

Date: Monday, February 23, 2009

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, February 23, 2009, at 9:00 a.m.

ACTIONS

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

Agenda Descriptions

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

Public Comments on Agenda Items

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

Public Availability of Agenda Materials

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

Call to Order

Invocation

Director Glaab

Pledge of Allegiance

Director Dixon



BOARD AGENDA

ACTIONS

Special Matters

- 1. Chairman of the Board's Goals for 2009**
- 2. Presentation of Resolutions of Appreciation for Employees of the Month for February 2009**

Present Orange County Transportation Authority Resolutions of Appreciation Nos. 2009-009, 2009-010, 2009-011 to Marvin Cotton, Coach Operator; Joel Rule, Maintenance; and Ted Nguyen, Administration, as Employees of the Month for February 2009.

- 3. Presentation of 2008 Step-Up Graduates to the Board of Directors**

Present 2008 Step-Up Program Graduates to the Board of Directors. Graduates for the 2008 Step-Up Program are: Barry Reynolds, Blanca Ibarra, Carolyn Patterson, Duke Ho, Eugenia Pinheiro, Jim Jones, Joy Rosin, Kim Bowman, Patrick Sampson, and Rick Doherty.

Consent Calendar (Items 4 through 16)

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

Orange County Transportation Authority Consent Calendar Matters

- 4. Approval of Minutes**

Of the Orange County Transportation Authority and affiliated agencies' regular meeting of February 9, 2009.

- 5. Approval of Board Member Travel**

Approval is requested for Chairman Buffa to travel to Washington, D.C. February 24-27, 2009, and Director Pringle to travel to Washington, D.C., February 25-27, 2009, to advocate on behalf of OCTA regarding the Federal Economic Stimulus.

Approval is also requested for Directors Brown and Glaab to travel to Washington, D.C., March 8-12, 2009, to attend the American Public Transportation Association Legislative Conference and Mobility 21 ACCESS meeting.



BOARD AGENDA

ACTIONS

6. Draft Internal Audit Policy
Kathleen M. O'Connell

Overview

A Draft Internal Audit Policy has been developed to better define the roles and responsibilities of the Internal Audit Department and management as they relate to audits of the Orange County Transportation Authority, its projects, programs, operations and activities. The Draft Internal Audit Policy includes procedures and protocols for the conduct of internal audits, while ensuring the independence of the internal audit function.

Committee Recommendation

Direct staff to implement the Draft Internal Audit Policy, and include additional language regarding the reporting of fraud.

7. Implementation of an Ethics Hotline
Kathleen M. O'Connell

Overview

The Internal Audit Department has conducted preliminary survey work related to the establishment of an ethics hotline for confidential reporting of fraud, waste, abuse, or misconduct.

Committee Recommendations

- A. Direct the Internal Audit Department to develop a scope of work for the implementation of an ethics hotline and return to the Finance and Administration Committee for approval of its release.
- B. Direct the Internal Audit Department to work with the County of Orange regarding the implementation of an ethics hotline to see if costs can be reduced through a collaborative agreement.



BOARD AGENDA

ACTIONS

8. **Fiscal Year 2008-09 Internal Audit Plan, Second Quarter Update**
Kathleen M. O'Connell

Overview

The Orange County Transportation Authority Board of Directors adopted the Orange County Transportation Authority Internal Audit Department Fiscal Year 2008-09 Internal Audit Plan on August 13, 2008. This update is for the second quarter of the fiscal year.

Recommendation

Receive and file the second quarter update to the Orange County Transportation Authority Internal Audit Department Fiscal Year 2008-09 Internal Audit Plan.

9. **2009 Proposition 1B California Transit Security Grant Program Authorization**
Ric Teano/Paul C. Taylor

Overview

On November 7, 2006, California voters passed Proposition 1B, a \$19.9 billion bond initiative to support transportation improvements throughout the state. Included in Proposition 1B is the California Transit Security Grant Program, which makes available \$60 million statewide for fiscal year 2009 to fund eligible transit system safety, security, and disaster response projects. A list of candidate projects for the Orange County portion is presented for consideration. An authorizing resolution to submit project proposals and execute grant-related agreements is presented for adoption as required by the program.

Recommendations

- A. Adopt Orange County Transportation Authority Resolution No. 2009-001 authorizing the Chief Executive Officer to file and execute grant-related agreements with the California Emergency Management Agency, as the designated administrative agency of the California Transit Security Grant Program.



BOARD AGENDA

ACTIONS

9. (Continued)

- B. Approve the candidate project list and authorize staff to amend the Regional Transportation Improvement Program and State Transportation Improvement Program to accommodate grant revenues.

10. **Metrolink Short-Term Safety Improvements and Insurance**

Jennifer Bergener/Kia Mortazavi

Overview

The Southern California Regional Rail Authority is taking a number of actions to address short- and intermediate-term safety improvements and renew insurance coverage for the balance of the fiscal year. These efforts will have budgetary impacts to all member agencies including the Orange County Transportation Authority. This report provides an overview of the safety improvements, insurance coverage, and recommendations for funding for the Board of Directors' review and approval.

Recommendation

Direct staff to allocate \$1,797,681 of the fiscal year 2007-08 Metrolink budget surplus to fund the Orange County Transportation Authority's share of the short-term safety improvements and insurance coverage for Metrolink.

11. **Metrolink Ridership and On-Time Performance Report**

Megan Taylor/Kia Mortazavi

Overview

The Southern California Regional Rail Authority, a regional joint powers authority, operates seven lines throughout Southern California's five-county, 400-mile commuter rail system known as Metrolink. A report on Metrolink ridership and on-time performance for service in Orange County, covering the second quarter of fiscal year 2008-09, is presented.

Recommendation

Receive and file as an information item.



BOARD AGENDA

ACTIONS

12. **Draft Commuter Bikeways Strategic Plan**

Gregory Nord/Kia Mortazavi

Overview

The Commuter Bikeways Strategic Plan serves as a roadmap and a resource to Orange County's 34 cities and the County of Orange for coordinating bikeway development efforts. Moreover, it provides eligibility for state bikeways funding to local jurisdictions that choose to adopt the plan. A draft Commuter Bikeways Strategic Plan has been prepared and is ready to be circulated for review by the public and local jurisdictions. The final plan will return to the Board of Directors after the public review process.

Recommendation

Direct staff to release the draft Commuter Bikeways Strategic Plan for review.

13. **Amendment to Agreement for Contract and Procurement Support Staffing**

Virginia Abadessa/James S. Kenan

Overview

On February 25, 2008, the Board of Directors approved an agreement with Procurement Services Associates for \$240,000, to provide supplemental support staff for the Contracts Administration and Materials Management Department. Procurement Services Associates was retained in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services.

Committee Recommendations

- A. Authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement No. C-7-1286 between the Orange County Transportation Authority and Procurement Services Associates, in an amount not to exceed \$400,000, to continue to provide supplemental support staffing, bringing the total contract value to \$640,000.
- B. Direct staff to notify the Finance and Administration Committee when the original contract amount of \$240,000 has been expended.



BOARD AGENDA

ACTIONS

Orange County Local Transportation Authority Consent Calendar Matters

14. **Consultant Selection for Engineering Plan Check and Design Review Services for Railroad Grade Separation Projects**
Pradeep Gunaratne/Kia Mortazavi

Overview

On November 10, 2008, the Orange County Transportation Authority Board of Directors authorized the issuance of a request for proposals for design consultants to provide engineering plan check and design review services for the Kraemer Boulevard, Placentia Avenue, Tustin Avenue/Rose Drive, Lakeview Avenue, and Orangethorpe Avenue railroad grade separation projects. Proposals for consulting services to provide design review services for these projects were solicited in accordance with the Orange County Transportation Authority's procurement procedures for the retention of consultants to perform architectural and engineering work. Board of Directors' approval is requested for the selection of a firm to perform the required work.

Recommendations

- A. Approve the selection of Athalye Consulting Engineering Services, Inc., as the top-ranked firm to provide engineering plan check and design review services for the Kraemer Boulevard, Placentia Avenue, Tustin Avenue/Rose Drive, Lakeview Avenue, and Orangethorpe Avenue railroad grade separation projects.
- B. Authorize the Chief Executive Officer to request a cost proposal from Athalye Consulting Engineering Services, Inc., and negotiate an agreement for services.
- C. Authorize the Chief Executive Officer to execute the final agreement.



BOARD AGENDA

ACTIONS

15. **Los Angeles - San Diego - San Luis Obispo Rail Corridor Grade Separation Project Development**
Mary Toutouchi/Kia Mortazavi

Overview

Staff has been working to develop a comprehensive approach for the development of railroad grade separations on the Los Angeles – San Diego – San Luis Obispo rail corridor within Orange County. Initial analysis has developed a priority list of at-grade rail-highway grade crossings to be used for project development activities

Recommendations

- A. Direct staff to distribute the priority list of potential grade separation projects on the Los Angeles – San Diego – San Luis Obispo rail corridor to all Orange County cities on the rail corridor for review and comment.
 - B. Direct staff to return to the Board of Directors with a recommendation to begin the formal project development process at the highest-priority locations.
16. **Selection of Consultant for Preparation of Project Report and Environmental Document for the San Diego Freeway (Interstate 5) High-Occupancy Vehicle Project from San Juan Creek Road to Avenida Pico**
Rose Casey/Kia Mortazavi

Overview

The Renewed Measure M Early Action Plan includes a project to extend the high-occupancy vehicle lanes on the San Diego Freeway (Interstate 5) from north of Pacific Coast Highway (State Route 1) at San Juan Creek Road to Avenida Pico in the City of San Clemente. Proposals were solicited in accordance with the Orange County Transportation Authority's procurement procedures for the retention of a consultant to perform architectural and engineering work. Approval is requested for the selection of a firm to perform the required work.



BOARD AGENDA

ACTIONS

16. (Continued)

Recommendations

- A. Select RMC, Inc., as the top-ranked firm to prepare the project report and environmental document for the San Diego Freeway (Interstate 5) high-occupancy vehicle project.
- B. Authorize the Chief Executive Officer to request a cost proposal from RMC, Inc., and negotiate an agreement for services.
- C. Authorize the Chief Executive Officer to execute Agreement No. C-8-1238 between the Orange County Transportation Authority and RMC, Inc., to prepare the project report and environmental document for extension of the high-occupancy vehicle lanes from San Juan Creek Road to Avenida Pico.

Regular Calendar

Orange County Transportation Authority Regular Calendar Matters

17. **Orange and Los Angeles Intercounty Transportation Study Update** Charlie Larwood/Kia Mortazavi

Overview

The Orange County Transportation Authority, in cooperation with the Los Angeles County Metropolitan Transportation Authority, has completed the Orange and Los Angeles Intercounty Transportation Study. The study assessed transportation issues and opportunities between Orange and Los Angeles counties and developed a range of options for further study. The findings from the conceptual alternatives report as well as a summary of the Pacific Electric Railway right-of-way assessment are provided for Board of Directors' review.



BOARD AGENDA

ACTIONS

17. (Continued)

Recommendations

- A. Receive and file conceptual alternatives report and Pacific Electric Railway right-of-way assessment.
- B. Direct staff to work with Los Angeles County Metropolitan Transportation Authority staff and develop the scope of work for the next phase of the Orange and Los Angeles Intercounty Transportation Study.

Orange County Local Transportation Authority Regular Calendar Matters

18. **Renewed Measure M Progress Report**

Andrea West/Andrew Oftelie

Overview

Staff has prepared a Renewed Measure M progress report for October 2008 through December 2008 for review by the Orange County Transportation Authority Board of Directors. The report highlights progress on Renewed Measure M projects and programs and is made available to the public via the Orange County Transportation Authority website.

Recommendation

Receive and file as an information item.



BOARD AGENDA

ACTIONS

Discussion Items

19. Bus Transit Program Revenue Assumptions

Ken Phipps/James S. Kenan

20. Public Comments

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

21. Chief Executive Officer's Report

22. Directors' Reports

23. Closed Session

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

24. Adjournment

The next regularly scheduled meeting of this Board will be held at **9:00 a.m. on Monday, March 9, 2009**, at the OCTA Headquarters.

9 STRATEGIC INITIATIVES FOR 2009

CHAIRMAN PETER BUFFA'S GOALS

1. Advocate for Orange County to Maximize State and Federal Funds

By demonstrating project readiness and by partnering with Caltrans, the county and cities, increase advocacy work in Sacramento and Washington, D.C. to ensure Orange County receives its fair share of funds and has an effective voice in the economic stimulus and federal reauthorization process that will determine transportation funding.

2. Deliver Local Traffic Relief

Develop a program to assist cities to develop their local projects such as streets and intersections that are an OCTA priority for traffic congestion relief.

3. Continue Delivery of M2 Early Action Plan

Make progress on the transportation improvements under the Renewed Measure M Early Action Plan – freeways, roads, signal synchronization, railroad crossings, transit projects, environmental mitigation and water quality.

4. Obtain Regulatory Relief

Secure state and federal regulatory relief to advance infrastructure projects through the economic stimulus program.

5. Maximize Use of HOV Lanes / Consider HOT Lanes

Continue advancing continuous access between HOV lanes and general-purpose lanes by converting appropriate existing carpool lanes into HOT lanes and by building new general-purpose lanes.

6. Begin Strategic Regional Alliances

Strengthen regional relationships to advance goals, policy objectives and projects through strategic regional alliances.

7. Keep Promoting Our Core Transit Services

Promote use of bus and rail transit through innovative marketing and outreach programs.

8. Enhance New Environmental Partnerships

Expand partnerships with environmental groups including the Air Quality Management District.

9. Go Green

Identify ways to reduce the amount of paper in providing information for board and committee meetings as well as to OCTA employees and the general public.



ORANGE COUNTY
TRANSPORTATION AUTHORITY

RESOLUTION

MARVIN COTTON

WHEREAS, the Orange County Transportation Authority recognizes and commends Marvin Cotton; and

WHEREAS, let it be known that Marvin Cotton has earned six (6) years of Safe Driving, and has been with the Authority since May, 2002. He has distinguished himself by maintaining an outstanding record for safety, attendance and customer relations; and

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

WHEREAS, be it known that Marvin Cotton takes great pride in his driving skills and demonstrates true professionalism in his overall performance as an OCTA Coach Operator.

NOW, THEREFORE, BE IT RESOLVED that the Authority does hereby declare Marvin Cotton as the Orange County Transportation Authority Coach Operator Employee of the Month for February, 2009; and

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

Dated: February 23, 2009

Peter Buffa, Chairman
Orange County Transportation Authority

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





ORANGE COUNTY
TRANSPORTATION AUTHORITY

RESOLUTION

JOEL RULE

WHEREAS, the Orange County Transportation Authority recognizes and commends Joel Rule; and

WHEREAS, be it known that Joel Rule is a valued member of the Maintenance Department. His diligence, industriousness, and conscientiousness in performing all tasks are recognized. Joel consistently demonstrates a high level of customer service and integrity while performing his duties. Personnel exhibiting these and other OCTA values play an important part in assuring that the Garden Grove Base meet the Authority's Mission and Goals.

WHEREAS, be it known that Joel Rule's detailed workmanship and positive attitude in performing all facets of his job has earned him the respect of both his supervisor and his peers; and

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

NOW, THEREFORE, BE IT RESOLVED that the Authority does hereby declare Joel Rule as the Orange County Transportation Authority Maintenance Employee of the Month for February, 2009; and

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

Dated: February 23, 2009

Peter Buffa, Chairman
Orange County Transportation Authority

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

OCTA Resolution No. 2009-010





ORANGE COUNTY
TRANSPORTATION AUTHORITY

RESOLUTION

TED NGUYEN

WHEREAS, the Orange County Transportation Authority recognizes and commends Ted Nguyen; and

WHEREAS, be it known that Ted Nguyen has performed his duties as OCTA's Public Communications Manager with the highest level of professionalism and integrity in his dealings with internal and external customers and stakeholders; and

WHEREAS, Ted's contributions to OCTA's media relations, public information and community outreach programs underscore his outstanding qualifications and a commitment to excellence that has resulted in superior and cost-effective public communications and involvement programs; and

WHEREAS, Ted's knowledge and understanding of OCTA and Orange County, paired with an exceptional ability to produce creative, straight-forward, and proactive communications programs have effectively reached millions of people living in Orange County; and

WHEREAS, Ted is expert in handling crisis communications like the recent "Ready to Work" program that supported OCTA's efforts to secure federal economic stimulus funding.

NOW, THEREFORE, BE IT RESOLVED that the Authority does hereby declare Ted Nguyen as the Orange County Transportation Authority Administration Employee of the Month for February, 2009; and

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

Dated: February 23, 2009

Peter Buffa, Chairman
Orange County Transportation Authority

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

OCTA Resolution No. 2009-011



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
February 9, 2009

Call to Order

The February 9, 2009, regular meeting of the Orange County Transportation Authority and affiliated agencies was called to order by Chairman Buffa at 9:00 a.m. at the Orange County Transportation Authority Headquarters, Orange, California.

Roll Call

Directors Present: Peter Buffa, Chairman
Jerry Amante, Vice Chairman
Patricia Bates
Arthur C. Brown
Bill Campbell
Carolyn Cavecche
William J. Dalton
Richard Dixon
Paul Glaab
Cathy Green
Allan Mansoor
John Moorlach
Janet Nguyen
Chris Norby
Curt Pringle
Miguel Pulido
Gregory T. Winterbottom
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: None

Invocation

Director Norby gave the invocation.

Pledge of Allegiance

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

Public Comments on Agenda Items

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

Special Matters

1. Presentation of Resolutions of Appreciation for Employees of the Year for 2009

Chairman Buffa presented Orange County Transportation Authority Resolutions of Appreciation Nos. 2009-006, 2009-007, 2009-008 to Tadahisa Ogawa, Coach Operator; Jose Ruiz, Maintenance; and Edwin Byrne, Administration, as Employees of the Year for 2009.

Consent Calendar (Items 2 through 14)

Chairman Buffa 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.

Orange County Transportation Authority Consent Calendar Matters

2. Approval of Minutes

Vice Chairman Amante pulled this item for a correction to Item 41. Vice Chairman Amante stated the minutes indicate that the City of Laguna Niguel had sent a letter to the Governor; he stated it was the City of Tustin which sent the letter.

With that correction, a motion was made by Vice Chairman Amante, seconded by Director Moorlach, and declared passed by those present, to approve the minutes of the Orange County Transportation Authority and affiliated agencies' regular meeting of January 26, 2009.

3. Fiscal Year 2007-08 Auditor's Communication with Those Charged with Governance

A motion was made by Director Winterbottom, seconded by Director Green, and declared passed by those present, to receive and file the fiscal year 2007-08 Auditor's Communication with Those Charged with Governance.

Director Mansoor was not present to vote on this item.

4. Fiscal Year 2007-08 Management Letter

A motion was made by Director Winterbottom, seconded by Director Green, and declared passed by those present, to direct the Internal Audit Department to track resolution of deficiencies identified in the fiscal year 2007-08 Management Letter.

Director Mansoor was not present to vote on this item.

5. Fiscal Year 2007-08 Annual Financial Reports

A motion was made by Director Winterbottom, seconded by Director Green, and declared passed by those present, to receive and file the fiscal year 2007-08 annual financial reports as information items.

Director Mansoor was not present to vote on this item.

6. Reports on the Annual Transportation Development Act Audits for Fiscal Year 2007-08

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

Director Mansoor was not present to vote on this item.

7. Federal Legislative Status Report

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

Director Mansoor was not present to vote on this item.

8. Contract for Supplemental Federal Advocacy Services

Directors Pringle and Norby pulled this item for discussion. Director Norby pointed out that the vote at the Legislative and Communications Committee was to oppose staff's recommendation and opened the issue for discussion.

Director Cavecche indicated that Committee's action was reflected in the Revised Board agenda materials provided to Members.

Director Pringle stated that there are still unknown and undetermined aspects of the impending economic stimulus program, and stated that the Board may want to consider that at this time. While he understood the Committee's action, Director Pringle also felt consideration for additional advocacy services should be discussed at a future time.

Director Pulido agreed that this should be revisited when it is better understood what areas need particular attention, such as air quality and energy. He stated that the Legislative and Communications Committee need to look at the entire package and understand what is needed.

Chairman Buffa indicated he would like this to go back through the Legislative and Communications Committee for reconsideration at some point in the future as deemed appropriate.

A motion was made by Director Pringle, seconded by Director Norby, and passed by those present, to table this discussion and revisit it at a time when more information becomes available regarding the stimulus program and if assistance by an additional lobbyist would be needed.

9. Proposition 1B State-Local Partnership Program Project Approvals

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

- A. Authorize the Chief Executive Officer to submit project nominations to the California Transportation Commission for the Proposition 1B State-Local Partnership Program and commit local matching funds as proposed.
- B. Authorize staff to make all necessary amendments to the Regional Transportation Improvement Program and execute any necessary agreements to facilitate the actions above.
- C. Authorize the Chief Executive Officer to submit additional projects or substitute eligible projects from the Measure M streets and roads program as necessary to retain all Proposition 1B State-Local Partnership Program revenue for fiscal year 2008-09.

Director Mansoor was not present to vote on this item.

Orange County Transportation District Consent Calendar Matters

10. Vanpool Program Update and Request to Amend Subsidy Budget

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

- A. Amend the Orange County Transportation Authority's Fiscal Year 2008-09 Budget by \$101,342 to cover additional subsidies as a result of revised growth projections for the vanpool program.
- B. Amend the Orange County Transportation Authority's revenue budget by \$89,718 to recognize the federal funds that will cover the cost of this amended expense and increase Local Transportation Funds by \$11,624 to cover the balance.
- C. Receive and file the vanpool program update.

Director Mansoor was not present to vote on this item.

Orange County Local Transportation Authority Consent Calendar Matters

11. Close-Out Audit of Joint Powers Agreement No. 12-281, San Diego Freeway (Interstate 405)/Costa Mesa Freeway (State Route 55) Interchange High-Occupancy Vehicle Connectors

A motion was made by Director Winterbottom, seconded by Director Green, and declared passed by those present, to direct Orange County Transportation Authority staff to implement recommendations two through four in the close out audit of Joint Powers Agreement No. 12-281, San Diego Freeway (Interstate 405)/Costa Mesa Freeway (State Route 55) Interchange High-Occupancy Vehicle Connectors, Internal Audit Report No. 08 011, except for initiating a claim to the California Department of Transportation.

Director Mansoor was not present to vote on this item.

12. Cooperative Agreement with the California Department of Transportation for the Northbound Orange Freeway (State Route 57) Widening Project

A motion was made by Director Winterbottom, seconded by Director Green, and declared passed by those present, to authorize the Chief Executive Officer to execute Cooperative Agreement No. C-9-0180 between the Orange County Transportation Authority and the California Department of Transportation, in an amount not to exceed \$6.5 million, to perform right-of-way services for the northbound Orange Freeway (State Route 57) widening between Orangethorpe Avenue and Lambert Road.

Director Mansoor was not present to vote on this item.

13. Semi-Annual Review of Grant-Funded Street Projects

A motion was made by Director Winterbottom, seconded by Director Green, and declared passed by those present, to approve adjustments to the Combined Transportation Funding Program project allocations as presented.

Director Mansoor was not present to vote on this item.

14. Maintenance Agreement for Gateway Monument as Part of the Santa Ana Freeway (Interstate 5) Gateway Project

Director Moorlach pulled this item and stated that he opposed the Gateway Monument previously, and will, therefore, oppose this recommendation.

A motion was made by Director Pringle, seconded by Director Winterbottom, and declared passed by those present, to authorize the Chief Executive Officer to execute the Agreement for Maintenance of Gateway Monument in the City of Buena Park between the Orange County Transportation Authority and the California Department of Transportation for annual maintenance of the gateway monument.

Regular Calendar

Orange County Transportation Authority Regular Calendar Matters

15. Adoption of Revisions to Orange County Transportation Authority's Procurement Policies and Procedures

Virginia Abadessa, Director of Contracts Administration and Materials Management, presented this item to the Board, highlighting past discussions and areas which have been addressed as a result of those previous discussions and direction received by staff.

15. (Continued)

A motion was made by Director Winterbottom, seconded by Director Moorlach, and declared passed by those present, to approve the revisions to the procurement policies and procedures as recommended by the Executive Committee and authorize staff to implement.

Orange County Local Transportation Authority Regular Calendar Matters

16. Anaheim Regional Transportation Intermodal Center Update and Consultant Selection for Environmental Clearance and Advanced Conceptual Design

Jennifer Bergener, Program Manager - Local Initiatives, presented this item to the Board, and provided an overview of this project and the vision for its future development. Ms. Bergener provided the basis for this request and the importance of utilizing a consultant who has been actively engaged in work related to the Anaheim Regional Transportation Intermodal Center (ARTIC) and has excellent working knowledge of the project.

A motion was made by Director Winterbottom, seconded by Director Green, and declared passed by those present, to authorize the Chief Executive Officer to negotiate and execute an agreement between the Orange County Transportation Authority and the firm of Jones & Stokes Associates, Inc., in an amount not to exceed \$2,900,000, contingent upon the Internal Audit Department's review of cost and price.

Chairman Buffa, indicated that he has a conflict as this firm is a source of financial income to him, left the room and did not participate in the discussion and abstained from voting on this matter.

Director Bates abstained from voting on this item.

17. Measure M Quarterly Progress Report

Kia Mortazavi, Executive Director of Development, presented this report and explained how the current economic situation has affected OCTA's ability to deliver the program as planned. He stated that OCTA staff is closely monitoring the respective elements – freeways, transit, streets and roads – and in the coming months will be developing policies and recommendations to further manage the situation.

Director Moorlach requested additional information, including graphs, showing what assumptions were initially made for Measure M revenue versus actuals at this time.

17. (Continued)

Director Pringle stated that he believes there should be discussion, perhaps with the Finance and Administration Committee, to address if the cities are delayed in initiating their planned projects, is there a value to OCTA to allow them to delay some of the projects and even allow some of the projects to be perhaps transferred to an Measure M2 funding source to free-up some local dollars.

He stated that initially, cities were told to hurry and get projects going, and now, some cities may say they do not have the local match, or don't have the land acquisition, and those are reasons they would delay.

Director Pringle pondered that if the money can be freed-up between now and 2011, perhaps there would be a way of contemplating how some of those delayed projects could be coordinated into an M2 funding context, as opposed to pushing them to stay in M1 where there are no funds.

Director Campbell stated that he continues to have a concern that certain cities have put in projects, then not done the activities to prepare them to be ready to begin. He further stated he has continually advocated a "use it or lose it" approach. He indicated that if OCTA reviews these projects and considers extending them, prioritization also will need to be examined and what can be done with these funds since they were raised in a certain timeframe, rather than just because a project got on a list, should they be able to keep that.

Director Bates asked how projects would be moved from M1 into M2 if M2 was specifically stated in the ballot measure as to the projects that were in that plan, and wondered if a legal analysis might be in order.

General Counsel, Kennard R. Smart, Jr., responded that the tax under Measure M (original Measure M) will be collected through March 31, 2011; Measure M and the rules affecting the expenditure of those funds will continue past that date until all the funds are expended.

Mr. Smart further stated that the original Measure M has a set of rules applicable to the projects under it (the list of the projects, etc.) that are somewhat different than Renewed Measure M. The Renewed Measure M – the tax under this measure – will commence April 1, 2011, therefore, for a period of time, concurrent ordinances (measures) will be applicable, although to a degree, that is the situation today with the Early Action Plan.

Staff confirmed, in response to a question by Director Pringle, that the safety zone component items would not be delayed.

17. (Continued)

Mr. Mortazavi stated that the next steps will include monitoring the revenues and costs, and indicated that staff will prepare policy recommendations to address further declines in revenues.

The consensus of the Board was for this item to go through the Finance and Administration Committee for further discussion.

Discussion Items

18. Public Comments

At this time, Chairman Buffa stated that 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 would be taken on off-agenda items unless authorized by law.

No public comments were offered at this time.

19. Chief Executive Officer's Report

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

- Upcoming meetings and events;
- He held a conversation with Caltrans Director, Will Kempton, and Director Quon earlier this morning regarding the State budget, and are going to have a few Orange County projects included in that budget, hopefully;
- Discussions continue with the cities regarding the Orange County Council of Governments and potential deals will be brought to the Executive Committee;
- More service cuts will be occurring in March, which will amount to approximately one percent; transit advocates are unhappy with this situation, and staff is working hard to ensure the cuts are only as necessary;
- The budget problem is quite severe and it is anticipated under current assumptions that dialog will be forthcoming to use \$20 million of reserves over this year and next fiscal year;
- State funding is a serious issue and poses a larger impact to transit. This appears to be ongoing and permanent, and staff will be looking at accelerating the rate of service cuts due to the severity of the problem;
- Staff continues to assume there will be no raises or bonuses for administrative staff, and still will look at the range of other benefits to all staff, as well for potential reductions as appropriate.

19. (Continued)

Director Dixon requested CEO Mr. Leahy to comment on his participation in the Regional Targets Advisory Committee meeting last week. Mr. Leahy stated that there was a “going-in assumption” from the California Air Resources Board (CARB) staff was that the purpose of SB 375 – at least the component of the Targets Advisory Committee – is to figure out how to allocate a reduction in vehicle miles traveled.

Mr. Leahy reported that there was a great deal of division along regional lines, with the Southerners (Los Angeles, San Diego with Orange counties) arguing that the focus should be on reductions of greenhouse gases, and not simply on the reduction of vehicle miles. He stated he believes that the goals related to SB 375 have been “broken into pieces”, and this piece is a goal where they assume they’ll be reducing vehicle miles traveled independent of emissions.

Mr. Leahy noted there are other issues on which he expects discussion, such as transit funding, fuel prices, and possible regulatory factors to reduce consumption of gasoline.

20. Directors’ Reports

Director Pulido stated that are discussions underway as to who will take the lead on the issues related to Corporate Average Fuel Economy (CAFE) standards, mileage, and who will take the lead on the issues. He emphasized keeping the buses moving, though recognizes this is a sensitive balance of issues. He further encouraged everyone to share information as it becomes available and to travel as often as necessary to keep OCTA in front of the legislators and those making decisions in regard to distribution of the money.

Director Norby asked staff to revisit the bus shelters issues and monitor that continuous improvements are being made.

Director Moorlach stated that he will be in Sacramento on the upcoming Thursday and offered to be of assistance if any OCTA-related meetings are necessary.

Director Brown expressed his disappointment that recent letters from Teamsters Local 952 were sent to OCTA’s Human Resources, rather than the Board of Directors, who is responsible for Board action. He stated that he is also disappointed that the Union declined OCTA’s request to meet and discuss potentially deferring wage increases in the third year of the current bargaining agreement.

Director Brown stated that he hopes there can be mutual discussions and side-by-side work to address the difficult issues at-hand.

21. Closed Session

A Closed Session was held pursuant to Government Code Section 54956.9(a) to discuss:

- A. Consuelo Martinez vs. OCTA, et al; OCSC No. 07CC12402; and
- B. Jerry Raymond Frazier, II vs. OCTA, et al; OCSC No. 30-2008-00101439.

22. Adjournment

The meeting adjourned at 10:11 a.m. The next regularly scheduled meeting of this Board will be held at **9:00 a.m. on Monday, February 23, 2009**, at the OCTA Headquarters.

ATTEST

Wendy Knowles
Clerk of the Board

Peter Buffa
OCTA Chairman



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: Chairman Peter Buffa **Job Title:** Board Member
Department: Board of Directors **Destination:** Washington, DC
Program Name: Federal Economic Stimulus

Description/Justification: Chairman Buffa will travel to Washington D.C. to advocate and provide county information/data to key members of the Presidential Administration and also key members of the Orange County federal delegation regarding a federal economic stimulus package and federal transportation reauthorization.

COMMENTS

Other - Airport parking and ground transportation
Meal Rate-\$64 - \$3 = \$61 per day

| | | |
|---------------------------------|--------------------------------|---|
| Conference/Seminar Date: | Departure Date: 2-24-09 | <input type="checkbox"/> Mail <input type="checkbox"/> Hand Carry |
| Payment Due Date: | Return Date: 2-27-09 | Course Hours: |

ESTIMATED EXPENDITURES

| | |
|-----------------------|------------|
| Transportation | \$223.00 |
| Meals | \$244.00 |
| Lodging | \$847.00 |
| Registration | \$0.00 |
| Other | \$100.00 |
| Total | \$1,414.00 |

APPROVALS

Please Initial:

pu
Finance*

2/10/09
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 |
|-----------------------|---------------------|-----------------------|----------------|

| | | |
|-------------------------|--------------------------------------|---------------------------|
| Ref #: Feb. 2009 | Board Date: February 23, 2009 | T/A #: FY08/09-214 |
|-------------------------|--------------------------------------|---------------------------|



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: Curt Pringle Job Title: Board Member

Department: Board of Directors Destination: Washington, DC

Program Name: Federal Economic Stimulus

Description/Justification: Director Pringle will travel to Washington D.C. to advocate and provide county information/data to key members of the Presidential Administration and also key members of the Orange County federal delegation regarding a federal economic stimulus package and federal transportation reauthorization.

COMMENTS

Other - Airport parking and ground transportation
Meal Rate-\$64 - \$3 = \$61 per day

| | | |
|--------------------------|-------------------------|---|
| Conference/Seminar Date: | Departure Date: 2-25-09 | <input type="checkbox"/> Mail <input type="checkbox"/> Hand Carry |
| Payment Due Date: | Return Date: 2-27-09 | Course Hours: |

ESTIMATED EXPENDITURES

| | |
|----------------|-------------------|
| Transportation | \$429.20 |
| Meals | \$183.00 |
| Lodging | \$418.00 |
| Registration | \$0.00 |
| Other | \$100.00 |
| Total | \$1,130.20 |

APPROVALS

Please Initial:

CP 2/10/09
Finance* Date

* Funds are available for this travel request.

Please Sign:

Clerk of the Board Date

ACCOUNTING CODES

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|----------------|--------------|----------------|---------|
| Org. Key: 1120 | Object: 7655 | Job Key: A0001 | JL: EV9 |
|----------------|--------------|----------------|---------|

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|------------------|-------------------------------|---------------------|
| Ref #: Feb. 2009 | Board Date: February 23, 2009 | T/A #: FY 08/09-215 |
|------------------|-------------------------------|---------------------|



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: Arthur Brown **Job Title:** Board Member

Department: Board of Directors **Destination:** Washington, DC

Program Name: American Public Transportation Association (APTA) Legislative Conference and Mobility 21 ACCESS

Description/Justification: In an effort to obtain our region's fair share of transportation funding, representatives from Mobility 21 and the Orange County Business Council, and business and political leaders from throughout Southern California will travel to Washington, D.C. to meet with members of Congress and senior Obama Administration officials on priorities important to the Southern California economy. During the APTA Legislative Conference, Director Brown will meet with fellow transit professionals to direct the public transportation industry's advocacy efforts.

COMMENTS

Other - Airport parking and ground transportation
Meal Rate-\$64 - \$3 = \$61 per day

| | | |
|---------------------------------|-------------------------------|---|
| Conference/Seminar Date: | Departure Date: 3/8/09 | <input type="checkbox"/> Mail <input type="checkbox"/> Hand Carry |
| Payment Due Date: | Return Date: 3/12/09 | Course Hours: |

| ESTIMATED EXPENDITURES | |
|------------------------|------------|
| Transportation | \$639.20 |
| Meals | \$305.00 |
| Lodging | \$1,004.00 |
| Registration | \$625.00 |
| Other | \$100.00 |
| Total | \$2,673.20 |

APPROVALS

Please Initial:

AW 2/10/09
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: JUD |
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|-------------------------|--------------------------------------|----------------------------|
| Ref #: Feb. 2009 | Board Date: February 23, 2009 | T/A #: FY 08/09-216 |
|-------------------------|--------------------------------------|----------------------------|



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: Paul Glaab **Job Title:** Board Member
Department: Board of Directors **Destination:** Washington, DC
Program Name: American Public Transportation Association (APTA) Legislative Conference and Mobility 21 ACCESS

Description/Justification: In an effort to obtain our region's fair share of transportation funding, representatives from Mobility 21 and the Orange County Business Council, and business and political leaders from throughout Southern California will travel to Washington, D.C. to meet with members of Congress and senior Obama Administration officials on priorities important to the Southern California economy. During the APTA Legislative Conference, Director Glaab will meet with fellow transit professionals to direct the public transportation industry's advocacy efforts.

COMMENTS

Other -Airport parking and ground transportation
 Meal Rate-\$64 - \$3 = \$61 day

| | | |
|---------------------------------|-------------------------------|---|
| Conference/Seminar Date: | Departure Date: 3/8/09 | <input type="checkbox"/> Mail <input type="checkbox"/> Hand Carry |
| Payment Due Date: | Return Date: 3/12/09 | Course Hours: |

ESTIMATED EXPENDITURES

| | |
|-----------------------|------------|
| Transportation | \$639.20 |
| Meals | \$305.00 |
| Lodging | \$1,004.00 |
| Registration | \$625.00 |
| Other | \$100.00 |
| Total | \$2,673.20 |

APPROVALS

Please Initial:

PG
Finance*

2/10/09
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: JUD |
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| Ref #: Feb. 2009 | Board Date: February 23, 2009 | T/A #: FY 08/09-223 |
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BOARD COMMITTEE TRANSMITTAL

February 23, 2009

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Draft Internal Audit Policy

Finance and Administration Committee meeting of February 11, 2009

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

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation *(Reflects a change from staff recommendation)*

Direct staff to implement the Draft Internal Audit Policy, and include additional language regarding the reporting of fraud.



February 11, 2009

To: Finance and Administration Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Draft Internal Audit Policy

Overview

A Draft Internal Audit Policy has been developed to better define the roles and responsibilities of the Internal Audit Department and management as they relate to audits of the Orange County Transportation Authority, its projects, programs, operations, and activities. The Draft Internal Audit Policy includes procedures and protocols for the conduct of internal audits, while ensuring the independence of the internal audit function.

Recommendation

Direct staff to implement the Draft Internal Audit Policy.

Background

The Internal Audit Department (Internal Audit) of the Orange County Transportation Authority (OCTA) is an independent appraisal function whose purpose is to examine and evaluate OCTA's projects, programs, operations, and activities to assist management and the Board of Directors in the effective discharge of their duty to safeguard the assets of OCTA and ensure those assets are used in an efficient and effective manner.

Staff seeks to better clarify the roles, responsibilities, and protocols for audit activities within OCTA. Given the Internal Audit Department's dual reporting line to the Board of Directors and the Chief Executive Officer, and in order to ensure independence of the audit function, a Draft Internal Audit Policy is being provided to the Board of Directors for consideration and adoption.

Discussion

The Draft Internal Audit Policy includes the roles and responsibilities of the Internal Audit Department in fulfilling its mission, as well as that of management

in its participation in the audit process and cooperation with internal auditors. The Draft Internal Audit Policy also protects the independence of the internal audit function by restricting the Internal Audit Department to only audit activities, and mandates full, free, and unrestricted access to all operations, records, property, and personnel within OCTA.

Summary

A Draft Internal Audit Policy has been developed to better define the roles and responsibilities of the Internal Audit Department and management as they relate to audit activities, while ensuring the independence of the internal audit function.

Attachment

- A. Draft Internal Audit Policy

Prepared by:



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



INTERNAL AUDIT POLICY

****DRAFT****

| | |
|-------------------|---------------------|
| POLICY #: | ATTACHMENT A |
| ORIGINATION DATE: | |
| REVISION DATE: | |
| PAGE 1 OF | |

I. Policy

It is the policy of the Orange County Transportation Authority (OCTA or Authority) to establish, maintain and support an Internal Audit Department for the purpose of independent appraisal of Authority operations. The Internal Audit Department will examine and evaluate financial, administrative and operational activities of the Authority and supply management with information and recommendations to assist them in effective and efficient control of Authority assets and operations. The Internal Audit Department will report the results of its activities to management and the Board of Directors to assist in the effective discharge of their fiduciary responsibilities. Internal Audit will distribute a copy of this policy to all audit participants at the outset of each audit engagement.

II. Responsibility

The Executive Director of Internal Audit is responsible for the administration of this policy; the Authority's Chief Executive Officer is responsible for ensuring cooperation between the Internal Audit Department and management in the execution of this policy. Management is responsible for establishing and enforcing adequate internal controls, responding to audit findings and recommendations and, when necessary, the timely implementation of corrective action related to deficiencies identified in audit reports.

III. Procedures

A. Implementation of Policy

The Executive Director of Internal Audit will implement this policy through activities including, but not limited to, the following:

1. Developing and executing a risk-based annual audit plan that incorporates evaluations of the Authority's internal accounting and operating controls, its safeguarding of assets, its compliance with contracts, laws and regulations, and its compliance with established OCTA policies and procedures.

| | |
|-------------------------|-------|
| APPROVAL | |
| _____ | _____ |
| Chief Executive Officer | Date |

2. Expeditiously providing reports on the results of all audit activities to management and the Board of Directors.
3. Providing reports of quarterly audit activity to the Board of Directors, including the status of the implementation of all audit recommendations.
4. Conducting ad-hoc reviews and special investigations or examinations.
5. Coordinating and monitoring audits by external auditors, including those conducted by independent financial statement auditors and state and federal officials.
6. Complying with *Government Auditing Standards*, as prescribed by the Comptroller General of the United States, and all other relevant and authoritative audit guidance.
7. Developing and maintaining Internal Audit Department policies and procedures that comply with *Government Auditing Standards*.
8. Managing a professional audit staff with sufficient knowledge, skills, experience, and professional credentials to maintain compliance with *Government Auditing Standards*.
9. Developing and monitoring a Quality Assurance Program for the Internal Audit Department and contracting for a triennial Quality Assurance (Peer) Review of the Internal Audit Department.
10. Assisting the Finance and Administration Committee of the Board of Directors in fulfilling its audit oversight responsibilities, as specified in "Audit Responsibilities of the Finance and Administration Committee" approved by the Board of Directors on December 10, 2007.

B. Audit Protocols in Executing Annual Audit Plan

In executing its annual audit plan, the Internal Audit Department will employ protocols designed to clarify and provide consistency to the audit process. These protocols are in no way meant to restrict audit objectives, scope or access to records or information.

1. Planning: During the planning process, the auditor will gain an understanding of the project or program to be audited. Planning, also referred to as survey work, includes review of relevant policies and procedures, contracts and financial information. Planning also includes interviews of key personnel. Planning is designed to assess risk and controls and define audit objectives and scope. Audit objectives reflect

Internal Audit's goals in conducting the audit and may include elements such as ensuring adequate internal controls exist to protect Authority assets, that there is compliance with agreement terms, or that a program is carried out in an efficient and effective manner. Audit scope refers to the nature, timing and extent of detailed tests of underlying transactions.

2. **Audit Notification Memorandum:** Once preliminary audit objectives and scope have been established, an introductory memorandum from the Executive Director of Internal Audit will be prepared and sent to the executive director responsible for the project or program subject to audit. The introductory memorandum will:
 - a. Identify the project, program, or activities to be audited;
 - b. Identify the preliminary audit objectives;
 - c. Inform the recipient that an entrance conference will be scheduled.
3. **Entrance Conference:** An entrance conference will be scheduled. Invitations will be extended to the executive director or his/her designee, the department manager, and any relevant staff (collectively, audit participants). The purpose of the entrance conference is to:
 - a. Introduce Internal Audit Department staff members who will perform the audit;
 - b. Identify the project or program contact person with whom Internal Audit will work;
 - c. Identify key documents or other information related to the project or program;
 - d. Discuss preliminary audit objectives, scope and/or other areas of concern;
 - e. Discuss audit timing and the final audit reporting process.
4. **Audit Fieldwork:** Audit fieldwork generally includes detailed tests of internal controls and transactions. During the course of conducting fieldwork, Internal Audit Department staff will advise the Executive Director of Internal Audit of any significant findings or concerns, including those which will require a significant deviation from, or additions to, the planned objectives or scope of the audit. An interim meeting between management and the Executive Director of Internal Audit will be scheduled to communicate such scope changes or findings.
5. **Draft Report:** A preliminary draft audit report will be circulated to all audit participants two to three days prior to an exit conference. Draft reports are considered unofficial working papers, subject to revision and will, therefore, remain restricted, in use and distribution, to the Internal Audit Department and audit participants.

6. Exit Conference: An exit conference will be held with audit participants. The purpose of the exit conference is to:
 - a. Confirm the accuracy of the factual data presented in the draft report;
 - b. Determine if pertinent information and data has been considered;
 - c. Answer questions about the recommendations and findings;
 - d. Discuss proposed revisions or changes;
 - e. Discuss the audit responses and timing of implementation for accepted recommendations;
 - f. Discuss input or suggestions regarding the audit process.
7. Final Draft: Following the exit conference, agreed-upon revisions will be made to the draft report and the report will be re-circulated to audit participants with a request for responses, generally within two to three weeks. Depending on the number and complexity of findings and recommendations, the Executive Director of Internal Audit and management may negotiate additional response time.
8. Responses to Recommendations: Responses to audit recommendations will be prepared by management and submitted to Internal Audit. In general, responses should state whether or not management agrees with the findings and recommendations. Responses should be specific as to what changes will be implemented and target completion dates for implementation should also be provided. The Chief Executive Officer will be advised of any significant findings and recommendations for which there is disagreement between management and Internal Audit concerning fact, finding or recommendation.
9. Report Distribution: Responses to audit recommendations will be incorporated into the final draft report and the report will be dated as of the response due date. Reports will then be distributed to all audit participants.
10. The Executive Director of Internal Audit will prepare and circulate to management for review and comment a draft Board of Directors Committee staff report one week prior to the Chief Executive Officer's deadline for the staff report's inclusion on a Finance and Administration Committee agenda.

C. Follow-Up Audits and Ad-hoc Audit Requests

Follow-up audits, generally conducted six months after the issuance of an audit report, and every six months thereafter until all recommendations have been satisfactorily addressed, will include a notification memorandum and periodic close-out memorandums addressed to management. Additional findings and

recommendations identified during the course of follow-up audits will be handled in accordance with protocols 4 through 9 in Section B above.

From time to time, management or the Board of Directors may request ad-hoc audits or reviews of projects, programs or activities. Protocols for such audits or reviews will be consistent with those enumerated above, generally when Internal Audit resources for such activities exceed 100 hours. Reports issued pursuant to these requests will be provided to the Finance and Administration Committee and included in Internal Audit's quarterly reports to the Board of Directors.

D. Investigations

From time to time, the Internal Audit Department may be advised, notified or otherwise learn of alleged inappropriate activity by employees, vendors or contractors. It is the responsibility of the Internal Audit Department to initiate and complete investigations into all such allegations and document the disposition in audit workpaper files. Personnel matters involving alleged employee misconduct or the appearance thereof will be investigated and reported to management and, if appropriate, the Chief Executive Officer for appropriate action and disposition. Matters related to alleged violations of adopted OCTA policy or procedures will be handled in accordance with protocols 3 through 9 in Section B above.

E. Independence and Record Access

As a means of ensuring independence, the Internal Audit Department will report to the Chief Executive Officer and the Board of Directors. Internal Audit shall have full, free, and unrestricted access to all operations, records, property, and personnel within the Authority. All employees will cooperate fully in making available material or information requested by an internal auditor.

The Internal Audit Department will have no authority over, or responsibility for, any of the activities audited, and shall not perform any functions that might require subsequent audit.

The Board of Directors has authorized the Internal Audit Department to perform, or sanction others to perform, internal audits within the Authority. Therefore, only personnel within the Internal Audit Department should be referred to as internal auditors and only their work should be referred to as internal audit activities. OCTA employees performing work involving review and verification of various aspects of OCTA operations should not be referred to as auditors and their work should not be referred to as audits or audit activities.

All external audits of the Authority will be coordinated through or with the Executive Director of Internal Audit, including audits conducted by state, federal or local officials. From time to time, the Internal Audit Department will retain the services of audit consultants to supplement internal audit staff and assist with internal audits and reviews. Audit consultants will be selected using the Authority's approved procurement process, and will comply with this policy.

The Contracts Administration and Materials Management Department will ensure that provision is made in all contracts and agreements for examinations by Internal Audit of the counterparty's books and records relating to such contracts and agreements.

END OF POLICY



BOARD COMMITTEE TRANSMITTAL

February 23, 2009

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: Implementation of an Ethics Hotline

Finance and Administration Committee meeting of February 11, 2009

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

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations (Reflects a change from staff recommendations)

- A. Direct the Internal Audit Department to develop a scope of work for the implementation of an ethics hotline and return to the Finance and Administration Committee for approval of its release.
- B. Direct the Internal Audit Department to work with the County of Orange regarding the implementation of an ethics hotline to see if costs can be reduced through a collaborative agreement.



February 11, 2009

To: Finance and Administration Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Implementation of an Ethics Hotline

Overview

The Internal Audit Department has conducted preliminary survey work related to the establishment of an ethics hotline for confidential reporting of fraud, waste, abuse, or misconduct.

Recommendation

Direct the Internal Audit Department to develop a scope of work for the outsourcing of an ethics hotline and return to the Finance and Administration Committee for approval of its release.

Background

The American Institute of Certified Public Accountants (AICPA) encourages all organizations, as part of their anti-fraud program, to establish an anonymous hotline, including those organizations not required to do so by legislation. AICPA Statement of Auditing Standard (SAS) No. 112, *Communicating Internal Control Related Matters Identified in an Audit*, states that inadequate "anti-fraud programs and controls" constitute, at a minimum, a *significant deficiency* that must be reported by independent financial statement auditors.

The Orange County Transportation Authority's (OCTA) independent financial statement auditor, Mayer Hoffman McCann P.C. (MHM), in its management letters dated October 31, 2007, and October 24, 2008, cited a significant deficiency in the area of ethics policy and recommended the establishment of a policy on misconduct, including a reporting mechanism.

An ethics policy for OCTA is currently under development by OCTA's legal counsel at the direction of the Deputy Chief Executive Officer. Internal Audit's establishment of an ethics hotline and procedures for investigation will enhance

the OCTA ethics program and provide a reporting mechanism as recommended by MHM.

Discussion

As a result of corporate accounting and auditing failures over the last decade, the Sarbanes-Oxley Act of 2002 mandated certain internal control measures, including fraud hotlines, for publicly traded companies. Many government agencies have also adopted anonymous reporting mechanisms for detecting and deterring fraud, waste, and abuse. Government professional organizations such as the Government Finance Officer's Association (GFOA) and the Association of Local Government Auditors (ALGA) recommend that every agency establish policies and procedures to encourage and facilitate the reporting of fraud or abuse and questionable accounting practices by employees, vendors, and the public.

Reporting hotlines are a key component of an organization's ethics program. The 2008 Association of Certified Fraud Examiners (ACFE) Report to the Nation (Report) noted that in government agencies, just over 50 percent of frauds are detected through tips. The report also indicates that the median loss at organizations equipped with a fraud hotline was \$100,000, compared to a median loss of \$250,000 at organizations without a fraud hotline, a 60 percent reduction.

Using a third party hotline service is both an effective and an efficient means of administering such a program. Studies indicate that employees are generally willing to report illegal or unethical behavior if they are assured of confidentiality. Third party hotline providers offer a variety of reporting mechanisms, including web based reporting and telephone reporting. Telephone calls are made to a toll free number staffed with trained interviewers 24 hours per day, 7 days a week. These systems also support ongoing, two-way, anonymous communication between reporters and investigators. Hotline providers also offer access to online case management systems for tracking the receipt and disposition of all calls and can provide standardized management reports of activity. For these reasons, a third party provider would be the most practical and effective means of implementing a hotline.

With the expertise, trained personnel, resources, and technology already established to operate a hotline and conduct quality assurance, a professional hotline service provider can usually offer these services more effectively and economically than implementing them internally. Internal Audit surveyed six local government agencies that currently utilize a third party service provider. Internal Audit also contacted one provider of hotline services. This preliminary

survey found the cost of the service to be an annual cost of \$1.40 to \$1.70 per employee. This translates into a cost of between \$2,800 and \$3,400 per year for OCTA's 2,000 employees. Additional startup costs were found to be approximately \$1,500.

The success of a hotline depends largely on an effective outreach and communication program. In addition, communication about the hotline will help foster an ethical workplace by encouraging employees, vendors, and the public to report suspected fraud, waste, or abuse. Information about the hotline might be distributed through letters, emails, flyers made available in employee areas, notices distributed with employee payroll statements, messages on the internet or intranet, and through a variety of other means. In soliciting bids for this service, Internal Audit will request that proposers provide a plan for communication.

Summary

Government best practices call for the establishment of an ethics program, including a reporting mechanism whereby employees, vendors, and others may confidentially report suspected fraud, waste, or abuse. Upon direction from the Board of Directors, Internal Audit will return to the Finance and Administration Committee with a draft scope of work to outsource this service.

Attachment

None.

Prepared by:

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



BOARD COMMITTEE TRANSMITTAL

February 23, 2009

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

Finance and Administration Committee meeting of February 11, 2009

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

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Receive and file the second quarter update to the Orange County Transportation Authority Internal Audit Department Fiscal Year 2008-09 Internal Audit Plan.



February 11, 2009

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

Overview

The Orange County Transportation Authority Board of Directors adopted the Orange County Transportation Authority Internal Audit Department Fiscal Year 2008-09 Internal Audit Plan on August 13, 2008. This update is for the second quarter of the fiscal year.

Recommendation

Receive and file the second quarter update to the Orange County Transportation Authority Internal Audit Department Fiscal Year 2008-09 Internal Audit Plan.

Background

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

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

Discussion

The Orange County Transportation Authority Internal Audit Department Fiscal Year 2008-09 Internal Audit Plan (Plan) (Attachment A) reflects the status of each of the projects. As indicated in Attachment A, numerous projects are underway.

Audits completed during the second quarter of the year include a review of OCTA's payroll information systems. The audit was conducted by certified information systems auditors from Thompson, Cobb, Bazillio & Associates. The primary purpose of the audit was to ensure data protection and integrity. The auditors identified five deficiencies in controls over system passwords, system access, data change documentation, training, and segregation of duties. The auditors also offered five additional recommendations related to general information system controls at OCTA.

Internal Audit also completed an audit of OCTA's diesel fuel contract and found that while payments to the contractor were accurate, the bidding process resulted in some avoidable fuel costs. Internal Audit recommended that there be greater scrutiny of, and controls over, the procurement process for large inventory purchases.

Internal Audit also completed a contract compliance audit of medical service providers that perform drug and alcohol testing for OCTA safety sensitive employees. Internal Audit found that test results were not being independently provided to OCTA by clinical laboratory subcontractors and that blind specimens were not being sent to these clinical laboratories. Internal Audit also recommended that OCTA perform independent quality assurance inspections of these facilities to ensure that contractors comply with all legal requirements of drug and alcohol testing.

Finally, an audit of a joint powers agreement between the California Department of Transportation (Caltrans) and OCTA was recently completed. The findings indicate areas of improvement for both OCTA and Caltrans with regard to contract amendments, documentation, and administration. In addition, the audit identified an issue with regard to records retention. This cooperative agreement required Caltrans retention of project related documents well beyond that of Caltrans' general policy. As such, certain records were not available for audit. Caltrans and OCTA agreed that future cooperative agreements will include records retention provisions that are in alignment with the retention schedules of both agencies.

Internal Audit Initiatives

Internal Audit assists the Contracts Administration and Materials Management (CAMM) Department in the evaluation of cost and price proposals for architectural and engineering (A&E) contracts. With the implementation of the Measure M Early Action Plan and numerous other state funded projects, Internal Audit has committed a great deal of resources to conducting these price reviews over the first six months of the fiscal year. During this time,

Internal Audit has completed 14 price reviews covering 76 professional services firms. Internal Audit has also been working with CAMM to streamline the process and improve the timeliness of these reviews while ensuring the highest level of price protection to OCTA on A&E contracts. Internal Audit's recommendations are being included in a comprehensive review of procurement policy by the Board of Directors.

Fraud Hotline

Internal Audit has recently completed a survey of various local jurisdictions with regard to fraud hotlines. Based on this research, Internal Audit has recommended that this function be outsourced to a professional hotline provider. Internal Audit will recommend that the Board of Directors direct Internal Audit to develop a scope of work for such a service.

Peer Review

Internal Audit has scheduled a quality assurance review, or peer review, of the Internal Audit Department for January 2010. The purpose of the review is to ensure that Internal Audit is complying with Government Auditing Standards. The review will be conducted by the Association of Local Government Auditors (ALGA) and will cover all work completed by Internal Audit during calendar year 2009. Thereafter, the reviews will be conducted every three years. As these reviews are done on a volunteer and reciprocal basis, ALGA is currently in the process of identifying two to three individuals who are available, qualified and independent.

Findings and Recommendations Tracking

At the request of the Finance and Administration Committee, unresolved audit recommendations are included with the quarterly updates to the Plan as Attachment B. Internal Audit includes both findings and recommendations generated internally, as well as those provided by regulatory auditors and OCTA's independent financial statement auditors, Mayer Hoffman McCann P.C.

Summary

The Internal Audit Department will continue to implement the Plan and report to the Board of Directors on a quarterly basis the status of the Plan.

Attachments

- A. Orange County Transportation Authority Internal Audit Department
FY 2008-09 Internal Audit Plan Second Quarter Update
- B. Unresolved Audit Findings and Recommendations (Audit Reports Issued up
to and including January 2009)

Prepared by:



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Executive Director, Internal Audit
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**Orange County Transportation Authority
Internal Audit Department
FY 2008-09 Internal Audit Plan
Second Quarter Update**

| Audit Activity | Project Number | Description | Primary Audit Type | Planned Staff Hours | Staff Hours to Date | Under (Over) | Cost / Estimate to Complete (E) | Status (Date to F&A) | Notes (Contract Auditor) |
|--|-----------------------|---|---------------------------|----------------------------|----------------------------|---------------------|--|---------------------------------|---------------------------------|
| Mandatory External Independent Audits | | | | | | | | | |
| Annual Financial Audit | FY09-001-4 | Annual contracted financial audit for fiscal year 2007-08 | Financial | 325 | 375 | (50) | \$ 307,490 | Complete (01/28/09) | (Mayer Hoffman McCann) |
| Annual Transportation Development Act Audits | FY09-005 | Coordination of legally required annual audits of the recipients of Local Transportation Fund for fiscal year 2007-08. | Compliance | 100 | 65 | 36 | \$ 59,900 | Complete (01/28/09) | (Mayer Hoffman McCann) |
| Triennial Performance Audits | FY09-027 | Initiate procurement of external auditors to conduct the state triennial performance audit and Renewed Measure M performance assessment for fiscal years 2007, 2008, and 2009 | Compliance | 50 | - | 50 | | | |
| Internal Audit Initiatives | | | | | | | | | |
| Risk Assessment and Annual Audit Plan | FY09-006 | Annual preparation of the audit plan for next fiscal year; periodic assessment of risk throughout the year. | Risk Assessment | 100 | 51 | 49 | | | |
| Quality Assurance and Self-Assessment | FY09-007 | Self assessment of Internal Audit's compliance with Government Auditing Standards. | Quality Assurance | 175 | 45 | 130 | | In Process | |
| Peer Review Participation | FY09-008 | Participation as a review committee member for reciprocal credit. | Peer Review | 80 | - | 80 | | | |
| Service Efforts & Accomplishments | FY09-025 | Evaluation and summarization of the value of Internal Audit activities. | Service Efforts Report | 100 | - | 100 | | | |
| Internal Audits | | | | | | | | | |
| Authority-Wide | | | | | | | | | |
| Price Reviews | PR09-300 | Cost and price analyses as required by OCTA procurement policies and procedures. | Price Review | 500 | 506 | (6) | \$ 62,205 (E) \$ 57,795 | 14 completed | (Four on-call audit firms) |
| Unscheduled Reviews and Special Requests | FY09-100 | Time allowed for unplanned audits and requests from the Board of Directors and management. | Varies | 250 | 126 | 125 | | | |
| Executive | | | | | | | | | |
| Safety Monitoring | FY08-031 | Review and follow-up on any American Public Transportation Association (APTA) Safety Review conducted in FY 2008. | Internal Controls | 100 | | 100 | | | |
| AB1234 Compliance | FY09-021 | Review of Authority recordkeeping evidencing compliance with AB1234 requirements. | Compliance | 150 | 94 | 56 | | Report in Draft | |
| Planning and Development | | | | | | | | | |
| Metrolink | FY08-010 | Inventory and review of audit activities and results thereof for the Southern California Regional Rail Authority. | Operational | 200 | 79 | 121 | | In process | |

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

| Audit Activity | Project Number | Description | Primary Audit Type | Planned Staff Hours | Staff Hours to Date | Under (Over) | Cost / Estimate to Complete (E) | Status (Date to F&A) | Notes (Contract Auditor) |
|---|-----------------------|---|---------------------------|----------------------------|----------------------------|---------------------|--|---------------------------------|---------------------------------------|
| SR-22 Contract Close-out | FY08-022 | Review to ensure contract stipulations were complied with and to verify the propriety of payments. | Compliance | 25 | 50 | (25) | | Report in Draft | (GCAP Services) |
| I-5 Gateway Contract | FY08-014 | Review to ensure contract stipulations are being complied with and to verify the propriety of payments. | Compliance | 50 | 34 | 16 | (E) \$ 30,000 | Out for Bid | |
| CalTrans Cooperative Agreement for I-405/SR-55 | FY08-011 | Review to ensure contract stipulations were complied with and to verify the propriety of payments. | Compliance | 50 | 78 | (28) | | Complete (01/28/09) | (Mayer Hoffman McCann) |
| Combined Transportation Funding Program (CTFP) Project Audits/CTFP System | FY08-019 | Evaluation of program process and review of a sample of projects funded by the CTFP. | Compliance | 100 | 55 | 46 | (E) \$ 75,000 | RFP with CAMM | |
| Buena Park Metrolink Station Closeout Audit | FY08-007 | Closeout audit of construction of Metrolink station. | Compliance | 25 | 8 | 17 | | Report in Draft | (Mayer Hoffman McCann) |
| On-Call Service Contracts | FY09-012 | Review of on-call contracts for contract compliance and 2008 compliance with procurement policies and procedures. | Compliance | 300 | | 300 | | | |
| Irvine Transportation Center | FY09-013 | Review to ensure contract stipulations are being complied with and to verify the propriety of payments. | Compliance | 75 | | 75 | (E) \$ 20,000 | | |
| Real Estate and Right-of-Way Administration | FY09-015 | Review of right-of-way and other real estate operations and contracts. | Operational | 300 | | 300 | | | |
| Transit Operations | | | | | | | | | |
| Buy America | FY08-027 | Pre-award and post-delivery reviews to ensure vendor is in compliance with federal Buy America requirements. | Compliance | 100 | 16 | 84 | | 1 Review in Process | |
| Vehicle Maintenance | FY08-020 | Review of policies, procedures, management reporting, and regulatory compliance. | Operational | 250 | | 250 | | | |
| Government Relations | | | | | | | | | |
| Grant Close-outs | FY09-026 | As needed financial and compliance audits of grants at close-out to ensure propriety of expenditures. | Compliance | 75 | 19 | 57 | \$ 12,275 | One Complete (10/08/08) | (Thompson Cobb, Bazilio & Associates) |
| Finance | | | | | | | | | |
| Treasury | FY09-019 | Biannual financial and compliance reviews of the treasury function, including investment and bond compliance. | Compliance | 200 | 3 | 197 | | In process | |
| Revenue Accounting | FY08-024 | Review of controls over the collection and processing of sales tax receipts. | Operational | 275 | 20 | 255 | | In process | |
| Grants Management and Accounting | FY08-018 | Review of policies, procedures and regulatory compliance with grant requirements. | Operational | 150 | 165 | (15) | | In process | |
| Capital Assets | FY08-017 | Review of policies and procedures for capital assets, including capitalization policy, classifications, depreciation, disposal. | Internal Controls | 75 | 125 | (50) | | Complete (10/08/08) | |

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

| Audit Activity | Project Number | Description | Primary Audit Type | Planned Staff Hours | Staff Hours to Date | Under (Over) | Cost / Estimate to Complete (E) | Status (Date to F&A) | Notes (Contract Auditor) |
|--|-----------------------|---|---------------------------|----------------------------|----------------------------|---------------------|--|---------------------------------|---------------------------------------|
| 91 Express Lanes Collections | FY08-016 | Review of contractual compliance and performance of collections contractor L.E.S. | Compliance | 200 | 99 | 102 | | In process | |
| Purchasing Cards | FY09-029 | Review of internal controls over purchasing cards | Internal Controls | 120 | 149 | (29) | | Report in Draft | |
| Investment Management & Service Fees | FY09-011 | Review of services and invoices for investment and debt advisory and management services | Compliance | 250 | | 250 | | | |
| Human Resources | | | | | | | | | |
| Payroll | FY08-001 | Audit of the payroll function including internal controls and analytics. | Operational | 155 | 159 | (4) | | Complete (10/22/08) | |
| Payroll Information Systems | FY08-001 | Information Systems Audit of Lawson payroll system | Operational | | | | \$ 48,790 | Complete (12/10/08) | (Thompson Cobb, Bazilio & Associates) |
| Medical Examinations | FY08-006 | Review of contracted services for medical examinations and programs. | Compliance | 75 | 318 | (243) | | Complete (11/12/08) | |
| Veolia Drug and Alcohol Program Monitoring (Unscheduled) | | | Operational | - | | | | In Process | |
| Employment Division | FY09-017 | Review of controls and efficiency of candidate recruitment, selection and hiring. | Operational | 350 | | 350 | | | |
| Contracts & Materials | | | | | | | | | |
| Contract Administration | FY08-015 | Operational review to identify efficiencies and determine compliance with established policies and procedures. Scope to be further refined. | Operational | 200 | 16 | 184 | | | |
| Southern Counties Oil Company | FY08-026 | Contract compliance review of C50467 - diesel and unleaded fuel supply. | Compliance | 95 | 152.5 | (58) | | Complete (11/26/08) | |
| Bridgestone/Firestone Tire Lease | FY09-014 | Review of lease of bus tires. | Compliance | 175 | | 175 | | | |
| Maintenance Inventory Management | FY09-022 | Review of inventory management policies, procedures, controls, and operational efficiency. | Operational | 300 | | 300 | | | |
| Warranty Administration | FY09-023 | Review of internal controls over warrantied equipment. | Internal Control | 175 | | 175 | | | |
| Fuel Controls | FY09-024 | Review of controls over dispensing of petroleum products. | Internal Control | 150 | | 150 | | | |
| Information Systems | | | | | | | | | |
| Business Resumption Planning | FY09-009 | Review of information systems recovery policies and procedures, testing, and post-event review. | Operational | 75 | | 75 | (E) \$20,000 | | |
| Telecommunications Equipment | FY09-020 | Review of telecommunications equipment usage and internal controls. | Internal Control | 175 | 1 | 174 | | | |

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

| Audit Activity | Project Number | Description | Primary Audit Type | Planned Staff Hours | Staff Hours to Date | Under (Over) | Cost / Estimate to Complete (E) | Status (Date to F&A) | Notes (Contract Auditor) |
|--|-----------------------|--|---------------------------|----------------------------|----------------------------|---------------------|--|---------------------------------|---------------------------------|
| External Affairs | | | | | | | | | |
| Vanpool Program | FY08-023 | Review of first year operations and contract compliance. | Operational | 175 | 93 | 82 | | In process | |
| Customer Information Center (Alta Resources) | FY09-018 | Review of contractually required service levels and contractor billing. | Contract Compliance | 225 | 43 | 182 | (E) \$25,000 | In process | |
| Motorist Services | | | | | | | | | |
| Call Box Maintenance Services | FY09-028 | Review of contract for call box maintenance | Contract Compliance | 150 | | 150 | | | |
| Monitoring Activities | | | | | | | | | |
| Measure M COC and Administrative Issues | FY09-401 | Coordination of audit activities with the Audit Committee of the Measure M Citizens Oversight Committee. | Monitoring | 25 | 21 | 4 | | | |
| 91 Express Lanes | FY09-402 | Ongoing monitoring of 91 Express Lanes activities and participation in roundtables. | Monitoring | 25 | 3 | 22 | | | |
| I-5 Gateway Project | FY09-403 | Ongoing monitoring to keep apprised of activities and significant issues. | Monitoring | 25 | 7 | 18 | | | |
| Compressed Natural Gas (CNG) Station Project | FY09-404 | Ongoing monitoring to keep apprised of activities and significant issues. | Monitoring | 100 | 24 | 76 | | | |
| Bus Rapid Transit (BRT) | FY09-405 | Ongoing monitoring to keep apprised of activities and significant issues. | Monitoring | 25 | 8 | 17 | | | |
| Records Management | FY09-406 | Ongoing participation on Records Management Task Force. | Monitoring | 25 | | 25 | | | |
| Follow-up Reviews | | | | | | | | | |
| Follow-up reviews and reporting | FY09-200 | Follow-up on audit findings and recommendations. | | 250 | 174 | 77 | | | |
| Total Audit Hours | | | | 7,700 | 3,178 | 4,523 | | | |

UNRESOLVED AUDIT FINDINGS AND RECOMMENDATIONS

(Audit Reports Issued Through January 2009)

| Audit Issue Date | Report Number | Division / Department / Agency | Audit Name | Recommendation | Initiate Next Update | Management Response | Auditor | Notes |
|-------------------------|----------------------|---|---|--|-----------------------------|--|----------------|--|
| 5/12/2006 | 06-015 | Transit | Transit Police Services (TPS) Contract Compliance and Operational Audit | We recommend that support for all credits and charges made outside of the monthly recurring contract cost be reviewed by management before approving invoices for payment. | Dec-08 | All requests for credits and changes made outside of the monthly recurring contract cost are now being reviewed and approved by the Manager of Bus Operations. | Ng | New contract executed in 2008. Follow-up underway as of January 13, 2009. |
| 5/12/2006 | 06-015 | Transit | Transit Police Services Contract Compliance and Operational Audit | We recommend that management analyze the total cost of providing transit police services and determine whether it is beneficial to separately account for these costs. | Dec-08 | Currently, the contract cost is split between the Orange County Transit District (OCTD) and Commuter Urban Rail Endowment (CURE) funds. The allocation costs are based on the division of labor between bus and rail, 73 percent and 27 percent respectively. All other costs are absorbed by OCTD and not equitably allocated to other service recipients. For future contract cost consideration, the cost of personnel, capital and maintenance-related costs will be included and charged back to a TPS cost center and allocated to recipients of the TPS services. Some of these costs are: <ul style="list-style-type: none"> • Manager of Bus Operations time for administering the TPS contract. • TPS office specialist salary and benefit cost. • Capital cost for TPS vehicles. • Fuel, parts, and labor for TPS vehicles. | Ng | New contract executed in 2008. Follow-up underway as of January 13, 2009. |
| 5/12/2006 | 06-015 | Transit | Transit Police Services Contract Compliance and Operational Audit | An agreement be documented between OCTA and the County for rights to conduct routine fiscal and compliance monitoring of the contract by OCTA. | Jun-09 | OCTA Internal Audit Department and the Contracts and Materials Management (CMM) Department have provided copies of an AUDIT AND INSPECTION OF RECORDS clause that will be included into contract language for any future contracts entered into between OCTA and the Orange County Sheriff Department. | Ng | First contract amendment, to include this provision, is in draft form as of January 2009. |
| 8/2/2006 | 06-021 | Finance, Administration and Human Resources / Development | Cofiroute Contract Compliance and Operational Audit | The contract with the California Highway Patrol (CHP) should be updated to reflect current billing rates, level of service, responsibilities of each party, | Jun-09 | Management concurs. CMM will meet with the CHP to obtain current rates, level of service, responsibilities of each party and incorporate those items into a new contract. | Ng | A contract amendment will take place which will incorporate the contract changes. Not yet executed as of January 2009. |
| 8/2/2006 | 06-021 | Finance, Administration and Human Resources / Development | Cofiroute Contract Compliance and Operational Audit | In addition to Cofiroute's review of CHP invoices for accuracy, the invoices should be reviewed by OCTA staff for propriety with contract terms. | Jun-09 | Management concurs. Management will review all CHP invoices for propriety with contract terms. | Ng | CHP invoice review process will begin once the CHP contract is amended. |

UNRESOLVED AUDIT FINDINGS AND RECOMMENDATIONS

(Audit Reports Issued Through January 2009)

| Audit Issue Date | Report Number | Division / Department / Agency | Audit Name | Recommendation | Initiate Next Update | Management Response | Auditor | Notes |
|-------------------------|----------------------|---------------------------------------|---|---|-----------------------------|---|---|--|
| 6/12/2007 | 07-028 | Transit | ACCESS Eligibility and Certification Process Review | We commend OCTA's efforts to initiate the drafting of an Information Protection Policy. However, we recommend that OCTA aggressively move forward with completing and adopting an information protection policy that communicates management's criteria for handling and sharing sensitive data with business partners. | Oct-08 | The Authority's Information Systems Department recently hired a Trapeze software specialist and a senior security analyst, to address the information protection policy issues for handling and sharing sensitive data with our contractors. The Authority staff is currently working to develop such policies and a plan for implementing these policies. | Dunning and Thompson, Cobb, Baslio and Associates PC (TCBA) | Follow up in process as of January 2009. |
| 6/12/2007 | 07-028 | Transit | ACCESS Eligibility and Certification Process Review | We recommend that OCTA management coordinate with Comprehensive Assessment Restorative Evaluation, LLC (CARE) to implement password aging and forced password change functionality for the ACCESS Services Management System (ASMS). We also recommend that OCTA management coordinate with CARE to implement password formatting functionality for ASMS. | Oct-08 | Currently, CARE does not have an automated system to require passwords be changed on a regular basis. CARE assigns all new users an access password and provides a manual notification to change passwords on a quarterly basis. CARE will remind staff of this requirement by e-mail notifications and at the OCTA ACCESS/CARE quarterly staff meetings. It was recommended and agreed upon that software is to be developed for an automated forced password change. The implementation of this will depend on financial programming resources, OCTA contractual requirements with business partners, and final implementation of an OCTA contractor policy for security standards. | Dunning and TCBA | Follow up in process as of January 2009. |
| 6/12/2007 | 07-028 | Transit | ACCESS Eligibility and Certification Process Review | We recommend that ASMS access rights be reviewed and approved by CARE management on a periodic basis. This would require that management sign and date an ASMS access rights report as evidence of their review. | Oct-08 | Currently, there is not an automated system to require user reviews on a regular basis. CARE has an annual review of users on the ASMS system and an automatic manual notification to the Information Systems Department (IS) when employees resign or are terminated. Any user that has resigned or is terminated is removed from the access users list. CARE will conduct a manual review of users on the ASMS system at all OCTA ACCESS quarterly staff meetings. A review action document will be developed which will list the current and recently terminated users. This will be made available for review by the Eligibility Administrator. | Dunning and TCBA | Follow up in process as of January 2009. |

UNRESOLVED AUDIT FINDINGS AND RECOMMENDATIONS
(Audit Reports Issued Through January 2009)

| Audit Issue Date | Report Number | Division / Department / Agency | Audit Name | Recommendation | Initiate Next Update | Management Response | Auditor | Notes |
|------------------|---------------|---|---|--|----------------------|--|-----------|---|
| 6/15/2007 | 07-032 | Finance, Administration and Human Resources | Liquefied Natural Gas (LNG) Contract Review | CAMM should revise its policies and procedures to require formal Chief Executive Officer (CEO) approval for substantial changes to terms of inventory contracts. | Mar-09 | CAMM agrees to review the procurement policies and procedures as they relate to inventory and to update the Procurement Manual as needed. Funds have been budgeted in the fiscal year 2008 budget for this activity. It is anticipated that this effort will start in the September time frame and will include a procedure for handling inventory purchases as well as amendments to inventory contracts. | Bonelli | A request for proposal (RFP) has been issued for a consultant to assist with updating the procurement manual. A completed manual is anticipated in early 2009. Internal Audit will follow up with this item at that time. |
| 6/25/2007 | 07-031 | Deputy Chief Executive Officer | Records Management Assessment | OCTA should develop a plan for the implementation of a comprehensive program to manage records organization-wide. Policies and procedures for the systematic and orderly accumulation and storage of active records should be developed to provide a foundation upon which better records retention and destruction can be controlled. | Mar-09 | Audit findings for this assessment were referred to the Deputy Chief Executive Officer and a Records Management Task Force. | O'Connell | As of September 2008, management is in the process of developing a RFP for a contractor to assist in the development of a records management and document controls system for OCTA. Internal Audit will monitor progress in January 2009 |
| 6/25/2007 | 07-031 | Deputy Chief Executive Officer | Records Management Assessment | Employee awareness of their roles and responsibilities with regard to records management should be strengthened. A formal training program should be developed to drive greater accountability. | Jan-09 | Audit findings for this assessment were referred to the Deputy Chief Executive Officer and a Records Management Task Force. | O'Connell | As of September 2008, management is in the process of developing an RFP for a contractor to assist in the development of a records management and document controls system for OCTA. Internal Audit will monitor progress in January 2009 |
| 6/25/2007 | 07-031 | Deputy Chief Executive Officer | Records Management Assessment | OCTA should provide the technological resources necessary to allow consistent, organization-wide records retention, management, and retrieval. Electronic data and mail should be consistently classified, filed, sorted, and purged. | Jan-09 | Audit findings for this assessment were referred to the Deputy Chief Executive Officer and a Records Management Task Force. | O'Connell | As of September 2008, management is in the process of developing an RFP for a contractor to assist in the development of a records management and document controls system for OCTA. Internal Audit will monitor progress in January 2009 |

UNRESOLVED AUDIT FINDINGS AND RECOMMENDATIONS

(Audit Reports Issued Through January 2009)

| Audit Issue Date | Report Number | Division / Department / Agency | Audit Name | Recommendation | Initiate Next Update | Management Response | Auditor | Notes |
|-------------------------|----------------------|---|---|--|-----------------------------|--|----------------------------------|---|
| 6/25/2007 | 07-031 | Deputy Chief Executive Officer | Records Management Assessment | The current policy and records retention schedules should be updated to include security, third party and electronic document considerations. | Jan-09 | Audit findings for this assessment were referred to the Deputy Chief Executive Officer and a Records Management Task Force. | O'Connell | As of September 2008, management is in the process of developing an RFP for a contractor to assist in the development of a records management and document controls system for OCTA. Internal Audit will monitor progress in January 2009 |
| 10/27/2007 | 07-024 | Finance, Administration and Human Resources | Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment | OCTA needs to formally appoint a Privacy Official and a Security Official to be accountable for the privacy and data security obligations under the HIPAA rules and regulations. | May-09 | Management agrees with the recommendation and will take the necessary measures to appoint a Privacy Official and a Security Official, and we will update our current record keeping documents to reflect the appointed officials. | Dunning and Aon Consulting (Aon) | |
| 10/27/2007 | 07-024 | Finance, Administration and Human Resources | Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment | OCTA should finalize and implement HIPAA record retention policies for the Human Resources Department. | May-09 | Management agrees with the recommendation. We will finalize and implement the HIPAA record retention policies after review with legal counsel. The Authority, under the guidance of the IS Department manager and Deputy CEO, is in the process of developing an enterprise-wide data retention and classification process, that will ensure that any protected health information (PHI) is properly protected and archived. | Dunning and Aon | |
| 10/27/2007 | 07-024 | Finance, Administration and Human Resources | Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment | We recommend OCTA obtain business associate agreements with its vendors for shredding services and records storage. | May-09 | Management agrees with the recommendation. The IS Department will work with CAMM to amend the current contracts in order to remediate this gap. | Dunning and Aon | |
| 10/27/2007 | 07-024 | Finance, Administration and Human Resources | Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment | We recommend that OCTA store any and all sensitive health information related to these prior plans and obtain a business associate agreement with the outside document storage vendor. Aon is unable to determine whether OCTA still has HIPAA obligations with respect to these terminated health plans. As such, further discussion with legal counsel is recommended. | May-09 | Management agrees with the recommendation. Human Resources will work with the Records Retention Department to establish required language in the business associate agreements for the outside document storage vendor. | Dunning and Aon | |

UNRESOLVED AUDIT FINDINGS AND RECOMMENDATIONS
(Audit Reports Issued Through January 2009)

| Audit Issue Date | Report Number | Division / Department / Agency | Audit Name | Recommendation | Initiate Next Update | Management Response | Auditor | Notes |
|-------------------------|----------------------|---|---|---|-----------------------------|--|-----------------|--|
| 10/27/2007 | 07-024 | Finance, Administration and Human Resources | Summary Report of Findings, HIPAA Privacy and Data Security Compliance Assessment | In future negotiations with the unions, OCTA should consider obtaining certification that the unions are in compliance with HIPAA's rules and regulations. | May-09 | Management agrees with the recommendation. We will address this recommendation with the Employee Relations Department and legal counsel. | Dunning and Aon | |
| 3/24/2008 | 08-012 | Finance, Administration and Human Resources | Investment Activities July 1 through December 31, 2007 | Internal Audit recommends that the Treasury Department ensure that the reconciliation of all balances on the portfolio listing is accurate prior to inclusion in the debt and investment reports. | Nov-08 | The account balances are reconciled on a monthly basis to the account balance worksheet. This is a manual process. The balances are used to create the quarterly investment report that contains the portfolio listing. The Treasury Department will work to ensure that the balances shown in the printed report from quarter-end are reflected accurately in the debt and investment reports. | Ng | Follow-up review has been rolled into the next Investment Activities audit which is underway as of January 2009. |
| 4/24/2008 | 08-005 | Transit | Review of Agreement No. C-5-3021 with Veolia Transportation Services, Inc. | The Community Transportation Services (CTS) Department should clarify the maximum trips specified in the contract or the contract should be amended to be consistent with the terms of the Yellow Cab contract. | May-09 | The maximum obligation of the contract with Yellow Cab of North Orange County for the provision of Same Day Taxi Service was developed using a maximum number of trips per day. There have been few occasions that the maximum number has been exceeded. There are many occasions that the number of trips requested under this program fall far below the maximum, particularly on weekends. Because of this, trips in excess of the maximum are generally accommodated because this can be done without exceeding the maximum obligation of the contract. The contract language could be clarified to specify that the maximum number of trips is an estimate. | Dunning | |
| 7/10/2008 | 07-033 | Finance, Administration and Human Resources | Internal Control Review of Contributions and Participant Data Transmission to the Orange County Employees Retirement System (OCERS) | Internal Audit recommends that Human Resources implement a practice of tracking new employees with potential reciprocal service and following up with OCERS if the paperwork is outstanding for a long time. | Feb-09 | Human Resources is in the process of enhancing the Lawson system to provide a tool to track those new employees that have indicated prior California public service. This process will provide a quarterly list of employees to facilitate a follow up process. | Ng | |

UNRESOLVED AUDIT FINDINGS AND RECOMMENDATIONS

(Audit Reports Issued Through January 2009)

| Audit Issue Date | Report Number | Division / Department / Agency | Audit Name | Recommendation | Initiate Next Update | Management Response | Auditor | Notes |
|-------------------------|----------------------|---|---|--|-----------------------------|--|----------------|--------------|
| 7/10/2008 | 07-033 | Finance, Administration and Human Resources | Internal Control Review of Contributions and Participant Data Transmission to the Orange County Employees Retirement System (OCERS) | Internal Audit recommends that a Human Resources manager or employee periodically review Additional Retiree Benefit Account (ARBA) benefit payments against source documents to ensure that ARBA benefit amounts are being paid in the appropriate amounts to the appropriate beneficiaries. | Feb-09 | The senior benefits analyst will provide a report to the Human Resources Section Manager of Compensation and Benefits to ensure that the Additional Retiree Benefit Account amounts are being paid in the appropriate amount to the appropriate beneficiaries. | Ng | |
| 7/10/2008 | 07-033 | Finance, Administration and Human Resources | Internal Control Review of Contributions and Participant Data Transmission to the Orange County Employees Retirement System (OCERS) | Internal Audit recommends that OCTA monitor the OCERS audit function to ensure a Fiscal Year 2008 Internal Audit Plan is adopted and implemented. | Feb-09 | Once OCERS has adopted and implemented an annual internal audit plan, OCTA will ask OCERS to provide evidence of such implementation. | Ng | |
| 8/1/2008 | 08-008 | Finance, Administration and Human Resources | Review of Agreement No. C-4-0793 Darrel Cohoon & Associates and Other Related Agreements | Internal Audit recommends that the Accounting Department monitor the use of Payment Requests and report any suspected misuse to the appropriate department manager and CMM. Internal Audit also recommends that OCTA develop a more formal and organization-wide procurement training program. | Mar-09 | CMM has assisted the Accounting Department in developing a policy that details the appropriate use of payment requests. The Accounting Department is conducting quarterly analyses of one-time or multiple payments to one vendor exceeding \$2,500. The report is delivered to CMM for review and follow up with the user department. The Plan-Buy-Pay training program will be expanded to address procurement and payment concerns. | Ng | |
| 8/1/2008 | 08-008 | Finance, Administration and Human Resources | Review of Agreement No. C-4-0793 Darrel Cohoon & Associates and Other Related Agreements | Internal Audit recommends that all subcontractors be incorporated into the Motorist Services contract or these services be separately procured. | Mar-09 | CMM will ensure that future contracts include all subcontractors. All project managers will be instructed to work with CMM to amend a contract any time there is a change in the subcontractor status. | Ng | |
| 8/1/2008 | 08-008 | Finance, Administration and Human Resources | Review of Agreement No. C-4-0793 Darrel Cohoon & Associates and Other Related Agreements | The program manager for Motorist Services should ensure that contract payments are limited to the services identified in the scope of work. | Mar-09 | Management agrees. The Orange County Taxicab Administration Program was transferred to Motorist Services in June 2005 after the contract was approved. | Ng | |
| 8/1/2008 | 08-008 | Finance, Administration and Human Resources | Review of Agreement No. C-4-0793 Darrel Cohoon & Associates and Other Related Agreements | Internal Audit recommends that the program manager for Motorist Services more thoroughly review contract invoices and ensure that all billed services are properly supported. | Mar-09 | Management agrees. The program manager for Motorist Services has been counseled to follow this recommendation. | Ng | |

UNRESOLVED AUDIT FINDINGS AND RECOMMENDATIONS
(Audit Reports Issued Through January 2009)

| Audit Issue Date | Report Number | Division / Department / Agency | Audit Name | Recommendation | Initiate Next Update | Management Response | Auditor | Notes |
|-------------------------|----------------------|---|--|--|-----------------------------|--|----------------|--------------|
| 8/1/2008 | 08-008 | Finance, Administration and Human Resources | Review of Agreement No. C-4-0793 Darrel Cohoon & Associates and Other Related Agreements | OCTA contract language should be amended to prohibit contractors from billing for local meals with OCTA employees. | Mar-09 | Management agrees. The contractor has refunded the \$175.16 payment. As a matter of practice, CAMM is incorporating this prohibition into all new contracts executed by the Authority. | Ng | |
| 8/1/2008 | 08-008 | Finance, Administration and Human Resources | Review of Agreement No. C-4-0793 Darrel Cohoon & Associates and Other Related Agreements | Internal Audit recommends that policies governing on-call contracts be refined. The CAMM Department should enforce the competitive or sequential award of contract task orders (CTO). CAMM should also ensure that CTO's are consistent with the scope of work. Scopes of work for on call contracts should, if applicable, reflect the multi-disciplinary nature of the work and greater outreach should be done. | Mar-09 | Management agrees that policies governing on-call contracts should be refined to clarify ambiguity where competitive or sequential awards are not practical. Some level of flexibility will be required and this will need to be articulated in the scope of work and allowed by the Board of Directors. Management agrees that greater circulation of on-call solicitations can be achieved through CAMM NET. Management agrees that the CAMM Department has primary responsibility for enforcing procurement policy with regard to CTOs. | Ng | |
| 8/1/2008 | 08-008 | Finance, Administration and Human Resources | Review of Agreement No. C-4-0793 Darrel Cohoon & Associates and Other Related Agreements | Internal Audit recommends that CAMM communicate the expectation to contractors during the procurement process that they remain free from conflicts of interest during the conduct of their work for OCTA. | Mar-09 | Management agrees that CAMM is in the best position to identify potential conflicts of interest, or perceptions of a conflict of interest with contractors that are doing business with OCTA. CAMM will take responsibility for communicating with the contractor as appropriate. | Ng | |
| 8/1/2008 | 08-008 | Finance, Administration and Human Resources | Review of Agreement No. C-4-0793 Darrel Cohoon & Associates and Other Related Agreements | Only approved subcontractors should be paid and only at rates specified in the contract. | Mar-09 | Management concurs with the recommendation. The project manager authorized to approve an invoice for payment has responsibility for the accuracy of the invoice that he or she approves. | Ng | |
| 8/1/2008 | 08-008 | Finance, Administration and Human Resources | Review of Agreement No. C-4-0793 Darrel Cohoon & Associates and Other Related Agreements | OCTA should conduct a review and seek a legal opinion as to the tax status of OCTA contractors. Appropriate and necessary steps should be taken to maintain independent contractor status for all contractors. Access to OCTA facilities should be restricted as appropriate given contractor tasks. | Mar-09 | Legal counsel has reviewed the tax status of OCTA contractors and the Authority's access card policy. In addition, legal counsel now signs off on all Authority agreements with independent contractors. The General Services Department conducts a bimonthly review of contractor access cards to determine that access is still appropriate given contractor work duties. | Ng | |

UNRESOLVED AUDIT FINDINGS AND RECOMMENDATIONS

(Audit Reports Issued Through January 2009)

| Audit Issue Date | Report Number | Division / Department / Agency | Audit Name | Recommendation | Initiate Next Update | Management Response | Auditor | Notes |
|-------------------------|----------------------|---|--|---|-----------------------------|---|----------------|--------------|
| 8/1/2008 | 08-008 | Finance, Administration and Human Resources | Review of Agreement No. C-4-0793 Darrel Cohoon & Associates and Other Related Agreements | Internal Audit recommends that OCTA develop an organization-wide ethics policy, and employees be trained on it. Internal Audit also recommends that CAMM revise its Standards of Conduct to include conflicts that may arise beyond financial conflicts. | Mar-09 | Management agrees that an organization-wide ethics policy should be developed, appropriate training sessions should be conducted, and that the Standards of Conduct for procurement activities should be expanded beyond financial conflicts of interest. | Ng | |
| 10/13/2008 | 08-006 | Human Resources | Medical Examinations and Services Contract Compliance Review | OCTA should ensure that clinical laboratories are submitting semi-annual reports as required by the contracts. The summary reports should then be reconciled to OCTA data and exceptions should be documented and investigated. | Apr-09 | Phamatech, the clinical laboratory used by Pacific Medical Clinic for specimen analysis has provided OCTA with the semi-annual statistical summaries as required by the contracts. The last report received was for the period 1/1/08 through 6/30/08. This report was reviewed and verified by Human Resources. We are in the process of establishing this process with Golden West Medical Center. We will have this in place by November 15, 2008. | Dunning | |
| 10/13/2008 | 08-006 | Human Resources | Medical Examinations and Services Contract Compliance Review | Human Resources should work with Pacific Medical Clinic and Golden West Medical Center to develop a method for obtaining and processing blind urine specimens as required by the contracts. OCTA staff should document the results of the blind urine specimens and investigate any exceptions. | Apr-09 | OCTA's contracts with Pacific Medical Clinic (PMC) and Golden West Medical Center (GWMC) require they submit three blind specimens for every 100 OCTA employee specimens tested. PMC had performed 497 drug tests for OCTA for the period of 1/1/08 through 6/30/08. They submitted 15 blind quality control samples and the reported result was the same as the expected result. GWMC has purchased the blind specimens and is in the process of submitting them to the laboratory. GWMC will provide the results to us by November 1, 2008. | Dunning | |

UNRESOLVED AUDIT FINDINGS AND RECOMMENDATIONS
(Audit Reports Issued Through January 2009)

| Audit Issue Date | Report Number | Division / Department / Agency | Audit Name | Recommendation | Initiate Next Update | Management Response | Auditor | Notes |
|-------------------------|----------------------|---------------------------------------|--|---|-----------------------------|---|----------------|--------------|
| 10/13/2008 | 08-006 | Human Resources | Medical Examinations and Services Contract Compliance Review | Human Resources should exercise the contract provision allowing for independent quality assurance (QA) inspections of the medical services and specimen collection requirements of OCTA's contract. Furthermore, due to the safety implications of the Department of Transportation standards and protocols, Internal Audit recommends that the Safety Department monitor the results of such a quality assurance program to ensure all safety issues are addressed in a timely and effective manner. | Apr-09 | Management agrees. It is an acceptable practice in the industry for the Human Resources staff to conduct such inspections. Periodically we have conducted inspections of the clinics. Our next inspections which will take place in January 2009 will be conducted without prior notice to the clinics. | Dunning | |
| 10/13/2008 | 08-006 | Human Resources | Medical Examinations and Services Contract Compliance Review | OCTA should work with the contractors to ensure that contract terms related to invoice submittals are followed. | Apr-09 | Invoices from Pacific Medical Clinic (PMC) do include certifications. We are in the process of establishing this process with Golden West Medical Center (GWMC). They will have this in place for the next billing cycle. We will also make some changes to the invoicing procedure. We have requested that PMC and GWMC send duplicate invoices to OCTA. The invoice to Accounts Payable will contain only the total amount due. The invoice to Human Resources will have the total amount due along with the itemized charges. Human Resources made this request to change the procedure due to the confidential information contained in the invoices. | Dunning | |
| 10/13/2008 | 08-006 | Human Resources | Medical Examinations and Services Contract Compliance Review | Internal Audit recommends that OCTA work with the contractor to ensure that only the last four digits of the social security number are included on the invoice. | Apr-09 | This has been corrected and is in place as of May 1, 2008. The invoices for Agreement No. C-6-0135 with Golden West Medical Center no longer include the employee social security numbers. Employees are identified by their badge number. | Dunning | |

UNRESOLVED AUDIT FINDINGS AND RECOMMENDATIONS

(Audit Reports Issued Through January 2009)

| Audit Issue Date | Report Number | Division / Department / Agency | Audit Name | Recommendation | Initiate Next Update | Management Response | Auditor | Notes |
|-------------------------|----------------------|---------------------------------------|--|---|-----------------------------|---|---|--------------|
| 10/13/2008 | 08-006 | Human Resources | Medical Examinations and Services Contract Compliance Review | Internal Audit recommends that Human Resources include the contract number on all patient authorization forms in order to expedite the process and reduce the possibility of the wrong service being provided or the wrong contract being invoiced. | Apr-09 | Through our invoice reconciliation process, all charges are reviewed and verified to be correct before being processed to accounts payable. Any charges which appear on the invoice that do not pertain to services rendered under Agreement No. C-6-0339 with Pacific Medical Clinic are first reviewed and verified with the clinic and then removed from the invoice. Human Resources will prepare a separate patient authorization form that the Employment Section will use for pre-employment (post offer) exams and drug/alcohol testing when applicable. | Dunning | |
| 10/24/2008 | | General Manager of the 91 Toll Roads | 2008 Management Letter / Single Audit Report of Federal Awards, Year Ended 2006-07 | The third-party contractor should establish procedures to strengthen information systems controls associated with the OCTA contract. | Jun-09 | Staff agrees with the auditors' recommendation regarding backup tapes, which are now being stored at a secure, offsite location. Staff agrees with the auditors recommendation regarding password controls. The system developer of TollPro will be modifying the password complexity to match industry best practices. Staff agrees with the auditors' recommendation of removing user access to systems immediately following termination. Cofiroute will implement a policy to ensure all terminated employees are removed by the close of the following business day. | Sutter and Mayer Hoffman McCann LLC (MHM) | |
| 10/24/2008 | | Development | 2008 Management Letter / Single Audit Report of Federal Awards, Year Ended 2006-07 | The Project Delivery Department should ensure proper documentation is maintained regarding any withholding or delay of payments resulting from a lack of documentation provided by the entity awarded CTFP funds. | Jun-09 | Staff is currently developing an electronic tracking system that will address this recommendation. This effort was in process prior to the audit report. Once completed, the system will provide an electronic log of invoice issues, missing documentation, correspondence with the cities, and will track the dates missing documentation is both requested and received. | Sutter and MHM | |
| 10/24/2008 | | Development | 2008 Management Letter / Single Audit Report of Federal Awards, Year Ended 2006-07 | OCTA should establish procedures or protocols to ensure that all information of a financial nature is communicated to the Financial Planning and Analysis Department or Accounting Department, as appropriate. | Jun-09 | This unique situation resulted from revisions to a standard Caltrans funding agreement. Had an amendment been executed to the original cooperative agreement, a copy would have been transmitted to the Financial Planning & Analysis Department (FP&A). The normal processing and transmittal of agreements and amendments by CAMM should provide the required financial information needed by FP&A. | Sutter and MHM | |

UNRESOLVED AUDIT FINDINGS AND RECOMMENDATIONS

(Audit Reports Issued Through January 2009)

| Audit Issue Date | Report Number | Division / Department / Agency | Audit Name | Recommendation | Initiate Next Update | Management Response | Auditor | Notes |
|-------------------------|----------------------|---|--|--|-----------------------------|---|----------------|--------------|
| 10/30/2008 | 08-026 | CAMM | Southern Counties Oil Company Contract Compliance Review | Future procurements of inventory products priced on indexes should be limited to quotes on discounts, premiums, mark-ups or mark-downs. CAMM should implement a review process to ensure that the language and requirements in Invitations for Bid are clear, concise, and relevant to better enhance bidding and the subsequent evaluation processes. CAMM should also immediately solicit bids for fuel. | May-09 | CAMM is currently preparing a new solicitation for unleaded and diesel fuels. The invitation for bid (IFB) is scheduled for release on November 14, 2008, with the bids being submitted on December 11, 2008. The bidders will be required to quote only their discounts, delivery charges and any applicable taxes. CAMM management will also ensure that the IFB package is thoroughly reviewed prior to being released and that the recommended bid is inspected to ensure compliance with all IFB requirements. | Bonelli | |
| 10/30/2008 | 08-026 | CAMM | Southern Counties Oil Company Contract Compliance Review | Procurement policies and procedures should be enhanced to require independent verification of inconsistencies in bids. They should also require CAMM management review and approval for awards of contracts of this magnitude and nature. | May-09 | CAMM agrees to strengthen the procurement procedures for all types of purchases to require an independent verification of all bids received to ensure that there are no inconsistencies in the bids and that the lowest responsive bidder has met all requirements. Currently a CAMM section manager is required to review the IFB package before it is released. CAMM will formalize this procedure. | Bonelli | |
| 10/30/2008 | 08-026 | Accounting and Financial Reporting Department | Southern Counties Oil Company Contract Compliance Review | The Accounting Department should develop policies and procedures to ensure that supporting documentation for payments is properly retained and safeguarded. | May-09 | Effective July 1, 2008, access to accounts payable payment documents was restricted to Accounting Department personnel only. All other departments must check-out and check-in documents. A written log is maintained of all payment records that are checked out. Additionally, a pending upgrade of the financial accounting system includes document imaging. A contract for the upgrade has been signed and the project is scheduled to begin before the end of calendar year 2009. | Bonelli | |
| 10/30/2008 | 08-026 | CAMM | Southern Counties Oil Company Contract Compliance Review | Contract provisions related to temperature control should be enforced. Unnecessary or inapplicable provisions should be amended out of the contract. | May-09 | The requirement was originally placed in the contract as a safeguard. However, OCTA's experience is that only full loads of fuel are delivered and accepted. In the solicitation being developed to reprocur the fuel, this requirement has been removed. | Bonelli | |

UNRESOLVED AUDIT FINDINGS AND RECOMMENDATIONS

(Audit Reports Issued Through January 2009)

| Audit Issue Date | Report Number | Division / Department / Agency | Audit Name | Recommendation | Initiate Next Update | Management Response | Auditor | Notes |
|-------------------------|----------------------|---------------------------------------|---------------------------------|--|-----------------------------|--|------------------|--------------|
| 11/19/2008 | 08-001A | Information Systems | Payroll Systems Controls Review | Management should develop and implement password administration controls to address weaknesses. | Jun-09 | Information Systems staff is recommending that we bind passwords to the Lightweight Directory Access Protocol (LDAP) with our Windows Active Directory, requiring the implementation of Lawson's new security model. The project is currently not scheduled but will be considered in next fiscal year's budget request. | Bonelli and TCBA | |
| 11/19/2008 | 08-001A | Information Systems | Payroll Systems Controls Review | Management should ensure that adequate controls exist within the payroll and human resources process, including policies restricting pay rate changes and personnel data changes to only authorized personnel and establishing an audit trail and independent reviews of edits made to data. | Jun-09 | Management will implement mitigating controls in the form of new variance reports and review processes. A "Variance Audit Report" will be developed and provided to Human Resources, a "Rate Change Personnel Action Form Audit" report will be provided to Payroll, and a "Dollars Only Payments" report will be provided to Human Resources. | Bonelli and TCBA | |
| 11/19/2008 | 08-001A | Information Systems | Payroll Systems Controls Review | Timesheets should be created in ink, changes should be properly authorized and Payroll should maintain documentation in the file authorizing any changes made. | Jun-09 | Management will require that all timesheets be completed in ink and that all corrections be initialed by the person making the change. If the change is made by Payroll staff, the basis of the change will be noted and communicated back to the employee. Once on-line entry of timesheets is implemented, manual timesheets will no longer be required. | Bonelli and TCBA | |
| 11/19/2008 | 08-001A | Information Systems | Payroll Systems Controls Review | Payroll should ensure that all changes made to employee records are independently reviewed and verified as authorized. Changes to employee files that are accepted verbally should be properly documented. | Jun-09 | Payroll will ensure that all changes in direct deposit status for active employees are fully documented and that verbal requests are verified. Payroll will also change the direct deposit flag to NO for terminated employees. | Bonelli and TCBA | |
| 11/19/2008 | 08-001A | Information Systems | Payroll Systems Controls Review | The Information Systems Department is dependent on one employee for all critical Lawson administration functions. Management should develop and implement a knowledge transfer and training program. | Jun-09 | OCTA maintains an annual service agreement with Hitachi Consulting, the original developer of many of the data interfaces involving Lawson. They are capable of providing programming services and this is the planned means of providing backup support for interfaces in the absence of this employee. However, Information Systems may also implement one of five other strategies to address this issue. | Bonelli and TCBA | |

UNRESOLVED AUDIT FINDINGS AND RECOMMENDATIONS

(Audit Reports Issued Through January 2009)

| Audit Issue Date | Report Number | Division / Department / Agency | Audit Name | Recommendation | Initiate Next Update | Management Response | Auditor | Notes |
|---------------------------|----------------------|---------------------------------------|---|--|-----------------------------|---|------------------|---|
| 11/19/2008 | 08-001A | Information Systems | Payroll Systems Controls Review | Management should strengthen access controls to the lawson databases to ensure that unauthorized access and modification of data in the databases is prevented or detected. | Jun-09 | For those passwords for which Information Systems (IS) staff has control, strengthened controls will be implemented. However, some of these parameters are imbedded in the application and IS staff will be unable to modify. | Bonelli and TCBA | |
| 11/19/2008 | 08-001A | Information Systems | Payroll Systems Controls Review | IS Help Desk service level agreements should be developed and documented. | Jun-09 | Management concurs with the concept, however, management believes that current service levels meet business unit requirements. If they do not, Information Systems will meet with the affected business units to develop such agreements. | Bonelli and TCBA | |
| 11/19/2008 | 08-001A | Information Systems | Payroll Systems Controls Review | Management should ensure that all requests for service go through the IS Help Desk. | Jun-09 | Current policies and procedures require that all requests go through the IS Help Desk for proper logging, documentation and problem resolution. IS management will reinforce this through communication with staff. | Bonelli and TCBA | |
| 11/19/2008 | 08-001A | Information Systems | Payroll Systems Controls Review | Management should adopt security measures for laptops including hard drive encryption and Bios passwords. | Jun-09 | Staff is currently developing a new user policy which outlines OCTA's current security policies, standards and processes for securing laptops and smart phones. IS staff will review current laptop hard drive encryption technologies as well as other security measures and, if feasible, may implement these on select or all laptops. | Bonelli and TCBA | |
| 11/19/2008 | 08-001A | Information Systems | Payroll Systems Controls Review | Management should prioritize the development of a comprehensive business continuity plan. | Jun-09 | OCTA's business continuity plan will be updated in 2009. | Bonelli and TCBA | |
| 10/31/2007 and 10/24/08 | 07-030 | Deputy Chief Executive Officer | 2007 and 2008 Management Letters / Single Audit Reports of Federal Awards | OCTA should develop and implement a policy on misconduct. Once developed, the policy should be acknowledged and signed by each employee on an annual basis as evidence of their reaffirmation that they understand the policy and have complied with its provisions. | Jun-09 | Management will develop and implement a policy on misconduct; each new hire will be asked to acknowledge and sign the policy upon starting work at OCTA. | Sutter | Repeat finding from FY2007 audit by Mayer, Hoffman McCann |
| 10/31/2007 and 10/24/2008 | 07-030 and | Transit | 2007 and 2008 Management Letters / Single Audit Reports of Federal Awards | Mayer Hoffman McCann recommends that OCTA adhere to the Buy America requirements and ensure that all documentation is contained in the procurement files to support OCTA's compliance. | Jun-09 | OCTA Transit Division Maintenance Department will follow the Buy America guideline. OCTA will ensure that contract administration has the necessary paperwork on file for the closing of contracts for the post filings. | Sutter and MHM | Repeat finding from FY2007 audit by Mayer, Hoffman McCann |



BOARD COMMITTEE TRANSMITTAL

February 23, 2009

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: 2009 Proposition 1B California Transit Security Grant Program Authorization

Finance and Administration Committee meeting of February 11, 2009

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

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

- A. Adopt Orange County Transportation Authority Resolution No. 2009-001 authorizing the Chief Executive Officer to file and execute grant-related agreements with the California Emergency Management Agency, as the designated administrative agency of the California Transit Security Grant Program.
- B. Approve the candidate project list and authorize staff to amend the Regional Transportation Improvement Program and State Transportation Improvement Program to accommodate grant revenues.



February 11, 2009

To: Finance and Administration Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: 2009 Proposition 1B California Transit Security Grant Program Authorization

Overview

On November 7, 2006, California voters passed Proposition 1B, a \$19.9 billion bond initiative to support transportation improvements throughout the state. Included in Proposition 1B is the California Transit Security Grant Program, which makes available \$60 million statewide for fiscal year 2009 to fund eligible transit system safety, security, and disaster response projects. A list of candidate projects for the Orange County portion is presented for consideration. An authorizing resolution to submit project proposals and execute grant-related agreements is presented for adoption as required by the program.

Recommendations

- A. Adopt Orange County Transportation Authority Resolution No. 2009-001 authorizing the Chief Executive Officer to file and execute grant-related agreements with the California Emergency Management Agency, as the designated administrative agency of the California Transit Security Grant Program.
- B. Approve the candidate project list and authorize staff to amend the Regional Transportation Improvement Program and State Transportation Improvement Program to accommodate grant revenues.

Background

California voters passed Proposition 1B on November 7, 2006, which authorized the issuance of \$19.9 billion in general obligation bonds for specified purposes, including grants for transit system safety, security, and disaster response projects. The California Transit Security Grant Program

(CTSGP) appropriated \$60 million statewide for fiscal year (FY) 2009 to support capital projects that enhance the safety, security, and emergency response capabilities of transit systems throughout California. As with State Transit Assistance funds, CTSGP funds are allocated to eligible transit operators based on a formula established by 50 percent population share and 50 percent on the level of fare revenues. The CTSGP program requires that awarded funds be expended within a three-year time frame.

On October 15, 2008, the California Emergency Management Agency (CalEMA), as the designated administrative agency, released the FY 2009 program guidance and a schedule of documents needed to secure funding. The program guidance also identified the funding amounts available to each transit operator, which included over \$3.52 million available to the Orange County Transportation Authority (OCTA). In order to secure funds, draft project proposals were requested by January 21, 2009, for review by CalEMA.

Discussion

On January 21, 2009, staff submitted two draft project proposals seeking the total allocation of \$3,520,574 available to OCTA for FY 2009. The funds are proposed to support the following candidate projects:

| | |
|---|-------------|
| Transit Communications System Upgrades | \$3,435,574 |
| License Plate Recognition for Transit Police Vehicles | \$85,000 |
| Total Allocation | \$3,520,574 |

The projects were selected based on several factors, including program eligibility, project readiness, completion within the grant performance period ending March 31, 2012, and whether the project was supported by current security and emergency preparedness plans, goals, and assessments. Descriptions of candidate projects are provided in Attachment A. Each project will be presented in further detail to the Orange County Transportation Authority (OCTA) Board of Directors (Board) for consideration as part of OCTA's project approval and procurement process.

Although Proposition 1B funds are currently unavailable, staff is requesting approval to submit applications and grant-related documents for the purpose of securing funds to OCTA. In addition, funds for the transit communications system upgrades are also being pursued through the economic stimulus package. Should the economic stimulus funds be made available, the CTSGP

program allows funds to be reallocated to other eligible projects within a three-year timeframe.

As part of the CTSGP program, OCTA is required to document, by resolution, authorization to submit documents and enter grant-related agreements should funds be awarded. The resolution also helps streamline the funding process and facilitate a prompt response to grant agency requests. Board Resolution No. 2009-001 is presented for consideration as Attachment B. OCTA has similar authorizing resolutions on file with other grant agencies, including the Federal Transit Administration and California Integrated Waste Management Board.

Fiscal Impact

Unlike typical grant programs which transfer funds on a reimbursement basis, Proposition 1B California Transit Security Grant Program funds are received by OCTA in lump sum once awarded. As required, a separate interest bearing account will be established to capture CTSGP revenues. Any interest accrued will be tracked and used toward eligible capital projects contingent on approval by the OCTA Board and the granting agency. CTSGP funds do not require local match contributions or cost-sharing arrangements.

Summary

A total of \$3,520,574 in Proposition 1B California Transit Security Grant Program funds is available to OCTA for FY 2009. The funds are proposed to support key upgrades to the transit communications system, as well as install license plate recognition equipment on three Transit Police Service vehicles. An authorizing resolution to submit proposals and execute grant-related agreements is presented for consideration as required by the grant program.

Attachments


- A. Candidate Projects Fiscal Year 2009 California Transit Security Grant Program
- B. Resolution of the Orange County Transportation Fiscal Year 2009 California Transit Security Grant Program Authorization

Prepared by:



Ric Teano
Grant Specialist
(714) 560-5716

Approved by:



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

**Candidate Projects
Fiscal Year 2009 California Transit Security Grant Program**

| Project | Cost (est.) | Description |
|---|--------------------|---|
| Transit Communications System Upgrades | \$3,435,574 | Implement upgrades to the transit communications system to ensure reliable and seamless data and voice communications capability among OCTA central communications, base facilities and transit fleet vehicles. The funds are to be used to expand radio coverage, upgrade the current T-1 network, install dispatch consoles and equip transit fleet vehicles with voice and data equipment that is compatible with a common communications protocol. The narrow banding of communications frequencies by the Federal Communications Commission is expected to severely impact OCTAs ability to effectively communicate, deploy vehicles, and coordinate fleet operations, if not completed by 2013. |
| License Plate Recognition for Transit Police Vehicles | \$85,000 | Purchase and install automated license plate recognition systems in three Transit Police Services vehicles to provide a useful tool to aid investigations, identifying potential criminal acts or pre-operational terrorist activity. The system enables real-time scanning, identification, and checking of license plates of vehicles moving in traffic and at rest, enabling use on roadways, at bus stops, park-and-ride centers, and bus and rail station parking areas. |
| Total FY 2009 Allocation | \$3,520,574 | |

**RESOLUTION
OF THE
ORANGE COUNTY TRANSPORTATION AUTHORITY**

**FISCAL YEAR 2009 CALIFORNIA TRANSIT SECURITY GRANT PROGRAM
AUTHORIZATION**

WHEREAS, the California Transit Security Grant Program (FY09 Proposition 1B-6161-0002) provides financial assistance to eligible grantees, and;

WHEREAS, the California Emergency Management Agency (CalEMA) is the designated administrative agency for California Transit Security Grant Program (CTSGP) funds, and;

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

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

ADOPTED, SIGNED, AND APPROVED this ____ day of _____, 2009.

AYES:

NOES:

ABSENT:

ATTEST:

Wendy Knowles
Clerk of the Board

Peter Buffa, Chairman
Orange County Transportation Authority



BOARD COMMITTEE TRANSMITTAL

February 23, 2009

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Metrolink Short-Term Safety Improvements and Insurance

Transit Committee meeting of February 12, 2009

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

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Direct staff to allocate \$1,797,681 of the fiscal year 2007-08 Metrolink budget surplus to fund the Orange County Transportation Authority's share of the short-term safety improvements and insurance coverage for Metrolink.



February 12, 2009

To: Transit Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Metrolink Short-Term Safety Improvements and Insurance

Overview

The Southern California Regional Rail Authority is taking a number of actions to address short- and intermediate-term safety improvements and renew insurance coverage for the balance of the fiscal year. These efforts will have budgetary impacts to all member agencies including the Orange County Transportation Authority. This report provides an overview of the safety improvements, insurance coverage, and recommendations for funding for the Board of Directors' review and approval.

Recommendation

Direct staff to allocate \$1,797,681 of the fiscal year 2007-08 Metrolink budget surplus to fund the Orange County Transportation Authority's share of the short-term safety improvements and insurance coverage for Metrolink.

Background

On January 9, 2009, the Southern California Regional Rail Authority (SCRRA) Board of Directors (Board) approved two actions related to the September 12, 2008, Chatsworth incident. These two actions include implementation of eight short-term safety improvements and renewal of existing insurance coverage and the purchase of additional coverage.

In September 2008 the SCRRA Board established the Commuter Rail Safety Peer Review Panel (Panel). The Panel is comprised of industry experts who were tasked to perform a comprehensive review of the Metrolink system. In January 2009 the Panel submitted a final report outlining areas needing improvements and strategies to implement its recommendations, as well as encouraging Metrolink to move forward with several short-term safety improvements already underway. The eight short-term safety improvements,

authorized by the SCRRA Board for implementation, include some of the improvements identified by the panel.

Discussion

Short-Term Safety Improvements

At the January 9, 2009, SCRRA Board meeting the Board directed its Chief Executive Officer (CEO) to move forward with the implementation of several capital and operational short-term safety improvements, all of which are consistent with the Panel's recommendations.

The actions taken for safety improvements require ongoing operating expenses and will impact the Metrolink capital program. The financial impacts of the improvements fall into three categories: operating expenses, capital program impacts, and program development. These are summarized below and additional details are provided in Attachment A.

Operating Expenses

- Second Set of Eyes – Advance hiring of train crews to serve as a “second set of eyes” until other short-term improvements are implemented (anticipated at end of 2009). These crews will then be used for the Orange County Metrolink Service Expansion Program or absorbed into general operations.
- Law Enforcement Technicians (LETs) – Hire LETs to perform fare enforcement, previously done by conductors. Metrolink conductors will have more duties focused on train operations, as identified through the updated operating procedures, that do not allow the conductors to provide the same level of fare enforcement as they do now.
- Authorize three additional SCRRA staff positions – A manager of rules and training, road foreman, and operational compliance officer to provide rules and training oversight and operational compliance oversight.

The cost for the operating short-term safety improvements is approximately \$1.25 million.

Capital Program Impacts

- Automatic Train Stop (ATS) – Install ATSs at 43 locations, including 13 in Orange County, at locations where speed decreases of 20 miles per hour or more are required.
- Electronic Efficiency Testing (EET) – Acquire an EET system to administer, track, and analyze the results of field administered efficiency tests.
- Light Emitting Diodes (LED) Signals – Install LEDs to replace all existing incandescent signal lights.
- Inward Facing/In Cab Cameras – Install cameras on each locomotive and cab car to record images in the equipment records.

The cost for the capital short-term safety improvements is approximately \$1.59 million.

Program Development

Engineering efforts are needed in order to meet the federally mandated date of 2015 for implementation of positive train control. Additionally, both the Union Pacific and Burlington Northern-Santa Fe railroads have committed to wayside installations by the end of 2012 on California corridors jointly serving both freight and passenger traffic. In order for SCRRA to achieve these date milestones, engineering work is required to begin immediately. Member agencies are being requested to fund this effort immediately. The cost for this effort is estimated to be approximately \$2.5 million

General Liability Insurance Reinstatement

At the January 9, 2009, SCRRA Board meeting, the Board authorized the SCRRA CEO to proceed with the renewal of the current general liability insurance policy of \$150 million and to purchase an additional \$50 million of insurance coverage, for a total coverage amount of \$200 million. Due to current and future anticipated claims against the existing general liability policy, it is likely that the policy limits will be reached and a gap in coverage will follow.

In order to ensure proper coverage, the SCRRA Board authorized the CEO to move forward with the renewal of the existing policy, as allowed by contract provisions, and to purchase an additional \$50 million dollar excess insurance layer, which would increase total aggregate insurance policy limits to \$200 million through June 30, 2009. The additional layer will make the total amount

of coverage consistent with the current federal liability cap of \$200 million related to passenger claims. The cost to add this additional layer is approximately \$386,128. The total cost for the renewal and additional coverage for the balance of fiscal year (FY) 2008-09 is \$6.12 million.

Funding

The total cost for the insurance renewal and all improvements noted is estimated to be \$11.46 million. Consistent with the current cost sharing agreement, Metrolink has estimated the Orange County Transportation Authority's (OCTA) share to be approximately \$1.79 million. If this estimate changes, staff will return to the OCTA Board with an update.

Each year, Metrolink provides a reconciliation of the year-end financial position relative to the budget and member agency cost share. In December 2008, the Metrolink Technical Advisory Committee was presented with a reconciliation of the FY 2007-08 budget, which reflected a surplus of \$9.96 million. OCTA's share of that surplus is \$1.83 million. This budget surplus is the result of actual revenue exceeding the budget estimates for fares, maintenance of way revenues, and interest. OCTA staff recommends that \$1.79 million of these surplus funds be used to cover the cost of the insurance renewal, additional coverage, and short-term improvements identified in the staff report. OCTA staff will return to the Board with a recommendation for the balance of the surplus funds.

Summary

The SCRRA Board authorized the implementation of eight short-term safety improvements as well as the renewal of insurance coverage and the purchase of additional coverage for the current FY. As a member agency of Metrolink, OCTA has responsibility to share in a portion of the cost for these efforts. Staff has provided an overview of the safety improvements and recommended a strategy to fund the safety improvements utilizing Metrolink budget surplus.

Attachment

- A. Short-Term Safety Improvements Program Summary

Prepared by:



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Approved by:



Kia Mortazavi
Executive Director, Development
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Short-Term Safety Improvements Program Summary

Operating Expenses

A) Second Set of Eyes – In order to provide for additional in-train staffing and prior to the completed implementation of other short-term improvements recommended by the Commuter Rail Peer Review Panel (Panel), staff is proposing to utilize and advance the hiring of train crews that would otherwise be required to operate the Metrolink Service Enhancement Program (MSEP) in Orange County beginning January 2010. A total of 12 additional crew members will be in place beginning in January and February 2009. As per the recommendations of the Panel, these additional crew members could serve this second set of eyes function until such time as a number of other short-term safety improvements are implemented by the end of calendar 2009.

B) Law Enforcement Technicians (LETs) – Due in part to changes in conductor duties for the Second Set of Eyes program and proposed red zone duties, will lead to a decreased ability for those conductors to provide for fare-enforcement activities as is currently part of their daily operational duties. Staff is proposing to add five LETs under the Los Angeles County Sherriff's contract in order to both replace this lost capacity, as well as increase enforcement activities where appropriate. Most of these LETs positions will transfer either into Orange County services upon the start up of the MSEP service in January 2010 or be absorbed by the balance of the Southern California Regional Rail Authority (SCRRA) operating system.

C) Additional SCRRA Positions – Staff is proposing the immediate creation of three new SCRRA operating positions; manager – rules and training, road foreman, and operational compliance officer. Combined, these positions provide rules and training oversight plus operational compliance oversight. These General Code of Operating Rules qualified positions will monitor efficiency testing, rules training, and will monitor Connex Train crews and field managers. Additional positions in fiscal year (FY) 2009-10 or FY 2010-11 may be requested as a result of the implementation of a number of recommendations contained within the Panel's report.

Capital Program Impacts

Staff is pursuing four short- and intermediate-term safety improvements of the Metrolink system. Staff had anticipated a number of programs would be funded through the application of Proposition 1B funding. However the state has indicated that due to current state funding shortfalls, these funds may not be available in a timely fashion. For prioritized projects which were anticipated to be funded by Proposition 1B, as highlighted below, staff is proposing and has identified current rehabilitation and renovation projects that may be temporarily deferred so that funding can be reallocated until such time as state funds become available.

A) Automatic Train Stop (ATS) – ATS installations are proposed throughout the Metrolink system on rights-of-way owned by SCRRA member agencies. Specific criteria

have been adopted to identify those locations that the installation of an ATS system could provide immediate benefit. Forty-three installation locations have been listed in an Federal Railroad Administration (FRA) application. The installations are locations at which speed decreases of 20 miles per hour or more are required. Staff anticipates FRA approval within the next few weeks.

B) Electronic Efficiency Testing of field employees – As recommended by the Panel, staff believes the acquisition of an electronic testing and data management system to administer, track, and analyze the results of field administered efficiency tests will greatly enhance the SCRRA's ability to timely monitor operating conditions on the railroad and provide a significant benefit to the agency. It is estimated that a system can be started quickly utilizing the software and data management system developed by the Metro North (MN) Railroad. The cost of computers, hand-held devices, and training is estimated to cost \$400,000. Staff is currently negotiating a proposed agreement with MN Railroad to utilize their basic system, modified to accommodate SCRRA requirements, which would be brought to the SCRRA Board of Directors for approval at a later date.

C) Light Emitting Diodes (LED) Signals – The agency has an ongoing program to replace all incandescent signal lights with LEDs. Staff is proposing to advance the program as quickly as is practicable to enhance SCRRA's signal system. As a result of the delay in the state's issuance of Proposition 1B bond funds, staff is proposing various fund transfers within the agency's Rehabilitation and Renovation Program in order to advance this project in an expeditious manner. As Proposition 1B funds become available those deferred projects will be reinstated.

D) Inward Facing/In Cab Cameras – Staff is proposing the installation of an inward facing camera within the operator compartment of each locomotive and cab car. The images will be stored on the equipment event recorders. As a result of the delay in the state's issuance of Proposition 1B bond funds, staff is proposing various fund transfers within the agency's Rehabilitation and Renovation Program in order to advance this project in an expeditious manner. As Proposition 1B funds become available those deferred projects will be reinstated.

Program Development

Positive Train Control (PTC) – PTC installation has been mandated by federal legislation by 2015. Further, both the Union Pacific (UP) and Burlington Northern Santa Fe (BNSF) railroads have committed to wayside installations by the end of 2012 on California corridors jointly serving both freight and passenger traffic. In order for the SCRRA to achieve these date milestones, a limited level of engineering is required to begin immediately. As a result of the delay in the state's issuance of Proposition 1B bond funds, staff is requesting the members advance the funds required in FY 2008-09.



BOARD COMMITTEE TRANSMITTAL

February 23, 2009

To: Members of the Board of Directors

From: Wendy Knowles, Clerk of the Board

Subject: Metrolink Ridership and On-Time Performance Report

Transit Committee meeting of February 12, 2009

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

Absent: Directors Dixon and Pulido

Committee Vote

No action was taken on this receive and file as an information item.



February 12, 2009

To: Transit Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Metrolink Ridership and On-Time Performance Report

Overview

The Southern California Regional Rail Authority, a regional joint powers authority, operates seven lines throughout Southern California's five-county, 400-mile commuter rail system known as Metrolink. A report on Metrolink ridership and on-time performance for service in Orange County, covering the second quarter of fiscal year 2008-09, is presented.

Recommendation

Receive and file as an information item.

Background

Metrolink's five-agency membership includes the Los Angeles County Metropolitan Transportation Authority, the Orange County Transportation Authority (OCTA), the Riverside County Transportation Commission (RCTC), the San Bernardino Associated Governments (SANBAG), and the Ventura County Transportation Commission. Metrolink operates 145 daily trains, serving 55 stations, and carries over 47,000 riders per day.

The Metrolink Orange County (OC) Line service began in 1994, followed by the Inland Empire – Orange County (IEOC) Line in 1995 and the 91 Line in 2002. Today, the three lines serving Orange County provide a total of 44 daily weekday trains to 11 Orange County stations. The Rail 2 Rail Program, which began in 2003, allows Metrolink monthly pass holders the option of riding Amtrak Pacific Surfliner trains at no additional charge, provided the pass holder travels within the designated stations identified on the pass holder's monthly pass.

The OC and IEOC lines' provide weekend service year-round and are in the third year of operation. The OC Line provides four round trips on Saturday and Sunday and is funded by OCTA. The IEOC Line weekend service operates

three round trips on Saturday and two round trips on Sunday, and is jointly funded by OCTA, RCTC, and SANBAG.

Discussion

This report provides the second quarter (October, November, December) fiscal year (FY) 2008-09 update of weekday and weekend ridership and on-time performance results. Detailed information regarding performance statistics is delineated in Attachments A, B, and C.

Ridership

Total Ridership

Total FY 2008-09 second quarter ridership for all three Metrolink lines serving Orange County, including Rail 2 Rail passengers, has increased by more than 5 percent compared to the second quarter of FY 2007-08.

Weekday Ridership

Combined daily average ridership on the OC, IEOC, and 91 lines during this period was 15,358, including Rail 2 Rail; this is an increase from 5.1 percent the same period last year. The OC Line daily average is up 10.2 percent, the IEOC Line is down 3.3 percent, and the 91 Line is up 5.6 percent compared to last year (Attachment A). The Rail 2 Rail Program has become more successful over the past few years, reporting a 7.4 percent increase versus last year. This is mainly due to additional schedule options offered to Metrolink monthly pass holders via Amtrak.

The dip in the IEOC Line ridership most likely reflects the deteriorating economic conditions for residents in the Inland Empire, which according to the California Employment Development Department of the United States Department of Labor, had the highest unemployment rate of any large metropolitan area in the country in November 2008. The decrease in fuel prices, which dropped approximately 50 percent compared to the first quarter of FY 2008-09, could also have contributed to the IEOC Line ridership drop.

Average weekday ridership this quarter peaked in October 2008, which is typical approaching the holiday season. As indicated in the last performance report, while ridership did not fall below last year's levels, growth rates have slightly declined (from 11 percent in October 2008 to 2.7 percent in December 2008) over the second quarter of FY 2008-09.

Metrolink periodically tracks the available seating capacity of its trains in a monthly report. In October 2008, eight weekday trains serving Orange County were 90 percent or more full (five weekday trains were over 100 percent capacity), compared to five weekday trains in the same period last year (one weekday train was over 100 percent capacity). Beginning late this calendar year, new Metrolink passenger cars will be delivered and put into service to help alleviate the shortage of seating capacity. Trains experiencing the heaviest loads receive priority for the deployment of additional cars.

Weekend Ridership

Metrolink weekend service carried a total of 28,804 Orange County riders during the second quarter of FY 2008-09, 24.5 percent above the same period last year. Average daily ridership on the OC Line is up 24.9 percent on Saturday and 40 percent on Sunday. Average Saturday ridership on the IEOC Line is up 3.3 percent over last year, while the IEOC Line Sunday ridership is up 7.2 percent (Attachment B).

Special Events

On Thanksgiving Day, ridership on all Metrolink trains systemwide reached 2,443 boardings, down 12 percent from last year. The IEOC Line operated a special Thanksgiving Day schedule, running eight total trains. Ridership decreased on the IEOC Line by 34.5 percent compared to Thanksgiving Day of 2007. On the Friday after Thanksgiving, ridership was down on all lines with the exception of the Orange County Line, which was up 11.3 percent over last year. The same number of trains were operated on both days in 2007 and 2008. Based upon this declining ridership, staff is analyzing options, including discontinuance for 2009 Thanksgiving service.

The annual Holiday Toy Express features a colorfully lit train decorated with over 50,000 lights, a live stage show, Santa and Mrs. Claus, and the Spark of Love Toy Drive. The 2008 Holiday Toy Express made 48 stops over five weekends, beginning November 22, the Saturday before Thanksgiving. It was more successful than ever, attracting larger crowds to most stations and receiving support from the community. Staff participated in each Orange County event.

On-Time Performance

Growth in ridership is an important indicator of the success of commuter rail service, and on-time performance is a central component of providing quality

service. A Metrolink train is considered to be on time if it arrives within five minutes of the scheduled arrival.

Weekday On-Time Performance

Percentage of Weekday Trains Arriving Within Five Minutes of Scheduled Time

| Month | OC Line | IEOC Line | 91 Line | System Total * |
|---------------|---------|-----------|---------|----------------|
| October | 94.3% | 93.5% | 97.1% | 95.7% |
| November | 94.5% | 91.7% | 92.4% | 93.8% |
| December | 94.2% | 93.5% | 96.0% | 94.2% |
| Total Average | 94.3% | 92.9% | 95.2% | 94.6% |

* System total includes the Ventura, Antelope Valley, San Bernardino, Riverside, OC, IEOC, and 91 lines.

Trains can be delayed for a variety of reasons, including equipment issues, unscheduled delays (or “meets”) with other trains, delays from other operators on the tracks, construction or track maintenance, and incidents. For instance, in November 2008, the IEOC Line experienced delays caused by centralized traffic control system issues and various mechanical problems, which caused a cascade delay effect.

Weekend On-Time Performance

Percentage of Weekend Trains Arriving Within Five Minutes of Scheduled Time

| Month | OC Line | IEOC Line | 91 Line | System Total ** |
|---------------|---------|-----------|---------|-----------------|
| October | 81.3% | 92.5% | N/A | 90.1% |
| November | 92.5% | 95.8% | N/A | 94.6% |
| December | 89.1% | 100.0% | N/A | 95.5% |
| Total Average | 87.6% | 96.1% | N/A | 93.4% |

** System total includes Antelope Valley, San Bernardino, OC, and IEOC lines.

Summary

This report provides an update on the OCTA commuter rail ridership and on-time performance for the second quarter of FY 2008-09. Daily average weekday and weekend ridership increased by 5.1 percent and 24.5 percent, respectively, on all three lines serving Orange County, for a total daily average of 15,358 riders. Average weekday and weekend on-time performance were slightly below the goal.

Attachments

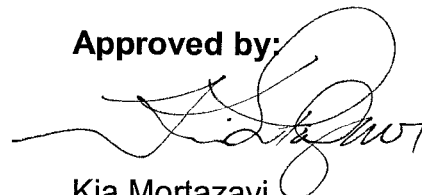
- A. Metrolink Ridership (Weekday)
- B. Metrolink Ridership (Weekend)

Prepared by:



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Approved by:



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METROLINK RIDERSHIP (WEEKDAY)

Total Ridership

| Fiscal Year (FY) | OC Line | IEOC Line | 91 Line | Rail 2 Rail | Total Year to Date (YTD) |
|------------------------------|------------------|------------------|----------------|--------------------|---------------------------------|
| 2002-03 | 1,360,631 | 795,511 | 391,078 | --- | 2,547,220 |
| 2003-04 | 1,422,770 | 913,528 | 428,572 | 240,272 | 3,005,142 |
| 2004-05 | 1,485,342 | 918,057 | 473,820 | 324,983 | 3,202,202 |
| 2005-06 | 1,597,992 | 1,066,558 | 531,930 | 351,217 | 3,547,697 |
| 2006-07 | 1,677,978 | 1,218,638 | 572,756 | 371,887 | 3,841,259 |
| 2007-08 | 1,807,103 | 1,282,610 | 570,164 | 414,566 | 4,074,443 |
| 2008-09 YTD (Jul-Dec) | 1,006,481 | 653,795 | 302,313 | 105,313 | 2,067,902 |

Average Ridership

| 2nd Quarter | OC Line | IEOC Line | 91 Line | Rail 2 Rail | Total |
|--------------------|----------------|------------------|----------------|--------------------|--------------|
| FY 2007-08 | 6,474 | 4,541 | 2,162 | 1,434 | 14,611 |
| FY 2008-09 | 7,136 | 4,392 | 2,289 | 1,540 | 15,357 |
| Change | 10.2% | -3.3% | 5.9% | 7.4% | 5.1% |

METROLINK RIDERSHIP (WEEKEND)

Total Ridership

| FY | OC Line (Saturday) | OC Line (Sunday) | IEOC Line (Saturday) | IEOC Line (Sunday) | Total Year to Date |
|------------------------------|-------------------------------|-----------------------------|---------------------------------|-------------------------------|-------------------------------|
| 2006-07 | 28,452 | 22,805 | 30,117 | 18,314 | 99,688 |
| 2007-08 | 37,789 | 27,888 | 36,452 | 20,186 | 122,315 |
| 2008-09 YTD (Jul-Dec) | 20,424 | 19,521 | 22,506 | 13,713 | 76,164 |

Average Ridership

| 2nd Quarter | OC Line (Saturday) | OC Line (Sunday) | IEOC Line (Saturday) | IEOC Line (Sunday) |
|--------------------|-------------------------------|-----------------------------|---------------------------------|-------------------------------|
| FY 2007-08 | 628 | 488 | 407 | 279 |
| FY 2008-09 | 785 | 684 | 420 | 299 |
| Change | 25.0% | 40.2% | 3.2% | 7.2% |



BOARD COMMITTEE TRANSMITTAL

February 23, 2009

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Draft Commuter Bikeways Strategic Plan

Transit Committee meeting of February 12, 2009

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

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Direct staff to release the draft Commuter Bikeways Strategic Plan for review.



February 12, 2009

To: Transit Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Draft Commuter Bikeways Strategic Plan

Overview

The Commuter Bikeways Strategic Plan serves as a roadmap and a resource to Orange County's 34 cities and the County of Orange for coordinating bikeway development efforts. Moreover, it provides eligibility for state bikeways funding to local jurisdictions that choose to adopt the plan. A draft Commuter Bikeways Strategic Plan has been prepared and is ready to be circulated for review by the public and local jurisdictions. The final plan will return to the Board of Directors after the public review process.

Recommendation

Direct staff to release the draft Commuter Bikeways Strategic Plan for review.

Background

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

In 2005, the existing conditions and planned facilities maps were updated, allowing Orange County cities and the County of Orange to adopt an updated CBSP, which extends BTA eligibility through fiscal year (FY) 2010-11. The CBSP is currently being updated, thereby extending the local jurisdictions' BTA eligibility through FY 2014-15.

Discussion

The data collection and strategy development have been completed for the 2009 CBSP and a draft document has been prepared (Attachment A). The draft 2009 CBSP addresses all the elements pertaining to BTA eligibility that are listed under Section 891.2 of the Streets and Highways Code. Furthermore, the draft 2009 CBSP presents a regional strategy for the development of the bikeways network. The draft 2009 CBSP is designed as a tool that Orange County cities, the County, and Caltrans can choose to use for planning, coordinating, and funding bikeways.

The 2009 CBSP has four main goals:

- Inventory the existing facilities and projects planned by Orange County local jurisdictions;
- Provide a resource of best bikeway planning practices and external funding opportunities for optional use by local jurisdictions;
- Identify areas of Orange County for priority bikeway improvements for optional use by local jurisdictions; and
- Maintain state BTA funds eligibility for local jurisdictions that choose to adopt the CBSP.

Data for existing and planned bikeways was gathered from local jurisdictions to update the Orange County Transportation Authority (OCTA) bikeways database. The updated data shows that within Orange County there are currently more than 1000 miles of bikeways implemented and roughly another 700 miles planned. It is the responsibility of local jurisdictions to plan, implement, and maintain the bikeways, but the CBSP aims to be a resource for local jurisdictions in the planning, coordinating, and implementing of new bikeways.

The draft 2009 CBSP provides bicycle facility design guidelines, as well as information regarding potential funding sources. Local jurisdictions may refer to these guidelines and funding sources when planning and implementing bikeway projects. OCTA also encourages local jurisdictions to use the 2009 CBSP in coordinating planning efforts with each other by referring to the maps and project lists, which include bikeway data from all Orange County cities and the County. Furthermore, local jurisdictions are encouraged to reference the regional priorities within the 2009 CBSP, which identify the needs of commuters and the regional bikeway network.

In order to identify these needs, input was collected through surveys, a public workshop, and OCTA committees and advisory groups. Additionally, OCTA staff performed a modeling analysis to identify regional destinations, including transit stations, colleges, universities, and priority zones at key employment centers (Attachment B). Bikeway projects within, or connecting to, these regional destinations were more likely to be identified as priority projects within the regional strategy. The input received was also considered to identify key issues that must be addressed in future planning efforts, such as safety and education, ease of implementation, connections to transit, and the need for bicycle amenities.

In addition, the bikeway planning roles and responsibilities for OCTA were identified within the draft 2009 CBSP through the development of the OCTA Bikeways Action Plan (Attachment C). The action plan outlines OCTA's responsibilities and the associated tasks. As part of this action plan, OCTA will collaborate with local jurisdictions and encourage each jurisdictions to address the regional needs discussed above.

Next Steps

Upon direction by the OCTA Board of Directors (Board), the draft 2009 CBSP will be released for a three-week public review period. Hard copies will be available in-house for review by the public, along with a downloadable file that will be posted on the OCTA website. Participants in the development of the CBSP will be notified via email. Comments received will be reviewed and incorporated into the final draft of the 2009 CBSP, as appropriate.

The final 2009 CBSP will be presented to the Transit Committee and to the Board for adoption. Upon adoption, the final 2009 CBSP will be submitted to the Caltrans Bicycle Facilities Unit to receive approval of compliance with Section 891.2 of the Streets and Highways Code Section, which pertains to BTA eligibility. Once approval is obtained, Orange County local jurisdictions will be able to adopt the 2009 CBSP as the jurisdictions' own bicycle transportation plan and be eligible to apply for BTA funding from Caltrans.

Summary

A draft 2009 CBSP has been developed using input from Orange County's local jurisdictions, the general public, OCTA committees and advisory groups, and analysis by staff. The plan addresses all the elements related to state BTA eligibility and provides a regional strategy for improving commuter bicycling in Orange County. Upon approval by the OCTA Board, staff will release the draft 2009 CBSP for a three-week public review period and return to the Board for adoption of the final draft.

Attachments

- A. 2009 OCTA Commuter Bikeways Strategic Plan – Draft
- B. Regional Commuter Bikeway Priority Zones
- C. Orange County Transportation Authority Bikeways Action Plan

Prepared by:



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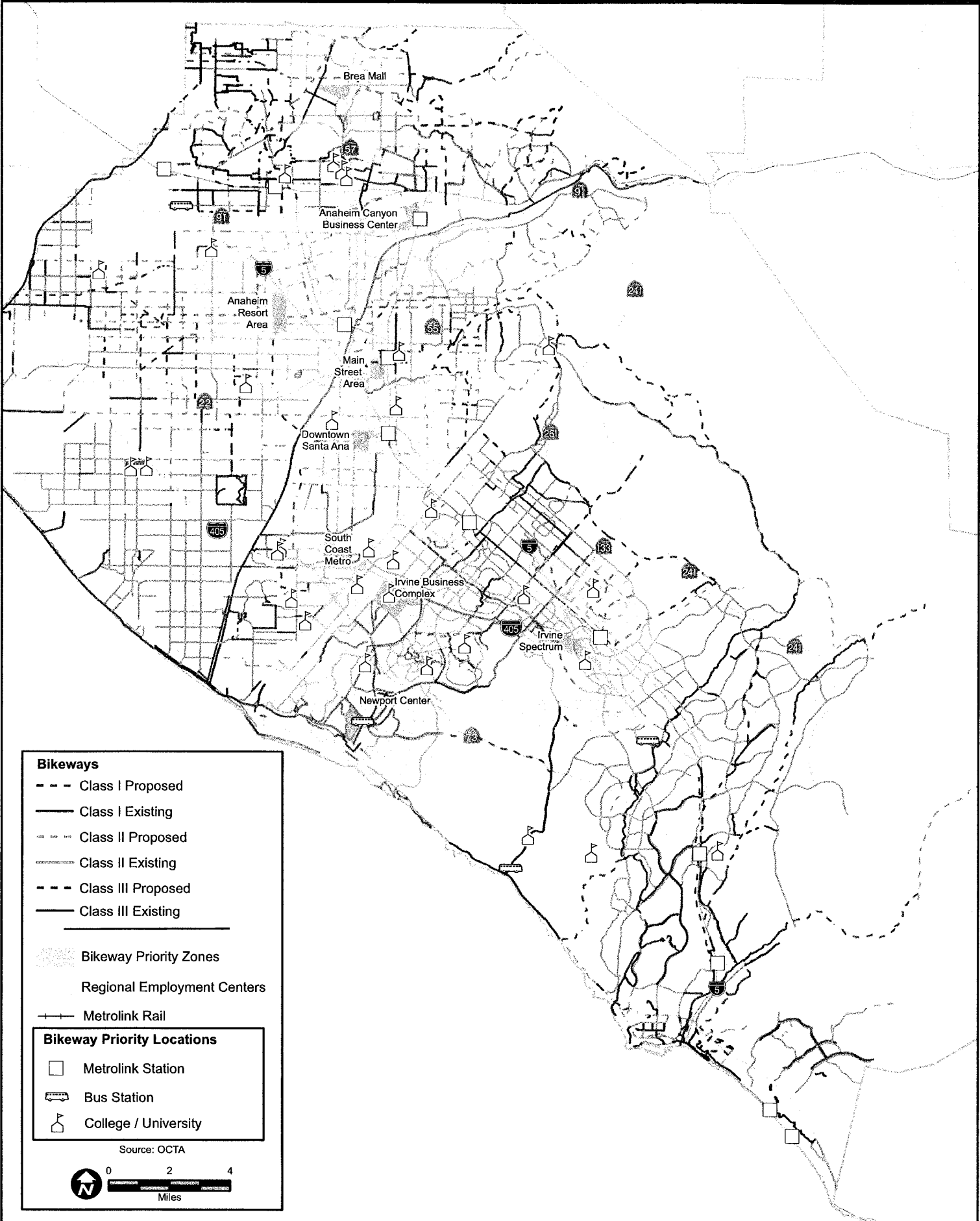
Approved by:



Kia Mortazavi
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Regional Commuter Bikeway Priority Zones



Bikeways

- - - Class I Proposed
- Class I Existing
- - - Class II Proposed
- Class II Existing
- - - Class III Proposed
- Class III Existing

Bikeway Priority Zones
 Regional Employment Centers
 Metrolink Rail

Bikeway Priority Locations

- Metrolink Station
- Bus Station
- College / University

Source: OCTA



Orange County Transportation Authority Bikeways Action Plan

Improve the regional bikeways network

- * Provide funding, when feasible, for capital bikeway improvements through a competitive call for projects.
- * Support efforts by local jurisdictions to seek funding, such as state Bicycle Transportation Account (BTA) funds.
- * Encourage local jurisdictions to emphasize their consideration of bikeways within environmental and planning documents.

External coordination

- * Designate an Orange County Transportation Authority (OCTA) bicycle contact.
- * Maintain the countywide bicycle transportation plan, ensure it remains compliant with the BTA requirements, and make it available for adoption by local jurisdictions.
- * Facilitate bikeway planning coordination efforts between jurisdictions and other involved entities.
- * Encourage local jurisdictions to coordinate local planning efforts with the Commuter Bikeways Strategic Plan (CBSP).
- * Encourage each local jurisdiction to designate a bicycle coordinator.
- * Update and work with bicycle coordinators, employee transportation coordinators, and other involved entities on issues relating to bicycling, such as funding opportunities.
- * Provide technical support to local jurisdictions.

Internal coordination

- * Ensure that the needs for bicyclists and bikeways are considered in the development of projects and programs within OCTA.
- * Plan and participate in events that promote bicycling, such as Bike-to-Work Week and Rideshare Week.
- * Provide bikeway outreach and support through internet resources, including a countywide commuter bikeways map.
- * Communicate with OCTA committees as necessary.

Address the regional priorities

- * Lead the implementation efforts of projects within OCTA owned rights-of-way.
- * Review planning and environmental documents and provide comments regarding opportunities to implement projects that address the regional priorities within the CBSP.
- * Advise local jurisdictions to submit projects that address the regional priorities when state or federal funds become available.
- * Provide incentives to local jurisdictions for submitting projects that address the regional priorities during calls for projects for funds controlled by OCTA.



BOARD COMMITTEE TRANSMITTAL

February 23, 2009

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Amendment to Agreement for Contract and Procurement Support Staffing

Finance and Administration Committee meeting of February 11, 2009

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

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations (Reflects a change from staff recommendations)

- A. Authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement No. C-7-1286 between the Orange County Transportation Authority and Procurement Services Associates, in an amount not to exceed \$400,000, to continue to provide supplemental support staffing, bringing the total contract value to \$640,000.
- B. Direct staff to notify the Finance and Administration Committee when the original contract amount of \$240,000 has been expended.



February 11, 2009

To: Finance and Administration Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Amendment to Agreement for Contract and Procurement Support Staffing

Overview

On February 25, 2008, the Board of Directors approved an agreement with Procurement Services Associates for \$240,000, to provide supplemental support staff for the Contracts Administration and Materials Management Department. Procurement Services Associates was retained in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services.

Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 1 to Agreement No. C-7-1286 between the Orange County Transportation Authority and Procurement Services Associates, in an amount not to exceed \$400,000, to continue to provide supplemental support staffing, bringing the total contract value to \$640,000.

Background

Contracts Administration and Materials Management (Camm) Department procures and contracts for all the Orange County Transportation Authority's (Authority) materials, equipment, supplies and services. On August 1, 2007, the Authority's Board of Directors approved a Renewed Measure M (M2) Early Action Plan for the implementation of the freeway program. The purpose of the M2 Early Action Plan was to advance the start of multiple M2 projects over a five-year period. To support this advanced program, additional procurement staff was needed. In lieu of hiring additional permanent employees, the decision was made to hire a professional placement organization to provide the supplemental staff.

Since the contract has been in place, CAMM has utilized up to three contract support staff to handle the increased workload. As the state and federal governments seriously discuss large-scale public work projects as a way to stimulate our economy, the Authority is planning to take advantage of these programs by developing "construction ready" projects. These projects will require quick turn around time and may involve a collapsed procurement process. It is imperative that CAMM be organized to provide the necessary procurement assistance to support project delivery.

Again, the intent is not to hire permanent staff to perform these procurement functions. Because the original contract amount is almost depleted, it is necessary to amend the Agreement No. C-7-1286 with Procurement Services Associates to add \$400,000, to continue with this service. Procurement Services Associates will provide up to two senior level contracts administrators to work along side the CAMM procurement staff for the next 18 months.

While utilizing a placement firm to provide staffing may be more expensive than employing a permanent work force, this service allows CAMM to temporarily staff up during the periods when the workload is high and discontinue the use when the workload is at normal levels. Procurement Services Associates' fully burdened hourly rate for a senior contracts administrator ranges from \$88.00 to \$90.00 whereas, the Authority's fully burdened rate for the same position ranges from \$56.00 to \$68.00. If it appears that the increased stimulus funding will be available for several years, the Authority may pursue transferring the contracted support staff to permanent Authority positions. This action, if chosen, would be incorporated in the annual budget process.

Discussion

This procurement was originally handled in accordance with the Authority's procedures for professional and technical services. The original agreement was awarded on a competitive basis. It has become necessary to amend the agreement to increase the maximum obligation by \$400,000.

The original agreement awarded on February 25, 2008, was in the amount of \$240,000. Amendment No. 1, in the amount of \$400,000, will increase the total agreement amount to \$640,000. (Attachment A).

Fiscal Impact

The additional work described in Amendment No. 1 to Agreement No. C-7-1286 will be budgeted in the Orange County Transportation Authority's Fiscal Year 2009-10 Budget, Finance and Administration Division, Account 1270-7519-A5150-6J7.

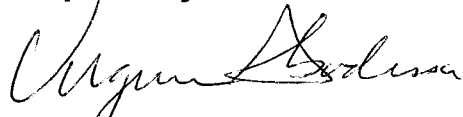
Summary

Based on the material provided, staff recommends approval of Amendment No. 1, in the amount of \$400,000, to Agreement No. C-7-1286 with Procurement Services Associates.

Attachment

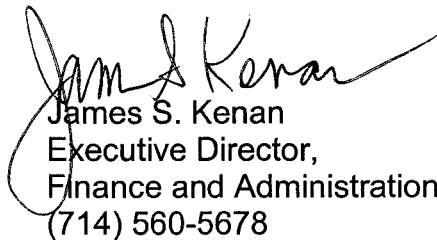
- A. Procurement Services Associates Agreement No. C-7-1286 Fact Sheet

Prepared by:



Virginia Abadessa
Director, Contracts Administration
And Materials Management
(714) 560-5623

Approved by:



James S. Kenan
Executive Director,
Finance and Administration
(714) 560-5678

**Procurement Services Associates
Agreement No. C-7-1286 Fact Sheet**

1. February 25, 2008, Agreement No. C-7-1286, \$240,000, approved by Board of Directors.
 - To provide supplemental support staff to the Contracts Administration and Materials Management Department.
2. February 23, 2008, Amendment No. 1 to Agreement No. C-7-1286, \$400,000, pending approval by Board of Directors.
 - To increase the maximum cumulative payment obligation by \$400,000, to continue to provide the supplemental staffing.

Total committed to Procurement Services Associates, Agreement No. C-7-1286: \$640,000.



BOARD COMMITTEE TRANSMITTAL

February 23, 2009

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Consultant Selection for Engineering Plan Check and Design Review Services for Railroad Grade Separation Projects

Highways Committee Meeting of February 16, 2009

Present: Directors Amante, Cavecche, Dixon, Green, Mansoor, Norby, and Pringle
Absent: Directors Glaab and Nguyen

Committee Vote

This item was passed by all Committee Members present.

Director Pringle abstained from voting on this item.

Committee Recommendations

- A. Approve the selection of Athalye Consulting Engineering Services, Inc., as the top-ranked firm to provide engineering plan check and design review services for the Kraemer Boulevard, Placentia Avenue, Tustin Avenue/Rose Drive, Lakeview Avenue, and Orangethorpe Avenue railroad grade separation projects.
- B. Authorize the Chief Executive Officer to request a cost proposal from Athalye Consulting Engineering Services, Inc., and negotiate an agreement for services.
- C. Authorize the Chief Executive Officer to execute the final agreement.



February 16, 2009

To: Highways Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Consultant Selection for Engineering Plan Check and Design Review Services for Railroad Grade Separation Projects

Overview

On November 10, 2008, the Orange County Transportation Authority Board of Directors authorized the issuance of a request for proposals for design consultants to provide engineering plan check and design review services for the Kraemer Boulevard, Placentia Avenue, Tustin Avenue/Rose Drive, Lakeview Avenue, and Orangethorpe Avenue railroad grade separation projects. Proposals for consulting services to provide design review services for these projects were solicited in accordance with the Orange County Transportation Authority's procurement procedures for the retention of consultants to perform architectural and engineering work. Board of Directors approval is requested for the selection of a firm to perform the required work.

Recommendations

- A. Approve the selection of Athalye Consulting Engineering Services, Inc., as the top-ranked firm to provide engineering plan check and design review services for the Kraemer Boulevard, Placentia Avenue, Tustin Avenue/Rose Drive, Lakeview Avenue, and Orangethorpe Avenue railroad grade separation projects.
- B. Authorize the Chief Executive Officer to request a cost proposal from Athalye Consulting Engineering Services, Inc., and negotiate an agreement for services.
- C. Authorize the Chief Executive Officer to execute the final agreement.

Background

On October 27, 2008, the Orange County Transportation Authority (Authority) selected five design firms to design the five grade separation projects in the

cities of Anaheim, Fullerton, and Placentia. The design of five projects began in January 2009, with a target of starting construction of the first project by October 2010.

On November 10, 2008, the Authority approved the issuance of a request for proposals (RFP) to secure a qualified consultant firm to perform independent engineering plan check and design review for the Kraemer Boulevard, Placentia Avenue, Tustin Avenue/Rose Drive, Lakeview Avenue, and Orangethorpe Avenue railroad grade separation projects. Independent engineering plan check and design review services are required to support the Authority during the preparation of the plans, specifications, and estimates for each project.

The role of the independent review firm will be to provide engineering services for plan checking, design review, value engineering, and constructability review of the five grade separation projects. This firm is expected to be independent of the designer of record for the projects in order to enhance the quality and appropriateness of a design package prior to going to bid for construction.

Discussion

This procurement was handled in accordance with Authority procedures for architectural and engineering requirements which conform to federal and state law. Proposals are evaluated without consideration of cost and ranked in accordance with the proposed team qualifications and the technical proposals. The highest ranked firm is then requested to submit a cost proposal and the final agreement is negotiated. Should negotiations fail with the highest ranked firm, a cost proposal will be solicited from the second ranked firm in accordance with the procurement policies previously adopted by Authority's Board of Directors (Board).

On November 10, 2008, RFP No. 8-1272 was released and sent electronically to 2,634 firms registered on CAMM NET. A pre-proposal conference was held on November 19, 2008, with 55 attendees representing 44 firms.

Addendum No. 1 to RFP No. 8-1272 was issued on November 24, 2008, for administrative changes and to post the pre-proposal conference registration sheets, agenda, presentation materials, and to respond to questions received at the pre-proposal conference. Addendum No. 2 was issued on December 4, 2008, to answer questions received from prospective proposers.

Qualifications of Firm

All three firms have grade separation experience. Athalye identified excellent relevant experience and has experience with BNSF.

Staffing and Project Organization

All three firms proposed a project manager and key staff that are well qualified and have relevant grade separation experience. The Athalye team has demonstrated significant grade separation experience which distinguishes Athalye from the other firms.

Work Plan

All three firms demonstrated a good understanding of the scope of work and an understanding of each of the five grade separation sites. Athalye exhibited a high degree of knowledge and understanding of the potential issues that may be encountered, and the firm offered a specific approach on how to address each problem with appropriate resolutions.

Recommendation

Based on the evaluation of the written proposals, the team qualifications, and information obtained from the interviews, the evaluation committee recommends the selection of Athalye as the top-ranked firm. This team submitted an outstanding detailed technical proposal that was fully responsive to all requirements of the RFP. Athalye's written proposal, presentations, and answers during the interview demonstrated a thorough understanding of project issues.

Fiscal Impact

These projects were approved in the Authority's Fiscal Year 2008-09 Budget, Development Division, Account 0017-7519-SO201-PPJ, and are funded through Renewed Measure M.

Summary

The evaluation committee met and reviewed proposals submitted. Based on materials provided, the committee recommends the selection of Athalye Consulting Engineering Services, Inc., as the top qualified firm to provide engineering plan check and design review services for the Kraemer Boulevard,

Placentia Avenue, Tustin Avenue/Rose Drive, Lakeview Avenue, and Orangethorpe Avenue railroad grade separation projects.

Staff is asking for authorization to request a cost proposal from Athalye Consulting Engineering Services, Inc., and negotiate an agreement within the approved budget of \$2 million for this project.

Attachments

- A. Engineering Plan Check and Design Review Services for Railroad Grade Separation Projects, Review of Proposals – RFP No. 8-1272
- B. Proposal Evaluation Criteria Matrix (Short-Listed Firms), Architectural and Engineering, RFP No. 8-1272 Engineering Plan Check and Design Review Services for Railroad Grade Separation Projects

Prepared by:



Pradeep Gunaratne, P.E.
Program Manager
(714) 560-5648

Approved by:



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

Engineering Plan Check and Design Review Services for Railroad Grade Separation Projects

Review of Proposals - RFP No. 8-1272

(Presented to Highways Committee - 2/16/09)

11 proposals were received, 3 firms were interviewed

| Overall Ranking | Overall Score | Firm & Location | Sub-Contractors | Evaluation Committee Comments |
|------------------------|----------------------|---|---|---|
| 1 | 82 | Athalye Consulting Engineering Services, Inc. Lake Forest, CA | American Rail Consultants, Inc. Benchmark Construction Services, Inc. BonTerra Consulting Civil Works Engineers, Inc. Diaz Yourman & Associates Fusco Engineering, Inc. Hirsch & Associates IDC Consulting Engineers, Inc. MetroPointe Engineers Michael Brandman Associates W.G. Zimmerman Engineering, Inc. | Highest ranked overall proposal. Well established, financially stable firm with significant staff resources. Team has significant grade separation experience. Project manager has direct relevant experience. Key staff provide a wide variety of skills. Excellent availability of key staff. Work plan demonstrated the team understood the projects. In the interview, the team addressed all questions regarding potential problems and discussed how they would resolve these problems. Very well presented. |
| 2 | 74 | URS Washington Division Irvine, CA | Nancy R. Palmer, ASLA Project Design Consultants | Second highest ranked proposal. Firm has good grade separation project experience. Well established, financially stable firm with very good staff resources. Key staff is experienced, although had limited availability. Work plan lacked depth. Responded well in the interview. |
| 3 | 73 | Cordoba Corporation Santa Ana, CA | T.Y. Lin International RBF Consulting Group Delta Terry A. Hayes Associates | Third highest ranked proposal. Firm has good experience but had limited grade separation experience. Well established, financially stable firm with significant staff resources. Solid detailed work plan that identified the issues. Project manager has little grade separation project experience but key staff bring the experience. Good availability of key staff. Average interview. |

Evaluation Panel: (6)

- OCTA:
 CAMM (1)
 Development (2)
 Outside:
 BNSF (1)
 City of Placentia (1)
 City of Anaheim (1)

Proposal Criteria

- Qualifications of Firm**
Staffing and Project Organization
Work Plan

Weight Factor

- 25%**
40%
35%

**PROPOSAL EVALUATION CRITERIA MATRIX (Short-Listed Firms)
 Architectural and Engineering
 RFP No. 8-1272 Engineering Plan Check and Design Review Services
 For Railroad Grade Separation Projects**

| Athalye Consulting Engineering Services, Inc. | | | | | | | Weights | Criteria Score |
|--|-----------|-----------|-----------|-----------|-----------|-----------|----------------|-----------------------|
| Evaluation Number | 1 | 2 | 3 | 4 | 5 | 6 | | |
| Qualifications of Firm | 4.0 | 4.0 | 4.0 | 4.0 | 3.5 | 4.0 | 5 | 20 |
| Staffing/Project Organization | 4.0 | 4.5 | 4.0 | 4.0 | 4.0 | 4.0 | 8 | 33 |
| Work Plan | 4.5 | 4.5 | 4.0 | 4.0 | 4.0 | 4.0 | 7 | 29 |
| Overall Score | 84 | 88 | 80 | 80 | 78 | 80 | | 82 |
| Firm: URS Washington Division | | | | | | | Weights | Criteria Score |
| Evaluation Number | 1 | 2 | 3 | 4 | 5 | 6 | | |
| Qualifications of Firm | 4.0 | 4.5 | 3.5 | 4.0 | 4.0 | 3.5 | 5 | 20 |
| Staffing/Project Organization | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 8 | 32 |
| Work Plan | 3.0 | 3.0 | 3.0 | 3.0 | 3.5 | 3.5 | 7 | 22 |
| Overall Score | 73 | 76 | 71 | 73 | 77 | 74 | | 74 |
| Firm: Cordoba Corporation | | | | | | | Weights | Criteria Score |
| Evaluation Number | 1 | 2 | 3 | 4 | 5 | 6 | | |
| Qualifications of Firm | 4.0 | 3.5 | 3.0 | 4.0 | 4.0 | 3.5 | 5 | 18 |
| Staffing/Project Organization | 3.0 | 3.5 | 3.5 | 3.0 | 3.5 | 3.5 | 8 | 27 |
| Work Plan | 4.0 | 4.0 | 3.5 | 4.0 | 4.0 | 4.0 | 7 | 27 |
| Overall Score | 72 | 74 | 68 | 72 | 76 | 74 | | 73 |

The range of scores for the non-shortlisted firms was 25 to 67.



BOARD COMMITTEE TRANSMITTAL

February 23, 2009

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board ^{WK}
Subject: Los Angeles - San Diego - San Luis Obispo Rail Corridor Grade Separation Project Development

Transportation 2020 Committee Meeting of February 16, 2009

Present: Directors Amante, Brown, Buffa, Campbell, Cavecche, Dixon, and Pringle
Absent: None

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

- A. Direct staff to distribute the priority list of potential grade separation projects on the Los Angeles – San Diego – San Luis Obispo rail corridor to all Orange County cities on the rail corridor for review and comment.
- B. Direct staff to return to the Board of Directors with a recommendation to begin the formal project development process at the highest-priority locations.



February 16, 2009

To: Transportation 2020 Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Los Angeles – San Diego – San Luis Obispo Rail Corridor Grade Separation Project Development

Overview

Staff has been working to develop a comprehensive approach for the development of railroad grade separations on the Los Angeles – San Diego – San Luis Obispo rail corridor within Orange County. Initial analysis has developed a priority list of at-grade rail-highway grade crossings to be used for project development activities.

Recommendations

- A. Direct staff to distribute the priority list of potential grade separation projects on the Los Angeles – San Diego – San Luis Obispo rail corridor to all Orange County cities on the rail corridor for review and comment.
- B. Direct staff to return to the Board of Directors with a recommendation to begin the formal project development process at the highest-priority locations.

Background

In 2005, the Orange County Transportation Authority (OCTA) completed the Orange/Olive Grade Crossing Study Report, which presented a ranking of 51 at-grade rail-highway grade crossings (grade crossings) along the Orange and Olive subdivisions in Orange County based on existing and forecast vehicular delay. The Orange and Olive subdivisions are north-south rail corridors serving central and south Orange County. The Orange Subdivision branches off the Burlington Northern Santa Fe (BNSF) San Bernardino Subdivision in Fullerton and continues south through Anaheim, Orange, Santa Ana, Tustin, Irvine, Lake Forest, Mission Viejo, Laguna Niguel, San Juan Capistrano, Dana Point, and San Clemente before entering San Diego County. The Olive Subdivision is a short segment linking the San Bernardino and Orange subdivisions

through the cities of Orange and Anaheim. The Orange and Olive subdivisions, along with the locations of the 51 grade crossings, are shown in Attachment A. This 2005 report was the basis for the current Rail-Highway Grade Crossing Safety Enhancement and Quiet Zone Program.

In January 2008, OCTA initiated the preparation of an update of key elements of the 2005 report to reflect current data, analysis, and calculations of vehicle and train traffic volumes and delays at rail crossing locations along the Orange and Olive rail corridors. The updated data utilizes the same delay analysis methodology and many of the assumptions used in the previous analysis, with updated vehicular traffic volume forecasts for year 2030 from the Orange County Transportation Analysis Model (OCTAM), version 3.2. Updated forecast year 2030 train volumes were obtained from the rail operators.

Grade separation projects that are funded under the Proposition 1B Trade Corridors Improvement Fund or by other local programs are not included in this analysis. All 51 of the grade crossings that are analyzed in this report are also part of the OCTA Rail-Highway Grade Crossing Safety Enhancement and Quiet Zone Program.

Discussion

In 2008, on average, 55 trains per day passed through the Orange Subdivision and 18 trains per day passed through the Olive Subdivision. The expansion of Metrolink could ultimately add 66 more trains on the Fullerton and Laguna Niguel/Mission Viejo segment of the Orange Subdivision. Long-term plans also call for 28-32 trains per day on the Olive Subdivision. The future growth in rail service will lead to more traffic delays which can be alleviated by grade separation.

Funding and subsequently constructing railroad grade separations has become an important transportation priority for heavily-congested areas such as Orange County. OCTA is currently advancing a \$417 million grade separation program in the BNSF corridor. This report summarizes the strategy for setting priorities among the 51 grade crossings along the Los Angeles – San Diego – San Luis Obispo (LOSSAN) rail corridor within Orange County, which includes both the Orange and Olive subdivisions.

Ranking Methodology

To set priorities among the potential grade crossings and maintain eligibility for state and federal funding, staff applied the evaluation method adopted by the

California Public Utilities Commission (CPUC) called the Grade Separation Program, Section 190 formula of the California Street and Highways Code (Section 190 Program).

The Section 190 Program is a state program which provides some funding for grade separation projects. The Section 190 Program helps local agencies fund a small portion of the high costs of grade separation projects. The CPUC establishes and furnishes to the California Transportation Commission and California Department of Transportation (Caltrans) a funding priority list of grade separation projects.

In order to be consistent with CPUC and Caltrans guidelines and Federal Railroad Administration procedures and ensure the eligibility of these grade crossings for future funding, OCTA applied the same Section 190 Program formula methodology to each grade crossing. The formula weighs vehicular and train traffic volumes at a project location along with project costs and measures a variety of special-condition factors at each site.

Additional factors that are incorporated into the ranking analysis of each crossing are:

- Existing and future vehicular average daily traffic volumes
- Existing and forecasted railroad passenger train volumes
- Physical conditions
- Roadway classification, number of lanes, total width of each arterial crossings
- Presence of adjacent passenger rail stations
- Master Plan of Arterial Highway build-out conditions

The ranking of the potential grade crossings is based on initial plans and conceptual engineering. Prior to advancing to the final design and construction phase, the selected crossings will need to go through preliminary engineering analysis, evaluation of right-of-way impacts, and environmental evaluation, including public outreach.

Next Steps

Before beginning the project development process on the highest priority projects, staff is proposing to circulate the preliminary ranking list to the cities for review and comment (Attachment B). OCTA staff will be conducting meetings with each city to discuss the community or economic impacts these projects may have in the future. Upon completion of the review and comment,

staff will return to the Board of Directors (Board) with a recommendation to begin the formal project development process at the highest-priority locations. This project development process will commence with the preparation of a project study report, which will include preliminary engineering, refined cost estimates, and the cost-effectiveness for the selected grade crossings. The cost estimates will analyze and consider experience with recent grade separation projects such as Imperial Highway and Jeffrey Road.

Summary

Staff has been working to develop a comprehensive approach for the development of railroad grade separations on the LOSSAN rail corridor within Orange County. Initial analysis has identified a priority list of grade crossings to be used for project development activities. It is recommended that the Board direct staff to distribute the priority list of potential grade separation projects to all cities on the LOSSAN rail corridor for review and comment and return to the Board with a recommendation to begin the formal project development process at the highest-priority locations.

Attachments

- A. LOSSAN Railroad Crossings and Vicinity Map
- B. Preliminary Grade Separation Ranking – Orange and Olive Subdivisions

Prepared by:



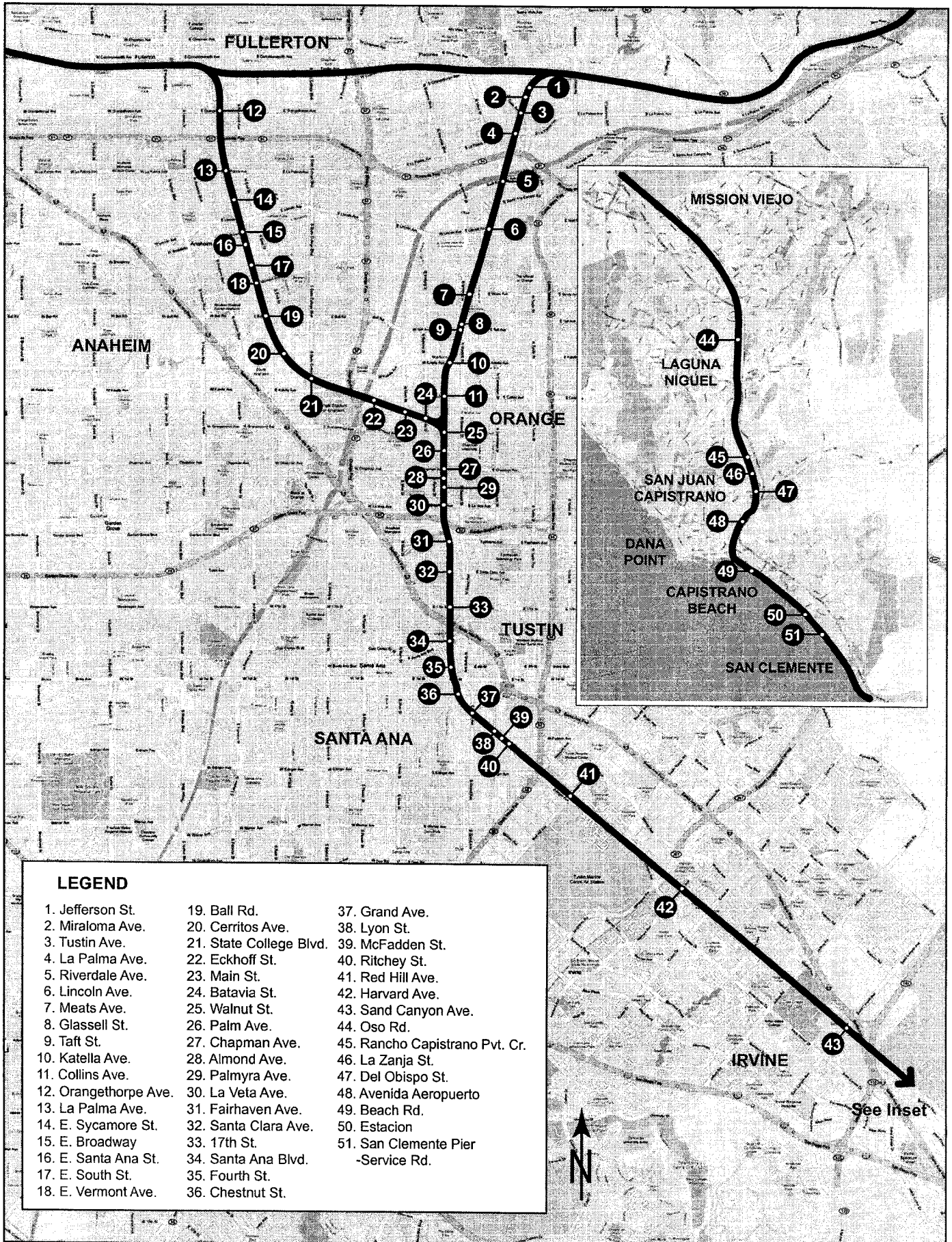
Mary Toutouchi
Project Manager
(714) 560-5740

Approved by:



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

LOSSAN RAILROAD CROSSINGS AND VICINITY MAP



LEGEND

- | | | |
|-----------------------|-------------------------|--------------------------------|
| 1. Jefferson St. | 19. Ball Rd. | 37. Grand Ave. |
| 2. Miraloma Ave. | 20. Cerritos Ave. | 38. Lyon St. |
| 3. Tustin Ave. | 21. State College Blvd. | 39. McFadden St. |
| 4. La Palma Ave. | 22. Eckhoff St. | 40. Ritchey St. |
| 5. Riverdale Ave. | 23. Main St. | 41. Red Hill Ave. |
| 6. Lincoln Ave. | 24. Batavia St. | 42. Harvard Ave. |
| 7. Meats Ave. | 25. Walnut St. | 43. Sand Canyon Ave. |
| 8. Glassell St. | 26. Palm Ave. | 44. Oso Rd. |
| 9. Taft St. | 27. Chapman Ave. | 45. Rancho Capistrano Pvt. Cr. |
| 10. Katella Ave. | 28. Almond Ave. | 46. La Zanja St. |
| 11. Collins Ave. | 29. Palmyra Ave. | 47. Del Obispo St. |
| 12. Orangethorpe Ave. | 30. La Veta Ave. | 48. Avenida Aeropuerto |
| 13. La Palma Ave. | 31. Fairhaven Ave. | 49. Beach Rd. |
| 14. E. Sycamore St. | 32. Santa Clara Ave. | 50. Estacion |
| 15. E. Broadway | 33. 17th St. | 51. San Clemente Pier |
| 16. E. Santa Ana St. | 34. Santa Ana Blvd. | -Service Rd. |
| 17. E. South St. | 35. Fourth St. | |
| 18. E. Vermont Ave. | 36. Chestnut St. | |

**Preliminary Grade Separation Ranking
Orange and Olive Subdivisions**

| Location | Map Location No. | City | Traffic Volume (2007) | Train Volume (Full Build Out) | Conceptual Cost (1000's) | Preliminary Section 190 Ranking(4) |
|-----------------------------------|------------------|---------------------|-----------------------|-------------------------------|--------------------------|------------------------------------|
| 17th Street | 33 | Santa Ana | 40,152 | 146 | \$89,000 | 434 |
| Lyon Street | 38 | Santa Ana | 15,355 | 146 | \$60,000 | 295 |
| McFadden Avenue | 39 | Santa Ana | 21,761 | 146 | \$130,000 | 232 |
| State College Boulevard (1) | 21 | Anaheim | 23,400 | 143 | \$70,000 | 266 |
| Orangthorpe Avenue | 12 | Anaheim | 29,200 | 143 | \$94,000 | 207 |
| Sand Canyon Avenue (2) | 43 | Irvine | 23,520 | 146 | \$60,000 | 202 |
| Santa Ana Boulevard | 34 | Santa Ana | 20,054 | 146 | \$74,000 | 187 |
| Ball Road | 19 | Anaheim | 39,100 | 143 | \$71,000 | 184 |
| Cerritos Avenue | 20 | Anaheim | 10,600 | 143 | \$60,000 | 178 |
| La Palma Avenue (w/o East Street) | 4 | Anaheim | 24,800 | 143 | \$50,000 | 170 |
| Grand Avenue | 37 | Santa Ana | 31,563 | 146 | \$72,000 | 166 |
| Del Obispo Street | 47 | San Juan Capistrano | 34,600 | 146 | \$98,000 | 138 |
| 4th Street | 35 | Santa Ana | 18,423 | 146 | \$59,000 | 119 |
| La Veta Avenue | 30 | Orange | 15,400 | 146 | \$50,000 | 116 |
| Main Street | 23 | Orange | 19,100 | 143 | \$69,000 | 111 |
| Chapman Avenue | 27 | Orange | 21,000 | 146 | \$82,000 | 111 |
| Chestnut Avenue | 36 | Santa Ana | 13,003 | 146 | \$64,000 | 95 |
| E. Broadway | 15 | Anaheim | 12,600 | 143 | \$55,000 | 95 |
| Ritchey Street | 40 | Santa Ana | 9,124 | 146 | \$43,000 | 92 |
| Red Hill Avenue (3) | 41 | Tustin | 30,100 | 146 | \$153,000 | 91 |
| E. Vermont Avenue | 18 | Anaheim | 7,900 | 143 | \$57,000 | 88 |
| Harvard Avenue | 42 | Irvine | 10,338 | 146 | \$51,000 | 88 |
| Batavia Street | 24 | Orange | 12,800 | 143 | \$64,000 | 85 |
| Oso Road | 44 | San Juan Capistrano | 7,000 | 67 | \$50,000 | 85 |
| La Zanja Street | 46 | San Juan Capistrano | 7,000 | 67 | \$41,000 | 83 |
| Santa Clara Avenue | 321 | Santa Ana | 6,460 | 146 | \$41,000 | 79 |
| E. Sycamore Street | 14 | Anaheim | 7,000 | 143 | \$41,000 | 78 |
| Eckhoff Street | 22 | Orange | 10,700 | 143 | \$64,000 | 77 |
| E. Santa Ana Street | 16 | Anaheim | 6,500 | 143 | \$48,000 | 68 |
| Walnut Street | 25 | Orange | 8,700 | 143 | \$64,000 | 66 |
| E. South Street | 17 | Anaheim | 5,500 | 143 | \$43,000 | 66 |
| Almond Avenue | 28 | Orange | 5,100 | 146 | \$50,000 | 60 |
| Palm Avenue | 26 | Orange | 4,700 | 146 | \$52,000 | 56 |
| Avenida Aeropuerto | 48 | San Juan Capistrano | 5,000 | 67 | \$34,000 | 51 |
| Glassell Street | 8 | Orange | 23,900 | 21 | \$73,000 | 54 |
| Taft Avenue | 9 | Orange | 23,400 | 21 | \$58,000 | 51 |
| Tustin Avenue | 3 | Anaheim | 39,800 | 21 | \$79,000 | 49 |
| Katella Avenue | 10 | Orange | 33,500 | 21 | \$74,000 | 46 |
| Lincoln Avenue | 6 | Orange | 24,300 | 21 | \$58,000 | 46 |
| Beach Road | 49 | Dana Point | 500 | 71 | \$41,000 | 44 |
| Palmyra Avenue | 29 | Orange | 2,200 | 146 | \$45,000 | 44 |
| La Palma Avenue | 13 | Anaheim | 22,900 | 21 | \$66,000 | 43 |
| Meats Avenue | 7 | Orange | 9,100 | 21 | \$50,000 | 38 |
| Collins Avenue - Orange | 11 | Orange | 16,700 | 21 | \$64,000 | 35 |
| Riverdale Avenue | 5 | Orange | 5,600 | 21 | \$50,000 | 29 |
| Jefferson Street | 1 | Anaheim | 7,600 | 21 | \$45,000 | 23 |
| Miraloma Avenue | 2 | Anaheim | 6,400 | 21 | \$61,000 | 21 |
| Rancho Capistrano-Private | 45 | San Juan Capistrano | 500 | 71 | Privat Xing | NA |
| Estacion / Senda De La Playa | 50 | San Clemente | 500 | 71 | Env Concerns | NA |
| Pedestrian Crossing at Pier | 51 | San Clemente | 500 | 71 | Env Concerns | NA |
| Fairhaven Avenue | 31 | Santa Ana | potential closure | 146 | NA | NA |

Notes:

1. State College Boulevard (Anaheim)- PSR has been initiated and it is 99 percent complete.
2. Sand Canyon Avenue (Irvine) is under design and is funded for construction.
3. Estimated cost includes 20 percent contingency for mitigation of unknown hazardous waste/environmental impacts.
4. Priority is based on the higher value.



BOARD COMMITTEE TRANSMITTAL

February 23, 2009

To: Members of the Board of Directors

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

Subject: Selection of Consultant for Preparation of Project Report and Environmental Document for the San Diego Freeway (Interstate 5) High-Occupancy Vehicle Project from San Juan Creek Road to Avenida Pico

Highways Committee Meeting of February 16, 2009

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

Absent: Directors Glaab and Nguyen

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

- A. Select RMC, Inc., as the top-ranked firm to prepare the project report and environmental document for the San Diego Freeway (Interstate 5) high-occupancy vehicle project.
- B. Authorize the Chief Executive Officer to request a cost proposal from RMC, Inc., and negotiate an agreement for services.
- C. Authorize the Chief Executive Officer to execute Agreement No. C-8-1238 between the Orange County Transportation Authority and RMC, Inc., to prepare the project report and environmental document for extension of the high-occupancy vehicle lanes from San Juan Creek Road to Avenida Pico.



February 16, 2009

To: Highways Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Selection of Consultant for Preparation of Project Report and Environmental Document for the San Diego Freeway (Interstate 5) High-Occupancy Vehicle Project from San Juan Creek Road to Avenida Pico

Overview

The Renewed Measure M Early Action Plan includes a project to extend the high-occupancy vehicle lanes on the San Diego Freeway (Interstate 5) from north of Pacific Coast Highway (State Route 1) at San Juan Creek Road to Avenida Pico in the City of San Clemente. Proposals were solicited in accordance with the Orange County Transportation Authority's procurement procedures for the retention of a consultant to perform architectural and engineering work. Approval is requested for the selection of a firm to perform the required work.

Recommendations

- A. Select RMC, Inc., as the top-ranked firm to prepare the project report and environmental document for the San Diego Freeway (Interstate 5) high-occupancy vehicle project.
- B. Authorize the Chief Executive Officer to request a cost proposal from RMC, Inc., and negotiate an agreement for services.
- C. Authorize the Chief Executive Officer to execute Agreement No. C-8-1238 between the Orange County Transportation Authority and RMC, Inc., to prepare the project report and environmental document for extension of the high-occupancy vehicle lanes from San Juan Creek Road to Avenida Pico.

Selection of Consultant for Preparation of Project Report and Environmental Document for the San Diego Freeway (Interstate 5) High-Occupancy Vehicle Project from San Juan Creek Road to Avenida Pico *Page 2*

Background

In August 2007, the Orange County Transportation Authority (Authority) Board of Directors (Board) approved and released the Renewed Measure M Early Action Plan. The Early Action Plan proposes to start the environmental phase of the San Diego Freeway (Interstate 5) high-occupancy vehicle (HOV) project between Pacific Coast Highway (State Route 1) and Avenida Pico in early 2009.

The California Department of Transportation (Caltrans) is currently finalizing a conceptual engineering study or project study report (PSR) which defines the Interstate 5 HOV lane addition project's preliminary scope, cost, and schedule and recommends the build alternatives to proceed to the project approval and environmental document phase. The procurement process for the environmental phase was initiated in advance of the final PSR in order to maintain the Authority's delivery commitment.

The PSR proposes a no-build alternative plus three build alternatives. Build alternative 1 would add one HOV lane in each direction with full design standard lanes and shoulders. Build alternative 2 would add one HOV lane in each direction with full design standard lanes and shoulders except for one southbound segment where non-standard design features are proposed. In addition to one HOV lane in each direction with full design standard lanes and shoulders, build alternative 3 would also add auxiliary lanes between on-ramps and off-ramps and widen three ramps.

The type of environmental document will be an initial study/environmental assessment with an anticipated Mitigated Negative Declaration and Finding of No Significant Impact with the environmental phase scheduled for a duration of two years. The project report, environmental document, and technical studies will be prepared in cooperation with Caltrans and the Federal Highway Administration and in accordance with California Environmental Quality Act and National Environmental Policy Act requirements. Once the preferred alternative is cleared environmentally, the project will be ready to proceed to the design and construction phases. Construction of this project is scheduled to begin in 2015.

On November 10, 2008, the Board approved the criteria weights and release of Request for Proposals (RFP) No. 8-1238 to select a consultant for the preparation of the project report and environmental document for the Interstate 5 HOV lane addition project. The environmental phase will begin as

Selection of Consultant for Preparation of Project Report and Environmental Document for the San Diego Freeway (Interstate 5) High-Occupancy Vehicle Project from San Juan Creek Road to Avenida Pico *Page 4*

The evaluation committee found five firms most qualified to perform the work. These five firms are listed below:

Firm and Location

RMC, Inc.
Santa Ana, California

Parsons Transportation Group, Inc.
Irvine, California

Huitt-Zollars, Inc.
Irvine, California

HNTB Corporation
Santa Ana, California

PBS&J
Orange, California

On January 9, 2009, the evaluation committee interviewed the five firms. Questions were asked relative to the firms' proposals, staff availability, and project requirements. Based on the evaluation of the proposals and interviews, the committee evaluated RMC, Inc. (RMC), as the top-ranked firm. Staff is therefore recommending that RMC be awarded the contract to prepare the project report and environmental document for the Interstate 5 HOV lane addition project.

Qualifications of the Firm

All firms interviewed were qualified to provide services requested through the RFP. All firms interviewed showed experience in consulting services for preparation of the project report and environmental documentation. The RMC team provided an excellent technical proposal and presentation during the interview, along with comprehensive answers to the interview questions.

Staffing and Project Organization

The proposed key staffs for all firms were skilled and experienced in directly related projects. The RMC project manager and the key task leaders on the team have considerable experience working on the environmental phase of

Selection of Consultant for Preparation of Project Report and Environmental Document for the San Diego Freeway (Interstate 5) High-Occupancy Vehicle Project from San Juan Creek Road to Avenida Pico *Page 5*

complex freeway projects, have successfully achieved project commitments, and have worked on several related projects as a team.

Work Plan

All firms provided detailed work plans which met the requirements of the scope of work. The RMC team demonstrated greater knowledge and understanding of the corridor and the project issues, including local priorities and concerns. RMC has substantial experience and a solid understanding of the environmental issues and constraints. During the interview, RMC addressed all questions with a greater degree of knowledge, experience, and understanding to accomplish the project successfully.

Based on the evaluation of the written proposals, the team qualifications, the work plan, and the additional information obtained from the interview, it is recommended that RMC be awarded the contract.

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

Fiscal Impact

This project is included in the Authority's Fiscal Year 2008-09 Budget, Development Division, Account 0017-7519-FC101-KKD and is funded through Renewed Measure M.

Summary

Staff recommends the selection of RMC as the top-ranked firm to prepare the project report and environmental document for the Interstate 5 HOV lane addition project and requests Board approval to request a cost proposal from RMC and negotiate an agreement for services.

Selection of Consultant for Preparation of Project Report and Environmental Document for the San Diego Freeway (Interstate 5) High-Occupancy Vehicle Project from San Juan Creek Road to Avenida Pico **Page 6**

Attachments

- A. Project Report and Environmental Document for Interstate 5 HOV Project, Review of Proposals, RFP No. 8-1238, Presented to Highways Committee – February 16, 2009
- B. Project Report and Environmental Document for Interstate 5 HOV Project, RFP No. 8-1238, Proposal Evaluation Criteria Matrix (Short-Listed), Architectural and Engineering

Prepared by:



Rose Casey, P.E.
Program Manager, Development
(714) 560-5729

Approved by:



Kia Mortazavi
Executive Director, Development
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PROJECT REPORT AND ENVIRONMENTAL DOCUMENT FOR INTERSTATE 5 HOV PROJECT

Review of Proposals No. RFP 8-1238

Presented to Highways Committee - February 16, 2009

7 proposals were received, 5 firms were short-listed.

| Overall Ranking | Proposal Score | Firm & Location | Sub-Contractors | Evaluation Committee Comments |
|-----------------|----------------|---|---|--|
| 1 | 89 | RMC Santa Ana, California | RBF Consulting Austin-Foust Associates LSA Associates Kleinfelder Railpros Value Management | Highest ranked overall firm. Excellent presentation and communication skills during the interview. Firm addressed all key issues with extensive experience in corridor and project issues and constraints. Team has significant experience and a dedicated staff. Excellent interview, provided comprehensive answers and knowledge. Good understanding of greenhouse emissions and addressed the key issues and challenges. Excellent work plan that clearly shows understanding of project and environmental documentation. |
| 2 | 86 | Parsons Transportation Group, Inc. Irvine, California | ECORP Consulting, Inc. Austin-Foust Associates Psomas Group Delta Consultants | Excellent professional firm with good technical proposal and work plan. Staff thoroughly experienced with considerable knowledge in environmental issues and constraints. Provided knowledgeable information and track record of success in related projects. Good interview, demonstrated detailed project understanding. |
| 3 | 77 | Huitt-Zollars, Inc. Irvine, California | ICF Jones & Stokes Austin-Foust Associates Value Management Civil Work Engineers | Good professional firm with related experience to project. Highly qualified staff with related project experience with similar projects. Work plan met the requirement of the scope, and showed considerable knowledge of project needs. Interview demonstrated relevant experience to the project, and some environmental knowledge. |
| 4 | 73 | HNTB Corporation Santa Ana, California | Austin-Foust Associates Value Management Consensus Planning Group The Culver Group Earth Mechanics, Inc | Good professional firm with good knowledge of project requirements. Experienced key staff with related project skills. Solid work plan with project related experience. Interview addressed environmental issue and contracts. Good communication and interview skills, showing knowledge and understanding of project. |
| 5 | 70 | PBS&J Orange, California | AECOM Austin-Foust Associates Group Delta Consultants Psomas Civil Work Engineers | Good professional firm with knowledge of scope requirements. Interview lacked knowledge of experience related to questions. Work plan addressed key issues; however, interview did not demonstrate project experience. Lacked environmental experience. |

Evaluation Panel:

CONTRACTS ADMINISTRATION AND
MATERIALS MANAGEMENT (1)
DEVELOPMENT DIVISION(2)
CITY OF SAN CLEMENTE (1)
CALTRANS (1)

Evaluation Criteria

Qualifications of Firm
Staffing And Project Organization
Work Plan

Weight Factor

25%
35 %
40%

**PROJECT REPORT AND ENVIRONMENTAL DOCUMENT
FOR INTERSTATE 5 HOV PROJECT, RFP NO. 8-1238
PROPOSAL EVALUATION CRITERIA MATRIX (SHORT-LISTED)
ARCHITECTURAL AND ENGINEERING**

| Firm: RMC, Inc. | | | | | | Weights | Criteria Score |
|-------------------------------|-----|-----|-----|-----|-----|---------|----------------|
| Evaluation Number | 1 | 2 | 3 | 4 | 5 | | |
| Qualifications of Firm | 4.5 | 4.5 | 4.0 | 4.5 | 4.5 | 5 | 22 |
| Staffing/Project Organization | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 7 | 32 |
| Work Plan | 4.5 | 4.3 | 4.5 | 4.5 | 4.5 | 8 | 36 |
| Overall Score | 90 | 88 | 88 | 90 | 90 | | 89 |

| Firm: Parsons Transportation Group, Inc. | | | | | | Weights | Criteria Score |
|--|-----|-----|-----|-----|-----|---------|----------------|
| Evaluation Number | 1 | 2 | 3 | 4 | 5 | | |
| Qualifications of Firm | 4.5 | 4.5 | 4.0 | 4.5 | 4.5 | 5 | 22 |
| Staffing/Project Organization | 4.5 | 4.5 | 4.5 | 4.5 | 4.5 | 7 | 32 |
| Work Plan | 4.0 | 4.3 | 4.0 | 4.0 | 4.0 | 8 | 32 |
| Overall Score | 86 | 88 | 84 | 86 | 86 | | 86 |

| Firm: Huitt-Zollars, Inc. | | | | | | Weights | Criteria Score |
|-------------------------------|-----|-----|-----|-----|-----|---------|----------------|
| Evaluation Number | 1 | 2 | 3 | 4 | 5 | | |
| Qualifications of Firm | 3.5 | 4.0 | 3.5 | 4.0 | 3.5 | 5 | 19 |
| Staffing/Project Organization | 3.5 | 4.0 | 3.5 | 4.0 | 3.5 | 7 | 26 |
| Work Plan | 4.5 | 4.0 | 4.0 | 4.0 | 4.0 | 8 | 33 |
| Overall Score | 78 | 80 | 74 | 80 | 74 | | 77 |

| Firm: HNTB Corporation | | | | | | Weights | Criteria Score |
|-------------------------------|-----|-----|-----|-----|-----|---------|----------------|
| Evaluation Number | 1 | 2 | 3 | 4 | 5 | | |
| Qualifications of Firm | 3.5 | 3.5 | 3.5 | 4.0 | 3.5 | 5 | 18 |
| Staffing/Project Organization | 3.5 | 3.5 | 3.5 | 4.0 | 3.5 | 7 | 25 |
| Work Plan | 4.0 | 3.5 | 3.5 | 3.5 | 4.0 | 8 | 30 |
| Overall Score | 74 | 70 | 70 | 76 | 74 | | 73 |

| Firm: PBS&J | | | | | | Weights | Criteria Score |
|-------------------------------|-----|-----|-----|-----|-----|---------|----------------|
| Evaluation Number | 1 | 2 | 3 | 4 | 5 | | |
| Qualifications of Firm | 3.5 | 3.5 | 3.5 | 4.0 | 3.5 | 5 | 18 |
| Staffing/Project Organization | 3.5 | 3.5 | 3.0 | 3.5 | 3.5 | 7 | 24 |
| Work Plan | 4.0 | 3.0 | 3.0 | 3.5 | 4.0 | 8 | 28 |
| Overall Score | 74 | 66 | 63 | 73 | 74 | | 70 |

Non-short listed firms - both scores were 67

Evaluation Panel: (5)

AUTHORITY:

- CONTRACTS ADMINISTRATION AND MATERIALS MANAGEMENT (1)
- DEVELOPMENT DIVISION (2)
- CITY OF SAN CLEMENTE (1)
- CALTRANS (1)



BOARD COMMITTEE TRANSMITTAL

February 23, 2009

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: Orange and Los Angeles Intercounty Transportation Study Update

Highways Committee Meeting of February 16, 2009

Present: Directors Amante, Cavecche, Dixon, Green, Mansoor, Norby, and Pringle
Absent: Directors Glaab and Nguyen

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

- A. Receive and file conceptual alternatives report and Pacific Electric Railway right-of-way assessment.
- B. Direct staff to work with Los Angeles County Metropolitan Transportation Authority staff and develop the scope of work for the next phase of the Orange and Los Angeles Intercounty Transportation Study.



February 16, 2009

To: Highways Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Orange and Los Angeles Intercounty Transportation Study Update

Overview

The Orange County Transportation Authority, in cooperation with the Los Angeles County Metropolitan Transportation Authority, has completed the Orange and Los Angeles Intercounty Transportation Study. The study assessed transportation issues and opportunities between Orange and Los Angeles counties and developed a range of options for further study. The findings from the conceptual alternatives report as well as a summary of the Pacific Electric Railway right-of-way assessment are provided for Board of Directors' review.

Recommendations

- A. Receive and file conceptual alternatives report and Pacific Electric Railway right-of-way assessment.
- B. Direct staff to work with Los Angeles County Metropolitan Transportation Authority staff and develop the scope of work for the next phase of the Orange and Los Angeles Intercounty Transportation Study.

Background

In summer 2006, the Orange County Transportation Authority (OCTA) Board of Directors (Board) approved the 2006 Long-Range Transportation Plan (LRTP) and a supporting action plan. The action plan included direction to conduct a joint transportation study with the Los Angeles County Metropolitan Transportation Authority (Metro). The Orange and Los Angeles (OC/LA) Intercounty Transportation Study (Study) was launched in July 2007 in partnership with Metro. This study identifies a broad range of conceptual strategies for improving intercounty travel and emphasizing relevant issues of interest to western and northern Orange County cities. The Corridor Mobility Problem and Purpose and Need Report was approved by the Highways

Committee and Board in March 2008 (Attachment A). The Board also approved the release of the conceptual alternative strategies to key stakeholders and the general public.

The OC/LA Study included an active public involvement program. Two public open houses were held in May 2008. One in Los Angeles County in the City of La Mirada and one in Orange County in the City of Cypress. Two elected officials workshops were conducted during the study as well. The first workshop was held in December 2007 in the City of Cerritos. The second workshop was held in April 2008 in the City of Los Alamitos. Attachment B provides an overview of outreach activities.

Discussion

The conceptual alternatives report identifies multimodal strategies to address the need for future transportation improvements based on the problems and deficiencies identified in the OC/LA Study area. These strategies are intended to serve as a starting point for future study efforts to develop locally preferred concepts.

Attachment C highlights identified hot spots near the OC/LA County line and the conceptual alternative strategies. The conceptual alternative strategies are multi-modal, build upon each other in cumulative layers, and include all reasonable strategies. A summary of the initial set of conceptual alternative strategies is provided below.

2030 Baseline

Transportation projects included in the 2030 baseline have a committed funding source and are planned for completion prior to the year 2030. The 2030 baseline projects carry forward into all other conceptual alternatives. The components of the baseline year 2030 concept include the following:

- Freeway enhancement projects as identified in the adopted OCTA and Metro LRTPs (baseline and constrained projects only);
- In Orange County, Renewed Measure M freeway projects;
- Arterial roadway improvements as identified in study area local agencies' capital improvement programs;
- Planned enhancements by OCTA and Metro to local bus transit routes;
- New OCTA bus rapid transit (BRT) routes on Harbor Boulevard, Westminster Avenue, and State College Boulevard/Bristol Street in Orange County;

- New Metro rapid routes on Atlantic Boulevard and Long Beach Boulevard in Los Angeles County; and
- The implementation of 30-minute headways for Metrolink service between Fullerton and Laguna Niguel/Mission Viejo in Orange County.

Transportation Systems Management (TSM)/Transportation Demand Management (TDM) Concept

This conceptual alternative is a required component of the major investment study process and will be carried forward as the basis of each subsequent concept. The purpose of the TSM/TDM concept is to develop lower cost strategies that improve system performance and result in more efficient use of transportation resources. The TSM/TDM concept focuses on increasing local bus coordination, implementing traffic signal coordination on streets near and across the County line to reduce congestion, and increasing freeway traffic monitoring. This concept also includes additional park-and-ride and transit center facilities.

Arterial/Bus Rapid Concept

This conceptual alternative builds on the 2030 Baseline and TSM/TDM improvements. The arterial/bus rapid concept is a multimodal concept that concentrates on increasing arterial roadway capacity, especially in the congested areas near the San Diego Freeway (Interstate 405) and the Orange Freeway (State Route 57), and improving freeway interchanges. New rapid bus services near and across the OC/LA County line are proposed, along with a grade-separated bus transit service in the Pacific Electric Railway right-of-way (PE ROW) and improved bus shuttle services to Metrolink stations.

Freeway Concept

The freeway conceptual alternative includes improvements identified in the previous three concepts. This concept proposes to increase freeway capacity and improve traffic conditions by the year 2030. It also includes adding capacity to study area freeways through new general-purpose lanes, high-occupancy vehicle lanes, or high-occupancy toll lanes.

Transit Concept

This conceptual alternative builds on improvements in the TSM/TDM and arterial/bus rapid concept. The transit concept focuses on transit-oriented solutions to accommodate future travel demand. The objectives of this concept are to improve transit services for both short and long distance trips,

improve the efficiency of local transit services, increase Metrolink service to Los Angeles, enhance planned rapid bus routes, and provide connections between different modes of transportation. This concept proposes to enhance the arterial/bus rapid concept by replacing grade-separated BRT service in the PE ROW with a fully elevated transit service (bus or rail). Elevated transit service would enhance both travel speed and safety by eliminating at-grade traffic conflicts. The proposed project would maintain the proposed connection to the Metro Green Line and an at-grade pedestrian/bike path within the corridor. Additionally, selected rapid bus lines proposed in the arterial/bus rapid concept are enhanced to full BRT service operating in exclusive ROWs to connect major destinations on each side of the County line.

Public/Private Concept

This conceptual alternative builds on improvements proposed in the TSM/TDM and arterial/bus rapid concept. The public/private concept focuses on identifying privately financed improvements to freeways, streets, and transit that could supplement the improvements that are possible with public funds. Concepts include toll lanes and truck toll lanes on freeway corridors and high-speed transit service in the PE ROW.

PE ROW Assessment

During development of the conceptual alternative strategies, strong interest emerged within the County about further assessing potential transit options in the PE ROW. As a result, OCTA, at the direction of the Board, pursued a more detailed PE ROW assessment as a separate add-on study to the OC/LA Study. This assessment provided a preliminary evaluation of the potential for transit service within the PE ROW - including exploration of transit demand within the corridor, key origin and destination analyses, and identification of potential future transit strategies and options. Key findings from this assessment were:

- Transit demand exists within the PE ROW;
- OCTA should preserve the PE ROW for future transit use; and
- For the time being, OCTA should continue to explore potential short-term opportunities for the corridor, until a formal decision has been made regarding the ultimate long-term use of the corridor.

Three key strategies were also recommended for further evaluation in future analyses of the corridor. These strategies included:

- Grade-separated BRT
- Elevated BRT
- Elevated light rail transit

These strategies have been integrated with the concepts noted previously that will be the topic of further studies.

Next Steps

OCTA and Metro staff will continue to work together to address intercounty transportation needs. To facilitate this effort, both agencies have identified funding for a second phase of study. On January 14, 2009, the Metro Planning and Programming Committee approved Phase 1 of this study and directed Metro staff to develop the next steps for the study in cooperation with OCTA. The Metro staff report is included as Attachment D.

In the next phase of the proposed study, more focused analysis on the strategies identified in the conceptual alternatives report and the PE ROW assessment would be performed. Major components of these more focused analyses would include:

- Corridor specific travel demand modeling;
- Development and assessment of planning level cost estimates;
- Preliminary environmental assessment of conceptual alternatives; and
- Development of a recommended list of priorities to move forward for further detailed planning.

Upon receiving Board authorization, OCTA will initiate scope of work development and agreements. Additionally, both agencies will continue to work with local agencies, elected officials, and stakeholders to identify, evaluate, and address intercounty transportation needs.

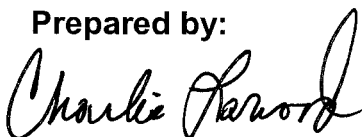
Summary

OCTA, in partnership with Metro, has developed strategies to improve travel between Orange and Los Angeles counties. A summary of the conceptual alternatives report is provided as well as the results from the PE ROW assessment. Complete copies of these documents are available upon request and can be found online at (http://www.octa.net/ocla_study.aspx).

Attachments

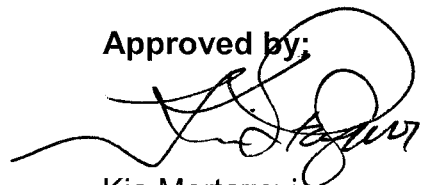
- A. OC/LA Intercounty Transportation Study Overview - Introduction and Study Purpose and Need
- B. On The Move - OC/LA Intercounty Transportation Study - Outreach Activities
- C. OC/LA Intercounty Transportation Study Overview - Hot Spots, Conceptual Alternatives, and Next Steps
- D. Los Angeles County Metropolitan Transportation Authority Staff Report - Dated January 14, 2009 - Orange and Los Angeles Inter-County Transportation Study - Conceptual Alternatives Report

Prepared by:



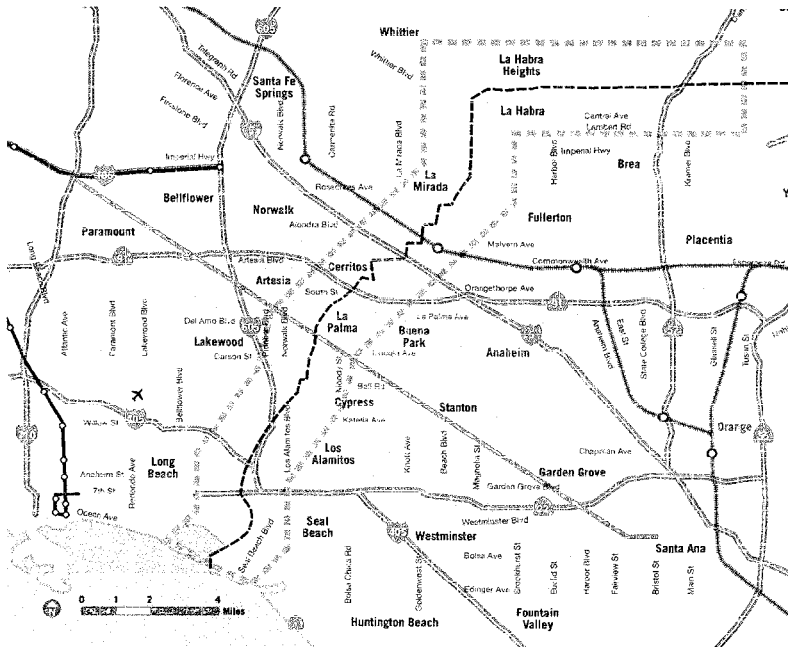
Charlie Larwood
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Approved by:



Kia Mortazavi
Executive Director, Development
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OC/LA Intercounty Transportation Study Overview



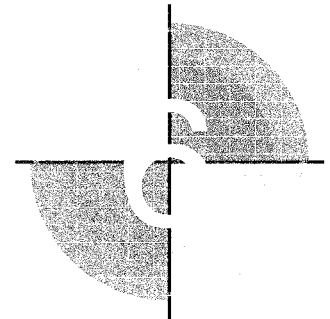
Introduction

The Orange and Los Angeles (OC/LA) Intercounty Transportation Study explored alternatives for improving transportation infrastructure and services across the border between Orange and Los Angeles counties. The objectives of the OC/LA Intercounty Study were to identify transportation needs and issues within the study area and to develop conceptual transportation improvements and strategies to address these needs. The study included extensive coordination with the cities located along the border, both with technical staff and elected officials. Public involvement was also an important part of the study, to assist in the identification of transportation needs and the development of potential improvements.

Study Purpose and Need

The study identified the following six key needs:

1. **Interagency Coordination** - The study is an important first step for OCTA and Metro to work together to improve transportation infrastructure and services between Los Angeles and Orange counties.
2. **Freeway Congestion** - Improve freeway traffic operations and increase capacity.
3. **Arterial Roadway Congestion** - Address roadway capacity constraints near I-405 and SR-57.
4. **Optimization of Existing Transportation Infrastructure** - Make more efficient use of existing transportation infrastructure through traffic signal coordination, intelligent transportation systems, and traffic management.
5. **Transit Connectivity** - Increase transit services across the O.C./L.A. county line and begin to coordinate transit policies between agencies.
6. **Use of Pacific Electric Right of Way** - Strong demand exists for travel between both counties near the corridor.



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On The
mOve

OC/LA Intercounty
Transportation Study



Outreach Activities

The primary outreach goal for the Orange and Los Angeles Intercounty Transportation Study was to provide meaningful opportunities for public involvement while assessing the transportation needs that cross the County line. This effort led to an initial set of conceptual alternatives. Since the study began in July 2007, several outreach activities took place to engage various stakeholders during the study process.

Throughout the one-year study, the Orange County Transportation Authority (OCTA) conducted the following outreach activities:

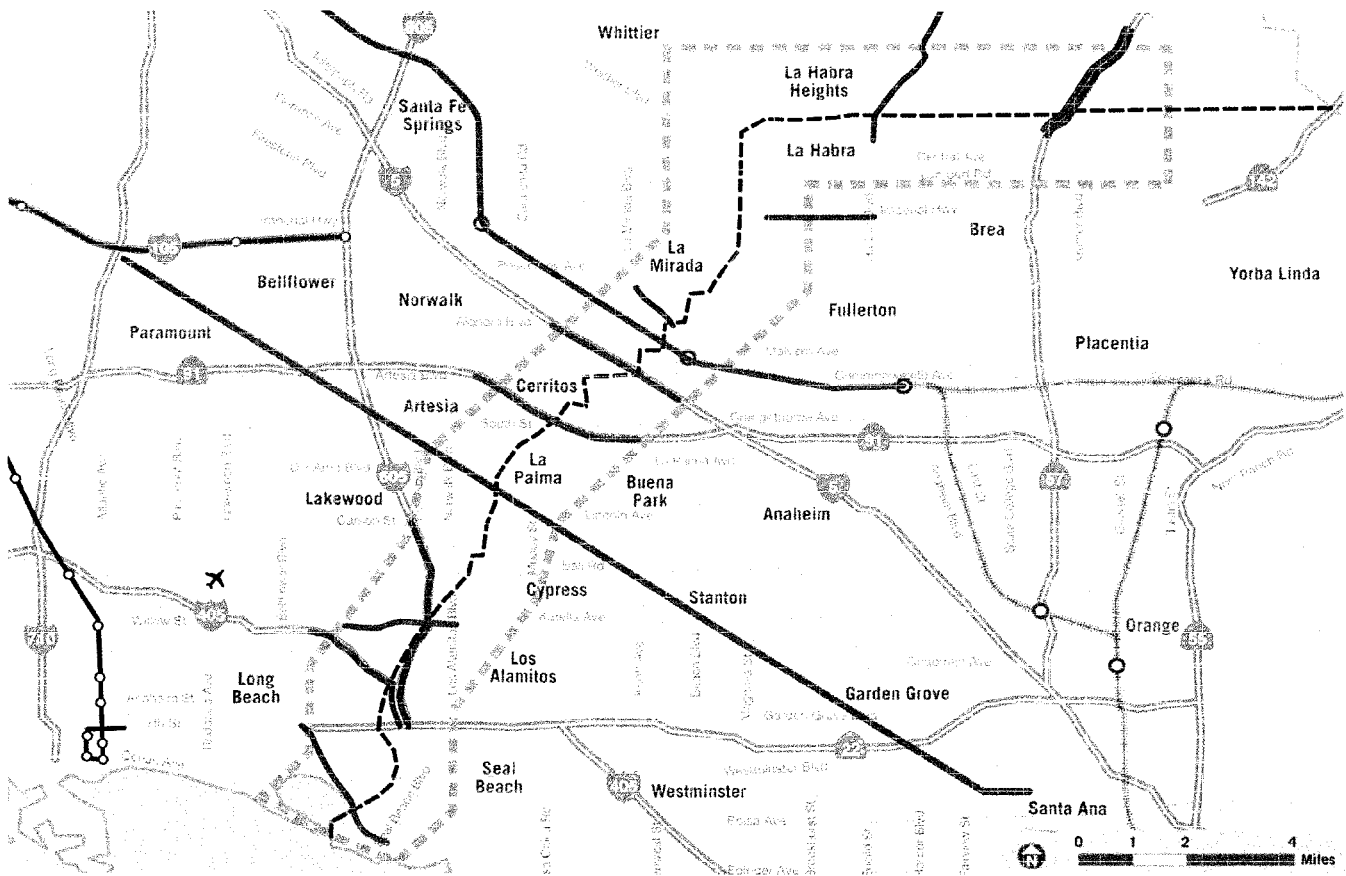
- Conducted an elected officials workshop in December 2007 to offer officials an opportunity to discuss transportation needs and prioritize issues and needs in the study area. More than 55 elected officials along with city and agency representatives attended. A second elected officials workshop was conducted in April 2008 to discuss proposed conceptual alternatives with more than 50 elected and city officials attending.
- Hosted two public open houses in Cypress and La Mirada in May 2008 to share the conceptual alternatives and gather input. More than 20 people attended and included residents, elected officials, media, and city staff.
- Developed and distributed a project brochure to 1,370 residents, elected and city officials, the business and education community, and other key stakeholders along the Orange and Los Angeles county line. The brochure included a detachable survey that requested information about commute times, major destination travel, and also a ranking of various modes of transportation according to improvement needs. A total of 85 surveys were collected.
- Created an online survey with the same set of questions that were presented in the project brochure. A total of 70 online surveys were tallied. A second online survey was posted in the spring of 2008 to collect input on the project's purpose and need report as well as the conceptual alternatives with 41 surveys completed.
- Partnered with 13 area chambers and 17 cities to place study announcement card/survey on public counters as well as articles in three newsletters and on six websites. The groups also assisted in inviting the public to two open houses.
- Distributed a letter to 17 mayors in the study area introducing the study.
- Created a study website that provides background information, study area maps, and an opportunity to join the stakeholder database.
- Drafted and distributed a press release announcing the project and the online survey.
- Established a database that currently includes more than 1,400 stakeholders.
- Presented the study and some initial findings to OCTA's Citizens Advisory Committee (CAC) in January 2008. The CAC also reviewed and commented on the conceptual alternatives in May 2008.

OC/LA Intercounty Transportation Study Overview

Hot Spots

Several individual transportation corridors and facilities have been identified as future hot spots or areas in need of improvement in order to address the forecasted increases in travel demand and travel delay. Based on OCTAM travel demand forecasts, the freeway and street segments highlighted below are forecast to operate at level of service (LOS) "F" in the Year 2030 condition. Transit corridors, including the Metrolink Orange County and 91 Line and the Pacific Electric Right of Way, also show the need for further study. The hot spots across the OC/LA county line are as follows:

- SR-57 Freeway (Lambert Road to Diamond Bar Boulevard)
- Brea Canyon Road (Tonner Canyon Road to Diamond Bar Boulevard)
- Harbor Boulevard (north of Whittier Boulevard)
- La Mirada Boulevard (Rosecrans Avenue to Alondra Boulevard)
- Imperial Highway (East of Beach Boulevard)
- SR-91 Freeway (Artesia Boulevard to Knott Avenue)
- I-5 Freeway (Beach Boulevard to Alondra Boulevard)
- Metrolink Corridor
- Katella Avenue/Willow Street (Studebaker Road to Los Alamitos Boulevard)
- Pacific Coast Highway (Seal Beach Boulevard to 7th Street)
- I-405 Freeway (SR-22 to Woodruff Avenue)
- I-605 Freeway (I-405 to Carson Street)
- Pacific Electric Right of Way



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OC/LA Intercounty Transportation Study

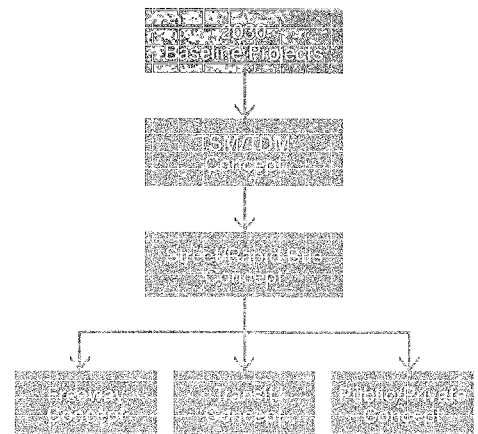
OC/LA Intercounty Transportation Study Overview

Conceptual Alternatives

The conceptual alternatives were developed to address the mobility problems, needs and issues with the transportation network linking Orange and Los Angeles counties. The projects and strategies outlined in the conceptual alternatives are intended to provide OCTA and Metro with a starting point for improvements that would undergo detailed analysis and evaluation in future studies.

- **Transportation System Management/Transportation Demand Management (TSM/TDM) Concept:** The TSM/TDM concept identifies improvements to increase the efficiency of the transportation system and improve mobility. Proposed projects include traffic signal coordination, park-and-ride facilities, bikeway improvements, and increased traffic monitoring.
- **Street-Rapid Bus Concept:** This concept presents a multimodal approach to increase freeway and street capacity and enhance transit services. Proposed projects include arterial street widening, new rapid bus services, improved bus feeder services to Metrolink stations, and a grade separated bus rapid transit (BRT) service in the Pacific Electric Right of Way (PE ROW).
- **Freeway Concept:** The Freeway Concept proposes capacity improvements to freeways between Orange and Los Angeles counties. Proposals include adding a general purpose lane in each direction to the SR-91, I-405 and SR-57 freeways either across or near the OC/LA county line.
- **Transit Concept:** This concept increases transit service frequency, capacity, and connectivity to meet future travel demands. Projects include new bus rapid transit services and a fully elevated transit service in the PE ROW.
- **Public-Private Partnership Concept:** This concept is focused on identifying privately financed improvements to freeways, streets, and transit that could supplement the improvements that are possible with public funds. Concepts include high occupancy toll lanes in freeway corridors and private flyaway bus services to regional airports.

Conceptual Alternatives Relationship



Next Steps

- OCTA & Metro will continue to work together to address transportation needs across the county line.
- Both agencies have programmed funds for a future phase of study.
- OCTA & Metro will work with local agencies, elected officials, and stakeholders in this process.



Metro

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On The **mOve**
OC/LA Intercounty
Transportation Study

**Metro**Los Angeles County
Metropolitan Transportation AuthorityOne Gateway Plaza
Los Angeles, CA 90012-2952213.922.2000 Tel
metro.net**PLANNING AND PROGRAMMING COMMITTEE
JANUARY 14, 2009****SUBJECT: ORANGE AND LOS ANGELES INTER-COUNTY TRANSPORTATION
STUDY – CONCEPTUAL ALTERNATIVES REPORT****ACTION: RECEIVE AND FILE AND DIRECT CHIEF EXECUTIVE OFFICER TO
PROCEED WITH THE SECOND PHASE OF THE STUDY****RECOMMENDATION**

Receive and file the OC/LA Inter-County Transportation Study's Conceptual Alternatives Report as summarized in the OC/LA Intercounty Transportation Study Overview (Attachment A). (Study report is available upon request).

ISSUE

In June 2006, the Board approved funding for a joint study with Orange County Transportation Authority (OCTA) to develop, evaluate and recommend transportation improvements focused on issues at the OC/LA border, and for regional system integration planning for the West Santa Ana Main Branch Right-of-Way Project. Both of these projects were combined with matching funds by the OCTA to initiate the OC/LA Inter-County Transportation Study. This is the first time the two agencies have cooperated on a joint transportation study. The study area is approximately one mile on either side of the OC/LA County line and encompasses 17 cities. The 12 month study started in July 2007 and was jointly managed by us and OCTA.

The study identified and evaluated a broad range of multi-modal transportation opportunities and improvements. Through a screening process and public outreach effort the study narrowed down the broad range of alternatives into five alternatives that can be carried forward into separate engineering and environmental analysis.

The study Corridor Mobility Problem and Purpose and Need Report was received and filed by the Planning and Programming Committee on April 16, 2008. The study included an active public participation program. Two public open houses were held in May 2008. One in Los Angeles County in the City of La Mirada and one in Orange County in the City of Cypress. Two elected officials' workshops were conducted during the study as well. The first workshop was held in December 2007 in the City of Cerritos. The second workshop was held in April 2008 in the City of Los Alamitos.

DISCUSSION

The Conceptual Alternatives Report identifies multimodal strategies to address the need for future transportation improvements based on the problems and deficiencies

identified in the OC/LA study area. These strategies are intended to serve as a starting point for future efforts to develop locally preferred concept/s through detailed analysis and evaluation in future studies.

The Attachment A provides an overview of the OC/LA study and highlights the identified hot spots and areas needing improvements to accommodate future travel demands near the OC/LA county line along with the five conceptual alternative strategies. These conceptual alternative strategies are multimodal, build upon each other in cumulative layers, and include all reasonable conceptual strategies. The study scope did not include developing costs for the conceptual strategies. The following is a summary of the initial set of conceptual alternative strategies which build upon the year 2030 Baseline:

2030 Baseline

Transportation projects included in the 2030 Baseline have a committed funding source and are planned for completion prior to the year 2030. The 2030 Baseline projects carry forward into all the conceptual alternatives. The following are the components of the 2030 Baseline:

- Freeway enhancement projects as identified in the adopted Metro and OCTA Long Range Transportation Plans (baseline and constrained projects only)
- Renewed Measure M freeway projects in Orange County
- Arterial roadway improvements as identified in study are city capital improvement programs
- Planned enhancements by Metro and OCTA local bus transit routes
- New OCTA bus rapid transit routes on Harbor Boulevard, Westminster Avenue, and State College Boulevard/Bristol Street in Orange County
- New Metro Rapid routes on Atlantic Boulevard and Long Beach Boulevard in Los Angeles County, and
- The implementation of 30-minute headways for Metrolink service between Fullerton and Laguna Niguel/Mission Viejo in Orange County

1. Transportation Systems Management/Transportation Demand Management (TSM/TDM)

This alternative is a required component of the major investment study process and will be carried forward as the basis of each subsequent alternative. The purpose of the TSM/TDM alternative is to develop lower cost strategies that improve the roadway system's performance and result in more efficient use of transportation resources. The TSM/TDM concept focuses on increasing local bus coordination, implementing traffic signal coordination on streets near and across the County line to reduce congestion, and increasing freeway traffic monitoring. This alternative also includes additional park-and-ride and transit center facilities.

2. Arterial/Bus Rapid Concept

This alternative builds on 2030 Baseline and TSM/TDM improvements. The Arterial/Bus Rapid Concept is a multimodal concept that concentrates on increasing arterial roadway capacity, especially in the congested areas near the San Diego Freeway

(Interstate 405) and Orange Freeway (State Route 57), and improving freeway interchanges. New rapid bus services near and across the OC/LA county line are proposed, along with a grade separated bus rapid transit (BRT) service in the Pacific Electric Right of Way (PE ROW) and improved bus shuttle services to Metrolink stations.

3. Freeway Concept

This alternative includes the 2030 Baseline and the previous two alternatives. The Freeway Concept proposes to increase freeway capacity and improve traffic conditions by the year 2030. The concept includes adding capacity to the freeways in the study area through new general purpose lanes, high-occupancy vehicle lanes, or high-occupancy toll lanes.

4. Transit Concept

This alternative builds on improvements in the 2030 Baseline and the TSM/TDM and Arterial/Bus Rapid Concept but does not include the Freeway Concept above. The Transit Concept looks exclusively at transit services for both short and long distance trips, improve the efficiency of local transit services, increase Metrolink service to Los Angeles, enhance planned rapid bus routes, and provide connections between different modes of transportation. This concept proposes to enhance the Arterial/Bus Rapid Concept by replacing the grade separated bus rapid transit (BRT) service in the PE ROW/West Santa Ana Branch with a fully elevated transit service (bus or rail). The proposed project would maintain the connection to Metro Green Line and an at-grade pedestrian/bike path within the corridor. Additionally, selected rapid bus lines proposed in the Arterial/Bus Rapid Concept are enhanced to full BRT service operating in exclusive ROWs to connect major destinations on each side of the County line.

5. Public Private Concept

This alternative builds on improvements in the 2030 Baseline and the TSM/TDM and Arterial/Bus Rapid Concept but does not include the Freeway Concept or Transit Concept. The Public/Private Concept focuses on identifying privately financed improvements to freeways, streets and transit that could supplement the improvements that are possible with public funds. Concepts include toll lanes on freeway corridors and high-speed transit service in the PE ROW.

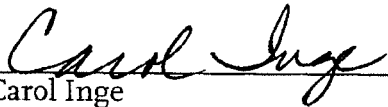
NEXT STEPS

- OCTA and Metro will continue to work together to address transportation needs across the county line.
- Both agencies have programmed funds for a future phase of the study.
- OCTA and Metro will work with SCAG, local agencies, elected officials, and stakeholders in this process.


ATTACHMENT(S)

A. OC/LA Intercounty Transportation Study Overview

Prepared by: Sharad Mulchand, Project Manager, Gateway Cities Area Team, TDI
Ernest T. Morales, Deputy Executive Officer, Gateway Cities Area Team,
TDI
Diego Cardoso, Executive Officer, Transportation Development and
Implementation.

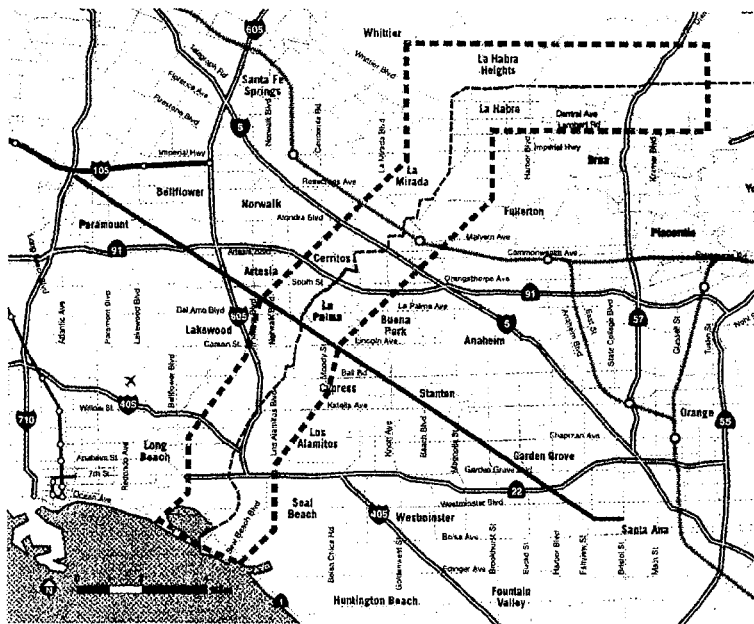


Carol Inge
Planning Chief Officer



Roger Snoble
Chief Executive Officer

OC/LA Intercounty Transportation Study Overview



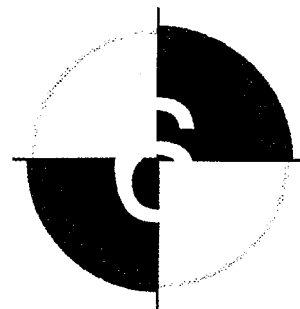
Introduction

The Orange and Los Angeles (OC/LA) Intercounty Transportation Study explored alternatives for improving transportation infrastructure and services across the border between Orange and Los Angeles counties. The objectives of the OC/LA Intercounty Study were to identify transportation needs and issues within the study area and to develop conceptual transportation improvements and strategies to address these needs. The study included extensive coordination with the cities located along the border, both with technical staff and elected officials. Public involvement was also an important part of the study, to assist in the identification of transportation needs and the development of potential improvements.

Study Purpose and Need

The study identified the following six key needs:

1. **Interagency Coordination** - The study is an important first step for OCTA and Metro to work together to improve transportation infrastructure and services between Los Angeles and Orange counties.
2. **Freeway Congestion** - Improve freeway traffic operations and increase capacity.
3. **Arterial Roadway Congestion** - Address roadway capacity constraints near I-405 and SR-57.
4. **Optimization of Existing Transportation Infrastructure** - Make more efficient use of existing transportation infrastructure through traffic signal coordination, intelligent transportation systems, and traffic management.
5. **Transit Connectivity** - Increase transit services across the O.C./L.A. county line and begin to coordinate transit policies between agencies.
6. **Use of Pacific Electric Right of Way** - Strong demand exists for travel between both counties near the corridor.



Metro

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On The
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OC/LA Intercounty
Transportation Study

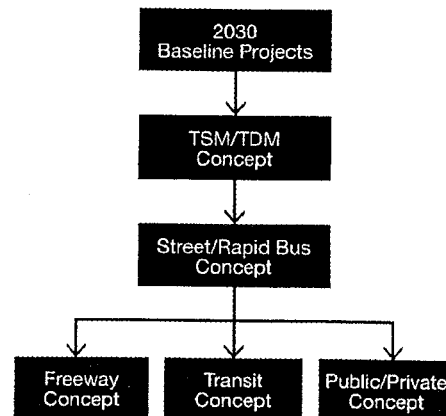
OC/LA Intercounty Transportation Study Overview

Conceptual Alternatives

The conceptual alternatives were developed to address the mobility problems, needs and issues with the transportation network linking Orange and Los Angeles counties. The projects and strategies outlined in the conceptual alternatives are intended to provide OCTA and Metro with a starting point for improvements that would undergo detailed analysis and evaluation in future studies.

- **Transportation System Management/Transportation Demand Management (TSM/TDM) Concept:** The TSM/TDM concept identifies improvements to increase the efficiency of the transportation system and improve mobility. Proposed projects include traffic signal coordination, park-and-ride facilities, bikeway improvements, and increased traffic monitoring.
- **Street-Rapid Bus Concept:** This concept presents a multimodal approach to increase freeway and street capacity and enhance transit services. Proposed projects include arterial street widening, new rapid bus services, improved bus feeder services to Metrolink stations, and a grade separated bus rapid transit (BRT) service in the Pacific Electric Right of Way (PE ROW).
- **Freeway Concept:** The Freeway Concept proposes capacity improvements to freeways between Orange and Los Angeles counties. Proposals include adding a general purpose lane in each direction to the SR-91, I-405 and SR-57 freeways either across or near the OC/LA county line.
- **Transit Concept:** This concept increases transit service frequency, capacity, and connectivity to meet future travel demands. Projects include new bus rapid transit services and a fully elevated transit service in the PE ROW.
- **Public-Private Partnership Concept:** This concept is focused on identifying privately financed improvements to freeways, streets, and transit that could supplement the improvements that are possible with public funds. Concepts include high occupancy toll lanes in freeway corridors and private flyaway bus services to regional airports.

Conceptual Alternatives Relationship



Next Steps

- OCTA & Metro will continue to work together to address transportation needs across the county line.
- Both agencies have programmed funds for a future phase of study.
- OCTA & Metro will work with local agencies, elected officials, and stakeholders in this process.

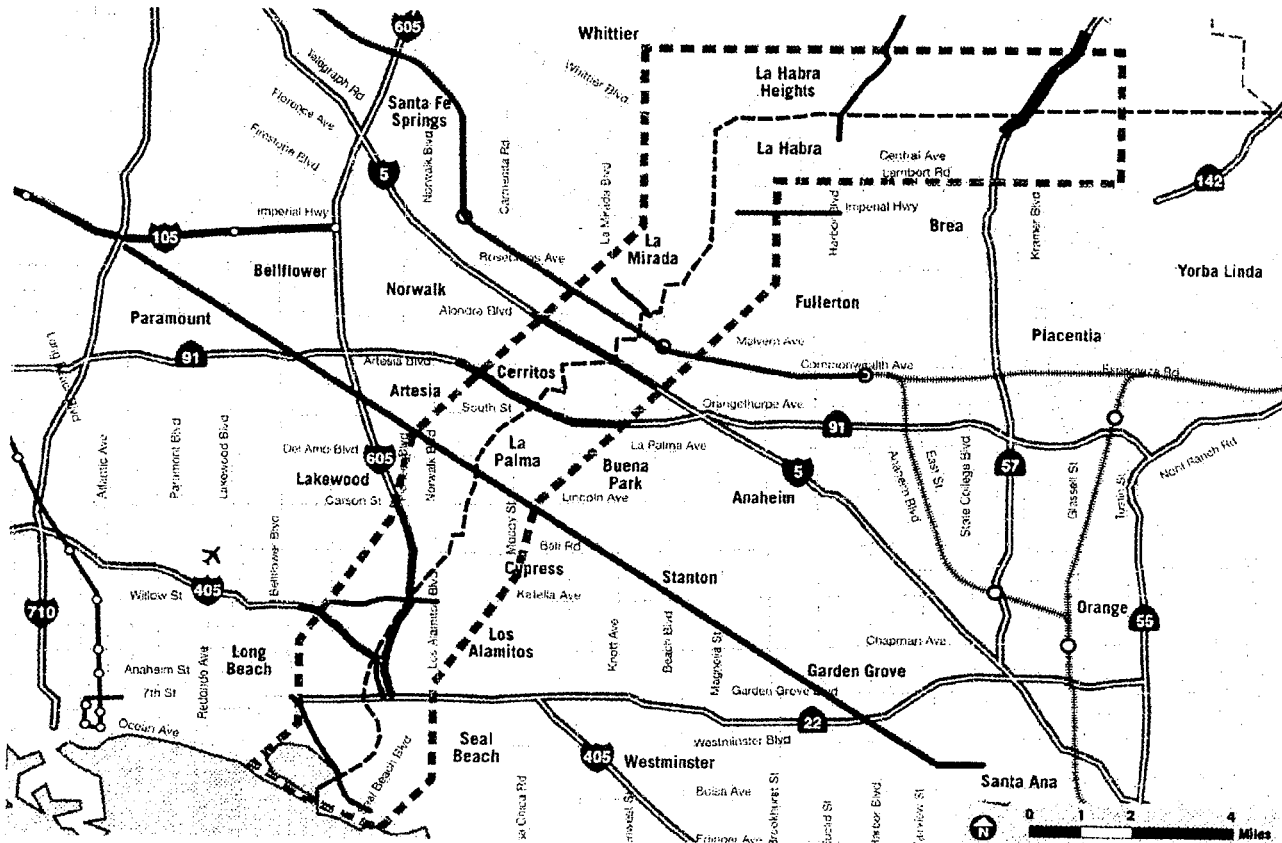


OC/LA Intercounty Transportation Study Overview

Hot Spots

Several individual transportation corridors and facilities have been identified as future hot spots or areas in need of improvement in order to address the forecasted increases in travel demand and travel delay. Based on OCTAM travel demand forecasts, the freeway and street segments highlighted below are forecast to operate at level of service (LOS) "F" in the Year 2030 condition. Transit corridors, including the Metrolink Orange County and 91 Line and the Pacific Electric Right of Way, also show the need for further study. The hot spots across the OC/LA county line are as follows:

- SR-57 Freeway (Lambert Road to Diamond Bar Boulevard)
- Brea Canyon Road (Tonner Canyon Road to Diamond Bar Boulevard)
- Harbor Boulevard (north of Whittier Boulevard)
- La Mirada Boulevard (Rosecrans Avenue to Alondra Boulevard)
- Imperial Highway (East of Beach Boulevard)
- SR-91 Freeway (Artesia Boulevard to Knott Avenue)
- I-5 Freeway (Beach Boulevard to Alondra Boulevard)
- Metrolink Corridor
- Katella Avenue/Willow Street (Studebaker Road to Los Alamitos Boulevard)
- Pacific Coast Highway (Seal Beach Boulevard to 7th Street)
- I-405 Freeway (SR-22 to Woodruff Avenue)
- I-605 Freeway (I-405 to Carson Street)
- Pacific Electric Right of Way



Metro

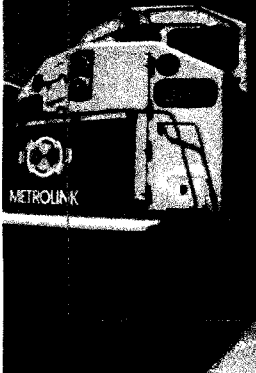
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OC/LA Intercounty Transportation Study

**POWERPOINT
PRESENTATION**

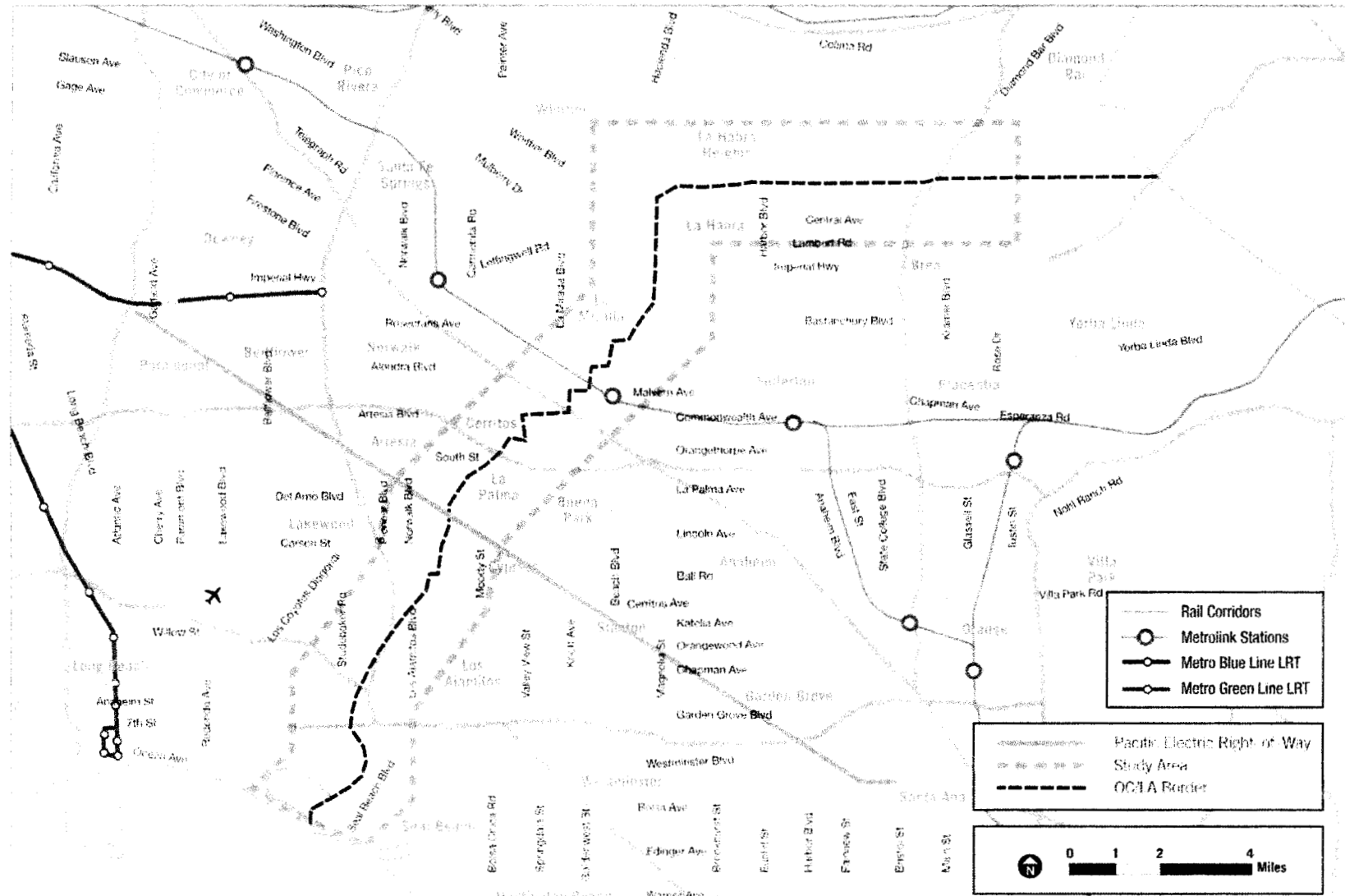
Orange and Los Angeles Intercounty Transportation Study Update



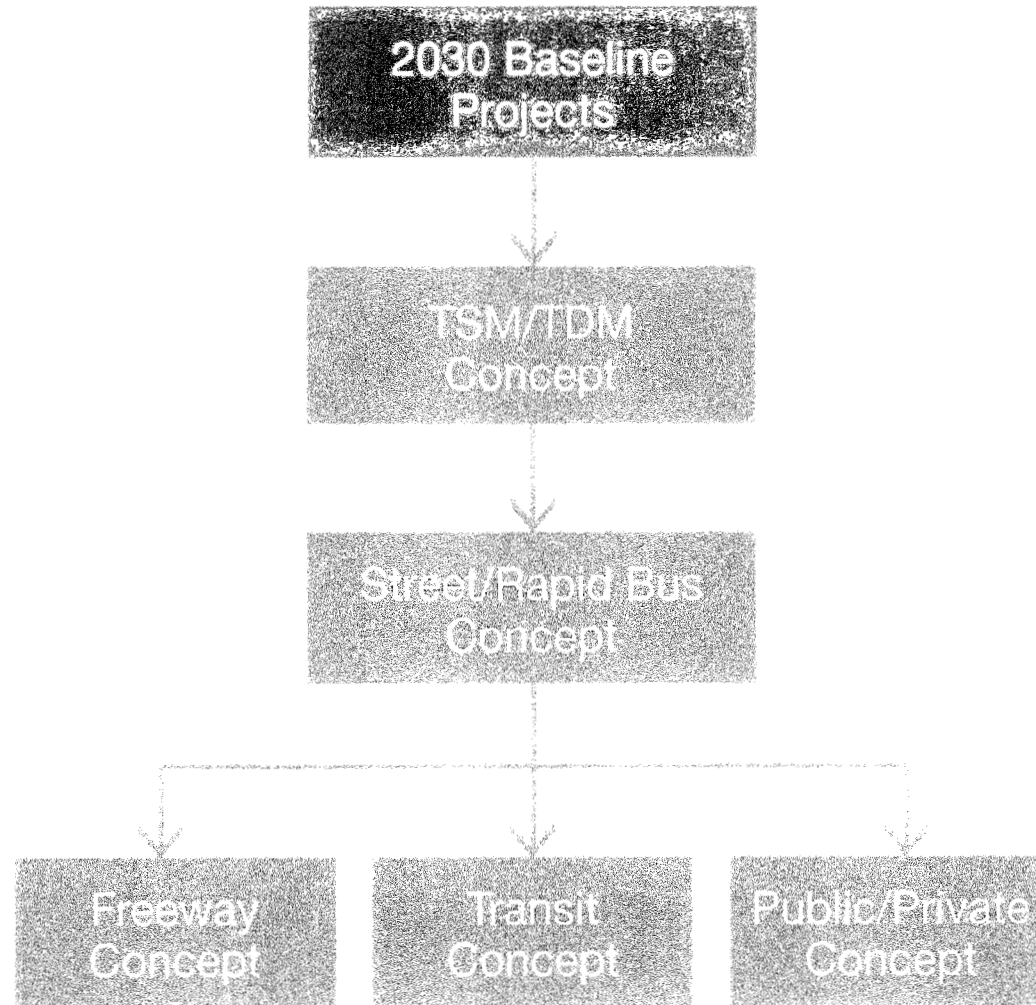
Board of Directors Meeting
February 23, 2004



Orange and Los Angeles Study Area



Conceptual Alternatives



*Transportation Systems Management (TSM)/Transportation Demand Management (TDM)

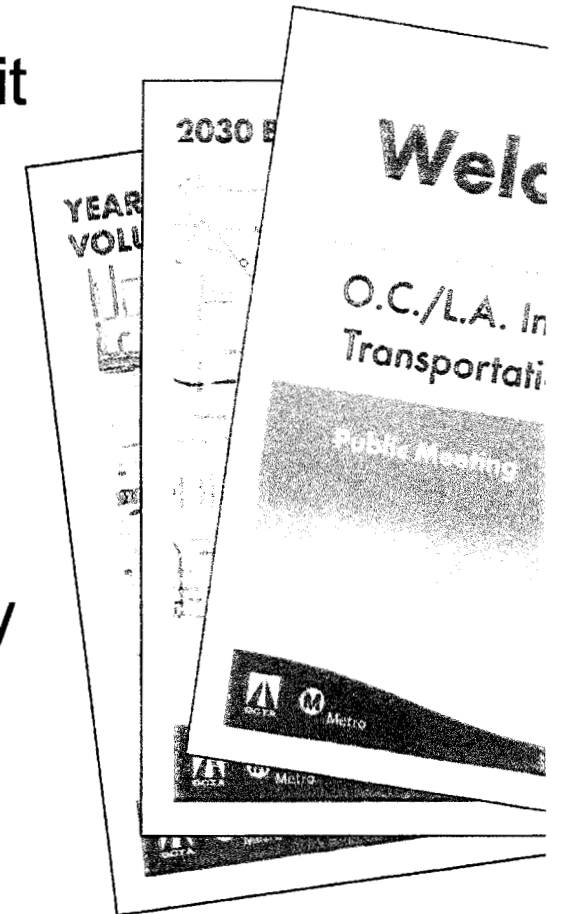
Completed Tasks

- Held elected officials workshop and public open houses
- Incorporated public and agency comments
- Finalized conceptual alternatives
- Completed Pacific Electric Railway right-of-way (PE ROW) assessment

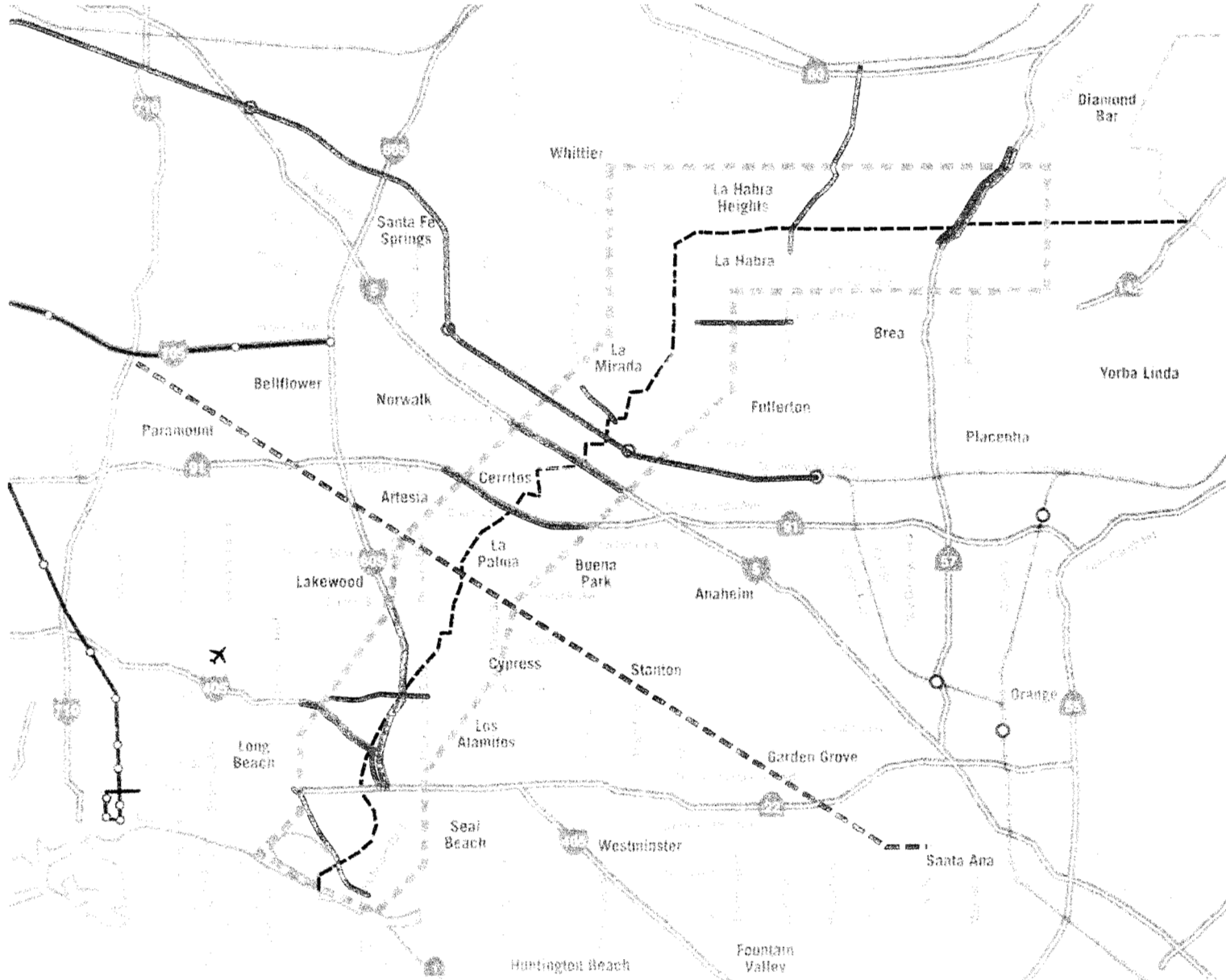


Public Comments

- Strong support for transit improvements
 - Metrolink, light rail transit, bus rapid transit
- I-5, I-405, SR-91 identified as top priority freeways
- Interest in exploring transit use for PE ROW
- Support for bicycle improvements
- Limited interest in toll lanes/high-occupancy toll lanes

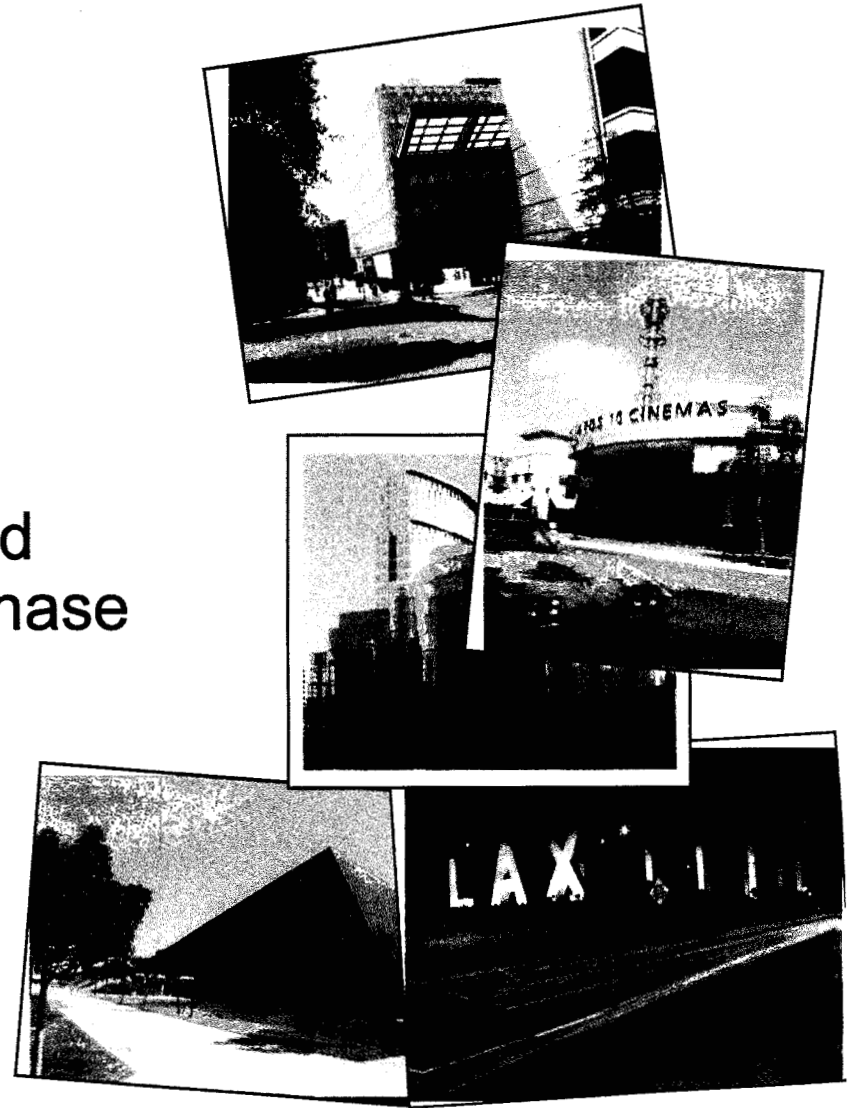


Locations for Future Study



Recommendations

- Receive and file conceptual alternatives report and PE ROW assessment
- Direct staff to work with Metro and develop scope of work for next phase of study





BOARD COMMITTEE TRANSMITTAL

February 23, 2009

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: Renewed Measure M Progress Report

Transportation 2020 Committee Meeting of February 16, 2009

Present: Directors Amante, Brown Buffa, Campbell, Cavecche, Dixon,
and Pringle
Absent: None

Committee Vote

No action was taken on this item.

Staff Recommendation

Receive and file as an information item.



February 16, 2009

To: Transportation 2020 Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Renewed Measure M Progress Report

Overview

Staff has prepared a Renewed Measure M progress report for October 2008 through December 2008 for review by the Orange County Transportation Authority Board of Directors. The report highlights progress on Renewed Measure M projects and programs and is made available to the public via the Orange County Transportation Authority website.

Recommendation

Receive and file as an information item.

Background

Measure M Ordinance No. 3 requires quarterly status reports regarding the major projects detailed in the Renewed Measure M Transportation Investment Plan be filed with the Orange County Transportation Authority (OCTA) Board of Directors (Board). All Renewed Measure M progress reports are posted online for public review.

Discussion

Voter safeguards are a critical factor for public acceptance of Renewed Measure M (M2). The quarterly report is an opportunity to show progress in implementing the M2 Transportation Investment Plan. In order to be cost-effective and improve the accessibility of information to stakeholders and the public, all M2 progress reports will be web-based; however, hard copies will be mailed upon request. The report reflects progress being made on Board-approved Early Action Plan (EAP) projects and programs. Each item features a brief paragraph that provides an overview of significant progress for the time period, with a web link to more information including staff reports and project descriptions (Attachment A).

Highlights of the M2 progress in this quarter include:

- Completed four readiness and market assessments that found OCTA well-positioned to deliver the M2 program.
- Completed a project study report that identifies options for increasing capacity along the Santa Ana Freeway (Interstate 5) between Avenida Pico and Pacific Coast Highway.
- Began a project study report to look at ways to improve traffic flow along Interstate 5 between the San Joaquin Toll Road (State Route 73) and El Toro Road.
- Completed a project study report to add one or two lanes each way on the San Diego Freeway (Interstate 405) between the Costa Mesa Freeway (State Route 55) and the San Gabriel Freeway (Interstate 605).
- Completed a signal synchronization project along an 8¾-mile segment of Oso Parkway/Pacific Park Drive improving travel times between 13 and 27 percent.
- Board approved 25 mixed-flow bus/shuttle proposals submitted under Go Local Step One to be advanced to Step Two.
- Implemented a public outreach plan to build an inventory of potential habitat conservation sites that may be eligible for funding for acquisition and restoration under M2's freeway environmental mitigation program.
- Completed the South Orange County Major Investment Study.
- Received updated sales tax forecasts that show a further decline in revenues. As compared to the 2005 nominal revenue estimates, the first 12 months of M2 sales tax revenue is now projected to be \$92 million less than the 2005 predictions and the average annual growth rate over the 30-year period is projected to decrease by approximately 0.5 percent. Overall, the nominal M2 sales tax revenue is projected to decrease from a 2005 estimate of \$24.3 billion to a revised estimate of \$16.3 billion for the 30-year period.

To encourage the public review of the quarterly report online, information will be placed in OCTA's existing "Transportation Update" advertisement that appears approximately every three weeks in the *Orange County Business Journal*, *Orange County Register*, *Excelsior*, *The Korean Daily*,

The Chinese Daily News, and Nguoi Viet Daily News. Staff also will notify all Orange County cities and use other existing communication tools such as project newsletters and Board action updates to notify the public about the online availability of the M2 progress report. Because the public may view both the original Measure M and M2 as one program, the original Measure M annual report also includes an update on the progress of M2.

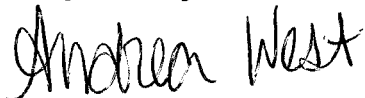
Summary

As required by Measure M Ordinance No. 3, a quarterly report is provided to update progress in implementing the M2 Transportation Investment Plan. To facilitate accessibility and transparency of information available to stakeholders and the public, the M2 progress report is presented on the OCTA website.

Attachment

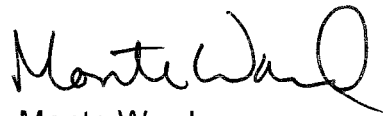
- A. Renewed Measure M (M2) Quarterly Progress Report for October – December 2008

Prepared by:



Andrea West
Local Government Relations
Representative
(714) 560-5611

Approved by:



Monte Ward
Director, Special Projects
(714) 560-5582

Renewed Measure M (M2) Quarterly Progress Report October – December 2008

The following is a summary of the progress made on the Renewed Measure M (M2) Early Action Plan (EAP) covering the fourth quarter (October – December) of 2008.

M2 Readiness Assessments

OCTA staff: Andy Offelie: (714) 560-5649

When the Orange County Transportation Authority (OCTA) Board of Directors (Board) adopted the EAP, they authorized four studies to identify risk areas and generally assess OCTA's ability to deliver on the promises of the EAP. The four studies are as follows:

- OCTA Organizational Readiness and Capacity – Administered by PB Consult, this study assessed OCTA's organizational structure and capabilities to determine its capacity to deliver the EAP. This was done through a thorough review of OCTA documents and interviews and workshops with OCTA staff and included a comprehensive peer review.
- Market Conditions Analysis – The Orange County Business Council (OCBC), in partnership with the University of California, Irvine, researched the market conditions that are likely to influence OCTA's ability to deliver the EAP. This was done using available statewide data to develop market forecasts and determine broader inventory levels for the region's infrastructure construction program and included interviews with transportation industry professionals. Also, as part of this study, OCBC interviewed 35 professional services and construction contractor executives to understand the "perceptions of doing business with OCTA."
- Readiness and Absorption Capacity of Public Agencies – The study, also conducted by the OCBC, inventoried and assessed the ability of affected public entities to deliver on the promises of the EAP.
- Renewed Measure M Administrative Requirements – LMS Consulting analyzed the differences between the original Measure M (M1) and M2 and provided recommendations on new policies and procedures that need to be developed including transition actions as M1 ends and M2 begins.

OCTA staff is in receipt of all four studies and a summary was presented to the Transportation 2020 Committee and the Board in January. Generally, the studies found that there were no fatal flaws in current processes, market conditions support an aggressive schedule, and there are generally positive perceptions of doing business with OCTA. Opportunities for improvement included streamlining the procurement process, enhancing the project manager role, focusing efforts on the early development process, and preparing for the new M2 requirements.

Highway Projects

OCTA staff: Tom Bogard (714) 560-5918

The significant activities for the M2 freeway projects in the fourth quarter of 2008 were:

Project A – California Department of Transportation (Caltrans) is preparing a project study report to identify ways to relieve freeway congestion along the Santa Ana Freeway (Interstate 5) between the Costa Mesa Freeway (State Route 55) and the Orange Freeway (State Route 57) in Santa Ana. The study is looking at ways to increase capacity and improve traffic flow through this section of Interstate 5 (I-5) that connects four major freeways in central Orange County. The study is expected to be completed in early 2009.

Project C – Caltrans recently completed a project study report that identifies options for increasing capacity along I-5 between Avenida Pico and Pacific Coast Highway through the communities of San Clemente and Dana Point. This study evaluated the benefits of extending the current high-occupancy vehicle (HOV) lanes on I-5, which presently end at the Pacific Coast Highway interchange, all the way down to Avenida Pico in San Clemente. OCTA has just begun a project study to look at ways to improve traffic flow along I-5 between the San Joaquin Toll Road (State Route 73) and El Toro Road through the communities of Lake Forest, Laguna Hills, and Mission Viejo. The study will look at capacity enhancements and interchange improvements to ease the flow of traffic through this area.

Project D – The City of San Juan Capistrano (City) is finalizing an environmental document for improvements to the I-5/Ortega Highway (State Route 74) interchange. The City, working with Caltrans, identified five alternatives to improve traffic flow within the interchange. The City has recently selected a locally preferred alternative and will complete the environmental documents in early 2009.

Project F – OCTA is preparing a project study report to look into options to improve State Route 55 (SR-55) between the San Diego Freeway and I-5, passing through the communities of Irvine and Santa Ana. The study is looking at the feasibility of lane additions within this corridor and possible improvements to the freeway interchanges to reduce traffic congestion in the area.

Project G – OCTA is preparing the final design for a new northbound lane on State Route 57 (SR-57) from Orangethorpe Avenue to Lambert Avenue through the communities of Brea and Fullerton. It is expected that the widening of the freeway in the northbound direction can be accommodated within the existing right of way. In addition, OCTA is preparing an environmental analysis to add a new northbound lane on SR-57 between Katella Street and Lincoln Avenue in the Anaheim area. This study will identify any potential environmental impacts of the project and will propose mitigation measures to minimize any unavoidable impacts. Construction is expected to begin on the first segments of the project in 2010.

Project H – OCTA is preparing an environmental document to add a new westbound lane to the Riverside Freeway (State Route 91) between I-5 and SR-57 in Anaheim. This effort is looking at the environmental and design issues related to adding a new general purpose lane and will identify the most practical approach that has the least impact on existing properties along the freeway.

Project I – Caltrans began the preparation of an environmental document to improve traffic flow through the SR-55/State Route 91 (SR-91) interchange. The improvements to the interchange will focus on the northbound to westbound connector between the two freeways and the traffic flow along westbound SR-91 in this area.

Project J – Three projects are being advanced along SR-91 to relieve traffic congestion in the corridor connecting Orange and Riverside counties. Caltrans is advancing the final design of a new westbound lane between the Foothill-South Toll Road (State Route 241) and the Corona Expressway (State Route 71) in Riverside County. This project will extend the existing westbound auxiliary lane, which terminates before Green River Road, to the State Route 71 interchange. Construction is expected to begin on this project in 2009. Caltrans also is preparing an environmental analysis for adding one new lane each way along SR-91 from SR-55 to State Route 241 (SR-241). This project will add significant new capacity through the cities of Anaheim and Placentia. The third project is being advanced by the Riverside County Transportation Commission (RCTC) to add a new lane each way and to extend the express lanes between SR-241 in Anaheim to the Corona Freeway in Corona. RCTC is currently preparing an environmental analysis for these proposed improvements.

Project K – OCTA has recently completed a project study report to add one to two new lanes each way on the San Diego Freeway (Interstate 405) between SR-55 and the San Gabriel Freeway (State Route 605). These improvements will add mainline capacity and improve the local interchanges along the corridor that serves the communities of Fountain Valley, Huntington Beach, Los Alamitos, Santa Ana, Seal Beach, and Westminster. A formal environmental analysis of the proposed improvements will begin in early 2009.

Signal Synchronization

OCTA staff: Anup Kulkarni (714) 560-5867

In January 2008, OCTA completed the Euclid Street Signal Synchronization Project that implemented optimized signal timing along a 16-mile segment of Euclid Street. Travel times along Euclid Street were improved between 16 and 24 percent with the new timings.

In December 2008, a second synchronization project along an 8¾-mile segment of Oso Parkway/Pacific Park Drive was completed. Optimized timing has been implemented in conjunction with strategic signal systems upgrades and a monitoring effort. Travel times along Oso Parkway were improved between 13 and 27 percent with the new timings.

In April 2008, the California Transportation Commission awarded OCTA \$4 million as part of the Proposition 1B traffic signal synchronization program. This, combined with \$4 million from M1, will provide \$8 million to fund signal synchronization along 10 significant street corridors comprised of 533 signalized intersections over the next three years. OCTA has developed a schedule to fund and implement these projects and will start the first set of these projects in April 2009 pending expected release of the funds from the State of California.

Finally, OCTA has been working on a master plan for the regional traffic signal synchronization program. The \$450 million (plus 20 percent local match) program is funded by M2. The goal of this program is to improve the flow of traffic by developing and implementing regional signal coordination through more than 2,000 intersections. The master plan effort will be complete in fall 2009.

Metrolink

OCTA staff: Dinah Minter (714) 560-5740

During this quarter, all cooperative agreements between OCTA and the Los Angeles-San Diego-San Luis Obispo (LOSSAN) corridor cities have been executed. Additionally, most construction and maintenance agreements between the Southern California Regional Rail Authority (SCRRA) and the cities have been signed (except for the cities of Fullerton and Dana Point).

OCTA has successfully completed identification of right-of-way (ROW) and utility impacts associated with grade crossing improvements at all 51 locations. Weekly ROW and utility meetings are conducted with the affected cities and utility companies. ROW acquisition has begun in the City of Orange, and is expected to be completed by the end of January 2009. Other cities in the program have asked OCTA to provide technical/consultant assistance for ROW acquisitions. OCTA has consultants on board to proceed with right-of-way and utility coordination work. In December, SCRRA received bids for the civil construction package. The contract is expected to be awarded by the SCRRA Board of Directors in the first quarter of 2009. The construction of these improvements is expected to be completed by the end of 2010.

Go Local

OCTA staff: Kelly Long (714) 560-5725

On October 27, 2008, the Board approved 25 mixed-flow bus/shuttle proposals submitted under Go Local Step One to be advanced to Step Two. As part of Step Two, each of the proposals will undergo detailed service planning in order for the Board to assess, at the completion of Step Two, if the concept has significant merit to advance to step three for implementation. Each of the approved bus/shuttle services propose to provide a connection between a Metrolink station and major destination centers within the respective communities. The concepts generally provided regional benefits, offered a link from the nearest Metrolink station to cities' major population centers, and

demonstrated a preliminary financial commitment on behalf of the proposing cities and surrounding business and activity centers.

In December 2008, agreements were executed with several professional services firms that will assist OCTA staff in assessing the feasibility of the proposals by evaluating areas such as, but not limited to, potential demand and customer needs, route segment and system performance, potential impacts to existing OCTA fixed-route bus and paratransit service, boardings/revenue vehicle hours, resources, budgets, policies, and technical aspects of the proposed service.

Project development continues with the fixed-guideway proposals previously approved by the Board in May 2008 to complete an alternatives analysis as part of step two. Staff will bring to the Board, in early 2009, a recommendation for award of a consultant who will serve as an extension of OCTA staff in providing project management oversight and technical support to ensure that the fixed-guideway projects undergo detailed planning and obtain the necessary environmental clearances as required in step two of the Go Local program.

All planning work done as part of steps one and two of the Go Local program is funded by M1 in preparation for the implementation of Project S, Transit Extensions to Metrolink under M2.

Environmental Committees

OCTA staff: Marissa Espino (714) 560-5607

The Environmental Cleanup Allocation Committee (Allocation Committee) and the Environmental Oversight Committee (EOC) both began meeting on a monthly basis starting in January 2008.

Water Quality Program

The Allocation Committee is designed to make recommendations to the Board on the allocation of funds for water quality improvements, and is currently developing a draft framework for the competitive allocation of water quality funding.

The two categories for potential water quality funding are a catch basin program and a new capital and operations projects program. The committee is in the process of exploring these two categories and working toward making recommendations to the Board on water quality program guidelines. These guidelines will be used by eligible local agencies to submit project applications and funding requests starting in fiscal year 2009-10.

Based on a July 2008 questionnaire, which was disseminated to all Orange County cities, a key finding of a proposed catch basin funding program was that less than 10 percent of catch basins in the county have some type of device to screen trash and debris. More than 90 percent of the cities indicated their interest in applying for funds,

which would increase the number of catch basins to be protected by 40 percent on a countywide basis. Staff is currently reviewing information obtained from a second questionnaire, which will provide details on specific structural devices that the cities would recommend for funding.

Freeway Mitigation Program

The purpose of the EOC is to make recommendations to the Board on the allocation of environmental freeway mitigation funds and monitor the implementation of a master agreement between OCTA and state and federal resource agencies. The master agreement will provide higher-value environmental benefits such as habitat protection, wildlife corridors, and resource preservation in exchange for streamlined project approvals and greater certainty in the delivery of the freeway program as a whole.

OCTA staff and legal counsel, the United States Fish and Wildlife Service, and the California Department of Fish and Game are continuing to develop the master agreement and an associated planning agreement. The planning agreement is designed to establish the process, roles, responsibilities, and commitments for the preparation of a Habitat Conservation Plan/Natural Community Conservation Plan (HCP/NCCP). The HCP/NCCP would document impacts, mitigation, and conditions for permitting of the 13 M2 freeway projects. The master agreement and planning agreement are expected to be finalized in the first quarter of 2009.

In December 2008, staff implemented a public outreach plan to build an inventory of potential habitat conservation sites that may be eligible for funding for acquisition and restoration. Property information will be collected from interested participants who may include property owners and managers, conservation and community groups, and local governments until January 30, 2009.

South Orange County Major Investment Study

OCTA staff: Charlie Larwood (714) 560-5683

The South Orange County Major Investment Study concluded with recommended strategies and improvements to address future demands on our transportation system. The locally preferred strategy was approved by the Board in October 2008 and established the M2 freeway plan as a priority for improving transportation in south Orange County followed by additional proposed improvements to I-5 and I-405.

Financing

OCTA staff: Ken Phipps (714) 560-5637

The downturn in the economy continues to negatively impact local sales tax revenues. Actual sales tax revenue receipts through December 2008 are 5.4 percent less than receipts for the same period in fiscal year 2007-08. Staff has extrapolated year-to-date performance to fiscal year end and applied the recently updated short-term sales tax forecasts from Chapman University, the University of California Los Angeles (Anderson

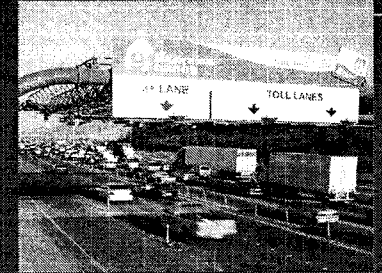
Forecast) and California State University, Fullerton of -2.0 percent for fiscal year 2009-10 to come up with an updated M2 forecast.

As compared to the 2005 nominal revenue estimates, the first 12 months of M2 sales tax revenue is now projected to be \$92 million less than the 2005 projections and the average annual growth rate over the 30-year period is projected to decrease by approximately 0.5 percent. Overall, the nominal M2 sales tax revenue is projected to decrease from a 2005 estimate of \$24.3 billion to a revised estimate of \$16.3 billion for the 30-year period.

**POWERPOINT
PRESENTATION**

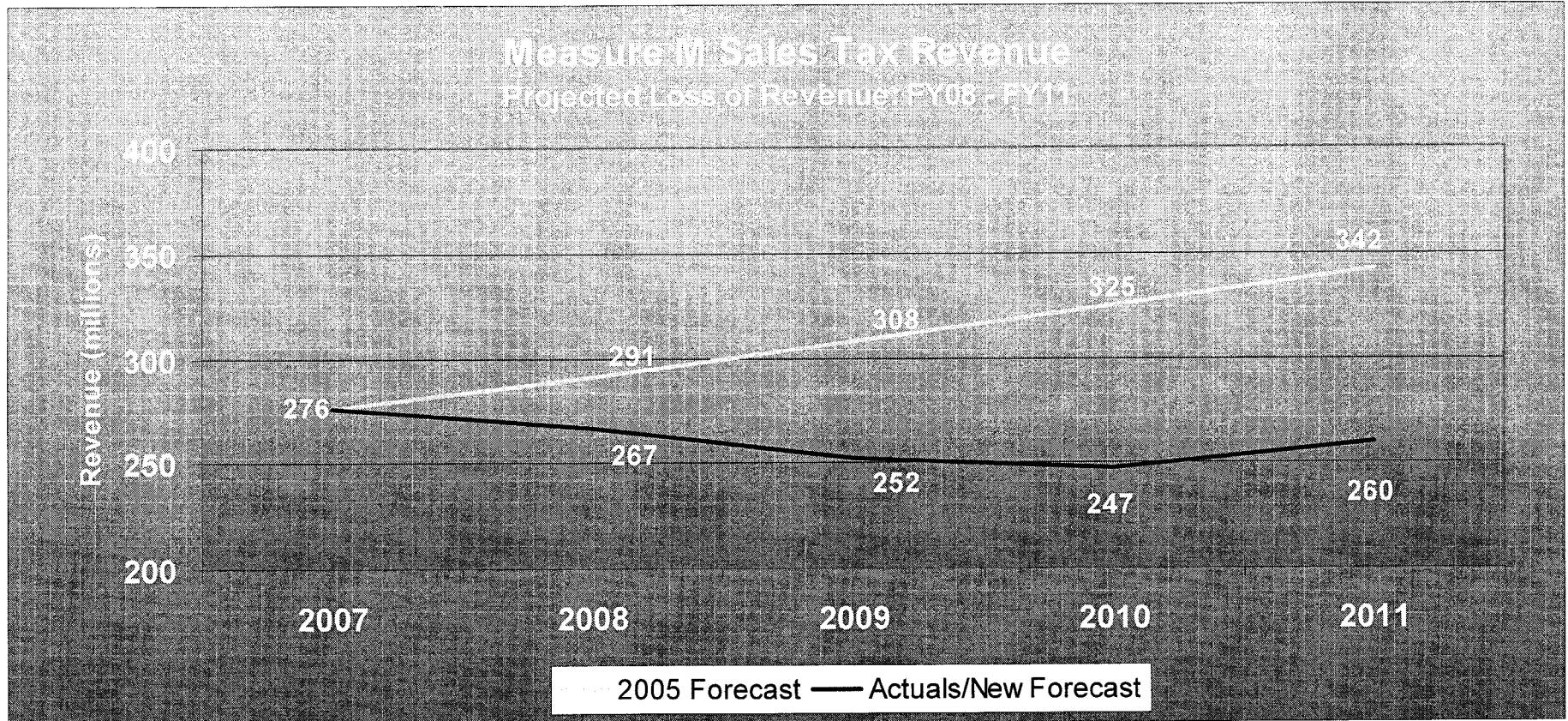


Renewed Measure M Progress Report



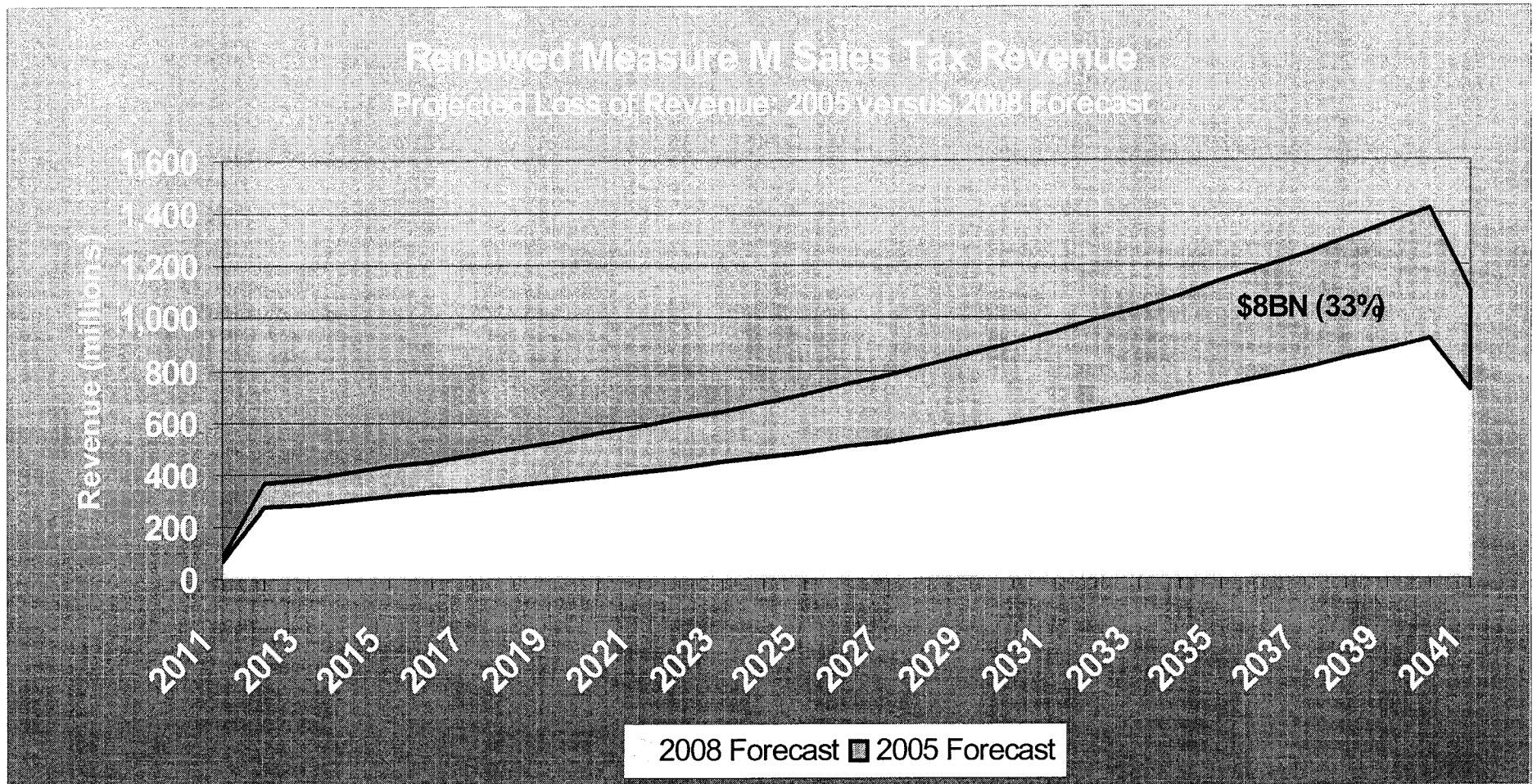
Board of Directors Meeting
February 23, 2009

Measure M Sales Tax Forecast



* Fiscal Year 2011 figures include three months of Renewed Measure M sales tax collections

Measure M2 – Future Impact



Summary of Funding Requirements (in Millions)

| | |
|-----------------------------|------------------|
| ■ Freeway Program | \$ 164.2 |
| ■ Transit Program | 172.6 |
| ■ Streets & Roads Program | <u>14.4</u> |
| Total Project Requirements | \$ 351.2 |
| ■ Commercial Paper Interest | <u>~ \$ 48.8</u> |
| ■ Total Authorized Amount | \$ 400.0 |

Next Steps

- Complete Freeway Strategic Plan
- Re-define Metrolink service plan
- Re-visit Early Action Plan