

Date: Monday, February 27, 2006

Time: 9:00 a.m.

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



AGENDA

Orange County Transportation Authority Board Meeting
OCTA Headquarters
First Floor - Room 154
600 South Main Street, Orange, California
Monday, February 27, 2006, at 9:00 a.m.

ACTIONS

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

Invocation

Director Silva

Pledge of Allegiance

Director Rosen

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.



AGENDA

ACTIONS

Special Matters

1. The Road to #1

A tribute to former Board Members and executives in honor of the American Public Transportation Association's award to OCTA as America's Number One Transportation System for 2005.

2. Presentation of Resolutions of Appreciation for Employees of the Month for February 2006

Present Orange County Transportation Authority Resolutions of Appreciation Nos. 2006-09, 2006-10, 2006-11 to Martin Lubus, Coach Operator; Cesar Carrillo, Maintenance; and Ron Wolf, Administration, as Employees of the Month for February 2006.

Consent Calendar (Items 3 through 14)

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

Orange County Transportation Authority Consent Calendar Matters

3. Approval of Minutes

Of the Orange County Transportation Authority and affiliated agencies' regular meeting of February 14, 2006.

4. Approval of Resolutions of Appreciation for Employees of the Month for February 2006

Adopt Orange County Transportation Authority Resolutions of Appreciation Nos. 2006-09, 2006-10, and 2006-11 to Martin Lubus, Coach Operator, Cesar Carrillo, Maintenance, and Ron Wolf, Administration, as Employees of the Month for February 2006.



AGENDA

ACTIONS

5. **State Legislative Status Report**
Wendy Villa/Richard J. Bacigalupo

Overview

The last day for bill introduction in this legislative session is February 24, 2006. Proposed bill language is attached for sponsorship regarding planning, programming, and monitoring funds. The Assembly Republicans' "Pay As You Go" infrastructure plan is described. The two-year deadline for prior-year bills to pass their house of origin passed on January 31, 2006.

Recommendation

Co-Sponsor legislation to provide predictable and sufficient resources to transportation agencies to plan, program, monitor, and manage projects.

6. **Second Quarter Payroll Distribution Review**
Robert A. Duffy/Richard J. Bacigalupo

Overview

The Internal Audit Department has completed a payroll distribution review of the Planning & Analysis Department. A response to the report was not required.

Recommendation

Receive and file the Second Quarter Payroll Distribution Review, Internal Audit Report No. 06-027.

7. **Buy America Review**
Robert A. Duffy/Richard J. Bacigalupo

Overview

Internal Audit has reviewed the costs for the vehicles proposed by Creative Bus Sales, Incorporated for procurements of 10 and 32 vans to determine if the costs were in compliance with federal "Buy America" guidelines. During the review, Internal Audit determined that vehicle costs in excess of 60 percent will be of United States content, in conformity with the requirements of Section 165(a) or (b)3 of the Surface Transportation Act of 1982, as amended.



AGENDA

ACTIONS

7. (Continued)

Recommendation

Receive and file the Creative Bus Sales, Inc. – Procurement of 10 Vans, Buy America Review, Internal Audit Report No. 06-030, and the Creative Bus Sales, Inc. – Procurement of 32 Vans, Buy America Review, Internal Audit Report No. 06-031.

8. **Review of the Human Resources Information System, Post-Implementation**

Robert A. Duffy/Richard J. Bacigalupo

Overview

The Internal Audit Department has completed a review of the Human Resources Information System and the related application security. There were no recommendations for improvements, therefore a response to the report was not required.

Recommendation

Receive and file the Review of the Human Resources Information System, Post Implementation, Internal Audit Report No. 06-013.

9. **Review of Procurement - Revisions to Procurement Policies and Procedures**

Robert A. Duffy/Richard J. Bacigalupo

Overview

The Internal Audit Department has completed a limited review of compliance with the procurement revisions that were approved by the Board of Directors on July 26, 2004. The Internal Audit Department determined that the procurement revisions have been implemented. A response to the report was not required.



AGENDA

ACTIONS

9. (Continued)

Recommendation

Receive and file the Review of Procurement - Revisions to Procurement Policies and Procedures, Internal Audit Report No. 06-004.

10. **Status of Santa Ana River Crossings Study**

Wendy Garcia/Paul C. Taylor

Overview

On June 6, 2005, the Board of Directors authorized staff to complete the consultant selection process for a Preliminary Engineering and Supplemental Environmental Impact Report to assess the feasibility of the Garfield-Gisler Bridge crossing over the Santa Ana River. The intent of the report was to provide information that would enable the cities of Costa Mesa, Fountain Valley, and Huntington Beach to reach a consensus as to whether the bridge should be constructed or deleted from the Master Plan of Arterial Highways. As the study progressed, it was determined that the 2001 Environmental Impact Report could not be used as the basis for a supplemental Environmental Impact Report. Consequently, staff has been working with the cities in the Garfield-Gisler study area to define other options for reaching consensus on the ultimate disposition of the bridge. Those options and a summary of the overall study process and budget are described herein.

Recommendations

- A. Receive and file as an information item.
- B. Direct staff to present another progress report to the Board of Directors within 90 days.



AGENDA

ACTIONS

11. **Amendment to Provisions of 2004 Call-Approved Arterial Highway Rehabilitation Program Projects**
Kanwal J. Singh/Paul C. Taylor

Overview

There has been considerable change in construction costs since the Orange County Transportation Authority awarded \$86,827,523 of federal funding for street rehabilitation projects in June 2005. This report outlines a strategy developed in consultation with the Technical Steering and Advisory Committees that offers flexibility to local agencies to address the issue within available budget limits.

Recommendations

- A. Allow local agencies to modify scope of rehabilitation projects to facilitate delivery within currently available Orange County Transportation Authority allocated federal funds and committed matching local funds.
- B. Allow local agencies to shift Orange County Transportation Authority allocated federal funds among their approved rehabilitation projects while maintaining each agency's maximum allocation of federal funds and committed matching local funds.
- C. Authorize staff to administratively implement the above recommendations for the federally funded rehabilitation projects.

12. **Selection of an On-Call Contractor for Earth Grading Services**
Charles Guess/Stanley G. Phernambucq

Overview

As part of the Orange County Transportation Authority's Fiscal Year 2005-06 Budget, the Board approved a construction budget for the Santa Ana Freeway (Interstate 5) Gateway Project. A specific expenditure now required is an on-call contractor to provide earth grading services for the Union Pacific Storage Track relocation work. An offer was received in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services. Board approval is requested to execute an agreement.



AGENDA

ACTIONS

12. (Continued)

Recommendation

Authorize the Chief Executive Officer to execute Agreement C-5-2978 between the Orange County Transportation Authority and Demo Unlimited, Inc., in an amount not to exceed \$1,905,000, for earth grading services.

13. **Request to Release Request For Proposals for Operation of the Customer Information Center**

Linda Fenner/Ellen S. Burton

Overview

The Orange County Transportation Authority contracts with an outside provider to operate its Customer Information Center. The contract with the current provider expires on December 31, 2006. This report describes Customer Information Center functions as well as the recommended criteria to be used for evaluating proposals from vendors.

Recommendation

Release a Request for Proposals for procurement of a call center service provider to operate the Orange County Transportation Authority's Customer Information Center. The new contract will go into effect January 1, 2007.

Orange County Transit District Consent Calendar Matters

14. **Amendment to Agreement for Bus Stop Solar Lights**

Al Pierce/William L. Foster

Overview

On June 13, 2005, the Board of Directors approved an agreement with Carmanah Technologies, Inc., in the amount of \$174,000, to manufacture and install 300 bus stop solar lighting units. Carmanah Technologies, Inc., was retained in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services.



AGENDA

ACTIONS

14. (Continued)

Committee Recommendation

Authorize the Chief Executive Officer to execute Amendment No. 2 to Agreement C-5-0468 between the Orange County Transportation Authority and Carmanah Technologies, Inc., in an amount not to exceed \$211,700, to manufacture and install 365 bus stop solar lighting units.

Regular Calendar

Orange County Transportation Authority Regular Calendar Matters

15. Santa Ana Freeway (Interstate 5) Gateway Project Cost Update and Amendment to Agreement with the California Department of Transportation

Charles Guess/Stanley G. Phernambucq

Overview

The bids for the Santa Ana Freeway (Interstate 5) Gateway Project, received on February 9, 2006, came in higher than the original estimates requiring amendments to the funding plan, State Transportation Improvement Program, Federal Transportation Improvement Program, and the cooperative agreement with the California Department of Transportation for construction and construction management.

Recommendations

- A. Approve the funding plan based on the cost update that increases the project total to \$314.3 million.
- B. Approve the use of \$30,313,000 of Congestion Mitigation and Air Quality funds and \$31,212,000 in additional State Transportation Improvement Program funds as included in the proposed funding plan.
- C. Authorize staff to process any necessary amendments and agreements to the State Transportation Improvement Program and the Regional Transportation Improvement Program to facilitate the above actions.



AGENDA

ACTIONS

15. (Continued)

- D. Authorize the Chief Executive Officer to execute Amendment No. 1, in an amount not to exceed \$22,934,000, to Cooperative Agreement C-5-2591 with the California Department of Transportation to support the new funding plan.

16. **Amendment to Agreement for Additional Construction Support Services for the Santa Ana Freeway (Interstate 5) Gateway Project**
Charles Guess/Stanley G. Phernambucq

Overview

On August 12, 2002, the Board of Directors approved an agreement with URS Corporation, in the amount of \$12,000,000, to provide design and construction support services for the Santa Ana Freeway (Interstate 5) Gateway Project. URS Corporation was retained in accordance with the Orange County Transportation Authority's procurement procedures for architectural and engineering services.

Recommendations

- A. Authorize the Chief Executive Officer to execute Amendment No. 7 to Agreement C-2-0710 between the Orange County Transportation Authority and URS Corporation, in an amount not to exceed \$1,508,000, for additional construction support services.
- B. Amend the Orange County Transportation Authority's Fiscal Year 2005-06 Budget, expense account 0010-7519, in the amount of \$2,000,000.



AGENDA

ACTIONS

17. **Process for City-initiated Rapid Transit and Related Projects**

Jose Martinez/Paul C. Taylor

Overview

The recently adopted Five-Year Program allocated \$30 million in existing Measure M funds to study ways to increase transit access to Metrolink through partnerships with cities. Staff has developed a four-step process for communities to develop their own transit vision for the future by creating transit extensions that branch from Metrolink stations. The process begins with grants to interested cities to assess their needs for city initiated rapid transit projects. This investment is consistent with the Measure M transit program.

Recommendations

- A. Approve a four-step process for city-initiated rapid transit and related projects.
- B. Authorize the Chief Executive Officer to execute Memorandums of Understanding by and between the Orange County Transportation Authority Metrolink station cities and other cities as partners allocating \$100,000 per city for communities to develop their own transit vision for the future.
- C. Direct staff to return with a progress report on this initial needs assessment by December 31, 2006.
- D. Direct staff to return at a later time with recommended guidance for Step Two project planning and/or alternatives analysis based on the criteria in this staff report.



AGENDA

ACTIONS

Orange County Transit District Regular Calendar Matters

18. **Agreement for Provision of ACCESS, Contracted Fixed Route, Stationlink and Express Bus Service**

Erin Rogers/William L. Foster

Overview

The Orange County Transportation Authority currently has an agreement with Laidlaw Transit Services, Inc., for the management and operation of ACCESS and contracted fixed route service. This agreement expires on June 30, 2006. A competitive procurement has been conducted and offers were received in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services. Board approval is requested to execute an agreement.

Committee Recommendation

Refer this item to the Board for discussion and action on staff's recommendation.

Other Matters

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

20. **Directors' Reports**

21. **Public Comments**

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



AGENDA

ACTIONS

22. Closed Session

Pursuant to Government Code Section 54956.9(c).

23. Adjournment

The next regularly scheduled meeting of the OCTA/OCTD/OCLTA/OCSAFE/OCSAAV Board will be held at **9:00 a.m. on March 13, 2006**, at OCTA Headquarters at 600 South Main Street, First Floor - Room 154, Orange, California.

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
February 14, 2006

Call to Order

The February 14, 2006, regular meeting of the Orange County Transportation Authority and affiliated agencies was called to order at 9:00 a.m. at the Orange County Transportation Authority Headquarters, Orange, California; Chairman Campbell presided over the meeting.

Roll Call

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

Also Present: Arthur T. Leahy, 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: James W. Silva

Invocation

Director Ritschel gave the invocation.

Pledge of Allegiance

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

Public Comments on Agenda Items

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

1. Salute to Former Chairman Campbell

A salute to former OCTA Board Chairman, Bill Campbell, was presented through a brief video and comments by Chairman Brown. Chairman Brown also presented former Chairman Bill Campbell with a resolution honoring his service as Board Chair during 2005.

2. Message from the Chairman of the Board

Chairman Brown presented his message to the Board and staff, again recognizing the work of former Chairman Campbell and highlighting these areas of concentration for effort in 2006:

- √ Renewal of Measure M
- √ Final Phase of the Interstate 5 Gateway Project
- √ Completion of the State Route 22 Project
- √ Work with Riverside County for projects that benefit both counties
- √ Completion of signal synchronization demonstration projects
- √ Establishment of a technical committee to study a countywide method for emergency vehicle signal preemption.
- √ Study performed regarding an additional Metrolink station for the northeast area of the County
- √ Study performed with authorities of John Wayne Airport to assess the use of existing park-and-ride locations throughout the County to be developed as a park-and-fly system.

3. Presentation of Resolutions of Appreciation for Employees of the Year for 2005

Chairman Brown presented Orange County Transportation Authority Resolutions of Appreciation Nos. 2006-05, 2006-06, 2006-07 to Indolfo Gutierrez, Coach Operator; Robert Bergels, Maintenance; and James J. Kramer, Administration, as Employees of the Year for 2005.

4. Federal Advocacy Report

Washington advocate, Jim McConnell, presented his annual report to the Board of Directors, detailing effort and objectives in Washington, D.C, for OCTA-related interests. Mr. McConnell's report included updates on the federal budget, appropriations, priorities, regional issues, and current earmarks.

Director Pringle stated he would like detailed information on how OCTA seeks Federal appropriations and the accountability for tracking such support. Several Directors echoed Director Pringle's comments, and stated they felt it was appropriate to hold the local delegation accountable for their support on appropriations being requested.

Chief Executive Officer (CEO), Arthur T. Leahy, stated that he and Chairman Brown were in Washington, D.C., last week for the Southern California Association of Governments' Consensus meetings, and were afforded a meeting with Senate Transportation Chairman Young. Chairman Young indicated that those who opposed earmarks will not get them. He expressed his support for the 91 Corridor project.

Consent Calendar (Items 5 through 21)

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

Director Ritschel pulled item 5; Director Campbell pulled item 7; Director Dixon pulled item 9; Vice Chair Cavecche pulled item 10; Director Green pulled item 12; and Director Norby and a member of the public pulled item 15.

Orange County Transportation Authority Consent Calendar Matters

5. Committee Assignments for 2006

Director Ritschel pulled this item and stated that she noticed that the South County Major Investment Study is not listed and wondered when that would be put in place. Chairman Brown responded that he would announce that committee at a later date.

Chairman Brown presented his proposed 2006 roster of Board of Directors' Committee assignments for Board consideration.

Motion was made by Director Rosen, seconded, and declared passed by those present, to approve the proposed 2006 roster of Board of Directors' Committee assignments.

6. Approval of Board Members' Travel

Motion was made by Director Pulido, seconded, and declared passed by those present, to approve travel by Vice Chair Carolyn Cavecche on March 3-8, 2006, and Directors Peter Buffa and Michael Duvall on March 3-7, 2006, to Washington, D.C., for the American Public Transportation Association's Legislative Conference.

7. Approval of Minutes

This item was pulled by Director Campbell, who offered a correction to the minutes on page three, under Consent Calendar comments. He stated text should read that "Chairman Brown indicated that all matters....", not Chairman Campbell.

Motion was made by Director Campbell, seconded by Director Pulido, and declared passed by those present, to approve the minutes of the Orange County Transportation Authority and affiliated agencies' regular meeting of January 23, 2006, with the referenced correction noted.

8. Approval of Resolutions of Appreciation for Employees of the Year for 2005

Motion was made by Director Pulido, seconded, and declared passed by those present, to adopt Orange County Transportation Authority Resolutions of Appreciation Nos. 2006-05, 2006-06, 2006-07 to Indolfo Gutierrez Coach Operator; Robert Bergels, Maintenance; and James J. Kramer, Administration, as Employees of the Year for 2005.

9. State Legislative Status Report

Director Dixon pulled this item for discussion and stated that while he supports this item, he also serves on the Board of Directors for the State League, who met several days ago and discussed all of the bond proposals and the Governor's proposals in detail. He stated that there were suggestions made at those meetings which this Board may want to consider adopting. He requested that in addition to supporting the recommended actions under Recommendation B below, that this item come back to the Board and that staff contact League staff and find out if there were any items adopted by them which this Board could also support in conjunction with the League.

Motion was made by Director Dixon, seconded by Director Ritschel, and declared passed by those present, to:

- A. Adopt a support position on AB 372 (Nation, D-San Rafael), which extends current authority to use design-build procurement on certain transit projects.
- B. Adopt the following policy positions to guide evaluation of transportation infrastructure bond proposals:
 - 1. Ensure that statewide bond proposals complement and do not conflict with local sales tax measures.
 - 2. Oppose the use of existing transportation revenue sources to back revenue bonds.
 - 3. Support a fair and equitable distribution of funds in a manner most advantageous to Orange County.
 - 4. Adopt the list of projects in Attachment G as a preliminary indication of Orange County needs for state transportation bond funds.
 - 5. Support opportunities to include private funding options where appropriate.
 - 6. Support inclusion of expedited project delivery measures such as design-build and National Environmental Policy Act review delegation.

Chairman Brown indicated this item would go back through the Legislative and Government Affairs Committee, then return to the Board.

10. Fiscal Year 2007 Transportation Appropriations Project List

Vice Chair Cavecche pulled this item and referred to page three, item 2 (SR-91 Eastbound Truck Storage Lane) and stated that she questions the wisdom of the keeping truck scales where they currently are on the State Route 91 Freeway.

Director Quon responded that each location is strategically chosen by Caltrans and the California Highway Patrol. She also stated that the issue of relocating these scales was identified some two years ago and discussions have taken place. Another location has not been able to be identified at this time.

10. (Continued)

Motion was made by Vice Chair Cavecche, seconded by Director Dixon, and declared passed by those present, to review and approve the recommended list of transportation projects to be submitted for the fiscal year 2007 federal appropriations process.

11. Fiscal Year 2004-05 Annual Financial Reports

Motion was made by Director Pulido, seconded, and declared passed by those present, to receive and file the fiscal year 2004-05 annual financial reports as information items.

12. Report on Audit of Agreement C-3-0633 with Granite-Myers-Rados for the Garden Grove Freeway (State Route 22) Design-Build Project

Director Green pulled this item for comment and stated that this recommendation did not appear to be as strong as others have been and wanted to be sure staff was comfortable with the controls that were being implemented.

CEO, Arthur T. Leahy, stated staff is comfortable with this recommendation, and stated that a discussion could be held with her to see if more needs to be done.

Motion was made by Director Green, seconded by Director Dixon, and declared passed by those present, to receive and file the audit of Agreement C-3-0633 with Granite-Myers-Rados for the Garden Grove Freeway (State Route 22) Design-Build Project.

13. Report on Audit of Agreement C-1-2069 with Parsons Transportation Group for the Garden Grove Freeway (State Route 22) Design-Build Project

Motion was made by Director Pulido, seconded, and declared passed by those present, to receive and file the audit report of Agreement C-1-2069 with Parsons Transportation Group for the Garden Grove Freeway (State Route 22) Design-Build Project.

14. Internal Control Review and Operational Audit of Project Controls

Motion was made by Director Pulido, seconded, and declared passed by those present, to receive and file the Internal Control Review and Operational Audit of Project Controls, Internal Audit Report No. 06-002.

15. Agreement to Procure and Install 64 Replacement Liquefied Natural Gas Engines

This item was pulled by Director Norby and by a member of the public.

Public comment was heard from Thomas Cummings, representing John Deere Corporation, Waterloo, Iowa, who stated that he feels a savings could be realized if John Deere is awarded this contract.

Al Pierce, Manager of Operations, addressed the operation of these engines, and provided status on testing and oil change intervals of the engines.

Chairman Brown requested that staff investigate and report back on the reason the replacement electronic throttle was not able to be received for three months.

Mr. Pierce stated that as part of the purchase of the 50 new compressed natural gas buses, that procurement has been split with 25 from John Deere and 25 from Cummins.

A brief discussion followed, with some Directors indicating they felt there were unanswered questions and incomplete data provided at this time.

Motion was made by Director Norby, seconded by Director Pulido, and declared passed by those present, to bring this issue back through the Transit Planning and Operations Committee with more rationale and back-up data to assist in making a decision on this recommendation. Director Winterbottom voted to oppose the motion.

Vice Chair Cavecche requested that a side-by-side comparison of bidders for procurement and installation of liquefied natural gas engines be provided when it comes back to Committee and the Board.

Director Ritschel asked that details be identified in the information coming back to Committee, e.g., the partnering of John Deere and Complete Coachworks, as was the situation with the submission of the proposal.

Director Rosen stated that he felt that three elements should be fully addressed: price, maintenance experience, and quality of each manufacturer's engines.

Director Monahan asked that data regarding fuel economy be included in the information when it comes back to the Board for a decision.

16. Award of Construction Contract for Americans with Disabilities Act Bus Stop Modifications (Phase 3, Construction Package 6) in the City of Anaheim

Motion was made by Director Pulido, seconded, and declared passed by those present, to authorize the Chief Executive Officer to execute Agreement C-5-2930, between the Orange County Transportation Authority and C.J. Construction, Inc., the lowest responsive, responsible bidder, in the amount of \$976,852.00, for Americans with Disabilities Act Bus Stop Modifications in the City of Anaheim.

17. Amendment to Agreement for Additional Design Services for the Americans with Disabilities Act Bus Stop Modifications

Motion was made by Director Pulido, seconded, and declared passed by those present, to authorize the Chief Executive Officer to execute Amendment No. 4 to Agreement C-2-1129 between the Orange County Transportation Authority and ACT Consulting Engineers, Inc., in an amount not to exceed \$45,000, for additional design and survey services to incorporate new and revised standards and conduct field research for bus stop locations in central and south Orange County.

18. Agreement to Lawson Software for Human Resource and Payroll Software Upgrade

Motion was made by Director Pulido, seconded, and declared passed by those present, to authorize the Chief Executive Officer to execute Agreement C-5-3006 between the Orange County Transportation Authority and Lawson Software, for an amount not to exceed \$455,000, to complete the upgrade and implement two new software modules.

19. Purchase Order for 91 Express Lanes Property Insurance

Motion was made by Director Pulido, seconded, and declared passed by those present, to authorize the Chief Executive Officer to issue Purchase Order 06-74054 between the Orange County Transportation Authority and Marsh Risk and Insurance Services, in an amount not to exceed \$350,000, to purchase property insurance for the period of March 1, 2006, to February 28, 2007.

Orange County Local Transportation Authority Consent Calendar Matters

20. Measure M Quarterly Progress Report

Motion was made by Director Pulido, seconded, and declared passed by those present, to receive and file as an information item.

21. Agreement for Sales Tax Audit and Recovery Services of State Board of Equalization Sales Tax Distributions

Motion was made by Director Pulido, seconded, and declared passed by those present, to authorize the Chief Executive Officer to execute Agreement C-2-0599 between the Orange County Transportation Authority and MBIA MuniServices Company in an amount contingent upon the amount recovered for sales tax audit and recovery services of the Measure M half-cent sales tax.

Regular Calendar

Orange County Transportation Authority Regular Calendar Matters

22. Process for City-initiated Rapid Transit and Related Projects

This item was pulled by staff and will be deferred to a future meeting.

Orange County Transit District Regular Calendar Matters

23. Paratransit Growth Management Plan Progress

Erin Rogers, Manager, Contract Transportation Services, presented a PowerPoint and verbal presentation on this item. She discussed background, costs in providing the service, growth management strategies, changes in policy, an update of recent progress, and next steps in the plan.

No action was needed on this item, and it was received and filed as an information item.

Other Matters

24. Chief Executive Officer's Report

Chief Executive Officer, Arthur T. Leahy, reported that:

- √ The Board-approved policy for door-to-door service, which anticipated an increase on July 1, will be re-evaluated for a current need for that increase, based on the information under Item 23.
- √ The Teamsters Maintenance members did not vote to approve the contract February 13. Discussions have not taken place since the vote.
- √ On March 2, there will be a tour offered of the Customer Information Center as part of an open house the contractor is holding.

25. Directors' Reports

Director Rosen inquired why Item 22 was pulled, and CEO, Arthur T. Leahy, responded that there were some concerns expressed by a couple of the cities involved, and staff will return with this item, perhaps at the next Board meeting.

Director Quon briefed the Board on progress of Caltrans' effort in studying the demonstration project on the State Route 22 in regard to the high occupancy vehicle lane policy. She stated that District 12 has met with the California Highway Patrol and is hopeful this matter can be brought before the Board in March.

Director Campbell inquired as to the status of a Joint Powers Authority regarding a potential tunnel project. CEO, Arthur T. Leahy, responded that discussions are scheduled at the State Route 91 Advisory Committee in March. He further stated that the Transportation Corridor Agencies staff is working on this, and it is felt that progress has been made on the language.

Vice Chair Cavecche expressed her appreciation for OCTA's response during the Sierra fires over the past days in the Anaheim Hills/Orange area. She also thanked Caltrans for getting the closures put into place during the fires.

Director Norby stated that he feels that motions should be voted upon via a voice vote (not a roll call vote). General Counsel confirmed this would be helpful.

Chairman Brown stated that regarding votes that are taken on matters before the Board or at Committees, that Members must be present to be recorded. If a Director is out of the room when a vote is taken, they may request the Chair to re-open that item to be recorded as having voted.

Chairman Brown informed the Board that he was in Washington, D.C. last week participating in the Southern California Association of Government's Consensus meetings.

26. Public Comments

At this time, Chairman Brown invited any members of the public to address the Board of Directors regarding any items within the subject matter jurisdiction of the Board of Directors, but stated that no action may be taken on off-agenda items unless authorized by law.

There were no requests by the public to address the Board at this time.

27. Closed Session

General Counsel, Kennard R. Smart, Jr., stated that Item A on the Closed Session agenda would not be discussed at this meeting, and that a Closed Session was needed for Item B.

- A. Pursuant to Government Code Section 54957.6 to meet with Orange County Transportation Authority designated representative Marlene Heyser regarding collective bargaining agreement negotiations with the Teamsters Local 952 representing the Maintenance employees.
- B. Pursuant to Government code Section 54956.9(b)(1).

Board Members proceeded to the Closed Session room to conduct this portion of the agenda.

28. Adjournment

The meeting adjourned at 11:20 a.m. Chairman Brown announced that the next regularly scheduled meeting of the OCTA/OCTD/OCLTA/OCSAFE/OCSSAAV Board will be held at **9:00 a.m. on February 27, 2006**, at OCTA Headquarters at 600 South Main Street, First Floor - Room 154, Orange, California.

ATTEST

Wendy Knowles
Clerk of the Board

Arthur C. Brown
OCTA Chairman



ORANGE COUNTY
TRANSPORTATION AUTHORITY

RESOLUTION

MARTIN LUBUS

WHEREAS, the Orange County Transportation Authority recognizes and commends Martin Lubus; and

WHEREAS, be it known that Martin Lubus has earned a 22 year Safe Driving Award and has been with the Authority since September 4, 1979. He has distinguished himself by maintaining an outstanding record for safety, attendance and customer relations; and

WHEREAS, Martin'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 Martin Lubus 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 Martin Lubus as the Orange County Transportation Authority Coach Operator Employee of the Month for February 2006; and

BE IT FURTHER RESOLVED that the Orange County Transportation Authority Board of Directors recognizes Martin Lubus' valued service to the Authority.

Dated: February 27, 2006

Arthur C. Brown, Chairman
Orange County Transportation Authority

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

OCTA Resolution No. 2006-09





ORANGE COUNTY
TRANSPORTATION AUTHORITY

RESOLUTION

CESAR CARRILLO

WHEREAS, the Orange County Transportation Authority recognizes and commends Cesar Carrillo; and

WHEREAS, be it known that Cesar Carrillo is a valued member of the Maintenance Department. His diligence, industriousness and conscientiousness in performing all tasks are recognized. Cesar consistently demonstrates a high level of achievement in assisting the Garden Grove Base meet mission goals. Cesar's expertise in the maintenance and repair of all bus systems is exceptional. His skills and superb attitude in performing all facets of vehicle maintenance have earned him the respect of all that work with him; 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 Cesar Carrillo as the Orange County Transportation Authority Maintenance Employee of the Month for February 2006; and

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

Dated: February 27, 2006

Arthur C. Brown, Chairman
Orange County Transportation Authority

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

OCTA Resolution No. 2006-10





ORANGE COUNTY
TRANSPORTATION AUTHORITY

RESOLUTION

RON WOLF

WHEREAS, the Orange County Transportation Authority recognizes and commends Ron Wolf; and

WHEREAS, be it known that Ron has performed his duties as Section Manager of the Help Desk and Desktop Support in the Authority's Information Systems Department, demonstrating the highest professional standards and dedication to excellence in customer service; and

WHEREAS, Ron's outstanding leadership in orchestrating the move of computing and office technology to the Santa Ana Bus Base was a major contributing factor in the success of the facility's opening; and

WHEREAS, Ron worked tirelessly and with attention to detail to ensure the new Board Room at the OCTA headquarters building was successfully outfitted with effective technology; and

WHEREAS, Ron's commitment to develop and challenge his staff along with a desire to drive costs down through the effective use of technology resulted in the ability to deploy a new computer at a quarter of past costs and with higher quality. Ron's drive to optimally use resources was demonstrated by equipping conference rooms with audio, video and computer technology resulting in the maximization of his staff's time to address high-value customer requests while improving the customer's experience.

NOW, THEREFORE, BE IT RESOLVED that the Authority does hereby declare Ron Wolf as the Orange County Transportation Authority Administrative Employee of the Month for February 2006; and

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

Dated: February 27, 2006

Arthur C. Brown, Chairman
Orange County Transportation Authority

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

OCTA Resolution No. 2006-11





BOARD COMMITTEE TRANSMITTAL

February 27, 2006

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: State Legislative Status Report

Legislative and Government Affairs/Public Communications February 16, 2006
Committee

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

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Co-Sponsor legislation to provide predictable and sufficient resources to transportation agencies to plan, program, monitor, and manage projects.



February 16, 2006

To: Legislative and Government Affairs/Public Communications Committee

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

Subject: State Legislative Status Report

Overview

The last day for bill introduction in this legislative session is February 24, 2006. Proposed bill language is attached for sponsorship regarding planning, programming, and monitoring funds. The Assembly Republicans' "Pay-As-You-Go" infrastructure plan is described. The two-year deadline for prior-year bills to pass their house of origin passed on January 31, 2006.

Recommendation

Co-Sponsor legislation to provide predictable and sufficient resources to transportation agencies to plan, program, monitor, and manage projects.

Discussion

Bill Sponsorship

SB 45 (Chapter 622, Statutes of 1997) dramatically revised the State Transportation Improvement Program (STIP) process. It shifted major responsibility for determining how state and federal transportation funds would be spent from the state to the regional and county levels, under the theme that decision-making should be accomplished at the lowest responsible level.

Prior to SB 45, transportation capital improvement projects funded from the State Highway Account (SHA) were included in the STIP by action of the California Transportation Commission (CTC), based on recommendations made by the regional transportation planning agencies (RTPAs), local county transportation commissions (LCTCs), and the California Department of Transportation (Caltrans). The CTC had significant discretion regarding what projects were included based on these submittals, subject to statutory provisions. Most significant, statutes required that each county would receive a

program of projects of at least its "county minimum" – calculated as its formula share of 70 percent of the total funding available. In the most dramatic change, SB 45 replaced county minimums with "county shares," whereby 75 percent of the available funding became the responsibility of the RTPAs and LCTCs to program, and the CTC could reject, in its entirety, the proposal of an RTPA or LCTC, but could not change it.

This dramatic shift of responsibility opened the way for more diverse project submittals to the STIP, and placed a concomitant increased responsibility for project monitoring and delivery upon the RTPAs and the LCTCs. As a result, the legislature granted the RTPAs and LCTCs the opportunity to utilize a small fraction of county share funds – 1/2 to 1 percent of the funds available for each county – for such activities. Finding those initial levels insufficient, in 2001 the Legislature authorized an increase to 1 percent for metropolitan planning organizations (MPOs) that received federal planning funds, and to 5 percent for other agencies. These are known as planning, programming, and monitoring (PPM) funds.

Two core concerns remain with the provisions of existing law. First, the wide fluctuations and the uncertainty of funding to deliver STIP capital projects has led to similar fluctuations and uncertainty with respect to PPM funding. However, regardless of whether or not capital funding is available for new projects, efforts to monitor and manage existing projects continue – and in some cases become arguably more critical and time consuming. Second, in some areas, the 1 percent limitation is insufficient to meet the support needs of these functions.

Lastly, in some instances PPM funds are used for corridor planning and initial project alternative studies that are either not eligible or would not be a high priority for STIP funds.

In the 2002 STIP, the Orange County Transportation Authority (OCTA) received \$3.5 million per year for PPM activities. Due to budget constraints in the 2004 STIP, OCTA received \$1.9 million per year for the five-year 2004 STIP cycle. The 45 percent reduction destabilizes funding for what are otherwise ongoing stable expenditures. Such expenditures include the I-5 South Major Investment Study, the Central Orange County Corridor Study, the Long Range Transportation Plan, and the Congestion Mitigation Plan. It also goes to pay for programs such as soundwall program support services, chokepoint development, and staffing for the programming department. Stable and ongoing funding is important to ensure that OCTA has a full complement of projects ready to go when construction money becomes available.

OCTA sponsored legislation two years ago to stabilize PPM funding. However, some transportation agencies and the CTC were not comfortable with the proposal. OCTA staff has lead meetings over the past 18 months to build consensus on language that could be supported by all of the transportation agencies and the CTC. The resulting language agreed to by all transportation agencies and drafted by OCTA and CTC staff is shown in Attachment A and would make the following changes to Section 14527 of the Government Code:

- Establish that the total amount available for PPM shall be no less than 5 percent of a STIP totaling \$1.25 billion; and
- Provide that each RTPA and LCTC may program up to 5 percent of its county share for PPM activities.
- At the suggestion of CTC staff, the draft legislation also conforms statutory language to other relevant code sections by referring to "county shares" and "interregional shares."

The formula proposed above would provide a minimum of nearly \$3.2 million for OCTA as base PPM funding into the future.

ACA 27 (McCarthy, R-Bakersfield)

ACA 27 is the vehicle for the Assembly Republicans Pay-As-You-Go plan. This bill would provide that beginning in fiscal year (FY) 2007-2008, 1 percent of General Fund revenues would be set aside for capital projects each year. In FY 2008-2009 and succeeding years, 1/2 of 1 percent of General Fund revenues for that year would be added to the prior year amount, or \$750 million, whichever is less providing that General Fund revenues are projected to grow by \$5 billion or more. If not, the allocation will remain the same as the prior year. These funds are to be used for University of California/California State University (UC/CSU) facilities; water, flood or levee projects; and STIP-governed transportation projects. No funds are to be used for open space acquisition and eminent domain cannot be used to acquire property unless it is for a public facility (UC/CSU building, highway or water storage facility). It also specifically notes that Proposition 42, although it does play a part in the total General Fund revenue calculation, cannot be counted towards this new appropriation.

Expired Bills

Bills introduced in the Legislature last year, and which did not pass the house of origin by January 31, are now dead. Staff has deleted the following bills on which OCTA had taken positions from the matrix (Attachment B):

Sponsored Legislation

- AB 1173 (Tran, R-Garden Grove) – This bill would have extended the initial high-speed rail line from Los Angeles to Anaheim.

Bills with Official Positions

- AB 697 (Oropeza, D-Long Beach) – This bill would have allowed fuel excise taxes to be continuously appropriated from the previous year in the event of a late state budget. (OCTA Position – Support)
- SB 705 (Runner, R-Antelope Valley) – This bill would have authorized Caltrans to use design build as part of the Governor's GoCalifornia package. (OCTA Position – Support)

Another 13 bills that were being monitored were also deleted.

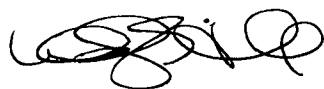
Summary

The last day for bill introduction in this legislative session is February 24, 2006. Providing for stable planning, programming, and monitoring funds requires the introduction and sponsorship of the legislation.

Attachments

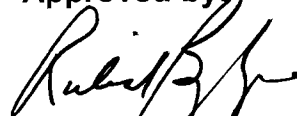
- A. Proposed Bill Language for PPM legislation
- B. Legislative Matrix

Prepared by:



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

Approved by:



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

PROPOSED BILL LANGUAGE FOR PPM LEGISLATION

SECTION 1. Section 14527 of the Government Code is amended to read:

14527. (a) After consulting with the department, the regional transportation planning agencies and county transportation commissions shall adopt and submit to the commission and the department, not later than December 15, 2001, and December 15 of each odd-numbered year thereafter, a five-year regional transportation improvement program in conformance with Section 65082. In counties where a county transportation commission or authority has been created pursuant to Chapter 2 (commencing with Section 130050) of Division 12 of the Public Utilities Code, the commission or the authority shall adopt and submit the county transportation improvement program, in conformance with Sections 130303 and 130304 of that code, to the multicounty designated transportation planning agency. Other information, including a program for expenditure of local or federal funds, may be submitted for information purposes with the program, but only at the discretion of the transportation planning agencies or the county transportation commissions.

(b) The regional transportation improvement program shall include all projects to be funded with ~~regional improvement funds~~ **the county share** under paragraph (2) of subdivision (a) of Section 164 of the Streets and Highways Code. The regional programs shall be limited to projects to be funded in whole or in part with ~~regional improvement funds~~ **the county share** that shall include all projects to receive allocations by the commission during the following five fiscal years. For each project, the total expenditure for each project component and the total amount of commission allocation and the year of allocation shall be stated. The total cost of projects to be funded with ~~regional improvement funds~~ **the county share** shall not exceed the amount specified in the fund estimate made by the commission pursuant to Section 14525.

(c) The regional transportation planning agencies and county transportation commissions may recommend projects to improve state highways with ~~interregional improvement funds~~ **the interregional share** pursuant to subdivision (b) of Section 164 of the Streets and Highways Code. The recommendations shall be separate and distinct from the regional transportation program. A project recommended for funding pursuant to this subdivision shall constitute a usable segment and shall not be a condition for inclusion of other projects in the regional transportation improvement program.

(d) The department may nominate or recommend the inclusion of projects in the regional transportation improvement program to improve state highways with regional transportation improvement funds pursuant to paragraph (2) of subdivision (a) and subdivision (e) of Section 164 of the Streets and Highways Code. A regional transportation planning agency and a county transportation commission shall have sole authority for determining whether any of the project nominations or recommendations are accepted and included in the regional transportation improvement program adopted and submitted pursuant to this section. This authority provided to a regional transportation planning agency or to a county transportation commission extends only to a project located within its jurisdiction.

(e) Major projects shall include current costs updated as of November 1 of the year of submittal and escalated to the appropriate year, and shall be consistent with, and provide the information required in, subdivision (b) of Section 14529.

(f) The regional transportation improvement program may not change the project delivery milestone date of any project as shown in the prior adopted state transportation improvement program without the consent of the department or other agency responsible for the project's delivery.

(g) Projects may not be included in the regional transportation improvement program without a complete project study report or, for a project that is not on a state highway, a project study report equivalent or major investment study.

(h) Each transportation planning agency and county transportation commission may request and receive an amount not to exceed ~~15~~ 5 percent of its ~~regional improvement fund expenditures~~ *county share* for the purposes of project planning, programming, and monitoring. ~~A transportation planning agency or county transportation commission not receiving federal metropolitan planning funds may request and receive an amount not to exceed 5 percent of its regional improvement fund expenditures for the purposes of project planning, programming, and monitoring.~~ ***In no case shall this amount be less than 5 percent of the county share for a state transportation improvement program of one billion two hundred fifty thousand (\$1,250,000,000) dollars per year.***

Orange County Transportation Authority Legislative Matrix

OCTA Sponsor Legislation

CA AB 267 **AUTHOR:** Daucher [R]
TITLE: Transportation Projects
LAST AMEND: 08/15/2005
LOCATION: Senate Appropriations Committee
STATUS:
08/25/2005 In SENATE Committee on APPROPRIATIONS: Not heard.
NOTES: LP Sec. III (a) Repayment of local funds
COMMENTARY:
Sponsor bill clarifying Legislature's intent to fully reimburse, without time limits,
local agencies that use local funds to advance projects in the STIP. Relevance to
OCTA: Ensures reimbursement of local funds expended on STIP projects.
Position: Sponsor

Bills with Official Positions

- CA AB 372 **AUTHOR:** Nation [D]
TITLE: Public Contracts: Transit Design-Build Contracts
LAST AMEND: 01/11/2006
LOCATION: Senate Transportation and Housing Committee
STATUS:
01/26/2006 To SENATE Committee on TRANSPORTATION AND HOUSING.
COMMENTARY:
Authorizes Transit Operators to enter into a design-build contracts.
Position: Support
- CA AB 1118 **AUTHOR:** Umberg [D]
TITLE: Nonhighway Vehicles: Disclosure
LAST AMEND: 04/19/2005
LOCATION: Senate Transportation and Housing Committee
STATUS:
06/02/2005 To SENATE Committee on TRANSPORTATION AND HOUSING.
COMMENTARY:
Requires manufacturers of non-highway vehicles, including but not limited to pocketbikes, place a notice on the vehicles that they cannot be operated on highways.
Position: Watch
- CA ACA 4 **AUTHOR:** Plescia [R]
TITLE: Transportation Investment Fund
LAST AMEND: 05/09/2005
LOCATION: Assembly Appropriations Committee
STATUS:
01/09/2006 From ASSEMBLY Committee on TRANSPORTATION: Be adopted to Committee on APPROPRIATIONS.
NOTES: LP Proposition 42
COMMENTARY:
Deletes Proposition 42 suspension provisions. Relevance to OCTA: Ensures that OCTA, Orange County, and cities receive their share of Proposition 42 annually allowing for better project planning and delivery.
Position: Support
- CA ACA 11 **AUTHOR:** Oropeza [D]
TITLE: Transportation Funds: Loans
LOCATION: Assembly Appropriations Committee
STATUS:
01/09/2006 From ASSEMBLY Committee on TRANSPORTATION: Do pass to Committee on APPROPRIATIONS.
COMMENTARY:
Deletes Proposition 42 suspension provisions. Permits up to 2 loans of Proposition 42 funds to the General Fund or to any other state fund or account in a 10 year period provided the first loan is repaid in full prior to permitting a second loan. Relevance to OCTA: Provides better protection of Proposition 42 allowing for better project planning and delivery.
Position: Watch

CA SB 208

AUTHOR: Alquist [D]
TITLE: Transportation Projects: Electronic Fund Transfers
LAST AMEND: 05/31/2005
LOCATION: Assembly Transportation Committee
STATUS:
06/27/2005 In ASSEMBLY Committee on TRANSPORTATION: Not heard.
NOTES: LP Sec. III (h) Removing funding barriers
COMMENTARY:
Requires Caltrans to implement a rapid electronic funds transfer system by June 30, 2006. Relevance to OCTA: Expedites the reimbursement of local funds expended on STIP projects.
Position: Support

CA SCA 7

AUTHOR: Torlakson [D]
TITLE: Loans of Transportation Revenues and Funds
LAST AMEND: 01/12/2006
FILE: 20
LOCATION: Senate Third Reading File
STATUS:
01/30/2006 In SENATE. Read second time. To third reading
NOTES: LP Sec. I (i) Repay transportation loans with interest
COMMENTARY:
Requires that any loan of motor vehicles fuel and vehicle-related revenues or trust funds not repaid in the same fiscal year or by a date not more than 30 days after passage of the budget bill be paid back with interest. Allows for a loan of these funds to other state funds or accounts under the same conditions applicable to the General Fund. Relevance to OCTA: Ensures that transportation funds are paid interest, ultimately increasing the amount of funds distributed to OCTA through the STIP.
Position: Support

Bills being Monitored

- CA AB 713 **AUTHOR:** Torrico [D]
 TITLE: High-Speed Passenger Train Bond Act
 LOCATION: Senate Transportation and Housing Committee
 STATUS:
 06/09/2005 To SENATE Committee on TRANSPORTATION AND HOUSING.

 COMMENTARY:
 Puts the \$9.95 billion High Speed Rail Bond Act on the Nov. 8, 2008 ballot.
 Position: Monitor
- CA AB 948 **AUTHOR:** Oropeza [D]
 TITLE: Design-Build and Transit Operators
 LAST AMEND: 04/13/2005
 FILE: A-17
 LOCATION: Senate Inactive File
 STATUS:
 07/11/2005 In SENATE. To Inactive File.
 COMMENTARY:
 Metrolink sponsored bill that would lower the threshold for design build from \$50 million to \$25 million. Would also require a labor compliance program if there is no collective bargaining agreement.
 Position: Monitor
- CA AB 1010 **AUTHOR:** Oropeza [D]
 TITLE: Rail Transit
 LAST AMEND: 04/06/2005
 LOCATION: Senate Energy, Utilities and Communications Committee
 STATUS:
 06/09/2005 To SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS.

 COMMENTARY:
 Transfers responsibility for rail grade crossing safety from PUC to Caltrans.
 Position: Monitor
- CA AB 1157 **AUTHOR:** Frommer [D]
 TITLE: State Highways: Performance Measures
 LAST AMEND: 04/11/2005
 LOCATION: Senate Transportation and Housing Committee
 STATUS:
 06/09/2005 To SENATE Committee on TRANSPORTATION AND HOUSING.

 COMMENTARY:
 Requires Caltrans to work with regional transportation agencies to develop highway performance measures. Requires an annual report to Legislature regarding highway performance.
 Position: Monitor
- CA AB 1169 **AUTHOR:** Torrico [D]
 TITLE: Transit District Operators: Assault and Battery
 LAST AMEND: 05/27/2005
 LOCATION: Senate Public Safety Committee
 STATUS:
 07/12/2005 In SENATE Committee on PUBLIC SAFETY: Heard, remains in Committee.

 COMMENTARY:
 Increases penalty for assault against an operator of a transit district's vehicle.
 Position: Monitor

CA AB 1699 **AUTHOR:** Frommer [D]
TITLE: Transportation: Highway Construction
LAST AMEND: 05/27/2005
LOCATION: Senate Transportation and Housing Committee
STATUS:
06/15/2005 To SENATE Committee on TRANSPORTATION AND HOUSING.

COMMENTARY:
Authorizes Caltrans or self help counties to construct up to 8 toll road HOT lane projects using design build. Contains a labor compliance component.
Position: Monitor

CA AB 1783 **AUTHOR:** Nunez [D]
TITLE: Infrastructure Financing
INTRODUCED: 01/04/2006
LOCATION: ASSEMBLY
STATUS:
01/04/2006 INTRODUCED

COMMENTARY:
This bill would provide for the financing of state and local government infrastructure through various funding sources. This is Assembly Democrats Infrastructure Bond Proposal.
Position: Monitor

CA AB 1838 **AUTHOR:** Oropeza [D]
TITLE: Transportation Bond Acts of 2006, 2008, and 2012
INTRODUCED: 01/10/2006
LOCATION: ASSEMBLY
STATUS:
01/10/2006 INTRODUCED

COMMENTARY:
This bill would authorize general obligation bonds for various transportation purposes, pledges a percentage of existing fuel excise taxes and truck weight fees to offset the cost of the bond debt service, and authorizes transportation entities to use a design-build process for contracting on transportation projects. This is the Administrations Infrastructure Bond Proposal. Identical to SB 1165.
Position: Monitor

CA ACA 4 a **AUTHOR:** Keene [R]
TITLE: State Finances
LAST AMEND: 04/11/2005
LOCATION: Assembly Budget Process Committee
STATUS:
04/11/2005 From ASSEMBLY Committee on BUDGET PROCESS with author's amendments.
04/11/2005 In ASSEMBLY. Read second time and amended.
 Re-referred to ASSEMBLY Committee on BUDGET PROCESS.

COMMENTARY:
Administration's budget report proposal which includes Proposition 98 reform and Proposition 42 protections.
Position: Monitor

CA ACA 7 **AUTHOR:** Nation [D]
TITLE: Local Governmental Taxation
LOCATION: Assembly Appropriations Committee
STATUS:
05/25/2005 In ASSEMBLY Committee on APPROPRIATIONS: Heard,
remains in Committee.

COMMENTARY:
Lowers voter threshold to 55% for special tax measures.
Position: Monitor

CA ACA 9 **AUTHOR:** Bogh [R]
TITLE: Motor Vehicle Fuel Sales Tax Revenue
LOCATION: Assembly Appropriations Committee
STATUS:
01/09/2006 From ASSEMBLY Committees on TRANSPORTATION: Be
adopted to the Committee on APPROPRIATIONS.

COMMENTARY:
Would amend Prop 42 to require 4/5ths of the legislature to suspend transfer
instead of the current 2/3rds.
Position: Monitor

CA ACA 22 **AUTHOR:** La Malfa [R]
TITLE: Eminent Domain: Condemnation Proceedings
LAST AMEND: 01/26/2006
LOCATION: Assembly Housing and Community Development Committee
STATUS:
01/26/2006 From ASSEMBLY Committees on HOUSING AND
COMMUNITY DEVELOPMENT with author's amendments.
01/26/2006 In ASSEMBLY. Read second time and amended. Re-
referred to Committee on HOUSING AND COMMUNITY
DEVELOPMENT.

COMMENTARY:
Amends existing eminent domain law to only allow for private property to be taken
when it is for a stated public use.
Position: Monitor

CA ACA 27 **AUTHOR:** McCarthy ®
TITLE: State Budget: Capital Outlay
LOCATION: ASSEMBLY
STATUS:
01/25/2006 INTRODUCED

COMMENTARY:
Requires that the budget submitted to the Legislature by the Governor allocate,
and that the Budget Bill as passed by the Legislature and as signed by the
Governor appropriate, General Fund revenues to fund capital outlay projects of
statewide significance and interest in an annual amount determined pursuant to a
specified schedule.
Position: Monitor

CA SB 53 **AUTHOR:** Kehoe [D]
TITLE: Redevelopment
LAST AMEND: 08/15/2005
LOCATION: Assembly Local Government Committee
STATUS:
08/15/2005 From ASSEMBLY Committee on LOCAL GOVERNMENT
with author's amendments.
08/15/2005 In ASSEMBLY. Read second time and amended. Re-
referred to Committee on LOCAL GOVERNMENT.

COMMENTARY:
Requires redevelopment plans to contain a description of the agency's program to
acquire real property by eminent domain, including prohibitions, if any, on the use
of eminent domain, and a time limit for the commencement of eminent domain
proceedings.

Position: Monitor

CA SB 153 **AUTHOR:** Chesbro [D]
TITLE: Clean Water, Safe Parks, Coastal Protection
LAST AMEND: 09/02/2005
LOCATION: Assembly Appropriations Committee
STATUS:
09/02/2005 From ASSEMBLY Committee on APPROPRIATIONS with
author's amendments.
09/02/2005 In ASSEMBLY. Read second time and amended. Re-
referred to Committee on APPROPRIATIONS.

COMMENTARY:
General Obligation Bond for water, parks and open space.

Position: Monitor

CA SB 172 **AUTHOR:** Torlakson [D]
TITLE: Bay Area State-Owned Toll Bridge: Financing
LAST AMEND: 05/27/2005
LOCATION: Assembly Transportation Committee
STATUS:
06/13/2005 To ASSEMBLY Committee on TRANSPORTATION.

COMMENTARY:
Gives the Bay Area Toll Authority more control over Caltrans construction of toll
bridge seismic retrofits in the Bay Area. Requires quarterly reports by Caltrans the
projects.

Position: Monitor

CA SB 371 **AUTHOR:** Torlakson [D]
TITLE: Public Contracts: Design-Build: Transportation
LAST AMEND: 01/23/2006
LOCATION: ASSEMBLY
STATUS:
01/30/2006 In SENATE. Read third time. Passed SENATE. *****To
ASSEMBLY.

COMMENTARY:
Design-build spot bill to be jointly authored by Senators Torlakson and Runner.

Position: Monitor

CA SB 427 **AUTHOR:** Hollingsworth [R]
TITLE: Environmental Quality Act: Scoping Meetings
LAST AMEND: 01/04/2006
LOCATION: ASSEMBLY
STATUS:
01/26/2006 In SENATE. Read third time. Passed SENATE. *****To
ASSEMBLY.

COMMENTARY:
Requires at least one scoping meeting for a project and requires the lead agency to consult with transportation planning agencies that could be affect by a project. Requires notice of at least one scoping meeting be provided to those agencies required to be consulted concerning the project and to require, in the consultation, the project's effect on overpasses, on-ramps, and off-ramps.
Position: Monitor

CA SB 459 **AUTHOR:** Romero [D]
TITLE: Air Pollution: South Coast District: Locomotives
LAST AMEND: 04/12/2005
LOCATION: Assembly Transportation Committee
STATUS:
06/27/2005 In ASSEMBLY Committee on TRANSPORTATION: Heard,
remains in Committee.

COMMENTARY:
Authorizes SCAQMD to collect a fee associated with locomotive air pollution and to expend it for specified mitigation purposes including railroad grade crossings.
Position: Monitor

CA SB 760 **AUTHOR:** Lowenthal [D]
TITLE: Ports: Congestion Relief: Security Enhancement
LAST AMEND: 05/27/2005
LOCATION: Assembly Appropriations Committee
STATUS:
06/27/2005 From ASSEMBLY Committee on NATURAL RESOURCES:
Do pass to Committee on APPROPRIATIONS.

COMMENTARY:
Authorizes the Ports of Los Angeles and Long Beach to impose a \$30 fee on each Twenty foot Equivalent Unit (TEU). The Port would retain \$10 for improvements and would forward \$10 to AQMD for air quality mitigation, and \$10 to the CTC to use on railroad improvement projects in Orange and other counties.
Position: Monitor

CA SB 832 **AUTHOR:** Perata [D]
TITLE: CEQA: Infill Development
LAST AMEND: 05/04/2005
FILE: 162
LOCATION: Assembly Third Reading File
STATUS:
01/23/2006 In ASSEMBLY. From Inactive File. To third reading.

COMMENTARY:
Relates to infill development under the California Environmental Quality Act. Provides an alternative to infill criteria if the site is located in a city with a population of more than 200,000 persons, the site is not more than 10 acres, and the project does nto have less than 200 or more than 300 residential units, as adopted by a resolution of the city council. Bill intended to be linked to SB 1024 Infrastructure Bond.
Position: Monitor

CA SB 1024 **AUTHOR:** Perata [D]
TITLE: Public Works and Improvements: Bond Measure
LAST AMEND: 01/26/2006
LOCATION: ASSEMBLY
STATUS:
01/30/2006 In SENATE. Read third time. Passed SENATE. *****To
ASSEMBLY.

COMMENTARY:
Enacts the Essential Facilities Seismic Retrofit Bond Act of 2005 to place a \$10.3 billion general obligation bond before voters to funds seismic retrofit of essential facilities, including the Bay Bridge, repay Proposition 42 loans, and to facilitate goods movement.

Position: Monitor

CA SB 1026 **AUTHOR:** Kuehl [D]
TITLE: Highway Construction Contracts: Design-build Projects
LAST AMEND: 09/08/2005
LOCATION: Chaptered
STATUS:
01/13/2006 Signed by the Governor.
01/13/2006 Chaptered by Secretary of State. Chapter No. 1

COMMENTARY:
Authorizes the Los Angeles County Metropolitan Transportation Authority to use a specified design-build procurement process for the construction of an HOV lane in the 405 freeway.

Position: Monitor

CA SB 1165 **AUTHOR:** Dutton [R]
TITLE: Transportation Bond Acts of 2006, 2008, and 2012
INTRODUCED: 01/10/2006
LOCATION: Senate Transportation and Housing Committee
STATUS:
01/19/2006 To SENATE Committees on TRANSPORTATION AND
HOUSING and ENVIRONMENTAL QUALITY.

COMMENTARY:
This bill would authorize general obligation bonds for various transportation purposes, pledges a percentage of existing fuel excise taxes and truck weight fees to offset the cost of the bond debt service, and authorizes transportation entities to use a design-build process for contracting on transportation projects. This is the Administrations Infrastructure Bond Proposal. Identical to AB 1838.

Position: Monitor

CA SCA 15 **AUTHOR:** McClintock [R]
TITLE: Eminent Domain: Condemnation Proceedings
LAST AMEND: 08/23/2005
LOCATION: Senate Judiciary Committee
STATUS:
08/30/2005 In SENATE Committee on JUDICIARY: Failed passage.
08/30/2005 In SENATE Committee on JUDICIARY: Reconsideration
granted.

COMMENTARY:
Amends existing eminent domain law to only allow for private property to be taken when it is for a stated public use.

Position: Monitor

CA SCA 20 **AUTHOR:** McClintock [R]
 TITLE: Eminent Domain: Condemnation Proceedings
 INTRODUCED: 01/11/2006
 LOCATION: Senate Judiciary Committee
 STATUS:
 01/19/2006 To SENATE Committees on JUDICIARY and ELECTIONS,
 REAPPORTIONMENT AND CONSTITUTIONAL
 AMENDMENTS.

COMMENTARY:

Amends existing eminent domain law to only allow for private property to be taken when it is for a stated public use.

Position: Monitor

CA SCA 21 **AUTHOR:** Runner G [R]
 TITLE: State Budget
 INTRODUCED: 01/11/2006
 LOCATION: Senate Budget and Fiscal Review Committee
 STATUS:
 01/19/2006 To SENATE Committees on BUDGET AND FISCAL
 REVIEW and ELECTIONS, REAPPORTIONMENT AND
 CONSTITUTIONAL AMENDMENTS.

COMMENTARY:

Administration's General Fund GO Bond 6% Debt Cap Proposal

Position: Monitor

MEMORANDUM



February 21, 2006

To: Members of the Board of Directors
From: ^{WK} Wendy Knowles, Clerk of the Board
Subject: Second Quarter Payroll Distribution Review

This item will be considered by the Finance and Administration Committee on February 22, 2006. Following Committee consideration of this matter, staff will provide you with a summary of the discussion and action taken by the Committee.

Please call me if you have any comments or questions concerning this correspondence.



February 22, 2006

To: Finance and Administration Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Second Quarter Payroll Distribution Review

Overview

The Internal Audit Department has completed a payroll distribution review of the Planning & Analysis Department. A response to the report was not required.

Recommendation

Receive and file the Second Quarter Payroll Distribution Review, Internal Audit Report No. 06-027.

Background

The Internal Audit Department routinely conducts surprise payroll distribution reviews of different departments within the Orange County Transportation Authority. The payroll distribution reviews are performed to identify employees to whom payroll is distributed and to ensure payroll disbursements are properly authorized. These reviews do not involve testing other internal controls or procedural aspects of payroll activities.

Discussion

The Internal Audit Department conducted a payroll distribution review of the Planning & Analysis Department for the pay period ended December 10, 2005. Identities were verified for each employee included on the payroll. Pay rates were agreed to the rates authorized in the employees' personnel files, while the hours paid were agreed to the employees' approved time sheets.

Summary

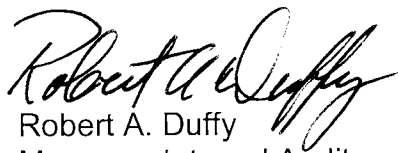
The Internal Audit Department conducted a surprise payroll distribution review of the Planning & Analysis Department for the pay period ended

December 10, 2005. The payroll was distributed to current employees at their authorized pay rates and for the hours approved on their timesheets.

Attachment

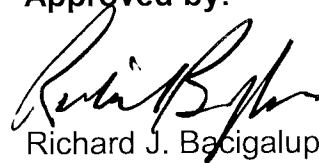
- A. Second Quarter Payroll Distribution Review, Internal Audit Report No. 06-027

Prepared by:



Robert A. Duffy
Manager, Internal Audit
(714) 560-5669

Approved by:



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



INTEROFFICE MEMO

January 25, 2006

To: Paul Taylor, Executive Director
Planning, Development & Commuter Services

Jim Kenan, Executive Director
Finance, Administration & Human Resources

From: ^{SN} Serena Ng, Senior Internal Auditor
Internal Audit

Subject: **Second Quarter Payroll Distribution Review, Internal Audit
Report No. 06-027**

Conclusion

In Internal Audit's opinion, the payroll distributed in the Planning and Analysis Department for the pay period ended December 10, 2005, was made to current employees at their authorized pay rates and for the hours approved on their time sheets.

Purpose and Scope

Payroll distribution reviews are performed to identify employees to whom the payroll is distributed and to ensure payroll disbursements are properly authorized. The scope of the distribution review included:

- Verifying the employees' identity;
- Comparing the hours charged on approved time sheets to the hours paid;
- Agreeing the rates paid to the rates authorized in the employees' Human Resource files; and
- Confirming that the rates paid fell within the rate ranges authorized on the Orange County Transportation Authority (OCTA) Personnel and Salary Resolution, Fiscal Year 2006.

The distribution review did not involve testing other internal controls or procedural aspects of payroll activities.

Background

The Internal Audit Department routinely conducts surprise payroll distributions of different departments and groups within OCTA. For this review, the Planning and Analysis Department was selected. As of the selected payroll period, there were 14 employees assigned to the Planning and Analysis Department.

Discussion

On Friday, December 16, 2005, Internal Audit accompanied the Office Specialist of Planning and Analysis, Programming, Development and Commuter Rail during the distribution of paychecks. As the paychecks were distributed to the Planning and Analysis Department, Internal Audit obtained the employees' signatures and identified them by their OCTA badge or driver's license. For employees not present, Internal Audit checked their identification and obtained their signatures subsequently.

The hours shown on the approved time sheet were compared to the hours charged on the employee's Time Record History Report from the Lawson payroll system. The Payroll Clerk reclassified the hours on a couple of the timesheets, and the reclassifications appeared reasonable. The personnel files were reviewed to determine if the employees were paid at authorized rates. Additionally, the rates paid were verified to fall within the range for the employees' corresponding salary grade classification as authorized in the OCTA Personnel and Salary Resolution, Fiscal Year 2006.

Summary

In Internal Audit's opinion, the paychecks distributed in the Planning and Analysis Department for the pay period ended December 10, 2005, were made to current employees at their authorized pay rates and for the hours approved on their time sheets.

Audit performed by: Serena Ng, In-Charge Auditor

c: Richard Bacigalupo
Kurt Brotcke
Tom Wulf
Dale Cole
Robert Duffy

MEMORANDUM



February 21, 2006

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: Buy America Review

This item will be considered by the Finance and Administration Committee on February 22, 2006. Following Committee consideration of this matter, staff will provide you with a summary of the discussion and action taken by the Committee.

Please call me if you have any comments or questions concerning this correspondence.



February 22, 2006

To: Finance and Administration Committee
From: *M. Leahy*
Arthur T. Leahy, Chief Executive Officer
Subject: Buy America Review

Overview

Internal Audit has reviewed the costs for the vehicles proposed by Creative Bus Sales, Incorporated for procurements of 10 and 32 vans to determine if the costs were in compliance with federal "Buy America" guidelines. During the review, Internal Audit determined that vehicle costs in excess of 60 percent will be of United States content, in conformity with the requirements of Section 165(a) or (b)3 of the Surface Transportation Act of 1982, as amended.

Recommendation

Receive and file the Creative Bus Sales, Inc. – Procurement of 10 Vans, Buy America Review, Internal Audit Report No. 06-030, and the Creative Bus Sales, Inc. – Procurement of 32 Vans, Buy America Review, Internal Audit Report No. 06-031.

Background

The Orange County Transportation Authority (OCTA) will be acquiring 10 gasoline-powered vans manufactured by EIDorado National Company, located in Salina, Kansas, and The Braun Corporation, located in Winamac, Indiana. OCTA will also be acquiring 32 gasoline-powered vans manufactured by EIDorado National Company, located in Salina, Kansas. Transit agencies are required through the Code of Federal Regulations (CFR), specified in 49 CFR 661, to verify and certify compliance with the Buy America legislation. The regulations specify that before awarding a contract, the grant recipient must conduct, or contract for, a pre-award audit of the most responsive and responsible vehicle manufacturer to the solicitation. The purpose of the audit is to ensure that the manufacturer meets the requirements of the law, including compliance to the Federal Motor Vehicle Safety Standards (FMVSS), and that final assembly will be performed within the United States (U.S.).

To facilitate the process, the Contracts Administration and Materials Management Department requested the Internal Audit Department to perform the pre-award review of the vendor costs to ensure compliance with Buy America requirements.

Discussion

Internal Audit visited The Braun Corporation manufacturing facility in Winimac, Indiana, on January 23 and 24, 2006, and the EIDorado National Company manufacturing facility in Salina, Kansas, on January 26 and 27, 2006, to determine compliance with the Buy America requirements, including compliance to FMVSS. Internal Audit verified the manufacturer's schedule of proposed material costs to recent invoices or quotations from the various suppliers. Internal Audit determined that the vehicles to be manufactured for OCTA contain domestically manufactured components representing costs in excess of 60 percent of the cost of the vehicle, and that EIDorado National Company and The Braun Corporation are in compliance with FMVSS. The schedules contained within the attached Creative Bus Sales, Inc. - Procurement of 10 Vans, Buy America Review, Internal Audit Report No. 06 030, and Creative Bus Sales, Inc. - Procurement of 32 Vans, Buy America Review, Internal Audit Report No. 06-031, indicates the relative percentage of the total cost that each component represents and the percentages for the Buy America U.S. content represented. Also included are three certifications regarding the conduct of the audit and compliance with Buy America requirements.

Summary

Based on the reviews, vehicle costs in excess of 60 percent will be of U.S. content, in conformity with the requirements of Section 165(a) or (b)3 of the Surface Transportation Act of 1982, as amended.

Attachments

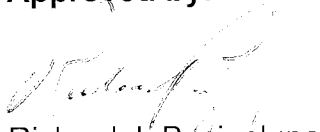
- A. Creative Bus Sales, Inc. – Procurement of 10 Vans, Buy America Review, Internal Audit Report No. 06-030
- B. Creative Bus Sales, Inc. – Procurement of 32 Vans, Buy America Review, Internal Audit Report No. 06-031

Prepared by:



Robert A. Duffy
Manager, Internal Audit
(714) 560-5669

Approved by:




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



INTEROFFICE MEMO

January 31, 2006

To: Jim Kenan, Executive Director
Finance, Administration and Human Resources

From: Lisa Monteiro, Senior Internal Auditor 
Internal Audit

Subject: **Creative Bus Sales, Inc. – Procurement of 10 Vans, Buy America Review, Internal Audit Report No. 06-030**

Conclusion

In Internal Audit's opinion, the costs for the vehicles proposed by Creative Bus Sales, Inc. – EIDorado National Co./The Braun Corporation are in compliance with Federal "Buy America" guidelines. During the review, Internal Audit determined that vehicle costs in excess of 60 percent will be of U.S. content, in conformity with the requirements of Section 165(a) or (b)3 of the Surface Transportation Act of 1982, as amended.

Background

The Orange County Transportation Authority (OCTA) will be acquiring 10 gasoline-powered vans, with five to be manufactured by EIDorado National Co., located in Salina, Kansas and five to be manufactured by The Braun Corporation located in Winamac, Indiana. To ensure compliance with the Buy America legislation, transit agencies are required through Federal Regulations, specified in 49 CFR 661, to verify and certify compliance. The regulations specify that before a contract can be awarded, the grant recipient must conduct, or contract for, a pre-award audit of the most responsive and responsible vehicle manufacturer to the solicitation. The purpose of the audit is to ensure that the manufacturer meets the requirements of the law, including compliance to the Federal Motor Vehicle Safety Standards, and that the manufacturer has the capability of performing final assembly within the United States.

To facilitate the process, CAMM requested the Internal Audit Department to perform the pre-award review of the vendor costs to ensure compliance with Buy America requirements.

Purpose and Scope

The purpose of this review is to determine whether the manufacturer intends to build a vehicle that has a domestic (U.S.) component and sub-component cost of at least 60 percent of the total component cost of the vehicle. A component must have at least 60 percent of sub-component cost furnished with domestic (U.S.) manufactured sub-components and be assembled in the United States to qualify as of domestic origin.

Therefore, Internal Audit evaluated the current vehicles proposed by Creative Bus Sales, Inc., to determine the overall costs of the EIDorado National Co. and the Braun Corporation vehicle components. Internal Audit also reviewed supporting documentation to determine the origin and purchase price of the components to determine compliance with Federal Regulations.

Discussion

Internal Audit visited The Braun Corporation manufacturing facility in Winamac, Indiana, on January 23 and 24, 2006, and EIDorado National Co. manufacturing facility in Salina, Kansas, on January 26 and 27, 2006, to determine compliance with the Buy America requirements. Internal Audit verified the manufacturers' schedules of proposed material costs to recent invoices or quotations from the various suppliers. Internal Audit determined that the vehicles to be manufactured for OCTA contain domestically manufactured components representing costs in excess of 60 percent of the cost of the vehicle. The attached schedules entitled Buy America Calculation – EIDorado National Co., and Buy America Calculation – The Braun Corporation, indicate the relative percentage of the total cost that each component represents and the percentages for the Buy America U.S. content represented. Also included are two certifications regarding the conduct of the audit and compliance with Buy America requirements.

Audit performed by: Lisa Monteiro


Attachments: Certification – Pre-Award Buy America Compliance Certification
Certification – Pre-Award Buy America Compliance Certification
Certification – Audit
Certification – Audit
Buy America Calculation – EIDorado National Co.
Buy America Calculation – The Braun Corporation

c: Art Leahy
Richard Bacigalupo
Virginia Abadessa
Wendy Hebein

**CERTIFICATION
PRE-AWARD BUY AMERICA COMPLIANCE CERTIFICATION**

As required by Title 49 of CFR, Part 663 - Subpart B, the Orange County Transportation Authority is satisfied that the vehicles to be purchased, five gasoline-powered vans from Creative Bus Sales, Inc., as manufactured by ElDorado National Company, meet the requirements of Section 165(b)(3) of the Surface Transportation Assistance Act of 1982, as amended. The Orange County Transportation Authority's Internal Audit Department has reviewed documentation provided by the manufacturer, which lists (1) the proposed component and sub-component parts of the vehicles identified by the manufacturer, country of origin, and cost; and, (2) the proposed location of the final assembly point for the vehicles, including a description of the activities that will take place at the final assembly point and the cost of final assembly.

Signature:



Robert A. Duffy
Manager, Internal Audit
Orange County Transportation Authority

**CERTIFICATION
PRE-AWARD BUY AMERICA COMPLIANCE CERTIFICATION**

As required by Title 49 of CFR, Part 663 - Subpart B, the Orange County Transportation Authority is satisfied that the vehicles to be purchased, 10 gasoline-powered vans from Creative Bus Sales, Inc., as manufactured by The Braun Corporation, meet the requirements of Section 165(b)(3) of the Surface Transportation Assistance Act of 1982, as amended. The Orange County Transportation Authority's Internal Audit Department has reviewed documentation provided by the manufacturer, which lists (1) the proposed component and sub-component parts of the vehicles identified by the manufacturer, country of origin, and cost; and, (2) the proposed location of the final assembly point for the vehicles, including a description of the activities that will take place at the final assembly point and the cost of final assembly.

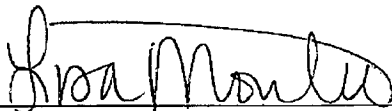
Signature:



Robert A. Duffy
Manager, Internal Audit
Orange County Transportation Authority

CERTIFICATION AUDIT

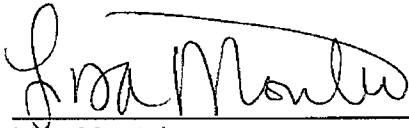
I certify that I have conducted a pre-award audit of the documents relating to the manufacture of the gasoline-powered vans by EIDorado National Company, Salina, Kansas, for the Orange County Transportation Authority of Orange, California, according to the requirements of 49 CFR 663. The manufacturers have proven that it intends to construct these vehicles in conformity with the requirements of Section 165 (a) or (b) (3) of the Surface Transportation Act of 1982, as amended.



Lisa Monteiro
Senior Internal Auditor
Orange County Transportation Authority

CERTIFICATION AUDIT

I certify that I have conducted a pre-award audit of the documents relating to the manufacture of the gasoline-powered vans by The Braun Corporation, Winamac, Indiana, for the Orange County Transportation Authority of Orange, California, according to the requirements of 49 CFR 663. The manufacturers have proven that it intends to construct these vehicles in conformity with the requirements of Section 165 (a) or (b) (3) of the Surface Transportation Act of 1982, as amended.

A handwritten signature in black ink, appearing to read "Lisa Monteiro", written over a horizontal line.

Lisa Monteiro
Senior Internal Auditor
Orange County Transportation Authority

BUY AMERICA CALCULATION - ELDORADO NATIONAL CO.

Component	Component Percent of Total Cost	U.S. Content Percent of Total Cost	U.S. Subcomponent Percent of Total Cost	Total U.S. Component Percentage of Cost as Verified
Chassis	72.45%	72.45%		72.45%
Floor Assembly Kit	6.59%	6.59%		6.59%
Fuel Tank Assembly	2.49%	2.49%		2.49%
Interlock	0.93%	0.93%		0.93%
Seat Foot Ramp	6.30%	6.30%		6.30%
Wheelchair Restraints	<u>1.72%</u>	<u>1.72%</u>		<u>1.72%</u>
Total	<u>90.48%</u>	<u>90.48%</u>	<u>0.00%</u>	<u>90.48%</u>

BUY AMERICA CALCULATION - THE BRAUN CORPORATION

Component	Component Percent of Total Cost	U.S. Content Percent of Total Cost	U.S. Subcomponent Percent of Total Cost	Total U.S. Component Percentage of Cost as Verified
Chassis	63.06%	63.06%		63.06%
Raised Roof	2.92%	2.92%		2.92%
Lift	8.10%	8.10%		8.10%
Wheelchair Securement	1.95%	1.95%		1.95%
Interior Package	3.00%	3.00%		3.00%
Installation Kit	4.45%		4.45%	4.45%
Back-up Alarm	<u>0.69%</u>		<u>0.69%</u>	<u>0.69%</u>
Total	<u>84.17%</u>	<u>79.03%</u>	<u>5.14%</u>	<u>84.17%</u>



INTEROFFICE MEMO

January 31, 2006

To: Jim Kenan, Executive Director
Finance, Administration and Human Resources

From: Lisa Monteiro, Senior Internal Auditor *jm*
Internal Audit

Subject: **Creative Bus Sales, Inc. – Procurement of 32 Vans, Buy America Review, Internal Audit Report No. 06-031**

Conclusion

In Internal Audit's opinion, the costs for the vehicles proposed by Creative Bus Sales, Inc. – ElDorado National Co. are in compliance with Federal "Buy America" guidelines. During the review, Internal Audit determined that vehicle costs in excess of 60 percent will be of U.S. content, in conformity with the requirements of Section 165(a) or (b)3 of the Surface Transportation Act of 1982, as amended.

Background

The Orange County Transportation Authority (OCTA) will be acquiring 32 gasoline-powered vans manufactured by ElDorado National Co., located in Salina, Kansas. To ensure compliance with the Buy America legislation, transit agencies are required through Federal Regulations, specified in 49 CFR 661, to verify and certify compliance. The regulations specify that before a contract can be awarded, the grant recipient must conduct, or contract for, a pre-award audit of the most responsive and responsible vehicle manufacturer to the solicitation. The purpose of the audit is to ensure that the manufacturer meets the requirements of the law, including compliance to the Federal Motor Vehicle Safety Standards, and that the manufacturer has the capability of performing final assembly within the United States.

To facilitate the process, CAMM requested the Internal Audit Department to perform the pre-award review of the vendor costs to ensure compliance with Buy America requirements.

Purpose and Scope

The purpose of this review is to determine whether the manufacturer intends to build a vehicle that has a domestic (U.S.) component and sub-component cost of at least 60 percent of the total component cost of the vehicle. A component must have at least 60 percent of sub-component cost furnished with domestic (U.S.) manufactured sub-components and be assembled in the United States to qualify as of domestic origin.

Therefore, Internal Audit evaluated the current vehicles proposed by Creative Bus Sales, Inc., to determine the overall costs of the EIDorado National Co. vehicle components. Internal Audit also reviewed supporting documentation to determine the origin and purchase price of the components to determine compliance with Federal Regulations.

Discussion

Internal Audit visited the EIDorado National Co. manufacturing facility in Salina, Kansas, on January 26 and 27, 2006, to determine compliance with the Buy America requirements. Internal Audit verified the manufacturer's schedule of proposed material costs to recent invoices or quotations from the various suppliers. Internal Audit determined that the vehicles to be manufactured for OCTA contain domestically manufactured components representing costs in excess of 60 percent of the cost of the vehicle. The attached schedule entitled Buy America Calculation – EIDorado National Co., indicates the relative percentage of the total cost that each component represents and the percentages for the Buy America U.S. content represented. Also included are two certifications regarding the conduct of the audit and compliance with Buy America requirements.

Audit performed by: Lisa Monteiro

Attachments: Certification – Pre-Award Buy America Compliance Certification
Certification – Audit
Buy America Calculation – EIDorado National Co.

c: Art Leahy
Richard Bacigalupo
Virginia Abadessa
Wendy Hebein

**CERTIFICATION
PRE-AWARD BUY AMERICA COMPLIANCE CERTIFICATION**

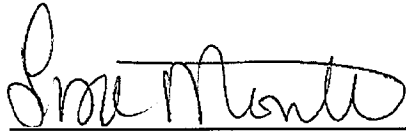
As required by Title 49 of CFR, Part 663 - Subpart B, the Orange County Transportation Authority is satisfied that the vehicles to be purchased, 32 gasoline-powered vans from Creative Bus Sales, Inc., as manufactured by Eldorado National Company, meet the requirements of Section 165(b)(3) of the Surface Transportation Assistance Act of 1982, as amended. The Orange County Transportation Authority's Internal Audit Department has reviewed documentation provided by the manufacturer, which lists (1) the proposed component and sub-component parts of the vehicles identified by the manufacturer, country of origin, and cost; and, (2) the proposed location of the final assembly point for the vehicles, including a description of the activities that will take place at the final assembly point and the cost of final assembly.

Signature:


Robert A. Duffy
Manager, Internal Audit
Orange County Transportation Authority

CERTIFICATION AUDIT

I certify that I have conducted a pre-award audit of the documents relating to the manufacture of the gasoline-powered vans by EIDorado National Company, Salina, Kansas for the Orange County Transportation Authority of Orange, California, according to the requirements of 49 CFR 663. The manufacturers have proven that it intends to construct these vehicles in conformity with the requirements of Section 165 (a) or (b) (3) of the Surface Transportation Act of 1982, as amended.



Lisa Monteiro
Senior Internal Auditor
Orange County Transportation Authority

BUY AMERICA CALCULATION - ELDORADO NATIONAL CO.

Component	Component Percent of Total Cost	U.S. Content Percent of Total Cost	U.S. Subcomponent Percent of Total Cost	Total U.S. Component Percentage of Cost as Verified
Chassis	50.55%	50.55%		50.55%
Body Assembly	5.12%	5.12%		5.12%
Bus Start Assembly	2.75%	2.75%		2.75%
Door/Electrical Assembly	2.82%	2.82%		2.82%
Manual Mirror Kit	0.23%		0.23%	0.23%
Brake Retarder	6.13%	6.13%		6.13%
67,000 BTU Air Conditioning	3.79%	3.79%		3.79%
Lift, ADA	4.11%	4.11%		4.11%
Total	<u>75.50%</u>	<u>75.27%</u>	<u>0.23%</u>	<u>75.50%</u>



February 21, 2006

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: Review of Human Resources Information System,
Post-Implementation

This item will be considered by the Finance and Administration Committee on February 22, 2006. Following Committee consideration of this matter, staff will provide you with a summary of the discussion and action taken by the Committee.

Please call me if you have any comments or questions concerning this correspondence.



February 22, 2006

To: Finance and Administration Committee
From: Arthur T. Leahy, ^{AL} Chief Executive Officer
Subject: Review of the Human Resources Information System, Post-Implementation

Overview

The Internal Audit Department has completed a review of the Human Resources Information System and the related application security. There were no recommendations for improvements, therefore a response to the report was not required.

Recommendation

Receive and file the Review of the Human Resources Information System, Post-Implementation, Internal Audit Report No. 06-013.

Background

In May 2003, the Orange County Transportation Authority (OCTA) Board of Directors approved Contract C-2-0450 with Lawson Software (Lawson) for an integrated Human Resources Information System (HRIS) application. The original amount of the contract was \$2,213,668. The Board of Directors approved five amendments to the contract during the course of implementation for a total additional amount of \$500,000. This brought the total maximum payment obligation to \$2,713,668.

The HRIS system went live September 27, 2004. The total amount paid to Lawson on this contract was \$2,708,205.81. The final payment on this contract with Lawson was made on July 20, 2005.

Discussion

The Internal Audit Department reviewed all invoices paid on this contract. They were reviewed for required authorization and for allowable costs

according to the terms of the contract. The application security was reviewed for reasonableness in allowing access to the sensitive data.

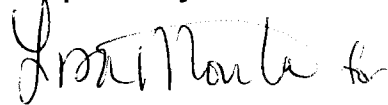
Summary

Based on Internal Audit's review, the controls over the payments made on Contract C-2-0450 are reasonable and the security over the HRIS application data is adequate.

Attachment

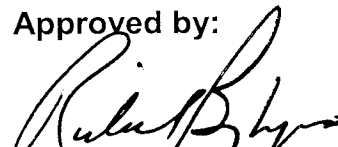
- A. Review of the Human Resources Information System, Post-Implementation, Internal Audit Report No. 06-013

Prepared by:



Robert A. Duffy
Manager, Internal Audit
(714) 560-5669

Approved by:



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



INTEROFFICE MEMO

January 31, 2006

To: Jim Kenan, Executive Director
Finance, Administration & Human Resources

From: Gerald Dunning, Sr. Internal Auditor *GD*
Internal Audit

Subject: **Review of the Human Resources Information System,
Post-Implementation, Internal Audit Report No. 06-013**

Conclusion

The Internal Audit Department has completed a review of the Human Resources Information System implemented by Lawson software on contract #C-2-0450, and the Human Resources Information System application security. **In Internal Audits opinion**, the payments made to Lawson for the Human Resources Information System appear to be reasonable and within the terms of the contract. In addition, the application security for the system appears to be reasonable in allowing access to Human Resources Information System on a need-to-know basis.

Background

The Integrated Personnel and Payroll System (IPPS) was developed by the Orange County Transportation Authority (OCTA) and went into production in 1984. One of the primary reasons for replacing this system was the increasing difficulty in being able to find qualified support for the system that was primarily written in COBOL.

In May 2003, the OCTA Board approved contract #C-2-0450 with Lawson Software (Lawson) for an integrated Human Resources Information System (HRIS) application that included Benefits, Compensation, Employment, Payroll and Employee Relations.

The original amount of the contract was \$2,213,668. The board approved five amendments to the contract for a total additional amount of \$500,000. The total approved contract amount is a maximum cumulative payment obligation of \$2,713,668. The new HRIS system went live September 27, 2004. The total amount paid to Lawson on this contract was \$2,708,205.81. The final

payment on this contract with Lawson was made on July 20, 2005, for the balance of the retention amount due.

The web-based Lawson applications provide an open system with a flexible architecture. Because the new Lawson application is web-based, it has enabled OCTA to save the cost of deploying new software to hundreds of PC's which in turn minimizes maintenance costs. In coming months, OCTA expects to realize additional time and cost savings via the self-service application. This will enable employees to access and maintain their benefits information via a web browser instead of calling the Human Resources Department with questions about vacation time, health insurance and other information. OCTA managers will soon be able to use the system to track and maintain information about their direct reports.

Purpose and Scope

The audit was performed as part of the continuing work of Internal Audit to assist management in the discharge of their responsibilities and to protect the integrity of OCTA's operations and assets.

Internal Audit's objective was to conduct a review of the payments made to Lawson to ensure that payments were properly approved and within the terms of the contract. In addition, the HRIS application was reviewed to determine that access to sensitive data was being secured in a reasonable manner. Internal Audit's scope included, but was not limited to, the following areas:

- Reviewing contract #C-2-0450
- Reviewing all invoices paid on contract #C-2-0450 to Lawson
- Reviewing the project business case presented to the Technology Review Committee (TRC)
- Reviewing project status reports for the HRIS project
- Reviewing HRIS "LAUA" security module description
- Reviewing the screen prints from "LAUA" that show the security class for all HRIS users

Audit work performed by Internal Audit included reviewing the above information and interviewing key OCTA project and contract personnel.

Discussion

All forty invoices from July 23, 2003, through July 20, 2005, were reviewed. The invoices were reviewed for the required authorizations and the details on

the invoices were reviewed for reasonableness of allowable costs according to the terms of the contract. No exceptions were noted.

LAUA is the name of the security module that is part of the Lawson HRIS application. Internal Audit reviewed the description of how this module is applied to the application and reviewed screen prints of the security profiles for the current functional users. The security process is in place and appears to be reasonable for the sensitive nature of the data in HRIS.

Summary

Based on Internal Audit's review, the controls over the payments made on contract #C-2-0450 are reasonable and the security over the HRIS application data is adequate.

Internal Audit appreciates the cooperation received from the Information Systems, Accounts Payable and the Contracts Administration and Materials Management staff. There is no response required from management on this report.

Audit performed by: Gerry Dunning, In-Charge Auditor
 Maria Robledo

c: Rick Bacigalupo
 Lisa Arosteguy
 Bob Duffy
 Bill Mao
 Ken Phipps
 Lloyd Sullivan
 Tom Wulf

MEMORANDUM



February 21, 2006

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: Review of Procurement – Revisions of Procurement Policies and Procedures

This item will be considered by the Finance and Administration Committee on February 22, 2006. Following Committee consideration of this matter, staff will provide you with a summary of the discussion and action taken by the Committee.

Please call me if you have any comments or questions concerning this correspondence.



February 22, 2006

To: Finance and Administration Committee
From: ^{ATL by RB} Arthur T. Leahy, Chief Executive Officer
Subject: Review of Procurement – Revisions to Procurement Policies and Procedures

Overview

The Internal Audit Department has completed a limited review of compliance with the procurement revisions that were approved by the Board of Directors on July 26, 2004. The Internal Audit Department determined that the procurement revisions have been implemented. A response to the report was not required.

Recommendation

Receive and file the Review of Procurement - Revisions to Procurement Policies and Procedures, Internal Audit Report No. 06-004.

Background

The Procurement Policies and Procedures Manual is designed to set forth the standards for processing all contract and purchase orders. The Contracts Administration and Materials Management (CAMP) Department is responsible for the purchase and sale of all goods, equipment, and services within the Orange County Transportation Authority (OCTA).

The OCTA Board of Directors approved 15 revisions to OCTA's Procurement Policies and Procedures at the July 26, 2004, meeting.

Discussion

The objective of the audit was to determine if the procurement revisions have been fully implemented. The audit scope included determining the status of the procurement revisions, reviewing the Procurement Policies and Procedures Manual, reviewing any documents and forms that have been updated to comply with the procurement revisions, and performing data analysis on the

OCTA agreement listing. Based on the review, all procurement revisions have been fully implemented.

Summary

Based on the review, all procurement revisions approved by the Board of Directors on July 26, 2004, have been implemented.

Attachment

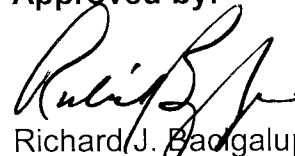
- A. Review of Procurement - Revisions to Procurement Policies and Procedures, Internal Audit Report No. 06-004

Prepared by:



Robert A. Duffy
Manager, Internal Audit
(714) 560-5669

Approved by:



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



INTEROFFICE MEMO

January 23, 2006

To: Jim Kenan, Executive Director
Finance, Administration & Human Resources

From: Serena Ng, Senior Internal Auditor *by kuo*
Internal Audit

Subject: **Review of Procurement – Revisions to Procurement Policies and Procedures, Internal Audit Report No. 06-004**

Conclusion

The Internal Audit Department has completed a limited review of compliance with the procurement revisions that were approved by the Board of Directors on July 26, 2004. **In Internal Audit's opinion**, the procurement revisions have been implemented.

Background

The Procurement Policies and Procedures Manual is designed to set forth the standards for processing all contract and purchase orders. The Contracts Administration and Materials Management Department (CAMP) is responsible for the purchase and sale of all goods, equipment, and services within the Orange County Transportation Authority (OCTA).

The OCTA Board of Directors approved fifteen revisions to OCTA's Procurement Policies and Procedures at the July 26, 2004 meeting.

Purpose and Scope

The objective of the audit was to determine if the procurement revisions have been fully implemented. The scope of the review included:

- Determining the status of the procurement revisions;
- Reviewing the Procurement Policies and Procedures Manual;
- Reviewing any documents and forms that have been updated to comply with the procurement revisions; and
- Performing data analysis on the OCTA agreement listing.



Discussion

Internal Audit discussed the status of all the procurement revisions with the Manager of CMM. The first and fifth revision, which involve dollar thresholds, include a statement that the Finance and Administration Committee is to review the specific revisions in six months. The manager of CMM noted that these revisions have not been brought back to the Finance and Administration Committee because no change in dollar thresholds for the revisions is being recommended.

Internal Audit then reviewed the Procurement Policies and Procedures Manual, a sample of agreement files for agreements entered after the procurement revisions, and other forms and documentation to determine that the procurement revisions have been implemented. Based on this review, it appears that all procurement revisions have been fully implemented.

Summary

Based on Internal Audit's review, the procurement revisions have been implemented.

Management Response

No management response is required.

Audit performed by: Serena Ng, In-Charge Auditor

Attachments

Exhibit A Revisions to Procurement Policies and Procedures

c: Rick Bacigalupo
Virginia Abadessa
Robert Duffy

Revisions to Procurement Policies and Procedures

On June 7, 2004, the Executive Committee unanimously approved a motion recommending the following revisions to OCTA's Procurement Policies and Procedures.

1. Simplified acquisition procedures may be used for procurements of less than \$50,000. Finance and Administration Committee to review in six months.
2. Contract terms exceeding five years are acceptable when it makes good business sense and with Board approval.
3. Copies of Requests For Proposals (RFP) for procurements shall not be made available to Board Members prior to official release.
4. Chief Executive Officer (CEO) authorized to approve public works change orders authorized by California statutes. Staff to report quarterly all approved change orders to the Board of Directors.
5. CEO authorized to approve sole source contracts, subject to a maximum amount of \$25,000. Finance and Administration Committee to review in six months.
6. Contracts with options which if exercised would aggregate a total cost requiring Board approval shall require prior Board approval. Board approval also required to exercise an option.
7. Board delegation of authority for approval and execution of contracts is to the CEO, who may delegate this authority to the Manager of Contracts and Materials Management (CMM).
8. Interviews and technical proposals shall be considered elements of a total proposal and shall not be scored separately.
9. A proposal evaluation committee's scores and/or scoring matrix shall be included as part of the staff report provided to the appropriate Board Committee, as well as to each Board Member.
10. Recommendations for award by staff shall be presented to Board after negotiations and/or best and final offers have been requested and evaluated.
11. Procurement evaluation committees shall not be required to include a representative from an entity other than OCTA, unless another entity is a significant partner with OCTA in the procurement.

12. Involvement of Board Members in procurement activities shall be limited to major policy matters, such as determining what contract actions are significant enough for Board review, or approving procurement methods for general categories of procurements.
13. Board of Directors shall be the final administrative appeal for procurement protests.
14. CEO authorized to approve all travel, except travel outside of California by Board Members shall be approved by the Board. Staff shall report monthly to Board on all travel activity.
15. Standards of conduct shall satisfy requirements of the Federal Transit Administration.



BOARD COMMITTEE TRANSMITTAL

February 27, 2006

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: Status of Santa Ana River Crossings Study

Regional Planning and Highways Committee

February 20, 2006

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

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

- A. Receive and file as an information item.
- B. Direct staff to present another progress report to the Board of Directors within 90 days.



February 20, 2006

To: Regional Planning and Highways Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Status of Santa Ana River Crossings Study

Overview

On June 6, 2005, the Board of Directors authorized staff to complete the consultant selection process for a Preliminary Engineering and Supplemental Environmental Impact Report to assess the feasibility of the Garfield-Gisler Bridge crossing over the Santa Ana River. The intent of the report was to provide information that would enable the cities of Costa Mesa, Fountain Valley, and Huntington Beach to reach a consensus as to whether the bridge should be constructed or deleted from the Master Plan of Arterial Highways. As the study progressed, it was determined that the 2001 Environmental Impact Report could not be used as the basis for a supplemental Environmental Impact Report. Consequently, staff has been working with the cities in the Garfield-Gisler study area to define other options for reaching consensus on the ultimate disposition of the bridge. Those options and a summary of the overall study process and budget are described herein.

Recommendations

- A. Receive and file as an information item.
- B. Direct staff to present another progress report to the Board of Directors within 90 days.

Background

The Garfield-Gisler Bridge crossing over the Santa Ana River has a long history dating back to 1956 when the County of Orange adopted the Orange County Master Plan of Arterial Highways (MPAH). In fact, the Garfield-Gisler Bridge and three other crossings over the Santa Ana River were identified in the MPAH to facilitate east-west traffic flow between the San Diego Freeway (Interstate 405) and Pacific Coast Highway in Orange County. Two of the four bridge crossings, Hamilton Avenue/Victoria Street and Adams Street,

have been completed. The remaining two designated bridge crossings, Banning Avenue/19th Street and Garfield Avenue/Gisler Avenue, have been the subject of several studies including the Orange County Transportation Authority's (OCTA) 2001 Santa Ana River Crossings (SARX) Cooperative Study Program Draft Environmental Impact Report (DEIR).

The most recent study effort, the Garfield-Gisler Preliminary Engineering and Supplemental Environmental Impact Report (PE/SEIR), was initiated after OCTA and the cities of Costa Mesa and Fountain Valley agreed to a set of conditions for funding and administering the study¹. Funding sources for the PE/SEIR include:

Growth Management Area 6	\$250,000
City of Fountain Valley Measure M Turnback	\$100,000
Growth Management Area 8	<u>\$100,000</u>
	\$450,000

The conditions upon which the agreement was based assumed that the PE/SEIR would be completed and the OCTA Board of Directors would certify the original SARX Program Level Environmental Impact Report (EIR) by June 30, 2006, with the consent of all affected agencies (*i.e.*, the cities of Costa Mesa, Fountain Valley, and Huntington Beach). These provisions and the above funding commitments were memorialized in a Memorandum of Understanding (MOU) which OCTA, Costa Mesa, and Fountain Valley executed in June 2005. The MOU was also presented to, but never executed by, the City of Huntington Beach.

In August 2005, after thoroughly reviewing the original Program Level SARX EIR, the PE/SEIR consultant (LSA Associates) and OCTA's legal counsel jointly determined that a supplemental EIR could not be prepared using the Program Level SARX EIR as a basis due to issues of technical adequacy. Therefore, OCTA staff scheduled a series of meetings with the affected cities to discuss this issue and define options for meeting the intent of the PE/SEIR (*i.e.*, to reach consensus on the ultimate disposition of the Garfield-Gisler Bridge) within the approved budget and schedule.

On December 9, 2005, while making progress toward defining a consensus approach for completing the Garfield-Gisler Area Study², OCTA received a letter from the City of Costa Mesa requesting that the SARX issue, including

¹ The cities of Huntington Beach and Newport Beach and the County of Orange were, subsequently, invited to participate in the study process as affected and/or interested jurisdictions.

² So renamed after it was determined that the PE/SEIR could not be completed.

the latest MOU and staff recommendations, be discussed at an upcoming OCTA Board of Directors meeting (Attachment A). The letter expresses the City's concerns that the executed MOU is no longer valid because the results of the PE/SEIR cannot be incorporated into the Program Level SARX EIR and the latter document cannot be certified. It also states that the City is not confident that a new EIR would help the affected agencies reach consensus on the bridges in the SARX study area.

Discussion

January 2006 proved to be a very productive month with respect to the Garfield-Gisler Area Study. A series of meetings with city technical staff, city managers, and, ultimately, the Ad-Hoc SARX Policy Advisory Committee, enabled the parties to reach agreement on several points.

The key points of the agreement are summarized in a letter that Director Silva sent to members of the Ad-Hoc SARX Policy Advisory Committee on February 1, 2006 (Attachment B). They are also detailed below:

1. OCTA will complete the Garfield-Gisler Area Study, in cooperation with the cities of Costa Mesa, Fountain Valley, Huntington Beach, Newport Beach, and the County of Orange, within 90 days.
2. The Garfield-Gisler Area Study will provide conceptual technical data and preliminary cost estimates for the following three alternatives:
 - Build the Garfield-Gisler Bridge and implement associated roadway improvements.
 - Do not build the Garfield-Gisler Bridge, but implement roadway improvements generally consistent with those identified for the Garfield-Gisler area in the Program Level SARX EIR.
 - Do not build the Garfield-Gisler Bridge, but implement alternative mitigation strategies such as Smart Street improvements on major arterials in the study area to achieve traffic flow enhancements generally equivalent to those that would be realized by constructing the bridge.
3. Upon completion of the Garfield-Gisler Area Study, OCTA and the cities of Costa Mesa, Fountain Valley, and Huntington Beach will explore options to formalize the study's findings.

As stated in Director Silva's letter, all of the tasks identified above can be completed within the existing budget and institutional framework. No additional funding would be required and no amendments to the current MOU would be necessary.

Next Steps

OCTA staff will continue to work with local agency technical staff toward completion of the Garfield-Gisler Area Study. It is anticipated that the technical work will be completed within the next 90 days. Director Silva will convene a meeting of the Ad-Hoc SARX Policy Advisory Committee when a final draft of the technical study becomes available. The purpose of this meeting will be to provide further direction to OCTA.

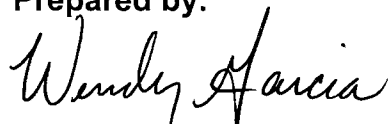
Summary

OCTA staff has been working cooperatively with the cities of Costa Mesa, Fountain Valley, Huntington Beach, Newport Beach, and the County of Orange toward completion of the Garfield-Gisler Area Study which remains on schedule and within budget. Staff will return to the Board with a progress update in 90 days.

Attachments

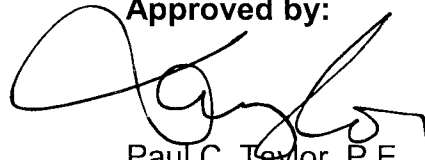
- A. Letter from the City of Costa Mesa, dated December 5, 2005
- B. Letter to Ad-Hoc SARX Policy Advisory Committee, dated February 1, 2006

Prepared by:



Wendy Garcia
Transportation Analyst
(714) 560-5738

Approved by:



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



CITY OF COSTA MESA

CALIFORNIA 92628-1200

P.O. BOX 1200

FROM THE OFFICE OF THE MAYOR

December 5, 2005

Mr. Art Leahy
Chief Executive Officer
Orange County Transportation Authority
550 South Main Street
Orange, California 92863

Dear Mr. Leahy:

SUBJECT: Santa Ana River Crossings Study (SARX)

The Orange County Transportation Authority's (OCTA) Master Plan of Arterial Highways (MPAH) currently designates two future crossings over Santa Ana River south of the I-405 Freeway. These crossings are located at Gisler Avenue/Garfield Avenue within the Cities of Costa Mesa and Fountain Valley, and at 19th Street/Banning Avenue within the Cities of Costa Mesa and Huntington Beach. A map showing the locations of the MPAH designated bridges is attached (Attachment 1).

In light of impacts identified in the City of Costa Mesa's 1990 General Plan Review, the City requested the County in November 1991, to remove these bridges from the MPAH. In response, the County conducted a traffic study in the area surrounding the proposed bridges at a cost of approximately \$325,000. This study concluded that the bridge deletion issue should be dealt with through a cooperative study process. A resolution by the Orange County Board of Supervisors was adopted in December 1993 to that effect (Attachment 2). Following this action, OCTA took over the administration of the MPAH and assumed the lead agency role for the SARX study.

In 1998, with OCTA as lead agency, a consultant was hired at a cost of \$200,000, to prepare an Environmental Impact Report (EIR) document to address the deletion of bridges from the MPAH and identify mitigations at impacted locations. The Cities of Costa Mesa, Huntington Beach and Newport Beach, in conjunction with OCTA, provided the funding for the study. The draft EIR was circulated for the cities' review and public comment in June 2001. Four community workshops were held in the Cities of Costa Mesa, Fountain Valley, Huntington Beach, and Newport Beach within a 45-day public review period, ending on August 6, 2001. Comments from 11 agencies and 545 citizens and/or associations, and the respective responses to comments were included in the final EIR dated April 2002. The EIR results showed that the bridges could be removed from the MPAH with the implementation of mitigation measures at certain locations. Throughout the entire process, the City of Costa Mesa has consistently stated its willingness to participate financially in a significant number of mitigation improvements

that fall outside of its City limits. This could be accomplished through an agreement amongst the cities.

On several occasions, the City of Costa Mesa requested OCTA to certify the EIR and complete the process. However, due to their requirement to obtain **consensus** among all affected agencies, this action was not taken.

In December 2002, the City of Fountain Valley, using a Combined Transportation Funding Program grant source, approached OCTA to conduct a new focused study on the Garfield Avenue/Gisler Avenue Bridge. In order to obtain the support for the focused study from the Cities of Costa Mesa and Huntington Beach, a Memorandum Of Understanding (MOU) was executed by all involved agencies (Attachment 3). The MOU provisions include:

- The Cities of Costa Mesa and Fountain Valley will contribute Growth Management Area funds to the Garfield Avenue/Gisler Avenue focused study;
- Upon completion of the study, the results will be incorporated into the previously mentioned original program level EIR (completed in April 2002) and will be certified by OCTA;
- The new focused study and the original April 2002 EIR will be certified prior to June 30, 2006; and
- In the event the new focused study is delayed beyond the June 30, 2006 deadline, OCTA will proceed with the certification of the original EIR prior to June 30, 2006.

In September 2005, during the initial stages of the Garfield Avenue/Gisler Avenue focused study, the OCTA consultant and the OCTA legal counsel determined that the original program EIR, which was completed in April 2002, is now inadequate and cannot be certified in its present state. One of the main reasons quoted was that the original program EIR information is outdated due to the changes in the area over the past five years and that the EIR needs a certain amount of updating to the data used to assure its validity. Following many meetings and discussions, OCTA staff is now of the opinion that a new EIR will need to be completed to replace the original EIR of April 2002. This new study would take approximately 18 to 24 months.

The above action renders several provisions in the executed MOU invalid, such as:

- The results of any new study cannot be incorporated into the original program EIR of 2002;
- The original April 2002 program level EIR cannot be certified; and
- The deadline of June 30, 2006, for completion of Garfield Avenue/Gisler Avenue focused study and certification of the EIR cannot be met.

The consultant estimates that the cost for a new EIR could be approximately \$650,000 to \$850,000. Currently, there are also discussions of conducting another focused study for the Banning Avenue/19th Street bridge crossing similar to the one underway for the Garfield Avenue/Gisler Avenue bridge crossing. The estimated cost of this study is approximately \$175,000. These costs are in addition to the Garfield Avenue/Gisler Avenue focused study, at an approximate cost of, \$250,000.

Several years of studies and several hundred thousand of taxpayer dollars have already been expended to date on this item with no decisions reached and no improvements constructed. The City of Costa Mesa feels that spending another \$1.2 million, in addition to the previous efforts and expenditure of staff time, may ensure full employment for traffic consultants but certainly not guarantee anything is resolved.

Accordingly, the City requests that the SARX issue, including the latest MOU and OCTA staff recommendations, be "agendized" for an upcoming OCTA Board of Directors meeting for review and input. In this way, the OCTA Board may be able to provide final direction on this seemingly endless process.

The City of Costa Mesa is committed in providing a quality environment for its citizens while addressing the transportation needs of the region. We look forward to working with the OCTA Board and your staff on this important project.

Sincerely,



Allan R. Mansoor
Mayor

/cg

- Attachments:
1. Location of Proposed Bridges
 2. Orange County Board of Supervisors Resolution
 3. Memorandum of Understanding

DISTRIBUTION:

Costa Mesa City Council
Costa Mesa City Manager
Director of Strategic Planning, OCTA
Public Services Director, Costa Mesa
Transportation Services Manager, Costa Mesa
Associate Engineer, Costa Mesa

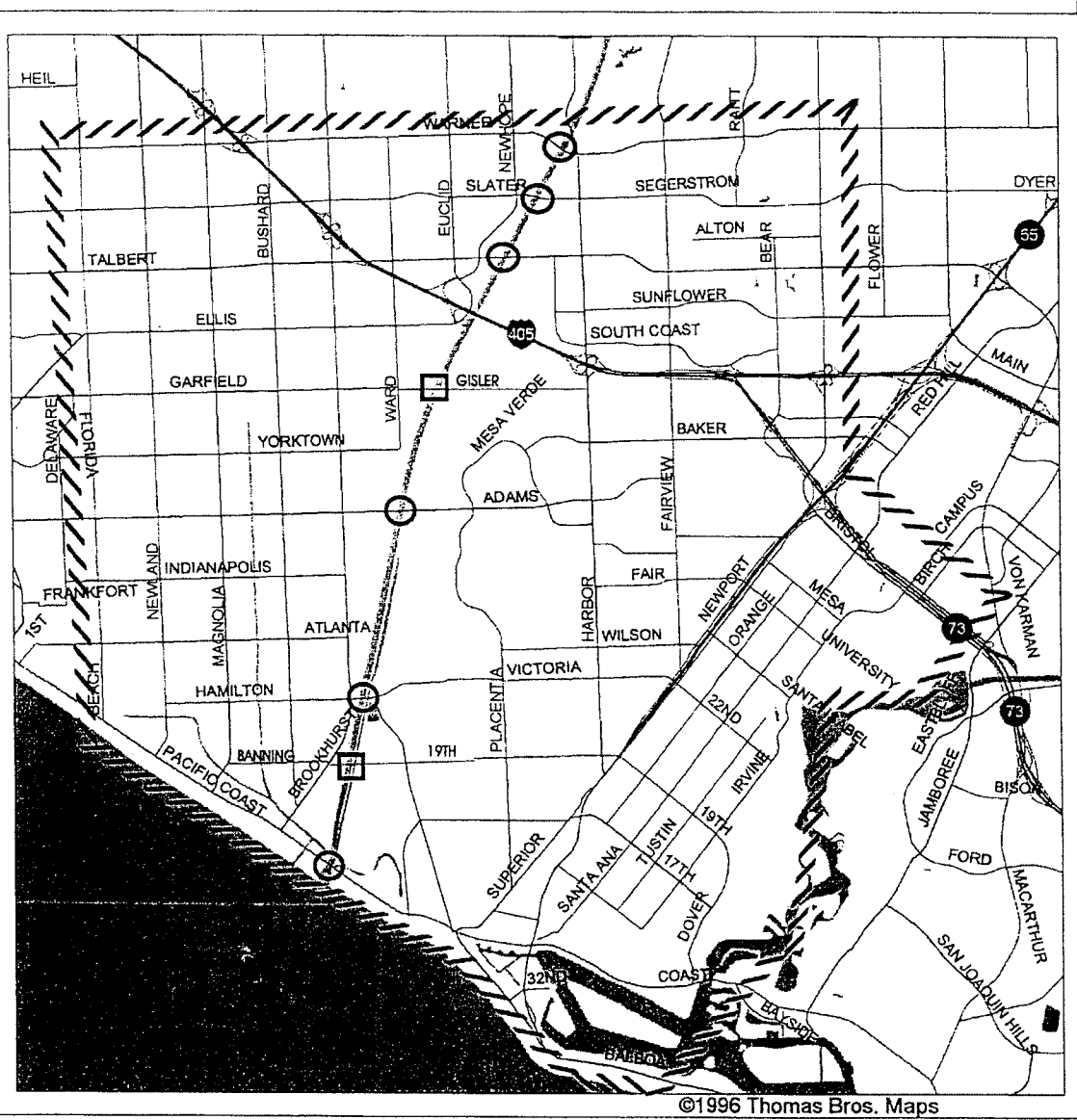


Figure 2 - Study Area
 Santa Ana River Crossings Study

- Legend**
- Existing Crossings
 - Future Crossings per MPAH
 - /// Study Area Boundary



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RESOLUTION OF THE BOARD OF SUPERVISORS OF
ORANGE COUNTY, CALIFORNIA

December 7, 1993

On motion of Supervisor Wieder, duly seconded and carried, the following Resolution was adopted:

WHEREAS, by Agenda Item Transmittal for Board meeting this date, the Director, EMA, submitted a report and recommendations resulting from the Santa Ana River Crossings (SARX) Cooperative Study;

NOW, THEREFORE, BE IT RESOLVED that this Board hereby:

1. Receives and directs the Clerk to file the SARX Cooperative Study and Environmental Baseline Study.

2. Initiates an amendment to the Master Plan of Arterial Highways (MPAH) for considering deletion of Garfield Avenue/Gisler Street and Banning Avenue/19th Street bridges and adopts a plan of alternative highway improvements through a cooperative city, county, and state process;

3. Initiates a transportation element amendment to delete Atlanta Avenue/Wilson Street bridge crossing from the MPAH and downgrade East 19th Street/Dover Drive in accordance with the cooperative study.

4. Directs EMA to report back to this Board within ninety days with a status report on the cooperative process.

5. Directs EMA to provide monthly written status reports to Board offices, cities and community groups.

Resolution No. 93-1361
Public Hearing -- Santa Ana River
Crossings Cooperative Study
JRGep

OFFICE OF
COUNTY COUNSEL
ORANGE COUNTY

FO192-210 (5/77)

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Harriett M. Wieder
Chairman of the Board of Supervisors

SIGNED AND CERTIFIED THAT A COPY
OF THIS DOCUMENT HAS BEEN DELIVERED
TO THE CHAIRMAN OF THE BOARD

Phyllis A. Henderson
PHYLLIS A. HENDERSON
Clerk of the Board of Supervisors
Orange County, California

AYES: SUPERVISORS HARRIETT M. WIEDER, THOMAS F. RILEY AND ROGER
R. STANTON

NOES: SUPERVISORS NONE

ABSENT: SUPERVISORS GADDI H. VASQUEZ AND WILLIAM G. STEINER

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.

I, PHYLLIS A. HENDERSON, Clerk of the Board of Supervisors of
Orange County, California, hereby certify that the above and
foregoing Resolution was duly and regularly adopted by the said Board
at a regular meeting thereof held on the 7th day of December, 1993,
and passed by a unanimous vote of said Board members present.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this
7th day of December, 1993.

Phyllis A. Henderson
PHYLLIS A. HENDERSON
Clerk of the Board of Supervisors of
Orange County, California

Memorandum of Understanding
among
Cities of Costa Mesa, Fountain Valley and Huntington Beach
and
The Orange County Transportation Agency
regarding
Measure M Growth Management Area (GMA) Funding and Agency Responsibilities for the
Garfield/Gisler Bridge Crossing over the Santa Ana River
Preliminary Engineering and Supplemental Environmental Impact Report
June 2, 2005

This Memorandum of Understanding (MOU) is entered into among the Orange County Transportation Authority, hereinafter referred to as the OCTA, and the Cities of Fountain Valley, Costa Mesa and Huntington Beach, hereinafter referred to as Cities. Consistent with Measure M and the Combined Transportation Funding Programs, OCTA allocates funds to local jurisdictions for projects which will benefit a Growth Management Area (GMA). The cities of Fountain Valley and Costa Mesa have applied for and received allocations of \$250,000 in GMA 6 funds and \$100,000 in GMA 8 funds, respectively, for the Garfield/Gisler Bridge Crossing over the Santa Ana River Preliminary Engineering and Supplemental Environmental Impact Report, hereinafter referred to as PE/SEIR. The City of Huntington Beach would be affected by proposed improvements to the Garfield/Gisler Bridge Crossing and is, therefore, a party to this agreement given its status as an "affected jurisdiction". The purpose of this MOU is to provide an initial understanding of each of party's responsibilities with respect to funding and preparing the PE/SEIR.

This document establishes obligations on all parties, and constitutes an exchange of promises. A separate cooperative agreement between the City of Fountain Valley and OCTA will be prepared relative to the City of Fountain Valley's commitment to provide an additional \$100,000 in Measure M turnback funds for preparation of the PE/SEIR.

Section 1. GMA Funding Allocation

1.1 OCTA Responsibilities

1.1.1 Establish Separate Account Codes for GMA Funds Allocated for Report Preparation

OCTA shall establish separate account codes for the \$250,000 in GMA 6 funds, \$100,000 in GMA 8 funds, and \$100,000 in City of Fountain Valley Measure M turnback funds which have been allocated for preparation of the PE/SEIR. OCTA shall draw down these funds to pay Consultant invoices prepared consistent with the requirements set forth in the Agreement which OCTA and the selected Consultant enter into. Upon completion of the PE/SEIR, OCTA will return unexpended funds, if any, to the GMA 6 fund, GMA 8 fund, and City of Fountain Valley on a pro-rated basis.

1.1.2 Prepare Final Report

After the PE/SEIR has been completed, OCTA shall prepare a final report which describes the work performed, the consulting firm(s) involved in the project, and all costs billed to the project.

1.2 Cities' Responsibilities

1.2.1 No Reallocation of GMA Funds Allocated for Report Preparation

The cities of Fountain Valley and Costa Mesa shall ensure that the \$250,000 in GMA 6 funds and \$100,000 in GMA 8 funds which have been allocated to the project are not withdrawn from the Project or reallocated to any other project(s) by either GMA.

Section 2. Report Preparation

2.1 OCTA Responsibilities

2.1.1 OCTA Responsibilities during the Procurement Process

OCTA shall lead the procurement process to select a firm to prepare the PE/SEIR. Responsibilities include:

- a. Establish the procurement schedule.
- b. Work cooperatively with the Cities to develop the scope of work for the Request for Proposals (RFP).
- c. Prepare and issue the RFP.
- d. Appoint members to the Evaluation Committee. The Evaluation Committee to select the firm/consultant who will prepare the PE/SEIR. The Evaluation Committee shall be composed of representatives from the cities of Costa Mesa, Fountain Valley, and Huntington Beach as well as OCTA.
- e. Schedule and host a pre-proposal conference.
- f. Schedule and participate in interviews.
- g. Prepare reports and recommendations for the OCTA Board of Directors.
- h. Negotiate and enter into a contract with the Consultant selected to prepare and develop the PE/SEIR to be completed no later than June 30, 2006. The negotiated amount of said contract shall not be greater than the approved budget for the PE/SEIR (*i.e.*, \$450,000).

2.1.2 OCTA Responsibilities as Lead Agency

OCTA shall act as the lead agency for the PE/SEIR. As such, OCTA shall:

- a. Prepare the Initial Study/Notice of Preparation (IS/NOP) for the PE/SEIR.
- b. Host a public open house prior to release of the IS/NOP.
- c. Host a public scoping meeting during circulation of the IS/NOP.
- d. Review and analyze the draft and final versions of the PE/SEIR, associated technical reports, and the Mitigation Monitoring and Reporting Program (MMRP) for scope, content, and adequacy.
- e. Issue a Notice of Availability (NOA) and Notice of Completion (NOC) when the draft PE/SEIR is ready for public review and comment.
- f. Host a public open house prior to finalizing the draft PE/SEIR.
- g. Host at least one public hearing at a regularly scheduled OCTA Board of Directors meeting after the NOA and NOC have been filed, to receive public comments on the draft PE/SEIR.

- h. Certify the PE/SEIR only after certification of the existing Program Level EIR in accordance with OCTA's *Guidance for Administration of the Master Plan of Arterial Highways* document, as amended April 1998, and only upon unanimous consensus reached by all affected jurisdictions. For the purposes of the PE/SEIR, the affected jurisdictions are the cities of Costa Mesa, Fountain Valley and Huntington Beach.
- i. If the PE/SEIR is delayed beyond June 30, 2006, certify the existing Program Level EIR in accordance with OCTA's *Guidance for Administration of the Master Plan of Arterial Highways* document, as amended April 1998, which states, "MPAH deletions and downgrades may be allowed if affected jurisdictions can reach agreement regarding the proposed amendment and the increased traffic volume in the affected jurisdictions does not result in the unmitigated intersection level of service (LOS) exceeding LOS "D" or the General Plan standard adopted by the respective jurisdiction". For the purposes of the existing Program Level DEIR, the affected jurisdictions are the cities of Costa Mesa, Fountain Valley, Huntington Beach and Newport Beach who have defined "agreement" to mean unanimous consensus among all affected jurisdictions.
- j. Ensure that costs for the PE/SEIR remain within the approved budget (\$450,000).

2.1.3 OCTA Responsibilities for Project Management

OCTA shall, through its designated agent, act as Project Manager for the Consultant contract. Representative duties include:

- a. Prepare the scope of work, schedule, and budget for the PE/SEIR. Convene at least two meetings with the Cities during preparation of these items.
- b. Provide direction to and information for the Consultant selected to prepare the PE/SEIR.
- c. Coordinate and communicate with the Cities and Responsible Agencies (i.e., resource agencies such as the U.S. Army Corps of Engineers or California Department of Fish and Game), if applicable.
- d. Convene a Garfield/Gisler Bridge Crossing Technical Advisory Committee (TAC) and schedule monthly meetings thereof. The TAC shall be composed of one staff representative each from the Affected Agencies as well as OCTA. Staff representatives from the City of Newport Beach and the County of Orange shall be invited to participate in the TAC as interested parties.
- e. Convene a Garfield/Gisler Bridge Crossing Policy Advisory Committee (PAC) and schedule quarterly meetings thereof. The PAC shall be composed of one city manager and one elected official each from the each of the Affected Agencies and the Chief Executive Officer of OCTA. The city manager and one elected official from the City of Newport Beach and Executive Director and one elected official from the County of Orange shall be invited to participate in the PAC to represent their agencies' interests.
- f. Prepare quarterly progress reports to the OCTA Board of Directors; provide copies to the Cooperating Agencies.
- g. Schedule public meetings and a public hearing, as discussed above.

2.2 Cities' Responsibilities

2.2.1 Cities' Responsibilities during the Procurement Process

The Cities shall participate in the procurement process to select a Consultant to prepare the PE/SEIR. Responsibilities include:

- a. Cooperatively working with OCTA to develop the scope of work for the RFP.
- b. Participating in Evaluation Committee meetings and interviews to select the Consultant to prepare the PE/SEIR.

2.2.2 Cities' Responsibilities as Cooperating Agencies

The Cities shall act as "cooperating agencies" for the PE/SEIR. As such, the Cities shall:

- a. Review and provide comments on the draft Initial Study/Notice of Preparation (IS/NOP) for the PE/SEIR.
- b. Attend and participate in all public meetings, including one open house prior to release of the IS/NOP, one public scoping meeting during circulation of the IS/NOP, one open house prior to completion of the draft PE/SEIR, and one public hearing at a regularly scheduled OCTA Board of Directors meeting after the NOA and NOC have been filed, to receive public comments on the draft PE/SEIR.
- c. Review and provide comments on the draft and final versions of the PE/SEIR, associated technical reports, and the Mitigation Monitoring and Reporting Program (MMRP).

2.2.3 Cities' Responsibilities during PE/SEIR Preparation

The Cities shall assist with PE/SEIR preparation and review. Representative duties include:

- a. Assist OCTA with preparation of the scope of work, schedule, and budget for the PE/SEIR. Participate in at least two meetings with OCTA and other cooperating agencies during preparation of these items.
- b. Provide information to the firm selected to prepare the PE/SEIR, as requested.
- c. Designate a City representative to the Garfield/Gisler Bridge Crossing Technical Advisory Committee (TAC) and ensure that the designated representative attends monthly meetings thereof.
- d. Designate a City representative to the Garfield/Gisler Bridge Crossing Policy Advisory Committee (PAC) and ensure that the designated representative and City Manager attend quarterly meetings thereof.
- e. Provide input for quarterly progress reports to the OCTA Board of Directors.
- f. Attend and participate in all public meetings, as discussed above.
- g. Provide City Council recommendations to the OCTA Board of Directors regarding certification of the Program EIR and accompanying PE/SEIR prior to the date established for certification of these documents.

Section 3. Amendment/Termination

3.1 Amendment

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

3.2 Termination

This MOU may be terminated by any party which is a signatory hereto upon written notification to each of the other parties. However, prior to any such termination, the cities and OCTA agree to enter into a conflict resolution process for the specific purpose of keeping the PE/SEIR on schedule. Termination shall have no impact on the allocation of GMA funding provided herein, however, if funds have been expended on project-related activities up to the date of termination, pro-rata deductions shall be drawn from the GMA 6 fund, GMA 8 fund, and City of Fountain Valley Measure M local turnback allocation.

THE ORANGE COUNTY TRANSPORTATION AUTHORITY (Date) _____

CITY OF COSTA MESA (Date) _____

CITY OF FOUNTAIN VALLEY (Date) _____

CITY OF HUNTINGTON BEACH (Date) _____



BOARD OF DIRECTORS

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Ex-Officio Member

HIEF EXECUTIVE OFFICE

Arthur T. Leahy
Chief Executive Officer



February 1, 2006

Mr. Peter Buffa
OCTA Director
2824 Nevis Circle
Costa Mesa, CA 92626

Dear Director Buffa:

Thank you for attending the Santa Ana River Crossing (SARX) Ad Hoc Policy Advisory Committee meeting on January 25, 2006. We have made significant progress on this issue in the past few months, and I was pleased that we agreed on a plan that can enable us to reach consensus regarding the Garfield-Gisler Bridge crossing. Thank you all for your commitment to work toward a mutually acceptable solution to this longstanding issue.

As agreed at the meeting, the Orange County Transportation Authority (OCTA) will coordinate with city staff to complete the Garfield-Gisler Technical Study within 90 days. Upon completion of that study, we will have conceptual technical data and preliminary cost estimates for three alternatives:

- New mitigation strategies to the Garfield-Gisler Bridge discussed at the January 25th policy advisory committee meeting
- Mitigations to the Garfield-Gisler Bridge generally consistent with those defined in the SARX Draft Environmental Impact Report (2001)
- The Garfield-Gisler Bridge and associated roadway improvements

The study tasks can be completed within the existing budget and institutional framework. No additional funding would be required and no amendments to the current Memorandum of Understanding would be necessary. Once we have the results of the study, we can decide how best to proceed to formalize the findings given that we all recognize there is a significant cost to update the companion environmental report.

OCTA staff will work with your city technical staff and anticipates that the technical work will be completed within the next 90 days. When a final draft of the Garfield-Gisler Technical Study becomes available, I will convene another meeting of the Ad Hoc Policy Advisory Committee so that we can review the findings and provide further direction to OCTA.

Mr. Peter Buffa
February 1, 2006
Page 2

I believe our agreed-upon course of action also responds to Mayor Mansoor's letter of December 5, 2005 requesting that the SARX issue be included on the OCTA Board of Directors agenda. To this end, I will report to the Board in February the results of our January 25th policy advisory meeting to complete the technical feasibility study, provide them a copy of this letter, and let them know that the cities are working toward consensus on this issue.

Thanks again for your participation in this process. Please contact me at (714) 834-3220 if you have any questions.

Sincerely,



James Silva
Director

c: *Distribution (List attached)*



BOARD COMMITTEE TRANSMITTAL

February 27, 2006

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: Amendment to Provisions of 2004 Call-Approved Arterial Highway Rehabilitation Program Projects

Regional Planning and Highways Committee

February 20, 2006

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

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

- A. Allow local agencies to modify scope of rehabilitation projects to facilitate delivery within currently available Orange County Transportation Authority allocated federal funds and committed matching local funds.
- B. Allow local agencies to shift Orange County Transportation Authority allocated federal funds among their approved rehabilitation projects while maintaining each agency's maximum allocation of federal funds and committed matching local funds.
- C. Authorize staff to administratively implement the above recommendations for the federally funded rehabilitation projects.



February 20, 2006

To: Regional Planning and Highways Committee
From: Arthur T. Leahy, ^{ATL} Chief Executive Officer
Subject: Amendment to Provisions of 2004 Call-Approved Arterial Highway Rehabilitation Program Projects

Overview

There has been considerable change in construction costs since the Orange County Transportation Authority awarded \$86,827,523 of federal funding for street rehabilitation projects in June 2005. This report outlines a strategy developed in consultation with the Technical Steering and Advisory Committees that offers flexibility to local agencies to address the issue within available budget limits.

Recommendations

- A. Allow local agencies to modify scope of rehabilitation projects to facilitate delivery within currently available Orange County Transportation Authority allocated federal funds and committed matching local funds.
- B. Allow local agencies to shift Orange County Transportation Authority allocated federal funds among their approved rehabilitation projects while maintaining each agency's maximum allocation of federal funds and committed matching local funds.
- C. Authorize staff to administratively implement the above recommendations for the federally funded rehabilitation projects.

Background

Current Combined Transportation Funding Program (CTFP) guidelines place two restrictions on the use of Orange County Transportation Authority (OCTA) allocated federal funds. First, there is a 50 percent local match requirement and second is the maximum amount of OCTA allocated federal funds for each approved project. Due to the increase in the construction material costs in recent months, the overall project cost is expected to go up considerably. This

increase in project costs will have to be covered by the local agencies with additional local funds. This is likely to put budgetary constraints on the local agencies and adversely affect delivery of these projects.

Discussion

A project construction cost survey of the 2004 call-approved street rehabilitation projects was recently completed. Revised cost data received shows an anticipated construction cost increase ranging from 7 to 38 percent, compared to the original cost estimates for these projects, with an average increase of 27 percent. As currently programmed, these projects have a 50 percent local match requirement. Additionally each project has an OCTA allocated maximum federal dollar reimbursement. This results in local agencies covering most, if not all, of the cost increase with local funds. This will likely result in delivery of significantly fewer rehabilitation projects than on the currently programmed list.

To help alleviate the problem to a certain extent, and have the local agencies deliver a greater number of these projects while utilizing the maximum available federal dollars, OCTA staff, in consultation with Technical Steering Committee and Technical Advisory Committee, is proposing the following amendments to the provisions of the currently-approved rehabilitation projects:

- Allow local agencies to modify scope of rehabilitation projects to facilitate delivery with currently available OCTA allocated federal funds and committed matching local funds.
- Allow local agencies to shift OCTA allocated federal funds among their approved rehabilitation projects while maintaining each agency's maximum allocation of federal funds and committed matching local funds.
- Authorize staff to administratively implement the above recommendations for the federally funded rehabilitation projects.

Any changes requested by local agencies for modifying scope of work and/or shifting funds among the currently approved street rehabilitation projects shall be in writing and will be processed by OCTA staff administratively under the 2004 CTFP call provisions and this amendment. OCTA staff will explore options of streamlining the environmental approval and funding obligation process for these projects with the California Department of Transportation. In addition, staff will work with local agencies to keep the construction community

informed about these projects in an attempt to gain better participation in bidding for construction work.

Summary

Construction material costs have gone up considerably in recent months due to external market forces. A recent survey of the revised costs for the 2004 CTFP call rehabilitation projects indicated an average anticipated increase of approximately 27 percent. This level of cost increase is likely to put budgetary constraints on the local agencies and adversely affect delivery of these projects. This amendment to the 2004 CTFP call for rehabilitation projects will allow local agencies to modify scope of work and/or shift OCTA allocated federal funds among the approved projects resulting in delivery of greater number of these projects.

Attachment

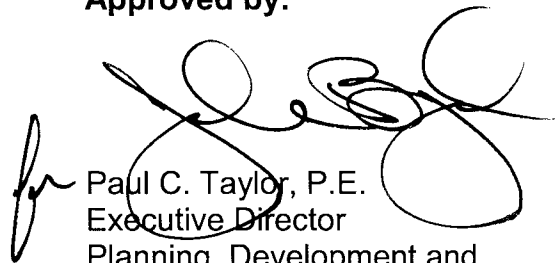
None.

Prepared by:



Kanwal J. Singh, P.E.
Section Manager
Project Delivery
(714) 560-5726

Approved by:



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



BOARD COMMITTEE TRANSMITTAL

February 27, 2006

To: Members of the Board of Directors
From: Wendy Knowles^{WK}, Clerk of the Board
Subject Selection of an On-Call Contractor for Earth Grading Services

Regional Planning and Highways Committee

February 20, 2006

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

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendation

Authorize the Chief Executive Officer to execute Agreement C-5-2978 between the Orange County Transportation Authority and Demo Unlimited, Inc., in an amount not to exceed \$1,905,000, for earth grading services.



February 20, 2006

To: Regional Planning and Highways Committee
From: *ATL by RB*
Arthur F. Leahy, Chief Executive Officer
Subject: Selection of an On-Call Contractor for Earth Grading Services

Overview

As part of the Orange County Transportation Authority's Fiscal Year 2005-06 Budget, the Board approved a construction budget for the Santa Ana Freeway (Interstate 5) Gateway Project. A specific expenditure now required is an on-call contractor to provide earth grading services for the Union Pacific Storage Track relocation work. An offer was received in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services. Board approval is requested to execute an agreement.

Recommendation

Authorize the Chief Executive Officer to execute Agreement C-5-2978 between the Orange County Transportation Authority and Demo Unlimited, Inc., in an amount not to exceed \$1,905,000, for earth grading services.

Background

The Orange County Transportation Authority (Authority) continues to implement freeway projects in partnership with the California Department of Transportation (Caltrans) and/or other agencies. There have been occasions during the course of a job when completing earth grading work within a right-of-way (ROW) becomes vital to delivering the project on time. This critical work typically includes earth grading and removal of various obstacles such as walls, fences, trees, shrubs, etc.

On the Santa Ana Freeway (Interstate 5) Gateway Project, the Authority is required to perform earth grading and related work within the Union Pacific Railroad (UPRR) and/or Caltrans ROW in accordance with the UPRR cooperative agreement. This work for UPRR is necessary to relocate rail storage tracks and existing utility lines to start the Interstate 5 freeway widening. As time is of the essence, UPRR staff indicated they do not have the available resources

to perform this work as scheduled, thus requiring the Authority to seek on-call earth grading services in order to maintain the project schedule.

Discussion

This procurement was handled in accordance with the Authority's procedures for professional and technical services. In addition to cost, other factors are considered in an award for professional and technical services; therefore, the requirement is handled as a competitive, negotiated procurement. Award is recommended to the firm that offers the best overall proposal considering such factors as staffing, prior experience with similar projects, approach to the requirements, and technical expertise.

The project was advertised on December 9 and December 12, 2005, in a newspaper of general circulation and on CAMMNet. A pre-proposal meeting was held on December 12, 2005, and was attended by six firms.

On January 5, 2006, one proposal was received. Staff canvassed the firms who attended the pre-proposal conference to determine why they did not submit a proposal. The most often cited reason was the size of the project. Because a single response was received, Contracts Administration & Materials Management (Camm) requested the internal auditor conduct an analysis of the price submitted by Demo Unlimited Inc., to determine whether the price submitted is fair and reasonable. In conjunction with the Internal Audit Department's review, an evaluation committee composed of staff from Camm and Construction & Engineering was established to review the one proposal received. The proposal was evaluated based on qualifications of the firm, staffing, project organization, cost, and work plan. The evaluation committee interviewed Demo Unlimited, Inc., on January 16, 2005. The firm responded very well to the evaluation committee's questions. Staff concluded that the firm had the requisite experience and staff to perform the services requested. The Internal Audit Department also concluded that the price was fair and reasonable. The evaluation committee recommends the following firm to the Regional Planning and Highways Committee for consideration of an award:

Firm and Location

Demo Unlimited, Inc.
Indio, California

Fiscal Impact

Budgeting for this request is included in the Authority's Fiscal Year 2005-06 Budget, Construction & Engineering, Account 0010-9084/F1610-AP8, and is funded through Measure M.

Summary

Based on the information provided, staff recommends the award of Agreement C-5-2978 to Demo Unlimited, Inc., in an amount not to exceed \$1,905,000.

Attachment

None.

Prepared by:

Charles Guess

Charles Guess, P.E.
Program Manager
(714) 560-5775

Approved by:

Stanley G. Phernambusq

Stanley G. Phernambusq
Executive Director
Construction & Engineering
(714) 560-5440



BOARD COMMITTEE TRANSMITTAL

February 27, 2006

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: Request to Release Request for Proposals for Operation of the Customer Information Center

Transit Planning and Operations Committee

February 9, 2006

Present: Directors Winterbottom, Brown, Pulido, Duvall, Green and Norby
Absent: Director Silva

Committee Vote

This item was passed by all Committee Members present.

Director Pulido was not present for this vote.

Committee Recommendation

Release a Request for Proposals for procurement of a call center service provider to operate the Orange County Transportation Authority's Customer Information Center. The new contract will go into effect January 1, 2007.

Staff Comments

Staff made a correction to Page 2, Paragraph 1, Sentence 2, to replace the wording "nine-year" contract with "seven-year" contract.



February 9, 2006

To: Transit Planning and Operations Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Request to Release Request For Proposals for Operation of the Customer Information Center

Overview

The Orange County Transportation Authority contracts with an outside provider to operate its Customer Information Center. The contract with the current provider expires on December 31, 2006. This report describes Customer Information Center functions as well as the recommended criteria to be used for evaluating proposals from vendors.

Recommendation

Release a Request for Proposals for procurement of a call center service provider to operate the Orange County Transportation Authority's Customer Information Center. The new contract will go into effect January 1, 2007.

Background

Transit users can obtain information from the Customer Information Center (CIC) 365 days a year by calling the 714-636-RIDE or 1-800-636-RIDE telephone numbers. The CIC is open weekdays from 5:00 a.m. to 10:00 p.m.; weekends from 7:00 a.m. to 7:00 p.m.; and holidays from 8:00 a.m. to 5:00 p.m. The CIC handles more than 700,000 calls per year, with approximately 600,000 bus trip itineraries generated yearly for customers.

The CIC was first outsourced in October 1995. In November 2001, the Board of Directors approved a two-year agreement with Alta Resources, Inc. to operate the CIC. The agreement provided for three option years at the Orange County Transportation Authority's (OCTA) discretion. All three of the option years have been exercised, with the final option year ending on December 31, 2006.

Staff is proposing the new contract be awarded for four years (initial term) with three, one-year options. A nine-year contract is proposed due to the capital investment involved in running the CIC; elimination of a possible service disruption; the learning curve necessary for the chosen vendor to become familiar with OCTA services and bus routes; to preserve continuity of training; and the complex technology requirements involved in running the CIC.

Discussion

OCTA provides the CIC with the HASTUS computer program to provide bus routing itineraries. This system, updated every two years to ensure accuracy, builds upon a geographic database, and is linked to OCTA's stops, routes and timetables. CIC operators access actual OCTA scheduling data to provide customers with trip planning and travel itineraries, general bus information including community-based transit and rail feeder lines, status of delayed buses (checked via telephone calls to Central Communications), fares and pass sales information, and contact information for other transit agencies. CIC phone representatives can also transfer or refer inquiries relative to Customer Relations, ACCESS service, freeway services, and Metrolink to appropriate departments.

In July 2005, the Board approved the CIC administering the Pass Sales and Reduced Fare Identification Card (RFID) programs. Orders for bus passes and ACCESS fare coupons placed via OCTA's website, by mail and telephone are fulfilled by CIC staff. Approximately 2,000 Pass Sales transactions are processed per month. Additionally, Reduced Fare Identification (RFID) cards are provided to qualified individuals who are disabled; 65 years or older; ACCESS eligible riders who utilize the fixed route bus system; and mobility trainers.

The CIC contractor provides Integrated Voice Response (IVR) telephone system technology which allows OCTA customers to speak with a live person or access information in both English and Spanish via touch-tone phones. They can listen to recorded information on fares, passes, the OCTA website's online trip planner, holiday schedules, how to ride the bus, the Riders' Alert Hotline, job opportunities, or opt to be routed to a department within OCTA. The information is updated periodically with new messages.

Performance measurements in line with industry standards for call centers have been established to ensure high-quality service is provided to OCTA customers. This includes 90 percent of all calls being answered within two minutes; an abandonment rate of 5 percent or less for calls terminated after the first 30 seconds; and receipt of no more than one complaint per 15,000 calls

answered. Copies of randomly recorded calls are provided to OCTA to ensure quality and accuracy of information. Additionally, all CIC staff members are required to ride the fixed route bus system a minimum of two hours per month to maintain familiarity with the service.

Request for Proposals (RFP)

The RFP to be issued later this year will request the vendor:

- have technical experience in running a call center;
- meet established minimum telecommunications system requirements;
- employ qualified personnel, sufficient to respond to calls in both English and Spanish;
- hire a sufficient number of staff to provide adequate phone coverage as well as handle the Pass Sales and RFID functions;
- require personnel to ride the fixed route bus system a minimum of two hours per month;
- have the capability to be fully operational by January 1, 2007, assuming an approximate three-month transition period;
- maintain same hours as currently exist;
- provide and maintain an Integrated Voice Response (IVR) platform configuration;
- provide its own facilities;
- train staff on: utilizing HASTUS software; customer service and call handling; and knowledge of Orange County geography and streets;
- adhere to established system performance objectives and standards;
- maintain a Quality Assurance department;
- reflect the costs for operating the CIC on a cost-per-answered-call basis;
- generate daily, weekly and monthly reports on call volumes;
- provide back-up by answering Customer Relations phone calls, when necessary, at the CIC facilities;
- provide references for similar projects, to be verified by OCTA.

The proposals will be evaluated based on the following criteria:

- | | |
|--------------------------------------|------------|
| • Qualifications of the Firm | 25 percent |
| • Qualifications of Staff | 25 percent |
| • Work Plan and Project Organization | 25 percent |
| • Cost and Price | 25 percent |

Summary

It is requested the Board of Directors authorize the release of a RFP for procurement of a call center service provider to operate and provide technical and administrative support for OCTA's CIC effective January 1, 2007.

Attachment

None.

Prepared by:



Linda Fenner
Customer Relations Manager
(714) 560-5566

Approved by:



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



BOARD COMMITTEE TRANSMITTAL

February 27, 2006

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: Amendment to Agreement for Bus Stop Solar Lights

Transit Planning and Operations Committee

February 9, 2006

Present: Directors Winterbottom, Brown, Pulido, Duvall, Green and Norby
Absent: Director Silva

Committee Vote

This item was passed by all Committee Members present.

Director Pulido was not present for this vote.

Committee Recommendation (reflects change from staff recommendation)

Authorize the Chief Executive Officer to execute Amendment No. 2 to Agreement C-5-0468 between the Orange County Transportation Authority and Carmanah Technologies, Inc., in an amount not to exceed \$211,700, to manufacture and install 365 bus stop solar lighting units.



February 9, 2006

To: Transit Planning and Operations Committee
From: Arthur T. Leahy, Chief Executive Officer *ATL/EL*
Subject: Amendment to Agreement for Bus Stop Solar Lights

Overview

On June 13, 2005, the Board of Directors approved an agreement with Carmanah Technologies, Inc., in the amount of \$174,000, to manufacture and install 300 bus stop solar lighting units. Carmanah Technologies, Inc., 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. 2 to Agreement C-5-0468 between the Orange County Transportation Authority and Carmanah Technologies, Inc., in an amount not to exceed \$225,000, to manufacture and install 365 bus stop solar lighting units.

Background

On June 20, 2005, the Orange County Transportation Authority (Authority) entered into an agreement with Carmanah Technologies, Inc. to manufacture and install 300 bus stop solar lighting units at selected bus stops along the four "Nite Owl" routes, as well as routes 29, 38, 53, and 70. All bus stop solar lighting units were delivered and installed by October 30, 2005.

Since completing Phase I of the Bus Stop Solar Lighting Program, the Authority has received very positive feedback from both the general public and coach operators. Due to the increased interest, the original contract was amended on November 30, 2005, in the amount of \$26,100, to purchase an additional 45 bus stop solar lights. These solar lights will be delivered and placed by the end of January 2006.

Discussion

With additional funding, solar lights will be placed at pre-determined locations along the Authority's top ten most active routes in the system. These routes were selected based on weekly passenger activity and hours of operation. It is estimated that 20 percent of the bus stops along these routes require a solar light and a total of 365 lights will be needed to enhance amenities at these locations.

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.

The original agreement awarded on June 20, 2005, was in the amount of \$174,000. This agreement was amended on November 30, 2005, in the amount of \$26,100, to purchase and install an additional 45 solar lights. The total amount pending the approval of Amendment No. 2 will be \$425,100 (Attachment A).

Fiscal Impact

The fiscal year 2005-06 budget has funding available under Operations Division/Maintenance Department, Account 2166-7612-D3107-F30, and is funded through Local Transportation Funding.

Summary

Staff recommends approval of Amendment No. 2, in the amount of \$225,000, to Agreement C-5-0468 with Carmanah Technologies, Inc.

Attachment

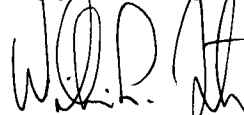
- A. Carmanah Technologies, Inc.
Agreement C-5-0468 Fact Sheet

Prepared by:



Al Pierce
Manager, Maintenance
714-560-5975

Approved by:



William L. Foster
General Manager, Operations
714-560-5842

ATTACHMENT A

**Carmanah Technologies Inc.
Agreement C-5-0468**

1. June 20, 2005, Agreement C-5-0468, \$174,000, approved by Board of Directors.
 - Manufacture and install 300 solar lighting units.
2. November 30, 2005, Amendment No. 1 to Agreement, C-5-0468, \$26,100, approved by Purchasing Agent.
 - Manufacture and install an additional 45 solar lighting units.
3. January 23, 2006, Amendment No.2 to Agreement, C-5-0468, \$225,000, pending approval by Board of Directors.
 - Manufacture and install an additional 365 solar lighting units.

Total committed to Carmanah Technologies Inc., Agreement: C-5-0468, \$425,100.



BOARD COMMITTEE TRANSMITTAL

February 27, 2006

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: Santa Ana Freeway (Interstate 5) Gateway Project Cost Update and Amendment to Agreement with the California Department of Transportation

Regional Planning and Highways Committee

February 20, 2006

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

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

- A. Approve the funding plan based on the cost update that increases the project total to \$314.3 million.
- B. Approve the use of \$30,313,000 of Congestion Mitigation and Air Quality funds and \$31,212,000 in additional State Transportation Improvement Program funds as included in the proposed funding plan.
- C. Authorize staff to process any necessary amendments and agreements to the State Transportation Improvement Program and the Regional Transportation Improvement Program to facilitate the above actions.
- D. Authorize the Chief Executive Officer to execute Amendment No. 1, in an amount not to exceed \$22,934,000, to Cooperative Agreement C-5-2591 with the California Department of Transportation to support the new funding plan.



February 20, 2006

To: Regional Planning and Highways Committee

From: Arthur T. Leahy, Chief Executive Officer

Subject: Santa Ana Freeway (Interstate 5) Gateway Project Cost Update and Amendment to Agreement with the California Department of Transportation

Overview

The bids for the Santa Ana Freeway (Interstate 5) Gateway Project, received on February 9, 2006, came in higher than the original estimates requiring amendments to the funding plan, State Transportation Improvement Program, Federal Transportation Improvement Program, and the cooperative agreement with the California Department of Transportation for construction and construction management.

Recommendations

- A. Approve the funding plan based on the cost update that increases the project total to \$314.3 million.
- B. Approve the use of \$30,313,000 of Congestion Mitigation and Air Quality funds and \$31,212,000 in additional State Transportation Improvement Program funds as included in the proposed funding plan.
- C. Authorize staff to process any necessary amendments and agreements to the State Transportation Improvement Program and the Regional Transportation Improvement Program to facilitate the above actions.
- D. Authorize the Chief Executive Officer to execute Amendment No. 1, in an amount not to exceed \$22,934,000, to Cooperative Agreement C-5-2591 with the California Department of Transportation to support the new funding plan.

Background

The Santa Ana Freeway (Interstate 5) Gateway Project (Project) is the last phase of the overall improvements to Interstate 5 (I-5) through Orange County as part of the Measure M Freeway Improvement Program. The segment is a two-mile section through the City of Buena Park from just north of the Riverside Freeway (State Route 91) to the Orange/Los Angeles County line just north of the Artesia Boulevard interchange. The Project will provide freeway widening consisting of High Occupancy Vehicle (HOV) lanes, general purpose lanes, auxiliary lanes, bridge crossing improvements, and aesthetically treated retaining walls and landscaping. The Project is the final link in an ambitious freeway improvement program funded by Measure M.

On April 11, 2005, the Orange County Transportation Authority (Authority) Board of Directors (Board) reaffirmed their commitment to the Project and adopted a funding strategy to help ensure delivery of the improvements and avoid any further delay caused by the state budget crises.

On July 27, 2005, the Board approved a cooperative agreement with California Department of Transportation (Caltrans) that committed the amount of \$101,178,000, as the Authority's funded portion of the construction and construction management on the Project, which includes the cost for the contractor.

Discussion

Cost Update

Bids for the Project were opened on February 9, 2006, in accordance with the Caltrans procurement process. Because the apparent low bid of \$193.4 million is 25 percent greater than the July 2005 engineer's estimate, the cost estimate needs to be revised to accommodate the increased construction and services costs. The Authority has developed a proposed funding plan to keep the project on schedule.

Experts say several key factors are contributing to higher bids in a worldwide trend, which reflect the current difficult bid environment. Raw material prices have been volatile, especially for fuel and concrete. Due to the uncertainty in raw material costs, especially for the four-year construction period of the Project, contractors may be conservatively escalating their unit prices, which can dramatically impact the project bid amount.

An example of this bid environment is a recent highway/bridge project by the New Jersey Department of Transportation, which was 58 percent above the engineer's estimate for a project with a similar cost estimate. Two of the three bidders on this project were based in California. The apparent low bidder on this New Jersey project was Granite Construction Company, the same Granite Company on the Garden Grove Freeway (State Route 22) Design-Build Project as the Granite-Myers-Rados joint venture.

Other projects throughout California are experiencing similar cost increases. During the last 12 months, nearly every California Transportation Commission (CTC) meeting has had supplemental allocation requests for State Highway Operation and Protection Program and State Transportation Improvement Program (STIP) projects where the bid(s) received were at least 20 percent higher than the engineer's estimate. Although these projects were not the same magnitude, only ranging in value of \$1 million to nearly \$50 million, the bids received were 29 to 88 percent higher than the engineer's estimates. This trend, due to increased costs in construction material and the methodology used to prepare estimates, has concerned both the CTC and Caltrans. Caltrans has responded by establishing an independent review panel to determine if the engineer's estimates on projects are reasonable.

The cost update illustrated in the following chart incorporates Caltrans' low bid amount of \$193,379,599, for constructing the I-5 freeway widening. The resulting total cost estimate of \$314.3 million for the overall program is an increase of 25 percent over the current cost estimate of \$251 million.

The chart outlines the changes in the cost estimate:

Item	Current Estimate	Revised Estimate
Construction*	\$ 147,168,000	\$ 211,221,599
Contingency 5 Percent	\$ 14,424,000	\$ 10,561,080
Total Construction	\$ 161,592,000	\$ 221,782,679
Right-of -Way	\$ 42,650,000	\$ 42,650,000
Contingency 5 Percent	\$ 3,000,000	\$ 2,132,500
Total Right-of-Way	\$ 45,650,000	\$ 44,782,500
Engineering	\$ 18,105,000	\$ 19,613,000
Right-of-Way Services	\$ 4,000,000	\$ 4,250,000
Construction Management	\$ 21,670,000	\$ 23,893,000
Total Support	\$ 43,775,000	\$ 47,756,000
Total	\$ 251,017,000	\$ 314,321,179

*Includes low bid received by Caltrans for the I-5 freeway widening construction

Revised Funding Plan

Staff has developed a funding strategy to address the \$63.3 million project budget shortfall as identified by the received projects bids. This strategy identifies a three step approach to fill the shortfall. These steps, in priority order of utilization are:

- 1) Utilization of CTC resolution G-98-12 (G-12);
- 2) Allocate additional, previously Board approved, STIP funds; and
- 3) Allocate additional Congestion Mitigation and Air Quality (CMAQ) funds.

G-12

The Authority will utilize the provisions available under CTC resolution G-12. This provision allows Caltrans, in cooperation with the CTC, to adjust an existing project allocation up to 10 percent of the original allocation, plus \$200,000, or in this case \$6.2 million. The Authority will utilize this provision to the fullest extent possible to fill the budget shortfall. This will leave a remaining shortfall of \$54.7 million. The Authority will next allocate additional STIP funding.

STIP

On November 28, 2005, the Board approved the Comprehensive Funding Strategy and Policy Direction, which identified \$25 million of STIP funds for potential cost increases to projects currently out to bid. Since the Project was out to bid at the time, it is eligible for this finding. The Authority will allocate up to \$25 million to fill the budget shortfall. This additional STIP funding, along with the funding utilized under G-12 will leave a remaining shortfall of \$30.31 million. Lastly, the Authority will next allocate additional CMAQ funding.

CMAQ

CMAQ funds are allocated to Orange County on a formula basis. The construction of HOV lanes is an eligible use of CMAQ funds. Staff proposes to program \$30.31 million in CMAQ funds to fill the shortfall. These CMAQ funds had been previously planned to be used on the State Route 22, San Diego Freeway (Interstate 405), and San Gabriel Freeway (Interstate 605) HOV connector projects as part of the Comprehensive Funding Strategy and Policy Direction approved by the Board on November 28, 2005. Staff will need to determine a funding source to backfill \$30.31 million for this project. Future year (beyond fiscal year 2010-11) CMAQ funds are the most likely source at this time.

Santa Ana Freeway (Interstate 5) Gateway Project Cost Update and Amendment to Agreement with the California Department of Transportation **Page 5**

These three sources will provide the necessary funding to fill the budget shortfall, and enable the construction contract to be awarded. This strategy is summarized in the table below.

Project Proposed Funding Plan:

Item	Current Funding	Revised Funding
STIP	\$ 72,117,000	\$ 73,896,000**
Measure M	\$ 178,900,000	\$ 178,900,000
CTC Resolution G-98-12	\$ -	\$ 6,212,200
STIP - Additional	\$ -	\$ 25,000,000
CMAQ	\$ -	\$ 30,312,979
Total	\$ 251,017,000	\$ 314,321,179

** Caltrans previously adjusted the STIP funding to account for \$1.779 million in escalation as part of the 2004 STIP development process.

Amendment No. 1 to Caltrans Cooperative Agreement

To accommodate the updated cost estimate, the cooperative agreement with Caltrans, entered into on April 11, 2005, in the amount of \$101,178,000, will need to be increased by \$22,934,000, which results in the revised total amount of the Authority's committed funds to \$124,112,000, for construction costs (Attachment A). The agreement also describes the STIP's contribution of \$65,685,000, for construction, which will be increased to \$96,897,000 with approval of the proposed funding plan.

Fiscal Impact

There is no Authority Fiscal Year 2005-06 Budget impact with the Caltrans construction cooperative agreement amendment.

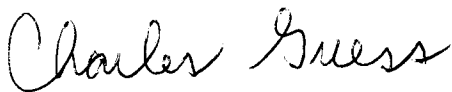
Summary

The revised cost estimate for the I-5 Gateway Project is approximately \$63.3 million more than estimated for increased construction and construction services, resulting in a total project cost of approximately \$314.3 million. The revised funding plan includes \$32.99 million in state funds, and \$30.31 million in CMAQ funds to cover increased construction costs. In addition, staff recommends approval of Amendment No. 1, in an amount not to exceed \$22,934,000, to Cooperative Agreement C-5-2591 with Caltrans.

Attachment

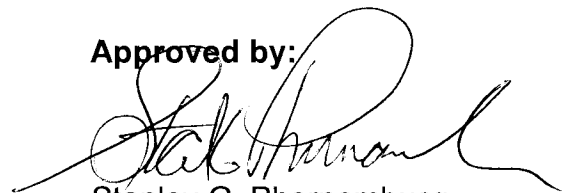
- A. California Department of Transportation Agreement C-5-2591 Fact Sheet

Prepared by:



Charles Guess, P.E.
Program Manager
(714) 560-5775

Approved by:



Stanley G. Phernambucq
Executive Director,
Construction & Engineering
(714) 560-5440

**California Department of Transportation
Agreement C-5-2591 Fact Sheet**

1. July 25, 2005, Cooperative Agreement C-5-2591, in the amount of \$101,178,000, approved by Board of Directors.
 - Provide funding for construction capital and construction management for the Santa Ana Freeway (Interstate 5) Gateway Project.
2. February 27, 2006, Amendment No. 1 to Cooperative Agreement C-5-2591, \$22,934,000, pending approval by Board of Directors.
 - Increase cooperative agreement maximum obligation to Authority's committed funds at \$124,112,000.

Total committed to the California Department of Transportation, Cooperative Agreement C-5-2591: \$124,112,000.



BOARD COMMITTEE TRANSMITTAL

February 27, 2006

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: Amendment to Agreement for Additional Construction Support Services for the Santa Ana Freeway (Interstate 5) Gateway Project

Regional Planning and Highways Committee

February 20, 2006

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

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

- A. Authorize the Chief Executive Officer to execute Amendment No. 7 to Agreement C-2-0710 between the Orange County Transportation Authority and URS Corporation, in an amount not to exceed \$1,508,000, for additional construction support services.
- B. Amend the Orange County Transportation Authority's Fiscal Year 2005-06 Budget, expense account 0010-7519, in the amount of \$2,000,000.



February 20, 2006

To: Regional Planning and Highways Committee

From: Arthur T. Leahy, Chief Executive Officer

Subject: Amendment to Agreement for Additional Construction Support Services for the Santa Ana Freeway (Interstate 5) Gateway Project

Overview

On August 12, 2002, the Board of Directors approved an agreement with URS Corporation, in the amount of \$12,000,000, to provide design and construction support services for the Santa Ana Freeway (Interstate 5) Gateway Project. URS Corporation was retained in accordance with the Orange County Transportation Authority's procurement procedures for architectural and engineering services.

Recommendations

- A. Authorize the Chief Executive Officer to execute Amendment No. 7 to Agreement C-2-0710 between the Orange County Transportation Authority and URS Corporation, in an amount not to exceed \$1,508,000, for additional construction support services.
- B. Amend the Orange County Transportation Authority's Fiscal Year 2005-06 Budget, expense account 0010-7519, in the amount of \$2,000,000.

Background

The Santa Ana Freeway (Interstate 5) Gateway Project (Project) is the last phase of the overall improvements to Interstate 5 (I-5) through Orange County as part of the Measure M Freeway Improvement Program. The segment is a two-mile section through the City of Buena Park (City) from just north of the Riverside Freeway (State Route 91) to the Orange/Los Angeles County line just north of the Artesia Boulevard interchange. The Project will provide freeway widening consisting of High Occupancy Vehicle lanes, general

purpose lanes, auxiliary lanes, bridge crossing improvements, and aesthetically treated retaining walls and landscaping.

URS Corporation (URS) was approved by the Orange County Transportation Authority (Authority) Board of Directors (Board) on August 12, 2002, to provide design and construction support services for the Project. The amendment is necessary to perform additional construction support services, which include the general contractor Requests for Information and change order requests that require review by the Engineer of Record.

Discussion

The procurement was handled in accordance with the Authority's procedures for architectural and engineering services. The original agreement was awarded on a competitive basis. It has become necessary to amend the agreement due to the additional construction support design services URS will be required to perform.

The original agreement, awarded on August 12, 2002, was in the amount of \$12,000,000. This agreement has been amended previously (Attachment A). The price proposal submitted by URS for this work has been reviewed by Authority staff and has been found to be fair and reasonable. The total amount after approval of Amendment No. 7 will be \$13,508,000.

Fiscal Impact

The additional work described in Amendment No. 7 to Agreement C-2-0710 was not included in the Authority's Fiscal Year 2005-06 Budget. A fiscal year budget amendment will be required to accommodate the contract amendment increase. Staff anticipates issuing additional Contract Task Orders that would exceed the current fiscal year 2005-06 budget. To accommodate this increase, a combined fiscal year budget increase of \$2 million is requested.

Summary

Staff recommends approval of Amendment No. 7, in the amount of \$1,508,000, to Agreement C-2-0710 with URS Corporation.

Attachment

- A. URS Corporation Agreement C-2-0710 Fact Sheet

Prepared by:

Charles Guess

Charles Guess, P.E.
Program Manager
(714) 560-5775

Approved by:

Stanley G. Phernambucq

Stanley G. Phernambucq
Executive Director,
Construction & Engineering
(714) 560-5440

ATTACHMENT A

URS Corporation Agreement C-2-0710 Fact Sheet

1. August 12, 2002, Agreement C-2-0710 \$12,000,000 approved by Board of Directors.
 - Provide design services for the Santa Ana Freeway (Interstate 5) Gateway Project.
2. January 21, 2003, Amendment No. 1 to Agreement C-2-0710, \$0, approved by procurement administrator.
 - Administrative change only. No changes made to term or dollar amount.
3. February 11, 2003, Amendment No. 2 to Agreement C-2-0710, \$0, approved by procurement administrator.
 - Administrative change only. No changes made to term or dollar amount.
4. November 3, 2003, Amendment No. 3 to Agreement C-2-0710, \$0, approved by procurement administrator.
 - Administrative change only. No changes made to term or dollar amount.
5. November 16, 2004, Amendment No. 4 to Agreement C-2-0710, \$0, approved by procurement administrator.
 - Administrative change only. No changes made to term or dollar amount.
6. July 12, 2005, Amendment No. 5 to Agreement C-2-0710, \$0, approved by procurement administrator.
 - Administrative change only. No changes made to term or dollar amount.
7. September 13, 2005, Amendment No. 6 Agreement C-2-0710, \$0, approved by procurement administrator.
 - Administrative change only. No changes made to term or dollar amount.
8. February 27, 2006, Amendment 7 to Agreement C-2-0710, \$1,508,000, pending approval by Board of Directors.
 - Increase agreement maximum obligation to \$13,508,000.

Total committed to URS Corporation, Agreement C-2-0710: \$13,508,000.



BOARD COMMITTEE TRANSMITTAL

February 27, 2006

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: Process for City-initiated Rapid Transit and Related Projects

Transit Planning and Operations Committee

January 26, 2006

Present: Directors Winterbottom, Silva, Duvall, and Green
Absent: Directors Brown, Pulido, and Dixon

Committee Vote

This item was passed by all Committee Members present.

Committee Recommendations

- A. Approve a four-step process for city-initiated rapid transit and related projects.
- B. Authorize the Chief Executive Officer to execute Memorandums of Understanding by and between the Orange County Transportation Authority Metrolink station cities and other cities as partners allocating \$100,000 per city for communities to develop their own transit vision for the future.
- C. Direct staff to return with a progress report on this initial needs assessment by December 31, 2006.
- D. Direct staff to return at a later time with recommended guidance for Step Two project planning and/or alternatives analysis based on the criteria in this staff report.



January 26, 2006

To: Transit Planning and Operations Committee
From: Arthur T. Leahy, Chief Executive Officer
Subject: Process for City-Initiated Rapid Transit and Related Projects

Overview

The recently adopted Five-Year Program allocated \$30 million in existing Measure M funds to study ways to increase transit access to Metrolink through partnerships with cities. Staff has developed a four-step process for communities to develop their own transit vision for the future by creating transit extensions that branch from Metrolink stations. The process begins with grants to interested cities to assess their needs for city-initiated rapid transit projects. This investment is consistent with the Measure M transit program.

Recommendations

- A. Approve a four-step process for city-initiated rapid transit and related projects.
- B. Authorize the Chief Executive Officer to execute Memorandums of Understanding by and between the Orange County Transportation Authority Metrolink station cities and other cities as partners allocating \$100,000 per city for communities to develop their own transit vision for the future.
- C. Direct staff to return with a progress report on this initial needs assessment by December 31, 2006.
- D. Direct staff to return at a later time with recommended guidance for Step Two project planning and/or alternatives analysis based on the criteria in this staff report.

Background

On October 14, 2005, the Board of Directors (Board) approved a Five-Year Program (Program) containing improvements to all modes within Orange County and directed staff to begin its refinement. The approved Program includes

utilizing partnerships with interested cities for communities to develop their own transit vision for the future. Thirty (\$30) million was allocated to study ways to make Metrolink more convenient to more users by enhancing its facilities or creating rapid transit branch extensions to outlying communities. This investment complies with the Measure M transit project description, which states: "The primary improvements will be along the Los Angeles to San Diego (LOSSAN) rail corridor" and calls for "access between the primary rail system and employment centers."

Staff recommends a four-step process in which cities take the lead in defining how these enhancements and extensions work best with their local community's short and long-term priorities. The Orange County Transportation Authority (Authority) will provide expertise in transit operations and federal funding processes and will coordinate city efforts to ensure the local extensions work seamlessly as a future countywide transit network. Measure M will serve as the primary local funding source. The shared objective will be to increase the ease of use, access to, and convenience of Metrolink by branching rapid transit extensions from Metrolink stations to nearby communities and major travel corridors. A four-step planning and implementation process will accomplish the following:

- Step One: \$100,000 grants for initial needs assessment for interested cities to develop their own future transit vision
- Step Two: Project planning and/or alternatives analysis of the concepts emerging from Step One for interested cities, with projects qualifying through a competitive process
- Step Three: Project development/implementation (preliminary engineering through construction) of those projects from Step Two which qualify through a competitive process for continued funding
- Step Four: Additional work on the Metrolink corridor to transform stations into transportation centers

This staff report outlines Step One in detail and provides an overview of the Steps Two through Four.

Discussion

There are 11 Metrolink stations within Orange County, including; San Clemente, San Juan Capistrano, Laguna Niguel/Mission Viejo, Irvine, Tustin, Santa Ana, Orange, Anaheim, Anaheim Canyon, Fullerton, and Buena Park. As communities develop their own future transit vision to complement their own goals, the first step for Metrolink cities will be to assess the needs, constraints,

opportunities, and public interests at and around its Orange County Metrolink station. Cities with a Metrolink station are encouraged to invite other outlying cities to partner together to create a transit vision to enhance Metrolink facilities or extend Metrolink services into their communities.

Step One – Assessment Grants

The grant process under Step One is intended to kick-off the definition of the future of Orange County transit and respective routes and technologies. In assessing the transit needs, the role of Authority-owned property, including the Metrolink and Pacific Electric right-of-ways, should be taken into consideration. A requirement for issuance of the grant will be the execution of a Memorandum of Understanding (MOU) between the Authority and each city receiving funds that describes the roles and responsibilities of each party under the grant. A sample MOU is provided in Attachment A.

The assessment should define and focus the project(s) to undergo detailed planning and alternatives analysis for Step Two. Examples of potential uses of this grant include, but are not limited to:

- Land use and transit oriented development planning
- Assessment of what to plan to extend the reach of Metrolink
- Bus shuttle planning or implementation

A \$100,000 grant is available in Step One to Metrolink station cities, and other interested cities as partners, to work together in an initial ascertainment and concept development branching from Metrolink. One \$100,000 grant is available per city for this initial ascertainment and concept development when partnered. For example, a Metrolink station city partners with three other cities to develop a local transit concept with branches to outlying travel corridors or activity centers in neighboring cities. Each city receives \$100,000 for a total planning pool of \$400,000. Each city will sign its own MOU with the Authority, and must jointly agree to a shared approach. Since the projects will start off the Metrolink corridor, the Metrolink station city will take the lead in this needs assessment.

Public participation in Step One is strongly encouraged to foster consensus and a collaborative environment for gathering ideas to be further developed. Partnering by cities adjacent to those with Metrolink stations is encouraged in anticipation of a system of countywide transit extending from the Metrolink stations that could be funded by a potential renewal of Measure M. Connections to jobs and population in non Metrolink-station cities will increase a project's merit. For those seeking federal funds, partnerships will also increase the chances of advancing through the Federal Transit Administration's (FTA) funding process. As projects move

forward, their merit will be evaluated by the Authority for entry into the competitive planning process of Step Two.

If the assessment warrants, a portion of the grant may be used to implement a transit solution that meets a short term need and helps assess the need for future longer term transit projects, such as bus circulators or shuttles serving a Metrolink station.

This investment is consistent with the current Measure M transit program encouraging extensions between the LOSSAN corridor to rail system and employment centers.

All projects and programs will be subject to the same audit and compliance oversight found in the Measure M ordinance.

Steps Two Through Four of Process

Step Two will consist of a competitive planning process and, for those seeking federal funds, an alternatives analysis as well. This approach will bring competition to local transportation planning, creating a marketplace where the best ideas emerge and compete for funding. Such competition will encourage civic entrepreneurship and stimulate private involvement and investment.

There will be a call for projects to perform planning and alternatives analysis of ideas developed during Step One. Evaluation of the Step Two proposals will be based on the following criteria:

- Traffic congestion relief;
- Project readiness, with priority given to projects that can be implemented earliest;
- Local funding commitments and the availability of right-of-way;
- Proven ability to attract other financial partners, both public and private;
- Proximity to jobs and population centers;
- Regional as well as local benefits;
- Ease and simplicity of connections;
- Compatible, approved land uses;
- Modern technology; and
- A sound, long term operating plan

Staff will develop for Board review at a later time detailed project planning guidance and an evaluation process.

Under Step Three (preliminary engineering through construction), projects will develop in a competitive environment. These projects will likely result in a requirement for funding greater than what is under the control of the Authority to build all projects. Hence, staff proposes that large projects, identified as those likely to have capital costs greater than \$25 million, maintain eligibility for federal funding beginning with the planning and/or alternatives analysis in Step Two. Projects with capital costs less than \$25 million will not be required to meet federal funding eligibility requirements.

Step Four is to perform additional work on Metrolink stations to transform them into transportation centers that can serve as hubs to projects that are developed under this process, beginning with the grants for initial needs assessment.

Fiscal Impact

All planning work under Steps One and Two is fundable with the approved \$30 million in existing Measure M funds. Project development funding sources in Steps Three and Four are not defined at this time, however they may potentially include Measure M, if it is extended, and FTA funding.

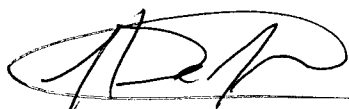
Summary

Staff proposes a process for defining and developing city-initiated rapid transit and related projects for communities to develop their own transit vision for the future. The first step of the process sets the stage by defining the needs at and around each Metrolink station for the eventual development of a countywide transit system that starts at Metrolink and extends into the communities. The extensions to Metrolink could be funded by a potential renewal of Measure M. The planning effort for these extensions is consistent with the transit program in Measure M, the Authority's transit vision of enhancing the facilities and services along Orange County's rail backbone, Metrolink rail service, and will be subject to compliance with audit and oversight consistent with the Measure M ordinance. An MOU between each city and the Authority will outline the roles and responsibilities.

Attachment

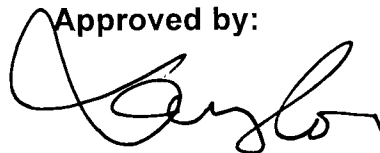
- A. Sample Memorandum of Understanding by and Between the Orange County Transportation Authority and City of City Name Here for Relating to City-Initiated Rapid Transit and Related Projects

Prepared by:



José de Jesús Martínez, P.E.
Project Manager
(714) 560-5755

Approved by:



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

**SAMPLE
MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN
ORANGE COUNTY TRANSPORTATION AUTHORITY
AND
CITY OF CITY NAME HERE
FOR**

RELATING TO CITY-INITIATED RAPID TRANSIT AND RELATED PROJECTS

The following memorandum of understanding is entered into by and between the City of City Name Here ("CITY NAME HERE") and the Orange County Transportation Authority ("OCTA") with regard to the following matters:

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

WHEREAS, OCTA's long-term vision for transit improvement calls for enhancing facilities and services within the Metrolink rail transit core so that more riders utilize Metrolink; and

WHEREAS, the transit vision for calls for extending the reach of Metrolink to and from Metrolink stations into communities; and

WHEREAS, CITY NAME HERE and the OCTA wish to work as partners to develop a community-based transit vision that increases use of Metrolink by (City Name) residents, visitors, and/or employees; and

WHEREAS, \$30 million of voter-approved existing Measure M funds is designated for cities to study ways to accomplish this; and

WHEREAS, the OCTA Board of Directors voted on February 14, 2006 to allocate \$100,000 per City to initiate community-based needs assessment and concept development of transit projects to allow communities to develop their own transit vision for the future; and

WHEREAS, Metrolink Station City will be the lead agency for this initial ascertainment of needs; and

WHEREAS, CITY NAME HERE will work in a collaborative effort with one or more lead Metrolink station Cities.

WHEREAS, the remainder of the \$30 million is reserved for a future competitive process for planning, and, for those seeking federal funds, alternatives analysis as well; and

WHEREAS, CITY NAME HERE upon signing this Memorandum of Understanding, will receive a grant in the amount not to exceed \$100,000 ; and

WHEREAS, CITY NAME HERE informed by community input will assess ways to extend the reach of Metrolink or enhance facilities within the Metrolink service area consistent with local city planning goals the idea of communities developing their own transit vision for the future; and

NOW, THEREFORE, it is mutually understood and agreed by OCTA and CITY NAME HERE as follows:

1. OCTA will provide a grant of \$100,000 to CITY NAME HERE to launch the process of communities developing their own transit vision for the future by defining what may be planned to enhance the Metrolink facilities or extend the reach of Metrolink service into its community and beyond.

2. CITY NAMED HERE grant will be subject to audit by the Measure M Citizens Oversight Committee and all other taxpayer safeguards included in Measure M;

3. CITY'S NAME HERE community-based needs assessment work shall include a review of relevant city-planning documents, and an assessment of immediate and long term transit opportunities and constraints in the anchor Metrolink station city and partnering cities and communities (including the role of OCTA-owned Metrolink and Pacific Electric Right-of-Way). Immediate transit opportunities are defined as those that can be funded by the approved \$30 million and implemented as part of a detailed planning process and, for those seeking federal funding, alternatives analysis. Long-term opportunities will develop from planning and/or alternatives analysis work and may necessitate renewal of Measure M or other significant additional funding source beyond known revenue streams for their further development (preliminary engineering through construction).

5. The **CITY NAME HERE** shall produce a written report of its findings, recommendations, and next steps according to a mutually agreed upon schedule.

6. OCTA and **CITY NAME HERE** will establish at a later date responsibilities for detailed planning, alternatives analysis, design, preliminary engineering, construction, and operation and maintenance of any transit systems that evolve from this ascertainment of needs; and

7. OCTA and **CITY NAME HERE** shall consider developing a long-term funding program that will allow the development of the results of ascertainment of needs. Funding beyond the subject \$100,000 grant shall be pursuant to a competitive call for projects initiated by OCTA at a later date.

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

CITY OF _____ ORANGE COUNTY TRANSPORTATION AUTHORITY

By: _____ By: _____
Mayor Arthur T. Leahy
Chief Executive Officer

ATTEST: APPROVED AS TO FORM:

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

_____, City Attorney **APPROVAL RECOMMENDED:**

Date: _____ By: _____
Paul C. Taylor, Executive Director,
Planning, Development and Commuter
Services
Date: _____



BOARD COMMITTEE TRANSMITTAL

February 27, 2006

To: Members of the Board of Directors
From: Wendy Knowles, Clerk of the Board
Subject: Agreement for Provision of ACCESS, Contracted Fixed Route, Stationlink and Express Bus Service

Transit Planning and Operations Committee

February 9, 2006

Present: Directors Winterbottom, Brown, Pulido, Duvall, Green and Norby
Absent: Director Silva

Committee Vote

This item was passed by all Committee Members present.

Director Pulido was not present for this vote.

Committee Recommendation (reflects change from staff recommendation)

Refer this item to the Board for discussion and action on staff's recommendation.



February 9, 2006

To: Transit Planning and Operations Committee
From: Arthur T. Leahy, Chief Executive Officer *ATL/EL*
Subject: Agreement for Provision of ACCESS, Contracted Fixed Route, Stationlink and Express Bus Services Contract

Overview

The Orange County Transportation Authority currently has an agreement with Laidlaw Transit Services, Inc., for the management and operation of ACCESS and contracted fixed route service. This agreement expires on June 30, 2006. A competitive procurement has been conducted and offers were received in accordance with the Orange County Transportation Authority's procurement procedures for professional and technical services. Board approval is requested to execute an agreement.

Recommendation

Authorize the Chief Executive Officer to enter into Agreement C-5-3021 between the Orange County Transportation Authority and Connex Transit, Inc., in an amount not to exceed \$95,569,884, for the provision of ACCESS, Contracted Fixed Route, Stationlink and Express Bus Service for an initial three year term commencing on July 1, 2006. The recommended agreement includes two one-year option terms.

Background

Laidlaw Transit Services, Inc., (Laidlaw) has operated the Orange County Transportation Authority's (Authority) ACCESS and Contracted Fixed Route service since 1999. The initial term of the contract was from November 1999 and continued through June 2004. The Board has approved several extensions to this agreement, with the latest scheduled to expire on June 30, 2006 (Attachment A).

A previous procurement for these services was conducted in 2005. At that time, two separate Request for Proposals (RFP) were issued, one for ACCESS service and one for Contracted Fixed Route service. Best and final offers were

solicited for combining all of the services. This procurement provided staff with the information necessary to carefully and deliberately analyze a number of different service scenarios. Analysis of the proposals submitted indicated that there was a significant cost savings associated with continuing to operate the services under a single contracting arrangement. All bids received in this procurement were rejected.

A revised RFP was issued on December 17, 2005. The Scope of Work outlined in this Request for Proposals required operating all services from the Authority's Irvine Base. Bidders were also invited to propose a site other than the Authority's Irvine Base as a supplemental proposal. Board direction given at that time, was that a bidder's supplemental proposal would be reviewed only after the evaluation of the Irvine Base proposals was complete. Three firms responded to the Request for Proposals:

Firm and Location

Connex Transit, Inc.
Silver Spring, Maryland

First Transit, Inc.
Cincinnati, Ohio

Laidlaw Transit Services, Inc.
Overland Park, Kansas

A supplemental proposal was submitted by Laidlaw Transit, the other two firms did not submit a supplemental proposal. As per Board direction, the supplemental proposal was only to be considered if it was submitted by the top ranked firm.

A procurement schedule was developed to correspond with the Laidlaw contract expiration on June 30, 2006 (Attachment B). Proposals were received on January 23, 2006, the proposal evaluation committee met on January 25, 2006, and all three firms were interviewed on January 27, 2006.

The evaluation committee consisted of individuals from a number of Authority departments including Contracts and Materials Management (CMM), Maintenance, Community Transportation Services (CTS), Financial Planning and Analysis (FP&A) and the Executive Deputy Director of Contracted Services from the Los Angeles Metropolitan Transportation Authority.

The evaluation committee has completed the competitive procurement process and staff is returning to the Board with a recommendation to award a single contract for the management and operation of ACCESS, Contracted Fixed Route, Stationlink and Express Bus Service.

Discussion

The staff recommends award to the firm demonstrating the best overall capability and performance assurance using four equally weighted evaluation criteria used during the procurement process: qualifications of the firm, staffing and project organization, work plan, and cost. In addition, all firms had the opportunity to gain ten additional points for compliance with California Labor Code 4.6 which addresses the retention of existing employees of the current service operator.

Based on the evaluation of the proposals and the interviews (Attachments C and D) the evaluation committee recommends the following firm for selection and contract award:

Firm and Location

Connex Transit, Inc.
Silver Spring, Maryland

Connex Transit, Inc. (Connex-ATC) is headquartered in Silver Spring, Maryland and has a regional headquarter in Los Angeles. Connex-ATC has extensive experience operating both paratransit service and fixed route services. In addition, Connex-ATC has contracts operating commuter rail, light rail, and taxi services. This firm has a depth of resources and a proven track record which supports its ability to perform the work described in this RFP.

Connex-ATC received the highest overall ranking by the members of the committee. Connex-ATC's score is reflective of superior scores in both work plan and cost. Following is a discussion of the key items which differentiated the offerors in each of the areas evaluated by the committee. The combined average scores of the three firms are as follows:

Combined Average Scores			
	Connex-ATC	First Transit	Laidlaw
Qualifications of the Firm	20	18	20
Staffing	16	15	20
Work Plan	23	16	18
Cost	25	15	20
Combined Average Score	84	64	78
Compliance with California Labor Code 4.6	10	10	10
Total Score	94	74	88

Qualifications of the Firm: 25 percent of overall score

Connex-ATC	20 out of 25
Laidlaw	20 out of 25
First Transit	18 out of 25

In the evaluation of qualifications of the firm the items considered include experience performing work of a similar nature, demonstrated competence in providing the services, strength and financial stability of the firm, record of meeting performance standards on similar projects, and supportive client references.

All three firms that submitted proposals have extensive experience operating both fixed route and paratransit services. The three firms were closely rated in this area, in fact Connex-ATC and Laidlaw received a tie score of 20 points out of a possible 25 points, while First Transit received a rating of 18 points out of a possible 25 points. All three firms complied with the RFP requirement to disclose all contracts ended in the past five years, and all reference checks were deemed satisfactory.

The difference in the ratings in this area were primarily a result of operating projects similar in scope to the Authority's ACCESS and contracted fixed route services, and also operating services that combine both service modes. Laidlaw has the past experience of operating the Authority's services, which is one of the largest of its type in the country. Connex-ATC's comparable experience includes the operation of the Citizen's Area Transit System in Las Vegas since 1992. The Las Vegas contract is one of the largest in the country and is similar in magnitude to the services described in the Authority's

current scope of work. First Transit operates both types of service, however does not have experience with anything similar in magnitude.
Staffing and Project Organization: 25 percent of overall score

Laidlaw	20 out of 25
Connex-ATC	16 out of 25
First Transit	15 out of 25

The staffing and project organization portion of the proposal establishes the methods that the firms will use to manage the project, identifies key management staff assigned and details overall levels of staffing. Laidlaw received the highest score in this area.

The evaluation committee felt that Laidlaw proposed the strongest management team, receiving a rating of 20 out of 25 points. The Laidlaw team demonstrated a thorough understanding of individual areas of expertise. This is largely due to the fact that they have working knowledge of the project. The Connex-ATC team was also very experienced, but lacked the working knowledge of the project. The Connex-ATC score of 16 points out of a possible 25 points is reflective of this. The First Transit management team was not viewed by the evaluation committee to be as strong due to the fact that the proposed General Manager was not a current employee of the firm and did not have any recent operations management experience. First Transit received a rating of 15 points out of a possible 25 points in this area.

The other area considered under Staffing and Project Organization is overall levels of staffing for the project. Laidlaw proposed the highest level of staffing. (Attachment E)

<u>Firm</u>	<u>Total Employees</u>
Laidlaw	688
Connex-ATC's	613
First Transit's	596

Laidlaw has proposed 55 more bus operators than Connex-ATC, 15 additional staff for the call center function, and seven (7) additional staff for the maintenance function. Laidlaw currently staffs this project with 610 people. This issue was addressed in the interviews of the firms, however Laidlaw did not address the need for this additional staff given the level of service for ACCESS is consistent with current levels of service, and fixed route service increases do not proportionately demand the staff increase proposed. In addition, with the full implementation of Mobile Data Terminals (MDT) in early

summer, it is expected that service efficiencies will be realized, possibly requiring fewer staff.

In comparison, First Transit proposed to staff this project with 596 employees. While this seems low, First Transit is a national company that has extensive experience preparing bids of this nature. Based on their review of the Scope of Work, they believed that far fewer staff were required. In consideration of these facts, the evaluation committee felt that the level of staffing that Connex-ATC is proposing is consistent with the current levels and consistent with the level necessary to continue the high level of service currently provided to our customers.

Work Plan: 25 percent of overall score

Connex-ATC	23 out of 25
Laidlaw	18 out of 25
First Transit	16 out of 25

The work plan is intended to provide a comprehensive description of how the services will be performed. Connex-ATC received the highest rating in this area, 23 points out of a possible 25 points. The Connex-ATC work plan was detailed and well thought out. It demonstrated creativity and innovations in service delivery. The Laidlaw work plan demonstrated their knowledge of the current operation, but lacked creativity and new ideas. Laidlaw's rating in this area was 18 points out of a possible 25 points. The First Transit work plan was much less detailed than the other two and did not demonstrate that the same level of effort was put forth in the development of the plan. First Transit received a rating of 16 points out of a possible 25 points.

Connex-ATC's work plan is divided into six areas: information technology, brokerage, paratransit, fixed route, maintenance, and start-up. Each of these areas were addressed in detail in the proposal and a comprehensive transition plan was included.

The information technology and brokerage portion of the work plan includes an on-going partnership with Trapeze, the developer of the Authority's paratransit scheduling and dispatching software, to evaluate current practices and implement process changes to enhance system productivity. Connex-ATC's proposed scheduling method includes leaving a portion of requested trips unscheduled until the day of service. On the day of service these trips will be scheduled after late cancellations are removed from route manifests. This will improve system productivity and help alleviate the negative impact that late cancellations and passenger no-shows have on the service.

Laidlaw proposed to include additional software enhancements that if realized, would be beneficial to the operation, but did not bring a new perspective to looking at the methods used for scheduling the ACCESS service. The evaluation committee believed that this is one area that has great potential for service improvements and Laidlaw has not demonstrated their ability to achieve this in the past.

The Connex-ATC work plan exhibited a level of enthusiasm for this project and provided a detailed, thoughtful approach consistent with the Authority's desire to explore creative and innovative service methods. For example, there is a detailed taxi element to their ACCESS operations plan that includes subcontracting arrangements with three local taxi companies and the use of a computerized trip brokering service.

The Connex-ATC work plan included an alternative operating arrangement where 10 percent of the ACCESS trips would be provided by the taxi companies in the first year of the contract, and 20 percent of the ACCESS trips would be provided by the taxi companies in the second year of the contract. In the scope of this evaluation, the alternative cost proposal was not considered; however, the committee did believe that plan was viable and could be negotiated into the terms of the contract. Laidlaw is agreeable to work with taxi operators if required, but has not taken any initiative to begin such an effort.

Connex-ATC is the current operator of the Metrolink service. Their proposal highlights their ability to have real time information regarding the train schedules, and their ability to offer seamless integration with the Authority's Stationlink services. This is a unique opportunity to provide a high level of service to our Stationlink passengers that no other firm can offer.

In the area of vehicle maintenance, Connex-ATC demonstrated their ability to identify the required level of staffing to perform the maintenance functions required by this contract. The scope of this contract includes a detailed vehicle maintenance program including a comprehensive preventive maintenance program. Under the scope of this agreement, major maintenance expenses are a pass through cost to the Authority. Major maintenance includes items such as replacement of engines, transmissions, differentials and brake retarders. The level of staffing proposed is consistent with the current level of staffing. Connex-ATC has proposed to have a maintenance manager on-site the day after the contract is awarded to evaluate the fleet and begin fleet transitioning activities.

The transition plan calls for activities to commence immediately following the contract award and continue through the July 1, 2006, service transition date. Connex-ATC's intent is to retain as many of the existing employees as possible. Connex-ATC's management staff has communicated this commitment to the Teamsters Local 952 representing the current drivers. In addition, they have committed to a comparable wage and benefit structure, including medical benefits. The ability to reach an agreement with the union quickly and retain as many of the current employees as possible will be critical to a smooth transition.

The Authority's Irvine Base will be made available to the successful bidder to begin transition activities immediately after the contract is negotiated. Laidlaw currently operates these services from their own facility in Irvine. This does offer Laidlaw an advantage in ease of transition to the Authority's Irvine Base. Laidlaw would have the ability to transition using a phased approach. Connex-ATC will not have the same ability in this area, however, their transition plan is very well thought out and staff is confident that they will dedicate the necessary resources to this effort.

Cost and Price: 25 percent of overall score

The Scope of Work includes a three-year contract with two one-year options. The cost proposals submitted by the three firms are as follows:

Firm	Initial Term	Option Terms	Contract Total
Connex Transit, Inc.	\$94,519,884	\$72,637,494	\$167,157,379
Laidlaw Transit, Inc.	\$100,490,356	\$79,707,749	\$180,198,106
First Transit	\$104,170,356	\$85,353,744	\$189,524,110

This contract is structured with monthly fixed cost plus variable vehicle service hour rate. Included in the fixed costs are items such as the management oversight, staff direct labor wages and fringe benefits, employee taxes, depreciation costs, casualty/liability insurance, equipment costs, and management fees. The vehicle service hour rates for each service include the same items associated with the bus operations staff, and also items such as equipment, supplies, and parts.

In evaluating the cost proposals, the evaluation committee considered not only the competitiveness of the costs, but also reasonableness of the costs. In depth financial analysis of the proposed costs was conducted. The Connex-ATC cost proposal represents a cost savings of nearly \$6 million during the initial term of the contract, and approximately \$13 million if the

option terms are exercised. The cost differential is accounted for primarily in casualty/liability insurance costs and maintenance costs.

<u>Firm</u>	<u>Initial Term</u>	<u>Option Term</u>	<u>Total</u>
Laidlaw Transit, Inc.	\$100,490,356	\$79,707,749	\$180,198,106
Connex	\$94,519,884	\$72,637,494	\$167,157,379
Difference	\$5,970,472	\$7,070,255	\$13,040,727

The Authority's Risk Manager evaluated the insurance levels proposed by each firm and is confident that all three firms meet the insurance requirements of the RFP. Connex-ATC's cost of insurance is significantly lower than the other two firms, making their overall cost proposal more competitive.

The maintenance costs proposed by Connex-ATC is lower than that being proposed by Laidlaw. The Authority staff has maintenance personnel assigned directly to the oversight of the contracted operations. There is an established inspection schedule managed by Authority staff that ensures adherence to the requirements as set forth in the scope of work. (Attachment F) Direct oversight as well as penalties in the contract for lack of performance will ensure that all vehicle maintenance activities meet the Authority's standards and protect the Authority's assets.

The maximum obligation requested for this project includes the cost of the initial term as proposed by Connex-ATC at \$94,519,884, plus the projected cost of major maintenance expenses at \$1,050,000, for a total maximum obligation of \$95,569,884, for July 1, 2006, through June 30, 2009.

Summary of Evaluation

All three firms that submitted proposals in response to this RFP are large, reputable, national firms. Each of the firms submitted a proposal that demonstrates their ability to adequately perform the services described in the Scope of Work. Laidlaw Transit Services has successfully operated these services since 1999, which gives them an advantage in having a first hand understanding of the requirements of the project. However, the other firms operate similar services and, based on this experience, are capable of providing a work plan and cost proposal that is competitive and viable.

The Connex-ATC proposal received the highest overall rating by the evaluation committee. The evaluation committee believes that having the opportunity to have our business practices evaluated from a new perspective has great value. The Connex-ATC proposal demonstrated a creative and innovative approach

and was also the most competitive in terms of cost. Therefore, the evaluation committee recommends contract award to Connex-ATC.

The supplemental proposal submitted by Laidlaw Transit Services, Inc. for operating from a site other than the Irvine Base has not been reviewed or considered. This is due to the fact that Laidlaw Transit Services Inc. is not the recommended bidder. Connex Transit Inc., the recommended bidder did not submit a supplemental bid.

Fiscal Impact

The funding for this project is included in the Authority's proposed Fiscal Year 2006-07 Budget, Operations Division/Community Transportation Services, Account 2131-7311, 7313, and 7613 and is funded through the Local Transportation Fund.

Summary

The evaluation committee recommends the award of Agreement C-5-3021 to Connex-ATC, in an amount not to exceed \$95,569,884, for the provision of ACCESS, Contracted Fixed Route, Stationlink and Express Bus Service.

Attachments

- A. Laidlaw Transit Services, Inc., Contract C-4 0301 History
- B. Procurement Schedule for ACCESS RFP
- C. Technical Proposal Evaluation
- D. Review of Proposals – RFP 5-3021
- E. Staffing Comparison
- F. Scheduled Inspections and Reports

Prepared by:


Erin Rogers
Manager,
Community Transportation Services
714-560-5367

Approved by:


William L. Foster
General Manager, Operations
714-560-5842

Laidlaw Transit Services, Inc., Contract C-4-0301 History

Contract term July 1, 2004 through June 30, 2005

- Amendment No. 1 Purchase of Mobile Data Terminals (MDT) and Automatic Vehicle Locator (AVL) systems.
- Laidlaw to oversee the installation, vendor coordination and field testing of data communication equipment for paratransit bus fleet.
- Amendment No. 2 Provide Late Night ACCESS service for 60 days beginning July 1, 2004 through August 31, 2004 during the hours of 9:00 p.m. through 5:00 a.m.
- Amendment No. 3 Extend term of contract June 30, 2005 through July 31, 2005 for Contracted Fixed Route, ACCESS, Off-Route and Stationlink for one additional month.
- Amendment No. 4 Addition of 30,000 ACCESS vehicle service hours to meet demand for fiscal 2004-2005.
- Additional funding for Late Night ACCESS service from December 1, 2004 through July 1, 2005.
- Funding for major maintenance expenses on Authority-owned vehicles.
- Reimbursement for purchase of diesel fuel for revenue vehicles in excess of \$1.04.
- Credit to Authority for fuel purchased from September 2004 through January 2005.
- Funding for fuel for gasoline demonstration vehicle.
- Funding for tax on purchase of Data Communication System.
- Amendment No. 5 Addition of ACCESS vehicle service hours, 223,286.
- Addition of Contracted Fixed Route vehicle service hours, 21,577.

Addition of Stationlink vehicle service hours, 5,509.

Addition of Late Night ACCESS service hours from July 1, 2005 through November 30, 2005 during the hours of 10:00 p.m. until 4:00 a.m.

Funding for major maintenance expenses from July 1, 2005 through November 30, 2005.

Funding for fuel for gasoline demonstration vehicle July 1, 2005 through November 30, 2005.

Credit to Authority for fuel purchased from August 2005 through November 2005.

Amendment No. 6

Extend term of Agreement for additional seven (7) months, July 31, 2005 through February 28, 2006.

Addition of ACCESS vehicle service hours, 155,218.

Addition of Contracted Fixed Route vehicle service hours, 22,508.

Addition of Stationlink vehicle service hours, 5,440.

Addition of Late Night ACCESS service hours from July 1, 2005 through November 30, 2005 during the hours of 10:00 p.m. until 4:00 a.m.

Funding for major maintenance expenses Fiscal Year 2004-05.

Funding for fuel for gasoline demonstration vehicle fiscal year 2004-05.

Credit to Authority for fuel purchased from August 2005 through November 2005.

Amendment No. 7

Extend the term from February 28, 2006 through June 30, 2006 , in the amount of \$11,448,896



Procurement Schedule for ACCESS RFP

- | | | |
|-----|----------------------------------|------------------------|
| 1. | Issue RFP | December 16, 2005 |
| 2. | Pre-proposal Conference/Job walk | January 4, 2006 |
| 3. | Offerors Questions | January 11, 2006 |
| 4. | OCTA Responses | January 16, 2006 |
| 5. | Proposals Due | January 23, 2006 |
| 6. | Evaluation Committee Meeting | January 25, 2006 |
| 7. | Interviews | January 27, 2006 |
| 8. | TPO Committee Presentation | February 9, 2006 |
| 9. | Award Board Approval | February 27, 2006 |
| 10. | Contract Negotiations | Feb. 27- Mar. 15, 2006 |
| 11. | Transition | Mar.15 - June 30, 2006 |
| 12. | New Contractor | July 1, 2006 |

Technical Proposal Evaluation

RFP 5-3021 ACCESS, Contracted Fixed Route, Stationlink, Express Bus

CONNEX							Weights	Overall
	1	2	3	4	5	6		
Qualifications of the Firm	4	4	4	4	4	4	5	20
Staffing and Project Org.	3	4	3	3	3	3	5	16
Work Plan	4	4	5	5	5	5	5	23
Cost and Price	5	5	5	5	5	5	5	25
Subtotal Of Evaluation Criteria								84
Compliance with CA Labor Code								10
Total	80	85	85	85	85	85		94

FIRST TRANSIT							Weights	Overall
	1	2	3	4	5	6		
Qualifications of the Firm	3	4	4	3	4	3	5	18
Staffing and Project Org.	3	3	3	3	3	3	5	15
Work Plan	3	4	3	3	3	3	5	16
Cost and Price	3	3	3	3	3	3	5	15
Subtotal Of Evaluation Criteria								63
Compliance with CA Labor Code								10
Total	60	70	65	60	65	60		73

LAIDLAW TRANSIT, INC.							Weights	
	1	2	3	4	5	6		
Qualifications of the Firm	4	4	4	4	4	4	5	20
Staffing and Project Org.	4	4	4	4	4	4	5	20
Work Plan	3	3	4	3	4	4	5	18
Cost and Price	4	4	4	4	4	4	5	20
Subtotal Of Evaluation Criteria								78
Compliance with CA Labor Code								10
Total	75	75	80	75	80	80		88

ACCESS, CONTRACTED FIXED ROUTE, STATIONLINK AND EXPRESS BUS SERVICES

Review of Proposals- RFP 5-3021

(Presented to Transit Planning and Operations Committee - 2/9/06)

3 proposals were received, 1 firm recommended for an award.

Overall Ranking	Proposal	Firm & Location	Sub-Contractors	Evaluation Committee Comments	Total Price
1	94 includes 10 points for compliance with CA Labor Code 4.6	Connex-ATC Los Angeles, CA	Kingsbury Uniforms Evergreen Environmental Svcs Call Oscar	Highest ranked firm. Firm has very good experience in paratransit, fixed route and brokerage services Strong experienced staff with paratransit, fixed route and brokerage services Work Plan was very creative and showed a very thorough understanding of the requirements Excellent understanding on the use of taxis to provide some of the services Offered the lowest pricing to operate all services. Proposal offered several value-added services Provided an excellent presentation and responses to questions during the interview phase.	\$94,519,884 initial term (3 yrs) \$72,637,494 option terms (2 yrs) \$167,157,379 total for 5 years
2	88 includes 10 points for compliance with CA Labor Code 4.6	Laidlaw Transit, Inc. Irvine, CA	Orange County Assoc. for Retarded Citizens	Incumbent firm with very good experience in paratransit, fixed route and brokerage services Experienced staff with very good day to day knowledge of operations Work plan reflects the firm's understanding of OCTA's requirements Very good transition plan for moving to the Irvine Base Work plan offered new technology software to increase productivity Competitive pricing Provided a very good presentation and responses to questions during the interview phase	\$100,490,356 initial term (3 yrs) \$79,707,750 option terms (2 yrs) \$180,198,106 total for 5 years
3	73 includes 10 points for compliance with CA Labor Code 4.6	First Transit Cincinnati, OH	none	Firm has good experience in providing fixed route, paratransit and brokerage services Experienced staff but little experience working together Work plan reflects the firm's understanding of some of the requirements Offered a very good training program for staff at all levels Highest price offered Provided a good presentation and responses to questions during the interview phase	\$104,170,365 initial term (3 yrs) \$85,353,745 option terms (2 yrs) \$189,524,110 total for 5 years

Evaluation Committee Members

OCTA

Community Transportation Serv. (2 voting members- 3 members participated)
Financial Planning & Analysis (1 voting member)
Contracts Administration and Materials Management (1 voting member)
Maintenance (1 voting member)

External

Los Angeles MTA (1 voting member)

Evaluation Criteria

Qualification of the Firm 25%
Staffing and Project Organization 25%
Work Plan 25%
Cost and Price 25%

ATTACHMENT D

ATTACHMENT E

**STAFFING COMPARISON
ACCESS, Contracted Fixed Route, Stationlink and Express Bus Services
RFP C-5-3021**

		(A)	(B)	(C)	(B)-(C)
		LIDLAW PROPOSED	CONNEX PROPOSED	LIDLAW CURRENT	DIFFERENCE
EXECUTIVE MANAGEMENT	General Manager	1	1	1	0
	GM Assistant / Admin	1	2	0	2
ACCESS	Access Management	2	3	1	2
FIXED ROUTE	Fixed Route Management	2	2	1	1
TOTAL MANAGEMENT		6	8	3	5
CLERICAL / ADMIN				15	(15)
DRIVERS	Drivers (Year 1)	518	462	450	12
SUPERVISORS	Road Supervisors	12	10	9	1
CUSTOMER CARE	Customer Care Staff	2	2	2	0
HUMAN RESOURCES	HR Manager/ Recruiter	2	2	1	1
ACCOUNTING	Accounting Staff	2	6		6
INFORMATION TECHNOLOGY	IT Staff	2	2	2	0
ACCESS POLICY ADMIN	Access Policy Administrator	1	1	0	1
TRAINING	Safety & Training Manager	1	1	1	0
	Trainers	10	9	13	(4)
TOTAL OPERATIONS STAFF		550	495	493	2
CALL CENTER MANAGEMENT	Call Center Manager	1	1		1
WINDOW / RADIO DISPATCH	Dispatch/Radio Staff	20	20	22	(2)
RIDE CHECK / RESERVATIONIST	Reservation Staff	30	21	23	(2)
SCHEDULING	Scheduling Staff	19	13	10	3
TOTAL CALL CENTER STAFF		70	55	55	0
MAINTENANCE	Maintenance Management	5	7	7	0
	Parts /Clerks	2	3	3	0
	Mechanics	26	26	26	0
	Utility Workers / Supervision	25	19	23	(4)
	Custodial	2			0
	Clerical	2			0
TOTAL MAINTENANCE STAFF		62	55	59	(4)
GRAND TOTAL		688	613	610	3

SCHEDULED INSPECTIONS AND REPORTS

- Preventive maintenance work order inspections report (Monthly)
 - 6,000-mile inspections
 - 24,000 mile or every six months opacity inspections
 - Transmission inspections and differential inspections
- Work order inspection report (Monthly)
 - Inspection of current work orders and discusses deficiencies with the Maintenance Manager.
 - Access computerized vehicle history reports for deficiencies.
 - Review breakdowns and road call reports.
 - Review oil-sampling reports.
- Vehicle damage inspections (Bi-monthly)
 - Inspection of vehicles for body damage, vandalism, decals and glass.
- Vehicle inventory inspections (Annually)
 - Identify vehicle and location.
 - Fare collection devices and type.
 - Communication systems.
- Inspections in safety brake inspection pit (Monthly)
 - Inspection of fleet for safety defects, general mechanical condition and chassis cleanliness (steam cleaning).
- Pre-Trip/Pull-Out inspections (Quarterly)
 - Assist operations with pullout inspections.
 - Inspect tires, wheels, lug nuts, fire extinguishers, lift covers, graffiti and exterior for cleanliness.
- Yard inspections (Weekly)
 - Inspection of parked vehicles for fluid leaks, tires, body damage and graffiti.
 - Inspect condition of scrap tires.
 - Review tire reports and inventory.
- Post preventative maintenance inspection. (Random)
 - Inspection of vehicle and inspection forms.