Reduction Committee Contract #MS06045 Revenue Contract #C71175	200,000	-	200,000	200,000	Grant executed August 2007. Provides funds to offset capital costs of the compressed natural gas fueling station at the Santa Ana Base. The reimbursement is being prepared.

**Quarterly Grant Status Report**

April thru June 2008

**Current Other Discretionary Grants**

**DISCRETIONARY ALLOCATIONS**

**Air Quality Management District Grant Program and Mobile Source Air Pollution Reduction Review Committee**

Provides grants for the purchase of clean fuel revenue vehicles and other activities to reduce mobile source emissions.

CURRENT GRANT	STATE GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	REMAINING BALANCE	PROJECT STATUS
Fiscal Year 2008 Mobile Source Air Pollution Reduction Committee Contract # TBD Revenue Contract #Cxxxxxx	\$ 1,500,000	\$ -	\$ 1,500,000	\$ 1,500,000	Awarded by the Mobile Source Air Pollution Reduction Review Committee on November 15, 2007, to implement a "Big Rig" pilot program intended to ease congestion by removing disabled trucks along the highly congested Riverside Freeway. This pilot service would operate similar to the Freeway Service Patrol to help mitigate the impacts of goods movement. Project is due to begin during FY 09.
Fiscal Year 2007 Air Quality Management District Contract #08130 Revenue Contract #Cxxxxxx	4,700,000	-	4,700,000	4,700,000	On December 7, 2007, the Air Quality Management District awarded Orange County Transportation Authority \$4.7 million in grant funds through the Fiscal Year 2007 Carl Moyer Grant Program. The award supports the repowering of 188 Orange County Transportation Authority transit buses with new advanced low emission engines with a grant amount of \$25,000 each. The new advanced replacement engines will reduce tail pipe emissions between 600 and 700 pounds per year per vehicle. The reimbursement is being prepared.
Fiscal Year 2006 Mobile Source Air Pollution Reduction Committee Contract #MS07009 Revenue Contract #C80815	800,000	-	800,000	800,000	Awarded on April 6, 2007, this grant helps support the purchase of 40 new compressed natural gas buses equipped with advanced low emission natural gas engines.

**Traffic Congestion Relief Program**

Governor's Traffic Control Relief Program funding for the Garden Grove Project Planning, Construction, Construction Management, Right Of Way

Fiscal Year 2002	\$ 181,205,000	\$ -	\$ 181,205,000	\$ -	In July 2005, Orange County Transportation Authority was granted the remaining allocation of \$123.7 million of Traffic Congestion Relief Program funds. In July 2007 the California Transportation Commission allocated an additional \$1.1M to the Construction Phase of the Garden Grove Freeway. These funds became available from the soundwall project close-out savings. To date, Orange County Transportation Authority has been allocated \$181.2 million with \$12.55 million of the total transferred to the California Department of Transportation for Environmental and Quality Assurance and Quality Control. The amount for quality assurance and quality control to California Department of Transportation was increased from \$4.9 million to \$12.55 million. Reimbursements received to date are \$168.7 million for: Phase 2 (Preliminary Design and detailed Plans, Specifications and Estimates) \$31.2 million, Phase 3 (right-of-way) \$26.1 million and Phase 4 (Initial Mobilization for Construction) \$111.4 million.
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**Quarterly Grant Status Report**  
**April thru June 2008**  
**Current Other Discretionary Grants**

<b>DISCRETIONARY ALLOCATIONS</b>					
<b><u>State Office of Homeland Security</u></b>					
These grants are to be used for the protection of the Orange County's transportation system.					
CURRENT GRANT	STATE GRANT AMOUNT	LOCAL SHARE AMOUNT	TOTAL GRANT AMOUNT	REMAINING BALANCE	PROJECT STATUS
Fiscal Year 2007 Transit Security Grant Program	\$ 1,550,000	\$ -	\$ 1,550,000	\$ 1,550,000	On April 3, 2008, Office of Homeland Security, on behalf of the Department of Homeland Security, awarded Orange County Transportation Authority \$1 million in FY 2007 Transit Security Grant Program grant funds followed by a supplemental award of \$550,000 granted on July 9, 2008. Together, the grant awards are to support the total cost of on-board bus cameras for approximately 127 transit vehicles (\$1.4 million) as well as implement an emergency preparedness-training program for Orange County Transportation Authority (\$150,000). Both projects have received prior Board approval. Staff will request the authorization needed to accept the award and enter grant-related agreements in August 2008.
Fiscal Year 2006 Transit Security Grant Program	950,000	-	950,000	950,000	Funds on-board bus cameras, surveillance system at the Buena Park station and development of a Comprehensive Emergency Operations Plan. The reimbursement is being prepared.
Fiscal Year 2005 Transit Security Grant Program	958,450	-	958,450	-	Funds on-board bus security cameras, bus system security analysis, communication equipment and /or command post vehicle and Emergency Operations Plan review. Reimbursement received in February 2008 for \$958,450.

<b><u>State of California - Proposition 1B Bond Program: California Transit Security Grant Program</u></b>					
<b>Transit System Safety, Security &amp; Disaster Response Account (TSSSDRA)</b>					
Fiscal Year 2008	\$ 3,520,574	\$ -	\$ 3,520,574	3,520,574	On June 30, 2008, OCTA received an award notification for \$3.52 million in Proposition 1B funds allocated through the fiscal year 2008 California Transit Security Grant Program. As directed by the Orange County Transportation Authority Board on June 9, 2008, the funds will support commuter rail right-of-way fencing (\$818,450), video surveillance systems (\$802,124) and key card access systems (\$754,000) at Orange County Transportation Authority base facilities, on-board bus surveillance cameras (\$732,900), rail crossing monitors (\$273,000), and a video surveillance system at the Irvine commuter rail station (\$140,000). The awarded funds do not require local match contributions or cost-sharing arrangements.

**Quarterly Grant Status Report**  
**April thru June 2008**  
**Current Other Discretionary Grants**

<b>DISCRETIONARY ALLOCATIONS</b>					
<b><u>State Transportation Improvement Program</u></b>					
<b>CURRENT GRANT</b>	<b>CALTRANS QA/QC AMOUNT</b>	<b>OCTA TOTAL GRANT AMOUNT</b>	<b>STATE GRANT AMOUNT</b>	<b>REMAINING BALANCE</b>	<b>PROJECT STATUS</b>
2008 State Transportation Improvement Program Capital	\$ -	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	Tustin Rail Station Design phase. Project has just begun incurring expenses.
2008 State Transportation Improvement Program Capital	27,900	251,100	279,000	251,100	Funding for the Santa Ana Freeway El Camino Real Soundwall, Design Phase. The cooperative agreement with California Department of Transportation is being finalized.
2008 State Transportation Improvement Program Capital	27,600	248,400	276,000	248,400	Funding for the Santa Ana Freeway Avenida Vaquero Soundwall, Design Phase. The cooperative agreement with California Department of Transportation is being finalized.
2007 State Transportation Improvement Program Capital	-	2,500,000	2,500,000	2,500,000	Placentia Rail Station Design phase. Project has just begun incurring expenses.
2006 State Transportation Improvement Program Capital	-	3,573,000	3,573,000	-	West Orange County Bus Rapid Transit Guideway, Planning Phase. All reimbursements have been received for this phase as of March 2008.
2006 State Transportation Improvement Program Capital	-	8,310,000	8,310,000	8,310,000	West Orange County Bus Rapid Transit Guideway, Design Phase. Reimbursement in process.
2006 State Transportation Improvement Program Capital	30,600	275,400	306,000	-	Funding for the Santa Ana Freeway South Bound Oso Parkway off-ramp, Planning Phase with California Department of Transportation receiving 10 percent of the allocation for Quality Assurance and Quality Control. Total reimbursements of \$275,400 have been received as of April 2008.
2006 State Transportation Improvement Program Capital	181,400	1,632,600	1,814,000	330,659	Funding for the Santa Ana Freeway South Bound Oso Parkway off-ramp, Design Phase with California Department of Transportation receiving 10 percent of the allocation for Quality Assurance and Quality Control. A final reimbursement for \$330,658.71 will be sent in July 2008.
2006 State Transportation Improvement Program Capital	29,200	262,800	292,000	-	Funding for the Santa Ana Freeway South bound Culver Drive off-ramp. Design Phase with California Department of Transportation receiving 10 percent of the allocation for Quality Assurance and Quality Control. Total reimbursements of \$262,800 have been received as of April 2008.
2006 State Transportation Improvement Program Capital	18,300	164,700	183,000	-	Funding for the Santa Ana Freeway Camino Capistrano interchange, Planning Phase with California Department of Transportation receiving 10 percent of the allocation for Quality Assurance and Quality Control. Total reimbursements of \$167,700 have been received as of July 2007.

<b><u>State Transportation Improvement Program</u></b>					
<b>Programming, Planning, Monitoring (PPM)</b>					
<b>CURRENT GRANT</b>	<b>STATE GRANT AMOUNT</b>	<b>LOCAL SHARE AMOUNT</b>	<b>TOTAL GRANT AMOUNT</b>	<b>REMAINING BALANCE</b>	<b>PROJECT STATUS</b>
Fiscal Year 2007 Program	\$ 1,531,000	\$ -	\$ 1,531,000	\$ 1,531,000	Annual State Transportation Improvement Program allocation for the programming, planning, monitoring. Sent reimbursement of \$787,391.19 on June 30, 2008.
Fiscal Year 2006 Program	1,777,000	-	1,777,000	166,108	Annual State Transportation Improvement Program allocation for the programming, planning, monitoring. Final reimbursement for \$166,108 on June 23, 2008 is pending at California Department of Transportation District 12.
Fiscal Year 2005 Program	1,287,000	-	1,287,000	801,761	Annual State Transportation Improvement Program allocation for the programming, planning, monitoring. Final reimbursement for \$749,000 on October 10, 2007 is pending at California Department of Transportation District 12.
Fiscal Year 2004 Program	3,500,000	-	3,500,000	3,500,000	Annual State Transportation Improvement Program allocation for the programming, planning, monitoring. Submitted final reimbursement for \$3.5 million to California Department of Transportation District 12 on February 5, 2008. Staff fulfilled a California Department of Transportation District 12 request on two occasions for additional information for further clarification to complete project review. Project close-out is continuing at California Department of Transportation District 12.

**Quarterly Grant Status Report**  
**April thru June 2008**  
**Current Other Discretionary Grants**

<b>DISCRETIONARY ALLOCATIONS</b>					
<b>California Integrated Waste Management Board</b>					
<b>CURRENT GRANT</b>	<b>STATE GRANT AMOUNT</b>	<b>LOCAL SHARE AMOUNT</b>	<b>TOTAL GRANT AMOUNT</b>	<b>REMAINING BALANCE</b>	<b>PROJECT STATUS</b>
Targeted Rubberized Asphalt Concrete Incentive Grant Program	\$ 150,000	\$ -	\$ 150,000	\$ 150,000	Funding to help offset the costs of rubberized asphalt on the Garden Grove Freeway Improvement Project. The reimbursement is being prepared.

<b>Federal Highway Administration Grant Program Congestion Mitigation Air Quality</b>					
<b>Federal funding for the Garden Grove Project Construction</b>					
<b>CURRENT GRANT</b>	<b>FEDERAL GRANT AMOUNT</b>	<b>LOCAL SHARE AMOUNT</b>	<b>TOTAL GRANT AMOUNT</b>	<b>REMAINING BALANCE</b>	<b>PROJECT STATUS</b>
Fiscal Year 2007	\$ 26,000,000	\$ -	\$ 26,000,000	\$ 25,192,469	Funding for the design of the high occupancy vehicle direct connectors from Garden Grove Freeway to the San Diego Freeway and the San Gabriel Freeway. Reimbursements to date of \$807,531 with pending reimbursements of \$4,376,539.
Fiscal Year 2004	101,276,120	-	101,276,120	63,109	Funding for the construction of carpool lanes on the Garden Grove Freeway. Amount received to date is \$101,213,011. Staff will seek final reimbursement of \$63,109 at project close-out.

<b>Federal Transit Authority Section 5313 (b) - Transit Planning Grant Program</b>					
<b>Caltrans is the Federal Grant Recipient</b>					
Fiscal Year 2004	\$ 50,000	\$ 12,000	\$ 62,000	\$ 1,614	Funds statewide planning and other technical assistance activities, planning support for non-urbanized areas, research, development and demonstration projects, fellowships for training in the public transportation field, and human resource development. Orange County Transportation Authority is utilizing funding for Intern positions. Requires a cash match of \$5,000 and in-kind match of \$7,000. Final reimbursement of \$1,613.75 is pending.

<b>Federal Highway Administration Grant Program</b>					
<b>Value Pricing Pilot Program for research and potential deployment of OCTA's Performance Monitoring and Pricing Project.</b>					
Fiscal Year 2005 Value Pricing Pilot Program	\$ 588,000	\$ 147,000	\$ 735,000	\$ 588,000	Funds the performance monitoring and pricing pilot project on 91 Express Lanes to review speed and travel time sensor technology options, approaches to dynamic pricing and policy impacts. Funding requires a 20 percent match. During the quarter ending December 31, 2007, the Orange County Transportation Authority entered into a new agreement with a new project management firm to assist in oversight of this project. A reimbursement was submitted for \$9,780 in June 2008.

<b>Federal Emergency Management Agency (FEMA)</b>					
<b>Governor's Office of Emergency Services</b>					
Fiscal Year 2008	\$ 8,192	\$ -	\$ 8,192	\$ -	On May 5, 2008, Orange County Transportation Authority received \$8,192 for reimbursable overtime labor and vehicle expenses incurred by Orange County Transportation Authority in assisting with the October 2007 Southern California wildfires. Staff is awaiting further instructions on any additional grant closeout requirements.
Total	\$ 336,184,336	\$ 18,477,000	\$ 354,661,336	\$ 60,204,874	

**Quarterly Grant Status Report**  
**April thru June 2008**  
**Federal Transit Administration Capital Grant Index**

GRANT NO.	DESCRIPTION	EXECUTED DATE	GRANT BUDGET	UNLIQUIDATED OBLIGATIONS	TOTAL OUTLAYS	TOTAL COMMIT/COSTS	UNCOMMITTED BALANCE	PERCENT COMPLETE	ANTICIPATED CLOSE-OUT
CA-03-0585	Irvine Transportation Center	9/26/2001	\$ 3,101,725	\$ 1,108,651	\$ 1,993,074	\$ 3,101,725	-	64.26%	December '08
CA-03-0626	Cities of Anaheim and Brea	8/25/2002	2,399,920	95,674	2,304,246	2,399,920	-	96.01%	December '08
CA-03-0709	2005 Section 5309 Bus Application	3/3/2005	5,382,915	10,273	2,500,443	2,510,716	2,872,199	46.45%	December '08
CA-03-0754	2006 Section 5309 Bus Application	8/22/2006	1,213,593	-	-	-	1,213,593	0.00%	December '09
CA-90-X962	Program of Projects	9/25/2000	103,942,433	5,307,801	98,634,632	103,942,433	-	94.89%	December '08
CA-90-Y048	Program of Projects	3/4/2001	40,233,887	1,382,245	36,055,983	37,438,228	2,795,659	89.62%	March '09
CA-90-Y163	Program of Projects	8/14/2003	156,072,924	396,424	153,272,788	153,669,212	2,403,712	98.21%	December '08
CA-90-Y237	Program of Projects	8/19/2004	59,188,821	3,502,372	55,357,567	58,859,939	328,882	93.53%	December '08
CA-90-Y349	Program of Projects	9/22/2005	98,924,489	42,402,038	56,522,380	98,924,418	71	57.14%	December '08
CA-90-Y428	Program of Projects	9/28/2006	51,960,105	12,794,500	27,003,109	39,797,609	12,162,496	51.97%	March '09
CA-90-Y540	Program of Projects	12/10/2007	53,935,732	-	24,516,458	24,516,458	29,419,274	45.45%	March '10
CA-90-Y644	Program of Projects	6/11/2008	58,254,172	-	-	-	58,254,172	0.00%	March '11
CA-95-X005	Fiscal Year 2007 Congestion Mitigation and Air Quality Funding Transfer from Federal Highway Administration	8/28/2007	6,268,251	1,059,735	434,931	1,494,666	4,773,585	6.94%	March '10
<b>TOTALS</b>			<b>\$ 640,878,967</b>	<b>\$ 68,059,713</b>	<b>\$ 458,595,611</b>	<b>\$ 526,655,324</b>	<b>\$ 114,223,643</b>	<b>71.56%</b>	

16.



## BOARD COMMITTEE TRANSMITTAL

**September 22, 2008**

**To:** Members of the Board of Directors  
*W.K.*  
**From:** Wendy Knowles, Clerk of the Board  
**Subject:** Fiscal Year 2007-08 Fourth Quarter Budget Status Report

Finance and Administration Committee Meeting of September 10, 2008

Present: Directors Amante, Brown, Buffa, Campbell, Green, and Moorlach  
Absent: None

**Committee Vote**

No action was taken.

**Staff Recommendation**

Receive and file as an information item.



**September 10, 2008**

**To:** Finance and Administration Committee  
*PW*  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Fiscal Year 2007-08 Fourth Quarter Budget Status Report

### ***Overview***

The Orange County Transportation Authority's staff has been monitoring the budget to actual activity for the fiscal year 2007-08 annual budget and reporting the progress to the Board of Directors on a quarterly basis. This report summarizes the material variances between the budget plan and un-audited actual revenues and expenses through the fourth quarter.

### ***Recommendation***

Receive and file as an information item.

### ***Background***

The Board of Directors (Board) approved the Orange County Transportation Authority (OCTA) Fiscal Year (FY) 2007-08 Budget on June 11, 2007. The approved budget itemized the anticipated revenues and expenses necessary to meet OCTA's transportation programs and service commitments. The OCTA budget is a compilation of individual budgets for each of OCTA's funds, including the General Fund; three enterprise funds; eight special revenue funds; two capital project funds; one debt service fund; four trust funds; and two internal service funds.

The approved revenue budget is \$991 million comprised of \$832 million in current year revenues and \$159 million in use of reserves. The approved expenditure budget is \$991 million with \$955 million of current year expenditures and \$36 million of designations.

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

By year-end there were a total of 16 Board approved budget amendments. A summary of each amendment follows:

<b>Fiscal Year 2007-08 Amended Budget</b>		<b>Amount (in thousands)</b>
06/11/2007	Approved Budget	\$ 990,991
07/09/2007	Avenida Vaquero Soundwall	620
07/09/2007	El Camino Real Soundwall	646
07/23/2007	State Transportation Improvement Program - Placentia Transit Station Project	2,500
07/23/2007	State Transportation Improvement Program - Tustin Rail Station Parking	600
08/09/2007	Santa Ana Second Main Track Project	715
08/13/2007	Renewed Measure M Early Action Plan	20,114
08/27/2007	Installation of Radio Equipment for Santa Catalina Island	241
09/24/2007	Alameda Corridor East Grade Environmental Impact	200
10/5/2007	Cooperative Agreement Riverside Freeway Lane Addition	356
10/22/2007	Cooperative Agreement with Buena Park for the Closeout of the Metrolink Station	715
10/22/2007	City of Irvine Guideway Demonstration Project	1,700
11/26/2007	Bus Shelter Cleaning Services	76
2/25/2008	Bus Rapid Transit Traffic Signal Synchronization and Priority Design	12,613
2/25/2008	Bus Stop Accessibility Program	600
2/25/2008	91 Express Lanes / Eastern Toll Road Connector Feasibility Study	350
4/21/2008	Garden Grove Freeway Design-Build Project Settlement Agreement	36,440
6/30/2008	Total Amended Budget	<u>\$ 1,069,477</u>

### ***Discussion***

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

### **Staffing**

A staffing plan of 1,961 full-time equivalent (FTE) positions was approved in the FY 2007-08 budget. The Board amended the staffing plan by 11 positions associated with the Renewed Measure M (M2) Early Action Plan, which increased the budgeted FTEs to 1,972. At the end of June 2008, 1,923 of these positions were filled. Overall the vacancy rate for OCTA was 2.5 percent, with union and administrative groups experiencing a 1.2 and a 6.3 percent vacancy rate, respectively. A breakdown of the vacancy rate by job category is provided on the following page:

**Amended Full-Time Equivalent Vacancy Rate**

<b>Staffing Description</b>	<b>Budget</b>	<b>Filled</b>	<b>Vacant</b>	<b>Vacancy Rate</b>
Coach Operators	1,164.0	1,161.5	2.5	0.2%
Maintenance Union	264.0	251.0	13.0	4.9%
Transportation Communications International Union	45.0	43.0	2.0	4.4%
<i>Union Subtotal</i>	<i>1,473.0</i>	<i>1,455.5</i>	<i>17.5</i>	<i>1.2%</i>
Direct Transit Operations Support	200.0	190.0	10.0	5.0%
Other Administrative	299.0	277.5	21.5	7.2%
<i>Administrative Subtotal</i>	<i>499.0</i>	<i>467.5</i>	<i>31.5</i>	<i>6.3%</i>
<b>Total Authority</b>	<b>1,972.0</b>	<b>1,923.0</b>	<b>49.0</b>	<b>2.5%</b>

**Revenue Summary**

OCTA has increased the approved revenue budget by \$78.5 million. As the table below indicates, the total amended revenue budget for FY 2007-08 is \$1.069 billion. This section of the report focuses on major variances between budgeted and actual revenues through year-end.

**Fiscal Year 2007-08 Amended Revenue Budget**

<b>Revenues (in thousands)</b>	<b>Current Year</b>	<b>Reserves</b>	<b>Federal Sources</b>	<b>Local Sources</b>	<b>Total</b>
Approved Budget	\$ 832,486	\$ 158,505	\$ -	\$ -	\$ 990,991
Amendments		72,070	1,700	4,716	78,486
<b>Total Amended Budget</b>	<b>\$ 832,486</b>	<b>\$ 230,575</b>	<b>\$ 1,700</b>	<b>\$ 4,716</b>	<b>\$ 1,069,477</b>

NOTE: Federal sources includes: Congestion Management and Air Quality, Federal Transit Administration, and capital assistance

Revenues of \$771.7 million are 8 percent under the amended budget of \$838.9 million. Variances at the object summary level are presented on the following page:

Fiscal Year 2007-08 Revenue Summary  
(in thousands)

Description	Year to Date Budget	Year to Date Actual	Variance	%
State Grants	\$ 61,157	\$ 10,479	\$ (50,678)	-82.9%
Sales Tax Revenue	454,863	416,349	(38,514)	-8.5%
Farebox Revenue	56,884	51,433	(5,452)	-9.6%
Federal Capital Assistance Grants	86,803	83,429	(3,374)	-3.9%
Toll Road Revenue	48,865	46,235	(2,629)	-5.4%
Advertising Revenue	4,667	4,625	(41)	-0.9%
Department of Motor Vehicles Fees Revenue	5,160	5,119	(41)	-0.8%
Gas Tax Exchange	23,000	23,000	-	0.0%
Fees and Fines	177	198	21	11.7%
Federal Operating Grants	27,100	27,450	350	1.3%
Rental Income	1,284	1,895	611	47.6%
Property Tax Revenue	10,490	11,178	687	6.6%
Miscellaneous	6,648	8,091	1,443	21.7%
Other Financial Assistance	1,273	6,278	5,005	393.2%
Interest Income	50,529	75,913	25,384	50.2%
<i>Total Revenue</i>	<i>\$ 838,901</i>	<i>\$ 771,672</i>	<i>\$ (67,229)</i>	<i>-8.0%</i>

\*(under) / over

**State Grants:** Actuals of \$10.5 million are \$50.7 million below the budget of \$61.2 million. The variance is primarily due to reimbursements associated with the procurement of an additional 78 40-foot compressed natural gas (CNG) buses for the bus rapid transit (BRT) program (\$40.2 million). These buses were initially slated to be purchased; however, after further review, it was determined that these buses were no longer required and the capital requirements for the program could be absorbed within the contract that was already executed for 299 CNG buses. Furthermore, these funds will be reprogrammed for other projects. In addition, \$9 million of the variance is related to BRT project management and design services that were not fully expensed in this fiscal year due to adjustments in the project's schedule.

**Sales Tax Revenue:** Actuals of \$416.3 million are 8.5 percent below the budget of \$454.9 million. In developing the Measure M and Local Transportation Fund (LTF) sales tax revenue budgets, staff used the first six months of actuals in FY 2006-07 and annualized the remaining half of the year. This amount was escalated based on a blended sales tax growth rate of 4.893 percent developed from three forecasts provided by universities (University of California, Los Angeles, California State University Fullerton, and Chapman University). The underrun is caused by two factors: OCTA began the year with

a lower base sales tax figure because sales tax revenues in the second half of FY 2006-07 were approximately 3 percent less than anticipated. In addition, there has been an actual decline in sales tax revenue, while the projected blended sales tax growth rate was 4.893 percent.

**Farebox Revenues:** Actuals of \$51.4 million are 9.6 percent below the budget of \$56.9 million. The underrun can be partially attributed to the nine-day coach operator strike held in July. During this time, there was minimal service provided, which resulted in a loss of ridership (2 million boardings during the month of July alone). In addition, ridership is lower compared to the same period last year by 5.5 percent. As a result, there is a corresponding underrun in farebox revenues of \$5.4 million, with the largest underrun occurring within regular full fares and local pass fare media for directly operated service.

**Federal Capital Assistance Grants:** Actuals of \$83.4 million are running under the budget by \$3.4 million or 3.9 percent primarily due to pending reimbursements related to the purchase of 70 paratransit cutaways and 22 mid-size contracted fixed route buses. In addition, an order for 36 40-foot CNG buses was cancelled after concluding that no service growth is being forecasted for bus operations in the near future. However, this underrun is offset by federal fund reimbursement related to prior year bus purchases. It is not uncommon to receive reimbursements in subsequent years related to prior year activity, especially due to the long lead-time associated with the manufacturing of revenue vehicles.

**Toll Road Revenue:** Actuals of \$46.2 million are below the budget by \$2.6 million. This underrun is due to the downturn in the economy and higher fuel prices. As a result, the number of commuters actually utilizing the 91 Express Lanes has decreased. The number of trips are down by 7.9 percent in this current year when compared to the same period last year.

**Miscellaneous:** Actuals of \$8.1 million are over the budget by \$1.4 million or 21.7 percent. This variance is caused primarily by OCTA receiving approximately \$1 million for tenant improvements associated with the lease agreement for the Orange administration building.

**Other Financial Assistance:** Actuals are running \$5 million over the budget of \$1.3 million. The majority of the variance is attributed to reimbursable projects that were budgeted in prior years. As these projects are being completed, OCTA is receiving reimbursements from various cities and agencies. These projects include the City of Irvine's Jeffrey Road grade separation project (\$3.3 million) and City of Garden Grove's partial repayment of the Magnolia Street bridge associated with the Garden Grove Freeway (State Route 22) design-build project (\$1.7 million).

**Interest Income:** Actuals of \$75.9 million are approximately \$25.4 million above the budgeted amount of \$50.5 million. The OCTA budgeted 5 percent for the fiscal year. Total return for the short-term portfolio was approximately 200 basis points higher during FY 2008. A flight to quality contributed to the returns as investors continued to move funds toward safety and liquidity by purchasing treasury, agency, and high-quality corporate securities.

#### **Expense Summary**

The expenditure budget has been increased by \$78.5 million as a result of 16 Board approved amendments that were summarized previously. As the table below indicates, the amended expenditure budget for FY 2007-08 is \$1.069 billion.

#### **Fiscal Year 2007-08 Amended Expenditure Budget**

In Thousands	Current Year	Designations	Total
Approved Budget	\$ 954,866	\$ 36,125	\$ 990,991
Amendments	78,486	-	78,486
<b>Total Amended Budget</b>	<b>\$ 1,033,352</b>	<b>\$ 36,125</b>	<b>\$ 1,069,477</b>

This next section focuses on major variances between budgeted and actual expenditures through year-end. These variances are explained at an object summary level based on the expense summary table included on the following page. Actual expenditures of \$739.4 million represent a 28.5 percent underrun in comparison to the amended budget of \$1.033 billion.

Fiscal Year 2007-08 Expense Summary

<i>In Thousands</i>	Budget	Actual	Variance	%
<u>Description</u>				
<u>Salaries</u>				
Compensated Absences	\$ 11,692	\$ 12,228	\$ (536)	-4.6%
Salaries	98,668	95,165	3,503	3.6%
<i>Total Salaries</i>	<i>\$ 110,360</i>	<i>\$ 107,393</i>	<i>\$ 2,966</i>	<i>2.7%</i>
<u>Benefits</u>				
Pensions	\$ 22,695	\$ 23,646	\$ (951)	-4.2%
Insurances	2,302	2,312	(10)	-0.4%
Other Benefits	4,336	4,014	322	7.4%
Health Care	19,138	18,096	1,043	5.4%
<i>Total Benefits</i>	<i>\$ 48,472</i>	<i>\$ 48,067</i>	<i>\$ 404</i>	<i>0.8%</i>
<i>Total Salaries and Benefits</i>	<i>\$ 158,831</i>	<i>\$ 155,461</i>	<i>\$ 3,371</i>	<i>2.1%</i>
<u>Services and Supplies</u>				
Miscellaneous Expense	\$ 1,385	\$ 1,895	\$ (509)	-36.8%
Fuels and Lubricants	18,478	18,806	(328)	-1.8%
Debt Service	100,973	101,249	(276)	-0.3%
Taxes	12	282	(270)	-2327.4%
Utilities	2,987	2,926	61	2.1%
Leases	5,668	5,549	118	2.1%
Tires and Tubes	2,412	2,200	212	8.8%
Advertising Fees	1,135	898	237	20.9%
Other Materials and Supplies	1,951	1,690	261	13.4%
Travel, Training, Mileage	1,680	1,272	408	24.3%
Contract Transportation	40,635	39,886	748	1.8%
Maintenance Expense	9,529	7,965	1,564	16.4%
Office Expense	4,707	3,101	1,606	34.1%
Outside Services	42,185	37,685	4,500	10.7%
Insurance Claims Expense	13,858	7,085	6,773	48.9%
Professional Services	116,982	93,838	23,143	19.8%
Contributions to Other Agencies	263,114	156,409	106,705	40.6%
<i>Total Services and Supplies</i>	<i>\$ 627,690</i>	<i>\$ 482,736</i>	<i>\$ 144,954</i>	<i>23.1%</i>
<u>Capital and Fixed Assets</u>				
Work In Process	\$ 74,501	\$ 54,672	\$ 19,829	26.6%
Construction in Progress	67,728	18,914	48,815	72.1%
Capital Expense-Local Funding	104,602	27,577	77,024	73.6%
<i>Total Capital and Fixed Assets</i>	<i>\$ 246,831</i>	<i>\$ 101,163</i>	<i>\$ 145,668</i>	<i>59.0%</i>
<i>Total All Expenses</i>	<i>\$ 1,033,352</i>	<i>\$ 739,359</i>	<i>\$ 293,993</i>	<i>28.5%</i>

\*under / (over)

**Salaries and Benefits:** Actuals of \$155.5 million are 2.1 percent under the budget of \$158.8 million. The largest contributor to the underrun is within salaries, which is under the budget by \$3.5 million or 3.6 percent. There are a couple of factors that have contributed to the underrun, one is the coach operator strike and the other is the administrative vacancy rate of 6.3 percent. The nine-day coach operator strike, which took place in July accounts for approximately \$1.8 million of the underrun. In addition, the OCTA-wide vacancy rate (excluding coach operators) is contributing \$1.7 million to the overall variance.

**Services and Supplies:** Actuals of \$482.7 million are 23.1 percent below the budget of \$627.7 million. Detailed explanations have been provided for the sub-categories with the largest variances.

**Maintenance Expense:** Actuals of \$8 million are under the budget of \$9.5 million by 16.4 percent. The underrun can be primarily attributed to lower than anticipated parts cost at the Garden Grove and Santa Ana bases. The Garden Grove Base houses 50 percent of the liquefied natural gas (LNG) buses, which recently received engine refurbishments and are under warranty. The Santa Ana Base houses 97 percent of the CNG buses which are also under warranty, thus contributing to the lower usage.

**Office Expense:** Actuals are under the budget of \$4.7 million by \$1.6 million or 34.1 percent. The majority of the variance is related to software (\$0.5 million), printing (\$0.5 million), and postage (\$0.4 million). Expenses in these categories are budgeted based on historical actuals and primarily used on an as needed basis and are difficult to predict throughout the year.

**Outside Services:** Actuals are under the budget of \$42.2 million by \$4.5 million or 10.7 percent. The variance is spread across underruns in multiple funds which includes: Commuter Urban Rail Endowment (CURE) Fund for \$2.6 million, Orange County Transit District (OCTD) Fund for \$0.9 million, the 91 Express Lanes Fund for \$0.5 million, and the Service Authority for Freeway Emergencies (SAFE) Fund for \$0.3 million.

Within the CURE Fund, the variance of \$2.6 million can be attributed to an underrun within the Metrolink rehabilitation and renovation (\$2.5 million). The Metrolink rehabilitation and renovation line item was inadvertently budgeted in both outside services and contribution to other agencies expense categories. The actuals related to this line item are being recorded under the contributions to other agencies, thus contributing to the variance.

The variance within the OCTD Fund can be attributed to several line items. A portion of the variance (\$0.3 million) is due to lower than anticipated costs for maintenance and repairs for the CNG facility at the Santa Ana Base. The CNG

fueling facility did not operate at capacity for September through December due to contaminated fuel, which meant that ongoing repairs and maintenance were not occurring. Also, during the nine-day strike, no repairs or maintenance to the vehicles were performed.

In addition, as part of the coach operator strike, funds were identified and transferred to create a security services line item. These funds were not utilized as anticipated and are contributing another \$0.4 million to the variance. Lastly, there are a variety of revenue vehicle and equipment repair line items that were not utilized as anticipated totaling \$0.2 million.

The 91 Express Lanes Fund is contributing \$0.5 million to the overall variance due to two line items, payment card industry data security standards (\$0.3 million) and roadway repair materials (\$0.2 million). Expenses related to payment card industry data security standards were temporarily placed on hold, pending an assessment of requirements to meet security measures. This line item has been rebudgeted in the next fiscal year. Roadway repair materials are utilized on an as needed basis depending on the wear and tear of the roadway and any accidents which can result in the replacement of general roadway equipment. This line item is difficult to project based on the unpredictability of when an accident may occur.

Within the SAFE Fund, the variance of \$0.3 million is associated with the Freeway Service Patrol towing services which is under the budget by \$0.3 million. The variance is attributed to the budgeted cost of \$70 per hour for towing services running lower than anticipated due to an average negotiated rate of \$62.24 per hour.

**Insurance Claims Expense:** Insurance claims represent expenses associated with workers' compensation (WC) and personal liability/property damage (PL/PD) losses. The actuals of \$7.1 million are 48.9 percent below the budget of \$13.9 million. The primary reasons for the underrun is associated the WC claims expense (\$5 million). The underrun in WC claims expense stems from the fact that the budget is derived from an actuarial based projection, and actuals continue to come in below the estimate. Furthermore, there continues to be positive downturn in WC expenses due to a collaborative effort from OCTA staff including the implementation of:

- Safety classes taught at the bases reducing accidents/claims
- A program which shares WC savings with coach operators as an incentive to reduce claims
- Aggressive action taken by the Risk Management Department to close claims quickly

The balance of the variance within the insurance claims category is attributed to the PL/PD claims expense and excess liability for \$1.2 million. The budget was developed utilizing an actuarial based projection of claims payout derived from a report conducted in 2006. However, the frequency and severity of claims has been less than anticipated during this current fiscal year, which has resulted in lower costs to OCTA.

**Professional Services:** Actuals of \$93.8 million are 19.8 percent under the budget of \$117 million. The variance can be attributed to underruns in the M2 Fund (\$6.6 million), General Fund (\$5.7 million), Measure M Fund (\$4.4 million), OCTD Fund (\$3.0 million), 91 Express Lanes Fund (\$1.5 million), CURE Fund (\$1.2 million), and Internal Service Funds (ISF) for \$0.6 million.

Within the M2 Fund, the primary reason for the \$6.6 million variance is related to the San Diego Freeway (Interstate 405) between Los Alamitos and the Costa Mesa Freeway (State Route 55), Project K. The environmental phase of this project was rescheduled for next fiscal year, due to the delay in releasing the draft project study report which occurred in April 2008. As a result, this phase of the project is scheduled to be awarded by December 2008.

Within the General Fund, the variance is primarily due to the Placentia Transit Station project (\$2.5 million), video surveillance system (VSS) project (\$1.6 million), and Tustin Parking Expansion Project (\$1.1 million).

The Placentia Transit Station project schedule was revised to allow OCTA the opportunity to finalize the scope of work (SOW) with the City of Placentia. As a result, this project was rebudgeted in the next fiscal year. As for the VSS project, the schedule was adjusted due to the recruitment and restructuring of the security manager position to the Transit Division. The Tustin Parking Expansion Project is currently on hold pending resolution of operations and maintenance cost with the City of Tustin; as a result, this project has also been shifted to next fiscal year.

The Measure M Fund is contributing \$4.4 million to the overall variance. This variance is attributed to the west county connectors design (\$1.8 million), Laguna Niguel and Mission Viejo parking expansion design (\$1.1 million), State Board of Equalization (SBOE) fees (\$0.9 million), and the on-call traffic engineering services (\$0.5 million).

The West County Connectors Design Project is contributing \$1.8 million to the variance because it was anticipated that gas lines running along side the freeway would need to be relocated and incorporated into the design. However, after further review it was determined that it was not necessary for these gas lines to be relocated.

The Laguna Niguel / Mission Viejo parking expansion project is contributing \$1.1 million to the variance and is currently in the conceptual design stage with the cities. The project has been placed on hold pending concerns from the cities on operation and maintenance costs associated with this parking structure. Furthermore, this project has been rebudgeted to allow sufficient time to get these issues resolved.

The SBOE has revised its formula for charging administrative fees, which were budgeted at 1.5 percent, while actuals were closer to 0.9 percent. This change in formula combined with lower than anticipated sales tax revenues is contributing \$0.9 million to the overall variance.

On-call traffic engineering services are contributing \$0.5 million to the overall variance. These services are used on an as needed basis and have not been required as originally expected.

As for the OCTD Fund, the \$3 million underrun is primarily related to the BRT project management services. This variance is due to the project schedule being revised, as a result, this item has been re-budgeted next fiscal year.

The 91 Express Lanes is contributing \$1.5 million to the underrun primarily due to consultants for operational and technical services support. These services were temporarily placed on hold pending the recruitment of a project manager and have since been rebudgeted for next fiscal year.

As for the CURE Fund, the underrun of \$1.2 million is primarily attributed to project study reports associated with the grade separations (\$0.7 million) and commuter rail on-call planning and engineering services (\$0.5 million). After further review, the project study report for the grade separations was rebudgeted for next fiscal year. Finally, on-call planning and engineering services are utilized on an as needed basis and were not required as originally planned.

Within the Internal Service Funds, the variance (\$0.6 million) is attributed to the legal fees and costs budgeted for PL/PD liability lawsuits. Legal fees are utilized on an as needed basis; therefore, the frequency and timing is difficult to predict. Legal fees include, but are not limited to, accident reconstruction expenses, independent medical exams, and expert witness testimony to defend OCTA in legal liability matters. As with legal fees, legal costs are incurred on an as-needed basis and are difficult to predict.

**Contributions to Other Agencies:** Actuals of \$156.4 million are 40.6 percent below the budget of \$263.1 million. The variance can be primarily attributed to the following projects: the Metrolink program (\$49.4 million), the Bristol Street widening project (\$13 million), Go Local Project (\$9.8 million), grade crossing

safety enhancement (\$9.5 million), eastern area maintenance facility project (\$5 million), the Alton Parkway and Bake Parkway layover facility (\$5 million), the Keller Street yard storage facility (\$3.6 million), and VSS project for \$2.5 million.

Within the Metrolink program, the items contributing to the variance include locomotives, cab and rail cars (\$28.9 million), turnback facility, and additional tracks at Fullerton (\$11.4 million), Laguna Niguel (\$6.2 million), and signal control points and communications (\$2.9 million).

First, the operating agency for Metrolink, Southern California Regional Rail Authority (SCRRA), is continuing to invoice the various agencies involved in the cooperative agreement for the purchase of the rolling stock. The budget is developed based on SCRRA's projected invoices to OCTA for each fiscal year. However, over the fiscal year, invoicing was first distributed to other agencies within the cooperative agreement and OCTA is just now beginning to be billed for its share and anticipates the balance of invoices to arrive in the upcoming fiscal year.

The turnback facilities and additional tracks at Fullerton (\$11.4 million) and Laguna Niguel (\$6.2 million) combined are contributing \$17.6 million to the overrun within the Metrolink program. The Laguna Niguel turnback facility and additional track was placed on hold during the fiscal year because another location in the City of Irvine was being considered. After further review the new location was found to have severe physical constraints, including the need to relocate a high number of underground utilities, making it both costly and time consuming to advance further. A new location in Laguna Niguel is now the focus of attention and is expected to proceed in the next fiscal year.

As for the Fullerton turnback facility and additional tracks, the project has been refined and modified, resulting in a decreased cost estimate. In addition, this project requires access through property owned by the Burlington Northern Santa Fe (BNSF) Railway, and staff is currently in discussions with BNSF Railway to gain access through its territory. These discussions have placed this project on hold in the current year and therefore have been rebudgeted to next year pending these discussions.

The signal control points and communications line item is contributing \$2.9 million to the variance. These funds, will be utilized for construction of systemwide improvements for signalization, control points, and communication systems and will be expensed as invoices are received from SCRRA, the lead agency on this project. These funds were not expensed in the current year due to a longer than expected time frame to finalize the cooperative agreement between all agencies. The cooperative agreement has been finalized and is now budgeted as part of the reliability improvements line item in FY 2008-09.

The Bristol Street widening project, which is contributing \$13 million to the overall variance is due to street improvement plans being finalized. This involves coordination with the Southern California Edison (SCE) company, the Orange County Sanitation District (OCSD), and the Metropolitan Water District (MWD).

As for the Go Local program, the variance of \$9.8 million is primarily due to Step 2 of the program. While all 34 cities have submitted request for reimbursement for Step 1, only four cities had made significant progress into the next phase of the program during the fiscal year. An additional 13 cities had submitted their final reports by year end. OCTA has begun reviewing and evaluating the reports and an update is expected to go to the Board this year.

The grade crossing safety enhancements (\$9.5 million) project schedule has been revised due to an extended amount of coordination with the Public Utilities Commission (PUC) and SCRRA. In addition, the length of time to finalize the SOW was longer than anticipated. Expenses are not expected to be incurred in the current fiscal year as this item has been rebudgeted in the next fiscal year.

The eastern area maintenance facility (\$5 million) has been delayed pending negotiations with the BNSF Railway and SCRRA. Staff has rebudgeted this item in next year's budget, allowing time for these agencies to reach an agreement.

The Alton Parkway and Bake Parkway layover facility (\$5 million) was considered and determined to have severe physical constraints, including the need to relocate a high number of underground utilities. Furthermore, after these findings, it was determined that the layover facility be located closer to a terminal point to minimize deadhead time, making it more cost effective for daily operations of rail service. Thus, no expenses will be incurred in the current fiscal year for this project. An alternative site has been located along the railroad right-of-way (ROW) in the City of Anaheim and discussions are underway between OCTA, SCRRA, and the City of Anaheim.

Furthermore, the Keller Street project (\$3.6 million) was initially delayed due to various design issues. This project has been rebudgeted for next year in anticipation of these design issues being resolved.

As for the VSS project, the variance (\$2.5 million) is because the schedule was adjusted due to the recruitment and restructuring of the security manager position to the Transit Division.

### Capital and Fixed Assets Summary

Capital and fixed assets actuals of \$101.2 million are 59 percent below the budget of \$246.8 million. The primary variances are associated with the work in process, construction in progress, and capital expense categories.

**Work in Process:** Actuals of \$54.7 million are running 26.6 percent below the budget of \$74.5 million. The primary reason for the underrun is related to the development of the Anaheim Regional Transportation Intermodal Center (ARTIC) project (\$16.8 million). As OCTA continues to plan for the development of the ARTIC project, the schedule was extended to allow both OCTA and the City of Anaheim to further evaluate the next steps before proceeding. Based on the results of this evaluation, a more concrete expense cashflow will be projected in the following fiscal year.

**Construction in Progress:** Actuals of \$18.9 million are 72.1 percent or \$48.8 million under the budgeted amount of \$67.7 million. The variance is comprised of multiple line items which include the following: Metrolink expansion acquisition for \$24.3 million, the Santa Ana Freeway (Interstate 5) Gateway construction support and utility relocation (\$12 million), Laguna Niguel / Mission Viejo Metrolink parking expansion (\$5 million), the west county connectors advance utility relocation (\$5 million), and the Aliso Creek soundwall project (\$1 million).

The Metrolink expansion acquisition is contributing \$24.3 million to the overall variance due to delays in the environmental process, which has affected the acquisition of properties. The final environmental document was approved by the Board in May 2008, and staff was granted approval to move forward with property acquisition.

The Interstate 5 (I-5) Gateway project is contributing \$12 million to the overall variance due to the following items: construction (\$4.7 million), utility relocation (\$3.6 million), Union Pacific Rail Road (UPRR) storage track relocation (\$2 million), earth grading services (\$0.7 million), city cooperative agreements (\$0.4 million), ROW acquisition (\$0.4 million), and freeway patrol services (\$0.2 million). These underruns are driven by changes within the project schedule and have been rebudgeted in FY 2009.

A variance of \$5 million is due to the Laguna Niguel / Mission Viejo Metrolink parking expansion due to the pending confirmation and cost agreement between OCTA and the City of Laguna Niguel. This project is being rebudgeted in FY 2009.

The variance for utility relocations expenses related to the west county connectors was originally budgeted due to the relocation of two gas lines

running along the Interstate 405 (I-405). However, after further review it was determined that the relocation of these two gas lines was no longer required, thus, contributing to the variance of \$5 million.

The variance of \$1 million related to the Aliso Creek soundwall is due to bids coming in lower than initially anticipated compared to the development of the budget.

**Capital Expense-Local Funding:** Actuals of \$27.6 million are running \$77 million or 73.6 percent under the budget of \$104.6 million.

There are several line items within the Transit Division and the 91 Express Lanes Fund that are contributing \$75.8 million to the overall variance. The Transit Division is contributing \$72.6 million and the 91 Express Lanes budget is contributing \$3.2 million under this category of capital expenses.

Within the Transit Division, \$60.6 million of the \$72.6 million variance is primarily due to two separate bus purchase orders that were cancelled due to the reduction of revenue vehicles hours based on the Comprehensive Business Plan (CBP). The first cancellation was related to the option to acquire 78 buses; however OCTA made the decision to absorb the BRT service hours within existing service levels. Secondly, an order for the purchase of 36 CNG buses was cancelled after having researched and concluded that no service growth is forecasted for bus operations in the near future.

Also, within the Transit Division, an underrun of \$6 million is due to the paratransit radio replacement project which was rolled over to the following fiscal year in order to expand the scope of the project to include the fixed route radio system.

In addition, building upgrades at the Irvine Construction Circle (\$3.5 million) and the CNG fueling station gas line at the Garden Grove Base (\$2.5 million) are also contributing to the variances, as contractors are working on preparation of preconstruction document submittals.

Within the 91 Express Lanes section, the items contributing to the variance include the electronic toll system technology upgrade (\$1.5 million), lane cutter project (\$1 million), roadway repairs (\$0.4 million), and toll pro major version upgrade (\$0.3 million).

The electronic toll system technology upgrade project (\$1.5 million) was originally scheduled to be expensed in October 2007. However, this project along with the toll pro major version upgrade (\$0.3 million) is currently on hold,

pending the recruitment of an information technology project manager, which is anticipated to take place in the next fiscal year.

The lane cutter project will place cameras at the entry and exit of the 91 Express Lanes to verify motorists entered the lanes at the beginning of the toll lanes and not in between. This project is being delayed until next fiscal year pending a response from California Department of Transportation (Caltrans) examining the feasibility of placing a concrete barrier between the general and express lanes.

Roadway repairs covers costs associated with maintaining the 91 Express Lanes. Repairs are incurred based on the results of an annual 91 Express Lanes pavement management report (PMR) update. Staff anticipates to receive the results of this report in the second quarter of FY 2008-09. At that time, staff will review the final report and anticipates to begin any identifiable repairs soon thereafter.

A fund level analysis as well as fund level financial schedules for the General Fund, Local Transportation Authority Fund, Orange County Transit District Fund, 91 Express Lanes Fund, and the Internal Service Funds are included as Attachments A and B.

### **Summary**

In summary, Orange County Transportation Authority's revenues are running under the budget primarily due to state grants, lower than anticipated sales tax revenue and reduced bus fare revenue. The state grants revenue is lower due to the cancellation of several bus purchases, while sales tax revenues is lower primarily due to a decrease in the base sales tax figure used to forecast the current year's budget and the economic downturn that resulted in no growth compared to the projected 4.893 growth rate. The underrun in bus fare revenue can be partially attributed to the nine-day work stoppage held in July and ridership being lower compared to the same period last year by 5.5 percent. The underrun in revenues is partially offset with an overrun in interest income. The net result in revenues represents an underrun through the fourth quarter of \$65.8 million or 7.8 percent.

Total expenditures are running under the budget by \$294 million with the salaries and benefits budget under by \$3.4 million or 1.2 percent. This variance is primarily due to the existing vacancies and the impact of the work stoppage.

The services and supplies budget accounts for \$145 million or 49.2 percent of the underrun primarily due to various contributions to other agencies and professional service line items. Items contributing to the overall variance include the Metrolink expansion program (\$49.4 million), Bristol Street widening

project (\$13 million), Go Local project (\$9.8 million), grade crossing safety enhancement (\$9.5 million), the I-405 between Los Alamitos and the SR-55, Project K (\$6.6 million), eastern area maintenance facility project (\$5 million), and Alton Parkway and Bake Parkway layover facility (\$5 million).

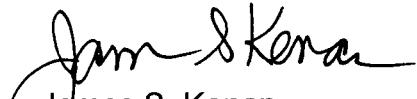
Capital and fixed assets is contributing \$145.7 million or 49.6 percent to the overall variance in expenses. Items contributing to the overall variance include: BRT and general bus replacement purchases \$60.6 million, Metrolink expansion acquisition (\$24.3 million), ARTIC (\$16.8 million), I-5 Gateway construction support and utility relocation (\$12 million), Laguna Niguel / Mission Viejo Metrolink parking expansion (\$5 million), and the west county connectors advance utility relocation (\$5 million).

**Attachments**

- A. Fund Level Analysis
- B. Fund Level Financial Schedules

**Prepared by:**

Victor Velasquez  
Senior Financial Analyst  
Financial Planning and Analysis  
(714) 560-5592

**Approved by:**

James S. Kenan  
Executive Director, Finance,  
Administration and Human Resources  
(714) 560-5678

## **ATTACHMENT A**

### **Fund Level Analysis**

#### **General Fund – Revenue Summary**

Revenues are running \$13.2 million under the budget of \$28.7 million, while expenditures are under by \$31.1 million compared to a budget of \$109.6 million or 28.4 percent.

#### **Variance Analysis – Revenues**

Note: It is not uncommon for revenues in these categories to be received in future years rather than the year in which they were originally budget.

**Federal Capital Assistance Grants:** Actuals of \$2.8 million are running under the budget by \$9 million primarily due to the video surveillance system (VSS) (\$2.9 million) project, the Irvine Transportation Center construction (\$2.5 million), and City of Irvine Guideway Demolition (\$1.7 Million). Reimbursement for these projects will be sought once expenses are incurred.

**State Assistance:** Actuals are running under the budget by \$8.9 million or 56.8 percent primarily due to the bus rapid transit (BRT) project. This project is underway and a contract has been awarded to design, furnish, install, and test of the BRT intelligent transportation system (ITS), traffic signal synchronization (TSS) project, and transit signal priority (TSP). Reimbursement for these projects will be sought once expenses are incurred.

**Miscellaneous:** Actuals are running \$1.1 million over the budget of \$0.4 million. This is primarily related to the receipt of \$1 million for tenant improvements associated with the lease agreement for the Orange administration building.

**Other Financial Assistance:** Actuals are running \$3.4 million over the budget of \$0.5 million. This variance is the result of the Orange County Transportation Authority (OCTA) receiving \$3.3 million in Regional Surface Transportation Program funds from the City of Irvine, based on the cooperative agreement associated with the Jeffrey Road grade separation project.

#### **Variance Analysis – Expenses**

**Salaries and Benefits:** Actuals of \$33.7 million are 4.8 percent under the budget of \$35.4 million. The largest contributor to the underrun is within salaries, which is under the budget by \$1 million or 4.5 percent. The main factor that is contributing to this underrun is due to administrative vacancies, which are currently at 6.3 percent.

**Professional Services:** Actuals are running under the budget by \$11.5 million. The variance can be primarily attributed to the BRT project management services (\$3.1 million), the Placentia transit station project (\$2.5 million), VSS system project (\$1.6 million), and the Tustin parking expansion project (\$1.1 million).

The variance for the BRT program is due to the project schedule being revised, as a result, this item has been re-budgeted next fiscal year.

The Placentia transit station project schedule was revised to allow OCTA the opportunity to finalize the scope of work (SOW) with the City of Placentia. As a result, this project was re-budgeted in the next fiscal year. As for the VSS project, the schedule was adjusted due to the recruitment and restructuring of the security manager position to the Transit Division. The Tustin parking expansion project is currently on hold pending resolution of operations and maintenance cost with the City of Tustin, as a result, this project has also been shifted to next fiscal year.

**Contributions to Other Agencies:** Actuals are under the budget by \$17.5 million. The underrun is primarily due to the Bristol Street Widening Project. Staff has recognized the slowdown in repayment requests due to street improvement plans being finalized. This involves coordination with the Southern California Edison (SCE) company, Orange County Sanitation District (OCSD), and Metropolitan Water District (MWD).

#### **Local Transportation Authority (LTA) Fund – Revenue and Expense Summary**

Revenues of \$315.9 million are \$36.5 million or 10.4 percent under the budget of \$352.5 million. Expenditures of \$208.9 million are also under the budget by 37.3 percent or \$124.1 million.

##### **Variance Analysis – Revenues**

**Taxes and Fees:** Actuals are running 10.4 percent below the budget of \$300.3 million. This category represents the ½ cent LTA sales tax revenues. Sales tax receipts are administered and advanced by the State Board of Equalization (SBOE) based on transactions and use tax within the County. In developing the sales tax revenue budget, staff used the first six months of actuals in fiscal year (FY) 2006-07 and annualized the remaining half of the year, which is then escalated based on a blended sales tax growth rate of 4.893 percent. The underrun is caused by two factors: OCTA began the year with a lower base sales tax figure because sales tax revenues in the second half of FY 2006-07 were approximately 3 percent less than anticipated. In addition, there has been an actual decline in sales tax revenue, while the projected blended sales tax growth rate was 4.893 percent.

**Federal Capital Assistance Grants:** Actuals are running \$12 million or 44.2 percent under the budget of \$27.1 million. This underrun is related to reimbursements for project costs related to the Garden Grove Freeway (State Route 22). Revenues in the category can be received in future

years, rather than the year in which they are reflected in the budget. On the same note, reimbursements budgeted in prior years, as in this case, can be received in the current year.

**Other Financial Assistance:** Actuals are running \$2 million over the budget. The majority of the variance in this category is attributed to reimbursable projects that were budgeted in prior years. As these projects are being completed, OCTA is receiving reimbursements from various cities and agencies. In this particular case, the reimbursements being received here are related to the City of Garden Grove's partial repayment of the Magnolia Bridge associated with the State Route 22 (SR-22) design-build project (\$1.7 million).

**Interest Income:** Actuals of \$30.3 million are approximately \$7.7 million above the budgeted amount of \$22.6 million. The OCTA budgeted 5 percent for the fiscal year. Total return for the short-term portfolio was approximately 200 basis points higher during FY 2008. A flight to quality contributed to the returns as investors continued to move funds toward safety and liquidity by purchasing treasury, agency and high-quality corporate securities.

### **Variance Analysis – Expenses**

**Contributions to Other Agencies:** Actuals of \$104.5 million are \$57.6 million or 35.5 percent below the budget of \$162.1 million. This underrun is primarily related to the Metrolink program line items, which includes rolling stock (\$28.9 million), turnback facility and additional tracks at Fullerton (\$11.4 million), Laguna Niguel (\$6.2 million), and the signal control points and communications (\$2.9 million).

First, the operating agency for Metrolink, Southern California Regional Rail Authority (SCRRA), is continuing to invoice the various agencies involved in the cooperative agreement for the purchase of rolling stock. The budget was developed based on SCRRA's projected invoices to OCTA for each fiscal year. However, invoicing was first distributed to other agencies within the cooperative agreement, and OCTA is just now beginning to be billed for its share and anticipates the balance of invoices to arrive in the upcoming fiscal year.

The turnback facilities and additional tracks at Fullerton (\$11.4 million) and Laguna Niguel (\$6.2 million) combined are contributing \$17.6 million to the overrun within the Metrolink program. The Laguna Niguel turnback facility and additional track was placed on hold during the fiscal year because another location in the City of Irvine was being considered. After further review the new location was found to have severe physical constraints, including the need to relocate a high number of underground utilities, making it both costly and time consuming to advance further. A new location in Laguna Niguel is now the focus of attention and is expected to proceed in the next fiscal year.

As for the Fullerton turnback facility and additional tracks, the project has been refined and modified, resulting in a decrease cost estimate. In addition, this project requires access through property owned by the Burlington Northern Santa Fe (BNSF) Railway, and staff is currently in discussions with BNSF Railway to gain access through its territory. These discussions have placed this project on hold in the current year and therefore have been re-budgeted to next year pending these discussions.

The signal control points and communications line item is contributing \$2.9 million to the variance. These funds, will be utilized for construction of system wide improvements for signalization, control points, and communication systems and will be expensed as invoices are received from SCRRA, the lead agency on this project. These funds were not expensed in the current year due to a longer than expected time frame to finalize the cooperative agreement between all agencies. The cooperative agreement has been finalized and is now budgeted as part of the reliability improvements line item in FY 2008-09.

**Work in Process:** Actuals of \$41.5 million are running 32.5 percent below the budget of \$61.4 million. The primary reason for the underrun is related to the development of the Anaheim Regional Transportation Intermodal Center (ARTIC) project. As OCTA continues to plan for the development of the ARTIC project, the schedule was extended to allow both OCTA and the City of Anaheim to further evaluate the next steps before proceeding. Based on the results of this evaluation, a more concrete expense cashflow will be projected in the following fiscal year.

**Construction in Progress:** Actuals of \$14.8 million are \$47.5 million under the budget of \$62.4 million. The variance is comprised of multiple line items which include the following: Metrolink Expansion Acquisition for \$24.3 million, the Santa Ana Freeway (Interstate 5) Gateway construction support and utility relocation (\$12 million), Laguna Niguel / Mission Viejo Metrolink parking expansion (\$5 million), the west county connectors advance utility relocation (\$5 million), and Aliso Creek soundwall project (\$1 million).

The Metrolink expansion acquisition is contributing \$24.3 million to the overall variance due to delays in the environmental process, which has affected the acquisition of properties. The final environmental document was approved by the Board in May 2008, and staff was granted approval to move forward with property acquisition.

The Interstate 5 (I-5) gateway project is contributing \$12 million to the overall variance due to the following items: construction (\$4.7 million), utility relocation (\$3.6 million), Union Pacific Rail Road (UPRR) storage track relocation (\$2 million), earth grading services (\$0.7 million), city cooperative

agreements (\$0.4 million), right-of-way acquisition (\$0.4 million), and freeway patrol services (\$0.2 million). These underruns are driven by changes within the project schedule and have been re-budgeted in FY 2009.

A variance of \$5 million is due to the Laguna Niguel / Mission Viejo Metrolink parking expansion due to the pending confirmation and cost agreement between OCTA and the City of Laguna Niguel. This project is being re-budgeted in FY 2009.

The variance for utility relocations expenses related to the west county connectors was originally budgeted due to the anticipation of relocating two gas lines running along the San Diego Freeway (Interstate 405). However, after further review it was determined that the relocation of these two gas lines was no longer required, thus, contributing to the variance of \$5 million.

The variance of \$1 million related to the Aliso Creek soundwall is due to bids coming in lower than initially anticipated compared to the development of the budget.

### **Orange County Transit District Fund – Revenue and Expense Summary**

Revenues of \$197.1 million are under the budget by \$11.4 million. Expenditures of \$233.5 million are 25.6 percent under the budget of \$313.9 million.

#### **Variance Analysis – Revenues**

**State Assistance:** The actuals of \$2.1 million are 94.8 percent below the budget of \$40.2 million. This variance is directly attributed to the budget request to exercise the option to purchase seventy eight compressed natural gas (CNG) buses for the BRT program. After further analysis it was determined that the 78 buses could be absorbed within an earlier firm order of 299 buses, so this item is therefore no longer required.

**Farebox Revenues:** Actuals of \$51.4 million are 9.6 percent below the budget of \$56.9 million. The underrun can be partially attributed to the nine-day coach operator strike held in July. During this time, there was minimal service provided, which resulted in a loss of ridership (2 million boardings during the month of July alone). In addition, ridership is lower compared to the same period last year by 5.5 percent. As a result, there is a corresponding underrun in farebox revenues of \$5.4 million, with the largest underrun occurring within regular full fares and local pass fare media for directly operated service.

**Other Financial Assistance:** Actuals of \$27 million are running 4.5 percent below the budget of \$28.2 million. The variance (\$1.2 million) is primarily associated with Mobile Source Air Pollution Reduction Committee (MSRC) funding that

OCTA is eligible to receive for the Santa Ana Base CNG fueling station. Staff has submitted a request for reimbursement of MSRC funds. It is not uncommon for revenues in this category to be received in future years rather than the year in which they were originally budgeted.

**Interest Income:** Actuals of \$9.9 million are approximately \$2.3 million above the budgeted amount of \$7.6 million. The OCTA budgeted 5 percent for the fiscal year. Total return for the short-term portfolio was approximately 200 basis points higher during FY 2008. A flight to quality contributed to the returns as investors continued to move funds toward safety and liquidity by purchasing treasury, agency and high-quality corporate securities.

**Federal Capital Grants:** Actuals of \$63.2 million are over the budget by \$30.5 million. This represents reimbursement of progress payments made towards the New Flyer of America contract for the CNG buses that were encumbered in a prior year.

#### **Variance Analysis – Expenses**

**Salaries and Benefits:** Actuals of \$121.5 million are 1.5 percent under the budget of \$123.3 million. The largest contributor to the underrun is within salaries, which is under the budget by \$1.8 million or 2.2 percent. The underrun is primarily due to the nine-day coach operator strike, which took place in July 2007.

**Outside Services:** Actuals are under the budget of \$13.9 million by \$1.2 million or 9 percent. The variance can primarily be attributed to several line items. A portion of the variance (\$0.3 million) is due to lower than anticipated costs for maintenance and repairs for the CNG facility at the Santa Ana Base. The CNG fueling facility did not operate at capacity for September through December due to contaminated fuel, which meant that ongoing repairs and maintenance were not occurring.

In addition, as part of the coach operator strike, funds were identified and transferred to create a security services line. Those funds were not utilized as anticipated and are contributing another \$0.4 million to the variance. Lastly, there are a variety of revenue vehicle and equipment repair line items that were not utilized as anticipated totaling \$0.2 million.

**Professional Services:** Actuals of \$4.3 million are running under the budget by 22.6 percent. This variance is primarily due to a cancelled procurement to out-source facilities maintenance technicians for the Sand Canyon Base. After further review and analysis of the cost, it was determined more cost effective to in-source these positions. As a result of this analysis, five new facility technician positions were proposed in the new fiscal year.

**Maintenance Expense:** Actuals of \$8.1 million are under the budget of \$9.5 million by 14.6 percent. The underrun can be primarily attributed to lower than anticipated parts cost at the Garden Grove and Santa Ana Base. The Garden Grove Base houses 50 percent of the LNG buses, which recently received engine refurbishments and are under warranty. The Santa Ana Base houses 97 percent of the CNG buses which are also under warranty, thus contributing to the lower usage.

**Capital Expense-Locally Funded:** Actuals of \$24 million are running 75.6 percent below the budget of \$98.3 million. The variance is primarily due to two separate bus purchase orders, that were cancelled due to the reduction of revenue vehicles hours based on the comprehensive business plan (CBP). The first cancellation was related to the option to acquire 78 buses, however OCTA made the decision to absorb the BRT service hours within existing service levels. Secondly, an order for the purchase of 36 CNG buses was cancelled after having researched and concluded that no service growth is forecasted for bus operations in the near future.

Also, within the Transit Division, an underrun of \$6 million is due to the paratransit radio replacement project which was rolled over to the following fiscal year in order to expand the scope of the project to include the fixed route radio system.

In addition, building upgrades at the Irvine Construction Circle (\$3.5 million) and the CNG fueling station gas line at the Garden Grove Base (\$2.5 million) are also contributing to the variances, as contractors are working on preparation of preconstruction document submittals.

## **91 Express Lanes Fund – Revenue and Expense Summary**

Revenues of \$51 million are 2.7 percent below the budget of \$52.5 million. Expenditures of \$25.1 million are 23.3 percent under the budget of \$32.8 million.

### **Variance Analysis – Revenue**

**Toll Road Revenue:** The actuals of \$37.5 million are under the budget of \$40.5 million by 7.5 percent. This is primarily due to a decrease in commuters that are utilizing the 91 Express Lanes. As the economy has softened and fuel prices continue to increase, OCTA has seen an 8 percent decrease in overall trips in FY 2007-08 compared to the same period last year. This underrun is offset with an increase within the Miscellaneous Toll Road Revenue category, which is 5 percent or \$0.4 million over the budget.

**Interest Income:** The actuals of \$4.6 million is running above the budget by 57 percent or \$1.7 million. The OCTA budgeted 5 percent for the fiscal year. Total return for the short-term portfolio was approximately 200 basis points higher during FY 2008. A flight to quality contributed to the returns as investors continued to move funds toward safety and liquidity by purchasing treasury, agency and high-quality corporate securities.

### **Variance Analysis – Expenses**

**Professional Services:** Actuals of \$3.2 million are 34.7 percent below the budget of \$4.9 million. The 91 Express Lanes is contributing \$1.5 million to the underrun primarily due to consultants for operational and technical services support. These services were temporarily placed on hold pending the recruitment of a project manager, and have since been re-budgeted for next fiscal year.

**Capital Expense-Locally Funded:** The actuals of \$0.9 million are under the budget of \$5.2 million by 82.9 percent. The items primarily causing the variance include the electronic toll system technology upgrade (\$1.5 million), lane cutter project (\$1 million), roadway repairs (\$0.4 million), variable message signs (\$0.4 million), and the toll pro major version upgrade (\$0.3 million).

The electronic toll system technology upgrade project (\$1.5 million) was originally scheduled to be expensed in October 2007. However, this project along with the toll pro major version upgrade (\$0.3 million) is currently on hold, pending the recruitment of an information technology project manager, which is anticipated to take place in the next fiscal year.

The lane cutter project will place cameras at the entry and exit of the 91 Express Lanes to verify motorists entered the lanes at the beginning of the toll lanes and not in between. This project is being delayed until next fiscal year pending a response from California Department of Transportation (Caltrans) examining the feasibility of placing a concrete barrier between the general and express lanes.

Roadway repairs covers costs associated with maintaining the 91 Express Lanes. Repairs are incurred based on the results of an annual 91 Express Lanes pavement management report update. Staff anticipates to receive the results of this report in the second quarter of FY 2008-09. At that time, staff will review the final report and projects to begin any identifiable repairs soon thereafter.

Currently, the variable message signs are still functioning, the useful life of the signs have been extended. In addition, the traffic operations center upgrade / camera replacement project had to be completed in order to determine the requirement of the potential interface/integration between the two systems. The procurement of the signs have been re-budgeted for next fiscal year.

The Toll Pro Major Version upgrade is contributing \$0.3 million to the overall variance and the project has also been placed on hold pending the recruitment of a project manager, which is expected to take place in FY 2009.

### **Internal Service Funds – Revenue and Expense Summary**

Revenues of \$4.7 million are running over the budget, while expenditures of \$7.5 million are 48.1 percent under the budget of \$14.5 million.

#### **Variance Analysis – Revenue**

Interest Income: Actuals of \$3.9 million are approximately \$1.3 million above the budgeted amount of \$2.6 million. The OCTA budgeted 5 percent for the fiscal year. Total return for the short-term portfolio was approximately 200 basis points higher during FY 2008. A flight to quality contributed to the returns as investors continued to move funds toward safety and liquidity by purchasing treasury, agency and high-quality corporate securities.

#### **Variance Analysis – Expenses**

Insurance Claims Expense: Insurance claims represent expenses associated with workers' compensation (WC) and personal liability/property damage (PL/PD) losses. The actuals of \$6.7 million are 47.5 percent below the budget of \$12.7 million. The primary reasons for the underrun is associated with the WC claims expense (\$5 million). The underrun in WC claims expense stems from the fact that the budget is derived from an actuarial based projection, and actuals continue to come in below the estimate. Furthermore, there continues to be positive downturn in WC expenses is due to a collaborative effort from OCTA staff including the implementation of :

- Safety classes taught at the bases reducing accidents/claims
- A program which shares WC savings with coach operators as an incentive to reduce claims
- Aggressive action taken by risk management to close claims quickly

The balance of the variance within the insurance claims category is attributed to the PL/PD claims expense and excess liability. The budget was developed utilizing an actuarial based projection of claims payout derived from a report conducted in 2006. However, the frequency and severity of claims has been less than anticipated during this current fiscal year, which has resulted in lower costs to OCTA.

**Fund Level Financial Schedules****General Fund  
Revenues and Expenses***In Thousands*

Description	Budget	Actual	Variance	%
Federal Capital Grants	\$ 11,770	\$ 2,802	\$ (8,968)	-76.2%
State Assistance	15,627	6,749	(8,878)	-56.8%
Federal Operating Grants	-	7	7	100.0%
Interest Income	419	636	217	51.9%
Miscellaneous	420	1,479	1,059	252.5%
Other Financial Assistance	458	3,862	3,404	743.1%
Total Revenues	\$ 28,693	\$ 15,534	\$ (13,159)	-45.9%
Compensated Absences	\$ 2,624	\$ 2,679	\$ (55)	-2.1%
Pensions	5,870	5,899	(29)	-0.5%
Other Benefits	1,124	1,093	31	2.7%
Insurances	803	593	209	26.1%
Extra Help Employees	896	655	241	26.8%
Health Care	3,257	2,887	370	11.4%
Salaries-Regular Employees	20,830	19,885	945	4.5%
Total Salaries and Benefits	\$ 35,402	\$ 33,690	\$ 1,712	4.8%
Outside Services	\$ 4,045	\$ 4,624	\$ (579)	-14.3%
Maintenace Expense	6	2	4	63.1%
Utilities	934	923	10	1.1%
Leases	4,418	4,403	15	0.3%
Miscellaneous Expense	464	443	21	4.6%
Advertising Fees	437	406	31	7.1%
Other Materials and Supplies	139	88	51	37.0%
Travel,Training, and Mileage	588	486	102	17.3%
Office Expense	2,350	1,838	512	21.8%
Professional Services	27,259	15,797	11,462	42.0%
Contributions to other Agencies	31,283	13,806	17,477	55.9%
Total Services and Supplies	\$ 71,922	\$ 42,817	\$ 29,105	40.5%
Capital Expense-Locally Funded	\$ 2,248	\$ 1,983	\$ 265	11.8%
Total Expenses	\$ 109,572	\$ 78,490	\$ 31,083	28.4%

\*Revenues - (under) / over

\*Expenses - under / (over)

## Fund Level Financial Schedules

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

*In Thousands*

Description	Budget	Actual	Variance	%
Taxes/Fees	\$ 300,299	\$ 269,118	\$ (31,181)	-10.4%
Federal Capital Assistance Grants	27,134	15,152	(11,983)	-44.2%
Other Financial Assistance	-	(2,014)	(2,014)	0.0%
Sale Capital Assets	2,147	2,147	-	0.0%
Rental Income	260	686	426	163.7%
State Assistance	-	517	517	100.0%
Interest Income	22,636	30,323	7,688	34.0%
Total Revenues	\$ 352,476	\$ 315,930	\$ (36,546)	-10.4%
Professional Services	\$ 45,938	\$ 46,592	\$ (654)	-1.4%
Debt Service	844	1,314	(471)	-55.8%
Utilities	-	19	(19)	100.0%
Leases	-	-	-	0.0%
Other Materials & Supplies	-	-	-	0.0%
Miscellaneous Expense	25	11	13	54.4%
Travel, Training, and Mileage	23	7	16	70.6%
Advertising Fees	71	15	56	79.4%
Office Expense	84	26	58	68.7%
Outside Services	174	74	100	57.7%
Contributions to Other Agencies	162,069	104,505	57,564	35.5%
Total Services and Supplies	\$ 209,227	\$ 152,563	\$ 56,664	27.1%
Work in Process	\$ 61,410	\$ 41,474	\$ 19,936	32.5%
Construction in Progress	62,366	14,849	47,517	76.2%
Total Capital	\$ 123,776	\$ 56,323	\$ 67,453	54.5%
Total Expenses	\$ 333,004	\$ 208,886	\$ 124,117	37.3%

\*Revenues - (under) / over

\*Expenses - under / (over)

## Fund Level Financial Schedules

### Orange County Transit District Fund Revenues and Expenses

*In Thousands*

Description	Budget	Actual	Variance	%
State Assistance	\$ 40,190	\$ 2,080	\$ (38,110)	-94.8%
Farebox Revenue	56,884	51,433	(5,452)	-9.6%
Other Financial Assistance	28,231	26,972	(1,260)	-4.5%
Federal Operating Grants	27,100	26,981	(118)	-0.4%
Insurance Recoveries	211	155	(56)	-26.7%
Advertising Revenue	4,667	4,625	(41)	-0.9%
Rental Income	447	611	164	36.7%
Taxes/Fees	10,490	11,178	687	6.6%
Interest Income	7,636	9,940	2,304	30.2%
Federal Capital Grants	32,635	63,164	30,529	93.5%
Total Revenues	\$ 208,492	\$ 197,139	\$ 11,353	5.4%
Pensions	\$ 16,787	\$ 17,710	\$ (923)	-5.5%
Compensated Absences	9,051	9,506	(455)	-5.0%
Insurances	1,614	1,716	(102)	-6.3%
Other Benefits	3,208	2,917	290	\$ 0
Extra Help Employees	1,186	547	639	53.9%
Health Care	15,847	15,183	665	4.2%
Salaries-Regular Employees	75,625	73,946	1,679	2.2%
Total Salaries and Benefits	\$ 123,318	\$ 121,525	\$ 1,793	1.5%
Contributions to Other Agencies	\$ 585	\$ 1,151	\$ (565)	-96.6%
Fuels and Lubricants	18,478	18,798	(320)	-1.7%
Utilities	1,769	1,870	(101)	-5.7%
Insurance Claim Expense	-	6	(6)	100.0%
Debt Service	32	34	(2)	-5.4%
Advertising Fees	217	172	44	20.4%
Leases	837	750	87	10.4%
Miscellaneous Expense	475	356	119	25.0%
Other Materials and Supplies	1,765	1,594	171	9.7%
Office Expense	1,212	1,029	183	15.1%
Tires and Tubes	2,412	2,200	212	8.8%
Travel,Training, and Mileage	1,029	772	257	25.0%
Contract Transportation	34,499	33,985	514	1.5%
Outside Services	13,903	12,645	1,258	9.0%
Professional Services	5,603	4,337	1,266	22.6%
Maintenance Expense	9,523	8,136	1,387	14.6%
Total Services and Supplies	\$ 92,338	\$ 87,833	\$ 4,504	4.9%
Work in Process	\$ -	\$ 107	\$ (107)	100.0%
Capital Expense-Locally Funded	98,291	24,026	74,266	75.6%
Total Capital	\$ 98,291	\$ 24,132	\$ 74,159	75.4%
Total Expenses	\$ 313,947	\$ 233,490	\$ 80,456	25.6%

\*Revenues - (under) / over

\*Expenses - under / (over)

## Fund Level Financial Schedules

### 91 Express Lanes Fund Revenues and Expenses

*In Thousands*

Description	Budget	Actual	Variance	%
Toll Road Revenue	\$ 40,501	\$ 37,454	\$ (3,047)	-7.5%
Federal Capital Assistance	588	-	(588)	-100.0%
Rental Income	-	-	-	0.0%
Federal Operating Grants	-	10	10	100.0%
Insurance Recovery	54	174	120	223.8%
Miscellaneous Toll Road Revenue	8,363	8,782	419	5.0%
Interest Income	2,948	4,629	1,681	57.0%
Total Revenues	\$ 52,454	\$ 51,049	\$ (1,405)	-2.7%
Debt Service	\$ 11,639	\$ 11,977	\$ (338)	-2.9%
Miscellaneous Expense	182	332	(149)	-81.9%
Equipment/Structure	10	2	8	80.0%
Leases	413	396	16	3.9%
Travel, Training, and Mileage	26	2	24	91.2%
Advertising Fees	268	159	109	40.5%
Utilities	142	26	116	81.5%
Contract Transportation	6,136	5,902	234	3.8%
Outside Services	2,079	1,689	389	18.7%
Office Expense	692	121	571	82.5%
Insurance Claims Expense	1,000	390	610	61.0%
Professional Services	4,944	3,230	1,714	34.7%
Total Services and Supplies	\$ 27,531	\$ 24,227	\$ 3,304	12.0%
Work in Process	-	-	-	0.0%
Capital Expense-Locally Funded	\$ 5,230	\$ 893	\$ 4,337	82.9%
Total Capital	\$ 5,230	\$ 893	\$ 4,337	82.9%
Total Expenses	\$ 32,761	\$ 25,120	\$ 7,641	23.3%

\*Revenues - (under) / over

\*Expenses - under / (over)

## Fund Level Financial Schedules

### Internal Service Funds Revenues and Expenses

*In Thousands*

Description	Budget	Actual	Variance	%
Insurance Recoveries	\$ 300	\$ 741	\$ 441	146.9%
Interest Income	2,653	3,932	1,279	48.2%
Total Revenues	\$ 2,953	\$ 4,673	\$ 1,720	58.2%
 Taxes	\$ -	\$ 91	\$ (91)	100.0%
Miscellaneous Expense	3	3	(0)	-2.8%
Outside Services	203	141	62	30.7%
Professional Services	1,590	619	971	61.1%
Insurance Claims Expense	12,738	6,688	6,050	47.5%
Total Services and Supplies Expenses	\$ 14,534	\$ 7,542	\$ 6,992	48.1%
 Total Expenses	 <u>\$ 14,534</u>	 <u>\$ 7,542</u>	 <u>\$ 6,992</u>	 <u>48.1%</u>

\*Revenues - (under) / over

\*Expenses - under / (over)

17.



## BOARD COMMITTEE TRANSMITTAL

**September 22, 2008**

**To:** Members of the Board of Directors  
*WK*  
**From:** Wendy Knowles, Clerk of the Board  
**Subject:** Excess Workers' Compensation Insurance Policy

### Finance and Administration Committee Meeting of September 10, 2008

Present: Directors Amante, Brown, Buffa, Campbell, Green, and Moorlach  
Absent: None

### **Committee Vote**

This item was passed by all Committee Members present.

### **Committee Recommendation**

Authorize the Chief Executive Officer to issue Purchase Order No. A09980, in an amount not to exceed \$550,000, to purchase the excess workers' compensation insurance policy for the period October 1, 2008 to October 1, 2009.



**September 10, 2008**

**To:** Finance and Administration Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Excess Workers' Compensation Insurance Policy

### **Overview**

The Orange County Transportation Authority has an Excess Workers' Compensation Insurance Policy that will expire on October 1, 2008.

### **Recommendation**

Authorize the Chief Executive Officer to issue Purchase Order No. A09980, in an amount not to exceed \$550,000, to purchase the excess workers' compensation insurance policy for the period October 1, 2008 to October 1, 2009.

### **Background**

Employers are required by Section 3700 of the California Labor Code to secure payment of workers' compensation benefits by being insured or self-insured with the approval of the Director of the Industrial Relations Department. Orange County Transportation Authority (OCTA) has been self-insured since 1977.

OCTA purchases excess workers' compensation insurance to provide coverage for major losses. The excess insurance company provides statutory workers' compensation liability coverage above the self-insured retention (SIR) level. OCTA's current policy with ACE American Insurance Company (ACE) has an aggregate SIR of \$750,000 per claim or occurrence and coverage to statutory limits with a rate of \$0.4300 per \$100 of payroll. An insurer may limit their liability for this coverage above the SIR level with a cap on the dollar amount, with the employer then being responsible for claim costs exceeding that dollar limit. OCTA's current policy provides statutory coverage, which means that it does not include a cap. Therefore, ACE is responsible for all costs above the SIR of \$750,000.

Workers' compensation coverage is designed to provide medical, temporary disability, and permanent disability benefits to injured workers. Employer's liability is an additional coverage provided as part of the excess workers' compensation insurance policy. Employer's liability insurance covers claims against an employer on behalf of employees seeking damages because of job-related activities involving bodily injury or disease to employees. For example, if a claim was filed against OCTA due to a serious and willful action resulting from an uncorrected yet known safety hazard that caused injury to an employee, OCTA may be liable for the costs of the claim that fall outside of the normal workers' compensation coverage. The employer's liability coverage would pay for the cost of legal defense for these types of claims. Fortunately, OCTA has not had any claims that would trigger the employer's liability coverage.

Employer's liability is usually quoted with a maximum set dollar amount that the reinsurer will reimburse OCTA. The current employer's liability coverage policy limit through ACE is \$1 million. The auditable premium for the current workers' compensation and employer's liability policy is \$493,328 based upon a projected payroll of \$112,485,380. This policy is scheduled to expire on October 1, 2008.

OCTA's Broker of Record, Marsh Risk and Insurance Services, Inc. (Marsh), markets and places workers' compensation insurance coverage. Marsh is paid a flat fee of \$110,000 for marketing and placing all property and casualty insurance per Agreement No. C-7-0632 approved by the Board on May 29, 2007. By agreement, Marsh does not earn any additional compensation or commission for its services. The contract further requires that any commissions offered by insurers will offset OCTA's premiums.

### ***Discussion***

OCTA and other California employers experienced exponential increases in workers' compensation costs during the years before the 2004 legislative reform. Due to the cost of workers' compensation claims in California, many insurance companies left the state and those that remained significantly increased their premiums to recoup losses that exceeded revenues collected in prior years. As a result, OCTA was subject to increased costs of insurance and needed to increase the SIR to avoid paying even higher premiums.

OCTA workers' compensation insurance premiums more than doubled from \$122,259 in fiscal year 2002 to \$334,931 in fiscal year 2003 due to negative claims development. OCTA increased the SIR from \$300,000 to \$500,000 for fiscal year 2004 in an effort to halt further premium increases. OCTA's

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insurance premium more than doubled again from \$334,931 in fiscal year 2003 to \$770,878 in fiscal year 2004 despite further increasing the SIR from \$500,000 to \$1,000,000. However, in fiscal year 2005, OCTA was able to reduce the SIR level from \$1,000,000 to \$750,000 without an increase in its excess workers' compensation premium rate because the loss experience improved significantly and the insurer was confident that OCTA's loss prevention and claims management programs would continue to reduce the loss exposure.

OCTA's loss prevention initiatives reduced new injury claims from 336 in fiscal year 2004 to 143 for fiscal year 2008, representing a total reduction of more than 57 percent since 2004. In addition, effective claims management oversight contributed to a reduction in claim payouts from \$6,678,372 in fiscal year 2004 to \$3,564,052 for fiscal year 2008, resulting in a total decrease of more than 46 percent since 2004.

As part of OCTA's self-insured program, OCTA is required to set aside monies in reserve to fund losses for work-related injuries. The funds in reserve that are set aside by OCTA to meet costs of claims incurred are regarded as an indicator of the degree of a claim's severity and are used by insurers when calculating insurance premiums. Generally, the higher the amount in reserves, the greater the future exposure for increased claim payouts, which cause insurers to charge higher premiums. Fortunately, OCTA's reserves have been reduced from \$10,106,679 in fiscal year 2004 to the current amount of \$7,627,264 for fiscal year 2008, resulting in a total reduction of more than 32 percent since 2004. These favorable results have placed OCTA in a better position to reduce the excess workers' compensation SIR and to further reduce workers' compensation insurance premiums.

On September 12, 2007, staff presented three insurance quote options to the Finance and Administration Insurance Ad Hoc Committee; one from Arch Insurance Company (Arch) and two from ACE to renew this coverage. The Arch rate quote of \$0.4725 provided statutory coverage with a \$750,000 SIR for an auditable annual premium of \$531,493. ACE provided a rate quote of \$0.6647 for statutory coverage with a \$750,000 SIR for an auditable annual premium of \$762,607 and a guaranteed two-year premium rate quote of \$0.4300 for an auditable annual premium of \$493,328. If the \$0.4300 guaranteed premium rate quote was accepted, OCTA would agree to forego marketing this coverage in 2008. The Finance and Administration Insurance Ad Hoc Committee directed staff to bind the coverage with ACE for the two-year guaranteed rate of \$0.4300 for an auditable annual premium of \$493,328 and to accept the conditional renewal terms as outlined in Attachment A.

In a discussion item presented to the Finance and Administration Committee on July 23, 2008, staff informed the committee of the options available to OCTA for renewing this coverage. Since the Finance and Administration Insurance Ad Hoc Committee directed staff to accept a two-year guaranteed premium rate last year with ACE, the first option available to OCTA would be to renew the current policy with the \$750,000 SIR at the guaranteed rate. However, staff informed the committee that in discussions with ACE, staff approached ACE about reducing the SIR to \$500,000 from the current \$750,000 SIR at the same guaranteed rate for an estimated annual premium of \$550,000 based upon the projected fiscal year 2009 payroll of \$121,323,920. In response, ACE agreed to renew the policy under those terms. The Finance and Administration Committee directed staff to renew this policy under the new conditions and to return with a staff report to the Board of Directors for final approval.

#### **Fiscal Impact**

The premium for this insurance policy was approved in OCTA's Fiscal Year 2009 Budget, Finance, Administration, and Human Resources Division, Risk Management Department, Account 0041-7552-A2311-DSG, and is funded through the Workers' Compensation Internal Service Fund.

#### **Summary**

Based on the information provided, staff recommends the approval to authorize the Chief Executive Officer to issue Purchase Order No. A09980, in an amount not to exceed \$550,000, to Marsh Risk and Insurance Services, Inc., for the purchase of excess workers' compensation insurance on behalf of the Orange County Transportation Authority for the period of October 1, 2008 to October 1, 2009.

#### **Attachment**

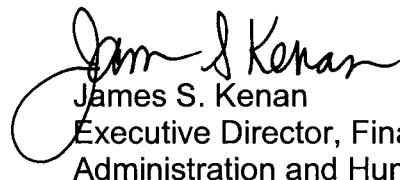
##### A. Interoffice Memo Insurance Ad Hoc Committee Action

**Prepared by:**



Al Gorski  
Department Manager  
Risk Manager  
(714) 560-5817

**Approved by:**

James S. Kenan  
Executive Director, Finance,  
Administration and Human Resources  
(714) 560-5678



MEMO

September 19, 2007

To: Members of the Board of Directors  
From: Arthur T. Leahy, Chief Executive Officer  
Subject: Insurance Ad Hoc Committee Action

On September 12, 2007, the Insurance Ad Hoc Committee of Bill Campbell and Jerry Amante met with Al Gorski, Manager of Risk Management and Orange County Transportation Authority's (OCTA) broker of record, Craig Morris, Senior Vice President of Marsh Risk and Insurance Services, to provide direction to bind OCTA's workers' compensation insurance coverage which is scheduled to expire on September 30, 2007.

The Insurance Ad Hoc Committee discussed the renewal policy options and directed Mr. Gorski and Mr. Morris to bind the coverage with Ace American Insurance Company for an annual premium of \$493,328 as outlined as Option 1 of the attached Excess Workers' Compensation Renewal Summary.

ATL:ag  
Attachment

c: Executive Staff

# Orange County Transportation Authority

## All Program Options

### Excess Workers Compensation Renewal Summary



Carrier	Current Program	Proposed Programs				
		Option 4 Republic Indemnity of America (thru US Specialty Underwriters, Inc.)	Option 5 Republic Indemnity of America (thru US Specialty Underwriters, Inc.)	Option 6 Republic Indemnity of America (thru US Specialty Underwriters, Inc.)	Option 7 Republic Indemnity of America (thru US Specialty Underwriters, Inc.)	Option 8 Discover Re
	ACE American Ins. Co.	\$101,189,411 California A+ XV	\$112,485,382 California A+X	\$112,485,382 California A+X	\$112,485,382 California A+X	\$112,485,382 California A+ XV
Statutory						
WC Limit Each Accident EL Limit Each Accident EL Aggregate Limit Communicable Disease	Statutory \$1,000,000 \$1,000,000 Includes \$750,000					Statutory \$1,000,000 \$1,000,000
Self Insured Retention Rate per \$100 of Payroll	0.7419					\$750,000 0.5339
Estimated Annual Premium	\$750,743					\$600,554
CIGA Surcharge	\$15,015					\$0
Minimum & Deposit Premium	\$765,758					\$600,554
\$100,000,000 Capped Limit						
WC Limit Each Accident EL Limit Each Accident EL Aggregate Limit Communicable Disease						
Self Insured Retention Rate per \$100 of Payroll						
Estimated Annual Premium						
CIGA Surcharge						
Minimum & Deposit Premium						
\$50,000,000 Capped Limit						
WC Limit Each Accident EL Limit Each Accident EL Aggregate Limit Communicable Disease		\$50,000,000 \$1,000,000 \$1,000,000	\$50,000,000 \$1,000,000 \$1,000,000	\$50,000,000 \$1,000,000 \$1,000,000		
Self Insured Retention Rate per \$100 of Payroll		\$750,000 0.3636	\$600,000 0.4901	\$500,000 0.6512		
Estimated Annual Premium		\$408,979	\$551,302	\$732,488		
CIGA Surcharge		\$8,180	\$11,026	\$14,650		
Minimum & Deposit Premium		\$417,158	\$562,328	\$747,138		





## BOARD COMMITTEE TRANSMITTAL

**September 22, 2008**

**To:** Members of the Board of Directors  
**From:** <sup>W.K.</sup> Wendy Knowles, Clerk of the Board  
**Subject:** Cooperative Agreements with the Cities of Anaheim and Santa Ana for Go Local Step Two Fixed-Guideway Project Development

### Transportation 2020 Committee Meeting of September 15, 2008

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

### **Committee Vote**

This item was passed by all Committee Members present.

Director Dixon was not present to vote on this item.

### **Committee Recommendations**

- A. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-1156 with the City of Anaheim, in an amount not to exceed \$5.9 million, for detailed planning, alternatives analysis, conceptual engineering, and state and federal environmental clearance for the proposed fixed-guideway from the Anaheim Regional Transportation Intermodal Center to the Platinum Triangle to Anaheim Resort Connector.
- B. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-1157 with the City of Santa Ana, in an amount not to exceed \$5.9 million, for detailed planning, alternatives analysis, conceptual engineering, and state and federal environmental clearance for the proposed fixed-guideway from Santa Ana Regional Transportation Center to Harbor Boulevard.



**September 15, 2008**

**To:** Transportation 2020 Committee  
*AV*  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Cooperative Agreements with the Cities of Anaheim and Santa Ana for Go Local Step Two Fixed-Guideway Project Development

### **Overview**

On May 12, 2008, the Orange County Transportation Authority Board of Directors allocated \$5.9 million to the City of Anaheim and \$5.9 million to the City of Santa Ana to conduct detailed planning as part of Step Two of the Go Local Program. The Orange County Transportation Authority proposes to enter into cooperative agreements with the subject cities to establish roles and responsibilities for Step Two.

### **Recommendations**

- A. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-1156 with the City of Anaheim, in an amount not to exceed \$5.9 million, for detailed planning, alternatives analysis, conceptual engineering, and state and federal environmental clearance for the proposed fixed-guideway from the Anaheim Regional Transportation Intermodal Center to the Platinum Triangle to Anaheim Resort Connector.
- B. Authorize the Chief Executive Officer to execute Cooperative Agreement No. C-8-1157 with the City of Santa Ana, in an amount not to exceed \$5.9 million, for detailed planning, alternatives analysis, conceptual engineering, and state and federal environmental clearance for the proposed fixed-guideway from Santa Ana Regional Transportation Center to Harbor Boulevard.

### **Background**

On February 25, 2008, the Orange County Transportation Authority (OCTA) Board of Directors (Board) approved the programmatic allocation of \$25.4 million of Go Local funds for development of fixed-guideway and mixed-flow

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bus/shuttle projects. Of the \$25.4 million, \$15 million was programmed for fixed-guideway development through Step Two of the Go Local Program.

As part of Go Local Step One, the City of Anaheim submitted the Anaheim Regional Transportation Intermodal Center (ARTIC) to the Platinum Triangle to Anaheim Resort Connector fixed-guideway proposal and is now seeking advancement into Go Local Step Two for further study and planning of the concept. Similarly, the City of Santa Ana submitted a fixed-guideway proposal from the Santa Ana Regional Transportation Center to Harbor Boulevard and is also requesting Step Two funds for further study and planning.

Both proposals were screened according to the Board-approved Go Local evaluation criteria and based upon the screening results, were recommended for advancement into Step Two with the Board's award of \$5.9 million each to the cities of Anaheim and Santa Ana for detailed planning, alternatives analysis (AA), conceptual engineering, and state and federal environmental clearance of the cities' respective fixed-guideway proposals.

The mixed-flow bus/shuttle projects proposed by each city are reviewed and presented in a separate staff report. Step Two roles and responsibilities for those projects will be included in separate cooperative agreements.

### ***Discussion***

The general purpose and content of these cooperative agreements is to identify the roles and responsibilities of both OCTA and each city for the Go Local Step Two activities, including detailed planning, alternatives analysis, conceptual engineering, and state and federal environmental clearance. OCTA staff has been working with both cities to identify the work effort expected as part of Step Two and address issues such as reporting requirements, timely awards of funds, and the phasing of the project development.

The Step Two work effort has been divided into key project milestones in which the cities will be required to report to the Board on the status of work at each milestone and seek approval from the Board to advance to the subsequent project milestone. Project milestones include:

- Completion of the AA, including technical studies.
- Approval and adoption of the locally preferred alternative (LPA) by the city councils.
- Completion of draft environmental documents.

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The phased approach will allow for the Board to be kept apprised of project development and ensure that the work performed in each milestone is in accordance with the Board's vision for the Go Local Program.

The cooperative agreements commit OCTA to:

- Provide funding, in an amount not to exceed \$5.9 million, for the detailed planning, AA, conceptual engineering, and state and federal environmental clearance.
- Approve the scope, schedule, and budget proposed by the city for each project milestone.
- Approve each project milestone prior to the city's advancement to the subsequent project milestone.
- Participate in project team meetings and review and comment on documents pertaining to the AA, environmental clearance, and detailed planning and conceptual engineering.
- At the completion of Step Two, review the city's AA and draft environmental documents in anticipation of the city's request for advancement into Go Local Step Three.

The cooperative agreements require each city to:

- Provide local matching funds of \$100,000 for the project.
- Submit project milestones to OCTA for approval to advance to subsequent milestone.
- Evaluate a minimum of four alternatives for the project including a no-build/baseline alternative, a bus alternative operating in mixed-flow/general purpose lanes, a bus alternative operating in a dedicated guideway, and a rail alternative operating in a dedicated guideway, consistent with OCTA-approved Go Local Program criteria.
- Provide monthly updates to OCTA on the status of project development.

The City of Irvine is also advancing a fixed-guideway proposal through Step Two. Consistent with prior Board direction, the Irvine Guideway Demonstration Project was screened and formally included as a Go Local project approved for advancement into Step Two, funded through federal sources. This project continues to be slightly ahead of the other proposed fixed-guideway projects in the development efforts because the City of Irvine began working on this project in early 2005 (prior to the inception of the Go Local Program), in anticipation of receipt of a state grant. The cooperative agreement with the City of Irvine is expected to be executed by the end of September 2008.

### **Next Steps**

Staff will return to the Board at the completion of the first project milestone to present the findings of the cities' AA and request approval from the Board to advance projects to the subsequent milestone. Consistent with the level of effort for the Irvine Guideway Demonstration Project, staff will continue to monitor the status of fixed-guideway project development via project team meetings and analysis of the cities' project reports.

### **Fiscal Impact**

The project was approved in OCTA's Fiscal Year 2008-09 Budget, Development Division, Account 0010-7831-T5410-400, and is funded through Local Transportation Authority.

### **Summary**

Staff recommends approval to execute cooperative agreements with the cities of Anaheim and Santa Ana to conduct detailed planning, an alternatives analysis, conceptual engineering, and state and federal environmental clearance for the cities' respective fixed-guideway proposals as part of Step Two of the Go Local Program.

### **Attachments**

- A. Cooperative Agreement No. C-8-1156 Between Orange County Transportation Authority and City of Anaheim for City of Anaheim Fixed-Guideway Project
- B. Cooperative Agreement No. C-8-1157 Between Orange County Transportation Authority and City of Santa Ana for City of Santa Ana Fixed-Guideway Project

**Prepared by:**



Kelly Hart  
Senior Transportation Analyst  
(714) 560-5725

**Approved by:**



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

1                   **COOPERATIVE AGREEMENT NO. C-8-1156**  
2                   **BETWEEN**  
3                   **ORANGE COUNTY TRANSPORTATION AUTHORITY**  
4                   **AND**  
5                   **CITY OF ANAHEIM**  
6                   **FOR**  
7                   **CITY OF ANAHEIM FIXED-GUIDEWAY PROJECT**

8                   **THIS AGREEMENT**, is effective this \_\_\_\_\_ day of \_\_\_\_\_, 2008, by and between the  
9                   Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange,  
10                  California 92863-1584, a public corporation of the State of California (hereinafter referred to as  
11                  "AUTHORITY"), and the City of Anaheim, 200 South Anaheim Boulevard, Anaheim, California  
12                  92805, a municipal corporation (hereinafter referred to as "CITY").

13                  **RECITALS:**

14                  **WHEREAS**, the City of Anaheim Fixed Guideway project (hereinafter, "ANAHEIM  
15                  GUIDEWAY") proposes to construct and operate a fixed guideway system linking the Anaheim  
16                  Regional Transportation Intermodal Center to Platinum Triangle to the Anaheim Resort; and

17                  **WHEREAS**, the ANAHEIM GUIDEWAY was approved in concept by the Anaheim City  
18                  Council as a fixed guideway on December 18, 2007; and

19                  **WHEREAS**, necessary steps in securing federal and state funding for the ANAHEIM  
20                  GUIDEWAY would include meeting environmental compliance through the National  
21                  Environmental Policy Act (hereinafter, "NEPA") and the California Environmental Quality  
22                  Action (hereinafter, "CEQA"); and

23                  **WHEREAS**, the CITY and the AUTHORITY have agreed that an Alternatives Analysis  
24                  shall be prepared for the ANAHEIM GUIDEWAY; and

25                  /

26                  /

1       **WHEREAS**, the Alternatives Analysis, NEPA compliance, CEQA compliance, and  
2 associated detailed planning, project management, and conceptual engineering for the  
3 ANAHEIM GUIDEWAY shall be referred to as PROJECT for the purposes of this Cooperative  
4 Agreement; and

5       **WHEREAS**, this Cooperative Agreement (hereinafter, "AGREEMENT") defines the  
6 specific terms, conditions, and roles and responsibilities between the AUTHORITY and CITY  
7 for completion of the PROJECT; and

8       **WHEREAS**, the AUTHORITY and CITY estimate the PROJECT shall cost up to Six  
9 Million Dollars (\$6,000,000.00) for Alternatives Analysis and NEPA and CEQA environmental  
10 compliance including associated detailed planning and conceptual engineering; and

11      **WHEREAS**, for purposes of this AGREEMENT, Alternatives Analysis shall be defined  
12 (consistent with the guidelines adopted by the Federal Transit Administration), as the local  
13 forum for evaluating the costs, benefits, and impacts of a range of transportation alternatives  
14 designed to address mobility problems and other locally-identified objectives in a defined  
15 transportation corridor, and for determining which particular investment strategy should be  
16 advanced for more focused study and development; and

17      **WHEREAS**, the AUTHORITY's Board of Directors on May 12, 2008 authorized funding  
18 from the Go Local program in an amount not to exceed Five Million, Nine Hundred Thousand  
19 Dollars (\$5,900,000.00) to be matched by One Hundred Thousand Dollars (\$100,000.00) of  
20 CITY funds for the PROJECT; and

21      **WHEREAS**, the AUTHORITY will reimburse the CITY up to a maximum obligation of  
22 \$5.9 million for actual costs of the PROJECT consistent with AUTHORITY approval of the  
23 following milestones: (hereinafter, "PROJECT MILESTONES") completion of the  
24 Alternatives Analysis (including technical studies); approval and adoption of the Locally  
25 Preferred Alternative by CITY Council; and, completion of draft environmental documents.

26 /

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

3           **ARTICLE 1. COMPLETE AGREEMENT**

4           AGREEMENT, including all exhibits and documents incorporated herein and made  
5 applicable by reference, constitutes the complete and exclusive statement of the terms and  
6 conditions of the Agreement between AUTHORITY and CITY concerning the PROJECT and  
7 supersedes all prior representations, understandings, and communications between the  
8 parties. The above-referenced Recitals are true and correct and are incorporated by reference  
9 herein.

10           **ARTICLE 2. RESPONSIBILITES OF AUTHORITY**

11           AUTHORITY agrees to the following responsibilities for the PROJECT:

12           A. To approve scope, schedule and budget proposed by CITY for each  
13 PROJECT MILESTONE within 30 days of submittal by City to AUTHORITY staff.

14           B. To reimburse the CITY on a monthly basis a total not-to-exceed amount of Five  
15 Million, Nine Hundred Thousand Dollars (\$5,900,000.00) for actual eligible costs for the  
16 PROJECT consistent with PROJECT MILESTONE scope, schedule and budget approval.

17           C. To approve each PROJECT MILESTONE prior to CITY's advancement to  
18 subsequent PROJECT MILESTONE. Approval will be subject to action by AUTHORITY  
19 Board of Directors and such approval process is estimated to require 30-60 days. Upon  
20 CITY's completion of PROJECT, evaluate the Alternatives Analysis, including technical  
21 studies, and draft EIR/EA in anticipation of CITY's request for advancement into Step Three  
22 of the Go Local Program.

23           D. To reimburse for actual eligible costs upon AUTHORITY approval of PROJECT  
24 MILESTONES, including consultant contracts and project management oversight (including  
25 consultant contracts and/or city staff) which shall not exceed 15 percent of actual expenditures.

26           /

1       E. To participate in PROJECT team meetings and review and comment on  
2 Alternatives Analysis, environmental documents, and detailed planning and conceptual  
3 engineering prepared by CITY within two weeks of receiving such documents.

4       F. To pay CITY in a timely manner upon receipt of an acceptable invoice for costs  
5 for the PROJECT.

6       G. To work cooperatively with CITY to amend both the Regional Transportation  
7 Plan and the Regional Transportation Improvement Program as required for the PROJECT.

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

#### ARTICLE 3. AUDIT AND INSPECTION

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

26 /

1            **ARTICLE 4. RESPONSIBILITIES OF CITY**

2            CITY agrees to the following responsibilities for the PROJECT:

3            A. To act as the lead agency for the PROJECT and to ensure compliance with all  
4 terms and conditions set forth in any applicable policies including, but not limited to, the  
5 Alternatives Analysis, the National Environmental Protection Act (NEPA), and the State of  
6 California Environmental Quality Act (CEQA), including associated detailed planning and  
7 conceptual engineering.

8            B. To provide eligible local matching funds in the amount of One Hundred  
9 Thousand Dollars (\$100,000.00) for the PROJECT to be expended in advance of AUTHORITY  
10 reimbursement, and to provide all additional local funds if the total PROJECT costs exceed Six  
11 Million Dollars (\$6,000,000.00).

12            C. To act as lead agency to secure consultant services to prepare the PROJECT.

13            D. To be responsible for the review and oversight of all third party preparation and  
14 submission of documents related to the PROJECT.

15            E. To evaluate a minimum of four alternatives for the PROJECT including a no-  
16 build/baseline alternative, a bus alternative operating in mixed flow/general purpose lanes, a  
17 bus alternative operating in a dedicated guideway, and a rail alternative operating in a  
18 dedicated guideway, consistent with AUTHORITY approved Go Local program criteria. The  
19 no-build/baseline alternative modeling assumptions will be reviewed and approved by the  
20 AUTHORITY.

22            F. To obtain all required reviews, clearances, permits, licenses, and approvals from  
23 all applicable agencies for the PROJECT.

24            G. To consider potential requirements imposed by the Public Utilities Commission in  
25 PROJECT development.

1        H. To provide monthly updates to the AUTHORITY on the status of PROJECT  
2 development, including project overview, detailed planning, alternatives analysis,  
3 environmental analysis, public outreach, schedule and anticipated activities for the following  
4 month. Report must be submitted within thirty (30) days of end of month in a format approved  
5 by the AUTHORITY.

6        I. To conduct regular PROJECT development team meetings and notify OCTA of  
7 such meetings.

8        J. To submit PROJECT MILESTONES to AUTHORITY for approval to advance  
9 into subsequent PROJECT MILESTONE.

10       K. To submit to AUTHORITY for approval PROJECT MILESTONE scope,  
11 schedule and budget.

12       L. To cooperate fully with AUTHORITY staff and its representatives during the  
13 PROJECT.

14       M. To submit invoices for all work performed on the PROJECT on a monthly basis.  
15 Such invoices shall be submitted in duplicate to AUTHORITY's Accounts Payable department.  
16 Each CITY invoice shall include the following information:

- 17       1. Agreement Number C-8-1156;
- 18       2. The time period covered by the invoice;
- 19       3. Monthly Progress Report, which includes a detailed description of the progress  
20       of the PROJECT;
- 21       4. Total monthly invoice amount; and
- 22       5. Such other information as requested by AUTHORITY.

23       N. If CITY contracts for consultant services to perform any or all portion of  
24 PROJECT then CITY shall be responsible for payment to consultant for services rendered and  
25 then seek reimbursement from AUTHORITY as part of this AGREEMENT. CITY shall be  
26 responsible for reviewing consultant's invoice for accuracy, terms, and completeness.

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

7           **ARTICLE 6. IT IS MUTUALLY UNDERSTOOD AND AGREED:**

8           All parties agree to the following mutual responsibilities regarding PROJECT:

9           A. This Agreement shall continue in full force and effect until acceptance of final  
10 Alternatives Analysis, and draft final NEPA, and CEQA documents, including associated  
11 detailed planning and conceptual engineering of PROJECT by AUTHORITY or 30 months  
12 from the effective date of this Agreement, whichever is sooner. This Agreement may only be  
13 extended upon written mutual agreement by both parties.

14           B. This Agreement may be amended in writing at any time by the mutual consent of  
15 both parties. No amendment shall have any force or effect unless executed in writing by both  
16 parties.

17           C. The persons executing this Agreement on behalf of the parties hereto warrant  
18 that they are duly authorized to execute this Agreement on behalf of said parties and that, by  
19 so executing this Agreement, the parties hereto are formally bound to the provisions of this  
20 Agreement.

21           D. All notices hereunder and communications regarding the interpretation of the  
22 terms of this Agreement, or changes thereto, shall be effected by delivery of said notices in  
23 person or by depositing said notices in the U.S. mail, registered, or certified mail and  
24 addressed as follows:

25           To CITY:

To AUTHORITY:

1	City of Anaheim	Orange County Transportation Authority
2	Public Works Department	
3	200 S. Anaheim Blvd.	550 South Main Street
4	Suite 276	P. O. Box 14184
5	Anaheim, CA 92805	Orange, CA 92863-1584
6	Attention:	Attention:
7	Natalie Meeks, Director of Public Works	Jennifer Bergener, Manager, Local Initiatives
8		
9		
10		

E. The headings of all sections of this Agreement are inserted solely for the convenience of reference and are not part of and not intended to govern, limit, or aid in the construction or interpretation of any terms or provision thereof.

F. 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.

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

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

I. Neither this Agreement, nor any of a Party's rights, obligations, duties, or authority hereunder may be assigned in whole or in part by either Party without the prior written consent of the other Party. Any such attempt of assignment shall be deemed void and

1 of no force and effect. Consent to one assignment shall not be deemed consent to any  
2 subsequent assignment, nor the waiver of any right to consent to such subsequent  
3 assignment.

4       J. Either party shall be excused from performing its obligations under this  
5 Agreement during the time and to the extent that it is prevented from performing by an  
6 unforeseeable cause beyond its control, including but not limited to: any incidence of fire, flood,  
7 acts of God, commandeering of material, products, plants or facilities by the federal, state or  
8 local government, national fuel shortage, or a material act or omission by the other party, when  
9 satisfactory evidence of such cause is presented to the other party, and provided further that  
10 such nonperformance is unforeseeable, beyond the control and is not due to the fault or  
11 negligence of the party not performing.

12       This Agreement shall be made effective upon execution by both parties.  
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1       IN WITNESS WHEREOF, the parties hereto have caused this Agreement  
2       No. C-8-1156 to be executed on the date first above written.

3       **CITY OF ANAHEIM**

4       By: \_\_\_\_\_

5       Mayor of the City of Anaheim

7       **ATTEST:**

8       By: \_\_\_\_\_

9              City Clerk of the City of Anaheim

10      **APPROVED AS TO FORM:**  
11      **JACK L. WHITE, CITY ATTORNEY**

12      By: \_\_\_\_\_

13              Deputy City Attorney

14      Dated: \_\_\_\_\_

1       **ORANGE COUNTY TRANSPORTATION  
2       AUTHORITY**

3       By: \_\_\_\_\_

4              Arthur T. Leahy  
5              Chief Executive Officer

7       **APPROVED AS TO FORM**

8       By: \_\_\_\_\_

9              Kennard R. Smart, Jr.  
10          General Counsel

11      **APPROVAL RECOMMENDED:**

12      By: \_\_\_\_\_

13              Kia Mortazavi  
14              Executive Director

15      Dated: \_\_\_\_\_

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1                   **COOPERATIVE AGREEMENT NO. C-8-1157**  
2                   **BETWEEN**  
3                   **ORANGE COUNTY TRANSPORTATION AUTHORITY**  
4                   **AND**  
5                   **CITY OF SANTA ANA**  
6                   **FOR**  
7                   **CITY OF SANTA ANA FIXED-GUIDEWAY PROJECT**

8                   **THIS AGREEMENT**, is effective this day of \_\_\_\_\_, 2008, by and between the  
9                   Orange County Transportation Authority, 550 South Main Street, P.O. Box 14184, Orange,  
10                  California 92863-1584, a public corporation of the State of California (hereinafter referred to as  
11                  "AUTHORITY"), and the City of Santa Ana, 20 Civic Center Plaza, Santa Ana, California  
12                  92701, a municipal corporation (hereinafter referred to as "CITY").

13                  **RECITALS:**

14                  **WHEREAS**, the City of Santa Ana Fixed Guideway project (hereinafter, "SANTA ANA  
15                  GUIDEWAY") proposes to construct and operate a fixed guideway system linking the Santa  
16                  Ana Regional Transportation Center to Harbor Boulevard in the City of Garden Grove which  
17                  includes the use of the Pacific Electric Right-of-Way; and

18                  **WHEREAS**, the SANTA ANA GUIDEWAY was approved in concept by the Santa Ana  
19                  City Council on March 3, 2008 as a fixed guideway system; and

20                  **WHEREAS**, necessary steps in securing federal and state funding for the SANTA ANA  
21                  GUIDEWAY would include meeting environmental compliance through the National  
22                  Environmental Policy Act (hereinafter, "NEPA") and the California Environmental Quality  
23                  Action (hereinafter, "CEQA"); and

24                  **WHEREAS**, the CITY and the AUTHORITY have agreed that an Alternatives Analysis  
25                  shall be prepared for the SANTA ANA GUIDEWAY; and

1       **WHEREAS**, the Alternatives Analysis, NEPA compliance, CEQA compliance, and  
2 associated detailed planning, project management and conceptual engineering for the SANTA  
3 ANA GUIDEWAY shall be referred to as PROJECT for the purposes of this Cooperative  
4 Agreement; and

5       **WHEREAS**, this Cooperative Agreement (hereinafter, "AGREEMENT") defines the  
6 specific terms, conditions, and roles and responsibilities between the AUTHORITY and CITY  
7 for completion of the PROJECT; and

8       **WHEREAS**, the AUTHORITY and CITY estimate the PROJECT shall cost up to Six  
9 Million (\$6,000,000.00) for Alternatives Analysis and NEPA and CEQA environmental  
10 compliance including associated detailed planning and conceptual engineering; and

11      **WHEREAS**, for purposes of this AGREEMENT, Alternatives Analysis shall be defined,  
12 consistent with the guidelines adopted by the Federal Transit Administration, as the local forum  
13 for evaluating the costs, benefits, and impacts of a range of transportation alternatives  
14 designed to address mobility problems and other locally-identified objectives in a defined  
15 transportation corridor, and for determining which particular investment strategy should be  
16 advanced for more focused study and development; and

17      **WHEREAS**, the AUTHORITY's Board of Directors on May 12, 2008 authorized funding  
18 from the Go Local program in an amount not to exceed Five Million, Nine Hundred Thousand  
19 Dollars (\$5,900,000.00) to be matched by One Hundred Thousand Dollars (\$100,000.00) of  
20 CITY funds for the PROJECT; and

21      **WHEREAS**, the AUTHORITY will reimburse the CITY for actual costs of the  
22 PROJECT up to a maximum obligation of \$5.9 million consistent with AUTHORITY approval  
23 of the following milestones: (hereinafter, "PROJECT MILESTONES") completion of the  
24 Alternatives Analysis, including technical studies, approval and adoption of the Locally  
25 Preferred Alternative by CITY Council, and completion of draft environmental documents;  
26 and

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

3           **ARTICLE 1. COMPLETE AGREEMENT**

4           AGREEMENT, including all exhibits and documents incorporated herein and made  
5 applicable by reference, constitutes the complete and exclusive statement of the terms and  
6 conditions of the Agreement between AUTHORITY and CITY concerning the PROJECT and  
7 supersedes all prior representations, understandings, and communications between the  
8 parties. The above-referenced Recitals are true and correct and are incorporated by reference  
9 herein.

10           **ARTICLE 2. RESPONSIBILITES OF AUTHORITY**

11           AUTHORITY agrees to the following responsibilities for the PROJECT:

12           A. To approve scope, schedule and budget proposed by CITY for each  
13 PROJECT MILESTONE within 30 days by AUTHORITY staff.

14           B. To reimburse CITY monthly up to an amount not-to-exceed Five Million, Nine  
15 Hundred Thousand Dollars (\$5,900,000.00) for actual eligible costs for the PROJECT  
16 consistent with PROJECT MILESTONE approval.

17           C. To approve each PROJECT MILESTONE prior to CITY's advancement to  
18 subsequent PROJECT MILESTONE. Approval will be subject to action by AUTHORITY  
19 Board of Directors and is anticipated to require 30-60 days. Upon CITY's completion of  
20 PROJECT, evaluate the Alternatives Analysis, including technical studies, and draft EIR/EA  
21 in anticipation of CITY's request for advancement into Step Three of the Go Local Program.

22           D. To reimburse for actual eligible costs upon AUTHORITY approval of PROJECT  
23 MILESTONES including consultant contracts and project management oversight (including  
24 consultant contracts and/or CITY staff) which shall not exceed 15 percent of actual  
25 expenditures.

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2       E. To participate in PROJECT team meetings and review and comment on  
3 Alternatives Analysis, environmental documents, and detailed planning and conceptual  
4 engineering prepared by CITY within two weeks of receiving such documents.

5       F. To pay CITY in a timely manner upon receipt of an acceptable invoice for costs  
6 for the PROJECT.

7       G. To work cooperatively with CITY to amend both the Regional Transportation  
8 Plan and the Regional Transportation Improvement Program as required for the PROJECT.

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

15       **ARTICLE 3. AUDIT AND INSPECTION**

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

1            /

2            **ARTICLE 4. RESPONSIBILITIES OF CITY**

3            CITY agrees to the following responsibilities for the PROJECT:

4            A.       To act as the lead agency for the PROJECT and to ensure compliance with all  
5            terms and conditions set forth in any applicable policies including, but not limited to, the  
6            Alternatives Analysis, the National Environmental Protection Act (NEPA), and the State of  
7            California Environmental Quality Act (CEQA), including associated detailed planning and  
8            conceptual engineering.

9            B.       To provide eligible local matching funds of One Hundred Thousand Dollars  
10           (\$100,000) for the PROJECT to be expended in advance of AUTHORITY reimbursement, and  
11           to provide all the additional local funds if the total PROJECT costs exceed Six Million Dollars  
12           (\$6,000,000).

13           C.       To act as lead agency to secure consultant services to prepare the PROJECT.

14           D.       To be responsible for the review and oversight of all third party preparation and  
15           submission of documents related to the PROJECT.

16           E.       To evaluate a minimum of five alternatives for the PROJECT including a no-  
17           build/baseline alternative, a bus alternative operating in mixed flow/general purpose lanes, a  
18           bus alternative operating in a dedicated guideway, a rail alternative operating in a dedicated  
19           guideway and a rail system operating in general purpose lanes consistent with AUTHORITY  
20           approved Go Local program criteria. The no-build/baseline alternative modeling  
21           assumptions will be reviewed and approved by the AUTHORITY.

22           F.       To obtain all required reviews, clearances, permits, licenses, and approvals from  
23           all applicable agencies for the PROJECT.

24           G.       To consider potential requirements imposed by the Public Utilities Commission in  
25           PROJECT development.

1        H. To provide monthly updates to the AUTHORITY on status of PROJECT  
2 development, including project overview, detailed planning, alternatives analysis,  
3 environmental analysis, public outreach, schedule and anticipated activities for the following  
4 month. Report must be submitted within thirty (30) days of end of month in a format approved  
5 by the AUTHORITY.

6        I. To conduct regular PROJECT development team meetings and notify OCTA of  
7 such meetings.

8        J. To submit PROJECT MILESTONES to AUTHORITY for approval to advance  
9 into subsequent PROJECT MILESTONE.

10       K. To submit to AUTHORITY for approval PROJECT MILESTONE scope,  
11 schedule and budget.

12       L. To cooperate fully with AUTHORITY staff and its representatives during the  
13 PROJECT.

14       M. Invoices for all work performed on PROJECT shall be submitted by CITY on a  
15 monthly basis and shall be submitted in duplicate to AUTHORITY's Accounts Payable  
16 department. Each CITY invoice shall include the following information:

- 17       1. Agreement Number C-8-1157;
- 18       2. The time period covered by the invoice;
- 19       3. Monthly Progress Report, which includes a detailed description of the progress  
20       of the PROJECT;
- 21       4. Total monthly invoice amount; and
- 22       5. Such other information as requested by AUTHORITY.

23       N. If CITY contracts for consultant services to perform any or all portion of  
24 PROJECT then CITY shall be responsible for payment to consultant for services rendered and  
25 then seek reimbursement from AUTHORITY as part of this AGREEMENT. CITY shall be  
26 responsible for reviewing consultant's invoice for accuracy, terms, and completeness.

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

7           **ARTICLE 6. IT IS MUTUALLY UNDERSTOOD AND AGREED:**

8           All parties agree to the following mutual responsibilities regarding PROJECT:

9           A. This Agreement shall continue in full force and effect through acceptance of final  
10 Alternatives Analysis, and draft final NEPA, and CEQA documents, including associated  
11 detailed planning and conceptual engineering of PROJECT by AUTHORITY or 24 months  
12 from the effective date of this Agreement, whichever is sooner. This Agreement may only be  
13 extended upon written mutual agreement by both parties.

14           B. This Agreement may be amended in writing at any time by the mutual consent of  
15 both parties. No amendment shall have any force or effect unless executed in writing by both  
16 parties.

17           C. The persons executing this Agreement on behalf of the parties hereto warrant  
18 that they are duly authorized to execute this Agreement on behalf of said parties and that, by  
19 so executing this Agreement, the parties hereto are formally bound to the provisions of this  
20 Agreement.

21           D. All notices hereunder and communications regarding the interpretation of the  
22 terms of this Agreement, or changes thereto, shall be effected by delivery of said notices in  
23 person or by depositing said notices in the U.S. mail, registered, or certified mail and  
24 addressed as follows:

25           /

26           /

To CITY:	To AUTHORITY:
Executive Director Public Works Agency	Orange County Transportation Authority
City of Santa Ana 20 Civic Center Plaza (M-21) P.O. Box 1988 Santa Ana, CA 92702-1988	550 South Main Street P. O. Box 14184 Orange, CA 92863-1584
Attention: James G. Ross	Attention: Jennifer Bergener

E. The headings of all sections of this Agreement are inserted solely for the convenience of reference and are not part of and not intended to govern, limit, or aid in the construction or interpretation of any terms or provision thereof.

F. 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.

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

H. 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.

/

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

7       J. Either party shall be excused from performing its obligations under this  
8 Agreement during the time and to the extent that it is prevented from performing by an  
9 unforeseeable cause beyond its control, including but not limited to: any incidence of fire, flood,  
10 acts of God, commandeering of material, products, plants or facilities by the federal, state or  
11 local government, national fuel shortage, or a material act or omission by the other party, when  
12 satisfactory evidence of such cause is presented to the other party, and provided further that  
13 such nonperformance is unforeseeable, beyond the control and is not due to the fault or  
14 negligence of the party not performing.

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

IN WITNESS WHEREOF, the parties hereto have caused this Agreement No. C-8-1157 to be executed on the date first above written.

**CITY OF SANTA ANA**

By: \_\_\_\_\_

DAVID N. REAM

City Manager

**ATTEST:**

By: \_\_\_\_\_

PATRICIA E. HEALY

Clerk of the Council

**APPROVED AS TO FORM:**

JOSEPH W. FLETCHER

City Attorney

By: \_\_\_\_\_

Lisa E. Storck

Assistant City Attorney

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

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**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

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





## BOARD COMMITTEE TRANSMITTAL

**September 22, 2008**

**To:** Members of the Board of Directors  
**From:** Wendy Knowles, Clerk of the Board  
**Subject:** Selection of Consultants for On-Call Traffic Engineering Services

**Highways Committee Meeting of September 15, 2008**

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

**Committee Vote**

This item was passed by all Committee Members present.

***Committee Recommendations (reflects change from staff recommendations)***

- A. Approve the selection of Advantec Consulting Engineers Agreement No. C-8-0612, Albert Grover and Associates Agreement No. C-8-1166, DKS Associates Agreement No. C-8-1167, Fehr & Peers Associates, Inc., Agreement No. C-8-1168, Iteris, Inc., Agreement No. C-8-1169, Kimley-Horn Agreement No. C-8-1170, KOA Corporation Agreement No. C-8-1171, and RBF Consulting Agreement No. C-8-1172 to provide on-call traffic engineering services for the Proposition 1B Traffic Light Synchronization Program.
- B. Authorize staff to request cost proposals from the recommended firms and negotiate agreements for services.
- C. Authorize the Chief Executive Officer to execute the final agreements. Direct staff to bring contract task orders, for work associated with the Proposition 1B Traffic Light Synchronization Program, to the Board for review and approval. Background data to be included shall indicate the number of firms originally selected and their respective ranking; justification for awarding services; and information on the firm's previous work for the Proposition 1B Traffic Light Synchronization Program.



**September 15, 2008**

**To:** Highways Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Selection of Consultants for On-Call Traffic Engineering Services

### ***Overview***

Consultant traffic engineering services are needed to support the Proposition 1B Traffic Light Synchronization Program. This program will provide funding to implement signal synchronization on over 150 miles of Orange County streets over the next three fiscal years. As part of the Orange County Transportation Authority's Fiscal Year 2008-09 Budget, the Board of Directors approved funding for consultant services for on-call traffic engineering support. Offers were received in accordance with the Orange County Transportation Authority's procurement procedures for architectural and engineering services. Board of Directors approval is requested to execute agreements with the recommended firms.

### ***Recommendations***

- A. Approve the selection of Advantec Consulting Engineers Agreement No. C-8-0612, Albert Grover and Associates Agreement No. C-8-1166, DKS Associates Agreement No. C-8-1167, Fehr & Peers Associates, Inc., Agreement No. C-8-1168, Iteris, Inc., Agreement No. C-8-1169, Kimley-Horn Agreement No. C-8-1170, KOA Corporation Agreement No. C-8-1171, and RBF Consulting Agreement No. C-8-1172 to provide on-call traffic engineering services for the Proposition 1B Traffic Light Synchronization Program.
- B. Authorize staff to request cost proposals from the recommended firms and negotiate agreements for services.
- C. Authorize the Chief Executive Officer to execute the final agreements.

***Background***

The Orange County Transportation Authority (OCTA) is seeking qualified firms to perform traffic engineering services through an on-call contract. These firms will support the traffic engineering needs of OCTA to implement multiple signal synchronization projects as part of the Proposition 1B Traffic Light Synchronization Program (TLSP). This comprehensive countywide signal synchronization program targets time-based synchronization of 533 signalized intersections along ten regionally significant corridors throughout Orange County.

The program of projects is a means to improve traffic flow and optimize travel on high-volume regional arterials spanning 158 miles. The program will be implemented in phases over the next three years.

The TLSP program includes the following corridors:

Arterial	Limits
Alicia Parkway	Santa Margarita Parkway to Crown Valley Parkway
Beach Boulevard	Whittier Boulevard to Pacific Coast Highway
Brookhurst Street	Orangethorpe Avenue to Pacific Coast Highway
Chapman Avenue	Hewes Street to Bolsa Chica Road
Irvine Center Drive/Moulton Parkway/Golden Lantern	Costa Mesa Freeway (State Route 55) to Del Prado Avenue
Katella Avenue	Santiago Boulevard to Orange County Border
La Palma Avenue	Weir Canyon Road to Orange County Border
Orangethorpe Avenue	Yorba Linda Boulevard to Orange County Border
Valley View Street	Orange County Border to Warner Avenue
Yorba Linda Boulevard	Oak Canyon Drive to State College Boulevard

Besides optimizing signal timing on ten corridors, the TLSP program will include upgrades to traffic signal infrastructure that will improve and enhance synchronization. These upgrades will provide a foundation for the Renewed Measure M regional TLSP that targets over 2,000 signalized intersections for inter-jurisdictional coordinated operation.

***Discussion***

Traffic engineering consultant support services are required to deliver signal synchronization as part of the TLSP and it is more cost-effective to outsource

these services than to provide for them with in-house employees. The contracts awarded under the procurement will provide OCTA with the flexibility of engaging multiple firms to deliver the TLSP. Multiple firms are required given the scope, timing, and the number of corridors that make up the TLSP. The contracts will be awarded for an initial three-year term. There are provisions for extending the contract for a term of one additional year.

Over the course of the contract, ten separate corridor projects will be competitively bid between the multiple firms and then initiated through contract task orders (CTOs).

This procurement was handled in accordance with OCTA's procedures for architectural and engineering services (A&E), which conform to both federal and state law. Proposals are evaluated without consideration of cost and are ranked in accordance with the qualifications of the firm, staffing, experience with similar projects, and the technical proposal. The highest ranked firms are requested to submit cost proposals and the final agreements are negotiated.

On June 23, 2008, the request for proposals (RFP) for the procurement of on-call traffic engineering consultant services was issued and was electronically sent to all firms registered for this type of discipline on CAMM NET. The project was advertised in a newspaper of general circulation on June 26 and July 3, 2008. A pre-proposal meeting was held on July 1, 2008. Addendum No. 1 was issued on July 10, 2008, to address administrative issues. Addendum No. 2 was issued on July 15, 2008, to respond to questions.

On July 23, 2008, 16 proposals were received. An evaluation committee composed of staff from the Regional Modeling and Traffic Operations and Contracts Administration and Materials Management departments, the City of Anaheim, and the City of Mission Viejo was established to review all offers submitted. The proposals were evaluated on the basis of the following criteria:

- |                                     |            |
|-------------------------------------|------------|
| • Qualifications of the Firm        | 40 percent |
| • Staffing and Project Organization | 35 percent |
| • Work Plan                         | 25 percent |

This criteria was approved by the Board of Directors (Board) on June 23, 2008. The evaluation criteria are consistent with other criteria developed for A&E procurements. In developing the criteria weights, several factors were considered. Staff assigned the greatest importance to qualifications of the firm, as the firm's versatility and capacity are most critical to the successful performance of an on-call multiple assignment contract. Staff assigned the

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next level of importance to staffing and project organization, as the qualifications of key personnel, and the general organization of all firm resources are vital to provide the services. The third level of importance was given to the work plan, outlining the firm's technical approach to management of signal synchronization projects.

A scoring system from 0 to 100 was used to evaluate the proposals submitted. Firms with an overall score above 70 were considered qualified to perform the work. The choice of a 70-point score reflects a practice of OCTA that offerors who attain that score have greater promise of satisfactory performance and less risk of unsatisfactory performance.

Based on its review and findings, the evaluation committee found eight of the firms qualified to perform the work. On August 26, 2008, the committee interviewed each of the qualified firms. These eight qualified firms are:

Firms and Location

Advantec Consulting Engineers  
Diamond Bar, California

Albert Grover and Associates  
Fullerton, California

DKS Associates  
Irvine, California

Fehr & Peers Associates, Inc.  
Irvine, California

Iteris, Inc.  
Santa Ana, California

Kimley-Horn  
Orange, California

KOA Corporation  
Orange, California

RBF Consulting  
Irvine, California

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The firms had strong experience in traffic signal timing, operations and system design, and demonstrated multi-jurisdictional corridor capabilities that are particularly relevant to the OCTA program. The project managers and other key personnel proposed by the firms had the requisite experience, licensing, and other credentials to ensure effective direction and technical leadership for the projects assigned.

All firms demonstrated a comprehensive understanding of the scope of the project and the required deliverables. The firms showed an excellent understanding of the issues related to the TLSP and demonstrated excellence with similar projects. The firms committed the resources of project teams with the ability to deliver the services on time and within budget, and a work plan was submitted that effectively responded to the RFP.

Due to the amount of work and timelines of the TLSP program, it is recommended that contracts be finalized with all eight firms. OCTA will, on a competitive basis among the firms awarded contracts, request CTO proposals for specific task work scopes. The resources provided through these on-call engineering services will enable OCTA to successfully complete the TLSP program.

#### Fiscal Impact

The expenses associated with this contract are included in OCTA's approved Fiscal Year (FY) 2008-09 Budget, Development Division, Account 0010-7519-R5070-P33, and is funded through the Local Transportation Authority. It is anticipated that additional funding will be available for each of the following two FYs (2009-10 and 2010-11), for a total amount of \$8,000,000. Funding will be comprised of a combination of the traffic signal synchronization component of Measure M and matching contribution from Proposition 1B, which was passed by the voters in November 2006.

#### Next Steps

Work on the ten corridors will begin with the development of memorandums of understanding with the local agencies. Staff will bring an item to the Board in fall 2008 updating the progress of the TLSP including implementation timeframes. It is anticipated that the first corridors will be underway by early 2009.

**Summary**

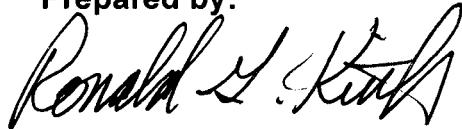
The evaluation committee met and reviewed this item. Based on the material provided, the committee recommends selection of the eight firms identified above to provide on-call traffic engineering services for the TLSP program.

Staff is requesting authorization to request cost proposals from all the recommended firms and negotiate agreements with each within the approved \$8,000,000 budget for this project.

**Attachments**

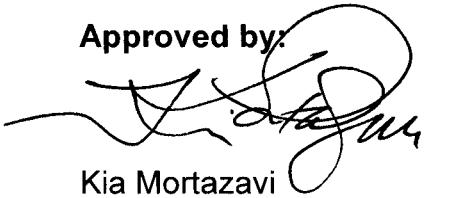
- A. RFP for On-Call Traffic Engineering Services – Review of Proposals - RFP 8-0612
- B. Recommended Proposed Scoring Summary – RFP 8-0612 On-Call Traffic Engineering Services

**Prepared by:**



Ronald Keith  
Principal Traffic Engineer  
(714) 560-5990

**Approved by:**



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

**RFP for On-Call Traffic Engineering Services**  
**Review of Proposals - RFP 8-0612**

*(Presented to Highways Committee - 9-15-08)*

**Sixteen (16) Proposals Received; Eight (8) Offerors Interviewed; All Eight Offerors Selected**

Overall Ranking	Overall Score	Firm & Location	Sub-Contractors	Evaluation Committee Comments
1	91	Iteris, Inc. Anaheim, California	Two (2) subcontractors	Excellently qualified, local firm with national experience as well. Very capable and well qualified staff. Thorough understanding of project requirements, provided many innovations for improving results.
2	89	Advantec Consulting Engineers Diamond Bar, California	Two (2) subcontractors	Firm has excellent experience and strengths in operations and signal coordination. Staff are good to excellent, with interjurisdictional experience. Well thought out work plan, insights into problems and solutions.
3	89	RBF Consulting Irvine, California	Three (3) subcontractors	Very capable firm with good experience in signal timing and Orange County experience. Key personnel are excellently qualified, recent local corridor work. Very well presented work plan, which considers related factors.
4	88	Albert Grover and Associates Fullerton California	Five (5) subcontractors	Very good firm with demonstrated signal timing experience and local knowledge. Very well qualified staff with good knowledge of local cities. Exceptionally good understanding of work, with innovations.
5	87	KOA Corporation Orange, California	Four (4) subcontractors	Highly qualified firm with solid recent experience in signals and timing. Excellently qualified staff with good knowledge of involved cities. Work plan demonstrated good understanding or project needs.
6	86	Fehr & Peers Associates, Inc. Irvine, California	Four (4) subcontractors	Good, capable team with interjurisdictional experience. Capable staff with excellent commitment and local experience. Work plan well thought out with good understanding and some innovations offered.
7	81	DKS Associates Irvine, California	Three (3) subcontractors	Firm's overall experience very good, but little local experience. Staff well qualified and available, but with little local experience. Work plan well thought out, though somewhat lean; good corridor analysis; some insights.
8	76	Kimley-Horn Orange, California	Two (2) subcontractors	Capable, well respected firm with signal timing experience. Capable and available staff, but with more LA County than Orange County experience. Adequate understanding, clearly stated, but no special insights.

**Evaluation Panel: (6)**

OCTA:

CAMM (1)

Development (2)

EXTERNAL (2)

**Proposal Criteria**

Qualifications of Firm

Staffing and Project Organization

Work Plan

**Weight Factor**

40%

35%

25%

Recommended Proposed Scoring Summary  
RFP 8-0612 On-Call Traffic Engineering Services

						Average Weighted Score
Weights						
<b>FIRM Alteris, Inc.</b>						
Evaluator Number	1	2	3	4	5	Max = 100
Qualifications of Firm	4.0	4.0	5.0	4.5	4.5	8
Staffing/Project Organization	4.0	4.5	4.5	4.5	5.0	7
Work Plan	5.0	5.0	4.5	5.0	4.5	5
<b>TOTAL</b>	<b>85.0</b>	<b>88.5</b>	<b>94.0</b>	<b>92.5</b>	<b>93.5</b>	<b>91</b>
<b>FIRM Advantec Consulting Engineers</b>						
Evaluator Number	1	2	3	4	5	Max = 100
Qualifications of Firm	4.5	4.0	4.5	4.5	4.5	8
Staffing/Project Organization	4.5	4.5	4.5	4.5	4.5	7
Work Plan	4.5	5.0	4.5	4.0	4.5	5
<b>TOTAL</b>	<b>90.0</b>	<b>88.5</b>	<b>90.0</b>	<b>87.5</b>	<b>90.0</b>	<b>89</b>
<b>FIRM RBF Consulting</b>						
Evaluator Number	1	2	3	4	5	Max = 100
Qualifications of Firm	4.5	4.5	4.5	4.0	4.5	8
Staffing/Project Organization	4.5	4.5	4.5	4.0	5.0	7
Work Plan	4.5	4.5	4.5	4.0	4.5	5
<b>TOTAL</b>	<b>90.0</b>	<b>90.0</b>	<b>90.0</b>	<b>80.0</b>	<b>93.5</b>	<b>89</b>
<b>FIRM Albert Grover and Associates</b>						
Evaluator Number	1	2	3	4	5	Max = 100
Qualifications of Firm	4.0	5.0	4.0	4.5	4.5	8
Staffing/Project Organization	4.0	4.5	4.5	4.0	4.5	7
Work Plan	4.0	5.0	4.5	4.5	4.5	5
<b>TOTAL</b>	<b>80.0</b>	<b>96.5</b>	<b>86.0</b>	<b>86.5</b>	<b>90.0</b>	<b>88</b>
<b>FIRM KOA Corporation</b>						
Evaluator Number	1	2	3	4	5	Max = 100
Qualifications of Firm	4.5	4.5	5.0	4.0	5.0	8
Staffing/Project Organization	4.0	4.5	5.0	3.5	4.5	7
Work Plan	3.5	4.0	5.0	3.0	4.5	5
<b>TOTAL</b>	<b>81.5</b>	<b>87.5</b>	<b>100.0</b>	<b>71.5</b>	<b>94.0</b>	<b>87</b>

**Recommended Proposed Scoring Summary**  
**RFP 8-0612 On-Call Traffic Engineering Services**

**FIRM: Fehr & Peers Associates, Inc.**

Evaluator Number	1	2	3	4	5		Max = 100
Qualifications of Firm	4.0	4.0	4.5	4.0	4.5	8	34
Staffing/Project Organization	4.5	4.0	4.5	4.5	4.5	7	31
Work Plan	4.0	4.0	4.5	4.0	5.0	5	22
<b>TOTAL</b>	<b>83.5</b>	<b>80.0</b>	<b>90.0</b>	<b>83.5</b>	<b>92.5</b>		<b>86</b>

**FIRM: DKS Associates**

Evaluator Number	1	2	3	4	5		Max = 100
Qualifications of Firm	4.0	4.0	4.0	4.0	4.0	8	32
Staffing/Project Organization	4.0	4.0	4.0	4.5	4.0	7	29
Work Plan	4.0	4.0	3.5	4.5	4.0	5	20
<b>TOTAL</b>	<b>80.0</b>	<b>80.0</b>	<b>77.5</b>	<b>86.0</b>	<b>80.0</b>		<b>81</b>

**FIRM: Kimley-Horn**

Evaluator Number	1	2	3	4	5		Max = 100
Qualifications of Firm	4.0	4.0	4.0	4.0	4.0	8	32
Staffing/Project Organization	4.0	4.0	4.0	4.0	4.0	7	28
Work Plan	3.0	3.0	3.0	3.0	4.0	5	16
<b>TOTAL</b>	<b>75.0</b>	<b>75.0</b>	<b>75.0</b>	<b>75.0</b>	<b>80.0</b>		<b>76</b>

**CUTOFF = 70**

**FIRM A**

Evaluator Number	1	2	3	4	5		Max = 100.0
Qualifications of Firm	3.0	4.0	3.5	3.0	4.0	8	28.0
Staffing/Project Organization	3.0	3.0	3.5	3.5	4.0	7	23.8
Work Plan	3.0	3.0	3.5	3.0	4.0	5	16.5
<b>SUB-TOTAL, TECHNICAL</b>	<b>60.0</b>	<b>68.0</b>	<b>70.0</b>	<b>63.5</b>	<b>80.0</b>		<b>68</b>

**FIRM B**

Evaluator Number	1	2	3	4	5		Max = 100.0
Qualifications of Firm	3.0	3.0	3.0	3.0	3.0	8	24.0
Staffing/Project Organization	2.5	3.0	3.0	3.0	2.0	7	18.9
Work Plan	2.5	3.0	3.0	2.0	2.0	5	12.5
<b>SUB-TOTAL, TECHNICAL</b>	<b>54.0</b>	<b>60.0</b>	<b>60.0</b>	<b>55.0</b>	<b>48.0</b>		<b>55</b>

**FIRM C**

Evaluator Number	1	2	3	4	5		Max = 100.0
Qualifications of Firm	2.5	3.0	2.0	3.0	3.0	8	21.6
Staffing/Project Organization	2.5	3.0	2.0	3.0	3.0	7	18.9
Work Plan	2.5	2.5	2.0	2.5	3.0	5	12.5
<b>SUB-TOTAL, TECHNICAL</b>	<b>50.0</b>	<b>57.5</b>	<b>40.0</b>	<b>57.5</b>	<b>60.0</b>		<b>53</b>

**Recommended Proposed Scoring Summary**  
**RFP 8-0612 On-Call Traffic Engineering Services**

<b>FIRM D</b>						<b>Max = 100.0</b>	
Evaluator Number	1	2	3	4	5		
Qualification of Firm	2.5	3.0	3.5	1.5	2.0	8	20.0
Staffing/Project Organization	2.5	3.0	3.5	1.5	2.0	7	17.5
Work Plan	2.5	2.5	3.0	1.5	3.0	5	12.5
<b>SUB-TOTAL, TECHNICAL</b>	<b>50.0</b>	<b>57.5</b>	<b>67.5</b>	<b>30.0</b>	<b>45.0</b>		<b>50</b>

<b>FIRM E</b>						<b>Max = 100.0</b>	
Evaluator Number	1	2	3	4	5		
Qualifications of Firm	2.5	3.0	3.0	2.0	2.0	8	20.0
Staffing/Project Organization	2.5	2.0	3.0	2.5	2.0	7	16.8
Work Plan	2.5	3.0	3.0	2.5	2.0	5	13.0
<b>SUB-TOTAL, TECHNICAL</b>	<b>50.0</b>	<b>53.0</b>	<b>60.0</b>	<b>46.0</b>	<b>40.0</b>		<b>50</b>

<b>FIRM F</b>						<b>Max = 100.0</b>	
Evaluator Number	1	2	3	4	5		
Qualifications of Firm	2.0	2.0	3.5	1.5	2.0	8	17.6
Staffing/Project Organization	2.5	1.5	3.0	1.5	1.0	7	13.3
Work Plan	2.0	2.0	2.5	1.5	2.0	5	10.0
<b>SUB-TOTAL, TECHNICAL</b>	<b>43.5</b>	<b>36.5</b>	<b>61.5</b>	<b>30.0</b>	<b>33.0</b>		<b>41</b>

<b>FIRM G</b>						<b>Max = 100.0</b>	
Evaluator Number	1	2	3	4	5		
Qualifications of Firm	2.5	2.0	3.0	2.5	1.0	8	17.6
Staffing/Project Organization	2.5	2.0	3.0	2.0	1.0	7	14.7
Work Plan	1.0	1.0	0.0	3.0	1.0	5	6.0
<b>TECHNICAL SCORE</b>	<b>42.5</b>	<b>35.0</b>	<b>45.0</b>	<b>49.0</b>	<b>20.0</b>		<b>38</b>

<b>FIRM H</b>						<b>Max = 100.0</b>	
Evaluator Number	1	2	3	4	5		
Qualifications of Firm	2.0	2.5	2.0	1.5	1.0	8	14.4
Staffing/Project Organization	2.0	2.0	2.0	1.5	1.0	7	11.9
Work Plan	2.0	2.0	2.0	1.5	1.0	5	8.5
<b>SUB-TOTAL, TECHNICAL</b>	<b>40.0</b>	<b>44.0</b>	<b>40.0</b>	<b>30.0</b>	<b>20.0</b>		<b>35</b>





## BOARD COMMITTEE TRANSMITTAL

**September 22, 2008**

**To:** Members of the Board of Directors  
**From:** <sup>WK</sup> Wendy Knowles, Clerk of the Board  
**Subject:** Amendment to Agreement for Compressed Natural Gas Fueling Stations at Anaheim and Garden Grove Bases

Transit Committee meeting of September 11, 2008

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

**Committee Vote**

This item was passed by all Committee Members present.

Director Buffa was not present to vote on this item.

**Recommendation**

Authorize the Chief Executive Officer to execute Amendment No. 4 to Agreement No. C-6-0890 between the Orange County Transportation Authority and California Trillium Company, in the amount of \$130,967, for electrical service upgrades at the Garden Grove Base.



**September 11, 2008**

**To:** Transit Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Amendment to Agreement for Compressed Natural Gas Fueling Stations at the Anaheim and Garden Grove Bases

### **Overview**

On May 14, 2007, the Board of Directors approved an agreement with California Trillium Company, in an amount not to exceed \$24,100,000, to provide lease-to-own compressed natural gas fueling facilities at the Anaheim and Garden Grove bases. The scope of electrical service upgrades required to power the new compressed natural gas fueling station at the Garden Grove Base have now been defined. An amendment is needed to add these improvements to the agreement.

### **Recommendation**

Authorize the Chief Executive Officer to execute Amendment No. 4 to Agreement No. C-6-0890 between the Orange County Transportation Authority and California Trillium Company, in the amount of \$130,967, for electrical service upgrades at the Garden Grove Base.

### **Background**

The Orange County Transit District, predecessor to the Orange County Transportation Authority (Authority), completed construction of the Garden Grove Base in 1977. During construction of the Garden Grove Base, a 2,000 amp electrical service was provided to the facility.

On May 8, 2006, the Board of Directors (Board) approved an accelerated procurement of 249 compressed natural gas (CNG) 40-foot buses and authorized the issuance of a request for proposals (RFP) for the design, construction, operation, and maintenance of CNG fueling stations at the Anaheim and Garden Grove bases.

On May 14, 2007, the Board awarded Agreement No. C-6-0890 to California Trillium Company (Trillium) for lease-to-own CNG fueling facilities at the Anaheim and Garden Grove bases, for a period up to ten years. It was stated in the May 14, 2007, Board staff report that the proposal excluded any additional cost for utility upgrades for electrical service by Southern California Edison (SCE) and the City of Anaheim Public Utilities, as the utility companies will not start any design work until the electrical requirements are identified. The agreement's scope of work states that any additional utility upgrades required to existing conduit, wiring, transformer, etc., up to and including existing utility meter, will be addressed by future amendments. On July 14, 2008, the Board approved Amendment No. 2 to Agreement No. C-6-0890 with Trillium, in the amount of \$168,882, for electrical upgrades at the Anaheim Base.

### ***Discussion***

The CNG fueling station at the Garden Grove Base requires the use of two 600-horsepower electric compressors and one 600-horsepower back-up electrical compressor to fuel the Authority's bus fleet within the specified eight-hour bus fueling window. Each CNG fueling station consists of three compressors, a gas dryer, four small storage spheres, two back-up power generators, and three fueling dispensers. An additional 2,000 amp electrical service is required to operate the new CNG equipment.

The agreement between the Authority and Trillium requires Trillium to coordinate all new or upgraded electrical service to the CNG fueling station with the local electrical utility company, SCE. In order to accomplish this, an amendment to Agreement No. C-6-0890 with Trillium is required. To accommodate the additional electrical load, SCE will upgrade the existing 2,000 amp electrical service to a 4,000 amp electrical service to the site. The major elements of the electrical service upgrades will consist of SCE installing new electrical service wiring to the site, a new switch, and a new transformer. A new electrical utility pull/meter section, new wire from the new transformer to the pull/meter section, new electrical distribution equipment to service the new CNG station and the existing bus base, and new electrical wiring to the existing electrical meter location will be installed by Trillium.

The original agreement, awarded on May 14, 2007, was in the not-to-exceed amount of \$24,100,000. This agreement has been amended previously to address administrative issues, install additional spare electrical conduits paid from the agreement's contingency fund, install electrical service upgrades to the Anaheim Base, and install new engine oil reels, main circuit breaker, and electrical wiring revisions paid from the agreement's contingency fund (Attachment A).

The total amount after approval of Amendment No. 4 to Agreement No. C-6-0890 will be \$24,399,849.

**Fiscal Impact**

The additional work described in Amendment No. 4 to Agreement No. C-6-0890 was included in the Authority's Fiscal Year 2008-09 Budget, Development Division, Account 1722-9022-D3107-N1T, and is funded through the Orange County Transit District.

**Summary**

Staff recommends approval of Amendment No. 4 to Agreement No. C-6-0890, in the amount of \$130,967, with California Trillium Company for electrical service upgrades at the Garden Grove Base.

**Attachment**

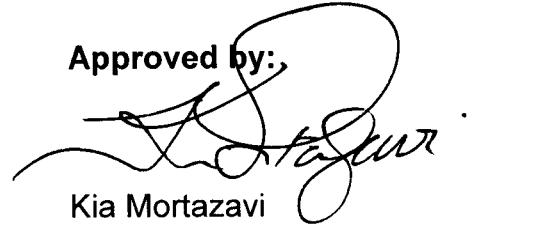
- A. California Trillium Company, Agreement No. C-6-0890 Fact Sheet

**Prepared by:**



James J. Kramer, P.E.  
Principal Civil Engineer  
(714) 560-5866

**Approved by:**



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

**ATTACHMENT A**

**California Trillium Company  
Agreement No. C-6-0890 Fact Sheet**

1. May 14, 2007, Agreement No. C-6-0890, \$24,100,000, approved by Board of Directors.
  - Lease-to-own compressed natural gas fueling facilities at the Anaheim and Garden Grove bases.
2. February 27, 2008, Amendment No. 1 to Agreement No. C-6-0890, \$0, approved by purchasing agent.
  - To address administrative issues and to make scope changes at no increase to maximum cumulative obligation amount.
3. July 14, 2008, Amendment No. 2 to Agreement No. C-6-0890, \$168,882, approved by Board of Directors.
  - Electrical service upgrades to accommodate the compressed natural gas fueling station at the Anaheim Base.
4. August 19, 2008, Amendment No. 3 to Agreement No. C-6-0890, \$0, approved by purchasing agent.
  - Scope changes at no increase to maximum cumulative obligation amount.
5. September 22, 2008, Amendment No. 4 to Agreement No. C-6-0890, \$130,967 pending approval by Board of Directors.
  - Electrical service upgrades to accommodate the compressed natural gas fueling station at the Garden Grove Base.

Total committed to California Trillium Company after approval of Amendment No. 4 to Agreement No. C-6-0890: \$24,399,849.





## **BOARD COMMITTEE TRANSMITTAL**

**September 22, 2008**

**To:** Members of the Board of Directors  
**From:** Wendy Knowles, Clerk of the Board  
**Subject:** Renewed Measure M Transit Funding Program Guidelines

Transit Committee meeting of September 11, 2008

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

**Committee Vote**

No action was taken on this Discussion item.

See Transmittal attached.



**September 11, 2008**

**To:** Transit Committee

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

**Subject:** Renewed Measure M Transit Funding Program Guidelines

Attached is a copy of the Renewed Measure M Transit Funding Program Guidelines item that was approved by the Transportation 2020 Committee (Committee) on August 18, 2008. This item is scheduled to go to the Board of Directors (Board) on September 22, 2008. Per the Committee's request, staff is providing a copy of the item for your review and feedback prior to the Board meeting. This item includes a discussion of transit funding policies that will be reviewed at the September 11, 2008, Transit Committee meeting.

Additionally, please find attached a copy of the PowerPoint presentation to be shown at the meeting.

ATL:kb

Attachments



## BOARD COMMITTEE TRANSMITTAL

**August 18, 2008**

**To:** Members of the Board of Directors  
*WK*  
**From:** Wendy Knowles, Clerk of the Board  
**Subject:** Renewed Measure M Transit Funding Program Guidelines

### 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. Provide direction to staff on the proposed framework and competitive scoring criteria for Project T (Convert Metrolink Stations to Regional Gateways).
- B. Direct staff to review the proposed Project T (Convert Metrolink Stations to Regional Gateways) framework and competitive scoring criteria with the Metrolink rail corridor cities in Orange County and return in September 2008 with recommendations.

#### ***Staff Comments***

The Transportation 2020 Committee received the attached map as a handout at its meeting of August 18, 2008 (Transmittal Attachment).

It was subsequently determined that this item would be presented for discussion to the Transit Committee on September 11, 2008.

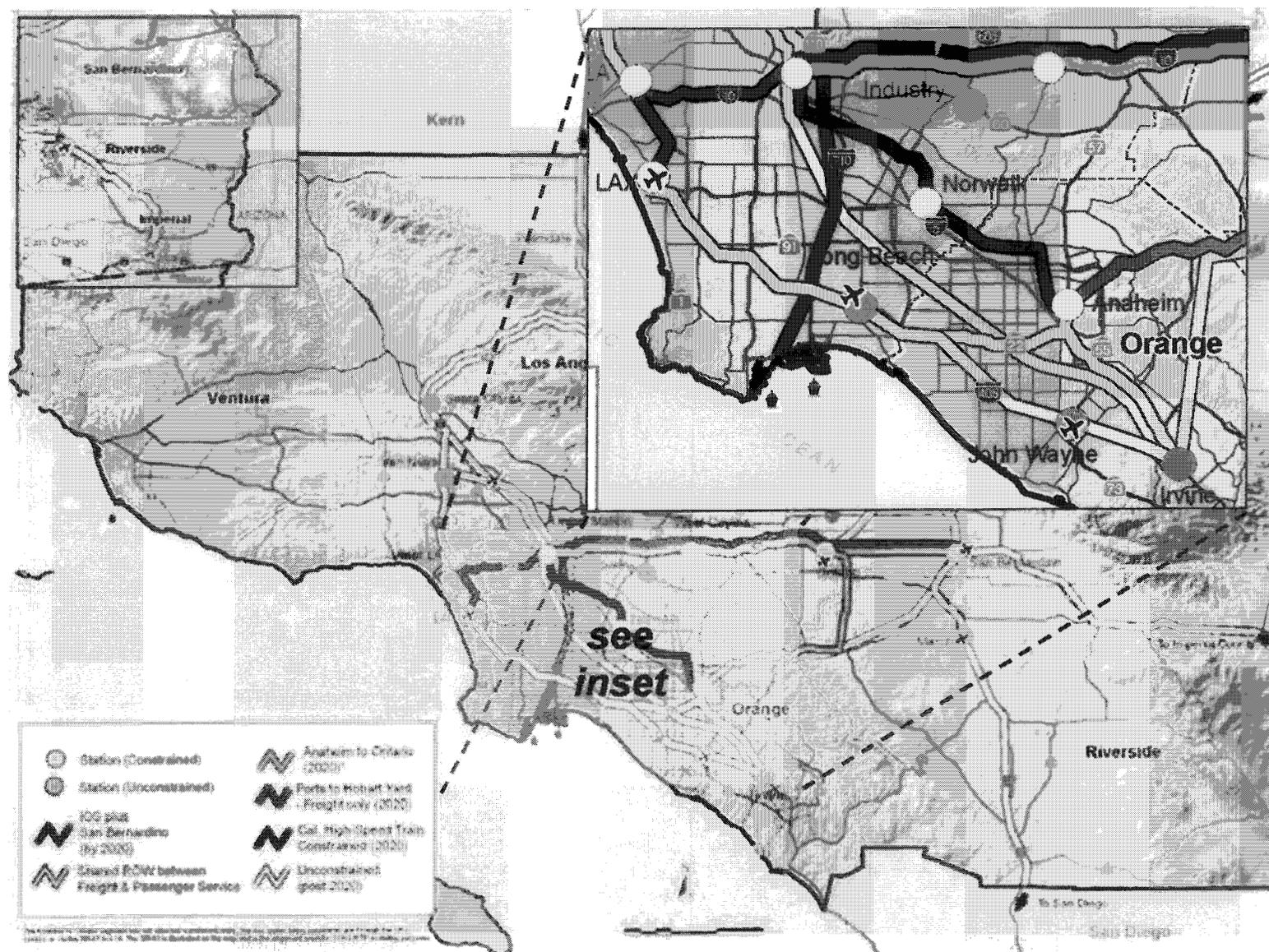


BOARD COMMITTEE TRANSMITTAL  
Page two

***Committee Comments***

The Committee requested revisions to the scoring criteria in Attachment B (revised Attachment B). These changes included: (1) increasing points in the “readiness” and “intermodal connections” categories; (2) decreasing points in the “regional markets” and “supportive land use” categories; (3) changing a financial measure from “Percent of Local/Private-Capital” to “Percent of M2 for Capital”. The highlights and callouts in the revised Attachment B further describe these changes.

## EXHIBIT 3.8 PROPOSED HIGH-SPEED REGIONAL TRANSPORT SYSTEM



Source: Southern California Association of Governments, 2008 Statewide HSR Timeline

## **Project T Draft Framework**

### **Background**

- Transform key LOSSAN Metrolink stations into regional transportation hubs to serve the future high-speed rail systems. About \$365 million (nominal dollars) available from fiscal years (FY) 2010-11 to 2040-41 (*June 2008 forecast*).

### **Local agencies prerequisites**

- Metrolink station must be: (1) a designated station on the proposed California high-speed rail alignment; (2) or a designated station included in other high-speed rail plans (2008 Regional Transportation Plan).
- Cities must meet new M2 eligibility requirements before receiving funds (included in M2 Ordinance).
- Cities to develop and submit project application including council resolutions, funding plan, and ridership report (as part of application submittal). The funding plan must include a commitment to fully fund operations with local, private or high-speed rail “system” sources, consistent with OCTA’s policy regarding funding Metrolink station operations.

### **Proposed process/requirements**

- OCTA to commit 20 years of forecasted Project T revenues (see page 2) for the call for projects, and reserve remaining 10 years for a future call for projects and economic uncertainty.
- Allow local agency bond costs as an eligible expense to allow project advancement against a portion of Project T revenues. This process ensures all costs are accounted for in the project applications. Bonds may be issued by local agency or OCTA as long as bond costs are included in the project application.
- Establish future minimum project points overall and/or by scoring categories (see scoring criteria below).
- Off-site improvements cannot exceed 5 percent of M2 funding request.
- Allow all project phases with priority for completing environmental documents in early years.
- Project applications must show complete projects.
- Final funding decision contingent on “written agreement with the Authority...” per Orange County Local Transportation Authority Ordinance No. 3, Attachment B (see page 3).
- Follow CTFP close-out and audit procedures.

### **Competitive scoring criteria (100 points maximum; see details starting on page 4)**

- Financial commitments (maximum 30 percent)
- Transit usage (maximum 20 percent)
- Project and high-speed rail readiness (maximum 45 20 percent)
- Intermodal connections (maximum 15 18 percent)
- ~~Regional markets (maximum 10 percent)~~
- ~~Supportive land use (maximum 10 percent)~~
- Regional markets/land use (maximum 12 points)

**Preliminary Project T Revenues  
for Programming (FY 2010-11 to 2029-30)**

(June 2008 forecast)

<b>Fiscal Year</b>	<b>Project T Revenues (nominal dollars)</b>	<b>Project T Revenues (2007 dollars)</b>
2011	\$ 1,441,794	\$ 1,359,465
2012	\$ 6,053,952	\$ 5,573,589
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2030	\$ 13,241,250	\$ 8,395,191
<b>Total</b>	<b>\$ 178,714,580</b>	<b>\$ 133,615,279</b>

Note: OCTA's financial commitment subject to receipt of actual M2 Project T revenues.

**Orange County Local Transportation Authority Ordinance No. 3,  
Attachment B, page B-15**

1 Extensions to Metrolink projects to provide effective and user-friendly connections to  
2 Metrolink services and bus transit systems.

3           2. To be eligible to receive Net Revenues for Transit Extension to  
4 Metrolink projects, an Eligible Jurisdiction must execute a written agreement with the  
5 Authority regarding the respective roles and responsibilities pertaining to construction,  
6 ownership, operation and maintenance of the Transit Extension to Metrolink project.

7           3. Allocations of Net Revenues shall be determined pursuant to a  
8 countywide competitive procedure adopted by the Authority. This procedure shall include  
9 an evaluation process and methodology applied equally to all candidate Transit Extension  
10 to Metrolink projects. Eligible Jurisdictions shall be consulted by the Authority in the  
11 development of the evaluation process and methodology.

12           B. Metrolink Gateways.

13           1. The Authority may provide technical assistance, transportation  
14 planning and engineering resources for an Eligible Jurisdiction to assist in designing  
15 Regional Transit Gateway facilities to provide for effective and user-friendly connections to  
16 the Metrolink system and other transit services.

17           2. To be eligible to receive Net Revenues for Regional Gateway  
18 projects, an Eligible Jurisdiction must execute a written agreement with the Authority  
19 regarding the respective roles and responsibilities pertaining to construction, ownership,  
20 operation and maintenance of the Regional Gateway facility.

21           3. Allocations of Net Revenues shall be determined pursuant to a  
22 countywide competitive procedure adopted by the Authority. This procedure shall include  
23 an evaluation process and methodology applied equally to all candidate Regional Gateway  
24 projects. Eligible Jurisdictions shall be consulted by the Authority in the development of the  
25 evaluation process and methodology.

26           C. Mobility Choices for Seniors and Persons with Disabilities.

27           1. An Eligible Jurisdiction may contract with another entity to  
28 perform all or part of a Mobility Choices for Seniors and Persons with Disabilities project.

## Project T Draft Competitive Scoring Criteria for Eligible Agencies and Projects

### **Financial Commitment (30 points)**

<b>Total project cost (information only)</b>	
\$ (capital)	(No points)
<b>Percent of M2 for capital</b>	
50% or less	16 points
51% to 65%	12 points
66% to 80%	8 points
81% to 90%	4 points
<b>Level of commitment from private partners</b>	
Investment agreement (binding)	8 points
Commitment letters	2 points
<b>OCTA concurrence with financial assumptions/analysis</b>	
Yes	6 points
No	0 points
<b>Changes: Changed "Percent of private/local" to "Percent of M2 for capital".</b>	

### **Transit Usage (20 points)**

<b>Existing transit boardings (within five miles)</b>	
x <sub>7</sub> to x <sub>8</sub>	4 points
x <sub>5</sub> to x <sub>6</sub>	3 points
x <sub>3</sub> to x <sub>4</sub>	2 points
x to x <sub>2</sub>	1 point
<b>Transit boardings growth (within five miles)</b>	
x <sub>7</sub> to x <sub>8</sub> (values not %)	8 points
x <sub>5</sub> to x <sub>6</sub> (values not %)	6 points
x <sub>3</sub> to x <sub>4</sub> (values not %)	4 points
x to x <sub>2</sub> (values not %)	2 points

### **Consistent ridership projections**

100% to 110% of OCTAM	8 points
111 % to 120% of OCTAM	6 points
121 % to 140% of OCTAM	2 points

\* Projections below OCTAM get 8 points

### **Readiness (20 points)**

<b>High-speed rail system status</b>	
In constrained 2008 RTP	10 points
Added in unconstrained 2008 RTP (no points if not in current RTP)	2 points
<b>Land acquired for total project</b>	
Yes	5 points
No	0 points
<b>Project design status</b>	
Design complete	5 points
Environmental complete	3 points
PSR equivalent complete	1 point

**Changes:** Increased to 20 points from 15 points overall; increased "2008 RTP" points to 10 from 5; increased "project design points" to 5 points from 3 points; moved council resolution (was 2 points) to local agencies prerequisites section on page 1 (no points but now a requirement).

### **Intermodal Connections (18 points)**

<b>Number of current transit modes provided</b>	
x <sub>9</sub> to x <sub>10</sub>	5 points
x <sub>7</sub> to x <sub>8</sub>	4 points
x <sub>5</sub> to x <sub>6</sub>	3 points
x <sub>3</sub> to x <sub>4</sub>	2 points
x to x <sub>2</sub>	1 point

### **Future increase in the number of transit modes**

x <sub>9</sub> to x <sub>10</sub> (values not %)	10 points
x <sub>7</sub> to x <sub>8</sub> (values not %)	8 points
x <sub>5</sub> to x <sub>6</sub> (values not %)	6 points
x <sub>3</sub> to x <sub>4</sub> (values not %)	4 points
x to x <sub>2</sub> (values not %)	2 points

### **OCTA concurrence with intermodal analysis**

Yes	3 points
No	0 points

**Changes:** Increased to 18 points from 15 overall; increased "future modes" to 10 from 5 points; decreased "OCTA concurrence" from 5 to 3 points.

Continued on next page...

## **Regional Markets / Land Use (12 points)**

### **Adjacent freeway lane miles (within five miles)**

x <sub>5</sub> to x <sub>6</sub>	3 points
x <sub>3</sub> to x <sub>4</sub>	2 points
x to x <sub>2</sub>	1 point

### **Current employment (within five miles)**

x <sub>5</sub> to x <sub>6</sub>	3 points
x <sub>3</sub> to x <sub>4</sub>	2 points
x to x <sub>2</sub>	1 point

### **Planned job density within 1,500 feet**

x <sub>5</sub> to x <sub>6</sub>	3 points
x <sub>3</sub> to x <sub>4</sub>	2 points
x to x <sub>2</sub>	1 point

### **Planned housing density within 1,500 feet**

x <sub>5</sub> to x <sub>6</sub>	3 points
x <sub>3</sub> to x <sub>4</sub>	2 points
x to x <sub>2</sub>	1 point

**Changes:** Combined Regional Markets and Land use into single category, reduced combined points to 12 points from 20 points; dropped "Employment Growth" since this is counted in "Planned job density", dropped "Total site size-acres" measure to allow for 3 point scale per measure (3 points times 4 measures = 12 points).



**August 18, 2008**

**To:** Transportation 2020 Committee  
**From:** Arthur T. Leahy, Chief Executive Officer  
**Subject:** Renewed Measure M Transit Funding Program Guidelines

### **Overview**

Work has started on developing the competitive process for the Renewed Measure M transit program. An initial framework and competitive scoring criteria for Project T (Convert Metrolink Stations to Regional Gateways) are provided for review and direction.

### **Recommendations**

- A. Provide direction to staff on the proposed framework and competitive scoring criteria for Project T (Convert Metrolink Stations to Regional Gateways).
- B. Direct staff to review the proposed Project T (Convert Metrolink Stations to Regional Gateways) framework and competitive scoring criteria with the Metrolink rail corridor cities in Orange County and return in September 2008 with recommendations.

### **Background**

In November 2006, nearly 70 percent of Orange County voters approved the renewal of Measure M, a half-cent local transportation sales tax, for an additional 30 years beginning in 2011 until 2041. Twenty-five percent of Renewed Measure M (M2) net revenues are available for the development and implementation of a countywide transit program that will enhance the public transportation system in Orange County. The key element of the M2 transit program is improving the Los Angeles – San Diego – San Luis Obispo rail corridor. This well-established commuter rail system will serve as a platform for future rail service growth, and rail stations will be developed into transportation hubs that can serve as regional transportation gateways. A series of new, coordinated, flexible transportation systems, each one customized to the unique transportation vision the station serves will be developed.

Four of the new M2 transit program elements are proposed for a future competitive call for projects consistent with the M2 ordinance. The recommended competitive transit programs include: Project S (Transit Extensions to Metrolink), Project T (Convert Metrolink Stations to Regional Gateways), Project V (Community Based Transit/Circulators), and Project W (Safe Transit Stops) (Attachment A). Collectively, the Orange County Transportation Authority (OCTA) is referring to this group of competitive transit programs as the M2 Transit Funding Program (TFP). Local agencies will need guidance on how to submit competitive funding applications to OCTA. As a result, TFP guidelines need to be developed and approved by the Board of Directors (Board).

To get an early start on this process, in June 2008 the Board approved five guiding principles for the M2 Strategic Plan. Staff suggests that these principles also be applied to the future TFP call for projects. The principles relate to transparency, fairness, and consistency in the competitive process, evaluation criteria that address key policy issues, ensuring planned services are complementary to OCTA bus services, providing incentives for minimizing the use of M2 transit funds for operations, and leveraging state and federal dollars to maximize the M2 investment. These principles would be applied to Projects S, T, V, and W in the future funding program guidelines. Staff has started developing the TFP guidelines for Board review and direction. An approach to competitive scoring criteria is presented below.

### ***Discussion***

While the TFP guidelines will apply to the four M2 competitive programs, staff is recommending starting the guideline development process with Project T. Project T revenues will be used to develop key Metrolink stations into transportation hubs to serve future high-speed rail.

The reasons for starting with Project T are: (1) Projects S and V require further project development work in order to make future funding decisions, (2) projects emerging from Project T support the expansion of Metrolink service in Orange County, and (3) projects emerging from Project T are likely to be complex - involving land-use decisions by local agencies and private investment decisions by business - and therefore, require a considerable amount of time to develop and implement. Starting early on this process is therefore highly desirable.

A first step in the guideline development process is a framework that briefly defines local agencies' prerequisites, the proposed process, and competitive scoring criteria. The Project T description in the M2 Transportation

Investment Plan acknowledges various potential high-speed rail proposals and puts a focus on the California high-speed rail system (including proposed stations). This is also the high-speed rail proposal that has moved furthest along in terms of connection to Orange County's Metrolink rail system. The Project T draft framework (Attachment B) establishes potential Metrolink station linkages to the California high-speed rail system or other high-speed rail plans included in the 2008 Regional Transportation Plan as a prerequisite for Project T participation.

The Project T draft framework recommends that OCTA commit 20 years of Project T revenue in the call for projects. This represents a significant investment in the regional gateway program and allows local agencies to use the revenue commitment to issue debt, design, and construct regional gateway facilities. Staff recommends that the remaining Project T revenues, covering the last ten years of M2, be held in reserve for a future call for projects and economic uncertainty.

Staff also recommends that bond costs (either local agencies' or OCTA's but not both) be included as an eligible Project T expense to support project advancement. This approach ensures project and debt costs are accounted for by the project sponsors. Other requirements are also suggested in Attachment B including the recommendation that Metrolink station operations and maintenance costs remain a non-OCTA responsibility, consistent with existing Board policy.

Project T competitive scoring criteria address the areas of financial commitments, transit usage, project and high-speed rail readiness, intermodal connections, regional markets served, and supportive land use. These general areas were reviewed by the Transportation 2020 Committee in early 2008 as part of the M2 Transit Strategic Plan. Staff will add details on the specific values for each of the proposed areas as a next step.

Staff is seeking direction on the proposed Project T framework and evaluation criteria. With policy direction, staff recommends reviewing the framework and criteria with the Metrolink rail corridor cities in Orange County to solicit feedback. Final Project T recommendations would return to the Board in September 2008 along with more information on the TFP guidelines covering the four competitive programs.

***Summary***

A competitive framework and scoring criteria for M2 Project T (Convert Metrolink Stations to Regional Gateways) are presented for review and direction. With Board direction, staff will seek input from Metrolink cities and return with recommendations in September 2008.

***Attachments***

- A. Recommended Competitive Transit Programs
- B. Project T Draft Framework

**Prepared by:**



Kurt Brotcke  
Director, Strategic Planning  
(714) 560-5742

**Approved by:**



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

## Recommended Competitive Transit Programs



### High Frequency Metrolink Service Transit Extensions to Metrolink

**Project R**
**High Frequency Metrolink Service**
**Description:**

This project will increase rail services within the county and provide frequent Metrolink service north of Fullerton to Los Angeles. The project will provide for track improvements, more trains, and other related needs to accommodate the expanded service.

This project is designed to build on the successes of Metrolink and complement service expansion made possible by the current Measure M. The service will include upgraded stations and added parking capacity; safety improvements and quiet zones along the tracks; and frequent shuttle service and other means, to move arriving passengers to nearby destinations.

The project also includes funding for improving grade crossings and constructing over or underpasses at high volume arterial streets that cross the Metrolink tracks.

**Cost:**

The estimated cost of capital and operations is \$1,014.1 million.

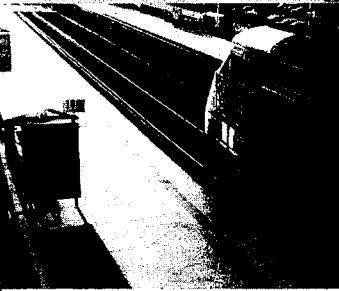
**Project S**
**Competitive**
**Transit Extensions to Metrolink**
**Description:**

Frequent service in the Metrolink corridor provides a high capacity transit system linking communities within the central core of Orange County. This project will establish a competitive program for local jurisdictions to broaden the reach of the rail system to other activity centers and communities. Proposals for extensions must be developed and supported by local jurisdictions and will be evaluated against well-defined and well-known criteria as follows:

- Traffic congestion relief
- Project readiness, with priority given to projects that can be implemented within the first five years of the Plan
- Local funding commitments and the availability of right-of-way
- Proven ability to attract other financial partners, both public and private
- Cost-effectiveness
- Proximity to jobs and population centers
- Regional as well as local benefits
- Ease and simplicity of connections
- Compatible, approved land uses
- Safe and modern technology
- A sound, long-term operating plan

This project shall not be used to fund transit routes that are not directly connected to or that would be redundant to the core rail service on the Metrolink corridor. The emphasis shall be on expanding access to the core rail system and on establishing connections to communities and major activity centers that are not immediately adjacent to the Metrolink corridor. It is intended that multiple transit projects be funded through





## Project Details

### Metrolink Gateways

#### Expand Mobility Choices for Seniors and Persons with Disabilities

a competitive process and no single project may be awarded all of the funds under this program.

These connections may include a variety of transit technologies such as conventional bus, bus rapid transit or high capacity rail transit systems as long as they can be fully integrated and provide seamless transition for the users.

##### **Cost:**

The estimated cost to implement this program over thirty years is \$1,000.0 million.

### Project T

### Competitive

#### Convert Metrolink Station(s) to Regional Gateways that Connect Orange County with High-Speed Rail Systems

##### **Description:**

This program will provide the local improvements that are necessary to connect planned future high-speed rail systems to stations on the Orange County Metrolink route.

The State of California is currently planning a high-speed rail system linking northern and southern California. One line is planned to terminate in Orange County. In addition, several magnetic levitation (MAGLEV) systems that would connect Orange County to Los Angeles and San Bernardino Counties, including a link from Anaheim to Ontario airport, are also being planned or proposed by other agencies.

##### **Cost:**

The estimated Measure M share of the cost for these regional centers and connections is \$226.6 million.

### Project U

#### Expand Mobility Choices for Seniors and Persons with Disabilities

##### **Description:**

This project will provide services and programs to meet the growing transportation needs of seniors and persons with disabilities as follows:

- One percent of net revenues will stabilize fares and provide fare discounts for bus services, specialized ACCESS services and future rail services
- One percent of net revenues will be available to continue and expand local community van service for seniors through the existing Senior Mobility Program
- One percent will supplement existing countywide senior non-emergency medical transportation services

Over the next 30 years, the population age 65 and over is projected to increase by 93 percent. Demand for transit and specialized transportation services for seniors and persons with disabilities is expected to increase proportionately.

##### **Cost:**

The estimated cost to provide these programs over 30 years is \$339.8 million.





## Transit Projects

### Community Based Transit/Circulators Safe Transit Stops

#### Project V

Competitive

#### Community Based Transit/Circulators

##### Description:

This project will establish a competitive program for local jurisdictions to develop local bus transit services such as community based circulators, shuttles and bus trolleys that complement regional bus and rail services, and meet needs in areas not adequately served by regional transit. Projects will need to meet performance criteria for ridership, connection to bus and rail services, and financial viability to be considered for funding. All projects must be competitively bid, and they cannot duplicate or compete with existing transit services.

##### Cost:

The estimated cost of this project is \$226.5 million.

#### Project W

Competitive

#### Safe Transit Stops

##### Description:

This project provides for passenger amenities at 100 busiest transit stops across the County. The stops will be designed to ease transfer between bus lines and provide passenger amenities such as improved shelters, lighting, current information on bus and train timetables and arrival times, and transit ticket vending machines.

##### Cost:

The estimated cost of this project is \$25.0 million.



# Project T Draft Framework

## Background

- Transform key LOSSAN Metrolink stations into regional transportation hubs to serve the future high-speed rail systems.
- About \$365 million (nominal dollars) available from fiscal years (FY) 2010-11 to 2040-41 (*June 2008 forecast*).

## Local agencies prerequisites

- Metrolink station must be: (1) a designated station on the proposed California high-speed rail alignment; (2) or a designated station included in other high-speed rail plans (2008 Regional Transportation Plan).
- Cities must meet new M2 eligibility requirements before receiving funds (included in M2 Ordinance).
- Cities to develop and submit project application, funding plan, and ridership report (as part of application submittal). The funding plan must include a commitment to fully fund operations with local, private or high-speed rail “system” sources, consistent with OCTA’s policy regarding funding Metrolink station operations.

## Proposed process/requirements

- OCTA to commit 20 years of forecasted Project T revenues (see page 2) for the call for projects, and reserve remaining 10 years for a future call for projects and economic uncertainty.
- Allow local agency bond costs as an eligible expense to allow project advancement against a portion of Project T revenues. This process ensures all costs are accounted for in the project applications. Bonds may be issued by local agency or OCTA as long as bond costs are included in the project application.
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- Allow all project phases with priority for completing environmental documents in early years.
- Project applications must show complete projects.
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- Follow CTFP close-out and audit procedures.

## Competitive scoring criteria (100 points maximum; see details starting on page 4)

- Financial commitments (maximum 30 percent)
- Transit usage (maximum 20 percent)
- Project and high-speed rail readiness (maximum 15 percent)
- Intermodal connections (maximum 15 percent)
- Regional markets (maximum 10 percent)
- Supportive land use (maximum 10 percent)

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10 to Metrolink projects. Eligible Jurisdictions shall be consulted by the Authority in the  
11 development of the evaluation process and methodology.

12           B. Metrolink Gateways.

13           1. The Authority may provide technical assistance, transportation  
14 planning and engineering resources for an Eligible Jurisdiction to assist in designing  
15 Regional Transit Gateway facilities to provide for effective and user-friendly connections to  
16 the Metrolink system and other transit services.

17           2. To be eligible to receive Net Revenues for Regional Gateway  
18 projects, an Eligible Jurisdiction must execute a written agreement with the Authority  
19 regarding the respective roles and responsibilities pertaining to construction, ownership,  
20 operation and maintenance of the Regional Gateway facility.

21           3. Allocations of Net Revenues shall be determined pursuant to a  
22 countywide competitive procedure adopted by the Authority. This procedure shall include  
23 an evaluation process and methodology applied equally to all candidate Regional Gateway  
24 projects. Eligible Jurisdictions shall be consulted by the Authority in the development of the  
25 evaluation process and methodology.

26           C. Mobility Choices for Seniors and Persons with Disabilities.

27           1. An Eligible Jurisdiction may contract with another entity to  
28 perform all or part of a Mobility Choices for Seniors and Persons with Disabilities project.

## **Project T Draft Competitive Scoring Criteria for Eligible Agencies and Projects**

<b>Financial Commitment (30 points)</b>		<b>Transit Usage (20 points)</b>	
<b>Total project cost (information only)</b>		<b>Existing transit boardings (within five miles)</b>	
\$ (capital)	(No points)	$x_7$ to $x_8$	4 points
		$x_5$ to $x_6$	3 points
		$x_3$ to $x_4$	2 points
		$x$ to $x_2$	1 point
<b>Percent of private/local \$ - capital</b>		<b>Transit boardings growth (within five miles)</b>	
50% or more	16 points	$x_7$ to $x_8$ (values not %)	8 points
35% to 49%	12 points	$x_5$ to $x_6$ (values not %)	6 points
20% to 34%	8 points	$x_3$ to $x_4$ (values not %)	4 points
10% to 19%	4 points	$x$ to $x_2$ (values not %)	2 points
<b>OCTA concurrence with financial assumptions/analysis</b>		<b>Consistent ridership projections</b>	
Yes	10 points	100% to 110% of OCTAM	8 points
No	0 points	111 % to 120% of OCTAM	6 points
		121 % to 140% of OCTAM	2 points
<b>Letters of commitment from private partners</b>		<i>* Projections below OCTAM get 8 points</i>	
Yes	4 points		
No	0 points		

<b>Readiness (15 points)</b>		<b>Intermodal Connections (15 points)</b>	
<b>High-speed rail system status</b>		<b>Number of current transit modes provided</b>	
In constrained 2008 RTP	5 points	$x_9$ to $x_{10}$	5 points
Added in unconstrained 2008 RTP <i>(no points if not in current RTP)</i>	2 points	$x_7$ to $x_8$	4 points
<b>Land acquired for total project</b>		$x_5$ to $x_6$	3 points
Yes	5 points	$x_3$ to $x_4$	2 points
No	0 points	$x$ to $x_2$	1 point
<b>Project design status</b>		<b>Future increase in the number of transit modes</b>	
Design complete	3 points	$x_9$ to $x_{10}$ (values not %)	5 points
Environmental complete	2 points	$x_7$ to $x_8$ (values not %)	4 points
PSR equivalent complete	1 point	$x_5$ to $x_6$ (values not %)	3 points
<b>Council resolution supporting project and financial commitment</b>		$x_3$ to $x_4$ (values not %)	2 points
Yes	2 points	$x$ to $x_2$ (values not %)	1 point
No	0 points		
		<b>OCTA concurrence with intermodal analysis</b>	
		Yes	5 points
		No	0 points

*Continued on next page...*

## ***Project T Draft Competitive Scoring Criteria, continued***

### **Serve Regional Markets (10 points)**

#### **Adjacent freeway lane miles (within five miles)**

x <sub>7</sub> to x <sub>8</sub>	4 points
x <sub>5</sub> to x <sub>6</sub>	3 points
x <sub>3</sub> to x <sub>4</sub>	2 points
x to x <sub>2</sub>	1 point

#### **Current employment (within five miles)**

x <sub>5</sub> to x <sub>6</sub>	3 points
x <sub>3</sub> to x <sub>4</sub>	2 points
x to x <sub>2</sub>	1 point

#### **Employment growth (within five miles)**

x <sub>5</sub> to x <sub>6</sub> (values not %)	3 points
x <sub>3</sub> to x <sub>4</sub> (values not %)	2 points
x to x <sub>2</sub> (values not %)	1 point

### **Supportive Land Use (10 points)**

#### **Total site size (acres)**

x <sub>7</sub> to x <sub>8</sub>	4 points
x <sub>5</sub> to x <sub>6</sub>	3 points
x <sub>3</sub> to x <sub>4</sub>	2 points
x to x <sub>2</sub>	1 point

#### **Planned job density within 1,500 feet**

x <sub>5</sub> to x <sub>6</sub>	3 points
x <sub>3</sub> to x <sub>4</sub>	2 points
x to x <sub>2</sub>	1 point

#### **Planned housing density within 1,500 feet**

x <sub>5</sub> to x <sub>6</sub>	3 points
x <sub>3</sub> to x <sub>4</sub>	2 points
x to x <sub>2</sub>	1 point

# **POWERPOINT**

## **PRESENTATION**

# **Renewed Measure M Transit Funding Program Guidelines**

Board of Directors' Meeting  
September 22, 2008



# **Renewed Measure M (M2)**

## **Transit Funding**

---

- 25 percent of net revenues
- Four of six programs competitive
- Guidelines set the stage for future call for projects



# M2 Transit Programs

## M2 Programs and Competition

	Mandated Competitive Programs	Non-competitive Programs	Potentially Competitive Programs
R High-Frequency Metrolink		X	
S Transit Extensions to Metrolink	X		
T Regional Gateways	Today X		
U Senior/Disabled Program		X	
W Safe Transit Stops			X
V Community Circulators	X		

# Project T – Metrolink Gateways

- Metrolink station gateways to high-speed rail
- About 2 percent of net M2 revenues
- Policy framework presented today

## Project T

### Conven Metrolink Station(s) to Regional Gateways that Connect Orange County with High-Speed Rail Systems

#### Description:

This program will provide the local improvements that are necessary to connect planned future high-speed rail systems to stations on the Orange County Metrolink route.

The State of California is currently planning a high-speed rail system linking northern and southern California. One line is planned to terminate in Orange County. In addition, several magnetic levitation (MAGLEV) systems that would connect Orange County to Los Angeles and San Bernardino Counties, including a link from Anaheim to Ontario airport, are also being planned or proposed by other agencies.

**Cost:**  
The estimated Measure M share of the cost for these regional centers and connections is \$226.6 million.



# Initial “T” Programming

Fiscal Year	Project T Revenues (nominal dollars)	Project T Revenues (2007 dollars)
2011	\$ 1,441,794	\$ 1,359,465
2012	\$ 6,053,952	\$ 5,573,589
2013	\$ 6,350,461	\$ 5,716,424
2014	\$ 6,679,948	\$ 5,881,702
2015	\$ 7,006,081	\$ 6,038,735
2016	\$ 7,346,457	\$ 6,196,400
2017	\$ 7,674,258	\$ 6,336,558
2018	\$ 8,029,499	\$ 6,487,962
2019	\$ 8,402,147	\$ 6,644,043
2020	\$ 8,749,016	\$ 6,773,602
2021	\$ 9,112,891	\$ 6,909,841
2022	\$ 9,514,942	\$ 7,070,530
2023	\$ 9,922,382	\$ 7,228,331
2024	\$ 10,346,620	\$ 7,396,039
2025	\$ 10,794,804	\$ 7,570,062
2026	\$ 11,256,113	\$ 7,741,613
2027	\$ 11,748,040	\$ 7,921,358
2028	\$ 12,258,743	\$ 8,099,806
2029	\$ 12,785,181	\$ 8,274,027
2030	\$ 13,241,250	\$ 8,395,191
Total	\$ 178,714,580	\$ 133,615,279

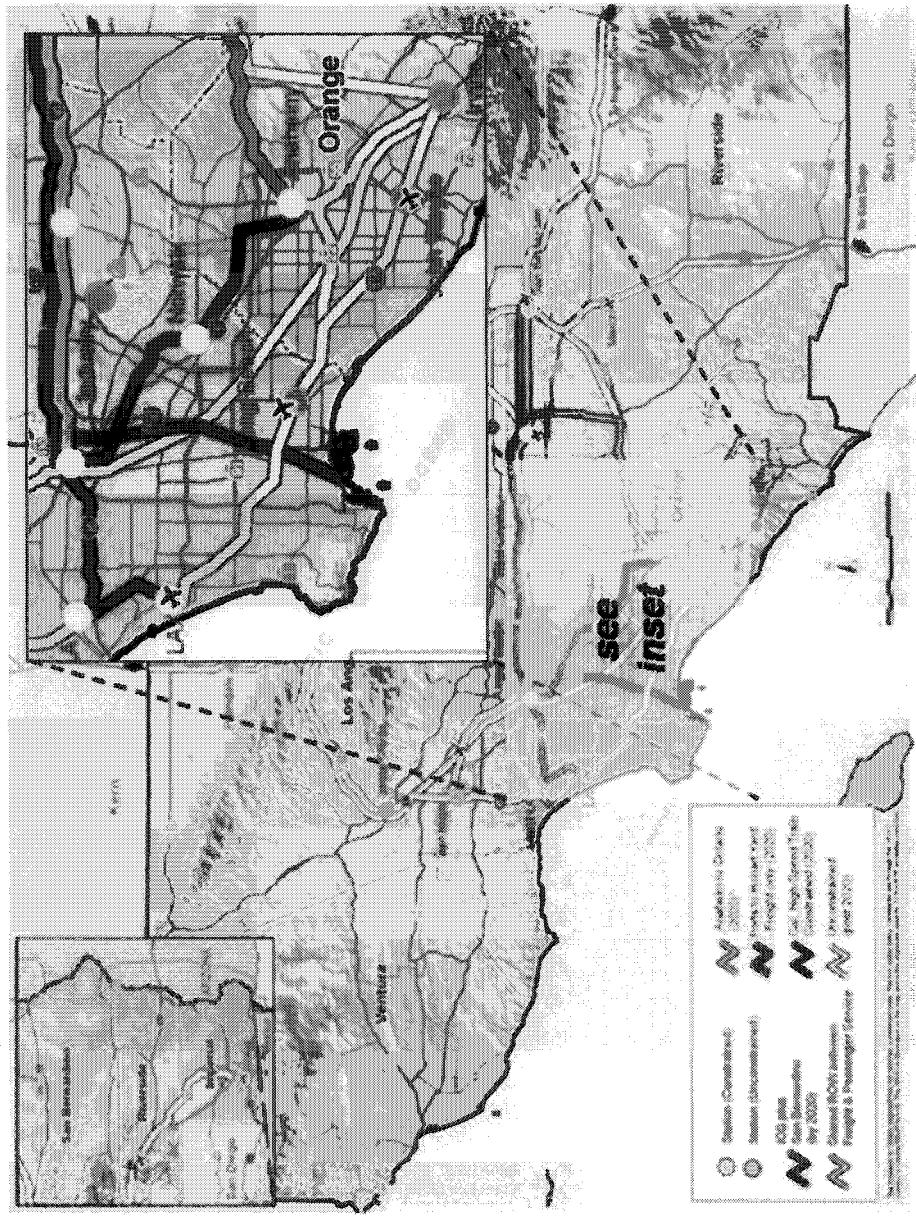
# **“T” Pre-Requisites**

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- Funds to eligible agencies and other recommendations
- No Project T funds for station operations (existing policy)
- Designated Metrolink station:
  - On California high-speed rail system
  - In other high-speed rail plans

# High-Speed Rail Plans

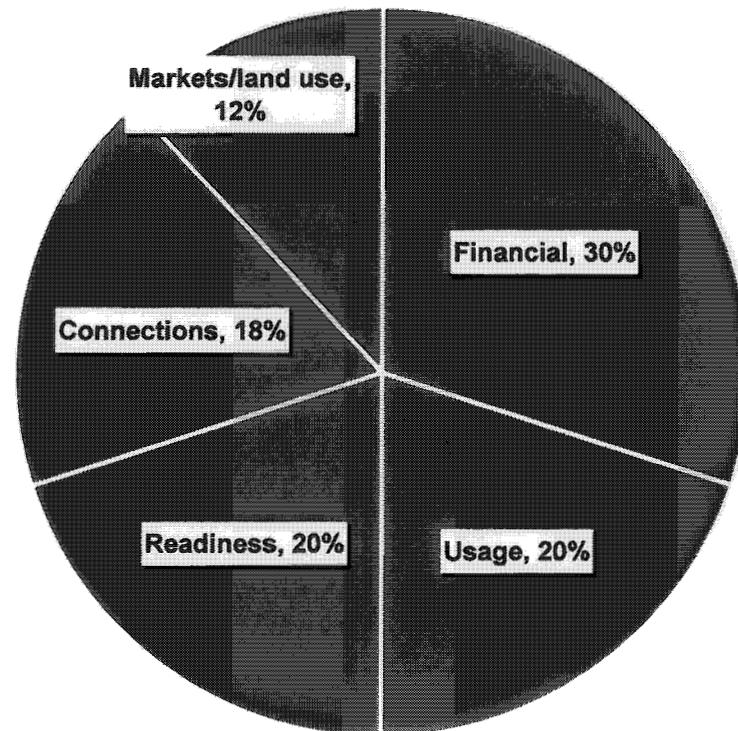
EXHIBIT 23 PROPOSED HIGH-SPEED RAIL SYSTEM



# Proposed Criteria

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- Financial commitments
- Transit usage
- Project/high-speed rail readiness
- Intermodal connections
- Regional markets/land use



# **Criteria/Measures**

---

## **Financial - 30%**

- M2 percentage
- Commitments
- Concurrence

## **Usage - 20%**

- Existing usage
- Future usage
- Consistency

## **Readiness - 20%**

- System status
- Purchased land
- Project status

---

## **Connections - 18%**

- Current modes
- Future modes
- Concurrence

## **Markets/Land Use - 12%**

- Freeway accessibility
- Regional employment
- Job and housing density

# **Next Steps**

---

- Review framework with Metrolink corridor cities
- Return in October 2008 with detailed Project T funding guideline recommendations



**Bravo!**



# Bravo! Bus Rapid Transit Conceptual Shelter Designs

Board of Directors

September 22, 2008



WSDOT

Washington State  
Transportation  
Department



**BRAVO!**

Station Marker

Route Information

Next Bus Signage

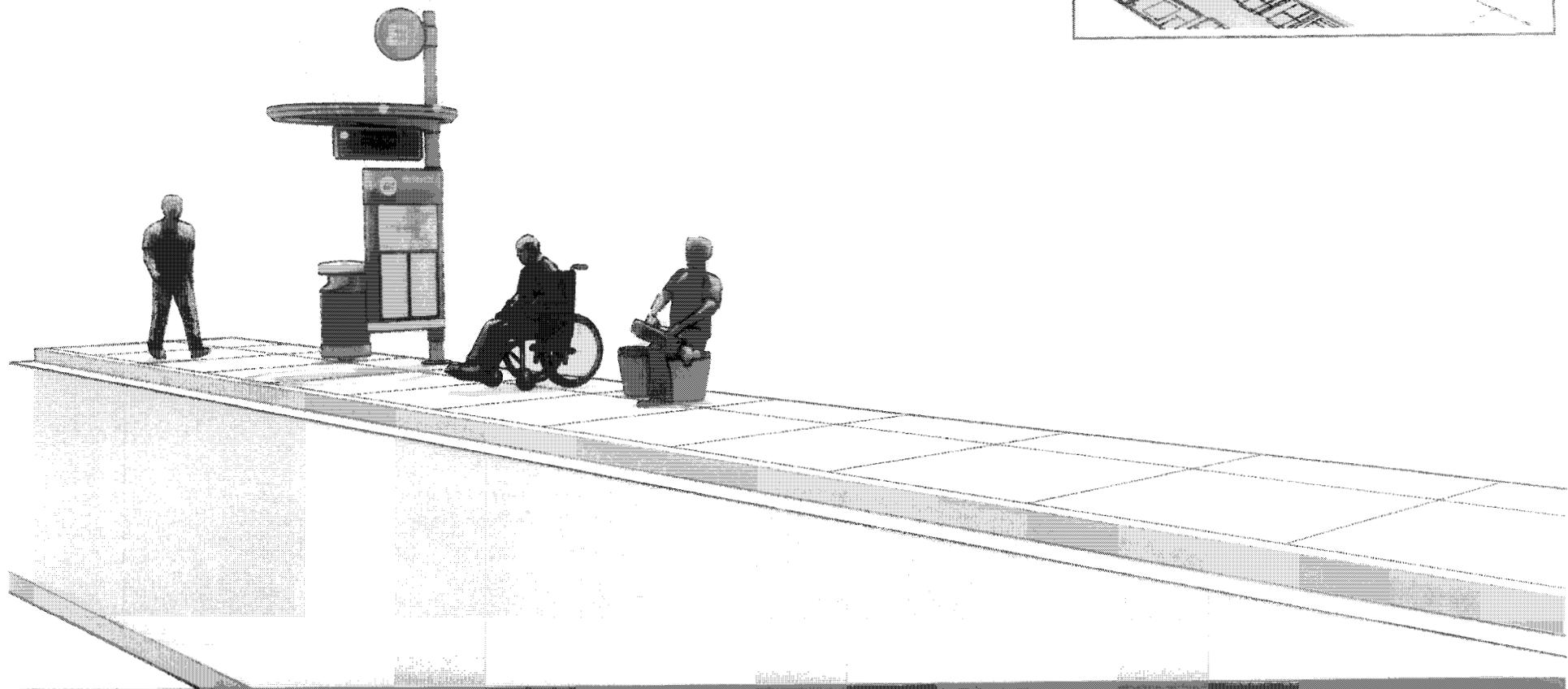
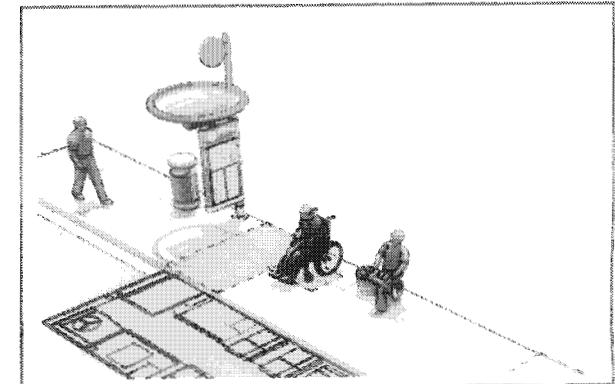
Waste Receptacle

## STATION TYPE: MARKER

Branding Element

Solid Canopy

Seating



Design Services for Bus Stop  
Bravo! Station  
Orange County Transportation Authority

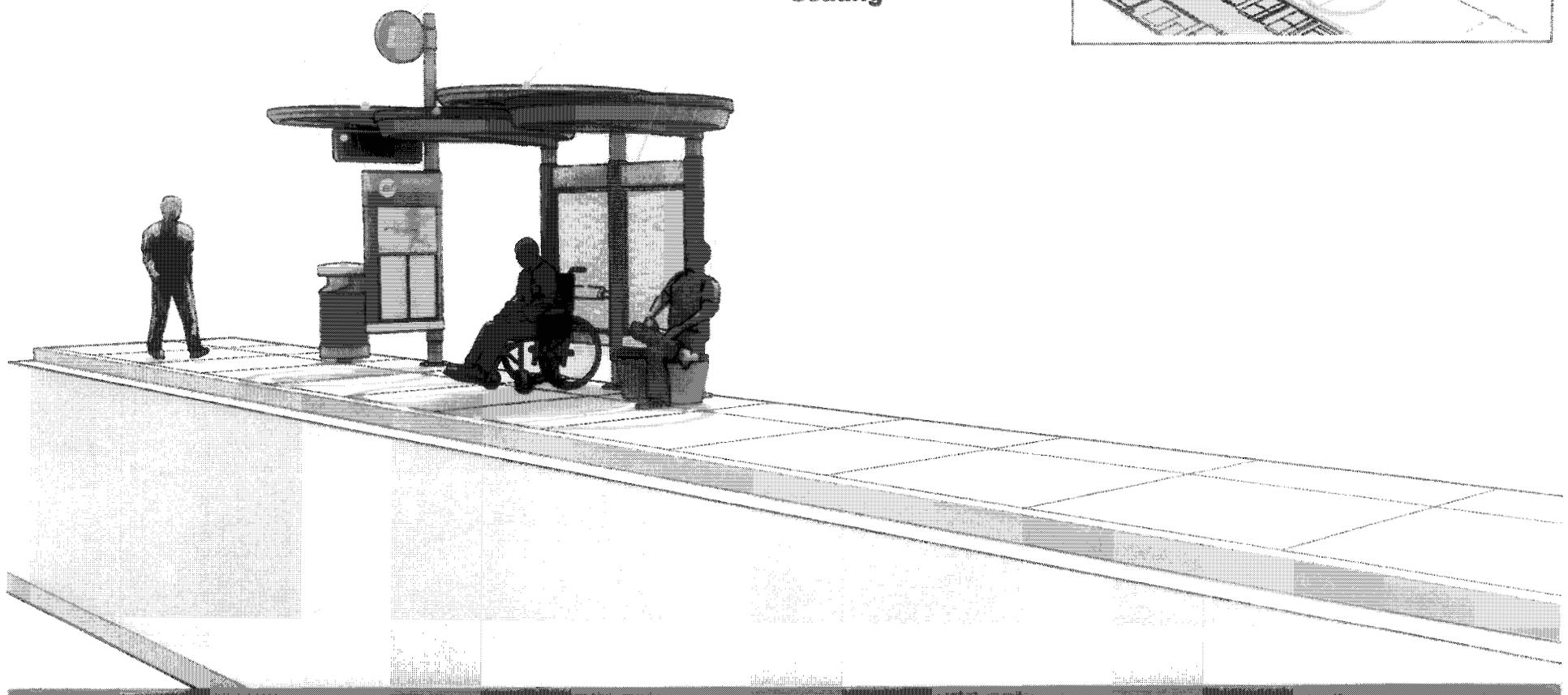
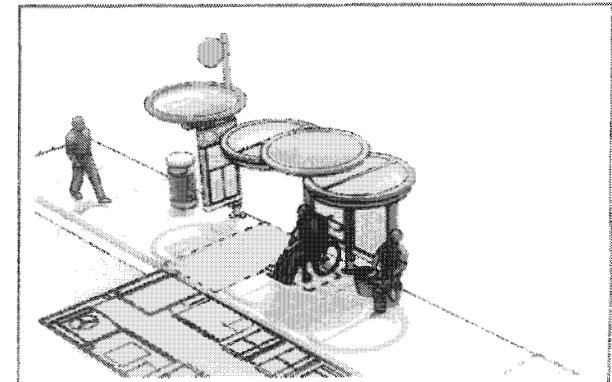


BRAVO!

STATION TYPE: SMALL

- Station Marker
- Route Information
- Next Bus Signage
- Waste Receptacle

- Branding Element
- Solid Canopy
- Translucent Canopy
- Leaning Rail
- Sun Screen
- Seating



Design Services for Small Stop Stations  
Orange County Transportation Authority

Project



BRAVO!

STATION TYPE: MEDIUM

Station Marker



Route Information



Next Bus Signage



Waste Receptacle



Advertising Panel



Branding Element

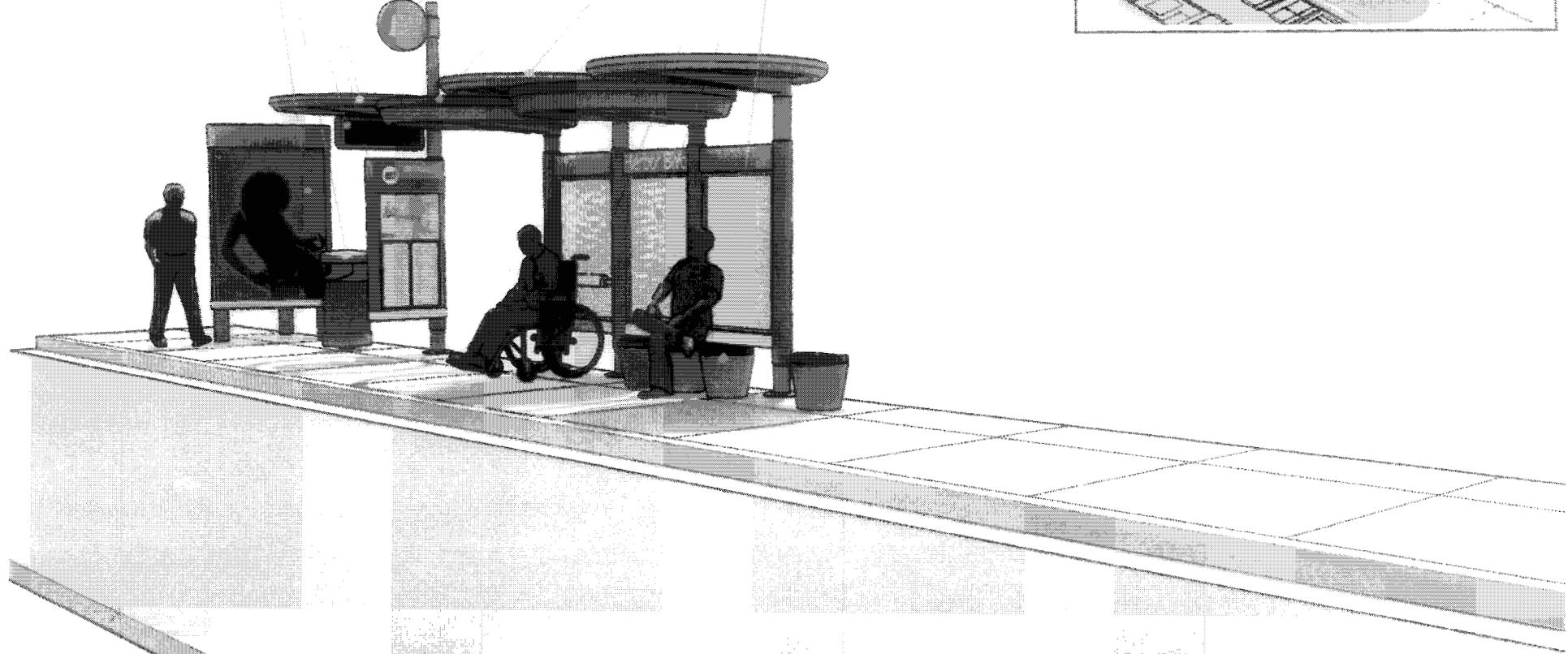
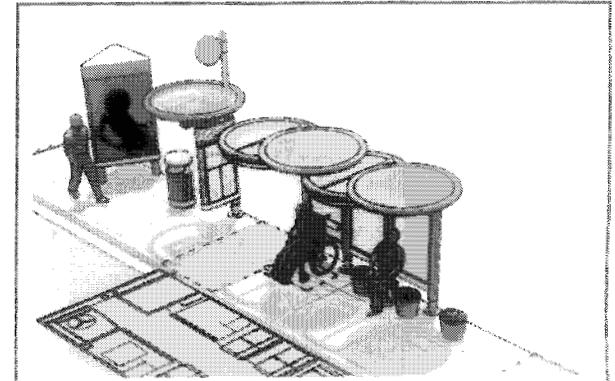
Solid Canopy

Translucent Canopy

Leaning Rail

Sun Screen

Seating



Sign Services for Blue Stop Program  
Orange County Transportation Authority Project

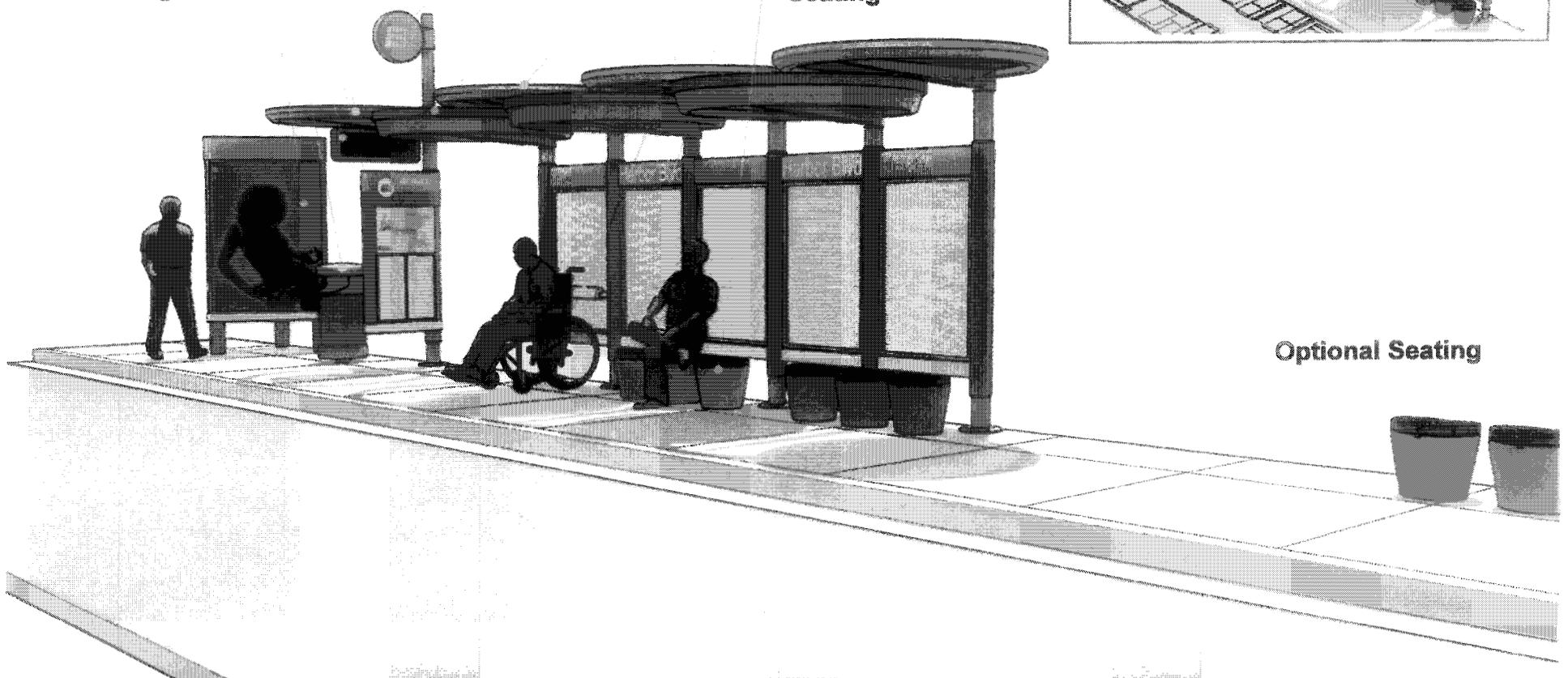
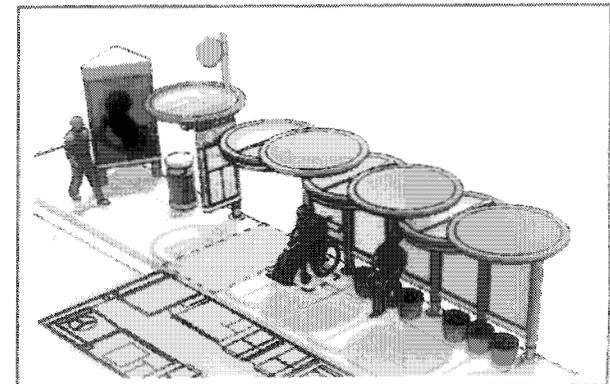


**Bravo!**

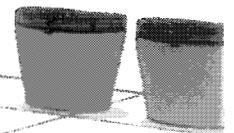
## STATION TYPE: LARGE

- Station Marker
- Route Information
- Next Bus Signage
- Waste Receptacle
- Advertising Panel

- Branding Element
- Solid Canopy
- Translucent Canopy
- Leaning Rail
- Sun Screen
- Seating

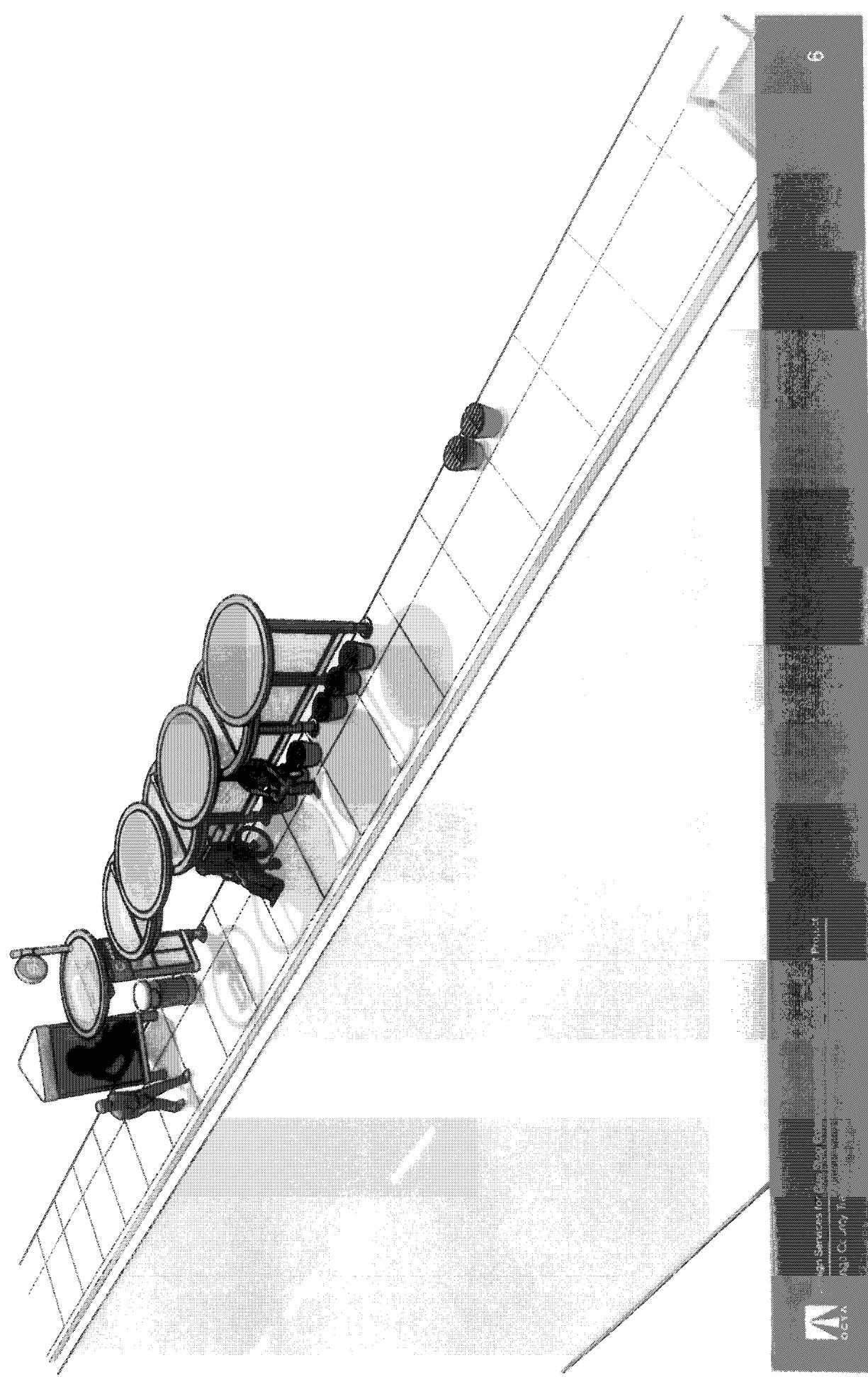


Optional Seating



TELENO!

STATION TYPE LARGE

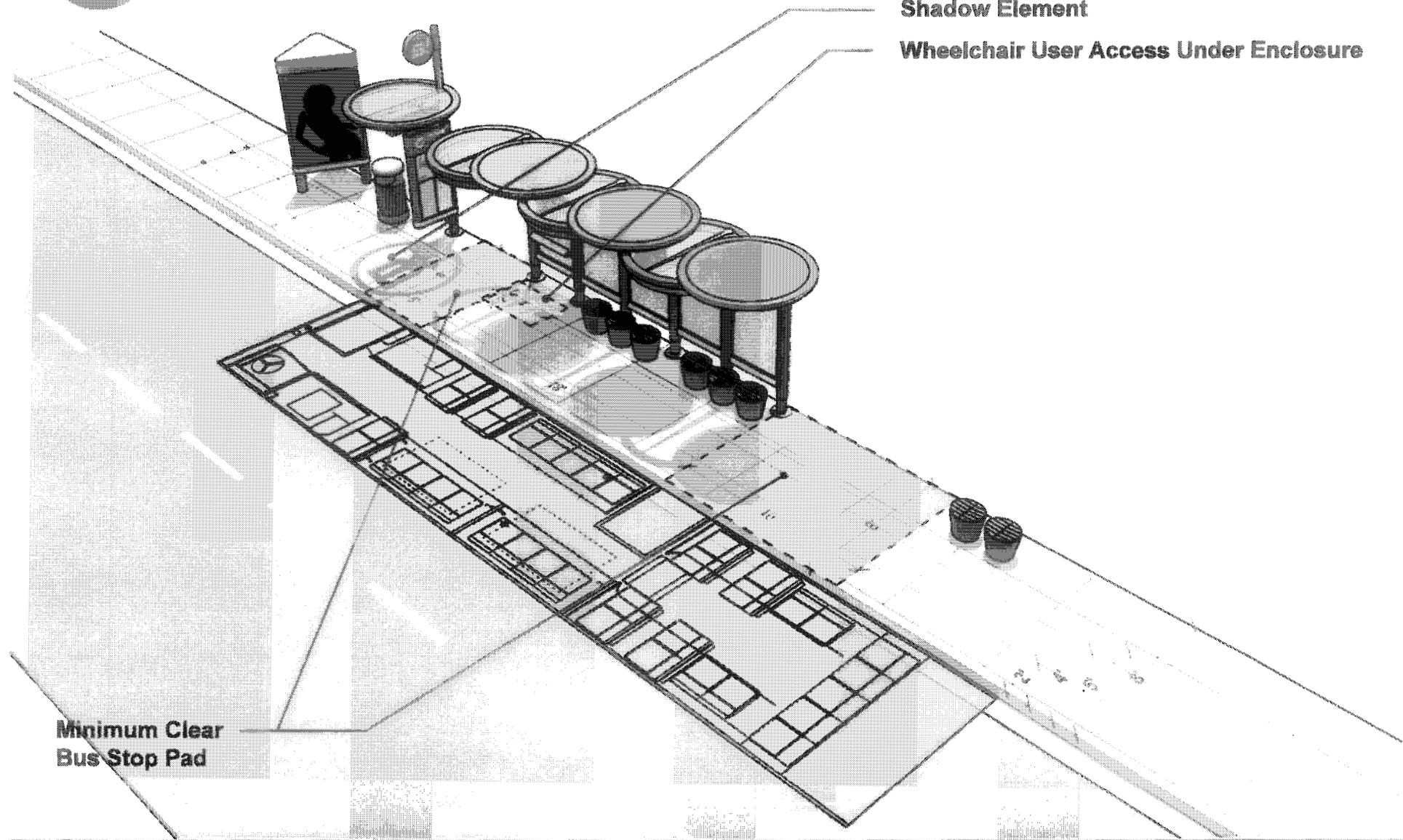


TELENO INC.  
No. C. 404

B!

BRAVO!

STATION TYPE: LARGE



Right Services for Right Time  
Orange County Transportation Authority

# STATION SIMULATION



Downtown Santa Ana: Civic Center Drive/Main Street WB

City of Santa Ana  
Orange County  
Metrolink



QUESTIONS

STAVO!



Less Stop. More go.\*



Audi  
Services  
for  
Business

24h Callcenter